Prenetics Global Limited (PRE – $25.78*)
Consumer: Consumer Products
Buy; $37.00 PT; $442.0M Market Cap
Coverage Initiated
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Early-Stage Situation: Fast-Growing, Broadly Appealing, Science-Backed Nutrition Supplements—Initiating Coverage at Buy, $37 PT

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STOCK DATA

Market Cap (mil)	$442.0
52-Week Range	$7.27–$26.29
3-Month ADTV	235,047
Shares Outstanding (mil)	17.1
Float (%)	85.5
Short Interest	665,824
Enterprise Val. (mil)	$342.4
Fiscal Year-End	December

FINANCIAL DATA

EBITDA (mil)	2025A	2026E	2027E
1Q	$(4.5)	$(5.6)A	$(13.0)
2Q	$(4.1)	$(19.0)A	$(10.2)
3Q	$(2.1)	$(18.8)	$(7.0)
4Q	$(2.3)	$(17.9)	$(4.2)
FY	$(13.0)	$(61.3)	$(34.4)

Rev. (mil)	2025A	2026E	2027E
1Q	$14.6	$36.0A	$86.0
2Q	$17.7	$46.5A	$96.0
3Q	$23.6	$63.0	$106.0
4Q	$36.6	$75.0	$112.2
FY	$92.4	$220.5	$400.2

BALANCE SHEET DATA

	2Q26
Cash & Equivalents	$59.1
Inventories	$14.0
Accounts Receivable	$5.1
Accounts Payable	$1.0

In $ millions.

Summary and Recommendation

We are initiating coverage of Prenetics Global Limited (PRE) with a Buy rating and a 12-month price target of $37/share. PRE is a Cayman Islands–incorporated, Hong Kong–headquartered foreign private issuer that reports under IFRS Accounting Standards (IASB). Thus, while referencing metrics as reported, we add the caveat that PRE currently is not subject to U.S. GAAP and SEC reporting/filing/auditing standards. Further, our investment thesis is predicated upon the company becoming a U.S.-domiciled/U.S. issuer. That said, PRE has transformed from a diversified genomics and diagnostics company into a focused, pure-play premium consumer health business anchored by its flagship product, IM8—a scientifically formulated, all-in-one daily nutritional supplement co-founded with global icon David Beckham. Also critical to our thesis is IM8's strong commercial success, as one of the fastest-scaling companies in the global supplement industry. That notable momentum started with $60.1M of IM8 revenue in its first full year (FY25) at a 63% gross margin with consolidated revenue growth of 480% to $92.4M. The fast pace has continued in 2026, with 2Q26 IM8 revenue of $45.0M (~4.6x Y/Y, +33% sequentially) and an expanding segment gross margin to 64.9%. After three guidance raises thus far in 2026, management now guides to $215M–$222M in FY26 IM8 revenue (~257%–269% growth) and targets a $300M IM8 annualized revenue run-rate (ARR) by year-end 2026 and $400M+ in FY27. Underpinning the model is a balance sheet with ~$109M of liquidity and $1B of equity-non-dilutive (debt) growth financing from General Catalyst's Customer Value Fund (July 14, 2026), which funds up to 70% of IM8's marketing spend, enabling customer acquisition initiatives. The brand is amplified by a distinctive, equity-aligned ambassador ecosystem led by co-founder David Beckham and including tennis World No. 1 Aryna Sabalenka, Formula 1's Ollie Bearman, NBA MVP Giannis Antetokounmpo, a multiyear Inter Miami CF partnership, and, most recently (8/20), two-time Golden Globe–nominated actress/producer Lily Collins. Anticipating a U.S. listing, we believe that sales velocity, capital efficiency, and world-class brand association create an early-stage opportunity in the dietary supplements market, which PRE sizes at ~$200B in 2025, growing ~8% annually to ~$393B by 2033E.

Key Points

- **IM8: a fast-scaling supplement brand.** Launched in December 2024, IM8 reached $100M in annualized revenue in 11 months—the fastest ever recorded in the global supplement industry, according to company presentations citing Bessemer Venture Partners and IPO filing data. By comparison, category leader AG1 (Athletic Greens) required 10 years to achieve the same milestone, Cymbiotika 72 months, and Vital Proteins and Ritual 60 months each. IM8 also outpaced high-growth technology brands, including Slack (30 months) and Zoom (48 months), positioning it as one of the fastest-scaling consumer brands across any category. Monthly IM8 revenue grew from ~$0.4M at launch in December 2024 to a record ~$20.9M in July 2026 (~52x growth since launch), with the brand reaching consumers across 46 countries. IM8 has delivered more than 57M cumulative servings since launch and was shipping ~200,000 servings per day as of 2Q26—an order roughly every 27 seconds.

- **2Q26 results demonstrate solid momentum and improving unit economics.** While IM8's 2Q26 revenue increased 4.6x Y/Y and +33% sequentially, the segment gross margin expanded ~60 bps sequentially from 64.3% in 1Q26 to 64.9% and +800 bps from ~57% in 2Q25 (restated from the original 2Q25 reported margin of 52%). Adjusted EBITDA was a loss of $19.0M (EBITDA loss of $9.1), as the company nearly doubled acquisition-marketing spend to ~$36M to acquire its largest quarterly cohort ever (118,493 new customers). New customer average order value (AOV) was ~$207 in 2Q26 (vs. ~$217 in 1Q26, a restatement from the originally reported $240 AOV in 1Q26, which reflected only new subscribers versus the most recent metric measuring all new customers), servings delivered grew ~33% sequentially to 16M+, and ~87% of revenue was recurring (monthly, bi-monthly, and quarterly plan gross billings as a percentage of total in the period). We note that multiple key performance metrics (e.g., AOV and LTV), as reported by the company, have varied since 4Q24, including restatements of values, changed definitions, and irregularity of inclusion. Management attributes the inconsistencies to the company's early-stage development and is working to determine the most appropriate types and measurements of its KPIs. We believe that the anticipated transition to U.S. issuer status, which includes GAAP basis auditing and reporting standards, will help simplify regularly reported performance metrics, benefiting historical comparisons. Converting to GAAP requires two years of audited financials, assuming PRE qualifies as an emerging growth company. That process could take 9-18 months once started.

- **Management has raised FY26 IM8 revenue guidance three times in 2026.** On the 2Q26 earnings announcement, Prenetics raised FY26 guidance again to IM8 revenue of $215M–$222M from the previous range of $210M–$220M (raised on July 14, 2026), up from $190M–$210M (1Q26 earnings), raised from the initial $180M–$200M range. By year-end 2026, management targets $300M in annualized revenue for IM8. For FY27, the company has guided to IM8 revenue of $400M or more. For 3Q26, management guides to total revenue of $63M–$64M and IM8 revenue of $61.5M–$62.5M (+38% sequentially at the midpoint). Profitability guidance includes a 2H26 AEBITDA loss of $8M–$12M (in our typical style, we model extremely conservative 2H assumptions). Following the 1H26 AEBITDA loss of $24.6M, this implies a full-year FY26 AEBITDA loss beyond the prior $15M–$20M range (management attributes the wider loss to deliberate CVF-funded customer acquisition rather than reduced discipline).

- **Cohort economics underpin the growth thesis.** Across all mature cohorts, IM8 generated a blended 1.52x gross profit per dollar of customer acquisition cost (CAC) as of late July 2026—up from 1.44x that General Catalyst underwrote when it committed $1B on July 14 (i.e., every $1 of CAC has returned $1.52 in gross profit), computed on a conservative 58% gross margin assumption versus the ~65% actual 2Q26 margin. Recurring revenue (as of July 2026) is up 3.5x Y/Y and represents ~87% of gross billings, supported by 76% of new customers signing up for subscriptions (though slightly down from 79% in 1Q26). Active subscriptions ended July at ~140,000, up 11% M/M, up 71% from 1Q, and up 249% Y/Y. The latest reported data indicate that IM8 retains 14.2% of customers 20 months after first purchase, which is significantly above peers, including Thorne (11.4%), AG1 (10.8%), and ~6x Grüns (2.4%). Quarterly subscriptions have been some of the most meaningful drivers of gross margin expansion; customers prepay three months up-front at the time of shipment, reducing working capital needs, lowering fulfillment costs, and improving cash conversion and revenue predictability.

- **The shift to quarterly subscriptions has already more than doubled per-customer revenue.** Beginning in December 2025, in the U.S. and extended globally in January 2026, IM8 rolled out strategically priced quarterly subscription plans. The blended new customer average order value rose from ~$110 for full-year 2025 to $207 in 2Q26, while declining modestly from ~$217 in 1Q26. As quarterly orders consolidate three months of demand into one shipment, total customer orders declined ~4% sequentially in 1Q26, even as servings delivered rose 28%, a deliberate basket size shift, not softening demand, according to management. Although the comparable customer orders metric was not provided for 2Q26, these movements likely continued in 2Q26, with servings delivered up 33% sequentially (16M+ vs. 12M+ in 1Q26). Quarterly plans crossed monthly plans in March 2026 and reached 54.8% of July 2026 total revenue (from zero in October 2025). Significantly, as customer acquisitions are increasing, quarterly subscriptions help protect from customer losses; the average retention rate at month 4 is 68%, compared with the average monthly subscription rate of 58%.

- **A world-class, equity-aligned ambassador and partner ecosystem creates authentic, globally resonant brand advocacy.** Unlike conventional paid endorsements, IM8's ambassador model is built around equity participation, aligning financial interests with long-term brand and shareholder value creation. David Beckham is a co-founder and holds a ~3% stake. Other brand ambassadors include world No. 1 women's tennis player and 2024 and 2025 US Open champion Aryna Sabalenka, Formula 1 driver Ollie Bearman, NBA Champion and two-time MVP Giannis Antetokounmpo, wellness figure Jay Shetty, a multiyear partnership with Inter Miami CF, and, most recently, two-time Golden Globe–nominated actress and producer Lily Collins; all have an equity stake in Prenetics. Management has noted that these partnerships are secured on highly favorable terms (generally including fixed payments) and are not financially material relative to IM8's revenue base.

- **IM8 is science-backed, supported by a 12-week clinical trial and three additional trials underway.** IM8's Daily Ultimate Essentials Pro contains 90 nutrient-rich ingredients, is formulated with input from Mayo Clinic and NASA experts, and carries the NSF Certified for Sport designation, verified free from over 280 contaminants. The product is designed to replace 16 separate supplements in a single daily serving and is supported by a 12-week randomized controlled trial conducted by the San Francisco Research Institute in which participants reported increased energy, better digestion, better sleep, and sharper focus. The company now has three additional randomized, placebo-controlled studies underway: a Mayo Clinic study, a gut health study, and a Daily Ultimate Longevity study.

- **A sophisticated AI-driven marketing engine supports rapid customer acquisition at scale.** IM8 operates as a digitally native, direct-to-consumer brand with ~95% of sales through its own website, preserving the ~65% gross margin and enabling direct control of the customer journey. The performance-marketing engine runs on the order of ~3,000+ live Meta ads, and management is deliberately diversifying the channel mix from ~85% Meta today toward ~55% Meta over the course of 2026, deploying the same engine across Google, TikTok, YouTube, and AppLovin, which is expected to access new audiences and potentially improve blended customer acquisition economics.
- **Growth-supportive balance sheet: $1B of growth capital from General Catalyst removes the cash constraint on scaling.** Following the strategic divestitures of ACT Genomics, Europa Sports Partners, and a 35% stake in Insighta (acquired by Tencent for $70M in cash), as well as the sale of its entire 510 BTC position (~$41.3M; board policy now bars future digital asset purchases), Prenetics reported cash of $59.1M, current financial assets at fair value of $50.3M (aggregate liquidity of ~$109.4M), and zero debt as of June 30, 2026. The company completed its $40M share repurchase program (with $26.9M repurchased in 2Q26), supplemented by $2.75M of personal open-market purchases by management/insiders. On July 14, 2026, Prenetics secured a $1B commitment from General Catalyst's (GC) Customer Value Fund (CVF), which will finance up to 70% of IM8's monthly marketing spend on a cohort-by-cohort basis. The arrangement issues no equity, warrants, or convertibles; it is treated as a financial liability, with General Catalyst's capped return recognized as interest expense below operating income, while 100% of marketing spend continues to be recorded as selling & marketing expense. There is no fixed repayment schedule, as well as no maturity, no financial covenants, and no recourse beyond the funded cohorts. Once General Catalyst reaches its capped return on any monthly cohort, all subsequent value from those customers accrues entirely to IM8. With the $1B General Catalyst facility now in place, the company has affirmed it can execute FY26 growth plans without dilutive capital raises. Management frames the structure as a path to $1B in ARR by ~2Q29 (illustrative, not guidance).
- **Multiple identifiable catalysts could drive revenue above current guidance; three new planned SKUs represent potential upside.** Beyond the base case in management's FY26 guidance, we believe that potential upside optionality includes accelerating quarterly subscription adoption, new SKUs (excluded from guidance), marketing channel diversification, deeper international penetration, potential entry into premium retail (currently entirely DTC), and further ambassador/partner additions. Moreover, for FY27/FY28, planned entry into large untapped markets, most notably China (~$50B, 1.4B consumers, 0% current penetration) and India provide, in our opinion, significant potential avenues to drive revenue over the intermediate to long term. The March 2026 Superpower partnership (closed-loop supplementation + blood diagnostics) remains an early-stage catalyst, with management citing 10%–15% uptake. IM8 also plans to launch three products across large, fast-growing adjacent categories on a staggered cadence: hydration in 4Q26E, premium gummies in 1H27E, and later creatine. The company cites Grand View market size and CAGRs of (1) hydration (~$37B, +8%), (2) kids'/premium gummies (~$25B, +8%; previously believed to be ~$3.6B market per 1Q26 reports), and (3) creatine (~$1.3B, +26%). Management has stated that these launches are not included in current guidance and represent incremental upside potential, adding an illustrative $178–$378 of incremental second-year revenue per customer at modeled attach rates against the existing subscriber base.
- **Valuation.** We value PRE on an EV/sales basis, the appropriate primary lens, in our opinion, given that consolidated AEBITDA remains negative through FY27 in our model, making EV/EBITDA not meaningful until FY28E (we show peer EV/EBITDA for context only). We derive our $37 price target by applying a 1.9x multiple to our FY27E consolidated revenue (on an EV/sales basis). Against a reference price of $23.25, our target implies approximately 60% potential upside. We view a 1.9x forward EV/sales multiple as conservative for a brand modeled to grow IM8 revenue ~82% in FY27 and one that sits at a discount to where high-growth consumer and supplement peers trade on forward sales. At the reference price, PRE trades at roughly 1.3x FY27E consolidated sales; our target re-rates the shares to 1.9x—still, in our view, a reasonable level relative to the peer set and to PRE's growth trajectory and improving margin structure. We expect scope for further multiple expansion and potential upward target revisions as IM8 crosses into sustained profitability. While the planned SKU launches are not included in our estimates, we see further upside potential as product development/additions begin to contribute. However, we believe a necessary hurdle to re-rating of PRE is the company's transition to U.S. issuer status and adoption of GAAP auditing/accounting/reporting.

Investment Rationale

Anticipate PRE Attaining U.S.-Domiciled/U.S.-Issuer Status

In our opinion, for various reasons, including high-standard, audited financials, SEC review, and corporate governance, it is critical that the company attain full U.S. listing status. We see this expected achievement as pivotal, and although our investment thesis is predicated upon PRE's issuer status changing to the U.S., we remind investors of several considerations. As a foreign private issuer (FPI), PRE is exempt from

Forms 10-Q and 8-K. Per guidelines, it files the 20-F within four months of fiscal year-end and furnishes quarterly results on Form 6-K. Therefore, the reported metrics we reference are unaudited, self-defined, and not subject to the SEC staff review process applicable to a Form 10-Q. Relevant to 2Q, we note the IFRS 15 revenue restatement ($47.8M → $45.0M) and the company's reliance on non-IFRS metrics (ARR, Adjusted FCF, Contribution Profit, and CAC), none of which carry a standardized definition. Considering these factors, disclosure is currently voluntary (much of it is not required) and fairly generous, in our view. Given that the company reports under IFRS, not US GAAP, direct financial comparability to U.S.-listed consumer peers currently is limited. PRE is also exempt from proxy solicitation rules under Section 14 and from Regulation FD. Regarding The Holding Foreign Insiders Accountable Act (Section 8103 of the FY26 NDAA, signed on December 18, 2025), it now requires FPI directors and officers to file Section 16(a) insider reports, effective March 18, 2026, but principal shareholders remain exempt from 16(a), and directors, officers, and principal shareholders remain exempt from Section 16(b) short-swing profit recovery. Thus, the disclosure regime is still narrower than that of a domestic issuer.

Regarding governance exemptions, PRE is permitted to elect exemptions from a majority independent board, an independent nominating process, an independent compensation committee, a three-member audit committee, an annual general meeting requirement, shareholder approval for equity compensation plans, and shareholder approval for issuances above 20% of outstanding shares. The FY25 20-F states that the company intends "to rely on some or all" of these, and that it may follow Cayman Islands home country practice in lieu of NASDAQ domestic standards. However, in contrast, PRE has been moving in the other direction voluntarily, adding Hudson Leogrande and Caroline Levy as independent directors, with Ms. Levy on the audit, compensation, and nominating/governance committees. As a result, while these exemptions remain available, management is not currently using them to the fullest extent.

Regarding voting, CEO Yeung's ~1.6M Class B shares carry 20 votes each—roughly 70% of total voting power on about 10% of shares outstanding. The 20-F states only that he holds >50%. Under the current structure, public shareholders have essentially no ability to influence outcomes, including a change of control.

As an emerging growth company (EGC), PRE is exempt from the SOX 404(b) auditor attestation on internal controls. Status terminates on the earliest of: the last day of the fiscal year following the fifth anniversary of the business combination (December 31, 2027), annual revenue reaching ≥$1.235B; PRE attaining large accelerated filer status (non-affiliate float >$700M at June 30), or >$1.0B of non-convertible debt issued in three years.

Regarding the Holding Foreign Companies Accountable Act (HFCAA), PRE is in scope because it is headquartered in Hong Kong. However, the Public Company Accounting Oversight Board (PCAOB) vacated its Hong Kong non-compliance determinations in December 2023 and has inspected Hong Kong–based firms since 2023. As of December 31, 2025, there were no PCAOB-identified issues for PRE. FY25 auditor of record, Deloitte Touche Tohmatsu (HK), is PCAOB-registered and inspected.

While acknowledging the foregoing considerations, the company appears to be making strides toward preparing for a shift to U.S. status, in our opinion. Although this will be a process, we believe that it is achievable, and upon completion, we see potential for the shares to re-rate closer to par with similar U.S. companies in the space. Thus, albeit an early-stage situation at this juncture with inherent unknowns, assuming that the company remains on a strong growth path, substantial upside potential lies therein, in our view.

IM8: A Category-Defining Growth Engine

In addition to the necessity of becoming a U.S. filer, our core fundamental investment thesis for Prenetics centers on the commercial momentum and long-term potential of IM8. From a standing start, IM8 generated ~$0.4M in monthly revenue in December 2024 and grew to ~$20.9M per month by July 2026 (~52x growth). This trajectory produced $60.1M in FY25 IM8 revenue and continued to accelerate in 2026 with IM8 posting $45.0M in 2Q26 (~4.6x Y/Y, +33% sequentially).

According to company presentations, IM8 reached $100M ARR in 11 months—a milestone that supplement brand Athletic Greens (AG1) required 120 months to achieve, Cymbiotika 72 months, Vital Proteins 60 months, and Ritual 60 months. On the same trajectory, IM8 reached ~$251M ARR in ~20 months (July 2026) from launch. IM8 also outpaced high-growth technology and consumer brands, including Cursor (15 months), Kylie Cosmetics (24 months), Slack (30 months), and Zoom (48 months). We have derived these comparisons from third-party research and IPO filing data.

Months to Achieve $100M ARR for AI, Consumer Brand, and Supplement Companies

Source: Company presentation

While revenue trends are important to our thesis, we emphasize that this velocity is possible because of two reinforcing advantages that underlie growth: the characteristics of the product itself and the visibility conferred by IM8's brand platform. On the product, we would highlight pleasant taste as an underappreciated driver of adherence. For a premium supplement meant to be taken every day, and whose benefits are real but not immediately felt, a poor-tasting product typically makes discontinuation easy (almost self-encouraging), whereas a product the customer actually enjoys consuming is one they are far more likely to keep taking. In our view, IM8 compares favorably with competitors such as AG1, consistent with its stevia-free flavor profile and reflective of 16,000+ five-star customer reviews across platforms and the 4.6 Trustpilot rating from ~1,300 reviews. We believe this palatability advantage has contributed to IM8's higher customer retention rate, with 14.2% of customers still transacting at month 20 (versus 11.4% for Thorne, 10.8% for AG1, and 2.4% for Grüns per third-party card-panel data), alongside repeat revenue making up 87% of total IM8 sales—a meaningful offset in a DTC subscription model that is generally assumed to carry high churn and to depend on continuous new customer acquisitions.

On visibility, IM8's ambassador platform pairs recognized leaders across distinct fields—football (co-founder David Beckham, plus the Inter Miami CF partnership and its NIL rights to Lionel Messi), tennis (World No. 1 Aryna Sabalenka), basketball (two-time NBA MVP Giannis Antetokounmpo), Formula 1 (Ollie Bearman), wellness media (Jay Shetty), and, most recently, film and television (two-time Golden Globe nominee Lily Collins)—into a wide-reaching, equity-aligned roster of seven partnerships assembled in roughly 1.5 years. Critically, several of these relationships were inbound: Ambassadors approached Prenetics only after using IM8 regularly and experiencing the benefits themselves. Management notes, for example, that Ms. Collins had taken the product daily for months before any conversation about a partnership and that Ms. Sabalenka, Mr. Bearman, and Mr. Antetokounmpo each came to the brand through their own use. In our opinion, endorsement that follows genuine, pre-existing use is the best-case form of brand partnership—more credible and more durable than conventional paid promotion—and, taken together with the retention data, it serves as an additional, independent proof point for IM8's underlying product benefits.

Positive Nutritional Supplement Industry Trends

The company frames its addressable market as the $200B+ global dietary supplements market, projected to grow ~8% annually to ~$393B by 2033, supported by tailwinds including GLP-1 adoption reframing demand toward high-protein, nutrient-dense supplementation; rising demand for healthy aging and longevity solutions; a shift toward holistic, all-in-one wellness; and growing consumer preference for clinically substantiated formulations over commodity supplements. IM8 represents roughly 0.1% of this market at its 2026 revenue target, with management framing a path to a $1B brand at ~0.5% share.

Several structural tailwinds are particularly favorable for IM8's direct-to-consumer, subscription-based model, in our opinion. Consumer demand is increasingly tilting toward convenient, comprehensive, all-in-one products that consolidate multiple supplement purchases—precisely IM8's value proposition. The premiumization of wellness is accelerating, as evidenced by consumers' demonstrated willingness to pay $110–$240 per order for clinically validated, NSF-certified products. We believe that the rise of performance health culture—driven by wearable fitness tracking, the broader longevity wellness movement, and elite athlete culture—is creating a growing segment of health-conscious consumers who prioritize efficacy and scientific credibility.

We see the competitive environment as both validating and intensifying. According to Prenetics' reports, IM8 competes with well-established supplement brands including Nestlé Health Science, Thorne, and Ritual, as well as direct-to-consumer brands including AG1 and Huel. The company acknowledges that competitors often benefit from larger marketing budgets and established retail relationships and that the market is characterized by low barriers to entry. IM8's competitive strategy relies on science-backed formulations, clinical validation, and celebrity brand equity as primary differentiators.

Development of IM8 and the Role of David Beckham

The IM8 brand was established in June 2024 through a formal share subscription agreement between Prenetics and David Beckham's company, DB Ventures Limited. Under this agreement, Mr. Beckham subscribed for 3% of Prenetics' Class A Ordinary Shares on a fully diluted basis, taking a co-founding stake in the IM8 venture.

Mr.Beckham's role in IM8 extends beyond brand endorsement. As a co-founding partner, his active participation in promotion is described as strengthening the brand's authenticity and appeal. Prenetics has explicitly cited his global influence as a strategic asset for reaching a broad consumer audience in the premium health and wellness market.

Product development for IM8 drew on Prenetics' existing clinical infrastructure. Dr. Senthil Sundaram, the company's chief clinical officer, led the scientific and clinical development of the two initial products—Daily Ultimate Essentials Pro and Daily Ultimate Longevity—and continues to oversee their clinical trials. IM8 products are manufactured in FDA-registered facilities in the U.S. and undergo independent third-party testing through NSF Certified for Sport, which verifies that products are free from over 280 contaminants and confirms that ingredient dosages match product labeling.

As the chief clinical officer of Prenetics, Dr. Sundaram is responsible for overseeing the company's clinical policies. A highly recognized physician-scientist, Dr. Sundaram has led numerous genetic research programs in the U.S., with a particular focus on neurological diseases. Notably, he has discovered genetic mutations and rare genetic variants causing different neurological diseases using next-generation sequencing technologies, including whole exome sequencing. His research has been published in reputed journals, such as *Neurology*, *Annals of Neurology*, and *Cerebral Cortex*, and has been funded by the National Institute of Health (NIH) in the U.S. He has also served as a reviewer for various journals and NIH study sections. At Prenetics, Dr. Sundaram led the scientific and clinical development of CircleDNA, the company's flagship consumer genetic testing product, and currently leads the clinical trials for IM8 Daily Essentials and IM8 Longevity.

Extensive Scientific Advisory Board Behind the IM8 Brand

A central element of IM8's development and science-led marketing strategy is its scientific advisory board (SAB), which comprises experts from institutions including NASA, Cedars-Sinai, and the Mayo Clinic. The SAB's involvement is intended to ensure that product formulations are grounded in scientific evidence and to provide credibility for IM8's positioning as a science-backed supplement brand. The SAB informs the company on the latest scientific developments relevant to health, wellness, and nutritional supplementation and provides guidance on the development of pipeline products, making it a material contributor to R&D capability. Prenetics' collaboration with the Mayo Clinic, formalized in December 2024, represents the most significant institutional scientific relationship associated with IM8 to date, targeting evidence-based supplement development across several health categories. Chief Clinical Officer Dr. Senthil Sundaram works in conjunction with the advisory board to oversee clinical policy and product development.

The SAB is composed of experts from oncology, microbiome, sports medicine, regenerative medicine, cardiovascular research, and space biology. Prenetics highlights nine key members of the SAB:

Dr. Dawn Mussallem — CMO of Fountain Life and Integrative Oncologist at Mayo Clinic

Dr. James L. Green — former chief scientist of NASA

Prof. Suzanne Devkota — director of Cedars-Sinai Human Microbiome Research Institute

Dr. James DiNicolantonio — cardiovascular research scientist and Doctor of Pharmacy

Dr. Amy Shah — double-board certified physician and host of the podcast "Save Yourself"

Dr. Ara Suppiah — performance strategist, sports physician, creator of Functional Sports Medicine

Dr. Darshan Shah — board-certified surgeon & physician and CEO & founder of Next Health

Simon Hill — Nutritionist, physiologist, and podcaster

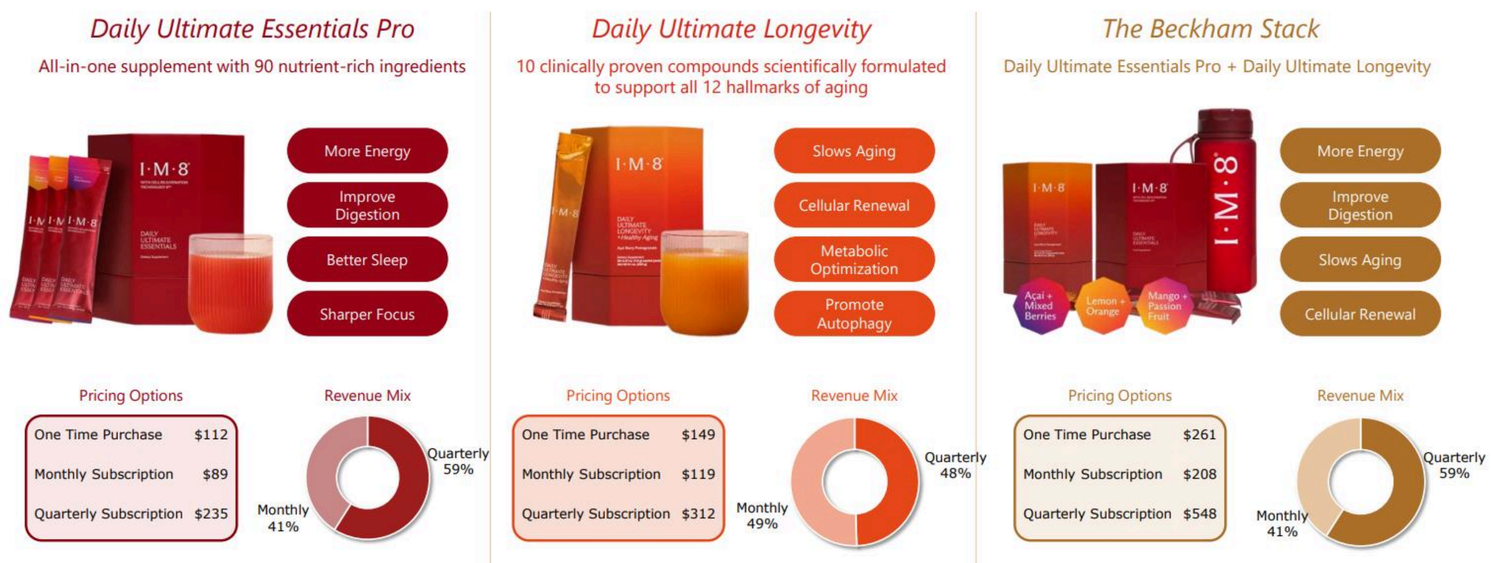
Dr. Pamela Mehta — board-certified orthopedic surgeon, chief medical officer of the Good Feet Store, and specialist in sports medicine

The company's clinical evidence program is expanding. Beyond the completed 12-week RCT on the flagship product (San Francisco Research Institute), three RCT-grade trials are underway: a Mayo Clinic study (n=100 healthcare workers, 8 weeks, at Mayo Clinic Florida, investigator-initiated), a gut health study (n=135, 8 weeks, 3-arm, dose-response), and a longevity study (n=180, 90 days, 4-arm); all randomized, double blind, and placebo controlled, with the two independent-institute readouts expected in 1H27.

IM8 Compares Favorably to Other Nutritional Supplements, Including AG1

IM8 competes directly with AG1 in the premium, all-in-one daily supplement category. AG1 is the established category leader, having built a business that generated ~$600M in revenue in 2024 and achieved a valuation estimated at ~$1.2B, per Prenetics. The company acknowledges AG1 as a direct competitor, noting that AG1 and similar brands "offer all-in-one nutritional products similar to our Daily Ultimate Essentials powder." The cost of IM8 is roughly the same as that of AG1, which has a one-time cost of $99 and subscription pricing of $79 (monthly) to $207 (quarterly). Prenetics makes this comparison with AG1's base product, AG1 Next Gen. However, AG1 has a newer, more premium-level product called AG1 Pro, which best compares to IM8's Daily Ultimate Longevity pricing, with one-time cost of $119 and subscription pricing of $99 (monthly) to $267 (quarterly). AG1 pro is not as differentiated from the base product as IM8's Essentials Pro is versus Ultimate Longevity; rather, it adds a few ingredients.

Pricing of IM8 30-Day Supply and 90-Day Supply through Subscription for Three Product Options



Source: Company reports

IM8 differentiates itself on several dimensions. Its flagship product, Daily Ultimate Essentials, is formulated with 90 nutrient-rich ingredients. The product is marketed as capable of replacing 16 separate supplements. The product is notably cost-effective compared to purchasing supplements individually, with the company providing an example that demonstrates well over 50% cost savings. A company-sponsored 12-week clinical trial of the Daily Ultimate Essentials product reported that 95% of participants experienced increased energy, 85% reported better digestion, 80% reported better sleep, and 75% reported sharper focus.

Cost-Effectiveness Example of IM8 vs. Purchasing Supplements Individually

Source: Company reports

According to the company, Daily Ultimate Longevity is the world's first supplement scientifically formulated to support 12 hallmarks of aging with 10 therapeutic compounds, including NMN, Spermidine, and Resveratrol, and includes Prenetics' 5-Complex System with therapeutic doses of premium longevity compounds. The product is notably more cost-effective when compared to purchasing supplements individually, with the company providing the example below, which demonstrates over 50% in cost savings.

Comparison by Features of IM8 to AG1, Bloom, Huel, and Grüns

	I·M·8	AG1	Bloom	Huel	grüns
	Comprehensive, All-In-One System Replacing 16 Other Supplements	*Daily Base Layer*	*Relieving Bloat and Supporting Digestion*	*All-In-One Daily Nutrition*	*Daily Nutrition Support*
Gut Health 4-Tier System[1]	✓	✗	✗	✗	✗
Cellular Energy & Heart Health	✓	~	✗	✗	~
Hydration & Electrolytes	✓	~	~	~	✗
Joint & Muscle Health	✓	✗	✗	✗	✗
Stevia-Free Taste Mix	✓	✗	✗	✗	✓
Third Party Tested	✓	✓	✓	✓	✓
Clinical Studies	✓	✓	✗	✓	✓
RCT-Grade Clinical Trials	✓	✗	✗	✗	✗
NSF Certified for Sport	✓	✓	✗	✗	✗
International Presence	✓	✓	✗	✓	✗
Status	NASDAQ: PRE	Private	Private	Acquired: $1.2B	Acquired: $1.2B

Source: Company presentation

Further, we believe that IM8 provides customers with a differentiated ability to measure the supplement's impact. On March 24, 2026, Prenetics announced a strategic partnership with Superpower, positioning the arrangement as the first closed-loop system connecting clinical-grade supplementation with comprehensive blood diagnostics. The partnership addresses what both companies describe as a fundamental gap in the wellness industry: Consumers taking supplements have had no reliable mechanism to measure efficacy, while blood testing platforms have lacked a high-quality supplement protocol to pair with their data. Under the terms, Superpower will feature IM8's Daily Ultimate Essentials as a recommended foundational supplement within its personalized health protocols and make it available on its marketplace, while IM8 will integrate Superpower's blood testing membership into its customer journey at preferential pricing. For IM8 users, the benefit is material; 90-day Daily Ultimate Essentials subscribers can access Superpower's annual membership—which ordinarily retails at $199 and includes 100+ biomarker testing, an AI health layer, and 24/7 concierge care—for $49, a 75% discount; monthly IM8 subscribers receive the same membership for $99, a 50% reduction. Testing is accessible at over 2,000 Quest Diagnostics locations nationwide or via at-home blood draw for an additional fee. The practical result for IM8 customers is the ability to establish a baseline biomarker panel, supplement for 90 days, and retest, creating a measurable feedback loop that neither party could offer independently. We further note that the partnership has the potential to drive IM8 sales through the Superpower channel.

Robust Marketing Strategy and AI-Driven Performance Marketing

IM8 operates primarily as a direct-to-consumer brand through its website, www.IM8health.com, with ~95% of sales on its own site and ~5% though other marketplaces (including Amazon). This DTC model gives IM8 ownership of the full customer journey and first-party data; the information its marketing engine uses to test, target, and iterate. The engine targets distinct customer "personas" (e.g., a GLP-1-support persona), each routed to a matched landing page.

IM8 runs ~3,000 live Meta ads (+60x since launch) and tests 600–800 new ads weekly. Management is diversifying the channel mix from ~85% Meta/~15% Google toward a 2026E target of roughly 55% Meta/15% Google/12% TikTok /12% YouTube/6% AppLovin and is early in scaling TikTok (~500 affiliates, targeting 1,000 by month-end; ~$3K–$5K/day in testing spend across new channels). A notable execution of this engine was the AI-powered Aryna Sabalenka video campaign tied to the 2025 US Open, which generated 233M Instagram views, complemented by a 12-month Times Square billboard placement (September 2025–September 2026). Beyond digital, IM8 has run ~100 in-person brand activations across 12 cities—for example, a London event series around Wimbledon. We expect further details on the marketing initiatives, given the attention drawn by the $1B General Catalyst financing.

IM8 supports its paid acquisition with a content and credibility ecosystem: a creator community of 1,000+ influencers; over 16,000 five-star customer reviews across platforms, alongside a 4.6 Trustpilot rating on ~1,300 reviews; and its Scientific Advisory Board of doctors, professors, and former NASA and Mayo Clinic experts. This science-led content (blog articles, expert interviews, and clinical trial data) is designed to bolster IM8's credibility in response to the unsubstantiated health claims common in the nutritional supplements industry.

Celebrity Brand Ambassadors

The IM8 ambassador model is structurally differentiated from conventional celebrity endorsement by the equity participation of its key ambassadors, indicating their commitment to the brand and belief in its effectiveness.

David Beckham, the former professional footballer, is a co-founder of IM8 Health, having established the brand in partnership with Prenetics in June 2024. His co-founder status means his involvement is constitutive of the brand rather than merely promotional. The "Beckham Stack," combining Daily Ultimate Essentials and Daily Ultimate Longevity, represents a premium product bundle within the IM8 portfolio.

In June 2025, Prenetics announced Aryna Sabalenka—World No. 1 women's tennis player and 2024 and 2025 US Open champion—as a global brand ambassador and Prenetics shareholder, becoming the company's first current-athlete shareholder. Ms. Sabalenka became an ambassador after personally experiencing remarkable benefits from using Daily Ultimate Essentials since the beginning of 2025, upon the recommendation of her coach.

In February 2026, Prenetics announced Formula 1 driver Ollie Bearman (Haas F1 Team) as a global brand ambassador and shareholder. The announcement positioned his partnership as connecting IM8 with the next generation of performance-focused consumers through the globally expanding F1 audience. Mr. Bearman became an ambassador after experiencing improved energy level, focus on the racetrack, and recovery between races.

On April 2, 2026, Prenetics announced a multiyear partnership with NBA Champion and two-time MVP Giannis Antetokounmpo, who became an ambassador after he experienced improved energy, recovery, and overall health and made IM8 part of his daily routine. The addition of Mr. Antetokounmpo broadens exposure of the IM8 brand to the 18–34 age demographic, where IM8 has been underrepresented. Notably, Mr. Antetokounmpo chose 100% equity for compensation related to the new partnership.

In May 2026, the roster expanded to include wellness figure Jay Shetty as an equity partner, as well as a multiyear strategic partnership with Inter Miami CF (David Beckham being one of the club owners) that includes an equity stake for the club in Prenetics, name image likeness rights for a minimum of four Inter Miami players (including Lionel Messi), and the establishment of an IM8 Nutrition Center at the club's training facility. Management has emphasized that these partnerships are secured on highly favorable, equity-aligned terms and are not financially material relative to IM8's revenue base.

The most recent addition was on August 20, 2026. Prenetics announced a multiyear global partnership with two-time Golden Globe–nominated actress and producer Lily Collins (star and executive producer of Netflix's *Emily in Paris*) as an IM8 Global Ambassador and Prenetics shareholder. Ms. Collins is IM8's first ambassador from film and television (first with a primarily female audience). According to the company, she brings more than 33M followers across social platforms (including 28M+ on Instagram) at an engagement rate of ~6%, several times the 1%–2% typical of accounts at comparable scale.

In our opinion, the ambassador and partner roster holding equity in Prenetics promotes authentic advocacy aligned with long-term shareholder value creation. The ambassadors have more than 160M combined followers on Instagram alone. We view the Inter Miami CF partnership—notably, Lionel Messi has ~516M Instagram followers—as a marketing asset IM8 has secured but not yet fully activated, and a potential source of incremental brand visibility.

The $1 Billion General Catalyst Customer Value Fund Financing

On July 14, 2026, Prenetics announced the closing of a $1B non-dilutive growth financing from General Catalyst's Customer Value Fund (CVF), led by GC Partner Adit Swarup. Under the arrangement, General Catalyst finances up to 70% of IM8's monthly marketing spend, matched on a cohort-by-cohort basis, with IM8 retaining full discretion over facility utilization. In return, General Catalyst receives a capped share of income tied to the performance of the financed customer cohorts; once GC recovers its investment plus a capped return on any given monthly cohort, all subsequent value from those customers accrues entirely and permanently to IM8.

The structure is designed to preserve financial flexibility: No equity, warrants, or convertibles are issued; there is no fixed repayment obligation, no maturity date, and no financial covenants; and GC's recovery is limited to the revenue generated by the funded cohorts, with no recourse to Prenetics beyond them and no cross-collateralization between cohorts. For accounting purposes, Prenetics will classify the arrangement as a financial liability, with the return component recognized as interest expense below operating income. It introduces no new operating expense and has no impact on gross margin, while 100% of marketing spend continues to be recorded as selling & marketing expense.

General Catalyst's premium is capped at a 1.17x return multiple, with the effective premium scaling by payback speed (3.5% for cohorts paying back in ≤3 months, rising to ~15.4% for 18–24 months, 17% maximum). Because IM8's mature cohorts typically pay back within three to six months, the blended cost sits at the low end of that range. Based on current typical payback timelines, Prenetics expects an overall effective interest rate of ~7%. In practice, GC funds 70% of each month's elected marketing spend (e.g., $7M against a $10M cohort) and that cohort's gross profit repays GC first. Because marketing is IM8's largest P&L line at 40%–60% of monthly revenue, the facility materially improves the cash flow profile of customer acquisition. The economics are inverse to payback speed: Management frames GC's IRR at ~14% on a three-month payback (turning capital ~4x/year), declining to ~9.2% at 12 months, aligning both parties toward faster paybacks and implying an all-in cost of capital to IM8 in the low double digits.

Management has highlighted that every monthly customer cohort since launch has exceeded the performance thresholds defined in the arrangement, a claim GC validated through transaction-level diligence of each cohort before committing, and characterized the blended GP/CAC (~1.44x at underwriting, ~1.52x one month later) as external validation of its cohort economics. Management's illustrative (explicitly non-guidance) framework contemplates GC deploying its full $1B by ~2Q29, supporting a path to ~$1B ARR by that point and ~$1.3B ARR by mid-2030, with selling & marketing expenses held roughly flat at an ~$60M/month ceiling from 2028 as growth compounds off the recurring subscriber base.

GC's Premium by Payback Speed

≤ 3 months	3.5%
3 - 6 months	~4.7%
6 - 12 months	~7.6%
12 - 18 months	~11.5%
18 - 24+ months	~15.4%
25+ months	17% — the max, ever

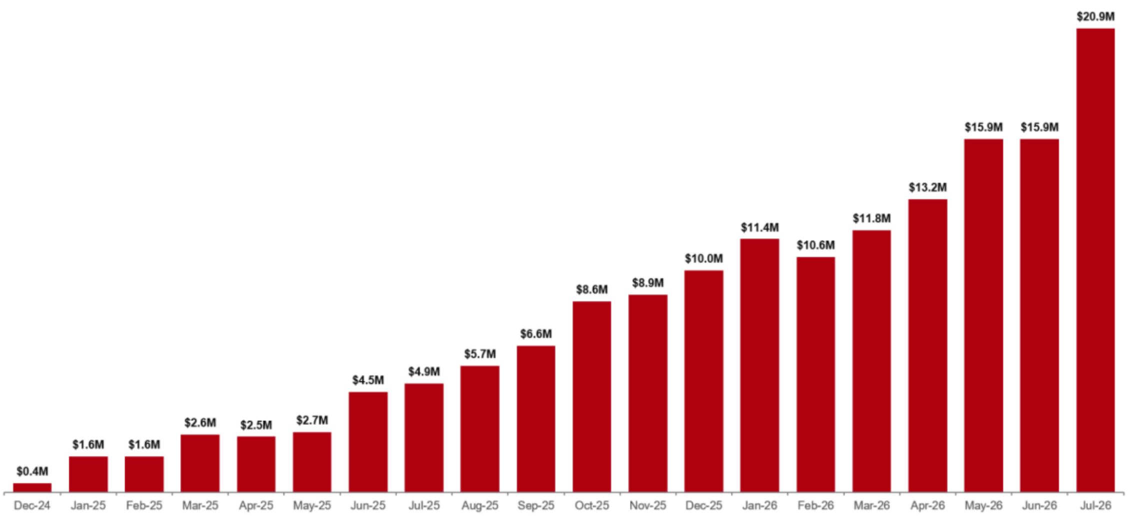
IM8's mature cohorts pay back within ~3–6 months

Source: Company website

IM8 Unit Economics, Cohorts, and Geography

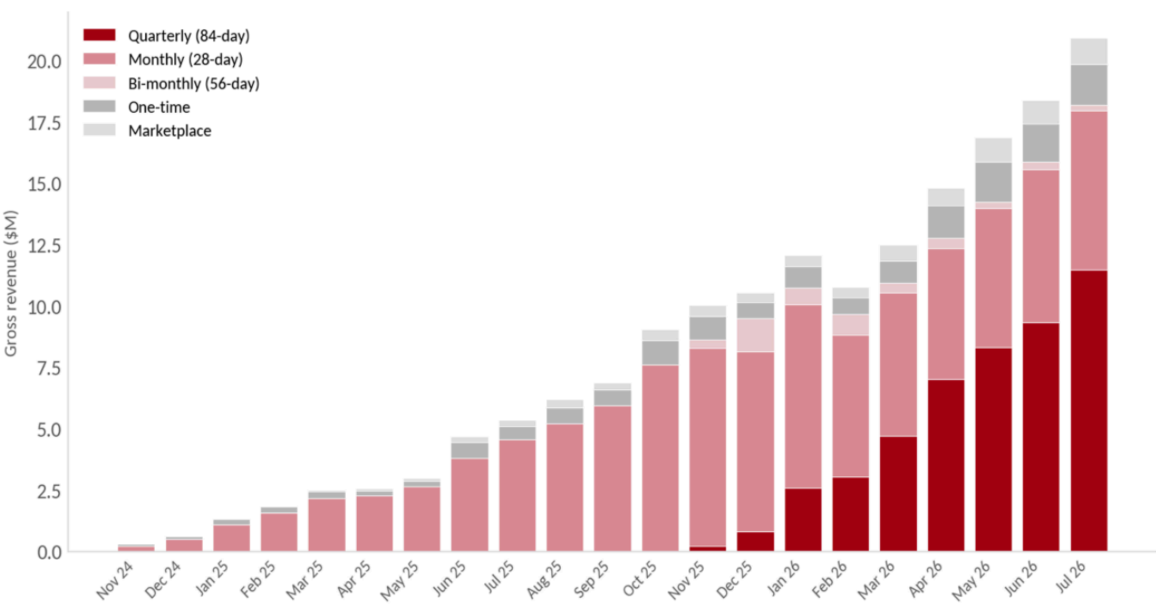
On a monthly basis, 2Q26 IM8 revenue was ~$13.0M in April and ~$16.0M in each of May and June, followed by a record ~$20.9M in July 2026—an annualized run-rate of ~$251M and ~52x the launch-month figure (Note: previously disclosed preliminary 2Q26 IM8 revenue of ~$47.8M was revised to $45.0M under IFRS 15 to exclude certain taxes collected on behalf of tax authorities, bringing the quarter within the $44M–$46M guide).

IM8 Monthly Sales Grew ~52x in 20 Months



Source: Company presentation

Quarterly Subscription Revenue



Source: Company presentation

IM8's gross margin expanded from ~52% in 2Q25 to ~60% in 3Q25, remained roughly flat at 60.3% in 4Q25 (holiday freight and international mix), and then expanded ~400 bps sequentially to 64.3% in 1Q26 and reached ~65% in 2Q26, driven by manufacturing scale, renegotiated supplier terms, favorable SKU/subscription mix, packaging optimization, and improved fulfillment and freight efficiency across 46 markets.

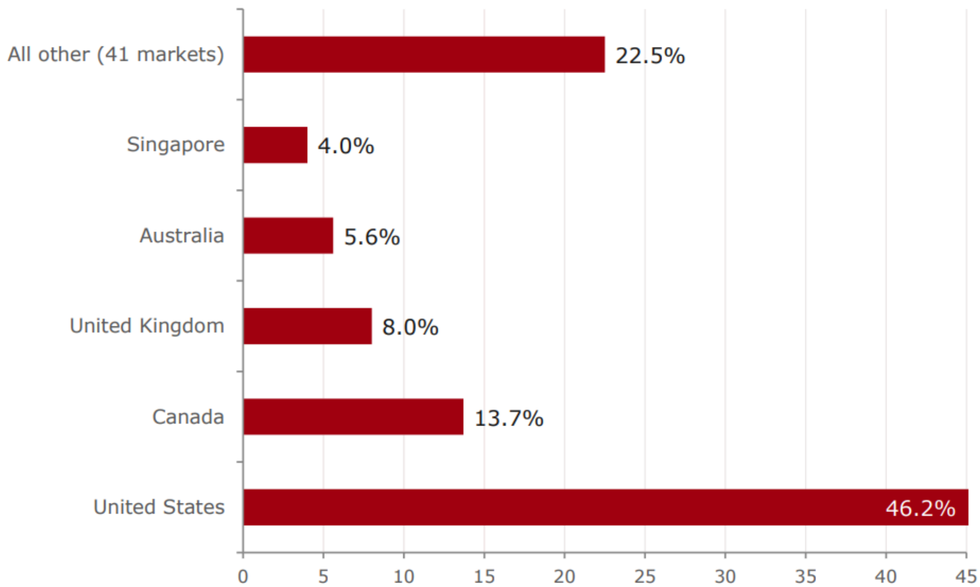
Across all mature cohorts, IM8 has generated a blended 1.52x gross profit per dollar of CAC, computed at a 58% contractual gross margin assumption; the actual 2Q26 gross margin of ~65% represents embedded upside potential. By vintage, CAC rose from $104 in 1Q25 to $305 in 1Q26; the newest quarterly vintages remain early on their payback curve, and mature cohorts pay back within ~3–6 months, as reported by PRE in its growth financing announcement. Approximately 76% of new customers opted for subscription plans in 2Q26 (79% in 1Q26), which we view as a material driver of revenue consistency and predictability.

The mix shift toward quarterly plans, introduced in the U.S. in December 2025 and extended internationally in 1Q26, has lifted pricing and order value. Blended new customer AOV was ~$110 in FY25 (~$133 by the last month of 4Q25) and ~$217 in 1Q26 (per the 2Q26 KPI restatement, previously $240), easing to ~$207 in 2Q26. Monthly pricing runs ~$89 for Daily Ultimate Essentials and ~$208 for the Beckham Stack (Essentials plus Longevity), with the quarterly Beckham Stack cadence priced up to ~$548, a modestly better per-month rate paid three months up-front. The Beckham Stack accounted for ~36% of IM8 revenue as of 1Q26, reflecting a large base of customers on a >$200/month regimen. Management views the higher blended CAC as a deliberate, value-accretive trade-off for higher-LTV subscribers.

The principal risk to this recurring revenue base is subscription churn, but early retention data mitigate the concern, in our opinion. At month four, quarterly-plan cohorts retained ~68% of customers, versus a 31%–58% range for monthly cohorts (at least 10 points higher), and management reported early second renewals from the January 2026 quarterly cohort (seven-month life) holding at similar stickiness. Quarterly shipments also carry ~4 points higher gross margin than monthly ones. We therefore view the mix shift toward quarterly plans as improving both revenue durability and margin, though the quarterly cohorts remain young and warrant monitoring as they season.

Geographic diversification provides additional evidence of global product-market fit, in our opinion. IM8 shipped to 46 countries by the end of 2Q26, with ~54% of revenue generated outside the U.S. The top five IM8 markets in 2Q26 were the U.S. (46.2%), Canada (13.8%), the U.K. (8.0%), Australia (5.6%), and Singapore (4.0%).

2Q26 IM8 Revenue by Geography



Source: Company reports

CircleDNA

CircleDNA is Prenetics' flagship consumer genetic testing brand, launched globally in 2019 and managed by the team that oversees IM8. It uses next-generation sequencing (NGS) technology to analyze a customer's DNA from a saliva sample. As of March 31, 2025, more than 500,000 test kits had been delivered to customers across more than 30 countries, including those from the DNAFit customer base, which Prenetics acquired prior to this reporting period.

CircleDNA offers four product tiers: Vital, Family Planning, Health, and Premium. The Premium package is the most comprehensive and is the package most preferred by customers. It provides over 500 reports across 20 categories, including disease risks, drug responses, family planning, diet, common health risks, personal traits, and nutrition. Premium customers also receive two complimentary one-on-one tele-consultations with genetics-trained health professionals.

The testing process involves extracting a sample, sequencing it after removing personally identifiable information, and then applying Prenetics' in-house developed algorithm to generate reports. The testing methodology has been validated by an external university genomic laboratory with a reported 99.9% analytical accuracy rate across 452,172 pathogenic variants in 49 samples. The platform uses NGS at an average sequencing depth of 90 times, which represents significantly more data than typical microarray-based genotyping tests.

CircleDNA results are accessible via the company's in-house mobile application, where customers can track sample status, review genetic insights, access actionable health recommendations, and schedule tele-consultations. CircleDNA maintains an email and social media database of more than 1M people globally. However, it is now the significantly smaller continuing Prenetics segment and no longer the company's growth focus following the IM8 pivot: After nearly doubling revenue in 2024, the brand contributed $12.9M in FY25 (85.0% gross margin), and its quarterly revenue has since stepped down to $2.2M in 1Q26 and $1.5M in 2Q26 (66% gross margin; $3.7M for 1H26), versus $5.8M (83%) in 4Q25. We model CircleDNA revenue down in FY26, reflecting this step-down rather than a return to the FY25 level.

Recent Results and Financial Condition

The key FY25 consolidated financial results included total revenue of $92.4M; a 53.0% gross margin, which was depressed by the low-margin Europa business that was subsequently divested; selling & marketing expenses that de-leveraged 450 bps to 38.5% of revenue, reflecting the company's increased spending to acquire customers with higher LTV; an AEBITDA loss of $13.0M, a 27% improvement from ($17.9M) in FY24; and net loss from continuing operations of $55.0M, which was primarily driven by noncash and nonrecurring items, including $8.2M in goodwill impairment for Europa, $9.7M in unrealized fair value loss on alternative asset holdings, $8.0M in nonrecurring disposal and fundraising expenses, $3.8M in strategic realignment costs, and $6.4M in equity-settled share-based payment expenses. By segment, IM8 and CircleDNA contributed FY25 revenue of $60.1M and $12.9M at gross margins of 62.7% and 85.0%, respectively.

Prenetics' financial profile has been substantially reshaped, transforming from a multi-segment company into a pure-play consumer health business anchored by IM8. On a restated continuing operations basis (excluding ACT Genomics, Europa, and Insighta under IFRS 5), 2Q26 total revenue was $46.5M (+29.3% sequentially; ~3.9x Y/Y from $12.0M in 2Q25), gross profit was $30.2M (65.0% consolidated gross margin), loss from operations was $21.0M, and adjusted EBITDA loss was $19.0M. For 1H26, continuing operations revenue was $82.4M (IM8 $78.8M; CircleDNA $3.7M) at a ~65% gross margin, with an AEBITDA loss of $24.6M.

IM8 contributed $45.0M of 2Q26 revenue (65% segment gross margin), and CircleDNA contributed $1.5M (66%). The reported net loss narrowed to $9.0M (EPS: –$0.52), reduced by ~$11.9M of noncash, non-operating fair-value gains (a $6.5M realized gain on the BTC sale, a $2.7M warrant-liability gain, and a $2.6M gain on financial assets at FVTPL). Because the adjusted-EBITDA convention strips these out, the 2Q26 AEBITDA loss of $19.0M exceeds the IFRS net loss. Selling & marketing expense in 2Q26 was $41.3M (~89% of revenue, of which acquisition marketing was ~$36M), reflecting the deliberate investment in the largest quarterly cohort to date. However, with the CVF now funding up to 70% of marketing spend while 100% still books to selling & marketing, a flat S&M% target is less meaningful, in our opinion. We look to a reframing around cohort payback and CAC/AOV rather than a fixed ratio.

Company Expectations and Our Model

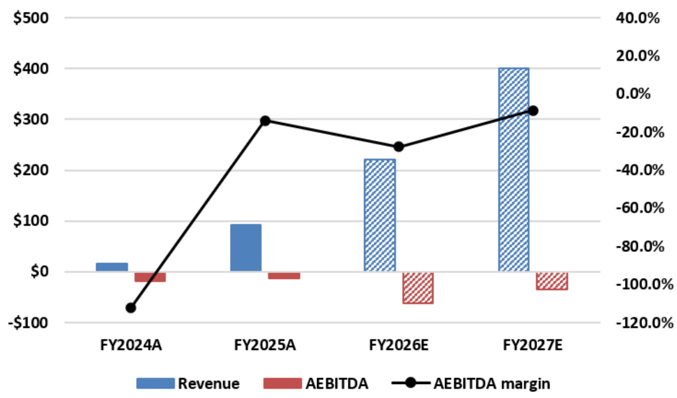
Following the July 14, 2026, growth financing announcement, management has guided (raised with 2Q26 results) to FY26 IM8 revenue of $215M–$222M and total revenue of $220M–$230M, initiated FY27 IM8 guidance of $400M+, and guided 3Q26 to total revenue of $63M–$64M and IM8 revenue of $61.5M–$62.5M, with IM8 exiting 2026 above a $300M annualized run-rate. On profitability, management guided a 2H26 AEBITDA loss of $8M–$12M. With a 1H26 AEBITDA loss of $24.6M reported, the implied full-year FY26 AEBITDA loss now exceeds the prior $15M-$20M range. Management has not issued updated concrete gross margin guidance, indicating only that it expects to sustain recent gross-margin efficiencies (65% in 2Q26) through the balance of 2026.

We model 3Q26 IM8 revenue of $61.5M and consolidated revenue of $63.0M (within management's $61.5M–$62.5M and $63M–$64M, respectively), up ~36% sequentially and, at the IM8 level, growing from $17.2M in 3Q25 (roughly +257% Y/Y), at a 64% consolidated gross margin and AEBITDA loss of $18.8M (–29.9% margin). We model 4Q26 consolidated revenue of $75.0M (IM8 $74.4M), implying ~21% sequential and ~171% Y/Y growth at the IM8 level, at a flat 64% gross margin and slightly narrower AEBITDA loss of ~$17.9M (–23.8% margin). We expect the 2H26 losses to improve at a slower, conservative pace as selling & marketing accelerates with GC financing starting in 3Q26.

For the full year, we model FY26 IM8 revenue of $214.6M, up 256%, which sits conservatively at the $215M low end of management's raised guidance; our estimate builds off the disclosed monthly cadence and a measured, GC-funded second-half ramp. We model CircleDNA revenue of $5.8M, down 55% Y/Y, reflecting the step-down already recorded in 1H26 and, in our view, management's framing of the segment as less relevant. Consolidated FY26 revenue is modeled at $220.5M, up ~139% off the $92.4M FY25 base (a base that still included Europa). The gross margin steps up to 64.3% from 53.0% in FY25 (+11.3 points) as the Europa drag rolls off. We expect an FY26 AEBITDA loss of $61.3M (–27.8% margin), a wider loss than management's guidance, reflecting a heavier modeled selling & marketing ramp (~77% of revenue vs. 38.5% in FY25) as GC-funded customer acquisition scales.

For FY27, we model IM8 revenue of ~$395M (+84%), again below the >$400M guide, as we do not include the upcoming SKU launches, with a consolidated gross margin of 64.8% and the AEBITDA loss improving ~44% Y/Y to ~$34.4M (–8.6% margin). Management has provided a varying outlook on the timeline to positive AEBITDA, with the possibility for early FY27 (initially pointed to 4Q27 positive AEBITDA). We conservatively model positive AEBITDA in the second half of FY28, with the first full year of positive AEBITDA after FY28 (not modeled). We model the GC return as interest expense below the operating line (~$6.3M in FY26, ~$13.6M in FY27, at an assumed ~7% effective rate on a six-month payback of the 70% funded share), consistent with the disclosed treatment.

Historical and Estimated Revenue, AEBITDA, and AEBITDA Margin, 2024–2027E



Estimated figures are B. Riley Securities forecasts.

Source: Company financials and B. Riley Securities Research

Potential Drivers and Catalysts for Sales Growth

We believe that several specific factors could drive IM8 revenue above current guidance or accelerate the path to profitability.

Quarterly subscription adoption. As of 1Q26 (not updated as of 2Q26), approximately half of Beckham Stack customers and more than one-third of Daily Ultimate Essentials Pro customers had adopted quarterly plans; potentially, broader adoption could lift revenue and AOV without incremental marketing spend.

New product launches. Prenetics plans to add three new SKUs: IM8 Hydration in 4Q26, IM8 Gummies in 1Q27, and IM8 Creatine in 2Q27, targeting adjacent categories sized at ~$37B (+8%), ~$25B (+8%), and~$1.3B (+26%), respectively, according to Grand View Research. Management has explicitly excluded these from guidance and frames them as pure upside potential, modeling $178–$378 of incremental second-year revenue per customer at illustrative attach rates against the ~140,000 active subscriber base. Building on the Daily Ultimate Longevity launch (October 2025), each new product represents an incremental revenue layer and an opportunity to increase blended AOV.

Marketing channel diversification. Management is moving the mix from ~85% Meta toward ~55% over 2026, adding TikTok, YouTube, and AppLovin. Successful diversification could access new audiences while improving blended CAC efficiency.

International market deepening. IM8 shipped to 46 countries by mid-2026, with the U.S. at ~46% of revenue (~54% generated internationally). Deeper investments in the U.K., Canada, Australia, and Singapore, as well as longer-term entry into China (~$50B, 1.4B consumers, 0% current penetration) and India, represent meaningful potential levers. Management framed a diligent China entry over the next 18–24 months, to be entered “the right way,” given the CEO’s track record of building and operating a Greater China Internet business.

Retail distribution. IM8 sells essentially entirely direct-to-consumer online (own website ~95%, marketplaces ~5%). Retail is a long-term vision, with the company targeting entry through elevated retail environments. Specialty health retailers (e.g., Erewhon or Whole Foods), pharmacy chains, or sports and fitness outlets could expand brand reach to consumers not easily acquired through digital marketing, with potential for significant incremental revenue. This represents an optionality that does not appear to be reflected in current guidance.

Ongoing ambassador additions. The sequential addition of Sabalenka, Bearman, Antetokounmpo, Jay Shetty, the Inter Miami CF partnership, and Lily Collins grants visibility to Prenetics/IM8 with new demographic and geographic audiences. Additional ambassador partnerships in sports, fitness, or wellness domains could replicate this pattern.

Newly announced strategic partnership with Superpower. The Superpower partnership creates the first closed-loop system connecting IM8 supplementation with clinical-grade blood diagnostics at over 2,000 Quest Diagnostics locations, increasing the value proposition to existing and potential IM8 Daily Ultimate Essentials customers, with the potential to drive incremental IM8 sales through the Superpower channel.

$1B General Catalyst financing. The CVF facility removes the balance sheet constraint on customer acquisition, enabling IM8 to fund up to 70% of marketing spend non-dilutively and to invest more aggressively where cohort payback is proven.

Valuation Details

We value PRE on an EV/sales basis, the appropriate primary lens, in our opinion, given that consolidated AEBITDA remains negative through FY27 in our model, making EV/EBITDA not meaningful until FY28 (we show peer EV/EBITDA for context only). We derive our $37 price target by applying a 1.9x multiple to our FY27E consolidated revenue estimate. Against a reference price of $23.25, our target implies approximately 60% potential upside.

We view a 1.9x forward EV/sales multiple as conservative for a brand modeled to grow IM8 revenue by ~82% in FY27 and one that sits at a discount to where high-growth consumer and supplement peers trade on forward sales. At the reference price, PRE trades at roughly 1.3x FY27E consolidated sales; our target re-rates the shares to 1.9x—still, in our view, a reasonable level relative to the peer set and to PRE's growth trajectory and improving margin structure.

We expect scope for further multiple expansion and potential upward target revisions as IM8 crosses into sustained profitability; we believe this is most likely after FY28E (beyond our projection range). While the planned SKU launches are not included in our estimates, we see further upside potential as product development/additions begin to contribute. However, the largest detractor of a higher valuation, in our opinion, and a necessary hurdle to our re-rating of PRE, is the company's transition to U.S. issuer status and adoption of GAAP auditing/accounting/reporting.

Historical and Forecasted EV/Sales and EV/EBITDA, GM, and Sales Growth of PRE and Comparable Companies

		EV	EV/Sales (FactSet)			EV/EBITDA (FactSet)			GM (FactSet)		Y/Y Sales Growth (FactSet)		
Company	Ticker	(millions)	FY25A	FY26E	FY27E	FY25A	FY26E	FY27E	FY26E	FY27E	FY25A	FY26E	FY27E
Hims & Hers Health, Inc. Class A	HIMS	$ 8,063	3.4	2.5	2.0	45.8	27.4	20.4	65.7%	65.7%	59.0%	36.3%	25.9%
Niagen Bioscience, Inc.	NAGE	$ 205	1.6	1.5	1.3	13.0	15.4	10.9	64.0%	64.8%	29.9%	3.6%	15.8%
Nestle S.A.	NESN-CH	$ 262,362	2.9	2.9	2.9	14.7	14.8	13.9	46.5%	47.5%	-2.0%	0.2%	2.4%
ODDITY Tech Ltd. Class A	ODD	$ 1,113	1.4	1.8	1.6	8.6	NM	16.3	68.3%	67.4%	25.2%	-22.8%	14.5%
Moonpig Group Plc	MOON-GB	$ 1,053	2.8	2.7	2.5	10.2	9.7	9.2	58.1%	58.1%	6.5%	6.0%	6.2%
BellRing Brands, Inc.	BRBR-US	$ 2,339	1.0	1.0	1.0	5.1	8.1	7.2	25.5%	27.1%	16.1%	1.8%	1.1%
		Average:	**2.2**	**2.1**	**1.9**	**16.2**	**15.1**	**13.0**	**54.7%**	**55.1%**	**22.4%**	**4.2%**	**11.0%**
		Median:	2.2	2.1	1.8	11.6	14.8	12.4	61.0%	61.4%	20.6%	2.7%	10.3%

		EV	EV/Sales (B. Riley ests.)			EV/EBITDA (B. Riley ests.)			GM (B. Riley ests.)		Y/Y Sales Growth (B. Riley)		
Company	Ticker	(millions)	FY25A	FY26E	FY27E	FY25A	FY26E	FY27E	FY26E	FY27E	FY25A	FY26E	FY27E
Prenetics Global Limited Class A	PRE	$ 293	3.2	2.1	1.3	NM	NM	42.6	64.3%	64.8%	479.8%	138.6%	81.5%

Source: FactSet and B. Riley Securities Research

Company Background

Prenetics was founded in 2014 in Hong Kong by serial entrepreneur Danny Yeung, who continues to serve as CEO. Co-founded alongside Dr. Lawrence Tzang, who has served as chief scientific officer since inception, the company was established with a mission to disrupt and decentralize healthcare through prevention, diagnostics, and personalized care. From the outset, Prenetics positioned itself at the intersection of healthcare and technology, leveraging genomic testing to deliver health insights to consumers.

From 2014 through 2019, Prenetics concentrated on genomic testing and diagnostics, establishing a presence in the Hong Kong market before expanding its operations regionally. At the end of 2019, the company launched CircleDNA, a direct-to-consumer genetic testing product utilizing next-generation sequencing (NGS) technology to offer comprehensive insights into health, wellness, and genetic predispositions.

The COVID-19 pandemic marked a significant turning point. Prenetics rapidly adapted its diagnostic capabilities to meet global testing demand, becoming a major provider of COVID-19 testing services and the key laboratory partner to the Hong Kong government. The company also provided COVID-19 testing services to the English Premier League, helping to restart professional football during the pandemic, and launched Project Screen, a one-stop PCR testing solution. In total, Prenetics performed more than 28M COVID-19 PCR tests globally during this period. The resulting revenue growth was substantial, from $65M in 2020 to $275.9M in 2021 and $275.8M in 2022. Prenetics discontinued COVID-19-related diagnostic services globally in May 2023.

Prenetics completed a merger with Artisan Acquisition Corp., a special purpose acquisition company (SPAC), on May 18, 2022, and began trading on the NASDAQ under the ticker "PRE."

In line with its strategic focus on health sciences, in December 2022, the company made its first post-IPO acquisition, acquiring a 74.39% majority stake in ACT Genomics, an Asia-based precision oncology company. In July 2023, Prenetics announced an $80M investment in

Insighta, an early cancer detection company. In August 2024, Prenetics acquired Europa Partners Holdings, LLC—including its subsidiaries Europa Sports Partners and Hubmatrix—to support the launch of its new consumer health brand, IM8.

The company had 285 employees in six locations as of December 31, 2024, including 145 in Taiwan; 60 in Hong Kong; five in the U.S.; and 75 collectively in the U.K., Malaysia, and Singapore. Following the ACT Genomics, Europa, and Insighta divestitures, the business now operates with roughly 70 employees at IM8, implying more than $3M of revenue per head against the raised FY26 revenue guidance, a level that management attributes to its AI-native operating model. Management has stated that reaching $400M in FY27E will not require doubling G&A, underpinning the administrative-cost leverage in PRE's model.

Acquiring a Platform to Accelerate the Nascent IM8 Brand

Prior to 2024, Prenetics described itself as "an innovative genomics-driven health sciences company" focused on early cancer detection, prevention, and treatment selection that were provided by the Insighta joint venture, CircleDNA consumer genetic testing product, and majority stake in the ACT Genomics precision oncology company, respectively. Profitability was elusive for the Insighta and ACT Genomics business, and by early 2024, the company was focusing on lucrative, premium, science-backed wellness opportunities that developed into the IM8 premium supplements brand.

Prenetics needed a scalable U.S. distribution and logistics platform to support IM8's entry into the North American consumer health market. On May 23, 2024, Prenetics entered into an agreement to acquire Europa Partners Holdings, LLC, including its subsidiaries Europa Sports Partners, LLC and Hubmatrix Partners, LLC. Europa Sports' established gym and fitness center network, combined with Hubmatrix's e-commerce fulfillment capabilities, provided the infrastructure required for both online-first consumer sales and eventual retail expansion. The transaction was completed in August 2024. Following the acquisition, Prenetics established its U.S. headquarters in Charlotte, North Carolina, where Europa is based.

Europa Sports Partners was one of the largest sports nutrition distributors in the U.S., serving thousands of fitness facilities and distributing products from more than 120 brands. Its offerings included nutritional supplements, sports beverages, fitness accessories, specialized diet products, and related health and wellness items. Europa's service capabilities included wholesale distribution, retail support, private label manufacturing, e-commerce enablement, and customized solutions for fitness centers.

Hubmatrix Partners, LLC, Europa's subsidiary, functioned as a third-party logistics (3PL) provider, specializing in e-commerce and retail logistics for health and wellness brands. Hubmatrix's capabilities gave Prenetics an operational infrastructure for fulfillment, warehousing, and direct-to-consumer distribution—competencies that were directly relevant to the launch and scaling of IM8.

Following the acquisition, Prenetics restructured Europa's operations to integrate both its brick-and-mortar and e-commerce distribution platforms in support of IM8. Europa served as the primary supply chain and retail partner for IM8 Health, enabling the brand to scale its distribution infrastructure until Prenetics developed its own efficient distribution and logistics capability and no longer needed Europa, which was an overall low-margin business.

Management Team and Board of Directors[1]

Danny Yeung, co-founder, chief executive officer, and director of Prenetics. Mr. Yeung co-founded Prenetics and has served as its chief executive officer since the company's inception in 2014. Prior to Prenetics, Mr. Yeung was a founding partner at SXE Ventures, where he led multiple investments in genetic testing companies and in Honey Science, which was acquired by PayPal in 2019. Mr. Yeung founded uBuyiBuy in 2010, which was subsequently acquired by Groupon; prior to leaving Groupon in early 2014, he served as chief executive officer of Groupon East Asia. Earlier in his career, Mr. Yeung franchised the Hong Kong dessert chain Hui Lau Shan into the U.S. and subsequently executed hospitality furniture projects with MGM globally. Mr. Yeung holds a B.S. in management information systems from the University of San Francisco.

Stephen Lo, chief financial officer. Mr. Lo has served as chief financial officer of Prenetics since 2018 and oversees the company's financial operations, corporate accounting and reporting, treasury, financial and tax planning and analysis. Prior to joining Prenetics, from 2014 to 2018, Mr. Lo was a member of the Asia-Pacific investment banking team at Citigroup, where he worked on initial public offerings, placements, debt issuances, and cross-border mergers and acquisitions. From 2007 to 2011, he was an auditor with Ernst & Young. Mr. Lo received an M.B.A. from Yale University's School of Management, an M.S. in accounting and finance from the London School of Economics and Political Science, and a bachelor's degree in accounting from Hong Kong Baptist University. He is a Fellow of the Hong Kong Institute of Certified Public Accountants, a Chartered Accountant of the Institute of Chartered Accountants in England and Wales, and a CFA charterholder.

[1] *Source: Company reports*

Brian Rosin, chief financial officer of IM8. Mr. Rosin serves as U.S. chief financial officer and leads the company's finance organization, with responsibility for financial strategy, capital allocation, investor relations support, and financial infrastructure and unit economics discipline. Mr. Rosin has nearly two decades of CFO experience across consumer e-commerce and premium wellness subscription brands. He joined Prenetics from Wellbeam Consumer Health, a private equity–backed e-commerce consumer wellness platform, where he served as CFO and senior vice president of e-commerce operations. Prior to Wellbeam, Mr. Rosin was CFO of skincare brand TruSkin from 2020 through its acquisition by Wellbeam in 2021. Earlier, he was CFO of supplement brand NATURELO from 2017 through its sale to Arcadia Consumer Health in 2020 and CFO and chief operating officer of digital-publishing business Rant, Inc. from 2011 until its sale to Function(X) in 2016, where he remained chief operating officer until 2017. Mr. Rosin holds dual bachelor's degrees, cum laude, in economics and political science from Northern Illinois University.

Ben Cheng, director of Prenetics and president and chief executive officer of C Capital. Mr. Cheng serves as president and chief executive officer of C Capital, a global asset management platform specializing in private equity, private credit, and blockchain hedge fund strategies. He chairs Prenetics' audit committee and compensation committee and is a member of the nominating and corporate governance committee. He holds a non-executive director position at Ocean Line Port Development Limited. Prior to C Capital, Mr. Cheng was an investment banker at Bank of America Merrill Lynch and Standard Chartered Bank. Mr. Cheng holds a B.S. in quantitative finance from The Chinese University of Hong Kong and a B.S. in business from the University of California, Berkeley.

Dr. Darshan Shah, director of Prenetics and founder and chief executive officer of Next Health. Dr. Shah is a member of Prenetics' board of directors and is a board-certified surgeon and founder of Next Health." He has performed more than 20,000 surgical procedures and, as a longevity medicine specialist, has advised patients on extending healthspan and lifespan. Dr. Shah earned his medical degree from the University of Missouri and completed training at the Mayo Clinic. He subsequently opened medical and surgical centers throughout California, founded four additional companies in the health and wellness space, and authored a book and papers, and patented medical devices. He is an alumnus of Harvard Business School and Singularity University.

Hudson Leogrande, director of Prenetics and founder & chief executive officer of Comfrt. Mr. Leogrande has served as an independent director of Prenetics since June 2026. He is the founder and chief executive officer of Comfrt, a wellness-driven direct-to-consumer lifestyle and apparel brand that he founded in August 2022 and is projected to exceed $1B in annual revenue in 2026, among the fastest growth trajectories recorded in direct-to-consumer commerce. Under Mr. Leogrande's leadership, Comfrt has become one of the largest advertisers on both TikTok and Meta, built on a dual-platform model in which its approximately 600,000-member TikTok affiliate community drives organic reach that unlocks customer acquisition on Meta. Comfrt is the fastest-growing DTC apparel brand in the U.S., the creator of the most-sold hoodie globally, and the #1 lifestyle and apparel brand on TikTok Shop. Prenetics intends to deploy a similar social commerce playbook for IM8 across TikTok Shop and Meta.

Caroline Levy, director of Prenetics and founder of CLAS. Ms. Levy has been a member of Prenetics' board of directors since August 2026, and serves on the audit, compensation, and nominating & corporate governance committees. She is the founder of CLAS (Caroline Levy Advisory Services), a consumer-sector advisory firm she established in 2019. Ms. Levy has more than three decades of experience as a top-ranked consumer equity research analyst, recognized in the *Institutional Investor* and *The Wall Street Journal* analyst rankings. Most recently, she covered the beverage sector as a senior equity research analyst at Macquarie. Prior to that, she spent eight years as a managing director and senior analyst at CLSA, after ~10 years at UBS, where she led U.S. consumer research and served as chief operating officer of U.S. equity research and chair of the Investment Review Committee. Earlier in her career, she held equity research roles at Lehman Brothers, having begun on the buy side in South Africa. Ms. Levy currently serves on the boards of directors of Celsius Holdings, Inc. (since 2020), Athletic Brewing Company, Health-Ade Kombucha, and Icelandic Glacial. Ms. Levy holds degrees in economics and accounting from the University of Cape Town.

Valuation

We derive our $37 price target by applying a 1.9x multiple to our FY27E consolidated revenue (on an EV/sales basis). Against a reference price of $23.25, our target implies approximately 60% potential upside.

Risks

PRE is not a U.S. issuer and therefore is not subject to GAAP accounting standards, U.S./SEC review and filing standards, etc. As a Cayman Islands–incorporated foreign private issuer and a NASDAQ-designated controlled company, Prenetics is exempt from quarterly SEC reporting, U.S. proxy rules, Regulation FD, and several NASDAQ governance standards, and its CEO controls a majority of voting power through a 20-to-1 dual-class structure. As such, investors receive less frequent and less standardized disclosures than from a comparable U.S. domestic issuer, have limited ability to influence corporate outcomes, and—as an emerging growth company—do not receive an auditor attestation on internal controls over financial reporting.

Non-standard financial presentation and inconsistent KPI disclosure. Several of PRE's headline metrics rely on company-defined, non-IFRS constructions that potentially could overstate the business versus standard measures. Notably, adjusted free cash flow is defined as operating cash flow plus net fundings drawn under the General Catalyst (CVF) facility; a financing inflow that conventional free cash flow measures exclude. LTV, payback, and cohort economics are largely projected and non-IFRS, and key KPIs (AOV, active subscribers vs. subscriptions, recurring revenue and churn/retention) are defined inconsistently or restated across periods, reducing comparability and transparency.

GAAP conversion carries restatement risk, earnings volatility, and compliance costs. While necessary for the valuation re-rating central to our thesis, several IFRS treatments could be reassessed under GAAP. The $1B General Catalyst facility, booked as a financial liability at a ~7% effective rate, could see different classification/measurement under ASC 470/815, altering its carrying value and interest expense pace. SPAC-era warrant liabilities could be reclassified under ASC 815-40, affecting fair-value marks added back to adjusted EBITDA. The ACT Genomics, Europa, and Insighta divestitures may not meet ASC 205-20's stricter discontinued-operations threshold, requiring reincorporation into continuing operations historically. Goodwill impairment testing (e.g., the $8.2M Europa charge) could also differ under ASC 350. Beyond accounting, conversion requires retrospective GAAP recasting under PCAOB standards, and non-GAAP metrics (e.g., Adjusted FCF, which includes CVF draws) will likely need redefinition under Reg G. We view these as presentation/timing risks, not changes to underlying cash economics, but restatements or delays could weigh on sentiment and push out re-rating.

Dependence on transition to U.S. issuer status for a valuation re-rating. A meaningful portion of the multiple expansion case rests on PRE progressively shifting from a Cayman-incorporated, Hong Kong-headquartered, IFRS-reporting profile toward a U.S. corporate and reporting identity (transition to U.S. GAAP, and U.S. domestic-issuer/index-eligibility status). If this transition is delayed, only partially executed, or abandoned, PRE's shares could continue to trade at a persistent discount to U.S.-listed consumer-health peers regardless of operating performance. The timeline and mechanics are not yet defined.

Single product concentration. Substantially all of PRE's growth and valuation depend on a single product line, IM8. Any deceleration in IM8 demand, a product quality or safety issue, adverse clinical or regulatory developments, or reputational damage to the brand would likely have an outsized impact on revenue, profitability, and PRE shares.

Unknown outcomes of clinical studies. IM8's premium positioning and efficacy messaging lean on clinical validation, including the ongoing clinical studies. Study results are not yet known; final outcomes could prove less statistically meaningful, less favorable, or less marketable than management or the market currently anticipates. Unfavorable results could undermine the brand's efficacy narrative, pricing power, and new-SKU expansion assumptions embedded in our estimates.

Subscription churn and cohort seasoning. IM8's recurring revenue base depends on subscriber retention, and the higher-value quarterly cohorts are still young and unseasoned. If retention or repeat rates fall short of early reads as cohorts mature, revenue durability, LTV/CAC economics, and the path to profitability could be materially worse than we model.

Dependence on the General Catalyst financing structure. The General Catalyst Customer Value Fund facility funds up to 70% of IM8's marketing spend on a cohort-by-cohort basis. If cohort economics deteriorate, if the facility is reduced, paused, or not extended, or if the effective cost of capital rises, PRE's ability to fund customer acquisition at the modeled pace—and thus its growth trajectory—could be impaired.

Key person and celebrity/ambassador dependence. IM8's brand equity is closely tied to co-founder David Beckham and a roster of celebrity/athlete ambassadors. The loss of a key ambassador, reputational harm to an ambassador, or failure to renew these relationships on favorable terms could weaken brand momentum and customer acquisition. The company has also acknowledged that the departure of any member of its scientific advisory board could negatively affect research and development.

Path to profitability and cash burn. PRE remains unprofitable on an adjusted EBITDA basis and has not committed to a specific quarter for AEBITDA profitability. If revenue growth slows or marketing efficiency declines, the company could require additional capital, and the timing of profitability could slip relative to our estimates.

Pandemic risk. Closures of offices and other facilities in efforts intended to combat pandemics, as well as social distancing and related economic restriction measures to protect society during pandemics, could disrupt PRE's operations or negatively impact revenue.

Social unrest and political uncertainty. Disruptions to normal business operations and freedom of movement caused by social unrest could potentially negatively affect the company's ability to generate revenue.

Dependence on key personnel. The company is dependent on members of the executive leadership team and other employees with specific education, qualifications, and experience. An inability to retain key employees in a competitive environment for qualified personnel could impair the company's ability to effectively manage the existing business and to continue implementing the transformation strategy.

Intense competition. Competitors that are larger, better financed, or better known than PRE or that offer similar products, features, and/or services may compete more effectively than PRE. New competitors, alliances among competitors, or industry consolidation may result in the emergence of companies that are better able to compete against PRE.

Changes in government laws or regulations. The company must comply with laws and regulations governing dietary supplements, product labeling, and health claims across the jurisdictions in which it operates. Changes to existing laws or regulations could affect the company's ability to operate profitably.

Technological innovation/IP. PRE depends on its innovative skills, technical competence, marketing proficiency, and engineering abilities and therefore relies on laws protecting trade secrets. The company's inability to effectively evolve technological aspects of its products/systems/services could cause PRE to lose market share to competitors that are more successful in innovating more efficient offerings.

International operations risk. The company offers products and services in foreign countries and seeks to enhance its international business activity. Overseas operations are subject to various risks, including U.S.-imposed tariffs, embargoes, and/or sanctions on sales to specific countries; foreign import controls; exchange rate fluctuations; and government instability. This risk has intensified due to the ongoing conflict in the Middle East.

Tariff impact on domestic operations. U.S.-imposed tariffs could drive up the costs of raw materials and components, negatively impacting sales of domestic products at a higher price or negatively impacting operations. The impact of tariffs, along with uncertainty about the macroeconomic climate on the part of producers, investors, and consumers, could create a macroeconomic downturn, which would likely affect the company's sales growth and profitability.

Acquisitions. Other companies seeking to make acquisitions in the same industry could make PRE's acquisition strategy more difficult or expensive to pursue. Management of acquired businesses may not have the operational or business expertise necessary for successful integration.

Litigation. Although PRE is not a defendant in any material lawsuits, with the maximum exposure limited to a few million dollars for the entire enterprise, any future lawsuit ending in an unfavorable court decision could have a substantially negative financial impact on the company.

Exposure to breaches of data security. A security breach of sensitive data in the company's custody could possibly make the company liable for damages related to such a security breach, materially inhibit the company's ability to conduct business, and/or cause the company to incur costs related to preventing future incidents.

Damage to reputation. Adverse publicity resulting from negative commentary on social media or venues, regardless of the accuracy of such claims, may damage the company's reputation and ability to market its products, services, and/or systems successfully.

Inflationary pressures. The company is subject to wage increases and other inflationary expense pressures. Higher input costs may result in the company needing to increase product price points to offset higher costs. Revenues and margins potentially are subject to derivative pressures thereof, including the ability to effectively pass on price increases to customers without a possible material, negative impact on business metrics, including cash flow/profitability and growth.

Rising interest rates. Borrowing costs and the ability to borrow and refinance debt, etc. are subject to the pressures of a generally higher/rising interest rate environment. Increasing interest rates may increase the cost of the company's debt service.

Supply chain disruption. PRE sources raw materials and components that are subject to potential availability constraints. Any inability to effectively manage the supply chain could negatively impact business metrics, including revenue, cash flow/profitability, and growth.

Prenetics Global Limited Class A - PRE
B. Riley Securities Research
(310) 966-1444
(Amounts in 000's)

		FY '25(A)					FY '26(E)						
	FY '24(A)	Q1 - Mar	Q2 - Jun	Q3 - Sep	Q4 - Dec	FY '25(A)	Q1 - Mar	Q2 - Jun(A)	Q3 - Sep(E)	Q4 - Dec	FY '26(E)	FY '27(E)	FY '28(E)
Revenues	**15,936**	**14,596**	**17,680**	**23,555**	**36,558**	**92,390**	**35,954**	**46,488**	**63,007**	**75,005**	**220,454**	**400,231**	**527,234**
Cost of revenues	6,659	8,708	10,391	9,531	14,817	43,446	12,671	16,285	22,651	26,989	78,597	140,871	180,386
Gross profit	**9,277**	**5,888**	**7,289**	**14,024**	**21,741**	**48,944**	**23,283**	**30,203**	**40,356**	**48,016**	**141,857**	**259,359**	**346,848**
Other income and other net gains (losses)	2,006	204	(196)	395	227	629	840	941	630	750	3,161	4,002	5,272
Selling and marketing expenses	5,413	4,133	5,457	9,859	16,091	35,540	22,205	41,300	50,406	56,254	170,165	260,801	303,732
Research and development expenses	9,051	2,007	1,212	1,170	743	5,132	1,443	757	2,520	3,000	7,720	12,007	13,181
Administrative and other operating expenses	33,090	8,314	10,489	9,554	17,298	45,656	9,341	10,065	11,971	14,626	46,003	57,590	61,723
Operating income (loss)	**(36,271)**	**(8,362)**	**(10,065)**	**(6,164)**	**(20,358)**	**(44,949)**	**(8,866)**	**(20,978)**	**(23,912)**	**(25,114)**	**(78,870)**	**(67,036)**	**(26,516)**
Fair value gain (loss) on financial assets at fair value through profit or loss	(8,869)	-	(100)	-	(105)	(205)	(568)	2,624	-	-	2,056	-	-
Fair value gain (loss) on warrant liabilities	49	(63)	(637)	96	112	(492)	(8,035)	2,745	-	-	(5,290)	-	-
Unrealized fair value loss on alternative assets	-	-	-	-	(9,725)	(9,725)	(9,830)	6,539	-	-	(3,291)	-	-
Other finance costs	(168)	(76)	(65)	(55)	(45)	(241)	(9)	(13)	(2,530)	(2,816)	(5,368)	(13,019)	(15,123)
Income (loss) before income tax provision	**(46,025)**	**(8,823)**	**(10,954)**	**(6,779)**	**(28,370)**	**(54,925)**	**(27,308)**	**(9,083)**	**(26,441)**	**(27,931)**	**(90,763)**	**(80,056)**	**(41,639)**
Income tax expense (benefit)	(7,639)	20	(33)	9	43	40	28	5	-	-	33	-	-
Net income (loss)	**(38,386)**	**(8,843)**	**(10,921)**	**(6,788)**	**(28,413)**	**(54,965)**	**(27,336)**	**(9,088)**	**(26,441)**	**(27,931)**	**(90,796)**	**(80,056)**	**(41,639)**
Profit (loss) attributable to non-controlling interests	(3,502)	(626)	(317)	(1,285)	(42)	(2,269)	-	-	-	-	-	-	-
Net income (loss) to equity shareholders of the company	**(34,884)**	**(8,217)**	**(10,604)**	**(5,503)**	**(28,371)**	**(52,696)**	**(27,336)**	**(9,088)**	**(26,441)**	**(27,931)**	**(90,796)**	**(80,056)**	**(41,639)**
Continuing operations EPS	(2.79)	(0.63)	(0.80)	(0.41)	(1.77)	(3.75)	(1.61)	(0.53)	(1.51)	(1.58)	(5.23)	(4.41)	(2.20)
Basic shares outstanding	12,495	13,004	13,247	13,895	16,034	14,053	16,983	17,266	17,466	17,666	17,345	18,166	18,966
Diluted shares outstanding	12,495	13,004	13,247	13,895	16,034	14,053	16,983	17,266	17,466	17,666	17,345	18,166	18,966
Gain (Loss) from discontinued operation, net of tax	(11,420)	(2,173)	(1,806)	(1,905)	256	(5,628)	4,231	108	-	-	4,339	-	-
Interest expense (income)	(1,963)	(422)	(309)	(102)	(210)	(1,042)	(294)	(341)	(2,670)	(2,956)	(6,261)	(13,579)	(15,683)
Depreciation and other amortization	2,475	631	617	599	493	2,340	184	193	370	312	1,059	1,208	1,289
EBITDA	**(56,765)**	**(10,711)**	**(12,387)**	**(8,132)**	**(27,786)**	**(59,014)**	**(23,177)**	**(9,110)**	**(26,212)**	**(27,758)**	**(86,258)**	**(79,408)**	**(40,910)**
Equity-settled share-based payment expenses	5,842	1,167	1,887	2,000	1,329	6,384	1,242	1,721	1,400	1,400	5,763	6,000	6,400
Fair value loss on financial assets at fair value through profit or loss	8,869	-	100	-	105	205	568	(2,624)	-	-	(2,056)	-	-
Fair value loss/(gain) on warrant liabilities	(49)	63	637	(96)	(112)	492	8,035	(2,745)	-	-	5,290	-	-
Unrealized fair value loss on alternative assets	-	-	-	-	9,725	9,725	9,830	(6,539)	-	-	3,291	-	-
Loss from discontinued operation, net of tax	11,420	2,173	1,806	1,905	(256)	5,628	(4,231)	(108)	-	-	(4,339)	-	-
Other	-	-	-	-	-	-	-	-	6,000	8,500	14,500	39,000	40,000
Adjusted EBITDA	**(17,853)**	**(4,525)**	**(4,132)**	**(2,083)**	**(2,252)**	**(12,989)**	**(5,599)**	**(19,028)**	**(18,812)**	**(17,858)**	**(61,298)**	**(34,408)**	**5,490**
Capital expenditures	1,023					197			100	100	200	800	800
Free cash flow	(29,897)					(23,100)	(12,124)	(15,795)	(15,613)	(39,419)	(82,951)	(80,292)	(42,195)
Common size:													
Gross margin	58.2%	40.3%	41.2%	59.5%	59.5%	53.0%	64.8%	65.0%	64.0%	64.0%	64.3%	64.8%	65.8%
Selling and marketing expenses	34.0%	28.3%	30.9%	41.9%	44.0%	38.5%	61.8%	88.8%	80.0%	75.0%	77.2%	65.2%	57.6%
Research and development expenses	56.8%	13.8%	6.9%	5.0%	2.0%	5.6%	4.0%	1.6%	4.0%	4.0%	3.5%	3.0%	2.5%
Administrative and other operating expenses	207.6%	57.0%	59.3%	40.6%	47.3%	49.4%	26.0%	21.7%	19.0%	19.5%	20.9%	14.4%	11.7%
Consolidated Operating expenses	311.0%	100.4%	95.9%	89.1%	116.4%	103.0%	94.1%	114.1%	104.0%	99.5%	103.0%	83.6%	72.8%
Operating margin	**-227.6%**	**-57.3%**	**-56.9%**	**-26.2%**	**-55.7%**	**-48.7%**	**-24.7%**	**-45.1%**	**-38.0%**	**-33.5%**	**-35.8%**	**-16.7%**	**-5.0%**
EBITDA margin	-356.2%	-73.4%	-70.1%	-34.5%	-76.0%	-63.9%	-64.5%	-19.6%	-41.6%	-37.0%	-39.1%	-19.8%	-7.8%
Adjusted EBITDA margin	**-112.0%**	**-31.0%**	**-23.4%**	**-8.8%**	**-6.2%**	**-14.1%**	**-15.6%**	**-40.9%**	**-29.9%**	**-23.8%**	**-27.8%**	**-8.6%**	**1.0%**
Tax rate	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM
Growth Y-o-Y:													
Revenues		127.6%	595.0%	567.7%	457.0%	479.8%	146.3%	162.9%	167.5%	105.2%	138.6%	81.5%	31.7%
Cost of revenues		231.0%	2802.5%	492.0%	257.0%	552.4%	45.5%	56.7%	137.7%	82.2%	80.9%	79.2%	28.1%
Total operating expenses		1.5%	50.3%	89.1%	152.6%	92.0%	130.8%	212.8%	212.4%	75.4%	138.6%	47.3%	14.8%
Operating income		**8.7%**	**-22.7%**	**35.2%**	**-65.8%**	**-23.9%**	**-6.0%**	**-108.4%**	**-287.9%**	**-23.4%**	**-75.5%**	**15.0%**	**60.4%**
EBITDA		-30.5%	-11.2%	31.6%	-12.2%	-4.0%	-116.4%	26.5%	-222.3%	0.1%	-46.2%	7.9%	48.5%
Adjusted EBITDA		**-10.2%**	**-9.1%**	**51.3%**	**70.4%**	**27.2%**	**-23.7%**	**-360.5%**	**-803.1%**	**-693.0%**	**-371.9%**	**43.9%**	**116.0%**
Net income		3.8%	-25.1%	35.0%	-133.7%	-51.1%	-232.7%	14.3%	-380.5%	1.6%	-72.3%	11.8%	48.0%
EPS		9.6%	-15.5%	39.1%	-86.7%	-34.3%	-154.7%	34.2%	-273.8%	10.6%	-39.6%	15.8%	50.2%
Inventory		64.4%	49.3%	-40.2%	7.5%	7.5%	206.7%	225.6%	311.3%	142.7%	142.7%	20.7%	18.8%
Selected balance sheet data:													
Cash and equivalents	52,251	43,153	17,249	13,264	32,131	32,131	56,017	59,050	44,217	4,798	4,798	(66,748)	(112,796)
Accounts receivable	5,242	1,669	1,845	1,787	2,978	2,978	2,529	5,131	4,670	6,997	6,997	9,445	11,336
Inventory	6,566	4,629	4,297	5,341	7,056	7,056	14,198	13,991	21,968	17,123	17,123	20,663	24,553
Accounts payable	3,668	3,364	4,958	5,920	7,725	7,725	1,961	1,030	19,105	4,886	4,886	10,230	14,966
Debt	-	-	-	-	-	-	-	-	35,284	74,662	74,662	13,632	64,169
Preferred shares													
Stockholders' equity	170,389	161,188	150,982	161,292	174,602	174,602	121,115	93,013	66,572	38,641	38,641	(41,415)	(83,053)
Other selected data:													
Stock Price	**23.25**	**23.25**	**23.25**	**23.25**	**23.25**	**23.25**	**23.25**	**23.25**	**23.25**	**23.25**	**23.25**	**23.25**	**23.25**
Book value per share	13.64	12.40	11.40	11.61	10.89	12.42	7.13	5.39	3.81	2.19	2.23	(2.28)	(4.38)
Net cash (debt) per share	4.18	3.32	1.30	0.95	2.00	2.29	3.30	3.42	0.51	(3.95)	(4.03)	(4.42)	(9.33)
Market cap	290,501	302,340	308,000	323,068	372,798	326,735	394,845	401,439	406,089	410,739	403,278	422,364	440,964
Enterprise value	238,250	259,187	290,751	309,804	340,667	294,604	338,828	342,389	397,155	480,602	473,141	502,743	617,929
Price/Book	1.7	1.9	2.0	2.0	2.1	1.9	3.3	4.3	6.1	10.6	10.4	NM	NM
Price/Sales(LTM)	18.2	11.1	7.3	5.2	4.0	3.5	3.5	2.8	2.2	1.9	1.8	1.1	0.8
Price/Earnings(LTM)	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM
EV/Sales (LTM)	15.0	9.5	6.9	5.0	3.7	3.2	3.0	2.4	2.2	2.2	2.1	1.3	1.2
EV/AEBITDA (LTM)	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	112.6

*Closing price of last trading day immediately prior to the date of this publication unless otherwise indicated.

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