

## Getting Closer to Black Numbers after Operating Improvements

Eevia Health Plc (publ) ("Eevia Health", "Eevia" or "the Company") is at a stage where the Company is scaling up the production capacity, focusing on higher margin extracts, and developing new proprietary ingredients targeting eye disorders, which constitute strong value drivers ahead. Based on current estimates as well as a slightly lower applied EV/EBIT multiple of 4.5x (5.0) due to revenue growing slower than our expectations in 2022, we lower our present valuation in terms of Market Cap to SEK 136m (140) in a Base scenario. Additionally, with respect to the new share count after the rights issue in November 2022, this corresponds to a value per share of SEK 4.5. This is lower in terms of value per share compared to our update in September, which is merely a technical adjustment due to an increase in shares outstanding.

### ▪ Riding on the ESG-Trend by Offering Organic and Sustainable Health Ingredients

The raw material that Eevia uses is sourced from nearby areas in Northern and Central Europe which minimizes the carbon footprint, the traceability of the products and allows for a more resilient supply chain that is less affected by global disruptions. Moreover, the wild organic raw material is taken from abundant resources that are either not utilized at all or underutilized which respects the natural ecosystem. Lastly, Eevia selects suppliers carefully in accordance with the Company's quality and sustainability criteria. Having high-quality organic raw material close to the production site in Seinäjoki gives Eevia a competitive advantage to deliver and capitalize on the sustainability trends.

### ▪ Operating in Vast Markets with Strong Macro Trends

The global market for nutraceuticals was estimated to be worth USD 241bn in 2019 and is projected to reach USD 373bn in 2025 which represent a CAGR of 7.5% during the forecast period where the growth is attributed to changing consumer preferences and demographics along with increases in R&D activity. Regarding the plant extract market, it was estimated to be worth USD 24b in 2019 and is projected to reach USD 59b in 2025 which represents a CAGR of 16.5%. Growth drivers for the plant extract market include rising awareness of synthetic flavour side-effects and health benefits offered by plant-based medicine. As the awareness of Eevia's product offerings and brand value grows over time, the Company is expected to benefit from market tailwinds.

### ▪ Maintaining the Valuation Range in Terms of Company Value

Given the shares from the rights issue during November 2022, which resulted in an additional 14.4m shares, the value per share in this update is not directly comparable to our last report since that was based on a lower share count. A better comparison is therefore to look at the valuation in absolute numbers, where we in this update have a valuation range of SEK 35m (39) – SEK 202m (206), with SEK 136m (140) in a Base scenario.

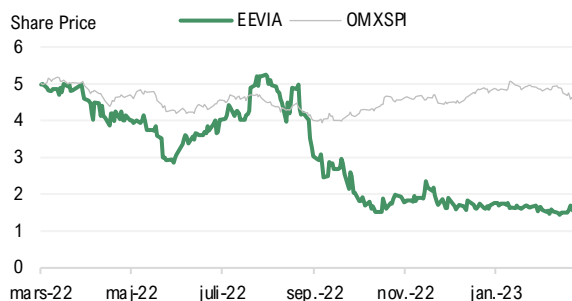
#### VALUATION RANGE

**Bear** SEK 1.1      **Base** SEK 4.5      **Bull** SEK 6.6

#### KEY INFORMATION

Share Price (2023-03-21) (SEK)	1.50
Shares Outstanding	30,349,371
Market Cap (SEKm)	45.5
Net cash(-)/debt(+) (SEKm)	3.7
Enterprise Value (SEKm)	49.2
List	Spotlight Stock Market
Quarterly report 1 2023	2023-05-15

#### SHARE PRICE DEVELOPMENT



#### OWNERS (SOURCE: HOLDINGS 2023-01-06)

Betulum AS	12.0%
Stein Ulve	7.5%
Futur Pension	6.8%
Marizoe Actives S.L.	5.0%
Daniel Johnsson	4.6%

ESTIMATES (EURm)	2023E	2024E	2025E	2026E
Net sales	12.7	21.8	28.3	30.6
<b>Total Revenue</b>	<b>13.2</b>	<b>22.0</b>	<b>28.5</b>	<b>30.8</b>
COGS	-8.3	-14.0	-17.7	-19.0
<b>Gross Profit</b>	<b>4.9</b>	<b>8.0</b>	<b>10.8</b>	<b>11.8</b>
Gross margin	38.5%	36.7%	38.1%	38.5%
Total operating costs	-5.0	-6.0	-6.3	-7.0
<b>EBIT</b>	<b>-0.1</b>	<b>2.0</b>	<b>4.5</b>	<b>4.8</b>
EBIT margin	neg.	9.3%	15.9%	15.6%
P/S	0.3x	0.2x	0.1x	0.1x
EV/S	0.3x	0.2x	0.2x	0.2x
EV/EBIT	neg.	2.3x	1.0x	1.0x

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