

20 October 2023

Wholly-owned subsidiary Mernova Medicinal Inc. confirmed POs for October delivery anticipate highest ever monthly revenue following record growth in Q3 FY23

Highlights:

- **A\$891,944¹ in unaudited revenue expected to be delivered in October 2023 based on sales to date and confirmed purchase orders received – highest ever sales month for Mernova since inception**
- **Considerably exceeds previous record month of February 2022 (A\$808,817) with potential to grow further as additional purchase orders are delivered**
- **A\$260,200¹ in purchase orders committed for delivery in November 2023 – takes total unaudited sales and purchase order commitments to A\$1.152m¹ for the quarter**
- **Follows the division's third consecutive quarter of revenue growth delivered during FY23 with A\$1.85m in unaudited sales generated in Q3 FY23**
- **Q3 FY23 sales result highlighted a 20% increase on the previous quarter (Q2 FY2023 sales: A\$1.547m) and a 104% rise on the previous corresponding period (Q3 FY22: A\$907,042)**
- **Revenue growth during H2 FY23 underpinned by ongoing traction with provincial partners, which has led to Mernova commanding a dominant market position across Canada**
- **Additional growth expected to materialise throughout Q4 FY23**

Melodiol Global Health Limited (ASX:ME1) ('Melodiol' or 'the Company') is pleased to advise that wholly-owned Canadian subsidiary, Mernova Medicinal Inc. ('Mernova') has confirmed purchase orders for delivery in October which foreshadow its highest ever monthly sales volumes, with the anticipated delivery of A\$891,944¹ in unaudited revenue for October 2023 to date.

October's anticipated revenue will exceed the division's previous record month of February 2022 (~A\$808,817) and has the potential to grow further as additional purchase orders are delivered during the month.

Mernova advises that it also has a total of A\$260,200¹ in confirmed purchase orders scheduled for delivery in November 2023, which will be recorded as revenue for Q4 FY23. This takes total unaudited sales and purchase order commitments to A\$1.152m¹ for the quarter.

Initial sales growth in October and Q4 FY23 more broadly are underpinned by multiple large purchase orders from provincial partners for its dried cannabis flower, pre-roll joints and electronic vaporiser products which are sold under Mernova's established 'Ritual' brand.

The record start to Q4 FY23 follows strong growth in the division's revenue during the last quarter, in which Mernova achieved unaudited sales of \$1.85m (refer ASX announcement: 9 October 2023). The Q3 FY23 results highlighted a 20% increase on the previous quarter (Q2 FY2023 sales: A\$1.547m) and a 104% rise on the previous corresponding period (Q3 FY22: A\$907,042).

¹ Based on an exchange rate of CAD1:AUD:1.15

Management commentary:

CEO and Managing Director, Mr William Lay said: *“Mernova is set to deliver its strongest monthly sales since inception, which is a major achievement for the division. Strong unaudited sales and purchase orders for delivery in October highlight the group’s dominant footprint that continues to build across Canada.*

“The results follow extensive amounts of work undertaken by the Company to drive sales growth, which includes increased engagement with provincial partners and new branding to harness more customers. We are very pleased to see these initiatives materialising into strong revenue growth and look forward to continuing this momentum.”

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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 update such statements, except to the extent required by applicable laws.