30TH JUNE 2021

eve
Annual Report

INSPIRED *by* NATURE,
PASSION *for* WELLNESS.

EVE INVESTMENTS LIMITED
ABN 89 106 523 611

EVE INVESTMENTS LIMITED

Corporate directory

DIRECTORS

Mr George Cameron-Dow
Non-Executive Chairman

Mr Gregory (Bill) Fry
Managing Director/CEO

Mr Alasdair Cooke
Non-Executive Director

Mr Carlos Jin
Non-Executive Director

Mr James Lin
Non-Executive Director

COMPANY SECRETARY

Mr Steven Jackson

PRINCIPAL REGISTERED OFFICE IN AUSTRALIA

Suite 1, 245 Churchill Avenue
Subiaco WA 6008

SHARE REGISTRY

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Level 12, QV1 Building,
250 St Georges Terrace
Perth WA 6000

WEBSITE

www.eveinvestments.com.au

AUDITOR

BDO Audit (WA) Pty Ltd
38 Station Street
Subiaco WA 6008

SOLICITORS

Fairweather Corporate Lawyers
Suite 2, 589 Stirling Highway
Cottesloe WA 6011

BANKERS

Bankwest Limited
Bankwest Place, 300 Murray Street
Perth WA 6000

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Chairman's Letter

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Dear Shareholders,

The last year has been particularly challenging for many businesses and individuals, with EVE not immune from the significant disruption that COVID-19 has imposed. The impact to global logistics networks and to the sales network of our Chinese distribution partner have been setbacks to our expansion plans. We also experienced extreme weather conditions which adversely impacted farming operations. Despite this, we have seen growth in Group[1] revenues to $6.6m (2020: $4.6m) up 43% on the prior year and growth in every revenue segment.

Year-on-year revenue highlights include:

- 50% growth in contract manufacturing division.
- 13% growth in brand products division.
- 10% growth in bulk sales division.
- 65% growth in associate Naturally Australia Products (49% owned by EVE).[1]

We are very pleased with the growth the Company is seeing in its branded product division, affirming our decision to continue to invest in marketing initiatives and promotional support to build the Meluka® brand in Australia and overseas. Our expansion into new territories such as Japan, Taiwan, Canada and Singapore will benefit from the work that has already been done in developing and refining our consumer messaging.

The COVID-19 induced setbacks with our Chinese distribution partners resulted in efforts being redirected to the US and other markets. An important milestone was achieved in the year when the Company announced that two of its products would be ranged in US retailing giant Whole Foods in the North Western California market. Whole Foods focusses on delivering consumers quality organic products, making it an outstanding fit for our Meluka® products. Sales by Whole Foods commenced late in the financial year and to date three purchase orders have been delivered to Whole Foods. We are encouraged by the progress and look forward to expanding our products in this important market. The entry into Whole Foods is a testament to our strategy of building brand recognition and consumer interest through online platforms such as Amazon and leveraging that performance into traditional distribution networks.

Our management team and all our operation staff have worked incredibly well to continue our research and development programs, meet production deadlines, develop new products and build the Meluka® consumer brand. We are also proud to have embarked on initiatives in the communities we operate in, with an investment made into an EVE Investments Regenerative Agriculture part scholarship with Southern Cross University as well as fostering STEM activities at a local primary school in Ballina, NSW. The entire team at EVE believe it is an important part of our role to give back to our community.

I would like to thank all our employees for their hard work and commitment throughout this very difficult and disruptive year. They have shown great resilience and innovation navigating the ever-changing unpredictable COVID-19 environment.

Lastly, I'd like to foreshadow an upcoming change, EVE Investments has evolved over the last few years and our name no longer reflects who we are and what we aspire to be. At this year's Annual General Meeting, we propose to change our name to EVE Health Group Limited. This will, we believe better reflect our position as a company focused on being a noteworthy leader in the Australia health and wellness sector.

On behalf of the entire EVE team, we thank shareholders for their continued support, and we look forward to a strong 2021/2022.

Yours sincerely

G Cameron-Dow

George Cameron-Dow
Non-Executive Chairman

[1] Non-IFRS measures. Group revenue includes 100% of the revenue from all 100% owned subsidiaries as well as associates Naturally Australian Products (49%) and Omni Innovation (38%). Associates are not consolidated into the accounts of EVE and are presented separately in the notes to the consolidated financial statements. Consolidated revenue for the period is $2.8m.

30TH JUNE 2021

Review of Operations

A Platform for Growth

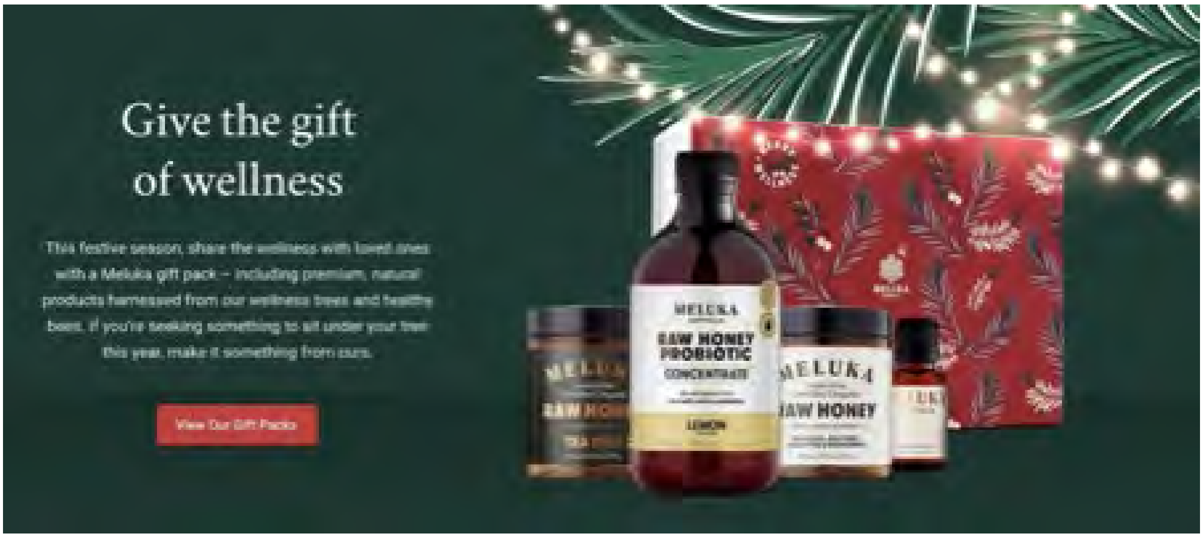
EVE focused its attention on growth during the last 12 months. The Company built out its brand awareness in the Australian and United States (US) markets with targeted marketing via online channels and launching its brands into the new Canadian, Singapore and Japanese markets. These efforts have seen reliable growth in revenue and positioned the Company well for a breakout year in 2022, particularly in Australia and the US. The impact of COVID-19 adversely affected the distribution models of EVE's China and Taiwanese partners, which has slowed sales in these markets. Our Chinese partners launched a new online-focused sales model late in the year, which is anticipated to improve sales. EVE's diversified geographic approach to distribution means healthy revenue growth was achieved despite the setbacks in China.

Distribution Strategy Expanding

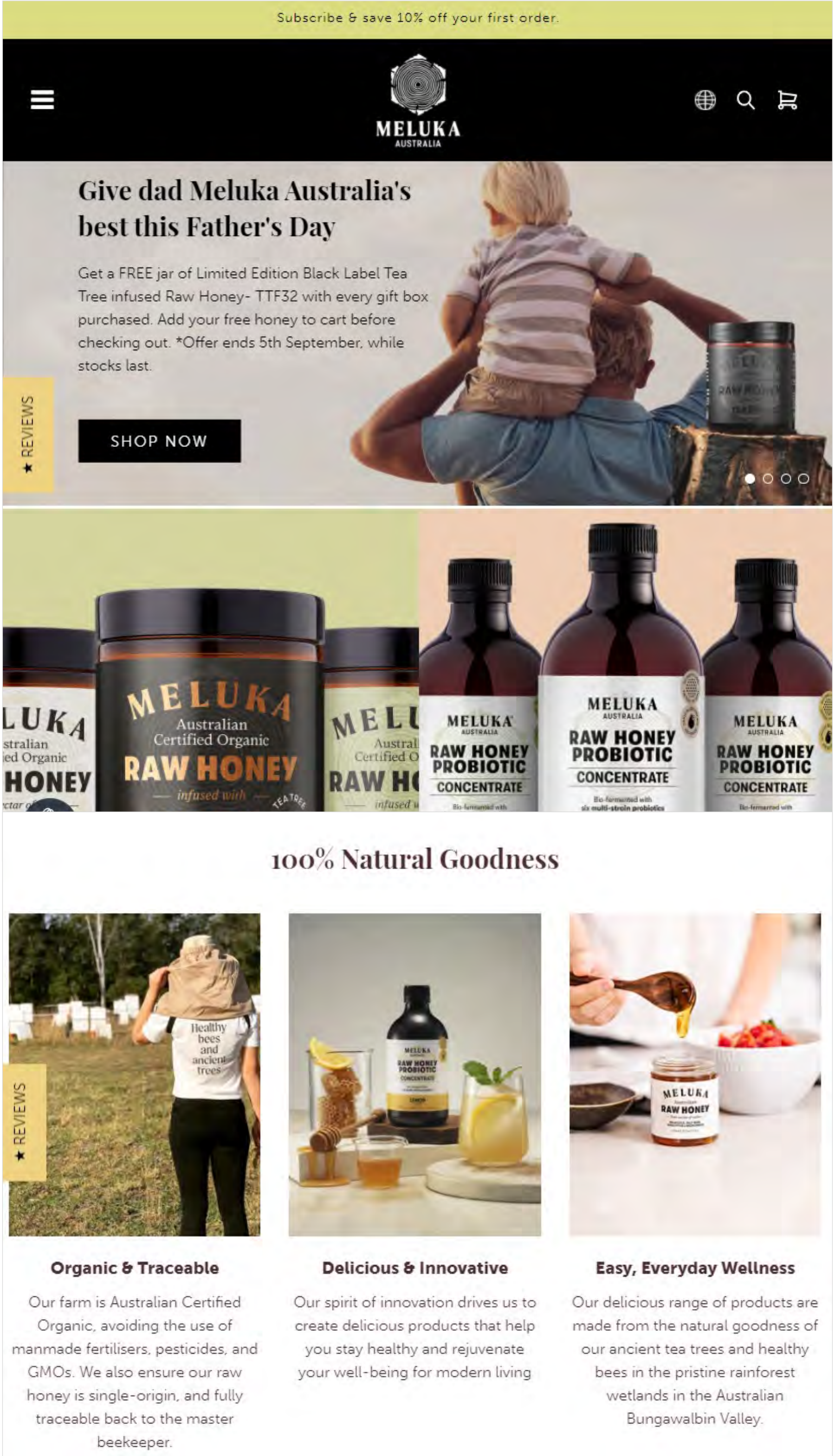
The last year saw the successful implementation and expansion of the company's distribution strategy. Entering new markets via the global e-commerce platform Amazon allows EVE's brands to establish a direct-to-consumer relationship and prove market acceptance in a cost-effective and efficient way. This provides leverage with established distributors in these markets for negotiating favourable distribution arrangements and helps gather valuable direct consumer feedback for product changes and new product development. This strategy was launched two years ago in the US and in December 2020, Whole Foods Market, the largest organic focused supermarket chain in the world, agreed to stock two honey products from Meluka Australia in its Northern California stores. This strategy was also initiated in Canada, Singapore and Japan during the year. The focus for the coming year will be to significantly increase the number of products being exposed to these new markets to broaden the customer base and expand the brand footprint.

Sales & Marketing

The Company invested heavily in marketing activities during the year positioning the brand for long-term growth. Our marketing team's brand plan focused on elevating Eve's brands to appeal across a more mainstream consumer base while integrating new products that support positioning in its target market. Seasonal campaigns and attractive promotions were used regularly to entice new shoppers and reward existing customers.



Meluka Australia's 2020 Christmas Campaign



During the year Meluka Australia redesigned and launched a new website that streamlined the shopping process to make it easier for online consumers to browse, learn and purchase products, with the website improving performance on all key metrics. This change had a significant positive impact on Australian sales and the US site went through a similar refresh and launched in July 2021. In addition to this, region-specific Instagram presence has been set-up for Meluka Australia in US and Japan to support brand awareness in these markets.

A key part of the strategy for new product launches is support through strong advertising, promotional activity and digital media to build awareness and highlight key features and benefits to consumers through compelling marketing collateral.

During the year, the Meluka Australia core honey and probiotic concentrate drinks range expanded with innovative new flavours, and the company released its first essential oil diffuser and range of organic tea tree oil and essential oil blends.

An even more expansive marketing plan is in place for the coming year with a much greater number of new products planned and entry into new markets.

Image above: Homepage of the redesigned Meluka Australia site.

Meluka Australia's promotional campaigns

R&D/New Product Development

Utilising the Company's manufacturing and production facility at Eco Botanicals in Northern NSW, an ambitious R&D and new product development program was implemented during the year. New products added were two new Probiotic Concentrate drinks - Original and Tea Tree, an Apple Cider Vinegar infused Raw Honey, Organic Tea Tree oil and a Meluka Australia branded diffuser. Planning and development work was also completed for three new blended essential oil products to complement the tea tree oil which launched in July 2021.

New product launches for the year

In addition to this a new luxurious Australian botanical range of three honeys and three new probiotic concentrate drinks, incorporating Australian botanicals (Lemon Myrtle, Davidson Plum and Finger Lime) have been developed and are planned to be launched in September 2021.

Jenbrook

The Company owns and operates the Robyndale organic tea tree plantation in the Bungawalbin Valley in Northern New South Wales, the largest organic tea tree farm in Australia. The 2020 harvest was completed in late October 2020. Total yield from the year's harvest returned a positive result, having exceeded last year's yield by 13%.

Harvesting operations re-commenced in early June, much later than expected due to above average rainfall and poor ground conditions. Our Robyndale plantation had produced 760kgs in its 2021 harvest by the end of June. Harvesting is expected to be continuous through until early November as ground conditions improve

Jenbrook continued year-round with wildcrafted harvesting from the old growth forest on its Jendale property. In addition, 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.

Expanding the production of wildcrafted oil, as well as sales of third-party essential oils such as lemon myrtle and eucalyptus, will allow the Jenbrook business to continue servicing its expanding customer base year-round.

Manufacturing

EVE's TGA approved manufacturing facility, Eco Botanicals, had a record revenue year. In order to accommodate the increasing requirements of Meluka Australia, Eco Botanicals focused its operations to only servicing its bigger and growing clients, which successfully generated significant growth. This growth has required an expansion in storage capabilities and operational personnel during the year. New equipment and a second production line has been installed. Production capacity has more than tripled during the year and will provide the ability to meet Meluka's expanding production requirements plus continuing to grow the third-party customer base.

Key Appointments

The core management team has remained in place during the year with only one change at the board level with the Non-Executive Director representative of Hong Kong Jusheng Bolang retiring and being replaced by James Lin. At the operational level Robert Kelleher was appointed production and operations manager of Eco Botanicals, the Company's manufacturing business located in Northern NSW.

Corporate Social Responsibility

At the core of the Company's values is supporting its people, its environment, and its community.

Sustainability at the forefront of our operations

The Company's operations are centred around upholding certified organic practices, promoting ecological balance and ensuring our environment remains just as nature intended.

At our Jenbrook farm, we work with nature to ensure soil and plant health, striving to continuously improve our processes. This includes adopting regenerative farming techniques to increase soil diversity while always focusing on minimising our environmental footprint to ensure a sustainable operation.

Caring for and connecting with our community

We are a large part of the community we operate in, and we are proud to be investing in community centric initiatives that deliver a positive impact.

During the year the Company sponsored its first EVE Investments Regenerative Agriculture part scholarship, a program that aligns with our values and beliefs in the benefits that natural regenerative farming practices provide for sustainable future operations. Developed in conjunction with Southern Cross University, a leading educational institution in the field of regenerative agriculture, the part scholarship was aimed at supporting aspiring students with a passion in this emerging field to achieve their study aspirations.

In further support of our strong belief in the value of education, EVE partnered with Ballina Public School to support the implementation of its various STEM programs within the school, including donating the purchase of an interactive whiteboard to upgrade outdated classroom technology, as well as providing funding support for class projects focused on sustainability.

During the year, Meluka Australia undertook a 'Mother Nurture' campaign in conjunction with the launch of its Apple Cider Vinegar Infused Honey to donate $5 from each jar purchased to ReForest Now, an Australian not-for-profit who focuses on projects that restore and reforest cleared land where rainforest once stood at several Northern New South Wales. The campaign culminated in a donation to the organisation to fund over 200 rainforest trees to be planted in the Byron Shire region in New South Wales.

We intend to continue to forge strong partnerships within our community across of all our businesses as we strive deliver programs that create shared and meaningful value.

Naturally Australian Products Inc (49% EVE)

Naturally Australian Products ("NAP"), a US based distribution business, focused on bulk sales of essential oils, hydrosols and natural extracts, recorded revenue of $3.8 million in the year, a 65% increase on the prior year. The performance was particularly good 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, impacting revenue in the final quarter of the year.

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 ("Omni") is an Australian medical nutrition company focused on development of clinically validated innovative nutritional solutions to chronic and lifestyle medical conditions. During the year, Omni 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, with a final agreement expected to be finalized in Q1 2022.

Under the agreement, 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.

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 $260,000 has already been received as well as $265,000 in equity. Further cash payments of the initial licence fees of $375,000 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%.

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 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.

30TH JUNE 2021

Director's Report

The Directors of the Group present their report together with the annual report of EVE Investments Limited ("the Group" or "EVE") for the financial year ended 30 June 2021.

1. Directors and Company Secretary

The Directors and Company Secretary in office at any time during or since the end of the financial year are:

Mr George Cameron-Dow – Non-Executive Chairman
Mr Gregory (Bill) Fry – Managing Director / CEO
Mr Alasdair Cooke – Non-Executive Director
Mr Carlos Jin – Non-Executive Director
Ms Joalin Chou – Non-Executive Director (resigned 22 April 2021)
Mr James Lin – Non-Executive Director (appointed 22 April 2021)
Mr Steven Jackson – Company Secretary

Directors' Meetings

	Board of Directors		Remuneration Committee		Audit Committee	
	Present	**Held**	**Present**	**Held**	**Present**	**Held**
George Cameron-Dow	3	3	1	1	2	2
Gregory Fry	3	3	-	-	-	-
Alasdair Cooke	3	3	-	1	2	2
Carlos Jin	3	3	1	1	2	2
Joalin Chou	3	3	-	-	-	-
James Lin	-	-	-	-	-	-

Biographies

Mr George Cameron-Dow | Non-Executive Chairman

Mr Cameron-Dow has extensive board experience spanning a range of industries including the pharmaceutical, biosciences and health care sectors. In addition to his extensive experience with large corporations, he has also served as chair of a number of ASX listed companies, retirement funds and a private health insurance fund. Mr Cameron-Dow has a Master of Management (cum laude) from Wits University and in 1998 attended the Stanford Executive Program at Stanford University, USA and is fellow of the Australian Institute of Company Directors. He is a founding director of investment fund manager Fleming Funds Management (previously St George Capital Pty Ltd) and investment advisory firm Fleming Capital Pty Ltd.

Other current directorships
CV Check Limited

Special responsibilities
Chairman
Chairman of audit committee
Chairman of remuneration committee

Former directorships in the last three years
-

Interests in shares and options
7,999,980 ordinary shares
1,500,000 performance rights
2,000,000 unlisted options

Mr Gregory Fry | Managing Director / CEO

Mr Fry has more than 20 years corporate experience specialising in accounting, management, business development and general corporate activities. He has vast experience in project evaluation and development, project funding, management, finance and operations. Mr Fry has been on the board of several public and private companies across the sectors of agriculture, mining, property and funds management.

Other current directorships	*Special responsibilities*
-	Managing Director / CEO

Former directorships in the last three years	*Interests in shares and options*
African Energy Resources Limited	75,902,622 ordinary shares
Anova Metals Limited	12,000,000 performance rights
	19,333,332 unlisted options

Mr Alasdair Cooke BSc (Hons) | Non-Executive Director

Mr Cooke has more than 20 years experience, in board and senior executive positions, managing multiple publicly listed and private enterprises as well as founding a private company specialising in project incubation and development.

Other current directorships	*Special responsibilities*
African Energy Resources Limited	Member of the remuneration committee
Caravel Minerals Limited	Member of the audit committee

Former directorships in the last three years	*Interests in shares and options*
Anova Metals Limited	185,874,601 ordinary shares
	1,500,000 performance rights
	3,500,000 unlisted options

Mr Carlos Jin | Non-Executive Director

Mr Jin has nearly 30 years of working experience in foreign companies as well as Chinese state-owned enterprises, specifically in the functions of human resources management and investment management and holds a master's degree in business administration.

Other current directorships	*Special responsibilities*
-	Member of the remuneration committee
	Member of the audit committee

Former directorships in the last three years	*Interests in shares and options*
-	-

Mr James Lin | Non-Executive Director (appointed 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.

Other current directorships	*Special responsibilities*
-	-

Former directorships in the last three years	*Interests in shares and options*
-	-

Ms Joalin Chou | Non-Executive Director (resigned 22 April 2021)

Ms Chou holds 25 years of successful experience in all facets of sales and marketing, from product development to strategic marketing and sales management. Ms Chou has considerable experience in marketing, coupled with a deep understanding of market trends has seen her hold senior positions within leading companies and successfully drive company growth in the everchanging healthcare and wellness industry.

Other current directorships	*Special responsibilities*
-	-
Former directorships in the last three years	*Interests in shares and options*
-	-

Mr Steven Jackson BEc CPA | Company Secretary

Mr Jackson has more than 10 years experience in accounting, corporate governance and business development across a number of industries.

2. Remuneration Report – Audited

This Remuneration Report outlines the remuneration arrangements which were in place during the year and remain in place as at the date of this report, for the key management personnel of the Group. During the period the Company's Directors and the Chief Operating Officer, Mr Ben Rohr, were the only key management personnel of the Group.

The information provided in this remuneration report has been audited as required by section 308(3C) of the Corporations Act 2001.

Principles of compensation

The objective of the Company's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders and conforms with market practice for delivery of reward. The Board ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness;
- acceptability to shareholders;
- performance linkage / alignment of executive compensation;
- transparency; and
- capital management.

The Company has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the organisation.

Alignment to shareholders' interests:

- has economic profit as a core component of plan design;
- focuses on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant return on assets as well as focusing the executive on key non-financial drivers of value; and
- attracts and retains high calibre executives.

Alignment to program participants' interests:

- rewards capability and experience;
- reflects competitive reward for contribution to growth in shareholder wealth;

- provides a clear structure for earning rewards; and
- provides recognition for contribution.

The framework provides a mix of fixed and variable pay, and a blend of short and long-term incentives. As executives gain seniority with the Company, the balance of this mix shifts to a higher proportion of ''at risk'' reward Currently no remuneration consultants are used by the Company in formulating remuneration policies.

The following table shows key performance indicators for the group over the last five years:

	2021	2020	2019	2018	2017
Loss after income tax for the year	(3,630,685)	(2,400,443)	(2,638,506)	(1,879,997)	(1,387,353)
Basic loss per share (cents per share)	(0.09)	(0.08)	(0.11)	(0.10)	(0.11)
Increase/(decrease) in share price %	-33%	20%	-38%	33%	-33%
Dividends	-	-	-	-	-

Role of the Remuneration Committee

The Remuneration Committee is a committee of the Board. It is primarily responsible for making recommendations to the Board on:

- Non-Executive Director Fees;
- Remuneration levels of the Managing Director and other key management personnel;
- The over-arching executive remuneration framework and operation of the incentive plan; and
- Key performance indicators and performance hurdles for the executive team.

Their objective is to ensure that remuneration policies and structures are fair and competitive and aligned with the long-term interests of the Company.

Non-Executive Directors

Fees and payments to Non-Executive Directors reflect the demands which are made on, and the responsibilities of, the Directors. Non-Executive Directors' fees and payments are reviewed annually by the Board. The Chairman's fees are determined independently to the fees of Non-Executive Directors based on comparative roles in the external market.

On appointment to the Board, all Non-Executive Directors enter into an agreement with the Company in the form of a letter of appointment. The letter summarises the Board policies and terms, including compensation, relevant to the office of Director. The current base remuneration excluding superannuation for Non-Executive Directors is summarised below and is effective since 1 November 2017.

	Board of Directors	Remuneration Committee	Audit Committee
Chairman Fee	60,795	5,000	5,000
Member Fee	35,463	2,500	2,500

Executive pay

An executive's total remuneration comprises base pay and benefits, including superannuation, and long-term incentive through participation in the EVE Employee Incentive Plan.

Base pay

Base pay is structured as a total employment cost package which may be delivered as a combination of cash and prescribed non-financial benefits at the executive's discretion.

Executives are offered a competitive base pay that comprises the fixed component of pay and rewards. Base pay for executives is reviewed annually to ensure the executive's pay is competitive with the market. An executive's pay is also reviewed on promotion. There are no guaranteed base pay increases included in any executives' contracts.

Long-term incentives

Long-term incentives are provided to certain Non-Executive Directors and executives under the EVE Employee Incentive Plans.

Share trading policy

The trading of shares issued to participants under the Company's employee option plan is subject to, and conditional upon, compliance with the Company's employee share trading policy. Executives are prohibited from entering into and hedging arrangements over unvested options under the Company's employee option plan. The Company would consider a breach of this policy as gross misconduct which may lead to disciplinary action and potential dismissal.

Service contracts

On appointment to the Board, all Non-Executive Directors enter into an agreement with the Company in the form of a letter of appointment. The letter summarises the Board policies and terms, including compensation, relevant to the office of Director.

The Company currently has the following executive agreements in place:

Gregory (Bill) Fry – Managing Director / CEO:

Base salary: $320,000[1]

Term: On-going

Termination benefit: 3 months base salary[2]

Ben Rohr – Chief Operating Officer:

Base salary: $220,000[1]

Term: On-going

Termination benefit: nil

[1] Base salary quoted is exclusive of superannuation for the year ended 30 June 2021 and is reviewed annually by the Remuneration Committee.

[2] Termination benefits are payable on early termination by the company, other than for gross misconduct.

Voting and comments made at the Company's 2020 Annual General Meeting

The Company received 99.39% of "yes" votes on its remuneration report for the 2020 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

Director and Key Management Personnel remuneration

Details of the remuneration of the Directors and key management personnel of the Company (as defined in AASB 124 Related Party Disclosures) are set out in the following tables.

Details of remuneration

The following tables set out remuneration paid to Directors and key management personnel of the Company during the year.

Key management personnel of the Company

2021	Cash salary $	Superannuation $	Annual / long service leave $	Share based payments $	Total $	Performance based %
Non-Executive Directors						
George Cameron-Dow	73,132	6,948	-	2,509	82,589	3%
Alasdair Cooke	41,205	-	-	2,509	43,714	6%
Carlos Jin[3]	41,205	-	-	-	41,205	-
Joalin Chou[1]	30,220	-	-	-	30,220	-
James Lin[2]	7,335	-	-	-	7,335	-
Total non-executive director remuneration	193,097	6,948	-	5,018	205,063	2%
Executive Directors						
Gregory Fry	320,183	22,917	-	58,293	401,393	15%
Key Management Personnel						
Ben Rohr	222,546	21,142	(3,328)	43,239	283,598	15%
Total executive directors and other KMPs	542,729	44,059	(3,328)	101,532	684,991	15%
Total KMP remuneration expensed	735,826	51,007	(3,328)	106,550	890,054	12%

2020	$	$	$	$	$	%
Non-Executive Directors						
George Cameron-Dow	45,228	4,772	-	15,310	65,310	8%
Alasdair Cooke	17,500	-	-	23,049	40,549	12%
Carlos Jin[3]	19,588	-	-	-	19,588	-
Joalin Chou[1]	15,524	-	-	-	15,524	-
Michael Pixley[4]	22,500	-	-	23,049	45,549	11%
Total non-executive director remuneration	120,341	4,772	-	61,407	186,519	8%
Executive Directors						
Gregory Fry	294,292	-	-	70,735	365,027	8%
Key Management Personnel						
Ben Rohr	186,984	13,014	42	34,324	234,322	10%
Total executive directors and other KMPs	481,276	13,014	42	105,060	599,349	11%
Total KMP remuneration expensed	601,617	17,785	42	166,467	785,869	9%

[1] Joalin Chou appointed as a Non-Executive Director effective 21 January 2020 and resigned effective 22 April 2021.
[2] James Lin was appointed as a Non-Executive Director effective 21 April 2021.
[3] Carlos Jin appointed as a Non-Executive Director effective 10 December 2019.
[4] Michael Pixley resigned as a Non-Executive Director effective 30 June 2020.

Directors may participate in the Company's Employee Incentive Plan under which they will be offered equity incentives as performance-based remuneration.

Share-based compensation

Options

Options in EVE Investments Limited are granted under the EVE Investments Employee Incentive Plan which was approved by shareholders at the 2019 Annual General Meeting. The Employee Incentive Plan is designed to provide long-term incentives for Directors and key management personnel 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.

Options are granted under the plan for no consideration. Options granted under the plan carry no dividend or voting rights. When exercisable, each option is convertible into one ordinary share.

Two tranches of options were issued during the period on the below terms, and with a service condition requiring continuous service with the Company:

A – until 13 October 2021; and

B – until 13 October 2022.

Tranche	Gregory Fry A	Gregory Fry B	Ben Rohr A	Ben Rohr B
Grant date	26-Nov-20	26-Nov-20	28-Oct-20	28-Oct-20
Number of Options	8,000,000	8,000,000	6,000,000	6,000,000
Dividend yield (%)	-	-	-	-
Expected volatility (%)	100%	100%	100%	100%
Risk free interest rate (%)	0.10%	0.10%	0.25%	0.25%
Expected life of the option (years)	3	3	3	3
Option exercise price ($)	0.016	0.016	0.016	0.016
Share price at grant date ($)	0.009	0.009	0.009	0.009
Fair value per option ($)	0.0039	0.0044	0.0040	0.0045
Total value at grant date ($)	31,534	35,464	23,945	26,865
Value vested during the year	21,219	11,167	16,762	9,205
Value to be vested	10,315	24,297	7,183	17,660

Shares and options in lieu of remuneration

In the previous year, the Company issued ordinary shares and attaching options with an exercise price of $0.006 and an expiry of 31 December 2021 in consideration for accrued director fees, in line with the terms of the capital raising announced on 12 July 2019.

The number of securities and the fair value on the grant date is detailed below:

Directors	Shares received	Value of shares received	Options received	Value of options received
George Cameron-Dow	2,000,000	8,000	2,000,000	2,319
Gregory Fry	3,333,332	13,333	3,333,332	3,865
Alasdair Cooke	3,500,000	14,000	3,500,000	4,058
Michael Pixley	3,500,000	14,000	3,500,000	4,058
	12,333,332	49,333	12,333,332	14,300

Performance Rights

The terms and conditions of each grant of performance rights affecting remuneration in the current or future period are as follows:

Director / KMP	Issue date	Expiry date	Tranche	Number of rights issued	Number of rights exercised / lapsed	Number of unvested rights
George Cameron-Dow	31-May-16	31-May-21	A	1,500,000	1,500,000	-
Alasdair Cooke	31-May-16	31-May-21	A	1,500,000	1,500,000	-
Gregory Fry	31-May-16	31-May-21	A	6,000,000	6,000,000	-
Ben Rohr	3-May-16	3-May-21	A	2,250,000	2,250,000	-
Gregory Fry	22-Nov-18	22-Nov-23	B	4,000,000	4,000,000	-
Gregory Fry	22-Nov-18	22-Nov-23	C	4,800,000	-	4,800,000
Gregory Fry	22-Nov-18	22-Nov-23	D	3,600,000	-	3,600,000
Gregory Fry	22-Nov-18	22-Nov-23	E	3,600,000	-	3,600,000
George Cameron-Dow	22-Nov-18	22-Nov-23	E	1,500,000	-	1,500,000
Alasdair Cooke	22-Nov-18	22-Nov-23	E	1,500,000	-	1,500,000
Ben Rohr	22-Nov-18	22-Nov-23	C	3,200,000	-	3,200,000
Ben Rohr	22-Nov-18	22-Nov-23	D	2,400,000	-	2,400,000
Ben Rohr	22-Nov-18	22-Nov-23	E	2,400,000	-	2,400,000
Total				38,250,000	15,250,000	23,000,000

Tranche	Hurdle	Likelihood
A	Omni Innovation completing an IPO or RTO on the ASX or an alternative Board approved exchange or the Trade Sale of Omni Innovation's main business	Not Met
B	Continuous service until 30 September 2020	Met
C	Achievement $10 million of gross revenue per annum in combined EVE group entities	> 50%
D	Achievement of EBITDA of $2 Million per annum in combined EVE group entities	> 50%
E	Achieving a market capitalisation of $50 Million for 15 consecutive days on which EVE is traded	> 50%

The following performance rights are still outstanding at the end of the financial year:

Director	Number granted	Year granted	Tranche	Fair value per right	Value at grant date	Expiry date	Expected vesting year	Maximum value yet to vest
Gregory Fry	4,800,000	2019	C	0.007	33,600	22-Nov-23	2021	-
Ben Rohr	3,200,000	2019	C	0.007	22,400	22-Nov-23	2021	-
Gregory Fry	3,600,000	2019	D	0.007	25,200	22-Nov-23	2022	6,989
Ben Rohr	2,400,000	2019	D	0.007	16,800	22-Nov-23	2022	4,660
Gregory Fry	3,600,000	2019	E	0.007	25,200	22-Nov-23	2021	-
Ben Rohr	2,400,000	2019	E	0.007	16,800	22-Nov-23	2021	-
George Cameron-Dow	1,500,000	2019	E	0.007	10,500	22-Nov-23	2021	-
Alasdair Cooke	1,500,000	2019	E	0.007	10,500	22-Nov-23	2021	-

Equity instruments held by key management personnel

Share holdings

	Balance at 1/07/2020	Purchases / Sales	Issued in lieu of remuneration	Conversion of options / rights	Balance at 30/06/2021
Directors					
George Cameron-Dow	7,999,980	-	-	-	7,999,980
Gregory Fry	71,902,622	-	-	4,000,000	75,902,622
Alasdair Cooke	185,874,601	-	-	-	185,874,601
Carlos Jin	-	-	-	-	-
Joalin Chou[1]	-	-	-	-	-
James Lin[2]	-	-	-	-	-
Key Management Personnel					
Ben Rohr	30,950,000	-	-	-	30,950,000
	296,727,203	-	-	4,000,000	300,727,203

Performance rights holdings

	Balance at 1/07/2020	Issued	Converted	Lapsed	Balance at 30/06/2021	Vested	Unvested
Directors							
George Cameron-Dow	3,000,000	-	-	(1,500,000)	1,500,000	-	1,500,000
Gregory Fry	22,000,000		(4,000,000)	(6,000,000)	12,000,000	-	12,000,000
Alasdair Cooke	3,000,000	-		(1,500,000)	1,500,000	-	1,500,000
Carlos Jin	-	-	-	-	-	-	-
Joalin Chou[1]	-	-	-	-	-	-	-
James Lin[2]	-	-	-	-	-	-	-
Key Management Personnel							
Ben Rohr	10,250,000	-	(2,250,000)	-	8,000,000	-	8,000,000
	38,250,000	-	(6,250,000)	(9,000,000)	23,000,000	-	23,000,000

Options holdings

	Balance at 1/07/2020	Issued	Exercised	Balance at 30/06/2021	Vested	Unvested
Directors						
George Cameron-Dow	2,000,000	-	-	2,000,000	2,000,000	-
Gregory Fry	3,333,332	16,000,000	-	19,333,332	3,333,332	16,000,000
Alasdair Cooke	3,500,000	-	-	3,500,000	3,500,000	-
Carlos Jin	-	-	-	-	-	-
Joalin Chou[1]	-	-	-	-	-	-
James Lin[2]	-	-	-	-	-	-
Key Management Personnel					-	-
Ben Rohr	3,700,000	12,000,000	-	15,700,000	3,700,000	12,000,000
	12,533,332	28,000,000	-	40,533,332	12,533,332	28,000,000

[1] Joalin Chou appointed as a Non-Executive Director effective 21 January 2020 and resigned effective 22 April 2021
[2] James Lin was appointed as a Non-Executive Director effective 21 April 2021

Loans to key management personnel

There were no loans made to key management personnel during the year ended 30 June 2021 (2020: nil).

Other transactions with related parties

The terms and conditions of the transactions with Directors, key executives and associates and their related entities were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-Director related entities on an arm's length basis.

	Charges from:		Charges to:	
	2021 $	2020 $	2021 $	2020 $
Mitchell River Group Pty Ltd	108,958	210,866	-	2,420
Provision of a serviced office and admin staff				
African Energy Resources Ltd	-	-	-	315
Recharge of overheads and wages				
Anova Metals Ltd	-	-	-	34
Recharge of overheads and wages				
Omniblend Innovation Pty Ltd	-	-	30,000	106
Recharge of overheads and wages				
Naturally Australian Products Inc.	38,597	56,920	162,305	31,377
Sale of essential oils and honey, recharge of overheads				

Assets and liabilities arising from the above transactions

	2021 $	2020 $
Trade debtors	480	20,424
Loans to associates receivable	352,734	354,686
Trade creditors	16,844	43,048

This is the end of the audited remuneration report.

3. Principal Activities

The principal activity of the Group during the financial year was the agricultural operations located in northern NSW and the Meluka Australia business.

4. Operating Results

The operating loss after income tax of the Group attributable to equity holders of the Group for the financial year ended 30 June 2021 amounted to $3,630,685 (2020: $2,400,443).

5. Loss per Share

The basic loss per share for the Group for the year was 0.09 cents (2020: 0.08 cents) per share.

6. Dividends Paid or Recommended

The Directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

7. Events Since the End of the Financial Year

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

8. Likely Developments and Expected Results of Operations

The Group will continue to pursue activities related to the current operations of the Group. Further information about likely developments in the operations of the Group is included in the Review of Operations.

9. Significant Changes in State of Affairs

In the opinion of the Directors, other than stated under Review of Operations, and Events Subsequent to Reporting Date, there were no significant changes in the state of affairs of the Group that occurred during the financial year under review and subsequent to the financial year end.

10. Corporate Governance Statement

The Company's Corporate Governance Statement for the year ended 30 June 2021 can be accessed from the Company's website at www.eveinvestments.com.au/investors-corporate-governance.

11. Environmental Regulations

The Group's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation. However, the Board believes there are adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply.

The Group is not subject to the reporting requirements of both the Energy Efficiency Opportunities Act 2006 and the National Greenhouse and Energy Reporting Act 2007.

12. Share Options/Rights
As at the date of this report, the following unlisted options or performance rights were on issue:

No. of instruments	Type of instrument	Strike price	Expiry date
50,616,665	Unlisted options	0.006	31-Dec-21
39,000,000	Unlisted options	0.016	28-Oct-24
16,000,000	Unlisted options	0.016	26-Nov-24
32,000,000	Performance rights	-	Various
137,616,665			

13. Non-Audit Services
The Group may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor’s expertise and experience with the company and/or the Company are important.

During the year, there were no non-audit services provided by BDO Audit (WA) Pty Ltd.

14. Lead Auditors Independence Declaration under Section 307c of the Corporations Act 2001
The lead auditor's independence declaration is set out on page 57 and forms part of the Directors’ Report for the year ended 30 June 2021.

15. Indemnifying Officers
Since the end of the previous financial year, the Company has paid insurance premiums in respect of Directors’ and Officers’ liability, legal expenses’ and insurance contracts, for current Directors and Executives of the Company.

On behalf of the Board of

EVE Investments Limited

Dated at Perth this 31 August 2021.

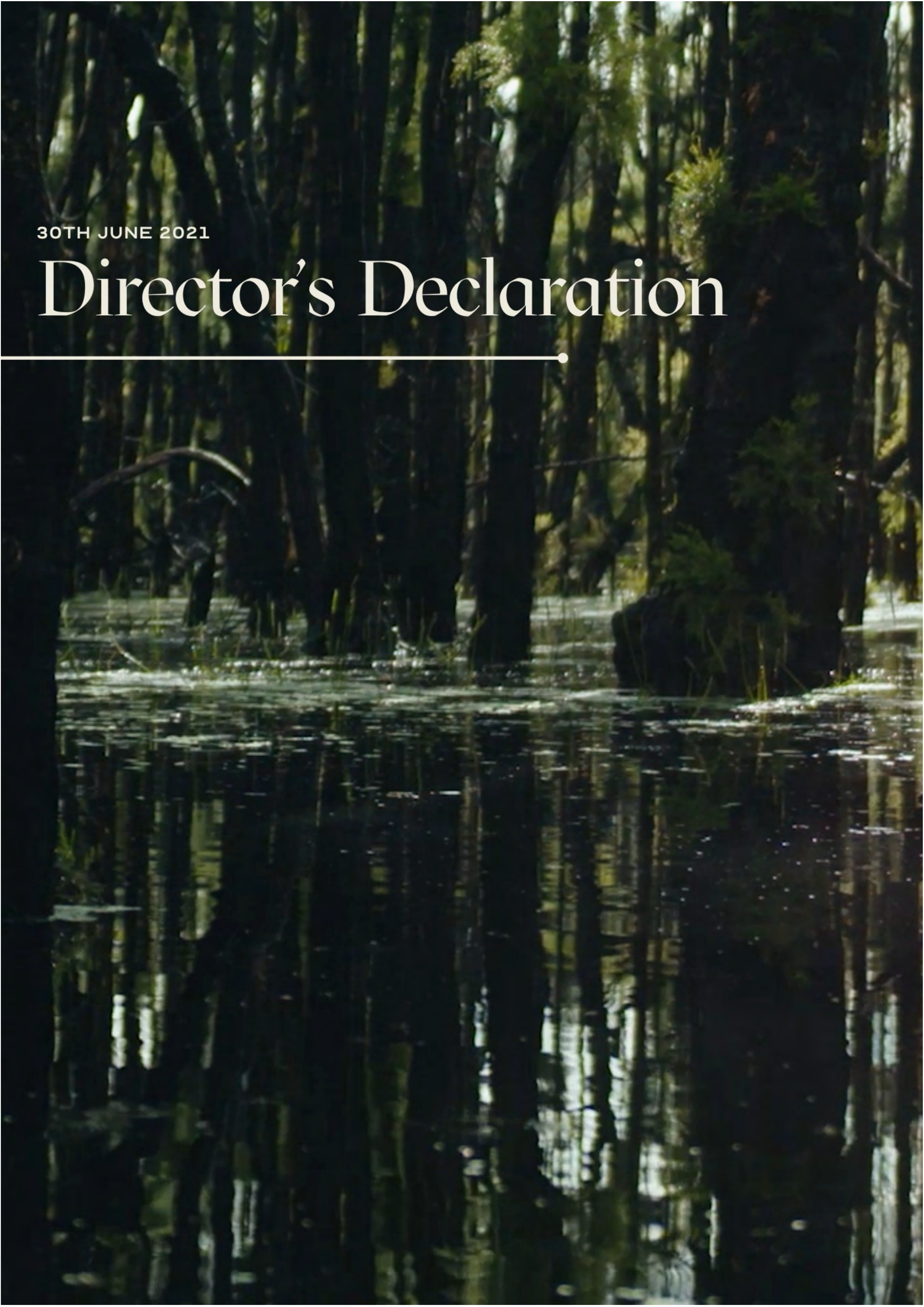
Signed in accordance with a resolution of the Directors.

Gregory William Fry

Managing Director

30TH JUNE 2021

Director's Declaration



Directors' Declaration

30 June 2021

The Directors of the Company declare that:

1) The financial statements, comprising the Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Cash Flows, Consolidated Statement of Changes in Equity and accompanying notes, are in accordance with the Corporations Act 2001; and

   a) comply with Accounting Standards and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

   b) give a true and fair view of the financial position as at 30 June 2021 and of the performance for the year ended on that date of the Company.

2) In the Directors' opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

3) In the Directors' opinion, the financial statements and notes are prepared in compliance with International Financial Reporting Standards and interpretations adopted by the International Accounting Standards Board, as described in Note 2(a).

4) The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the Board of Directors and is signed on behalf of the Directors by:

Gregory William Fry

Managing Director

Perth

31 August 2021

30TH JUNE 2021

Consolidated Statements

Consolidated Statement of Profit or Loss & Other Comprehensive Income

For the year ended 30 June 2021

	Note	30-Jun-21 $	30-Jun-20 $
Revenue	*9*	2,800,990	2,311,168
Costs of goods sold		(1,490,102)	(1,437,435)
Gross profit / (loss) before fair value adjustments		1,310,888	873,733
Change in fair value of biological assets		327,078	126,016
Gross profit		1,637,966	999,749
Other income		369,539	274,500
Professional fees	*10*	(327,205)	(281,445)
Employee benefit expense	*10*	(2,243,029)	(1,467,231)
Share-based payments	*10*	(186,674)	(213,775)
Other expenses	*10*	(2,364,495)	(1,657,443)
Share of net loss of associates accounted for using the equity method	*3*	(468,434)	(658,597)
Net financial expense		(48,349)	(217)
Loss before income tax		(3,630,685)	(3,004,459)
Income tax benefit / (expense)	*11*	-	604,016
Loss after income tax for the year		(3,630,685)	(2,400,443)
Total comprehensive loss attributable to:			
Equity holders of the Company		(3,630,685)	(2,400,443)
Total comprehensive loss for the year		(3,630,685)	(2,400,443)
Loss per share for loss attributable to the ordinary equity holders of the Company:			
Basic and diluted loss per share (cents per share)	*12*	(0.09)	(0.08)

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 30 June 2021

	Note	30-Jun-21 $	30-Jun-20 $
Assets			
Current assets			
Cash and cash equivalents	*13*	3,160,409	5,138,409
Trade and other receivables	*14*	352,429	923,491
Inventories	*15*	1,109,799	736,615
Biological assets		77,228	29,999
Total current assets		4,699,865	6,828,514
Non-current assets			
Property, plant and equipment	*5*	4,777,150	4,740,696
Goodwill	*6*	825,059	825,059
Intangibles		110,284	123,873
Right-to-use assets	*7*	446,845	60,289
Biological assets		11,000	11,000
Equity accounted investments	*3*	700,967	1,169,401
Loans to associates	*3*	352,734	354,686
Total non-current assets		7,224,039	7,285,004
Total assets		11,923,904	14,113,519
Liabilities			
Current Liabilities			
Trade and other payables	*16*	721,237	536,025
Borrowings	*4*	146,345	-
Lease liabilities	*7*	83,924	45,789
Total current liabilities		951,506	581,814
Non-current Liabilities			
Borrowings	*4*	414,494	522,613
Lease liabilities	*7*	370,113	15,910
Total non-current liabilities		784,607	538,523
Total liabilities		1,736,113	1,120,337
Net assets		10,187,791	12,993,182
Equity			
Issued capital	*17*	33,609,712	32,971,096
Reserves		343,323	297,492
Accumulated losses		(23,765,244)	(20,275,406)
Total equity attributable to shareholders of the Company		10,187,791	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 year ended 30 June 2021

	Issued capital	Accumulated losses	Share based payment reserve	Total equity
	$	$	$	$
Total equity at 1 July 2020	32,971,096	(20,275,406)	297,492	12,993,182
Loss for the year	-	(3,630,685)	-	(3,630,685)
Total comprehensive loss for the year	-	(3,630,685)	-	(3,630,685)
Transactions with owners in their capacity as owners:				
Share issue net of issue costs	638,616	-	-	638,616
Share based payments	-	-	186,674	186,674
Transfer of share based payments on issue	-	-	-	-
Transfer of share based payments on exercise/expiry	-	140,843	(140,843)	-
	638,616	140,843	45,832	825,290
Total equity at 30 June 2021	**33,609,712**	**(23,765,244)**	**343,323**	**10,187,791**

Total equity at 1 July 2019	23,602,354	(18,026,687)	273,182	5,848,849
Loss for the year	-	(2,400,443)	-	(2,400,443)
Total comprehensive loss for the year	-	(2,400,443)	-	(2,400,443)
Transactions with owners in their capacity as owners:				
Share issue net of issue costs	9,331,002	-	-	9,331,002
Share based payments	(11,594)	-	225,369	213,775
Transfer of share based payments on issue	49,333	-	(49,333)	-
Transfer of share based payments on exercise/expiry	-	151,726	(151,726)	-
	9,368,742	151,726	24,310	9,544,777
Total equity at 30 June 2020	**32,971,096**	**(20,275,406)**	**297,492**	**12,993,182**

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

Consolidated Statement of Cash Flows

For the year ended 30 June 2021

	Note	30-Jun-21 $	30-Jun-20 $
Cash flows from operating activities			
Receipts from customers		3,263,811	1,767,619
Cash paid to suppliers and employees		(5,869,366)	(5,060,532)
Interest received		26,210	15,390
Interest paid		(17,281)	(41,303)
Other income received		352,582	162,900
Net cash used in operating activities	*22*	(2,244,044)	(3,155,926)
Cash flows from investing activities			
Acquisition of property, plant and equipment	*5*	(263,385)	(322,610)
Sale of property, plant and equipment	*5*	-	10,500
Acquisition of businesses		-	(245,000)
Net cash used by investing activities		(263,385)	(557,110)
Cash flows from financing activities			
Proceeds from the issue of share capital	*17*	656,500	9,988,631
Payment for share issuance costs	*17*	(17,884)	(657,629)
Lease payments		(98,883)	(31,200)
Proceeds from borrowings		-	103,193
Repayments of borrowings		(10,304)	(891,810)
Net cash provided by financing activities		529,429	8,511,185
Cash and cash equivalents at 1 July		5,138,409	340,260
Net increase / (decrease) in cash and cash equivalents		(1,978,000)	4,798,149
Cash and cash equivalents at 30 June	*13*	3,160,409	5,138,409

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

1. Reporting entity

EVE Investments Limited (the "Company") is a company domiciled in Australia. The consolidated financial report of the Company for the financial year ended 30 June 2021 comprises the Company and its subsidiaries (together referred to as the "Group").

The consolidated financial report was authorised for issue by the Directors on 31 August 2021.

2. Basis of preparation

a) Statement of compliance

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards ('AASBs') (including Australian Interpretations) adopted by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001. The financial report of the Company also complies with International Financial Reporting Standards ('IFRS') and interpretations as issued by the International Accounting Standards Board. EVE Investments Ltd is a for-profit entity for the purpose of preparing the financial statements.

b) New and amended standards adopted by the Group

There are no standard, interpretations or amendments to existing standards, issued by the Australian Accounting Standards Board ('AASB') that are effective for the first time for the financial year beginning 1 July 2020 that have a material impact on the amounts recognised in the prior periods or will affect the current or future periods.

c) Basis of measurement

The financial report is prepared on the historical cost basis, as modified by the revaluation of financial assets at fair value through the profit or loss.

d) Functional and presentation currency

The financial statements are presented in Australian dollars which is also the functional currency.

e) Use of significant estimates and judgments

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

- Note 3 – Investments in associates – The Group assess the carrying amount of its investments in associates at each reporting period, or more frequently if events or changes in circumstances indicate impairment, in accordance with AASB 128 Investments in Associates and Joint Ventures. If impairment indicators are identified the Group tests the investments for impairment in accordance with AASB 136 Impairment of Assets. In assessing the recoverability of its investments in associates management applies their estimates and judgements as to the recoverability of its investments.

  The Group applies the impairment requirements in AASB 9 Financial Instruments to its other interest in the associate such as loans to or receivables from the associate. Significant judgement is applied by management as to the expected credit losses of these balances. At 30 June 2021 the expected credit losses on loans and receivables due from its associates are nil.

- Note 5 – Property, plant and equipment – The estimate of useful lives, residual values and depreciation methods of the Group's property, plant and equipment, includes bearer assets, which are tea tree plants on the Group's land, requires significant management judgements and are regularly reviewed. If they need to be modified, the depreciation expense is accounted for prospectively from the date of the assessment until the end of the revised useful life (for both the current and future years).
- Note 6 – Recoverability of goodwill – The Group tests annually, or more frequently if events or changes in circumstances indicate impairment whether goodwill or associated assets have suffered any impairment. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations These calculations require the use of assumptions including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows. Refer note 6 in the financial report for a complete list of the significant estimates used by management for the recoverability of the cash generating units and the sensitivities thereof.
- Note 9 – Revenue recognition – The Group has wholesale sales primarily of bulk essential oils and contract manufacturing services and sales to consumers or distributors of branded consumer goods.

  Wholesale sales and distributor sales are recognised when control of the products has transferred, being when the products are delivered to the wholesaler or distributor, the wholesaler has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the wholesaler or distributor, and either the wholesaler or distributor has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied. For sales to distributors that have agreed "ex-works" as part of their purchase terms, then delivery occurs at the Group's facility, with control of the product shifting to the distributor who is in control of directly the delivery of the product from that point in time.

  Revenue from the sale of goods directly to consumers is recognised when a Group entity dispatches a product to the customer. Payment of the transaction price is due immediately when the customer purchases the good, with delivery not being made until payment is received.
- Note 14 – Trade and other receivables – The Group assesses loss allowances for trade and other receivables based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing marketing conditions as well as forward looking estimates at the end of each reporting period.
- Note 21 – Share-based payment arrangements – The Group measures the cost of equity settled share based payments at fair value at the grant date using the Black-Scholes model taking into account the exercise price, the term of the instrument, the impact of dilution, the share price at grant date, the expected volatility of the underlying share, the expected dividend yield and risk free interest rate for the term of the instrument.
- Note 21 (c) – Performance rights – The Group reviews the likelihood of each performance right hurdle being met at each reporting date. If the Group's assessment is that the likelihood of conversion if greater than 50% a share-based payment expense will be recognised in the period.
- Coronavirus (COVID-19) pandemic – Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Group based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Group operates. To date, we have seen an impact on global logistics with delays in transit times and decreased capacity, this has had caused an increase in freight costs. Additionally, COVID-19 has impacted the sales networks of distributors such as our Chinese distribution partner which has impacted their ability to sell to their consumers and subsequently less reordering of products with the Group in the period.

3. Investment in Associates

a) Interests in associates

Set out below are the associates of the Group as at 30 June 2021. The entities listed below have share capital consisting solely of ordinary shares, which are held directly by the Group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

	Ownership interest		Country of incorporation	Carrying amount	
	2021	2020		2021	2020
	%	%		$	$
Omni Innovation	37.70%	37.70%	Australia	700,967	1,169,401
Naturally Australian Products	49.00%	49.00%	USA	-	-

b) Summarised financial information of associates

The tables below provide summarised financial information for Omni Innovation. The information disclosed reflects the amounts presented in the financial statements of the relevant associates and joint ventures and not EVE Investments Limited's share of those amounts.

	2021	2020
Summarised statement of financial position	$	$
Total current assets	358,522	270,626
Total non-current assets	2,021,664	3,041,113
Total current liabilities	(42,568)	(43,732)
Total non-current liabilities	(260,000)	-
Net assets	2,077,618	3,268,007
Reconciliation to carrying amounts:		
Opening net assets	3,268,007	5,015,168
Profit/(loss) for the period	(1,242,684)	(1,747,161)
Other comprehensive income	52,295	-
Closing net assets	2,077,618	3,268,007
Group's share in net assets	783,164	1,231,884
Summarised statement of comprehensive income	$	$
Revenue	-	-
Amortisation	880,524	1,541,286
Loss from operating activities	(1,242,687)	(1,747,161)
Other comprehensive income	-	-
Total comprehensive loss	(1,242,687)	(1,747,161)
Group's share of profit / (loss)	(468,434)	(658,597)

c) Associates with an immaterial carrying value

The tables below provide summarised financial information for Naturally Australian Products. The information disclosed reflects the amounts presented in the financial statements of the relevant associates and joint ventures and not EVE Investments Limited's share of those amounts.

Summarised statement of comprehensive income	2021 $	2020 $
Revenue	3,795,631	2,320,074
Profit / (loss) from operating activities	119,577	(77,543)
Other comprehensive income	-	-
Total comprehensive profit / (loss)	119,577	(77,543)
Group's share of unrecognised share of losses of NAP	58,593	(37,996)

d) Loans to associates

	2021 $	2020 $
Balance at the beginning of the year	354,686	239,834
Loans to associates	-	119,161
Unrealised foreign exchange movement	(28,618)	2,806
Amortised financial expense	26,666	(7,115)
Balance at the end of the year	352,734	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 $352,734 (2020: $354,686) 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 year.

4. Borrowings

	2021 $	2020 $
Meluka loan (i)	100,613	-
Equipment financing (ii)	20,376	-
Business loan (iii)	25,356	-
Current borrowings	146,345	-
Meluka loan (i)	-	100,613
Equipment financing (ii)	24,634	-
Business loan (iii)	389,860	422,000
Non-current borrowings	414,494	522,613

(i) Nil interest rate with a 3-year term, ending in February 2022, no debt covenants.
(ii) Equipment financing with nil interest rate and a 3-year term to March 2024. Secured by a charge against the equipment, no debt covenants.
(iii) Variable interest rate with a 15-year term, ending in 2034, with principal repayments commencing in 2021. Secured by a mortgage against the Robyndale property, no debt covenants.

5. Property, plant and equipment

	Freehold land	Freehold buildings	Bearer assets	Furniture & fittings	Motor vehicles	Plant & equipment	Computer equipment	Total
	$	$	$	$	$	$	$	$
Full year ended 30 June 2020								
Opening net book amount	2,776,758	242,480	1,244,562	2,838	11,331	341,611	358	4,619,938
Additions	6,449	-	-	4,770	47,273	296,074	15,678	370,244
Disposals	-	(8,810)	-	-	-	(6,596)	-	(15,406)
Depreciation charge	-	(23,911)	(82,098)	(723)	(6,596)	(119,019)	(1,733)	(234,079)
Closing Net Book Amount	2,783,208	209,760	1,162,465	6,885	52,008	512,069	14,303	4,740,696
At 30 June 2020								
Cost or fair value	2,783,208	233,670	1,244,562	7,608	58,603	631,089	16,036	4,974,775
Accumulated depreciation	-	(23,911)	(82,098)	(723)	(6,596)	(119,019)	(1,733)	(234,079)
Net book amount	2,783,208	209,760	1,162,465	6,885	52,008	512,069	14,303	4,740,696
Full year ended 30 June 2021								
Opening net book amount	2,783,208	209,760	1,162,465	6,885	52,008	512,069	14,303	4,740,696
Additions	-	64,027	-	454	-	232,965	14,470	311,916
Disposals	-	-	-	-	-	(50,134)	(2,917)	(53,051)
Depreciation charge	-	(14,938)	(81,873)	(1,548)	(10,148)	(107,251)	(6,653)	(222,411)
Closing Net Book Amount	2,783,208	258,849	1,080,592	5,791	41,860	587,649	19,203	4,777,150
At 30 June 2021								
Cost or fair value	2,783,208	287,047	1,244,562	8,062	58,603	813,919	27,589	5,222,991
Accumulated depreciation	-	(28,199)	(163,971)	(2,271)	(16,744)	(226,270)	(8,386)	(445,841)
Net book amount	2,783,208	258,847	1,080,591	5,791	41,859	587,649	19,203	4,777,150

6. Goodwill

	2021 $	2020 $
Balance at the beginning of the year	825,059	825,059
Acquisition through business combination	-	-
Balance at the end of the year	825,059	825,059

Impairment

AASB 136 requires annual impairment testing to be performed for goodwill. The goodwill of $825,059 acquired through the Meluka Health business combination has been allocated to the Meluka Health Cash Generating Unit ("CGU") for impairment testing using the value in use method. Value in use has been derived by calculating the discounted value of net cash flows expected to be derived from the CGU. Value in use has been based on a Board approved budget for year 1, forecasts based off the following assumptions for years 2 - 5 with a terminal value calculated to simulate the value of cash flows beyond that period.

The significant estimates and judgements relating to goodwill are disclosed in note 2(e).

The value in use model used the following assumptions:

Key Assumption	Input
CGU budget with revenue of $4.6m and a gross margin of 69%	Year 1 (2022)
Annual growth rate (years 2 – 5)	15%
Average gross margin	62.5%
Pre-tax discount rate	14.77%
Long-term growth rate	0%

Key Assumption	Approach used to determine values
Short-term growth rate	Average annual growth rate over years 2 - 5 based on management's expectations of market development.
Average gross margin	Average annual gross margin over the five-year forecast period based on past performance and expectation for the future.
Pre-tax discount rate	Reflects specific risks relating to the entity and the industries which it operates within.

The impact of COVID-19 was detrimental to the performance of the Company's distributor in China, necessitating a change to its operating model. This resulted in lower sales than forecast in the year to the distributor. Going forward, this has been incorporated into the Company's forecast revenue, therefore the Company expects to be able to continue its operations as planned during the period. For the purposes of the value in use calculation however, potential future implications of COVID-19 have been considered within the value in use.

The model has excluded the value of cash flows from financing activity and non-cash items such as depreciation and amortisation.

Based off the value in use model, no impairment was recognised during the year.

Sensitivity analysis
Management have considered and assessed the sensitivities associated with the key assumptions noted above. The sensitivity analysis highlighted that if revenue for FY22 was 6% lower than forecast, or if the forecast gross margin is reduced to 59% or if the growth rate was reduced to 12.5% for FY23-FY26 than a material impairment would be required.

7. Leases

	2021	2020
Right-of-use assets	**$**	**$**
Buildings	61,911	60,289
Land	384,934	-
Total right-of-use assets	446,845	60,289
Lease liabilities	**$**	**$**
Current	83,924	45,789
Non-current	370,113	15,910
Total lease liabilities	454,037	61,699

	2021	2020
Depreciation charge of right-of-use assets	**$**	**$**
Buildings	61,007	30,144
Land	27,496	-
Total depreciation	88,503	30,144
Interest expense (included in other expenses)	16,162	2,466

In the year, the Group entered into additional leases, one for a tea tree property adjacent to those owned by the Group. Additionally, a lease was entered into for a storage facility in Northern New South Wales.

8. Segment reporting

AASB 8 Operating Segments requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. The Company's Board receives segment information across three reportable business segments, Jenbrook, Meluka and Investment. The unallocated column refers to the corporate costs and cash management of the parent entity (see note 24). Prior year segment information has been represented due a change in the reporting segments to segregate Jenbrook and Meluka results which were previously reported as a combined segment.

Year ended 30 June 2021	**Jenbrook $**	**Meluka**	**Investment $**	**Unallocated $**	**Consolidated $**
Total segment revenue	892,456	1,908,534	-	-	2,800,990
Segment net profit / (loss) after tax	66,963	(1,170,631)	(442,098)	(2,084,919)	(3,630,685)
Segment assets	5,532,017	2,691,930	1,053,701	2,646,256	11,923,904
Segment liabilities	952,976	521,716	-	261,421	1,736,113

Year ended 30 June 2020	**Jenbrook $**	**Meluka**	**Investment $**	**Unallocated $**	**Consolidated $**
Total segment revenue	812,686	1,498,482	-	1,498,482	2,311,168
Segment net profit / (loss) after tax	659,277	(789,442)	(665,712)	(2,394,007)	(2,400,443)
Segment assets	5,122,700	2,492,711	1,524,086	7,466,733	14,113,519
Segment liabilities	612,871	316,214	-	507,466	1,120,337

9. Revenue

Disaggregation of revenue from contracts with customers

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

At a point in time	**2021 $**	**2020 $**
Bulk sales	892,456	812,686
Branded product sales	1,051,343	926,922
Contract manufacturing	857,191	571,560
	2,800,990	2,311,168

Segment revenues represent revenue generated from external customers. There were no inter-segment revenues in the current period.

Revenue by region

	2021 $	**2020 $**
Australia	1,999,079	1,439,954
North America	548,520	252,554
China	173,606	618,660
Asia (excluding China)	79,785	-
	2,800,990	2,311,168

Revenue from China of $173,606 (2020: $618,660) was derived from Hunan Yandi Biological Engineering Co., Ltd and comprised honey and essential oil sales which represented 6% of total revenue (2020: 27%).

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 bulk sale of tea tree oil and essential oils, branded products (Meluka Australia) 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.

10. Expenses from continuing operations

	2021 $	2020 $
Professional fees		
Audit fees	69,755	73,207
Tax consulting services	31,559	25,480
Legal costs	10,242	16,044
Corporate consultants	33,900	71,524
Other professional fees	181,749	95,190
	327,205	281,445
Employee benefit expense		
Wages	1,652,043	1,029,602
Directors fees	543,145	355,772
Directors fees - equity settled	-	63,632
Share based payments expense	186,674	213,775
Payroll tax	43,526	16,438
Fringe benefits tax	4,315	1,785
	2,429,705	1,681,006
Other expenses		
Corporate costs	72,490	61,912
Premises and insurance	441,080	278,608
Marketing expenses	1,245,076	670,144
Travelling costs	16,981	137,394
Financing costs	(26,336)	7,115
Depreciation - property, plant and equipment	222,411	234,079
Depreciation - right-to-use assets	88,503	30,144
Amortisation	13,589	13,589
Gain / (loss) on sale of assets	2,917	(3,244)
Other operating expenses	287,784	227,701
	2,364,495	1,657,443

11. Income taxes

	2021	2020
Income tax expense / (benefit):	**$**	**$**
Current tax	-	-
Deferred tax	-	(604,016)
	-	(604,016)

Reconciliation of income tax expense/ (benefit) to prima facie income tax payable / (refundable):	**$**	**$**
Loss before income tax for the year from continuing operations	(3,630,685)	(3,004,459)
Loss before income tax	(3,630,685)	(3,004,459)
Prima facie income tax at 26% (2020: 27.5%)	(943,978)	(826,226)
Tax effect of permanent differences and deferred tax movements not recognised	54,699	75,661
	(889,279)	(750,565)
Impact of reduction in future corporate tax rate	-	191,412
Effect of current year tax loss not recognised as deferred tax assets	889,279	559,153
Benefit of prior year tax losses not previously recognised	-	(604,016)
Income tax expense / (benefit)	-	(604,016)

Recognised deferred tax assets/liabilities arising on timing differences and losses:	**$**	**$**
Net deferred tax liability in respect of acquisition of Jenbrook	-	604,016
Less: Benefit of tax losses not previously recognised	-	(604,016)
	-	-

Unrecognised deferred tax assets:	**$**	**$**
Losses - Revenue	3,387,181	2,620,205
Investment in associates	567,220	450,111
Provisions, accruals and other	205,832	220,799
	4,160,232	3,291,115

Unrecognised deferred tax liabilities:	**$**	**$**
Property, plant & equipment	206,413	197,299
Biological & intangible assets	25,225	16,815
Other	20,802	22,451
	252,440	236,565

The tax benefits of the above deferred tax assets will only be obtained if:

a) the Group derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised;

b) the Group continues to comply with the conditions for deductibility imposed by law; and

c) no changes in income tax legislation adversely affect the Group from utilising the benefits.

d) there has been a legislated change in the corporate tax rate that will apply to future income years. The impact of this reduction in the corporate tax rate has been reflected in the unrecognised deferred tax positions and the prima face income tax reconciliation above.

12. Loss per share

The calculation of basic loss per share at 30 June 2021 was based on the loss attributable to ordinary shareholders of $3,630,685 (2020: $2,400,443) and a weighted average number of ordinary shares outstanding during the financial year ended 30 June 2021 of 3,822,594,310 (2020: 3,119,379,019) calculated as follows:

Loss attributable to ordinary shareholders	2021 $	2020 $
Loss for the year	(3,630,685)	(2,400,443)
Loss for the year from continuing operations	(3,630,685)	(2,400,443)
Basic loss per share		
Basic loss per share (cents)	(0.09)	(0.08)
Basic loss per share from continuing operations (cents)	(0.09)	(0.08)

	2021	2020
Weighted average number of shares	3,822,594,310	3,119,379,019
Options	-	-
Weighted average number of shares diluted EPS	3,822,594,310	3,119,379,019

Basic earnings/loss per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by weighted average number of ordinary shares outstanding during the financial year, adjusted for the bonus elements in ordinary shares issued during the year.

Diluted earnings/loss per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

13. Cash and cash equivalents

	2021 $	2020 $
Cash at bank & on hand	1,660,409	1,138,409
Term deposits	1,500,000	4,000,000
	3,160,409	5,138,409

Cash on hand and in banks and short-term deposits are stated at nominal value.

For the purposes of the Consolidated Statement of Cash Flows, cash includes cash on hand and in banks, and money market investments readily convertible to cash within two working days, net of any outstanding bank overdrafts.

Information about the Company's exposure to credit risk is provided in note 29.

14. Trade and other receivables

	2021 $	2020 $
Trade debtors	227,088	650,142
Deposits paid	10,395	109,720
Other receivables	114,946	163,629
	352,429	923,491

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less expected credit losses. Trade receivables are generally due for settlement within 30 days.

Information about the Company's exposure to credit risk is provided in note 29. $1,956 of receivables held by the Company are past due and not impaired, there are no receivables held by the Company that are past due and impaired.

15. Inventories

	2021 $	2020 $
Raw materials – at cost	466,591	400,254
Work in progress – at cost	-	11,438
Finished goods – at cost	643,208	324,924
	1,109,799	736,615

Inventories recognised as an expense in costs of goods sold during the year ended amounted to $1,015,367 (2020: $1,070,130).

Write-downs of inventories amounted to $41,864 (2020: $58,922). These were recognised as an expense during the year and included in cost of costs of goods sold.

16. Trade and other payables

	2021 $	2020 $
Trade creditors	431,493	404,791
Other payables	289,744	131,234
	721,237	536,025

Liabilities for trade creditors and other amounts are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company. The amounts are unsecured and are usually payable within 30 days of recognition.

Information about the Company's exposure to credit risk is provided in note 29.

17. Contributed equity

	2021 $	2020 $
Issued capital	35,765,832	35,109,332
Cost of share issue	(2,156,120)	(2,138,236)
	33,609,712	32,971,096

a) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in the proportion to the number and amount paid on the shares held.

Ordinary shares are classified as equity and incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

b) Capital risk management

The Company's objectives when managing capital are to safeguard their ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Movement in share capital

2021		Number of shares	Issue price	AUD
01 Jul 2020	Opening balance	3,726,225,222		32,971,096
21 Aug 2020	Conversion of options	76,766,667	0.006	460,600
03 Sep 2020	Conversion of options	20,000,000	0.006	120,000
30 Sep 2020	Conversion of performance rights	7,500,000	0.000	-
30 Sep 2020	Placement	1	0.006	-
28 Oct 2020	Conversion of options	12,650,000	0.006	75,900
	Capital raising costs			(17,884)
30 June 2021	**Closing balance**	3,843,141,890		33,609,712

2020		Number of shares	Issue price	AUD
01 Jul 2019	Opening balance	2,393,314,323		23,602,354
19 Jul 2019	Placement	112,700,000	0.005	563,500
02 Oct 2019	Placement	25,000,000	0.005	125,000
02 Oct 2019	Shares issued under ESP	12,333,332	0.004	49,333
02 Oct 2019	Conversion of performance rights	9,250,000	0.000	-
10 Dec 2019	Placement	482,228,998	0.005	2,411,145
15 Jan 2020	Placement	688,898,569	0.010	6,888,986
03 Mar 2020	Conversion of performance rights	2,500,000	0.000	-
	Capital raising costs			(669,222)
30 June 2020	**Closing balance**	3,726,225,222		32,971,096

18. Dividends

The Directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

19. Remuneration of auditor

During the year the following fees were paid or payable for services provided by the auditor of the Company, its related practices and non-related audit firms:

	2021 $	2020 $
Auditors of the Company		
BDO Audit (WA) Pty Ltd:		
Audit and review of financial reports	69,755	73,207
Total auditors' remuneration	69,755	73,207

20. Related parties

a) Loans to key management personnel

There were no loans made to key management personnel during the year ended 30 June 2021 (2020: nil).

b) Key management personnel compensation

	2021 $	2020 $
Short-term employee benefits	735,826	601,616
Post-employment benefits	51,007	17,786
Equity compensation benefits	106,550	166,467
	893,383	785,869

c) Other transactions with related parties of the Company

The terms and conditions of the transactions with Directors, key executives and associates and their related entities were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-Director related entities on an arm's length basis.

	Charges from:		Charges to:	
	2021 $	2020 $	2021 $	2020 $
Mitchell River Group Pty Ltd [1] Provision of a serviced office and admin staff	108,958	210,866	-	2,420
African Energy Resources Ltd [2] Recharge of overheads and wages	-	-	-	315
Anova Metals Ltd [1] Recharge of overheads and wages	-	-	-	34
Omniblend Innovation Pty Ltd [3] Recharge of overheads and wages	-	-	30,000	106
Naturally Australian Products Inc. [4] Sale of essential oils and honey, recharge of overheads	38,597	56,920	162,305	31,377

[1] Alasdair Cooke and Gregory (Bill) Fry are common directors between EVE and the related party.

[2] Alasdair Cooke is a common director between EVE and the related party.

[3] George Cameron-Dow and Gregory (Bill) Fry are common directors between EVE and the related party and EVE holds at 38% interest.

[4] EVE holds at 49% interest in the Company.

d) Assets and liabilities arising from the above transactions

	2021 $	2020 $
Trade debtors	480	20,424
Loans to associates receivable	352,734	354,686
Trade creditors	16,844	43,048

21. 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.

	2021 $	2020 $
Broker options (a)	-	11,594
Total capitalised	-	11,594
Shares in lieu (b)	-	49,333
Options in lieu (b)	-	14,299
Performance rights (c)	66,759	150,143
Options (d)	119,915	-
Total expensed	186,674	213,775

a) Broker options

On 2 October 2019 the Company issued 10,000,000 broker options related to the placement completed on the same date. The value of the options was $11,594 and was derived from a Black-Scholes calculation taking into account the underlying share price on the grant date of $0.004, a volatility of 100% and a risk free rate of 0.75%.

b) Shares and options in lieu

On 2 October 2019, the Company issued ordinary shares and attaching options with an exercise price of $0.006 and an expiry of 31 December 2021 in consideration for accrued director fees, in line with the terms of the capital raising announced on 12 July 2019.

The number of securities and the fair value on the grant date is detailed below:

	Shares received	Value of shares received	Options received	Value of options received
Directors				
George Cameron-Dow	2,000,000	8,000	2,000,000	2,319
Gregory Fry	3,333,332	13,333	3,333,332	3,865
Alasdair Cooke	3,500,000	14,000	3,500,000	4,058
Michael Pixley	3,500,000	14,000	3,500,000	4,058
	12,333,332	49,333	12,333,332	14,300

c) Performance rights plan

The EVE Performance Rights Plan is designed to provide long-term incentives for senior managers and above (including the Managing Director) 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 affecting remuneration in the current or future period are as follows:

Issue Date	Expiry date	Tranche	Number granted	Value at grant date $	Vested in year $	Vested at 30 June 2021	Unvested at 30 June 2021
3-May-16	3-May-21	A	5,250,000	65,864	-	-	-
22-Nov-18	22-Nov-23	B	7,500,000	52,500	7,124	7,500,000	-
22-Nov-18	22-Nov-23	C	11,600,000	81,200	31,165	-	11,600,000
22-Nov-18	22-Nov-23	D	8,700,000	60,900	16,891	-	8,700,000
22-Nov-18	22-Nov-23	E	11,700,000	92,400	11,580	-	11,700,000
			44,750,000	352,864	66,760	7,500,000	32,000,000

Tranche	Hurdle	Likelihood
A	Omni Innovation completing an IPO or RTO on the ASX or an alternative Board approved exchange or the Trade Sale of Omni Innovation's main business	Not Met
B	Continuous service until 30 September 2020	Met
C	Achievement $10 million of gross revenue per annum in combined EVE group entities	> 50%
D	Achievement of EBITDA of $2 Million per annum in combined EVE group entities	> 50%
E	Achieving a market capitalisation of $50 Million for 15 consecutive days on which EVE is traded	> 50%

The fair value of the performance rights granted during the year is $nil (2020: $nil). The grant date fair value is based off the underlying share price on the date of issue and for performance rights with market conditions this is adjusted to include the likelihood of the performance right hurdle being met. At each reporting date for performance rights with non-market conditions the likelihood of each performance right hurdle is reviewed by management and the share-based payment adjusted accordingly. During the year $66,760 (2020 $150,143) 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. The weighted average remaining contractual life of the performance rights outstanding is 2.4 years (2020: 2.8 years).

d) Options

Issue Date	Expiry date	Tranche	Number granted	Value at grant date $	Vested in year $	Vested at 30 June 2021	Unvested at 30 June 2021
28-Oct-20	28-Oct-24	A	17,000,000	67,845	47,492	-	17,000,000
28-Oct-20	28-Oct-24	B	17,000,000	76,117	26,082	-	17,000,000
26-Nov-20	26-Nov-24	A	8,000,000	31,534	21,219	-	8,000,000
26-Nov-20	26-Nov-24	B	8,000,000	35,464	11,167	-	8,000,000
28-Oct-20	28-Oct-24	C	2,500,000	9,593	9,593	-	2,500,000
28-Oct-20	28-Oct-24	D	2,500,000	10,861	4,362	-	2,500,000
			55,000,000	231,415	119,915	-	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	Not Met
D	Achievement of budgeted gross revenue for FY22	> 50%

The fair value of the options granted during the year is $231,415 (2020: $nil). The value is calculated based off the following inputs:

Tranche	A	A	B	B	C	D
Issue Date	28-Oct-20	26-Nov-20	28-Oct-20	26-Nov-20	28-Oct-20	28-Oct-20
Number of Options	17,000,000	8,000,000	17,000,000	8,000,000	2,500,000	2,500,000
Dividend yield (%)	-	-	-	-	-	-
Expected volatility (%)	100%	100%	100%	100%	100%	100%
Risk free interest rate (%)	0.25%	0.10%	0.25%	0.10%	0.10%	0.10%
Expected life of the option (years)	3	3	3	3	3	3
Option exercise price ($)	0.016	0.016	0.016	0.016	0.016	0.016
Share price at grant date ($)	0.009	0.009	0.009	0.009	0.009	0.009
Fair value per option ($)	0.0040	0.0039	0.0045	0.0044	0.0038	0.0043
Total value at grant date ($)	67,845	31,534	76,117	35,464	9,593	10,861

During the year $119,915 (2020: $nil) of expense was recorded. The weighted average remaining contractual life of the options outstanding is 3.35 years (2020: nil years).

Detailed remuneration disclosures are provided in the remuneration report on pages 16 - 23.

22. Cash flow information

a) Reconciliation of loss after income tax to net cash used in operating activities

	30-Jun-21 $	30-Jun-20 $
Loss for the year from continuing operations	(3,630,685)	(2,400,443)
Adjustments for:		
Share of losses in associates	468,434	658,597
Fair value movement on biological assets	(327,078)	(126,016)
Fair value in costs of goods sold	279,849	-
Movement in deferred tax asset	-	(604,016)
Financing costs	(26,666)	7,115
Depreciation expense	310,913	264,223
Amortisation expense	13,589	13,589
Bad debts expense	995	-
Gain on sale of property, plant & equipment	2,917	3,244
Net foreign exchange gains / (losses)	28,618	(2,807)
Equity-settled share-based payment expenses	186,674	213,775
Change in operating assets and liabilities	(2,692,439)	(1,972,739)
(Increase)/decrease in trade and other receivables	558,996	(519,924)
(Increase)/decrease in inventories	(373,183)	(631,024)
(Decrease)/increase in trade and other payables	262,582	(32,240)
Net cash used in operating activities	(2,244,044)	(3,155,927)

b) Non-cash investing and financing activities

	30-Jun-21 $	30-Jun-20 $
Settlement of capital raising cost through the issue of options	-	11,594

c) Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

	30-Jun-21 $	30-Jun-20 $
Cash and cash equivalents	3,160,409	5,138,409
Borrowings	(560,839)	(522,613)
Lease liabilities	(454,037)	(61,699)
Net debt	2,145,533	4,554,097

	Borrowings $	Leases $	Cash $	Total $
Net debt at 30 June 2019	(1,299,861)	-	340,260	(959,601)
Cash flows	788,617	28,734	4,798,149	5,615,499
New leases	-	(90,433)	-	(90,433)
Other changes	(11,369)	-	-	(11,369)
Net debt at 30 June 2020	(522,613)	(61,699)	5,138,409	4,554,097
Cash flows	10,304	98,883	(1,978,000)	(1,868,813)
New leases	-	(491,221)	-	(491,221)
Other changes	(48,530)	-	-	(48,530)
Net debt at 30 June 2021	(560,839)	(454,037)	3,160,409	2,145,533

23. Interests in Subsidiaries

The consolidated financial statements include the financial statements of EVE Investments Limited and the subsidiaries listed in the following table:

Direct subsidiaries of the parent	**Country of incorporation**	**Equity holding 30-Jun-21 %**	**Equity holding 30-Jun-20 %**
Jenbrook Pty Ltd	AUS	100	100
Meluka Health Pty Ltd	AUS	100	100
Indirect subsidiaries			
(Direct subsidiaries of Jenbrook Pty Ltd – 100%)			
Jenbrook Trading Pty Ltd	AUS	100	100
(Direct subsidiaries of Meluka Health Pty Ltd – 100%)			
Meluka Honey Pty Ltd	AUS	100	100
Eco Botanicals Pty Ltd	AUS	100	100

EVE Investments Limited, incorporated in Australia, is the ultimate parent entity of the Group.

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and not disclosed in this note.

24. Parent company disclosures

	2021 $	**2020 $**
Current assets	2,646,256	4,974,023
Non-current assets	7,802,952	8,210,410
Total assets	10,449,208	13,184,433
Current liabilities	261,421	191,252
Non-current liabilities	-	-
Total liabilities	261,421	191,252
Contributed equity	33,609,712	32,971,096
Reserves	343,323	297,492
Accumulated losses	(23,765,244)	(20,275,406)
Total equity	10,187,791	12,993,182
Gain / (loss) for the year	(3,630,682)	(2,400,445)
Other comprehensive income / (loss) for the year	-	-
Total comprehensive loss for the year	(3,630,682)	(2,400,445)

No guarantees were entered into by the parent company during the year (2020: nil).

At 30 June 2021 the parent company had no contingent liabilities (30 June 2020: nil).

25. Contingent assets and liabilities

There were no contingent liabilities or contingent assets at 30 June 2021 (2020: nil).

26. Capital and other commitments

There were no capital and other commitments at 30 June 2021 (2020: nil).

27. Events occurring after reporting date

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

28. Significant accounting policies

a) Associates (equity accounted investees)

Associates are all entities over which the Company has significant influence but not control or joint control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost. The Company's investment in associates includes goodwill (net of any accumulated impairments loss) identified on the acquisition.

The Company's share of its associates post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in reserves is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment, thereafter gains on transactions between the Company and its associates are eliminated to the extent of the Company's interest in the associate.

b) Impairment of assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Company makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount. Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or group of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

c) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to reporting date. Employee benefits have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

d) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of GST except:

where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Consolidated Statement of Financial Position.

Cash flows are included in the Consolidated Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

e) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

f) Provisions
Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result, and that outflow can be reliably measured. Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

g) Cash and Cash Equivalents
Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows. Cash held on reserve to meet collateral requirements, lease bonds and for regulatory purposes are not included in cash and cash equivalents, but classified as cash deposits not available for use by the Group.

h) Trade receivables
Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less allowance for expected credit losses.

The group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The Group considers a financial asset in default when contractual payment are > 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the group, and a failure to make contractual payments for a period of greater than 120 days past due.

Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

On the above basis, the loss allowance was deemed insignificant for trade receivables.

i) Inventories
Raw materials, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost comprises direct materials for work in progress and finished goods. Costs are assigned to individual items of inventory based on the first in, first out (FIFO) method.

Costs of purchased inventory are determined after deducting rebates and discounts and adding in transport costs and duties. Costs of tea tree products transferred from assets is its fair value less costs to sell at the date of harvest.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

j) Borrowings
Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost. Any difference between the proceeds (net of transactions costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extend there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a

prepayment for liquidity services and amortised over the period of the facility to which it relates. In all other cases the fee is expensed.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the considerations paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

k) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of EVE Investments Limited ('Company' or 'parent entity') as at 30 June 2021 and the results of all subsidiaries for the year then ended. EVE Investments Limited and its subsidiaries together are referred to in this financial report as the Group.

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition method of accounting is used to account for business combinations by the Group. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of financial position respectively.

l) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle, it is held primarily for the purposes of trading, it is expected to be realised within 12 months after the reporting period, or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when it is either expected to be settled in the Group's normal operating cycle, it is held primarily for the purposes of trading, it is due to be settled within 12 months after the reporting period, or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

m) Property, plant and equipment

Plant and equipment are stated at historical cost less accumulated depreciation and any impairment in value. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the statement of profit or loss comprehensive income during the reporting period in which they are incurred.

Depreciation is calculated using the straight line method to allocate their cost or revalued amounts, net of their residual values, at depreciation rates specific to that asset group. The following estimated useful lives are used in the calculation of depreciation:

Class of fixed asset	Depreciation rate
Plant & equipment	10%-33%
Furniture & fittings	10%-20%
Buildings	5%
Computer equipment	25%-40%
Motor vehicles	25%
Bearer plants	3%

n) Leases

The Group variously leases offices, warehouses, and land. Rental contracts are typically made for fixed periods of 1 year to 5 years but may have extension options as described below. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. While the Group revalues its land that are presented within property, plant and equipment, it has chosen not to do so for the right-of-use buildings held by the Group.

Extension and termination options are included in a number of property and equipment leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations.

o) Goodwill

Goodwill represents the excess of the purchase consideration over the fair value of the identifiable net assets at the time of acquisition of a combination. When the excess is negative (bargain purchase), it is recognised immediately in profit or loss.

Goodwill is not amortised. Instead, Goodwill is tested for impairment at each reporting date or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of Goodwill relating to the entity sold.

Goodwill is allocated to each of the cash-generating units for the purpose of impairment testing. Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill relates (refer note 6). Impairment losses on goodwill cannot be reversed.

p) Identifiable intangible assets

Intangible assets acquired separately or in a business combination are initially measured at the lower of cost or fair value cost at the time of acquisition when it is probable that the future economic benefits arising as a result of the costs incurred will flow to the Group. The Group assesses identifiable intangible assets as having either finite or indefinite useful lives.

Intangible assets with finite lives are amortised over the useful life and assessed for impairment at least twice a year or whenever there is an indication that the intangible asset may be impaired. The amortisation period and amortisation method are reviewed at least each financial year end. Changes in the expected useful life or flow of economic benefits intrinsic in the asset are an accounting estimate. The amortisation charge on intangible assets with finite lives is recognised in the statement of profit or loss and other comprehensive income.

q) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Group during the reporting period which remains unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

r) Contributed Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

s) Earnings per Share

Basic earnings per share is calculated as a net profit attributable to members, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to members, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after-tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

t) Income tax

Income tax on the Statement of Profit or Loss and other Comprehensive Income for the periods presented comprises current and deferred tax. Income tax is recognised in the Statement of Profit or Loss and other Comprehensive Income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised, or to the extent that the Group has deferred tax liabilities with the same taxation authority. Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend.

The Company and its wholly owned Australian subsidiaries are members of an Australian income tax consolidated group (Tax Group). EVE Investments Limited is the head company of the Tax Group.

The current tax liabilities (or assets) of each member of the Tax Group are accounting for as being assumed by the Company. Similar, the deferred tax assets arising from unused tax losses and unused relevant tax credits of each member are accounting for as being assumed by the Company.

The members of the Tax Group have entered into a tax sharing and tax funding agreement. Under the tax funding agreement, the members of the Tax Group compensate the Company for any current tax payable assumed. In addition, the members of the Tax Group are compensated by the Company for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are assumed and recognised as a deferred tax asset by the Company.

The funding amounts calculated under the tax funding agreement are determined by a notional income tax allocation that is prepared for each member of the Tax Group as if it were a taxable entity in its own right. This notional income tax allocation is completed on the basis of specific assumptions set out in the tax funding agreement. Depending on the outcome, the notional income tax allocation prepared by each member of the Tax Group will recognise either a current amount receivable or payable to the head entity of the Tax Group.

u) Segment Information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director.

v) New standards and interpretations not yet adopted

There are no issued but not yet effective accounting standards or interpretations that are expected to significantly impact the Company in future financial years.

29. Financial risk management

The Company's activities expose it to both credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company. The Company uses different methods to measure different types of risk to which it is exposed.

Risk management is carried out by a central treasury department (Company Treasury) under policies approved by the Board of Directors. Company Treasury identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units.

a) Credit risk

The carrying amount of cash and cash equivalents, financial assets, loans to associates and trade and other receivables (excluding prepayments), represent the Company's maximum exposure to credit risk in relation to financial assets.

Cash and short term liquid investment are placed with reputable banks, so no significant credit risk is expected.

The maximum exposure at the end of the reporting period for the loans to associates is the carrying amount of this loan $354,686 (2020: $239,833). The loans are to Naturally Australian Products, a Company in which EVE owns 49%. The Company has assessed the risk of the loans and does not believe there is a significant credit risk of the loan.

The Company does not have any material exposure to any single debtor or Company of debtors, so no significant credit risk is expected.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit rates:

	2021 $	2020 $
Cash and cash equivalents A-1+	3,160,409	5,138,409

b) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Company manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Due to the dynamic nature of the underlying businesses, Company Treasury aims at maintaining flexibility in funding by keeping committed credit lines available with a variety of counterparties. Surplus funds are only invested in instruments that are tradeable in highly liquid markets.

The table below analyses the Company's financial liabilities into relevant maturity groupings. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

Contractual maturities of financial liabilities

2021	Less than 6 months	6 - 12 months	More than 12 months	Total contractual cash flows
Trade and other payables	721,237	-	-	721,237
Lease liabilities	43,317	40,606	370,114	454,037
Borrowings	25,885	120,460	414,494	560,839
	784,929	161,065	784,608	1,730,602
2020				
Trade and other payables	536,025	-	-	536,025
Lease liabilities	22,389	23,400	15,910	61,699
Borrowings	8,651	8,651	743,178	760,480
	567,065	32,051	759,088	1,358,204

30. Determination of fair values

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and / or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

a) Trade and other receivables

The fair value of trade and other receivables with a remaining life of less than six months, the notional amount is deemed to reflect the fair value. All other receivables are estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

b) Loans to associates

The fair value of loans to associates is not materially different to the carrying value as the carrying value is calculated as the present value of future cash flows, discounted using an 8% discount rate at the reporting date.

c) Borrowings

The fair value of borrowings is determined as the present value of future contracted cash flows and credit adjustments. The fair value of borrowings is not materially different to the carrying value since the interest payable is either close to market rates or the borrowings are of a short-term nature.

30TH JUNE 2021

Auditor's Independence Declaration

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

As lead auditor of EVE Investments Limited for the year ended 30 June 2021, 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 audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

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

Ashleigh Woodley

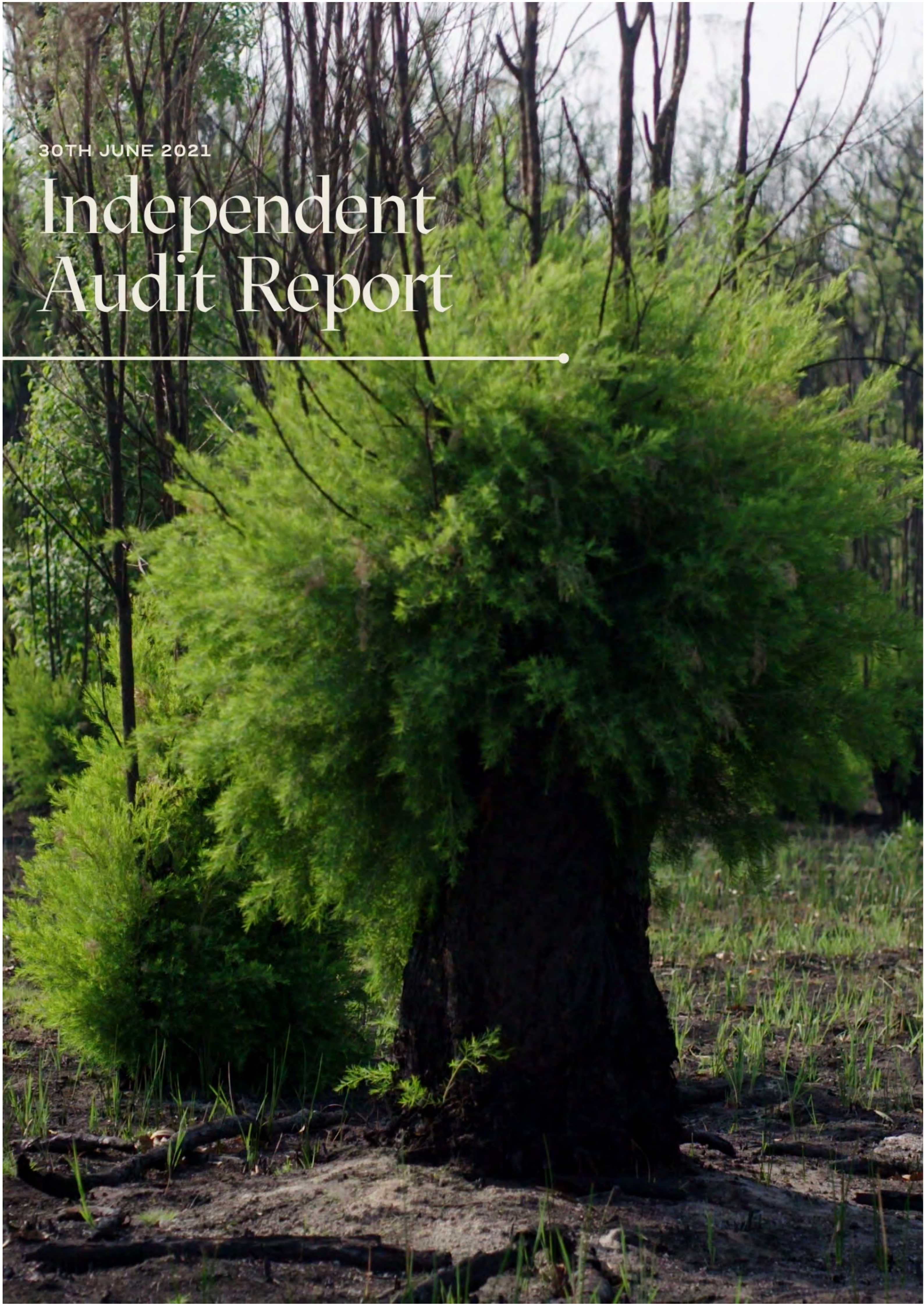
Director

BDO Audit (WA) Pty Ltd

Perth, 31 August 2021

30TH JUNE 2021

Independent Audit Report



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INDEPENDENT AUDITOR'S REPORT

To the members of EVE Investments Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of EVE Investments Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2021, 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 year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Financial Report section of our report. We are independent of the Group in accordance with 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 our audit of the 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 in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

BDO

Recoverability of goodwill

Key audit matter	*How the matter was addressed in our audit*

The Group's carrying value of goodwill as disclosed in note 6 represents a significant asset to the Group. The Australian Accounting Standards require the Group to test its goodwill for impairment at least annually.
 	
The assessment of impairment is complex and highly judgemental and includes assessing a range of external and internal factors and modelling a range of assumptions that could impact the recoverable amount of a cash generating unit ("CGU"). Accordingly, this matter was considered to be a key audit matter.
	Our procedures included the following:
	• Assessing the appropriateness of the Group's identification of CGUs and the allocation of assets to the carrying value of CGUs based on our understanding of the Group's business and internal reporting;
	• Reviewing and assessing management's testing of impairment, including:
	  ▪ Obtaining and reviewing reasonableness of cash flow forecasts approved by the board in addition to considering management's assessment of historical actual performance vs budgets;
	  ▪ Considering the appropriateness of the discount rates applied;
	  ▪ Considering the appropriateness of the valuation methodology applied; and
	  ▪ Considering and reviewing management's key estimates and judgements applied within the valuation.
	• Reviewing if there have been significant changes with an adverse effect on the entity that have taken place during the year or is expected to take place in the near future, including considering management's assessment of the ongoing potential impact of COVID-19;
	• Assessing whether the carrying amount of the net assets of the Group is more than its market capitalisation; and
	• Assessing the adequacy of the related disclosures in note 2 and note 6 of the financial report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2021, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

BDO

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 16 to 23 of the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of EVE Investments Limited, for the year 30 June 2021, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit (WA) Pty Ltd

BDO

Ashleigh Woodley

Director

Perth, 31 August 2021

30TH JUNE 2021

Additional Information

Additional Information

For the year ended 30 June 2021

1. Exchange listing

EVE investments Limited shares are listed on the Australian Securities Exchange. The Company's ASX code is EVE.

2. Substantial shareholders (holding not less than 5%)

The following substantial shareholders have lodged relevant disclosures with the Company.

Name of Shareholder	Number of shares held
EVERHONEY BIOTECH AUSTRALIA PTY LTD	663,638,954
HONG KONG JUSHENG BOLANG TECHNOLOGY CO LIMITED	507,488,612

3. Class of shares and voting rights

At 18 August 2021, there were 3,872 holders of 3,843,141,890 ordinary fully paid shares of the Company. The voting rights attaching to the ordinary shares are in accordance with the Company's Constitution being that:

a) each shareholder entitled to vote may vote in person or by proxy, attorney or representative;

b) on a show of hands, every person present who is a shareholder or a proxy, attorney or representative of a shareholder has one vote; and

c) on a poll, every person present who is a shareholder or a proxy, attorney or representative of a shareholder shall, in respect of each fully paid Share held by them, or in respect of which they are appointed a proxy, attorney or representative, have one vote for the Share, but in respect of partly paid Shares, shall, have such number of votes as bears the proportion which the paid amount (not credited) is of the total amounts paid and payable (excluding amounts credited).

4. Distribution of shareholders

Range	Securities	Number of holders	% IC
100,001 and Over	3,754,897,762	1,968	97.70
10,001 to 100,000	87,103,982	1,515	2.27
5,001 to 10,000	743,542	90	0.02
1,001 to 5,000	341,101	107	0.01
1 to 1,000	55,503	192	0.00
	3,843,141,890	**3,872**	**100.00**
Unmarketable Parcels	59,044,128	1,612	1.54

5. Unlisted securities

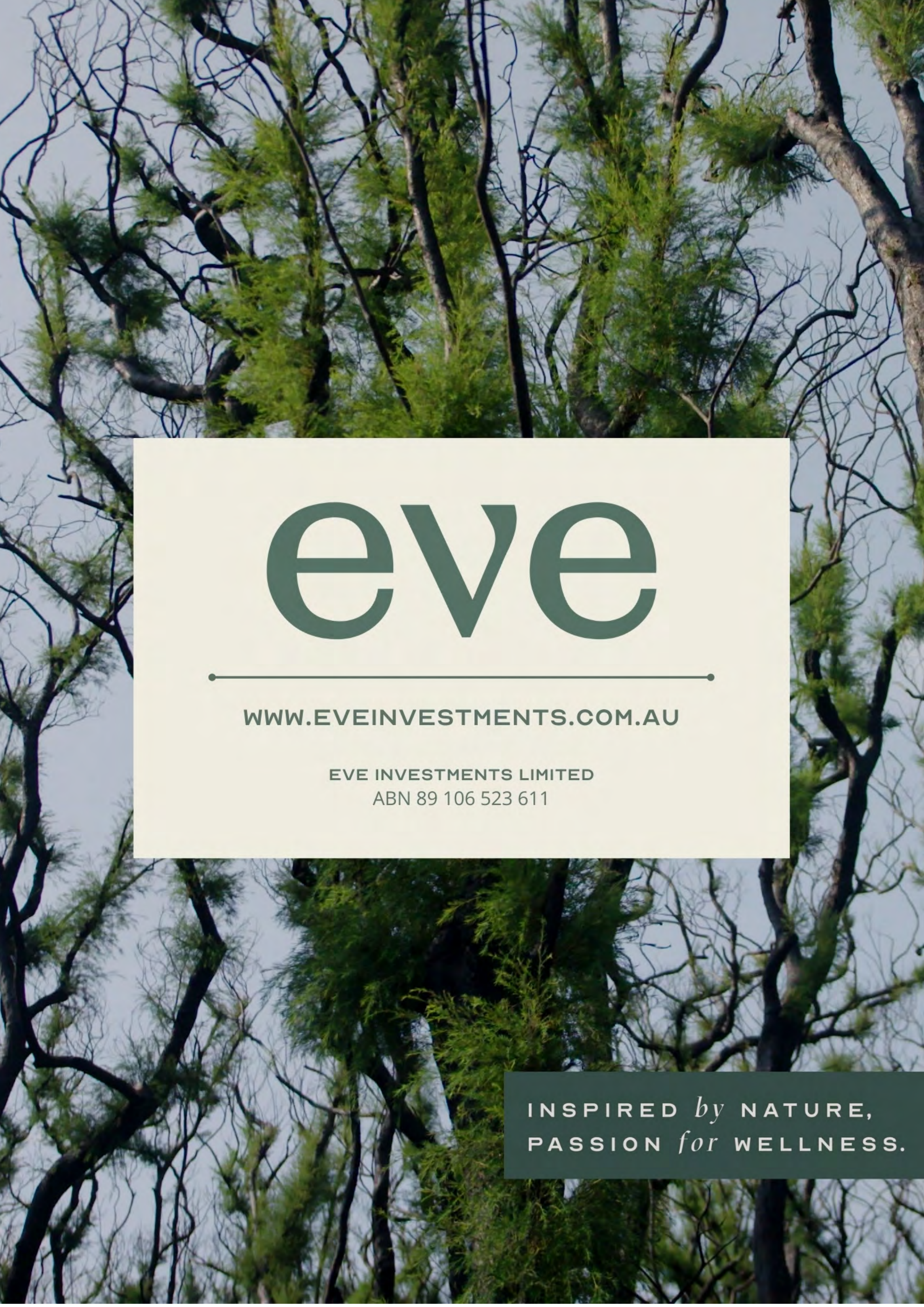
Securities	Number on issue	Number of holders	Holders with 20% or more	Number held
Employee incentive performance rights	53,750,000	8	nil	n/a
Unlisted options exercisable at 0.6 cents on or before 31/12/2021	83,266,665	14	nil	n/a
Unlisted options exercisable at 1.6 cents on or before 28/10/2024	39,000,000	5	nil	n/a
Unlisted options exercisable at 1.6 cents on or before 26/11/2024	16,000,000	1	nil	n/a

6. Listing of 20 largest shareholders as at 18 August 2021

Rank	Name	Number of shares held	% IC
1	EVERHONEY BIOTECH AUSTRALIA PTY LTD	663,638,954	17.27
2	HONG KONG JUSHENG BOLANG TECHNOLOGY CO LIMITED	507,488,612	13.21
3	TRT INVESTMENT GROUP PTY LTD	68,400,000	1.78
4	MR ALASDAIR CAMPBELL COOKE	62,342,194	1.62
5	MR MARC JOHN CALOKERINOS	62,000,000	1.61
6	UBS NOMINEES PTY LTD	50,032,622	1.30
7	MRS ABIGAIL CLARE FRY	45,760,124	1.19
8	SASSEY PTY LTD <AVAGO SUPER FUND A/C>	43,935,998	1.14
9	MR JOHN HENRY TOLL <TOLL FAMILY A/C>	40,000,000	1.04
10	HARTREE PTY LTD	38,426,727	1.00
11	ROBYN MERRYL INGERSOLE	35,530,000	0.92
12	BRYAN KENT EASSON	35,530,000	0.92
13	CAVE GLEN PTY LTD <SANDRA WISE SUPER FUND A/C>	34,500,500	0.90
14	STATION CAPITAL PTY LTD	32,000,000	0.83
15	MR BENEDICT JAMES ROHR	30,950,000	0.81
16	MYALLA HOLDINGS PTY LTD <FREEMANTLE FAMILY A/C>	28,500,000	0.74
17	GLENLAREN PTY LTD <GLENLAREN SUPER A/C>	28,333,334	0.74
18	GLENLAREN PTY LTD <GLENLAREN A/C>	28,044,400	0.73
19	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	27,420,236	0.71
20	WELLS ESTATES PTY LTD <KK WELLS SUPER FUND A/C>	27,150,000	0.71
		1,889,983,701	**49.17**

7. Other information

There is no current on-market buyback of the Company's securities and the Company does not have any securities on that issue that are subject to escrow restriction.



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EVE INVESTMENTS LIMITED
ABN 89 106 523 611

INSPIRED *by* NATURE,
PASSION *for* WELLNESS.