

26 March 2020

Market Update – COVID-19 and operations

- **Operations and supply chains remain open and fully operational – including freight to the US and China**
- **Sales to the US and China continue to grow despite the current challenging environment**
- **Manufacturing operations ramping up to meet additional demand**
- **COVID-19 action plan in place for farming and manufacturing operations**
- **Strong cash position - debt facilities reduced resulting in lower operating costs**

EVE Investments (ASX:EVE, EVE or the Company), an ASX listed health, nutrition and wellness company, is pleased to provide an update of operations in the current challenging COVID-19 environment.

Manufacturing operations remain intact with COVID-19 impact management protocols in place

The Company acknowledges that these are extremely challenging times for a broad number of businesses in both Australia and globally. However, EVE is pleased to report that to date our supply chains have remained open and fully operational, including freight lines to our key export markets of China and North America.

Manufacturing operations are ramping up and we are currently operating two shifts per day with additional resources engaged to support our operations. Raw honey volumes have been secured in order to meet expected increased production requirements. The Company has also contracted additional freight and logistics services ensuring supply options are maintained, particularly in relation to export orders.

Importantly, EVE has formulated a plan to manage the impact of COVID-19 focusing on the health and well-being of our people and the community and supporting our customers by maintaining operations and continuity of supply. We have implemented a range of measures to minimise the risk of infection of COVID-19. These measures include health monitoring, increased hygiene practices including establishing strong infection control systems and protocols across the business as well as encouraging and facilitating remote working arrangements where practicable and tight restrictions on non-essential travel.

The Company is pleased to announce the annual harvest of tea tree has commenced at Jenbrook to produce tea tree oil, extract and tea tree hydrosol.

Strong sales growth to China and North America

In addition to growing manufacturing operations, the Company is pleased to report continued expansion in sales to our key export markets, China and North America. Given the difficult operating environment and market conditions resulting from COVID-19, we have put in place the measures necessary to respond to growing demand for our products. In the US, Meluka Australia's raw honey product has recently been ranked in the top 20 best sellers of honey on US Amazon. Our first shipment of honey to China (refer ASX release 13 January 2020) was received during March.

We will continue to work closely with customers to ensure we have the capacity to respond to their demand requirements.

Strong cash position provides robust base for continued growth

EVE is pleased to report that debt facilities have been reduced by \$660,000 over the previous quarter and the on-going facilities are benefiting from lower interest rates which has resulted in a lower interest expense for the business. The Company is also currently benefitting from an improved US/AUD exchange rate and when combined with growing sales in that region is having a positive financial impact on revenues and cashflow.

The Company is fortunate to be in a strong cash position which is enabling it to support the growing operations. The Government has announced a range of initiatives to support small-to-medium businesses in the current environment which the Company believes will also positively impact its operations.

Commenting on the update, Managing Director Bill Fry said:

"As the spread of COVID-19 continues, we have a clear and comprehensive plan in place to minimise its impact on our operations and have implemented key measures to support all our staff and customers to get them through this difficult period. EVE is focused on ensuring the health and safety of our people, maintaining strong supply lines with our customers and endeavouring to expand our business operations and personnel requirements in line with our continued sales growth in China and the US. With growing demand for our products both domestically and internationally, our Company is uniquely positioned to continue to grow in what are very challenging economic times."

Authorised for release by Bill Fry, Managing Director

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About EVE Investments

EVE Investments is a leading, vertically integrated producer of branded health, nutrition 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 help provide access to the world's best natural organic products that have demonstrated medicinal benefits and can help enrich the lives of everyday people.

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