

25 February 2019

EVE to Acquire Remaining 50% of Meluka Health

EVE Investments Limited ("EVE") (ASX:EVE) announces that it has entered into a Share Purchase Deed to acquire the remaining 50% of Meluka Health not currently held by EVE.

- Total consideration of \$490,000, payable equally in shares and a deferred cash payment
- Acquisition will allow EVE to take control of the strategic direction of the Meluka Health group
- EVE will have 100% exposure to revenue streams from existing product portfolio
- Fermented honey drink range and second-generation honey products progressing for launch this year

Strategic Rationale

Acquiring the remaining 50% of Meluka Health secures full 100% ownership of Meluka Health and its wholly owned subsidiaries and provides EVE with the ability to control the strategic direction of the Meluka group of companies. It also provides EVE with full control of the current and future revenue streams generated by the individual subsidiary companies. With an impending expansion of the Meluka product ranges and accompanying marketing and sales programs the company is well placed to grow its existing revenue base in the next 12- 24 months.

Details of the Meluka Health acquisition

EVE has entered into a Share Purchase Deed with Bryan Easson and Robyn Ingersole, to acquire the remaining 50% of Meluka Health not currently held by EVE. EVE will issue 40,833,334 shares as consideration and is required to pay a further \$245,000 in cash within 12 months of completion. Completion is anticipated to occur this week.

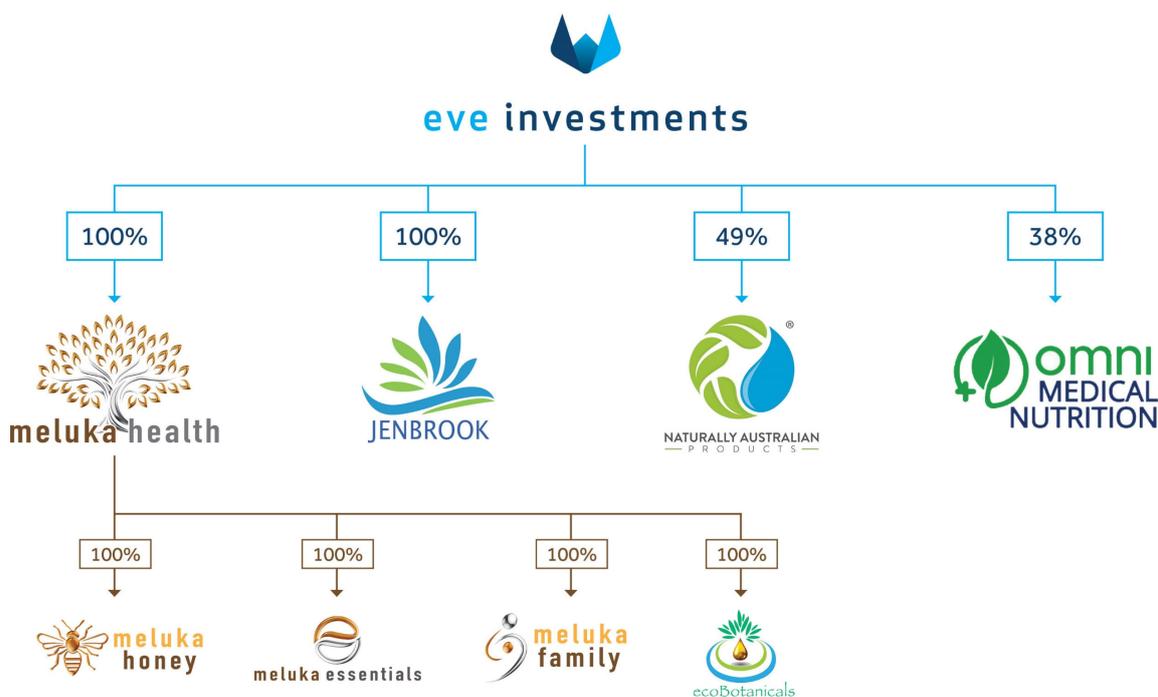


Image 1: Organisational structure on completion of the Share Purchase Deed

Company Honey Products Update

The Meluka Health Group have developed several products within the honey range which have either commenced sales or are due for launch later this year. So far, the company has launched its core honey range as shown below (figure 2);



Figure 2: Meluka Honey range

The above honey range is now being distributed in Australia and has commenced distribution into the USA. Other distribution arrangements are being sought in key markets such as Japan, China, Indonesia and the Middle East.

In addition, the company has now developed a fermented honey drinks range (figure 3) which is in the final stages of product trials for a planned market launch later this year. The fermented drinks range will be manufactured by a leading Australian probiotics company on behalf of Meluka Honey to cater for increasing consumer interest and acceptance of fermented drinks as a healthy alternative to high sugar drinks. The Meluka drinks range has a very pleasant flavour profile and is designed to provide a myriad of health benefits including being rich in probiotic bacteria which when introduced into the digestive system helps balance gut flora, essential for good health and promoting healthy digestion. Brand development and marketing strategy for this product range will commence this quarter.



Figure 3: Fermented drink sample range

Development of further products in the honey range include a honey gel, honey moisturising cream and honey balm (figure 4). Each of these products were formulated internally by Ecobotanicals (100% owned by EVE) and contain tea tree honey as the one of core ingredients. The products also contain Meluka tea tree extract and Meluka tea tree hydrosol to increase the medicinal properties of each product. Brand development and market strategy for these products will be undertaken in the second quarter this year.



Figure 4: Meluka Honey cream, balm and gel sample range

The honey products are all intended to be sold through the same distribution networks. Contracted distributors for the initial core honey range will also be distributors for the fermented honey drinks and honey therapy products range. This enables both distributors and retailers to provide a broader product range to their customers and allows Meluka to introduce new products into sales networks that are familiar with the brand and its core messaging.

Meluka Honey's current and future product range leverage the uniqueness of EVE's organic certified old growth melaleuca plantation, Jendale. The raw and organic honey produced by bees harvesting in this pristine environment and the use of organic tea tree (melaleuca) oil or hydrosol produced at Jendale and incorporated into our products provide a unique selling point for all the Meluka products.

Retailers in Australia have already responded very positively to the Meluka story, particularly given the positive impact on bee health that has been established when our bees harvest from our tea tree diet. This initial support has provided a solid foundation for future products to continue to grow the Meluka Brand both in Australia and internationally.

For further information:

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About EVE Investments

EVE Investments invests in technology companies with a focus on the medical nutrition sector. The Company's investment strategy has a three pronged approach.

1. To invest in businesses that are in the early growth phase with the aim to support their expansion programs.
2. To identify products that have unique medicinal properties and a global reach application.
3. Preference for natural organic products that have demonstrated medicinal benefits.

For further information, please visit www.eveinvestments.com.au and follow us on Twitter [@EVEInvestments](https://twitter.com/EVEInvestments)

About Meluka Health Pty Ltd

Meluka Health Pty Ltd is a wellness and nutrition company that develops and sells its naturally derived, organic and ecologically pure products created using its old growth Australian Melaleuca tea tree plantation which are acclaimed for their medicinal activity.