

4 September 2023

Debt Restructure Update

Highlights:

- **New Agreement with La Plata to pay all future interest payments in equity, extend October maturity date of US\$482,500 to June 2024 in addition to regular offsets against principal, strengthening the Company's balance sheet**
- **Conversion of \$200k of November 2022 secured notes and accrued interest to equity**

Melodiol Global Health Limited (ASX:ME1) ('Melodiol' or 'the Company') is pleased to provide the following updates on its agreements with La Plata Capital, LLC ('La Plata') which considerably strengthens the Company's balance sheet ahead of its next phase of growth.

Further to the Company's announcement on 14 June 2023, the Company is pleased to provide the following update with respect to La Plata's secured note holding in the Company. Per the terms of the previous extension, the Company was granted the option, subject to shareholder approval, to satisfy the June 2023 and September 2023 quarterly interest payments to La Plata by the issue of fully paid ordinary shares ('Shares') at an issue price equal to the Company's closing Share price on the trading day immediately prior to issuance, based on a value ratio of 1.5 times the interest due. Since the signing of this agreement, the Company has been unable to obtain shareholder approval in the timeframe contemplated by the agreement, and therefore has worked with La Plata to address this breach. Under the terms of a new agreement, the Company will pay, subject to shareholder approval, the June 2023 interest payment in Shares, based on a value of 1.7 times the interest payable, and the September 2023 interest payment in Shares, based on a value of 2.2 times the interest payable, at a deemed issue price equal to the Company's closing Share price on the trading day immediately prior to issuance and subject to a floor price of \$0.002. The satisfaction of the June and September interest payments in Shares remain subject to shareholder approval, provided that shareholder approval is obtained on or around 30 September 2023. Furthermore, the Company will seek shareholder approval to make the December 2023, March 2024 and June 2024 interest payments in Shares, based on a value of 1.5 times the interest payable, at a deemed issue price equal to the Company's closing Share price on the trading day immediately prior to issuance, subject to a floor price of \$0.002. La Plata has also agreed to waive the October 2023 maturity date of US\$482,500 of notes and extend the maturity to June 2024. As a result, the majority La Plata's debt is now due June 2024. Finally, the Company will seek prior shareholder approval to make a monthly principal repayment of US\$80k in Shares, based on a value of Shares equal to 1.5 times the principal amount repaid at a deemed issue price equal to the Company's closing Share price on the trading day immediately prior to issuance and subject to a floor price of A\$0.002. If shareholder approval is not forthcoming, the Company will be required to make the monthly principal repayment in cash. The result of this is that up to US\$560k of principal will be repaid in Shares (or cash) prior to maturity. In exchange for these concessions, the Company will make a one-time cash payment of US\$160,000 to La Plata on or around 30 September 2023.

Secured Notes

Additionally, the Company has reached an agreement to convert \$200,000 of existing non La Plata secured notes (refer to press releases dated 19 May 2023 and 1 November 2022) in addition to accrued interest (\$40,438) to equity via the issuance of 53,571,429 Shares at a deemed issue price of \$0.007 per Share. The Share issuance was completed today under the Company's existing Listing Rule 7.1 Capacity.

Management commentary:

CEO and Managing Director, Mr William Lay said: *"The further restructuring of La Plata's secured debt will reduce cash requirements from this facility, with no interest being paid in cash and the vast majority of principal due in mid-2024, subject to shareholder approval being forthcoming. Additionally, the conversion of principal and accrued interest from the November Secured Notes provides further assistance to the Company's balance sheet."*

-Ends-

Authority and Contact Details

This announcement has been authorised for release by Managing Director and CEO, William Lay.

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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.