

9 October 2023

Wholly-owned subsidiary Mernova Medicinal Inc. achieves third consecutive record revenue quarter with over A\$1.85m of revenue

Highlights:

- **Third consecutive quarter of revenue growth delivered during FY23 with A\$1.85m in unaudited sales generated for the period**
- **Record sales result highlights a 20% increase on last quarter (Q2 FY2023 sales: A\$1.547m) and a 104% rise on the previous corresponding period (Q3 FY22: A\$907,042)**
- **Total FY23 revenue generated by the division now over A\$4.95m**
- **Revenue increases underpinned by ongoing traction with province partners, which has led to Mernova commanding a dominant market position across Canada**
- **~A\$869,699 in purchase orders already secured from province partners for Q4 FY23 – unlocking potential for another consecutive quarter of growth**

Melodiol Global Health Limited (ASX:ME1) ('Melodiol' or 'the Company') is pleased to advise that wholly-owned Canadian subsidiary, Mernova Medicinal Inc. ('Mernova') has achieved its third consecutive quarter of growth, delivering A\$1,857,245 in unaudited revenue for the three month period ended 30 September 2023.

The record sales result highlights a 20% increase on last quarter (Q2 FY2023 sales: A\$1.547m) and a 104% rise on the previous corresponding period (Q3 FY22: A\$907,042). Sales generated during the quarter take Mernova's year to date revenue to over A\$4.95m for the FY23 period, highlighting the division's ongoing growth trajectory.

The result underpins Mernova's third consecutive quarter of revenue growth, which was strengthened by a number of large purchase orders from province partners for its dried cannabis flower, pre-roll joints and electronic vaporiser products which are sold under Mernova's established 'Ritual' brand. The Company also introduced new branding for the 'Ritual' brand during Q3 FY23, which positively impacted consumer behaviour across major Canadian markets.

Board and management anticipate growth to continue during Q4 FY23, following the receipt of a number of purchase orders which will be satisfied during the current quarter. New POs currently total ~A\$869,699 and include an A\$573,873 order from the Nova Scotia Liquor Corporation ('NSLC'), highlighting the ongoing momentum that Mernova is generating across Canada and its largest sales generating province of Nova Scotia (refer ASX announcement: 25 September 2023).

Management commentary:

CEO and Managing Director, Mr William Lay said: *"Mernova has delivered another strong quarter of revenue growth. It is also particularly pleasing to have doubled sales generated during the previous corresponding period (Q3 FY2022). These results, coupled with the purchase orders the Company has received for Q4 FY23, highlight the dominant footprint that the division is building across Canada."*

"During the period, the Board and management undertook a number of steps to drive sales growth. These included the introduction of new branding for the Ritual range, as well as increased engagement with province partners. We are very confident that these initiatives have laid a strong foundation for future increases in sales and I look forward to providing further updates as they materialise."

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Authority and Contact Details

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

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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.