

29 February 2024

Melodiol Generates Record Revenues in FY23, up 148% on FY22

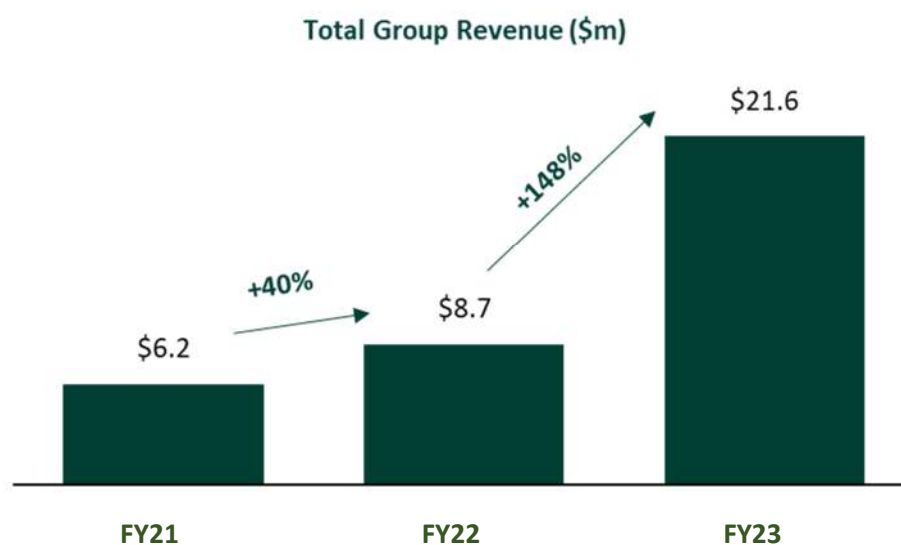
Highlights:

- Total group revenue from all operations of \$21.6m for FY23 up 148% on FY22 (\$8.7m)
- Revenue, excluding discontinued operations of \$18.9m, a 203% increase on the comparative FY22 figure
- Adjusted EBITDA Loss from continuing operations improved 22% from FY22
- Significant restructuring efforts undertaken in FY23 to improve efficiency in FY24

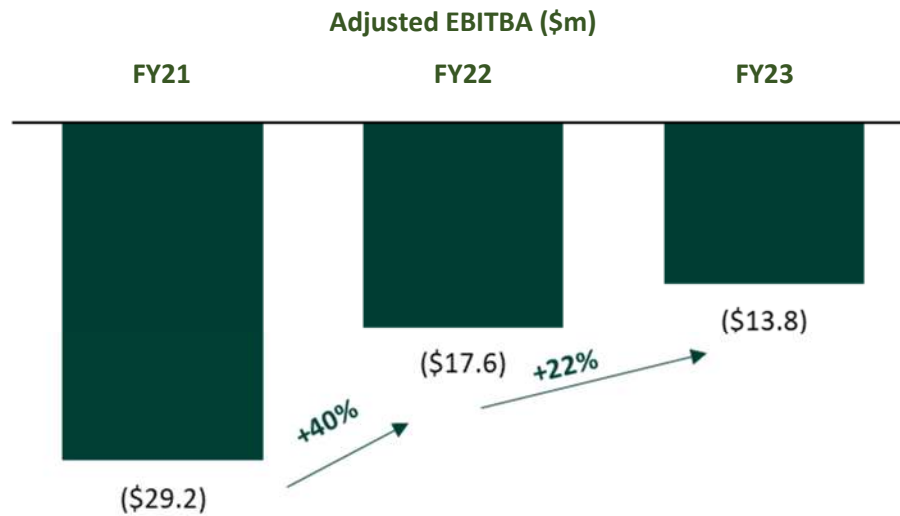
Melodiol Global Health Limited (ASX:ME1) ('Melodiol' or 'the Company') is pleased to advise that that it has lodged its Appendix 4E with the ASX.

The Company delivered record total group revenues of \$21.6m during FY23, a 148% increase on FY22. Revenue growth was primarily driven by strength in Mernova, and the closing of the acquisition of HealthHouse International and its performance since acquisition. Revenue, excluding discontinued operations, totalled \$18.9m, a 203% increase on the comparative FY22 figure.

The Company delivered an adjusted EBITDA loss from continuing operations of \$13.8m. This improvement from FY22 shows an ongoing trend of improvement vs. FY21. The Company defines Adjusted EBITDA from continuing operations as net earnings before interest, taxes, depreciation, amortisation, impairment charges, finance costs, and losses attributable to businesses that were paused or discontinued during the year of measurement (Sierra Sage Herbs LLC, impACTIVE and Halucenex in FY23, although none were discontinued during FY22). Due to the significant number of one time and non-cash expenses in the business, management considers Adjusted EBITDA from continuing operations to be the most representative picture of the profitability of the portfolio that the Company will operate on a going forward basis. The Company continues to aggressively pursue further revenue growth and reductions in operating expenses to further improve Adjusted EBITDA from continuing operations in FY24.



Note: Includes revenue from discontinued operations



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As part of its efforts to further improve Adjusted EBITDA from continuing operations, the Company has rationalised non core segments of the portfolio to focus on Mernova and Health House. Mernova had a very strong FY23, with 4 consecutive quarters of record revenue to generate a total revenue for the year of \$6.9m, a 57% increase on FY22. Additionally, Mernova entered the following provincial markets for the first time: Manitoba, Alberta, Newfoundland and Prince Edward Island, in addition to listing a variety of new products in existing markets. The Company expects that Mernova will continue to increase its breadth of product range in existing markets, and continue to enter new markets during FY24. During FY23, the Company closed the acquisition of Health House. Health House is comprised of a well established medical cannabis distribution business in the quickly growing Australian market and a medical products company based in the UK. The acquisition of HHI contributed significant revenues of \$11.5m to the group's results and validated the Company's strategy of growth through strategic M&A. Management remains focused on growing these business while aggressively further pursuing cost reductions in order to move towards the objective of group profitability.

Management commentary:

CEO and Managing Director, Mr William Lay said: *"I am very proud of the various individuals at the Company whose hard work allowed us to grow revenues so substantially in FY23. The majority of the growth was driven by performance at Mernova, and the acquisition and performance of HHI. Over the course of the year, we took significant steps to rationalize other non-core components of the business, to allow us to focus on sustainable growth in FY24 driven by Mernova and HHI. We look forward to providing further updates when available."*

-Ends-

Authority and Contact Details

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