

**ASX Announcement**  
30 July 2021

## QUARTERLY ACTIVITIES REPORT

### Highlights:

- Cash receipts of \$4.4m, with operating cash inflows of \$0.6m, for the quarter, reflecting continuous demand for EZZ's product offerings.
- Solid cash position with a closing balance of \$8.9m as of 30 June 2021.
- Additional distribution channels opened up in Australia via multinational hypermarket group, Costco, and international lifestyle supermarket group, MINISO, to expand to grocery retailer markets.
- Three new products added to health supplements portfolio in line with EZZ's strategic plan.
- Negotiations in progress with distributors in Malaysia and Singapore to stock the EZZ branded supplements.

EZZ Life Science Holdings Limited (**ASX: EZZ**, or the **Company**), a producer of the EZZ branded health supplements and an exclusive wholesale distributor of the EAORON branded skin care products for pharmacies, supermarkets and specialist retailers in Australia and New Zealand, presents this quarter's activities report and Appendix 4C (Quarterly Cashflow Report) for Q4 FY21 ended 30 June 2021.

### Performance:

EZZ closed a successful Q4 FY21 with approximately \$4.4m in cash inflows from customers, reflecting continuous demand for both the EAORON branded skin care products and the EZZ branded supplements domestically and internationally. As of 30 June 2021, EZZ's cash balance grew to approximately \$8.9m, up by 7% from the previous quarter.

Operating cash payments included expenditure on product manufacturing and operating, advertising and marketing, and corporate and administration activities. Product manufacturing and operating outflows related to payments for the EAORON branded skin care products purchased from Australian United Pharmaceuticals Pty Ltd and payments to the contract manufacturer of the EZZ branded supplements. Product manufacturing and operating expenditure declined in line with receipts from customers as compared to the previous period as a result of seasonal demand from customers, in keeping with the same quarter in the prior financial year.

Payments for advertising and marketing largely related to the advertising and marketing expenses incurred in promoting supplements products on Tmall Global, to support EZZ's direct-to-consumer strategy. The advertising and marketing costs decreased from the previous period, while the Company focused efforts on wholesale distribution channel development with grocery retailers during the period.

Related party payments in the quarter related to the purchase of inventory from Australian United Pharmaceuticals Pty Ltd, property rental payments to Australian Health Industry Co. Pty Ltd, legal service fees to Due Books Pty Ltd and directors' fees.

Cash inflows and outflows are reported on a gross basis, i.e., inclusive of GST.

Under Listing Rule 4.7C, the Use of Funds update from the IPO is as follows:

Use of Funds as per prospectus	Estimated expenditure (\$ 000')	Actual expenditure (\$ 000')	Comment
Software development	100	Nil	To commence
Additional market expansion	1,375	Nil	To commence
Manufacturing facility	2,460	Nil	To commence
Research & development	450	Nil	To commence
Experimental concept store	800	Nil	To commence
Cost of Offer	768	747	Completed
Additional working capital	47	Nil	To commence
<b>Total</b>	<b>6,000</b>	<b>747</b>	

#### Activities:

During the quarter, EZZ developed new distribution channels with one multinational hypermarket group and one international lifestyle supermarket group. Both the EAORON and EZZ branded products were stocked in 13 stores by Costco and 14 stores by MINISO in Australia. The business relationship with Costco also enabled the EZZ branded products to be stocked in 13 stores in Taiwan, assisting EZZ to further expand to international markets.

As a part of its strategic plan, EZZ added three new products to its supplements portfolio during the period. The EZZ Daily Energy & Wellbeing tablet is a supplement listed on the Australian Register of Therapeutic Goods. It helps to maintain energy levels, reduce free radicals, and support blood circulation. Coffee Jelly is a health food which contains ingredients that stimulate bowel movements. Magic Gummy is a health food containing ingredients that help to support collagen production and skin health. These new products were stocked by Costco and MINISO Australia during the quarter. EZZ also started discussions with other channels in stocking these new products.

*This notice has been authorised for provision to the ASX by the Board of EZZ Life Science Holdings Limited.*

**For further information, please contact:**

#### Investor Relations

[www.ezzlife.com.au/investors](http://www.ezzlife.com.au/investors)

ir@ezzlife.com.au

## Appendix 4C

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

**Name of entity**

EZZ Life Sciences Limited

**ABN**

88 608 363 604

**Quarter ended ("current quarter")**

30 June 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	4,429	23,712
1.2 Payments for		
(a) research and development	-	(42)
(b) product manufacturing and operating costs	(1,776)	(12,505)
(c) advertising and marketing	(1,346)	(7,978)
(d) leased assets	(42)	(42)
(e) staff costs	(242)	(844)
(f) administration and corporate costs	(276)	(1,117)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(7)	(11)
1.6 Income taxes paid	(155)	(1,094)
1.7 Government grants and tax incentives	39	175
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>624</b>	<b>254</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	
(b) businesses	-	
(c) property, plant and equipment	(5)	(6)
(d) investments	-	-
(e) intellectual property	(1)	(10)
(f) other non-current assets	-	-

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
2.2 Proceeds from disposal of:		
(g) entities	-	-
(h) businesses	-	-
(i) property, plant and equipment	-	-
(j) investments	-	-
(k) intellectual property	-	-
(l) 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)	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(6)</b>	<b>(16)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	6,000
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	(26)	(450)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	(25)	(107)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
<b>3.10 Net cash from / (used in) financing activities</b>	<b>(51)</b>	<b>5,443</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	8,288	3,175
4.2 Net cash from / (used in) operating activities (item 1.9 above)	624	254
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(6)	(16)

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(51)	5,443
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>8,855</b>	<b>8,855</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	8,855	8,288
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>8,855</b>	<b>8,288</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	1,998
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>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.</i>		

7. <b>Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 <b>Total financing facilities</b>	-	-
7.5 <b>Unused financing facilities available at quarter end</b>		-
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. <b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	624
8.2 Cash and cash equivalents at quarter end (item 4.6)	8,855
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	8,855
8.5 <b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	N/A
<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: N/A	
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: N/A	
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: N/A	
<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: .....30 July 2021.....

Authorised by: .....The Board.....  
(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.