



**eve investments**

Annual Report 2018

# Corporate Directory

## **DIRECTORS**

### **Mr George Cameron-Dow**

Non-Executive Chairman

### **Mr Gregory (Bill) Fry**

Executive Director

### **Mr Alasdair Cooke**

Non-Executive Director

### **Mr Michael Pixley**

Non-Executive Director

## **COMPANY SECRETARY**

Mr Steven Jackson

## **REGISTERED OFFICE**

Suite 1, 245

Churchill Avenue,

Subiaco WA 6008

## **SHARE REGISTRY**

Link Market Services

Level 12, QV1 Building

250 St Georges Terrace

Perth WA 6000

## **AUDITOR**

BDO Audit (WA) Pty Ltd

38 Station Street

Subiaco WA 6008

## **SOLICITORS**

Fairweather Corporate Lawyers

595 Stirling Highway

Cottesloe WA 6011

## **BANKERS**

Bankwest Limited

Bankwest Place

300 Murray Street

PERTH WA 6000

## **STOCK EXCHANGE LISTING**

Eve Investments Limited shares are listed on the Australian Stock Exchange (ASX: EVE)



[www.eveinvestments.com.au](http://www.eveinvestments.com.au)



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# Chairman's Letter



Dear Shareholder,

On behalf of the EVE Investments Board, I am pleased to present the company's Annual Report for the 2018 financial year.

The past year was a transformational one for the company. EVE made significant progress on implementing its vision of being a vertically integrated Health, Food and Wellness Investment company, expanding its portfolio with the completion of a 50% investment in Meluka Health. Meluka Honey (a 100% subsidiary of Meluka Health) in May launched a range of its own branded organic consumer and medicinal honey products into Australia, setting the stage for further expansion of its products to follow under the Meluka Essentials and Meluka Family brands in 2019. The products are being produced by 100% owned TGA licenced contract manufacturer, EcoBotanicals.

Following year end EVE also completed the acquisition of 100% of NSW organic Tea Tree oil producer Jenbrook Pty Ltd (Jenbrook) which owns 100% of Jendale, a 1,147 acre old growth Tea Tree plantation, along with 100% of Robyndale a 1,000 acre plantation used in the production of organic Tea Tree oil for distribution throughout the USA and Europe.

EVE also acquired a 49% interest in Naturally Australian Products LLC., (NAP), a US based marketing and wholesale distribution business that sells essential oils, carrier oils and hydrosols to an established and growing North American customer base. NAP provides a crucial leg in the vertical integration strategy, enabling access into the strategically important and lucrative US market.

Omni Innovation's GlucoSmooth™ product for managing Type 2 diabetes was launched into the Chinese market through Eagle Health Holdings Ltd, under the brand name Hutang-1. This marked an important milestone for the commercialisation of this novel food-based intervention for management of the growing global Diabetes epidemic. Whilst sales in the Australian market under the Faulding® GlucoControl™ banner have been lower than expected, Omni has nonetheless gained valuable insights into the market positioning for this product. Over the year ahead Omni will focus on supporting Eagle Health as they seek Chinese Food and Drug Administration registration of Hutang-1 as a 'Food for Special Medical Purpose'. Omni will also continue work on extensional products, as well as developing products in the related areas of blood sugar management, gut health, weight control and cognitive function.



The use of natural foods with medicinal properties continues to receive enormous and growing global interest. EVE is well positioned through its portfolio companies to be a meaningful player in this fast-growing industry.

I would like to thank my fellow directors for their commitment and support over the year, Bill Fry for his executive leadership and the senior management team and staff for their unwavering dedication. I would also like to thank Alasdair Cooke, who served as Chairman of EVE for 11 years, and since 31 January, now serves as a Non-Executive Director of the company. We also take this opportunity to welcome Bryan Easson and Robyn Ingersole to the team with their invaluable knowledge and experience of the sector.

Our focus for the year ahead will be on consolidating and growing our new businesses whilst continuing to actively seek out new opportunities that add value to our existing investments.

Yours sincerely

**George Cameron-Dow**

Non-executive Chairman



# Investment Director's Report



2018 has been a transformational year for EVE, building off our 50% investment in the Meluka Health Group, EVE has built itself into a vertically integrated health, food and wellness investment company.

Securing 100% of Jenbrook, an established, Certified Organic tea tree farm in the Northern Rivers Region of NSW and a 49% interest in US distribution business, Naturally Australian Products Inc (NAP), combined with Meluka's 100% interest in Meluka Honey and EcoBotanicals, a TGA licensed and HACCP accredited contract manufacturer of organic oil based products sees EVE with exposure to a business from the farm all the way through to the buyer. The acquisition of Jenbrook forms the basis of expanding the Meluka brand, whilst continuing to feed the growth of the US distribution business. In these investments EVE has established itself in the Australian essential oils and extracts market, the organic natural beauty and health sector and the premium honey sector.

*When combined, EVE shareholders will be exposed to markets expected to grow at a combined CAGR of nearly 9% to a combined market size of over US\$37 billion by 2024<sup>1</sup>. Coupled with the China diabetes market exposure via our investment in Omni Innovation, EVE is well positioned to benefit from this sector growth.*

The Jenbrook acquisition sees EVE transition into a genuine revenue generation and growth investment company, consolidating its strategy and focussed on supporting its investment portfolio in their growth phases. Going forward, EVE will seek further investment opportunities within this strategic framework to benefit shareholders.

EVE's focus for the coming year will be on supporting the growing out of the Meluka Health Group of companies as well as the US distribution through NAP. There are some exciting times ahead for EVE in the next 12 months with each business providing unique exposure to rapidly growing markets and providing a synergistic benefit to other entities within the EVE portfolio.

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<sup>1</sup> PR Newswire:

Essential Oil Market Size to Reach \$11.67 Billion By 2022: Grand View Research, Inc.

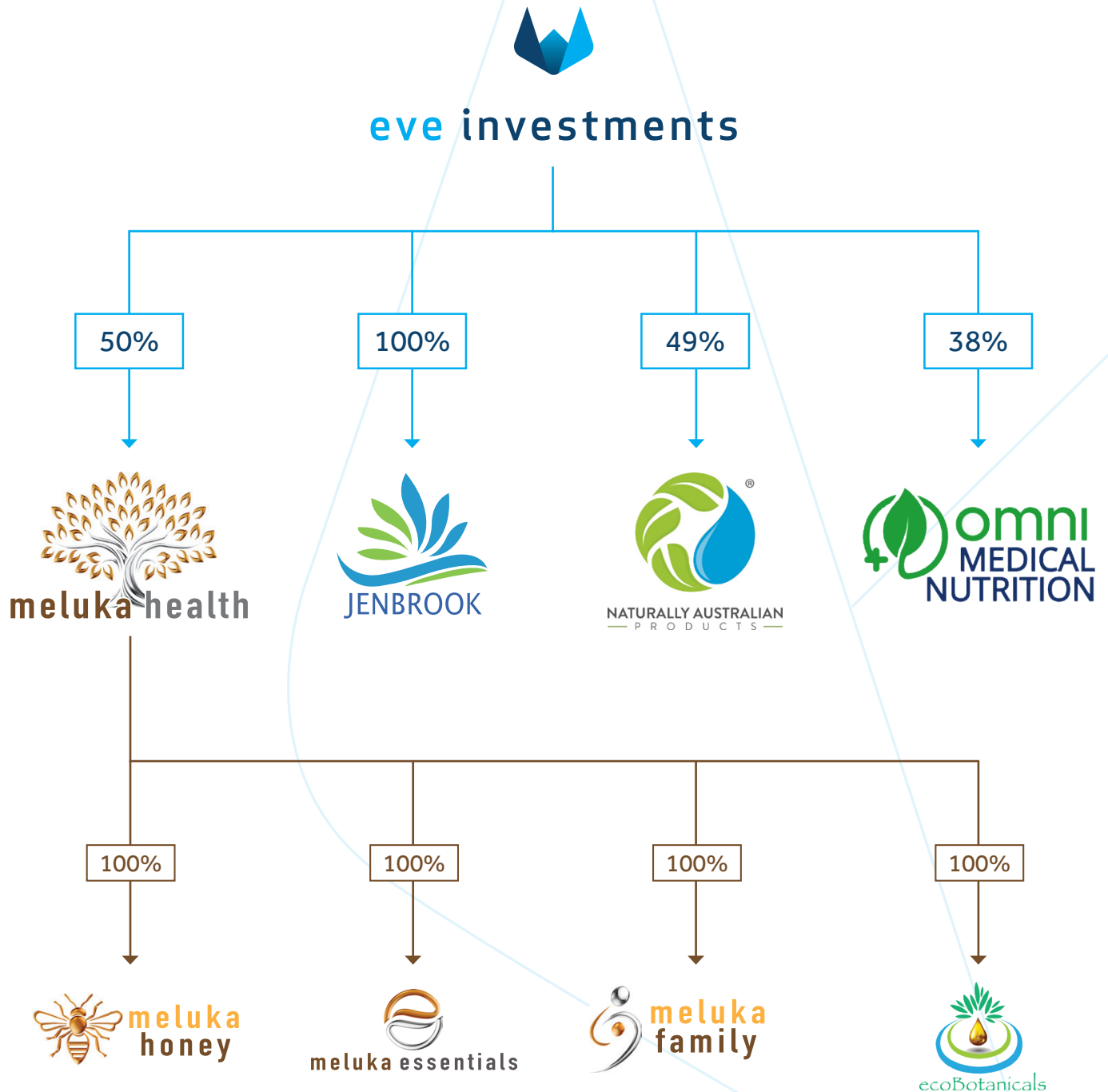
Statista.com:

Forecasted market size of the natural and organic beauty industry in 2016 and 2024 (in billion U.S. dollars)



# Operations Report

## OUR COMPANY STRUCTURE



## Operations Report *continued*



### **MELUKA HEALTH**

Meluka Health is the corporate entity that heads up the Meluka Health Group of companies with a core focus on Organic, Natural and Ethical products that are sustainable and traceable.



### **MELUKA HONEY**

Meluka Honey was established in May 2018 and is a premium honey producer located in the Northern Rivers of NSW. It is completely vertically integrated and has launched a range of honey products that are all produced by bees harvesting from Jendale's old growth plantation. This area is the original birthplace of the unique *Melaleuca Alternifolia*, which forms the basis of Meluka Honey's premium active Tea Tree honey products.

Meluka Honey is expected to expand on its product range in the year ahead and is excited at the prospect of producing two further products, a Bee Health Tonic following the release of a study being carried out by Southern Cross University and potentially a Cannabis Honey product from cannabis that will be grown on its Robyndale plantation.





### *Initial Product Range*

#### **MELUKA ESSENTIALS**

Meluka Essentials is a newly formed Australian essential oils and extracts company. Leveraging off the strong demand of bulk essential oil sales into the US via Jenbrook and NAP, Meluka Essentials will channel this existing supply into its own brand development with a new range expected to be launched in the March 2019 quarter.



#### **MELUKA FAMILY**

Meluka Family is an Australian natural family care range of health, hygiene and skincare products utilising our unique Australian native natural essential oils and extracts. The initial range is planned to be released in the September 2019 quarter.

## Operations Report *continued*



### **ECOBOTANICALS**

EcoBotanicals is a TGA licensed and HACCP accredited contract manufacturer of organic oil based products for an established client base in Alstonville, Northern NSW. Its internal skillset is ideal to support the planned expansion of the Meluka brand as it transitions into a support division for Meluka Health.



### **JENBROOK**

In August 2018, EVE completed settlement on the acquisition of 100% of NSW organic tea tree oil producer, Jenbrook Pty Ltd (Jenbrook). Jenbrook is an established, Certified Organic tea tree farmer in the Northern Rivers Region of NSW Australia.

Jenbrook owns 100% of Jendale, a 1,147 acre old growth tea tree plantation, along with 100% of Robyndale, a 1,000 acre plantation used in the production of organic tea tree oil for distribution throughout the U.S. and Europe.

Through its two tea tree plantations, Jenbrook harvests and sells tea tree oils, extracts and products to NAP, as well as third party international customers. It reported unaudited revenues of \$2.1 million for the 2017 financial year from its tea tree products.

EVE looks forward to expanding production capacity within Jenbrook to meet the strong demand for tea tree oil production in the Australian and overseas markets.



### NAP (Naturally Australian Products)

Naturally Australian Products LLC is a U.S. registered and based marketing and wholesale distribution business that sells essential oils, carrier oils and hydrosols to an established and growing North American customer base.

Founded in 2013 and based in California, NAP is currently undergoing a strong growth phase in an exciting and rapidly growing market segment. NAP reported unaudited revenues of US\$1.5 million for the last US financial year.

NAP has a core focus of selling bulk essential oils and hydrosols to large North American retailers and manufacturers. By dealing in oils that have a growing demand but are in short supply, especially the Australian botanical oils, NAP is poised to benefit from the anticipated increased prices that these oils will attract.

NAP is in the process of establishing a joint venture with a direct to consumer e-commerce business to build out an Australian direct to consumer business for Australian products in the US.



### OMNI INNOVATION

Omni Innovation's Chinese partner, Eagle Health, began marketing and sales of Omni Innovation's Pre-Meal Drink for Type 2 diabetes and blood sugar glucose management, under the brand name Hutang-1 in December 2017, at the same time, opening four diabetes education and experience stores in Xiamen, China. By the end of March 2018, Hutang-1 had reached over 80,000 consumers, including over 24,000 diabetes or pre-diabetes patients.

Following on from the awareness gained in the market and the initial reach of the first four diabetes education and experience stores, in May 2018 Eagle Health announced its plans to continue to roll out stores throughout 2018 and 2019 with the aim of opening 100 stores across China.

Eagle are continuing work towards their plan to roll out 100 direct stores along the affluent East Coast of China, and are on track and expected to reach approximately 570 million consumers. The Eagle Health Education and Experience stores will sell Eagle Health's Hutang-1 diabetes product alongside Eagle's new range of modern Traditional Chinese Medicine products and a selected range of Australian sourced health products.

In September 2018 Eagle Health announced its application for registration of the product formula, including the company's high-speed line, with the China Food & Drug Administration (CFDA) as a Food for Special Medical Purposes (FSMP). The process is expected to be completed by the December 2019 quarter.



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



EVE Investments  
Financial Report  
2018

# Director's Report

30 June 2018

The Directors of the Company present their report together with the financial report of EVE Investments Limited ("the Company" or "EVE") for the financial year ended 30 June 2018.

## 1. Directors and Company Secretary

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

Mr George Cameron-Dow – Non-Executive Chairman (Non-Executive Director to 18 January 2018)  
 Mr Gregory (Bill) Fry – Executive Director  
 Mr Alasdair Cooke – Non-Executive Director (Executive Director to 18 January 2018)  
 Mr Michael Pixley – Non-Executive Director (Appointed 16 October 2017)  
 Mr Steven Jackson – Company Secretary

### Directors' Meetings

	Board of Directors		Remuneration & Nomination Committee		Audit & Risk Committee	
	Present	Held	Present	Held	Present	Held
George Cameron-Dow	4	4	-	-	1	1
Gregory Fry	4	4	-	-	1	1
Alasdair Cooke	4	4	-	-	1	1
Michael Pixley	3	4	-	-	-	1

### Biographies

#### Mr George Cameron-Dow | Non-Executive Chairman

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

#### Other current directorships

CV Check Limited

#### Special responsibilities

Chairman  
 Chairman of audit & risk committee  
 Chairman of remuneration & nomination committee

#### Former directorships in the last three years

Bioxyne Limited  
 Windward Resources Limited

#### Interests in shares and options

5,999,980 ordinary shares  
 1,500,000 performance rights

#### Mr Gregory Fry | Executive Director

Mr Fry has more than 20 years corporate experience in the mining and resources industry, 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. Over the past 15 years, Mr Fry has been a Director of several private and public companies with activities ranging from funds management, minerals exploration, mining and quarrying.

#### Other current directorships

African Energy Resources Limited  
 Anova Metals Limited

#### Special responsibilities

-

#### Former directorships in the last three years

n/a

#### Interests in shares and options

58,569,290 ordinary shares  
 6,000,000 performance rights

# Director's Report

## 30 June 2018

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

Mr Cooke is a qualified geologist and has been involved throughout his career in mineral exploration and corporate development, including eight years spent with BHP Minerals Business Development Company and over fifteen years managing public resource companies.

Mr Cooke is a founding partner of the Mitchell River Company, which over the past fifteen years has established a number of successful mining projects and resources companies, developing greenfield mines in Australia, Africa and South America.

#### **Other current directorships**

African Energy Resources Limited  
 Anova Metals Limited  
 Caravel Minerals Limited

#### **Special responsibilities**

Member of the remuneration & nomination committee  
 Member of the audit & risk committee

#### **Former directorships in the last three years**

n/a

#### **Interests in shares and options**

182,374,601 ordinary shares  
 1,500,000 performance rights

### Mr Michael Pixley | Non-Executive Director

Mr Pixley had worked as a merchant banker specialising in strategic corporate development, joint ventures and acquisitions.

He has 30 years' experience in the Asian business sector and has extensive networks and relationships with key personnel in government, corporate and private sectors in the Asia Pacific region.

#### **Other current directorships**

Refresh Group Ltd  
 Story-I Ltd  
 Pan Asia Corporation Limited

#### **Special responsibilities**

Member of the remuneration & nomination committee  
 Member of the audit & risk committee

#### **Former directorships in the last three years**

n/a

#### **Interests in shares and options**

3,499,980 ordinary shares

### Mr Steven Jackson BEc CPA | Company Secretary

Mr Jackson is a member of CPA Australia who graduated from the University of Western Australia in 2008 with a Bachelor of Economics having majored in International Business Economics and Money and Banking. Mr Jackson has been with EVE Investments since 2008 and was appointed to the role of Company Secretary in May 2012.

## 2. Review of Operations

### Jenbrook

Subsequent to year end EVE completed the acquisition of 100% of NSW organic tea tree oil producer Jenbrook Pty Ltd (Jenbrook) from Jenbrook founder and sole shareholder, Bryan Easson. Consideration for the 100% purchase was \$2.864m, of which \$135,000 had been paid as a deposit (see note 10). Additionally, 30,266,666 shares in EVE were issued to extinguish management loans provided to Jenbrook at a deemed issue price of \$0.009/share.

Jenbrook is an established, Certified Organic tea tree farm in the Northern Rivers Region of NSW Australia. It owns 100% of Jendale, a 1,147 acre old growth tea tree plantation, along with 100% of Robyndale a 1,000 acre plantation used in the production of organic tea tree oil for distribution throughout the U.S. and Europe. In addition, Jenbrook has a 49% holding in distributor, Naturally Australian Products LLC., a preeminent distributor of natural extracts and oils into the United States.

Through its two tea tree plantations, Jenbrook harvests and sells tea tree oils, extracts and products to its 49% subsidiary, Naturally Australian Products (NAP) and to third party international customers. Jenbrook reported unaudited revenue of \$2.1 million for the financial year 2017 from its tea tree products, with a further unaudited contribution of US\$1.5 million from the 49% owned NAP.

The acquisition is expected to bring strong operational synergies with EVE's existing investment in Meluka Health and will provide an important strategic advantage by securing a vertically integrated supply chain for its unique organic raw honey products.

## Director's Report

30 June 2018

### Meluka Health

During the year EVE completed a \$740,000 investment for 50% of Meluka Health Pty Ltd. Meluka Health holds 100% of Meluka Honey and TGA accredited contract manufacturer Eco Botanicals.

During the year through its distribution partner, NAP, Meluka Honey launched its consumer targeted products portfolio at the Natural Products Expo West in Anaheim, California on March 9-11<sup>th</sup>. The products included Meluka Australian Native Raw Honey, Meluka Hemp Seed Honey, Meluka Native Medicinal Tea Tree Honey and its Hon-E-Vite active serum. Attracting over 80,000 people to the attendees to the 2018 event, it provided an excellent platform for Meluka Honey to showcase and raise awareness of its consumer product suite. Meluka Honey had a soft launch of its e-commerce platform for the Australian market with direct marketing commencing in mid-May.

### Omni Innovation

In mid-late September, Omni Innovation (Omni) completed a Licence Agreement ASX listed Eagle Health Holdings (ASX:EHH) ("Eagle Health") to exclusively manufacture, market and distribute Omni's clinically proven pre-meal shake product for Type 2 diabetes and Pre-Type 2 diabetes throughout mainland China and Hong Kong through the Eagle Health's extensive network of pharmacies and other retail outlets.

This is in line with Omni's strategy to create high value, strategic distribution partnerships for its pre-meal drink formulation for Type 2 diabetes in key global markets.

This agreement includes an upfront licensing fee of AU\$1.5 million payable to Omni, with AU\$1 million received on completion of the License Agreement and a further payment of AU\$0.5 million due when registration of the pre-meal drink as a 'medical food' is achieved through the China Food and Drug Administration.

The agreement also requires Eagle Health to make minimum annual royalty payments which step-up in line with estimates for significant penetration into China. These robust sales forecasts and royalty payment milestones, represent a significant step in the ongoing global distribution plan of Omni for its pre-meal drink product.

In December of 2017, Eagle Health announced that it began shipping and marketing the pre-meal drink product in Xiamen, China, and successfully opened four diabetes education and experience stores to engage directly with consumers. Eagle Health will continue to open stores throughout 2019 and on the basis of further strong customer support and ongoing refinement of the business model, has the aim to open 100 stores across China. Eagle Health believe that this retail footprint will enable access to up to 570 million consumers across China which will provide significant marketing opportunities. By engaging with diabetic sufferers through education, this will also open further retail channels for Eagle Health to sell the Hutang-1 pre-meal shake diabetes product.

### Corporate

After discussions with ASX during the year, both EVE and the ASX agreed that EVE was no longer a 'Listed Investment Company', as defined in the ASX Listing Rules. Accordingly, the Company announced it will no longer be releasing monthly Net Tangible Asset Statements.

Despite the change to EVE's status, it will continue as an investment entity that is currently pursuing a strategy of seeking to identify and evaluate emerging technology investment opportunities to add to its investment portfolio. The change in listing status allows EVE, where appropriate, to acquire a greater than 50% investment stake in individual companies as well as taking an active role in management.

### 3. 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 EVE Investments Limited. During the period the Company's Directors were the only key management personnel of EVE Investments Limited.

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;



## Director's Report

30 June 2018

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- 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" rewards. Currently no remuneration consultants are used by the Company in formulating remuneration policies.

### Role of the Remuneration & Nomination Committee

The Remuneration & Nomination 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 Executive Directors 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 for Non-Executive Directors is \$35,000 per annum, effective since 1 April 2016.

### 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 is 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.



## Director's Report

### 30 June 2018

#### 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 an Executive Service Agreement in place with Gregory (Bill) Fry:

Base salary: \$165,000<sup>1</sup>

Term: On-going

Termination benefit: 3 months base salary<sup>2</sup>

<sup>1</sup> Base salary quoted is inclusive of superannuation for the year ended 30 June 2018 and is reviewed annually by the Remuneration & Nomination Committee.

<sup>2</sup> Termination benefits are payable on early termination by the company, other than for gross misconduct.

#### Voting and comments made at the Company's 2017 Annual General Meeting

The Company received 84.85% of "yes" votes on its remuneration report for the 2017 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.

There are no key management personnel of the Company besides the Directors of EVE Investments Limited for 30 June 2018.

#### Details of remuneration

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

#### Key management personnel of the Company

	Cash salary \$	Superannuation \$	Share based payments \$	Total \$	% Performance based
<b>2018</b>					
George Cameron-Dow <sup>1</sup>	26,415	2,510	41,013	69,938	-9%
Michael Pixley <sup>2</sup>	8,750	-	47,250	56,000	-
Alasdair Cooke <sup>3</sup>	27,500	-	76,924	104,424	-6%
Gregory Fry	92,877	8,823	197,802	299,502	-8%
<b>Total</b>	<b>155,542</b>	<b>11,333</b>	<b>362,989</b>	<b>529,864</b>	<b>-7%</b>
<b>2017</b>					
George Cameron-Dow	18,645	4,355	27,051	50,051	29%
Alasdair Cooke	18,750	-	73,794	92,544	16%
Gregory Fry	87,899	8,350	130,123	226,372	25%
<b>Total</b>	<b>125,294</b>	<b>12,705</b>	<b>230,968</b>	<b>368,967</b>	<b>23%</b>

<sup>1</sup> George Cameron appointed Non-Executive Chairman effective 18 January 2018.

<sup>2</sup> Michael Pixley appointed as a Non-Executive Director effective 16 October 2017.

<sup>3</sup> Alasdair Cooke transitioned from an Executive Chairman to a Non-Executive Director effective 18 January 2018.

Directors may participate in the Company's Employee Incentive Plans under which they will be offered equity incentives as performance based remuneration. During the year there was a negative percentage of performance based remuneration due to the reversal of share based expenses, see below section on performance rights for hurdle information.

## Director's Report

### 30 June 2018

For key management personnel packages; the total remuneration shown in the table above is fixed, the lack of performance based remuneration is due to the size of the Company.

#### Share-based compensation

During the prior period the Board members agreed to convert a portion of their accrued fees into equity on the same terms as the placement completed by the Company in May 2017. The issue of shares and options in lieu of equity was approved by the Company's shareholders at a General Meeting held in June 2017 and the shares and options were issued in July 2017. Share based payments recognising the grant of the shares and options has been recognised in the prior period.

	Shares \$	Options \$
George Cameron-Dow	12,000	676
Alasdair Cooke	56,250	3,170
Gregory Fry	68,750	3,874
<b>Total</b>	<b>137,000</b>	<b>7,720</b>

During the year the Board members agreed to convert their accrued fees for the December 2017 and March 2018 quarters into equity at a deemed price of \$0.005 per share. The issue of shares and options in lieu of equity was approved by the Company's shareholders at the 2017 Annual General Meeting.

Shares were issued on 29 December 2017 and 4 April 2018 for the respective December and March quarters. The fair value of the shares on issue date (\$0.016/share and \$0.011/share respectively) have been recognised in the Company's accounts as a share based payment.

	29 December 2017		4 April 2018	
	Shares received	Value of shares received	Shares received	Value of shares received
George Cameron-Dow	1,749,990	28,000	1,749,990	19,250
Michael Pixley	1,749,990	28,000	1,749,990	19,250
Alasdair Cooke	3,750,000	60,000	2,105,555	23,161
Gregory Fry	8,249,998	132,000	8,249,998	90,750
<b>Total</b>	<b>15,499,978</b>	<b>248,000</b>	<b>13,855,533</b>	<b>152,411</b>

Performance rights in EVE Investments Limited are granted under the EVE Investments Performance Rights Plan which was approved by shareholders at the 2014 Annual General Meeting. The Performance Rights 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.

Rights are granted under the plan for no consideration. Rights granted under the plan carry no dividend or voting rights. When exercisable, each 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:

Director	Issue date	Expiry date	Number of rights issued	Number of unvested rights
George Cameron-Dow	31-May-16	31-May-21	1,500,000	1,500,000
Alasdair Cooke	31-May-16	31-May-21	1,500,000	1,500,000
Gregory Fry	31-May-16	31-May-21	6,000,000	6,000,000
<b>Total</b>			<b>9,000,000</b>	<b>9,000,000</b>

The hurdle for vesting is Omni Innovation completing an IPO or RTO on the ASX or an alternative Board approved exchange or the Trade Sale of Omni Innovation's main business.

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

## Director's Report

30 June 2018

Director	Number granted	Year granted	Fair value per right	Value at grant date	Expiry date	Expected vesting year	Maximum value yet to vest
George Cameron-Dow	1,500,000	2016	0.008	12,000	31-May-21	n/a	n/a
Alasdair Cooke	1,500,000	2016	0.008	12,000	31-May-21	n/a	n/a
Gregory Fry	6,000,000	2016	0.008	48,000	31-May-21	n/a	n/a

### Equity instruments held by key management personnel

#### Share holdings

	Balance at 1/07/2017	Purchases / Sales	Issued in lieu of remuneration	Conversion of options / rights	Balance at 30/06/2018
George Cameron-Dow	1,500,000	(2,000,000)	5,499,980	1,000,000	5,999,980
Michael Pixley <sup>1</sup>	-	-	3,499,980	-	3,499,980
Alasdair Cooke	145,144,046	6,312,500	15,230,555	15,687,500	182,374,601
Gregory Fry	37,869,049	(12,987,235)	27,958,309	5,729,167	58,569,290
	184,513,095	(8,674,735)	52,188,824	22,416,667	250,443,851

#### Performance rights holdings

	Balance at 1/07/2017	Exercised	Balance at 30/06/2018	Vested and exercisable	Unvested
George Cameron-Dow	1,500,000	-	1,500,000	-	1,500,000
Michael Pixley <sup>1</sup>	-	-	-	-	-
Alasdair Cooke	1,500,000	-	1,500,000	-	1,500,000
Gregory Fry	6,000,000	-	6,000,000	-	6,000,000
	9,000,000	-	9,000,000	-	9,000,000

#### Options

	Balance at 1/07/2017	Issued	Exercised	Balance at 30/06/2018
George Cameron-Dow	-	1,000,000	(1,000,000)	-
Michael Pixley <sup>1</sup>	-	-	-	-
Alasdair Cooke	-	15,687,500	(15,687,500)	-
Gregory Fry	-	5,729,167	(5,729,167)	-
	-	22,416,667	(22,416,667)	-

<sup>1</sup> Michael Pixley appointed as a Non-Executive Director effective 16 October 2017.

Shares and options issued in the year were in lieu of remuneration and consulting services for the prior period and for December 2017 and March 2018 quarters.

#### Loans to key management personnel

There were no loans made to key management personnel during the year ended 30 June 2018 (2017: 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.



## Director's Report

30 June 2018

	Charges from:		Charges to:	
	2018 \$	2017 \$	2018 \$	2017 \$
<b>Mitchell River Group Pty Ltd</b>	185,715	153,523	259	-
Provision of a serviced office and admin staff Alasdair Cooke, Gregory Fry				
<b>African Energy Resources Ltd</b>	-	53,876	205	86
Recharge of overheads and wages Alasdair Cooke, Gregory Fry				
<b>Anova Metals Ltd</b>	196	311	473	1,995
Recharge of overheads and wages Alasdair Cooke, Gregory Fry				
<b>Omniblend Innovation Pty Ltd</b>	5,554	3,649	119,909	223,274
Recharge of overheads and wages Gregory Fry, George Cameron-Dow				
<b>Meluka Health Pty Ltd</b>	-		16,592	-
Recharge of overheads and wages 50% ownership by EVE Investments				

### Assets and liabilities arising from the above transactions

	2018 \$	2017 \$
Trade debtors	4,390	170
Trade creditors	15,851	113,385

This is the end of the audited remuneration report.

#### 4. Principal Activities

The principal activity of the Company during the financial year was to hold various investments with a view to add value and eventually realise these for a profit.

There were no significant changes in the nature of the Company's principal activities during the financial year.

#### 5. Operating Results

The operating loss of the Company attributable to equity holders of the Company for the financial year ended 30 June 2018 amounted to \$1,879,997 (2017: \$1,387,353).

#### 6. Loss per Share

The basic loss per share for the Company for the year was 0.10 cents (2017: 0.11 cents) per share.

#### 7. 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.

#### 8. Events Since the End of the Financial Year

On 30 August, EVE completed the Share Purchase Deed to acquire 100% of Jenbrook Pty Ltd. Consideration for the 100% purchase was \$2.864m, of which \$135,000 had been paid as a deposit (see note 10). Additionally, 30,266,666 shares in EVE were issued to extinguish management loans provided to Jenbrook at a deemed issue price of \$0.009/share.

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 Company, the results of those operations, or the state of affairs of the Company in future financial years.

#### 9. Likely Developments and Expected Results of Operations

The Company will continue to review its current investment portfolio and new investment opportunities in order to maximise shareholder returns through appropriate strategic investment decisions.

#### 10. Significant Changes in State of Affairs

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

## Director's Report

30 June 2018

### 11. Corporate Governance Statement

The Company's Corporate Governance Statement for the year ended 30 June 2018 can be accessed from the Company's website at [www.eveinvestments.com.au/corporate-governance](http://www.eveinvestments.com.au/corporate-governance).

### 12. Environmental Regulations

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

### 13. 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 (cents)	Expiry date
53,300,000	Unlisted options	0.60	31-Dec-18
20,000,000	Unlisted options	0.03	31-Dec-19
23,750,000	Performance rights	-	Various
<u>97,050,000</u>			

### 14. Non-Audit Services

The company 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.

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

The lead auditor's independence declaration is set out on page 41 and forms part of the Directors' Report for the year ended 30 June 2018.

### 16. 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. The premiums were paid in respect of the following officers of the Company: George Cameron-Dow, Gregory Fry, Alasdair Cooke, Michael Pixley and Steven Jackson.

*On behalf of the Board of  
EVE Investments Limited*

Dated at Perth this 31 August 2018.

Signed in accordance with a resolution of the Directors.



Gregory William Fry  
Executive Director



## Director's Declaration

30 June 2018

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The Directors of the Company declare that:

- 1) The financial statements, comprising the Statement of Profit or Loss and Other Comprehensive Income, Statement of Financial Position, Statement of Cash Flows, 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 2018 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 Company 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  
Executive Director

Perth

31 August 2018

## Statement of Profit or Loss & Other Comprehensive Income

For the year ended 30 June 2018

		30-Jun-18 Company \$	30-Jun-17 Company \$
Revenue from continuing operations		18,904	245
Professional fees	5	(684,012)	(46,552)
Employee benefit expense	5	(321,616)	(474,250)
Share-based payments	5	(438,378)	(210,739)
Other expenses	5	(200,177)	(170,541)
Share of net loss of associates accounted for using the equity method	3	(254,718)	(485,516)
<b>Loss before income tax</b>		<b>(1,879,997)</b>	<b>(1,387,353)</b>
Income tax benefit / (expense)	6	-	-
<b>Loss after income tax for the year</b>		<b>(1,879,997)</b>	<b>(1,387,353)</b>
<b>Total comprehensive income / (loss) attributable to:</b>			
Equity holders of the Company		(1,879,997)	(1,387,353)
<b>Total comprehensive income / (loss) for the year</b>		<b>(1,879,997)</b>	<b>(1,387,353)</b>
<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)	7	(0.10)	(0.11)
Basic and diluted loss per share from continuing operations (cents)	7	(0.10)	(0.11)

*The statement of profit or loss & other comprehensive income is to be read in conjunction with the accompanying notes.*



## Statement of Financial Position

As at 30 June 2018

	<b>Note</b>	<b>30-Jun-18 Company \$</b>	<b>30-Jun-17 Company \$</b>
<b>Assets</b>			
<i>Current assets</i>			
Cash and cash equivalents	8	3,912,370	260,291
Trade and other receivables	9	29,902	16,398
Deposits	10	135,000	100,000
Other financial assets		200,000	-
Convertible notes	4	-	133,330
<b>Total current assets</b>		<b>4,277,272</b>	<b>510,020</b>
<i>Non-current assets</i>			
Equity accounted investments	3	3,179,984	2,561,172
<b>Total non-current assets</b>		<b>3,179,984</b>	<b>2,561,172</b>
<b>Total assets</b>		<b>7,457,256</b>	<b>3,071,191</b>
<b>Liabilities</b>			
<i>Current Liabilities</i>			
Trade and other payables	11	76,798	293,552
<b>Total current liabilities</b>		<b>76,798</b>	<b>293,552</b>
<b>Total liabilities</b>		<b>76,798</b>	<b>293,552</b>
<b>Net assets</b>		<b>7,380,458</b>	<b>2,777,639</b>
<b>Equity</b>			
Issued capital	12	22,710,032	16,382,059
Reserves	13	176,107	105,820
Accumulated losses		(15,505,681)	(13,710,240)
<b>Total equity attributable to shareholders of the Company</b>		<b>7,380,458</b>	<b>2,777,639</b>

*The statement of financial position is to be read in conjunction with the accompanying notes.*



## Statement of Changes in Equity

For the year ended 30 June 2018

	Issued capital	Accumulated losses	Reserves	Total equity
	\$	\$	\$	\$
<b>Total equity at 1 July 2017</b>	16,382,059	(13,710,240)	105,820	2,777,639
Loss for the year	-	(1,879,997)	-	(1,879,997)
<b>Total comprehensive income / (loss) for the year</b>	-	(1,879,997)	-	(1,879,997)
<b>Transactions with owners in their capacity as owners:</b>				
Share issue net of issue costs	6,327,973	-	-	6,327,973
Share based payments	-	-	154,843	154,843
Transfer of share based payments on exercise/expiry	-	84,556	(84,556)	-
	6,327,973	84,556	70,287	6,482,816
<b>Total equity at 30 June 2018</b>	<b>22,710,032</b>	<b>(15,505,681)</b>	<b>176,107</b>	<b>7,380,458</b>
<b>Total equity at 1 July 2016</b>	14,179,157	(12,494,160)	66,355	1,751,351
Loss for the year	-	(1,387,353)	-	(1,387,353)
<b>Total comprehensive income / (loss) for the year</b>	-	(1,387,353)	-	(1,387,353)
<b>Transactions with owners in their capacity as owners:</b>				
Share issue net of issue costs	2,202,902	-	-	2,202,902
Share based payments	-	-	210,739	210,739
Transfer of share based payments on exercise/expiry	-	171,273	(171,273)	-
	2,202,902	171,273	39,466	2,413,641
<b>Total equity at 30 June 2017</b>	<b>16,382,059</b>	<b>(13,710,240)</b>	<b>105,820</b>	<b>2,777,639</b>

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



## Statement of Cash Flows

For the year ended 30 June 2018

	<b>30-Jun-18</b>	<b>30-Jun-17</b>
	<b>Company</b>	<b>Company</b>
<i>Note</i>	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Cash paid to suppliers and employees	(825,181)	(559,237)
Interest received	16,421	243
<b>Net cash used in operating activities</b>	<b>(808,760)</b>	<b>(558,994)</b>
<b>Cash flows from investing activities</b>		
Investment in associates	(640,200)	(1,625,000)
Deposit on investment	(135,000)	(100,000)
Loan to a non-related party	(200,000)	-
<b>Net cash used by investing activities</b>	<b>(975,200)</b>	<b>(1,725,000)</b>
<b>Cash flows from financing activities</b>		
Proceeds from the issue of share capital	5,842,165	2,358,825
Payment for share issuance costs	(406,127)	(147,023)
<b>Net cash provided by financing activities</b>	<b>5,436,038</b>	<b>2,211,802</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>3,652,078</b>	<b>(72,191)</b>
<b>Cash and cash equivalents at 1 July</b>	<b>260,291</b>	<b>332,483</b>
<b>Cash and cash equivalents at 30 June</b>	<b>3,912,370</b>	<b>260,291</b>

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

## Notes to the Financial Statements

For the year ended 30 June 2018

### 1. Reporting entity

EVE Investments Limited (the "Company") is a company domiciled in Australia. This financial report is for EVE Investments as an individual entity. The financial report was authorised for issue by the Directors on 31 August 2018.

### 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 IFRSs and interpretations as issued by the International Accounting Standards Board. EVE Investments Ltd is a for-profit entity for the purpose of preparing the financial statements.

#### b) New and amended standards adopted by the Company

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2017 affected any of the amounts recognised in the current period or any prior period.

#### c) Basis of measurement

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

#### d) Functional and presentation currency

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

#### e) Going concern

For the year ended 30 June 2018 the entity recorded a loss from continuing operations of \$1,879,997 and had net cash outflows from operating activities of \$808,760 and had working capital of \$4,200,474. On 30 August 2018, all the conditions precedent of the Jenbrook transaction were met and the Company paid \$2.73m to complete the transaction (see note 22). The ability of the entity to continue as a going concern and being able to continue to fund its operating and investing activities is dependent on the performance of its investments and may require securing additional funding through new or existing investors, or by using bank financing facilities.

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 believe 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 raising additional funds through equity as detailed above; and
- The entity 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 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:

## Notes to the Financial Statements

For the year ended 30 June 2018

- Note 3 – Investments in associates – When necessary, the entire carrying amount of the investment is tested for impairment in accordance with AASB 136 Impairment of Assets by comparing its recoverable amount (fair value less costs to sell) with its carrying amount. EVE has determined it does not control Meluka Health therefore EVE's 50% interest is accounted for as an investment in associate.
- Note 4 – Convertible note – The Company considers the recoverability of convertible notes it has been issued at each balance date and the asset is tested for impairment in accordance with AASB 136 Impairment of Assets.
- Note 17 – Share-based payment arrangements – The Company 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 17 (c) – Performance rights – The Company reviews the likelihood of each performance right hurdle being met at each balance date. If the Company's assessment is that the likelihood of conversion is greater than 50% a share-based payment expense will be recognised in the period.

### 3. Investment in Associates

#### a) Movements in carrying amounts

	2018 Company \$	2017 Company \$
<b>Balance at the beginning of the year</b>	2,561,172	1,421,688
Investment in Omni Innovation	133,330	1,625,000
Investment in Meluka Health	740,200	-
Share of losses after income tax	(254,718)	(485,516)
<b>Balance at the end of the year</b>	<b>3,179,984</b>	<b>2,561,172</b>

#### b) Summarised financial information of associates

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

	Ownership interest %	Assets \$	Company's share of:		
			Liabilities \$	Revenues \$	Losses \$
Omni Innovation	38.00%	468,305	19,146	390,718	120,563
Meluka Health	50.00%	278,617	32,962	105,040	134,155

#### Omni Innovation

	2018 \$
<b>Summarised statement of financial position</b>	
<i>Current Assets</i>	
Cash and cash equivalents	694,426
Trade and other receivables	15,274
<b>Total current assets</b>	<b>709,700</b>
<i>Non-current Assets</i>	
Patents & development costs	521,555
Property, plant & equipment	1,125
<b>Total non-current assets</b>	<b>522,680</b>
<b>Total assets</b>	<b>1,232,380</b>
<i>Current Liabilities</i>	
Trade and other payables	50,383
<b>Total current liabilities</b>	<b>50,383</b>
<b>Total liabilities</b>	<b>50,383</b>
<b>Net assets</b>	<b>1,181,997</b>

## Notes to the Financial Statements

For the year ended 30 June 2018

	<b>2018</b>
	<b>\$</b>
<b>Summarised statement of comprehensive income</b>	
Revenue	1,011,193
Interest income	12,262
Other income	170,781
<b>Loss from operating activities</b>	<b>(318,202)</b>
Other comprehensive income	-
<b>Total comprehensive loss</b>	<b>(318,202)</b>

### Meluka Health

	<b>2018</b>
	<b>\$</b>
<b>Summarised statement of financial position</b>	
<i>Current Assets</i>	
Cash and cash equivalents	154,192
Trade and other receivables	110,004
Inventory	35,522
<b>Total current assets</b>	<b>299,718</b>
<i>Non-current Assets</i>	
Intangible assets	161,052
Property, plant & equipment	96,464
<b>Total non-current assets</b>	<b>257,516</b>
<b>Total assets</b>	<b>557,234</b>
<i>Current Liabilities</i>	
Trade and other payables	65,923
<b>Total current liabilities</b>	<b>65,923</b>
<b>Total liabilities</b>	<b>65,923</b>
<b>Net assets</b>	<b>491,311</b>

	<b>2018</b>
	<b>\$</b>
<b>Summarised statement of comprehensive income</b>	
Revenue	210,080
Other income	280
<b>Loss from operating activities</b>	<b>(268,310)</b>
Other comprehensive income	-
<b>Total comprehensive loss</b>	<b>(268,310)</b>

### 4. Convertible notes

	<b>2018</b>	<b>2017</b>
	<b>Company</b>	<b>Company</b>
	<b>\$</b>	<b>\$</b>
<b>Balance at the beginning of the year</b>	133,330	133,330
Conversion into ordinary shares	(133,330)	-
<b>Balance at the end of the year</b>	<b>-</b>	<b>133,330</b>

The convertible note receivable held by EVE Investments Limited in Omni Innovation were non-interest bearing and redeemable/convertible upon certain trigger events occurring. During the year all Omni Innovation noteholders converted their notes into ordinary shares.



## Notes to the Financial Statements

For the year ended 30 June 2018

### 5. Expenses from continuing operations

	2018 Company \$	2017 Company \$
<b>Professional fees</b>		
Audit fees	44,594	28,654
Tax consulting services	2,700	3,722
Legal costs	31,853	16,487
Corporate consultants	440,000	-
Other professional fees	3,466	(2,311)
Loss on settlement	161,399	-
	<b>684,012</b>	<b>46,552</b>
<b>Employee benefit expense</b>		
Wages	154,741	39,250
Directors fees	166,875	138,000
Directors fees - equity settled	400,411	137,000
Share based payments expense	37,967	370,739
	<b>759,994</b>	<b>684,988</b>
<b>Other expenses</b>		
Corporate costs	108,739	68,798
Premises and insurance	36,620	56,465
Travelling costs	46,242	30,787
Other operating expenses	8,576	14,491
	<b>200,177</b>	<b>170,541</b>

### 6. Income taxes

	2018 Company \$	2017 Company \$
<b>Income tax expense / (benefit):</b>		
Current tax	-	-
Deferred tax	-	-
	<b>-</b>	<b>-</b>
<b>Reconciliation of income tax expense/ (benefit) to prima facie income tax payable / (refundable):</b>	<b>\$</b>	<b>\$</b>
Loss before income tax for the year from continuing operations	(1,879,997)	(1,387,353)
Loss before income tax	(1,879,997)	(1,387,353)
Prima facie income tax at 27.5%	(516,999)	(381,522)
Tax effect of permanent differences and deferred tax movements not recognised	148,538	174,379
	<b>(368,461)</b>	<b>(207,143)</b>
Effect of tax loss not recognised as deferred tax assets	368,461	207,143
Income tax expense / (benefit)	<b>-</b>	<b>-</b>
<b>Unrecognised deferred tax assets:</b>	<b>\$</b>	<b>\$</b>
Losses - revenue	1,401,505	1,033,044
Provisions, accruals and other	135,141	58,986
	<b>1,536,646</b>	<b>1,092,030</b>
<b>Unrecognised deferred tax liabilities:</b>	<b>\$</b>	<b>\$</b>
Other	4,998	-
	<b>4,998</b>	<b>-</b>

## Notes to the Financial Statements

### For the year ended 30 June 2018

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

- the Company derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised;
- the Company continues to comply with the conditions for deductibility imposed by law; and
- no changes in income tax legislation adversely affect the Company from utilising the benefits.

#### Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

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.

#### 7. Loss per share

The calculation of basic loss per share at 30 June 2018 was based on the loss attributable to ordinary shareholders of \$1,879,997 (2017: \$1,387,353) and a weighted average number of ordinary shares outstanding during the financial year ended 30 June 2018 of 1,879,517,756 (2017: 1,221,989,980) calculated as follows:

##### **Loss attributable to ordinary shareholders**

Loss for the year		
Loss for the year from continuing operations		

2018 Company \$	2017 Company \$
(1,879,997)	(1,387,353)
(1,879,997)	(1,387,353)

##### **Basic loss per share**

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

(0.10)	(0.11)
(0.10)	(0.11)

##### **Diluted loss per share**

Diluted loss per share (cents)		
Diluted loss per share from continuing operations (cents)		

n/a	n/a
n/a	n/a

Weighted average number of shares		
Options		
Weighted average number of shares diluted EPS		

2018	2017
1,879,517,756	1,221,989,980
-	-
1,879,517,756	1,221,989,980

#### Basic earnings 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 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.

#### 8. Cash and cash equivalents

Cash at bank & on hand		
Term deposits		

2018 Company \$	2017 Company \$
1,612,370	260,291
2,300,000	-
3,912,370	260,291



## Notes to the Financial Statements

For the year ended 30 June 2018

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

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

### 9. Trade and other receivables

	2018 Company \$	2017 Company \$
Trade debtors	4,390	1,047
Other receivables	25,512	15,351
	<u>29,902</u>	<u>16,398</u>

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

Information about the Company's exposure to credit risk is provided in note 24. No receivables held by the Company are past due or impaired.

### 10. Deposits and other financial assets

	2018 Company \$	2017 Company \$
Deposits (i)	135,000	100,000
	<u>135,000</u>	<u>100,000</u>

	2018 Company \$	2017 Company \$
Other financial assets (ii)	200,000	-
	<u>200,000</u>	<u>-</u>

(i) Under the transaction announced on 21 June 2018 with Jenbrook, a refundable deposit of \$135,000 has been paid. If the transaction is completed the \$135,000 will be offset against the remaining consideration payable and will be transferred from deposits to equity accounted investments. In 2017, \$100,000 was paid as a deposit under the Meluka Health transaction, on completion this was transferred to equity accounted investments.

(ii) In February 2018 EVE and Jenbrook entered into a 12 month secured loan agreement. EVE provided Jenbrook with \$200,000 to fund capital requirements. Key terms included a mortgage against the Jendale property and an interest rate of 0% for the first 3 months and 4% above the RBA cash rate for the remainder of the term.

### 11. Trade and other payables

	2018 Company \$	2017 Company \$
Trade creditors	47,977	142,078
Other payables	28,821	151,474
	<u>76,798</u>	<u>293,552</u>

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 24.



## Notes to the Financial Statements

For the year ended 30 June 2018

### 12. Contributed equity

Issued capital  
Cost of share issue

2018 Company \$	2017 Company \$
24,150,222	17,331,646
(1,440,190)	(949,587)
<u>22,710,032</u>	<u>16,382,059</u>

#### 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

2018		Number of shares	Issue price	AUD
01 Jul 2017	Opening balance	1,460,387,624		16,382,059
04 Jul 2017	Employee share plan issue	22,833,333	0.006	137,000
13 Oct 2017	Placement	219,000,001	0.005	1,095,000
22 Nov 2017	Placement <sup>1</sup>	22,000,000	0.008	176,000
22 Nov 2017	Conversion of options	23,435,418	0.006	140,613
27 Nov 2017	Conversion of options	24,812,503	0.006	148,875
01 Dec 2017	Conversion of options	55,562,505	0.006	333,375
08 Dec 2017	Conversion of options	41,875,004	0.006	251,250
08 Dec 2017	Settlement of invoice in shares <sup>2</sup>	3,000,000	0.021	63,000
15 Dec 2017	Conversion of options	9,833,334	0.006	59,000
29 Dec 2017	Conversion of options	12,966,667	0.006	77,800
29 Dec 2017	Employee share plan issue	15,499,968	0.016	247,999
18 Jan 2018	Conversion of options	200,000	0.006	1,200
18 Jan 2018	Conversion of performance rights	1,750,000	0.000	-
31 Jan 2018	Conversion of options	9,000,000	0.006	54,000
07 Feb 2018	Placement	270,000,001	0.013	3,510,000
08 Feb 2018	Conversion of performance rights	1,250,000	0.000	-
07 Mar 2018	Entitlement issue	5,463,941	0.013	71,031
29 Mar 2018	Entitlement issue shortfall	23,078,500	0.013	300,021
04 Apr 2018	Employee share plan issue	13,855,523	0.011	152,412
27 Jun 2018	Conversion of performance rights	3,000,000	0.000	-
	Capital raising costs			(490,603)
<b>30 June 2018</b>	<b>Closing balance</b>	<u>2,238,804,322</u>		<u>22,710,032</u>

## Notes to the Financial Statements

For the year ended 30 June 2018

2017		Number of shares	Issue price	AUD
01 Jul 2016	Opening balance	1,115,500,123		14,179,157
16 Nov 2016	Placement	60,000,000	0.010	600,000
28 Dec 2016	Placement	78,750,000	0.008	630,000
08 May 2017	Placement	188,137,501	0.006	1,128,825
08 May 2017	Conversion of performance rights	18,000,000	0.000	-
	Capital raising costs			(155,923)
<b>30 June 2017</b>	<b>Closing balance</b>	<b>1,460,387,624</b>		<b>16,382,059</b>

<sup>1</sup> Shares were issued at a deemed issue price of \$0.005, the fair value on the issued date was \$0.008. A loss on settlement expense of \$66,000 has been recognised to reflect the difference in valuation.

<sup>2</sup> Shares were issued at a deemed issue price of \$0.005, the fair value on the issued date was \$0.021. A loss on settlement expense of \$48,000 has been recognised to reflect the difference in valuation.

### 13. Share based payments reserves

	2018 Company \$	2017 Company \$
Balance at the beginning of the year	105,820	66,355
Equity settled share-based payment transactions	154,843	210,739
Transfer of share-based payments on exercise/lapse of options	(84,556)	(171,273)
Balance at 30 June	176,107	105,820

The share based payments reserve is used to recognise the grant date fair value of options and rights issued to employees but not exercised.

### 14. 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.

### 15. 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:

	2018 Company \$	2017 Company \$
<i>BDO Audit (WA) Pty Ltd:</i>		
Audit and review of financial reports	44,594	28,654
Total auditors' remuneration	44,594	28,654

### 16. Related parties

#### a) Loans to key management personnel

There were no loans made to key management personnel during the year ended 30 June 2018 (2017: nil).

#### b) Key management personnel compensation

	2018 \$	2017 \$
Short-term employee benefits	155,542	125,294
Post-employment benefits	11,333	12,705
Equity compensation benefits	362,989	230,968
	529,864	368,967

## Notes to the Financial Statements

For the year ended 30 June 2018

### c) 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:	
	2018 AUD	2017 AUD	2018 AUD	2017 AUD
<b>Mitchell River Group Pty Ltd</b>	185,715	153,523	259	-
Provision of a serviced office and admin staff (Alasdair Cooke, Gregory Fry)				
<b>African Energy Resources Ltd</b>	-	53,876	205	86
Recharge of overheads and wages (Alasdair Cooke, Gregory Fry)				
<b>Anova Metals Ltd</b>	196	311	473	1,995
Recharge of overheads and wages (Alasdair Cooke, Gregory Fry)				
<b>Omniblend Innovation Pty Ltd</b>	5,554	3,649	119,909	223,274
Recharge of overheads and wages (Gregory Fry, George Cameron-Dow)				
<b>Meluka Health Pty Ltd</b>	-	-	16,592	-
Recharge of overheads and wages (50% ownership by EVE Investments)				

### d) Assets and liabilities arising from the above transactions

	2018 \$	2017 \$
Trade debtors	4,390	170
Trade creditors	15,851	113,385

### 17. 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.

	Share based payment expense 2018 \$	Share based payment expense 2017 \$
Broker options (a)	69,476	5,437
Shares / Options in lieu (b)	400,410	7,720
Performance rights (c)	37,967	197,582
Creditor options (d)	47,399	-
<b>Total</b>	<b>555,253</b>	<b>210,739</b>

#### a) Broker options

At a General Meeting held in June 2017 the Company's shareholders approved the issue of 5,000,000 broker options related to the placement completed in May 2017. Options were issued subsequent to year end but a share based payment of \$5,437 recognising the grant of the options has been recognised in the prior period. This value was derived from a Black-Scholes calculation taking into account the underlying share price on the grant date of \$0.005, a volatility of 100% and a risk free rate of 1.50% as the value of the service could not be reliably measured.

On 8 February 2018 the Company issued 20,000,000 broker options related to the placement completed on the same date. The value of the options was \$69,476 and was fully expensed during the year as a share-based payment expense. value was derived from a Black-Scholes calculation taking into account the underlying share price on the grant date of \$0.012, a volatility of 130% and a risk free rate of 1.50%.

#### b) Shares and options in lieu

During the prior period the Board members agreed to convert a portion of their accrued fees into equity on the same terms as the placement completed by the Company in May 2017. The issue of shares and options in lieu of equity was approved by

## Notes to the Financial Statements

For the year ended 30 June 2018

the Company's shareholders at a General Meeting held in June 2017 and the shares and options were issued in July 2017. Share based payments recognising the grant of the shares and options has been recognised in the prior period.

	Shares \$	Options \$
George Cameron-Dow	12,000	676
Alasdair Cooke	56,250	3,170
Gregory Fry	68,750	3,874
<b>Total</b>	<b>137,000</b>	<b>7,720</b>

During the year the Board members agreed to convert their accrued fees for the December 2017 and March 2018 quarters into equity at a deemed price of \$0.005 per share. The issue of shares and options in lieu of equity was approved by the Company's shareholders at the 2017 Annual General Meeting.

Shares were issued on 29 December 2017 and 4 April 2018 for the respective December and March quarters. The fair value of the shares on issue date (\$0.016/share and \$0.011/share respectively) have been recognised in the Company's accounts as a share based payment.

	29 December 2017		4 April 2018	
	Shares received	Value of shares received	Shares received	Value of shares received
George Cameron-Dow	1,749,990	28,000	1,749,990	19,250
Michael Pixley	1,749,990	28,000	1,749,990	19,250
Alasdair Cooke	3,750,000	60,000	2,105,555	23,161
Gregory Fry	8,249,998	132,000	8,249,998	90,750
	<b>15,499,978</b>	<b>248,000</b>	<b>13,855,533</b>	<b>152,411</b>

### c) Performance rights plan

The EVE Performance Rights Plan is designed to provide long-term incentives for senior managers and above (including executive Directors) to deliver long-term shareholder returns. Participation in the plan is at the Board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

Performance Rights are granted under the plan for no consideration. Performance Rights granted under the plan carry no dividend or voting rights. When vested, each performance right is convertible into one ordinary share.

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

Issue Date	Expiry date	Tranche	Number granted	Value at grant date \$	Vested in year \$	Vested at 30 June 2018	Unvested at 30 June 2018
3-May-16	3-May-21	A	6,000,000	75,273	-	-	6,000,000
31-May-16	31-May-21	A	9,000,000	72,000	-	-	9,000,000
31-May-16	31-May-21	B	3,000,000	24,000	24,000	3,000,000	-
18-Jan-18	17-Jan-23	C	1,125,000	19,125	-	-	1,125,000
18-Jan-18	17-Jan-23	D	1,125,000	19,125	-	-	1,125,000
18-Jan-18	17-Jan-23	E(i)	1,750,000	29,750	29,750	1,750,000	-
18-Jan-18	17-Jan-23	E(ii)	1,750,000	29,750	-	-	1,750,000
18-Jan-18	17-Jan-23	F(i)	1,750,000	29,750	-	-	1,750,000
18-Jan-18	17-Jan-23	F(ii)	1,750,000	29,750	-	-	1,750,000
18-Jan-18	17-Jan-23	G(i)	1,250,000	21,250	21,250	1,250,000	-
18-Jan-18	17-Jan-23	G(ii)	1,250,000	21,250	-	-	1,250,000
			<b>29,750,000</b>	<b>371,023</b>	<b>75,000</b>	<b>6,000,000</b>	<b>23,750,000</b>

## Notes to the Financial Statements

For the year ended 30 June 2018

Tranche	Hurdle	Likelihood
A	Omni Innovation completing an IPO or RTO on the ASX or an alternative Board approved exchange or the Trade Sale of Omni Innovation's main business	< 50%
B	Continuous service until 1 March 2018	> 50%
C	Continuous service until 1 March 2019	> 50%
D	Continuous service until 1 March 2020	> 50%
E(i)	Completing 50% investment into Meluka Health P/L	> 50%
E(ii)	Vest 12 months after performance hurdle	> 50%
F(i)	Completing an acquisition of 100% investment into Meluka Health P/L and exercise key options	> 50%
F(ii)	Vest 12 months after performance hurdle	> 50%
G(i)	Completing a \$3,000,000 minimum capital raise	> 50%
G(ii)	Vest 12 months after performance hurdle	> 50%

The fair value of the performance rights granted during the year is \$199,750 (2017: nil). The value is based off the underlying share price on the date of issue and likelihood of the performance right hurdle being met. At each reporting date the likelihood of each performance right hurdle is reviewed by management and the share-based payment adjusted accordingly. During the year \$37,967 (2017: \$197,582) of expense was recorded. This value was based off the underlying share price on the date of issue and likelihood of the performance right hurdle being met.

#### d) Creditor shares and options

During the prior period a related party creditor agreed to convert a portion of their accrued fees into equity on the same terms as the placement completed by the Company in October 2017. The issue of shares and options in lieu of equity was approved by the Company's shareholders at the 2017 Annual General Meeting held and the shares and options were issued in November 2017. A loss on settlement expense of \$47,399 was recognised on the grant of the options during the year. This value was derived from a Black-Scholes calculation taking into account the underlying share price on the grant date of \$0.008, a volatility of 164.47% and a risk free rate of 1.50%.

Detailed remuneration disclosures are provided in the remuneration report on pages 15 - 20.

#### 18. Reconciliation of loss after income tax to net cash inflow from operating activities

	30-Jun-18 Company \$	30-Jun-17 Company \$
<b>Loss for the year from continuing operations</b>	(1,879,997)	(1,387,353)
<i>Adjustments for:</i>		
Share of losses in associates	254,718	485,516
Equity-settled share-based payment expenses	899,868	210,739
<b>Operating loss before changes in working capital and provisions</b>	(725,411)	(691,099)
(Increase)/decrease in trade and other receivables	(3,594)	18,741
(Decrease)/increase in trade and other payables	(79,754)	113,364
<b>Net cash used in operating activities</b>	(808,760)	(558,994)

There were no non-cash investing and financing activities during the year.

#### 19. 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 one reportable business segment, investments. As such, the reportable information the Board reviews is detailed throughout the financial statements.

#### 20. Contingent assets and liabilities

There were no contingent liabilities or contingent assets at 30 June 2018 (2017: nil).

#### 21. Capital and other commitments

There were no capital and other commitments at 30 June 2018.

#### 22. Events occurring after reporting date

On 30 August, EVE completed the Share Purchase Deed to acquire 100% of Jenbrook Pty Ltd. Consideration for the 100% purchase was \$2.864m, of which \$135,000 had been paid as a deposit (see note 10). Additionally, 30,266,666 shares in EVE were issued to extinguish management loans provided to Jenbrook at a deemed issue price of \$0.009/share.

## Notes to the Financial Statements

For the year ended 30 June 2018

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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 Company, the results of those operations, or the state of affairs of the Company in future financial years.

### 23. 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 Statement of Financial Position.

Cash flows are included in the 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) New standards and interpretations not yet adopted

Australian Accounting Standards and Interpretations that have been recently issued or amended but are not yet effective have not been adopted by the Company for the annual reporting period ended 30 June 2018.

#### AASB 9 Financial Instruments

AASB 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities and introduces new rules for hedge accounting. AASB 9 must be applied for financial years commencing on or after 1 January 2018. The standard is not expected to have a material impact on the Company.

#### AASB 15 Revenue from Contracts with Customers

AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 which covers contracts for goods and services and AASB 111 which covers construction contracts. The new standard is based on the principle that revenue is

## Notes to the Financial Statements

For the year ended 30 June 2018

recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards. The standard is not expected to have a material impact on the Company.

### AASB 16 Leases

AASB 16 eliminates the operating and finance lease classifications for lessees currently accounted for under AASB 117 Leases. It instead requires an entity to bring most leases onto its statement of financial position in a similar way to how existing finance leases are treated under AASB 117. An entity will be required to recognise a lease liability and a right of use asset in its statement of financial position for most leases. There are some optional exemptions for leases with a period of 12 months or less and for low value leases. The application date of this standard is for annual reporting periods beginning on or after 1 January 2019. The standard is not expected to have a material impact on the Company.

### 24. Financial risk management

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

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

#### a) Credit risk

The carrying amount of cash and cash equivalents, financial assets, 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 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:

	2018 Company \$	2017 Company \$
Cash and cash equivalents A-1+	3,912,370	260,291

#### b) Liquidity risk

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

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

### Contractual maturities of financial liabilities

2018	Less than 6 months	6 - 12 months	Total contractual cash flows
Trade Payables	76,798	-	76,798
	76,798	-	76,798
<b>2017</b>			
Trade Payables	293,552	-	293,552
	293,552	-	293,552



## Notes to the Financial Statements

For the year ended 30 June 2018

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### 25. Determination of fair values

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

#### a) Trade and other receivables

The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

#### b) Share-based payment transactions

The fair value of employee share options and performance rights is measured using a Black-Scholes pricing model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option/right holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.



## Auditor's Independence Declaration

For the year ended 30 June 2018



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### DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF EVE INVESTMENTS LIMITED

As lead auditor of EVE Investments Limited for the year ended 30 June 2018, 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.

**Jarrad Prue**  
Director

**BDO Audit (WA) Pty Ltd**  
Perth, 31 August 2018

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# Independent Audit Report

## For the year ended 30 June 2018



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### INDEPENDENT AUDITOR'S REPORT

To the members of EVE Investments Limited

#### Report on the Audit of the Financial Report

##### Opinion

We have audited the financial report of EVE Investments Limited (the Company), which comprises the statement of financial position as at 30 June 2018, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the 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 EVE Investments Limited, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Company's financial position as at 30 June 2018 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 Company 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* (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 entity's ability to continue as a going concern and therefore the entity 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.

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## Independent Audit Report

### For the year ended 30 June 2018



#### 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.

#### Carrying value of equity accounted investments

<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>As disclosed in note 3, the Company's equity accounted investments (Omniblend Innovation Pty Ltd and Meluka Health Pty Ltd) have a significant carrying value at 30 June 2018.</p> <p>The Company is required to assess whether any impairment indicators are present which may indicate the Company's equity accounted investments may be impaired.</p> <p>We have determined this is a key audit matter given its financial significance to the Company and the judgements and estimates required in assessing the carrying value of the investments.</p>	<p>Our procedures included, but were not limited to the following:</p> <ul style="list-style-type: none"> <li>• Considering any indicators of impairment of the investments including assessing the market capitalisation of the Company compared to the net asset position of the Company;</li> <li>• Reviewing the Board of Directors meetings minutes and enquiring with management for evidence of impairment indicators; and</li> <li>• Assessing the appropriateness of the Company's disclosures in respect of the Company's equity accounted investments (refer to note 2(f) and 3).</li> </ul>

#### Other information

The directors are responsible for the other information. The other information comprises the information contained in the financial report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the financial report, which is expected to be made available to us after that date.

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 identified above 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 on the other information that we obtained prior to the date of this auditor's report, 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.

## Independent Audit Report

For the year ended 30 June 2018



When we read the financial report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and will request that it is corrected. If it is not corrected, we will seek to have the matter appropriately brought to the attention of users for whom our report is prepared.

### **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 Company's ability 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 Company 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:

[http://www.auasb.gov.au/auditors\\_responsibilities/ar2.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar2.pdf)

This description forms part of our auditor's report.

### **Report on the Remuneration Report**

#### **Opinion on the Remuneration Report**

We have audited the Remuneration Report included in pages 15 to 20 of the directors' report for the year ended 30 June 2018.

In our opinion, the Remuneration Report of EVE Investments Limited, for the year ended 30 June 2018, complies with section 300A of the *Corporations Act 2001*.

## Independent Audit Report

For the year ended 30 June 2018



### 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  
J Prue

**Jarrad Prue**  
Director

Perth, 31 August 2018



## Additional Information

30 June 2018

### 1. Exchange listing

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

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

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

Name of Shareholder	Number of shares held
Mr Alasdair Campbell Cooke	145,144,046
TRT Investment Group Pty Ltd	60,000,000

### 3. Class of shares and voting rights

At 28 September 2018, there were 4,146 holders of 2,269,030,989 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:

- each shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- 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
- 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	2,167,350,147	1,918	95.52
10,001 to 100,000	100,450,816	1,852	4.43
5,001 to 10,000	820,801	101	0.04
1,001 to 5,000	363,993	112	0.02
1 to 1,000	45,232	163	0.00
	<b>2,269,030,989</b>	<b>4,146</b>	<b>100.00</b>
Unmarketable Parcels	55,746,833	1,732	2.51

### 5. Unlisted securities

Securities	Number on issue	Number of holders	Holders with 20% or more	Number held
Employee incentive performance rights	23,750,000	7	n/a	n/a
Unlisted options exercisable at 0.6 cents on or before 31/12/2018	53,300,000	2	TRT Investment Group P/L	50,000,000
Unlisted options exercisable at 2.5 cents on or before 31/12/2019	20,000,000	2	John Athanasiou J H Funky Investments P/L	5,000,000 10,000,000

## Additional Information

30 June 2018

### 6. Listing of 20 largest shareholders as at 28 September 2018

Rank	Name	Number of shares held	% IC
1	TRT INVESTMENT GROUP PTY LTD	126,500,000	5.58
2	SURFIT CAPITAL PTY LTD	100,000,000	4.41
3	MR ALASDAIR CAMPBELL COOKE	58,842,194	2.59
4	MR GREGORY WILLIAM FRY	43,760,124	1.93
5	ILWELLA PTY LTD	38,500,000	1.70
6	HARTREE PTY LTD	38,426,727	1.69
7	REFRESH GROUP LIMITED	37,053,974	1.63
8	GLENLAREN PTY LTD <GLENLAREN SUPER A/C>	28,333,334	1.25
9	GLENLAREN PTY LTD <GLENLAREN A/C>	28,044,400	1.24
10	MR MARC JOHN CALOKERINOS	26,000,000	1.15
11	SASSEY PTY LTD <AVAGO SUPER FUND A/C>	25,390,000	1.12
12	MR DONAL PAUL WINDRIM	23,400,655	1.03
13	MITCHELL RIVER GROUP PTY LTD	22,000,000	0.97
14	TW CONSULTING CO LTD	20,000,000	0.88
15	PERMWILL PTY LIMITED I REDELMAN & SON P/L S/F	16,666,667	0.73
16	MRS WENCHENG YUAN	15,799,973	0.70
17	ROBYN MERRYL INGERSOLE	15,113,333	0.67
18	BRYAN KENT EASSON	15,113,333	0.67
19	CHASE BUSINESS CONSULTING PTY LTD	15,000,000	0.66
20	CHASE BUSINESS CONSULTING PTY LIMITED <CHASE SUPER FUND ACCOUNT>	15,000,000	0.66
		<b>708,944,714</b>	<b>31.24%</b>

### 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.



# eve investments

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