

Preliminary Final Report
For the year ended 30 June 2021

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Mediland Pharm Limited
Appendix 4E
Preliminary final report

1. Company details

Name of entity:	Mediland Pharm Limited
ABN:	83 628 420 824
Reporting period:	For the year ended 30 June 2021
Previous period:	For the year ended 30 June 2020

2. Results for announcement to the market

			\$
Revenues from ordinary activities	down	95.0% to	1,157,489
Loss from ordinary activities after tax attributable to the owners of Mediland Pharm Limited	Up	25.86% to	6,430,453
Loss for the year attributable to the owners of Mediland Pharm Limited	Up	25.86% to	6,430,453

Dividends

There were no dividends paid, recommended or declared during the current financial period. The directors do not propose to pay a final dividend for the year ended 30 June 2021.

Comments

Mediland's operations continued with significant disruption as a result of COVID-19 pandemic, with the Group focusing on preserving its cash position and controlling its costs.

The loss for the consolidated entity after providing for income tax and non-controlling interest amounted to \$6,430,453 (30 June 2020: \$5,109,041). The loss after tax was attributable to the following:

- As indicated in previous period reports, the Company underwent a substantial decrease in revenue from ordinary activities as the full impact of the Covid-19 pandemic was felt. There had been nil income from retail stores since suspension of trading in February 2020. With continued suspended retail operations for most of 2020 calendar year, all Australian subsidiaries were entered into external administration in December 2020.
- After seeking non-associated shareholders' approval in April 2021, the Company purchased the Hamilton Hotel in New Zealand. The revenue includes two months of trading from hotel operations since its date of acquisition with an average occupancy rate of 78%.
- Impairment expense increased from \$nil to \$3.4m. The decrease was mainly attributable to closure of all retail stores since the announcement of the pandemic.
- Further \$3.1m was written off as loans forgiven due to loss of control of the subsidiaries.

The Company has implemented rigorous cost control measures and has stabilised cashflows used in operations by minimising fixed operating costs. During the financial year, the Company terminated four of six lease contracts resulting in a substantial decrease in on-going occupancy and operational expenses.

Management remains open to once again playing an active role in the "health and well-being" sector in the inbound Chinese tourist retail market as and when the tourism industry returns to some form of normality.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>0.03</u>	<u>0.03</u>

4. Control gained over entities

Name of entities (or group of entities)	Date control gained
IXORA Investments Limited (New Zealand)	29 April 2021
The Collection Hotels and Resorts Pty Ltd (Sydney)	27 April 2021

5. Loss of control over entities

Name of entities (or group of entities)	Date control lost
Darling Harbour Pty Ltd (Sydney store)	11 December 2020
St Wells Pty Ltd (Melbourne store)	11 December 2020
Surfers Paradise Pty Ltd (Gold Coast store)	11 December 2020
Enti Financial Ltd (Sydney store)	12 May 2021
Share We Do Platform Technology Services Co., Ltd (China)	23 June 2021

6. Details of associates and joint venture entities

None

7. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements are based on the accounts that is in the progress of being audited.

8. Attachments

Details of attachments (if any):

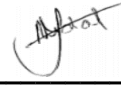
- Consolidated statement of profit or loss and other comprehensive income
 - Consolidated statement of financial position
 - Consolidated Statement of cash flows
 - Consolidated statement of changes in equity
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9. Signed



Dr Peter French
Chairman

Sydney
31 August 2021



Yeshween Mudaliar
Managing Director

Sydney
31 August 2021

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Mediland Pharm Limited
Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2021

	Consolidated	Consolidated
	2021	2020
	\$	\$
Revenue	1,157,489	23,298,447
Cost of sales	(541,369)	(5,506,738)
Gross profit	616,120	17,791,709
Other income	139,627	109,722
Government grant	629,753	288,984
Gain on loss of control of subsidiaries	1,844,206	-
Gain on lease termination	449,581	-
Gain on bargain purchase	355,675	-
Bad debts	(91,000)	-
Inventory written off	(392,397)	-
Marketing expenses	(18,501)	(15,366,550)
Occupancy expenses	-	(437,675)
Administrative expenses	(2,102,682)	(3,439,141)
Employee benefit expenses	(1,151,014)	(2,697,129)
Share-based payment expenses	(552,311)	(990,560)
Finance costs	(141,291)	(180,527)
Impairment expenses	(3,461,248)	-
Loan forgiveness on the loss of control	(3,134,450)	-
(Loss) before income tax expense	(7,009,932)	(4,921,167)
Income tax (expense)/benefit	563,354	(187,874)
Loss after income tax expense for the year	(6,446,578)	(5,109,041)
Attributable to:		
Owners of Mediland Pharm Limited	(6,430,453)	(5,109,041)
Non-controlling interests	(16,125)	-
Loss after income tax expense for the year	(6,446,578)	(5,109,041)
	Cents	Cents
Earnings		
Basic earnings per share	(2.03)	(1.63)
Diluted earnings per share	(2.03)	(1.63)
Other comprehensive loss		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Foreign currency translation	(9,782)	(72,723)
Other comprehensive loss for the year, net of tax	(9,782)	(72,723)
Total comprehensive loss for the year	(6,456,360)	(5,181,764)
Attributable to:		
Owners of Mediland Pharm Limited	(6,440,235)	(5,181,764)
Non-controlling interests	(16,125)	-
	(6,456,360)	(5,181,764)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Mediland Pharm Limited
Consolidated statement of financial position
As at 30 June 2021

	Consolidated	
	2021	2020
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	3,391,075	7,304,139
Trade and other receivables	377,148	925,029
Prepayments	15,278	-
Inventories	81,097	1,411,204
Current tax assets	-	373,842
Total current assets	3,864,598	10,014,214
Non-current assets		
Property, plant, and equipment	5,723,691	3,031,398
Right-of-use assets	-	3,953,146
Intangibles	18,733	204,647
Goodwill	-	321,882
Deferred tax assets	-	1,014,350
Total non-current assets	5,742,424	8,525,423
Total assets	9,607,022	18,539,637
Liabilities		
Current liabilities		
Trade and other payables	804,885	3,704,391
Provisions	61,384	50,854
Customer deposit	-	399,987
Current tax liabilities	65,363	-
Lease – Short term liabilities	412,572	820,451
Borrowings – Short term liabilities	1,150,470	-
Total current liabilities	2,494,674	4,975,683
Non-current liabilities		
Deferred tax liabilities	245,971	1,398,224
Lease – Long term liabilities	490,397	3,391,058
Borrowings – Long term liabilities	3,505,322	-
Total non-current liabilities	4,241,690	4,789,282
Total liabilities	6,736,364	9,764,965
Net assets	2,870,658	8,774,672
Equity		
Issued capital	11,898,945	11,898,945
Reserves	2,186,367	1,643,838
(Accumulated losses)	(11,198,564)	(4,768,111)
Total equity attributable to member of the Group	2,886,748	8,774,672
Non-controlling interests	(16,090)	-
Total equity	2,870,658	8,774,672

Mediland Pharm Limited
Consolidated Statement of cash flows
For the year ended 30 June 2021

	Consolidated	
	2021	2020
	\$	\$
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	687,779	24,271,223
Payments to suppliers and employees (inclusive of GST)	(3,867,336)	(25,773,774)
Interest received	58,334	109,722
Lease interests	(129,387)	(180,526)
Net income taxes refunded/(paid)	338,642	(547,635)
Government grants and tax incentives	629,753	288,984
	<u> </u>	<u> </u>
Net cash used in operating activities	(2,282,215)	(1,832,006)
Cash flows from investing activities		
Proceeds from disposal of plant and equipment	-	1,818
Payments to acquire plant and equipment	(4,342)	(1,319,481)
Purchase of intangibles	-	(112,325)
Payments to acquire business	(300,000)	(800,000)
Payment to related party	(97,976)	-
Loss of control over subsidiaries	(876,306)	-
	<u> </u>	<u> </u>
Net cash used in investing activities	(1,278,624)	(2,229,988)
Cash flows from financing activities		
Lease payment (Principal)	(340,173)	(622,346)
	<u> </u>	<u> </u>
Net cash used in financing activities	(340,173)	(622,346)
Net decrease in cash and cash equivalents	(3,901,012)	(4,684,340)
Cash and cash equivalents at the beginning of the financial year	7,304,139	12,047,350
Effects of exchange rate changes on cash and cash equivalents	(12,052)	(58,871)
	<u> </u>	<u> </u>
Cash and cash equivalents at the end of the financial year	<u>3,391,075</u>	<u>7,304,139</u>

Mediland Pharm Limited
Consolidated statement of changes in equity
For the year ended 30 June 2021

	Issued capital	Group restructure reserve	Foreign currency reserve	Share-based payments reserve	Retained Profits/ (Accumulated losses)	Total equity
Consolidated	\$	\$	\$	\$	\$	\$
Balance at 1 July 2019	11,898,945	71,146	18,164	710,909	341,427	13,040,591
Reversal of share-based payment (note 18)	-	-	-	(74,218)	74,218	-
Impact of change in accounting policy – AASB16	-	-	-	-	(74,715)	(74,715)
Restated balance at 1 July 2019	11,898,945	71,146	18,164	636,691	340,930	12,965,876
Loss after income tax expense for the year	-	-	-	-	(5,109,041)	(5,109,041)
Other comprehensive income for the year, net of tax	-	-	(72,723)	-	-	(72,723)
Total comprehensive income for the year	-	-	(72,723)	-	(5,109,041)	(5,181,764)
Transactions with owners in their capacity as owners:						
Share-based payments	-	-	-	990,560	-	990,560
Balance at 30 June 2020	11,898,945	71,146	(54,559)	1,627,251	(4,768,111)	8,774,672

Mediland Pharm Limited
Consolidated statement of changes in equity
For the year ended 30 June 2021

	Issued capital	Group restructure reserve	Foreign currency reserve	Share-based payments reserve	(Accumulated losses)	Total	Non- controlling Interest	Total equity
Consolidated	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2020	11,898,945	71,146	(54,559)	1,627,251	(4,768,111)	8,774,672	-	8,774,672
Loss after income tax expense for the year	-	-	-	-	(6,430,453)	(6,430,453)	(16,090)	(6,446,543)
Other comprehensive income for the year, net of tax	-	-	(9,782)	-	-	(9,782)	-	(9,782)
Total comprehensive income for the year	-	-	(9,782)	-	(6,430,453)	(6,440,235)	(16,090)	(6,456,325)
Transactions with owners in their capacity as owners:								
Share-based payments	-	-	-	552,311	-	552,311	-	552,311
Balance at 30 June 2021	11,898,945	71,146	(64,341)	2,179,562	(11,198,564)	2,886,748	(16,090)	2,870,658