



Eevia Health Plc Interim Report Q3 – 2024

The Board and CEO of Eevia Health Plc present the Interim financial report for quarter 3, 2024.

JULY – SEPTEMBER 2024



Financial developments and significant events in the third quarter of 2024

- Net sales¹ increased to KEUR 444 in Q3-24 from KEUR 410 in Q2-24, or 8%. Compared to Q3-23, net sales were down by KEUR 473 from KEUR 917, or 52%.
- Gross profit in Q3-24 was KEUR 211, a decrease of 32% from KEUR 311 in Q2-24 and 39% from KEUR 348 in Q3-23. The gross margin was 46% in Q3-24, down from 76% in Q2-24 and up from 34% in Q3-23. The decline from Q2-24 was due to a change in product mix in sales and the rising prices of raw materials from berries.
- EBITDA in Q3-24 was KEUR - 299, compared to KEUR - 198 in Q2-24 and positive KEUR 2 in Q3-23. The reduction in EBITDA of KEUR 101 between Q2-24 and Q3-24 mainly stemmed from Board compensations booked in July and legal costs related to the Equity issue booked in Overheads. Adjusted for one-off costs related to the Rights issue, the EBITDA was KEUR - 187 in Q3-24.
- Financial expenses for Q3-24 were KEUR 327 due to significant costs related to guarantor commissions and fees related to the facilitation of the Rights issue.
- The net result for Q3-24 was negative with KEUR - 931 compared to KEUR - 558 in Q2-24 and KEUR - 317 in Q3-23.
- Cash flow from operations was negative, with KEUR -365 in Q3-24 compared to KEUR - 269 in Q2-24 and KEUR - 1 023 in Q3-23. The decrease in operating cash flow stems primarily from changes in working capital during the period and negative EBITDA.
- Eevia repaid in July a short-term loan from a Danish fund of KEUR 656, which was taken up in Q2-24.
- We executed a direct placement in September of 2,7 million shares as guarantee-commissions to guarantors.
- Eevia won a significant new customer in August, which placed quite quickly two orders of Feno-Myrtillus 25.
- We landed a significant order from a domestic customer of KEUR 90.
- We worked on reducing inventory in the quarter, but due to an out of specification delivery which we had to take back, reprocess and then reinvoice in Q4-24, the inventory level did not come down for the quarter.
- A comprehensive turnaround plan was developed during September, and finalized and approved in October-November, forming a new strategic business plan for Eevia Health. Significant customer validations were acquired during October.
- After the period, a new Board was elected (November).
- We achieved the first commercially significant sales of Liquid berry sugars, a side stream product, to a Baltic company. Interest from other larger players followed and a market for these products is now identified.

¹ Sales revenues excluding trading revenues.

The table below shows the key figures and ratios for Q3-2024 and Q3-2023, and January to September 2024 and 2023:

	July 1 st – September 30 th		January 1 st – September 30 th	
	2024	2023	2024	2023
Net sales, KEUR	444	917	1 525	4 612
EBITDA, KEUR (Unadjusted)	-299	2	-600	901
The net result of the period, KEUR	-931	-317	-1 876	114
Cash flow from operations	-365	-1 023	-888	-530
Net equity, KEUR	3 063	4 449	3 063	4 449
Earnings per Share, EUR*	-0,01	-0,01	-0,03	0,00
Shareholders' equity per Share, EUR*	0,05	0,15	0,05	0,15
The average number of employees	19	24	21	24

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

Earnings per share, EUR	Net result of the period/67,055,595* shares
Shareholders' equity per share, EUR	Total equity/67,055,595* shares

* For Q3-24 the number of shares was 67,055,595 and Q3-23 the number was 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.

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.



“After heavy battles, we are turning around with a new Board and a sharper, refocused strategy and plan. 2025 will be a pivotal year.”

Stein Ulve, CEO

Comments from CEO

Dear Shareholders,

The first half of 2024 presented a new set of challenges, following the contamination issues of late 2023. Despite rebuilding momentum in Q1, with our market capitalization rising to SEK 63 million by late April, the May 2 rights issue announcement led to a sharp 70% drop, reducing our market cap to SEK 21 million. After completing the rights issue, the poor financial performance continued, and the sale of shares by shareholders and rights issue guarantors pushed the market cap further down to SEK 12 million – less than the funds raised through the issue.

Subscriptions in the rights issue fell 40% short of target, and the funds raised, combined with a miscalculation of the company’s funding needs, did not alleviate our liquidity distress.

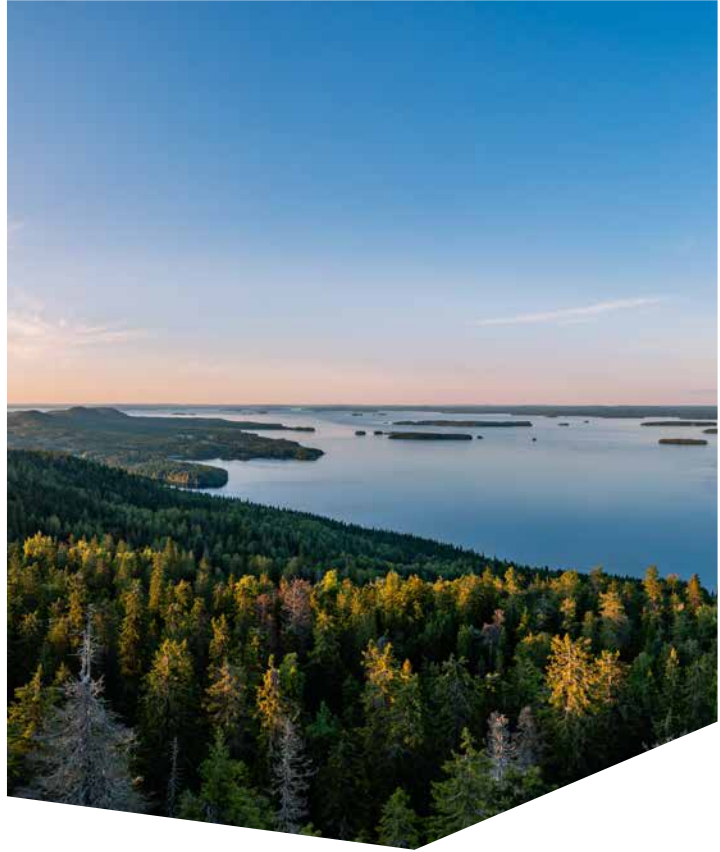
Entering Q3-24, the situation worsened. A shortage of foreign labour in Sweden and Finland disrupted the wild berry harvest, driving up berry prices and negatively impacting our cost structure. This created a crisis, compounded by the need for investment in our evaporation capacity to remain competitive in berry extracts. Our outbound sales strategy was not yielding the required conversion rates.

In August, Eevia’s shareholders invited Swedish executive Anders Eriksson to join the Board. After two days of due diligence with the team, he delivered a candid assessment: the company had to change its current path. He made it clear that he would only join if we committed to a fundamental business overhaul.

His recommendation was to reassess all assumptions for our products, markets, customers, and competitors, and embrace a comprehensive turnaround.

This feedback sparked an intensive, collaborative process involving all managers and external experts. We worked together to identify key issues, understand their root causes, and develop actions to address them. The turnaround effort, conducted through September and October, reignited the team’s creativity and motivation, resulting in a new strategic business plan. This plan was approved by the Board on November 20, marking a clear direction forward. The new strategy has the following key elements:

- Capitalize on global nutraceutical trends by positioning Arctic polyphenol products for gut health, with additional focus on kidney and cognitive health.
- Strengthen our value proposition by highlighting the scientifically proven benefits of our innovative polyphenols for addressing unmet health needs.
- Establish a unique, defensible brand centered on the potency of Arctic polyphenols, a key nutrient missing from today’s processed diets.
- Simplify operations to improve efficiency, focusing on high-margin products and protecting our IP and proprietary technologies.
- Enhance stakeholder communication, particularly with customers and investors.



The new plan shifts focus from raw materials to human health, with an emphasis on gut health and related areas like kidney health. We're adopting a content-driven, inbound sales model and narrowing our commercial scope to focus on high-potential markets. Emerging research highlights polyphenols' key role in gut health, and we will launch MaxBIOME™, a polyphenol product addressing gut health, next year.

In the longer term, we aim for sustainable growth, with clinical studies to validate the impact of polyphenols on gut health, laying the foundation for future products. In the short term, we're stabilizing the company by reducing inventory to improve liquidity and streamlining operations.

We've already seen strong market validation, with key customers excited about new products like MaxBIOME™. We've also secured support from top scientific advisors, such as Dr. Diane Clayton and Dr. Luke Bucci, reinforcing our strategy.

The turnaround plan includes conservative financial targets for 2024, with a revenue goal of EUR 3 million and positive EBITDA of EUR 100,000 by 2025, rising to EUR 5 million in revenue and EUR 1 million EBITDA by 2026. These modest targets are necessary to restore stability and profitability.

We are also securing funding through non-dilutive sources, debt restructuring, and new investments.

As CEO, I take full responsibility for our performance. While external factors, the dynamics of being a listed microcap, and past financial advice have played a negative role, it's my duty to navigate these challenges and deliver results for our shareholders and stakeholders.

However, I recommend shareholders to continue supporting the company. Important decisions are coming soon. Despite setbacks, we are confident that the steps we are taking will set Eevia Health on a path to long-term growth and profitability. The turnaround plan provides a clear path to recovery.

I thank the Board, especially the courageous new members Dr. Diane Clayton, Anders Eriksson, and Terry Virts, for their support, and I'm proud of the resilience shown by our team.

Sincerely,
Stein Ulve, CEO

Income Statement

(KEUR)	Ref.	<i>Jul-Sep</i> 2024	<i>Jul-Sep</i> 2023	<i>Jan-Sep</i> 2024	<i>Jan-Sep</i> 2023
Net Sales		444	917	1 525	4 612
Other income	1	14	98	28	119
Total revenues		458	1 015	1 553	4 731
Operating Expenses					
Material and external expenses		-233	-569	-631	-1 923
Personnel expenses		-271	-268	-754	-1 104
Other operating expenses		-252	-176	-768	-803
Total Operating Expenses		-757	-1 013	-2 153	-3 830
EBITDA		-299	2	-600	901
Depreciation		-305	-200	-760	-601
OPERATING PROFIT (LOSS)		-604	-198	-1 360	300
Financial income and expenses		-327	-119	-516	-186
NET PROFIT (LOSS) FOR THE PERIOD		-931	-317	-1 876	114

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

Balance sheet

ASSETS (KEUR)	Ref.	Sep-30 2024	Dec-31 2023	Jun-30 2023
FIXED ASSET				
Intangible assets		799	905	693
Equipment, machines and tools		1 933	2 372	2 487
Total fixed assets		2 732	3 277	3 180
CURRENT ASSETS				
Inventory		1 863	1 740	1 842
Trade receivables and other receivables		541	381	942
Cash in hand and at banks		30	138	495
Total current assets		2 433	2 259	3 279
TOTAL ASSETS		5 166	5 536	6 459

EQUITY AND LIABILITIES (KEUR)	Ref	Sep-30 2024	Dec-31 2023	Jun-30 2023
EQUITY				
Share Capital		80	80	80
Reserve for unrestricted equity		13 170	11 680	11 680
Retained earnings/loss		-8 310	-7 424	-7 424
Profit/loss for the period		-1 876	-886	113
Total Equity		3 063	3 450	4 449
Long-term liabilities				
Loans from credit institutions		612	612	799
Current liabilities				
Other short-term loans		69	187	28
Advances received		2	0	0
Accounts payable		1 026	829	576
Other creditors and accruals		393	458	607
Total current liabilities		1 490	1 474	1 211
Total liabilities		2 102	2 086	2 010
TOTAL EQUITY AND LIABILITIES		5 166	5 536	6 459

Cash Flow Statement

(KEUR)	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023
Operating activities				
Profit/-Loss before taxes	-555	-317	-1 500	113
Adjustments for items not included in the cash flow	305	200	759	601
Cash flow before change in working capital	-250	-117	-741	714
Increase (-) or decrease (+) in current interest-free receivables	-17	-749	-128	-425
Increase (-) or decrease (+) in inventories	6	357	-122	973
Increase (+) or decrease (-) in current interest-free payables	-104	-514	103	-1 792
Cash flow from changes in working capital	-115	-906	-147	-1 244
Cash flow from operations before financial items and taxes	-365	-1 023	-888	- 530
Cash flow from extraordinary items	-376	0	-376	0
Cash flow after operating activities	-741	-1 023	-1 264	-530
Investment activities				
Investments in intangible and tangible assets	-114	-244	-215	-424
Cash flow from investment activities	-114	-244	-215	-424
Financing activities				
New share issue	1 490	966	1 489	966
New loans	0	495	931	495
Repayment of short-term borrowings	-656	0	-931	-567
Repayment of long-term borrowings	0	-18	-118	-83
Cash flow from financing activities	834	1 443	1 371	811
Change in cash and equivalents	-21	176	-108	-143
Cash and cash equivalents at the beginning of the period	51	319	138	638
Cash and cash equivalents at the end of the period	30	495	30	495

Segmentation of sales and gross margin

The gross profit margin was at the level of 47% in Q3-24, comparing to 76% in Q2-24 and up from 38% in Q3-23, due to a change in product mix. The average gross margin (%) for 2023 was at 58%².

(KEUR)	Ref.	Segmentation of EBITDA, Jul-Sep 2024		Reported Income Statement
		Operations	Non-recurring	
Net Sales		444	0	444
Other income		14	0	14
Total revenues		458	0	458
Operating Expenses				0
Material and external expenses		-233	0	-233
Personnel expenses		-221	-50	-271
Other operating expenses		-190	-62	-252
Total Operating Expenses		-635	-112	-757
EBITDA		-187	-112	-299

	Jan-Mar 23	Apr-Jun 23	Jul-Sep 23	Oct-Dec 23	Jan-Mar 24	Apr-Jun 24	Jul-Sep 24
Product sales	1 710	1 985	917	297	671	410	444
Credit notes product returns	0	0	0	0	0	0	0
Reclassification	0	0	0	0	0	0	0
Net Sales	1 710	1 985	917	297	671	410	444

	Jan-Mar 23	Apr-Jun 23	Jul-Sep 23	Oct-Dec 23	Jan-Mar 24	Apr-Jun 24	Jul-Sep 24
Product sales	1 710	1 985	917	297	671	410	444
Material and external expenses	-721	-633	-569	-117	-299	-99	-233
Gross Profit	989	1 352	348	180	372	311	211
Gross margin %	58%	68%	38%	65%	55 %	76 %	47 %

² To simplify the 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 30.09.2023 amounted to 67 055 595. Eevia has only one share series. A rights issue was completed at the end of September, and per date, the number of outstanding shares is 67 055 595. The Board of Directors is still authorized to issue another 38 658 289 shares.

Financial calendar

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, November 29, 2024

The Board of Directors and the CEO of Eevia Health Plc

Terry Virtts
Chairman

Anders Eriksson
Member

Dr. Diane E. Clayton
Member

Per Benjaminsen
Member

Oskar Wegelius
Member

Stein Ulve
CEO

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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 November 29, 2024, at 16:30 CET.



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