

Improved Profitability and Strong Business Outlook

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. Having a broad product portfolio with a market demand, Eevia is estimated to enter a rapid growth phase where an EBIT of EUR 4.8m is forecasted. Based on an applied EV/EBIT multiple of 4.5x on the estimated EBIT of EUR 4.8m in year 2026, and a discount rate of 14%, this yields an implied value per share of SEK 4.5 in a Base scenario. Given that Eevia takes steps in the right direction and is able to capitalise on the structural market trends, Analyst Group see a potential for the Company to reduce the valuation discount going forward.

▪ 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 capitalise on the sustainability trends.

▪ Operating in Vast Markets with Strong Macro Trends

The global market for nutraceuticals is estimated to be worth USD 317bn in 2023 and is projected to reach USD 599bn in 2030 which represent a CAGR of 9.4% 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 is estimated to be worth USD 50b in 2023 and is projected to reach USD 74b in 2030 which represents a CAGR of 5.9%. 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.

▪ Business Outlook and Value Drivers

Although the demand from customers may slow down in the medium term, we see that Eevia has taken proactive measures, such as improving production to free up capacity and streamlining the cost structure to counteract an eventual slowdown in demand, which has also benefitted the Company's operating results lately. Additionally, Eevia has a substantial order amounting to EUR 2.1m which is estimated to be invoiced during Q2-23, and thus constituting a strong value driver going forward, creating further sales momentum.

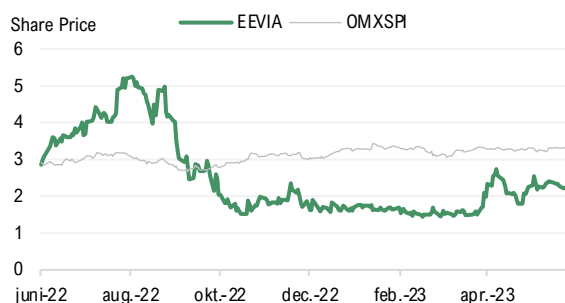
VALUATION RANGE

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

KEY INFORMATION

Share Price (2023-06-19) (SEK)	2.28
Shares Outstanding	30,349,371
Market Cap (SEKm)	69.2
Net cash(-)/debt(+) (SEKm)	3.5
Enterprise Value (SEKm)	72.7
List	Spotlight Stock Market
Quarterly report 2 2023	2023-08-23

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	4.1%

ESTIMATES (EURm)	2023E	2024E	2025E	2026E
Net sales	12.7	21.8	28.3	30.6
Total Revenue	13.2	22.0	28.5	30.8
COGS	-8.3	-14.0	-17.7	-19.0
Gross Profit	4.9	8.0	10.8	11.8
Gross margin	38.5%	36.7%	38.1%	38.5%
Total operating costs	-5.0	-6.0	-6.3	-7.0
EBIT	-0.1	2.0	4.5	4.8
EBIT margin	neg.	9.3%	15.9%	15.6%
P/S	0.5x	0.3x	0.2x	0.2x
EV/S	0.5x	0.3x	0.2x	0.2x
EV/EBIT	neg.	3.4x	1.5x	1.4x

Disclaimer

These analyses, documents and any other information originating from AG Equity Research AB (Henceforth "AG") are created for information purposes only, for general dissipation and are not intended to be advisory. The information in the analysis is based on sources, data and persons which AG believes to be reliable. AG can never guarantee the accuracy of the information. The forward-looking information found in this analysis are based on assumptions about the future, and are therefore uncertain by nature and using information found in the analysis should therefore be done with care. Furthermore, AG can never guarantee that the projections and forward-looking statements will be fulfilled to any extent. This means that any investment decisions based on information from AG, any employee or person related to AG are to be regarded to be made independently by the investor. These analyses, documents and any other information derived from AG is intended to be one of several tools involved in investment decisions regarding all forms of investments regardless of the type of investment involved. Investors are urged to supplement with additional relevant data and information, as well as consulting a financial adviser prior to any investment decision. AG disclaims all liability for any loss or damage of any kind that may be based on the use of analyzes, documents and any other information derived from AG.

Conflicts of Interest and impartiality

To ensure AG's independence, AG has established compliance rules for analysts. In addition, all analysts have signed an agreement in which they are required to report any and all conflicts of interest. These terms have been designed to ensure that *COMMISSION DELEGATED REGULATION (EU) 2016/958 of 9 March 2016, supplementing Regulation (EU) No 596/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the technical arrangements for objective presentation of investment recommendations or other information recommending or suggesting an investment strategy and for disclosure of particular interests or indications of conflicts of interest*. Compliance policy: <https://analystgroup.se/interna-regler-ansvarsbegransning/> (Swedish)

Other

This analysis is a task analysis. This means Analyst Group has received payment for doing the analysis. The Principal, **Eevia Health Plc** (furthermore "the Company") has had no opportunity to influence the parts where Analyst Group has had opinions about the Company's future valuation or anything that could constitute an objective assessment.

The parts that the Company has been able to influence are the parts that are purely factual and objective.

The analyst does not own shares in the Company.

This analysis is copyright protected by law © AG Equity Research AB (2014-2023). Sharing, dissemination or equivalent action to a third party is permitted provided that the analysis is shared unchanged.