



eve investments

ABN 89 106 523 611

Appendix 4D Half-year report

In compliance with ASX Listing Rule 4.2.A.3

For the period ended 31 December 2017

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Results for Announcement to the Market

	Half-year ended 31-Dec-17 AUD	Up / Down	% Movement
Revenue from ordinary activities	607	Up	-
Loss from ordinary activities after tax attributable to members	(832,173)	Up	15.60%
Net loss for the period attributable to members	(832,173)	Up	15.60%

Dividends / distributions

No dividends were declared or paid during the period.

Net tangible assets per security

	Half-year ended 31-Dec-17 AUD	Half-year ended 31-Dec-16 AUD
Net tangible assets per ordinary security	0.0036	0.0021

Details of entities over which control has been gained or lost during the period

n/a

Details of associates and joint venture entities

	Percentage of Ownership Interest		Contribution to Gain (Loss)	
	Half-year ended 31-Dec-17 %	Half-year ended 31-Dec-16 %	Half-year ended 31-Dec-17 AUD	Half-year ended 31-Dec-16 AUD
Omniblend Innovation Pty Ltd	38.6%	33.9%	96,389	(219,260)
Meluka Health Pty Ltd	50.0%	-	-	-
Wayland Copper Ltd	34.8%	34.8%	-	-

Compliance Statement

Additional information supporting the Appendix 4D disclosure requirements can be found in the Directors' Report and the financial statements for the half-year ended 31 December 2017. This report is based on the financial statements for the half-year ended 31 December 2017 of EVE Investments Limited, which have been reviewed by BDO. The Independent Auditor's Report provided is included in the financial statements for the half-year ended 31 December 2017.



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Interim Financial Report
for the six months ended
31 December 2017

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Directors' Report
Interim Financial Statements - 31 December 2017

The Directors of the Company present their report for EVE Investments Limited for the half-year ended 31 December 2017.

Directors

Directors of the company at any time during or since the end of the half-year are:

Mr George Cameron-Dow – Non-Executive Chairman (from 17 Jan 2018, previously Non-Executive Director)
Mr Gregory (Bill) Fry – Executive Director
Mr Alasdair Cooke – Non-Executive Director (from 17 Jan 2018, previously Executive Chairman)
Mr Michael Pixley – Non-Executive Director (from 16 October 2017)

Review of Operations

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

Meluka Health

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

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

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

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

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

Omni Innovation

EVE holds a 38.65% interest in Omni Innovation. Omni Innovation creates unique and specialised medical food products that can be used by people with chronic and lifestyle diseases. Omni's products are independently validated and supervised by Omni's expert collaborator network to ensure that customers have safe, effective and clinically tested products that provide benefit with scientific backing.

During the period, Omni Innovation entered into a Licencing Agreement with Eagle Health Holdings (ASX:EHH).

This agreement includes an upfront licensing fee of AU\$1.5 million payable to Omni, with AU\$1 million paid 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.

Late in the period, Eagle Health has begun shipping its pre-meal drink for type 2 diabetes ("Hutang 1") in Xiamen, as well as opening four diabetes education and experience stores. The four Education and Experience stores were opened on 1 December in Eagle Health's home city, Xiamen, with the official opening ceremony held on 23 December.

Corporate Review

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

On 7 February 2018, the Company completed a placement to raise \$3.51m at \$0.013/share. Funds raised under the placement will be used to support the Company's existing investment portfolio, support activities to seek new investments as well as working capital. The Company has also announced a non-renounceable entitlement issue on the same terms to raise up to a further \$2.85m.

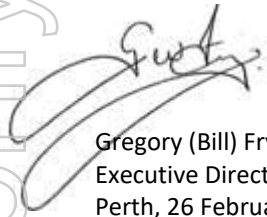
On 30 January 2018, the Company, and all other convertible note holders in Omni Innovation, agreed to convert their outstanding convertible notes into equity prior to them reaching maturity in April 2018. Following the conversion, EVE's equity interest in Omni Innovation has decreased from 38.65% to 38.00%

On 31 January 2018, the Company announced that Mr Alasdair Cooke has stepped down as Executive Chairman of the Company, but will continue as a Non-Executive Director. Mr George Cameron-Dow has been appointed as Non-Executive Chairman.

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Auditor's Independence Declaration

The auditor's Independence Declaration is set out on page 7 and forms part of the Directors' report for the half year ended 31 December 2017.



Gregory (Bill) Fry
Executive Director
Perth, 26 February 2018

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Directors' Declaration
Interim Financial Statements - 31 December 2017

- 1 In the opinion of the directors of EVE Investments Limited :
 - a. The financial statements and notes set out on pages 10 to 17, are in accordance with the Corporations Act 2001, including:
 - i. Giving a true and fair view of the entity's financial position as at 31 December 2017 and of its performance for the half-year ended on that date; and
 - ii. Complying with AASB 134 Interim Financial Reporting, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - b. there are reasonable grounds to believe that EVE Investments Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



Gregory (Bill) Fry
Executive Director
Perth, 26 February 2018

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Auditor's Independence Declaration
Interim Financial Statements - 31 December 2017



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

As lead auditor for the review of EVE Investments Limited for the half-year ended 31 December 2017, 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 review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

A handwritten signature in blue ink that reads 'J Prue'.

Jarrad Prue
Director

BDO Audit (WA) Pty Ltd
Perth, 26 February 2018

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of EVE Investments Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of EVE Investments Limited (the Company), which comprises the statement of financial position as at 31 December 2017, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year then ended, notes comprising a statement of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Company is not in accordance with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Company's financial position as at 31 December 2017 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Directors' responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2017 and its performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. 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 review report.

BDO Audit (WA) Pty Ltd

BDO
J Prue

Jarrad Prue
Director

Perth, 26 February 2018

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Statement of Profit or Loss & Other Comprehensive Income
For the half-year ended 31 December 2017

	31-Dec- 17 AUD	31-Dec- 16 AUD
Revenue from continuing operations	607	-
Employee benefit expense	6(a) (412,934)	(296,578)
Share of net profit / (loss) of associates accounted for using the equity method	3 96,389	(219,260)
Other expenses	6(b) (516,235)	(204,043)
Loss before income tax	(832,173)	(719,881)
Income tax expense	-	-
Loss for the period	(832,173)	(719,881)
Total comprehensive loss attributable to:		
Equity holders of the Company	(832,173)	(719,881)
Total comprehensive loss for the period	(832,173)	(719,881)
Loss per share for loss attributable to the ordinary equity holders of the Company:		
Basic and diluted loss per share (cents)	(0.07)	(0.06)

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

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Statement of Financial Position
As at 31 December 2017

	Note	31-Dec-17 AUD	30-Jun-17 AUD
Assets			
<i>Current Assets</i>			
Cash and cash equivalents		1,124,344	260,291
Trade and other receivables		27,081	16,398
Deposits		-	100,000
Convertible notes	4	133,330	133,330
Total current assets		1,284,755	510,020
<i>Non-current Assets</i>			
Equity accounted investments	3	3,397,761	2,561,172
Total non-current assets		3,397,761	2,561,172
Total assets		4,682,516	3,071,191
Liabilities			
<i>Current Liabilities</i>			
Trade and other payables		81,180	293,552
Total current liabilities		81,180	293,552
Total liabilities		81,180	293,552
Net assets		4,601,336	2,777,639
Equity			
Issued capital	7	19,005,286	16,382,059
Reserves		74,992	105,820
Accumulated losses		(14,478,942)	(13,710,240)
Total equity attributable to shareholders of the Company		4,601,336	2,777,639

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

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Statement of Changes in Equity
For the half-year ended 31 December 2017

	Issued capital	Accumulated losses	Share-based payments	Total
Half-year ended 31 December 2017	AUD	AUD	AUD	AUD
Total equity at 1 July 2017	16,382,059	(13,710,240)	105,820	2,777,639
Loss for the period	-	(832,173)	-	(832,173)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	-	(832,173)	-	(832,173)
Transactions with owners in their capacity as owners:				
Share issue net of issue costs	2,623,227	-	-	2,623,227
Share based payment expense	-	-	32,642	32,642
Transfer from reserve to accumulated losses	-	63,471	(63,471)	-
	2,623,227	63,471	(30,828)	2,655,869
Total equity at 31 December 2017	19,005,286	(14,478,942)	74,992	4,601,336
Half-year ended 31 December 2016				
Total equity at 1 July 2016	14,179,157	(12,494,160)	66,355	1,751,351
Loss for the period	-	(719,881)	-	(719,881)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	-	(719,881)	-	(719,881)
Transactions with owners in their capacity as owners:				
Share issue net of issue costs	1,161,589	-	-	1,161,589
Share based payment expense	-	-	134,007	134,007
	1,161,589	-	134,007	1,295,596
Total equity at 31 December 2016	15,340,746	(13,214,041)	200,362	2,327,066

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

Statement of Cash Flows
For the half-year ended 31 December 2017

	31-Dec-17	31-Dec-16
	AUD	AUD
Cash flows from operating activities		
Cash paid to suppliers and employees	(309,974)	(321,161)
Net cash (used) in operating activities	(309,974)	(321,161)
Cash flows from investing activities		
Investment in associates	3 (640,200)	(1,000,000)
Net cash (used) in investing activities	(640,200)	(1,000,000)
Cash flows from financing activities		
Proceeds from the issue of share capital	1,905,912	1,230,000
Payment for share issuance costs	(91,685)	(68,411)
Net cash provided by financing activities	1,814,227	1,161,589
Net increase / (decrease) in cash and cash equivalents	864,053	(159,572)
Cash and cash equivalents at 1 July	260,291	332,483
Cash and cash equivalents at 31 December	1,124,344	172,911

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

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1. Basis of preparation of half-year statements

These general purpose financial statements are for the interim half-year reporting period ended 31 December 2017 and have been prepared in accordance with *Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Act 2001*.

The financial report does not include all the notes of the type normally included in the annual financial statements. Accordingly, this report is to be read in conjunction with the annual financial statements for the year ended 30 June 2017 and any public announcements made by EVE Investments Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

2. Significant accounting Policies

The accounting policies applied by the Group in these interim financial statements are the same as those applied by the Group in its financial statements as at and for the year ended 30 June 2017.

New, revised, or amending Accounting Standards and Interpretations adopted

The entity has adopted all new, revised, or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the entity.

Any new, revised or amending Accounting Standards or Interpretations that are not mandatory yet have not been early adopted.

3. Investments in associates

The Company's investments into both Omni Innovation and Meluka Health are recognised as investments in associates. The Company holds only 38.65% of Omni Innovation and is not in a position to control the Company's Board or overall direction, although it does hold significant influence.

Significant Judgment

The investment in Meluka Health has been deemed to be a joint venture with the other equity holder. A Shareholder Agreement between the shareholders governs the relationship between the parties and Meluka Health. Key decisions that impact on Meluka Health effectively require the approval of all of Meluka Health's shareholders and therefore EVE is not in a position to control the investment in its own right.

	31-Dec-17 AUD	30-Jun-17 AUD
<i>Investments in associates</i>		
Balance at the beginning of the period	2,561,172	1,421,688
Investment in Omni Innovation	-	1,625,000
Investment in Meluka Health	740,200	-
Share of profit / (losses) after income tax	96,389	(485,516)
Balance at the end of the period	3,397,761	2,561,172

During the period the Company completed an investment of \$740,200 to acquire 50% of Meluka Health. \$100,000 was paid in the prior period as a deposit, the balance was paid during this period.

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Notes to the financial statements
31 December 2017

	Ownership interest %	Company's share of:		
		Assets AUD	Liabilities AUD	Revenues AUD Profits / (losses) AUD
Omni Innovation	38.65%	667,947	164,960	386,994 96,389
Meluka Health	50.00%	376,635	5,694	- -

4. Convertible notes

	31-Dec-17 AUD	30-Jun-17 AUD
Balance at the beginning of the period	133,330	133,330
Convertible note in Omni Innovation	-	-
Balance at the end of the period	133,330	133,330

The convertible note receivable held by EVE Investments Limited in Omni Innovation is non-interest bearing and is redeemable/convertible upon certain trigger events occurring. The convertible note receivable has been accounted for at amortised cost. Subsequent to period end, the Company along with all other convertible note holders in Omni Innovation completed a conversion of the convertible notes into ordinary shares.

5. Segment reporting

The Company's Board receives segment information across one reportable business segment, Investment.

6. Expenses

	31-Dec-17 AUD	31-Dec-16 AUD
	929,169	500,621
(a) Employee benefit expense		
Salaries & superannuation	63,543	25,071
Share based payments	280,642	134,007
Directors Fees	68,750	137,500
	412,934	296,578
(b) Other expenses		
Administration costs	9,264	23,570
Premises costs	6,711	8,212
Professional fees	299,925	105,701
Share registry expense	67,174	52,596
Travelling costs	19,160	12,964
Other costs	-	1,000
Loss on settlement of fees paid in equity (see note 9)	114,000	-
	516,235	204,043

7. Issued capital

	31-Dec-17 AUD	30-Jun-17 AUD
Issued capital	20,061,558	17,331,646
Cost of share issue	(1,056,272)	(949,587)
	19,005,286	16,382,059

Notes to the financial statements
31 December 2017

	31-Dec-17 Shares	30-Jun-17 Shares	31-Dec-17 AUD	30-Jun-17 AUD
Issues of ordinary shares during the half-year				
Placement at 0.5 cents per share	244,000,001	-	1,220,000	-
Placement at 0.6 cents per share	-	188,137,501	-	1,128,825
Conversion of options / performance rights	168,485,431	18,000,000	1,010,913	-
Shares issued in lieu of fees to directors	38,333,301	-	384,999	-
	450,818,733	206,137,501	2,615,912	1,128,825

8. Dividends

No dividends were declared or paid by the Company.

9. Related parties

Transactions with the related parties are consistent with those disclosed in the 30 June 2017 financial report.

In 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 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 period.

On 4 July 2017, the Company issued shares and options in lieu of prior year accrued director fees to each director, the issue was on the same terms as the placement completed by the Company in May 2017 and was approved by the Company's shareholders at a General Meeting held in June 2017. The number of shares and options and the fair value of the consideration is detailed below:

	Shares		Options	
	Number	\$	Number	\$
George Cameron-Dow	2,000,000	12,000	1,000,000	676
Alasdair Cooke	9,375,000	56,250	4,687,500	3,170
Gregory Fry	11,458,333	68,750	5,729,167	3,874
	22,833,333	137,000	11,416,667	7,720

On 22 November 2017, the Company issued 22,000,000 shares and 11,000,000 to Mitchell River Group Pty Ltd (a related party) on the same terms as a placement announced by the Company on 6 October 2017. The consideration for the placement was \$110,000 of accrued fees at the placement price of \$0.005. On the date the shares were issued, the Company's share price was trading at \$0.008, accordingly a share based payment expense of \$66,000 (contributing to the \$114,000 loss on settlement in note 6), being the difference between \$0.005 and \$0.008 has been recorded as a loss on settlement of fees. Additionally, the attaching options had a fair value of \$47,399. The 0.6 cent strike price options vested on issue and had an expiry date of 31 December 2017. Their value was calculated using the Black-Scholes model, with a volatility rate of 164.47%, a risk free rate of 1.5% and a spot price of 0.8 cents.

On 29 December 2017, the Company issued shares in lieu of December quarter director fees to each director, as approved at the Company's AGM. The number of shares and the fair value of the consideration is detailed below:

Notes to the financial statements
31 December 2017

	Number	\$
George Cameron-Dow	1,749,990	28,000
Alasdair Cooke	3,750,000	60,000
Gregory Fry	8,249,988	132,000
Michael Pixley	1,749,990	28,000
	15,499,968	247,999

10. Capital and other commitments

There were no capital or other commitments at reporting date.

11. Contingent assets and liabilities

There are no identified contingent assets or liabilities as at reporting date.

12. Events occurring after the reporting period

On 7 February 2018, the Company completed a placement to raise \$3.51m at \$0.013/share. Funds raised under the placement will be used to support the Company's existing investment portfolio, support activities to seek new investments as well as working capital. The Company has also announced a non-renounceable entitlement issue on the same terms to raise up to a further \$2.85m.

On 30 January 2018, the Company, and all other convertible note holders in Omni Innovation, agreed to convert their outstanding convertible notes into equity prior to them reaching maturity in April 2018. Following the conversion, EVE's equity interest in Omni Innovation has decreased from 38.65% to 38.00%

On 31 January 2018, the Company announced that Mr Alasdair Cooke has stepped down as Executive Chairman of the Company, but will continue as a Non-Executive Director. Mr George Cameron-Dow has been appointed as Non-Executive Chairman.

Other than disclosed above no matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations, results or the state of affairs of the entity in future financial years.