



Eevia Health Plc Interim Report Q1 – 2023

THE BOARD AND CEO OF EEVIA HEALTH PLC PRESENT
THE INTERIM FINANCIAL REPORT FOR QUARTER 1, 2023.







Significant events during the first quarter of 2023:

Net sales¹ grew by 20% from KEUR 1 420 in Q4-22 to KEUR 1 710 in Q1-23. Net sales between Q1-22 and Q1-23 grew by 6% (from KEUR 1 617 in Q1-22 to KEUR 1 710 in Q1-23) when excluding revenue of KEUR 42 from trading of raw materials in Q1-22.

The gross profit in Q1-23 landed at KEUR 989, an improvement of 362% from KEUR 214 in Q1-22. The gross margin² was 58%, up from 13% in Q1-22. The increase is due to the improvements achieved in production and purchasing throughout 2022. From Q4-22 to Q1-23, the gross profit rose by KEUR 23, but the gross margin declined from 68% to 58% in the period. The change is due to significant contract manufacturing in Q4-22 not continued in Q1-23.

Eevia benefited from a high-margin product mix in the first quarter. Furthermore, Eevia is continuing the efforts of valorizing several production side streams containing fruit sugars and fibers. If successful with these valorizations, Eevia would be able to produce a high volume of these new products which could improve profitability and sustainability. However, this will require business development and penetration of new markets, with no certainty of success. The gross margin without the effect from side-stream products was approximately 56% in Q1-23.

Eevia Health was awarded a non-dilutive grant of KEUR 242 from Business Finland. The funding will be provided when the project is completed. One of the two work packages in the project is related to the valorization and commercialization of the side-stream products.

EBITDA in Q1-23 was positive at KEUR 260, compared to a KEUR -412 negative EBITDA in Q1-22 and KEUR 17 in Q4-22. The improvement between Q1-22 and Q1-23 was KEUR 672, stemming mostly from an increase in gross margin due to better bioactive recovery (yields) and improved productivity. There were no non-recurring costs in Q1-23.

The net result for Q1-23 was positive with KEUR 17. It is the first positive quarterly net result for the company. It came after an improvement of KEUR 628 compared to Q1-22 (KEUR -611) and KEUR 529 compared to Q4-22 (KEUR -512). The improvement stems from increased revenue, improved production performance, and the discontinuation of the non-recurring financial costs that were incurred in Q4-22.

Cash flow from operations was positive with KEUR 162 in Q1-23, up from negative cash flows from operations of KEUR -1 095 in Q1-22 and KEUR - 989 in Q4-22. The improvements over MEUR 1 stem from the improved operational performance.

¹ Sales revenues excluding trading revenues.

² Gross profit in % of net sales



Eevia Health Plc

Eevia Health Plc is a fast-growing life science company. Our mission is to solve critical health-related challenges with bioactive ingredients extracted from natural arctic plant raw materials. A fundamental human health challenge is maintaining healthy and functional cells, which Eevia addresses with natural compounds that positively affect cellular recycling and -health.

The extracts are sold B2B as ingredients in dietary supplements and food brands globally. These global brands utilize the ingredients in their consumer product formulas. Our customers are well-known branding companies in the US, Europe, and South-East Asia. Eevia is headquartered in Seinäjoki, Finland, and has 26 employees.

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 from pristine Finnish and Swedish forests near or above the Arctic Circle.

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 on Spotlight Stock Market in Sweden in June 2021, with the stock symbol (ticker) **EEVIA**. The Company has a strong shareholder base in Sweden.

To learn more, please visit www.eeviahealth.com or follow Eevia Health on LinkedIn @EeviaHealth.



“We are pleased to report first quarterly net profit”

Stein Ulve, CEO

Comments from our CEO

We are pleased to report our first quarter with profit before tax and with the expectation to maintain the positive momentum into the second quarter. At the time of writing, we just returned from a successful international tradeshow in Geneva, Vitafoods, where we received good attention, met small and large prospects, and were promised new forthcoming sales orders.

After a string of quarters with focus on improving production, we have gradually managed to turn our attention externally, towards our customers and the positioning of our products. In Q1-23 we spent more effort screening new distributor candidates and improving our customer service quality and professionalism. This includes actions to maintain an appropriate level of finished goods stock, to allow shorter lead times and faster order confirmation processes. We prepared the launch of a new product Feno-Cerasus™ 50 (Tart Cherry extract), with the strongest polyphenol profile in the market, aimed at cognitive health and sleep quality.

There is a general trend in our industry toward requiring scientific substantiation of clinical benefits in humans. To strengthen Eevia Health's product line-up, we will test seven of our strongest products through the BioMAP® screening platform, offered by Eurofins³. BioMAP® is a human primary cell phenotypic profiling platform with over 60 human primary cell-based models and hundreds of clinically relevant protein biomarkers. It is the broadest, most physiologically relevant profiling method available to robustly determine the efficacy, safety, and mechanism of action (MOA) of molecules and compounds. The Eevia project is financially supported by Business Finland, and we expect to receive the results of the screening test during Q2-23.

We are also furthering our cellular recycling strategic agenda. Our pipeline product Retinari™ gained industry interest after the publication in the journal *Oxidative Medicine and Cellular Longevity*⁴ in December 2021⁴ showing promising clinical effects. These results will be consolidated in a one-year mice trial starting this month in cooperation with the University of Eastern Finland, among other actions.

Another initiative in Q1-23 was to further strengthen Eevia's value proposition on sustainability. We are seeking compliance and possibly certification on international standards such as SA 8000⁵ and ISO 26 000. Either would automatically ensure full compliance with BCSI⁶, an international standard which aims to uphold social responsibility in business. It will also contribute to the compliance with the NAGOYA protocol, which aims to ensure the fair and equitable sharing of benefits from, and the conservation and sustainable use of, the biodiversity.

Sincerely yours,

Stein Ulve, CEO

³ <https://www.discoverx.com/services/drug-discovery-development-services/primary-cell-phenotypic-profiling>

⁴ *Oxidative Medicine and Cellular Longevity* 2021: 8028427 - Pinosylvin Extract Retinari™ Sustains Electrophysiological Function, Prevents Thinning of Retina, and Enhances Cellular Response to Oxidative Stress in NFE2L2 Knockout Mice

⁵ <https://sa-intl.org/programs/sa8000/>

⁶ The Business Social Compliance Initiative - BCSI

Key ratios

The table below shows the critical ratios for Q1-2023 and Q1-2022, and January to December 2022 and 2021:

	January 1st – March 31st		January 1st– December 31st	
	2023	2022	2022	2021
Net sales, KEUR	1 710	1 659	5 910	6 671
EBITDA, KEUR	260	-412	-559	-2 099
The net result of the period, KEUR	17	-611	-1 758	-2 635
Earnings per share, EUR*	0	-0,02	-0,06	-0,16
Shareholders' equity per share, EUR*	0,12	0,22	0,12	0,22
The average number of employees	26	28	28	28

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

Earnings per share, EUR	Net result of the period/30,349,371 (15,973,356) shares
Shareholders' equity per share, EUR	Total equity/30,349,371 (15,973,356) shares

The Share and shareholders

The total current number of shares amounts to 30,349,371 shares. Eevia has only one share series. There is a remaining authorization for the Board of Directors to decide on the issuance of shares to key employees of 623,985 shares. Based on this authorization, the Board has distributed 100,000 share options.

Annual general meeting 2023 and Financial Statement for 2022

The Board is arranging for the Annual General Meeting 2023 on June 26, 2023, and the Financial Statement for the year 2022 will be published on the Company's website (www.eeviahealth.com) three weeks before the meeting at the latest.

Future Reports

Annual General Meeting	June 26th, 2023
Interim report April – June 2023 (Q2-23)	August 23rd, 2023
Interim report July – September 2023 (Q3-23)	November 22nd, 2023
Year-end report 2023 (Q4-23)	February 14th, 2024

Income Statement

(KEUR)	Ref.	<i>Jan-Mar</i> 2023	<i>Jan-Mar</i> 2022	<i>Jan-Dec</i> 2022	<i>Jan-Dec</i> 2021
Net Sales	1	1 710	1 659	5 910	6 671
Other income	2	21	57	169	15
Total revenues	3	1 731	1 716	6 080	6 686
Operating Expenses					
Material and external expenses		-721	- 1 445	-3 501	-5 847
Personnel expenses	2	-455	- 482	-1 776	-1 502
Other operating expenses		-295	- 201	-1 363	-1 437
Total Operating Expenses	3	-1 471	- 2 128	-6 639	-8 786
EBITDA	3	260	-412	-559	-2 099
Depreciation		-203	- 184	-772	-490
OPERATING PROFIT (LOSS)		57	- 596	-1 332	-2 589
Financial income and expenses		-40	-15	-426	-46
PROFIT/-LOSS BEFORE TAXES		17	- 611	-1 758	-2 635
Taxes		0	0	0	0
NET PROFIT/-LOSS FOR THE PERIOD		17	- 611	-1 758	-2 635

¹⁾ Salary expenses related to the installation of new production equipment are according to FAS presented as a separate line item as Income for the company's use. This expense has been capitalized.

²⁾ Total revenues, Total Operating Expenses, and EBITDA are not recognized line items included in the statutory financial statements prepared following Finnish Accounting Standards (FAS)

Balance sheet

ASSETS (KEUR)	Ref.	<i>Mar-31</i> 2023	<i>Mar-31</i> 2022	<i>Dec-31</i> 2022	<i>Dec-31</i> 2021
Fixed assets					
Intangible assets	1	581	774	602	716
Tangible assets					
Equipment, machines, and tools		2 689	2 654	2 756	2 559
Total fixed assets		3 270	3 428	3 358	3 275
Other long-term receivables		0	24	0	24
Current assets					
Inventory		2 335	2 100	2 719	2 369
Trade receivables and other receivables		560	1 307	517	1 011
Cash at bank		81	365	638	1 859
Total current assets		2 976	3 772	3 873	5 239
TOTAL ASSETS		6 246	7 225	7 231	8 538

EQUITY AND LIABILITIES (KEUR)	Ref	<i>Jan-Mar</i> 2023	<i>Jan-Mar</i> 2022	<i>Dec-31</i> 2022	<i>Dec-31</i> 2021¹
Equity					
Share Capital		80	80	80	80
Reserve for invested unrestricted equity		10 714	8 802	10 714	8 802
Retained earnings/loss		-7 139	-5 381	-5 381	-2 746
Profit (loss) for the period		17	-611	-1 758	-2 635
Total Equity		3 530	2 889	3 654	3 501
Long-term liabilities					
Loans from credit institutions		304	406	304	406
Other long-term liabilities		0	0	0	0
Current liabilities					
Other short-term loans		74	84	678	145
Advances received		1 021	2 397	1 337	2 939
Accounts payable		1 003	994	852	1 129
Other liabilities and accruals		553	455	628	418
Total current liabilities		2 649	3 930	3 494	4 631
TOTAL EQUITY AND LIABILITIES		6 246	7 225	7 231	8 538

¹ The 2022 financial statements are still under audit and 2022 figures may be subject to change, including a possible adjustments and restatement for the 2021 statutory financial statements with a KEUR 142 reduction of ingoing total equity to 2022 due to revised foreign exchange valuation of receivables per 31.12.21.

Cash Flow Statement

(KEUR)	Jan-Mar 2023	Jan-Mar 2022	Jan-Dec 2022	Jan-Dec 2021
Operating activities				
Profit/-Loss before taxes	17	-611	-1 758	-2 635
Adjustments for items not included in the cash flow:	203	184	772	490
Cash flow before change in working capital	220	-427	-986	-2 145
Cash flow from changes in working capital:				
Increase (-) or decrease (+) in current interest-free receivables	-43	-296	518	-408
Increase (-) or decrease (+) in inventories	384	269	-350	1 105
Increase (+) or decrease (-) in current interest-free payables	-399	-641	-1 891	-728
Cash flow from operations before financial items and taxes	162	-1 095	-2 709	-2 176
Cash flow before extraordinary items	0	0	0	0
Cash flow from operating activities	162	-1 095	-2 709	-2 176
Investment activities				
Investments in intangible and tangible assets	-115	-338	-855	-2 138
Cash flow from investment activities	-115	-338	-855	-2 138
Financing activities				
New Share issue	0	0	1 912	5 705
New loans	0	0	567	400
Repayment of long-term borrowings	-604	-61	-136	-609
Cash flow from financing activities	-604	-61	2 343	5 496
Change in cash and equivalents	-557	-1 494	-1 221	1 182
Cash and cash equivalents at the beginning of the period	638	1 859	1 859	678
Cash and cash equivalents at the end of the period	81	365	638	1 859

Segmentation of sales and gross margin

Eevia Health's Net Sales in Q1-23 did not include trading revenues related to sourcing raw materials. The gross profit margin improved from 13% in Q1-22 to 58% in Q1-23. The improvements were due to advances in productivity related to the commissioning of new production equipment, improved production protocols, lower raw material prices, as well as the valorization of divergent side streams from the production process. Eevia maintains a long-term target level for a gross margin above 40% by 2024.

Segmentation of EBITDA, Jan-Mar 2023					Reported Income Statement
(KEUR)	Ref.	Operations	Trading	Non-recurring	
Net Sales		1 710	0	0	1 420
Other income		21			-16
Total revenues		1 731	0	0	1 404
Operating Expenses					
Material and external expenses	2	-721	0	0	-721
Personnel expenses		-455			-455
Other operating expenses	1	-295	0	0	-295
Total Operating Expenses		-1 471	0	0	-1 471
EBITDA		260	0	0	260

(KEUR)	Jan-Mar 22	Apr-Jun 22	Jul-Sep 22	Oct-Dec 22	Jan-mar 23
Product sales	1 617	1 835	1 148	1 420	1 710
Product restandardization	0	0	0	0	0
Raw material sales	42	0	0	0	0
Net Sales	1 659	1 835	1 148	1 420	1 710

(KEUR)	Jan-Mar 22	Apr-Jun 22	Jul-Sep 22	Oct-Dec 22	Jan-Mar 23
Product sales	1 617	1 835	1 148	1 420	1 710
Material and external expenses	-1 403	-1 184	-423	-454	-721
Gross Profit	214	651	725	966	989
Gross margin %	13 %	35 %	63 %	68 %	58%

Basis of preparation

The financial information in this interim financial report has been prepared following 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 financial 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 of the report's publishing date. As with all forecasts, such statements contain risks and uncertainties, and the actual results can differ.

Seinäjoki, Finland, May 16th, 2023

The Board of Directors and the CEO of Eevia Health Plc

Martin Bjørklund
Chairman

Per Benjaminsen
Member

Johanna Panula
Member

Magne Ruus Simensen
Member

Oskar Wegelius
Member

Stein Ulve
CEO

For additional information, please contact:



Stein Ulve, CEO
Eevia Health Plc
Mobile: +358 400 22 5967
Email: stein@eeviahealth.com

This disclosure contains information that EEVIA HEALTH PLC is obliged to make public according to the EU Market Abuse Regulation (EU nr 596/2014). The information was submitted for publication, through the agency of the contact person, on May 16th, 2023.

