

Eevia Health



Transformative Journey to Diversify the Customer Base

Eevia Health Plc (publ) ("Eevia Health", "Eevia" or "the Company") has entered into a transformational phase, with a clear focus on diversifying the customer base through increased marketing and sales efforts. Looking ahead, this is estimated to result in a period of inhibited sales growth, however, Analyst Group sees this as vital in the long run, as the customer concentration risk is expected to decrease significantly. Analyst Group estimates a turnover of EUR 8.9m by 2024, and with an applied EV/S multiple of 1.0x, a potential present value per share of 2.4 (4.9) is derived in a Base scenario.

Large Customer Dependency has Become Evident

The reported net sales during the third quarter amounted to EUR 0.9m, corresponding to a decrease of -20% YoY, and -54% QoQ compared to Q2-23. The reduction is primarily attributed to a major customer temporarily delaying order placements due to inventory buildup, which has had a significant impact, considering that this customer represented the majority of the net sales during H1-23. Eevia expects to receive recurring orders from this customer in late 2024 or early 2025. Hence, Eevia started Q3-23 with a reduced short-term sales order base, which led to a rapid escalation in marketing and sales activities, with the aim to broaden and diversify the customer base to mitigate the loss of sales and reduce Eevia's dependence on a single customer.

Shift in Product Mix Dampened the Gross Margin

The gross profit amounted to EUR 0.3m (0.7), corresponding to a gross margin of 38% during the quarter, which was down from 63% in Q3-22, and down from 68% in the previous quarter. The decrease in gross margin stems from a change in the product mix. Going into 2024, Analyst Group estimates a gross margin of 52.5%, where high-margin products, such as pine bark extract, are estimated to drive increased profitability.

Increased Marketing Efforts Pave the Way for Growth

After the end of Q3, the Company attended Supply Side West, a premier nutraceutical tradeshow in Las Vegas. Following a successful exhibition, the Company is currently witnessing a surge in interest from potential new customers and is diligently working to convert these opportunities into actual sales contracts. The increased Customer Acquisition Costs (CAC) are estimated to show results during the latter part of H1-24.

Updated Valuation Range

As Eevia Health is expected to experience a few bumpy quarters with declining growth, Analyst Group therefore lowers the top-line estimates for the coming years but anticipates a stronger margin development during this period. Additionally, we have switched the target year for our valuation to 2024 to account for a greater degree of uncertainty. This, in combination with the updated forecasts, results in an updated valuation range across all scenarios.

VALUATION RANGE

Bear
SEK 1.0

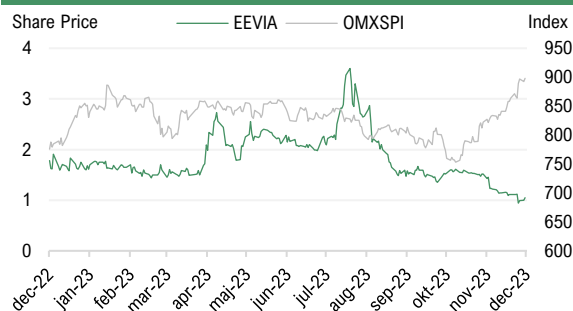
Base
SEK 2.4

Bull
SEK 4.2

KEY INFORMATION

Share Price (2023-12-19) (SEK)	1.1
Shares Outstanding	35,713,884
Market Cap (SEKm)	37.5
Net cash(-)/debt(+) (SEKm)	3.7
Enterprise Value (SEKm)	41.2
List	Spotlight Stock Market
Quarterly report 4 2023	2024-02-14

SHARE PRICE DEVELOPMENT



OWNERS (SOURCE: HOLDINGS 2023-01-06)

Betulum AS	12.0%
Stein Ulve	7.5%
Futur Pension	6.8%
Marzoe Actives S.L.	5.0%
Daniel Johnsson	4.1%

Estimates (EURm)	2023E	2024E	2025E	2026E
Net sales	5.5	8.9	15.5	22.8
Total Revenue	5.6	8.9	15.5	22.8
Gross Profit	3.2	4.7	8.7	13.7
Gross Margin	57.4%	52.5%	56.5%	60.0%
EBITDA	0.8	1.1	3.6	7.0
EBITDA margin	14.6%	12.5%	23.3%	30.5%
EBIT	0.0	0.0	2.3	5.4
EBIT margin	0.2%	0.4%	15.0%	23.6%
P/S	0.6x	0.4x	0.2x	0.1x
EV/S	0.7x	0.4x	0.2x	0.2x
EV/EBITDA	4.6x	3.3x	1.0x	0.5x
EV/EBIT	434.7x	93.4x	1.6x	0.7x

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ABOUT THE COMPANY

Eevia Health produces and distributes bioactive plant extracts in Finland and internationally. The product lines include extracts from elderberry, bilberry, lingonberry, chaga mushroom, pine bark, and other raw materials. Additionally, Eevia has new bioactive ingredient under development called Retinari which is aimed towards age-related macular degeneration. Eevia's products are mainly used in dietary supplements, cosmetics, food & drinks, as well as veterinary products. The Company sells its products through small- and mid-sized distributors. Eevia was founded in 2017, is listed on Spotlight Stock Market since 2021, and is headquartered in Seinäjoki, Finland.

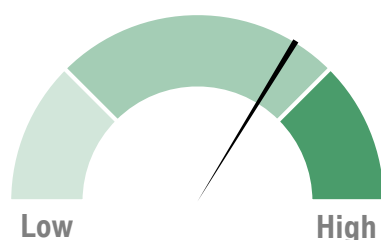
CEO AND CHAIRMAN

CEO	Stein Ulve
Chairman	Martin Bjørklund

ANALYST

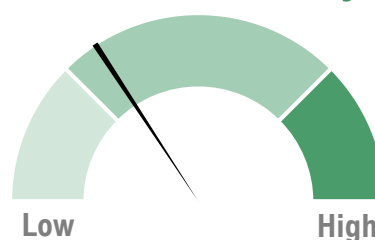
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Value Drivers



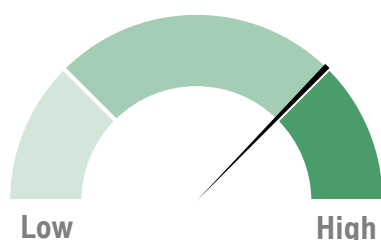
Eevia Health operates in vast markets with structural tailwinds that favor the Company in the long term. Value driving activities to monitor include the conversion of sales and marketing efforts into actual sales contracts, as well as the enhancement of profitability through optimized product mix and scale in revenue. Additionally, new product launches constitute as value drivers in the coming years.

Historical Profitability



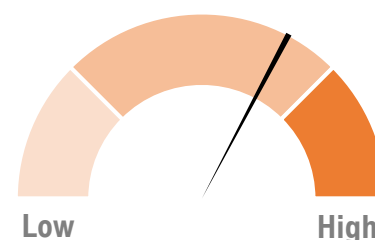
Eevia Health has a history of low profitability due to ramp-up of existing production processes. As a result, the Company has relied on equity financing as well as smaller debt financing to meet working capital requirements. However, the Company has improved operations to become profitable in the most recent quarters which is a step in the right direction. The rating is based on historical results and is not forward-looking.

Management & Board



Stein Ulve, the CEO, and founder, is a major shareholder owning 7.5% of Eevia Health, and has been leading the Company since the start. He has over 20 years of experience and a track record where he built the company Ayanda together with board member Per Benjaminsen, generating EUR 45m in revenue before selling the company. Together, insiders own 20,3% of the Company which creates incentives to deliver continued shareholder value.

Risk Profile



In Q3-23, Eevia's cash balance amounted to EUR 0.5m. Despite the recent directed share issue, which resulted in gross proceeds before fees of approximately EUR 1m, and a commercial bank loan of EUR 0.5m, the financial position is once again strained. Analyst Group cannot rule out the possibility that the Company must pursue some form of external capital raise to strengthen the financial position further.

Lower Net Sales Than Anticipated – Guides for a Similar Q4

During Q3-23, the net sales amounted to approx. EUR 0.9m (1.1), corresponding to a decrease of 20% YoY, and a decrease of 54% QoQ compared to Q2-23, where net sales amounted to EUR 2.0m. Although the Company had guided for a weaker H2-23, net sales were below our estimates. The decrease is mainly attributed to a larger customer that has temporarily halted order placements due to inventory buildup.

Eevia Health delivered the final volumes of an order to one of its largest customers in the previous quarter (Q2-23), indicating that we most likely won't see any recurring orders from this customer until late 2024 or early 2025, when they will need to replenish their stock. Due to Eevia's concentrated customer base, where a few large customers constitute the majority of the sales, there is a possibility of lower production volumes throughout a significant portion of 2024. Consequently, the Company has entered a transformational phase, aiming to broaden its customer base and move away from its historical reliance on a few large customers. Thus, the beginning of Q3-23 was marked by a reduction in the short-term sales order base, leading to a significant increase in marketing and sales efforts. To illustrate this rapid increase, Eevia produced much more marketing "content" in Q3-23 than in the last three years combined.

After the end of the third quarter, Eevia participated in the Supply Side West tradeshow in Las Vegas. This stands out as a pivotal event in the global nutraceutical industry, with over 18 000 industry professionals attending and with more than 84% of the attendees expressing their primary goal as sourcing new ingredients and suppliers, thus the event serves as a crucial platform. According to the Company, the exhibition at the event was successful, and the Company is currently experiencing the highest level of interest to date from potential new customers, with many new leads and a range of significant sales opportunities. Eevia is diligently working to convert these potential sales opportunities into actual sales contracts. Additionally, Eevia has strengthened the marketing and sales side during the quarter, especially in North America. The Company expects to continue to strengthen competence and capacity in these fields and is utilizing the increased interest from the North American market.

In the CEO letter, Stein Ulve shed some guidance going forward, where he states:

"Revenues in Q4-23 itself will likely remain on par or below Q3-23. However, we expect gross margin to improve to over 50% going into 2024. We expect to announce significant orders as a result of our recent sales and marketing efforts in the latter half of Q4-23 and going into 2024."

Change in Product Mix Put Short Term Pressure on the Gross Margin

The gross profit during Q3-22 reached EUR 0.3m (0.7), corresponding to a decrease of 52% YoY, and 70% QoQ compared to Q2-23, where gross profit amounted to EUR 1.4m. The gross margin was 38% during the quarter, which was down from 63% in Q3-22, and down from 68% in the previous quarter. The decrease in gross margin stems from a change in product mix, where lower margin products constituted a larger part of the net sales during the quarter. The Company highlights that side-stream products had no effect on the gross margin during Q3-23.

The EBITDA during Q3-23 amounted to EUR 2k (EUR 56k in Q3-22), which was below our expectations, and a substantial decline compared to the previous quarter, where the EBITDA amounted to EUR 0.6m. The decrease in EBITDA is attributed to lower turnover combined with a weaker gross margin. However, the decline was to a certain extent mitigated by significantly reduced personal and overhead costs during the quarter, which enabled the Company to show a positive EBITDA-result, albeit close to zero.

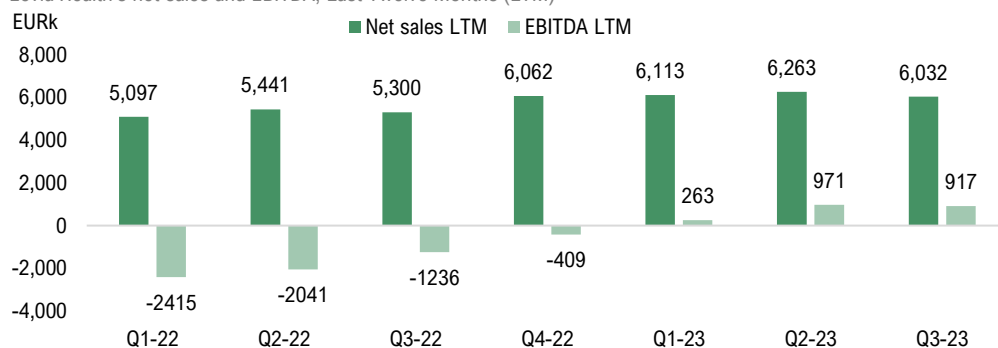
During the year, the Company has successfully improved its production efficiency, allowing the Company to reduce the labor requirements by approx. 25%, while maintaining the same output capacity. The production improvements are attributed to a new operational model that was implemented during August, when the Company transitioned from a 24/7 (21 shift) to a 24/5 (14 shifts) operational model. Apart from this, additional temporary layoffs helped to further reduce the personnel costs during Q3-23.

In summary, Eevia has reported positive EBITDA results over five consecutive quarters, albeit a substantial decrease during Q3-23 compared to previous quarter. When examining the EBITDA LTM, a significant improvement is observed in the first nine months of 2023 compared to 2022. As the Company hints at a reduced short-term sales order base, it's encouraging to see that efficiency improvements and the streamlining of operations are bearing fruit. This acts as a cushion for the Company in case it experiences lower sales volumes going forward.

**EXPECTS A
GROSS MARGIN
> 50% GOING
INTO 2024**

A slight decline in net sales and EBITDA on a rolling 12-months basis.

Eevia Health's net sales and EBITDA, Last Twelve Months (LTM)



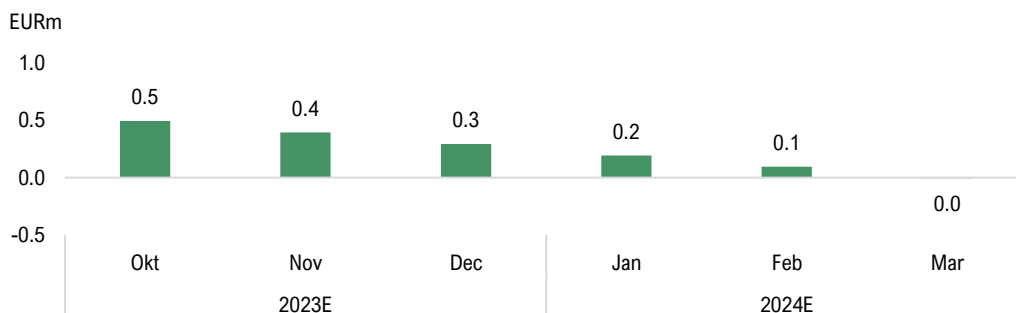
Source: Company Filings, Analyst Group (illustration)

Financial Position

At the end of Q3-23, Eevia's cash balance amounted to EUR 0.5m, compared to EUR 0.3m at the end of Q2-23, resulting in a net cash increase of EUR 0.2m. The increase in cash was mainly attributable to a capital injection following the directed share issue in August, which resulted in gross proceeds before fees of approx. EUR 1m (SEK 11.5m). Additionally, a commercial bank loan of EUR 0.5m was entered with Nordea during the quarter, which further strengthened the liquidity. Eevia's operational burn rate amounted to EUR -1m during Q3-23, equivalent to EUR -0.3m per month, compared to a positive operating cash flow of EUR 0.1m per month during the previous quarter. The negative change is attributed to the lower operating result, investments in R&D, as well as a negative effect of changes in working capital, including an increased receivables balance following shipment of volumes in the latter part of the quarter. The FCF during the quarter amounted to EUR -1.3m, reflecting an increase in investments, which amounted to approx. EUR -0.2m during Q3-23. Going forward, assuming a burn rate of EUR -0.1m per month, which we believe is reasonable given the transformative phase that the Company is entering with increased customer acquisition costs (CAC), Eevia's cash balance of EUR 0.5m is estimated to be sufficient to finance the Company until the end of Q1-24, all else equal. Analyst Group believes that the current financial position is strained, and the increased burn rate has rapidly diminished the capital injection from the directed share issue and the loan. Thus, considering the current situation, we cannot rule out the possibility that Eevia may need to pursue some form of external capital raise in the near future.

The financial position is currently strained

Eevia Health's estimated liquidity development



Source: Company Filings, Analyst Group (illustration)

In conclusion, all though Eevia had guided for a weaker second half of 2023, the Company delivered a Q3-report that fell short of our estimates, both on top-line as well as profitability. Analyst Group views the transformative phase the Company is entering as positive in a long-term perspective. The increased CAC is expected to lead to a more diversified customer base, reducing the dependence on a single customer and thereby lowering customer concentration risk in the long term. However, the negative aspect of this is that it will most likely exert pressure on the Company's growth plans for 2024, resulting in lower revenue growth than previously guided. Finally, the liquidity of the Company must be closely monitored going forwards, since the increased burn rate has put pressure on the cash balance. Analyst Group cannot rule out the possibility that the Company must pursue some form of external capital raise to strengthen the financial position further.



SUSTAINABILITY
A PART OF
EEVIA'S
DNA

USD 599b
GLOBAL
NUTRACEUTICAL
MARKET
2030

SEK 2.4
VALUE PER
SHARE
BASE SCENARIO

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

Eevia targets global health challenges by providing bioactive ingredients extracted from nature. The raw material that Eevia use 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. The harvesting is performed carefully through handpicking and the majority of the raw materials come from forests of the Finnish Lapland which are 99% organically certified. Having implemented these actions, it displays that sustainability is a part of Eevia's DNA, considering it at each stage of the supply chain. Having high-quality organic raw material close to the production site in Seinäjoki puts Eevia in a unique position to deliver and capitalize on the sustainability trends. Additionally, it gives the Company a competitive advantage because of better access to high-quality raw material than competitors.

Operating in Vast Markets with Strong Structural Tailwinds

Eevia Health is operating within the global market for nutraceutical ingredients and plant extracts market. The global market for nutraceuticals is estimated to be worth USD 317b in 2023, furthermore, it is projected to reach USD 599b 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%. The main growth driver for the market includes rising awareness of health benefits offered by plant-based medicine. This is expected to benefit Eevia as the awareness of the Company's product offerings, superior raw material quality versus competitors, and brand as a nutraceutical leader grows over time.

Scalable Business Model Bodes Well for Improved Profitability

During the past few years, the Company has constantly focused on streamlining production, resulting in a reduction in labor requirements of approximately 25%, while simultaneously maintaining the output capacity. Furthermore, the Company recently transitioned to a new operational model, shifting from 24/7 (21 shifts) to 24/5 (14 shifts), which has further reduced personnel costs. Additionally, Eevia persistently strives to increase both the batch load and the extraction yield, which are the two key components contributing to the capacity output. With the current production facilities, Eevia has the ability to significantly increase production volumes without requiring substantial investments. As volumes are expected to rise, the Company can strategically invest as to not experience "bottlenecks"; however, there is ample room for growth in relation to the investments needed to sustain this expansion. Hence, Eevia is well-positioned to capitalize on the growing interest from potential customers. With continuous cost control in combination with further efficiency enhancements, the Company can gradually realize the economies of scale embedded in the business model as they are scaling up the volumes. Additionally, successfully optimizing the production mix by transitioning away from lower-margin products, such as berry extracts, to higher-margin products, such as pine bark extracts or customized extracts, constitutes an additional value driver in terms of potential margin expansion going forward.

Summary of Forecast and Valuation in a Base Scenario

Given that Eevia has postponed the financial goal of reaching EUR 25 million to 2026 and recognizing the heightened uncertainty following the halted order from Eevia's largest customer, Analyst Group has chosen to shift the base year for calculating the multiple from 2026 to 2024. Consequently, the multiple is derived from the top-line, considering that the margin expansion is expected to yield results in 2025 and 2026. Based on an EV/S multiple of 1.0x applied to the estimated turnover of EUR 8.9m in 2024 and a discount rate of 12%, this yields an implied value per share of SEK 2.4 in a Base scenario.

Risks to Monitor

One risk to closely monitor is the liquidity going forward. In Q3-23, Eevia's cash balance amounted to EUR 0.5m, and the operational burn rate totaled EUR -1m, equivalent to EUR -0.3m per month. Despite the directed share issue, which resulted in gross proceeds before fees of approximately EUR 1m, and a commercial bank loan of EUR 0.5m, the financial position is once again strained. The liquidity risk has the potential to act as an obstructive in regard to the stock's development, until the market gains reassurance that the financial position is strengthened - either through a positive free cash flow or external financing.

Company Description

EXTRACTS ARE
USED IN
FOOD, DRINKS &
COSMETICS

Eevia is a leading expert in identifying, extracting, and purifying natural compounds based on raw materials mostly growing wild in the arctic or sub-arctic regions around Finland. The ingredients are extracted from organic bilberries, lingonberries, elderberries, chaga mushrooms, and pine bark. The majority of the raw materials are wild harvested from Finnish forests. The Company also imports European elderberries from Central Europe to produce Feno-Sambucus 14, one of the anthocyanin products. Eevia's ingredients are mostly extracts and concentration of polyphenolic compounds. The extracts are mainly used in food (nutraceuticals), drinks and cosmetics while also being certified organic, natural, and sustainable.

Business Model

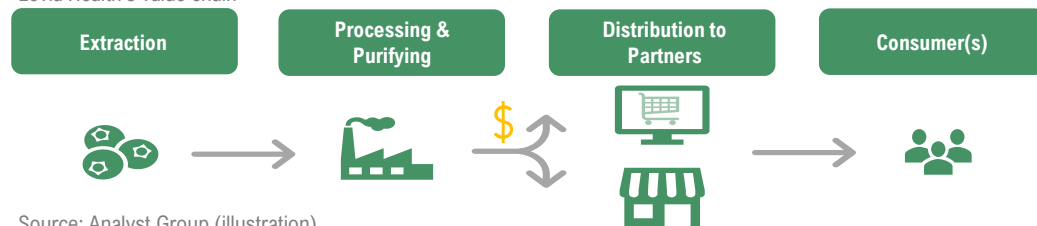
Eevia operates under a distributor business-to-business (B2B) model, meaning that the Company extracts and exports branded ingredients to other distributors or manufacturers in the US, EU, and Australia. The plant extracts are available in multiple concentrations and forms which include, for example, powders and liquids. Thus, the price levels in which the customers will purchase the ingredients for will depend on aforementioned factors as well as the quantity. An important aspect of Eevia's business model is also to continuously develop new products and expand the product portfolio by launching a wide variety of branded ingredients with documented clinical health benefits. Consequently, this strategy will enable the Company to expand to new markets and reach more customers which will create a stronger awareness about the brand and increase the sales.

Distribution partners



Eevia Health is Selling Mainly to Other Distributors and Global Brands, not to the Consumer.

Eevia Health's value chain



Product Lines

A summary of Eevia's extract product lines are given in the following paragraphs:

Feno-Sambucus® Elderberry Extract



Applications:
Chewing gums
Tablets
Soft gels
Liquids & powders

- **Elderberry extracts:** (Sambucus Nigra) are sold in powder form, which is made through either spray-drying or freeze drying of the liquid extracts. Eevia does not currently sell liquid variants of Elderberry extracts, but some customers will dissolve the powders, which are 99.9% soluble, and use these in drink formulas. The highest concentration for any product variant currently in sale, has a 30% concentration of anthocyanins. The Feno-Sambucus sets itself apart from other elderberry products by the following:

- Short value chain and strong supply chain due to raw material proximity
- 100% traceability (from the forest to the product)
- High quality (pesticides, PAHs, hydrogen cyanide, etc.)
- Superior production technology yields higher polyphenol levels than competitors

Feno-Myrtillus® Bilberry Extract



Applications:
Hard gels
Tablets/sachets
Pouches
Soft gels & powders
Colorants, serums, creams

- **Bilberry Extracts:** (Vaccinium myrtillus L.) is one of the richest natural sources of anthocyanins. Anthocyanins are believed to be the key bioactive responsible for the many reported health benefits of bilberry and other berry fruits. Bilberry is of potential value for the prevention of conditions associated with inflammation, dyslipidemia, hyperglycemia or increased oxidative stress, cardiovascular disease (CVD), cancer, diabetes, dementia and other age-related diseases. There are also reports that bilberry has antimicrobial activity¹. Some of the key features of Eevia's Feno-Myrtillus are:

- Organically certified
- Wild-crafted (not cultivated) with 100 percent traceability
- Clinically documented health effects
- Unparalleled quality (NO radioactivity, pesticides, PAHs, etc.)

¹<https://eeviahealth.com/wpcontent/uploads/feno-myrtillus%C2%AE-prl-v04.pdf>

Company Description

Feno-Chaga Mushroom Extract



Applications:
Sachets and tablets
Instant tea
Powders in jars
Pouches
Serums and creams

Feno-Vitis Lingonberry extract



Applications:
Sachets and tablets
Soft gels
Superfood berry powders
Food applications
Bakery products, cereals, bars

Fenoprolin Pine Bark Extract



Applications:
Sachets and tablets
Hard gels
Health drinks
Pouches
Serums and creams

- Mushroom extracts:** Eevia extracts Feno-Chaga from the arctic chaga mushroom. Recent internal studies from the Company have shown that the wild-crafted Feno-Chaga activates natural killer cells. Additionally, Chaga is said to be an adaptogen which benefits the immune system according to alternative medicine nomenclature. Eevia's Feno-Chaga sets itself apart from other chagas by being wild-crafted, not cultivated or grown on grain. It is pre-clinically proven immune & clinically proven inflammatory response¹.
 - 100% traceability (from the forest to the product)
 - Unparalleled quality (No radioactivity, pesticides, PAHs, etc.)
- Lingonberry extracts:** For these products, Eevia uses hand-picked arctic lingonberries, which are growing in the wild and are harvested sustainably in the certified organic forests of Finland. Lingonberries contain antioxidants and anti-inflammatory effects with very promising science on several health indications. Feno-Vitis® is sold as a powder with up to 25% concentration, and can be marketed with several distinct features:
 - Wild-crafted (not cultivated)
 - Organically certified and highly scalable
- Pine bark extracts:** The active substance from the crown bark of young pine trees has several documented health benefits and is well-known for its anti-inflammatory effects. There is also evidence pointing towards protection against oxidative damage in blood vessels and reduced blood pressure.

Upcoming Products in the Pipeline and New Product Lines

Eevia is developing a new ingredient which will be branded as Retinari. Retinari is, according to the Company's pre-clinical studies on mice models, beneficial for eye health on a cellular level and has the potential to mitigate age-related macular degeneration (AMD). In combination with positive health effects being backed by clinical or pre-clinical data, the bioactive compound of Retinari has a low production cost which makes it a promising product for improving the Company's margins. Furthermore, in November 2022, Eevia released the new product Feno-Cerasus, which is a standardized anthocyanin extract from tart cherry. Eevia is focusing on the cognitive effects of the new product which has been documented in studies².

Strategic Outlook

Going into 2024, Eevia has set the Company's focus on expanding the current customer base to diversify income streams and reduce historical reliance on a few customers. This will not only make the Company more resilient in the case if a large customer chooses to postpone or cancel orders, but it will also serve as an important sales argument. Given that Eevia is a relatively small player in the market, increasing production capacity is crucial for being able to do business with larger customers. During 2022, Eevia's goal was to reach EUR 25m in turnover by 2024. However, due to several factors that have delayed the Company's ambitious growth plans, Eevia now expects to reach it by 2026. Regarding profitability, Eevia emphasized during Q3-23 that the Company expect to reach a gross margin exceeding 50% by 2024. This will be achieved by optimizing the product mix, further enhancing the operational model, and using all resources more efficiently. One example of this is the valorization of currently non-utilized side streams, such as fruit sugars and berry fiber, which could work as a tool to strengthen the gross margin further.

Eevia Health's Tactical Focus Going Forward



Diversify the
customer base



Net sales
EUR 25m 2026



Gross margin
> 50% 2024

¹Scientific publications relevant for Feno-Chaga™ line of products. <https://eeviahealth.com/wp-content/uploads/feno-chaga%C2%AE-prl-v05.pdf>

²Mansoori S, Dini A, Chai SC. Effects of tart cherry and its metabolites on aging and inflammatory conditions: Efficacy and possible mechanisms



Evia Health is Addressing Fragmented Markets

Evia Health is operating within the global markets for nutraceutical ingredients and plant extracts which are fragmented into many different categories with different characteristics. The relevant main and sub-segments that Evia address in the respective markets can be seen in the figure below where the dashed lines are most relevant for its products.

Segmentation of the Global Market for Plant Extracts with Main Segments (green) and Sub-Segments (light green).

Evia Health's most relevant markets (dashed lines)

The Global Nutraceutical Market			The Global Plant Extract Market			
Type	Form	Regions	Type	Application	Source	Regions
Functional beverages	Capsules and tablets	North America	Phytomedicines & herbal extracts	Pharmaceuticals & dietary supplements	Fruits, flowers & bulbs	North America
Functional foods	Liquid	Europe	Essential oils	Food & beverage	Leaves	Europe
Dietary supplements	Powder	Asia Pacific	Spices	Cosmetics	Bark & stems	Asia Pacific
	Others	LAMEA	Flavors & fragrances	Others	Rhizomes & roots	Other Regions
					Others	

Source: Nutraceuticals Market (AlliedMarketResearch), Plant Extracts Market (MarketsandMarkets), Analyst Group (illustration)

The Global Market Potential for Nutraceuticals and Plant Extracts

USD 599b
MARKET FOR
NUTRACEUTICALS
2030

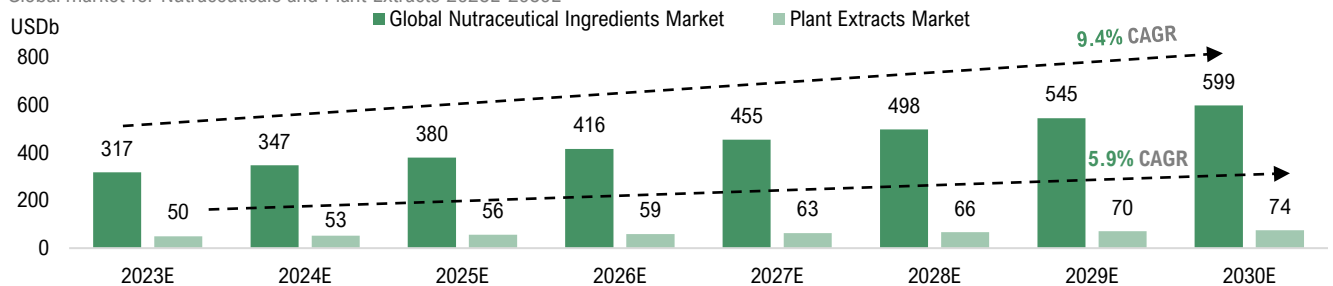
The global market for nutraceuticals is estimated to be worth USD 317b in 2023, furthermore, it is projected to reach USD 599b in 2030 which represent a CAGR of 9.4% during the forecast period. The growth in the nutraceutical market will primarily be driven by changing consumer preferences and demographics along with increases in R&D activity. Additionally, an upsurge in the geriatric and obese population, type 2 diabetes patients and healthcare related expenses are expected to drive market size growth.

USD 74b
MARKET FOR PLANT
EXTRACTS
2030

Regarding the plant extract market, 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%. The main growth driver for the plant extract market includes the increasing awareness of the health benefits offered by plant-based medicine, as customers are more inclined to seek natural and healthy products. Moreover, the rising trend of using cosmetics with natural extracts is expected to drive the demand for plant extracts further. Lastly, the growth of R&D activities in plant extract markets and the increase in popularity of convenience foods has created a growing need for plant extracts in the food and beverage industry. As the awareness for Evia's products grows, the Company is well-positioned to capitalise on the market drivers.

The Global Market for Nutraceuticals and Plant Extracts to Grow 9.4% and 5.9% Annually, Reaching USD 599b and 74b Respectively in 2030.

Global market for Nutraceuticals and Plant Extracts 2023E-2030E



Source: Nutraceuticals Market (grandviewresearch.com), Plant Extracts Market (coherentmarketinsights.com), Analyst Group (illustration)

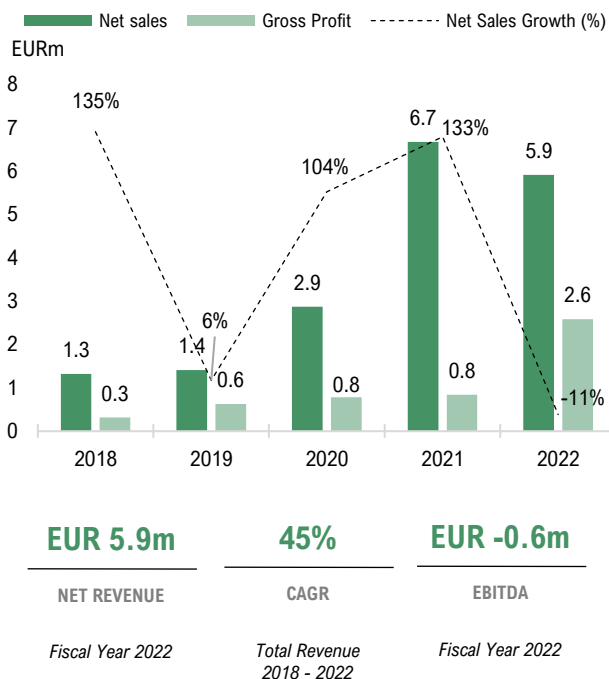
Operating History and Financial Snapshot

Evia Health's business strategy is to provide their organic products as a manufacturer of branded nutraceuticals and plant-based extracts. Below is a summary of the operating history.

Evia Health has been Able to Grow its Revenues Rapidly Over the Past 5 Years.

Historical financials for the last five years

Income Statement (EURk)	2018	2019	2020	2021	2022
Net Sales	1,321	1,404	2,866	6,671	5,910
Other income	51	116	117	15	169
Total Revenue	1,372	1,520	2,983	6,686	6,079
Material and external expenses	-1,058	-892	-2,200	-5,847	-3,501
Gross Profit	314	628	783	839	2,578
Gross margin	22.9%	41.3%	26.2%	12.5%	42.4%
Personnel expenses	-516	-386	-698	-1,502	-1,776
Other operating expenses	-462	-497	-778	-1,437	-1,363
EBITDA	-664	-255	-693	-2,100	-561
EBITDA margin	neg.	neg.	neg.	neg.	neg.
Depreciation	-149	-114	-229	-490	-772
EBIT	-813	-369	-922	-2,590	-1,333
EBIT margin	neg.	neg.	neg.	neg.	neg.
Financial income and expenses	-22	-38	-100	-46	-426
EBT	-835	-407	-1,022	-2,636	-1,759
Taxes	0	0	0	0	0
Net Income (loss)	-835	-407	-1,022	-2,636	-1,759
Net Income margin	neg.	neg.	neg.	neg.	neg.



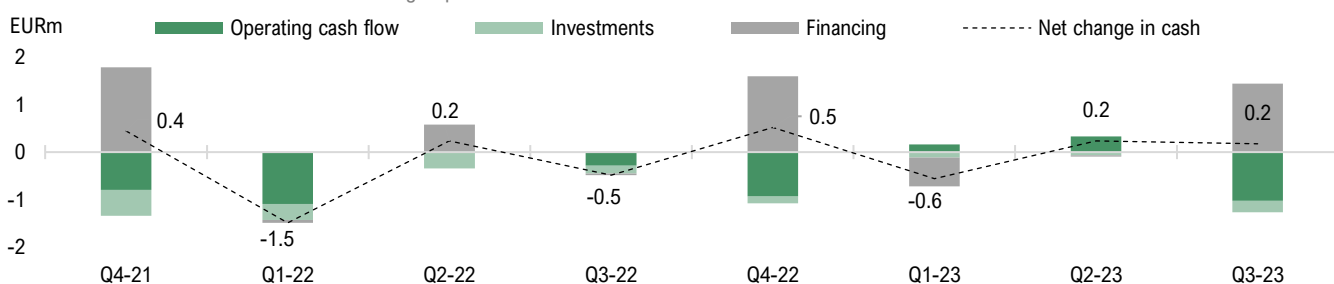
Source: Company

Investment Needs

In 2022, Evia's total CAPEX amounted to roughly EUR -0.9m, compared to EUR -2.1m in 2021, where crucial investments were made that will enable the Company to scale up its operations more efficiently as the demand increases. Going forward, Analyst Group estimates the CAPEX to be in the range of EUR -0.8 to -1.3m during the forecast period, where these investments encompass both maintenance and new initiatives aimed at enhancing specific functions, such as increasing cooling capacity, in order to enhance production efficiency and yields from the extraction process. As demand grows and Evia needs to scale up its operations further, Analyst Group anticipates the emergence of production bottlenecks. Therefore, there is an expected increase in CAPEX during the forecast period, reflecting the necessity to further strengthen specific functions that may not be suited for the increased demand. However, Analyst Group assesses that the Company has made crucial investments in prior years; therefore, there is significant potential for expansion in relation to the investments needed to sustain the ambitious growth plans during the coming years.

Evia Generated a Negative Free Cash Flow in Q3-23 due to Weaker Operating Results and Increased Investment.

Evia Health's historical cash flow in the last eight quarters



Source: Company, Analyst Group (illustration)

Revenue Forecast 2023-2026

Analyst Group's forecast extends to 2026 and is based on Eevia's main products - pine bark extract, bilberry extract, and other extracts like elderberry and chaga mushroom. Notably, our forecast excludes products such as Retinari, as well as side-stream products, related to handling waste streams and valorizing products from these. Hence, the launch of Retinari and the side-stream projects will serve as options, with additional upside if the Company successfully introduces the new product to the market and maximizes the utilization of waste material. Notably, the forecast, which is based on a subset of products and makes certain assumptions that, in some respects, simplify reality, should be viewed as indicative rather than absolute. To generate the revenue forecast in a Base scenario, assumptions have been made regarding achievable volumes in the production facility over time, as well as average price levels for different product lines. Finally, assumptions about how the product mix will evolve during the forecast period have been taken into account.

In a Base scenario, Analyst Group estimates that, with the new operational model of 14 shifts (24/5) instead of 21 shifts (24/5), the current production facility in Kauhajoki is projected to have an annual capacity of approximately 18-45 tons of pine bark extract, 30-70 tons of bilberry extract, and 40-100 tons of other extracts. The annual output is expected to gradually increase, driven by both increased demands resulting from Eevia successfully broadening the customer base and the Company's efforts to improve efficiency by increasing batch load and yield.

The average selling price varies depending on the specific raw material used in the extract, as well as the percentage of anthocyanins the extract contains. For example, bilberry extract comes in three different versions with varying levels of anthocyanins: $\geq 1\%$, $\geq 25\%$, and $\geq 36\%$, respectively. To assess this, assumptions have been made regarding various price levels for each concentration level. Subsequently, these prices have been indexed, incorporating both capacity and prices as inputs, with the highest concentration level serving as the standard. This process establishes equivalent prices for the other extract levels. Hence, the average price for bilberry extract, when indexing the concentration levels, is estimated to be sold for an average of EUR 270 per kilo, equivalent to EUR 0.27m per ton. As for the anticipated selling price of pine bark extract, which has one of the highest selling prices per ton and gross margins of approximately 90%, Analyst Group expects a price of EUR 600 per kilo, corresponding to EUR 0.6m per ton. The estimated average selling price for the other extracts is projected to be EUR 200 per kilo, equivalent to EUR 0.2m per ton.

The product mix has historically fluctuated between quarters, accounting for the observed variations in gross margin from quarter to quarter. This fluctuation is attributed to the fact that certain extracts, such as pine bark extracts or customized extracts, have higher gross margins, while lower-margin products like berry extracts constrain the overall gross margins. Therefore, we anticipate that Eevia will strive to optimize the product mix going forward, primarily by transitioning away from low-margin products to those with higher margins. The goal of achieving a gross margin over 50% in 2024 indicates Eevia's strategic focus on the product mix. Analyst Group estimates that, in 2024, pine bark, bilberry, and other extracts will each contribute roughly a third to the net sales. Furthermore, we anticipate that pine bark's share of the revenue will increase to around 45% by 2026, constituting a significant driver of the overall gross margin, which is estimated to reach 60% by 2026 in a Base scenario.

Based on the estimated capacity, average selling price, and product mix, Analyst Group derives at the following top-line forecast in a Base scenario, which is seen below.

Revenue Forecast, Base scenario ¹	2024E	2025E	2026E
Capacity (tons/year)			
Pine bark extract	17.5	30.0	45.0
Bilberry extract	30.0	50.0	70.0
Other extracts	40.0	70.0	100.0
Average selling price (EURm/ton)			
Pine bark extract	0.60	0.60	0.60
Bilberry extract	0.27	0.27	0.27
Other extracts	0.20	0.20	0.20
Product mix (% of net sales)			
Pine bark extract	33.3%	40.0%	45.0%
Bilberry extract	33.3%	30.0%	27.5%
Other extracts	33.3%	30.0%	27.5%
Total net sales (EURm)	8.9	15.5	22.8

¹The revenue forecast for 2023 is not included since there is only one quarter remaining in the full year.

Cost of Goods Sold (COGS)

Eevia's COGS are mainly derived from raw material costs, but also from energy and heating costs for running the production strike site. As Eevia achieves improvements in sales and production volume over time, allowing the Company to benefit from economies of scale and transition from lower-margin products to higher-margin products like pine bark- or customized extracts, Analyst Group expects gross margins to expand further. As previously mentioned, the gross margin has historically fluctuated depending on the product mix. Notably, during Q3-22, the gross margin increased significantly to 63.2%, up from 35.5% in Q2-22. The product mix demonstrated its impact on gross margins, reaching a peak in Q2-23 at 68.1%, only to decline in the third quarter of this year (37.9%). During the full year of 2021, Eevia reached a gross margin of 12.4%, and in 2022, the gross margin amounted to 40.8%. It should be noted that in 2022 Eevia saw improvements after installing new equipment which was not functioning properly before. Thus, the production process was disrupted and lowered the yields from the extracts, leading to lower gross margins in H2-21. While Analyst Group is aware that the gross margin can fluctuate Q-Q, the four consecutive quarters between Q3-22 to Q2-23, where the margin shifted between 58-68%, show that the Company can increase profitability, through constant focus on optimizing the product mix and streamlining the operation by increasing batch load and yields. Hence, Analyst Group feels confident that the management has what it takes to further improve profitably going forward, as evident in our estimates, where we expect Eevia to achieve a gross margin of 60% in 2026. As mentioned earlier, an option for future margin expansion is the side-stream products, where Eevia, for example, can turn berry fibers as well as fruit sugars into additional products through valorizing of non-utilized side-streams. As an example of the positive effect these products can have on the gross margin, the Company reported an overall gross margin in Q2-23 of 68%, but without the side stream products, the margin amounted to approximately 62%. Although we don't include side-stream products in our revenue forecast, it serves as an option with regard to the forecasted profitability estimates.

60%
GROSS MARGIN
ESTIMATED
IN 2026

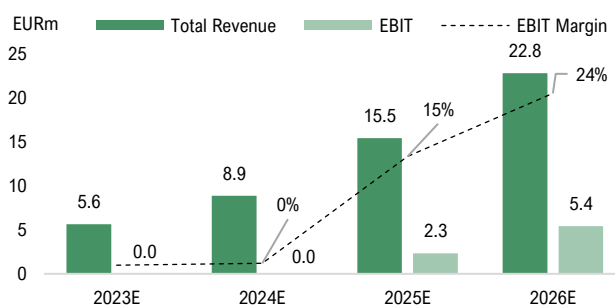
Operating Expenses (OPEX)

In order for Eevia Health to execute the Company's commercial strategy and grow its revenue, it is expected that they will continue to generate relevant scientific evidence and commercial capabilities. Eevia's customers include small and/or mid-sized distributors that can represent Eevia's branded products, but the end customer is ultimately a nutraceutical brand owner with either a global or regional footprint. Due to regulations in the herbal medicine industry and the capital-intensiveness related to production, barriers-to-entry can often create challenges, and there is an inherent inertia that affects everything from the sales cycles to negotiations and closing deals. Nonetheless, Analyst Group estimates that operating expenses will gradually increase in absolute numbers during the coming years but will shrink as a percentage of revenue due to economies of scale. This increase is expected to be driven by higher personnel costs resulting from the expansion of the sales and marketing organization, especially as the Company enters a transformational phase aimed at diversifying the customer base. Additionally, costs associated with expanding the marketing and sales presence in North America are expected to drive OPEX going forward. Furthermore, costs related to R&D, as well as product management activities, are anticipated to contribute to this upward trend. As OPEX grows, albeit at a slower pace than previously, we estimate that increased selling volumes and rapidly growing revenues will lead to a margin expansion, with Eevia estimated to achieve an EBIT margin of 23.6% in 2026.

A Summary of Analyst Group's Financial Forecast for Eevia Health.

Financial forecast 2023E-2026E, Base scenario

Base scenario (EURm)	2023E	2024E	2025E	2026E
Net Sales	5.5	8.9	15.5	22.8
Total Revenue	5.6	8.9	15.5	22.8
Material & external expenses	-2.5	-4.2	-6.7	-9.1
Gross Profit	3.2	4.7	8.7	13.7
Gross Margin	57.4%	52.5%	56.5%	60.0%
Total operating expenses	-3.2	-4.6	-6.4	-8.3
EBIT	0.0	0.0	2.3	5.4
EBIT Margin	0.2%	0.4%	15.0%	23.6%



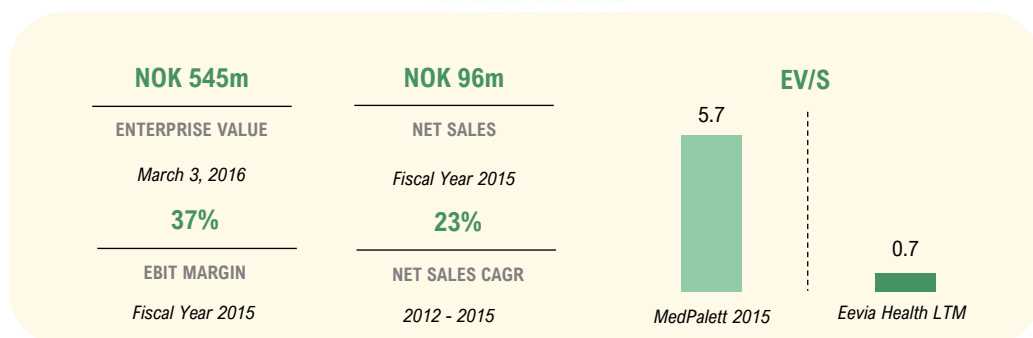
Source: Analyst Group (estimates)

To give the valuation perspective, Analyst Group has delved deeper into two historical acquisitions of competitors to Eevia. These competitors are similar to Eevia in terms of both business model and products, both at the time of acquisition and currently. Due to the absence of listed peers whose primary business is the production and distribution of bioactive plant extracts, Analyst Group assesses that these valuations serve as relevant comparisons.

In 2016, Evonik Industries AG acquired the Norwegian company MedPalett AS for a total of EUR 58m, equivalent to NOK 545m at the time. MedPalett AS is currently, as well as at the time of the acquisition, a research-based company specializing in preserving anthocyanins found in wild blueberries and blackcurrants. MedPalett is renowned for its flagship product, Medox, a dietary supplement containing bilberry and blackcurrant extracts. The Company develops and manufactures Medox in its facilities in Norway and similar to Eevia, MedPalett's core business revolves around producing and distributing plant extract from bilberries harvested in the Nordic forests.

In 2015, MedPalett reported net sales of approximately NOK 96m, achieving an EBIT-result of NOK 35m, which corresponds to an EBIT-margin of 37%. Prior to the acquisition, MedPalett demonstrated a revenue CAGR of 23% from 2012 to 2015, and during the same period, the EBIT grew at a CAGR of 27%, driven by a slight margin expansion. The acquisition price of NOK 545m translates to a backward-looking EV/S multiple of 5.7x and an EV/EBIT multiple of 15.4x.

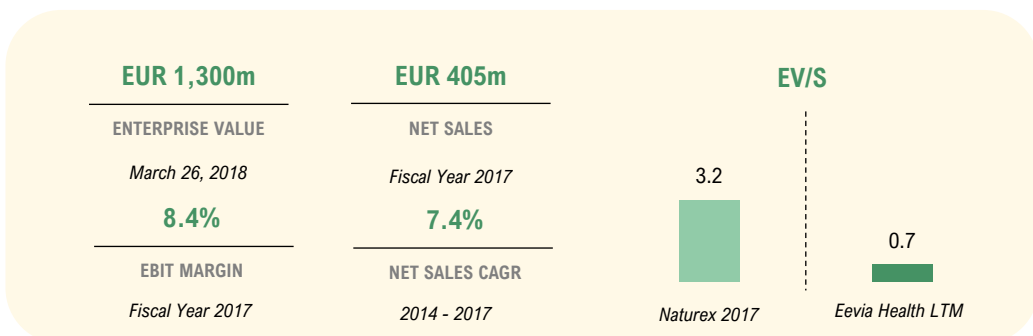
MEDOX®



The second acquisition of interest took place in 2018 when the Swiss company Givaudan acquired the French company Naturex for a total of approximately EUR 1,300m. Naturex is a global company that produces and distributes plant extracts. Through its different business units, Naturex addresses the specific needs of three strategic markets: Food & Beverage, Nutrition & Health, and Personal Care. Naturex offers its customers an array of ingredients sourced from nature for food-, pharmaceutical-, nutraceutical- and cosmetic applications.

Naturex's net sales amounted to approximately EUR 405m in 2017, with an EBIT-result of EUR 34m, corresponding to an EBIT-margin of 8.4%. The three-year revenue CAGR leading up to the acquisition was equivalent to 7.4%, while the EBIT CAGR was 64%, fueled by a drastic margin improvement, where the EBIT-margin increased from 2.4% in 2014 to 8.4% in 2017. The acquisition cost of EUR 1,300m implies a backward-looking EV/S multiple of 3.2x and an EV/EBIT multiple of 38x.

NATUREX



Although the comparable acquisitions took place seven and five years ago, respectively, Analyst Group still sees MedPalett AS and Naturex as relevant peers to Eevia. However, due to the discrepancy in time and, hence, the market conditions, one must bear in mind that the multiples at the time of the acquisitions were influenced by many factors, such as the risk-free rate and the equity risk premium. In both Q1-16 and Q1-18, when the acquisitions took place, the 10-year Eurozone bond yield was fluctuating close to zero, and risk appetite was considerably higher compared to the current climate, where the yield is slightly below 3%. This should consequently result in lower multiples today, as the present value of the future expected cash flows is discounted with a substantially higher rate now compared to 2016 and 2018.

Both MedPalett AS and Naturex are larger companies compared to Eevia, why a valuation discount is motivated. Eevia has generated a revenue CAGR of 43% between 2019 and 2022, and is expected to continue this strong growth trend, where the revenue CAGR between 2022–2025 is estimated to amount to 47%. Hence, the strong growth prospects should mitigate the valuation discount. Both MedPalett AS and Naturex had a track record of profitable growth prior to the acquisitions, in contrast to Eevia, which has experienced negative operating results in recent years but is expected to transition to profitability in 2024, followed by a margin expansion that is estimated to result in an EBIT-margin of 15% in 2025 and 23.6 % in 2026. Hence, the lack of profitability serves as an additional discount factor to consider. Additionally, the years of unprofitable growth has put pressure on Eevia's financial position, why the riskier solvency profile of the Company motivates a discount compared to peers.

In the current market climate, characterized by increased risk aversion and a higher risk premium, especially for fast-growing companies that are not yet profitable, a target multiple of EV/S 1.0x is applied to the estimated turnover of EUR 8.9m in 2024. This, combined with Eevia's existing capital structure and a WACC of 12%, corresponds to a present market value of approximately SEK 84.3m, resulting in a potential value per share of SEK 2.4 in a Base scenario. Recognizing the heightened uncertainty linked to forecasting further into the future, Analyst Group has opted to change the year from which the multiple is derived, shifting from 2026 to 2024. This decision is influenced by the estimation that Eevia won't experience any significant profitability increase in 2024; rather, it is expected in 2025 and 2026. Therefore, the forward-looking multiple is derived from the estimated top-line in 2024.

SEK 2.4 BASE SCENARIO

Bull Scenario

The following are potential value drivers in a Bull scenario:

- The Company experiences strong demand from North America, following the rapid increase in sales and marketing activities, which Eevia successfully manages to convert into sales contracts.
- Eevia Health succeeds in establishing a broader and more diversified customer base, as well as a wider network of distributors in its key markets.
- Eevia Health delivers on its set agenda to ramp up the production capacity, driven by further efficiency improvements in all product lines, stemming from improved batch load and higher yields.
- The Company successfully optimizes the product mix, due to increased demand for the high margin products, which has a positive impact on the gross margin.

Given a discount rate of 12% and a target multiple of EV/S 1.3x applied to the estimated turnover of EUR 12.1m in 2024, a potential present value per share of SEK 4.2 is derived in a Bull scenario¹.

Bear Scenario

The following are potential factors in a Bear scenario:

- The Company is not able to convert all the efforts in sales and marketing to actual sales contracts, thereby not diversifying the customer base.
- It takes longer than expected for Eevia to ramp up production and reach a critical level of adoption for higher-margin products, which results in slower growth and lower profitability.
- Delayed revenues resulting in an extended period of negative cash flows, which means that the Company's need for external capital increases.
- The Company might need to advance the long-term sales goal further, which leads to damaged trust by the market, consequently reflected in a lower EV/S-multiple.

Given a discount rate of 12% and a target multiple of EV/S 0.7x applied to the estimated turnover of EUR 5.8m in 2024, a potential present value per share of SEK 1.0 is derived in a Bear scenario¹.

SEK 4.2 BULL SCENARIO

SEK 1.0 BEAR SCENARIO

APPLIED EXCHANGE RATE EUR/SEK: ~11.2

¹See Appendix page 19 for forecasts made in the Bull and Bear scenarios, respectively.



Stein Ulve, Chief Executive Officer

Stein has 25 years of CEO experience in food, pharmaceuticals, and dietary supplements. He has been CEO for a stock exchange listed (Nasdaq) company in the US when the Sarbanes-Oxley Act was introduced, Geschäftsführer in Germany and Managing Director in several other countries. He is a serial entrepreneur and has founded and managed several successful companies. He founded Ayanda in 2000 together with Per Benjaminsen, which they developed from EUR 0 to 45m by 2012. Stein got his M.Sc in Economics from London School of Economics in 1992 and participated in the General Management. Program at Harvard Business School in 2011. In the later years he has founded and built Eevia Health Plc.

Other commitments: None

Shareholding in Eevia: 2,284,714 shares, 7.5% of Total



Erik Eide, Commercial Director

Erik has worked for nearly 20 years in the nutraceutical industry with over 14 years in sales, marketing, and management functions at Vitaco Health, one of Australia and New Zealand's leading supplements manufacturers. He drove the introduction of the Aussie Bodies brand into mainstream Australian and New Zealand markets and led the overhaul and relaunch of the now-leading sports nutrition brand Musashi. He holds a bachelor's degree in Economics from the University of Manitoba.

Other Commitments: None

Shareholding in Eevia: None



Petri Lackman, Chief Technology Officer

Petri is a leading expert in Finland on extraction of bioactive compounds from natural raw materials. He has a Master of Science in biochemistry from the University of Oulu along with Ph.D. studies in biochemistry and pharmacognosy from the University of Helsinki. Furthermore, Petri has served as a research scientist at VTT. Petri has 8 years of practical experience developing products, employing new technologies and building up production processes.

Other commitments: None

Shareholding in Eevia: None



Anna-Maija Vanhatalo, Customer Service Manager

Anna-Maija holds a double master's degree in Sports Management and Business Administration. She is focused on collaborating with customers and has 4 years of experience in the field with great knowledge of customer work and sales order handling process.

Other Commitments: None

Shareholding in Eevia: 3,900 shares, 0.01% of Total



Eini Nieminen, Quality Assurance Manager

Eini has dedicated herself to her work in quality assurance, support in production management. She is well-known for her collaborative skills and experience in shift management in Eevia Health for more than 2 years. Her expertise lies in quality, HR, and in production knowledge.

Other Commitments: None

Shareholding in Eevia: None

**Jaakko Rajala, Production Manager**

Jaakko has a background in Food engineering and has worked in Eevia Health since 2020 as Shift Leader and since 2022 as Production Manager. He focuses on production execution and improving the process.

Other Commitments: None

Shareholding in Eevia: None

**Lourdes Hoyo, Procurement Manager**

Lourdes has a master's degree in Business with Major in Logistics, Operations and Supply Chain Management from BI Norwegian Business School. She joined Eevia 3 years ago and her focus is on strategic purchasing ensuring the raw material quality and vendor qualification.

Other Commitments: None

Shareholding in Eevia: 2,280, 0.01% of Total

**Anton Ivanov, Business Controller**

Anton is a dedicated and collaborative business controller and financial analyst with experience in Telecom, Production, and Consulting. He joined Eevia in September and came from VEON telecom holding, where he worked as a Senior Financial Analyst-Controller. His expertise lies in financial and business analysis, forecasting, and providing valuable insights into investments and operations. He holds a bachelor's and master's degrees in Economics and Business.

Other Commitments: None

Shareholding in Eevia: None

Martin Bjørklund, Chairman of the Board



Martin works as an investment professional and independent consultant, with recent experience as an executive at a listed Norwegian discount variety retail chain, Europris. His experience also includes several years at the Scandinavian private equity firm, Nordic Capital. Before his time at Nordic Capital, he was an investment banker at Stamford Partners and Credit Suisse in London between 2005 to 2011.

Other commitments: Svendsen Eksos (Board), Betulum AS (CEO)

Shareholding in Eevia: 3,653,700 shares, 12.0% of Total (Owned via Betulum AS)

Per Benjaminsen, Member of the Board



Per is currently developing his tourism-business Lofoten Beach Camp in the North-Norway, as well as other investments, mostly in real-estate. After his studies at the University of Tromsø, he worked for 20 years in the Nutraceutical industry. He is a co-founder and executive of several companies within ingredients manufacturing, toll manufacturing as well as some branded nutraceuticals products. He founded Ayanda in 2000 together with Stein Ulve, which they developed from EUR 0 to 45m by 2012.

Other Commitments: Chairman of the Board, Alvi AS

Shareholding in Eevia: 49,500 shares, 0.3% of Total

Oskar Wegelius, Member of the Board



Oskar holds a M.Sc. in Technology from Aalto University in Helsinki where he majored in Biomass Refining and minored in Management and International Business. He has experience as a process engineer at Borealis Polymers Oy where he managed projects related to process technical service and produced feasibility studies for potential investment projects. Furthermore, he has experience working as an Area Lead in the same company where he has coordinated feasibility studies on a bigger scale and managed investments well over EUR 1m.

Other Commitments: None

Shareholding in Eevia: None

Patricia Wiklund, Board member



Patricia Wiklund currently works as Managing Director and consultant in her own marketing, strategy and commercialization agency firm Invenire, based in Åbo, Finland. She has educational background with an M.Sc. in Economics from Åbo Akademi University and a long career within the international nutrition industry marketing.

Other Commitments: Invenire Market Intelligence Oy

Shareholding in Eevia: 0 shares, 0% of Total

Base scenario (EURm)	2019	2020	2021	2022	2023E	2024E	2025E	2026E
Net Sales	1.4	2.9	6.7	5.9	5.5	8.9	15.5	22.8
Other income	0.1	0.1	0.0	0.2	0.1	0.0	0.0	0.0
Total Revenue	1.5	3.0	6.7	6.1	5.6	8.9	15.5	22.8
Material and external expenses	-0.9	-2.2	-5.8	-3.5	-2.5	-4.2	-6.7	-9.1
Gross Profit	0.6	0.8	0.8	2.6	3.2	4.7	8.7	13.7
Gross Margin	44.7%	27.3%	12.6%	43.6%	57.4%	52.5%	56.5%	60.0%
Personnel expenses	-0.4	-0.7	-1.5	-1.8	-1.4	-2.0	-2.9	-3.7
Other operating expenses	-0.5	-0.8	-1.4	-1.4	-1.0	-1.6	-2.3	-3.0
EBITDA	-0.3	-0.7	-2.1	-0.6	0.8	1.1	3.6	7.0
EBITDA Margin	neg.	neg.	neg.	neg.	14.6%	12.5%	23.3%	30.5%
Depreciation	-0.1	-0.2	-0.5	-0.8	-0.8	-1.1	-1.3	-1.6
EBIT	-0.4	-0.9	-2.6	-1.3	0.0	0.0	2.3	5.4
EBIT Margin	neg.	neg.	neg.	neg.	0.2%	0.4%	15.0%	23.6%
Financial income and expenses	0.0	-0.1	0.0	-0.4	-0.2	-0.5	-0.4	-0.2
EBT	-0.4	-1.0	-2.6	-1.8	-0.2	-0.5	2.0	5.2
Taxes	0.0	0.0	0.0	0.0	0.0	0.0	-0.4	-1.1
Net Income	-0.4	-1.0	-2.6	-1.8	-0.2	-0.5	1.6	4.1
Net Income Margin	neg.	neg.	neg.	neg.	neg.	neg.	10.1%	18.1%
Base scenario - Ratios	2019	2020	2021	2022	2023E	2024E	2025E	2026E
P/S	2.2x	1.1x	0.5x	0.6x	0.6x	0.4x	0.2x	0.1x
EV/S	2.4x	1.2x	0.6x	0.6x	0.7x	0.4x	0.2x	0.2x
EV/EBITDA	neg.	neg.	neg.	neg.	4.6x	3.3x	1.0x	0.5x
EV/EBIT	neg.	neg.	neg.	neg.	434.7x	93.4x	1.6x	0.7x

Bull scenario (EURm)	2019	2020	2021	2022	2023E	2024E	2025E	2026E
Net Sales	1.4	2.9	6.7	5.9	5.6	12.1	18.5	25.3
Other income	0.1	0.1	0.0	0.2	0.1	0.0	0.0	0.0
Total Revenue	1.5	3.0	6.7	6.1	5.8	12.1	18.5	25.3
Material and external expenses	-0.9	-2.2	-5.8	-3.5	-2.5	-5.4	-7.7	-9.6
Gross Profit	0.6	0.8	0.8	2.6	3.3	6.6	10.8	15.7
Gross Margin	44.7%	27.3%	12.6%	43.6%	58.0%	55.0%	58.5%	62.0%
Personnel expenses	-0.4	-0.7	-1.5	-1.8	-1.3	-2.7	-3.4	-4.1
Other operating expenses	-0.5	-0.8	-1.4	-1.4	-1.0	-2.0	-2.7	-3.4
EBITDA	-0.3	-0.7	-2.1	-0.6	1.0	1.9	4.7	8.2
EBITDA Margin	neg.	neg.	neg.	neg.	16.9%	15.5%	25.3%	32.5%
Depreciation	-0.1	-0.2	-0.5	-0.8	-0.8	-1.1	-1.3	-1.6
EBIT	-0.4	-0.9	-2.6	-1.3	0.2	0.8	3.4	6.7
EBIT Margin	neg.	neg.	neg.	neg.	2.7%	6.6%	18.4%	26.3%
Financial income and expenses	0.0	-0.1	0.0	-0.4	-0.2	-0.5	-0.4	-0.2
EBT	-0.4	-1.0	-2.6	-1.8	-0.1	0.3	3.0	6.5
Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-0.1
Net Income	-0.4	-1.0	-2.6	-1.8	-0.1	0.3	3.0	6.4
Net Income Margin	neg.	neg.	neg.	neg.	neg.	2.5%	16.5%	25.3%
Bull scenario - Ratios	2019	2020	2021	2022	2023E	2024E	2025E	2026E
P/S	2.2x	1.1x	0.5x	0.6x	0.6x	0.3x	0.2x	0.1x
EV/S	2.4x	1.2x	0.6x	0.6x	0.6x	0.3x	0.2x	0.1x
EV/EBITDA	neg.	neg.	neg.	neg.	3.9x	2.0x	0.8x	0.4x
EV/EBIT	neg.	neg.	neg.	neg.	24.4x	4.6x	1.1x	0.6x
Bear scenario (EURm)	2019	2020	2021	2022	2023E	2024E	2025E	2026E
Net Sales	1.4	2.9	6.7	5.9	5.5	5.8	8.0	10.7
Other income	0.1	0.1	0.0	0.2	0.1	0.0	0.0	0.0
Total Revenue	1.5	3.0	6.7	6.1	5.6	5.8	8.0	10.7
Material and external expenses	-0.9	-2.2	-5.8	-3.5	-2.5	-3.1	-4.0	-5.1
Gross Profit	0.6	0.8	0.8	2.6	3.1	2.8	4.0	5.6
Gross Margin	44.7%	27.3%	12.6%	43.6%	56.9%	47.5%	50.0%	52.5%
Personnel expenses	-0.4	-0.7	-1.5	-1.8	-1.4	-1.5	-1.8	-2.1
Other operating expenses	-0.5	-0.8	-1.4	-1.4	-1.0	-1.1	-1.4	-1.7
EBITDA	-0.3	-0.7	-2.1	-0.6	0.7	0.3	0.8	1.8
EBITDA Margin	neg.	neg.	neg.	neg.	13.5%	4.5%	10.5%	16.5%
Depreciation	-0.1	-0.2	-0.5	-0.8	-0.8	-1.1	-1.3	-1.6
EBIT	-0.4	-0.9	-2.6	-1.3	-0.1	-0.8	-0.4	0.2
EBIT Margin	neg.	neg.	neg.	neg.	neg.	neg.	neg.	1.9%
Financial income and expenses	0.0	-0.1	0.0	-0.4	-0.2	-0.5	-0.4	-0.2
EBT	-0.4	-1.0	-2.6	-1.8	-0.3	-1.3	-0.8	0.0
Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Income	-0.4	-1.0	-2.6	-1.8	-0.3	-1.3	-0.8	0.0
Net Income Margin	neg.	neg.	neg.	neg.	neg.	neg.	neg.	neg.
Bear scenario - Ratios	2019	2020	2021	2022	2023E	2024E	2025E	2026E
P/S	2.2x	1.1x	0.5x	0.6x	0.6x	0.6x	0.4x	0.3x
EV/S	2.4x	1.2x	0.6x	0.6x	0.7x	0.6x	0.5x	0.3x
EV/EBITDA	neg.	neg.	neg.	neg.	5.0x	14.1x	4.4x	2.1x
EV/EBIT	neg.	neg.	neg.	neg.	neg.	neg.	neg.	18.6x

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