

28 April 2017

Quarterly Review

Highlights

- Notice of Allowance received for Omni Innovation's US patent application
- Distribution agreement for UK signed between Healthspan and Omni Innovation
- EVE is finalising a capital raising to complete the Omni Innovation investment

EVE Investments (ASX:EVE), an ASX listed technology investment company, has today released its Appendix 4C Report for the three month period to 31 March 2017 and is pleased to provide a review of its progress for the quarter.

Omni Innovation

US Market

The United States Patent and Trademark Office has issued a Notice of Allowance for a substantial block of claims in the Omni Innovation patent application. This means that there is a high likelihood of proceeding to a grant of the patent, with a formal notification of grant likely to be received within the next month.

Most importantly, the broadest allowed claim covers a method for moderating blood glucose in people with diabetes or pre-diabetes. The method involves administering a pre-meal drink that contains protein and fibre and that has shearbanding flow characteristics. Provided that the drink formulation is shearbanding, a wide variety of proteins and plant-derived fibres are included in the claim.

The United States is considered to be the most challenging country in the world for obtaining grants of patent. It is also the largest market in the world for Omni Innovation's pre-meal diabetes technology. The Notice of Allowance indicates that the US examiner considers Omni Innovation's technology to be both new and non-obvious relative to all previously described blood glucose technologies.

The achievement of the above milestone will greatly protect Omni Innovation from "copy-cat" pre-meal formulations by a competitor and create a significant impediment to similar-style pre-meal formulations being developed by unauthorised third parties. The Company is continuing to progress discussions with potential distribution partners in the US and this decision will provide greater intellectual property security for those parties.

Omni Innovation appointed Windmill Health Products, LLC based in New Jersey to manufacture Omni Innovation's US brand GlucoSmooth™ for distribution across the US. Windmill Health Products, LLC has over 40 years' experience as a contract manufacturer as well as manufacturing its own products and distributing to over 150,000 retailers both in the US and international markets. In the US, it is estimated that over 44m people, 12.9% of the population, have diabetes with a further 86m people thought to have pre-diabetes¹. The US diabetes health market expenditure in 2015 was reported to be US\$320b per year².

Distribution in the US is planned to be a combination of direct sales and traditional pharmacy/healthcare retail outlets. Marketing assets are currently under development in the US based on the experience gained from launching the product in the Australian market.

¹ <https://www.cdc.gov/diabetes/pubs/statsreport14/national-diabetes-report-web.pdf>

² <http://www.diabetesatlas.org/>

UK Distribution

Omni Innovation completed a licencing agreement with Healthspan in the UK. Healthspan is the UK's number one direct supplier of vitamins and supplements. The agreement is a 15-year exclusive licence to manufacture and distribute Omni Innovation's novel pre-meal drink for diabetes management in the UK subject to meeting increasing sales milestones. In addition to the on-going royalty, Omni Innovation will receive an upfront licencing fee.

Both parties are working on the development of a marketing plan to support the product launch, with product branding and manufacture to be undertaken by Healthspan. The product is expected to be available for sale in the UK by no later than 31 July 2017.

Marketing Programs

To reach a broader audience in a more cost-effective way, Omni Innovation held its first educational webinar in mid-February about Faulding® GlucoControl™ aimed at diabetes educators and dieticians. The event was hosted by prominent cardiologist Dr Ross Walker and included a presentation from well-known dietician Dr Alan Barclay. It was well received by participants and more webinars are planned in the coming months.

A product sampling program targeting health care professionals to confirm the clinical benefits of the product in their professional practices is continuing with strong demand for samples.

Corporate

Capital Raisings

The Company is still progressing discussions with potential investors in relation to a capital raising and will provide shareholders with a further update by Monday, 1 May 2017. During this period, the Company's shares will continue to remain suspended.

Settlement

As at 31 March EVE holds a 34% interest in Omni innovation. EVE is currently completing a capital raising to complete the second tranche investment into Omni Innovation and has agreed an extension with Omni Innovation until 10 May 2017.

New Investment Opportunities

EVE is currently finalising a new investment opportunity, EVE will make an announcement regarding the acquisition prior to the suspension in the Company's shares being lifted.

For more information:

Bill Fry
Executive Director
+61 8 6465 5500
billf@eveinvestments.com.au

About EVE Investments

EVE Investment 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.

For more information, please visit www.eveinvestments.com.au

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

EVE INVESTMENTS LTD

ABN

89 106 523 611

Quarter ended ("current quarter")

31 Mar 17

Consolidated statement of cash flows

1.	Cash flows from operating activities
1.1	Receipts from customers
1.2	Payments for:
	(a) research and development
	(b) product manufacturing and operating costs
	(c) advertising and marketing
	(d) leased assets
	(e) staff costs
	(f) administration and corporate costs
1.3	Dividends received (see note 3)
1.4	Interest received
1.5	Interest and other costs of finance paid
1.6	Income taxes paid
1.7	Government grants and tax incentives
1.8	Other (provide details if material)
1.9	Net cash from / (used in) operating activities
2.	Cash flows from investing activities
2.1	Payments to acquire:
	(a) property, plant and equipment
	(b) businesses (see item 10)
	(c) investments
	(d) intellectual property
	(e) other non-current assets
2.2	Proceeds from disposal of:
	(a) property, plant and equipment
	(b) businesses (see item 10)
	(c) investments
	(d) intellectual property
	(e) other non-current assets
2.3	Cash flows from loans to other entities
2.4	Dividends received (see note 3)
2.5	Other (provide details if material)
2.6	Net cash from / (used in) investing activities

Current quarter \$'000	Year to date (9 months) \$'000
-	-
-	-
-	-
(4)	(21)
-	-
(59)	(262)
(10)	(90)
-	-
-	-
-	-
-	-
-	-
(73)	(368)
-	-
-	-
-	-
-	(1,000)
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	(1,000)

	Current quarter \$'000	Year to date (6 months) \$'000
3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	1,230
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	(7)	(101)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	(7)	1,129
4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	173	332
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(73)	(368)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	(1,000)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	(7)	1,129
4.5 Effect of movement in exchange rates on cash held	-	-
4.6 Cash and cash equivalents at end of quarter	93	93

	Current quarter \$'000	Previous quarter \$'000
5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		
5.1 Bank balances	93	173
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	93	173

	Current quarter \$'000
6. Payments to directors of the entity and their associates	
6.1 Aggregate amount of payments to these parties included in item 1.2	15
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	
Director fees	

	Current quarter \$'000
7. Payments to related entities of the entity and their associates	
7.1 Aggregate amount of payments to these parties included in item 1.2	34
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	
Serviced officer and administration staff	

	Total facility amount at quarter end \$'000	Amount drawn at quarter end \$'000
8. Financing facilities available Add notes as necessary for an understanding of the position		
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

9. **Estimated cash outflows for next quarter**
- 9.1 Research and development
- 9.2 Product manufacturing and operating costs
- 9.3 Advertising and marketing
- 9.4 Leased assets
- 9.5 Staff costs
- 9.6 Administration and corporate costs
- 9.7 Other (provide details if material)
- 9.8 **Total estimated cash outflows**

	\$'000
	-
	-
	5
	-
	90
	80
	625 ¹
	800

¹625k for balance of second tranche investment into Omni Innovation currently due by 8 May 2017.

10. **Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)**
- 10.1 Name of entity
- 10.2 Place of incorporation or registration
- 10.3 Consideration for acquisition or disposal
- 10.4 Total net assets
- 10.5 Nature of business

	Acquisitions	Disposals
	-	-
	-	-
	-	-
	-	-
	-	-

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Steven Jackson
Company Secretary

28 April 2017

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.