



# Eevia Health Plc Interim Report Q1 – 2024\*

JANUARY – MARCH 2024

\* Restated revised quarterly figures



The Board and CEO of Eevia Health Plc present the Interim financial report for quarter 1, 2024.

## Summary of financial development for Q1-2024

### WORKING TO REGAIN PROFITABLE REVENUE GROWTH

After constructive dialogue the auditor, which led to changes in financial figures for 2023 compared to what was reported in the Year-End report, Eevia finds it necessary to restate the Interim Report for Q1-2024. After having moved revenue recognition of KEUR 263 from December 2023 to January 2024, Q1-2024 registered net sales at KEUR 671. Still, the sales rate for this quarter was lower than the first three quarters of 2023 and was insufficient to produce positive net results for the quarter with the current cost base. The main reason for the drop off in sales since the first half of 2023 is the halt in orders from our main US customer (almost 75% of turnover in first half 2023). The temporary hold on orders occurred after June 2023 and will resume in 2025. If you look at the underlying sales development excluding this customer, there is growth since the same period last year.

A key hurdle for further sales growth in Q1-24 was that Eevia still experienced sales delays from the external analytical issues in 2023. These issues caused a relabeling of many items from organic to conventional products. To a large extent, the reworked products required new customers at somewhat lower prices and longer sales cycles. The team solved the underlying problem in February with an investment in and installation of new purification assets, allowing the business again to move forward with organic products. However, these challenges caused operational disruptions and required the bulk of management attention away from marketing, sales, distribution support, and other revenue generating actions.

The revenue level resulted in a gross profit for the quarter of KEUR 372 (55%).

### OPERATIONAL COSTS IN Q1-24

Personnel expenses in Q1-24 were KEUR 240, and Overhead expenses KEUR 249, compared to Q4-23, which had KEUR 293 and KEUR 264, respectively. The sum positive development on the cost side reflects significant management actions to reduce costs and increase production efficiencies. These efforts continue in the second quarter and Eevia is continuously reviewing operations to reduce costs. These efforts are related to direct cost reductions but also to improvement in productivity, throughput, loads, and, hence, cost per kg produced finished goods.

### CASH FLOW AND FINANCING

Seeking to gain positive cash flow, Eevia has implemented a strict regime for investments for 2024. Solving the classification issues mentioned previously required limited investments in Q1-24. The challenges also resulted in product returns, reworking and labeling of batches, and delays in order confirmations and deliveries led to increased working capital needs.

Therefore, Eevia found it necessary to take up a short-term loan of KEUR 600 to improve the liquidity, of which KEUR 265 was drawn in cash in Q1-24. Cash flow from operations was negative with KEUR -254 Q1-24 compared to and KEUR 162 in Q1-23. The negative development in operating cash flow stems primarily from changes in working capital in the period and negative EBITDA. With a combined effort on revenues and costs, management expects to regain profitability in the second half of 2024.



The table below shows the key figures and ratios for Q1-2024 and Q1-2023, and January to December 2024 and 2023:

	January 1 <sup>st</sup> – March 31 <sup>st</sup>		January 1 <sup>st</sup> – December 31 <sup>st</sup>	
	2024	2023	2023	2022
Net sales, KEUR	671	1 710	4 428	5 606
EBITDA, KEUR	-103	260	576	-702
The net result of the period, KEUR	-387	17	-886	-2 043
Cash flow from operations	-254	162	1 436	-1 332
Net equity, KEUR	3 064	3 291	3 450	3 370
Earnings per share, EUR*	-0,01	0,00	-0,02	-0,07
Shareholders' equity per share, EUR*	0,09	0,12	0,10	0,09
The average number of employees	19	26	21	28

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

Earnings per share, EUR

Net result of the period/35,713,884\* shares

Shareholders' equity per share, EUR

Total equity/35,713,884 shares

\* For Q1-23 the number were 30,349,371 shares.



*“We have worked up a deep sales opportunity pipeline and I am confident we will regain high margin sales growth in the next quarters.”*

Stein Ulve, CEO

## CEO Stein Ulve comments on the first quarter of 2024

When writing this, I have just returned from one of the most important global tradeshows in our industry, Vitafoods in Geneva, where I was excited to see strong interest for our polyphenol products. The tradeshow provided hands-on experience that the BioMAP study completed in Q3-23 provides Eevia with real added credibility, adding proper scientific substantiation for the health effects of our products and key selling points on relevant health indications. Starting in Q1-24, a string of white papers is being produced from the BioMAP data set. We recently released a research article on **Fenoprolin**<sup>®</sup>, which demonstrated near-identical bioactivity across 148 biomarkers compared to a leading successful competitor product. With this type of direct proof of bioactivity equivalence, we can compete head-to-head with the market leader.

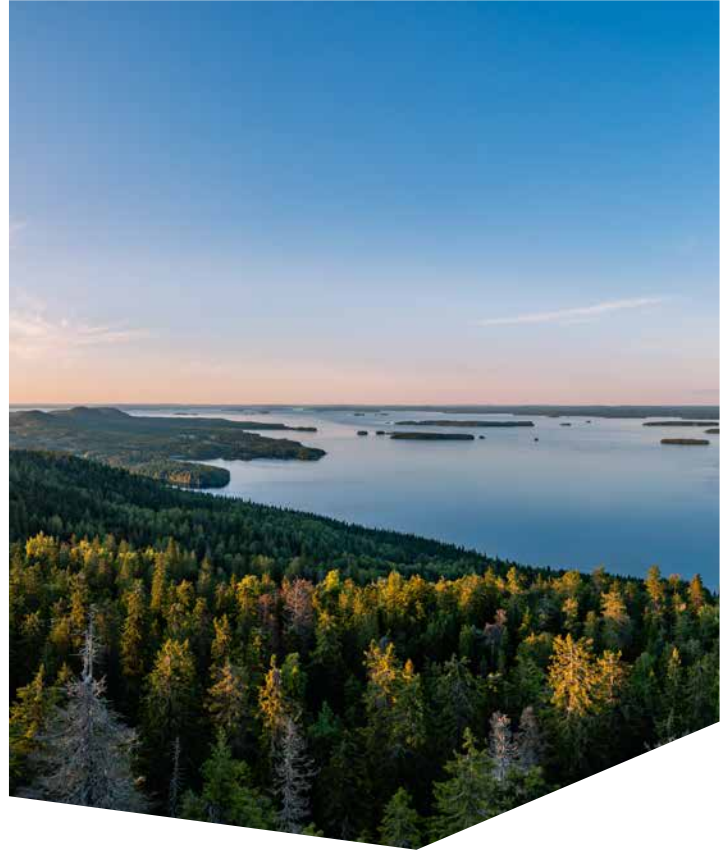
The sales pipeline grew in Q1-24, including opportunities handled by partners such as BREKO, which distributes for Eevia in Germany, Austria, Switzerland, and a few Asian countries. Seeing new partners such as BREKO working systematically and professionally with their pipeline, moving significant sales opportunities and prospects closer to conversion to sales contracts is hugely satisfying. We expect that work soon to be rewarded.

During Q1-24, Eevia was approached by several actors expressing their interest, leading to a string of notable developments such as:

- Initial discussions with a world-leading eye health company about collaboration on the launch in North America of Eevia’s eye-health product Retinari<sup>®</sup> after this product triggered at least three critical biomarkers for eye health in the BioMAP study.
- Negotiation with a large food manufacturer to manufacture a custom-made plant extract in 2025, possibly in 2026-27.
- Continuing development regarding a possible collaboration with a large ingredient manufacturer for contract manufacturing large volumes of one berry extract and possibly expanded cooperation.
- Many contract negotiations, as well as support from industry influencers, focusing the expertise we have in polyphenol extracts.

The negotiations above are still ongoing. We expect results in terms of contracts in the second or third quarters.

The process regarding Retinari<sup>®</sup> has significant commercial potential for Eevia. The product has the opportunity to be a game-changer for the eye health industry. Eevia is seeking non-dilutive grant funding to undertake necessary safety studies, from which successful results will enable a market launch in late 2025.



There is a trend towards increased documentation of bioactivity and substantiation of health claims and effects in our industry. Scientific proof has become increasingly important to drive sales and interest among our customers and partners. We strongly believe efforts such as the BioMAP study will be helpful to our success, and we welcome these developments providing ability to leverage our potent Nordic and organic polyphenol product. The BioMAP study is a significant step for Eevia in this regard. I am confident of seeing tangible topline results in the near term. It is also evident that western brands are driving a change towards western supply chains for their ingredients.

Consequently, we have taken strides in building up a new customer base replacing the revenue from our main customer temporarily on hold. The revenues in Q1-24 represent mainly new customers compared to the same period last year. However, while there are some good reasons behind the lack of growth during the quarter, as set out in the introduction, we are not satisfied with the current revenue level. We are working hard to improve our sales performance. The revenues in Q1-24 does not nearly reflect the significant positive underlying traction and momentum

in our opportunity pipeline. The trend is positive. With the interest seen in Geneva and in our daily customer engagement, we are positioned to regain former sales levels within the next few quarters. When we reach this level, it will be with a broader and more robust customer portfolio and improved product margins. These developments will be our path to profitability and positive cash flows.

Finally, I would like to address the plans for the rights issue. The equity issue is needed to secure the business development and sales rebound going forward. The proceeds shall primarily finance working capital, including procurement of raw materials, repayment of short-term loan, as well as continued organizational development, investments, and general corporate & marketing. Some projects will be subject to successful non-dilutive funding. 50% percent of the Rights Issue is covered by subscription and guarantee commitments.

We will work to answer questions shareholders have regarding all aspects of the intended rights issue in other publications, such as in the planned Information Memorandum.

*Sincerely yours,*  
**Stein Ulve, CEO**

# Financial developments and significant events in the first quarter of 2024

## FIRST QUARTER 2024:

- Net sales<sup>1</sup> increased to KEUR 671 in Q1-24. Compared to Q1-23, net sales were down by KEUR 1 039 from KEUR 1 710.
- Gross profit in Q1-24 was KEUR 372, a decrease from KEUR 989 in Q1-23. The gross margin was 55% in Q1-24, down from 58% in Q1-23. The change since Q1-23 is due to a changing product mix.
- EBITDA in Q1-24 was KEUR - 103 compared to positive KEUR 260 in Q1-23.
- The net result for Q1-24 was negative with KEUR - 387 compared to positive KEUR 17 in Q1-23.
- Cash flow from operations was negative with KEUR - 254 in Q1-24 compared to KEUR 162 in Q1-23. The decrease in operating cash flow stems primarily from changes in working capital in the period and negative EBITDA.
- Eevia is in discussions with a global market leader in vision enhancement and eye-health about a possible collaboration related to the launch of Retinari®, Eevia's game-changing and novel eye-health product.
- Eevia secured a credit line from three Swedish investors of KEUR 640, of which Eevia drew KEUR 265 in Q1-24.
- Eevia started negotiations on a contract manufacturing arrangement for 2025 with an option to extend it to 2026 and 2027 with a mid-sized European food company. The parties expect to finalize discussions by the end of the second quarter 2024.
- Eevia filed the final report to Business Finland for a project awarded a business development grant of KEUR 242 in February 2023. For costs expensed in 2023, Eevia received the payment of the grant in March 2024.

<sup>1</sup> Sales revenues excluding trading revenues.



## 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 raw materials from natural Arctic plants. 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 Southeast Asia. Eevia is headquartered in Seinäjoki, Finland, and has 19 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. In June 2021, Eevia listed its shares on the Spotlight Stock Market in Sweden under the stock symbol (ticker) EEVIA. The Company has a strong shareholder base in Sweden.

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

## Income Statement

(KEUR)	Ref.	Jan-Mar 2024	Jan-Mar 2023	Jan-Dec 2023	Jan-Dec 2022
Net Sales		671	1 710	4 428	5 606
Other income	1	14	21	251	169
<b>Total revenues</b>		<b>685</b>	<b>1 731</b>	<b>4 679</b>	<b>5 775</b>
Material and external expenses		-299	-721	-1 641	-3 405
Personnel expenses		-240	-455	-1 398	-1 709
Other operating expenses		-249	-295	-1 064	-1 363
<b>Total Operating Expenses</b>		<b>-788</b>	<b>-1 471</b>	<b>-4 103</b>	<b>-6 477</b>
<b>EBITDA</b>		<b>-103</b>	<b>260</b>	<b>576</b>	<b>-702</b>
Depreciation and write-downs		-226	-203	-1 238	-772
<b>OPERATING PROFIT (LOSS)</b>		<b>-329</b>	<b>57</b>	<b>-662</b>	<b>-1 474</b>
Financial income and expenses		-57	-40	-224	-586
<b>NET PROFIT (LOSS) FOR THE PERIOD</b>		<b>-387</b>	<b>17</b>	<b>-886</b>	<b>-2 043</b>

<sup>1)</sup> Own work related to investments and projects is capitalized under Finnish GAAP as "other income."



## Balance sheet

<b>ASSETS (KEUR)</b>	<b>Ref.</b>	<b>Mar-31 2024</b>	<b>Mar-31 2023</b>	<b>Dec-31 2023</b>	<b>Dec-31 2022</b>
<b>FIXED ASSET</b>					
Intangible assets		908	581	905	602
Equipment, machines and tools		2 240	2 689	2 371	2 756
<b>Total fixed assets</b>		<b>3 149</b>	<b>3 270</b>	<b>3 277</b>	<b>3 358</b>
<b>CURRENT ASSETS</b>					
Inventory		1 741	2 335	1 740	2 815
Trade receivables and other receivables		545	560	381	517
Cash in hand and at banks		63	81	138	638
<b>Total current assets</b>		<b>2 349</b>	<b>2 976</b>	<b>2 259</b>	<b>3 969</b>
<b>TOTAL ASSETS</b>		<b>5 498</b>	<b>6 246</b>	<b>5 536</b>	<b>7 327</b>

<b>EQUITY AND LIABILITIES (KEUR)</b>	<b>Ref</b>	<b>Mar-31 2024</b>	<b>Mar-31 2023</b>	<b>Dec-31 2023</b>	<b>Dec-31 2022</b>
<b>EQUITY</b>					
Share capital		80	80	80	80
Reserves for unrestricted equity		11 680	10 714	11 680	10 714
Retained earnings/loss		-8 310	-7 520	-7 424	-5 381
Profit loss) for the period		-387	17	-886	-2 043
<b>Total equity</b>		<b>3 064</b>	<b>3 672</b>	<b>3 450</b>	<b>3 370</b>
<b>CREDITORS</b>					
<b>Long-term liabilities</b>					
Loans from credit institutions		612	304	612	304
<b>Current liabilities</b>					
Other short term loans		463	74	187	678
Advances received		-2	1 021	0	1 562
Accounts payable		757	1 003	829	852
Other creditors and accruals		604	553	458	561
<b>Total current liabilities</b>		<b>1 822</b>	<b>2 651</b>	<b>1 474</b>	<b>3 653</b>
<b>Total liabilities</b>		<b>2 434</b>	<b>2 955</b>	<b>2 086</b>	<b>3 957</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>5 498</b>	<b>6 246</b>	<b>5 536</b>	<b>7 327</b>

## Cash Flow Statement

(KEUR)	Jan-Mar 2024	Jan-Mar 2023	Jan-Dec 2023	Jan-Dec 2022
<b>Operating activities</b>				
Profit/-Loss before taxes	-387	17	-886	-2 043
Adjustments for items not included in the cash flow	226	203	1 238	772
<b>Cash flow before change in working capital</b>	<b>-161</b>	<b>220</b>	<b>352</b>	<b>-1 271</b>
Increase/decrease in interest-free receivables	-165	-43	136	518
Increase or decrease in inventories	-1	384	1 074	-446
Increase or decrease in current interest-free payables	74	-399	-126	-133
<b>Cash flow from changes in working capital:</b>	<b>-92</b>	<b>-58</b>	<b>1 084</b>	<b>-61</b>
<b>Cash flow from operations before financial items and taxes</b>	<b>-254</b>	<b>162</b>	<b>1 436</b>	<b>-1 332</b>
Cash flow from extraordinary items	-	-	-	-
<b>Cash flow after operating activities</b>	<b>-254</b>	<b>162</b>	<b>1 436</b>	<b>-1 332</b>
<b>Investment activities</b>				
Investments in intangible and tangible assets	-97	-115	-1 157	-855
<b>Cash flow from investment activities</b>	<b>-97</b>	<b>-115</b>	<b>-1 157</b>	<b>-855</b>
<b>Financing activities</b>				
New Share Issue	0	0	966	1 912
Advances from customers	304	0	-1 562	-1 377
New loans	0	0	495	566
Repayment of short-term borrowings		-567	-567	-33
Repayment of long-term borrowings	-28	-37	-112	-102
<b>Cash flow from financing activities</b>	<b>276</b>	<b>-604</b>	<b>-779</b>	<b>966</b>
Change in cash and equivalents	-75	-557	-500	-1 221
Cash and cash equivalents at the beginning of the period	138	638	638	1 859
<b>Cash and cash equivalents at the end of the period</b>	<b>63</b>	<b>81</b>	<b>138</b>	<b>638</b>

## Segmentation of sales and gross margin

The gross profit margin increased from 65% in Q4-23 to 55% in Q1-24, mainly due to a change in product mix, as explained above. The average gross margin for 2023 was 58%<sup>3</sup>

(KEUR)	Segmentation of EBITDA, Jan-Mar 2024				Reported Income Statement
	Ref.	Operations	Credits/ product return	Non-recurring	
Net Sales	1	671	0	0	671
Other income		14	0	0	14
<b>Total revenues</b>		<b>685</b>	<b>0</b>	<b>0</b>	<b>685</b>
<b>Operating Expenses</b>					
Material and external expenses		-299	0	0	-299
Personnel expenses		-240	0	0	-240
Other operating expenses		-249	0	0	-249
<b>Total Operating Expenses</b>		<b>-788</b>	<b>0</b>	<b>0</b>	<b>-788</b>
<b>EBITDA</b>		<b>-103</b>	<b>0</b>	<b>0</b>	<b>-103</b>

	Jan-Mar 23	Apr-Jun 23	Jul -Sep 23	Oct-Dec 23	Jan-Mar 24
Product sales	1 710	1 985	917	297	671
Credit notes product returns	0	0	0	0	0
Reclassification	0	0	0	0	0
<b>Net Sales</b>	<b>1 710</b>	<b>1 985</b>	<b>917</b>	<b>297</b>	<b>671</b>

	Jan-Mar 23	Apr-Jun 23	Jul -Sep 23	Oct-Dec 23	Jan-Mar 24
Product sales	1 710	1 985	917	297	671
Material and external expenses	-721	-633	-569	-117	-299
<b>Gross Profit</b>	<b>989</b>	<b>1 352</b>	<b>347</b>	<b>180</b>	<b>372</b>
<b>Gross margin %</b>	<b>58%</b>	<b>68%</b>	<b>38%</b>	<b>65%</b>	<b>55%</b>

<sup>1)</sup> Revenue adjustment for product returns and credit notes due to reclassification of products after analytical reports were retracted and reissued with new results

<sup>3)</sup> For simplicity of external financial analysis, the annual gross margin is not adjusted for non-recurring items.

## 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 December 31, 2023 financial statements. This interim financial report is unaudited.

## The Share and shareholders

The current number of shares per 31.12.2023 amounted to 35 713 884. Eevia has only one share series. The Board of Directors has the remaining authorization to decide on the issuance of shares to 4 635 487.

## Annual General Meeting 2024 and Financial Statement for 2023

The Board is arranging for an Extraordinary General Meeting on June 5, 2024, and for the Annual General Meeting on June 28, 2024. The Financial Statement for the year 2023 will be published on the Company's website ([www.eeviahealth.com](http://www.eeviahealth.com)) at the latest three weeks before the meeting. The Financial calendar has been updated to reflect this.

## Financial calendar

<b>Extraordinary General Meeting</b>	June 5, 2024
<b>Statutory Financial Statements 2024</b>	June 7, 2024
<b>Annual General Meeting 2024</b>	June 28, 2024
<b>Interim report April - June 2024 (Q2-24)</b>	August 21, 2024
<b>Interim report July - September 2024 (Q3-24)</b>	November 20, 2024
<b>Year-end 2024 (Q4-24)</b>	February 14, 2025

## 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 results can differ.

Seinäjoki, Finland, May 22, 2024

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

Martin Bjørklund  
Chairman

Per Benjaminsen  
Member

Patricia Wiklund  
Member

Oskar Wegelius  
Member

Stein Ulve  
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