

30 August 2024

Appendix 4E - Results for Announcement to the Market

Provided below are the Results for Announcement to the Market in accordance with ASX Listing Rule 4.3A and Appendix 4E for EVE Health Group and its controlled entities for the financial year ended 30 June 2024 (the reporting period) compared with the financial year ended 30 June 2023 (the prior period).

				\$
Revenue from ordinary activities	Down	8%	to	2,133,771
Loss after tax from continuing operations attributable to members	Down	34%	to	(1,548,703)
Loss after tax from discontinued operations attributable to members	Down	79%	to	(352,289)
Net loss for the period attributable to members	Down	53%	to	(1,900,992)

Net tangible assets per security

	2024 \$	2023 \$
Net tangible assets per ordinary security	0.0002	0.0006

Dividends

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

Details of associates and joint venture entities

	Ownership interest		Contribution to loss	
	2024 %	2023 %	2024 \$	2023 \$
Omniblend Innovation Pty Ltd	-	37.7%	-	(24,959)
Naturally Australian Products Inc.	-	49.0%	-	-

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

N/A

Independent auditor's report

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

Commentary

Commentary on the results for the reporting period is contained within the financial statements for the year ended 30 June 2024 that accompanies this announcement.

Authorised for release by Bill Fry, Managing Director.

— ENDS —

Review of operations

EVE Health Group (EVE or the Company) a health and wellness company, provides a review of its operations and corporate activity throughout financial year 2023-2024.

Meluka Australia

Australian Sales Market

Meluka Australia (Meluka) achieved an 17% year-over-year growth in the Australian market, and a 3% year-over-year growth overall for its health and wellness products in the digestive health category, despite reducing marketing and advertising expenditures by 10%. Late in the financial year, Meluka encountered intermittent inventory shortages of its P3 Gut Builder product and probiotic powder supplements, which adversely affected sales. However, these inventory issues have largely been resolved subsequent to financial year end, in collaboration with Meluka's suppliers.

While the new probiotic powder supplement system with an improved formula and more sustainable packaging was launched post-year end. Additionally, revised formulations of its probiotic concentrate range are being developed to better target individual health complaints and utilising the proprietary Beebiotic MAP01® probiotic strain.

Export Markets

In FY24, the Company continued with its strategic realignment to the Australian market, by minimising its exposure to overseas markets with a focus on clearing inventory in these territories while reducing advertising spend.

Jenbrook

The Company owned and operated the Robyndale organic tea tree plantation and the Jendale old growth property, both located in the Bungawalbin Valley in Northern New South Wales. As part of a strategic review of its operations and funding requirements, the Company decided to make these tea tree properties available for sale, seeking expressions of interest throughout the year.

A sale of the Jendale property was completed during the period for gross proceeds of \$800,000. Subsequent to year end, the Company entered into a contract for sale of the Robyndale property for gross proceeds of \$2,125,000.

Naturally Australian Products

Naturally Australian Products (NAP), a US distribution business was held 49% by EVE, during the year the Company completed a divestment of its equity interest and a loan receivable from NAP for proceeds of approximately \$30,000.

For more information, please contact:

Company enquiries

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About EVE Health Group

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

For further information, please visit www.evehealthgroup.com.au and follow us on LinkedIn or Twitter.

Preliminary consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2024

		2024	2023
	Note	\$	\$
Revenue	3	2,133,771	2,330,658
Costs of goods sold		(1,256,814)	(1,502,829)
Gross profit		876,957	827,829
Other income	1	68,100	
Professional fees	4	(92,902)	(135,542)
Employee benefit expense	4	(937,270)	(1,255,374)
Share-based payments	4	-	(16,606)
Share of net loss of associates accounted for using the equity method		-	(248,360)
Gain on sale of investment in associate		30,688	223,401
Gain on deconsolidation of subsidiary		-	42,159
Impairment expense		-	(89,845)
Other expenses	4	(1,424,792)	(1,765,371)
Net financial expense		(1,385)	118
Loss before income tax gain / (expense)		(1,548,703)	(2,349,491)
Income tax benefit / (expense)		-	-
Loss after income tax for the year for continuing operations		(1,548,703)	(2,349,491)
Discontinued operations			
Gain / (loss) for the year from discontinued operations	8	(352,289)	(1,694,401)
Loss after income tax for the year		(352,289)	(1,694,401)
Total comprehensive loss attributable to:			
Equity holders of the Company		(1,900,992)	(4,043,892)
Total comprehensive loss for the year		(1,900,992)	(4,043,892)
Loss per share for loss attributable to the ordinary equity holders of the Company:			
Basic and diluted loss per share (cents per share)	11	(0.04)	(0.08)
Basic and diluted loss per share from continuing operations (cents)	11	(0.03)	(0.05)

Preliminary consolidated statement of financial position
As at 30 June 2024

		2024	2023
	Note	\$	\$
Assets			
<i>Current assets</i>			
Cash and cash equivalents	5	106,166	192,484
Trade and other receivables		78,702	115,693
Inventories	7	141,528	522,871
		<u>326,396</u>	<u>831,048</u>
Non-current assets classified as held for sale	8	2,196,508	3,289,863
Total current assets		<u>2,522,904</u>	<u>4,120,911</u>
<i>Non-current assets</i>			
Property, plant and equipment		179	9,169
Right-to-use assets		-	4,040
Total non-current assets		<u>179</u>	<u>13,209</u>
Total assets		<u>2,523,083</u>	<u>4,134,120</u>
Liabilities			
<i>Current Liabilities</i>			
Trade and other payables	9	590,832	467,103
Borrowings	10	74,852	-
Lease liabilities		-	4,282
		<u>665,684</u>	<u>471,385</u>
Liabilities associated with assets classified as held for sale	8	633,407	537,755
Total current liabilities		<u>1,299,091</u>	<u>1,009,140</u>
Total liabilities		<u>1,299,091</u>	<u>1,009,140</u>
Net assets		<u>1,223,992</u>	<u>3,124,980</u>
Equity			
Issued capital	12	35,834,352	35,834,352
Reserves		194,024	431,871
Accumulated losses		(34,804,384)	(33,141,243)
Total equity attributable to shareholders of the Company		<u>1,223,992</u>	<u>3,124,980</u>

Preliminary consolidated statement of changes in equity
For the year ended 30 June 2024

	Issued capital	Accumulated losses	Share based payment reserve	Total equity
	\$	\$	\$	\$
Total equity at 1 July 2023	35,834,352	(33,141,243)	431,871	3,124,980
Loss for the year	-	(1,900,992)	-	(1,900,992)
Total comprehensive loss for the year	-	(1,900,992)	-	(1,900,992)
Transactions with owners in their capacity as owners:				
Transfer of share based payments on exercise/expiry	-	237,847	(237,847)	-
	-	237,847	(237,847)	-
Total equity at 30 June 2024	35,834,352	(34,804,384)	194,024	1,223,992

Total equity at 1 July 2022	35,615,357	(29,097,351)	415,265	6,933,271
Loss for the year	-	(4,043,892)	-	(4,043,892)
Total comprehensive loss for the year	-	(4,043,892)	-	(4,043,892)
Transactions with owners in their capacity as owners:				
Share issue net of issue costs	218,995	-	-	218,995
Share based payments	-	-	16,606	16,606
	218,995	-	16,606	235,601
Total equity at 30 June 2023	35,834,352	(33,141,243)	431,871	3,124,980

Preliminary consolidated statement of cash flows
For the year ended 30 June 2024

		2024	2023
	Note	\$	\$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		2,239,148	2,617,521
Cash paid to suppliers and employees (inclusive of GST)		(3,305,026)	(4,334,715)
Interest received		1	-
Interest paid		(65,687)	(31,343)
Other income received		24,600	99,450
Net cash used in operating activities	6	(1,106,964)	(1,649,087)
Cash flows from investing activities			
Acquisition of property, plant and equipment		-	(1,632)
Sale of property, plant and equipment		844,542	17,200
Disposal of businesses, net of cash		-	147,947
Sale of investment in associate		29,730	334,941
Net cash provided by investing activities		874,272	498,456
Cash flows from financing activities			
Proceeds from the issue of share capital	12	-	224,000
Payment for share issuance costs	12	-	(5,005)
Lease payments		(4,282)	(42,091)
Proceeds from borrowings		761,046	116,485
Repayments of borrowings		(610,390)	(52,697)
Net cash provided by financing activities		146,374	240,692
Cash and cash equivalents at 1 July		192,484	1,102,423
Net decrease in cash and cash equivalents		(86,318)	(909,939)
Cash and cash equivalents at 30 June	5	106,166	192,484

Cash flows relating to the discontinued operations are disclosed separately in note 8.

Note 1: Basis of preparation

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

Note 2: Going concern

For the year ended 30 June 2024 the Company recorded a loss from continuing operations of \$1,548,703 and had net cash outflows from operating activities of \$1,106,964. The Company had a working capital deficiency of \$339,288 and net assets classified as held for sale of \$1,563,101. Subsequent to period end, the Company announced the sale of its Robyndale property and associated equipment for gross proceeds of \$2,125,000, the sale is expected to be completed in the first half of financial year 2025 (see note 13).

The ability of the Company to continue as a going concern is dependent on the Company completing the divestment of the assets classified as held for sale or through securing additional funding through the issue of additional debt or equity.

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 believes 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 a divestment of the assets held for sale as detailed above;
- The Company has the ability to draw down on its existing financing facilities or enter into additional financing facilities;
- The Company has the ability to raise additional equity; and
- The Company 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.

Note 3: Revenue

At a point in time

Branded product sales
Contract manufacturing

2024	2023
\$	\$
2,133,771	2,076,792
-	253,866
2,133,771	2,330,658

Australia
North America
Asia

2024	2023
\$	\$
1,872,332	1,857,836
188,448	364,275
72,992	108,547
2,133,771	2,330,658

Branded product sales

Australia
North America
Asia

2024	2023
\$	\$
1,872,332	1,603,970
188,448	364,275
72,992	108,547
2,133,771	2,076,792

Contract manufacturing

Australia

-	253,866
-	253,866
2,133,771	2,330,658

Note 4: Loss from ordinary activities

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

Professional fees

Audit fees
Tax consulting services
Legal costs
Corporate consultants
Other professional fees

Employee benefit expense

Wages
Directors fees
Share based payments expense
Payroll tax
Fringe benefits tax

Other expenses

Corporate costs
Premises and insurance
Marketing expenses
Travelling costs
Financing costs
Depreciation - property, plant and equipment
Depreciation - right-to-use assets
Amortisation
Gain / (loss) on sale of assets
Other operating expenses

2024	2023
\$	\$
72,611	62,399
9,320	7,936
2,500	15,700
5,821	42,545
2,650	6,962
92,902	135,542
662,888	971,585
268,559	274,119
-	16,606
-	5,514
5,823	4,156
937,270	1,271,980
55,498	56,271
172,367	239,710
1,134,749	1,257,513
418	6,042
33,538	-
3,001	120,409
4,040	39,648
-	6,850
939	(5,205)
20,242	44,133
1,424,792	1,765,371

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

Note 5: Cash and cash equivalents

Cash at bank & on hand

2024	2023
\$	\$
106,166	192,484
106,166	192,484

Note 6: Cashflow reconciliation

	2024 \$	2023 \$
Loss for the year	(1,900,992)	(4,043,892)
<i>Adjustments for:</i>		
Share of losses in associates	-	248,360
Gain on derecognition of associate	-	(223,401)
Gain on deconsolidation of subsidiary	-	(42,159)
Financing costs	33,538	(31,356)
Lease interest expense	-	856
Depreciation expense	7,041	227,010
Amortisation expense	-	6,850
Bad debts expense	(3,060)	5,939
Impairment expense	152,598	1,574,681
(Gain)/loss on disposal of property, plant & equipment	(10,747)	(6,405)
Net foreign exchange gains / (losses)	958	(14,782)
Equity-settled share-based payment expenses	-	16,606
Change in operating assets and liabilities		
(Increase)/decrease in trade and other receivables	40,522	68,166
(Increase)/decrease in inventories	458,539	610,324
(Decrease)/increase in trade and other payables	114,639	(45,884)
Net cash used in operating activities	(1,106,964)	(1,649,087)

Note 7: Inventories

	2024 \$	2023 \$
Raw materials – at cost	63,138	93,935
Finished goods – at cost	78,390	420,622
Finished goods – at fair value less cost to sell	-	8,314
	141,528	522,871

Note 8: Discontinued operations / Assets held for sale

During the prior year, as part of a review of its operations and funding requirements, the Directors decided to make available for sale its tea tree farming operations in Northern NSW. The operations of the segment is included in loss from discontinued operations per the statement of profit or loss and other comprehensive income, and is as follows:

	2024 \$	2023 \$
Discontinued operations		
Revenue	95,772	278,816
Costs of goods sold	(85,020)	(182,398)
Gross profit	10,752	96,418
Professional fees	(1,779)	(48,931)
Employee benefit expense	(95,863)	(141,382)
Impairment expense	(152,598)	(1,484,836)
Other expenses	(111,843)	(130,452)
Net financial expense	(958)	14,782
Loss before income tax gain / (expense) attributable to discontinued operations	(352,289)	(1,694,401)
Income tax benefit / (expense)	-	-
Loss after income tax for the year attributable to discontinued operations	(352,289)	(1,694,401)

During the year, the Company completed the sale of the 'Jendale' property and other equipment for proceeds of \$839,492, a loss on disposal of \$19,002. An impairment expense of \$152,598 has been recorded against the Robyndale property.

The net cash flows of the discontinued operations, which have been incorporated into the statement of cash flows, are as follows:

Discontinued operations

Net cash (used in) / provided by operating activities
Net cash (used in) / provided by investing activities
Net cash provided by financing activities
Net increase in cash and cash equivalents attributable to discontinued operations

2024	2023
\$	\$
(111,157)	49,379
839,492	(432)
109,342	63,788
837,677	112,735

The assets and liabilities of the discontinued operations, which have been incorporated into the statement of financial position, are as follows:

Assets classified as held for sale

Trade and other receivables
Inventories
Property, plant and equipment

Total assets of disposal group held for sale**Liabilities associated with assets classified as held for sale**

Trade and other payables
Borrowings

Total liabilities of disposal group held for sale

2024	2023
\$	\$
1,599	6,667
-	77,196
2,194,909	3,206,000
2,196,508	3,289,863
13,400	27,090
620,007	510,665
633,407	537,755

Borrowings incorporated into the above liabilities are as follows:

Revolving line of credit (i)
Equipment financing (ii)
Business loan (iii)
Vehicle financing (iv)

Current borrowings

2024	2023
\$	\$
275,074	116,015
-	10,558
343,509	365,835
1,424	18,257
620,007	510,665

- (i) Revolving facility with no fixed term and a variable interest rate. Secured by a mortgage against the Robyndale property, no debt covenants.
(ii) Equipment financing with nil interest rate and a 3-year term to March 2024. Secured by a charge against the equipment, no debt covenants.
(iii) Variable interest rate with a 15-year term, ending in 2034, with principal repayments commencing in 2021. Secured by a mortgage against the Robyndale property, no debt covenants.
(iv) Vehicle financing with a 2.84% interest rate and a 3-year term to August 2024. Secured by a charge against the vehicle, no debt covenants.

Note 9: Trade and other payables

Trade creditors
Other payables

2024	2023
\$	\$
264,832	254,222
326,000	212,881
590,832	467,103

Note 10: Borrowings

Merchant financing (i)

Current borrowings

2024	2023
\$	\$
74,852	-
74,852	-

- (i) Merchant financing facility, with no fixed repayment date. Repayments calculated as a percentage of future sales. No on-going interest but a fixed fee capitalised upon entering into the agreement. Secured against the property of subsidiary Meluka Honey Pty Ltd.

All other borrowings are associated with discontinued operations and are disclosed in note 8.

Note 11: Loss per share

Loss attributable to ordinary shareholders

Loss for the year
Loss for the year from continuing operations

2024	2023
\$	\$
(1,900,992)	(4,043,892)
(1,548,703)	(2,349,491)

Basic loss per share

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

(0.04)	(0.08)
(0.03)	(0.05)

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

2024	2023
5,274,482,664	5,218,636,089
-	-
5,274,482,664	5,218,636,089

Note 12: Issue capital

Issued capital
Cost of share issue

2024	2023
\$	\$
38,130,507	38,130,507
(2,296,155)	(2,296,155)
35,834,352	35,834,352

Ordinary shares

Number of securities	
2024	2023
5,274,482,664	5,274,482,664

Movement in ordinary shares on issue

2024		Number of shares	Issue price	AUD
01 Jul 2023	Opening balance	5,274,482,664		35,834,352
30 June 2024	Closing balance	5,274,482,664		35,834,352

2023		Number of shares	Issue price	AUD
01 Jul 2022	Opening balance	5,050,482,664		35,615,357
19 Sep 2022	Entitlement offer shortfall	224,000,000	0.001	224,000
	Capital raising costs			(5,005)
30 June 2023	Closing balance	5,274,482,664		35,834,352

As at the date of this report, the following unlisted options were on issue:

No. of instruments	Type of instrument	Strike price	Expiry date
30,000,000	Unlisted options	0.016	28-Oct-24
16,000,000	Unlisted options	0.016	26-Nov-24
46,000,000			

Note 13: Events subsequent to the reporting date

In August 2024, the Company announced that its subsidiary, Jenbrook Pty Ltd, has entered into a contract to sell the 'Robyndale' property and associated equipment in Northern NSW for gross proceeds of \$2,125,000.

Key terms include a 5% upfront deposit, which has already been received, with an additional 5% upon satisfaction of the conditions precedent (CPs). The conditions precedent require successful due diligence by the purchaser within 42 days of the contract date and Foreign Investment Review Board (FIRB) approval within 90 days. Completion of the sale will occur 14 days after both conditions are satisfied or waived.

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.