

24 July 2023

Wholly-owned subsidiary Health House International delivers strong revenue and EBITDA in operating units during H1 2023

Highlights:

- Melodiol closed the acquisition of Health House, an international pharmaceutical distributor, specialising in the distribution of medicinal cannabis products in Australia and medical products in the UK, in May 2023
- HHI's operating units generated combined currency-adjusted unaudited revenues of \$11.04m from January 2023 through June 2023, with an adjusted EBITDA margin of 7.4%
- HHI's unaudited revenue during H1 CY2023 highlights a 36% increase on the previous corresponding period (PCP: \$8.11m)
- Pleasing results further reiterate Melodiol's strategy that the acquisition and integration of HHI significantly increases the scale of the Melodiol business

Melodiol Global Health Limited (ASX:ME1, FRA:1X8) ('Melodiol' or 'the Company') is pleased to provide the following trading update for its wholly-owned Australian subsidiary, Health House International Limited ('Health House' or 'HHI'), which has demonstrated exceptional financial performance during CY2023.

Health House is an international pharmaceutical distributor, specialising in the distribution of medicinal cannabis products in Australia and medical products in the UK. The Company completed the acquisition of HHI in May 2023 (refer ASX announcement: 16 May 2023) and have been assisting its management drive sales growth and operating efficiencies for a number of months prior to the acquisition.

For the half year ended 30 June 2023, HHI generated combined currency-adjusted unaudited revenues of \$11.04m with an unaudited adjusted EBITDA margin in operating units for the period of 7.4%. This highlights an increase of 36% on the PCP (PCP: \$8.11m). HHI revenue of \$2.74m (unaudited) generated from 15 May 2023 (being the date of acquisition) to 30 June 2023 will be recognisable by the Company on consolidation into the Company's Half Year Report to 30 June 2023.

Recent results from both Health House and Mernova provides considerable validation of Melodiol's strategy to grow revenue with a strategic focus on cost management at the business group level to achieve cash flow breakeven. The Company is confident that it will continue this trajectory across other business units in the coming quarters.

Management commentary:

Chief Executive Officer Mr William Lay said: "Health House has been a very strong contributor since it joined the Melodiol group of companies. We are extremely pleased to witness the success of the various divisions at Health House as they deliver material revenues and adjusted EBITDA for the group. The Board and management team is highly optimistic about growth prospects for the entire Melodiol business over the coming quarters."

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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.