

31 January 2018

Quarterly Review

Highlights

Eve Investments completes its 50% investment in Meluka Health.

Meluka Health:

- Commenced branding and marketing activities for its honey products with a focus on the US market
- Announced the development of a Hemp Seed Honey
- Entered into a co-operation agreement to develop a medicinal honey water
- Entered into a supply arrangement with Bee Services, one of Australia's largest producer of organic certified honey.

Omni Innovation's Chinese partner, Eagle Health Holdings (ASX:EHH) rolls out its pre-meal diabetes drink into the Chinese market.

EVE Investments (ASX:EVE), an ASX listed technology investment company, has today released its Appendix 4C Report for the three month period to 31 December 2017 and is pleased to provide a review of its progress for the quarter.

Meluka Health

Late in the quarter, EVE completed its 50% investment into Meluka Health. Meluka Health holds 100% of Meluka Honey and essential oil producer Eco Botanicals. Additionally, it holds options to acquire key assets such as the Jendale and Robyndale tea tree plantations and US distribution business, Naturally Australian Products.

During the quarter Meluka Health's subsidiary Meluka Honey commenced marketing its pioneering honey brand Meluka Honey into the US with the following product presented to potential customers.

- Australian Meluka Organic Tea Tree Raw Honey – A raw honey of the purest quality harvested from a region where the Australian botanical species *Melaleuca alternifolia* grows naturally in a clean and sustainable environment in the Bungawalbyn Valley Basin in Northern New South Wales, Australia. Tea Tree *Melaleuca alternifolia* and the potent healing benefits of honey introduces a new certified organic, non-therapeutic product – ingestible Meluka Honey.

Hemp Seed Honey

Medic Honey also completed formulation and production of Australia's first 100% organic Hemp Seed Honey. The Hemp Seed Honey incorporates the health benefits of Hemp Seed which has a concentrated balance of proteins, essential fats, vitamins and enzymes combined with a relative absence of sugar, starches and saturated fats. When combined with Medic Honey's quality raw honey it produces a product with truly unique health benefits and an exceptional flavour profile.

Agreement to develop a medicinal honey water

Meluka Health entered into a Joint Development and Co-operation Agreement with Refresh Group Limited (Refresh). The agreement involves the development of a honey water product range for Australia as well as the Chinese market. Refresh is Australia's largest producer of distilled drinking water with six bottled water factories in four States. Refresh will cooperate with Meluka Health to develop a honey water product range utilising organic Meluka honey produced by Meluka Health. Combining the two uniquely Australian products will create a new product to cater for strong demand from China for natural food based products that have additional health benefits.

Agreement with Bee Services

Meluka Health entered into an exclusive supply agreement for honey produced from hives located on two organic melaleuca tea tree plantations, Jendale and Robyndale, located in the Bungawalbyn valley basin of NSW. Jendale is an old growth plantation that is wild crafted in its natural state and has been identified as an origin of the species plantation for the melaleuca alternifolia. Robyndale is a farmed organic melaleuca tea tree plantation.

Additionally, another agreement is in place for the supply of honey that is produced in the region of the Bungawalbyn valley basin.

Award of TechVouchers Grant

Meluka Health announced that an application for a NSW TechVoucher grant to support the Bee Health and honey research program was successful. TechVouchers is a program where SMEs can be connected with an expert in a relevant field of research and embark on an innovative joint research project. The program also enables access to high tech instruments and facilities that would otherwise be difficult to access. TechVouchers are awarded on a competitive basis to eligible NSW companies for amounts up to \$15,000. All funding must be matched in cash by the SME.

Appointment of David Rudd

Meluka Health appointed Dr. David Rudd as a special advisor to the Meluka Health board. Dr Rudd will be providing specialist advice on product development, evaluation and efficacy for a range of Meluka Honey products

Omni Innovation

Update on Distribution Agreement with Eagle Health

Omni Innovation's Chinese partner, Eagle Health has begun shipping its pre-meal drink for type 2 diabetes ("Hutang 1") in Xiamen, as well as opening four diabetes education and experience stores. Eagle Health exclusively manufactures, markets and distributes the Australian clinically proven pre-meal shake product for Type 2 diabetes and Pre-Type 2 diabetes throughout mainland China through the Company's extensive network of pharmacies and other retail outlets.

The four Education and Experience stores were opened on 1 December in Eagle Health's home city, Xiamen, with the official opening ceremony held on 23 December. The ceremony was attended by 200 guests and garnered an impressive amount of participation and public interest.



Picture 1: The opening ceremony for Eagle Health's Education and Experience store in Xiamen, China

Xiamen recently became the ninth city in the world to launch the Change Diabetes Project ("Project"). The Project will study current incidence of diabetes in Xiamen, raise the awareness of the urban residents about diabetes, and assist the community to better jointly cope with the challenges of diabetes.

The International Diabetes Federation (IDF) 2017 Diabetes Atlas highlighting that China has 114.4 million people with diabetes, with this number projected to increase significantly in the future. Omni Innovation's partner Eagle Health is dedicated to helping to educate the community about diabetes and diabetes management. In order to spread this awareness, the Company is aiming to open stores beyond Xiamen and into other Chinese regions with the first of these new stores to be opened in late February.

Corporate

In early October, the Company completed a \$1.2m capital raising to fund the completion of the Meluka Health investment. The placement included a subscription by TRT Investment Pty Ltd, the Company's largest shareholder for \$500k.

TRT is one of China's oldest pharmaceutical and traditional chinese medicine (TCM) enterprises. It specialises in research and development, production and sales of TCM and owns two pharmaceutical production and sale enterprises – TRT and Hongrentang which are recognised as two of the forty-three time-honoured pharmaceutical brands granted by the Ministry of Commerce.

TRT and Hongrentang hold a combined number of 99 valid drug approvals, including a national-protected variety, 20 exclusive varieties and 29 drugs that are included in China's national medical insurance. TRT has a well-developed, extensive distribution network throughout China.

TRT appointed Mr Michael Pixley as their representative to the Company's Board following completion of the placement. Following the end of quarter, Mr Alasdair Cooke stood down as Executive Chairman, continuing as a Non-Executive Director. Mr George Cameron-Dow has assumed the role of Non-Executive Chairman. Mr Dow brings substantial experience in the healthcare and medical sector to his new role as Chairman.

In the quarter, unlisted options were exercised by optionholders raising \$1m before costs.

Subsequent to the quarter end, EVE announced it has received firm bids received to complete a \$3.5m capital raising, after scaleback of oversubscriptions. In addition to the placement, EVE will also be offering eligible shareholders at the relevant record date the opportunity to participate in a non renounceable entitlement issue at the same price as the placement seeking to raise up to a maximum of \$2.85m

Funds raised will be used to support the company's existing investment portfolio, support activities to seek new investments, as well as working capital.

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About EVE Investments

EVE Investment is an Australian Securities Exchange Listed Investment Company that invests in technology companies. With a preference for companies that have global scale, EVE is an investment partner that wants to help build ground breaking and enduring technology.

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

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

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

Name of entity

EVE INVESTMENTS LTD

ABN

89 106 523 611

Quarter ended ("current quarter")

31 Dec 17

Consolidated statement of cash flows

1. Cash flows from operating activities

- 1.1 Receipts from customers
- 1.2 Payments for:
 - (a) research and development
 - (b) product manufacturing and operating costs
 - (c) advertising and marketing
 - (d) leased assets
 - (e) staff costs
 - (f) administration and corporate costs
- 1.3 Dividends received (see note 3)
- 1.4 Interest received
- 1.5 Interest and other costs of finance paid
- 1.6 Income taxes paid
- 1.7 Government grants and tax incentives
- 1.8 Other (provide details if material)
- 1.9 **Net cash from / (used in) operating activities**

2. Cash flows from investing activities

- 2.1 Payments to acquire:
 - (a) property, plant and equipment
 - (b) businesses (see item 10)
 - (c) investments
 - (d) intellectual property
 - (e) other non-current assets
- 2.2 Proceeds from disposal of:
 - (a) property, plant and equipment
 - (b) businesses (see item 10)
 - (c) investments
 - (d) intellectual property
 - (e) other non-current assets
- 2.3 Cash flows from loans to other entities
- 2.4 Dividends received (see note 3)
- 2.5 Other (provide details if material)
- 2.6 **Net cash from / (used in) investing activities**

	Current quarter \$'000	Year to date (6 months) \$'000
	-	-
	-	-
	(13)	(19)
	-	-
	(28)	(123)
	(98)	(167)
	-	-
	-	-
	-	-
	-	-
	-	-
	(140)	(310)
	-	-
	-	-
	(640)	(640)
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	(640)	(640)

	Current quarter \$'000	Year to date (6 months) \$'000
3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	895	895
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	1,011	1,011
3.4 Transaction costs related to issues of shares, convertible notes or options	(87)	(92)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	(1,819)	(1,814)
4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	85	260
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(140)	(310)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(640)	(640)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	1,819	1,814
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of quarter	1,124	1,124

	Current quarter \$'000	Previous quarter \$'000
5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		
5.1 Bank balances	624	85
5.2 Call deposits	500	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,124	85

	Current quarter \$'000
6. Payments to directors of the entity and their associates	
6.1 Aggregate amount of payments to these parties included in item 1.2	31
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	
Director fees	

	Current quarter \$'000
7. Payments to related entities of the entity and their associates	
7.1 Aggregate amount of payments to these parties included in item 1.2	59
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	
Serviced office and administration staff	

	Total facility amount at quarter end \$'000	Amount drawn at quarter end \$'000
8. Financing facilities available Add notes as necessary for an understanding of the position		
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

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

	\$'000
	-
	-
	5
	-
	105
	110
	-
	220

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

	Acquisitions	Disposals
	-	-
	-	-
	-	-
	-	-
	-	-

Compliance statement

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



Steven Jackson
Company Secretary

31 January 2018

Notes

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