

ASX Announcement

Quarterly Activities Report and Appendix 4C for December 2020

- **Online sales revenues are steady whilst the Covid-19 pandemic continues to negatively affect the Company's core retail operations.**
- **Cash position remains strong due to successful efforts to control operational costs to offset the loss of retail revenue.**
- **New revenue stream opportunities being investigated as three retail subsidiaries exit the Group following their entering into voluntary administration.**

The Directors of **Mediland Pharm Limited** ("**Mediland**" or the "**Company**") provide an update on its quarterly results for the period ended 31 December 2020.

During the Quarter, Australia and New Zealand's borders continued to be effectively closed to inbound tourism due to the Covid-19 pandemic. This continued to negatively impact the Company's performance in this Quarter. The Company's total cash position at 31 December was \$4.9m, down by \$1.8m from the previous quarter. Almost half of this (\$857k) relates to loss of control of the three Australian Subsidiaries following their entry into voluntary administration. Additionally, Mediland repaid its related party loans owing to these subsidiaries of \$198k.

The administration and corporate costs for the quarter includes \$11k in payment of Non-executive Directors fees and Executive Director's remuneration. A copy of the Appendix 4C - Quarterly Cash Flow Report for the Quarter is attached.

As previously announced (11 December 2020), the **voluntary administration of the Company's Australian Subsidiaries does not apply to Mediland Pharm Limited**. The decision to place these entities into external administration followed the suspension of the retail operations in the Sydney, Melbourne, and Gold Coast stores as a result of the impact on tourism of the pandemic.

Mediland is taking a proactive approach to addressing the challenges experienced as a result of the pandemic. The Board and Management are committed to diversifying our revenue streams and to focus on building shareholder value through growth opportunities for the Group. The Independent Expert Review is underway on the proposed transaction to acquire the Hamilton (New Zealand) Hotel. Mediland will announce an indicative timetable to complete the transaction upon finalisation of this Review process.

Should the acquisition be approved by our shareholders at a forthcoming General Meeting, this will be the first of a number of initiatives that the Company's Board and Management will implement with the aim of ensuring the Company can emerge from the pandemic in a strong position, with a diverse revenue stream.

To this end, the Company continues to maintain its relationships with its partners both external (Suppliers, Inbound Tour Operators) and internal (Staff) to ensure that it can quickly commence its operations when the border restrictions are lifted, and tourism returns to some normality.

Authorised for release by the Board of Mediland Pharm Limited.

ENDS

IR Enquiries

ir@medilandpharm.com.au

Company enquiries

yesh.mudaliar@medilandpharm.com.au

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 one retail store located in Auckland, New Zealand and one direct flagship shop in Sydney Australia, for its online business. Mediland partners with leading travel agents and wholesale tour operators to generate sales through exclusive customer shopping agreements.

For personal use only

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Mediland Pharm Limited

ABN

83 628 420 824

Quarter ended ("current quarter")

31 December 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	149	257
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(276)	(541)
(c) advertising and marketing	(2)	(15)
(d) leased assets	(172)	(424)
(e) staff costs	(297)	(682)
(f) administration and corporate costs	(292)	(512)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	16	77
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	(4)	-
1.7 Government grants and tax incentives	145	517
1.8 Loss of control over subsidiaries from 11 December 2020	(857)	(857)
1.9 Net cash from / (used in) operating activities	(1,590)	(2,180)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	(9)	(9)
(e) intellectual property	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) 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	(9)	(9)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(198)	(198)
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	(198)	(198)
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	6,714	7,304
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,590)	(2,180)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(9)	(9)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(198)	(198)
4.5	Effect of movement in exchange rates on cash held	8	8
4.6	Cash and cash equivalents at end of period	4,925	4,925

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	4,925	6,714
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)	4,925	6,714

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	11
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end	[]	
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	[]	

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(590)
8.2 Cash and cash equivalents at quarter end (item 4.6)	4,925
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	4,925
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	8.35
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer:	[]
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer:	[]
8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer:	[]
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

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.

Date:**29 January 2021**.....

Authorised by:**Board of Mediland Pharm Limited**.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

For personal use only