

28 August 2017

REVISED MEDICAL HONEY INVESTMENT STRUCTURE

*Revised Term Sheet Reduces Up-Front Payment by EVE
Working Capital Available for Meluka Health*

Highlights

- EVE enters revised term sheet to acquire a 50% interest in **Meluka Health** for \$740k, reducing the upfront commitment from \$1.49m
- Key assets of Meluka Health will be **Medic Honey** and the TGA approved manufacturing business
- **Medic Honey** has two new product opportunities:
 - **Melaleuca (Meluka) honey** – superior antibacterial honey produced by bees pollinating on melaleuca tea trees
 - **Medicinal cannabis honey** – a premium honey product, produced by bees pollinating on hemp or medicinal cannabis plant nectar
- Meluka Health to have option agreements over other assets including the tea tree plantations

EVE Investments Ltd (ASX:EVE), an ASX-listed technology investment company, is pleased to announce it has entered into a revised Term Sheet which replaces the existing agreement announced on 1 May 2017. The revised Term Sheet with Meluka Health Pty Ltd (Meluka Health) will see EVE make an investment of \$740k (less \$100k deposit previously paid) for a 50% interest in the key assets of the business, with \$500k to be maintained in Meluka Health as working capital to expand the honey business.

Revised Transaction Details

A new company, Meluka Health Pty Ltd, has been incorporated and subject to the below conditions precedent EVE will invest \$740k (less \$100k previously paid as a deposit) into Meluka Health for a 50% equity interest.

Meluka Health will own 100% of EcoBotanicals Pty Ltd and it will also own 66.66% of Medic Honey Pty Ltd (Medic Honey) a honey production company, with the remaining 33.33% being held by partner Wayne Fuller, Australia's largest organic honey producer. At completion of the deal Meluka Health will retain \$500k for use in development and production of its Meluka honey and medicinal cannabis honey products, with an initial focus on distribution of these products into the US market.

Meluka Health will also hold option agreements with lengths between six to twelve months on other assets such as the Jendale and Robyndale tea tree plantations and the manufacturing facility that EcoBotanicals operates from. Additionally, there is an option agreement over Naturally Australian Products Inc, a US distributor of essential oils and extracts.

The conditions precedent to the transaction include a corporate restructure so that Meluka Health is the unencumbered holder of the above assets, entering into option agreements for the aforementioned assets, agreement of terms for a Shareholder Agreement and entering into lease, supply and distribution agreements with key parties.

EVE still retains the right to manage an intended Initial Public Offering (IPO) process for Mealuka Health within a 12 to 18 month timeline. EVE shareholders will receive a preferential entitlement to participate in the Meluka Health IPO.

The initial deposit of \$100,000 has previously been paid, with the outstanding balance to be funded through a further capital raise, following the satisfactory completion of the conditions precedent by 30 September. The transaction will result in no changes to the Board of EVE and is complementary to the Company's existing investment, expanding our investment portfolio of health focussed technology investments.

Two new disruptive honey products

Medic Honey is currently establishing the production process for a Melaleuca (Meluka) honey. The Meluka honey is produced by bees that pollinate on the nectar of the tea tree and is expected to have superior antibacterial properties to Manuka honey.

In addition, Medic Honey is developing a medicinal cannabis honey product. This product would be a unique premium honey product, produced by bees pollinating on the nectar of medicinal cannabis plants. Scientific validation of any active compounds in the medicinal cannabis honey with potential health benefits is currently being explored. Furthermore, indications of strong US customer demand have been confirmed for both honey product opportunities, through the Company's established US sales channel.

Medic Honey signed a research collaboration agreement with the Southern Cross University in Lismore. The four-month research project has now commenced and is testing the therapeutic potential of its potential Meluka Honey product, with results anticipated by the end of the calendar year.

As part of the same collaboration, research commenced in June 2017 to evaluate the impact on European honey beehives that house bees pollenating on tea trees and the potential for bacterial disease prevention for these bees. The research project particularly evaluates the highly deleterious impact US and UK Foulbrood disease has had on bee populations in these regions.

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About EVE Investments

EVE Investments 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.

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