

19 April 2024

## Corporate Update

### Highlights:

- **SBC convertible notes have been transferred to new investor who has provided a standstill until 31 December 2024, providing the Company with additional flexibility**

**Melodiol Global Health Limited (ASX:ME1) ('Melodiol' or 'the Company')** is pleased to advise that it has reached an agreement to transfer the SBC convertible notes from SBC Global Investment Fund to LTC Long Short Fund Pty Ltd. ("LTC"). As part of the transfer, LTC has agreed to a standstill on all enforcement rights on the existing convertible notes until 31 December 2024. LTC have taken over the entire facility and will continue to work with the Company in assisting to refinance and/or extinguish other debts within the Company.

The Company is pleased with this result, as the deferral of enforcement rights demonstrates faith in the board's execution and delivery of its business plan and strategy. The Company will continue to work extensively to reduce, extinguish, defer or convert as much of its remaining debt as possible in order to provide a runway for the strong operating performance that has been exhibited by the Company.

The Company recently announced FY23 group revenues of \$21.6m (an increase of 148% on FY22). As the Company works to increase revenues and cut costs, it is also working diligently to clear or defer debt from the balance sheet as it pushes towards its strategic target of operating cash flow positive.

LTC was set up with the aim to assist small cap companies in emerging markets and sectors with growth capital to assist them in achieving short, medium and long term goals.

### Management commentary:

**CEO and Managing Director, Mr William Lay said:** *"The refinance of the convertible note facility, and especially the deferral of enforcement rights, provides myself and the board with encouragement that new investors are aligned with our long term outlook for the Company.*

*We will continue our diligent work on growing revenues, cutting costs, and addressing debt on the balance sheet as we pursue our strategic objective of operating cash flow positive."*

### Detailed Terms:

Under the terms of the transfer, LTC will make an undisclosed cash payment to SBC to facilitate the transfer of the notes. The notes will carry a value of \$850,000 which includes principal value and accrued interest and penalties. In addition to the cash payment, the Company will seek shareholder approval for the following items in relation to the assignment: 1) issue of 10m shares to SBC in consideration for releasing the Company from obligations owed, 2) issue of 40m shares to LTC in consideration for completing the assignment, and 3) \$480,000 of shares to LTC based on a 10% discount to the 10-day VWAP at the time of issuance as consideration for the standstill and in respect of accrued and penalty interest.

**-Ends-**

### Authority and Contact Details

This announcement has been authorised for release by the Disclosure Committee of Melodiol Global Health Limited.

For further information, please contact:

**Investor Enquiries**

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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.