



eve investments

ABN 89 106 523 611

Appendix 4D Half-year report
In compliance with ASX Listing Rule 4.2.A.3
For the period ended 31 December 2020

Results for Announcement to the Market

	Half-year ended 31-Dec-20 \$	Up / Down	% Movement
Revenue from ordinary activities	1,730,382	Up	164.94%
Loss from ordinary activities after tax attributable to members	(1,372,580)	Down	-19.28%
Net loss for the period attributable to members	(1,372,580)	Down	-19.28%

Dividends / distributions

No dividends were declared or paid during the period.

Net tangible assets per security

	Half-year ended 31-Dec-20 \$	Half-year ended 31-Dec-19 \$
Net tangible assets per ordinary security	0.0032	0.0030

Details of entities over which control has been gained or lost during the period

n/a

Details of associates and joint venture entities

	Percentage of Ownership Interest		Contribution to Gain (Loss)	
	Half-year ended 31-Dec-20 %	Half-year ended 31-Dec-19 %	Half-year ended 31-Dec-20 \$	Half-year ended 31-Dec-19 \$
Omniblend Innovation Pty Ltd	37.7%	37.7%	(192,488)	(314,363)
Naturally Australian Products (NAP) Inc.	49.0%	49.0%	-	-
Wayland Copper Ltd	34.8%	34.8%	-	-

Compliance Statement

Additional information supporting the Appendix 4D disclosure requirements can be found in the Directors' Report and the financial statements for the half-year ended 31 December 2020. This report is based on the financial statements for the half-year ended 31 December 2020 of EVE Investments Limited, which have been reviewed by BDO. The Independent Auditor's Report provided is included in the financial statements for the half-year ended 31 December 2020.



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Interim Financial Report
for the six months ended
31 December 2020

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The Directors of the Group present their report for EVE Investments Limited for the half-year ended 31 December 2020.

Directors

Directors of the Company at any time during or since the end of the half-year are:

Mr George Cameron-Dow – Non-Executive Chairman

Mr Gregory (Bill) Fry – Managing Director

Mr Alasdair Cooke – Non-Executive Director

Mr Carlos Jin – Non-Executive Director

Ms Joalin Chou – Non-Executive Director

Review of Operations

EVE Investments is an Australian Securities Exchange listed vertically integrated producer of branded health, nutrition and wellness products. The Company has global reach and application to fast-growing markets across Australia and New Zealand, Asia Pacific and North America.

Meluka Australia – Distribution

USA

The period was the most successful to date in terms of sales for Meluka Australia with each month recording sales growth and Meluka Australia's raw native honey consistently ranked inside Amazon's top 20 honey products. The success on the US Amazon platform drew the attention of the Whole Foods Market, Inc. (Whole Foods) for consideration in its store network. Whole Foods, a wholly owned subsidiary of Amazon.com, is a large American supermarket chain with a focus on organic products and has over 500 stores across the United States of America.

Meluka Australia was advised that its organic raw native honey and its organic raw native honey infused with tea tree (TTF24 strength), two of Meluka Australia's leading products, have been accepted into the Whole Foods product catalogue. The products will initially be ranged in the Northern California market across approximately 40 Whole Foods stores. The Northern California market has a population of approximately 15 million people and includes the cities of San Francisco, San Jose (Silicon Valley) and Oakland. A first product order for the stores in the Northern California market is expected in the coming months, with product expected to be in stores by April 2021.

The path from selling online on Amazon and leveraging that performance into traditional distribution channels is a key part of the Company's strategy. By establishing credibility and a sales record on one of the biggest global online platforms, the opportunities to secure in store brick and mortar distribution are greater.

China

EVE's China distribution strategy continued to perform well with shipments of Meluka Australia's raw honey product being pre-sold into the Yandi Biotech (Yandi) distribution network of wholesalers across Mainland China. These wholesalers provide an excellent platform for EVE due to their extensive membership network.

Shipments of raw honey, tea tree honey and tea tree oil arrived in China and cleared customs in early December. These shipments provide adequate inventory for the launch of the tea tree oil and tea tree honey into Yandi's market and ensure adequate inventory for the Chinese New Year celebration in early February.

The launch of Meluka Australia's tea tree honey and tea tree oil was held on 19-20 December, alongside promotion of the previously launched raw honey product. Yandi's sales strategy for these products will involve both promotional roadshows and the use of influencers across the Yandi distribution network to maximise outreach.

Australia

Australian online sales for the period continued to perform well with the bio-fermented drink range the leading sales product in Australia. A new 'Original' flavour was added to the product range in the period and further flavours will be introduced in 2021 to further expand the product range.

The appointment of a new social media consultant and a new social media content manager in September 2020 has significantly improved engagement and following across all Meluka Australia's social channels. The listing on Amazon in Australia has also contributed to increasing sales. The Native Raw Honey product is consistently ranked number one in the honey category on Amazon Australia and in the top three within the grocery category.

Taiwan

In July, the Company entered a new distribution region after receiving an initial product order from AIFYA International Group (AIFYA) for a variety of Meluka Australia's honey product lines. The initial order comprised 6,336 units of the raw honey product and 2,112 units of the premium TTF24 tea tree honey.

AIFYA was established in 2009 and is headquartered in Taipei, Taiwan and provides high quality health and wellness products to its member network and includes products from both eastern and western medicine. Taiwan, with a population of approximately 24 million people, has a relatively high level of disposable income and a preference for premium food products.

Other territories

Extending its presence in the North America region, Meluka Australia launched its honey range on Amazon in Canada in late October. The substantial number of positive reviews and high ranking of Meluka Australia's products in the US provide strong product validation when entering new regions such as Canada.

Initial sales and reviews have exceeded expectations with month-on-month sales growth during the period. Meluka Australia will continue to promote its honey products on Amazon Canada and introduce new products where possible in line with its US strategy.

A specialist European based Amazon consulting company was appointed to manage Meluka Australia's advertising, listing optimisation and customer communication for the whole of Europe and the UK. The initial focus will be listing optimisation and advertising initiatives in Germany and the UK stores before broadening to other European markets. Meluka Australia is currently preparing product shipments to Europe in preparation for the Amazon launches in 2021.

Meluka Australia – Marketing

Meluka Australia's key brand priority is to accelerate new user acquisition whilst building on user loyalty. In the period, Meluka Australia started receiving brand and product recommendations from influencers in the health & wellness space in Australia. These powerful brand testimonials have been used as brand content to drive awareness among potential new customers.

The market was highly competitive in the period with annual sales events such as Black Friday, Christmas and Boxing Day sales driving strong consumer interest to Meluka Australia's sales channels. Meluka Australia's Christmas campaign was focused on linking brand equity to a desirable gifting solution that appealed to our consumers. Five new gift packs were launched in this limited-edition range that were packaged as all-ready gifts. The ad campaign was well received by both new and existing consumers, with a healthy growth of new users to the brand and a strong return rate of previous consumers compared to the prior period.

The brand's social media brand presence grew significantly with the improved social content and style, driving high engagement rates. The ongoing focus is to create meaningful relevant content that will engage the target

audience and reinforce the unique health and wellness brand proposition of Meluka Australia. Meluka Australia has grown to over 6,000 followers on both Facebook & Instagram platforms in just over a year.

Jenbrook

Harvesting of tea tree oil from Jenbrook's Robyndale farm plantation was completed in late October with total yield from this year's harvest exceeding last year's yield by 13%. The Company achieved a minimum sales price increase of 12.5% on last year's average sales price. Subsequently, the focus has shifted to wildcrafted harvesting in the old growth forest on its Jendale property. This provides an important source of continued tea tree oil supply prior to the re-commencement of harvest operations on Robyndale.

Jenbrook secured a lease of a further 2,000 acres of land immediately adjoining its southern boundary. This land is extensively covered with old growth forest which will be utilised for honey and wildcrafted tea tree oil production.

This year has again seen demand far outstrip supply with the Company sourcing third party supply to meet some of this demand. It has also utilised third party suppliers to provide customer requirements for essential oils such as lemon myrtle, eucalyptus and a range of other oils.

Investments in Associates

Naturally Australian Products Inc (NAP) (49% EVE)

Naturally Australian Products, a US distribution business recorded revenue of \$2.3 million in the period. The continued strong performance from NAP is attributable to a growing demand for essential oils products in the US. NAP has developed strong relationships with several large skincare businesses and has become a trusted supplier of high-quality bulk essential oils. These oils are sourced globally, with Australia being a significant supply source, predominantly for tea tree, eucalyptus and lemon myrtle oils.

Omni Innovation (38% EVE)

Omni Innovation entered into a binding Term Sheet agreement with Myopharm Limited (Myopharm), an unlisted Australian biotechnology company that has intellectual property assets for the novel development of improving muscle growth and human therapeutic purposes. Myopharm will be granted a 15-year licence for the manufacture, marketing and distribution of Omni's foundation product, the clinically proven pre-meal glycaemic control product for Type 2 diabetes and Pre-Type 2 diabetes, throughout Australia, mainland China and the UK/Europe.

Myopharm will position the product to be sold through a prescription channel in Australia and Europe, an approach not explored by previous licence holders in those markets. The product is expected to be launched through Myopharm in Australia in 2021 with the other territories to follow. Myopharm intends to complete an IPO during 2021 on the ASX.

This agreement includes a mixture of upfront and deferred licencing fees as well as an on-going royalty on product sales. Initial upfront consideration of \$70,000 has already been received as well as \$265,000 in equity. Further cash payments of the initial licence fees of \$565,000 are due in various instalments up to 31 January 2024. Additionally, on-going royalties equal to 5% of wholesale sales are payable up until 31 December 2027 and thereafter at a rate of 3%.

Omni Innovation is free to pursue licencing arrangements in other territories including the USA and India, both territories with large populations of those living with diabetes and pre-diabetes as well as being markets that Omni has patented its pre-meal drink technology.

Auditor's Independence Declaration

The auditor's Independence Declaration is set out on page 19 and forms part of the Directors' report for the half year ended 31 December 2020.



Gregory (Bill) Fry
Managing Director
Perth, 23 February 2021

Consolidated Statement of Profit or Loss & Other Comprehensive Income
For the half-year ended 31 December 2020

		31-Dec-20	31-Dec-19
	Note	\$	\$
Revenue	8	1,730,382	653,121
Costs of goods sold		(1,004,383)	(416,712)
Gross profit / (loss) before fair value adjustments		725,999	236,409
Change in fair value of biological assets		296,679	70,880
Gross profit / (loss)		1,022,678	307,289
Other income		259,579	455
Professional fees	9	(168,324)	(120,899)
Employee benefit expense	9	(1,064,025)	(648,348)
Share-based payments		(55,454)	(160,491)
Share of net profit / (loss) of associates accounted for using the equity method	3	(192,488)	(314,363)
Other expenses	9	(1,121,888)	(795,611)
Net financial expense		(52,658)	(3,683)
Loss before income tax		(1,372,580)	(1,735,651)
Income tax (expense) / benefit		-	35,294
Loss for the period		(1,372,580)	(1,700,357)
Total comprehensive loss attributable to:			
Equity holders of the Company		(1,372,580)	(1,700,357)
Total comprehensive loss for the period		(1,372,580)	(1,700,357)
Loss per share for loss attributable to the ordinary equity holders of the Company:			
Basic and diluted loss per share (cents)		(0.04)	(0.07)

The consolidated statement of profit or loss & other comprehensive income is to be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position
As at 31 December 2020

	<i>Note</i>	31-Dec-20 \$	30-Jun-20 \$
Assets			
<i>Current Assets</i>			
Cash and cash equivalents		4,977,530	5,138,409
Trade and other receivables		410,351	923,491
Inventories		970,191	736,615
Biological assets		27,384	29,999
Total current assets		6,385,456	6,828,514
<i>Non-current Assets</i>			
Property, plant and equipment	4	4,693,390	4,740,696
Goodwill		825,059	825,059
Intangibles		117,023	123,873
Right-of-use assets	5	511,169	60,289
Biological assets		11,000	11,000
Equity accounted investments	3	976,913	1,169,401
Loans to associates		329,751	354,686
Total non-current assets		7,464,305	7,285,004
Total assets		13,849,761	14,113,519
Liabilities			
<i>Current Liabilities</i>			
Trade and other payables		496,761	536,025
Lease liabilities	5	86,544	45,789
Total current liabilities		583,305	581,814
<i>Non-current Liabilities</i>			
Borrowings	6	522,613	522,613
Lease liabilities	5	429,170	15,910
Total non-current liabilities		951,783	538,523
Total liabilities		1,535,088	1,120,337
Net assets		12,314,673	12,993,182
Equity			
Issued capital	10	33,609,713	32,971,096
Reserves		221,696	297,492
Accumulated losses		(21,516,736)	(20,275,406)
Total equity attributable to shareholders of the Company		12,314,673	12,993,182

The consolidated statement of financial position is to be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity
For the half-year ended 31 December 2020

	Issued capital	Accumulated losses	Share-based payments	Total
Half-year ended 31 December 2020	\$	\$	\$	\$
Total equity at 1 July 2020	32,971,096	(20,275,406)	297,492	12,993,182
Loss for the period	-	(1,372,580)	-	(1,372,580)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	-	(1,372,580)	-	(1,372,580)
Transactions with owners in their capacity as owners:				
Share issue net of issue costs	657,818	-	-	657,818
Share based payment expense	(19,201)	-	55,454	36,253
Transfer from reserve to accumulated losses	-	131,250	(131,250)	-
	638,617	131,250	(75,796)	694,071
Total equity at 31 December 2020	33,609,713	(21,516,736)	221,696	12,314,673

Half-year ended 31 December 2019

Total equity at 1 July 2019	23,602,354	(18,026,687)	273,182	5,848,849
Loss for the period	-	(1,700,357)	-	(1,700,357)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	-	(1,700,357)	-	(1,700,357)
Transactions with owners in their capacity as owners:				
Share issue net of issue costs	2,873,033	-	-	2,873,033
Share based payment expense	(19,199)	-	179,690	160,491
Transfer from reserve to issued capital	49,333	-	(49,333)	-
Transfer from reserve to accumulated losses	-	151,725	(151,725)	-
	2,903,167	151,725	(21,368)	3,033,524
Total equity at 31 December 2019	26,505,521	(19,575,319)	251,814	7,182,016

The consolidated statement of changes in equity is to be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows
For the half-year ended 31 December 2020

	31-Dec-20	31-Dec-19
	\$	\$
Cash flows from operating activities		
Receipts from customers	2,202,665	581,043
Cash paid to suppliers and employees	(2,922,625)	(1,767,447)
Interest received	13,476	455
Interest paid	(8,677)	(29,887)
Other income received	92,280	-
Net cash (used) in operating activities	(622,881)	(1,215,835)
Cash flows from investing activities		
Acquisition of property, plant and equipment	(135,506)	(92,830)
Net cash (used) in investing activities	(135,506)	(92,830)
Cash flows from financing activities		
Proceeds from the issue of share capital	656,500	3,081,145
Payment for share issuance costs	(17,884)	(226,611)
Lease payments	(41,108)	-
Proceeds / (repayments) from / (of) borrowings	-	(110,171)
Net cash provided by financing activities	597,508	2,744,363
Net increase / (decrease) in cash and cash equivalents	(160,879)	1,435,697
Cash and cash equivalents at 1 July	5,138,409	340,260
Effect of exchange rates fluctuations on cash held	-	-
Cash and cash equivalents at 31 December	4,977,530	1,775,957

The consolidated statement of cash flows is to be read in conjunction with the accompanying notes.

1. Basis of preparation of half-year statements

These general purpose financial statements are for the interim half-year reporting period ended 31 December 2020 and have been prepared in accordance with *Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Act 2001*.

The financial report does not include all the notes of the type normally included in the annual financial statements. Accordingly, this report is to be read in conjunction with the annual financial statements for the year ended 30 June 2020 and any public announcements made by EVE Investments Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

2. Significant accounting Policies

The accounting policies applied by the Group in these interim financial statements are the same as those applied by the Group in its financial statements as at and for the year ended 30 June 2020 and corresponding interim reporting period, with addition to those noted below:

New, revised, or amending Accounting Standards and Interpretations adopted

The entity has adopted all new, revised, or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the entity.

Standards and Interpretations in issue not yet adopted

The Directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet adopted for the half-year ended 31 December 2020.

There is no material impact of the proposed Standards and Interpretations on the Company.

3. Investments in associates

The Company's investments into both Omni Innovation and Naturally Australia Products LLC ("NAP") are recognised as investments in associates. The Company holds only 37.7% of Omni Innovation and is not in a position to control the Company's Board or overall direction, although it does hold significant influence.

Significant Judgment

The 49% investment in NAP has been deemed to be a joint venture with the other equity holder. Key decisions that impact on NAP effectively require the approval of all of NAP's shareholders and therefore EVE is not in a position to control the investment in its own right.

	31-Dec-20 \$	30-Jun-20 \$
Balance at the beginning of the period	1,169,401	1,827,998
Share of losses after income tax	(192,488)	(658,597)
Balance at the end of the period	976,913	1,169,401

	Ownership interest %	Assets \$	Company's share of:		
			Liabilities \$	Revenues \$	Profits / (losses) \$
Omni Innovation	37.70%	209,251	6,314	-	(192,488)
Naturally Australian Products	49.00%	620,195	722,392	1,115,121	67,172

Notes to the consolidated financial statements
31 December 2020

The \$976,913 value of investments at 31 December represented the carrying value of Omni Innovation.

The Company's \$67,172 share of profit after income tax in Naturally Australian Products hasn't been taken up as the Company's cumulative share of unrecognised profit and losses (\$40,119) is a loss.

The Company's share of losses for Omni Innovation includes an amortisation of the investment in Omni Innovation of \$141,670. The difference between the carrying value of the investment and the net assets of Omni Innovation is amortised based on a diminishing value basis over a useful life, being a seven-year period ended March 2023.

Loans to associates

	31-Dec-20	30-Jun-20
	\$	\$
Balance at the beginning of the period	354,686	239,834
Loans to associates	-	119,161
Unrealised foreign exchange movement	(37,926)	2,806
Amortised financial expense	12,991	(7,115)
Balance at the end of the period	329,751	354,686

Loans to associates have a repayment date of 30 June 2023 and have a nil interest rate.

The loans to associates have a fair value of \$329,751 and were calculated based on cash flows discounted using an 8% discount rate. The amortised finance expense has been recognised as a financing cost in the period.

4. Property, plant and equipment

	Freehold land	Freehold buildings	Bearer assets	Furniture & fittings	Motor vehicles	Plant & equipment	Computer Equipment	Total
	\$	\$	\$	\$	\$	\$	\$	\$
At 30 June 2020								
Cost or fair value	2,783,208	223,020	1,244,562	7,608	58,603	631,089	16,036	4,964,126
Accumulated depreciation	-	(13,261)	(82,098)	(723)	(6,596)	(119,019)	(1,733)	(223,430)
Net book amount	2,783,208	209,759	1,162,464	6,885	52,007	512,070	14,303	4,740,696
Half-year ended 31 December 2020								
Opening net book amount	2,783,208	209,759	1,162,464	6,885	52,007	512,070	14,303	4,740,696
Additions	64,027	-	-	-	-	41,618	5,569	111,214
Disposals	-	-	-	-	-	(50,134)	-	(50,134)
Depreciation charge	-	(7,291)	(41,273)	(773)	(5,115)	(51,129)	(2,805)	(108,386)
Closing Net Book Amount	2,847,235	202,468	1,121,191	6,112	46,892	452,425	17,067	4,693,390
At 31 December 2020								
Cost or fair value	2,847,235	223,020	1,244,562	7,608	58,603	622,573	21,605	5,025,206
Accumulated depreciation	-	(20,552)	(123,371)	(1,496)	(11,711)	(170,148)	(4,538)	(331,816)
Net book amount	2,847,235	202,468	1,121,191	6,112	46,892	452,425	17,067	4,693,390

5. Leases

The balance sheet shows the following amounts relating to leases:

	31-Dec-20 \$	30-Jun-20 \$
Right-of-use assets		
Buildings	52,301	60,289
Land	458,868	-
Total right-of-use assets	511,169	60,289
Lease liabilities	\$	\$
Current	86,544	45,789
Non-current	429,170	15,910
Total lease liabilities	515,714	61,699

In the period, the Company entered into an additional lease for land adjacent to the Jenbrook properties.

The statement of profit or loss shows the following amounts relating to leases:

	31-Dec-20 \$	31-Dec-19 \$
Depreciation charge of right-of-use assets		
Buildings	29,920	7,536
Land	7,778	-
Total depreciation	37,698	7,536
Interest expense (included in other expenses)	4,671	702

6. Borrowings

	31-Dec-20 \$	30-Jun-20 \$
Borrowings		
Meluka loan (i)	100,613	100,613
Business loan (ii)	422,000	422,000
Non-current borrowings	522,613	522,613

(i) Nil interest rate with a 3-year term, ending in 2022.

(ii) Variable interest rate with a 15-year term, ending in 2034. Secured by a mortgage against the Robyndale property.

7. Segment reporting

The Company's Board receives segment information across two reportable business segments, Agriculture and Investment.

Period ended 31 December 2020	Agriculture \$	Investment \$	Unallocated \$	Consolidated \$
Total segment revenue	1,730,382	-	-	1,730,382
Segment net gain / (loss) after tax	(362,450)	12,991	(1,023,121)	(1,372,580)
Segment assets	8,630,192	1,306,664	3,912,905	13,849,761
Segment liabilities	1,324,826	-	210,262	1,535,088

Notes to the consolidated financial statements
31 December 2020

Period ended 31 December 2019	Agriculture	Investment	Unallocated	Consolidated
	\$	\$	\$	\$
Total segment revenue	653,121	-	-	653,121
Segment net gain / (loss) after tax	(572,828)	(20,940)	(1,106,589)	(1,700,357)
Period ended 30 June 2020	Agriculture	Investment	Unallocated	Consolidated
	\$	\$	\$	\$
Segment assets	7,615,411	1,524,086	4,974,022	14,113,519
Segment liabilities	929,085	-	191,252	1,120,337

8. Revenue

	31-Dec-20	31-Dec-19
	\$	\$
At a point in time		
Tea tree, essential oils and honey sales	1,205,749	400,020
Contract manufacturing	524,633	253,101
	1,730,382	653,121

Disaggregation of revenue from contracts with customers

The Group derives its revenue from the sale of tea tree, essential oils and honey and the provision of contract manufacturing services. The transfer of goods is a point in time for all product lines.

Revenue is recognised when or as the Group transfers control of goods or services to a customer at the amount to which the Group expects to be entitled. If the consideration promised includes a variable component, the Group estimates the expected consideration for the estimated impact of the variable component at the point of recognition and re-estimated at every reporting period.

The Group primarily generates revenue from the sale of tea tree oil and essential oils, honey sales and contract manufacturing.

Revenue from the sale of these goods is recognised when control over the inventory has transferred to the customer. Control is generally considered to have passed when:

- physical possession and inventory risk is transferred (including via a third-party transport provider);
- payment terms for the sale of goods can be clearly identified through invoices issued to customers; and
- the customer has no practical ability to reject the product where it is within contractually specified limits.

9. Expenses

	31-Dec-20 \$	31-Dec-19 \$
Professional fees		
Audit fees	25,496	31,222
Tax consulting services	7,250	2,980
Legal costs	9,459	13,325
Corporate consultants	52,000	37,500
Other professional fees	74,119	35,872
	168,324	120,899
Employee benefit expense		
Salaries & superannuation	798,564	491,218
Directors Fees	265,461	157,130
	1,064,025	648,348
Other expenses		
Administration costs	257,113	137,524
Marketing costs	562,792	278,353
Premises costs	99,142	52,419
Financing costs	(12,991)	20,940
Share registry expense	42,677	46,099
Travelling costs	6,873	110,220
Depreciation	146,085	113,479
Amortisation	6,850	6,832
Interest expense	13,347	29,887
(Gain)/loss on sale of assets	-	(142)
	1,121,888	795,611

10. Issued capital

	31-Dec-20 \$	30-Jun-20 \$
Issued capital	35,765,832	35,109,332
Cost of share issue	(2,156,119)	(2,138,236)
	33,609,713	32,971,096

	31-Dec-20 Shares	30-Jun-20 Shares	31-Dec-20 \$	30-Jun-20 \$
Issues of ordinary shares during the half-year				
Balance at the beginning of the period	3,726,225,222	2,393,314,323	32,971,096	23,602,354
Placement at 0.5 cents per share	-	619,928,998	-	3,099,645
Placement at 1 cent per share	-	688,898,569	-	6,888,986
Conversion of unlisted options	109,416,668	-	656,500	-
Conversion of options / performance rights	7,500,000	11,750,000	-	-
Shares issued in lieu of fees to directors	-	12,333,332	-	49,333
Capital raising costs	-	-	(17,883)	(669,222)
Balance at the end of the period	3,843,141,890	3,726,225,222	33,609,713	32,971,096

11. Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant. Fair value is measured by use of a Black-Scholes option pricing model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of shares that will eventually vest.

For cash-settled share-based payments, a liability equal to the portion of the goods or services received is recognised at the current fair value determined at each reporting date.

	31-Dec-20 \$	31-Dec-19 \$
Shares / Options in lieu	-	73,015
Performance rights (a)	27,342	87,476
Incentive options (b)	28,112	-
Share-based payments recognised in the income statement	55,454	160,491
Broker options (c)	-	19,201
Share-based payments capitalised	-	19,201

a) Performance rights

The EVE Employee Incentive Scheme is designed to provide long-term incentives for senior managers and above (including executive Directors) to deliver long-term shareholder returns. Participation in the plan is at the Board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

Performance Rights are granted under the plan for no consideration. Performance Rights granted under the plan carry no dividend or voting rights. When vested, each performance right is convertible into one ordinary share.

The terms and conditions of each grant of performance rights is disclosed within the 30 June 2020 Annual Report.

At each reporting date the likelihood of each performance right hurdle is reviewed by management and the share-based payment adjusted accordingly. During the year \$27,342 (2019: \$87,476) of expense was recorded. This value was based off the underlying share price on the date of issue and likelihood of the performance right hurdle being met.

b) Incentive options

Options are granted under the EVE Employee Incentive Scheme for no consideration. Options granted under the plan carry no dividend or voting rights. When vested, each option is convertible into one ordinary share upon payment of the exercise fee.

During the period, the Company issues 55,000,000 incentive options (2019: nil), all options have an exercise price of 1.6 cents and a four-year life. The key terms of the options issued in the period are below.

Issue Date	Expiry date	Tranche	Number granted	Value at grant date \$	Vested in year \$	Vested at 31-Dec-20	Unvested at 31-Dec-20
26-Nov-20	26-Nov-24	A	8,000,000	31,534	3,438	-	8,000,000
28-Oct-20	28-Oct-24	A	17,000,000	67,845	12,406	-	17,000,000
26-Nov-20	26-Nov-24	B	8,000,000	1,809	1,809	-	8,000,000
28-Oct-20	28-Oct-24	B	17,000,000	76,117	6,813	-	17,000,000
28-Oct-20	28-Oct-24	C	2,500,000	2,506	2,506	-	2,500,000
28-Oct-20	28-Oct-24	D	2,500,000	1,140	1,140	-	2,500,000
			55,000,000	180,951	28,112	-	55,000,000

Tranche	Hurdle	Likelihood
A	Continuous service until 13 October 2021	> 50%
B	Continuous service until 13 October 2022	> 50%
C	Achievement of budgeted gross revenue for FY21	> 50%
D	Achievement of budgeted gross revenue for FY22	> 50%

The total value of the options issued in the period is \$180,951. The value was derived from a Black-Scholes calculation taking into account the exercise price of \$0.016, the underlying share price on the grant date of \$0.009, a volatility of 100% and a risk-free rate of 0.25%.

During the year \$28,112 (2019: \$nil) of expense was recorded.

c) Broker options

During the period there were no broker options issued. During the prior period, the Company issued 10,000,000 broker options related to the placement completed in July 2019. The value of the options was \$19,201 and was capitalised as a capital raising cost. The value was derived from a Black-Scholes calculation taking into account the exercise price of \$0.006, the underlying share price on the grant date of \$0.004, a volatility of 100% and a risk-free rate of 0.75%.

12. Dividends

No dividends were declared or paid by the Company.

13. Related parties

Transactions with the related parties are consistent with those disclosed in the 30 June 2020 financial report, except for the following:

On 26 November 2020, the Company issued the following unlisted incentive options to Managing Director Gregory (Bill) Fry.

Director	Issue date	Expiry date	Tranche	Number of options issued	Number of unvested options	Value at grant date
Gregory Fry	26-Nov-20	26-Nov-24	A	8,000,000	1,500,000	31,534
Gregory Fry	26-Nov-20	26-Nov-24	B	8,000,000	1,500,000	35,464
Total				16,000,000	3,000,000	66,998

Refer to note 11(c) for details on these incentive options.

14. Capital and other commitments

There were no capital or other commitments at reporting date.

15. Contingent assets and liabilities

There are no identified contingent assets or liabilities as at reporting date.

16. Events occurring after the reporting period

There are no matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations, results or the state of affairs of the entity in future financial years.

Directors' Declaration
Interim Financial Statements - 31 December 2020

- 1 In the opinion of the directors of EVE Investments Limited:
 - a. The financial statements and notes set out on pages 7 to 17 are in accordance with the Corporations Act 2001, including:
 - i. Giving a true and fair view of the entity's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
 - ii. Complying with AASB 134 Interim Financial Reporting, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - b. there are reasonable grounds to believe that EVE Investments Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



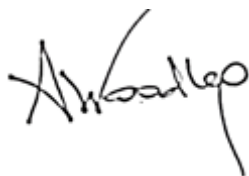
Gregory (Bill) Fry
Managing Director
Perth, 23 February 2021

DECLARATION OF INDEPENDENCE BY ASHLEIGH WOODLEY TO THE DIRECTORS OF EVE INVESTMENTS LIMITED

As lead auditor for the review of EVE Investments Limited for the half-year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of EVE Investments Limited and the entities it controlled during the period.



Ashleigh Woodley

Director

BDO Audit (WA) Pty Ltd

Perth, 23 February 2021

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of EVE Investments Ltd

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of EVE Investments Ltd (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of statement of accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2020 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.



Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2020 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit (WA) Pty Ltd

A handwritten signature in black ink. The signature starts with the letters 'BDO' in a stylized, blocky font. Below this, there is a cursive signature that appears to read 'Ashleigh Woodley'.

Ashleigh Woodley

Director

Perth, 23 February 2021