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Meluka's Sales Performance Drives New Probiotic Product Range in Collaboration with Probiotics Australia

Meluka Australia, an Eve brand, has established a partnership with Probiotics Australia to create a unique probiotic product range from Meluka beehives.

Highlights

- **Strong sales performance of Meluka Australia Probiotics Concentrate drink drives further expansion into the probiotics sector and the establishment of a partnership with Probiotics Australia, Australia's leading contractor for probiotic products and Australia's first and only cGMP/TGA certified facility for probiotic API manufacturing.**
- **Probiotics Australia has identified unique probiotic strains derived from Meluka's beehives.**
- **Eve/Meluka entered into an agreement with Probiotics Australia to collaborate on developing a new exclusive range of probiotic products.**
- **Eve is now one of the few ASX listed companies with exposure to the probiotics market estimated to be valued at USD 61.1 billion and projected to reach USD 91.1 billion by 2026.**

EVE Investments (ASX:EVE, EVE or the Company), a vertically integrated health, nutrition and wellness company, provides an update on a new partnership entered into by Meluka Australia ("Meluka").

Outstanding sales performance in probiotic sector

Meluka Australia has recorded a significant increase in the sales of its Probiotic Concentrate beverage range. In Australia, over the past six months it has achieved a 175% increase in sales and QoQ increase of 66%. In the US, it has recorded a six month increase in sales of 239% and QoQ of 212%. This significant growth is representative of the growth in the probiotics market internationally and reflects the penetration of the Meluka brand across key markets. Meluka continues to experience significant growth in new customer numbers as well as a high percentage of return purchases from existing customers.

Strategic decision: New probiotic range in collaboration with Probiotics Australia

As a result of sales performance, EVE has taken a strategic decision to expand its range of probiotic products incorporating prebiotics, probiotics and the newly emerging postbiotics. To expedite the development of these new products, EVE has formalised a Collaboration Agreement with leading Australian probiotics company, Probiotics Australia for the production of new unique probiotic strains derived from Meluka's beehives. Probiotics Australia has a TGA/cGMP certified facility dedicated to producing high quality probiotic organisms and Active Pharmaceutical Ingredients (APIs).



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Under the Agreement, Meluka and Probiotics Australia have agreed to collaborate to identify and produce new bacterial strains from Meluka beehives located on the EVE organic tea tree properties in the Bungawalbin Valley in Northern New South Wales and will collaborate in developing a range of products that incorporate the strains that are produced.

Meluka has provided samples of honey collected from its beehives which have been used in Probiotics Australia's research and development. Probiotics Australia have identified several bacterial strains from the honey samples. These are currently being isolated and characterised using genetics and biochemical analytical methods in order to culture and develop them into commercial quantities.

Potential consumer products utilising the probiotic strain are to be developed over the coming months, with Meluka and Probiotics Australia to define the most suitable products for an initial launch of a Meluka probiotic strain product.

The development of this new product range will contribute to establishing Meluka as a leading Australian producer of probiotic products for both local and international markets.

Growth of the probiotics market

A heightened awareness of the importance of health and wellbeing will be a key driver for continued growth in the domestic health and wellness market category, including probiotics. In 2020, seven out of ten people supported their health with a form of complementary medicine¹. The popularity of natural healthcare products continues to increase with a growth rate of seven per cent year on year.²

The Australian dietary supplements market size is expected to record a 3% current value CAGR to reach sales of AUD2.1 billion in 2026. Consumer focus has shifted to taking a proactive approach to support gut health, which is inextricably linked to overall immunity. This is a major factor projected to drive demand for products that contain probiotics. Industry projections report that interest in immune health is likely to increase post Covid-19, demonstrating substantial market potential.³

Interest in functional nutrition, such as probiotic fortified foods and beverages, has seen a boost in popularity, which is expected to continue, as immunity building for overall wellbeing appeals to the health-conscious consumer that has an increased awareness of the link between diet and overall health.

In Australia, the domestic consumption opportunity for fortified and functional foods is expected to reach \$5.5 billion by 2030 and the export market opportunity expected to reach \$4.2 billion⁴.

¹ Complementary Medicines Australia

² Austrade

³ Euromonitor International

⁴ CSIRO Growth Opportunities for Australian food and agribusiness 2019



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Australia's clean and green brand reputation is said to support the growth of this sector in overseas markets.

Opportunity also exists to diversify into other markets, given the versatility of probiotics, which can be utilised in a wide variety of applications including in functional foods and cosmetic and personal care. The probiotics market is estimated to be valued at USD 61.1 billion and projected to reach USD 91.1 billion by 2026.⁵

Further expansion into the international market

The Probiotics Concentrate beverage line has already been launched in overseas markets including USA, Japan and Singapore.

In the USA, the Probiotic Concentrate beverage line saw QoQ revenue growth in September of 212%. This growth is attributable to increasing brand awareness due to investment in an online marketing campaign with further commitment of marketing expenditure planned for the forthcoming 12 months. The launch of the range in Japan has been well received with sales outperforming budget. A dedicated marketing plan has been agreed for the next 12 months.

Managing Director of EVE, Bill Fry said: *"It is without doubt that the probiotic market will continue to grow exponentially both domestically and internationally. Probiotics will increasingly become part of a consumer's daily routine as the health benefits are more widely understood. We are excited to collaborate with Probiotics Australia to develop new unique probiotic strains and expand our overall product offering. We are on track to become one of Australia's leading producers of high quality, innovative probiotic products."*

Authorised for release by Bill Fry, Managing Director.

— ENDS —

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About EVE Investments

EVE Investments, to be renamed EVE Health Group, (ASX: EVE) is a leading, vertically integrated producer of branded nutrition, health 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.

For further information, please visit www.eveinvestments.com.au and follow us on Twitter @EVEInvestments

⁵ <https://www.globenewswire.com/en/news-release/2021/07/23/2268057/28124/en/Global-Probiotics-Market-2021-to-2026-Probiotics-Can-Replace-Pharmaceutical-Agents-Presenting-Opportunities.html>



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About Probiotics Australia

Probiotics Australia, is headquartered on the Gold Coast in Queensland, Australia. They have established the first cGMP/TGA, FDA, USDA, ACO and HACCP certified custom built manufacturing facility in Australia, dedicated to the production of probiotic bacteria. They specialise in purified, high quality, high concentration probiotic active pharmaceutical ingredients (APIs) for human health, functional foods, cosmetics and other applications.

Probiotics Australia has advanced in-house R&D Technology facilities including DNA sequencing, in addition to large scale production capabilities and produce a wide range of probiotic organisms.

For further information, please visit www.probioticsaustralia.com.au