

15 November 2023

## Health House Australia Continues Strong Progress

### Highlights:

- Melodiol's wholly-owned subsidiary, Health House International Limited ('HHI' or 'HHI International'), delivers ~\$1m in revenue in October 2023, continuing strong progress from Q3 revenues of ~\$3m
- October EBITDA Margin maintained over 10%
- Last Twelve Months (LTM) sales are approximately \$14m, with EBITDA margin 12.7%
- Recent HHI Australia results for HHI validate Melodiol's strategy for growth via M&A, and contribute to broader momentum across the Melodiol group after its wholly-owned Canadian subsidiary, Mernova Medicinal Inc. achieved its third consecutive quarter of record revenues
- Profit result is in line with Melodiol's stated strategy to bring core operating subsidiaries to profitability, and marks the first step of consistent execution towards that objective

Melodiol Global Health Limited (ASX:ME1, FRA:1X8) ('Melodiol' or 'the Company') is pleased to provide the following trading update for the Australian division of its fully-owned subsidiary, Health House International ('HHI Australia').

Unaudited figures for the month of October show that HHI Australia generated sales of ~\$1m with consistent monthly sales of ~\$1m per month during Q3 2023.

Adjusted for Cost of Goods Sold (COGS) and operating expenses, HHI Australia was EBITDA positive with a healthy margin of 10.1%.

Q3 FY23 represented the first full quarter of integrated operations for Health House International within the Melodiol group, after the Company completed the strategic acquisition in May 2023 (refer ASX Announcement: 16 May 2023).

The result confirms the strong traction HHI Australia has established as a leading distributor of medicinal cannabis products through a diversified network of pharmacy customers.

Over the LTM period, Health House Australia has generated ~\$14m of revenue with an EBITDA margin of 12.7%, highlighting the potential it has to add to the Melodiol financial profile as time goes on. Only revenues from 16 May 2023 (the closing date of the HHI acquisition) are included in Melodiol's financial results.

**Chief Executive Officer Mr William Lay said:** *"We are pleased to report these unaudited results for HHI Australia. As previously communicated to market, it's a strategic priority of Melodiol to generate growth through strategic M&A and the acquisition of HHI marks successful execution in that regard."*

*"We look forward to reporting on further growth going forward, as HHI continues to leverage its established position as a leading distributor of medicinal cannabis products in Australia."*

**-Ends-**

## **Authority and Contact Details**

This announcement has been authorised for release by the Disclosure Committee of Melodiol Global Health Limited.

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### **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.