



Harvia Plc's Annual General Meeting 2022

Advance questions from shareholders and answers by the company's management

Harvia's shareholders had an opportunity to send questions to the company before the Annual General Meeting. One shareholder submitted a question by the deadline of 24 March 2022 at 4:00 p.m. EET.

Question:

In your opinion, how will the global sauna boom and the growing popularity of saunas especially in the U.S. impact the competitive environment in the future? The threshold for market entry seems to be low, so one could imagine new players will enter the trendy market. Why is the company not increasing the level of investment further and investing in growth even more, when there is still available market share to gain and the cash flow particularly for the current year are presumably strong, as inventories are decreasing?

Harvia Plc's answer:

Harvia has invested strongly in the North American market, and we are continuing these efforts. In a short period of time, we have doubled our local capacity in sauna manufacturing. In addition, we have expanded our sauna portfolio with sauna models that are produced in Europe, i.e. in Romania and Finland. We are also piloting the infrared sauna market and offer selected infrared saunas in our Almost Heaven Saunas web store. Harvia will continue the active development work in infrared saunas and steam saunas.

The North American market dynamics and competition have been intense for some time already. New players have entered the market and more are likely to enter it in the future. However, Harvia and Almost Heaven Saunas have made strong progress in North America and established their strong position systematically. In our experience, the market appreciates strong professional skills, technical support, reliability, and above all safety. Harvia's reputation, position and expertise is strong in these areas. When Harvia receives product approvals for EOS's selected flagship products also in North America, the company will have a comprehensive sauna heater and component offering portfolio in this market. We expect the U.S. approvals to be received during the first half of 2022.