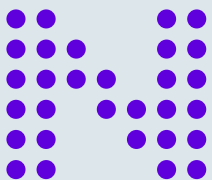




Annual Report 2021–2022

Nightingale Health



Nightingale Health – pioneer in preventative health

Nightingale Health is a Finnish health technology company that aims to promote preventative health and help people stay healthy longer. By combining the company's proprietary blood analysis technology, real-life information on disease outcomes contained in global health data repositories, and medical research data, Nightingale Health offers much more than traditional health and wellbeing tools. We provide health metrics that have a direct connection to future disease risks and can predict the number of healthy years.

Nightingale Health provides people with comprehensive insights on health, helps them make better decisions regarding their health and connects them with healthcare experts that offer preventative services for maintaining health. Nightingale Health strives 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 was founded in 2013 and the company is domiciled in Helsinki, Finland. The company has two own laboratories in Finland and one in Japan, as well as two cooperation laboratories in the United Kingdom and one in the United States. Nightingale Health Plc's Series B shares are traded on the First North Growth Market Finland marketplace maintained by Nasdaq Helsinki Ltd.

Contents

Highlights of the financial year 2021–2022	3
Nightingale Health in 2022	5
Key figures 2021–2022	6
CEO's review	7
Megatrends	8
Strategy and business model	10
The launch of Livit	12
The ability of Nightingale Health's technology to identify disease risks	15
Nightingale Health's net impact	16
Nightingale Health as an investment	18
Corporate Governance Statement	20
Remuneration Report	31

The Board of Directors' Report and Financial Statements 2021–2022 has been published separately and is available on the company's website.



Highlights of the financial year 2021–2022

July 2021

We acquired German digital health company Yolife GmbH

With the acquisition, Yolife's digital health solutions were integrated into Nightingale Health's preventative health offering, and they were utilized in the Livit by Nightingale Health consumer service launched in March 2022. The acquisition is expected to substantially support the development of Nightingale Health's digital health capabilities particularly in the direct-to-consumer market.

October 2021

We launched a new wellbeing membership together with Terveystalo

The wellbeing membership combines the company's blood analysis results with wellbeing programs created by Terveystalo's experts. The service includes regular blood sample measurements and digital weekly programs that encourage healthy lifestyle choices.

We announced our collaboration with BioBank Japan to implement personalized medicine and preventative health in Japan

Nightingale Health Plc's Japanese subsidiary Nightingale Health Japan KK announced a long-term collaboration with BioBank Japan, which is one of the largest hospital biobanks in the world with blood samples from more than 200,000 participants nationwide. The joint research effort aims to identify distinctive aspects of disease risks in the Japanese population to realize personalized medicine and disease prevention in Japan.

November 2021

Our corporate health service piloted at Mitsui headquarters in Japan

Nightingale Health organized a pilot for its corporate health service with Japanese global conglomerate Mitsui & Co Ltd. The purpose of the pilot was to demonstrate how Nightingale Health's wellbeing service can empower employees to take action to improve their daily lifestyle and enhance their wellbeing with personal health information. Mitsui is one of the most diversified and comprehensive trading, investment and service enterprises in the world.

December 2021

Our preventative health service launched at Shin-Oyama City Hospital in Japan

Shin-Oyama City Hospital started to sell the preventative health service provided by Nightingale Health. The availability of the service was expanded to several hospitals and clinics in Japan during the financial year.

Our consumer service launched with major Finnish pharmacy chain Yliopiston Apteekki

We made our consumer service available for pre-sale at Yliopiston Apteekki's online store in December 2021. The service became available in Yliopiston Apteekki's pharmacies during the first half of 2022.



January 2022

We decided to combine our proprietary blood test and genomics

The expansion to genetics was implemented by acquiring the Finnish genetic testing company Negen. In addition, the company announced a plan to launch an excellence center focusing on genomics. The excellence center will develop machine learning and artificial intelligence tools. Combining our proprietary blood test and genomic data provides ground-breaking possibilities to improve early disease risk detection and accelerate the development of preventative medicine.

March 2022

We launched our consumer service Livit by Nightingale Health, which utilizes our at-home testing solution

The Livit by Nightingale Health service utilizes the company's at-home testing solution, allowing consumers to use the service without having to visit a laboratory. The service includes a wide selection of results that only Nightingale Health can provide. The results are delivered via the Livit by Nightingale Health app.

May 2022

Our net impact among the top 7% of companies worldwide

Nightingale Health's positive impact on society was confirmed by an analysis that measures companies' net impact, made by technology company The Upright Project. Based on Nightingale Health's products and services, such as its advanced blood analysis technology and innovative preventative health solutions, the company's net impact ratio was +70%. The result places Nightingale Health in the best seven percent of companies globally.

June 2022

The partnership with Physitrack expands the availability of the consumer service Livit

The partnership makes the Livit service available to the users of Physitrack's wellness offering in Germany and the UK and expands its availability in the Nordics. Users can take a finger-prick blood sample with an easy-to-use device at home or at their workplace and send it for analysis by Nightingale Health's highly advanced blood analysis technology. Based on the results, Physitrack's coaches can offer their customers customized health programs.

Further scientific evidence showcases the ability of our technology to predict hundreds of diseases

Nightingale Health published a scientific study utilizing its proprietary technology and showing the technology's capability to predict hundreds of diseases from a single blood sample. At the same time, the company released a free webtool that can be used to confirm the full range of relationships between hundreds of diseases and all of Nightingale Health's biomarkers. The new research is an important milestone in international efforts to realize the benefits of preventative health to manage the massive cost and inequality challenges of current healthcare systems around the globe.



Nightingale Health in 2022

During the financial year, Nightingale Health made great strides in expanding the availability of the health solutions that utilize its blood analysis technology. Launched in March 2022, the Livit by Nightingale Health consumer service, which utilizes at-home testing, accelerates the company's expansion into new markets.

Nightingale Health's new consumer service Livit by Nightingale Health provides a wide variety of health metrics unique to the company. The service is based on a finger-prick blood sample, enabling the service to be used regardless of time and place. Only a couple of months after the launch, the company announced its partnership with Physitrack Plc, a global digital health company. This significant commercial partnership expands the availability of the Livit service to Germany and the UK as well as in the Nordics. In Finland, Livit by Nightingale Health is also available through the largest pharmacy chain in the country, Yliopiston Apteekki.

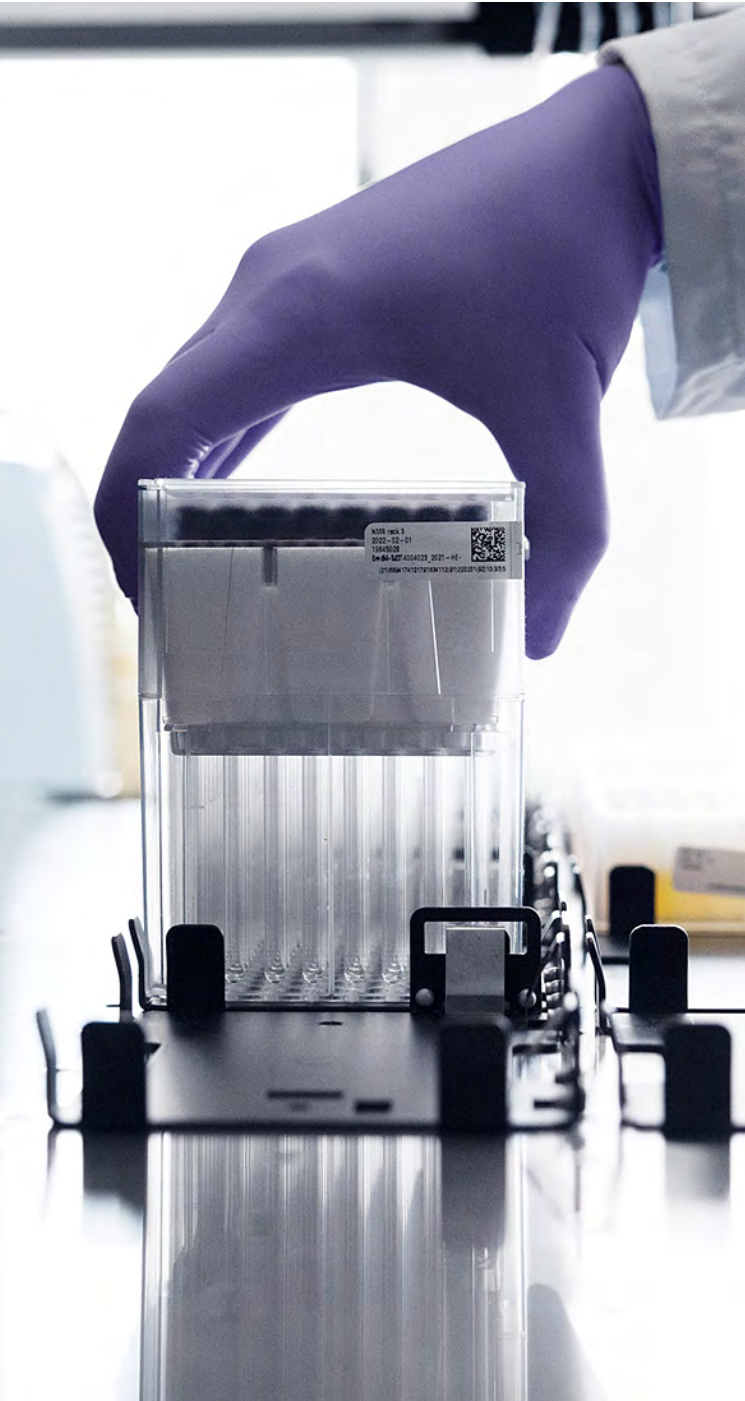
The Terveystalo + Nightingale wellbeing membership, launched in cooperation with Terveystalo, also utilizes the company's unique health metrics. In April 2021, Nightingale Health and Terveystalo announced their strategic partnership, and the first step of this collaboration is the service launched in October 2021. The service includes regular blood sample measurements and digital weekly programs that encourage healthy lifestyle choices. The service is

available in 14 different Terveystalo laboratories across Finland.

During the financial year, Nightingale Health made a significant decision to combine its proprietary blood analysis and genomics. To accelerate this expansion, the company acquired the Finnish genetic testing company Negen and announced a plan to launch an international excellence center focusing on genetic data analysis. The first products integrating blood analysis and genomic data will be launched in the second half of 2022. An Hour with Nightingale episode focusing on genetics is available [here](#).

At the end of the financial year, Nightingale Health published a study that demonstrates the capability of the company's blood-testing technology to predict hundreds of diseases from a single blood sample. This detection capability, combined with the technology's scalability and cost-efficiency, enables the use of the risk predictions in applications such as regular health check-ups.





Key figures 2021–2022

2.3

Revenue (M€)

6

Laboratories

64

Employees

Technology used in over

400

scientific publications to date

Over

1.5

million samples analyzed to date



CEO's review

Dear reader,

Uncertainty has defined this decade. Uncertainty relating to health, the economy, energy, and even peace touches us in a way that most of us have never experienced. When the familiar things around us are shaken, we often wish for everything to be as it was before.

We often find aspects behind systemic crises that reveal to us that things were not better before after all. The systems we build are often based on principles whose basic assumptions become outdated unless they are actively reformed. When the basic assumptions behind systems that have formerly worked well fail to change with the times, sooner or later a crisis ensues and forces us to contemplate better ways of doing things.

This is why crises almost always give rise to a development leap, as the need for change, repressed by outdated beliefs, is finally released.

The basic principle of the healthcare system of treating all who are sick has been tested during the crisis brought on by COVID-19. What if we cannot treat every sick person? Examining the age distribution of the population, the development of the number of common lifestyle diseases, and the costs, it is clear that in the near future, the carrying capacity of the healthcare system will be in a more extensive and lengthier crisis than the one caused by COVID-19.

The discussion on the major challenges faced by healthcare is often focused erroneously on the functioning of the healthcare system in treating the sick. In reality, treatment of the sick has developed and actively reformed in an incredible way during the decades, and the principle of treating all sick people has naturally not become outdated. This active development of treating the sick should be continued, but it is not the primary solution to the crises healthcare will face in the future.

The solution to future crises must be sought by giving up the belief that the current healthcare system is able to treat every sick person in every situation. We must broaden our thinking and create a new principle according to which healthcare must systematically invest in maintaining the health of the healthy population to prevent the number of sick people from growing to a level that exceeds the carrying capacity of the healthcare system. We thus need a system that is built to prevent the onset of diseases.

An efficient, wide-ranging preventative health system needs to be supported by technology with which we can efficiently identify future health risks of healthy people and enable early, targeted preventative measures without the need to train healthcare personnel or individuals.

Nightingale Health is a pioneer of preventative health technology globally. Our technology, our health datasets, scientific evidence and regulatory approvals are internationally top level, and we can provide services for preventative health projects of any size. Our competitive position is excellent and we know of no other company in the world that can offer a comprehensive preventative health solution of similar quality.

Recently, one of the most significant journals in the field of medicine, Nature Medicine, published an article on a study that made use of UK Biobank, the world's largest health data repository, analyzed with Nightingale Health's technology, as well as four other significant international reference repositories also analyzed with our technology. An independent international research team noted that Nightingale Health's technology identifies 24 common diseases with one blood test, offering a solution better suited to prevention needs than the clinical methods currently in use. In addition to its extensive identification capability, Nightingale Health's technology does not require training for healthcare professionals to use it. They can use the prevention measures included in the current care guidelines, which enables rapidly adoptable, wide-scale, targeted, and systematic disease prevention.

It is time to take a development leap in preventative health and start building a healthcare system that stands on a solid base. We're ready to make our unique preventive health solution available to healthcare professionals and consumers worldwide.

Teemu Suna

Founder, Chief Executive Officer



Megatrends supporting the expansion of the business

Nightingale Health's growth targets are supported by three global megatrends in the health and wellbeing market: consumers investing in health and wellbeing, the overstraining of healthcare services, and digital health services becoming commonplace.

Consumers investing in health and wellbeing

Monitoring and actively improving one's own health and wellbeing is a global megatrend, which is expected to continue in the future. Health-conscious consumers see the use of health and wellbeing services as an investment in themselves and in a healthier future.

Consumers are using an increasing amount of self-collected health information to promote their wellbeing: information about health is collected with wellbeing devices as well as with different health tests applying blood, urine and saliva samples. It is increasingly possible to carry out health monitoring from home, which lowers the threshold for the use of services. Home monitoring is also cost-efficient for the consumer and can be done at flexible times.

The Livit by Nightingale Health service is based on a finger-prick blood sample, eliminating the need for the consumer to visit a laboratory. From a single finger-prick blood sample, the company analyzes a comprehensive picture of the consumer's health, including e.g., an estimate of the number of healthy years a person can expect to have.

Overstraining of healthcare services

A growing number of people are afflicted by a lifestyle disease such as type 2 diabetes or heart disease. This has led to the overstraining of healthcare services and

a significant increase in costs. To secure the capacity of healthcare services, it is necessary to reduce the number of sick people by shifting the focus from treating diseases to preventing them. To enable prevention, it is crucial to increase the individual's awareness of their own health and to highlight the importance of preventative measures in preventing and treating diseases.

As part of preventative measures, it is important to know a person's individual risk of disease, so that people with whom preventative measures should be taken can be identified from among the healthy population. The sooner a person becomes aware of their personal risks, the smaller the lifestyle changes that are needed to lower the risks and prevent diseases.



An increasing number of private healthcare service providers have expanded their offering to preventative services. Insurance companies have also included preventative services as part of their health insurance offering. The use of prevention-oriented services provided by private healthcare, insurance companies, and other health players is expected to support disease prevention and thereby ease the pressure on healthcare systems.

The world's most comprehensive scientific studies have proven the ability of Nightingale Health's technology to identify disease risks related to hundreds of diseases – from a single blood sample.

Digital health services becoming more commonplace

Digital services and solutions are used more and more as part of healthcare services. The number of digital health tools, such as remote services, wellbeing devices, and applications for monitoring health, continues to grow. Although the avoidance of close contacts during the COVID-19 pandemic has mainly ended, the active use of digital services has continued in many age groups in Finland as well as internationally.

The use of digital channels and services has significant potential in promoting health and preventing diseases. Digital solutions enable the cost-efficient scaling of predictive and preventative care, and they can be used to reach large groups of people who benefit from preventative measures.

The home test and mobile app included in the Livit by Nightingale Health service allow consumers to use the service regardless of time and location.



Nightingale Health's goal is to shift the focus from treating diseases to preventing them. The company's services offer everyone access to extensive health data and risk predictions based on which people can make better health-related decisions. Additionally, the company's solutions allow people who are healthy but at high risk of falling ill to be guided to preventative healthcare services. Nightingale Health's technology has received the necessary European regulatory approvals, and the blood sample needed for analysis can be taken at home, enabling easy and widespread use. Furthermore, the company has a large group of international partners through which it can reach a vast number of people.



Strategy and business model

Nightingale Health's mission is to bring lifelong health within everyone's reach.

In enabling lifelong health, it is important to make people more aware of their own health and potential disease risks and provide them with tools for regularly monitoring and maintaining their health. Monitoring the impacts of lifestyle changes on health helps determine the best lifestyle for each individual to help them gain as many healthy years as possible.

By combining our proprietary blood analysis technology, real-life information on disease outcomes contained in global health data repositories, and medical research findings, Nightingale Health can offer more than traditional health and wellbeing monitoring tools. The company provides health metrics that have a direct connection to future disease risks and can predict the number of healthy years.

With Nightingale Health's technology, anyone can gain a comprehensive picture of their health from a blood sample taken at home. Thanks to at-home testing and affordable pricing, as many people as possible can use the company's technology for yearly checks and continuous monitoring of personal health. Thus, Nightingale Health can create a more equal foundation for the realization of preventative health.

Nightingale Health has a two-fold business model: cooperation with health and wellbeing service providers and reaching consumers directly.

1. Cooperation with health and wellbeing service providers

Nightingale Health's blood analysis identifies individual risks of disease and connects customers to partners' services, enabling disease prevention. The company can invoice its partners as follows:

- Payment for analyzed samples
- Payment for identifying risks of disease
- Payment for referring customers
- Share of achieved additional sales

Direct to consumers

Nightingale Health provides individual health insights via the Livit by Nightingale Health app, enabling disease prevention. The company can invoice consumers as follows:

- Payment for home tests
- Payment for more detailed health insights
- Payment for subscriptions

Thus far, Nightingale Health's revenue has mainly been derived from academic collaboration agreements with universities, and these agreements are expected to generate revenue also in the future. In the financial year 2021–2022, the company's revenue was EUR 2.3 million.

To reach its targets, Nightingale Health needs a global network of laboratories. The company already has two own laboratories in Finland and one in Japan, whose analysis capacity was increased during the financial year 2021–2022. In addition, the company has two partner laboratories in Great Britain and one in the United States. There are no technical limitations to setting up new international laboratories.



Nightingale Health's business targets for financial year 2021–2022 as stated in the financial statements release published on 15 September 2021

Target	Status
FDA (U.S. Food and Drug Administration) approval	Due to reasons beyond the company's control, the processing time of the application has been longer than expected and the approval has not been granted yet.
Launching a new version of the company's mobile application	The new version of Nightingale Health's mobile application was launched in March 2022, when the company introduced its new Livit by Nightingale Health consumer service.
Launching a commercial service based on the home test	Nightingale Health and Yliopiston Apteekki, a major Finnish pharmacy chain, entered into a commercial collaboration concerning the distribution and sales of Nightingale Health's at-home testing solution. The service became available for pre-sale at Yliopiston Apteekki's online store in December 2021, expanding to Yliopiston Apteekki's pharmacies nationwide during the first half of 2022.
Signing an international commercial partnership agreement	In June 2022, Nightingale Health entered into a partnership agreement with Physitrack Plc, a leading global digital health company. The commercial partnership expands the availability of the Livit service to Germany and the UK as well as in the Nordics.
Reaching an order book of EUR 5 million by the end of the financial year	Nightingale Health's order book amounted to EUR 3.8 million (FAS) at the end of the financial year 2021–2022.

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

Target
Win a significant commercial contract in the public healthcare sector The contract enables tapping into major existing blood sample volumes and bringing 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 Health will continue to pursue the FDA 510k approval, which will broaden the company's B2B offering to diagnostic applications in the US.
Nightingale Health's mid-term and long-term business targets
Mid-term business targets
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 its laboratory capacity in respective geographical areas to meet the analysis capacity required by the aforementioned agreements.
Long-term business targets
To provide health insights to 100 million users through partnerships with health service providers and health initiatives and through direct-to-consumer sales of at-home testing.
To generate EUR 500 million in annual revenue from its partnerships with health service providers and from direct-to-consumer sales of in-application purchases.



Livit by Nightingale Health:

A health service for promoting preventative health

Livit by Nightingale Health, a consumer service launched in March 2022, started a new era in global consumer health by combining biotechnology, extensive health data repositories and cutting-edge medical science into one service that can be used at home.

Nightingale Health's home testing solution allows consumers to use the service without visiting a laboratory. The service includes a wide selection of results that only Nightingale Health can provide. The results include the following health metrics based on an analysis of a finger-prick blood sample: Healthy Years, Heart Disease Resistance, Heart Age, Diabetes Resistance, Mental Resilience, Immune Resilience, and Immune Age. In addition, the results give information on Blood Test Contributors impacting the health metrics. The Blood Test Contributors provided are Cholesterol Balance, Fatty Acid Balance, Dietary Fatty Acids, Low-grade Inflammation, and Metabolic Efficiency.

The Livit by Nightingale Health app can be downloaded in app stores in all EU countries, Canada, Iceland, Norway, Singapore, Switzerland, Great Britain, and the United States. The free version of the app can be used in all these countries. The app content subject to a charge, which includes the analysis of a blood sample taken at home, is currently available in Finland and Sweden and soon also in Germany and the United Kingdom.



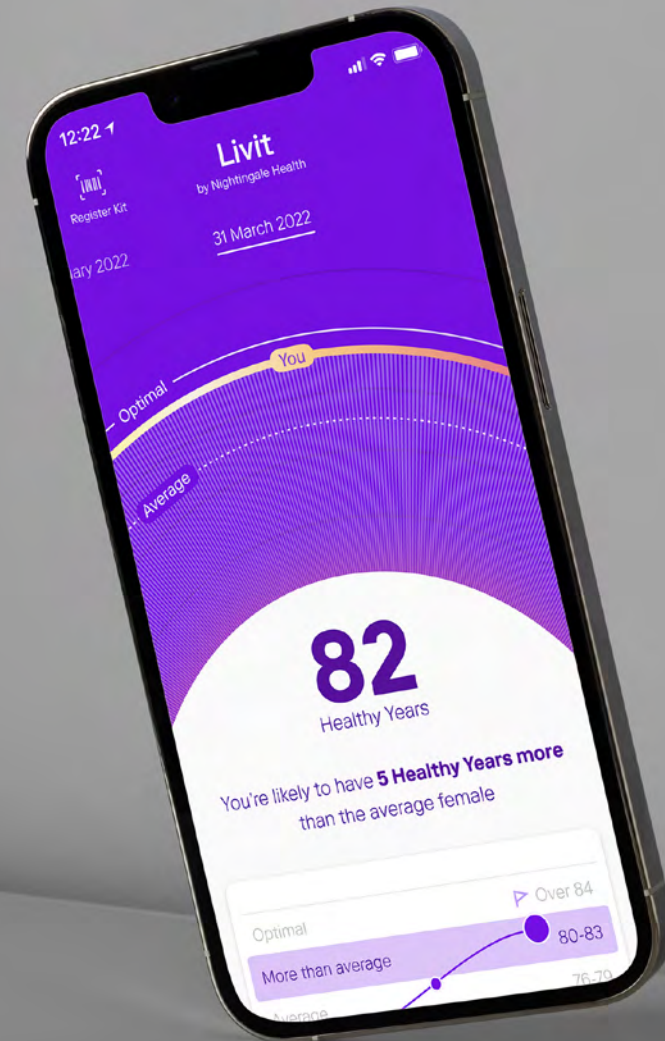
Healthy Years – the next-generation health metric

The number of Healthy Years given by the Livit service is an estimate of the age a person is likely to reach before getting one of the most common lifestyle diseases. Daily lifestyle has the greatest impact on the number of Healthy Years, and as many as 80% of the most common lifestyle diseases can be prevented with lifestyle changes.

The calculation of the Healthy Years estimate is based on the scientifically validated associations between Nightingale Health's blood analysis results and the multiple health and disease outcomes of the sample donors. A low Healthy Years score indicates that from a group of hundreds of thousands of people, the individuals with similar blood test results became ill at a relatively early age. A high result, on the other hand, means that people with similar blood analysis results lived healthy lives for much longer.

Based on Nightingale Health's research data, the average number of Healthy Years is 78 for women and 74 for men. Research has also shown a connection between lifestyle and the number of Healthy Years. At the far ends of the scale from healthy to unhealthy lifestyles, people are expected to live as much as 20 more or fewer years compared to the average, which can mean a 40-year difference in Healthy Years.

Livit's Healthy Years is a next generation consumer health metric that combines two novel aspects: a direct link to multiple health and disease outcomes and the ability to predict future healthy years.





Partnerships expand the availability of Livit

Yliopiston Apteekki – Livit available in online store and pharmacies across Finland

Yliopiston Apteekki is the best-known pharmacy chain in Finland, and its pharmacies and online store serve customers across Finland. Launching the Livit service together with Yliopiston Apteekki was a significant milestone for Nightingale Health, because one of the business objectives of the financial year was the launch of a commercial service based on the home test.

Physitrack – Livit included in Physitrack’s Access wellbeing product in the Nordics, Germany and Great Britain

International digital health player Physitrack launched Livit as part of its Access wellbeing product in the Nordics, Germany and Great Britain. Physitrack’s new service combines leading digital training programs with preventative health insights, which are gained from a blood sample taken at home, using Nightingale Health’s proprietary technology.

The partnership demonstrates the versatility of the Livit service as it incorporates unequaled preventative health insights into the services of health and wellbeing players. With Livit, health and wellbeing players such as Physitrack can demonstrate the effectiveness of their services and offer further motivation to their customers through the feedback provided by the highly advanced blood test available only from Nightingale Health.

Upcoming Livit features – genetics

In January 2022, Nightingale Health announced that it had taken a significant step towards realizing its vision of enabling better preventative health decisions by combining its proprietary blood analysis with genetic information. To accelerate this expansion, the company acquired the Finnish genetic testing company Negen and announced a plan to launch an international excellence center focusing on genetic data analysis.

Nightingale Health continuously develops its capabilities to determine individual health risks. The natural next step in building a preventative health platform is combining the company’s blood analysis with the detection capability brought on by genetic information. Now, for the first time, the individual risk for a wide range of diseases can be detected by using both the dynamic, molecular-level information provided by the company’s blood test and static information on genetic makeup. This combination creates a pioneering capability to predict risks of disease.

The first features integrating the company’s blood analysis and genomic data will be launched in the second half of 2022.

Watch the latest episode of [An Hour with Nightingale](#), in which CEO Teemu Suna and Chief Scientific Officer Jeffrey Barrett discuss the differences between genomic data and Nightingale Health’s blood data, as well as the possibilities brought on by combining the two.



Nightingale Health's technology identifies risks for hundreds of diseases from a single blood sample

In June 2022, Nightingale Health published a study that used its proprietary blood-testing technology, demonstrating the technology's capability to predict hundreds of diseases from a single blood sample. The research and its findings are described in a [pre-print](#).

In the study, the future disease risks concerning hundreds of diseases were shown to be associated with the levels of blood biomarkers measured from samples taken from 150,000 individuals from the UK (UK Biobank) and Finland (Finnish National Biobank) with Nightingale Health's proprietary blood-testing technology. The technology provides a holistic biomarker panel for each sample, capturing diverse metabolic functions in the human body. The biomarker values in the panel were connected to information on what diseases the sample

donors developed in the decade after giving the blood sample, revealing the linkage between the biomarker panel measured by the company's technology and future health outcomes.

The scientific analyses uncovered relationships between biomarker levels and immunity, mind health, lung health, and many other health areas, demonstrating how Nightingale Health's biomarkers can broadly capture overall health status.

Nightingale Health's technology has a more holistic prediction capability and stronger validation than any other blood-testing technology with an affordable price point, enabling preventative health applications from nationwide screening to personalized health.





Nightingale Health's net impact among the best in the world

Nightingale Health's positive net impact on society was confirmed by an analysis that measures the net impact of companies, made by technology company The Upright Project.

Based on Nightingale Health's products and services, such as its advanced blood analysis technology and innovative preventative health solutions, the company's net impact ratio was +70% in the first measuring point in May 2022. The result placed Nightingale Health in the best seven percent of companies globally.

At the end of the financial year on 30 June 2022, the net impact ratio was +66%. The net impact ratio is continuously updated and the up-to-date information can be accessed [here](#).

The method developed by Upright examines companies' impacts in 19 categories in four different dimensions, which are society, knowledge, health, and environment. The model evaluates the resources used and the value created through them. Nightingale Health's result means that the company's positive impacts surpassed the negative ones by 70%.

Nightingale Health's biggest positive impact stems from significantly promoting the creation of knowledge. This is based on the company's ability to analyze a wide variety of biomarkers from one blood sample, and on the fact that medical researchers across the world use the company's biomarker results. These researchers use Nightingale Health's analysis when studying the diseases that put the largest strain on society, such as cardiovascular diseases and type 2 diabetes.





Impact	Negative	Score	Positive
Society	-0.1	+8.0	+8.0
Jobs		+5.8	+5.8
Taxes		+2.1	+2.1
Societal infrastructure		+0.0	+0.0
Societal stability	-0.0	+0.0	+0.0
Equality & human rights	-0.1	-0.0	+0.1
Knowledge	-3.6	+1.2	+4.8
Knowledge infrastructure		+0.0	+0.0
Creating knowledge		+4.7	+4.7
Distributing knowledge		+0.0	+0.0
Scarce human capital	-3.6	-3.6	
Health	-0.3	+2.5	+2.8
Physical diseases	-0.3	+2.1	+2.4
Mental diseases	-0.0	+0.3	+0.3
Nutrition	-0.0	+0.0	+0.0
Relationships	-0.0	+0.0	+0.0
Meaning & joy	-0.0	+0.1	+0.1
Environment	-0.8	-0.8	+0.0
GHG emissions	-0.2	-0.2	+0.0
Non-GHG emissions	-0.1	-0.1	+0.0
Scarce natural resources	-0.0	-0.0	+0.0
Biodiversity	-0.0	-0.0	+0.0
Waste	-0.4	-0.4	+0.1

+70% Net impact ratio
Value set: Equal weights

Nightingale Health's net impact profile, May 2022.

Impact	Negative	Score	Positive
Society	-0.1 -0.3	+8.0 +3.7	+8.0 +4.0
Knowledge	-3.6 -1.3	+1.2 -0.8	+4.8 +0.5
Health	-0.3 -0.5	+2.5 -0.0	+2.8 +0.5
Environment	-0.8 -4.6	-0.8 -3.9	+0.0 +0.8

Net impact ratio
● Nightingale Health **70%**
● Nasdaq Helsinki **-16%**

Nightingale Health's net impact ratio was significantly better than the average rate of companies on the official list of Nasdaq Helsinki.

Even more positive net impact in the future

Based on Upright's model, Nightingale Health's net impact will become even more positive as the company grows in size. In the growth scenario, Nightingale Health is expected to promote the creation of knowledge more and more strongly as the company offers its services to a wider base of consumers and healthcare players.



Nightingale Health as an investment

Nightingale Health's management believes that the company has several key strengths that create a competitive advantage.

1 | Enabler of preventative health

The global expenses from chronic diseases have been estimated to be as much as USD 46 trillion in 2010–2030. To ease the strain on the current healthcare system, it is essential to reduce the number of people falling ill by preventing diseases. Disease prevention improves quality of life and enables savings in healthcare expenses. Consumers' interest in their health and measuring it is rapidly increasing, which has boosted the demand for preventative health services. In addition to consumers, healthcare service providers, employers and insurance companies have a strong interest towards preventative health.

Nightingale Health is a pioneer in preventative health. Health solutions that apply its technology can identify a consumer's individual disease risks and offer the consumer support in reducing the risks and preventing illnesses. Educating people with better information enables better decision-making at the individual level, which provides possibilities for promoting personal health and wellbeing.

2 | Business strategy that benefits existing health and wellbeing players

Nightingale Health's extensive health information on disease risks enables current health and wellbeing players to expand their services to a customer segment of healthy people interested in disease prevention. In this customer segment, an increased risk of disease and a need for preventative measures can be detected with the company's blood analysis, enabling targeted offering of health and wellbeing services.

The extensive health information offered by Nightingale Health can be analyzed from a normal venous blood sample commonly used by healthcare service providers as well as from a finger-prick blood sample taken at home or at work. This enables partnerships with healthcare service providers and companies offering wellbeing services alike.



3 | Strong international partnerships

The investment of the Japanese conglomerate Mitsui & Co., Ltd. in the company and the commercial partnership agreement with Mitsui's subsidiary, Welltus, have made Nightingale Health's technology commercially available in Japan. In June 2022, the company signed a partnership agreement with Physitrack Plc. Consequently, the availability of the Livit by Nightingale Health service has already expanded to Sweden and will soon expand to Germany and Great Britain as well.

In Finland, the company has launched a wellbeing service with Terveystalo, the nation's biggest health service company, for all Terveystalo's customers. Furthermore, Nightingale Health is partnering with Yliopiston Apteekki, the leading pharmacy chain in the country, which retails the Livit service in its online store as well as in its pharmacies.

4 | Technology with scientific and regulatory validations ready for the mass market

Nightingale Health's blood analysis technology can be used to provide a comprehensive picture of a person's health through a single measurement from a single blood sample. By combining the biomarker values and health event data received from the world's largest biobanks, the company has created the capability to assess the risks for hundreds of common diseases.

More than 1.5 million blood samples have already been analyzed with Nightingale Health's blood analysis technology. The functionality and benefits of the technology have been proven in over 400 peer-reviewed scientific publications, and the technology has received wide international regulatory approvals. The technology's competitive advantages also include a high level of automation, fast scalability, excellent reproducibility, accuracy and low price. Nightingale Health's existing regulatory approvals and health data sets give the company a strong position in the market and create an advantage over competitors. Laboratories using Nightingale Health's technology have already been established in Finland, Great Britain, the United States and Japan, creating good preconditions for global expansion.



Corporate Governance Statement

1 July 2021–30 June 2022

In its corporate governance and management, Nightingale Health Plc (“Nightingale Health”) 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/).

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: two Board members external to the company are covered by an incentive program with similar terms as those applicable to the CEO and some of the company’s Management Team. The Board of Directors has decided on the incentive program based on the authorization given by the Annual General Meeting. 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.

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 the 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 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 legislation. 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. At least one deputy member shall be elected to the Board of Directors, if the number of ordinary members elected to the Board is less than three (3). 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 2022: Timo Soinen (Chairman), Tom Jansson, Antti Kangas, Olli Karhi, Lotta Kopra, Leena Niemistö, and Teemu Suna.



Timo Soinen

- Chairman of the board since 2020
- Born 1965
- Finnish citizen
- M.Sc. (Econ)
- Main occupation: Board professional and investor

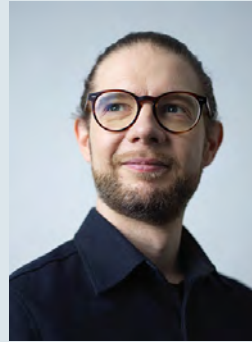
- Holdings in the company on 30 June 2022: 447,888 Series A shares, 123,000 Series B shares, 1,362,025 Series A options, entitling to same number of shares in the company. In addition, stock options equal to 1 per cent of the company's shares on a fully diluted basis shall be vested based on reaching 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 Soinen's closely associated company over which Timo Soinen does not have control, holds 201,670 Series A shares and 59,259 Series B shares.
- Independent from the company and from major shareholders.



Tom Jansson

- Board member since 2021
- Born 1968
- Finnish citizen
- M.Sc. (Econ)
- Main occupation:
WithSecure Corporation,
Chief Financial Officer

- Holdings in the company on 30 June 2022:
0 shares, 600,000 Series B options, which entitle to subscribe for 300,000 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 300,000 Series B shares in the company.
- Independent from the company and from major shareholders.



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 2022:
5,340,342 Series A shares, 17,458 Series B shares,
0 options
- Not independent from the company or from 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 2022:
0 shares, 0 options
- Independent from the company but not independent from major shareholders.

**Lotta Kopra**

- Board member since 2021
- Born 1980
- Finnish citizen
- M.Sc. (Econ)
- Main occupation: Spinnova Oyj, Advisor

- Holdings in the company on 30 June 2022: 201,670 Series A shares held by Lineari Oy, a company controlled by Lotta Kopra, 600,000 Series B options, which entitle to subscribe for 300,000 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 capitalisation is at least EUR 1,000 million based on the 45-day volume weighted average purchase price, the options entitle to subscribe for 300,000 Series B shares in the company.
- Independent from the company and from major shareholders.

**Leena Niemistö**

- Board member since 2021
- Born 1963
- Finnish citizen
- MD, PhD
- Main occupation: Board professional and investor

- Holdings in the company on 30 June 2022: 403,340 Series A shares, 74,074 Series B shares, 231,770 Series A options, entitling to the same number of shares in the company. In addition, stock options equal to 0.5 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 0.5 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 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 2022: 2,637,964 Series A shares, 22,737 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 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 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, 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. The Board of Directors sets out the process used in its assessment in its annual action plan. When assessing the operations of the Board of Directors, the extent to which it has implemented its action plan is also reviewed. At the same time, the expectations of the company's stakeholders vis-à-vis the operations of the Board of Directors are also assessed. 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. In the financial year 2021–2022, the assessment was carried out in April 2022. The Board of Directors has processed the results of the assessment internally and resolved to develop its operative model in accordance with the chosen focus areas.

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 Chairman of the Board convenes the extraordinary board meetings.

In the financial year 1 July 2021–30 June 2022, the Board of Directors focused on directing the company's strategical initiatives. The number of Board meetings in the financial year 1 July 2021–30 June 2022 was 38.

The table below presents the Board members' participation in the meetings between 1 July 2021 and 30 June 2022. All members were part of the Board during the entire financial year.



Member	Participation in Board meetings	Participation in Board meetings (%)
Timo Soininen	37/38	97%
Tom Jansson	34/38	89%
Antti Kangas	37/38	97%
Olli Karhi	37/38	97%
Lotta Kopra	33/38	87%
Leena Niemistö	32/38	84%
Teemu Suna	38/38	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 takes into account 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 taken into account.

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 under-represented gender.

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

The company's long-term objective is to achieve a more balanced representation of both genders in the Board of Directors. On 30 June 2022, out of the seven members of

the company's Board of Directors five were men and two women. 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.

During the financial year 1 July 2021–30 June 2022, 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, consumer 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, corporate governance rules and the instructions given by the Board. The CEO prepares decisions and other matters for the meetings of the Board of Directors, 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 the Members of the Board of Directors 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 authorities 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.

In the financial year 1 July 2021–30 June 2022 the Management Team focused on reaching the business targets for the financial year:

- Launching a commercial service based on the at-home test
- Launching a new version of the mobile application;
- Completing the FDA (U.S. Food and Drug Administration) approval
- Signing an international commercial partnership agreement
- Reaching an order book of EUR 5 million.

Composition of the Management Team on 30 June 2022:

Teemu Suna (CEO), Jeffrey Barret, Antti Kangas, Tuukka Paavola, Salla Ruosaari, Satu Saksman and Minja Salmio.

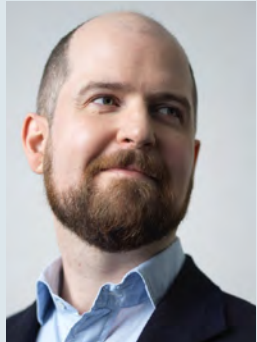
In addition, interim Chief Financial Officer Laura Pulkkinen was part of the Management Team until 6 December 2021.



Teemu Suna

- Chief Executive Officer, Founder
- Born 1982
- Finnish citizen
- M.Sc. (Tech)
- CEO and Management Team member since 2014

- Holdings in the company on 30 June 2022: 2,637,964 Series A shares, 22,737 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 Barrett

- Chief Scientific Officer
- Born 1980
- United States and Irish citizen
- FT, FmedSci
- Management Team member since 2021

- Holdings in the company on 30 June 2022: 3,264 Series B shares, 1,000,000 Series B options, which entitle to subscribe for 100,000 options when 12 months has passed from the start of the employment relationship and which entitle to subscribe for 900,000 options if the defined market capitalization is achieved.



Antti Kangas

- Chief Technology Officer, Founder
- Born 1984
- Finnish citizen
- M.Sc. (Tech)
- Management Team member since 2014

- Holdings in the company on 30 June 2022: 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 2022: 600,000 Series B options, which entitle to subscribe for 100,000 options when 12 months have passed from the start of the employment relationship and which entitle to subscribe for 500,000 options 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 2022: 75,250 EMP shares and 250 EMP options, each entitling to 301 shares in the company, 500,000 Series B options with the right to subscribe 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 2022: 529,158 Series A shares, 17,458 Series B shares, 75,250 EMP shares, 1,550 EMP options, each entitling to 301 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 2022: 82,775 EMP shares, 1,550 EMP options, each entitling to 301 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.

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.

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 2021–30 June 2022.

During the financial year 1 July 2021–30 June 2022, the company, among other things, made the systematic management of currency risks more effective as a result of the progress in the company's global operations and also developed risk mitigation for exceptional circumstances and external risks, such as the geopolitical situation.

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 2021–30 June 2022, PriceWaterhouseCoopers Oy served as the company's auditor, with Valtteri Helenius as the auditor in charge. Fees paid to the auditor for auditing services totaled EUR 62,034 and fees for other services totaled EUR 32,197. Other fees were mainly related to developing the company's transfer pricing models and consulting on other group structure related questions.



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.

All company functions are audited internally on a yearly basis. Internal audits for each year are planned and scheduled according to the Yearly Audit Plan. Auditors are selected ensuring 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 2021–30 June 2022, the internal audits focused on the management of the company's delivery processes and development projects.

Insider administration

The Board shall ensure that the company has proper policies governing the administration of insider issues in place at all times. 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, and ensures that potential conflicts of interest are duly considered in the decision-making of the company.

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 2021–30 June 2022

Introduction

This Remuneration Report contains information about the remuneration of Nightingale Health Plc's ("Nightingale Health") Board of Directors and CEO for the financial period 1 July 2021–30 June 2022, and it 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.

Nightingale Health's Remuneration Report for the financial period 1 July 2021–30 June 2022 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 period 1 July 2021–30 June 2022.

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 2021–2022.

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.

Remuneration

In the financial year 1 July 2021–30 June 2022, Nightingale Health made the key features of its technology directly available to consumers by launching the Livit by Nightingale Health consumer service in March 2022. The implementation of preventative health has also advanced especially in Japan, where the cooperation with Welltus Inc, a subsidiary of Mitsui, has progressed well. During the financial year, Nightingale Health entered into new commercial partnerships with Yliopiston Apteekki and Physitrack Plc and continued the collaboration with Terveystalo.

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 the company's financial development over the last five years**

EUR 1,000	2021–2022*	2020–2021	2019–2020	2018–2019	2017–2018
Board members, total	2,319	56	0	0	0
CEO	1,550	219	213	228	165
Employees (on average)	88	37	44	51	50
Market value	109,216	349,255	N/A	N/A	N/A
Number of partnership agreements in accordance with the commercialization strategy**	5	3	N/A	N/A	N/A

*) Due to IFRS conversion, the remuneration for the financial year 2021–2022 presented in the table includes cost related to the share options in accordance with the IFRS 2 standard. Therefore, the remuneration is not directly comparable to the remuneration for previous financial years. Without the option cost required by the IFRS 2 standard, the remuneration for the financial year 2021–2022 presented in the table would be 168 (members of the Board), 235 (CEO), and 63 (employees, on average). The comparability of remuneration is also affected by layoffs during financial years 2019–2020 and 2020–2021, which reduced the paid remuneration.

***) During the financial year 2021–2022, the company has continued to commercialize its technology in line with its objectives and established new partnerships with health care operators. New partnerships are a core measure of the progress of the company's commercialization plan.

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.

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 28 October 2021 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 resolved by the Extraordinary General Meeting in February 2021. During the financial year 1 July 2021–30 June 2022, 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 2021–30 June 2022.

Board, the CEO and Key Management Incentive Program

Nightingale Health has a long-term 2021 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:

nightingalehealth.com/fi/sijoittajille/remuneration/

Changes to the 2021 Board, the CEO and Key Management Incentive Program

The company's Board of Directors resolved on 27 January 2022 to change the terms of the 2021 Board, the CEO and Key Management Incentive Program so that instead of the percentages calculated from the company's outstanding shares on a fully diluted basis, the option holder has the right to subscribe half of the total number of the option holder's stock options at the first vesting event, and half of the total number of the option holder's stock options at the second vesting event. The grounds for changing the stock option terms are to unify the company's incentive programs and to better align the incentivising with the company's targets.

The Board of Directors resolved on 11 August 2022 to change the share subscription price in all the company's stock option programs that entitle to Series B shares. The new subscription price is EUR 2.50 per share. Before the change, the subscription price per share was EUR 6.75. The change was implemented in order to maintain the purpose of the stock option programs:



to commit the option holders to the financial growth of the company and the value creation of the company's share as well as to create a long-term relationship between the company and the option holders to benefit the company financially and operationally.

In all stock option programs that entitle 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 these stock option programs because the increase in market capitalization in is 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.

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 2021–

30 June 2022 was EUR 104,000. The salary includes vacation pay, holiday compensation and taxable fringe benefits. In addition to the fixed salary, Kangas was paid a bonus of EUR 7,640 during the financial period.

Chairman of the Board of Directors Timo Soininen works, in addition to his role as Chairman, at Villagecape Ventures Oy, which provides the company with consultancy services related to business development. Based on the agreement between the company and Villagecape Ventures Oy, the company pays Villagecape Ventures Oy a monthly consultancy fee of EUR 4,000 (excluding VAT). Villagecape Ventures Oy is a company under the influence of Timo Soininen, but Soininen does not exercise control over the company. The fees paid to Villagecape Ventures Oy in the financial year 1 July 2021–30 June 2022 were EUR 36,000 in total, of which EUR 12,000 were fees for the financial year 1 July 2020–30 June 2021 and EUR 24,000 were fees for the financial year 1 July 2021–30 June 2022. The latter share was paid in July after the end of the financial year.

CEO Remuneration

The CEO's fixed annual salary for the financial period 1 July 2021–30 June 2022 was EUR 235,000, including vacation pay, holiday compensation and taxable fringe benefits.

Proportional shares of fixed and variable remuneration

The Board of Directors decided at the end of the financial period 1 July 2021–30 June 2022 on paying a bonus to the CEO corresponding to four months' salary, in total EUR 55,000, based on the outstanding execution of the company's strategy and achievement of its strategic targets. The bonus was paid to the CEO on 15 July 2022. The CEO's performance review was based on the following criteria: achievement of the published business targets for the financial year; leadership and key recruitment; investor relationships and company brand building; new partnership agreements; other strategic collaborations; launching of the Livit service as well as advancements based on the company's technology and data assets. The bonus paid in September 2021 for the financial year 1 July 2020–30 June 2021 was EUR 68,000.

In the financial year 1 July 2021–30 June 2022, variable remuneration was 19% of the CEO's of total remuneration (24% in the financial year 1 July 2020–30 June 2021).



2021 CEO options

The stock options granted to the CEO in the financial year 1 July 2020–30 June 2021 are described on the company's website:

nightingalehealth.com/fi/sijoittajille/remuneration/.

The key terms of the CEO Agreement

The CEO's contract is valid until further notice. It may be terminated by the CEO with four (4) months' notice and by the company with 0–2 months' notice.

The contract includes non-competition, non-recruitment, and non-solicitation obligations that remain in force for 24 months from the date the company gives the termination notice to the CEO. If the CEO's contract is terminated by the company, the company shall pay the CEO a severance payment corresponding to the CEO's salary for 24 months.

The CEO's contract will automatically expire without any notice period when the CEO reaches the applicable minimum age for retirement. The CEO's retirement age is defined based on the statutory pension system. The CEO has no additional pension programs.

The CEO's contract does not include principles regarding the ownership of the company's shares.

