

EVE Investments snaps up organic medicinal honey firm Meluka Health

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By

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EVE Investments has moved to acquire full ownership of Meluka Health in a combined share and cash transaction.

EVE Investments (ASX: EVE) has shored up future revenue growth after announcing plans to acquire full ownership of wellness company Meluka Health.

EVE Investments said it had entered into a share purchase agreement with Bryan Easson and Robyn Ingersole to purchase the remaining 50% of Meluka Health for \$490,000.

Under the transaction, EVE Investments will issue 40.8 million shares and will be required to pay a further \$245,000 in cash within 12 months of completion.

Completion of the share purchase deed is expected to occur this week.

The acquisition will further bolster the Perth-based company's health and nutrition portfolio which already comprises full ownership of organic tea tree oil company, Jenbrook.

EVE Investments also has a 49% stake in Naturally Australian Products and a 38% interest in Omni Medical Nutrition.

The Meluka Health Group

Meluka Health, which owns honey production company, Medic Honey, develops organic products using its Australian Melaleuca tea tree plantation.

EVE Investments first completed its initial 50% purchase of Meluka Health back in December 2017.

Commenting on the move to full ownership, EVE Investments said it would give it the ability to control the strategic direction of the company.

It also provides EVE Investments with full control of the current and future revenue streams generated by the individual subsidiary companies.

Meluka Health's subsidiaries comprise Meluka Honey, Meluka Essentials, Meluka Family and ecoBotanicals.

"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 to 24 months," EVE Investments added.

Product growth and expansion

In an update, EVE Investments noted that Meluka had already developed several products within the honey range which had either commenced sales or are due for launch later this year.

With product distribution occurring across Australia and into the US, EVE Investments said other distribution arrangements were being investigated in key markets such as Japan, China, Indonesia and the Middle East.

During the recent December quarter, Meluka Honey kicked off discussions with an Indian based distribution group around distributing its products in India and the United Arab Emirates.

In addition to expanding its distribution base, Meluka has developed a new fermented honey drink range, with a planned market launch targeted for later this year.

The fermented drinks range will be manufactured by an 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.”

According to EVE Investments, Australian retailers have already responded positively to the Meluka story, providing a solid foundation to grow the Meluka product range in Australia and internationally.

EVE Investments' shares gained 25% to \$0.005 on the acquisition news.