

ASX Announcement

30 April 2020

Quarterly results for the period ended 31 March 2020

- **The Company recorded an increase in cash on hand compared to the previous Quarter**
- **Revenues from retail store sales were down by 75%**
- **Online sales revenues increased month-on-month**
- **Significant cost cutting and new sales channels are being implemented**

The Directors of **Mediland Pharm Limited** ("**Mediland**" or the "**Company**") are pleased to announce Quarterly results for the period ended 31 March 2020.

The total cash position for the Group at March 31 stood at A\$8.66m. This was an increase on the position reported on 31 December 2019 of \$7.96m.

Despite the negative impact of the Covid-19 pandemic on the Company's revenues, this Quarter has seen cash on hand increase. This has been achieved as a result of several steps taken by management to significantly reduce expenditure and expand new revenue opportunities. In particular, it has been pleasing to see that management's focus on growing the Ian's Health Lounge online business and E-commerce platforms has grown month on month in the Quarter, and this has contributed to the Quarter's results.

The overall Group total revenue of Mediland Pharm for this reporting period was \$2.9m. Compared to the previous quarter, this has decreased by 75%, and this decrease is directly attributable to the impact of the travel restrictions imposed as a result of the Covid-19 pandemic.

Further measures to maintain cash on hand

The Company recognises the challenges of maintaining its core business - Australian and New Zealand retail sales - in the next six months due to the pandemic, which has affected tourism and retail globally. As a result, the Company is undertaking further cost reduction measures and new revenue generating initiatives aimed at maintaining and growing cash on hand.

To further reduce costs, all non-Executive Directors and the Executive Director will cease to be paid Directors' fees from May 1. In addition, the Managing Director will reduce his salary by 50%. The Company has negotiated rent reductions or rent holidays from most of the landlords in its Australian and New Zealand stores, and will continue to press for further concessions.

To grow new revenue segments, the Company is pursuing a number of avenues. As previously reported, the Company launched its online E-commerce APP earlier this year, launching over 100 products for purchase online. Online sales, followers and registered online customers have significantly increased since the last update.

In addition, with the launch of a range of new health products, the Company is seeking to expand their distribution into Australian pharmacies, the first of which, Priceline Clemton Park has begun selling the Company's products as announced yesterday.

The Company is confident that it can maintain and build on its local and on-line sales until the normalisation of its core business occurs. Mediland is committed to maintaining contact with its staff who have been stood down, and the travel operators with whom Mediland has enjoyed a long and fruitful partnership. The Company will continue to update the market as appropriate.

Authorised for release by the Board of Mediland Pharm Limited.

ENDS

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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")

31 March 2020

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	4,138	23,375
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(788)	(4,902)
(c) advertising and marketing	(1,775)	(14,006)
(d) leased assets	(350)	(979)
(e) staff costs	(611)	(2,029)
(f) administration and corporate costs	(148)	(2,381)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	7	77
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid / (refund)	228	(535)
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	701	(1,353)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	(1,262)
(b) businesses (see item 10)	-	(800)
(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	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	(2,062)

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	7,960	12,047
4.2	Net cash from / (used in) operating activities (item 1.9 above)	701	(1,380)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(2,040)
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	-	34
4.6	Cash and cash equivalents at end of quarter	8,661	8,661

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	8,661	7,960
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)	8,661	7,960

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
46
-

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
-
-

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	(567)
9.3 Advertising and marketing	(42)
9.4 Leased assets	(261)
9.5 Staff costs	(236)
9.6 Administration and corporate costs	(200)
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	(1,306)

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	-	-
10.2 Place of incorporation or registration	-	-
10.3 Consideration for acquisition or disposal	-	-
10.4 Total net assets	-	-
10.5 Nature of business	-	-

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.



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Company secretary

Date: **30 April 2020**

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.