

ASX Announcement

20 February 2020

Mediland's response to the novel coronavirus outbreak

Highlights

- **Mediland Pharm has responded to the novel coronavirus 2019-nCoV outbreak by instituting a range of measures to significantly reduce costs in Australia while expanding the sales of over 100 products through its newly established on-line platform**
- **Mediland has produced a supply of hand sanitisers to meet the unprecedented demand caused by the outbreak, and these are currently being sold locally and via the on-line platform**
- **In addition, Mediland's MediLife product is being promoted to meet the surge in demand for health supplements in China as a result of the outbreak**

The Directors of **Mediland Pharm Limited** ("**Mediland**" and/or "**the Company**") wish to advise the several measures that have been instituted by the Company in response to the novel coronavirus outbreak to ensure that the Company continues to be viable by substantially reducing costs, expanding its sales through its on-line platform and launching new products including a hand sanitiser to meet the unprecedented demand in China , Australia and New Zealand.

Like many companies, Mediland's local operations and revenues have been adversely affected by the novel coronavirus outbreak. As a result, management has implemented rigid cost control measures to ensure a stable cash forecast position until the situation resolves. Mediland's stores in Sydney, Melbourne, the Gold Coast and Auckland have been closed for the duration of the outbreak, with only minimal fixed costs being incurred. Ian's Health Lounge flagship store in Sydney's CBD remains open for business.

In addition, the Board and Management recognise the outbreak as an opportunity to focus on and expand the newly established online business through the purchase of Ian's Health Lounge in late 2019. The online platform allows customers based in China, Australia and New Zealand to purchase over 100 products including Mediland's own branded products and infant formula.

One of those products is a newly produced hand sanitiser, which is in high demand due to the global Coronavirus outbreak. To prevent the spread of the virus, the US Centers for Disease Control and other government agencies recommend regular hand washing with soap and water, and where that is not available, the use of hand sanitisers that contain at least 60% alcohol¹. This guidance has led to an unprecedented demand for hand sanitisers. Mediland's own brand of hand sanitiser complies with this guideline, as it contains 75% alcohol, and comes in two convenient sizes to enable portability when travelling. The Mediland hand sanitiser is available immediately on-line and through the Ian's Health Lounge flagship store in Sydney's CBD.

In addition, Mediland's MediLife product contains a range of vitamins (including Vitamin C) and other ingredients that have been designed to promote a healthy immune system and to improve general wellbeing. There has been an increased demand in China and other countries for supplements that can provide support for the immune system², as it is recognised that the immune system plays a key role in protecting the body from viral and bacterial infections. Mediland is also offering this product through its online channel to all its customers.

Mediland's Chairman, Dr Peter French, said, "The Board has been very impressed by management's prompt actions in the face of this unprecedented situation to significantly reduce costs, and to focus on opportunities to generate revenue through the online platform. Recognising the surging demand for products to assist in preventing the spread of disease in China, the Company has rapidly produced an effective hand sanitiser and is also developing supplements that contain ingredients that may assist the immune system, in addition to its current MediLife supplement product. We thank our shareholders and customers for their ongoing support and look forward to resuming normal business operations once the outbreak has been controlled."

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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.

¹ <https://www.cdc.gov/coronavirus/2019-ncov/about/prevention-treatment.html>

² <https://www.nutraingredients-asia.com/Article/2020/02/11/Coronavirus-crisis-Demand-for-immunity-supplements-surge-amid-China-outbreak>