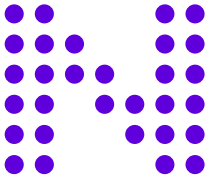


**Nightingale  
Health**

**Annual Report  
2022–2023**



# Nightingale Health – a 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. The company provides innovative solutions that enable early detection and proactive management of health risks.

Nightingale Health provides comprehensive insights on health and connects high-risk individuals to healthcare experts that offer preventative services for improving health. Nightingale Health strives to collaborate with the healthcare industry to help millions of people prevent common lifestyle diseases in the future and, at the same time, to reduce the immense expenses of healthcare.

Nightingale Health operates globally with a parent company in Finland and seven subsidiaries in countries such as Japan, the United States, Singapore, and the United Kingdom. Nightingale Health has customers in more than 25 countries in the healthcare and medical research sectors. The company's technology is being used in many of the world's leading health initiatives, such as UK Biobank, and over 500 peer-reviewed publications validate the technology. The company's Series B shares are listed on the First North Growth Market Finland marketplace.

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# Highlights 2022–2023

## **Strategic collaboration with UK Biobank progressed**

We announced that the biomarker results from additional 200,000 blood samples from UK Biobank are being made accessible to researchers. This large-scale release of biomarker results further increases the use of Nightingale Health's technology in global medical research. Currently, UK Biobank has over 30,000 registered researchers from over 90 countries. [Read more →](#)

## **Completion of the analysis of 200,000 Estonian Biobank samples**

We announced the delivery of the analysis results from blood samples of 200,000 Estonian Biobank participants. Our collaboration with the Estonian Biobank enables the biomarker data to be used to advance scientific medical research. [Read more →](#)

## **Worldwide license for blood self-collection device Velvet™**

We acquired a worldwide license and rights to the blood self-collection device Velvet™ which gives us the rights to independently manufacture Velvet™ devices and use them commercially in connection with our services. [Read more →](#)

## **New laboratory to open in the United Kingdom in 2023**

By having our proprietary blood analysis technology locally available in the United Kingdom, we aim to expand our partnerships within the medical research industry, and also to make the technology available to the entire UK health ecosystem. [Read more →](#)

## **Research showed that our risk models outperform genetic risk prediction**

The world's largest population study findings demonstrate that our risk prediction models, based on blood biomarkers, have better risk detection capabilities for quality-of-life lowering diseases than polygenic risk scores alone, which reflect inherited risks. [Read more →](#)

## **Six patent approvals for our proprietary health risk detection platform**

The patents were granted for our platform's ability to determine whether an individual is at risk of developing renal disease, atrial fibrillation, digestive system disease, and pre-eclampsia. Additionally, patents were granted for the ability to determine whether an individual is at risk of dying from breast cancer and risk of dying from prostate cancer. [Read more →](#)

## **Our blood test was scientifically shown to enhance health check-ups**

The ground-breaking research on over 100,000 people demonstrated that our blood test can identify early risk signs for many common diseases all at once in a cost-effective manner. The [independent study](#) was conducted by researchers from universities in Germany, the Netherlands, and the UK, and the results were published in Nature Medicine, one of the world's leading medical journals. [Read more →](#)

## **Letter of intent with Terveystalo to expand partnership**

We expect that the expansion of the partnership will significantly increase the blood sample analysis volumes ordered by Terveystalo. The letter of intent was a continuation of the strategic partnership entered into with Terveystalo in April 2021, in which Terveystalo was provided the exclusivity to act as our private healthcare provider partner in Finland. In August 2023, after the end of the financial period, Nightingale Health and Terveystalo announced the agreement of the expansion of the partnership and that Terveystalo adopts Nightingale Health's blood analysis technology in regular health checks in occupational health. [Read more →](#)





## Nightingale Health in 2023

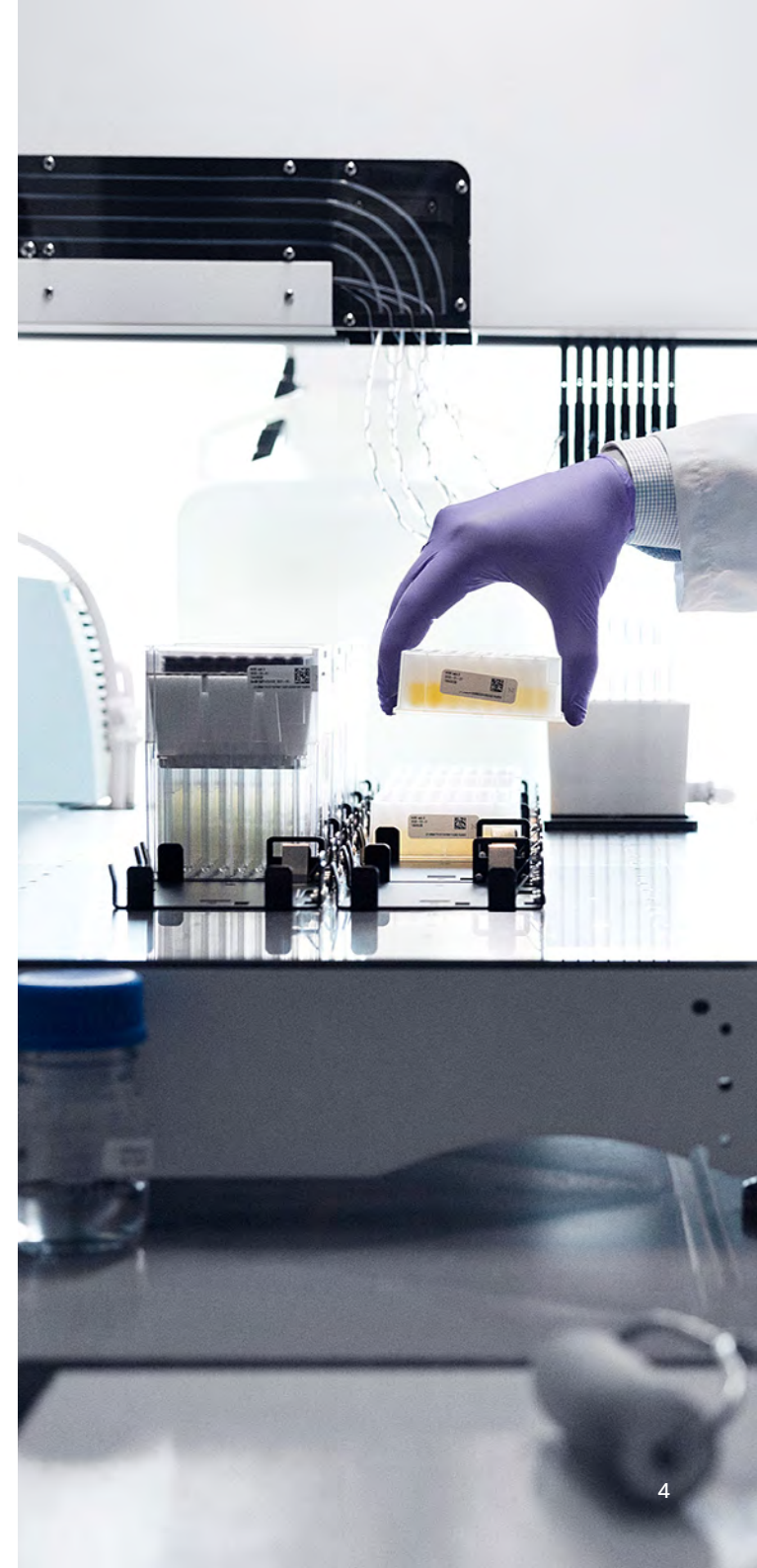
During the financial year 2022–2023, Nightingale Health further solidified its strong foothold in the global medical research market and enhanced its offerings by acquiring a worldwide license for the Velvet™ blood self-collection device. After the end of the financial year, Nightingale Health announced an expanded strategic partnership with Terveystalo, Finland’s largest private health care service provider.

In the world’s largest population study combining blood biomarkers with genetics, Nightingale Health’s risk prediction models surpassed genetic risk prediction in chronic diseases. This extensive research incorporated three national biobanks, amassing half a million blood samples from Estonia, Finland, and the United Kingdom. The findings highlighted that Nightingale Health’s risk prediction models offer superior risk detection for diseases that diminish quality of life, compared to solely relying on polygenic risk scores that reflect inherited risks. Consequently, the research indicated that Nightingale Health’s models identified more high-risk individuals in 10 out of the 12 diseases examined than polygenic risk scores did.

Securing the worldwide license for the Velvet™ blood self-collection device is a pivotal move in facilitating Nightingale Health’s global service delivery across

various markets. Utilizing the Velvet™ device, Nightingale Health can offer its service benefits without requiring end customers to visit a laboratory. The authority to manage the manufacturing of the devices independently will enhance the supply chain and seamlessly incorporate the device into Nightingale Health’s end-to-end solutions. These solutions deliver unparalleled health insights to the company’s customers.

A landmark [study](#) published in Nature Medicine during the financial year underscored the unique capabilities of the company’s blood test to improve health check-ups by predicting multiple diseases at once from a single blood sample. This breakthrough opens the door to a new paradigm in healthcare – one focused not on waiting for illness to manifest, but on proactive prevention before the onset of disease.







## Key figures 2022–2023

Revenue

**4.18**

million euros

**6**

laboratories

**88**

employees

Technology used in over

**500**

scientific publications to date

Over

**2**

million samples analyzed to date



# CEO's review

## Dear reader,

When we founded Nightingale Health ten years ago, preventative healthcare was not high on the decision-makers' agenda. Prevention was mainly discussed in keynote speeches, while healthcare investments primarily focused on the development of disease treatment.

Already in the early days of our company, we often talked about how preventative healthcare is not an optional but a necessary change. Considering the current status of healthcare, it is evident that the change must be initiated immediately.

The continuously growing healthcare costs account for approximately 10% of GDP in many European nations and about 20% in the United States. To compare, defense expenses, for example, equal approximately 2% of GDP in Europe and about 4% in the U.S.

Massive investments have improved the quality of disease treatment, and people live longer than ever. At the same time, there has been no change in how large part of our lives we spend being sick or healthy. That is to say, we live longer but are not any healthier.

Advanced disease treatment is an excellent thing. However, the problem is the operating logic of the healthcare system which is primarily based on the idea of treating diseases reactively. This model of thinking leads to a continuous increase in the number of sick people and of years people spend being sick, as well as unmanageable costs.

Prevention is the only credible solution for building a sustainable healthcare system. There is indisputable evidence of the effectiveness of preventative measures. According to the World Health Organization, 80% of the chronic diseases that cause up to 90% of healthcare expenses can be prevented.

So, why don't we just simply deploy preventative measures if they could help overcome one of the most significant societal challenges?

The root of the problem is that the current healthcare system lacks the tools that facilitate the efficient detection of disease risks. This refers to tools that can

be scaled linearly and equitably at the level of the entire population while maintaining low costs and without straining the healthcare system.

By identifying disease risks, the healthcare system can be adjusted to allocate services preventively, effectively, and resource-efficiently to those who need them. This is the basic structure for a sustainable healthcare system and the implementation should be started immediately.

Over the past ten years, we at Nightingale Health have built a tool that enables the implementation of a national level preventative healthcare system. Our proprietary blood test detects disease risks for key chronic diseases from one sample at once. The only clinical information it requires is the patient's age and gender; information required by the existing risk assessments, such as body mass index or blood pressure, is not needed. At the same time, the test also replaces many blood biomarkers, such as cholesterol and blood sugar, which are currently measured routinely.





Nightingale Health's blood test only necessitates a blood sample and does not require healthcare professionals to carry out examinations or collect background information. Nevertheless, the test detects several disease risks at once with similar or better performance compared to the existing risk assessments. This enables superior scalability vis-à-vis the current risk assessments and saves a considerable amount of healthcare professionals' time.

There is unequivocal medical evidence of the capability of Nightingale Health's test, and the company's datasets are the strongest in the world. Furthermore, the test's price point is highly competitive compared to the existing routine tests, so it can replace many of them without a significant cost effect, marking a crucial step towards preventative healthcare.

In August 2023, we announced an extensive partnership with Terveystalo. Terveystalo is Finland's largest private health care service provider, and nearly 30% of Finland's workforce is covered by

its occupational health services. As part of the partnership, Nightingale Health's blood test will replace the routine health checks in Terveystalo's occupational health services, launching a nationally significant journey towards preventative healthcare.

The transition towards preventative healthcare has begun and will benefit us all.

**Teemu Suna**

Founder, Chief Executive Officer





# Megatrends supporting Nightingale Health's growth

Nightingale Health's business objectives align with four global health industry megatrends: precision and preventative medicine for the masses, the chronic disease epidemic, mounting pressures on healthcare workers, and the universal right to high-quality care.

## 1. Precision and preventative medicine for the masses

Precision medicine tailors interventions and treatments to the unique combination of each individual's genetics, environment, and lifestyle. This approach not only boosts the effectiveness of treatments but also reduces adverse reactions by ensuring compatibility with an individual's specific profile. Furthermore, the growing emphasis on preventative medicine is changing the healthcare paradigm: instead of merely treating diseases, the priority is shifting to proactive measures to prevent their onset. By identifying potential health risks early on, doctors can offer guidance and interventions, helping patients maintain better health throughout their lifetimes.

In this new era of precision and preventative medicine, the role of big data and advanced analytics plays a key role. By integrating vast arrays of genetic, clinical, and environmental data, we gain a richer insight into an individual's health profile. Cutting-edge algorithms and machine learning tools parse these extensive datasets, revealing previously undetected patterns and correlations. As a result, healthcare professionals have access to innovative tools, allowing for interventions tailored specifically to an individual's unique biology. This evolution in precision medicine signifies a transformative shift in the patient-doctor dynamic, with data-driven decisions and proactive measures setting the new gold standard in healthcare.

*Nightingale Health's blood-based risk prediction models have been validated to accurately detect individual health risks and evaluate the efficacy of clinical interventions on health.*





## 2. Chronic disease epidemic

The rise in chronic diseases like type 2 diabetes and heart diseases poses an escalating global health challenge, exerting enormous economic and resource strain on healthcare systems. The need for preventative measures has never been more acute. Focusing on early screenings, lifestyle and clinical interventions, and public awareness campaigns is crucial for mitigating the spread and impact of these conditions. The ultimate goal extends beyond merely managing or treating chronic diseases; it is about preventing their onset for the benefit of current and future generations.

In confronting the challenge of chronic diseases, experts recognize the intricate web of causative factors. While genetics is a contributor, the complex interplay between societal, environmental, and personal factors often exerts a more substantial influence on disease risk. The shift towards urbanization, for example, has prompted more sedentary behaviors, greater pollutant exposure, and an uptick in the consumption of processed foods – each playing a role in the rise of chronic diseases.

Socio-economic disparities further compound these challenges; marginalized groups frequently grapple with limited access to nutritious foods and affordable exercise options. Addressing chronic diseases demands a comprehensive strategy. A collaborative effort from policymakers, healthcare professionals, and researchers is imperative to ensure preventative measures are both accessible and effective for everyone.

*Nightingale Health leads the way in actualizing preventative care. Our technology offers a more comprehensive detection of common chronic disease risks, achieving this with less work and maintaining unparalleled accuracy compared to current risk assessments.*

## 3. Mounting pressure on healthcare workers

Healthcare professionals worldwide are grappling with an overwhelming number of patients. This overburden not only affects their well-being but also poses risks to the quality-of-care patients receive. Medical practitioners require more and more time for patient interactions to understand, diagnose, and treat ailments comprehensively. Moreover, the need for advanced medical tools and technologies is evident.

In bolstering healthcare workers, technology transcends mere diagnostic enhancements; it is pivotal for both disease prevention and holistic patient care. Electronic health records (EHRs) diminish paperwork and mistakes, ensuring uniform access to a patient's complete medical history, irrespective of their treatment location. Telemedicine enhances this continuity, connecting remote patients with specialists and negating travel. In our advancing digital era, AI and machine learning stand out, utilizing predictive analytics to foresee potential diseases or other patient issues. By melding state-of-the-art technology with healthcare, we empower professionals to excel in their roles and deliver superior care.

*Nightingale Health's risk prediction models provide healthcare professionals with clearer insights, allowing a greater focus on the patient. Results are presented in a user-friendly format, enabling actions in line with established clinical guidelines.*



#### 4. Universal right to high-quality care

Healthcare is not just a service; it is a fundamental human right. Regardless of socio-economic status, geographical location, or background, every individual deserves access to high-quality and comprehensive medical care. Disparities in healthcare access and quality are evident across the globe, often leading to preventable complications and deaths. Guaranteeing equal care to all citizens ensures a healthier, more productive society and reinforces the principle that the value of a life is not determined by one's economic or social standing.

Beyond the moral imperatives, narrowing these disparities offers tangible benefits for nations at every level. Economically, a healthier population translates to a more robust workforce, reduced absenteeism, and decreased medical expenses in the long run. Societally, equitable access to healthcare fosters social cohesion and trust, reducing the sense of alienation or marginalization among underprivileged groups. Furthermore, innovation in healthcare, driven by the needs of diverse populations, can lead to the development of more versatile solutions,

benefiting everyone. However, achieving this equitable distribution requires a multi-faceted approach, including policy overhauls, public-private partnerships, and a commitment to healthcare education and outreach. By prioritizing healthcare as a shared responsibility, societies can move closer to a reality where everyone, irrespective of their circumstances, receives the care they deserve.

*A standout benefit of Nightingale Health's technology is its scalability coupled with cost-efficiency. These features make it viable for widespread adoption, even by public healthcare systems that frequently operate under constrained budgets.*





# Strategy and business model

Nightingale Health's mission is to enable preventative health by identifying individuals with health risks and connecting them with healthcare providers guiding medical interventions.

To enable preventative health, it is important to identify individuals at risk of developing a chronic disease and connect them with healthcare providers who can apply guideline interventions for reducing and monitoring risks. In addition to identifying health risks, Nightingale Health's technology can be used to conduct follow-up examinations, which quantify the impact of the actions prescribed by healthcare professionals based on existing guidelines.

By combining 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 tools. The company's blood biomarker-based risk prediction models can detect disease risks for several common chronic diseases from a single blood sample with a single test. The diseases include myocardial infarction, cardiovascular disease, type 2 diabetes, liver fibrosis and cirrhosis, chronic kidney disease, COPD, lung cancer, and alcoholic liver disease.

With its proprietary technology, Nightingale Health can provide a comprehensive picture of a person's health from a venous blood sample taken at a laboratory or a finger-prick sample taken remotely. In addition to sample analysis, Nightingale Health also provides remote blood collection kits which allows the company to provide end-to-end solutions from sample collection to analysis.

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 2022–2023, the company's revenue was EUR 4.18 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. Nightingale Health announced in January 2023 that it will open a laboratory in the United Kingdom during calendar year 2023. There are no technical limitations to setting up new international laboratories.

## **Nightingale Health's strategy focuses on two markets: business to business (B2B) and business to governments (B2G).**

In both markets Nightingale Health offers risk prediction models, which are based on the company's blood analysis technology that can detect the risks of the most common chronic diseases from a single blood sample with less effort and without compromising detection accuracy compared to existing clinical risk assessment tools. Nightingale Health believes that its strengths can be best utilized by serving large-scale B2B and B2G markets with healthcare professionals as part of the foundation for a new preventative health system.





The company's strategy in the two markets is further separated into three core business areas: Nightingale Healthcare, Nightingale Kit, and Nightingale Research.

**Nightingale Healthcare**

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Customers	Private and public healthcare providers
Offering	Blood analysis service delivering biomarker results and risk prediction models

**Nightingale Kit**

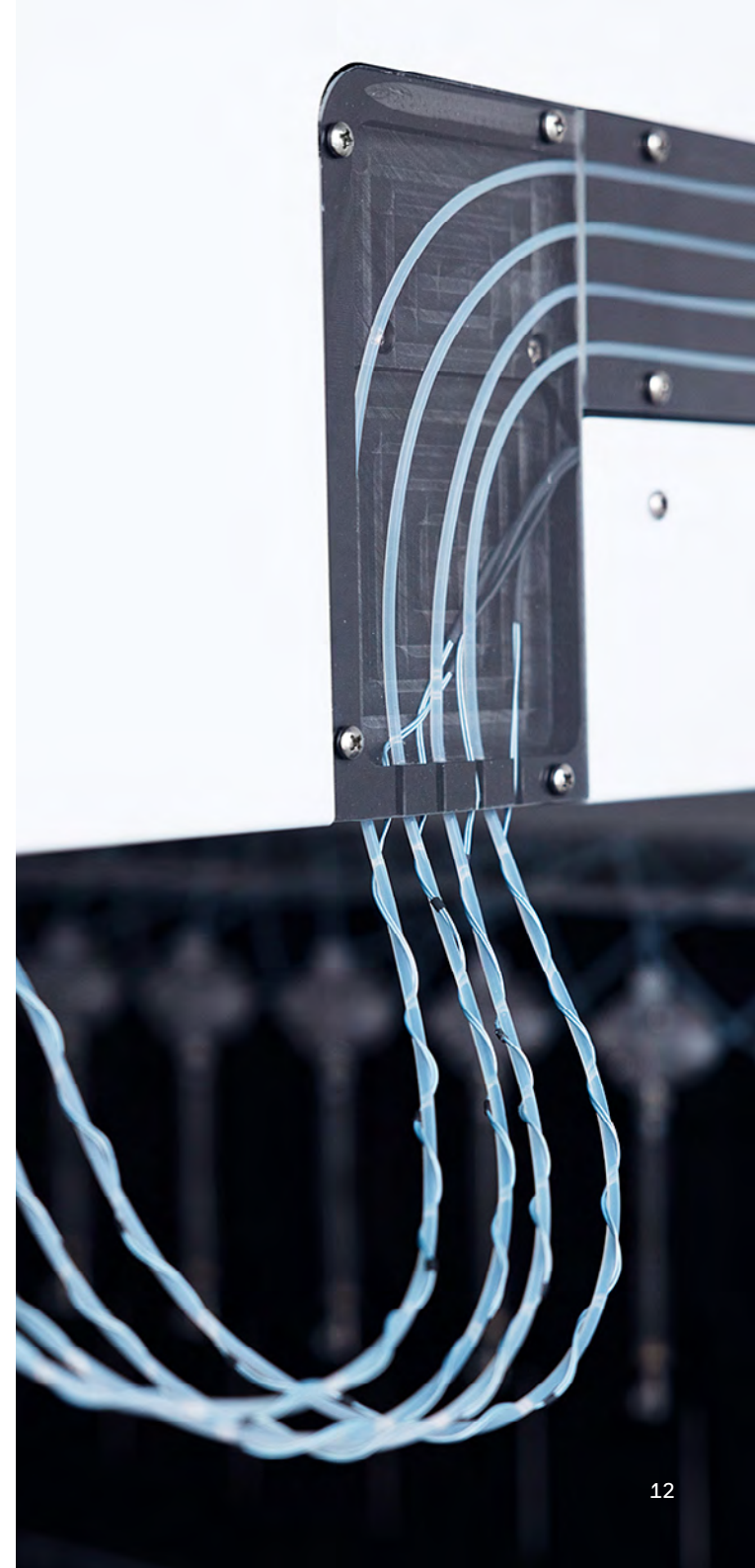
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Customers	White label partners (B2B2C)
Offering	Blood collection and analysis service offering biomarker results and risk prediction models from finger-prick blood samples

**Nightingale Research**

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Customers	Universities, biobanks, and other research institutions
Offering	Large-scale biomarker profiling of venous and finger-prick blood samples





## Business targets for financial year 2023–2024

### Target

#### Win an international commercial contract with a healthcare industry partner with significant reference and contract value

The strategic rationale for the target is to continue to demonstrate the business value of Nightingale Health's technology in high volume clinical use cases to accelerate business growth.

#### Win an international commercial contract with a white label partner with significant reference and contract value

The strategic rationale for the target is to demonstrate Nightingale Health's unique value creation capability and offering in B2B2C to capture strong market share.

#### Win contract(s) in medical research with a total contract value of at least EUR 3.2 million

The strategic rationale for the target is to continuously demonstrate Nightingale Health's unique value creation capability in medical research and further strengthen the outstanding scientific evidence to accelerate clinical translation.

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

## Nightingale Health's business targets for financial year 2022–2023 as stated in the financial statements release published on 29 September 2022

Target	Status
<b>Win contract(s) in medical research with more than 175,000 blood samples</b>	The demand for Nightingale Health's service in medical research continues to be strong, and the company has won significant new commercial agreements in this sector, reaching the target of selling analysis for more than 175,000 blood samples.
<b>Win a significant commercial contract in the public healthcare sector</b>	The negotiations for a commercial contract in the public healthcare sector are progressing. Nightingale Health expects to announce an update regarding the public healthcare sector by the end of calendar year 2023.
<b>Win B2B commercial contract(s) with more than 50,000 blood samples</b>	On 30 June 2023, Nightingale Health announced a letter of intent to expand the partnership with Terveystalo. An agreement that incorporates Nightingale Health's blood analysis technology to regular health checks performed as part of Terveystalo's occupational health services was announced in August 2023.

## Nightingale Health's mid-term and long-term business targets

### Mid-term business targets

Conclude an agreement to analyze two million samples annually in Europe

Conclude an agreement to analyze ten million samples annually in the United States or in Asia

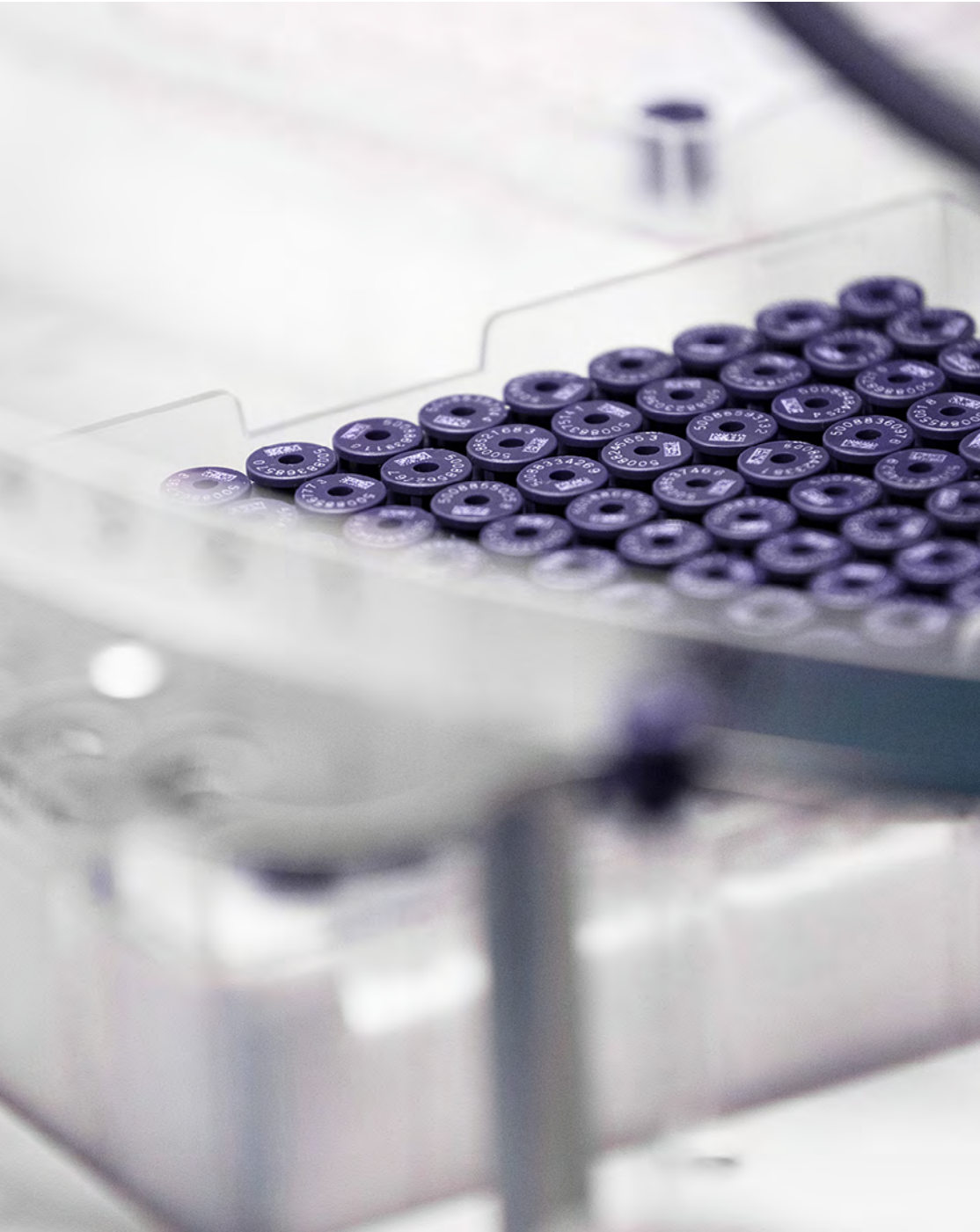
Extend laboratory capacity in respective geographical areas to meet the analysis capacity required by the aforementioned agreements

Achieve positive EBITDA (New target)

### Long-term business targets

Analyze 100 million blood samples from partnerships with the healthcare sector, health initiatives, and white label partners (Updated target)

Generate EUR 500 million in annual revenue from partnerships with the healthcare sector, health initiatives, and white label partners (Updated target)



## Transforming preventative care with next-generation health checks

The key to managing the risks and costs caused by chronic diseases is identifying those at the highest risk early – when people are still healthy. Nightingale Health’s technology offers unprecedented predictive power to detect disease risks and preventative health needs at the population and individual levels.

Nightingale Health’s technology detects the risks of the most common chronic diseases from a single blood sample with less effort and without compromising detection accuracy compared to existing clinical risk assessment tools. While this unique capability offers various market opportunities, it is poised for greatest impact when the company’s technology is used to screen entire populations to detect health risks and target healthcare interventions to high-risk individuals.

By better targeting available interventions, it can help solve the most pressing challenge in modern healthcare: chronic diseases in an ageing population. These strengths can be best utilized by serving large-scale markets with healthcare professionals as part of the foundation for a new preventative health system.

Our proprietary risk prediction models cover the most critical chronic diseases, including myocardial infarction, cardiovascular disease, type 2 diabetes, liver fibrosis and cirrhosis, chronic kidney disease, COPD, lung cancer, and alcoholic liver disease.

The ability to identify the risks for several common diseases from a single sample in one test is a significant improvement compared to current risk assessments,





which are conducted based on individual blood values, clinical examination, and patient interviews. By including Nightingale Health's risk prediction models in regular health checks, health risks can be identified well in advance and actions can be taken to prevent diseases.

Healthcare professionals can also use Nightingale Health's blood analysis technology to conduct follow-up examinations, which quantify the impact of the actions prescribed based on existing guidelines. Since Nightingale Health aims to partner with large-scale healthcare providers, reducing the risks of illness improves the health of entire nations.

#### **Expanding the partnership with Terveystalo**

*In June 2023, Nightingale Health signed a letter of intent with Finland's largest private health care service provider to expand their strategic partnership. Nightingale Health expects that the expansion of the partnership will significantly increase the blood sample analysis volumes ordered by Terveystalo.*

*The letter of intent is a continuation of the strategic partnership entered into by Nightingale Health and Terveystalo in April 2021, in which Terveystalo was provided the exclusivity to act as Nightingale Health's private healthcare provider partner in Finland.*

*In August 2023, Nightingale Health and Terveystalo announced the signing of an agreement which incorporates Nightingale Health's blood analysis technology to regular health checks performed as part of Terveystalo's occupational health services. Terveystalo's occupational health services cover approximately 700,000 individuals which translates to close to 30% of Finland's total workforce.*





## Strengthening our technology's position as the gold standard in population-level medical research

Nightingale Health's technology was used in close to 200 new publications during the financial year 2022–2023. Additionally, the company released hundreds of thousands of new analysis results to over 30,000 researchers via UK Biobank and the Estonian Biobank, paving the way for new ground-breaking findings. This continuous use of Nightingale Health's technology by world-leading scientists showcases its power to accelerate the advancements in global medical research.

Nightingale Health has been a pioneer in medical data generation, analyzing vast amounts of blood samples using the company's proprietary technology. This data, shared with the global medical research community via biobanks, has led to the validation and discovery of numerous new health applications.

In October 2022, a group of researchers from universities in Germany, the Netherlands, and the UK published a study in *Nature Medicine* which showed that Nightingale Health's blood test can enhance health check-ups by predicting many diseases





at once. The study underscores the test's efficacy in pinpointing those at high risk, heralding a new era in healthcare focused on preventative measures.

Numerous other studies published during the financial year linked Nightingale Health's 250 blood biomarker results to various health aspects such as cardiometabolic disease, kidney and liver function, and immunity, supporting researchers in their investigations of critical disease areas. Since a high number of Nightingale Health's biomarkers have been clinically validated, they can be used in the same way as traditional biomarkers, which increases the likelihood of scientific findings made using the company's technology to be used in clinical settings to improve patient outcomes.

During the financial year, the company released more analysis results from UK Biobank and the Estonian Biobank to be used by researchers. This bold approach of analyzing hundreds of thousands of blood samples for biobanks allows the company to better serve medical researchers globally. Additionally, it highlights the company's positive impact on society since the analysis results provided by the company are used by researchers to study and create more knowledge of diseases that put the most significant strain on society.







## Nightingale Health's dual advantage: remote blood collection and analysis

In January 2023, Nightingale Health acquired a worldwide license and rights to the blood self-collection device Velvet™ from Weavr Health Corp. The license gives Nightingale Health the rights to independently manufacture Velvet™ devices and use them commercially in connection with its services.

High-quality blood self-collection capability is a strategic component in enabling global delivery of the company's services to white label partners and research institutions. The end-to-end offering of blood collection and sample analysis allows Nightingale Health to serve its customers in a more holistic way and to expand to new markets where laboratory access may not be easily available to end users.

Nightingale Health stands out in the market, having the capability to both remotely collect blood samples and conduct their analysis. Most companies in the industry either provide sample collection devices or offer laboratory analysis services – rarely both.

Nightingale Health's exclusive rights to oversee the manufacturing of the Velvet™ device allow the company to optimize its supply chain. This integrates the device seamlessly into the company's comprehensive offering, granting it a distinct competitive advantage.



# Nightingale Health as an investment

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

## 1 | Enabling preventative health

Chronic diseases are expected to cost up to USD 46 trillion between 2010 and 2030. To ease the strain on the healthcare system, it is essential to lower the number of people getting sick by predicting and preventing diseases. This not only improves quality of life but also reduces healthcare costs. Private and public healthcare providers and insurers are increasingly interested in the potential that preventative health services can offer to their patients and customers. At the same time, consumers are more interested in their health and wellbeing, which helps boost demand for preventative health services.

Nightingale Health is a pioneer in preventative health. Health solutions that apply its technology can identify individuals' disease risks and guide healthcare professionals' work to improve patient outcomes. The company's risk prediction models have been proven to be able to predict a variety of critical chronic diseases from a single blood sample and are taken into use in occupational health by Finland's largest private health care service provider.

## 2 | Replacing routine health checks

The ability of Nightingale Health's technology to identify the risks for several common diseases from a single sample in one test is a significant improvement compared to current risk assessments, which are conducted based on individual blood values, clinical examination, and patient interviews. By including Nightingale Health's risk prediction models in regular health checks, health risks are identified well in advance, and healthcare professionals can target clinical interventions to prevent diseases.

Nightingale Health's blood analysis technology can be integrated easily into the existing operating procedures of a healthcare provider, because risk predictions are provided from one standard blood sample. Nightingale Health delivers the results in an easy-to-understand format to healthcare professionals, who can act on them based on existing clinical guidelines.



### **3** | One of the largest industries in the world as an addressable market

One of Nightingale Health's target markets is the global healthcare industry, one of the world's largest industries, which therefore serves as a substantial addressable market. The need for disease prevention is more urgent than ever, and Nightingale Health's state-of-the-art health risk assessments are an optimal solution that can substitute existing health checks. The unique ability of Nightingale Health's technology to conduct a multifaceted risk assessment for several diseases from a single blood sample enables it to replace traditional tests, such as cholesterol and glucose tests, which are currently used to assess disease risks. This unique ability to replace presently used tests ensures that Nightingale Health is strategically positioned to capture a substantial segment of this colossal industry.

In this extensive market, the value of Nightingale Health's risk prediction models is heightened by the company's ability to provide them at cost parity compared to currently used tests. The unsustainable healthcare costs in relation to GDP in many countries underline the urgency for Nightingale Health's cutting-edge solutions in risk prediction and disease prevention. The company's pioneering solutions are pivotal for reducing the immense financial burden on healthcare systems worldwide, particularly concerning diseases that are preventable through early detection and appropriate clinical interventions.

### **4** | Technology with independent world-class validation and references

The effectiveness and advantages of Nightingale Health's technology are well-documented in over 500 peer-reviewed scientific publications. Its notable benefits include high automation, fast scalability, superior reproducibility, and accuracy, all at a low price, underscoring its competitive edge in the market. The technology has achieved extensive international regulatory approvals and received ten patents, reinforcing the company's strong market position against competitors.

The company's extensive collaboration with prominent national biobanks, such as UK Biobank, the Estonian Biobank, and the Finnish National Biobank (THL), are instrumental in enhancing its risk prediction models. These alliances not only facilitate researchers' access globally to pivotal biomarker data, but also enrich Nightingale Health's technological advancements by utilizing comprehensive health outcome data stored within the biobanks.

Nightingale Health's technology has reached commercial availability in Japan, a milestone achieved through an investment and a commercial partnership agreement with Mitsui & Co., Ltd., and its subsidiary, Welltus. In Finland, a strategic partnership with Terveystalo, the nation's largest private health care service provider, has expanded to cover health checks in occupational health. These commercial partnerships are a tangible testament to the transformational capability of Nightingale Health's technology from pure science to practical clinical application.





# Corporate Governance Statement

1 July 2022–30 June 2023

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

The incentive program for the Board of Directors, CEO and key management, which was resolved by Board of Directors pursuant to the authorization granted by the Annual General Meeting, 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, who were part of the Board during financial year 1 July 2022–30 June 2023, are covered by an incentive program with similar terms as those applicable to the CEO and some of the company’s Management Team. The company considers this exception justifiable, as the company does not see that the incentive program weakens the execution of

the Board’s supervisory duty or causes conflicts of interest. According to the terms of the incentive program, the Board members and specified key management members covered by it receive a right entitling to options based on the company’s market value growth.

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

This Corporate Governance Statement is provided separately from the Board of Directors’ Report. Up-to-date information related to the governance and

management at Nightingale Health is available on the company’s website: [nightingalehealth.com](http://nightingalehealth.com).

## Governing bodies

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

The company’s Annual General Meeting was held on 17 November 2022. An Extraordinary General Meeting was held on 24 April 2023.



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

### Composition of the board of directors

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

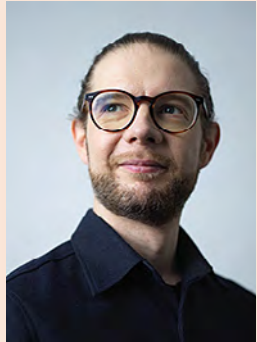
Composition of the Board of Directors on 30 June 2023: Leena Niemistö (Chair), Antti Kangas, Olli Karhi, Ilkka Laurila, Timo Soininen, and Teemu Suna.



### Leena Niemistö

- Chair of the board since 2022
- Born 1963
- Finnish citizen
- MD, PhD
- Main occupation: Board professional and investor

- Holdings in the company on 30 June 2023: 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. In addition, Kaikarhenni Oy, a company controlled by Leena Niemistö, holds 74,074 Series B shares.
- 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 2023: 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 2023: 0 shares, 0 options
- Independent from the company but not independent from major shareholders.



**Ilkka Laurila**

- Board member since 24 April 2023
- Born 1977
- Finnish citizen
- MSc (Forestry), MSc (Econ)
- Main occupation: Plugit Finland Oy, Chief Financial Officer

- Holdings in the company on 30 June 2023: 0 shares, 0 options
- Independent from the company and its major shareholders.





### Timo Soinen

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

- Holdings in the company on 30 June 2023: 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.



### 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 2023: 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 by the Board of Directors against the independence criteria of the Corporate Governance Code. The independence of a director who has served as a director for more than 10 consecutive years is subject to an overall evaluation on an annual basis.

### Responsibilities and duties of the Board

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

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

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

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

The Board of Directors has decided that the company does not have a separate Nomination Committee. The Board of Directors is responsible for preparing proposals to the Annual 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.

### Board meetings

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

In the financial year 1 July 2022–30 June 2023, the Board of Directors focused on directing the company's strategic initiatives. The number of Board meetings in the financial year 1 July 2022–30 June 2023 was 23.

The table on page 26 presents the Board members' participation in the meetings between 1 July 2022 and 30 June 2023. Tom Jansson and Lotta Kopra were part of the Board until 24 April 2023. Ilkka Laurila started as a Board member on 24 April 2023.



Member	Participation in Board meetings	Participation in Board meetings (%)
Leena Niemistö	22/23	96%
Antti Kangas	23/23	100%
Olli Karhi	23/23	100%
Timo Soininen	16/23	70%
Teemu Suna	23/23	100%
Ilkka Laurila (starting 24 April 2023)	4/4	100%
Tom Jansson (until 24 April 2023)	17/19	89%
Lotta Kopra (until 24 April 2023)	17/19	89%

### 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 underrepresented 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 2023, out of the six members of the company's Board of Directors five were men and one was a woman. As a means to achieve the aforesaid objective, the Board of Directors seeks to include representatives of both genders in the search and evaluation process of new Board members.

The implementation and development of diversity to achieve the objectives is evaluated in the Board of Directors' self-assessment discussion.

During the financial year 1 July 2022–30 June 2023, the Board of Directors has continued with a composition where both genders are represented and where the Board has expertise from diverse areas, including management, finance, business, health care industry and technology industry.

### 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 2022–30 June 2023, the Management Team focused on reaching the business targets for the financial year:

- Win a significant commercial contract in the public healthcare sector.
- Win B2B commercial contract(s) with more than 50,000 blood samples.
- Win contract(s) in medical research with more than 175,000 blood samples.

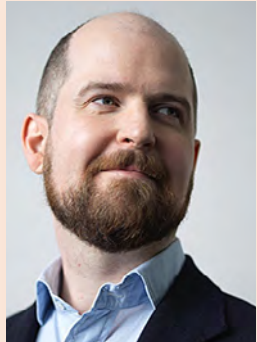
Composition of the Management Team on 30 June 2023: Teemu Suna (CEO), Jeffrey Barrett, Antti Kangas, Tuukka Paavola, Salla Ruosaari, Satu Saksman, and Minja Salmio.



### Teemu Suna

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

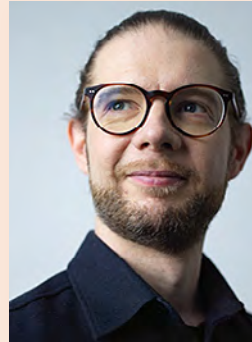
- Holdings in the company on 30 June 2023: 2,637,964 Series A shares, 22,737 Series B shares, 2,000,000 Series B options, which entitle to subscribe for 1,000,000 Series B shares in the company when the company's market capitalization is at least EUR 500 million based on the 45-day volume weighted average 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 2023: 8,364 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, Board member
- Born 1984
- Finnish citizen
- M.Sc. (Tech)
- Management Team member since 2014

- Holdings in the company on 30 June 2023: 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 2023: 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 2023: 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 if the 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 2023: 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 2023: 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. Risk management is carried out separately for each of the company's operating areas, so that experts from each area participate in the identification of risks.

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

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

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

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

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

In accordance with the Securities Market Act, Nightingale Health has in use a whistleblowing system through which the employees can report any misconduct they have observed or suspect. The company has not received any reports through the whistleblowing channel during the financial year 1 July 2022–30 June 2023.

During the financial year 1 July 2022–30 June 2023, the company's strong liquidity position and associated risks have been managed systematically with a risk-conscious approach, taking into account the increased uncertainty in the interest rate and money market environment.

### 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 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 2022–30 June 2023, PricewaterhouseCoopers Oy served as the company's auditor. The auditor with principal responsibility changed from Valtteri Helenius to Panu Vänskä on 24 March 2023. Fees paid to the auditor for auditing services totaled EUR 447 thousand and fees for other services totaled EUR 15 thousand. Fees for auditing services included the auditing costs incurred due to the adoption of International Financial Reporting Standards (IFRS). The other fees were mainly related to developing the company's transfer pricing models.



### 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 2022–30 June 2023, the internal audits focused on the delivery and management of new products and services, international operations, marketing, and purchases, in accordance with the audit plan defined for the financial period.

### Insider administration

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

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

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

A project-specific insider register is maintained when required by law or regulations. Project-specific insiders

are prohibited from trading in the company's securities until the termination of the project.

### Related party transactions

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

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

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



# Remuneration Report

## 1 July 2022–30 June 2023

### Introduction

This Remuneration Report contains information about the remuneration of Nightingale Health Plc's ("Nightingale Health" or "company") Board of Directors and CEO for the financial period 1 July 2022–30 June 2023. The report has been formulated in accordance with the Corporate Governance Code 2020 of the Finnish Securities Market Association.

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

Nightingale Health's Remuneration Report for the financial period 1 July 2022–30 June 2023 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 2022–30 June 2023. The advisory vote concerning the Remuneration Report held by the Annual General Meeting on 17 November 2022 did not result in any changes to the content of the Remuneration Report.

The Board of Directors of Nightingale Health has ensured that remuneration practices are aligned with the principles laid out in the company's Remuneration Policy. There were no deviations from the Remuneration Policy in the financial year 2022–2023. In addition, no paid remuneration was reclaimed by the company in the financial year 1 July 2022–30 June 2023.

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.

### The development of remuneration

In the financial year 1 July 2022–30 June 2023, Nightingale Health announced that it is expanding its cooperation with Terveystalo. Terveystalo uses Nightingale Health's risk prediction models and blood values in regular health checks conducted in occupational health. The demand of Nightingale Health's medical research services continued to be strong, and the company achieved its goal of signing contracts to analyze more than 175,000 blood samples. The company strengthened its position as a globally significant player in the field of medical research. During the financial year, Nightingale Health also acquired a worldwide license for the Velvet™ blood collection device, which gives the company the rights to independently manufacture and use the devices in its commercial offering. With the acquisition of the license, the company is able to offer its customers a comprehensive solution that includes everything from blood sample collection to the delivery of results.





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.

EUR 1,000	2022–2023*	2021–2022*	2020–2021	2019–2020	2018–2019
<b>Board members, total (excluding CEO)</b>	1,290	980	56	-	-
Of which IFRS 2 related costs	1,126	836	-	-	-
Of which monthly remuneration	164	168	56	-	-
<b>CEO</b>	1,503	1,550	219	213	228
Of which IFRS 2 related costs	1,204	1,315	-	-	-
Of which salary and fringe benefits	299	290	219	213	228
<b>Employees (on average)</b>	81	88	37	44	51
Of which IFRS 2 related costs	20	25	-	-	-
Of which salary and fringe benefits	61	63	37	44	51
<b>Market value</b>	52,436	109,216	349,255	-	-
<b>Revenue</b>	4,182	2,313	2,305	1,781**	2,063**

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

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



## Board remuneration

The Annual 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 Annual General Meeting on 28 October 2021.

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

### Monthly remuneration

The Annual General Meeting held on 17 November 2022 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 2022–30 June 2023, 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 2022–30 June 2023.

### 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: <https://nightingalehealth.com/investors/remuneration>.

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

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 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.

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

The remuneration based on the employment of Chief Technology Officer Antti Kangas, who is also a member of the company's Board of Directors, consists of a fixed salary, which during the financial period 1 July 2022–30 June 2023 was EUR 97,134. The salary includes vacation pay, holiday compensation and taxable fringe benefits.

Board member Timo Soininen works, in addition to his role as a Board member, 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) for the months that Timo Soininen is available for offering consultancy services in accordance with the agreement. Villagecape Ventures Oy is a company under the influence of Timo Soininen, but Timo Soininen does not exercise control over the company. The fees paid to Villagecape Ventures Oy in the financial year 1 July 2022–30 June 2023 were EUR 20,000 in total.



## CEO Remuneration

The CEO's fixed annual salary for the financial period 1 July 2022–30 June 2023 was EUR 239,000, including vacation pay, holiday compensation and taxable fringe benefits.

The CEO does not have a supplementary pension scheme.

### Proportional shares of fixed and variable remuneration

The Board of Directors decided at the end of the financial period 1 July 2022–30 June 2023 on paying a short-term incentive bonus to the CEO totaling EUR 60,000, based on the outstanding execution of the company's strategy and achievement of its strategic targets. The CEO's performance review was also based on the stage of completeness of the targets that were not achieved during the financial year and the progress made on those targets. The bonus was paid to the CEO on 15 August 2023. The bonus paid in July 2022 for the financial year 1 July 2021–30 June 2022 was EUR 55,000.

In the financial year 1 July 2022–30 June 2023, variable short-term remuneration was 20% of the CEO's total remuneration (19% in the financial year 1 July 2021–30 June 2022).

### 2021 CEO options

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

