



Eevia Health Plc – Interim Report Quarter 1 – 2021¹

The Board and CEO of Eevia Health Plc hereby present the interim report for Q1, 2021,
including year-end report for the period January 1-December 31,2020.

Significant events during the first quarter in year 2021

- The net sales for the first quarter increased by KEUR 2 894 compared to the same period in 2020 and amounted to KEUR 3 234 (KEUR 340). The increase is a testament to Eevia's improvements in production and capacity, completed at the end of last year. It supports the Company's efforts to continue its current growth trajectory. Net sales also include trading of raw material as part of a raw material sourcing scheme, totaling KEUR 1 317.
- EBITDA for the period improved from the same period in 2020 to KEUR -94 (KEUR -123)
- Eevia conducted an oversubscribed share issue in February 2021. In total MEUR 1.2 was raised. The fundraising was done to refinance shareholder loans of KEUR 648 and to provide financing for further capacity investments.

Summary of 2020

The main developments of the year of 2020 were that:

- Eevia experienced strong growth during 2020. The net sales for the year amounted to KEUR 2 866, corresponding to an increase of KEUR 1 462 compared to the year 2019, when the turnover amounted to KEUR 1 404.
- Eevia entered the fast-growing elderberry market, onboarding a large US customer with significant volumes and prepaid raw material purchases.
- Eevia succeeded in acquiring over 2,5 million kilos of berries, which provided a stable basis for production during the fall, winter, and spring.
- Following investment in new capacity on the back of the new equity issue in late 2019, the Company was able to grow the organization, build the management team and secure significant sales orders during the year.
- Starting 2020, Eevia had 8 employees and at the end of the year total headcount was 21. Production is now running 24/7, having increased from 14 shifts to 21 shifts per week.
- EBITDA for the period was KEUR -694 (KEUR -255), driven by Eevia's substantial volume and topline growth during the year.

¹ This report is updated and re-released from an initial report released May 10th.



Press release, May 18th 2021
Eevia Health Plc
Corporate ID number: 2825194-4

Eevia Health Plc

Eevia Health Plc, founded in March 2017, addresses significant health problems with bioactive compounds extracted from plant material from the pristine Finnish forests near the Arctic Circle. The extracts are sold B2B as ingredients to dietary supplements and food brands globally.

Eevia Health is a small, but fast-growing Finnish manufacturer of 100% organically certified plant extracts. Most of its raw materials, such as bilberry, lingonberry, chaga-mushroom, and pine bark, are wild-harvested in a sustainable fashion. The safe and effective ingredients of high quality, such as high concentrate bilberry anthocyanin extracts (36% anthocyanins) and pine bark extracts (70% oligomeric proanthocyanidins), are organically certified.

Eevia Health operates a modern green-chemistry production facility in Finland, located close to the raw material harvest areas. The short value-chain enables an environmentally friendly carbon footprint, competitive pricing, and extreme transparency. To learn more, please visit www.eeviahealth.com or follow Eevia Health on LinkedIn @EeviaHealth.



Comments from our CEO

Business operations in 2020 got a significant boost from the equity issue in December 2019. It allowed us to finally invest in needed equipment, recruit new competent managers and accept larger sales orders from global brands.

However, executing all the activities and projects came with a lot of growing pains both in the supply chain, production, organization, and in customer service and sales activities.

The pandemic created uncertainties regarding raw material supply chain. Eevia had to develop the supply chain approach in several ways. Eevia integrated upstream on some of the local berry resources, while a new supply chain was developed for several other raw materials. It was an achievement for the Company to secure over 2,5 million kilos of berries during a few hectic weeks of the berry harvest season of 2020.

The commissioning of new equipment, which were ordered in December 2019, took until June 2020. Still, after the commissioning, the Company experienced production challenges with one of our key purification technologies. This led to much lower yields than anticipated and hence, a diminished gross margin for large parts of the fall of 2020. In September, investments in new equipment were ordered. By December, these equipment were installed, and the functional problems were solved. However, these problems contributed to the disappointing earnings (net result) for 2020.

The growth experienced in 2020 continued in the first quarter of 2021. The Board therefore decided to do further investments in removing production bottlenecks. As a result, a new evaporator was purchased and is being commissioned while this report is being finalized. The new evaporator will significantly improve operations and capacity.

Eevia has transformed as a company over the last twelve months. At the beginning of 2020, Eevia had eight employees. When this report is being prepared, the company employs twenty-eight competent persons. During the fourth quarter of 2020, we converted from a five-day production set-up (14 shifts) to 24-7 production (21 shifts). New operators and senior operators were recruited, and a new management layer was established, with five new shift leaders. The organization also gained new senior managers, including a new CFO. Overall, Eevia is developing into a robust organization for future growth.

The turnover in the first quarter nearly ten-doubled from the turnover in the same quarter a year ago, although it included some trading activity. We are rapidly improving many aspects of our manufacturing and with some further investments, the foundations for 2022 and 2023 are being built. These actions will enable the acquisition of new customers and Eevia is positioned for strong growth over the next few years.

The global market for nutraceutical ingredients is growing healthily. Especially key product segments, which Eevia is targeting, such as immune health and organically certified ingredients, are seeing very strong growth. The pandemic has enforced underlying mega-trends, in which the consumers seek prophylactic solutions, natural products, and traceable and authentic products. These mega-trends are expected to outlast the pandemic, and further drive growth of health products and dietary supplements in years to come.

Stein Ulve
CEO
Eevia Health Plc



Key ratios

The key ratios for Q1-2021 and for 2020 are shown in the table below:

	1 Jan – 31 Mar		1 Jan– 31 Dec
	2021	2020	2020
Net sales, KEUR	3 234	340	2 866
EBITDA, KEUR	-94	-123	-694
Net result of the period, KEUR	-169	-154	-1 023
Earnings per share, EUR*	-0,02	-0,01	-0,10
Shareholders' equity per share, EUR*	0,14	0,12	0,04
Average number of employees	29	9	13

* Earnings per share and Equity per share has been adjusted to reflect the impact of the decision by the Extraordinary General Meeting of shareholders on 21 April, 2021 regarding a share split. The shareholders received 499 new shares for each existing share. After the split the number of shares amounts to 10 506 500 shares. Adjusted information is unaudited.

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

Earnings per share, EUR	Net result of the period / 10 506 500 shares
Shareholders' equity per share, EUR	Total Equity / 10 506 500 shares

Future Reports

Interim report April – June 2021 (Q2)	13 th of August 2021
Interim report July – September 2021 (Q3)	16 th of November 2021
Year End report 2021 (Q4)	25 th of February 2022



Income Statement

(KEUR)		Jan-Mar	Jan-Mar	Jan-Dec
	Ref.	2021	2020	2020
Net Sales	1	3 234	340	2 866
Other income		0	3	117
Total revenues	4	3 234	343	2 982
Operating Expenses				
Material and external expenses	2	-2 690	-172	-2 200
Personnel expenses	3	-372	-122	-698
Other operating expenses		-266	-171	-778
Total Operating Expenses	4	-3 327	-466	-3 676
EBITDA	4	-94	-123	-694
Depreciation		-84	-29	-229
OPERATING PROFIT (LOSS)		-178	-152	-923
Financial income and expenses		9	-2	-100
PROFIT/-LOSS BEFORE TAXES		-169	-154	-1 023
Taxes		0	0	0
NET PROFIT/-LOSS FOR THE PERIOD		-169	-154	-1 023

1) For Jan-Mar 2021 Net sales includes in total KEUR 1 317 for sourcing and sale of raw material done as part of customer provided raw material financing. For Jan-Dec 2020 the amount related to sale of raw material for financing purposes was KEUR 572.

2) Due to the changes in presentation of income statement in 2021 the change of finished and semi-finished goods inventory previously presented as a separate line item has been included in Material and external expenses. The comparative periods have been adjusted accordingly. The change of inventory and amounted to in total KEUR 491 in year 2020.

3) Due to changes in the income statement presentation, the income for entity's own use previously presented as a separate line item is now off-setting the personnel expenses. The comparative periods have been adjusted accordingly. Personnel expenses has been reduced with in total KEUR 63 in 2020

4) Total revenues, Total Operating Expenses and EBITDA are not included in statutory financial statements prepared in accordance with FAS



Balance Sheet

ASSETS (KEUR)	Mar-31 2021	Mar-31 2020	Dec-31 2020
Fixed assets			
Intangible assets	493	364	406
Tangible assets			
Equipment, machines, and tools	1 456	722	1 221
Total fixed assets	1 949	1 086	1 627
Other long-term receivables	24	28	24
Current assets			
Inventory	2 884	378	3 474
Trade receivables and other receivables	1 133	240	603
Cash at bank	524	197	678
Total current assets	4 540	816	4 755
TOTAL ASSETS	6 514	1 930	6 406

EQUITY AND LIABILITIES (KEUR)	Mar-31 2021	Mar-31 2020	Dec-31 2020
Equity			
Share Capital	10	10	10
Reserve for invested unrestricted equity	4 402	3 167	3 167
Retained earnings/loss	-2 746	-1 723	-1 722
Profit (loss) for the period	-169	-154	-1 023
Total Equity	1 497	1 301	431
Long-term liabilities			
Loans from credit institutions	170	0	170
Other long-term liabilities	82	0	0
Current liabilities			
Other short-term loans	0	0	678
Advances received	2 963	0	3 945
Accounts payable	1 560	511	983
Other liabilities and accruals	242	118	198
Total liabilities	5 017	629	5 974
TOTAL EQUITY AND LIABILITIES	6 514	1 930	6 406



Cash Flow Statement

(KEUR)	Jan-Mar 2021	Jan-Mar 2020	Jan-Dec 2020
Operating activities			
Profit/-Loss before taxes	-169	-154	-1 023
Adjustments for items not included in the cash flow:	84	29	234
Cash flow before change in working capital	-85	-125	-790
Cash flow from changes in working capital:	-301	86	1 124
Increase (-) or decrease (+) in current interest-free receivables	-530	-31	-395
Increase (-) or decrease (+) in inventories	590	-64	-3 159
Increase (+) or decrease (-) in current interest-free payables	-361	181	4 678
Cash flow from operations before financial items and taxes	-386	-39	335
Cash flow before extraordinary items	-386	-39	335
Cash flow from operating activities	-386	-39	335
Investment activities			
Investments in intangible and tangible assets	-406	-349	-1 090
Cash flow from investment activities	-406	-349	-1 090
Financing activities			
New Share issue	1 136	0	0
New loans	0	0	848
Repayment of long-term borrowings	-497	0	0
Cash flow from financing activities	639	0	848
Change in cash and equivalents	-154	-387	93
Cash and cash equivalents at beginning of period	678	584	584
Cash and cash equivalents at end of period	524	197	678



Segmentation of sales and gross margin

During Q1, 2021 and 2020, Eevia's net sales included significant revenue related to so called trading activities, which again was related to sourcing of raw materials. The raw material was sourced to secure future production volumes, but traded in a financing scheme with key customers, whereby the customer retains title. The sourcing and trading of raw materials was conducted with insignificant margins, under the understanding that Eevia will call on such raw materials when required for production purposes to satisfy customer orders. This set-up inflates net sales and artificially reduces gross margin levels. The sourcing scheme was concluded during Q2, 2021.

The first table below set out the Eevia's key financials during the periods in question.

	Jan-Mar 2021	Jan-Dec 2020
Sales	1 917	2 293
Trading revenues	1 317	572
Total Sales	3 234	2 866
Material and external expenses	-2 690	-2 200
Gross margin	544	665
Gross margin%	16,8 %	23,2 %

In the next table below, the trading revenue has been excluded from net sales and with the corresponding amount excluded from material and external expenses, so that we arrive at comparable product sales and material and external expenses for the core business operations:

	Jan-Mar 2021	Jan-Dec 2020
Product Sales	1 917	2 293
Material and external expenses	-1 373	-1 628
Gross margin	544	665
Gross margin%	28 %	29 %

In the process of ramping-up production volumes, certain inefficiencies are expected to arise as the Company works through bottlenecks in production, incurring certain temporary and ad-hoc variable costs. However, Eevia maintains a long-term target gross margin level over 40% by 2024.



The shares and the shareholders

Eevia had as per end of March 2021, 67 shareholders. The Company has only one class of shares and each share in the Company entitles the shareholder to one vote at the general meeting. The top ten largest shareholders are listed below. A comprehensive shareholder list can be provided by a written request to the company.

The Extraordinary General Meeting of shareholders decided on 21 April 2021 on a share split. The shareholders received 499 new shares for each existing share. After the split the total number of shares amounts to 10 506 500 shares.

The ten largest shareholders are listed in the table below:

Shareholder	Number of shares	Proportion of capital (and votes)
Betulum AS	1 923 000	18,30 %
Stein Ulve	1 874 500	17,84 %
Quiq Distribution Holding AB	649 000	6,18 %
Vegar Holding AS	502 500	4,78 %
Polynom Investment AB	400 000	3,81 %
Tirna Holding AS	395 000	3,76 %
Lofoten PolarLaks AS	362 000	3,45 %
Modelio Equity AB	321 500	3,06 %
Gerhard Dal	294 500	2,80 %
Kadium Ltd	228 500	2,17 %
Sum 10 largest shareholders	6 950 500	66,15 %
Other existing shareholders (57)	3 556 000	33,85 %
Total	10 506 500	100.00%

The Extraordinary General Meeting on 21 April also authorized the Board to issue up to 3 600 000 shares to finance further investments and growth capital. This authorization is planned to be utilized in a new share issue connected to an IPO and listing at an MTF exchange in Sweden, which Eevia is preparing together with Partner Fondkommission, Sweden.



Basis of preparation

The financial information in this interim financial report has been prepared in accordance with 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 in its financial statements for the financial year ended 31 December 2020.

The Company has changed the presentation of certain income statement items compared to the financial statements for the financial year ended 31 December 2020.

The change of finished and semi-finished goods disclosed as separate line item in the income statement is disclosed as part of Material and external expenses.

The income for entity's own use disclosed as a separate line item in the income statement is offsetting the personnel expenses. The comparative periods are adjusted accordingly.

This interim financial report is unaudited.

Going concern

Eevia Health Plc is in the start-up phase. Sales have increased every year, but the net result has been negative for the past 4 years. As a result of Covid-19, the company has experienced increased demand for Eevia's products globally, due to a growing interest in health products. The Company has grown rapidly in 2020 and especially sales of products based on elderberries have increased significantly. The demand for products is greater than the Company's current production capacity can handle.

In 2020, the company made new investments in the production facility in Kauhajoki, Finland. In order to reach a commercially viable level in production and enabling the possibility to cater for several large prospects, the company needs additional investments to increase the production capacity. The need for investments in equipment, in combination with rapid growth which requires working capital, can result in weak liquidity in the short term, for the Company.

To finance the investments, the company secured shareholder loans of approximately KEUR 648 in July 2020. Eevia also carried out a new share issue in February 2021, with a total proceed of KEUR 1 234, for which part was used to repay the shareholder loans.

Another new share issue of MEUR 2 - 2.5 is planned for the beginning of the summer of 2021. A delay or cancellation of the new share issue could result in serious liquidity problems.

The company is expected to reach profitability in 2021, but due to the fact that this is still uncertain and there are no yet binding commitments for additional financing, these conditions indicate that a material uncertainty exists that may cast significant doubts on the Company's ability to continue as a going concern.



Press release, May 18th 2021
Eevia Health Plc
Corporate ID number: 2825194-4

Significant events after 31 March 2021

Eevia held an extraordinary general meeting (EGM) on April 21, 2021. At this meeting, the shareholders decided to change legal form from a private limited company to a public limited company and became Eevia Health Plc.

In the same decision the share capital was increased to EUR 80.000 by conversion of EUR 70.000 from Reserve for invested unrestricted equity to Share Capital. Further the Shareholder's also granted the Board of the company an authorization to issue 3.600.000 new shares in the company.

At the EGM in April the board also decided regarding a share split. The shareholders received 499 new shares for each existing share. After the split, the number of shares amounts to 10 506 500 shares.

Statement by the Board of Directors

The Board of Directors and the Chief Executive Officer do hereby certify that this interim report contains a fair representation of the Company's operations, financial position, and results, as well as 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 on the report's publishing date. As with all forecasts, such statements contain risks and uncertainties, and the actual results can differ.

Seinäjoki, 18 May 2021

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

For additional information, please contact:

Kim Nurmi-Aro, CFO
Eevia Health Plc
Mobile: +358 50 444 0717
Email: kim@eeviahealth.com