

ASX Announcement

Quarterly Activities Report and Appendix 4C for March 2021

- **Cash position remains strong due to successful efforts to control operational costs to offset the pandemic-related loss of retail revenue.**
- **New non-retail revenue stream opportunities are being pursued to address the current challenges.**
- **Hamilton (NZ) Hotel transaction is the first new revenue stream opportunity following approval from non-associated shareholders**

The Directors of **Mediland Pharm Limited** ("**Mediland**" or the "**Company**") are pleased to provide an update on its quarterly results for the period ended 31 March 2021.

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 March was \$4.1m, down by \$800k from the previous quarter.

With ongoing Australian government sanctions on international travel and the fractious economic and political relationship with China, the retail inbound Chinese tourist business continues to remain uncertain.

The Board and Management are appreciative of the ongoing support of our shareholders during these challenging times, and we are taking a proactive approach to addressing the challenges experienced as a result of these issues. The Board and Management are committed to diversifying our revenue streams beyond retail and to focus on building shareholder value through growth opportunities for the Group. The acquisition of the Heartland Ambassador Hamilton Hotel in New Zealand was approved by our non-associated shareholders at the Extraordinary General Meeting held today, on Thursday, 29 April 2021 in Parramatta, Sydney. This is the first of a number of initiatives that the Company's Board and Management are aiming to implement to ensure that the Company can emerge from the pandemic in a stronger position, with a diverse revenue stream.

Some of the costs incurred in the Quarter relate to acquisition of shares in Ixora Investments Pty Ltd (Hamilton Hotel Transaction), of which \$132k was used for independent expert reports and valuation which has been classified as cash outflows used in Investing Activities. All other costs have been declining or significantly lower compared to previous periods as a result of the exit of the three retail subsidiaries from the Group in December 2020.

The administration and corporate costs for the quarter includes \$27k 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.

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

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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 March 2021

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	126	383
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(140)	(681)
(c) advertising and marketing	-	(15)
(d) leased assets	(180)	(604)
(e) staff costs	(484)	(1,166)
(f) administration and corporate costs	(138)	(650)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	77
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	3	3
1.7 Government grants and tax incentives	111	628
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(702)	(2,025)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	(132)	(141)
(e) intellectual property	-	-
(f) other non-current assets	-	-

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
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	(132)	(141)
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)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Loss of control over subsidiaries from 11 December 2020	-	(857)
3.10	Net cash from / (used in) financing activities	-	(1,055)
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	4,925	7,304
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(702)	(2,025)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(132)	(141)

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

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)	-	(1,055)
4.5	Effect of movement in exchange rates on cash held	(6)	2
4.6	Cash and cash equivalents at end of period	4,085	4,085

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	4,085	4,925
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)	4,085	4,925

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	27
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)	(733)
8.2 Cash and cash equivalents at quarter end (item 4.6)	4,085
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	4,085
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	5.57
<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 April 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.