



Eevia Health Plc Interim Report Q2 – 2024

The Board and CEO of Eevia Health Plc present the Interim financial report for quarter 2, 2024.

APRIL – JUNE 2024



Financial developments and significant events in the second quarter of 2024

- Net sales¹ decreased to KEUR 410 in Q2-24 from KEUR 671 in Q1-24 or 39%. Compared to Q2-23, net sales were down by KEUR 1 575 from KEUR 1 985, or 79%. Note that net sales for Q1-24 (and Q4-23) in the Q1-24 was restated in June from originally reported KEUR 407 for Q1-24. The restatement was after recognition of certain revenues was moved from December to January due to a mid-shipment change of delivery terms.
- Gross profit in Q2-24 was KEUR 311, a decrease of 16% from KEUR 372 in Q1-24 and 77% from KEUR 1 352 in Q2-23. The gross margin was 76% in Q2-24, up from 55% in Q1-24 and up from 58% in Q2-23. The improvement since Q1-24 is due to a beneficial product mix.
- EBITDA in Q2-24 was KEUR -198, compared to KEUR -103 in Q1-24 and positive KEUR 639 in Q2-23. The KEUR 95 reduction in EBITDA between Q1-24 and Q2-24 mainly stemmed from lower revenues in Q2-24 compared to the previous quarter. Prior to the Q1-24 restatement, EBITDA for Q1-24 was KEUR -212.
- Financial expenses peaked at KEUR 132 due to significant costs related to short-term loans and bridge loans.
- The net result for Q1-24 was negative, with KEUR - 558 compared to KEUR - 387 in Q1-24 and a net profit of KEUR 414 in Q2-23.
- Cash flow from operations was negative, with KEUR - 269 in Q2-24 compared to KEUR - 254 in Q1-24 and a positive cash flow of KEUR 331 in Q2-23. The decrease in operating cash flow stems primarily from changes in working capital during the period and negative EBITDA.
- Eevia secured a short-term loan from a Danish fund of KEUR 627, which inter alia was used to repay a credit line of KEUR 304 that was taken up in Q1-24.
- Eevia successfully secured a total subscription of SEK 17,2 million before fees in a rights issue in June.
- We are now working on clinical substantiation in the new Condition Specific Extract product group. A global partner is preparing a clinical trial, which they will fund, on one of our product lines. We are applying for national non-dilutive research funding to undertake one clinical study ourselves.
- The large US customer representing most of sales revenues in 2022 and 2023, but currently on hold, visited and audited the Company in Finland in May as preparation for future restart of commercial orders.
- Eevia is still negotiating with a local food producer about contract manufacturing of a custom-made extract in 2025. The process has taken longer than anticipated, but we expect to finalize discussions during H2.
- Eevia was accepted as partner in VALIO's FOOD 2.0 VETURI PROGRAM

¹⁾ Sales revenues excluding trading revenues.

The table below shows the key figures and ratios for Q2-2024 and Q2-2023, and January to June 2024 and 2023:

	April 1 st – June 30 th		January 1 st – June 30 th	
	2024	2023	2024	2023
Net sales, KEUR	410	1 985	1 081	3 695
EBITDA, KEUR	-198	639	-301	899
The net result of the period, KEUR	-558	414	-945	430
Cash flow from operations	-269	331	-524	493
Net equity, KEUR	2 505	3 800	2 505	3 800
Earnings per share, EUR*	-0,02	0,01	-0,03	0,01
Shareholders' equity per share, EUR*	0,07	0,13	0,07	0,13
The average number of employees	21	24	21	24

Shares	35 713 884	30 349 371	35 713 884	30 349 371
--------	------------	------------	------------	------------

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.

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 solid shareholder base in Sweden.

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



“Sales traction is par with last two quarters and still slow, but our team is working hard with conversion of opportunities.”

Stein Ulve, CEO

CEO Stein Ulve comments on Q2-2024

Second-quarter sales ended at KEUR 410, which was disappointing given the potential of the sales pipeline we’ve been actively building. The team worked hard to convert opportunities into sales orders. However, accurately predicting when customers will finalize their order placement is inherently difficult. We’re engaged in constructive dialogues with numerous prospects, but conversion takes time. Despite the growing number of potential deals in our pipeline, we have yet to see the anticipated significant increase in order income and invoicing.

That being said, we are winning new orders, like the large start order in June for Elderberry extract from a client in Australia. We also won the first significant order on Tart Cherry Extract to a US brand. A new and sizable order of Lingonberry extract to a Finnish customer was also won in June. The order income during Q2-24 was in fact higher than in the first quarter, but a few of the orders we won were allocated for delivery in Q3 and Q4, such as the Lingonberry extract order. Consequently, they did not contribute to revenue growth in Q2-24.

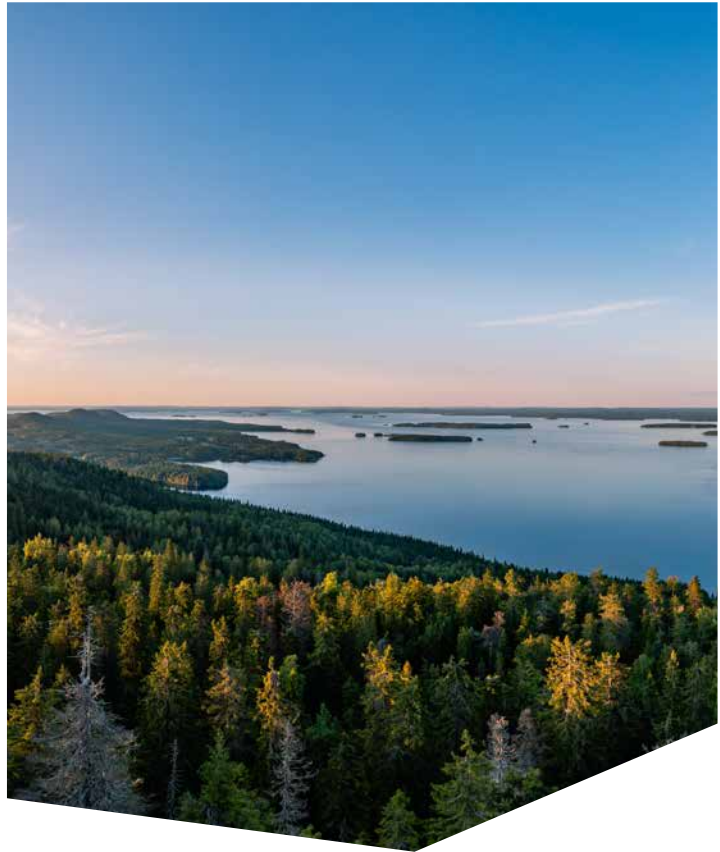
Hence, there are reasons to be optimistic. Compared to 2022-23, our sales force is stronger, our customer management capabilities significantly enhanced, and we have new distributors. Our “ear” is now much closer to the end customer. We’ve established effective

relationships with key stakeholders, including brand holders, formulators, and influencers.

Through the above improvements, we’ve become more adept at listening to customer needs and preferences, allowing us to better align our efforts with their demands. The “hit rate” (conversion rate) will never be 100% but the trick is to understand why some opportunities are lost. We learn from lost opportunities. Recently, we have gotten very solid feedback on lost cases.

Similarly, on cases we win, people provide a clear rationale for why they chose Eevia. Hence, it enables us to improve the value proposition and communication with a more customer centric sales approach. I am confident this will result in a higher conversion rate and uptick in sales.

A key lesson is that scientific documentation of the health effects is ever more important. For products in the Condition Specific Extracts category, we plan human clinical investigations. This does not translate into “pharma-size” large scale, expensive clinical trials. We aim to do some smaller, shorter studies with few subjects on gut health effects from polyphenols, subject to external non-dilutive research funding. We have other actions for the longer term. For instance, we are collaborating with a large international ingredient house on a clinical study on cognitive



health for one of our products. The partner funds the study and intends to re-launch/re-brand this ingredient in spring of 2025.

For our eye health development product, Retinari™, we are applying for R&D non-dilutive financing of c. MEUR 1 from a Finnish funding institution. If successful, we will be ready to commence a complete safety study. We are now awaiting the funding decision. Completing a safety study will enable human consumption and a launch of Retinari™ in the North American market with a commercial partner in late 2025 or 2026. The product is well documented on preclinical levels in vitro and in mice. The product also triggered at least three critical biomarkers for eye health in the BioMAP study in 2023, which is part of new patent filings on this product.

In April, we were accepted as a partner company in the FOOD 2.0 VETURI program. It focuses on considerable food challenges, including sustainability, upcycling, circular use of resources, regenerative issues in food production, and other essential topics core to our strategy. In that regard, we have applied for a MEUR 1,5 "Green loan" from another Finnish government financing institution. It may be used to cover investments in reducing emissions, upcycling

waste streams, improving materials' recovery, and reducing energy use. In addition, a significant portion can be applied as working capital. We are awaiting decision on this funding.

Finally, another milestone in Q2-24 was the rights issue, which was completed at the end of June. It provided gross subscriptions of SEK 17,2 million. Once again, we are thankful for the continued trust and support owners and new investors show the company. Market conditions at the time dictated that the rights issue was executed with a 70% rebate from the share price level in April, which regrettably impacted the valuation of the Company. With the rights issue now behind us, the management team is focusing fully on execution, with revenue generation firmly at the top of the priority list, while we do further cut in costs, CAPEX and all uses of cash. The target is to bring operational cashflow (EBITDA) back to positive territory quickly, so that we can focus rebuilding the revenue growth. If we are successful at these efforts, I am confident it will translate into a recovery of the valuation of Eevia Health.

Sincerely yours,
Stein Ulve, CEO

Income Statement

(KEUR)	Ref.	Apr-Jun 2024	Apr-Jun 2023	Jan-Jun 2024	Jan-Jun 2023
Net Sales		410	1 985	1 081	3 695
Other income	1			14	21
Total revenues		410	1 985	1 095	3 716
Operating Expenses					
Material and external expenses		-99	-633	-398	-1 354
Personnel expenses		-243	-381	-483	-836
Other operating expenses		-266	-332	-515	-627
Total Operating Expenses		-608	-1 346	-1 396	-2 817
EBITDA		-198	639	-301	899
Depreciation and write-downs		-229	-198	-455	-401
OPERATING PROFIT (LOSS)		-427	441	-756	498
Financial income and expenses		-132	-27	-189	-68
NET PROFIT (LOSS) FOR THE PERIOD		-558	414	-945	430

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

Balance sheet

ASSETS (KEUR)	Ref.	<i>Jun-30</i> 2024	<i>Dec-31</i> 2023	<i>Jun-30</i> 2023
FIXED ASSET				
Intangible assets		835	835	547
Equipment, machines and tools		2 089	2 089	2 590
Total fixed assets		2 924	2 924	3 136
CURRENT ASSETS				
Inventory		1 869	1 740	2 198
Trade receivables and other receivables		492	381	194
Cash in hand and at banks		51	138	319
Total current assets		2 412	2 259	2 711
TOTAL ASSETS		5 336	5 536	5 847

EQUITY AND LIABILITIES (KEUR)	Ref	<i>Jun-30</i> 2024	<i>Dec-31</i> 2023	<i>Jun-30</i> 2023
EQUITY				
Share capital		80	80	80
Reserves for unrestricted equity		11 680	11 680	10 714
Retained earnings/loss		-8 310	-7 424	-7 424
Profit (loss) for the period		-945	-886	430
Total equity		2 505	3 450	3 800
Long-term liabilities				
Loans from credit institutions		612	612	304
Current liabilities				
Other short term loans		724	187	46
Advances received		1	0	0
Accounts payable		933	829	1 113
Other creditors and accruals		561	458	584
Total current liabilities		2 219	1 474	1 743
Total liabilities		2 831	2 086	2 047
TOTAL EQUITY AND LIABILITIES		5 336	5 536	5 847

Cash Flow Statement

(KEUR)	Apr-Jun 2024	Apr-Jun 2023	Jan-Jun 2024	Jan-Jun 2023
Operating activities				
Profit/-Loss before taxes	-558	413	-945	430
Adjustments for items not included in the cash flow	229	198	454	401
Cash flow before change in working capital	-329	611	-491	831
Increase/decrease in interest-free receivables	53	367	-111	323
Increase or decrease in inventories	-128	233	-129	616
Increase or decrease in current interest-free payables	135	-880	207	-1 277
Cash flow from changes in working capital:	60	-280	-33	-338
Cash flow from operations before financial items and taxes	-269	331	-524	493
Cash flow from extraordinary items	0	0	0	0
Cash flow after operating activities	-269	331	-524	493
Investment activities				
Investments in intangible and tangible assets	-4	-65	-101	-180
Cash flow from investment activities	-4	-65	-101	-180
Financing activities				
New Share Issue	0	0	0	0
New loans	627	0	931	0
Repayment of short-term borrowings	-304	0	-304	-567
Repayment of long-term borrowings	-62	-28	-89	-65
Cash flow from financing activities	261	-28	538	-632
Change in cash and equivalents	-12	238	-87	-319
Cash and cash equivalents at the beginning of the period	63	81	138	638
Cash and cash equivalents at the end of the period	51	319	51	319

Segmentation of sales and gross margin

The gross profit margin increased from 55% in Q1-24 to 76% in Q2-24 and up from 68% in Q2-23, due to a favorable change in product mix. The average gross margin (%) for 2023 was at 58%

(KEUR)	Ref.	Segmentation of EBITDA, Apr-Jun 2024		Reported Income Statement
		Operations	Non-recurring	
Net Sales		410	0	410
Other income		0	0	0
Total revenues		685	0	685
Operating Expenses				0
Material and external expenses		-99	0	-99
Personnel expenses		-243	0	-243
Other operating expenses		-266	0	-266
Total Operating Expenses		-608	0	-608
EBITDA		-198	0	-198

	Jan-Mar 23	Apr-Jun 23	Jul-Sep 23	Oct-Dec 23	Jan-Mar 24	Apr-Jun 24
Product sales	1 710	1 985	917	297	671	410
Credit notes product returns	0	0	0	0	0	0
Reclassification	0	0	0	0	0	0
Net Sales	1 710	1 985	917	297	671	410

	Jan-Mar 23	Apr-Jun 23	Jul-Sep 23	Oct-Dec 23	Jan-Mar 24	Apr-Jun 24
Product sales	1 710	1 985	917	297	671	410
Material and external expenses	-721	-633	-569	-117	-299	-99
Gross Profit	989	1 352	348	180	372	311
Gross margin %	58%	68%	38%	65%	55 %	76 %



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 30.06.2023 amounted to 35 713 884. Eevia has only one share series. A rights issue was completed at the end of June, and per date, the number of outstanding shares is 64 355 488. The Board of Directors is still authorized to issue another 41 358 396 shares.

Financial calendar

Interim report July – September 2024 (Q3-24)	November 20, 2024
Year-end 2024 (October – December 2024 Q4-24)	February 18, 2024
Interim report January – March 2025 (Q1-25)	May 18, 2025
Interim report April – June 2024 (Q2-25)	August 19, 2025

Statement by the Board of Directors

The Board of Directors and the Chief Executive Officer certify that this interim financial report accurately represents the Company's operations, financial position, and results and describes any significant risks and uncertainties it 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, August 21, 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
CEO

For additional information, please contact:



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

This disclosure contains information that EEVIA HEALTH PLC must make public according to the EU Market Abuse Regulation (EU nr 596/2014). The information was submitted for publication through the contact person's agency on August 21, 2024, at 14:10 CET.



Eevia Health PLC

Koulukatu 14 | 60100 Seinäjoki | Finland

Tel. +358 (0) 400 337 993 | e-mail: sales@eeviahealth.com

www.eeviahealth.com