

11 September 2023

## **Wholly-owned subsidiary Mernova Medicinal Inc. secures maiden purchase order in Alberta, confirming third consecutive record revenue quarter**

### **Highlights:**

- **Maiden purchase order ('PO') received from the Alberta Gaming, Liquor and Cannabis Commission (AGLC) valued at C\$64,638 (A\$74,063<sup>i</sup>)**
- **Q3 FY2023 sales to date of A\$1.816m confirm third consecutive record revenue quarter, with further POs expected prior to quarter end**
- **Q3 FY2023 revenue up 17% on the last quarter (Q2 FY2023 sales: A\$1.547m) and takes unaudited FY2023 revenue to date to A\$4.911m** Highlights first sales into the eighth Canadian province for Mernova
- **Initial PO follows registration approval from the AGLC in May 2023 and unlocks another major market opportunity – Alberta is Canada's fourth most populated province**
- **Multiple near term value catalysts pending including Canadian province expansion opportunities and work towards EU GMP Licence to fast track sales into Australia and Europe**

**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 its maiden purchase order for the province of Alberta, which has contributed to third consecutive record revenue quarter.

### **First purchase order secured in Alberta:**

Mernova received an order from the Alberta Gaming, Liquor and Cannabis Commission (AGLC) valued at C\$64,638 (A\$74,063<sup>ii</sup>). The PO is for a range of the Company's dried cannabis flower, pre-roll joints and electronic vaporiser products which are sold under Mernova's established 'Ritual' brand.

The PO highlights Mernova's expansion into its eighth Canadian province and follows registration approval to become a cannabis representative from the Alberta Gaming, Liquor and Cannabis Commission. The AGLC is an agency of the government of Alberta that regulates alcoholic beverages, recreational cannabis and gaming-related activities (refer ASX announcement: 1 May 2023).

The Company is confident that Alberta will provide another growth avenue for the Company, given its large volume of cannabis retailers which generate C\$73.8m in monthly sales<sup>iii</sup>.

### **Record revenues expected for Q3 FY2023 with A\$1.816m in sales secured to date:**

The Company advises that Mernova remains on track to deliver another record quarter of growth. Mernova has generated A\$1.816m in unaudited sales during Q3, which highlights a 17% increase on Q2 FY2023 (Q2 FY2023 sales: A\$1.547m). Notably, Mernova expects to receive further POs prior to the end of the quarter.

Q3 sales to date add to the division's growing revenue profile, which delivered A\$3.095m in unaudited sales during H1 FY2023 (refer ASX announcement: 10 July 2023). The ongoing growth has been underpinned by Mernova's enviable position in the Canadian recreational cannabis market. Mernova is currently selling its range of dried flower, pre-roll joint and electronic vaporiser products into many of the country's major provinces, with ongoing expansion earmarked.

The group is also actively progressing international expansion efforts in a push to fast track cannabis exports to Australia and Europe to drive additional sales. Work to obtain a European Good Manufacturing Practice ("EU GMP") licence is advancing well with additional updates pending.

**Management commentary:**

**CEO and Managing Director, Mr William Lay said:** *"Melodiol's maiden PO in Alberta highlights the incredibly strong brand recognition that the 'Ritual' range has achieved on a national level in a very short period of time. We look forward to working with the AGLC to highlight the superiority of our product range in the new province, while also continuing to push for additional orders.*

*"The recent PO has also contributed to a significant increase in the division's revenue, which has now exceeded last quarter and has laid a strong foundation for the second half of FY2023. The Board and management remain very focused on driving sales, while progressing initiatives to reduce costs."*

**-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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**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.

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<sup>i</sup> Based on a CAD to AUD FX rate of \$1.15

<sup>ii</sup> Based on a CAD to AUD FX rate of \$1.15

<sup>iii</sup> <https://mjbizdaily.com/canadian-adult-use-cannabis-sales-jump-nearly-18-in-2022-hitting-ca4-5-billion/>