

ASX Announcement

29 October 2019

Quarterly Update

The Directors of Mediland Pharm Limited (ASX: MPH) ("**Mediland**" or the "**Company**") have released the Company's first Quarterly Report Appendix 4C for the financial year 2020. The results reflect a range of activities and one-off expenses as a result of delivering on the Company's goals detailed in its Prospectus for its IPO listing in February 2019.

These include:

- The Company has now completed the staged acquisition of Ian's Health Lounge and has successfully launched its online platform. The Company is working towards ensuring all its retail stores have a dedicated Ian's Health Lounge section. All visitors will be encouraged to become repeat customers, as they will be added to the Ian's Health Lounge database and the Company will utilise this platform as way to communicate and promote its products on an on-going basis to its customers. This will provide ongoing sales and marketing opportunities through Ian's Health Lounge to facilitate purchases of Mediland Pharm products directly, via the online platform.
- The leasing and subsequent fit out of the new Ian's Health Lounge flagship store, located in 241 Castlereagh Street, Sydney, is on track for a mid-November opening. This has resulted in a number of one-off costs and will provide another major retail outlet in the heart of the Sydney CBD for the Company to further promote its products and product variety as travellers/visitors will have an additional opportunity on their itinerary to purchase products that are not available through other retail stores within the Company.
- The Company has begun selling its own branded products through its stores and on the online platform. The Company will continue to further research and develop products that align with latest trends and meet customer needs.
- To further diversify the Company's customer base the Company is vigorously working on enhancing and building relationships with key stakeholders in the tourism space to secure additional incentive groups, which are expected to provide increased revenues in FY 2020. To further appeal to incentive groups, the Company relocated its Gold Coast store to a larger premises enabling the store to accommodate a larger number of customers than the previous store at any given time. Negotiations are underway for incentive group visits in Quarter 2 and 3.
- As part of the Company's marketing strategy, the Company has successfully secured a product stand in the 2019 China International Import Expo, to be held on 5th November to 10th November in Shanghai. This will allow the Company to represent the business to a large audience within China whilst driving brand awareness. The Company Chairman, Dr. Peter French and E Commerce Manager, Rita Zhang, will represent the Company during the event.

ENDS

IR Enquiries

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Company enquiries

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About Mediland Pharm

Mediland Pharm is a leading retailer of cosmetics, jewellery, health, well-being and wool products, serving the inbound Chinese tourism market in Australia and New Zealand. The Company operates three retail stores located in Australia (Sydney, Melbourne and the Gold Coast) and one in Auckland, New Zealand. Mediland partners with leading travel agents and wholesale tour operators to generate sales through exclusive customer shopping agreements.

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

Mediland Pharm Limited

ABN

83 628 420 824

Quarter ended ("current quarter")

30 September 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	7,479	7,479
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(1,747)	(1,747)
(c) advertising and marketing	(5,485)	(5,485)
(d) leased assets	(302)	(302)
(e) staff costs	(606)	(606)
(f) administration and corporate costs	(1,390)	(1,390)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	44	44
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	(561)	(561)
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(2,568)	(2,568)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(1,043)	(1,043)
(b) businesses (see item 10)	(720)	(720)
(c) investments	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	8	8
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(1,755)	(1,755)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	12,047	12,047
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,568)	(2,568)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,755)	(1,755)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	7,724	7,724

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	7,724	7,724
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	7,724	7,724

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter
\$A'000

-
-

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter
\$A'000

(39)
-

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	-
9.2 Product manufacturing and operating costs	(1,398)
9.3 Advertising and marketing	(5,793)
9.4 Leased assets	(239)
9.5 Staff costs	(621)
9.6 Administration and corporate costs	(1,112)
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	(9,163)

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	Enti Financial Pty Ltd	-
10.2 Place of incorporation or registration	Australia	-
10.3 Consideration for acquisition or disposal	AUD 720,000	-
10.4 Total net assets	AUD 324,227	-
10.5 Nature of business	Retail	-

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:
Company secretary

Date: **29 October 2019**

Print name: **Indira Naidu**

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.