

17 December 2015

## EVE Investments makes first medical technology investment

**Targeting the type 2 diabetes market:  
Global size US\$60b and over 366m people**

**Patented food-grade pre-meal drink for managing type 2 diabetes  
to be on pharmacy shelves early next year**

### Highlights

- EVE Investments has entered into a binding agreement to acquire a 40 per cent stake in Omniblend Innovation Pty Ltd, a medical technology company focused on foods for special medical purposes
- EVE has secured the right to publicly list Omniblend Innovation within two years, providing EVE shareholders with preferential entitlement to participate in the listing
- Flagship product GlucoSmooth™, a patented food-grade pre-meal drink for people with type 2 diabetes (T2D) and pre-diabetes, clinically shown to reduce blood glucose level peaks by 35% after carbohydrate containing meals
- Opportunity to reach over 387 million adults living with T2D globally, with key initial patient markets in Australia, New Zealand, China and the USA
- Exclusive 6-year distribution agreement in place with a national pharmacy distributor bringing GlucoSmooth™ to more than 6,000 pharmacy shelves in Australian and New Zealand by mid 2016
- Acquisition funds will be used to support product roll-out in Australia and New Zealand, expand into further high value overseas markets and develop next generation glycemc control products
- Investment marks the first technology holding acquired by EVE under its new technology investment strategy and will be funded by a proposed capital raise of approximately \$2 million

EVE Investments (ASX:EVE), an ASX listed technology investment company, is pleased to announce that it has entered into a binding agreement to acquire a 39.39 per cent stake in Omniblend Innovation Pty Ltd (Omniblend Innovation) for a consideration amount of \$3.25 million. Additionally, EVE has secured the right to publicly list Omniblend Innovation within two years, providing EVE shareholders with preferential entitlement to participate in the listing.

This acquisition marks the first technology investment made by EVE under its new investment strategy focused on investing and partnering with innovative technology start ups with global scalability.

### Transaction overview

The investment will be made in two tranches. The initial investment secures approximately 25 per cent of Omniblend Innovation through the subscription of 1,625,000 shares at \$1.00 per share. This initial investment is subject to completion of due diligence to EVE's satisfaction, agreeing to terms for a Shareholder Agreement and any shareholder or regulatory approvals required. The second tranche will be a subscription of 1,625,000 shares

at \$1.00 per share in Omniblend Innovation on 15 June 2016, giving EVE ownership of approximately 40% of Omniblend Innovation.

### **Placement and entitlement issue**

To fund the acquisition, EVE Investments will conduct a placement at \$0.005 per share to raise approximately \$483,000 before costs. The placement will utilise EVE's 15 per cent capacity under Listing Rule 7.A. Subject to successful due diligence on Omniblend Innovation, EVE Investments will conduct a Non-Renounceable Entitlement Issue to raise up to approximately \$1.5 million at the same pricing. Further details on the Entitlement Issue will be released in due course.

**Bill Fry, Executive Director of EVE Investments, commented on the acquisition:** "We are very pleased to be investing in Omniblend Innovation at this exciting stage of the company's growth. Omniblend Innovation has all the hallmarks of a great Australian technology success story and we look forward to supporting the company through its product launch in early 2016."

**Arie Nudel, Managing Director of Omniblend Innovation, said:** "With a huge global market of people living with T2D and pre-diabetes, Omniblend Innovation's lead product, GlucoSmooth™ fills a niche gap, enabling people to ease the burden of living with this chronic disease through a clinically proven natural food grade product. GlucoSmooth™ enables people to choose from a significantly enhanced range of foods without risking high spikes in their blood glucose levels. The blood sugar spikes contribute to serious long term health complications. With support from EVE Investments, we are able to accelerate our growth and put GlucoSmooth™ on the shelves of pharmacies across Australia and New Zealand early next year."

### **Omniblend Innovation overview**

Omniblend Innovation is a Melbourne based private medical food technology company focused on the creation of products, tools and technologies for foods for special medical purposes (FSANZ 2.9.5). The Omniblend Innovation technology was partially funded from a substantial Commercialisation Australia grant from 2012 to 2015 to develop a pre-meal drink for the dietary management of type 2 diabetes.

The lead product, GlucoSmooth™ is a patented food-grade pre-meal drink clinically shown to help manage T2D by reducing blood glucose spikes after meals 33-38 per cent. The key patented discovery behind GlucoSmooth™ is a method for reducing necessary ingredients in an effective pre-meal drink for people with type 2 diabetes. For the first time an effective pre-meal drink technology has become commercially viable and acceptable to consumers.

### **Key management**

Omniblend Innovation has a strong and highly experienced board and management team:

- **Ian Brown, Chairman** - A successful entrepreneur with a high level of experience with innovative technologies
- **Arie Nudel, Managing Director** - An experienced biotechnology and food manufacturing executive and business owner with listed company experience
- **Dr Gottfried Lichti, Director of R&D** - A leading scientist in the field of novel foods for special medical purposes

The board and management team are supported by an advisory board comprised of leading and respected scientists and industry figures whose expertise span diabetes research, patient management, product accreditation and regulation, marketing and sales in the Australian health and wellness sector.

### **Key benefits of GlucoSmooth™**

Clinical studies, detailed below, have confirmed that taking GlucoSmooth™ before a selected high glycaemic index (GI) meal provides three key benefits:

- GI of the drink/meal combination is reduced by 33-38 per cent
- Soluble-fibre content is increased by 5 grams
- Feeling of fullness is enhanced

GlucoSmooth™ is designed to be taken before selected meals to reduce elevated blood sugar levels that result from the carbohydrate content of the meals. It works by forming a thick coating on the wall of the gastrointestinal tract and by reducing the rate of gastric emptying.

### **Clinically proven and patent protected**

Clinical accreditation studies conducted by the highly prestigious and pioneering Baker IDI Heart and Diabetes Institute in Melbourne have shown that the drink reduces blood glucose spikes caused by a meal. A 33% to 38% blood glucose spike reduction is achieved and regular users do not experience weight gain.

Independent clinical studies performed at the Royal Adelaide Hospital's Centre for Research Excellence in Translating Nutritional Science to Good Health, have confirmed the product's efficacy.

The technology is highly defensible, with robust patents protection in granted in Australia and South Africa and provisional patents on foot in the US, EU and many other key countries.

### **Growing patient population and global prevalence of T2D**

The global population of people living with T2D is significant, with an increasing prevalence worldwide. According to the International Diabetes Federation, in 2011 the global prevalence of T2D in adults was 8.3 per cent, or 387 million people; expected to rise to 552 million people by 2030. The global prevalence of pre-diabetes (a medical precursor to T2D where patients have impaired glucose tolerance) in adults is 6.4 per cent (280 million people).

Additionally, in 2011, global healthcare expenditure related to diabetes was at least US\$465 billion.

Australia alone has over 3 million people with T2D or pre-diabetes, a figure that is growing around 3% per year, making it one of Australia's fastest growing chronic diseases. Other high prevalence countries include China (almost 100 million urban people with T2D) and the USA (over 80 million people with T2D and pre-diabetes).

T2D is also called lifestyle-related diabetes and is driven by poor diet and lack of exercise. These lifestyle elements place stress on the body that results in it becoming inefficient at using insulin to remove excess glucose (a type of sugar) from the blood. Poor glucose control contributes to serious long-term health problems such as blindness, heart attacks, strokes and kidney disease.

### **Exclusive marketing and distribution deal in place**

Omniblend Innovation has signed an exclusive 6-year marketing and wholesale distribution agreement for Australia and New Zealand, with a national pharmacy brand.

The deal will put GlucoSmooth™ on pharmacy shelves across Australia and New Zealand in the first half of 2016. The product will be distributed under the pharmacy distributor's branding to over 6,000 pharmacy outlets in Australian and New Zealand as well as health care providers.

The drink will be manufactured locally in Victoria, Australia by Omniblend Innovation's associated manufacturing arm and will be presented as a powder in a single serve sachet for reconstitution with water immediately prior to consumption.

### **Clear and focused growth plans**

The funds from the EVE investment will be used to support the roll-out of GlucoSmooth™ in Australia and New Zealand, as well as expedite expansion into high value overseas markets including China and the USA. For these larger export markets, Omniblend Innovation will pursue royalty-based marketing and distribution partnerships. Additionally, Omniblend Innovation will continue to develop its pipeline of next generation and complementary products.

-ENDS-

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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)

### **About Omniblend Innovation**

Omniblend Innovation creates unique and specialised food grade products that can be used by people with diabetes and other health conditions. Clinical validation of our products is supervised by our expert collaborator network to ensure that our customers have safe, effective and clinically tested products.

For more information, please visit [www.omniblendinnovation.com.au](http://www.omniblendinnovation.com.au)