

5 February 2023

## Mernova delivers A\$1m in revenue in strong start to Q1 FY24

### Highlights:

- Over A\$1m in revenue generated in revenue during Q1 FY24 through the ongoing sale of cannabis products through Mernova's established 'Ritual' Brand
- Strong start to Q1 FY24 follows divisional revenue of A\$2.13m, which was up 15% on Q3 FY2023 (A\$1.85m) and 101% on the previous comparative period (Q4 FY2022: A\$1.06m)
- Mernova's ongoing FY23 revenue contributions greatly assisted Melodiol in achieving record FY23 revenue of A\$21.5m – a 141% rise on FY22
- Mernova has generated revenue of A\$610,751 in January and has confirmed orders for A\$392,654 during February – leaving the division well placed to advance its growth trajectory

Melodiol Global Health Limited (ASX:ME1) ('Melodiol' or 'the Company') is pleased to advise that wholly-owned Canadian subsidiary, Mernova Medicinal Inc. ('Mernova') has delivered A\$1,003,405 (C\$880,180) in revenue to-date during Q1 FY2024. This lays a strong foundation for the operating division to continue its growth trajectory.

The pleasing start to the three-month period follows the division's Q4 FY23 revenue of A\$2.13m, which was up 15% on Q3 FY2023 (A\$1.85m) and 101% on the previous comparative period (Q4 FY2022: A\$1.06m). Mernova's pleasing growth trajectory also assisted the Company achieve unaudited group revenue of A\$21,577,431 during FY23, a record for the Melodiol. Total FY23 revenue also marked a 141% rise on the previous corresponding period (FY22: \$8,950,259).

Mernova generated revenue of A\$610,751 in January and has delivered A\$392,654 during February, which leaves the division very well placed to drive additional growth during the current quarter.

The unaudited revenue to date has been generated through the ongoing sales of the Company's dried cannabis flower, pre-roll joints and electronic vaporiser products which are sold under Mernova's established 'Ritual' brand into all major Canadian provinces.

Work is continuing on a number of other ongoing sales initiatives that have the potential to considerably fast track additional revenue growth. This is anticipated to allow the Company to deliver on its stated strategy of maintaining high revenue growth across the group, with an emphasis on cost management as it targets a cash-flow breakeven position.

### Management commentary:

**CEO and Managing Director, Mr William Lay said:** "Mernova has continued to command a growing sales presence in Canada, which is underpinned by a leading product suite of dried cannabis flower, electronic vaporisers and pre-roll joint products that are grown and manufactured in Canada. This has allowed the division to become a constant contributor of pleasing revenue growth for the Company in recent quarter.

"The division has laid a very strong foundation in the first month of Q1 FY24 and remains on track to continue this very pleasing growth trajectory. The Company will provide further updates on additional sales initiatives once implemented and the receipt of further purchase orders."

-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.

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<sup>1</sup> Based on a CAD to AUD FX rate of \$1.14