

25 October 2018

EVE INVESTMENTS QUARTERLY UPDATE FOR THE PERIOD ENDING 30 SEPTEMBER

Highlights

- Shareholder agreement to change the scale of Eve’s activities at its recent General Meeting, enabling it to acquire Jenbrook Pty Ltd
- Completion of the acquisition of Jenbrook, a revenue generating NSW organic tea tree oil producer, for cash consideration of \$2.86m
- Newly acquired core operating subsidiary, Jenbrook reported unaudited revenues for the quarter of \$0.69m and made a one month contribution to cash receipts of \$0.18m
- Other revenue generating investee businesses Meluka Health and Naturally Australian Products continue to execute growth strategies
- Completion of the agreements between The Hydroponics Company Limited (THC) and Meluka Health subsidiary, providing an opportunity to access medicinal cannabis for use by Meluka Health
- Meluka Honey’s honey and bee health report is set to be published in the next quarter, reporting on the research trials by Dr David Rudd and UNSW which evaluate the impact of foraging on old growth Meluka trees on bee health

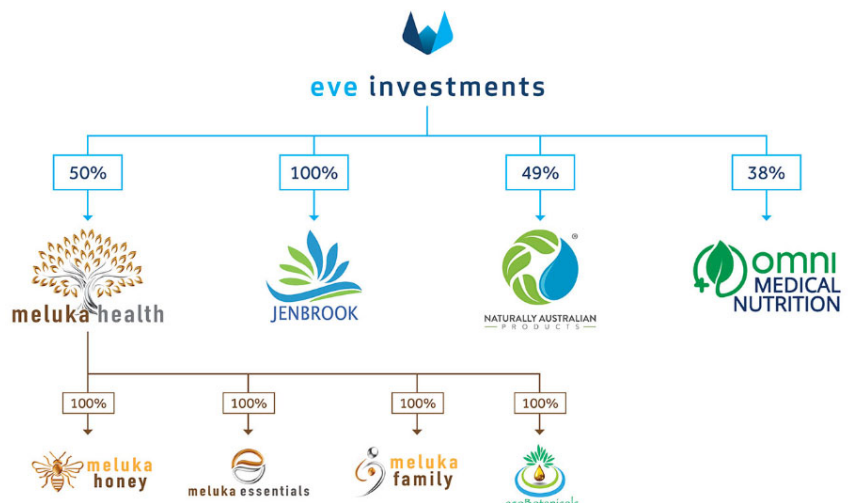
EVE Investments (ASX:EVE), an ASX listed Health, Nutrition and Wellness Investment company, has today released its Appendix 4C Report for the three month period to 30 September 2018 and is pleased to provide a review of its progress for the quarter.

Corporate & Financial Update

During the September quarter, Eve Investments received approval to increase the scale of its activities by acquiring Jenbrook Pty Ltd. The change received overwhelming shareholder support at the Company’s General Meeting in late August 2018 and enabled the Company to complete settlement on the acquisition of NSW organic tea tree oil producer Jenbrook from founder and sole shareholder, Bryan Easson. The cash consideration paid for the acquisition was \$2.86m, together with paying \$272,040 and issuing 30,226,666 shares to extinguish management loans.

Importantly, the change in scale enables Eve to become a vertically integrated Health, Nutrition and Wellness Investment company with greater control over its core investee companies, supply chain, brands and distribution channels, thereby building greater value for shareholders. The Company’s current corporate structure is detailed in the diagram to the right.

Eve’s newly acquired core operating company, Jenbrook reported unaudited revenues for the quarter of \$0.69m. The Company’s cash



receipts of \$0.18m relate to a one-month contribution from Jenbrook, following the completion of the acquisition on 30 August 2018.

Eve's investee businesses are currently pursuing growth strategies and generating a meaningful and growing revenue base with exposure to industries that have an attractive macro-economic outlook.

Operational Progress

Through its newly acquired core operating company, Jenbrook and its investments in a number of other businesses, Eve has exposure to the rapidly growing health, wellness and nutrition sector. The tea tree oil industry is projected¹ to grow at a compound annual growth rate (CAGR) of 5.4% between 2017-2023 and a recent report² has shown the CAGR for the global honey market is forecast to be 7.22% in the same period. These projected growth rates highlighting the strength of the market sectors in which EVE has invested.

Jenbrook Pty Ltd (100% EVE ownership)

Jenbrook, Eve's organic tea tree oil producer company, continued to generate sales revenue and deliver operational progress during the quarter.

Jenbrook commenced the harvesting of tea tree leaf at Jendale (1,147 acre old growth tea tree plantation) and tea tree oil at Robydale (1,000 acre plantation used in the production of organic tea tree oil for distribution throughout the U.S. and Europe), albeit later than planned, due to heavy rains. Harvesting is expected to continue through to January 2019.

Jenbrook also completed the processing of tea tree from two nearby organic farms on a profit-share arrangement during the quarter and continued to facilitate farm visits from interested potential customers as part of its business development efforts. The supply of tea tree oil, extract and products to the U.S. continued during the quarter for direct sale through, Naturally Australian Products (NAP), and to third party international customers.



Naturally Australian Products LLC (NAP) (49% EVE ownership)

NAP is a rapidly growing US distribution business with growing revenues. During the quarter, NAP continued to expand its client base with a number of new sales contracts secured. The unaudited revenue for the quarter was \$0.56m.

Eve recently undertook a review of NAP's operations, identifying opportunities to continue the business's expansion via its relocation to new warehouse premises and investment into building inventory to meet customer demands. This relocation is planned to be completed by the end of 2018 and combined with the increased inventory will allow NAP to meet faster delivery timelines and fulfil more customer orders.

¹ <http://www.mynewsdesk.com/researchreportsinc/pressreleases/tea-tree-oil-market-overall-share-by-players-development-status-outlook-revenue-and-growth-till-2023-2723383>

² <http://www.mynewsdesk.com/uk/pressreleases/global-honey-market-is-projected-to-expand-at-a-moderate-cagr-of-7-dot-31-percent-during-the-forecast-period-2017-2023-2593745>

Meluka Health (50% EVE ownership)

Following the extension of a due diligence period to finalise agreements with THC, in late July 2018 Eve announced the completion of the agreements between THC and Meluka Health.

These agreements will, subject to various regulatory approvals, see THC grow high grade medicinal cannabis on a portion of the Robyndale tea tree plantation, and provide exclusive access to the medicinal cannabis for use by Meluka Health in its planned future Meluka Honey products.

The lodgement of relevant licence applications by THC will commence shortly to develop the necessary infrastructure for the plantation of medicinal cannabis crops on the property. This will include installation of the necessary equipment for crop processing and the development of necessary intermediary processing facilities, a proposed site plan is included below.

The new THC agreements also include a Tea Tree Extract supply agreement between the parties, giving THC access to Meluka's extract products for use in development of their future new medicinal cannabis products.



Meluka Honey (50% EVE ownership)

Meluka Honey, part of the Meluka Health group of companies, continued its active product marketing and business development program during the quarter.

The Meluka Honey team, attended the premier Fine Foods Australia conference in Melbourne in September 2018, generating positive business leads for potential distribution and wholesale opportunities, as well as opportunities for collaborations and research. Marketing also continued via the brand's social media channels and the Meluka Honey website. These opportunities have resulted in a number of follow up meetings and site visits particularly from Chinese and Japanese groups and has resulted in Meluka Honey being invited to the China International Import Expo in Shanghai in November 2018.



During the quarter, Meluka Honey appointed a Sales Representative for NSW, Queensland and Victoria to accelerate domestic sales.

Subsequent to quarter end, 6,000 units of Meluka Honey products were shipped to the U.S. for direct sale through the distribution partnership with NAP. These are expected to arrive shortly to supply wholesale and online sales in the U.S. Revenue for the September quarter was \$0.1m.

Meluka Honey continued its collaboration work on the research trials being conducted by Dr David Rudd and UNSW throughout the quarter. Dr Rudd is working with Meluka Honey to produce a honey and bee health report which evaluates the impact of foraging on old growth Meluka trees on bee health. The report is due to be published in the December quarter.

Meluka Essentials (50% EVE ownership)

Meluka Essentials is a newly formed Australian Essential oils and extracts company within the Meluka Health group of companies. During the September quarter, Meluka Essentials continued the development of its initial range of products, reaching final design approval. The first batch of the product range for initial marketing purposes is expected late in the December quarter.



Meluka Family (50% EVE ownership)

Meluka Family is developing a versatile range of family products that will leverage Australian botanicals. Good progress in concept development continued during the quarter. Initial trial samples of the “Mother and Baby” range have been prepared and sent to trial participants. Feedback from this first trial will be reviewed to determine whether any modifications are required prior to the range being launched in Q3 of 2019.

EcoBotanicals (50% EVE ownership)

EcoBotanicals is a TGA licensed contract manufacturer and is the sole manufacturer for Meluka Health companies. During the quarter, it generated revenue by providing product formulation services for a number of customers and is currently preparing to increase its capacity to meet sales demand. Revenue in the quarter of \$0.06m.

Omni Innovation (38% EVE ownership)

In July 2018, Omni Innovation’s distribution partner, Eagle Health Holdings, announced that following a detailed review, it remains on track to open 100 direct diabetes experience and education stores along China’s affluent East coast throughout 2018 and 2019. This builds on the awareness generated in the market via its first four stores in Xiamen, China.

In September 2018, Eagle Health further announced the submission of its application for the registration of the Hutang-1 product formula with the China Food & Drug Administration (CFDA) as a Food for Special Medical Purpose (FSMP). Eagle Health expects the FSMP registration process to be completed by Q4 2019.

Also during the quarter, the Board of Omni Innovation undertook a restructure of the organisation, concluding that the current operations did not necessitate a full time CEO role. Accordingly, Philip Owens stepped down as CEO and going forward, Omni Chairman Ian Brown will integrate the CEO duties into his current Chairman role.

Eve advises that during the quarter, Omni Innovation terminated its Product Licence Agreement with Healthspan Ltd for the UK market due to the failure of Healthspan to launch the product within the required timeframe. Omni Innovation is exploring alternative pathways to enter the UK market, and other overseas territories.

Outlook

Through the change in scale of Eve Investments activities, the Company has been able to acquire 100% of Jenbrook, helping it to become a vertically integrated health, nutrition and wellness investment company with greater control over its core assets.

Already strongly revenue generating, the Company anticipates further revenue growth from Jenbrook in Q2 of FY19 and beyond, as Jenbrook continues to supply tea tree and other assorted oils to its customers.

In addition, Eve's investee companies NAP and Meluka Health continue to pursue their operational strategies to grow their revenues in the coming quarters.

Key to its marketing and expansion efforts, the upcoming publication of the research report stemming from the research trials being conducted by Dr David Rudd and UNSW will be pivotal for understanding the potential benefits of bees foraging on old growth Meluka trees for bee health.

Bill Fry, Executive Director of EVE Investments commented on the September results:

"Having completed the acquisition of 100% of Jenbrook and 49% of Naturally Australian Products, Eve is now an owner in a number of businesses that have exposure to the rapidly growing health, wellness and nutrition sector. The unique medicinal benefits of our Jendale old growth tea tree plantation for our Meluka range of honey and tea tree products is a key differentiator and advantage for the brands. Consumer demand for these natural products is rapidly growing and Eve is now well positioned as a vertically integrated health, nutrition and wellness investment company in this exciting market."

For more information:

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About EVE Investments

EVE Investments invests in technology companies with a focus on the medical nutrition sector. The Company's investment strategy has a three-pronged approach.

1. To invest in businesses that are in the early growth phase with the aim to support their expansion programs.
2. To identify products that have unique medicinal properties and a global reach application.
3. Preference for natural organic products that have demonstrated medicinal benefits.

For further information, please visit www.eveinvestments.com.au

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

EVE INVESTMENTS LTD

ABN

89 106 523 611

Quarter ended ("current quarter")

30 SEP 18

For the purposes of the consolidated statement of cash flows, only cashflows from EVE and Jenbrook Pty Ltd (from 30 August 2018) are included. Cashflows from the Meluka Health group of companies and Omni Innovation are not included in the below figures.

Consolidated statement of cash flows

1.	Cash flows from operating activities
1.1	Receipts from customers
1.2	Payments for:
	(a) research and development
	(b) product manufacturing and operating costs
	(c) advertising and marketing
	(d) leased assets
	(e) staff costs
	(f) administration and corporate costs
1.3	Dividends received (see note 3)
1.4	Interest received
1.5	Interest and other costs of finance paid
1.6	Income taxes paid
1.7	Government grants and tax incentives
1.8	Other (provide details if material)
1.9	Net cash from / (used in) operating activities
2.	Cash flows from investing activities
2.1	Payments to acquire:
	(a) property, plant and equipment
	(b) businesses (see item 10)
	(c) investments
	(d) intellectual property
	(e) other non-current assets
2.2	Proceeds from disposal of:
	(a) property, plant and equipment
	(b) businesses (see item 10)
	(c) investments
	(d) intellectual property
	(e) other non-current assets
2.3	Cash flows from loans to other entities
2.4	Dividends received (see note 3)
2.5	Other (provide details if material)
2.6	Net cash from / (used in) investing activities

Current quarter \$'000	Year to date (3 months) \$'000
175	175
-	-
(46)	(46)
(47)	(47)
-	-
(176)	(176)
(168)	(168)
-	-
9	9
(5)	(5)
-	-
-	-
-	-
(258)	(258)
(60)	(60)
(2,729)	(2,729)
-	-
-	-
-	-
-	-
-	-
(36)	(36)
-	-
-	-
(2,825)	(2,825)

3. **Cash flows from financing activities**
- 3.1 Proceeds from issues of shares
- 3.2 Proceeds from issue of convertible notes
- 3.3 Proceeds from exercise of share options
- 3.4 Transaction costs related to issues of shares, convertible notes or options
- 3.5 Proceeds from borrowings
- 3.6 Repayment of borrowings
- 3.7 Transaction costs related to loans and borrowings
- 3.8 Dividends paid
- 3.9 Other (provide details if material)
- 3.10 **Net cash from / (used in) financing activities**

	Current quarter \$'000	Year to date (3 months) \$'000
	-	-
	-	-
	-	-
	(11)	(11)
	-	-
	-	-
	-	-
	-	-
	-	-
	(11)	(11)
	819	819

4. **Net increase / (decrease) in cash and cash equivalents for the period**
- 4.1 Cash and cash equivalents at beginning of quarter/year to date
- 4.2 Net cash from / (used in) operating activities (item 1.9 above)
- 4.3 Net cash from / (used in) investing activities (item 2.6 above)
- 4.4 Net cash from / (used in) financing activities (item 3.10 above)
- 4.5 Effect of movement in exchange rates on cash held
- 4.6 **Cash and cash equivalents at end of quarter**

	Current quarter \$'000	Previous quarter \$'000
	819	1,612
	-	2,300
	-	-
	-	-
	819	3,912

5. **Reconciliation of cash and cash equivalents**
at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts
- 5.1 Bank balances
- 5.2 Call deposits
- 5.3 Bank overdrafts
- 5.4 Other (provide details)
- 5.5 **Cash and cash equivalents at end of quarter (should equal item 4.6 above)**

6. **Payments to directors of the entity and their associates**

Current quarter \$'000
50
-

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Director fees

7. **Payments to related entities of the entity and their associates**

Current quarter \$'000
49
-

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Serviced office and administration staff

8. **Financing facilities available**

Add notes as necessary for an understanding of the position

	Total facility amount at quarter end \$'000	Amount drawn at quarter end \$'000
	1,044	1,030
	-	-
	-	-

- 8.1 Loan facilities
- 8.2 Credit standby arrangements
- 8.3 Other (please specify)
- 8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

Business Loan and Revolving Agri Line Facility provided by ANZ to Jenbrook Pty Ltd. Interest rate is 1% less than the Business Mortgage Index Rate (variable).

Management loan provided by existing Jenbrook management on completion of \$272k. Interest rate is 4% above the RBA Cash Rate (variable).

Security provided over the land holdings of Jenbrook Pty Ltd.

9.	Estimated cash outflows for next quarter
9.1	Research and development
9.2	Product manufacturing and operating costs
9.3	Advertising and marketing
9.4	Leased assets
9.5	Staff costs
9.6	Administration and corporate costs
9.7	Other (provide details if material) –
9.8	Total estimated cash outflows

\$'000
-
640
10
-
240
90
-
980*

* Excludes forecast cash inflow from sales in the Jenbrook business of \$900k.

10.	Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)
10.1	Name of entity
10.2	Place of incorporation or registration
10.3	Consideration for acquisition or disposal
10.4	Total net assets
10.5	Nature of business

Acquisitions	Disposals
Jenbrook Pty Ltd	-
Australia	-
\$2.864m	-
\$1.5m	-
Tea tree production and essential oils sales	-

Compliance statement

- This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- This statement gives a true and fair view of the matters disclosed.



Steven Jackson
Company Secretary
25 October 2018

Notes

- The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
- If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
- Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

Forward Looking Statements

Certain information set forth in this presentation contains "forward-looking information", including "future oriented financial information" and "financial outlook", under applicable securities laws (collectively referred to herein as forward-looking statements). Except for statements of historical fact, information contained herein constitutes forward-looking statements and includes, but is not limited to, the (i) projected financial performance of the Company; (ii) completion of, and the use of proceeds from, the sale of the shares being offered hereunder; (iii) the expected development of the Company's business, projects and joint ventures; (iv) execution of the Company's vision and growth strategy, including with respect to future M&A activity and global growth; (v) sources and availability of third-party financing for the Company's projects; (vi) completion of the Company's projects that are currently underway, in development or otherwise under consideration; (vii) renewal of the Company's current customer, supplier and other material agreements; and (viii) future liquidity, working capital, and capital requirements. Forward-looking statements are provided to allow potential investors the opportunity to understand management's beliefs and opinions in respect of the future so that they may use such beliefs and opinions as one factor in evaluating an investment.

These statements are not guarantees of future performance and undue reliance should not be placed on them. Such forward-looking statements necessarily involve known and unknown risks and uncertainties, which may cause actual performance and financial results in future periods to differ materially from any projections of future performance or result expressed or implied by such forward-looking statements.

Although forward-looking statements contained in this presentation are based upon what management of the Company believes are reasonable assumptions, there can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. The Company undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change except as required by applicable securities laws. The reader is cautioned not to place undue reliance on forward-looking statements.