



# Eevia Health Plc Interim Report Q1 – 2022

THE BOARD AND CEO OF EEVIA HEALTH PLC PRESENT THE INTERIM REPORT FOR QUARTER 1, 2022.









## Significant events during the first quarter of 2022

Net sales grew by 152% from KEUR 658 in Q4-21 to KEUR 1,659 in Q1-22. Eliminating raw material trading revenue of KEUR 42 in Q1-22 and non-recurring revenue effects of KEUR 143 during Q4-21, the adjusted net sales increased by 102%, from KEUR 803 in Q4-21 to KEUR 1,617 in Q1-22.

Compared to net sales in Q1-21, which was the record sales quarter so far for the Company with KEUR 3,234, net sales in Q1-22 were lower. However, raw material trading revenues dominated Q1-21. After excluding the trading revenues in Q1-21, the net sales from operations were only 15,6% lower in Q1-22 than in Q1-21, with KEUR 1,617 in Q1-22 compared to KEUR 1,917 in Q1-21.

The significant growth in Q1-22 compared to the previous quarter is evidence that the Company has primarily solved the production issues experienced during the latter half of 2021. While revenues in the first quarter fell slightly short of the record first quarter of last year, Eevia is well on track to continue its growth trajectory.

EBITDA for Q1-22 came in at KEUR -412 (KEUR -94), with a notable improvement in March, as explained below. Eevia has continued to see improvements in profitability so far in the second quarter, with April being close to break-even on the EBITDA level. The Company expects the improvements to continue into June. The improvements validate that the mitigation plan communicated in the Q4-2021 report has provided expected impacts.

The net result in Q1-22 was KEUR -611, which improved KEUR 419, or 41%, compared to Q4-21.

Eevia finalized several key equipment installations during Q1-22 and made critical adjustments to its production protocols. The new equipment provided significant improvements in yields and productivity during March and will continue to do so in the second quarter. The increased capacity has enabled Eevia to get back on track with the delivery schedule on sales contracts and removed a backlog that impacted sales since Mid 2021.

### Some examples of the critical equipment installations during Q1-22 are:

- Eevia almost doubled its chromatography capacity on February 20th.
- A new decanter was installed in March (commissioned in April). It provides a 500% increase in capacity for liquid-solid separation of extraction masses and significantly reduces processing time, which improves both yields and productivity.
- New analytical measurement devices were installed in-line in the manufacturing process, such as two new absorbance meters and a new refractory meter (for measurements of solids). Compared to waiting many hours for lab results, these new measurement devices provide instant (real-time) measurement of the bioactive compound being extracted and purified. The instant measures significantly improve the process- and yield control.

A new Chief Manufacturing Officer, Harri Salo, joined Eevia in January. Mr. Salo's competence has already had a significant impact on project management, improved operational control, and quality of production planning.

A new Chief Financial Officer, Gabriella Beni, joined Eevia in March. Ms. Beni has significant competence in financial administration and has strengthened Eevia's financial control and profitability management ability.



## Eevia Health Plc

Eevia Health Plc, founded in March 2017, addresses significant health problems with bioactive compounds extracted from plant materials. The materials are primarily wild harvested from the pristine Finnish and Swedish forests near or above the Arctic Circle. The extracts are sold B2B as ingredients to dietary supplements and food brands globally. These global brands utilize the ingredients in their consumer product formulas.

Eevia Health is a manufacturer of 100% organically certified plant extracts. Although a significant product, Elderberry extract, is made from cultivated berries, most of Eevia's other raw materials, such as bilberry, lingonberry, chaga-mushroom, and pine bark, are wild-harvested in a sustainable fashion.

Eevia Health operates a modern green-chemistry production facility in Finland. Manufacturing natural ingredients near the raw material harvest areas, Eevia offers a short value chain with an environmentally friendly carbon footprint, competitive pricing, and extreme transparency. Eevia listed its shares at Spotlight Stock Market in Sweden in June 2021, with the short name **EEVIA**.

To learn more, please visit [www.eeviahealth.com](http://www.eeviahealth.com) or follow Eevia Health on LinkedIn @EeviaHealth.



## Comments from our CEO

When considering the underlying performance trends, the first quarter of 2022 was hectic but satisfying. The quarter provided the significant improvements in yields and throughput we expected from the mitigation plan we initiated in Q4-21. We made progress across the Board, increased our production output, ramped up product shipments, and developed the sales pipeline.

As set out in the introduction, the production team successfully finalized critical installations, which increased our manufacturing capacity and improved performance control. These new capabilities lay the foundation for leaps in yields, margins, productivity, and sales. The effects of these improvements came at the end of the quarter. Our financials do not yet fully reflect the underlying performance and progress in profitability.

The beginning of 2022 also saw a transformation of our management team. Two key recruits joined Eevia, Harri Salo as the new Chief Manufacturing officer and Gabriella Beni as our new Chief Financial Officer. The two strengthen our competence and capability for professional management and financial control of Eevia.

As for all economic activity these days, the market situation in our segment is somewhat more turbid than it has been in the last 18 months. The war in Ukraine, high inflation, labor shortages in crucial market territories, and continued global logistical challenges all create some uncertainty. However, these factors also constitute opportunities, as reliable manufacturers of nutrition products from suppliers in stable democracies are becoming even more valued by large international brand holders. We still see growth in the overall market. Major players have a positive outlook. We were pleased to see that the activity in the Vitafoods tradeshow in Geneva in early May was vigorous.

Our sales pipeline is in transformation driving growth from new products and customers. The new capacities have allowed Eevia to recover the backlog and catch up with the delivery schedule of contracts. That will enable us to be less restrictive with new leads and prospects. We are now opening our order acceptance for a broader range of products and new larger sales contracts.

As we proceed with further sales efforts towards our 2024 targets, we aim to maintain a stringent profitability focus, a target which is now easier to achieve with the recent production improvements.

*Sincerely yours,*

**Stein Ulve, CEO**

## Key ratios

The table below shows the critical ratios for Q1-2022 and Q1-2021, and January to December 2021 and 2020:

|                                      | January 1st – March 31st |             | January 1st – December 31st |               |
|--------------------------------------|--------------------------|-------------|-----------------------------|---------------|
|                                      | 2022                     | 2021        | 2021                        | 2020          |
| Net sales, KEUR                      | 1 659                    | 3234        | 6 671                       | 2 866         |
| EBITDA, KEUR                         | -412                     | -94         | -2 099                      | -694          |
| The net result of the period, KEUR   | <b>-611</b>              | <b>-169</b> | <b>-2 635</b>               | <b>-1 023</b> |
| Earnings per share, EUR*             | -0,04                    | -0,02       | -0,16                       | -0,06         |
| Shareholders' equity per share, EUR* | <b>0,18</b>              | <b>0,14</b> | <b>0,22</b>                 | <b>0,03</b>   |
| The average number of employees      | <b>26</b>                | <b>29</b>   | <b>28</b>                   | <b>9</b>      |

Share related key ratios have been calculated according to the following formulas:

|                                     |  |
|-------------------------------------|--|
| Earnings per share, EUR             | Net result of the period/15,973,356 shares |
| Shareholders' equity per share, EUR | Total equity/15,973,356 shares             |

## The Share and shareholders

The total current number of shares amounts to 15,973,356 shares. Eevia has only one share series. The shareholders have authorized the Board of Directors to decide on the issuance of options to key employees with a maximum number of 706,000 shares. Based on this authorization, the Board has distributed 100,000 share options.

## Future Reports

|   |                     |
|---|---------------------|
| Interim report April – June 2022 (Q2)     | August 29th, 2022   |
| Interim report July – September 2022 (Q3) | November 25th, 2022 |
| Year-End Report 2022 (Q4)                 | February 24th, 2023 |

## Income Statement

| (KEUR)                                 | Ref. | Jan-Mar<br>2022 | Jan-Mar<br>2021 | Jan-Dec<br>2021 | Jan-Dec<br>2020 |
|--|------|-----------------|-----------------|-----------------|-----------------|
| Net Sales                              | 1    | 1 659           | 3 234           | 6 671           | 2 866           |
| <b>Other income</b>                    | 2    | 57              | 0               | 15              | 117             |
| <b>Total revenues</b>                  |      | <b>1 716</b>    | <b>3 234</b>    | <b>6 686</b>    | <b>2 982</b>    |
| <b>Operating Expenses</b>              |      |                 |                 |                 |                 |
| Material and external expenses         |      | -1 445          | -2 690          | -5 847          | -2 200          |
| Personnel expenses                     |      | -482            | -372            | -1 502          | -698            |
| Other operating expenses               |      | -201            | -266            | -1 437          | -778            |
| <b>Total Operating Expenses</b>        |      | <b>- 2 128</b>  | <b>-3 327</b>   | <b>-8 786</b>   | <b>-3 676</b>   |
| <b>EBITDA</b>                          |      | <b>-412</b>     | <b>-94</b>      | <b>-2 100</b>   | <b>-694</b>     |
| Depreciation                           |      | -184            | -84             | -490            | -229            |
| <b>OPERATING PROFIT (LOSS)</b>         |      | <b>-596</b>     | <b>-178</b>     | <b>-2 589</b>   | <b>-923</b>     |
| Financial income and expenses          |      | -15             | 9               | -46             | -100            |
| <b>PROFIT/-LOSS BEFORE TAXES</b>       |      | <b>-611</b>     | <b>-169</b>     | <b>-2 636</b>   | <b>-1 023</b>   |
| Taxes                                  |      | 0               | 0               | 0               | 0               |
| <b>NET PROFIT/-LOSS FOR THE PERIOD</b> |      | <b>-611</b>     | <b>-169</b>     | <b>-2 635</b>   | <b>-1 023</b>   |

<sup>1)</sup> For Jan-Mar 2022, Net sales include KEUR 42 for sourcing and sale of raw materials as part of customer-provided financing. For Jan-Dec 2021, the amount related to the sale of materials for financing purposes was KEUR 1 317.

<sup>2)</sup> For Jan-Mar 2022, Other income includes KEUR 57 capitalized own labor work associated with installations of capital assets.

## Balance sheet

| <b>ASSETS (KEUR)</b>                    | <i>Mar-31</i><br><b>2022</b> | <i>Mar-31</i><br><b>2021</b> | <i>Dec-31</i><br><b>2021</b> | <i>Dec-31</i><br><b>2020</b> |
|---|------------------------------|------------------------------|------------------------------|------------------------------|
| <b>Fixed assets</b>                     |                              |                              |                              |                              |
| Intangible assets                       | 774                          | 493                          | 716                          | 406                          |
| <b>Tangible assets</b>                  |                              |                              |                              |                              |
| Equipment, machines and tools           | 2654                         | 1 456                        | 2 559                        | 1 221                        |
| <b>Total fixed assets</b>               | <b>3 428</b>                 | <b>1 949</b>                 | <b>3 275</b>                 | <b>1 627</b>                 |
| <b>Other long-term receivables</b>      | <b>24</b>                    | <b>24</b>                    | <b>24</b>                    | <b>24</b>                    |
| <b>Current assets</b>                   |                              |                              |                              |                              |
| Inventory                               | 2 100                        | 2 884                        | 2 369                        | 3 474                        |
| Trade receivables and other receivables | 1 307                        | 1 133                        | 1 011                        | 603                          |
| Cash at bank                            | 365                          | 524                          | 1 859                        | 678                          |
| <b>Total current assets</b>             | <b>3 772</b>                 | <b>4 540</b>                 | <b>5 239</b>                 | <b>4 755</b>                 |
| <b>TOTAL ASSETS</b>                     | <b>7 225</b>                 | <b>6 514</b>                 | <b>8 538</b>                 | <b>6 406</b>                 |

| <b>EQUITY AND LIABILITIES (KEUR)</b>     | <i>Mar-31</i><br><b>2022</b> | <i>Mar-31</i><br><b>2021</b> | <i>Dec-31</i><br><b>2021</b> | <i>Dec-31</i><br><b>2020</b> |
|--|------------------------------|------------------------------|------------------------------|------------------------------|
| <b>Equity</b>                            |                              |                              |                              |                              |
| Share Capital                            | 80                           | 10                           | 80                           | 10                           |
| Reserve for invested unrestricted equity | 8 802                        | 4 402                        | 8 802                        | 3 167                        |
| Retained earnings/loss                   | -5 381                       | -2 746                       | -2 746                       | -1 722                       |
| Profit (loss) for the period             | -611                         | -169                         | -2 635                       | -1 023                       |
| <b>Total Equity</b>                      | <b>2 889</b>                 | <b>1 497</b>                 | <b>3 501</b>                 | <b>431</b>                   |
| <b>Long-term liabilities</b>             |                              |                              |                              |                              |
| Loans from credit institutions           | 406                          | 170                          | 406                          | 170                          |
| Other long-term liabilities              | 0                            | 82                           | 0                            | 82                           |
| <b>Current liabilities</b>               |                              |                              |                              |                              |
| Other short-term loans                   | 84                           | 0                            | 145                          | 596                          |
| Advances received                        | 2 397                        | 2 963                        | 2 939                        | 3 945                        |
| Accounts payable                         | 994                          | 1 560                        | 1 129                        | 983                          |
| Other liabilities and accruals           | 455                          | 242                          | 419                          | 198                          |
| <b>Total liabilities</b>                 | <b>4 336</b>                 | <b>5 017</b>                 | <b>5 038</b>                 | <b>5 974</b>                 |
| <b>TOTAL EQUITY AND LIABILITIES</b>      | <b>7 225</b>                 | <b>6 514</b>                 | <b>8 538</b>                 | <b>6 406</b>                 |



## Cash Flow Statement

| (KEUR)  | <i>Jan-Mar</i><br><b>2022</b> | <i>Jan-Mar</i><br><b>2021</b> | <i>Jan-Dec</i><br><b>2021</b> | <i>Jan-Dec</i><br><b>2020</b> |
|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| <b>Operating activities</b>                                       |                               |                               |                               |                               |
| Profit/-Loss before taxes   | -611                          | -169                          | -2 638                        | -1 023                        |
| Adjustments for items not included in the cash flow:              | 184                           | 84                            | 497                           | 233                           |
| <b>Cash flow before change in working capital</b>                 | <b>-427</b>                   | <b>-85</b>                    | <b>-2 138</b>                 | <b>-790</b>                   |
| <b>Cash flow from changes in working capital:</b>                 |                               |                               |                               |                               |
| Increase (-) or decrease (+) in current interest-free receivables | -296                          | -530                          | -408                          | -395                          |
| Increase (-) or decrease (+) in inventories                       | 269                           | 590                           | 1 105                         | -3 159                        |
| Increase (+) or decrease (-) in current interest-free payables    | -640                          | -361                          | -640                          | 4 678                         |
| <b>Cash flow from operations before financial items and taxes</b> | <b>-1095</b>                  | <b>-386</b>                   | <b>-2 080</b>                 | <b>335</b>                    |
| Cash flow before extraordinary items                              | 0                             | 0                             | 0                             | 0                             |
| <b>Cash flow from operating activities</b>                        | <b>-1 095</b>                 | <b>-386</b>                   | <b>-2 080</b>                 | <b>335</b>                    |
| <b>Investment activities</b>                                      |                               |                               |                               |                               |
| Investments in intangible and tangible assets                     | -338                          | -406                          | -2 138                        | -1 090                        |
| <b>Cash flow from investment activities</b>                       | <b>-337</b>                   | <b>-406</b>                   | <b>-2 138</b>                 | <b>-1 090</b>                 |
| <b>Financing activities</b>                                       |                               |                               |                               |                               |
| New Share issue   | 0                             | 1136                          | 5 606                         | 0                             |
| New loans   | 0                             | 0                             | 400                           | 848                           |
| Repayment of long-term borrowings                                 | -61                           | -497                          | -606                          | 0                             |
| <b>Cash flow from financing activities</b>                        | <b>-61</b>                    | <b>639</b>                    | <b>5 400</b>                  | <b>848</b>                    |
| Change in cash and equivalents                                    | -1 494                        | -154                          | 1 182                         | 93                            |
| Cash and cash equivalents at the beginning of the period          | 1 859                         | 678                           | 678                           | 584                           |
| <b>Cash and cash equivalents at the end of the period</b>         | <b>365</b>                    | <b>524</b>                    | <b>1 859</b>                  | <b>678</b>                    |

## Segmentation of sales and gross margin

Eveia's Net Sales in Q1-22 included KEUR 42 in trading revenues related to sourcing raw materials. The adjusted gross margin for Q1-22 decreased from 21 to 13%. The reported margin is average for the quarter. The margins in first half of the quarter were impacted by low potency berries. A major improvement to the protocols was finalized end of February. The gross margin in March was 28,5%. The increase in March was also due to improvements in yields and productivity related to the commissioning of new production equipment. Eveia maintains a long-term target gross margin level above 40% by 2024.

| (KEUR)                          | Segmentation of EBITDA, Jan-March 2022 |                |            |               | Reported Income Statement |
|---------------------------------|--|----------------|------------|---------------|---------------------------|
|                                 | Ref.                                   | Operations     | Trading    | Non-recurring |                           |
| Net Sales                       |  | 1 617          | 42         | 0             | 1 659                     |
| Other income                    |  | 57             | 0          | 0             | 57                        |
| <b>Total revenues</b>           |  | <b>1 674</b>   | <b>0</b>   | <b>0</b>      | <b>1 716</b>              |
| Operating Expenses              |  |                |            |               |                           |
| Material and external expenses  |  | -1 403         | -42        | 0             | -1 445                    |
| Personnel expenses              |  | -482           | 0          | 0             | -482                      |
| <b>Other operating expenses</b> | <b>1</b>                               | <b>-151</b>    | <b>0</b>   | <b>-50</b>    | <b>-201</b>               |
| <b>Total Operating Expenses</b> |  | <b>- 2 036</b> | <b>-42</b> | <b>-50</b>    | <b>-2 128</b>             |
| <b>EBITDA</b>                   |  | <b>-362</b>    | <b>0</b>   | <b>-50</b>    | <b>-412</b>               |

| (KEUR)                  | Ref. | Apr-Jun - 21 | Jul-Sep - 21 | Oct-Dec - 21 | Jan-Mar - 22 |
|-------------------------|------|--------------|--------------|--------------|--------------|
| Product sales           |      | 1 369        | 560          | 801          | 1 617        |
| Product standardization | 2    |              |              | -143         |              |
| Raw material sales      |      | 122          | 730          | 0            | 42           |
| <b>Net Sales</b>        |      | <b>1 491</b> | <b>1 289</b> | <b>658</b>   | <b>1 659</b> |

| (KEUR)                         | Apr-Jun - 21 | Jul-Sep - 21 | Oct-Dec - 21 | Jan-Mar - 22 |
|--------------------------------|--------------|--------------|--------------|--------------|
| Product sales                  | 1 369        | 560          | 801          | 1 617        |
| Material and external expenses | -1 009       | -422         | -633         | -1 403       |
| Gross margin                   | <b>360</b>   | <b>138</b>   | <b>168</b>   | <b>214</b>   |
| <b>Gross margin %</b>          | <b>26 %</b>  | <b>25 %</b>  | <b>21 %</b>  | <b>13 %</b>  |

<sup>1)</sup> Non-recurring costs related to financing activities (commission, etc.)

<sup>2)</sup> The adjustment in Q4-21 was related to a product return which was resold at same price

<sup>3)</sup> The gross margin in March was 28,5%

## Basis of preparation

The financial information in this interim financial report has been prepared in accordance with the Finnish Accounting Act (30.12.1997/1336, as amended), Finnish Accounting Ordinance (30.12.1997/1339, as amended), and instructions and statements of the Accounting Board operating under the Ministry of Employment and the Economy (FAS) unless otherwise stated. The Company applies the same recognition and classification principles in this interim financial report as its financial statements for December 31st, 2021.

This interim financial report is unaudited.

## Statement by the Board of Directors

The Board of Directors and the Chief Executive Officer do at this moment certify that this interim report contains a fair representation of the Company's operations, financial position, and results and describes any significant risks and uncertainties the Company faces.

All statements of a forecasting nature in this report are based on the Company's best assessments on the report's publishing date. As with all forecasts, such statements contain risks and uncertainties, and the actual results can differ.

**Seinäjoki, May 27th, 2022**

**The Board of Directors and the CEO of Eevia Health Plc**

**For additional information, please contact:**

**Gabriella Beni, CFO**  
**Eevia Health Plc**  
**Mobile: +358.0.407.48.8666**  
**Email: [gabriella@eeviahealth.com](mailto:gabriella@eeviahealth.com)**