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5 July 2021

EVE Company Update

Highlights

- **Repeat Orders Received from Whole Foods for NW California Market**
- **Record Sales Period for Meluka in Australia**
- **Expansion to Japan and Singapore Markets**
- **New Tea Tree Harvest Season Commences**

EVE Investments (ASX:EVE, EVE or the Company), a vertically integrated health, nutrition and wellness company, provides an update on its activities.

Meluka Australia

United States

The Company previously advised (see ASX release 4 May 2021 for details) that it has received the first purchase order from Whole Foods Market, Inc ("Whole Foods") for two of Meluka Australia's leading products, its Organic Raw Native Honey and Organic Raw Native Honey infused with Tea Tree (TTF24 strength).

Whole Foods is a large American supermarket chain focusing on organic products and has over 500 stores across the United States of America. Whole Foods is a wholly owned subsidiary of Amazon.com, Inc. The products will initially be ranged in all 48 stores in Whole Foods' North Western California network, a region with a population of approximately 15 million people and includes the cities of San Francisco, San Jose (Silicon Valley) and Oakland.

Since the fulfillment of the initial purchase order in May, two further purchase orders of similar value have been received and filled from the Company's US warehouse. The Company has also recently shipped further stock to the US warehouse to meet potential future orders from Whole Foods and for sale into the existing Amazon channel.

The Company is strongly encouraged by the receipt of three purchase orders within a two-month period from Whole Foods for this initial market in the US.

Consistent sales have continued on the Amazon platform in recent months, culminating in the recent Amazon Prime Day, one of the largest annual shopping events in the world. Meluka product sales for the two-day event were up 44% compared to the 2020 event.

Australia

Sales of Meluka Australia products have experienced a strong period of growth. The last three months were each a record month for sales in the Australian market, with month-on-month revenue growth and the revenue for the June quarter more than doubling the revenue of the prior quarter.

The performance is attributed to a strong emphasis on marketing activities with a rebuilt website launching earlier this year which has led to greater store conversions and refinement of the messaging on our social media platforms such as Facebook and Instagram and through advertising channels.



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Several new products also launched recently with an Apple Cider Vinegar Honey and Tea Tree Probiotic Concentrate added to the food and beverage product range. Further launches in the coming months include a range of Australian botanical honeys and probiotic concentrates as well as a range of essential oil blends, leveraging off the connection to the Company's tea tree plantations.

Japan and Singapore

The Company's strategy of utilising the Amazon platform to build sales and brand profile in target markets continued to roll out with Meluka Australia's stores in both Japan and Singapore launching in June. The timeframes for establishing a new region can vary significantly due to differing customs/importation requirements, product registration/labelling requirements and organic certification processes. The process for Japan has been far more complex resulting in delays to the initial launch timeframe however our management team have now successfully completed the Amazon listing for Meluka.

Initial sales have commenced and Meluka Australia will continue to develop and refine its advertising and brand messaging for these markets. Further shipments to Japan and Singapore are already being planned with the product ranges to be expanded over time.

The Company has also launched its products via an established store on Rakuten, which is the other leading online marketplace in Japan. With a presence on Amazon and Rakuten, Meluka Australia's product range is now available to a majority of Japanese e-commerce consumers.

China sales

As mentioned previously our distribution to China has been impacted by Covid restrictions in China. This has impacted our distribution partner Yandi Biotech's ability to operate its direct selling program and has necessitated Yandi to shift focus on the development of its online sales program.

Yandi have advised that they are now re-commencing direct selling activities of our Meluka products in conjunction with its new online channel. They currently have enough inventory for the recommencement and will keep the company informed of sales progress and the need to place further orders.

Jenbrook

Harvesting operations commenced in early June, much later than expected due to higher than average rainfall and poor ground conditions. Our Robyndale plantation had produced 760kgs by the end of June. Harvesting is expected to be continuous through to late Oct early November as ground conditions improve. The delay in commencing harvesting will result in revenue expected for the June quarter being deferred to subsequent quarters. Demand for bulk oil continues to be high from both Australian and international markets.

Manufacturing Operations

Over the last two months, a second production line has been relocated and installed at the Company's TGA approved facility in Alstonville, NSW. This second production line is currently being commissioned and validated and is expected to be operational at the end of the week. Production capacity will be more than tripled once commissioned and will provide the ability to meet Meluka's expanding production requirements plus third party customers.

During the installation phase manufacturing operations were required to be halted intermittently leading to reduced revenues for the past two months however this will be more than off-set by futures revenues from increased production capacity.



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Naturally Australian Products Inc (49% EVE)

Naturally Australian Products (NAP), the US distribution business held 49% by EVE, which sells bulk essential oils and extracts to North American businesses has continued a strong year of growth with yearly revenues up 65% on the previous financial year. The performance was particularly good given that the tea tree and other essential oil harvests were delayed in the June quarter due to weather conditions and oil was in short supply. This impacted revenues for the last quarter after previously recording three strong quarters.

Commenting on the recent activities, Managing Director Bill Fry said: “The recent additional orders from Whole Foods and continued performance in the US via Amazon is providing good encouragement on our US distribution strategy. Additionally, the launch of Meluka’s products on Amazon in Japan and Singapore is providing greater market diversity with Japan in-particular being an exciting market due to its high consumption of honey and bio-fermented products.”

Authorised for release by Bill Fry, Managing Director.

— ENDS —

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About EVE Investments

EVE Investments (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