



# Nightingale Health

**HALF-YEAR REPORT  
1 JULY 2022 – 31 DECEMBER 2022**



**Nightingale Health Group's** half-year report 1 July 2022 – 31 December 2022  
(unaudited)

Company release, 23 March 2023 at 9:00 a.m. (EET)

**COMMERCIALIZATION PROGRESSING IN LINE WITH STRATEGY**

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

**July-December 2022 key financials (IFRS)**

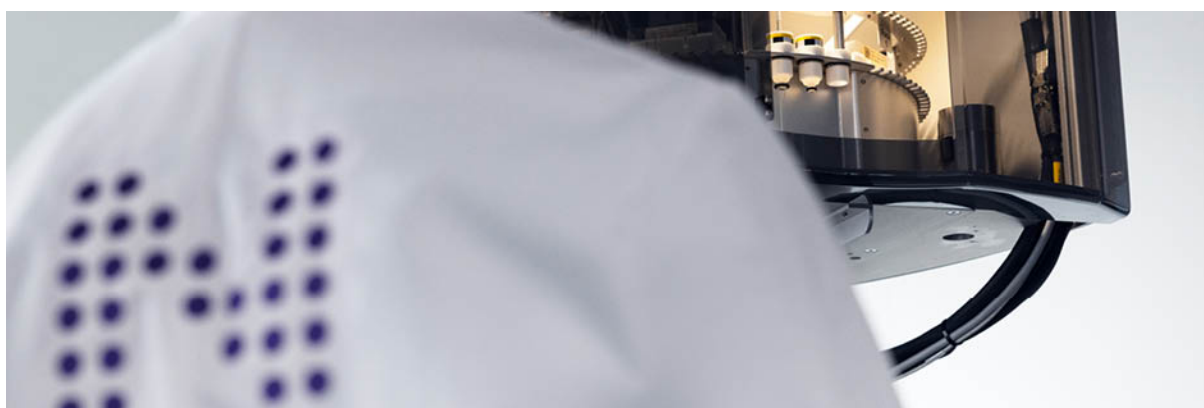
- Revenue was EUR 2.24 (1.27) million
- EBITDA was EUR -5.46 (-4.13) million
- Operating loss was EUR -8.67 (-5.91) million
- Net loss for the period was EUR -8.55 (-5.76) million
- Unadjusted earnings per share (EPS) was EUR -0.14 (-0.10)
- Cash and cash equivalents at the end of the period were EUR 87.52 (105.41) million





## Significant events during the half-year period

- A study of over 100,000 people was published in *Nature Medicine*, one of the world's leading medical journals, further demonstrating that Nightingale Health's blood test can identify early risk signs for many common diseases all at once and capture a unique cost-effective snapshot of a person's health state. The study was conducted by researchers from universities in Germany, the Netherlands and the UK and is one more indication that Nightingale Health's medical data generation platform can significantly support building a global preventative health system.
- In order to bring its preventative blood analysis technology to as wide use as possible, during the half-year period Nightingale Health has invested in sales, marketing and business development to win commercial contracts in the public healthcare sector, B2B market and medical research in accordance with the business targets set by the company.
- As part of its international growth strategy Nightingale Health established a new subsidiary in the UK. In the UK, Nightingale Health aims to expand its partnerships within the medical research industry, and to make the technology available to UK's healthcare system.
- In Japan, Nightingale Health has during the half-year period signed several new contracts with dozens of hospitals and clinics to expand the sales of the preventative health service offered by Nightingale Health Japan KK, a fully owned subsidiary of Nightingale Health Plc and Welltus Inc., a subsidiary of Japanese conglomerate Mitsui & Co Ltd.



## Key figures (IFRS)

EUR thousand	Group 7-12/2022	Group 7-12/2021	Group 7/2021-6/2022
Revenue	2,243	1,272	2,313
EBITDA	-5,463	-4,128	-9,389
Operating profit (loss)	-8,672	-5,907	-13,634
Net income (loss) for the financial period	-8,553	-5,758	-16,091
Equity ratio	92%	91%	91%
Net debt to equity ratio	-78%	-80%	-78%
Balance sheet total	115,173	134,123	124,048
Number of employees on average	77	62	64
Employee benefits	-4,107	-2,887	-6,499
Cash and cash equivalents at the end of the period	87,515	105,413	95,279

## Share performance indicators

	Group 7-12/2022	Group 7-12/2021	Group 7/2021-6/2022
Earnings per share (EPS), undiluted and diluted*, EUR	-0.14	-0.10	-0.27
Equity per share, EUR	1.72	1.97	1.83
Lowest share price, HEALTH, EUR	0.98	3.12	1.70
Highest share price, HEALTH, EUR	2.27	5.95	5.95
Closing price at the end of the financial period, HEALTH, EUR	1.02	3.68	1.81
Average daily trading volume of the share	42,921	67,946	76,623
Market value of the shares at the end of the financial period, EUR	61,305,988	221,918,047	109,183,687

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



## From the CEO

The world needs new ways to prevent chronic lifestyle diseases. Disease prevention is the most effective way to reduce ever-increasing healthcare costs and increase the number of healthy years for everybody. At Nightingale Health, we want to enable a healthcare system that is not about waiting for people to get sick but instead about preventing the onset of diseases well in advance.

Prevention is only possible if we can identify the people at the highest risk and target prevention to them. Nightingale Health's blood test is one of the few realistic solutions for national multi-disease risk screening that can be used to identify the individuals at the highest risk of disease. Our test is affordable enough and needs little background information (age and sex) and only a small amount of blood.

In autumn 2022, an independent study based on the data of more than 100,000 people, published in the scientific journal *Nature Medicine*, showed that Nightingale Health's blood test could, from a single blood sample, identify the early risk signs for several common diseases better than existing solutions and in a cost-effective manner. The publication demonstrates that Nightingale Health's blood test is effective in identifying people at high risk and it improves the prediction of several costly diseases, such as heart failure, dementia, and diabetes. The published article highlights the applicability of our technology to large-scale health screenings that identify disease risks.

During the half-year period, we have invested in the commercialization of our technology and sales of our services. We continued our international expansion by establishing a UK subsidiary and hiring a local team. We will establish a laboratory in the UK by the end of the current calendar year and thus aim to expand our partnerships in the research market in the UK. In the next phase, we aim to bring our technology into private and public healthcare use in the UK.

In Japan, after setting up the country operations and establishing a local laboratory, we have focused on building an extensive network of hospitals and clinics, making selling our services possible. By the end of the half-year period, we had signed contracts with more than a hundred different hospitals and clinics. As I have previously highlighted, entering the Japanese healthcare system is a significant achievement for a European company.

We have also continued the development of Livit by Nightingale Health, our consumer service that utilizes the at-home test solution, launched in spring 2022, and built new distribution channels for its sales and marketing.

We will continue our work towards bringing our technology to the broadest possible use by public healthcare operators, scientific research institutes, and private companies. The work requires patience and is not always easy, but we're already a long way down the road.

*Teemu Suna*  
CEO and Founder, Nightingale Health Plc





## **Business targets for the financial year 2022–2023**

Nightingale Health's business targets for financial year 2022–2023 are:

- Win a significant commercial contract in the public healthcare sector
  - The contract enables tapping into major existing blood sample volumes and bring Nightingale Health prevention tools to public health.
- Win B2B commercial contract(s) with more than 50,000 blood samples
  - The contract(s) enables tapping into major existing blood sample volumes and demonstrating Nightingale Health's unique value creation capability in disease prevention.
- Win contract(s) in medical research with more than 175,000 blood samples
  - The contract(s) enables tapping into major blood sample volumes and delivering strong impact of Nightingale Health's technology to advance global medical science.

Nightingale Health launched the Livit at-home testing consumer service in spring 2022 and the service is available in selected markets. The development of the consumer business will continue to be a key focus area in the company's strategy. The company will release financial targets for the consumer business later when there is more data available for the forecast.

Additionally, Nightingale will continue to pursue the FDA 510k approval, which will broaden company's B2B offering to diagnostic applications in the US.

In addition to the targets set for the financial year 2022–2023, Nightingale has medium- and long-term targets that are described on Nightingale Health's website. The mentioned targets remain unchanged.

## Market outlook

The comprehensive health predictions provided by Nightingale Health are mainly related to lifestyle diseases such as heart diseases and type 2 diabetes. Lifestyle diseases are the most common cause of death in the world, and their treatment constitutes over 80 per cent of total healthcare costs in many countries. Prevention of lifestyle diseases could be carried out much more extensively than currently, but the healthcare system is forced to focus primarily on the treatment of diseases due to the increasing number of sick people.

It is possible to prevent lifestyle diseases by motivating and guiding people towards better lifestyles. The information offered by Nightingale Health enables detecting personal health risks at an early stage, making it possible to prevent diseases by changing one's lifestyle. A better lifestyle creates an opportunity for a healthier life at the level of the individual, which, as a result, helps to mitigate the massive healthcare costs stemming from lifestyle diseases and to decrease the stress on healthcare systems.

Preventative care helps to detect and prevent diseases and medical issues before they develop into serious problems. The importance of preventative healthcare has been recognized all over the world. The growing prevalence of chronic diseases and the growing demand for preventive measures are expected to lead to growth in the market for healthcare technologies and services preventing diseases.

In recent years, consumers have adopted solutions that connect basic healthcare functions to their everyday lives, and the active use of digital services has continued in many age groups in Finland as well as internationally. Using different technologies to monitor changes in health is a growing trend among consumers.

Nightingale Health believes that it will benefit from the prevailing global megatrend of consumers wanting to manage and improve their personal health and well-being. In addition, employers, for instance, are investing more in their employees' well-being and public actors recognize the importance of well-being of citizens. Nightingale Health expects that its services will respond to this demand and provide completely new kinds of tools for consumers interested in managing and improving their personal health as well as for employers and other organizations. Additionally, Nightingale Health can connect consumers to the services of healthcare operators to help consumers improve their health and well-being.



## Financial review 1 July 2022 – 31 December 2022 (IFRS)

### Revenue and result

#### Revenue

The Group's revenue during the half-year period totaled EUR 2.24 (1.27) million.

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

#### Result

Group-level operating loss was EUR -8.67 (-5.91) million. EBITDA was EUR -5.46 (-4.13) million. Loss before appropriations and taxes was EUR -8.55 (-5.83) million. Net loss for the half-year period was EUR -8.55 (-5.76) million.

The Group's material and service expenses totaled EUR -0.25 (-0.40) million.

The Group's personnel expenses including expenses in accordance with the IFRS 2 *Share based payments* standard during the half-year period totaled EUR -4.11 (-2.89) million.

Depreciation and amortization of tangible and intangible assets during the half-year period totaled EUR -3.21 (-1.78) million.

### Balance sheet, cash flows and investments

#### Balance sheet and cash flows

At the end of the half-year period, the Group balance sheet totaled EUR 115.17 (134.12) million, of which equity constituted EUR 104.55 (120.17) million. Equity ratio at the end of the half-year period was 92 (91) per cent.

At the end of the half-year period, the Group's net debt totaled EUR -81.36 (-96.31) million. Long-term interest-bearing debt totaled EUR 2.95 (5.59) million. Net debt to equity ratio at the end of the half-year period was -78 (-80) per cent.

Net cash flow from operating activities during the half-year period totaled EUR -4.19 (-2.64) million.

Cash flow from investments totaled EUR -2.48 (-4.27) million consisting of investments in tangible and intangible assets, and in the comparison period also of acquisitions.

Cash flow from financing activities totaled EUR -1.05 (-1.53) million.

Cash and cash equivalents at the end of the half-year period amounted to EUR 87.52 (105.41) million with cash flows from operations, investments and financing totaling EUR -7.71 (-8.44) million.

#### Investments and development

Investments in tangible and intangible assets during the half-year period totaled EUR 2.48 (4.27) million. Investments in intangible assets were mainly related to the development of Applications, Laboratory technology and Risk models.

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

## **Personnel**

The Group had an average of 77 (62) employees during the half-year period. Of the employees 25 worked in sales and business development, 44 in research and development and operations and 8 in administration. At the end of the half-year period, Nightingale Health employed 83 people including the CEO. Of the 83 employees 75 worked in Finland, 4 in Japan, 2 in Germany, 1 in Estonia and 1 in the UK.

## **Shares and shareholders**

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

### **Shares issued and share capital**

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

At the end of the half-year period, 31 December 2022, Nightingale Health's share capital amounted to EUR 80 thousand and the company had issued 60,918,459 fully paid shares of which, 20,585,924 were Series A shares, 39,093,770 were Series B shares ja 1,238,765 were EMP shares.

Nightingale Health held 577,920 EMP shares at the end of the half-year period, 31 December 2022, which constituted approximately 1 (1) per cent of outstanding shares. The shares held by the company carry no voting rights and no entitlement to dividends.

### **Trading in the shares**

The closing price of the share on the last trading day of the half-year period, 30 December 2022, was EUR 1.02. The highest price quoted in the half-year period was EUR 2.27 and the lowest EUR 0.98. The average closing price of the share during the half-year period was EUR 1.48 and the average daily trading volume was 42,921 shares.

Nightingale Health's market value on 31 December 2022 was 61.3 million.

### **Shareholders**

Nightingale Health had 11,798 shareholders on 31 December 2022 (31 December 2021: 11,087). The company's 100 largest shareholders are presented on the company's website.

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

## **Governance and management**

Nightingale Health is committed to good governance, with its decision-making and governance adhering to the Limited Liability Companies Act, securities markets legislation, the rules of Nasdaq First North Growth Market Finland, the company's Articles of Association and other provisions applicable to the company. Additionally, Nightingale Health complies with the Corporate Governance Code of the Securities Market Association.

Nightingale Health's Corporate Governance Statement for the financial year 2021–2022 was released as part of the annual report.

### **Annual General Meeting**

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

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

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

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

The number of members of the Board of Directors was confirmed to be seven (7). Tom Jansson, Antti Kangas, Olli Karhi, Lotta Kopra, Leena Niemistö, Timo Soinen 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 Valtteri Helenius, Authorized Public Accountant, to be the Auditor with principal responsibility. The remuneration of the Auditor is paid in accordance with a reasonable invoice approved by the company.

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

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

- By virtue of the authorization, the Board of Directors is entitled to repurchase a maximum of 2,078,759 A-series shares and 3,889,210 B-series shares by using the non-restricted equity of the company. The shares may be repurchased in one or more lots.



- The company's own shares shall be repurchased at the market price prevailing at the time of the repurchase through public trading on Nasdaq First North Growth Market Finland market-place organized by Nasdaq Helsinki Ltd or otherwise at a market price. The authorization entitles the Board of Directors to decide on the repurchase also other than in proportion to the shareholdings of the shareholders (directed repurchase).
- The shares may be repurchased to be used in the implementation of possible acquisitions or other arrangements within the company's business, to finance investments, to develop the company's financial structure, as part of the implementation of possible incentive schemes of the company and/or otherwise to be kept by the company, transferred or cancelled.
- The authorization includes the right of the Board of Directors to decide on other terms and conditions related to the repurchase of the company's own shares. The authorization is valid for 18 months.

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

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

Maximum amount of shares to be issued

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

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

The 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 2,078,759 A-series shares and 9,100,000 B-series shares of the company in total. The share issue and shares granted under the special rights are included in the mentioned maximum amounts.

Other conditions

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

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

**Management Team**

Members of Nightingale Health's Management Team at the end of the half-year period were Teemu Suna (Chief Executive Officer), Antti Kangas (Chief Technology Officer), Satu Saksman (Chief Operating Officer), Minja Salmio (Chief Legal Officer), Salla Ruosaari (Chief Research and

Development Officer), Jeffrey Barrett (Chief Scientific Officer) and Tuukka Paavola (Chief Financial Officer).

## Option programs

Nightingale Health has established option programs as incentive programs for personnel of the company, covering employees of the company and its group companies and other key persons. In February 2021, the company's Board of Directors outlined that the option programs of the company must be tied to an increase in the company's value. The purpose of the option programs is to bind the option holders to the economic growth of the company and to the development of the company's share value as well as create a long-term relationship between the company and the option holders, which benefits the company both economically and operationally.

Nightingale Health's share based incentive programs are described in more detail in note 8 *Share based payments* in the financial statements of the financial period ended on 30 June 2022.

## 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. Currently, 39 of the 250 biomarkers produced by the company's blood analysis technology are CE marked.

In addition, Nightingale Health's laboratory processes and sample collection adhere to the SFS-EN ISO/IEC 17025:2017 standard, and the laboratory has been accredited by the FINAS accreditation service.<sup>1</sup> Blood samples of individual customers are analyzed using a CE marked IVD device. The quality management system according to which the laboratory processes are conducted is compliant with the EN ISO 13485 standard and certified by Dekra Certification B.V. Nightingale Health also participates in the UK NEQAS and WEQAS programs that are used to monitor analysis quality between Nightingale Health's laboratory and other laboratories. In Japan, Nightingale Health also participates in the JAMT Clinical Laboratory Accuracy Control Survey program.

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

## Risk and uncertainties

Nightingale Health is exposed to risks related to possible changes in the company's business, industry, financial position and regulation. Nightingale Health's risk management is based on the risk management policy approved by the company's Board of Directors. Risk management is part of Nightingale Health's strategic and operational planning, day-to-day decision-making

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<sup>1</sup> Nightingale Health Plc, laboratory is a testing laboratory T333 as accredited by FINAS accreditation service, accreditation criteria SFS-EN ISO/IEC 17025. Scope of accreditation for clinical laboratory tests and test sites are available at [www.finas.fi](http://www.finas.fi).

processes and internal control systems. Risk management includes all activities related to setting targets and detecting, measuring, reviewing, handling, reporting, monitoring and avoiding risks.

Nightingale's risk management and the risks related to its business are described in detail in the company's Financial Statements for the financial period ended on 30 June 2022 and on the company's website.

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

## Significant events after the end of the period

- 25 January 2023 Nightingale Health announced that it will open a laboratory in the UK during 2023 as part of its international growth strategy.
- 31 January 2023 Nightingale Health acquired a worldwide license and rights to blood self-collection device Velvet™ from Weavr Health Corp. The acquired license gives Nightingale Health the rights to independently manufacture the Velvet™ devices and commercially use the devices in connection with Nightingale Health's services. In consideration of the royalty free license, Nightingale Health gave up its rights based on the convertible loan (original investment of approximately EUR 3.5 million).
- 3 February 2023 Nightingale Health announced that it had completed the integration of genetic information to the Livit by Nightingale Health service. The introduction of genetic results into its consumer service follows the company's announcement in January 2022 of expanding into genetics by acquiring Finnish genetics-testing company Negen Ltd. and launching an international excellence center of genomic data analysis. By combining information about how lifestyle affects the dynamic state of one's health with the static inherited state, Livit can provide health risk assessments that are superior to any traditional health risk analysis.
- 8 March 2023 Nightingale Health announced that its strategic collaboration in Estonia had progressed. Nightingale Health had analyzed and delivered to Estonian Biobank the analysis results from blood samples of 200,000 Estonian Biobank participants. The collaboration between Nightingale Health and Estonian Biobank enables the biomarker data from 200,000 samples to be used to advance scientific medical research. In addition, the data will be used to bring novel health insights, such as health risk estimates, to the biobank participants to enable disease prevention.
- 17 March 2023 Nightingale Health published a notice to an Extraordinary General Meeting that will be held on Monday, 24 April 2023. The Board of Directors proposes regarding the election of members of the Board that Lotta Kopra and Tom Jansson will not continue as members of the Board of Directors and that its current members Antti Kangas, Olli Karhi, Leena Niemistö, Timo Soininen and Teemu Suna continue on the Board of Directors. The Board of Directors proposes that Ilkka Laurila is elected to the Board of Directors as a new member for a term that expires at the end of the next Annual General Meeting.



## Live webcast for investors and media

Nightingale will arrange a live webcast for investors and media in English on 23 March 2023 at 2 p.m. EET. The webcast can be followed online at:

<https://nightingalehealth.videosync.fi/2022-2023-h1-results>

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

Helsinki, 23 March 2023  
Nightingale Health Plc  
Board of Directors

### Calculation of key figures

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

## Financial figures of half-year report 1 July 2022 – 31 December 2022

### Consolidated income statement

EUR thousand	Note	7/2022 –12/2022	7/2021 –12/2021	7/2021 –6/2022
Revenue	3	2,243	1,272	2,313
Other income		32	21	262
Materials and services		-245	-404	-1,037
Employee benefits	4	-4,107	-2,887	-6,499
Depreciation, amortization and impairment losses		-3,209	-1,778	-4,244
Other expenses		-3,357	-2,107	-4,406
Share of joint venture's result		-29	-24	-23
<b>Operating profit (loss)</b>		<b>-8,672</b>	<b>-5,907</b>	<b>-13,634</b>
Finance income		350	54	686
Finance costs		-281	-515	-1,178
Fair value change in investment in convertible loan		56	537	-2,068
<b>Net finance items</b>		<b>125</b>	<b>76</b>	<b>-2,560</b>
<b>Profit (loss) before tax</b>		<b>-8,547</b>	<b>-5,831</b>	<b>-16,194</b>
Income tax expense		-6	72	103
<b>Profit (loss) for the period</b>		<b>-8,553</b>	<b>-5,758</b>	<b>-16,091</b>
<b>Profit (loss) for the period attributable to</b>				
Owners of the parent company		-8,553	-5,758	-16,091
<b>Earnings per share</b>				
Basic earnings per share, euro				
– Series A and EMP shares		-0.14	-0.10	-0.27
Basic earnings per share, euro				
– Series B shares		-0.14	-0.10	-0.27

### Consolidated comprehensive income statement

EUR thousand	Note	7/2022 –12/2022	7/2021 –12/2021	7/2021 –6/2022
<b>Profit (loss) for the period</b>		<b>-8,553</b>	<b>-5,758</b>	<b>-16,091</b>
<b>Other comprehensive income</b>				
<b>Items that may be reclassified subsequently to profit or loss</b>				
Foreign operations - foreign currency translation differences, net of tax		1	-9	29
<b>Other comprehensive income for the period</b>		<b>1</b>	<b>-9</b>	<b>29</b>
<b>Total comprehensive income for the period</b>		<b>-8,551</b>	<b>-5,768</b>	<b>-16,062</b>
<b>Total comprehensive income attributable to</b>				
Owners of the parent company		-8,551	-5,768	-16,062

## Consolidated statement of financial position

EUR thousand	Note	31 Dec 2022	31 Dec 2021	30 June 2022
<b>Assets</b>				
<b>Non-current assets</b>				
Goodwill	5	1,023	463	1,023
Intangible assets	5	15,915	13,946	16,249
Property, plant and equipment	6	4,398	3,041	3,911
Right-of-use assets		3,112	5,061	3,864
Investment in joint venture		73	101	102
Investment in convertible loan		1,262	4,068	1,206
Other assets		422	307	421
<b>Total non-current assets</b>		<b>26,204</b>	<b>26,987</b>	<b>26,776</b>
<b>Current assets</b>				
Inventories		648	536	591
Trade and other receivables		806	1,186	1,402
Cash and cash equivalents		87,515	105,413	95,279
<b>Total current assets</b>		<b>88,969</b>	<b>107,136</b>	<b>97,272</b>
<b>Total assets</b>		<b>115,173</b>	<b>134,123</b>	<b>124,048</b>
<b>Equity and liabilities</b>				
<b>Equity</b>				
Share capital		80	80	80
Reserve for invested unrestricted equity		142,380	142,327	142,380
Translation differences		43	2	41
Accumulated losses		-37,953	-22,243	-31,061
<b>Total equity</b>		<b>104,550</b>	<b>120,167</b>	<b>111,440</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Loans and borrowings		1,338	2,978	2,631
Lease liabilities		1,613	2,615	2,057
<b>Total non-current liabilities</b>		<b>2,951</b>	<b>5,593</b>	<b>4,688</b>
<b>Current liabilities</b>				
Loans and borrowings		2,209	2,065	2,073
Lease liabilities		992	1,447	1,122
Advances received		1,390	1,701	1,302
Trade and other payables		3,082	3,150	3,424
<b>Total current liabilities</b>		<b>7,672</b>	<b>8,363</b>	<b>7,921</b>
<b>Total liabilities</b>		<b>10,623</b>	<b>13,956</b>	<b>12,609</b>
<b>Total equity and liabilities</b>		<b>115,173</b>	<b>134,123</b>	<b>124,048</b>

## Consolidated cashflow statement

EUR thousand	Note	7/2022 -12/2022	7/2021 -12/2021	7/2021 -6/2022
<b>Cash flows from operating activities</b>				
Loss for the period		-8,553	-5,758	-16,091
<b>Adjustments:</b>				
Depreciation and amortization		3,209	1,778	4,244
Share based payments		1,663	1,747	3,526
Share of joint venture's result		29	24	23
Fair value change in investment in convertible loan		-56	-537	2,067
Other financial assets at fair value through profit or loss - change in fair value		-401	504	493
Other finance income and costs, net		6	-72	-103
Other adjustments		15	-6	-
<b>Cash flows before change in working capital</b>		<b>-4,087</b>	<b>-2,320</b>	<b>-5,841</b>
<b>Change in working capital</b>				
Change in trade and other receivables (increase (-) / decrease (+))		-133	-221	-549
Change in inventories (increase (-) / decrease (+))		-57	122	67
Change in current non-interest-bearing payables (increase (+) / decrease (-))		182	393	-325
<b>Cash flows before finance items and taxes</b>		<b>-4,096</b>	<b>-2,025</b>	<b>-6,648</b>
Interest paid		-126	-687	-822
Interest received		41	3	-
Income taxes paid		-5	72	-4
<b>Net cash from operating activities</b>		<b>-4,186</b>	<b>-2,637</b>	<b>-7,474</b>
<b>Cash flows from investing activities</b>				
Capitalized development costs		-1,971	-2,772	-6,240
Acquisition of property, plant and equipment		-510	-802	-1,373
Acquisition of businesses, net of cash acquired		-	-693	-710
<b>Net cash used in investing activities</b>		<b>-2,481</b>	<b>-4,266</b>	<b>-8,323</b>
<b>Cash flows from financing activities</b>				
Grants received		726	-	-
Repayment of non-current loans and borrowings		-911	-1,060	-1,860
Share subscriptions with options		-	419	471
Sale and leaseback arrangements		-267	-170	288
Payment of lease liabilities		-594	-721	-1,762
<b>Net cash from financing activities</b>		<b>-1,046</b>	<b>-1,533</b>	<b>-2,863</b>
<b>Net decrease in cash and cash equivalents in cash flow statement</b>		<b>-7,712</b>	<b>-8,437</b>	<b>-18,660</b>
<b>Cash and cash equivalents at the beginning of period</b>		<b>95,279</b>	<b>113,807</b>	<b>113,807</b>
Effect of movements in exchange rates		-52	43	132
<b>Cash and cash equivalents at the end of period</b>		<b>87,515</b>	<b>105,413</b>	<b>95,279</b>

## Consolidated statement of changes in equity

### Consolidated statement of changes in equity 1 July 2022 – 31 December 2022

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

EUR thousand	Share capital	Reserve for invested unrestricted equity	Translation differences	Accumulated losses	Total
<b>Equity on 1 July 2022</b>	<b>80</b>	<b>142,380</b>	<b>41</b>	<b>-31,063</b>	<b>111,438</b>
<b>Comprehensive income</b>					
Profit (loss) for the period	-	-	-	-8,553	<b>-8,553</b>
Other comprehensive income	-	-	1	-	<b>1</b>
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>-8,553</b>	<b>-8,551</b>
<b>Transactions with owners of the company</b>					
Share issue	-	-	-	-	-
Share issues related to business combination	-	-	-	-	-
Share-based payments	-	-	-	1,663	<b>1,663</b>
<b>Total transactions with owners of the company</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,663</b>	<b>1,663</b>
<b>Equity on 31 December 2022</b>	<b>80</b>	<b>142,380</b>	<b>43</b>	<b>-37,953</b>	<b>104,550</b>

### Consolidated statement of changes in equity 1 July 2021 – 31 December 2021

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

EUR thousand	Share capital	Reserve for invested unrestricted equity	Translation differences	Accumulated losses	Total
<b>Equity on 1 July 2021</b>	<b>80</b>	<b>141,444</b>	<b>12</b>	<b>-18,498</b>	<b>123,039</b>
<b>Comprehensive income</b>					
Profit (loss) for the period	-	-	-	-5,758	<b>-5,758</b>
Other comprehensive income	-	-	-9	-	<b>-9</b>
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-9</b>	<b>-5,758</b>	<b>-5,768</b>
<b>Transactions with owners of the company</b>					
Share issue	-	419	-	-	<b>419</b>
Share issues related to business combination	-	465	-	-	<b>465</b>
Share-based payments	-	-	-	1,747	<b>1,747</b>
Other	-	-	-	7	<b>7</b>
<b>Total transactions with owners of the company</b>	<b>-</b>	<b>884</b>	<b>-</b>	<b>1,754</b>	<b>2,638</b>
<b>Other</b>				<b>258</b>	<b>258</b>
<b>Equity on 31 December 2021</b>	<b>80</b>	<b>142,328</b>	<b>3</b>	<b>-22,243</b>	<b>120,167</b>



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

### Equity attributable to owners of the parent company

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

# Notes to the consolidated half-year results

## 1 Accounting principles

This half-year report has been prepared in accordance with IAS 34 standard. The report has been prepared in accordance with IFRS as adopted by the European Union and in force on 30 June 2022.

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

All figures in this half-year report are unaudited.

### Covid-19 impacts, Russia's invasion of Ukraine, interest rates and inflation

The COVID-19 pandemic did not have a direct impact on Nightingale Health's business during the half-year period ended on 31 December 2022.

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

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

The recent increase in the inflation rate in Nightingale Health's main geographical areas exposes the Group to a risk that the prices of the products and the services needed by the Group in its operations will increase. The Group does not expect that increased inflation and the resulting increase in prices will have a significant direct impact on its operation. The financial impact of the increased price of electricity, mainly caused by the recent geopolitical events, is limited and does not substantially affect the company's financial result.

## 2 Seasonality

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

## 3 Revenue

### Revenue by geographical market

EUR thousand	7/2022 -12/2022	7/2021 -12/2021	7/2021 -6/2022
Finland	105	270	425
UK	1,775	393	950
Rest of Europe	149	417	556
Others	215	192	381
<b>Total</b>	<b>2,243</b>	<b>1,272</b>	<b>2,313</b>

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

## 4 Share-based payments

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

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

Impact of share-based payments on income statement and statement of financial position	7/2022 -12/2022	7/2021 -12/2021	7/2021 -6/2022
Employee benefits recognized in profit and loss	1,663	1,747	3,526
Capitalized to intangible assets	-	-	1
<b>Total</b>	<b>1,663</b>	<b>1,747</b>	<b>3,527</b>

## 5 Intangible assets

### Reconciliation of carrying amounts

7-12/2022 EUR thousand	Goodwill	Other technol- ogy	Applica- tions	Laboratory technology	Risk models	Total
<b>Acquisition cost</b>						
Opening balance 1 Jul 2022	1,023	418	7,737	7,285	4,237	<b>20,700</b>
Additions	-	-	1,041	450	508	<b>1,999</b>
<b>Balance on 31 Dec 2022</b>	<b>1,023</b>	<b>418</b>	<b>8,778</b>	<b>7,735</b>	<b>4,745</b>	<b>22,699</b>
<b>Accumulated amortization and impairment losses</b>						
Balance on 1 Jul 2022	-	-30	-1,395	-1,489	-514	<b>-3,429</b>
Amortization	-	-18	-1,073	-651	-589	<b>-2,332</b>
<b>Balance on 31 Dec 2022</b>	<b>-</b>	<b>-48</b>	<b>-2,469</b>	<b>-2,141</b>	<b>-1,103</b>	<b>-5,761</b>
<b>Carrying amount on 1 Jul 2022</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 31 Dec 2022</b>	<b>1,023</b>	<b>369</b>	<b>6,309</b>	<b>5,595</b>	<b>3,641</b>	<b>16,938</b>

<b>7–12/2021</b> <b>EUR thousand</b>	<b>Goodwill</b>	<b>Other technol- ogy</b>	<b>Applica- tions</b>	<b>Laboratory technology</b>	<b>Risk models</b>	<b>Total</b>
<b>Acquisition cost</b>						
Balance on 1 Jul 2021	-	-	3,973	6,136	2,631	<b>12,740</b>
Business combination	463	244	-	-	-	<b>1,441</b>
Additions	-	-	1,617	475	755	<b>2,847</b>
<b>Balance on 31 Dec 2021</b>	<b>463</b>	<b>244</b>	<b>5,591</b>	<b>6,610</b>	<b>3,386</b>	<b>16,294</b>
<b>Accumulated amortization and impairment losses</b>						
Balance on 1 Jul 2021	-	-	-539	-199	-219	<b>-958</b>
Amortization	-	-12	-318	-597	-	<b>-927</b>
<b>Balance on 31 Dec 2021</b>	<b>-</b>	<b>-12</b>	<b>-857</b>	<b>-797</b>	<b>-219</b>	<b>-1,885</b>
<b>Carrying amount on 1 Jul 2021</b>	<b>-</b>	<b>-</b>	<b>3,434</b>	<b>5,937</b>	<b>2,412</b>	<b>11,782</b>
<b>Carrying amount on 31 Dec 2021</b>	<b>463</b>	<b>232</b>	<b>4,733</b>	<b>5,814</b>	<b>3,167</b>	<b>14,409</b>

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

## 6 Property, plant and equipment

### Reconciliation of carrying amounts

<b>7–12/2022</b> EUR thousand	<b>Leasehold improve- ment costs</b>	<b>Machinery and equipment</b>	<b>Total</b>
<b>Cost on 1 Jul 2022</b>	<b>616</b>	<b>3,979</b>	<b>4,595</b>
Additions	-	793	793
Transfers between lines	-8	8	0
Exchange rate differences	-	13	13
<b>Cost on 31 Dec 2022</b>	<b>608</b>	<b>4,793</b>	<b>5,401</b>
<b>Accumulated depreciation and im- pairment on 1 Jul 2022</b>	<b>-289</b>	<b>-394</b>	<b>-684</b>
Depreciation	-60	-259	-319
<b>Accumulated depreciation and im- pairment on 31 Dec 2022</b>	<b>-349</b>	<b>-653</b>	<b>-1,003</b>
<b>Carrying amount on 1 Jul 2022</b>	<b>326</b>	<b>3,585</b>	<b>3,911</b>
<b>Carrying amount on 31 Dec 2022</b>	<b>259</b>	<b>4,139</b>	<b>4,398</b>

<b>7–12/2021</b> EUR thousand	<b>Leasehold improve- ment costs</b>	<b>Machinery and equipment</b>	<b>Total</b>
<b>Cost on 1 Jul 2021</b>	<b>616</b>	<b>2,015</b>	<b>2,631</b>
Additions	-	735	735
Exchange rate differences	-	-	-
<b>Cost on 31 Dec 2021</b>	<b>616</b>	<b>2,750</b>	<b>3,366</b>
<b>Accumulated depreciation and im- pairment on 1 Jul 2021</b>	<b>-148</b>	<b>-68</b>	<b>-217</b>
Depreciation	-45	-64	-109
<b>Accumulated depreciation and im- pairment on 31 Dec 2021</b>	<b>-194</b>	<b>-132</b>	<b>-325</b>
<b>Carrying amount on 1 Jul 2021</b>	<b>467</b>	<b>1,947</b>	<b>2,414</b>
<b>Carrying amount on 31 Dec 2021</b>	<b>422</b>	<b>2,619</b>	<b>3,041</b>

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



## 7 Provision, contingencies and commitments

### Collaterals and other obligations

EUR thousand	31 Dec 2022	31 Dec 2021	30 Jun 2022
<u>Loans secured by business mortgages</u>			
Bank loans	1,507	2,957	2,157
Business mortgages	7,800	6,400	6,400

### Off-balance sheet commitments

EUR thousand	31 Dec 2022	31 Dec 2021	30 Jun 2022
<u>Off-balance sheet commitments</u>			
Machinery acquisition commitments	747	510	622

## 8 Significant events after the reporting period

- 25 January 2023 Nightingale Health announced that it will open a laboratory in the UK during 2023 as part of its international growth strategy.
- 31 January 2023 Nightingale Health acquired a worldwide license and rights to blood self-collection device Velvet™ from Weavr Health Corp. The acquired license gives Nightingale Health the rights to independently manufacture the Velvet™ devices and commercially use the devices in connection with Nightingale Health's services. In consideration of the royalty free license, Nightingale Health gave up its rights based on the convertible loan (original investment of approximately EUR 3.5 million).
- 3 February 2023 Nightingale Health announced that it had completed the integration of genetic information to the Livit by Nightingale Health service. The introduction of genetic results into its consumer service follows the company's announcement in January 2022 of expanding into genetics by acquiring Finnish genetics-testing company Negen Ltd. and launching an international excellence center of genomic data analysis. By combining information about how lifestyle affects the dynamic state of one's health with the static inherited state, Livit can provide health risk assessments that are superior to any traditional health risk analysis.
- 8 March 2023 Nightingale Health announced that its strategic collaboration in Estonia had progressed. Nightingale Health had analyzed and delivered to Estonian Biobank the analysis results from blood samples of 200,000 Estonian Biobank participants. The collaboration between Nightingale Health and Estonian Biobank enables the biomarker data from 200,000 samples to be used to advance scientific medical research. In addition, the data will be used to bring novel health insights, such as health risk estimates, to the biobank participants to enable disease prevention.
- 17 March 2023 Nightingale Health published a notice to an Extraordinary General Meeting that will be held on Monday, 24 April 2023. The Board of Directors proposes regarding the election of members of the Board that Lotta Kopra and Tom Jansson will not continue as members of the Board of Directors and that its current members Antti Kangas, Olli Karhi, Leena Niemistö, Timo Soininen and Teemu Suna continue on the Board of Directors. The Board of Directors proposes that Ilkka Laurila is elected to the Board of Directors as a new member for a term that expires at the end of the next Annual General Meeting.