

10 July 2023

## Melodiol's fully-owned Canadian subsidiary, Mernova Medicinal Inc. Delivers Record Half Yearly Revenues

### Highlights:

- H1 FY2023 sales of A\$3.095m represent a 20% rise on the PCP (H1 FY2022: A\$2.586m)
- Unaudited Q2 FY2023 sales of A\$1.547m, second consecutive quarter of record revenues in Australian dollar terms<sup>1</sup>
- Q2 FY2023 sales mark a 42% increase on the PCP (Q2 FY2022: A\$1.091m)
- Strong start to Q3 FY2023, with purchase orders of A\$298,000 already confirmed<sup>2</sup>
- Work to progress international expansion opportunities also underway

Melodiol Global Health Limited (ASX:ME1) ('Melodiol' or 'the Company') is pleased to advise that its wholly-owned Canadian subsidiary, Mernova Medicinal Inc. ('Mernova') has achieved record half yearly sales in H1 FY2023, following continued demand for its leading range of recreational cannabis products in the Canadian market.

In Q2 FY2023, Mernova generated A\$1.547m in unaudited sales which marks a 42% rise on the previous corresponding period (Q2 FY2022: A\$1.091m). Total unaudited H1 FY2023 sales for the business division sit at A\$3.095m, representing a 20% increase on the previous corresponding period (H1 FY2022: A\$2.586m).

Further consolidating the group's strong recent operating momentum, Mernova also reported a strong start to Q3 FY2023 with confirmed purchase orders (PO) of A\$298,000 already in the month of July to-date. The result sets the Company up to capitalise on its increasingly well-established sales and distribution networks to further accelerate growth over the coming months.

The ongoing growth in revenue is underpinned by Mernova's enviable position in the Canadian recreational cannabis market. Mernova is currently selling its range of dried flower, pre-roll joint and electronic vapouriser products into many of the country's major provinces.

The division has also commenced its international expansion efforts, alongside leading North American regulatory and scientific cannabis consulting agency, CannDelta Inc. in a push to fast track cannabis exports to Australia and Europe.

As part of that process, Mernova has commenced an application to obtain a European Good Manufacturing Practice licensing process for its Canadian manufacturing facility in Nova Scotia, with work well underway on this project.

### Management commentary:

**CEO and Managing Director, Mr William Lay said:** *"This sales result is further evidence that Mernova is establishing strong momentum in the Canadian market, and the group's accelerated sales trajectory over the first half of the year validates its ongoing strategy of seeking revenue growth with a disciplined focus on cost management."*

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<sup>1</sup> Based on Q2 average exchange rate per Bank of Canada of C\$1 = A\$1.115.

<sup>2</sup> Based on 5 July 2023 exchange rate per Bank of Canada of C\$1 = A\$1.130

*“The group has a number of product development initiatives underway, as well as product ranging opportunities in discussion with several large distribution partners which have the potential to underpin ongoing growth.”*

**-Ends-**

## **Authority and Contact Details**

This announcement has been authorised for release by the Disclosure Committee of Melodiol Global Health Limited.

For further information, please contact:

### **Investor Enquiries**

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## **About Melodiol**

Melodiol Global Health Limited (ASX:ME1) brings the best of cannabis and other plant-based products to better the lives of people and animals. Melodiol strives for the highest quality in its products. It develops cannabis, hemp-derived and other plant based therapeutic, nutraceutical, and lifestyle products with wide consumer reach.

To learn more please visit: <https://melodiolglobalhealth.com/>

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## **Forward Looking statements**

This announcement contains forward-looking statements with respect to Melodiol and its respective operations, strategy, investments, financial performance and condition. These statements generally can be identified by use of forward-looking words such as "may", "will", "expect", "estimate", "anticipate", "intends", "believe" or "continue" or the negative thereof or similar variations. The actual results and performance of Melodiol could differ materially from those expressed or implied by such statements. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. Some important factors that could cause actual results to differ materially from expectations include, among other things, general economic and market factors, competition and government regulation.

The cautionary statements qualify all forward-looking statements attributable to Melodiol and persons acting on its behalf. Unless otherwise stated, all forward-looking statements speak only as of the date of this announcement and Melodiol has no obligation to up-date such statements, except to the extent required by applicable laws.