

31 October 2016

## Quarterly Review

### Highlights

- University of Adelaide reveals a new global breakthrough for Faulding® GlucoControl™ for the management of type 2 diabetes
- For the first time a commercially viable non-pharmaceutical, natural food-based product has demonstrated it can significantly reduce the dangerous blood sugar spikes after a standard meal (converting meals to be “low GI”) and improve overall glycaemic control (HbA1c) in the long term
- Exclusive US Representation Agreement entered into with Global Brand Consulting LLC
- Television marketing program has commenced for Faulding® GlucoControl™

EVE Investments (ASX:EVE), an ASX listed technology investment company, has today released its Appendix 4C Report for the three month period to 30 September 2016 and is pleased to provide a review of its progress for the quarter.

### Study Results

A new research study conducted by experts at the University of Adelaide revealed a new breakthrough in the management of type 2 diabetes – one of the world’s fastest growing diseases.

Findings were presented at The European Association for the Study of Diabetes (EASD) Annual Meeting in Germany. They reveal that for the first time, Faulding® GlucoControl™, a non-pharmaceutical, natural food-based product has been shown to significantly reduce dangerous blood sugar spikes after a standard meal as well as improving overall glycaemic control (HbA1c) in the long term.

“Glycaemic control is critical in reducing the risk of complications from type 2 diabetes, which is why these results are compelling,” said Dr Chris Rayner, a Gastroenterologist involved in the study and a Professor at the University of Adelaide.

“Better control of blood glucose, as reflected not only in HbA1c but also in the rise in blood glucose after meals, helps prevent or delay the serious complications that can develop in type 2 diabetes, which include vision impairment, vascular damage and even amputations.”

“A dietary approach to controlling blood glucose has enormous appeal to the broad community of people living with type 2 diabetes,” added Dr. Rayner.

Data from Diabetes Australia shows more than 4,400 diabetes-related amputations are performed at Australian hospitals each year. Experts estimate that spending on diabetes-related amputations, and other costs related to diabetic foot disease, costs Australia around \$875 million every single year.

“The likelihood that type 2 diabetes impacts you, or someone you love, is greater than ever. Diabetes cannot be cured but with proper management, we can reduce the severity and likelihood of its serious consequences,” said preventative health expert Dr Ross Walker.

“Having a product that can reduce or maintain blood sugar levels easily available in stores will be a game-changer in encouraging people to take better control of their diabetes,” added Dr. Walker.

Omniblend Innovation's pre-meal shake is the culmination of six years and more than \$5 million in research and development. Clinical trials show it reduces the Glycaemic Index (GI) of food and drink and controls the spikes in blood glucose which, over time, cause damage associated with this disease.

"While people can live a long life with type 2 diabetes, proper management is critical to avoiding its serious outcomes. For us, that meant making a product that is both safe and effective and also enjoyable for people to consume every day. No intervention is effective if compliance is low so we were pleased to see the results confirmed that participants had no trouble incorporating our product into their lifestyles for the full 12 weeks," said Arie Nudel, Managing Director, Omniblend Innovation.

### **Exclusive Representation Agreement**

Omniblend Innovation entered an exclusive worldwide representation agreement with Global Brand Consulting LLC ("Global Brand"). The agreement grants Global Brand the right to seek customers and distributors for the Company's pre-meal food grade drink for type 2 diabetes under the trademark GlucoSmooth™. Transactions will be presented to Omniblend Innovation and the Company retains the right to accept or reject any offers.

Global Brand is responsible for identifying and conducting discussions with potential parties. Subject to the Company agreeing to any distribution or licensing agreement Global Brand will assist with negotiating documentation between the relevant parties.

Global Brand is also responsible for identifying and approaching potential celebrity endorsees to be the face of GlucoSmooth™ in relevant territories and has considerable experience in this area.

Global Brand, led by President and CEO, Bernt Ullmann, is a member of Star Branding LLC, a brand building and licensing partnership between Tommy Hilfiger, Andy Hilfiger, Joe Lamasra and Bernt Ullmann. Star Branding focuses on creating, incubating, developing, marketing and distributing global brands. Star Branding has tremendous access to leading retailers, manufacturers, brands and celebrities worldwide.

### **International Distribution**

Omniblend Innovation entered into a Memorandum of Understanding ("MOU") with Chinese company Beijing Dongfang Hongsheng International Biotechnology Development Co. Ltd ("DFHS"). The MOU provides the framework for the parties to enter into a definitive agreement on the registration, marketing and sales in China of GlucoSmooth™.

DFHS specialises in the health, supplement and wellbeing for the middle aged and elderly, supplying a range of services and products through its network to improve the quality of life in China. It has market knowledge, sales force capability and administrative capacity to facilitate import, distribution and sales of products like GlucoSmooth™ in China.

Omniblend Innovation is continuing discussions with other parties about potential distribution agreements in other regions of China.

### **Media and Marketing Programs**

During the quarter Faulding® GlucoControl™ was profiled in an article in The Australian's health section on 19 September. Dr. Ross Walker presented a segment on the benefits of the product on the Nine Network's The Today Show, on 20 September.

Faulding® has commenced a marketing campaign for Faulding® GlucoControl™ that incorporates print, radio and television media. Omniblend Innovation will also have a booth at the upcoming 120<sup>th</sup> China Import and Export Fair. To be held in Guangzhou, China in late October.

### **Promotional and Educational ‘Diet for Diabetes’ Seminars**

As part of its marketing program, Omniblend Innovation continues to hold promotional information sessions around the country for medical practitioners, pharmacists, dieticians and diabetes educators.

### ***Settlement***

During the quarter, EVE and Omniblend Innovation announced that they have mutually extended the settlement of the tranche 2 investment to better align with Omniblend Innovation’s cash flow requirements.

Under the revised terms, payment for tranche 2 will be made by no later than 30 November 2016.

### ***New Investment Opportunities***

EVE continues to review Australian and international technology investment opportunities across a broad range of sub-sectors including medtech, agtech, fintech, health & wellness, social, gaming, payments and cyber security.

### ***Annual General Meeting***

EVE will hold its AGM at the Company’s offices on Tuesday, 22 November 2016 at 11am.

### ***Other Investments***

EVE has a 35% interest in Wayland Copper, which holds the Ballek copper-gold in Northern Sweden. Beowulf Mining Plc, the joint venture partner/manager of the project, is currently conducting a review of the project.

### **For more information:**

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### **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](http://www.eveinvestments.com.au)

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<sup>1</sup> <https://www.diabetesaustralia.com.au/news/15266?type=articles>



	Current quarter \$'000	Year to date (3 months) \$'000
<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	-	-
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	-	-
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)	-	-
<b>3.10 Net cash from / (used in) financing activities</b>	-	-
<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of quarter/year to date	332	332
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(223)	(223)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5 Effect of movement in exchange rates on cash held	-	-
<b>4.6 Cash and cash equivalents at end of quarter</b>	<b>109</b>	<b>109</b>

	Current quarter \$'000	Previous quarter \$'000
<b>5. Reconciliation of cash and cash equivalents</b> 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	109	332
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>109</b>	<b>332</b>

	Current quarter \$'000
<b>6. Payments to directors of the entity and their associates</b>	
6.1 Aggregate amount of payments to these parties included in item 1.2	55
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
<b>7. Payments to related entities of the entity and their associates</b>	
7.1 Aggregate amount of payments to these parties included in item 1.2	70
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	
Payment for support staff and provision of a fully serviced office	

	Total facility amount at quarter end \$'000	Amount drawn at quarter end \$'000
<b>8. Financing facilities available</b> 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)
<b>9.8</b>	<b>Total estimated cash outflows</b>

\$'000
-
-
1
-
130
38
1,625 <sup>1</sup>
1,794

<sup>1</sup>Second tranche investment into Omni Innovation currently due by 30 November

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

31 October 2016

**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.

<sup>1</sup><https://www.diabetesaustralia.com.au/news/15266?type=articles>