

ASX ANNOUNCEMENT

30 September 2021

**EZZ DELIVERS STRONG FY21 OPERATIONAL PERFORMANCE,
DECLARES DIVIDEND**

EZZ Life Science Holdings Limited (ASX: EZZ, or the Company), a producer of consumer health products and the exclusive wholesale distributor of the EAORON skin care products for pharmacies, supermarkets and retailers in Australia and New Zealand, presents its full year statutory accounts for the period ended 30 June 2021 (FY21) and announces its maiden full year dividend.

Highlights:

- Revenue up 29% to \$22.3m, exceeding 25% expected growth target as disclosed in 1H FY21 results presentation
- EBITDA¹ up 66% to \$2.7m
- Net profit after tax up 28% to \$2.0m
- Gross profit margin increased from 23% to 56%
- Well-funded with \$8.9m in cash and no debt
- Earnings per share increased by 13% to 5.98 cents
- Maiden dividend to be paid at 0.45 cents per share with a record date at 10 November 2021
- FY22 strategy underpinned by new product development, sales in expanded geographies and distribution channels; the addition of new verticals and evaluation of other sustainable growth opportunities.

Delivering strong performance in FY21 through challenging conditions

EZZ delivered strong operational performance during the financial year to 30 June 2021, despite significant disruption from COVID-19. Revenue was up 29% to \$22.3m in FY21 (FY20: \$17.3m) generated by EZZ branded supplements and EAORON branded skincare products. Revenue from EZZ branded products was up from \$0.8m to \$11.4m in FY21, representing 51% of FY21 revenue, while EAORON branded products contributed 49% to revenue.

A number of strategic initiatives drove FY21 revenue growth, set around the focal areas of direct to consumer, omni-channel marketing, product development and market expansion.

Direct to consumer: EZZ's flagship online store opened with Tmall Global in China during July 2020, commencing distribution of EZZ-branded health supplements to consumers directly, and without conflict with existing retailer customer agreements.

Omini-channel marketing: increased use of impactful omni-channel marketing strategies contributed to brand awareness and share of voice. EZZ's advertising and marketing expense was purposefully increased – up from \$1.6m to \$7.8m.

Product development: was core to growth – EZZ broadened its health supplements range, introducing 11 new products during the financial year. As at 30 June, 14 stock keeping units were on sale under the EZZ brand, compared to three at the start of the financial year.

¹ Excluding other income that relates to government subsidies and the reversal of a management fee

Market expansion: EZZ accelerated expansion of its distribution channels into hypermarkets and supermarkets, creating valuable new opportunities to increase sales during FY21. In June 2021, the EZZ and EAORON branded products were stocked by Costco in 13 Australian stores and by MINISO in 14 stores in Australia.

Profitability

During FY21, EZZ's gross profit margin increased from 23% to 56% largely due to the revenue mix shifting toward new EZZ branded products. The average gross profit margin for EZZ branded products was 82% compared to the average gross profit margin of 29% for EAORON branded products. The average gross profit margin for EAORON branded products increased from 20% to 29% primarily due to EAORON-producer, Australian United Pharmaceuticals Pty Ltd's promotional pricing on select products and EZZ's focus on distributing higher margin products under the EAORON brand.

EBITDA² increased by 66% from \$1.6m to \$2.7m in 30 June 2021. EZZ's net profit after tax increased by 28% from \$1.6m to \$2.0m for FY21. Earnings per share increased by 13% from 5.29 cents to 5.98 cents.

Cash balance

EZZ maintains a strong cash position of \$8.9 million as at 30 June 2021 which is inclusive of the proceeds from the \$6.0 million initial public offer in March 2021.

Maiden dividend

In light of EZZ's performance and strong capital position, the Board is pleased to declare a fully franked dividend of 0.45 cents per share. This is EZZ's maiden dividend as a listed company, following its March 2021 ASX initial public offering.

Commentary and FY22 outlook

CEO of EZZ, Fernando Rodriguez, commented, *"We are delighted to announce EZZ's strong FY21 result today and to highlight our maiden dividend as an ASX listed company. It follows a year of disciplined growth, delivering on our strategic objectives across an expanding network of consumer channels."*

"EZZ moves into FY22 well placed to leverage multiple, targeted growth opportunities. We will continue to broaden our product range, expand into additional geographies and drive new strategic relationships. We will also seek to move into new verticals, where we know we can better service consumer demand and continue to evaluate other opportunities to deliver sustainable growth."

Authorised for release by the Board of EZZ Life Science Holdings Limited.

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About EZZ Life Science Holdings

EZZ Life Science (ASX: EZZ) is a consumer products company headquartered in Sydney, Australia. EZZ develops, produces, and distributes its own range of consumer health products under the EZZ brand to retailers and consumers through on-line and off-line channels. It is also an exclusive wholesale distributor of EAORON skin care products for pharmacies, supermarkets and retailers in Australia and New Zealand. See more at: <https://www.ezzlife.com.au>

² Excluding other income that relates to government subsidies and the reversal of a management fee