

7 December 2023

Corporate Update

Melodiol Global Health Limited (ASX:ME1) ('Melodiol' or 'the Company') is pleased to provide the following corporate updates.

La Plata Facility

Further to ME1's announcement on 4 September 2023, the Company provides the following update with respect to La Plata Capital, LLC's ("La Plata") secured note holding in the Company. Per the terms of the previous extension, ME1 was granted the option, subject to shareholder approval, to satisfy the October and November monthly 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. At the time, the Company also agreed to issue US\$80,000 of shares using the same mechanism in order to begin paying down principal, starting in November 2023. In exchange for these concessions, the Company agreed to make a one time cash payment of US\$160,000 to La Plata on or around 30 September 2023. Due to the large volume of corporate activity that has been undertaken by the Company, it was unable to achieve shareholder approval for these obligations prior to the commencement of the payment schedule. The Company has also not paid the modification fee to La Plata. In order to address this breach, the Company will have agreed to achieve shareholder approval by January 15, 2023, and adjust the value ratio from 1.5 times to 2.0 times for the October and November interest payments and November principal payments. The parties have also agreed that the Company may satisfy the US\$160,000 modification fee and US\$18,700 of legal fees 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 2.0 times the interest due. The Company has also agreed to reduce the floor price from A\$0.002 per Share to A\$0.001 per Share.

Secured Notes

Further to the Company's announcement dated 26 October 2023, the Company notes that the maturity date of the Secured Notes is 30 November 2023. The Company is engaged with the noteholders, with the objective of working towards a further extension, and will provide an update in due course.

Termination of Panacea Life Sciences Transaction and Rationalisation of Non-Core Business Units

Further to the Company's announcements dated 2 August 2023 and 26 October 2023, the Company notes that on 4 December 2023, it terminated discussions with Panacea Life Sciences. The Company notes that several business units (Mernova Medicinal Inc., HealthHouse International, and Creso Pharma Switzerland) have demonstrated the ability to deliver cash flow positive results during FY23. With these encouraging results, the Company has taken active steps to refocus its efforts and resources into these higher performing business units, which in aggregate, represent 93% of group revenue (based on Q3 FY23). As part of that refocusing effort, the Company has temporarily paused operations at Halucenex Life Sciences, Sierra Sage Herbs, LLC, and impACTIVE Ltd. The Company has taken this decision in order to accelerate its ability to deliver group cash flow positive results and to concurrently pursue a sale of each of these non-core business units. 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, further capital raising activities, divestment of non-core assets and possible divestment of core assets.

Issue of Securities Pursuant to Listing Rule 7.1A

The Company will today issue 115,904,030 fully paid ordinary shares ("Shares") to GBA Capital or its nominee for cash consideration at an issue price of \$0.002 per Share for gross proceeds of \$231,808.06. The Shares will be issued under ASX Listing Rule 7.1A issue capacity. No material fees are payable in connection with this issuance. Proceeds will be used for general working capital purposes.

-Ends-

Authority and Contact Details

This announcement has been authorised for release by the Board of Directors 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.