

25 September 2023

Wholly-owned subsidiary Mernova Medicinal Inc. secures new purchase orders valued at A\$740,022 and achieves highest ever weekly sales in Nova Scotia

Highlights:

- **New purchase orders ('PO') totalling A\$740,022 (C\$642,827ⁱ) secured from province partners – expected to be delivered and recognised as revenue in Q4 FY2023**
- **POs include a large order valued at A\$573,873 (C\$498,499.7ⁱ) from the Nova Scotia Liquor Corporation ('NSLC') – highlights the Company's ongoing traction in Nova Scotia, which is its largest volume province**
- **New POs follows strong unaudited sales growth during Q3 FY2023, which is currently A\$1.849m – a 19% increase on Q2 FY2023 (Q2 FY2023 sales: A\$1.547m)**
- **Concurrently, Mernova delivered its highest ever sales week in Nova Scotia between 11 September and 17 September**
- **Sales during the weekly period were A\$124,329 (C\$108,000), which accounted for an estimated 4.4% of total market share**
- **Work is being undertaken to replicate strong growth and traction in Nova Scotia through other Canadian provinces – revenue growth expected to continue over coming months**

Melodiol Global Health Limited (ASX:ME1) ('Melodiol' or 'the Company') is pleased to advise that wholly-owned Canadian subsidiary, Mernova Medicinal Inc. ('Mernova') has secured a number of purchase orders to underpin Q4 FY2023 revenue, as well as generated its highest ever weekly sales in Nova Scotia since inception.

A\$740,022 in new POs highlight strong start to Q4 FY2023:

Mernova has received three new purchase orders valued at A\$740,022 (C\$642,827ⁱⁱ) for its dried cannabis flower, pre-roll joints and electronic vaporiser products which are sold under Mernova's established 'Ritual' brand. The orders are expected to be delivered in October 2023 and will be recorded as revenue during Q4 FY2023.

The new purchase orders include a A\$573,873 (C\$498,499.7ⁱ) order from the Nova Scotia Liquor Corporation ('NSLC'), highlighting the ongoing momentum that Mernova is generating in the region, which is currently the Company's largest sales generating province.

New sales follow strong unaudited sales growth during Q3 FY2023, which is currently A\$1.849m – a 19% increase on Q2 FY2023 (Q2 FY2023 sales: A\$1.547m) (refer ASX announcement: 11 September 2023).

The Company expects to receive additional POs from the NSLC during Q4 FY2023, as well as other province partners and is confident that it will deliver further unaudited sales growth for the remainder of FY2023. Melodiol also anticipates the delivery of additional products during Q3 FY2023, which will lead to additional revenue growth for the current quarter.

Highest volume sales week in Nova Scotia since inception:

Further highlighting the Company's growth trajectory, Mernova also delivered its highest ever sales week in Nova Scotia during the period of 11 September 2023 to 17 September 2023. During the period, Mernova

delivered A\$124,329 (C\$108,000) in product sales, which accounted for an estimated 4.4% of total market share.

The introduction of new branding for the Company's 'Ritual' brand, which positively impacted consumer behaviour, underpinned sales during the period. The new branding has also been well received by retailers in Nova Scotia and other provinces.

Management commentary:

CEO and Managing Director, Mr William Lay said: *"The most recent purchase orders and record sales week in the company's largest market highlight the ongoing momentum that Mernova is generating. The new PO from the NSLC provides management with strong confidence that revenue will continue to grow in Q4 FY2023, which will cap off a remarkable period for the division."*

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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: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.

ⁱ Based on a CAD to AUD FX rate of \$1.15

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