

18 October 2023

Melodiol delivers another record quarter with ~\$7.5m in revenue generated during Q3 FY/CY23, up 265% on the PCP

Highlights:

- Circa \$7.5m in unaudited revenue achieved across the Melodiol Group of companies in Q3 FY23 – a 265% increase on the PCP (Q3 FY22: \$2.05m), and a 58% rise on last quarter (Q2 FY23: \$4.74m)
- Q3 FY23 revenue growth takes total FY23 unaudited net revenue to date to \$14.54m
- Strong growth underpinned by contributions from wholly-owned subsidiaries, including \$1.85m in revenue from Mernova Medicinal Inc.
- Health House International also delivered unaudited revenue of \$4.851m, which included \$2.99m in net revenue from the division's Australian operations
- Health House International's Australian operations also generated an unaudited net profit of \$312,548 during Q3 FY23 - +10% profit margin reflects well-established operating procedures on COGS (cost of goods sold) and a strong sales network across several leading Australian pharmacies
- Company remains focused on its stated strategy of delivering high revenue growth, while maintaining a stringent control on costs to reach profitability

Melodiol Global Health Limited (ASX:ME1) ('Melodiol' or 'the Company') is pleased to advise that it has achieved another record quarter of growth, delivering ~\$7,497,891 in unaudited net revenue for the quarter ended 30 September 2023 ('Q3 FY23').

The Q3 FY23 result represents a 265% increase on the previous corresponding period ('PCP') (Q3 FY22: \$2.05m), and a 58% rise on last quarter net revenue (Q2 FY23: \$4.74m).

Recent revenue growth also takes total unaudited net revenue for FY23 to date to \$14.54m, highlighting Melodiol's ability to streamline operations and focus on high growth revenue generating opportunities in key international markets.

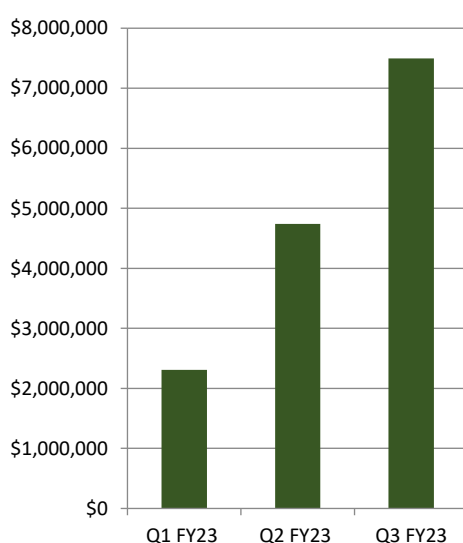


Chart: Unaudited revenue growth during FY23

Growth has been underpinned by the Company's wholly-owned Canadian subsidiary, Mernova Medicinal Inc. ('Mernova'), which generated \$1.85m in revenue during Q3 FY23 (refer ASX announcement: 9 October 2023). Mernova's revenue growth during the period marked a 20% increase on last quarter (Q2 FY2023 sales: A\$1.547m) and a 104% rise on the PCP (Q3 FY22: A\$907,042).

Further, 100%-owned subsidiary, Health House International ('HHI' or 'HHI International') also generated strong unaudited revenue of \$4.871m, which included \$2.99m in net revenue from the division's Australian operations.

Pleasingly, adjusted for Cost of Goods Sold (COGS) and operating expenses, HHI Australia was also profitable with quarterly net profit before tax of \$312,548, representing a net-profit-to-sales margin of 10.4% (refer ASX announcement: 16 October 2023).

During Q4 FY23, the Company remains increasingly focused on its stated strategy of maintaining high revenue growth across the group, with an emphasis on cost management to achieve a cash-flow breakeven position.

Management commentary:

CEO and Managing Director, Mr William Lay said: *"We are very pleased to report these unaudited results for the Melodiol Group of companies, which has highlighted a record quarter of growth. Pleasingly, results are underpinned by very strong growth through wholly-owned subsidiary, Health House International which demonstrates the Company's strategic priority to generate growth through strategic M&A and the acquisition of HHI marks successful execution in that regard."*

"As we enter Q4, the Company remains focused on continuing its growth trajectory, while maintaining stringent on costs. We look forward to providing additional updates in the coming weeks."

-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

Melodiol Global Health Limited

E: info@cresopharma.com

P: +61 (0) 497 571 532

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/>

Melodiol offices:

Australia: Suite 5 CPC, 145 Stirling Hwy, Nedlands, WA, 6009

Canada: 59 Payzant Drive, Windsor, Nova Scotia, B0N 2T0 and 50 Ivey Ln, Windsor, Nova Scotia, B0N 2T0

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.