

MEDIA RELEASE

March 2020 Quarterly Results

- **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.

The Team @ Mediland Pharm Limited