

**31 August 2022**

## Appendix 4E - Results for Announcement to the Market

Provided below are the Results for Announcement to the Market in accordance with ASX Listing Rule 4.3A and Appendix 4E for EVE Health Group (formerly EVE Investments Limited) and its controlled entities for the financial year ended 30 June 2022 (the reporting period) compared with the financial year ended 30 June 2021 (the prior period).

				\$
Revenue from ordinary activities	Down	14.65%	to	2,390,620
Loss from ordinary activities after tax attributable to members	Up	47.96%	to	(5,371,948)
Net loss for the period attributable to members	Up	47.96%	to	(5,371,948)

### Net tangible assets per security

	2022 \$	2021 \$
Net tangible assets per ordinary security	0.0014	0.0024

### Dividends

No dividends were paid, declared or determined during the reporting period.

### Details of associates and joint venture entities

	Ownership interest		Contribution to loss	
	2022 %	2021 %	2022 \$	2021 \$
Omniblend Innovation Pty Ltd	37.7%	37.7%	(341,067)	(468,434)
Naturally Australian Products Inc.	49.0%	49.0%	-	-

### Details of entities over which control was gained or lost during the period

No change in the period.

### Independent auditor's report

This report is based on financial statements which are in the process of being audited.

### Commentary

Commentary on the results for the reporting period is contained within the financial statements for the year ended 30 June 2022 that accompanies this announcement.

*Authorised for release by Bill Fry, Managing Director.*

— ENDS —

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**About EVE Health Group**

EVE Health Group, (ASX: EVE) is a leading, vertically integrated producer of branded nutrition, health and wellness products. The Company has global reach and application to fast-growing markets across Australia and New Zealand, Asia Pacific and North America. Our mission is to create high quality, innovative, natural and sustainable health and wellness products that help the wellbeing of consumers and in turn help our people, shareholders and community prosper.

For further information, please visit [www.evehealthgroup.com.au](http://www.evehealthgroup.com.au) and follow us on LinkedIn or Twitter.

## **Review of operations**

### **For the year ended 30 June 2022**

One of EVE Health Group's (EVE or the Company) key objectives during the year was the expansion of its consumer branded range of probiotics products. EVE established a partnership with leading Australian probiotics company, Probiotics Australia, and research and development was undertaken to successfully identify and produce a unique bacterial strain derived from Meluka Australia's (Meluka) beehives, and to collaborate in developing a range of products which incorporate the strain. EVE's strong progress in expanding its probiotics business was attributable to extensive product rollout during the year, supported by investment in digital marketing and advertising as well as solid demand from the domestic market for digestive health innovations.

The company demonstrated agility in response to an uncertain supply chain landscape, opting to pivot in its distribution and expansion plans in export markets and shift focus on growing its presence in Australia. To support development of the probiotics range, marketing support and distribution expansion, in February the company completed a capital raising of \$1.4m, before costs, via a placement to institutional and professional investors at \$0.003 per share. Further, a pro-rata non-renounceable rights offer in June raised \$740,674 at \$0.001.

The Company focused on implementing a cost reduction program across the group businesses in the second half of financial year 2022, and a range of cost saving initiatives including the following were undertaken:

- Reduction of remuneration effective 1 May 2022:
  - Board salaries of 50%;
  - CEO salary of 40%; and
  - Senior management salaries of 20%.
- Termination of lease for additional tea tree property in the Bungawalbin Valley; and
- Reduction in North American and Asian market expenditure due to logistics/shipping issues for these markets. This will result in reduced product build, marketing and shipping costs for the business.

Cash conservation and management will continue to be an important focus in financial year 2023. As previously reported, the company intends to explore the option to undertake a share consolidation to provide a more appropriate and effective capital structure for the company and a more appropriate share price for a wider range of investors. Any share consolidation would be subject to board and shareholder approval prior to being completed. Additionally, EVE will continue to seek aligned businesses that can be acquired to assist its growth, targeting businesses that have positive earnings and cashflow impact to support the growth of its existing businesses.

## **Meluka Australia**

### **Strategic decision to expand probiotics range**

The company is incredibly pleased with the performance it is seeing in its branded product division in Australia, with 258% growth in Australia, underpinned by the by the beverage category which increased by 311% during FY22.

Reflecting the success of the established probiotics products, in October 2021, EVE announced its strategic decision to further develop its range of probiotic products incorporating prebiotics,

probiotics and the newly emerging postbiotics. To expedite the development of these new products, EVE formalised a Collaboration Agreement with Australian probiotics company, Probiotics Australia, to produce a new unique probiotic strain, Lactobacillus rhamnosus Beebiotic MAP01™, derived from Meluka's beehives to be incorporated into future product ranges. Probiotics Australia has a TGA/cGMP certified facility dedicated to producing high quality probiotic organisms and Active Pharmaceutical Ingredients (APIs). The company achieved a significant milestone in Q4 with Meluka's first two product launches featuring its proprietary probiotic strain in both the beverage and skincare category.

### **R&D/New Product Development**

A key focus for financial year 2022 was executing the company's ambitious marketing plan to launch a variety of new products to its key markets. Focusing heavily on R&D and new product development, fifteen new products were released to the Australian market during the year, in each of the probiotic beverage, skincare, and honey and spreads categories.

### **Australian Distribution**

The Meluka range of products was presented to several potential distribution partners during the year. With a focus on its digestive health products, the key targets are pharmacy, health food and aligned independent banner group companies and distributors. Discussions continue to progress and we look forward to keeping the market up to date.

### **Export Market Strategy Review**

#### **North America**

FY22-H2 saw growth in the US with revenue up 21% and in Canada, up 492% on FY22-H1. The growth was attributable to increasing brand awareness due to investment in marketing expenditure and social media activities to support the Amazon channel and sales into the Whole Foods supermarket chain in Northern California. As shipping timeframes to the US continued to increase due to supply chain disruptions, smaller shipments on a more frequent basis were sent to ensure that sufficient inventory was available to meet consumer requirements. A price increase of 15% for the leading product in the US, Native Wildflower Raw Honey, was also instituted in the US. Executing growth plans in the current supply chain landscape became cost prohibitive, and the company postponed expansion plans in North America, until supply chain pressures ease. Existing channels have been and will continue to be supported with leaner marketing spend.

Whole Foods Market, Inc, through distributor UNFI, continued to place consistent orders during the financial year.

#### **Asia**

Meluka experienced strong initial sales performance in Japan after launch of its branded consumer product range in June 2021, with revenue in Q2 FY22 doubling that of the previous Q1 FY22. A total of 15 core products are now available to Japanese customers via Amazon. Marketing initiatives included investment in country specific marketing material tailored to the Japanese consumer as well as the launch of the Meluka Japanese website, directing consumers to its Amazon Japan online store. It also started to leverage influencer marketing across social media platforms to drive awareness to Japanese consumers.

Similar to the North American markets, continued supply chain disruptions impacted costs and shipping timeframes, and with a high level of uncertainty as to when impacts would ease, the company made the decision to slow down expansion plans into the region. Due to the closer proximity to Japan, the shipping delays (approximately 4-6 weeks excluding customs clearance) are not as large as the US therefore Meluka will continue to support a slower growth plan into the Japanese market, with leaner advertising spend, until the supply chain pressures ease. The company will no longer service the Singapore Amazon store.

### **Jenbrook**

The company owns and operates the Robyndale organic tea tree plantation in the Bungawalbin Valley in Northern New South Wales. The 2021 harvest yielded 5.5 tonnes of organic tea tree oil. Due to heavy rainfall events and poor ground conditions, harvesting of the final areas of plantation could not be completed, with remaining harvest to be incorporated into the future 2022 harvest figures.

In February and April, the region experienced substantial rainfall events that caused severe flooding in the region. Infrastructure (irrigation, roads, fencing and buildings) received only minor damage, but the impacts of flooding events and continued rain in the region hampered access to the company's plantation and infrastructure, and ongoing poor ground conditions will result in a delay to the next tea tree harvest. The company's staff continued to undertake clean-up and repair operations with the impact on the company's infrastructure immaterial to the company's on-going plans.

New methods of wild craft harvesting were trialled to improve production rates and lower the cost profile for this style of harvesting, achieving a 40% reduction in the total time to harvest a bin in the old growth forest.

During the year, Jenbrook terminated the lease for the additional tea tree property adjoining its southern boundary.

### **Key Appointments**

Mr Rodney Hannington was appointed to the company's board effective from 15 June as a Non-Executive Director. 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 George Cameron-Dow retired from the company's board effective from 30 June 2022. Mr Cameron-Dow joined the company in March 2016 and has been the company's Non-Executive Chairman since January 2018. In this time, he has provided strong leadership to the company as it re-positioned itself from an investment company to a health and wellness company with diversified interests in the sector. Mr Cameron-Dow elected to retire from the company's board as he is embarking on an extended period of travel.

### **Naturally Australian Products Inc (49% EVE)**

Naturally Australian Products ("NAP"), a US based distribution business, focused on bulk sales of essential oils, hydrosols, native extracts and carrier oils, recorded revenue of \$2.27 million in the

year. Performance continued to be temporarily hampered by supply and logistics delays getting essential oils into the US.

NAP undertook a variety of marketing initiatives during the year to increase website traffic and engagement from potential new customers. This included increased email communications to nurture its customer base, the launch of its new website, offering an improved and concise layout, as well as the launch of a digital brochure library, which offers potential customers a wide variety of ingredient information and suitability to specific applications, and product specific videos. NAP also expanded their ingredient selection to include two new categories, Powders and CO2 Extracts. The growth in waterless formulations and inner beauty have boosted demand for both food grade and cosmetic powders, which NAP can meet with either conventional or organic options for topical and ingestible applications.

### **Omni Innovation (38% EVE)**

Omni Innovation ("Omni") is an Australian medical nutrition company focused on development of clinically validated innovative nutritional solutions to chronic and lifestyle medical conditions. Myopharm Limited, which holds the pre-meal diabetes IP licence for Australia, China and Europe failed to make the required licence instalment to Omni Innovation on 30 June 2022, a breach of the binding term sheet entered into between the parties. Omni Innovation issued Myopharm with a Notice of Default for this breach and hopes to seek a satisfactory resolution. Omni Innovation continues to explore potential commercialisation partners or an outright sale of the company or its intellectual property portfolio.

**Preliminary consolidated statement of profit or loss and other comprehensive income**  
**For the year ended 30 June 2022**

	<b>Note</b>	<b>30-Jun-22</b> <b>\$</b>	<b>30-Jun-21</b> <b>\$</b>
Revenue	2	2,390,620	2,800,990
Costs of goods sold		(1,592,121)	(1,490,102)
<b>Gross profit / (loss) before fair value adjustments</b>		798,499	1,310,888
Change in fair value of biological assets		177,568	327,078
<b>Gross profit</b>		976,067	1,637,966
Other income		265,310	369,539
Professional fees	3	(213,201)	(327,205)
Employee benefit expense	3	(2,056,960)	(2,243,029)
Share-based payments	3	(111,785)	(186,674)
Share of net loss of associates accounted for using the equity method		(341,067)	(468,434)
Impairment expense	9	(836,059)	-
Other expenses	3	(3,061,454)	(2,364,495)
Net financial expense		7,201	(48,349)
<b>Loss before income tax</b>		(5,371,948)	(3,630,685)
Income tax benefit / (expense)		-	-
<b>Loss after income tax for the year</b>		(5,371,948)	(3,630,685)
<b>Total comprehensive loss attributable to:</b>			
Equity holders of the Company		(5,371,948)	(3,630,685)
<b>Total comprehensive loss for the year</b>		(5,371,948)	(3,630,685)
<b>Loss per share for loss attributable to the ordinary equity holders of the Company:</b>			
Basic and diluted loss per share (cents per share)	12	(0.13)	(0.09)

**Preliminary consolidated statement of financial position**  
**As at 30 June 2022**

	<b>Note</b>	<b>30-Jun-22</b> <b>\$</b>	<b>30-Jun-21</b> <b>\$</b>
<b>Assets</b>			
<i>Current assets</i>			
Cash and cash equivalents	4	1,102,423	3,160,409
Trade and other receivables	6	250,747	352,429
Inventories	7	1,363,734	1,109,799
Biological assets		-	77,228
<b>Total current assets</b>		<b>2,716,904</b>	<b>4,699,865</b>
<i>Non-current assets</i>			
Property, plant and equipment	8	4,487,580	4,777,150
Goodwill	9	-	825,059
Intangibles		96,695	110,284
Right-to-use assets		43,689	446,845
Biological assets		-	11,000
Equity accounted investments		359,900	700,967
Loans to associates		368,276	352,734
<b>Total non-current assets</b>		<b>5,356,140</b>	<b>7,224,039</b>
<b>Total assets</b>		<b>8,073,044</b>	<b>11,923,904</b>
<b>Liabilities</b>			
<i>Current Liabilities</i>			
Trade and other payables	10	647,379	721,237
Borrowings	11	54,512	146,345
Lease liabilities		41,234	83,924
<b>Total current liabilities</b>		<b>743,125</b>	<b>951,506</b>
<i>Non-current Liabilities</i>			
Borrowings	11	392,365	414,494
Lease liabilities		4,283	370,113
<b>Total non-current liabilities</b>		<b>396,648</b>	<b>784,607</b>
<b>Total liabilities</b>		<b>1,139,773</b>	<b>1,736,113</b>
<b>Net assets</b>		<b>6,933,271</b>	<b>10,187,791</b>
<b>Equity</b>			
Issued capital	13	35,615,357	33,609,712
Reserves		415,265	343,323
Accumulated losses		(29,097,351)	(23,765,244)
<b>Total equity attributable to shareholders of the Company</b>		<b>6,933,271</b>	<b>10,187,791</b>



**Preliminary consolidated statement of changes in equity**  
**For the year ended 30 June 2022**

	Issued capital	Accumulated losses	Share based payment reserve	Total equity
	\$	\$	\$	\$
<b>Total equity at 1 July 2021</b>	33,609,712	(23,765,246)	343,323	10,187,791
Loss for the year	-	(5,371,948)	-	(5,371,948)
<b>Total comprehensive loss for the year</b>	-	(5,371,948)	-	(5,371,948)
<b>Transactions with owners in their capacity as owners:</b>				
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 exercise/expiry	-	39,843	(39,843)	-
	2,005,645	39,843	71,942	2,117,430
<b>Total equity at 30 June 2022</b>	<b>35,615,357</b>	<b>(29,097,351)</b>	<b>415,265</b>	<b>6,933,271</b>
<b>Total equity at 1 July 2020</b>	32,971,096	(20,275,406)	297,492	12,993,182
Loss for the year	-	(3,630,685)	-	(3,630,685)
<b>Total comprehensive loss for the year</b>	-	(3,630,685)	-	(3,630,685)
<b>Transactions with owners in their capacity as owners:</b>				
Share issue net of issue costs	638,616	-	-	638,616
Share based payments	-	-	186,674	186,674
Transfer of share based payments on exercise/expiry	-	140,843	(140,843)	-
	638,616	140,843	45,832	825,290
<b>Total equity at 30 June 2021</b>	<b>33,609,712</b>	<b>(23,765,244)</b>	<b>343,323</b>	<b>10,187,791</b>

**Preliminary consolidated statement of cash flows**  
**For the year ended 30 June 2022**

	<b>Note</b>	<b>30-Jun-22</b> <b>\$</b>	<b>30-Jun-21</b> <b>\$</b>
<b>Cash flows from operating activities</b>			
Receipts from customers		2,585,466	3,263,811
Cash paid to suppliers and employees		(6,549,138)	(5,869,366)
Interest received		1,534	26,210
Interest paid		(17,980)	(17,281)
Other income received		208,341	352,582
<b>Net cash used in operating activities</b>	<b>5</b>	<b>(3,771,777)</b>	<b>(2,244,044)</b>
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment		(26,046)	(263,385)
<b>Net cash used by investing activities</b>		<b>(26,046)</b>	<b>(263,385)</b>
<b>Cash flows from financing activities</b>			
Proceeds from the issue of share capital	13	2,140,675	656,500
Payment for share issuance costs	13	(135,030)	(17,884)
Lease payments		(106,419)	(98,883)
Proceeds from borrowings		107,458	-
Repayments of borrowings		(266,847)	(10,304)
<b>Net cash provided by financing activities</b>		<b>1,739,838</b>	<b>529,429</b>
<b>Cash and cash equivalents at 1 July</b>		<b>3,160,409</b>	<b>5,138,409</b>
Net increase / (decrease) in cash and cash equivalents		(2,057,986)	(1,978,000)
<b>Cash and cash equivalents at 30 June</b>	<b>4</b>	<b>1,102,423</b>	<b>3,160,409</b>

**Note 1: Basis of preparation**

This preliminary final report has been prepared in accordance with ASX Listing Rule 4.3A and the disclosure requirements of ASX Appendix 4E.

**Note 2: Revenue**

	2022 \$	2021 \$
<b>At a point in time</b>		
Bulk sales	381,425	892,456
Branded product sales	1,634,476	1,051,343
Contract manufacturing	374,719	857,191
	<u>2,390,620</u>	<u>2,800,990</u>

**Note 3: Loss from ordinary activities**

The loss from ordinary activities before income tax includes the following items:

	2022 \$	2021 \$
<b>Professional fees</b>		
Audit fees	68,080	69,755
Tax consulting services	20,756	31,559
Legal costs	5,107	10,242
Corporate consultants	90,186	33,900
Other professional fees	29,072	181,749
	<u>213,201</u>	<u>327,205</u>
<b>Employee benefit expense</b>		
Wages	1,492,841	1,652,043
Directors fees	515,412	543,145
Share based payments expense	111,785	186,674
Payroll tax	42,869	43,526
Fringe benefits tax	5,838	4,315
	<u>2,168,745</u>	<u>2,429,703</u>
<b>Other expenses</b>		
Corporate costs	71,018	72,490
Premises and insurance	346,595	441,080
Marketing expenses	2,005,296	1,245,076
Travelling costs	8,526	16,981
Financing costs	14,106	(26,336)
Depreciation - property, plant and equipment	224,432	222,410
Depreciation - right-to-use assets	87,720	88,503
Amortisation	13,589	13,589
Gain / (loss) on sale of assets	133,334	2,917
Other operating expenses	156,838	287,784
	<u>3,061,454</u>	<u>2,364,495</u>

Marketing costs including development of product packaging, brand collateral and advertising campaigns, public relations and sampling programs as well as direct advertising expenses.

**Note 4: Cash and cash equivalents**

Cash at bank & on hand  
Term deposits

<b>2022</b>	<b>2021</b>
<b>\$</b>	<b>\$</b>
1,102,423	1,660,409
-	1,500,000
<b>1,102,423</b>	<b>3,160,409</b>

**Note 5: Cashflow reconciliation****Loss for the year from continuing operations**

*Adjustments for:*

Share of losses in associates  
Fair value movement on biological assets  
Fair value in costs of goods sold  
Financing costs  
Lease interest expense  
Depreciation expense  
Amortisation expense  
Bad debts expense  
Impairment expense  
Loss on disposal of property, plant & equipment  
Net foreign exchange gains / (losses)  
Equity-settled share-based payment expenses

<b>30-Jun-22</b>	<b>30-Jun-21</b>
<b>\$</b>	<b>\$</b>
(5,371,948)	(3,630,685)
341,067	468,434
(177,568)	(327,078)
254,796	279,849
13,705	(26,666)
13,335	-
312,152	310,913
13,589	13,589
-	995
836,059	-
133,334	2,917
(29,247)	28,618
111,785	186,674
<b>(3,548,941)</b>	<b>(2,692,439)</b>
104,957	558,996
(253,935)	(373,183)
(73,858)	262,582
<b>(3,771,777)</b>	<b>(2,244,044)</b>

**Change in operating assets and liabilities**

(Increase)/decrease in trade and other receivables  
(Increase)/decrease in inventories  
(Decrease)/increase in trade and other payables

**Net cash used in operating activities****Note 6: Trade and other receivables**

Trade debtors  
Deposits paid  
Other receivables

<b>2022</b>	<b>2021</b>
<b>\$</b>	<b>\$</b>
49,201	227,088
78,055	10,395
123,491	114,946
<b>250,747</b>	<b>352,429</b>

**Note 7: Inventories**

Raw materials – at cost  
Work in progress – at cost  
Finished goods – at cost

<b>2022</b>	<b>2021</b>
<b>\$</b>	<b>\$</b>
344,100	466,591
-	-
1,019,633	643,208
<b>1,363,734</b>	<b>1,109,799</b>

## Note 8: Property, plant & and equipment

	Freehold land \$	Freehold buildings \$	Bearer assets \$	Furniture & fittings \$	Motor vehicles \$	Plant & equipment \$	Computer equipment \$	Total \$
<b>Full year ended 30 June 2021</b>								
Opening net book amount	2,783,208	209,760	1,162,465	6,885	52,008	512,069	14,303	4,740,696
Additions	-	64,027	-	454	-	232,965	14,470	311,916
Disposals	-	-	-	-	-	(50,134)	(2,917)	(53,051)
Depreciation charge	-	(14,938)	(81,873)	(1,548)	(10,148)	(107,251)	(6,653)	(222,411)
Closing Net Book Amount	2,783,208	258,849	1,080,592	5,791	41,860	587,649	19,203	4,777,150
<b>At 30 June 2021</b>								
Cost or fair value	2,783,208	297,697	1,244,562	8,062	58,603	813,919	27,589	5,233,641
Accumulated depreciation	-	(38,849)	(163,971)	(2,271)	(16,744)	(226,270)	(8,386)	(456,491)
Net book amount	2,783,208	258,849	1,080,592	5,791	41,860	587,649	19,203	4,777,150
<b>Full year ended 30 June 2022</b>								
Opening net book amount	2,783,208	258,849	1,080,592	5,791	41,860	587,649	19,203	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	13,857	4,487,580
<b>At 30 June 2022</b>								
Cost or fair value	2,783,208	297,697	1,244,562	8,062	104,374	698,525	32,072	5,168,501
Accumulated depreciation	-	(54,264)	(245,844)	(3,895)	(30,338)	(328,365)	(18,215)	(680,921)
Net book amount	2,783,208	243,434	998,719	4,167	74,036	370,160	13,857	4,487,580

## Note 9: Goodwill

	2022 \$	2021 \$
<b>Balance at the beginning of the year</b>	825,059	825,059
Impairment of goodwill	(825,059)	-
<b>Balance at the end of the year</b>	-	825,059

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

The model has excluded the value of cash flows from financing activity and non-cash items such as depreciation and amortisation. Based off the value in use model, an impairment expense of \$825,059 (2021: nil) was recognised during the period. No impairment expense was recorded against the remaining assets of the CGU, as the recoverable assets value exceed the carrying amount as at 30 June 2022.

**Note 10: Trade and other payables**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Trade creditors	338,382	431,493
Other payables	308,997	289,744
	<b>647,379</b>	<b>721,237</b>

**Note 11: Borrowings**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Meluka loan (i)	-	100,613
Equipment financing (ii)	14,077	20,376
Business loan (iii)	24,072	25,356
Vehicle financing (iv)	16,363	-
<b>Current borrowings</b>	<b>54,512</b>	<b>146,345</b>
Equipment financing (ii)	10,558	24,634
Business loan (iii)	363,549	389,860
Vehicle financing (iv)	18,258	-
<b>Non-current borrowings</b>	<b>392,365</b>	<b>414,494</b>

(i) Nil interest rate with a 3-year term, ending in February 2022, no debt covenants.

(ii) Equipment financing with nil interest rate and a 3-year term to March 2024. Secured by a charge against the equipment, no debt covenants.

(iii) Variable interest rate with a 15-year term, ending in 2034, with principal repayments commencing in 2021. Secured by a mortgage against the Robyndale property, no debt covenants.

(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.

**Note 12: Loss per share**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<b>Loss attributable to ordinary shareholders</b>		
Loss for the year	(5,371,948)	(3,630,685)
Loss for the year from continuing operations	(5,371,948)	(3,630,685)

**Basic loss per share**

Basic loss per share (cents)	(0.13)	(0.09)
Basic loss per share from continuing operations (cents)	(0.13)	(0.09)

**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

	<b>2022</b>	<b>2021</b>
Weighted average number of shares	4,011,299,090	3,822,594,310
Options	-	-
Weighted average number of shares diluted EPS	4,011,299,090	3,822,594,310

## Note 13: Issue capital

	2022 \$	2021 \$
Issued capital	37,906,507	35,765,832
Cost of share issue	(2,291,150)	(2,156,120)
	<u>35,615,357</u>	<u>33,609,712</u>

  

	2022	2021
Ordinary shares	<u>5,050,482,664</u>	<u>3,843,141,890</u>

### Movement in ordinary shares on issue

2022		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	740,675
	Capital raising costs			(135,030)
<b>30 June 2022</b>	<b>Closing balance</b>	<u>5,050,482,664</u>		<u>35,615,357</u>

  

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

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
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
<u>75,000,000</u>			

### Note 14: Events subsequent to the reporting date

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