

13 November 2023

Capital Raising Re-Price & Prospectus Offers Extension

Highlights:

- Firm commitments received to issue 348,108,292 Shares at an issue price of \$0.002904 per Share to raise ~\$1m (before costs)
- Raise follows ~\$7.5m in unaudited revenue achieved across the Melodiol Group in Q3 FY23 – a 265% increase on the PCP (Q3 FY22: \$2.05m), and a 58% rise on last quarter (Q2 FY23: \$4.74m)
- Debt to equity conversions agreed for the issue of an additional 108,743,113 Shares at an issue price of \$0.002904 per Share, in repayment of \$284,454 of debt.
- Q3 FY23 revenue growth takes total FY23 unaudited net revenue to date to \$14.54m – new funding to underpin ongoing growth trajectory

Melodiol Global Health Limited (ASX:ME1) ('Melodiol' or 'the Company') provides an update to its previously announced capital raise and debt conversions (refer to ASX announcement dated 26 October 2023). In an effort to accelerate the receipt of funds, the Company has re-priced the issue price per fully paid ordinary share ('Shares') for the capital raise from \$0.005 to \$0.002904. Under the new issue price, the Company advises that it has received firm commitments to raise approximately \$1m (before costs) through the issue of approximately 348,108,292 new Shares (the 'Revised Placement'). Additionally, the Company has also re-negotiated and agreed with creditors to convert \$284,454 of amounts outstanding to equity, via the issuance of 108,743,113 Shares at an issue price of \$0.002904 per Share (instead of \$0.005 per Share), being on the same terms as the Revised Placement ('Revised Debt Conversions').

Funds from the Revised Placement will be applied towards select business unit growth opportunities, corporate costs (including the potential restructure or sale of businesses representing less than 10% of overall group revenue in order to accelerate profitability), and costs of the Revised Placement.

Subject to shareholder approval, the Revised Placement participants and Revised Debt Conversion participants will receive two free attaching Options for every one new Share issued under the Revised Placement or Revised Debt Conversion. The Options will be exercisable at \$0.006 with a five year expiry (on the same terms as the Bonus Option Offer announced on 23 October 2023. , Also refer to the prospectus dated 31 October 2023 and supplementary prospectus dated 6 November 2023) ('ME1OE Options'). The Company will seek to quote the attaching ME1OE Options, subject to meeting ASX listing requirements.

At the Company's general meeting on 18 October 2023, the Company received shareholder approval to conduct a placement of Shares to raise up to \$3m at a 20% discount to the 10-day volume weighted average price ("VWAP") prior to the date on which the issue price is agreed by the Company and participants under the Revised Placement. The issue price of the new Shares represents a 20.00% discount to the 10-day VWAP of \$0.00363. The Revised Debt Conversion Shares will be issued under the Company's existing placement capacity, pursuant to ASX Listing Rule 7.1.

The Company notes that core subsidiaries, Mernova Medicinal Inc., and HealthHouse Australia have both demonstrated strong operating results during FY23 with each achieving at least one instance cash flow positive quarter during the year. With these encouraging results, the Company has taken active steps to refocus its efforts and resources into these higher performing business units, whilst exploring opportunities to undertake a strategic divestment of assets. Whilst it does so, it is likely that further capital will be required in the near term with the Company considering additional sources of capital, including but not

limited to, other debt funding that has been previously announced and can be drawn down on, further capital raising activities, divestment of non-core assets, and possible accretive divestment of core assets.

Management commentary:

CEO and Managing Director, Mr William Lay said: *"I would like to take this opportunity to thank investors for their support of the Revised Placement. This new capital comes at a critical juncture as the Company continues to drive strong operating results at Mernova and HHI, while also pursuing strategies to restructure debt and divest some of the Company's lower revenue generating divisions to meet the group's profitability goals.*

Lead Manager:

EverBlu Capital Corporate Pty Ltd ("EverBlu") acted as lead manager to the Revised Placement and Revised Debt Conversion, as well as assisting with the negotiations with SBC Global and Panacea (refer to ASX announcement update dated 26 October 2023). EverBlu will earn a 6% cash fee on the gross cash amount raised under the Revised Placement, to be satisfied by the issue of Shares at an issue price of \$0.002904, together with one free attaching ME1OE Option for each Share issued, each subject to shareholder approval. Additional unrelated brokers who assisted with the Revised Placement will be issued 180,000,000 Shares, to be issued out of the Company's ASX Listing Rule 7.1 Placement Capacity. Subject to shareholder approval, EverBlu will also receive 240,000,000 Shares, and 913,702,810 ME1OE Options (being the same number as issued to Revised Placement and Revised Debt Conversion participants), if feasible. If the issue of these Options is not feasible, the Company has agreed to work with EverBlu on a best efforts basis to come to an alternate arrangement. Where shareholder approval is not received, the cash equivalent of fees will be payable.

For the avoidance of doubt, the Company will not be paying EverBlu the fees announced on 26 October 2023. The only fees payable to EverBlu are set out above.

Other Corporate Updates

Extension of Closing Date

The Company refers to the prospectus dated 31 October 2023 and supplementary prospectus dated 6 November 2023 (together, 'Prospectus'). The Company wishes to advise that the Closing Date for the ME1OD Options Offer, ME1O Options Offer, Unquoted Options Offer and the Cleansing Offer under the Prospectus (together, the "Offers") has been extended from Monday, 13 November 2023 to Wednesday, 22 November 2023.

The timetable in relation to the Offers has been revised as follows:

Action	Date
Opening Date of the ME1OD Options Offer, ME1O Options Offer, Unquoted Options Offer and the Cleansing Offer	Tuesday, 31 October 2023
Closing Date of the ME1OD Options Offer, ME1O Options Offer, Unquoted Options Offer and the Cleansing Offer	Wednesday, 22 November 2023
Issue date and lodgement of Appendix 2A with ASX applying for quotation of ME1OD Options issued under the ME1OD Options Offer and ME1O Options issued under the ME1O Options Offer	Friday, 24 November 2023
Issue date and lodgement of Appendix 3G for the Unquoted Options issued under the Unquoted Options Offer	Friday, 24 November 2023

Quotation of ME1OD Options issued under the ME1OD Options Offer
and ME1O Options issued under the ME1O Options Offer

Friday, 24 November 2023

*The above dates are indicative only and subject to change. The Company reserves the right to amend any or all of these dates and times subject to the Corporations Act, the ASX Listing Rules and other applicable laws. Further details with respect to the Offer are set out in the Prospectus.

-Ends-

Authority and Contact Details

This announcement has been authorised for release by the Managing Director and CEO 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 update such statements, except to the extent required by applicable laws.