

13 January 2020

## Company Update

### Highlights

- First purchase orders from China received in December as Company commences roll-out of Meluka Australia's honey range
- Continued strong sales growth of Meluka Australia's honey products in North America
- Successful completion of Tranche 1 share subscription in December 2019
- New product development to commence next month with imminent launch of branded tea tree oil products and Meluka Australia's first bio-fermented honey and lemon drink in Australia and Asia

EVE Investments (ASX:EVE, EVE or the **Company**), an ASX-listed nutrition, health and wellness company, is pleased to provide an operational update on its progress and strong start to FY2020.

### Product launch in China to Hunan Yandi Bioengineering

The Company is pleased to announce that in mid-December it undertook a product launch in China to Hunan Yandi Bioengineering (Yandi), a leading green life and health care distributor and one of China's largest direct selling organisations with over one million members in its distribution network.



Meluka Australia product launch in Guangzhou, China

Meluka Australia showcased its unique range of honey products to Yandi's direct sales and marketing network at its annual direct sales activity event, held in December 2019 for an audience of over 1,500 members of Yandi's sales team.

Yandi have underlined their interest in Meluka Australia's tea tree honey, native raw honey and tea tree oil products, and to sell Meluka Australia branded products into China for the Company as it proceeds to scale up its commercialisation in the region.

#### **First China purchase order received for Meluka Australia's honey products**

Following the December launch in China, the Company is pleased to announce it has received its first purchase order for its honey products.

The order comprises 21,144 units of Meluka Australia's honey and underlines the significant commercial potential for its honey range in China and the Asia Pacific region. The purchase order is in line with normal commercial terms received by the Company from distributors. The product for the Chinese market is currently being manufactured at EVE's Alstonville facility in northern New South Wales, Australia, with shipment set to commence at the end of January.

#### **Continued sales growth of Meluka Australia's honey products in North America**

Sales of Meluka Australia's products in North America marked a period of high activity for the Company with appetite for its premium organic product range far greater than first envisaged. Sales have continued to grow successfully month on month after the deployment of Meluka Australia's Amazon strategy with Buy Box Experts, a leading online marketing agency for medium to large online sellers on Amazon. The Company is pleased to announce that total sales per month have increased every month since the Company commenced its expansion plans to the US in May 2019.

EVE will ship a further 9,000 units of its premium honey range to the US in January to meet near term inventory requirements after sustained growth in its consumer-based offerings.

The Company has also commenced a US-focused social media and digital marketing campaign in January to support this sales growth and continue its strong momentum in FY2020.

#### **Successful completion of Tranche 1 Subscription provides important working capital**

The Company is also pleased to announce it remains well-capitalised following the successful completion of its Tranche 1 share subscription in December. The Company will proceed with its Tranche 2 Subscription to raise \$6,888,986 at 1 cent per share, with an expected completion date of Wednesday 15 January.

The finalisation of this tranche will provide EVE with the necessary funding to expand its sales and marketing programs in Australia, China, North America and Japan over the next three years. It will also ensure the Company can proceed with the roll-out of new additions to its

current honey range as well as the completion of new product ranges that are close to finalisation. The funds will also enable the company to meet its near-term objective of building its inventory levels for the US market.

#### **Focus on China and North America as markets with sizeable commercial potential**

The Company is executing on its growth ambitions with planned marketing and promotional activities to align with the company's strategic pivot towards China and North America as significant markets for commercial expansion. Marketing and branding collateral have been developed for these markets by leading Sydney based firm Biggie Smalls.

In the US, Utah-based marketing agency Revity has been appointed to increase the Company's local footprint and brand awareness and manage Meluka Australia's digital marketing campaign strategy. Active campaigns have commenced this month and the Company will keep the market informed of its progress.

#### **Focus shifts to new product development with launches imminent**

EVE is pleased to announce the imminent launch of Meluka Australia's own branded tea tree oil products. This new product range will comprise two offerings – a wildcrafted organic tea tree oil and an organic tea tree oil both sourced from Jenbrook Farms in the heart of the Bungawalbin Valley in northern New South Wales - and is in the final stages of brand completion. The first production run of the tea tree oil is expected in February and will be distributed to China. Meluka Australia branded tea tree hydrosol and tea tree extract is also planned for commercial launch in China later this year.

Meluka Australia is currently manufacturing its first bio-fermented honey and lemon drink with a planned launch in China and Australia to commence in February, with subsequent launches in the US and Japan planned for March. The launch in the US will take place at the Natural Products Expo West in Anaheim and the Japan lunch will be at Foodex Expo in Tokyo.



*Meluka Australia's new product range (L-R): Raw Probiotic Concentrate bio-fermented honey drink, certified organic tea tree oil.*

### Jenbrook's tea tree harvest

The tea tree harvest is currently expected to commence in February subject to average seasonal rainfall being received. The Company will use the harvested oil to produce its own branded product range plus sell to its bulk customers in the US.

The Company is pleased to announce the appointment of new Farm Manager, Jesse Redhead to assist former Jenbrook owner Bryan Easson in managing the farming operations.

### Commenting on the update, Managing Director Bill Fry said:

*"We are pleased to have begun 2020 strongly with a number of key milestones including our expansion to China, the receipt of our first purchase order in the region and the exciting growing interest in our Meluka Australia offerings in the US. Both represent key target markets for EVE and the initial response that we have received from our December launch in China has been overwhelmingly positive.*

*China has consistently shown itself to be the number one export country for honey by volume over the last ten years and the possibilities for scale cannot be ignored. Our go-to-market strategy is anchored in expanding the reach and penetration of our iconic premium branded products by taking them to global audiences and we are excited to have been able to partner with Yandi in China as we look to significantly ramp up our commercialisation efforts in the region.*

*The year ahead represents an important one for EVE as we look to renew our focus on developing market-leading products with significant commercial uplift, both in Australia and abroad. 2020 will be an exciting year for EVE and we look forward to keeping you updated on our progress in the months ahead."*

*Authorised for release by Bill Fry, Managing Director.*

— ENDS —

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#### About EVE Investments

EVE Investments 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.

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