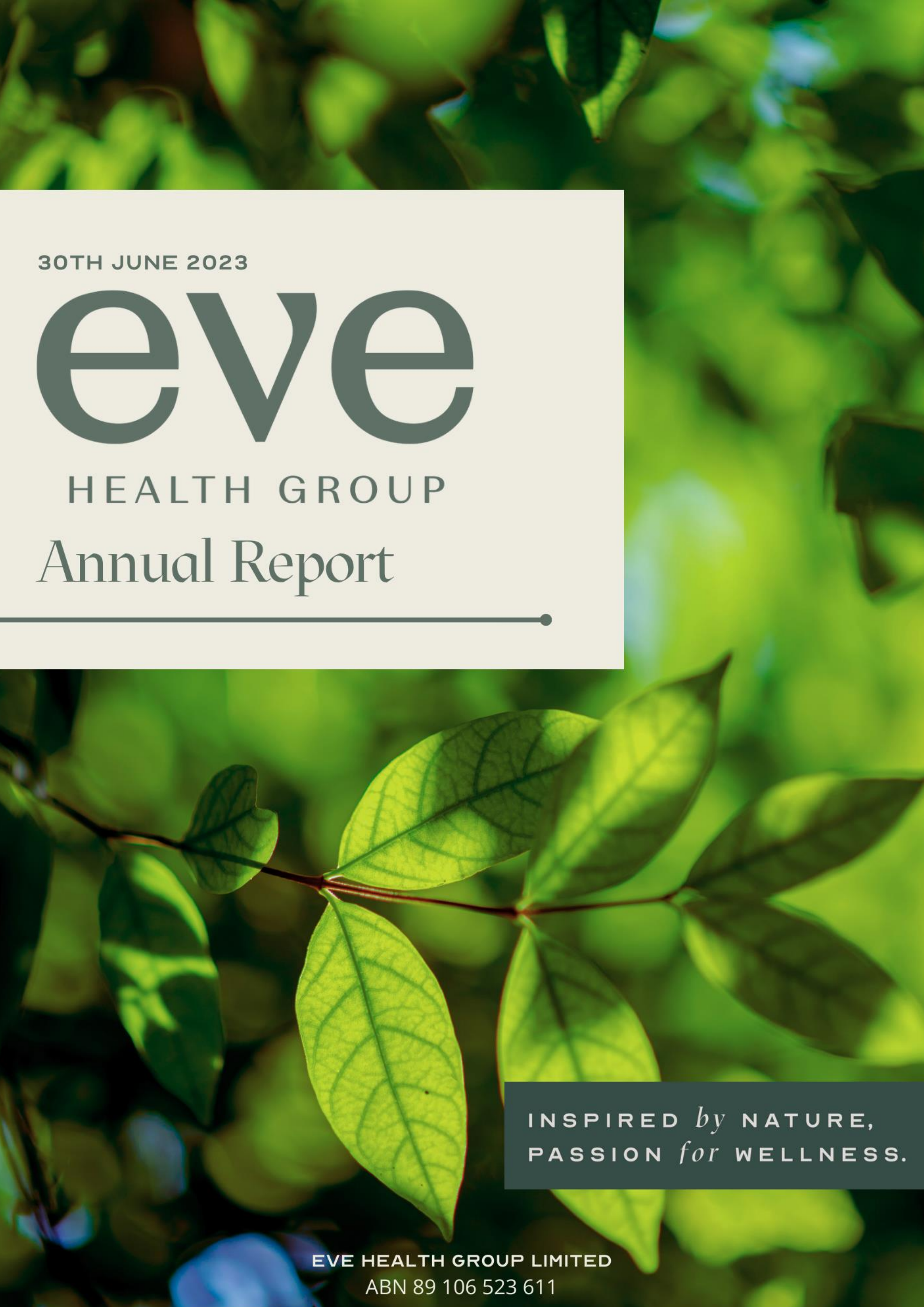
30TH JUNE 2023

eve

HEALTH GROUP

Annual Report



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

EVE HEALTH GROUP LIMITED
ABN 89 106 523 611

EVE HEALTH GROUP LIMITED

Corporate Directory

DIRECTORS

Mr Gregory (Bill) Fry
Managing Director/CEO

Mr Rodney Hannington
Non-Executive Chairman

Mr Carlos Jin
Non-Executive Director

COMPANY SECRETARY

Mr Steven Jackson

PRINCIPAL REGISTERED OFFICE IN AUSTRALIA

Suite 1, 245 Churchill Avenue,
Subiaco, WA 6008

WEBSITE

www.evehealthgroup.com.au

AUDITOR

BDO Audit (WA) Pty Ltd
Level 9, Mia Yellagonga Tower 2,
5 Spring Street,
Perth, WA 6000

SOLICITORS

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

BANKERS

Bankwest Limited
Bankwest Place,
300 Murray Street
Perth, WA 6000

SHARE REGISTRY

Automic Pty Ltd
Level 5, 191 St Georges Tce,
Perth, WA 6000

ANNUAL REPORT FY 2022 / 2023

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Chairman's Letter

Chairman's Letter

30 June 2023

Dear Shareholders,

EVE Health Group has made significant strides during the past year particularly in our primary market, Australia. Our flagship brand, Meluka Australia, delivered outstanding results in the digestive health category, realising an impressive 27% year-on-year growth, culminating in revenues of $2.1 million. Our strategic emphasis on expanding sales in the Australian market has proven successful, with digestive health products emerging as pivotal components of our product portfolio.

Our commitment to innovation was underpinned by the launch of Meluka's first probiotic supplement powder system, specifically designed to enhance digestive health. This comprehensive 3-step supplement powder system incorporates pre, pro, and postbiotics, complemented by functional superfood ingredients, offering consumers a user-friendly and versatile solution. We are excited about our robust pipeline of new digestive health products, leveraging our proprietary probiotic strain and an array of effective nutritional ingredients.

In line with our strategic shift toward the Australian market, we rationalised our support for export markets, resulting in a decline in results in North America and Asia compared to the previous year. However, we maintained consistent purchase orders in Whole Foods Market, Inc. in southern California, USA, throughout the year.

Furthermore, we made the strategic decision to divest non-core divisions of the business throughout the year. As part of the execution of this strategy, the Company completed the divestment of our contract manufacturing business, and our investment in Omni Innovation. Our investment in Naturally Australian Products was also disposed of subsequent to year end. These divestments, combined with our on-going process to dispose of our tea tree properties in Northern NSW, should unlock the required capital to continue executing the growth strategy of the business.

Changes in our board composition throughout the year saw Alasdair Cooke and James Lin retire from the board. We take this opportunity to thank them for their service to the Company.

I also take this opportunity to convey my gratitude to our dedicated shareholders and employees for their dedication and commitment to our organisation.

On behalf of the entire EVE team, we eagerly anticipate a year of progress and expansion in 2023/2024.

Yours sincerely,

Rodney Hannington

Rodney Hannington
Chairman

30TH JUNE 2023

Review of Operations

Review of operations

EVE Health Group (EVE or the Company) a health and wellness company, provides a review of its operations and corporate activity throughout financial year 2022-2023.

Meluka Australia

Australian Sales Market

Meluka Australia (Meluka) experienced a record period of Australian sales for its branded range of health and wellness products in the digestive health category during the year. Its focus on growing sales in its home market resulted in growth year on year of 27%, with revenue growing to $2.1m. Consumer focus continues to be on the digestive health products, which are now at the core of Meluka's product offering in Australia with honey products now a secondary priority.

A variety of successful marketing campaigns were rolled out throughout the year to complement the core digital marketing and promotional focus. In particular, print media campaigns in The Age and Sydney Morning Herald newspaper publications featuring Meluka's leading product, the P3 Gut Builder beverage were successful in increasing consumer awareness and new customer attainment. Other marketing campaigns included collaborations with aligned brands in the health and wellness space and promotions centred around key sales periods which are traditionally highly competitive advertising periods. Branded consumer marketing and advertising communications delivered growth in the direct-to-consumer website during the year.

New Product Development

Meluka's first probiotic supplement powder system for improved digestive health was launched during the year. The functional gut nutrition solution is in the form of a 3-step supplement powder system, each of which contain pre, pro and postbiotics as well as selected functional superfood ingredients in an easy to consume and versatile offering. The pipeline for future new product development includes plans to expand the offering of digestive health products which contain Meluka's proprietary probiotic strain and a variety of effective, functional nutritional ingredients.

Export Markets

The Company has previously advised of a refocus away from export markets to the Australian market, reducing the level of marketing support for these regions in the period. Consequently, results in both the North American and Asian regions were down between 30-40% on the prior year, however marketing expenses in these regions were reduced by 75% in the same period. The Company continued to receive regular purchase orders for the distribution of Meluka's native raw honey in Whole Foods Market, Inc in southern California, USA throughout the year.

Jenbrook

The Company owns and operates the Robyndale organic tea tree plantation and the Jendale old growth property both located in the Bungawalbin Valley in Northern New South Wales. During the year, as part of a review of its operations and funding requirements, the Directors decided to make available for sale, its tea tree properties. The Company continues to seek expressions of interest for the purchase of both the Jendale and Robyndale tea tree properties.

Eco Botanicals

The Company held a 100% interest in Eco Botanicals Pty Ltd, a contract manufacturing business located in Northern NSW. During the year, the Company completed a divestment of the business for cash proceeds of $150,000. The loss for the year to the date of divestment was $290,000 for the business.

Naturally Australian Products

Naturally Australian Products (NAP), a US distribution business was held 49% by EVE, which sells bulk essential oils and extracts to the North American market recorded revenue of $2.5 million and a loss of $0.2 million for the financial year. Subsequent to year end, the Company completed a divestment of its equity interest and a loan receivable from NAP for proceeds of approximately $30,000.

Omni Innovation

During the year, the Company completed the sale of its 37.7% interest in Omni Innovation to Myopharm Limited (see ASX release 16 September 2022). EVE received proceeds of $335,000, being its proportion of the proceeds of the share sale and distribution of net cash proceeds.

Corporate

During the year, Messrs Alasdair Cooke and James Lin retired from the Company’s board. Mr Rodney Hannington has been appointed as the Company’s chair.

Risks

New entrant risk in the health and wellness market

The Company is a relatively new entrant in the health and wellness industry and thus faces challenges in product development, brand recognition and market penetration for its products. There is risk that the Company won’t be able to continue to build on customer acceptance on current and future products as well as risk in maintaining and expanding distribution channels within Australian and overseas markets.

Manufacturing, production and logistics

The Company is reliant on third parties to manufacture its current products, particularly given the above-mentioned sale of its contract manufacturing business completed during the year. The Company seeks to mitigate its manufacturing and production risks by conducting on-going review of its third-party partners to ensure the ability to meet the Company’s requirements.

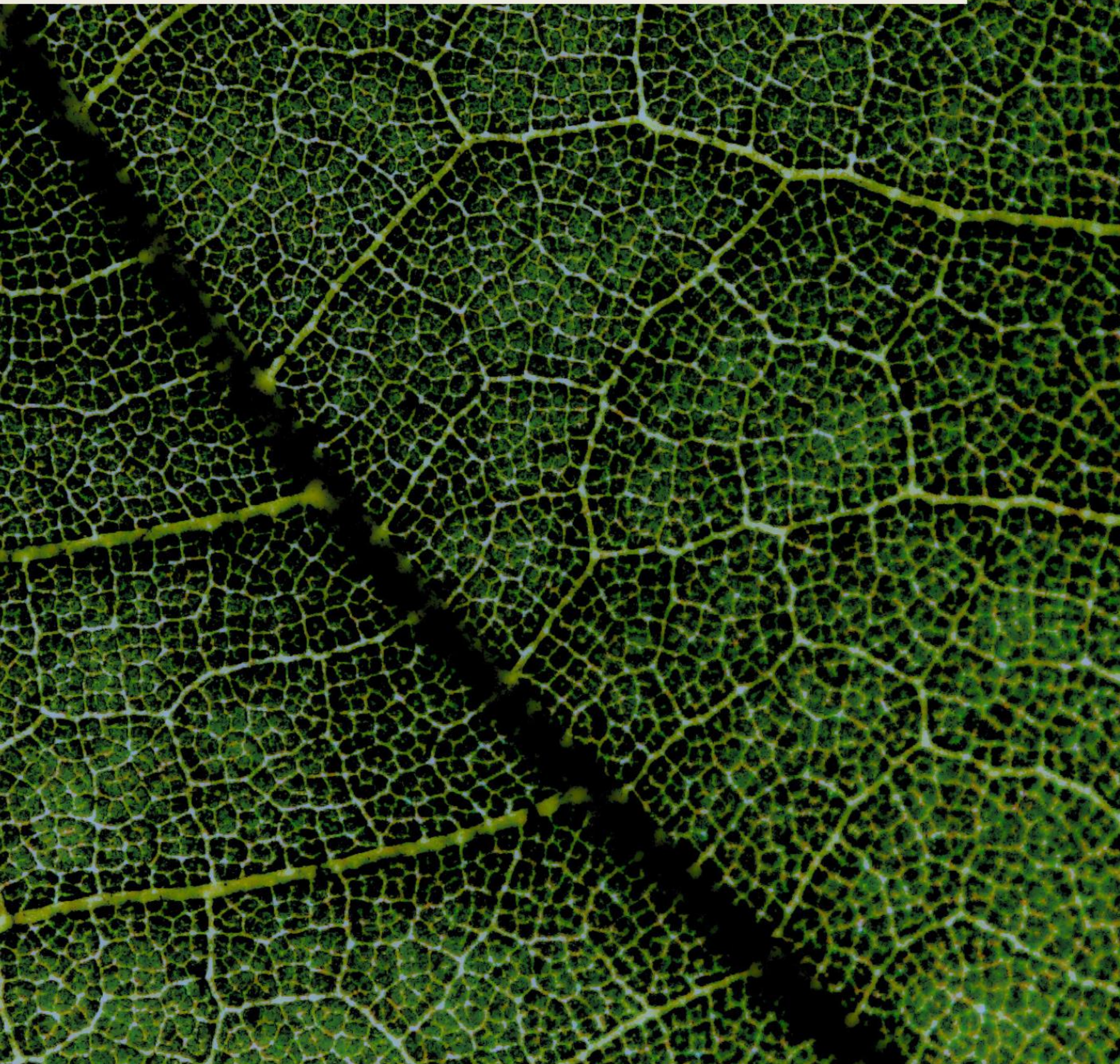
The Company is reliant on out-sourced logistics. Accordingly, if an adverse event occurs the Company (or its third-party providers) may not be able to efficiently supply and deliver the Company's products to consumers or distributors. This may have an adverse impact on the Company's financial performance. The Company seeks to have back up third-party providers in the event that its current logistics providers are not available.

Funding

The ability of the Company to continue as a going concern is dependent on the Company completing a divestment of the assets classified as held for sale or through securing additional funding through the issue of additional debt or equity. Further information on funding is discussed in the going concern note of the financial statements.

30TH JUNE 2023

Directors' Report



The Directors of the Group present their report together with the annual report of EVE Health Group Limited ("the Group" or "EVE") for the financial year ended 30 June 2023.

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 Gregory (Bill) Fry – Managing Director / CEO
Mr Rodney Hannington – Non-Executive Chairman
Mr Carlos Jin – Non-Executive Director
Mr Alasdair Cooke – Non-Executive Director (resigned 28 February 2023)
Mr James Lin – Non-Executive Director (resigned 29 September 2022)
Mr Steven Jackson – Company Secretary

Directors' Meetings

	Board of Directors		Remuneration Committee		Audit Committee	
	Present	**Held**	**Present**	**Held**	**Present**	**Held**
Gregory Fry	1	1	-	-	-	-
Rod Hannington	1	1	-	-	-	-
Carlos Jin	1	1	-	-	-	-
Alasdair Cooke	-	-	-	-	-	-
James Lin	-	-	-	-	-	-

Biographies

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
Alma Metals Limited

Interests in shares and options
132,364,853 ordinary shares
12,000,000 performance rights
16,000,000 unlisted options

Mr Rodney Hannington | Non-Executive Chairman

Mr Hannington has been working in marketing and strategy services in consumer health and fast-moving consumer goods in the Asia Pacific region for over 15 years. He has valuable international experience in markets across Australia, China, Japan, South Korea and Southeast Asia. Mr Hannington has been a member of the Monash University Department of Marketing Industry Advisory Board since 2013 and has held a variety of board roles at ASX listed companies, with a particular focus in the consumer health space.

Other current directorships
-

Special responsibilities
-

Former directorships in the last three years
-

Interests in shares and 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 Alasdair Cooke BSc (Hons) | Non-Executive Director (resigned 28 February 2023)

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*
Alma Metals Limited Caravel Minerals Limited	Member of the remuneration committee Member of the audit committee
Former directorships in the last three years	***Interests in shares and options[1]***
-	348,039,268 ordinary shares 1,500,000 performance rights

Mr James Lin | Non-Executive Director (resigned 29 September 2022)

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[1]***
-	-

[1] At date of resignation

Mr Steven Jackson BEc CPA | Company Secretary

Mr Jackson has more than 15 years experience in accounting, corporate governance and business development across a number of industries. He is responsible for the management of EVE's financial and company secretarial functions and ensuring the highest standard of financial control for the Company.

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:

	2023	2022	2021	2020	2019
Loss after income tax for the year	(3,070,316)	(5,371,949)	(3,630,685)	(2,400,443)	(2,638,506)
Basic loss per share (cents per share)	(0.06)	(0.13)	(0.09)	(0.08)	(0.11)
Increase/(decrease) in share price %	0%	-75%	-33%	20%	-38%
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 October 2020.

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

Effective 1 May 2022, the Board agreed to an indefinite 50% reduction in the above board fees.

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:	*Ben Rohr – Chief Operating Officer:*
Base salary: $192,000 thereafter[1]	Base salary: $176,000[1]
Term: On-going	Term: On-going
Termination benefit: 3 months base salary[2]	Termination benefit: nil

[1] Base salary quoted is exclusive of superannuation for the year ended 30 June 2023 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 2022 Annual General Meeting

The Company received 80.18% of "yes" votes on its remuneration report for the 2022 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.

	Cash salary	Superannuation	Annual / long service leave	Share based payments	Total	Performance based
2023	**$**	**$**	**$**	**$**	**$**	**%**
Non-Executive Directors						
Rodney Hannington	22,087	-	-	-	22,087	-
Carlos Jin	21,650	-	-	-	21,650	-
Alasdair Cooke [1]	14,769	-	-	-	14,769	-
James Lin [2]	4,413	-	-	-	4,413	-
Total non-executive director remuneration	62,919	-	-	-	62,919	-
Executive Directors						
Gregory Fry	191,131	20,069	-	5,428	216,628	3%
Key Management Personnel						
Ben Rohr	172,765	18,140	(2,087)	3,945	192,763	2%
Total executive directors and other KMPs	363,896	38,209	(2,087)	9,373	409,391	2%
Total KMP remuneration expensed	426,815	38,209	(2,087)	9,373	472,310	2%
2022	**$**	**$**	**$**	**$**	**$**	**%**
Non-Executive Directors						
George Cameron-Dow [3]	64,895	6,489	-	-	71,384	-
Alasdair Cooke	40,615	-	-	-	40,615	-
Carlos Jin	39,944	-	-	-	39,944	-
James Lin [2]	34,126	-	-	-	34,126	-
Rodney Hannington [4]	809	-	-	-	809	-
Total non-executive director remuneration	180,389	6,489	-	-	186,878	-
Executive Directors						
Gregory Fry	302,417	26,116	-	36,174	364,707	10%
Key Management Personnel						
Ben Rohr	212,666	21,267	5,123	25,557	264,613	10%
Total executive directors and other KMPs	515,083	47,383	5,123	61,731	629,320	10%
Total KMP remuneration expensed	695,472	53,872	5,123	61,731	816,198	8%

[1] Alasdair Cooke resigned as Non-Executive Director on 28 February 2023
[2] James Lin was appointed as a Non-Executive Director effective 22 April 2021 and resigned 29 September 2022.
[3] George Cameron-Dow resigned as Non-Executive Chair on 30 June 2022

[4] Rodney Hannington was appointed as a Non-Executive Director effective 14 June 2022.

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 are granted under the EVE 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 a prior year on the below terms, and with a service condition requiring continuous service with the Company until the vesting date.

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
Vesting Date	13-Oct-21	13-Oct-22	13-Oct-21	13-Oct-22
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%
Expiry Date	26-Nov-24	26-Nov-24	28-Oct-24	28-Oct-24
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	-	5,428	-	3,945
Value to be vested	-	-	-	-

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**
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
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				21,500,000	-	21,500,000

Tranche	**Hurdle**	**Likelihood**
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
Gregory Fry	4,800,000	2019	C	0.007	33,600	22-Nov-23
Ben Rohr	3,200,000	2019	C	0.007	22,400	22-Nov-23
Gregory Fry	3,600,000	2019	D	0.007	25,200	22-Nov-23
Ben Rohr	2,400,000	2019	D	0.007	16,800	22-Nov-23
Gregory Fry	3,600,000	2019	E	0.007	25,200	22-Nov-23
Ben Rohr	2,400,000	2019	E	0.007	16,800	22-Nov-23

Equity instruments held by key management personnel

Share holdings

	Balance at 1/07/2022	Purchases / Sales	Conversion of options / rights	Balance at 30/06/2023
Directors				
Gregory Fry	132,364,853	-	-	132,364,853
Rodney Hannington	-	-	-	-
Carlos Jin	-	-	-	-
Alasdair Cooke [1]	348,039,268	-	-	348,039,268
James Lin [2]	-	-	-	-
Key Management Personnel				
Ben Rohr	61,900,000	-	-	61,900,000
	542,304,121	-	-	542,304,121

Performance rights holdings

	Balance at 1/07/2022	Issued	Lapsed	Balance at 30/06/2023	Vested and exercisable	Unvested
Directors						
Gregory Fry	12,000,000	-	-	12,000,000	-	12,000,000
Rodney Hannington	-	-	-	-	-	-
Carlos Jin	-	-	-	-	-	-
Alasdair Cooke [1]	1,500,000	-	-	1,500,000	-	1,500,000
James Lin [2]	-	-	-	-	-	-
Key Management Personnel						
Ben Rohr	8,000,000	-	-	8,000,000	-	8,000,000
	21,500,000	-	-	21,500,000	-	21,500,000

Options holdings

	Balance at 1/07/2022	Issued	Lapsed	Balance at 30/06/2023	Vested and exercisable	Unvested
Directors						
Gregory Fry	16,000,000	-	-	16,000,000	16,000,000	-
Rodney Hannington	-	-	-	-	-	-
Carlos Jin	-	-	-	-	-	-
Alasdair Cooke [1]	-	-	-	-	-	-
James Lin [2]	-	-	-	-	-	-
Key Management Personnel						
Ben Rohr	12,000,000	-	-	12,000,000	12,000,000	-
	28,000,000	-	-	28,000,000	28,000,000	-

[1] Alasdair Cooke resigned as Non-Executive Director on 28 February 2023
[2] James Lin resigned as Non-Executive Director on 29 September 2022.

Loans to key management personnel

There were no loans made to key management personnel during the year ended 30 June 2023 (2022: 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:	
	2023	2022	2023	2022
	$	$	$	$
Mitchell River Group Pty Ltd [1] Provision of a serviced office and admin staff	91,631	100,406	-	-
Aurora Energy Metals Ltd [2] Recharge of overheads and wages	-	-	1,470	-
Omniblend Innovation Pty Ltd [3] Recharge of overheads and wages	-	-	18,368	30,000

[1] Alasdair Cooke and Gregory (Bill) Fry are common directors between EVE and the related party, balance of $48,378 is included in trade payables as at 30 June 2023 (2022: $13,447)

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

[3] Gregory (Bill) Fry was a common director between EVE and the related party and EVE held a 37.7% interest.

This is the end of the audited remuneration report.

3. Principal Activities
The principal activity of the Group during the financial year was the Meluka Australia business. Meluka Australia is a retail health & wellness consumer brand, with a particular focus on the growing probiotics market.

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 2023 amounted to $3,070,316 (2022: $5,371,949).

5. Loss per Share
The basic loss per share for the Group for the year was 0.06 cents (2022: 0.13 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

In July 2023, the Company completed the sale of its investment in Naturally Australian Products Inc, and associated loan receivable, for proceeds of $30,000.

In September 2023, the Company entered into a merchant financing facility for $155,000. The facility is unsecured and is repayable as a proportion from future sales of Meluka Australia brands.

There are no other 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 Since the End of the Financial Year, 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 2023 can be accessed from the Company's website at evehealthgroup.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
466,666,667	Unlisted options	0.005	31-Mar-24
30,000,000	Unlisted options	0.016	28-Oct-24
16,000,000	Unlisted options	0.016	26-Nov-24
29,000,000	Performance rights	-	Various
541,666,667			

No option holder has any right under the options to participate in any other share issue of the company or any other entity. Included in these options were options granted as remuneration to the key management personnel. Details of options granted to key management personnel are disclosed in the tables above.

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. Auditors Independence Declaration under Section 307c of the Corporations Act 2001

The lead auditor's independence declaration is set out on page 56 and forms part of the Directors' Report for the year ended 30 June 2023.

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.

Signed in accordance with a resolution of the Directors.

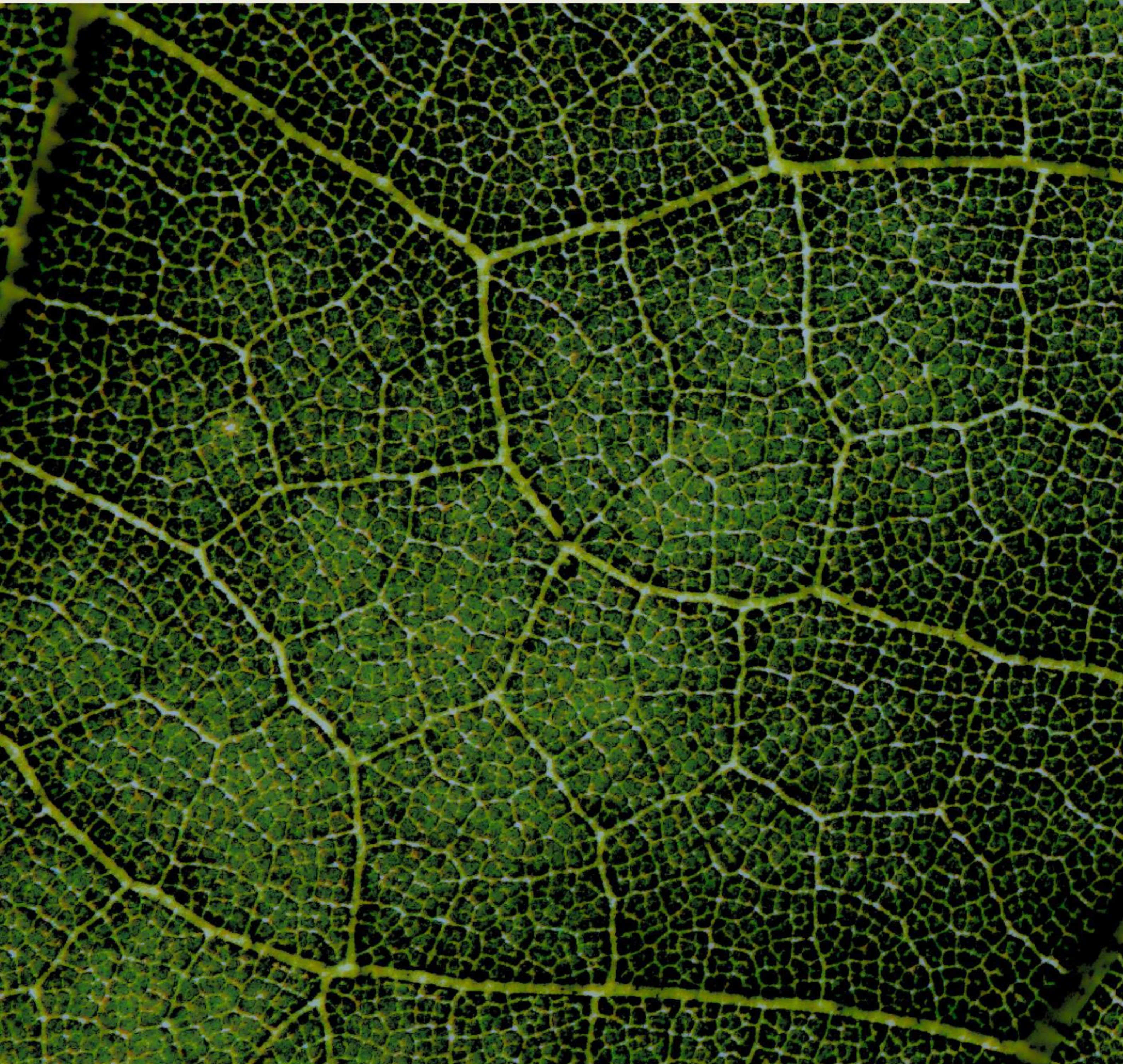
Gregory William Fry

Managing Director

Dated at Perth this 29 September 2023

30TH JUNE 2023

Directors' Declaration



Directors' Declaration

30 June 2023

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 2023 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).

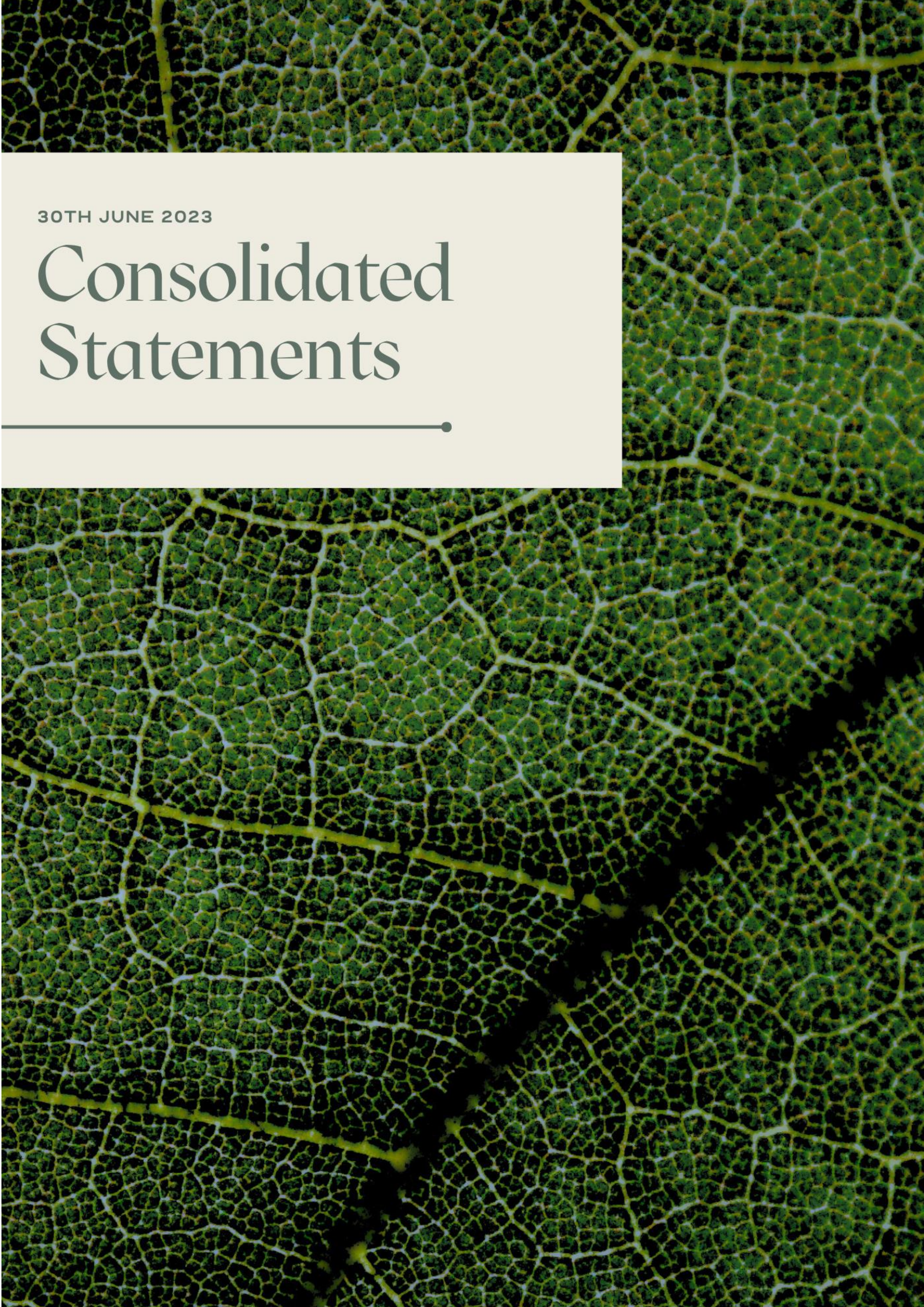
4) The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the Corporations Act 2001.

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

Declared at Perth this 29 September 2023



30TH JUNE 2023

Consolidated Statements

Consolidated Statement of Profit or Loss & Other Comprehensive Income

For the year ended 30 June 2023

	Note	2023 $	2022 $
Revenue	*8*	2,330,658	2,009,195
Costs of goods sold		(1,502,829)	(1,263,999)
Gross profit		827,829	745,196
Other income		68,100	265,310
Professional fees	*9*	(135,542)	(163,082)
Employee benefit expense	*9*	(1,255,374)	(1,926,313)
Share-based payments	*9*	(16,606)	(111,785)
Share of net loss of associates accounted for using the equity method	*4*	(248,360)	(341,067)
Gain on sale of investment in associate	*4*	223,401	-
Gain on deconsolidation of subsidiary		42,159	-
Impairment expense		(89,845)	(836,059)
Other expenses	*9*	(1,765,371)	(2,728,551)
Net financial expense		118	(22,046)
Loss before income tax gain / (expense)		(2,349,491)	(5,118,397)
Income tax benefit / (expense)	*10*	-	-
Loss after income tax for the year for continuing operations		(2,349,491)	(5,118,397)
Discontinued operations			
Loss for the year from discontinued operations	*3*	(1,694,401)	(253,552)
Loss after income tax for the year		(1,694,401)	(253,552)
Total comprehensive loss attributable to:			
Equity holders of the Company		(4,043,892)	(5,371,949)
Total comprehensive loss for the year		(4,043,892)	(5,371,949)
Loss per share for loss attributable to the ordinary equity holders of the Company:			
Basic and diluted loss per share (cents per share)	*11*	(0.08)	(0.13)
Basic and diluted loss per share from continuing operations (cents)	*11*	(0.05)	(0.13)

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 2023

	Note	2023 $	2022 $
Assets			
Current assets			
Cash and cash equivalents	*12*	192,484	1,102,423
Trade and other receivables	*13*	115,693	250,747
Inventories	*14*	522,871	1,363,734
		831,048	2,716,904
Non-current assets classified as held for sale	*3*	3,289,863	-
Total current assets		4,120,911	2,716,904
Non-current assets			
Property, plant and equipment	*6*	9.169	4,487,580
Intangibles		-	96,695
Right-to-use assets		4,040	43,689
Equity accounted investments	*4*	-	359,900
Loans to associates	*4*	-	368,276
Total non-current assets		13,209	5,356,140
Total assets		4,134,120	8,073,044
Liabilities			
Current Liabilities			
Trade and other payables	*15*	467,103	647,379
Borrowings	*5*	-	54,512
Lease liabilities		4,282	41,234
		471,385	743,125
Liabilities associated with assets classified as held for sale		537,755	-
Total current liabilities		1,009,140	743,125
Non-current Liabilities			
Borrowings	*5*	-	392,365
Lease liabilities		-	4,283
Total non-current liabilities		-	396,648
Total liabilities		1,009,140	1,139,773
Net assets		3,124,980	6,933,271
Equity			
Issued capital	*16*	35,834,352	35,615,357
Reserves		431,871	415,265
Accumulated losses		(33,141,243)	(29,097,351)
Total equity attributable to shareholders of the Company		3,124,980	6,933,271

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 2023

	Issued capital	Accumulated losses	Share based payment reserve	Total equity
	$	$	$	$
Total equity at 1 July 2022	35,615,357	(29,097,351)	415,265	6,933,271
Loss for the year	-	(4,043,892)	-	(4,043,892)
Total comprehensive loss for the year	-	(4,043,892)	-	(4,043,892)
Transactions with owners in their capacity as owners:				
Share issue net of issue costs	218,995	-	-	218,995
Share based payments	-	-	16,606	16,606
	218,995	-	16,606	235,601
Total equity at 30 June 2023	**35,834,352**	**(33,141,243)**	**431,871**	**3,124,980**
Total equity at 1 July 2021	33,609,712	(23,765,244)	343,323	10,187,791
Loss for the year	-	(5,371,948)	-	(5,371,948)
Total comprehensive loss for the year	-	(5,371,948)	-	(5,371,948)
Transactions with owners in their capacity as owners:				
Share issue net of issue costs	2,005,645	-	-	2,005,645
Share based payments	-	-	111,785	111,785
Transfer of share based payments on expiry	-	39,843	(39,843)	-
	2,005,645	39,843	71,942	2,117,430
Total equity at 30 June 2022	**35,615,357**	**(29,097,351)**	**415,265**	**6,933,271**

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 2023

	Note	2023 $	2022 $
Cash flows from operating activities			
Receipts from customers		2,617,521	2,585,466
Cash paid to suppliers and employees		(4,334,715)	(6,549,138)
Interest received		-	1,534
Interest paid		(31,343)	(17,980)
Other income received		99,450	208,341
Net cash used in operating activities	*21*	(1,649,087)	(3,771,777)
Cash flows from investing activities			
Acquisition of property, plant and equipment	*6*	(1,632)	(26,046)
Sale of property, plant and equipment	*6*	17,200	-
Disposal of businesses, net of cash		147,947	-
Sale of investment in associate	*4*	334,941	-
Net cash (used in) / provided by investing activities		498,456	(26,046)
Cash flows from financing activities			
Proceeds from the issue of share capital	*16*	224,000	2,140,675
Payment for share issuance costs	*16*	(5,005)	(135,030)
Lease payments		(42,091)	(106,419)
Proceeds from borrowings		116,485	107,458
Repayments of borrowings		(52,697)	(266,847)
Net cash provided by financing activities		240,692	1,739,838
Cash and cash equivalents at 1 July		1,102,423	3,160,409
Net increase / (decrease) in cash and cash equivalents		(909,939)	(2,057,986)
Cash and cash equivalents at 30 June	*12*	192,484	1,102,423

The consolidated statement of cash flows is to be read in conjunction with the accompanying notes. Cash flows of the discontinued operations are disclosed separately in note 3.

1. Reporting entity

EVE Health Group Limited (the "Company") is a company limited by shares, incorporated and domiciled in Australia. The consolidated financial report of the Company for the financial year ended 30 June 2023 comprises the Company and its subsidiaries (together referred to as the "Group").

The consolidated financial report was authorised for issue by the Directors on 29 September 2023. The directors have the power to amend and reissue the financial statements.

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 Health Group 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 2022 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.

d) Functional and presentation currency

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

e) Going concern

For the year ended 30 June 2023 the Company recorded a loss from continuing operations of $2,349,491 and had net cash outflows from operating activities of $1,649,087. The Company had working capital of $359,663 and net assets classified as held for sale of $2,752,108. Additionally, the Company has access to an undrawn financing facility of $359,000.

The ability of the Company to continue as a going concern is dependent on the Company completing a divestment of the assets classified as held for sale or through securing additional funding through the issue of additional debt or equity.

These conditions indicate a material uncertainty that may cast a significant doubt about the entity's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business. Management believes there are sufficient funds to meet the entity's working capital requirements as at the date of this report.

The financial statements have been prepared on the basis that the entity is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business for the following reasons:

- The directors have prepared cash flow projections that support the ability of the entity to continue as a going concern, subject to a divestment of the assets held for sale as detailed above;
- The Company has the ability to draw down on its financing facilities;
- The Company has the ability to raise additional equity; and
- The Company also has the ability to reduce its expenditure to conserve cash.

Should the Company not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements and that the financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the entity not continue as a going concern.

f) 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 6 – 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 8 – 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 13 – 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 20 – 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 20 (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.

3. Discontinued operations / Assets held for sale

During the year, as part of a review of its operations and funding requirements, the Directors decided to make available for sale its tea tree farming operations in Northern NSW. The operations of the segment is included in loss from discontinued operations per the statement of profit or loss and other comprehensive income, and is as follows:

	2023	2022

Discontinued operations	**$**	**$**
Revenue	278,816	381,424
Costs of goods sold	(182,398)	(328,122)
Gross profit / (loss) before fair value adjustments	96,418	53,302
Change in fair value of biological assets	-	177,568
Gross profit	96,418	230,870
Professional fees	(48,931)	(50,119)
Employee benefit expense	(141,382)	(130,647)
Impairment expense	(1,484,836)	(3,293,128)
Other expenses	(130,452)	(332,903)
Net financial expense	14,782	29,247
Loss before income tax gain / (expense) attributable to discontinued operations	(1,694,401)	(3,546,680)
Income tax benefit / (expense)	-	-
Loss after income tax for the year attributable to discontinued operations	(1,694,401)	(3,546,680)

The net cash flows of the discontinued operations, which have been incorporated into the statement of cash flows, are as follows:

Discontinued operations	**2023** **$**	**2022** **$**
Net cash used in operating activities	49,379	(103,748)
Net cash used by investing activities	(432)	(5,441)
Net cash provided by financing activities	63,788	(83,176)
Net increase / (decrease) in cash and cash equivalents attributable to discontinued operations	112,735	(192,365)

The assets and liabilities of the discontinued operations, which have been incorporated into the statement of financial position, are as follows:

	2023 **$**	**2022** **$**
Assets classified as held for sale		
Trade and other receivables	6,667	-
Inventories	77,196	-
Property, plant and equipment	3,206,000	-
Total assets of disposal group held for sale	3,289,863	-
Liabilities associated with assets classified as held for sale		
Trade and other payables	27,090	-
Borrowings	510,665	-
Total liabilities of disposal group held for sale	537,755	-

The fair value of land and buildings held for sale is determined in accordance with note 30.

Borrowings incorporated into the above liabilities are as follows:

	2023 $
Revolving line of credit (i)	116,015
Equipment financing (ii)	10,558
Business loan (iii)	365,835
Vehicle financing (iv)	18,257
	510,665

(i) Revolving facility with no fixed term and a variable interest rate. Secured by a mortgage against the Robyndale property, 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.
(iv) Vehicle financing with a 2.84% interest rate and a 3-year term to August 2024. Secured by a charge against the vehicle, no debt covenants.

The divestment process is still on-going as at the date of the report but is expected to be completed within the next twelve months.

4. Investment in Associates

a) Interests in associates

Set out below are the associates of the Group as at 30 June 2023. 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	
	2023 %	2022 %		2023 $	2022 $
Omni Innovation	-	37.70%	Australia	-	359,900
Naturally Australian Products	49.00%	49.00%	USA	-	-

During the year, the Company disposed of its interest in Omni Innovation for cash proceeds of $334,941 and recorded a gain on disposal of $223,401.

b) 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 Health Group Limited’s share of those amounts.

	2023	2022
Summarised statement of profit and loss	$	$
Revenue	2,515,125	2,269,905
Profit / (loss) from operating activities	(206,681)	(411,412)
Other comprehensive income	-	-
Total comprehensive profit / (loss)	(206,681)	(411,412)
Group’s share of unrecognised share of profit / (losses) of NAP	(101,274)	(201,592)

c) Loans to associates

	2023 $	2022 $
Loans to associates		
Balance at the beginning of the year	368,276	352,734
Fair-value change on loan extension	-	(42,918)
Unrealised foreign exchange movement	14,782	29,247
Amortised financial expense	31,356	29,213
Impairment expense	(414,414)	-
Balance at the end of the year	-	368,276

Loans to associates have a repayment date of 31 December 2024 and have a nil interest rate. In the period, an impairment expense was recorded against the loan of $414,414 (2021: nil) reflecting the expected recoverability of the loan.

The loans to associates, after impairment, have a fair value of $nil (2022: $368,276) 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.

5. Borrowings

	2023 $	2022 $
Equipment financing (ii)	-	14,077
Business loan (iii)	-	24,072
Vehicle financing (iv)	-	16,363
Current borrowings	-	54,512
Equipment financing (ii)	-	10,558
Business loan (iii)	-	363,549
Vehicle financing (iv)	-	18,258
Non-current borrowings	-	392,365

All borrowings are associated with discontinued operations and are disclosed in note 3.

6. Property, plant and equipment

	Freehold land $	Freehold buildings $	Bearer assets $	Furniture & fittings $	Motor vehicles $	Plant & equipment $	Computer equipment $	Total $
Full year ended 30 June 2022								
Opening net book amount	2,783,208	258,849	1,080,592	5,791	41,860	587,649	19,202	4,777,151
Additions	-	-	-	-	45,770	17,940	4,483	68,193
Disposals	-	-	-	-	-	(133,334)	-	(133,334)
Depreciation charge	-	(15,415)	(81,873)	(1,624)	(13,594)	(102,095)	(9,829)	(224,430)
Closing Net Book Amount	2,783,208	243,434	998,719	4,167	74,036	370,160	13,856	4,487,580
At 30 June 2022								
Cost	2,783,208	297,697	1,244,562	8,062	104,374	698,525	32,073	5,168,501
Accumulated depreciation	-	(54,263)	(245,843)	(3,895)	(30,338)	(328,365)	(18,217)	(680,921)
Net book amount	2,783,208	243,434	998,719	4,167	74,036	370,160	13,856	4,487,580

	Freehold land	Freehold buildings	Bearer assets	Furniture & fittings	Motor vehicles	Plant & equipment	Computer equipment	Total
	$	$	$	$	$	$	$	$
Full year ended 30 June 2023								
Opening net book amount	2,783,208	243,434	998,719	4,167	74,036	370,160	13,856	4,487,580
Additions	-	-	-	-	-	5,255	-	5,255
Disposals	-	-	-	-	-	(10,794)	-	(10,794)
Classified as held for sale (note 3)	(2,783,208)	(228,079)	(916,845)	(666)	(60,155)	(190,626)	-	(4,179,579)
Derecognition on sale of subsidiary	-	-	-	(2,452)	-	(99,096)	(4,383)	(105,931)
Depreciation charge	-	(15,355)	(81,874)	(1,049)	(13,881)	(67,834)	(7,369)	(187,362)
Closing Net Book Amount	-	-	-	-	-	7,065	2,104	9,169
At 30 June 2023								
Cost	-	-	-	-	-	22,477	17,766	40,243
Accumulated depreciation	-	-	-	-	-	(15,412)	(15,662)	(31,074)
Net book amount	-	-	-	-	-	7,065	2,104	9,169

7. 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, Meluka (branded wellness consumer products), Investments and Discontinued Operations (see note 3). The unallocated column refers to the corporate costs and cash management of the parent entity (see note 23).

Year ended 30 June 2023	Meluka	Investment	Discontinued operations	Unallocated	Consolidated
	$	$	$	$	$
Total segment revenue	2,330,658	-	-	-	2,330,658
Depreciation	62,979	-	-	97,078	160,057
Amortisation	6,850	-	-	-	6,850
Impairment	89,845	-	-	-	89,845
Segment net profit / (loss) after tax	(946,190)	(24,959)	(1,694,401)	(1,378,342)	(4,043,892)
Segment assets	766,597	-	3,289,863	77,660	4,134,120
Segment liabilities	218,330	-	537,755	253,055	1,009,140
Year ended 30 June 2022	$	$	$	$	$
Total segment revenue	2,009,195	-	-	-	2,009,195
Depreciation	114,633	-	-	98,115	212,748
Amortisation	13,589	-	-	-	13,589
Impairment	836,059	-	-	-	836,059
Segment net profit / (loss) after tax	(2,975,265)	(341,067)	(253,552)	(1,802,065)	(5,371,949)
Segment assets	1,806,988	359,900	5,189,111	717,045	8,073,044
Segment liabilities	303,891	-	572,119	263,763	1,139,773

8. Revenue

Disaggregation of revenue from contracts with customers

The Group derived its revenue from the sale of branded health and wellness products and provision of contract manufacturing services. The transfer of goods is a point in time for all product lines.

At a point in time	**2023** **$**	**2022** **$**
Branded product sales	2,076,792	1,634,476
Contract manufacturing	253,866	374,719
	2,330,658	2,009,195

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

Revenue by region

	2023 **$**	**2022** **$**
Australia	1,857,836	1,261,556
North America	364,275	590,924
Asia	108,547	156,715
	2,330,658	2,009,195

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 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.

9. Expenses from continuing operations

	2023 $	2022 $
Professional fees		
Audit fees	62,399	68,080
Tax consulting services	7,936	20,756
Legal costs	15,700	5,107
Corporate consultants	42,545	42,973
Other professional fees	6,962	26,166
	135,542	163,082
Employee benefit expense		
Wages	971,585	1,370,048
Directors fees	274,119	515,412
Share based payments expense	16,606	111,785
Payroll tax	5,514	35,015
Fringe benefits tax	4,156	5,838
	1,271,980	2,038,098
Other expenses		
Corporate costs	56,271	70,383
Premises and insurance	239,710	275,899
Marketing expenses	1,257,513	2,000,282
Travelling costs	6,042	8,526
Depreciation - property, plant and equipment	120,409	143,502
Depreciation - right-to-use assets	39,648	69,246
Amortisation	6,850	13,589
Gain / (loss) on sale of assets	(5,205)	34,910
Other operating expenses	44,133	112,214
	1,765,371	2,728,551

10. Income taxes

	2023	2022
Income tax expense / (benefit):	**$**	**$**
Current tax	-	-
Deferred tax	-	-
	-	-
Reconciliation of income tax expense/ (benefit) to prima facie income tax payable / (refundable):	**$**	**$**
Loss before income tax for the year	(4,043,892)	(5,371,948)
Loss before income tax	(4,043,892)	(5,371,948)
Prima facie income tax at 25% (2022:25%)	(1,010,973)	(1,342,987)
Tax effect of permanent differences and deferred tax movements not recognised	139,488	228,026
	(871,485)	(1,168,681)
Effect of current year tax loss not recognised as deferred tax assets	871,485	1,168,681
Benefit of prior year tax losses not previously recognised	-	-
Income tax expense / (benefit)	-	-
Unrecognised deferred tax assets:	**$**	**$**
Losses - Revenue	5,159,266	4,512,256
Losses - Capital	740,689	
Investment in associates	-	652,486
Provisions, accruals and other	118,648	169,581
	6,018,603	5,334,323
Unrecognised deferred tax liabilities:	**$**	**$**
Property, plant & equipment	2,292	187,632
Non-current assets held for sale	111,441	230
Other	23,928	25,641
	137,662	213,503

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.

11. Loss per share

The calculation of basic loss per share at 30 June 2023 was based on the loss attributable to ordinary shareholders of $4,043,892 (2022: $5,371,948) and a weighted average number of ordinary shares outstanding during the financial year ended 30 June 2023 of 5,218,636,089 (2022: 4,011,299,090) calculated as follows:

	2023 $	2022 $
Loss attributable to ordinary shareholders		
Loss for the year	(4,043,892)	(5,371,949)
Loss for the year from continuing operations	(2,349,491)	(5,118,397)
Basic loss per share		
Basic loss per share (cents)	(0.08)	(0.13)
Basic loss per share from continuing operations (cents)	(0.05)	(0.13)
Diluted loss per share		
Diluted loss per share (cents)	n/a	n/a
Diluted loss per share from continuing operations (cents)	n/a	n/a

	2023	2022
Weighted average number of shares	5,218,636,089	4,011,299,090
Options	-	-
Weighted average number of shares diluted EPS	5,218,636,089	4,011,299,090

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.

12. Cash and cash equivalents

	2023 $	2022 $
Cash at bank & on hand	192,484	1,102,423
	192,484	1,102,423

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, short term deposits 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.

13. Trade and other receivables

	2023 $	2022 $
Trade debtors	15,759	49,201
Deposits paid	18,321	78,055
Other receivables	81,613	123,491
	115,693	250,747

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. There are no receivables held by the Company that are past due and impaired.

14. Inventories

	2023 $	2022 $
Raw materials – at cost	93,935	344,101
Finished goods – at cost	420,622	1,019,633
Finished goods – at fair value less cost to sell	8,314	-
	522,871	1,363,734

Inventories recognised as an expense in costs of goods sold during the year ended amounted to $621,582 (2022: $457,359).

Write-downs of inventories amounted to $201,274 (2022: $143,000). These were recognised as an expense during the year and included in cost of costs of goods sold.

15. Trade and other payables

	2023 $	2022 $
Trade creditors	254,222	338,382
Other payables	212,881	308,997
	467,103	647,379

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.

16. Contributed equity

	2023 $	2022 $
Issued capital	38,130,507	37,906,507
Cost of share issue	(2,296,155)	(2,291,150)
	35,834,352	35,615,357

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

2023		Number of shares	Issue price	AUD
01 Jul 2022	Opening balance	5,050,482,664		35,615,357
19 Sep 2022	Entitlement offer shortfall	224,000,000	0.001	224,000
	Capital raising costs			(5,005)
30 June 2023	**Closing balance**	5,274,482,664		35,834,352

2021		Number of shares	Issue price	AUD
01 Jul 2021	Opening balance	3,843,141,890		33,609,712
28 Feb 2022	Placement	466,666,667	0.003	1,400,000
24 Jun 2022	Entitlement offer	740,674,107	0.001	740,674
	Capital raising costs			(135,030)
30 June 2022	**Closing balance**	5,050,482,664		35,615,356

17. 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.

18. 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:

	2023 $	2022 $
BDO Audit (WA) Pty Ltd:		
Audit and review of financial reports	62,399	68,080
Total auditors' remuneration	62,399	68,080

19. Related parties

a) Loans to key management personnel

There were no loans made to key management personnel during the year ended 30 June 2023 (2022: nil).

b) Key management personnel compensation

	2023 $	2022 $
Short-term employee benefits	426,815	695,472
Post-employment benefits	38,209	53,872
Long-term employee benefits	(2,087)	5,123
Equity compensation benefits	9,373	61,731
	472,310	816,198

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:	
	2023	2022	2023	2022
	$	$	$	$
Mitchell River Group Pty Ltd [1]	91,631	100,406	-	-
Provision of a serviced office and admin staff				
Aurora Energy Metals Ltd [2]	-	-	1,470	-
Recharge of overheads and wages				
Omniblend Innovation Pty Ltd [3]	-	-	18,368	30,000
Recharge of overheads and wages				
Naturally Australian Products Inc. [4]	19,492	64,072	6,024	24,971
Sale of essential oils and honey, recharge of overheads				

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

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

[3] Gregory (Bill) Fry is a common director between EVE and the related party and EVE held a 38% interest.

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

d) Assets and liabilities arising from the above transactions

	2023	2022
Transactions with associates	$	$
Current assets		
Trade debtors	273	9,108
Non-current assets		
Loans to associates receivable	-	368,276
Current liabilities		
Trade creditors	3,248	10,735
Transactions with other related parties	$	$
Current liabilities		
Trade creditors	48,378	13,447

20. 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.

	2023	2022
	$	$
Performance rights (a)	-	16,891
Options (b)	16,606	94,894
Total expensed	16,606	111,785

a) 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 $	Vesting expense in year $	Unvested at 30 June 2022	Lapsed	Unvested at 30 June 2023
22-Nov-18	22-Nov-23	C	10,400,000	72,800	-	10,400,000	-	10,400,000
22-Nov-18	22-Nov-23	D	7,800,000	54,600	-	7,800,000	-	7,800,000
22-Nov-18	22-Nov-23	E	10,800,000	75,600	-	10,800,000	-	10,800,000
			29,000,000	203,000	-	29,000,000	-	29,000,000

No performance rights vested during the year or during the prior year. In the current year nil performance rights lapsed due to cessation of employment (2022: 3,000,000).

Tranche	Hurdle	Likelihood
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%

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 $nil (2022: $16,891) 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 0.4 years (2022: 1.4 years).

b) Options

Issue Date	Expiry date	Tranche	Number granted	Value at grant date $	Vesting expense in year $	Lapsed	Vested at 30 June 2023	Unvested at 30 June 2023
28-Oct-20	28-Oct-24	A	15,000,000	59,863	20,354	-	15,000,000	-
28-Oct-20	28-Oct-24	B	15,000,000	67,162	38,857	-	15,000,000	-
26-Nov-20	26-Nov-24	A	8,000,000	31,534	10,315	-	8,000,000	-
26-Nov-20	26-Nov-24	B	8,000,000	35,465	18,869	-	8,000,000	-
			46,000,000	194,024	88,395	-	46,000,000	-

23,000,000 options vested in the current year (2022: 23,000,000). In the current year nil options lapsed due to failure to meet vesting conditions (2022: 6,500,000).

Tranche	Hurdle	Likelihood
A	Continuous service until 13 October 2021	Met
B	Continuous service until 13 October 2022	Met

The fair value of the options granted during the year is nil (2022: $nil). During the year $16,606 (2022: $94,984) of expense was recorded, the fair value of options is calculated based off the following inputs:

Tranche	A	A	B	B
Issue Date	28-Oct-20	26-Nov-20	28-Oct-20	26-Nov-20
Number of Options	15,000,000	8,000,000	15,000,000	8,000,000
Dividend yield (%)	-	-	-	-
Expected volatility (%)	100%	100%	100%	100%
Risk free interest rate (%)	0.25%	0.10%	0.25%	0.10%
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 ($)	0.0040	0.0039	0.0045	0.0044
Total value at grant date ($)	59,863	31,534	67,162	35,464

The weighted average remaining contractual life of the options outstanding is 1.35 years (2022: 2.35 years). The weighted average share price for the financial year was $0.001 (2022: $0.003).

Detailed remuneration disclosures are provided in the remuneration report on pages 12 - 18.

21. Cash flow information

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

	2023 $	2022 $
Loss for the year	(4,043,892)	(5,371,948)
Adjustments for:		
Share of losses in associates	248,360	341,067
Gain on derecognition of associate	(223,401)	-
Fair value movement on biological assets	-	(177,568)
Fair value in costs of goods sold	-	254,796
Gain on deconsolidation of subsidiary	(42,159)	-
Financing costs	(31,356)	13,705
Lease interest expense	856	13,335
Depreciation expense	227,010	312,152
Amortisation expense	6,850	13,589
Bad debts expense	5,939	-
Impairment expense	1,574,681	836,059
(Gain)/loss on disposal of property, plant & equipment	(6,405)	133,334
Net foreign exchange gains / (losses)	(14,782)	(29,247)
Equity-settled share-based payment expenses	16,606	111,785
Change in operating assets and liabilities		
(Increase)/decrease in trade and other receivables	68,166	104,957
(Increase)/decrease in inventories	610,324	(253,935)
(Decrease)/increase in trade and other payables	(45,884)	(73,858)
Net cash used in operating activities	(1,649,087)	(3,771,777)

b) Non-cash investing and financing activities

	2023 $	2022 $
Net change in right-to-use assets	(39,649)	(383,421)

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.

	2023 $	2022 $
Cash and cash equivalents	192,484	1,102,423
Borrowings	(510,665)	(446,877)
Lease liabilities	(4,282)	(45,517)
Net debt	(322,463)	610,029

	Borrowings $	Leases $	Cash $	Total $
Net debt at 30 June 2021	(560,839)	(454,037)	3,160,409	2,145,533
Cash flows	159,389	106,419	(2,057,986)	(1,792,178)
New leases	-	(52,506)	-	(52,506)
Terminated leases	-	354,607	-	354,607
Other changes	(45,427)	-	-	(45,427)
Net debt at 30 June 2022	(446,877)	(45,517)	1,102,423	610,029
Cash flows	(63,788)	42,091	(909,939)	(931,636)
Other changes	-	(856)	-	(856)
Net debt at 30 June 2023	(510,665)	(4,282)	192,484	(322,463)

22. Interests in Subsidiaries

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

Direct subsidiaries of the parent	**Country of incorporation**	**Equity holding 30-Jun-23 %**	**Equity holding 30-Jun-22 %**
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[1]	AUS	-	100

[1] Eco Botanicals was disposed of on 27 February 2023 for cash consideration of $150,000.

EVE Health Group 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.

23. Parent company disclosures

	2023 $	2022 $
Current assets	66,342	695,805
Non-current assets	3,311,695	6,420,735
Total assets	3,378,037	7,116,540
Current liabilities	253,055	249,332
Non-current liabilities	-	-
Total liabilities	253,055	249,332
Contributed equity	35,834,352	35,615,357
Share based payment reserve	431,871	415,265
Accumulated losses	(33,141,244)	(29,163,415)
Total equity	3,124,979	6,867,207
Profit / (loss) for the year	(3,979,578)	(5,438,008)
Other comprehensive income / (loss) for the year	-	-
Total comprehensive loss for the year	(3,979,578)	(5,438,008)

No guarantees were entered into by the parent company during the year (2022: nil).

At 30 June 2023 the parent company had no contingent liabilities (2022: nil).

24. Contingent assets and liabilities

There were no contingent liabilities or contingent assets at 30 June 2023 (2022: nil).

25. Capital and other commitments

There were no capital and other commitments at 30 June 2023 (2022: nil).

26. Reconciliation to Appendix 4E Preliminary Final Report

The Company lodged its Appendix 4E Preliminary Final Report with the Australian Securities Exchange on 30 August 2023.

Subsequent to the lodgement, the Company received an independent valuation of the available for sale properties, the following transaction has been recorded as outlined below:

- An impairment provision of $973,576 as at 30 June 2023 relating to the carrying value of the available for sale properties (see note 3).

The net impact of the adjustment above is an increase to the loss in the Consolidated Statement of Profit or Loss of $973,576 and a corresponding decrease in the net assets in the Consolidated Statement of Financial Position.

27. Events occurring after reporting date

In July 2023, the Company completed the sale of its investment in Naturally Australian Products Inc, and associated loan receivable, for proceeds of $30,000.

In September 2023, the Company entered into a merchant financing facility for $155,000. The facility is unsecured and is repayable as a proportion from future sales of Meluka Australia brands.

There are no other matters or circumstances that 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) Loans at amortised cost

A financial asset is classified at amortised cost if the objective of the business model is to hold the financial asset for the collection of the contractual cash flows and the contractual cash flows under the instrument represent solely payments of principal and interest (SPPI) on the principal outstanding. This comprises loans to associates which are included in non-current assets within the statement of financial position.

Loans are held for collection of contractual cash flows and the contractual cash flows under the instrument represent SPPI on the principal outstanding. Loans assets are measured initially at fair value plus transaction costs and subsequently at amortised cost using the effective interest rate method, less impairment losses if any. Such assets are reviewed at each reporting date to determine whether there is objective evidence of impairment.

At each reporting date, the Group measures the loss allowance on loans at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Group shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the counterparty, probability that the counterparty will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance.

The amount of the impairment loss is recognised in the statement of comprehensive income on a separate line item. When a loan receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of comprehensive income.

l) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of EVE Health Group Limited ('Company' or 'parent entity') as at 30 June 2023 and the results of all subsidiaries for the year then ended. EVE Health Group 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.

m) Discontinued operations

A discontinued operation is a component of the entity that either has been disposed of, or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to re-sell.

The profit or loss from discontinued operations, including prior year components of profit or loss, are presented in a single amount in the statement of profit or loss and other comprehensive income. This amount, which comprises the after tax profit or loss of discontinued operations and the after tax gain or loss is further disclosed in note 3.

The disclosures for discontinued operations in the prior year relate to all operations that have been discontinued by the reporting date for the latest period presented.

n) Non-current assets or disposal groups classified as held for sale

Non-current assets and assets of disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use. They are measured at the lower of their carrying amount and fair value less costs of disposal. For non-current assets or assets of disposal groups to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write down of the non-current assets and assets of disposal groups to fair value less costs of disposal. A gain is recognised for any subsequent increases in fair value less costs of disposal of a non-current assets and assets of disposal groups, but not in excess of any cumulative impairment loss previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current assets. The liabilities of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current liabilities.

o) 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.

p) Property, plant and equipment
Property, 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	10%-25%
Bearer plants	3%

q) 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.

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.

r) Foreign currency translation

Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (‘the functional currency’). The consolidated financial statements are presented in Australian dollars.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Monetary assets and liabilities denominated in the foreign currencies at the reporting date are translated to the functional currency at the foreign exchange ruling at that date. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction.

Foreign exchange differences arising on the translation of monetary items are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

s) 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.

t) 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 measured at amortised cost and recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

u) Share-based payments

Share-based compensation benefits are provided to certain employees via the EVE Employee Incentive Plan. Information relating to these schemes is set out in note 21. The fair value of options and rights granted under the plan is recognised as an employee benefits expense with a corresponding increase in share-based payments reserve. The total amount to be expensed is determined by reference to the fair value of the options and rights granted, which includes any market performance conditions and the impact of any non-vesting conditions but excludes the impact of any service and non-market performance vesting conditions.

Non-market performance vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options and rights that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the consolidated statement of comprehensive income, with a corresponding adjustment to the share based payment reserve

The fair value at grant date of the plans is determined using option pricing models that take into account the exercise price, the vesting period, the vesting and performance criteria, the impact of dilution, the share price at grant date, expected price volatility of the underlying share, the expected dividend yield, and the risk-free interest rate for the vesting period.

v) 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.

w) 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), 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.

x) 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 Health Group 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.

y) 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.

z) 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) Foreign currency risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the United States dollar. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis (see table below) and cash flow forecasting.

The Group's risk management policy is to form a natural hedge to foreign exchange fluctuations by holding funds in the currency the costs are forecast to be expended in.

The Group's exposure to foreign currency risk at the end of the reporting year, was:

	2023 $	2022 $
Trade receivables	3,060	514
Trade payables	3,775	95,255
Loans to associates	-	368,276

b) 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 $nil (2022: $368,276). The loans are to Naturally Australian Products, a Company in which EVE owns 49%. During the year, the Company recognised a provision for the outstanding amount 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:

	2023 $	2022 $
Cash and cash equivalents A-1+	192,484	1,102,423

c) 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

2023	Less than 6 months	6 - 12 months	More than 12 months	Total contractual cash flows
Trade and other payables	494,193	-	-	494,193
Lease liabilities	4,282	-	-	4,282
Borrowings	161,323	36,947	506,255	704,525
	659,798	36,947	506,255	1,203,000
2022				
Trade and other payables	647,379	-	-	647,379
Lease liabilities	29,216	12,875	4,292	46,383
Borrowings	38,233	35,502	497,223	570,958
	714,828	48,377	501,515	1,264,720

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.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standards.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (e.g. over the counter derivatives) is determined using valuation techniques that maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

a) Land and buildings

Valuation techniques and significant unobservable inputs

The fair values of the land and buildings held for sale were determined by an external, independent valuer, having an appropriate recognised professional qualification and relevant experience in the location and category of the properties being valued. Fair value is based on market values, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

At 30 June 2023	Level 1 $	Level 2 $	Level 3 $	Total $
Land and buildings - Jendale	-	-	777,212	777,212
Land and buildings - Robyndale	-	-	2,428,788	2,428,788
Property, plant and equipment held for sale	-	-	3,206,000	3,206,000

At 30 June 2022	Level 1 $	Level 2 $	Level 3 $	Total $
Land and buildings - Jendale	-	-	-	-
Land and buildings - Robyndale	-	-	-	-
Property, plant and equipment held for sale	-	-	-	-

Fair value measurement

The fair value measurement of the land and buildings held for sale has been categorised as a Level 3 fair value as it is derived from valuation techniques that include inputs that are not based on observable market data (unobservable inputs).

b) 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.

c) 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.

d) 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 2023

Auditor's Independence Declaration

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DECLARATION OF INDEPENDENCE BY ASHLEIGH WOODLEY TO THE DIRECTORS OF EVE HEALTH GROUP LIMITED

As lead auditor of Eve Health Group Limited for the year ended 30 June 2023, 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 Health Group Limited and the entity it controlled during the period.

Ashleigh Woodley

Director

BDO Audit (WA) Pty Ltd

Perth

29 September 2023

30TH JUNE 2023

Independent Audit Report

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INDEPENDENT AUDITOR'S REPORT

To the members of Eve Health Group Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Eve Health Group Limited (the Company) and its subsidiary (the Group), which comprises the consolidated statement of financial position as at 30 June 2023, 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 2023 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.

Material uncertainty related to going concern

We draw attention to Note 2(e) in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

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. In addition to the matter described in the Material uncertainty related to going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Revenue recognition

Key audit matter	*How the matter was addressed in our audit*
Revenue is disclosed in Note 9 of the financial report. Revenue is generated from multiple streams and across different geographic locations. This area is a key audit matter as revenue is one of the key drivers to the Group's performance and there is a significant volume of transactions included in revenue.	Our procedures included, but were not limited to the following: • Understanding processes and controls put in place by the management in relation to recognition of revenue for each revenue stream; • Checking a sample of revenue transactions to evaluate whether they were appropriately recorded as revenue, ensuring the amounts recorded agrees to supporting evidence; • Performing cut-off testing to ensure that revenue transactions around year end have been recorded in the correct reporting period; and • Considered the adequacy of accounting policies and disclosures in 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 2023, 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.

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 on pages 11 to 17 of the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Eve Health Group Limited, for the year ended 30 June 2023, 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

29 September 2023

30TH JUNE 2023

Additional Information

Additional Information

For the year ended 30 June 2023

1. Exchange listing

EVE Health Group 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
ALASDAIR COOKE	348,039,268

3. Class of shares and voting rights

At 5 September 2023, there were 3,802 holders of 5,274,482,664 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	5,198,934,134	2,109	98.57
10,001 to 100,000	74,464,991	1,312	1.41
5,001 to 10,000	701,159	85	0.01
1,001 to 5,000	331,457	104	0.01
1 to 1,000	50,923	191	0.00
	5,274,482,664	3,801	100
Unmarketable Parcels	313,540,135	2,732	5.9

5. Unlisted securities

Securities	Number on issue	Number of holders	Holders with 20% or more	Number held
Employee incentive performance rights	29,000,000	6	nil	n/a
Unlisted options exercisable at 1.6 cents on or before 28/10/2024	30,000,000	14	nil	n/a
Unlisted options exercisable at 1.6 cents on or before 26/11/2024	16,000,000	1	nil	n/a
Unlisted options exercisable at 0.05 cents on or before 31/03/2024	466,666,667	35	MATTHEW BURFORD S/F PTY LTD <BURFORD S/F A/C>	100,000,000

6. Listing of 20 largest shareholders as at 5 September 2023

Rank	Name	Number of shares held	% IC
1	EVERHONEY BIOTECH AUSTRALIA PTY LTD	663,638,954	12.58
2	HONG KONG JUSHENG BOLANG TECHNOLOGY CO LIMITED	507,488,612	9.62
3	MR ALASDAIR COOKE (and associated entities)	348,039,268	6.60
4	MR HONGHAO SUN	230,000,000	4.36
5	MR MARC JOHN CALOKERINOS	184,000,000	3.49
6	TERRA METALLICA NOMINEES PTY LTD <TERRA METALLICA A/C>	136,000,000	2.58
7	MR GREGORY FRY (and associated entities)	132,364,853	2.51
8	MR BENEDICT JAMES ROHR	111,900,000	2.12
9	MR MIROSLAV MICHAEL PETROVIC	56,333,334	1.07
10	MR ANTHONY JOHN ANDREWS	50,030,000	0.95
11	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	38,212,236	0.72
12	ROBYN MERRYL INGERSOLE	35,530,000	0.67
13	BRYAN KENT EASSON	35,530,000	0.67
14	MR STEVEN LUKE JACKSON	33,662,524	0.64
15	MR RICHARD BLACK	32,500,000	0.62
16	MR MARK BURNELL	32,161,202	0.61
17	STATION CAPITAL PTY LTD	32,000,000	0.61
18	MR PAUL AMERICA	30,000,000	0.57
19	PERMWILL PTY LTD <I REDELMAN & SON P/L S/F A/C>	25,000,001	0.47
20	MR DONAL PAUL WINDRIM	23,400,655	0.44
		2,737,791,639	51.91

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