

30 January 2025

## December 2024 Quarterly Update

- **Settlement completed on sale contract for the Robyndale tea tree property**
- **Encouraging early sales of updated postbiotic concentrate range**
- **Active discussions on a complementary acquisition to drive growth**
- **Continued focus on strategic cost management**

**EVE Health Group (ASX:EVE, EVE or the Company)**, a health, nutrition, and wellness company, has released its Appendix 4C Report for the quarter ended 31 December 2024, providing an operational and financial update.

### Meluka Australia

Meluka Australia (**Meluka**) reintroduced its postbiotic concentrate range with updated formulation, branding and packaging design. The relaunch underpins the Company's commitment to ongoing product innovation to meet evolving customer needs and the changing trends in the health and wellness space. Early sales of the entry-level beverage range have been encouraging, indicating strong customer interest in the enhanced product.

The Company also completed a significant inventory build of its leading P3 Gut Builder product to ensure it can meet anticipated customer demand reliably as the Company executes a variety of promotional campaigns to drive new customer acquisition. Overall sales revenue was slightly lower than the previous quarter, reflecting the planned exit from overseas markets as the Company shifts focus to Australia.

### Jenbrook

The Company completed the sale of the Robyndale tea tree property located in Northern NSW for proceeds, before costs, of \$2,125,000 (see ASX release 30 August 2024). Settlement occurred in October 2024, enabling the Company to retire \$0.9 million of debt linked to the properties. A final deferred payment of \$300,000 was received in early January 2025.

### Complementary Acquisitions

During the quarter the Company remained actively engaged in evaluating several strategic acquisition opportunities in line with the Company's positioning. The Company is actively pursuing an acquisition that aligns with its growth strategy and enhances its market position.

### Corporate & Financial Update

#### Key financial highlights

- Cash at bank of \$0.4 million, with an additional \$0.3 million received in January 2025 as part of the Robyndale property settlement.
- Inventory level consistent at \$0.2 million.
- Creditors payable reduced by \$0.2 million to \$0.5 million.
- Debt of \$0.9 million was repaid as part of the Robyndale property settlement.

The key financial metrics for the quarter include:

- Receipts from customers totalled \$0.5 million, consistent with the prior quarter.
- Product manufacturing and operating costs of \$0.3 million, consistent with the prior quarter.
- Advertising and marketing expenses of \$0.3 million, consistent with the prior quarter.
- Net cash used by operating activities increased to \$0.6 million, up \$0.2 million from the previous quarter.



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- During the quarter, the Company paid \$60,000 in director fees and an additional \$40,000 for a fully serviced office, administration staff, and reimbursement of office/IT costs.

## **Outlook**

- Continued sales growth from the Meluka range, now focused solely on the Australian market, supported by ongoing promotional activities to drive customer acquisition.
- Ongoing evaluation of strategic acquisition opportunities to enhance revenue growth and align with the broader business strategy.
- Ongoing strategic cost management initiatives to support operational efficiency.

**Commenting on the update, Managing Director Bill Fry said:** "The successful relaunch of the postbiotic concentrate range underscores our commitment to product innovation and evolving consumer needs. We are encouraged by the positive early sales results. The Company reached a significant milestone with the settlement of the Robyndale property sale. Looking ahead, we remain committed to disciplined cost management while actively pursuing strategic acquisitions to drive long-term growth."

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

***For more information, please contact:***

### **Company enquiries**

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### **About EVE Health Group**

EVE Health Group, (ASX: EVE) is a leading 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.

## Appendix 4C

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

#### Name of entity

EVE Health Group Limited

#### ABN

89 106 523 611

#### Quarter ended ("current quarter")

31 December 2024

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	485	1,002
1.2	Payments for		
a)	research and development	-	-
b)	product manufacturing and operating costs	(264)	(584)
c)	advertising and marketing	(281)	(564)
d)	leased assets	-	-
e)	staff costs	(301)	(496)
f)	administration and corporate costs	(247)	(320)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	1	1
1.5	Interest and other costs of finance paid	(5)	(20)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(613)</b>	<b>(981)</b>
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to or for acquire:		
a)	entities	-	-
b)	businesses	-	-
c)	property, plant and equipment	-	-
d)	investments	-	-
e)	intellectual property	-	-
f)	other non-current assets	-	-
2.2	Proceeds from disposal of:		
a)	entities	-	-
b)	businesses	-	-
c)	property, plant and equipment	1,791	1,829
d)	investments	-	-
e)	intellectual property	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
	f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>1,791</b>	<b>1,829</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	427
3.6	Repayment of borrowings	(889)	(996)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(889)</b>	<b>(569)</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	96	106
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(613)	(981)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	1,791	1,829
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(889)	(569)
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>385</b>	<b>385</b>

<b>5.</b>	<b>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</b>	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	385	96
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>385</b>	<b>96</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	100
6.2	Aggregate amount of payments to related parties and their associates included in item 2	
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

<b>7.</b>	<b>Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1	Loan facilities	152	152
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	<b>Total financing facilities</b>		
7.5	<b>Unused financing facilities available at quarter end</b>		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	Unsecured merchant financing facility, with PayPal, with no fixed repayment date. Repayments calculated as a percentage of future sales. No on-going interest but a fixed fee capitalised upon entering into the agreement.		

<b>8.</b>	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	(613)
8.2	Cash and cash equivalents at quarter end (item 4.6)	385
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	385
8.5	<b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	0.6
	<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: Generally, yes, due to the requirement for marketing activities to support brand development and new product launches. This is expected to lead to revenue growth which will reduce net operating cash flows in future periods.	
8.6.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: The Company completed the sale of the Robyndale sale during the period, a further \$300,000 from the sale proceeds were received in early January.	

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes. The Company believes it will be able to obtain sufficient funding to continue its operations as detailed in 8.6.2.

*Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.*

### Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 30 January 2025

Authorised by: Bill Fry, Managing Director  
(Name of body or officer authorising release – see note 4)

### Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.