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Zacks Small-Cap Research

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Prenetics Global Ltd. (PRE-NASDAQ)

PRE: Company Announces Unique and Beneficial Financing

Prenetics Global is a health care company with a rapidly growing product in the premium growth supplement market. We value PRE at $30.00 per share using conservative assumptions on a DCF basis.

Current Price (07/14/26)	$21.24
Valuation	**$30.00**

OUTLOOK

Prenetics is a health care company that has undergone a dramatic transformation that has resulted in exponential growth in revenues and a worldwide reach for a premium supplement.

IM8 is the company's brand name premium supplement and through great science, and the company just announced a unique financing arrangement that preserves shareholder value and finances growth.

SUMMARY DATA

52-Week High	**$22.15**
52-Week Low	**$7.25**
One-Year Return (%)	**157.46**
Beta	**0.26**
Average Daily Volume (sh)	**143,286**
Shares Outstanding (mil)	**17**
Market Capitalization ($mil)	**$358**
Short Interest Ratio (days)	**N/A**
Institutional Ownership (%)	**25**
Insider Ownership (%)	**8**
Annual Cash Dividend	**$0.00**
Dividend Yield (%)	**0.00**
5-Yr. Historical Growth Rates	
Sales (%)	**N/A**
Earnings Per Share (%)	**N/A**
Dividend (%)	**N/A**
P/E using TTM EPS	**N/A**
P/E using 2026 Estimate	**-7.5**
P/E using 2027 Estimate	**26.6**

Risk Level	**Average**
Type of Stock	**Small-Blend**
Industry	**Health care**

ZACKS ESTIMATES

Revenue
(in millions of $)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2024	6 A	6 A	8 A	18 A	31 A
2025	17 A	18 A	24 A	37 A	92 A
2026	36 A	47 E	51 E	56 E	190 E
2027	64 E	70 E	76 E	83 E	293 E

Earnings per share

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2024	-$0.38 A	-$0.88 A	-$0.84 A	-1.29 A	-$3.39 A
2025	-$0.80 A	-$0.94A	-$0.53 A	-$1.75 A	-$4.02 A
2026	-$1.36 A	-$0.16 E	-$0.08 E	$0.02 E	-$1.58 E
2027	-$0.20 E	$0.20 E	$0.50 E	$0.66 E	$1.56 E

Update

Prenetics Global (NASDAQ: PRE) delivered one of its most significant strategic financing announcements to date, securing a $1 billion growth financing commitment from General Catalyst's Customer Value Fund (CVF) for its rapidly expanding IM8 premium health and longevity brand. Rather than being a traditional financing transaction, the arrangement represents a sophisticated growth capital partnership designed to accelerate customer acquisition while preserving shareholder value.
The most attractive aspect of the transaction for investors is that it is entirely non-dilutive. General Catalyst will not receive common shares, warrants, convertible securities or any other equity-linked instruments. Existing shareholders therefore retain their ownership interest while the company gains access to a substantial pool of capital that can be deployed to accelerate growth. In an environment where many emerging growth companies finance expansion through repeated equity offerings, Prenetics has instead secured capital that allows it to pursue aggressive expansion without increasing its share count.

Under the agreement, General Catalyst will finance up to 70% of IM8's marketing expenditures on a monthly customer cohort basis. Rather than receiving fixed interest payments, the investment firm will earn a capped return tied only to the performance of those customer cohorts. Once General Catalyst has recovered its investment plus its predetermined return, every dollar of future revenue generated by those customers belongs entirely to IM8. This structure aligns the interests of both parties while allowing Prenetics to retain the long-term economic value created by successful customer acquisition campaigns.
The financing also represents a strong external validation of IM8's business model. General Catalyst is one of the world's leading venture investment firms, and its Customer Value Fund specializes in financing companies with highly predictable customer lifetime values. The firm's willingness to commit up to $1 billion suggests confidence in IM8's customer acquisition economics, recurring revenue profile and AI-driven marketing platform. According to Prenetics, every dollar historically invested in customer acquisition has generated approximately $1.44 in gross profit from mature customer cohorts, providing the foundation for the financing structure.

We want to note that the financing was not undertaken because Prenetics needed additional liquidity. Management emphasized that the company entered the transaction from a position of financial strength, with approximately $139.7 million in cash, financial assets and escrow balances following earlier strategic divestitures and alongside its previously announced $40 million share repurchase authorization. Instead, the investors should view the arrangement as a more efficient source of growth capital while preserving existing cash for new product development, clinical research and strategic opportunities.

Management's confidence in IM8's outlook was further demonstrated by another increase in financial guidance. The company raised expected 2026 IM8 revenue to $210-$220 million, up from the prior outlook of $190-$210 million, marking the second upward revision this year. Prenetics also projects IM8 to achieve a $300 million annualized revenue run rate by the end of 2026 and exceed $400 million in revenue during 2027, highlighting management's belief that demand remains exceptionally strong. June represented the highest monthly revenue in company history, generating approximately $17 million in preliminary sales as momentum continued into the third quarter.

Beyond simply funding advertising, the agreement has the potential to become a competitive advantage. With marketing capital readily available, the company can pursue customer acquisition opportunities more aggressively while continuing to refine its AI-powered marketing engine across more than 40 global markets. This should allow the company to scale more rapidly while maintaining balance sheet flexibility and avoiding the opportunity cost of deploying its own cash toward marketing rather than innovation.
The transaction provides access to substantial growth capital without shareholder dilution, validates the strength of IM8's customer economics through the backing of a premier institutional investor, preserves the company's already strong balance sheet, and supports an acceleration in revenue growth that

management believes will drive IM8 toward becoming a global premium health and longevity brand. For investors looking to invest in PRE, the financing removes a significant constraint on growth while allowing existing investors to fully participate in the long-term value created as the customer base expands.

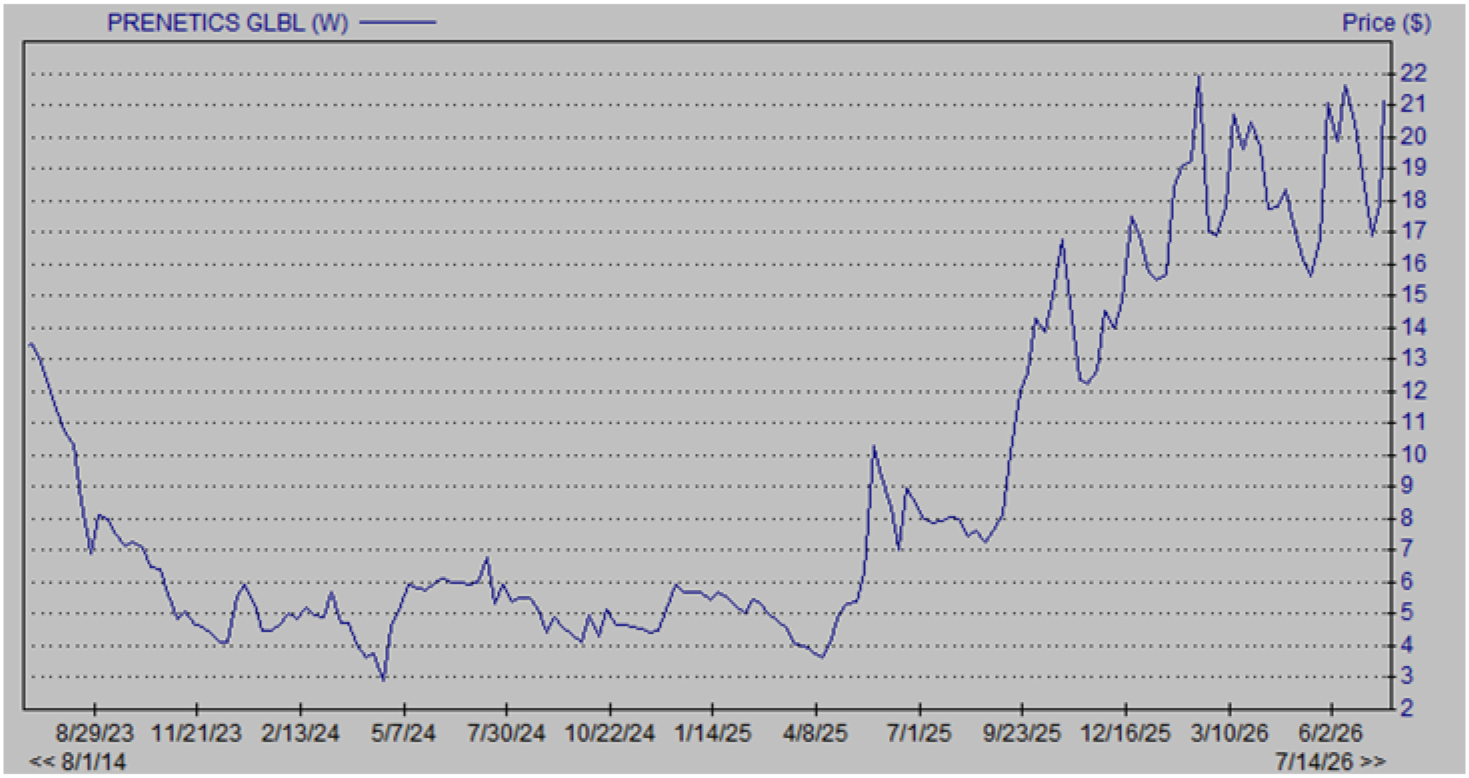
PROJECTED INCOME STATEMENT & BALANCE SHEET

Prenetics Income Statement and Balance Sheet

(US $ in thousands)

		1Q2025A	2Q2025A	3Q2025A	4Q2025A	1Q2026A	2Q2026E	3Q2026E	4Q2026E	2027E
Total Revenues		17,312	17,680	23,555	36,558	35,954	46,500	51,150	56,265	292,578
	Cost of Revenues	9,970	10,391	9,531	14,817	12,671	18,600	20,460	22,506	117,031
Gross Profit		7,342	7,289	14,024	21,741	23,283	27,900	30,690	33,759	175,547
	Other operating income and gains	312	(196)	395	227	840	0	0	0	0
Operating Expenses										
	Selling and Distribution	4,789	5,457	9,859	16,091	22,205	23,315	24,481	25,705	107,961
	General and Admin.	11,081	10,489	9,554	17,298	9,341	9,528	9,718	9,913	39,651
	Research and Development	2,416	1,212	1,170	743	1,443	1,587	1,746	1,921	7,683
	Other Expense	0	0	0	8,194	18,442	0	0	0	0
Total operating expenses		18,286	17,158	20,583	42,326	51,431	34,430	35,945	37,538	155,295
Operating Income/(Loss)		(10,632)	(10,065)	(6,164)	(20,358)	(27,308)	(6,530)	(5,255)	(3,779)	20,252
Other income and (expenses)										
	Other income, net	(317)	(889)	(1,244)	(8,012)	3,866	3943	4022	4103	4185
Total other income and (expenses), net		(10,949)	(10,954)	(7,408)	(28,370)	(23,442)	(2,587)	(1,233)	323	24,437
Pretax Income/(Loss)		(10,949)	(10,954)	(7,408)	(28,370)	(23,442)	(2,587)	(1,233)	323	24,437
Income Tax Credit/(expense)		0	33	0	(43)	(28)	0	0	0	0
		(10,949)	(10,921)	(7,408)	(28,413)	(23,470)	(2,587)	(1,233)	323	24,437
Other after tax gains/(charges)		0	(1,485)	0	(932)	0	0	0	0	0
Total gain/(loss)-shareholders		(10,243)	(12,410)	(7,408)	(28,116)	(23,470)	(2,587)	(1,233)	323	24,437
Total gain/(loss)-non-controlling interests		(706)	(317)	(1,285)	(42)	0	0	0	0	0
Basic and diluted loss per share		$ (0.80)	$ (0.94)	$ (0.53)	$ (1.75)	$ (1.36)	$ (0.16)	$ (0.08)	$ 0.02	$ 1.56
Basic and diluted wtd avg common shares		13,002	13,247	13,895	16,034	16,983	16,643	16,310	15,984	15,665
Assets										
Current Assets:										
	Cash	47,966	17,249	13,264	32,131	56,017	58,818	61,759	64,847	68,089
	Accounts Receivable	4,462	1,845	1,787	2,978	2,529	2,655	2,788	2,928	3,074
	Other current assets	25,596	24,943	23,225	48,276	73,562	77,240	81,102	85,157	89,415
Total Current Assets		78,024	44,037	38,276	83,385	132,108	138,713	145,649	152,932	160,578
Property, Plant and Equipment, net		7,073	2,744	2,212	1,763	594	1,855	1,891	1,910	1,986
Goodwill		37,364	8,194	8,194	-	-	-	-	-	-
Other assets		81,554	144,131	147,825	118,371	42,600	46,860	51,546	56,701	62,371
Total Assets		204,015	199,106	196,507	203,519	175,302	187,429	199,086	211,542	224,935
Liabilities and stockholder equity										
Current liabilities:										
	Accounts Payable	4,137	4,958	5,920	7,725	1,961	1,981	2,000	2,020	2,041
	Accrued Expenses	10,231	8,692	10,727	15,496	20,293	19,887	19,489	19,100	18,718
	Current portion of lease	2,604	1,526	1,426	1,330	407	366	330	297	267
	Other current liabilities	20,724	6,636	7,205	3,117	2,979	2,890	2,803	2,719	2,637
Total Current Liabilities		37,696	21,812	25,278	27,668	25,640	25,124	24,622	24,136	23,663
Long-term Liabilities:										
	Lease less current portion	2,546	1,048	679	437	50	45	41	36	33
	Other non-current liabilities	2,657	25,354	9,348	905	28,590	29,305	30,037	30,788	31,558
Total liabilities		42,899	48,214	35,305	29,010	54,280	54,473	54,700	54,960	55,253
Stockholders Equity										
Total stockholders equity		161,116	150,892	161,202	174,509	121,022	132,956	144,386	156,582	169,682
Total liabilities and stockholder equity		204,015	199,106	196,507	203,519	175,302	187,429	199,086	211,542	224,935

HISTORICAL STOCK PRICE



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