



For immediate release

Seinäjoki, Finland, 7.10.2024

Eevia decides to initiate a strategic reorientation and company turnaround

The Board of Directors of Eevia Health Plc ("Eevia" or "The Company") has today decided to initiate a turnaround plan and a strategic reorientation towards capturing significant emerging opportunities. The plan focuses on marketing specific human health solutions that feature scientific substantiation of the positive health effects provided by proprietary higher-margin products. This will allow Eevia to better differentiate its product offering and core values.

A critical short-term target of the plan is regaining positive operational cash flow by inter alia pausing production and introducing significant personnel layoffs in Q4-24. Eevia will focus on driving down high inventory levels to free up capital.

Eevia has recently experienced validation of significant market opportunities for the Company's products within the market categories of gut health and eye health. The Board now considers it a priority for Eevia to pursue these opportunities more ferociously. Eevia's expertise in developing botanical extracts from Arctic plants containing specific polyphenolic profiles is directly linked to the gut and eye health market opportunities. With these unique and difficult-to-develop extracts, Eevia may market safe and novel treatments for poorly served health conditions.

The Company has come to the realization that competing on compendial¹ products is proving increasingly difficult. Eevia's niche offering of organic extracts from the Arctic Circle compels some customers to pay slightly premium prices, however not in the volumes required to attain acceptable profitability. While there has undoubtedly been significant interest in our compendial products, customers' added cost and perceived risk of switching from their existing suppliers have lately resulted in disappointing conversion rates on compendial products. The challenging economic backdrop has driven brand holders to use lower-quality bulk products without provenance rather than premium-quality organic materials like Eevia's. Even the social responsibility and fair-trade aspects have yet to be sufficient to capture some of the larger trading volumes.

At the same time, the market conditions for compendial products have worsened significantly in the last few months, with harvest volumes plummeting dramatically compared to typical years, driving sharp rises in raw material prices in August and September. This has largely been driven by the Swedish and Finnish governments blocking foreign berry pickers entering the region during this year's harvest season, following several criminal cases concerning human trafficking, as has been widely reported in the Nordic press. With limited capital availability, this has left the Company unable to compete profitably against larger players carrying raw material inventory from previous harvests.

¹Compendial products are based on standards described in official monographs, such as those of European and US Pharmacopeia. Therefore, products from different competitors will have quite the same base features, such as anthocyanin concentration in Bilberry extract 36% anthocyanins.



Eevia's financial development has accentuated this need for change. Profitability has been unsatisfactory for some time and has recently become increasingly challenging, with a need to improve liquidity.

While the equity rights issue this spring was necessary to refinance a short-term loan and brought needed liquidity for continued operations under the prevailing market conditions and plans, the equity issue fell short of the Company's target subscription level, leaving less operational flexibility in the face of new, adverse market conditions. Eevia's total assets are well above MEUR 5, of which MEUR 3 is financed with equity, and providing over 60% equity ratio. However, much capital is tied up in inventory and putting pressure on free cash. Therefore, the short-term target of the plan is freeing up cash from the working capital.

Consequently, the Board now finds it necessary to implement robust and concrete measures to ensure the Company's solvency in 2025 and to develop a plan to create strong, stable recurring revenue streams and recover profitable operations soon.

The Board has instructed the Eevia Management team, with the support of Anders Eriksson² to detail a turnaround plan around the fundamental principles outlined in this release within the next few weeks. The essence of the plan is focusing resources away from compendial products and towards condition-specific health solutions based on polyphenolic extracts from the Arctic, with gut health and eye health as the primary market opportunities.

The change will leverage our existing products, Fenoprolin[®] 70, Feno-Cerasus[™], Feno-Vitis[™] and Feno-Chaga[®], and later products in development, MaxBIOME[™] and Retinari[™]. The shift in product mix towards higher-margin products will allow for cost reductions and a safer path to profitability. Eevia may conserve capital and develop validated blue ocean opportunities that are in its area of immediate capability and demonstrated expertise. The Company's proprietary products are showing increasing promise, with significant customer interest and requests. The BioMAP study last year revealed the products' bioequivalence and superior polyphenolic content vis-à-vis key branded market leaders.

To ensure urgency and speed in the execution of the plan, key shareholders are also suggesting further structural changes to sharpen the Board's turnaround competence and ability to succeed with the strategic change to improve the Company's financial standing and performance. One suggestion is that new Board members will be elected in an Extraordinary General Meeting of the shareholders to be called for soon.

Besides the change in the Board composition, adding senior turnaround competence and nutraceutical market competence³, the plan actions the Board will now commence include, but are not limited to:

- Pausing production and initiating layoffs of personnel in Q4-24 to drive down inventory levels to free up capital to cash and improve the cash position going into 2025
- Reducing some services (external services, use of systems, consultants) to reduce the cost base to improve liquidity
- Negotiating reorganization of maturity dates on debt with creditors

² <https://www.linkedin.com/in/anders-eriksson-4208b6a/> Also suggested as a new Board member, see the presentation in a press release

³ A notice for extraordinary general meeting of shareholders will be sent out soon



- Setting clear targets for the development of product health claims and acquiring supporting human clinical data for these claims
- Consider the sales and marketing resources and structure, including possible new distributors
- Adding scientific advisors to build a thought-leader position within gut health and eye health
- Pivot company communication and marketing towards the gut health and eye health solutions.

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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 October 7, 2024, at 18:45 EST.

INFORMATION ABOUT 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, and 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 sustainably.

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 short name (ticker) [EEVIA.](#)

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