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5 August 2021

Amended June 2021 Quarterly Update

EVE Investments (ASX:EVE, EVE or the Company), refers to the Appendix 4C for 30 June 2021 quarter lodged on 29 July 2021 and today releases an amended version of the report.

The report has been amended to incorporate additional information in accordance with ASX Listing Rule 4.7C.1. A copy of the amended report is enclosed.

Authorised for release by Bill Fry, Managing Director.

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About EVE Investments

EVE Investments (ASX: EVE) is a leading, vertically integrated producer of branded nutrition, health and wellness products. The Company has global reach and application to fast-growing markets across Australia and New Zealand, Asia Pacific and North America. Our mission is to help provide access to the world's best natural organic products that have demonstrated medicinal benefits and can help enrich the lives of everyday people.

For further information, please visit www.eveinvestments.com.au and follow us on Twitter @EVEInvestments

29 July 2021

June 2021 Quarterly Update

- Group¹ unaudited revenues of \$6.6m for the year, up 43% on FY20
- Meluka Australia revenues up 13% on FY20 and excl China up 200% on FY20
- Growth in unaudited revenue for contract manufacturing and bulk oil sales, with NAP revenue up 65% on FY20
- Group¹ unaudited revenues of \$1 million for the quarter reflecting lower oils sales for Q4
- Cash balance at \$3.2 million at the end of the quarter
- Repeat Orders Received from Whole Foods for NW California Market
- Tea Tree Harvest Season Commences
- Expansion into Japan and Singapore Markets

EVE Investments (ASX:EVE, EVE or the Company), a vertically integrated health, nutrition and wellness company, has today released its Appendix 4C Report for the three-month period to 30 June 2021 and is pleased to provide a review of operational progress during the quarter.

The June quarter saw group¹ company revenues of \$1 million, impacted by a delay to seasonal harvest of tea tree due to weather conditions in Australia and delays experienced in shipments of bulk oils impacting on timing of sales. Harvest activities commenced late in the quarter and will continue across the next two quarters.

The Company continues to experience growth of Meluka Australia branded products in the US and Australia, and new markets of Singapore and Japan launched in the quarter.

The following is a summary of the breakup of group¹ revenue by category, region and sales channel for the quarter and YTD.

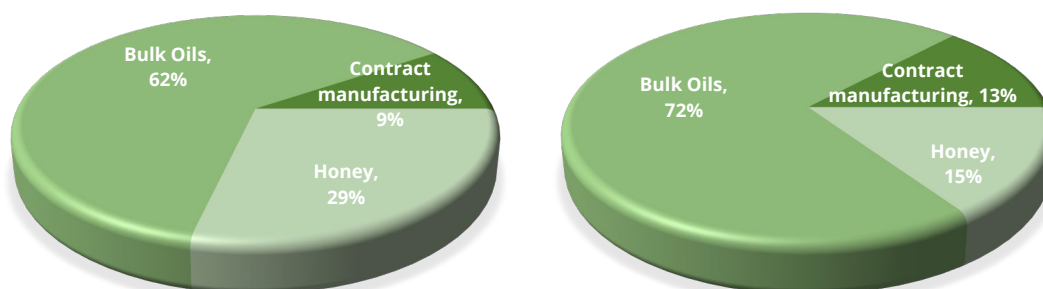


Figure 1: Breakdown of sales across EVE companies by product type in June quarter (left) and YTD (right)

Sales of bulk oils continued to provide a significant portion of sales, albeit down as a proportion in the period due to the seasonal harvest and shipping delays. Contract manufacturing revenue is derived from

¹ Group revenue includes the revenue from all 100% owned subsidiaries as well as associates Naturally Australian Products (49% owned by EVE) and Omni Innovation (38% owned by EVE), the figures for associates are not consolidated into the Appendix 4C.

manufacturing product for third parties and accounted for a lower proportion of sales in the quarter due to downtime associated with the installation of new equipment.

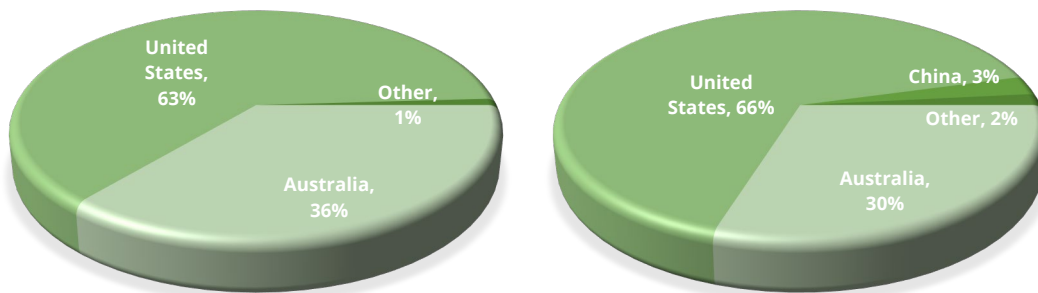


Figure 2: Breakdown of sales across EVE companies by region in June quarter (left) and YTD (right)

US sales continued to represent the largest percentage of sales, but Australian sales numbers grew considerably as a proportion of total sales in the quarter. Other markets such as Canada, Japan and Singapore are still a small proportion of the sales for the quarter and year, but it is anticipated they will grow in subsequent years.

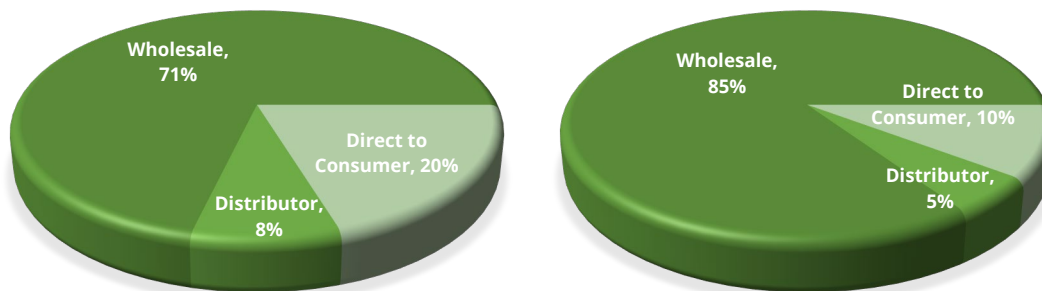


Figure 3: Breakdown of sales across EVE companies by sales channel in June quarter (left) and YTD (right)

Wholesale sales continued to be the mainstay of revenue generation during the quarter. However, direct to consumer sales doubled as a proportion of sales compared to the prior quarter. As the Company continues to grow the Meluka Australia brand over the coming quarters through continued US and Australia growth and addition of new territories, the long-term proportion of wholesale sales is expected to decline.

Meluka Australia Sales & Distribution

Whole Foods distribution in Northern California

The Company received an initial purchase order from Whole Foods Market, Inc ("Whole Foods") for two of Meluka Australia's leading products, its Organic Raw Native Honey and Organic Raw Native Honey infused with Tea Tree (TTF24 strength) (see ASX release 4 May 2021 for details). Two further purchase orders of similar value have been received and filled from the Company's US warehouse. The Company has also recently shipped further stock to the US warehouse to meet potential future orders from Whole Foods and for sale into the existing Amazon channel.

Whole Foods is a large American supermarket chain focusing on organic products and has over 500 stores across the United States of America. Whole Foods is a wholly owned subsidiary of Amazon.com, Inc. The



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products are currently ranged in all 48 stores in Whole Foods' North Western California network, a region with a population of approximately 15 million people and includes the cities of San Francisco, San Jose (Silicon Valley) and Oakland.

Consistent sales have continued on the US Amazon platform in recent months, culminating in the recent Amazon Prime Day, one of the largest annual shopping events in the world. Meluka product sales for the two-day event were up 44% compared to the 2020 event.

Australia building momentum

Sales of Meluka Australia products have experienced a strong period of growth. The June quarter was a record quarter for sales in the Australian market, more than doubling the revenue of the prior quarter.

The performance is attributed to a strong emphasis on marketing activities with a rebuilt website launching earlier this year which has led to greater store conversions and refinement of the messaging on our social media platforms such as Facebook and Instagram and through advertising channels.

Several new products also launched recently with an Apple Cider Vinegar infused with Raw Honey and a Raw Honey Probiotic Concentrate with Tea Tree added to the food and beverage product range. Further launches in the coming months include a range of Australian botanical honeys and probiotic concentrates as well as a range of essential oil blends, leveraging the connection to the Company's tea tree plantations.

China sales

EVE's China distribution strategy continued in the quarter through the Yandi Biotech ("Yandi") distribution network of wholesalers across Mainland China. As mentioned previously our distribution to China has been impacted by Covid restrictions in China. This has impacted our distribution partner Yandi Biotech's ability to operate its direct selling program and has necessitated Yandi to shift focus on the development of its online sales program.

Yandi have advised that they are now re-commencing direct selling activities of our Meluka products in conjunction with its new online channel.

Due to the above restrictions, sales of Meluka products to China were down 70% in 2021 compared to FY2020. Growth in other markets, including Australia the US and new markets such as Japan, Canada and Singapore have offset the downturn in sales to China.

Japan and Singapore

The Company's strategy of utilising the Amazon platform to build sales and brand profile in target markets continued to roll out with Meluka Australia's online stores in both Japan and Singapore launching in June. The timeframes for establishing a new region can vary significantly due to differing customs/importation requirements, product registration/labelling requirements and organic certification processes. The process for Japan has been far more complex resulting in delays to the initial launch timeframe however our management team have now successfully completed the Amazon listing for Meluka.

Initial sales have commenced and Meluka Australia will continue to develop and refine its advertising and brand messaging for these markets. In Japan, the cosmetic registration process also commenced for Meluka Australia's essential oil products in July. Once registration is completed, the products can be imported into Japan.



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A further shipment of honey products is due to arrive in Japan in July, with further shipments to Japan and Singapore already being planned with the product ranges to be expanded over time.

The products were also launched via an established store on Rakuten, which is a leading online marketplace in Japan. With a presence on Amazon and Rakuten, Meluka Australia's product range is now available to Japanese e-commerce consumers.

Meluka Australia Marketing Update

The Company continued to invest heavily in marketing activities in developing the Meluka Australia brand and positioning the brand for long-term growth.

Marketing activities to support the launch into Whole Foods Market in Northern California commenced and will continue throughout the next quarter. The US consumer website has also relaunched post the quarter end, closely aligning it to the recently relaunched Australian website.

Meluka – Production Expansion

During the quarter two new Meluka Australia branded products were added to the consumer range. This included an Apple Cider Vinegar infused with Raw Honey and a Raw Honey Probiotic Concentrate with Tea Tree. Initial feedback and sales results for both products have been positive to date. Subsequent to quarter end, both products were also added to the US market.

Additionally, in July the Company expanded its essential oil product lines with a Meluka Australia branded diffuser and three essential oil blends rolled out in Australia.



Figure 1: Expansion of Meluka Australia's product offering with additional honey and essential oil products.

Jenbrook

The Company owns and operates the Robyndale organic tea tree plantation in the Bungawalbin Valley in Northern New South Wales. Harvesting operations commenced in early June, much later than expected due to above average rainfall and poor ground conditions. Our Robyndale plantation produced 760kgs of tea tree oil by the end of the quarter. Harvesting is expected to be continuous throughout the quarter and into early November as ground conditions improve. The delay in commencing harvesting has resulted in revenue expected for the June quarter being deferred to subsequent quarters. Demand for bulk oil continues to be high from both Australian and international markets.



Figure 2: Tea tree harvest operations commenced in June.

Naturally Australian Products Inc (49% EVE)

Naturally Australian Products (NAP), the US distribution business held 49% by EVE, which sells bulk essential oils and extracts to North American businesses recorded revenue of \$0.45 million in the quarter. This capped off a strong year of growth, with an unaudited revenue of \$3.8 million for the financial year, up 65% on the previous financial year. The performance was particularly pleasing given that the tea tree and other essential oil harvests were delayed in the June quarter due to weather conditions and oil was in short supply. This impacted revenues for the last quarter after previously recording three strong quarters.

NAP is owned 49% by EVE, accordingly it is accounted for as an investment in an associate, **meaning its revenue is not consolidated into the Appendix 4C.**

Omni Innovation (38% EVE)

Omni Innovation ("Omni") continued to progress its agreement with Myopharm Limited ("Myopharm"), an unlisted Australian biotechnology company following entering into a binding term sheet in January. (See ASX Announcement on 14 January 2021). A further \$190,000 of licence instalments were received across the quarter and early into July from Myopharm.

The agreement for 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 is expected to be finalised early in the current quarter. The product is expected to be launched in Australia in late 2021 with the other territories to follow, with the product positioned to be sold through a prescription channel in Australia and Europe, an approach not explored by previous licence holders in those markets.

Omni is owned 38% by EVE, accordingly it is accounted for as an investment in an associate, **meaning its revenue is not consolidated into the Appendix 4C.**



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Corporate & Financial Update

Key statistics

- Total unaudited group revenue for the quarter was \$1 million
- Cash at bank of \$3.2 million
- Inventory consistent at \$1.1 million
- Receivables of \$0.3 million
- Creditors payable of \$0.7 million
- \$1 million in debt facilities with \$0.6 million drawn

The key financial metrics for the quarter include:

- Receipts from customers totalled \$0.6m up from \$0.5m in the prior quarter
- Product manufacturing and operating costs of \$0.2m, consistent with the prior quarter
- Advertising and marketing activities spend of \$0.4m in the quarter, consistent with the prior quarter
- Net cash used in operating activities of \$0.9m, an increase from the prior quarter cash used of \$0.8m, due to the receipt of government grants in the prior quarter. Staff costs were in line with the previous quarter and administration costs were \$0.1m lower in the quarter
- \$68,000 expended on new capital equipment at our manufacturing facility to improve production capacity
- During the quarter the Company has paid \$93,000 in director fees and \$35,000 for a fully provisioned office and administration staff

Board Changes

Mr James Lin was appointed to the Company's board following the retirement of Ms Joalin Chou (refer ASX release 22 April 2021).

Mr Lin has over 25 years of experience specialising in marketing, direct selling, development and management with a particular focus on the direct selling industry. Mr Lin has served as a senior executive and professional manager of direct selling companies in Mainland China, Taiwan, Malaysia and the United States.

Video Presentation

An investor video update for the June quarter is available on the Company's website or through Market Index.

Outlook

There was continued growth in the underlying US and Australian markets for Meluka Australia branded products and the launch into new markets such as Japan and Singapore. FY2022 is expected to see further growth in these markets as the Company grows from its base of bulk oil sales in Australia and the US.

Over the coming periods Company highlights include:

- Harvesting operations of organic tea tree plantation across the next two quarters;
- Marketing programs to be expanded in the US, Canada and Japan to build brand and product awareness;
- Continuation of new product development and R&D;
- Launch of new range of botanical honeys and probiotic concentrates, highlighting popular Australian botanical ingredients such as Davidson Plum, Lemon Myrtle and Finger Lime; and
- Launch of additions to the essential oils range.



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Commenting on the update, Managing Director Bill Fry said: "The 43% increase in group unaudited revenues for FY21 reflected good, continued growth across all Eve Group companies. This was particularly pleasing given the impacts of Covid on China revenues over the past year and delays in harvesting this year's tea tree crop. The sales revenue increases for Meluka in Australia and the US bode well for the next twelve months as Meluka brand awareness continues to build. Also, the performance of NAP over the past twelve months has been extremely encouraging with expectations for further growth as interest in essential oils continues to grow globally. We look forward to FY22 and the opportunities to grow our business units further."

Authorised for release by Bill Fry, Managing Director.

— ENDS —

For more information, please contact:

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Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

For the purposes of the consolidated statement of cash flows, only cashflows from EVE, Jenbrook Pty Ltd and Meluka Health are included. Cashflows from associates Naturally Australian Products and Omni Innovation are not included in the below figures.

Name of entity

EVE Investments Limited

ABN

89 106 523 611

Quarter ended ("current quarter")

30 June 2021

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	581	3,271
1.2	Payments for		
	(a) research and development	(8)	(37)
	(b) product manufacturing and operating costs	(226)	(1,467)
	(c) advertising and marketing	(389)	(1,377)
	(d) leased assets	(30)	(101)
	(e) staff costs	(591)	(2,106)
	(f) administration and corporate costs	(213)	(888)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	5	26
1.5	Interest and other costs of finance paid	(4)	(17)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	5	353
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(870)	(2,343)
2.	Cash flows from investing activities		
2.1	Payments to or for acquire:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(60)	(263)
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) 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	(60)	(263)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	657
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(18)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(10)	(10)
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	(10)	628

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	4,100	5,138
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(870)	(2,343)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(60)	(263)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(10)	628
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	3,160	3,160

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	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,660	2,100
5.2	Call deposits	1,500	2,000
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)	3,160	4,100

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	128
6.2	Aggregate amount of payments to related parties and their associates included in item 2	
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	1,036	561
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	Total financing facilities		
7.5	Unused financing facilities available at quarter end		475
7.6	<p>Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.</p> <p>Business Loan (maturity of 25/03/2034) and Revolving Agri Line Facility (on-going) provided by ANZ to Jenbrook Pty Ltd. Interest rate is 2% less than the Business Mortgage Index Rate (variable). Security provided over the Robyndale farm.</p> <p>On acquisition of Meluka Health, an existing shareholder loan of \$100,613 became a facility of the group. This loan is unsecured with nil interest and is due on 25/02/2022.</p> <p>Equipment financing facility with a 36-month term and nil interest rate.</p>		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(870)
8.2	Cash and cash equivalents at quarter end (item 4.6)	3,160
8.3	Unused finance facilities available at quarter end (item 7.5)	475
8.4	Total available funding (item 8.2 + item 8.3)	3,635
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	4
	<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer:	
8.6.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer:	
8.6.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer:	
	<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
 - 2 This statement gives a true and fair view of the matters disclosed.
- Date: 29 July 2021
- Authorised by: Bill Fry, Managing Director
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
3. 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.