

13 July 2023

Melodiol delivers record revenue quarter with group sales up 105%

Highlights:

- **Unaudited net sales for the combined Melodiol group of \$4.74m - 105% gain on last quarter and a 202% increase on the PCP**
- **Q2 sales take H1 CY23 net sales to \$7.06m – a 64% uplift on H1 CY22 (H1 CY22: \$4.31m)**
- **Revenue momentum highlighted by a material contribution from Health House International, a leading global supplier of medicinal cannabis, which was acquired in mid-Q2**
- **Health House International revenues included in the total are from 16 May 2023 to 30 June 2023 only – Melodiol anticipates further growth will be realised from the division over the coming months**
- **Strong contributions from other group subsidiaries expected to underpin further growth in H2 2023**

Melodiol Global Health Limited (ASX:MEI, FRA:1X8) ('Melodiol' or 'the Company') is pleased to provide the following trading update for its group operations in the June quarter, where the Company reported a material acceleration in group revenues.

The results were highlighted by strong quarterly growth across Melodiol's two fully-owned subsidiaries, specialist medicinal cannabis distributor Health House International ('HHI') and Mernova Medicinal Inc. ('Mernova'), a leading supplier of recreational cannabis products in the Canadian market.

For the June quarter, Melodiol reported preliminary net sales of A\$4.74m, up 105% from the previous quarter (A\$2.32m) and 202% higher than the prior year comparative period (A\$1.57m). This takes unaudited sales for the first half of CY23 to \$7.05m, which marks a 64% uplift on H1 CY22 (A\$4.31m).

Group revenues in Q2 were boosted by the strong contribution from Health House International (based on revenue contributions to Melodiol from 16 May 2023 to 30 June 2023), which was integrated during the quarter after Melodiol closed the acquisition in May 2023 (refer ASX Announcement 16 May 2023).

The acquisition and smooth integration of HHI has materially expanded the scale and market penetration of Melodiol's international operations. Leveraging its established market channels in Australia and the UK, HHI reported strong top-line growth in Q2

(refer ASX Announcement 3 July 2023) and is expected to underpin further operating momentum in the second half of the year.

Those results were accompanied by an equally strong quarter for Mernova in Canada, which delivered a 42% increase in sales on the PCP to round-out record half-year sales of A\$3.095m (refer ASX Announcement 10 July 2023).

Across the group, the Q2 sales result represents another key milestone and continues to validate Melodiol's stated strategy of seeking growth through targeted M&A that capitalises on the Board and management team's unique understanding of the market forces underpinning the global cannabis industry.

With a record Q2 sales result, the Company is focused on consolidating its market momentum following the successful integration of HHI, and driving further growth in revenue and EBITDA across its core operating divisions.

Concurrently, Melodiol is maintaining a strategic focus on R&D and regulatory pathways for the application of novel treatments to complement its established revenue channels.

Ongoing work in this market was highlighted by a recent Letter of Intent (LOI) to enter an exclusive commercial relationship with Swiss pharmaceutical company Apotheke Dr. Hysek AG for the supply of GMP MDMA and synthetic psilocybin products to the Australian market (refer ASX Announcement June 9 2023).

Chief Executive Officer Mr William Lay said: *"This group revenue result is particularly pleasing for Melodiol, and highlights the work carried out by the Board and management team to establish itself as a diversified supplier of best-in-class cannabis products across global markets."*

"The material uplift in revenues on a quarter-on-quarter basis is further evidence of the group's operating momentum, and sets the Company up for an exciting second half of the year following the integration of HHI in Q2. With revenue momentum now established, we look forward to providing more updates on both our trading operations along with our work as a first-mover in the market for novel treatment therapies that currently have an untapped addressable market."

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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:MEI) 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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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.