

Appendix 4D

Half-year report

1. Company Details

Name of Entity

EZZ Life Science Holdings Limited

ABN

83 608 363 604

Half year ended ("current period")

31 December 2022

Half year ended ("previous period")

30 December 2021

2. Results for announcement to the market

		31 Dec 2022 \$	31 Dec 2021 \$
2.1 Revenues from continuing operations	Increase 143.4%	15,125,613	6,213,787
2.2 Profit (loss) from continuing operations after tax attributable to members	Increase 1202%	1,299,037	99,800
2.3 Net profit (loss) for the period attributable to members	Increase 1202%	1,299,037	99,800
2.4 Dividends	Amount per security	Franked amount per security	
Final dividend declared	0.45 cents	0.45 cents	
2.5 Record date for determining entitlements to the dividend		4 November 2022	
2.6 Brief explanation of any of the figures in 2.1 to 2.4 above necessary to enable figures to be understood.			
Please refer to the 'Review of operations' section included within the directors' report of the attached financial statements for the half-year ended 31 December 2022.			

3. Net tangible assets per security

	31 Dec 2022 \$	31 Dec 2021 \$
Net tangible asset backing per ordinary security	0.29	0.24

4. Details of entities over which control has been gained or lost

N/A

5. Dividends

Individual dividends per security

	Date dividend is payable	Amount per security	Franked amount per security at 25% tax	Amount per security of foreign source dividend
Final dividend: Current period	16 Dec 2022	0.45 cents	0.45 cents	N/A
Previous period	N/A	N/A	N/A	N/A

6. Dividend reinvestment plans

The dividend or distribution plans shown below are in operation.

N/A	
The last date(s) for receipt of election notices for the dividend or distribution plans.	N/A

7. Details of associates and joint entities

N/A

8. Foreign entities

For foreign entities, which set of accounting standards is used in compiling the report.
N/A

9. Audit

The Company's financial statements were subject to a review by the auditors and the auditor's review report is attached as part of the attached half-year ended 31 December 2022 financial report.

10. Attachments

The financial statements of the Company for the half-year ended 31 December 2022 is attached.

As authorized by the Board of Directors



Qizhou (Mark) Qin
Executive Director

27 February 2023

EZZ Life Science Holdings Limited
ACN 608 363 604

Financial Statements
For the Half-Year Ended 31 December 2022

Contents

Corporate Directory	3
Directors' Report	4
Auditor's Independence Declaration	8
Financial Statements	9
Statement of Profit or Loss and Other Comprehensive Income	10
Statement of Financial Position	11
Statement of Cash Flows	12
Statement of Changes in Equity	13
Notes to the Financial Statements	14
Directors' Declaration	26
Independent Auditor's Review Report	27

Corporate Directory

Directors	Glenn Cross, Non-Executive Chair Qizhou (Mark) Qin, Executive Director and Interim CEO Ivan Oshry, LLB, Non-Executive Director Hao Hang, Non-Executive Director
Company secretary	Natalie Climo, LLB
Registered office	104 Derby Street, Silverwater, NSW 2128, Australia 02 9160 2305
Principle place of business	104 Derby Street, Silverwater, NSW 2128, Australia
Share register	Boardroom Pty Limited Level 12, 225 George Street, Sydney, NSW 2000 1300 737 760
Auditor	Rothsay Audit & Assurance Pty Ltd Level 1, 6-10 O'Connell Street, Sydney, NSW 2000
Stock exchange listing	EZZ Life Science Holdings Limited shares are listed on the Australian Securities Exchange (ASX code: EZZ)
Website	www.ezzlife.com.au

Directors' Report

The directors present their report on EZZ Life Science Holdings Limited (referred to hereafter as the 'Company') for the half-year ended 31 December 2022.

Directors

The following persons were directors of the Company during the whole of the financial year and up to the date of this report:

Glenn Cross	(appointed 1 December 2021)
Qizhou (Mark) Qin	(appointed 1 September 2019)
Ivan Oshry	(appointed 27 October 2020)
Hao Huang	(appointed 27 October 2020)

Company secretary

Ms Natalie Climo	(appointed 27 October 2020)
------------------	-----------------------------

Principal activities

During the financial year the principal activities of the Company included:

- formulation, production, marketing and sale of the EZZ branded health supplements to retailers and consumers domestically and internationally, and
- wholesale distribution of the EAORON branded skin care products to retailers in Australia and New Zealand.

From 10 February 2022 EZZ has been reclassified within the ASX sector-industry classifications and now becomes part of the 'Life Sciences Tools & Services' industry grouping.

Dividends

A fully franked final dividend of 0.45 cents per ordinary share was declared on 12 October 2022 and paid on 16 December 2022, resulting in a total dividend payment of \$192,420 based on the number of ordinary shares on issue.

Review of operations

In FY22, the Company established a number of new distribution channels across the Australian and New Zealand (ANZ) region and several other countries, with a strong emphasis on promoting its EZZ branded product ranges. During 1H FY23, the Company focused on expanding these newly established channels while maintaining its existing channels. The Company recorded revenue of \$15,125,613 in 1H FY23, a significant increase of 143% compared to the same period in FY22. The sales of EZZ branded products were particularly noteworthy, accounting for 84% of the total sales and showing dramatic growth of 363% from \$2,745,752 in 1H FY22 to \$12,711,973 in 1H FY23.

The introduction of nine new EZZ products during the period was a strong contributor to revenue growth for the Company and there are further EZZ product launches scheduled for the remainder of FY23.

In 1H FY23, revenue from the EAORON branded products fell by 30% to \$2,413,640 due to the company's focus on its own in-line products and its decision to slow down the sales of existing EAORON stock in light of the imminent launch of the upgraded product line. The company's gross profit margin increased significantly from 48% in 1H FY22 to 74% in 1H FY23, largely due to the shift in revenue mix towards EZZ products with higher margins and the contribution from B2C channels such as Douyin and Tmall.

Directors' Report

During the COVID-19 downturn which formed part of FY22, the Company made a conservative decision to reduce its advertising and marketing expenditure. In 1H FY23, the Company focused on developing and expanding its existing and newly established distribution channels, including its official shopping website, pharmacies, and e-commerce platforms in other countries. As a result, marketing expenditure increased during the period and the Company spent \$7.7M on advertising, mainly payments to external marketing agencies and talent fees to influencers, which boosted the total revenue in 1H FY23 and exceeded the revenue for the whole of FY22.

EBITDA (which is a non-IFRS measure) increased very significantly from \$70,202 in the six months to 31 December 2021 to \$1,811,809 in the six months to 31 December 2022 (excluding other income related to government subsidies). EBITDA reconciles to profit for the half-year as follows:

	31 December 2022	31 December 2021
	\$	\$
Profit for the year	1,299,037	99,800
Other income	(9,122)	(106,200)
Depreciation and amortisation expense	58,200	58,762
Finance expenses	2,497	1,721
Interest income	(18,023)	-
Income tax expense	479,220	16,119
EBITDA	<u>1,811,809</u>	<u>70,202</u>

In 1H FY23, the Company experienced an operating cash outflow of \$641K, primarily due to the timing of payments related to the launch of new products and deferred payment receipts from e-commerce platforms, which were received subsequent to period end. It is worth noting that e-commerce platforms usually release payments to the Company's bank account two weeks after they receive payment from customers. Despite this outflow, the Company's cash position remained strong with a closing balance of \$9,585,880 as at 31 December 2022, following the distribution of a final dividend of 0.45 cents per share. The Company also maintained its debt-free status, with no external debt (other than property lease liabilities) in 1H FY23.

CEO Appointment

The Board believes that Qizhou (Mark) Qin who has been acting in an interim capacity as the CEO of the Company, has excelled in this role, and under his direction the Company has produced excellent results and has strategic direction, and so the Board has made his appointment as permanent CEO official, effective immediately.

General Risks

The Company was listed based on its January 2021 Prospectus which did identify a number of specific risks associated with investing in the Company. The Company is addressing the main risks as follows:

- (a) Reliance on customer demand for the EAORON products
 - Whilst the Company has the exclusive distribution rights of EAORON products to pharmacies, supermarkets and specialist retailers in Australia and New Zealand, and this brand continues to sell well in this market, there has been a consistent year-on-year reduction on the reliance on EAORON products with a move to selling more of the EZZ branded products.
- (b) Reliance on Distribution Agreement with Australian United Pharmaceuticals Pty Ltd for the EAORON branded products
 - Australian United Pharmaceuticals Pty Ltd is a related party of the Company and the current distribution agreement will expire on 30 June 2023. This agreement is expected to be renewed for a consecutive 3-year term, subject to requisite Shareholder's approval.

Directors' Report

- (c) New product risk for the EZZ branded products
 - The Company has launched over 9 new products since its listing on the ASX and these products have been well received by the market, with EZZ branded products now dominating total sales product mix.
- (d) Loss of key customers
 - Whilst the Company may have once relied on several main customers (B2B), this reliance is no longer the case. The Company generates most of its sales from B2C via selling on its own official online store on various e-commerce platforms (Douyin, Tmall, Shopify).
- (e) Reliance on manufacturers
 - The Company raised \$2.46 m as part of the IPO with the intent of bringing the manufacturing process in-house within the intermediate term (two to five years) but the Company has decided to fast track this objective.

Significant changes in the state of affairs

There have been no significant changes in the state of affairs of the Company during the year.

Matters subsequent to the end of the reporting period

There has no subsequent matters to the end of the reporting period

Likely developments and expected results of operations

The Company's main business growth strategies are:

- Expand the distribution channels in Australia and New Zealand into additional pharmacies and grocery retailers;
- Implement and accelerate the direct-to-consumer strategy in ANZ and other countries by setting up online stores on key e-commerce platforms;
- Invest in research and development in genomics and precision nutrition research with a focus on longevity, weight management and human health to further expand the product offering;
- Grow the customer base into new markets, specifically Southeast Asia;
- Invest in technology and establish in-house e-commerce capability; and
- Enhance cooperation with laboratories and scientific research institutions for the research and development of life science projects.

Environmental regulation

The Company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

Rounding of amounts

The company is of a kind referred to in Corporations Instrument 2016/191 dated 24 March 2016 issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest dollar.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

Directors' Report

Auditor

Rothsay Audit & Assurance Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.



Qizhou (Mark) Qin
Executive Director



Glenn Cross
Non-Executive Chair

Sydney, 27 February 2023

ROTHSAY

AUDIT & ASSURANCE PTY LTD

EZZ LIFE SCIENCE HOLDINGS LIMITED

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE *CORPORATIONS ACT 2001*

As lead auditor for the review of EZZ Life Science Holdings Limited for the half-year ended 31 December 2022, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

Rothsay Audit & Assurance Pty Ltd



Daniel Dalla

Director

Sydney, 27 February 2023

A Level 1/6 O'Connell Street
Sydney NSW 2000

A Level 1, Lincoln Building,
4 Ventnor Avenue, West Perth WA 6005

E info@rothsay.com.au
W www.rothsay.com.au

ABN 14 129 769 151

Liability limited by a scheme approved under Professional Standards Legislation



Financial Statements

Contents	Page
Statement of Profit and Loss and Other Comprehensive Income	10
Statement of Financial Position	11
Statement of Cash Flows	12
Statement of Changes in Equity	13
Notes to the Financial Statements	14

Statement of Profit and Loss and Other Comprehensive Income

For the half-year ended 31 December 2022

		31 December 2022	31 December 2021
	Note	\$	\$
Revenue	2	15,125,613	6,213,787
Other income	2	27,145	106,200
Cost of sales		(3,972,472)	(3,225,481)
Advertising and marketing expense		(7,759,278)	(1,241,060)
Depreciation and amortisation expense		(58,200)	(58,762)
Employee benefits expense		(573,972)	(414,311)
Finance expenses		(2,497)	(1,721)
Service fees		(142,000)	(157,455)
Other expenses		(866,082)	(1,105,278)
Profit before income tax		1,778,257	115,919
Income tax expense	3	(479,220)	(16,119)
Profit for the year		1,299,037	99,800
Other comprehensive income			
Other comprehensive income		-	-
Total comprehensive income for the year		1,299,037	99,800
Earnings per share			
		Cents	Cents
Basic earnings per share	5	3.04	0.24
Diluted earnings per share	5	3.04	0.24

The accompanying notes form part of these financial statements.

Statement of Financial Position

As at 31 December 2022

	31 December 2022	30 June 2022
Note	\$	\$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	9,585,880	10,464,841
Trade and other receivables	6 3,230,783	2,293,815
Inventories	730,530	312,399
Other assets	1,185,688	901,710
TOTAL CURRENT ASSETS	14,732,881	13,972,765
NON-CURRENT ASSETS		
Plant and equipment	7 92,438	148,682
Intangible assets	8 18,848	18,848
Deferred tax assets	9 133,381	125,102
TOTAL NON-CURRENT ASSETS	244,667	292,632
TOTAL ASSETS	14,977,548	14,265,397
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	10 1,994,833	2,432,654
Current tax liabilities	9 225,566	242,891
Lease liabilities	11 53,068	104,571
Employee entitlements	12 46,773	36,694
TOTAL CURRENT LIABILITIES	2,320,240	2,816,810
NON-CURRENT LIABILITIES		
Deferred tax liabilities	9 29,008	61,128
TOTAL NON-CURRENT LIABILITIES	29,008	61,128
TOTAL LIABILITIES	2,349,248	2,877,938
NET ASSETS	12,628,300	11,387,459
EQUITY		
Issued capital	13 5,667,219	5,667,219
Retained earnings	6,670,583	5,563,965
Reserves	14 290,498	156,275
TOTAL EQUITY	12,628,300	11,387,459

The accompanying notes form part of these financial statements.

Statement of Cash Flows

For the half-year ended 31 December 2022

		31 December 2022	31 December 2021
	Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		14,642,215	7,303,849
Receipts from Government incentives		9,122	105,978
Payments to suppliers and employees		(14,771,257)	(6,957,774)
Interest paid	11	(2,497)	(1,721)
Interest received		18,023	-
Income tax paid		(536,943)	(130,052)
Net cash provided by/(used in) operating activities	19	<u>(641,337)</u>	<u>320,280</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payment for intangible assets		-	(7,500)
Purchase of plant and equipment		(1,956)	-
Net cash provided by/(used in) investing activities		<u>(1,956)</u>	<u>(7,500)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Payment of lease liabilities	11	(51,503)	(52,279)
Dividends paid		(184,165)	(167,432)
Net cash provided by/(used in) financing activities		<u>(235,668)</u>	<u>(219,711)</u>
Net increase/(decrease) in cash and cash equivalents held		(878,961)	93,069
Effects of movements in forex		-	(306)
Cash and cash equivalents at the beginning of financial year		<u>10,464,841</u>	<u>8,853,644</u>
Cash and cash equivalents at the end of financial year		<u><u>9,585,880</u></u>	<u><u>8,946,407</u></u>

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the half-year ended 31 December 2022

2022

	Issued Capital	Share Payment Reserve	Retained Earnings	Total
	\$	\$	\$	\$
Balance at 1 July 2022	5,667,219	156,275	5,563,966	11,387,460
Profit for the half-year	-	-	1,299,037	1,299,037
Other comprehensive gain/(loss) for the year	-	-	-	-
Dividends paid	-	-	(192,420)	(192,420)
Share-based payments	-	134,223	-	134,223
Balance at 31 December 2022	5,667,219	290,498	6,670,583	12,628,300

2021

	Issued Capital	Share Payment Reserve	Retained Earnings	Total
	\$	\$	\$	\$
Balance at 1 July 2021	5,667,219	-	4,440,547	10,107,766
Profit for the half-year	-	-	99,800	99,800
Other comprehensive gain/(loss) for the year	-	-	-	-
Dividends paid	-	-	(189,000)	(189,000)
Share-based payments	-	22,325	-	22,325
Balance at 31 December 2021	5,667,219	22,325	4,351,347	10,040,891

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the half-year ended 31 December 2022

The financial report covers EZZ Life Science Holdings Limited ("the Company") as an individual entity. EZZ Life Science Holdings Limited is a for-profit Company limited by shares, incorporated and domiciled in Australia.

The functional and presentation currency of EZZ Life Science Holdings Limited is Australian dollars.

The financial report was authorised for issue by the Directors on 27 February 2023.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

These general purpose financial statements for the interim half-year period ended 31 December 2022 have been prepared in accordance with the Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit orientated entities. Compliance with AASB 134 ensure compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2022 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

New or amended Accounting Standards and Interpretations adopted.

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

2 Revenue and Other Income

	31 December 2022	31 December 2021
	\$	\$
Revenue		
- sale of goods – recognised at a point in time	15,125,613	6,213,787
	15,125,613	6,213,787
	31 December 2022	31 December 2021
	\$	\$
Other Income		
- Government subsidy	9,122	105,978
- Interest income	18,023	-
- Other revenue	-	222
	27,145	106,200

Notes to the Financial Statements

For the half-year ended 31 December 2022

3 Income Tax Expense

(a) The major components of tax expense (income) comprise:

	31 December 2022	31 December 2021
	\$	\$
Current tax expense	519,619	20,309
Deferred tax expense relating to temporary differences	(40,399)	(4,190)
Total income tax expense	479,220	16,119

(b) Reconciliation of income tax to accounting profit:

	31 December 2022	31 December 2021
	\$	\$
Prima facie tax payable on profit from ordinary activities before income tax at 25%	444,565	28,980
Tax effect of:		
- non-deductible depreciation and amortisation	415	553
- other non-deductible expenses	34,240	5,581
- non-assessable income	-	(18,995)
- current tax of prior periods	-	-
Income tax expense	479,220	16,119

4 Operating Segments

(a) Identification of reportable segments

The Company has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision maker) in assessing performance and determining the allocation of resources.

Operating segments are determined on the basis of financial information reported to the Directors which is revenue and gross profit for Brought in Lines and Company Owned products.

Notes to the Financial Statements

For the half-year ended 31 December 2022

Therefore, management identified the Company as having two reportable segments. The financial results from these reportable segments are equivalent to the financial statements of the Company as a whole. Geographical sales information is disclosed below to assist in the understanding of the Company.

(b) Accounting policies adopted

All amounts reported to the Directors are determined in accordance with accounting policies that are consistent with those adopted in the annual financial statements of the Company.

(c) Segment assets

Assets of the Company are maintained in Australia.

(d) Segment liabilities

Liabilities are generally considered to relate to the Company as a whole and are not allocated.

(e) Segment revenues

Revenue is segmented between Brought in Lines and Company Owned products as follows:

	Brought in Lines		Company Owned		Total	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	\$	\$	\$	\$	\$	\$
Revenue	2,413,640	3,468,035	12,711,973	2,745,752	15,125,613	6,213,787
Cost of Sales	(1,856,139)	(2,370,960)	(2,116,333)	(854,521)	(3,972,472)	(3,225,481)
Total	557,501	1,097,075	10,595,640	1,891,231	11,153,141	2,988,306

(f) Geographical information

	Revenue	
	31 December 2022	31 December 2021
	\$	\$
Australia and New Zealand	2,985,178	4,479,142
Mainland China	11,809,888	1,709,220
Other countries/regions	330,547	25,425
Total	15,125,613	6,213,787

Notes to the Financial Statements

For the half-year ended 31 December 2022

5 Earnings Per Share

	31 December 2022	31 December 2021
	\$	\$
Basic earnings per share (cents)	3.04	0.24
Diluted earnings per share (cents)	3.04	0.24

The calculation of the basic and diluted earnings per share is based on the following data:

Earnings

Earnings for the purpose of basic earnings per share being net profit attributable to owners of the Company	1,299,037	99,800
---	-----------	--------

Number of shares

Number of shares used in calculating basic earnings per share*	42,760,000	42,000,000
Weighted average number of shares used in calculating diluted earnings per share*	42,760,000	42,000,000

*Includes 760,000 employee incentive shares

6 Trade and Other Receivables

	31 December 2022	30 June 2022
	\$	\$
CURRENT		
Trade receivables	3,197,006	2,282,916
Other receivables	33,777	10,899
	<u>3,230,783</u>	<u>2,293,815</u>

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

Notes to the Financial Statements

For the half-year ended 31 December 2022

7 Plant and Equipment

	31 December 2022	30 June 2022
	\$	\$
Motor vehicles		
At cost	90,000	90,000
Accumulated depreciation	(58,067)	(53,462)
Total motor vehicles	<u>31,933</u>	<u>36,538</u>
Office equipment		
At cost	3,679	3,679
Accumulated depreciation	(1,110)	(591)
Total computer equipment	<u>2,569</u>	<u>3,088</u>
Computer equipment		
At cost	12,463	10,507
Accumulated depreciation	(6,427)	(5,251)
Total computer equipment	<u>6,036</u>	<u>5,256</u>
Right-of-Use		
At cost	129,750	129,750
Accumulated depreciation	(77,850)	(25,950)
Total right-of-use	<u>51,900</u>	<u>103,800</u>
	<u>92,438</u>	<u>148,682</u>

Notes to the Financial Statements

For the half-year ended 31 December 2022

8 Intangible Assets

	31 December 2022	30 June 2022
	\$	\$
Trademark	11,348	11,348
Other	7,500	7,500
	18,848	18,848

9 Tax Assets and Liabilities

	31 December 2022	30 June 2022
	\$	\$
Income tax payable	225,566	242,891
	225,566	242,891

	Opening Balance	Credited / (Charged) to Income	Closing Balance
	\$	\$	\$
Deferred tax assets			
Components of deferred tax assets are:			
Employee leave entitlements	5,149	1,812	6,961
IPO transaction costs	111,797	(18,785)	93,012
Accruals	3,938	(1,313)	2,625
Unrealised foreign exchange loss	-	25,759	25,759
Superannuation payable	4,025	707	4,732
Net impact of accounting for operating lease	193	99	292
	125,102	8,279	133,381

Notes to the Financial Statements

For the half-year ended 31 December 2022

	Opening Balance	Credited / (charged) to Income	Closing Balance
	\$	\$	\$
Deferred tax liabilities			
Components of deferred tax liabilities are:			
Depreciation	2,062	89	2,151
Unrealised FX gain	1,900	(1,900)	-
Prepayment	57,166	(30,309)	26,857
	61,128	(32,120)	29,008

10 Trade and Other Payables

	31 December 2022	30 June 2022
	\$	\$
CURRENT		
Trade payables - non-related parties	464,232	529,141
Trade payable to related entity - Australian United Pharmaceuticals Pty Ltd	1,479,216	1,859,713
Other payables	51,385	43,800
	1,994,833	2,432,654

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

Notes to the Financial Statements

For the half-year ended 31 December 2022

11 Leases

Statement of Profit or Loss and Other Comprehensive Income

The amounts recognised in the statement of profit or loss and other comprehensive income relating to leases where the Company is a lessee are shown below:

	31 December 2022	31 December 2021
	\$	\$
Interest expense on lease liabilities	2,497	1,721
Depreciation of right-of-use assets	51,900	51,516
	54,397	53,237

Statement of Cash Flows

	31 December 2022	31 December 2021
	\$	\$
Total cash outflow for leases	51,503	52,279

Lease liabilities

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

	< 1 year \$	1 - 5 years \$	> 5 years \$	Total undiscounted lease liabilities \$	Lease liabilities included in this Statement Of Financial Position \$
31 December 2022					
Lease liabilities	54,000	-	-	54,000	53,068
30 June 2022					
Lease liabilities	108,000	-	-	108,000	104,571

Notes to the Financial Statements

For the half-year ended 31 December 2022

12 Employee Entitlements

	31 December 2022	30 June 2022
	\$	\$
Current liabilities		
Annual leave entitlements	27,844	20,596
Superannuation payable	18,929	16,098
	46,773	36,694

13 Issued Capital

	31 December 2022 Number of shares	31 December 2022 \$	30 June 2022 Number of shares	30 June 2022 \$
Ordinary shares fully paid				
At the beginning of the period	42,760,000	5,667,219	42,760,000	5,667,219
Total ordinary shares fully paid*	42,760,000	5,667,219	42,760,000	5,667,219

14 Reserves

	31 December 2022	30 June 2022
	\$	\$
Share payment reserve	290,225	156,275
LTIP - Executives	273	-
	290,498	156,275

15 Dividends

A fully franked final dividend of 0.45 cents per ordinary share was declared on 12 October 2022 and paid on 16 December 2022, resulting in a total dividend payment of \$192,420 based on the number of ordinary shares on issue.

Notes to the Financial Statements

For the half-year ended 31 December 2022

	31 December 2022		31 December 2021	
	Cents per share	\$	Cents per share	\$
Dividend payments on ordinary shares				
Final dividend	0.45	192,420	0.45	189,000
Total dividends on ordinary shares paid to owners of the Company	0.45	192,420	0.45	189,000

16 Key Management Personnel Remuneration

The totals of remuneration paid to the key management personnel of EZZ Life Science Holdings Limited during the year are as follows.

	31 December 2022	31 December 2021
	\$	\$
Short-term employee benefits	227,931	243,293
Post-employment benefits	6,502	9,659
	234,433	252,952

17 Related Parties

(a) The Company's main related parties are as follows:

Key management personnel - refer to Note 16.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

(b) Transactions with related parties

The Company purchases inventory from related entities, Australian United Pharmaceuticals Pty Ltd.

The Company has entered into a service arrangement with related entities Australian United Pharmaceuticals Pty Ltd and Australian Health Industry Co. Pty Ltd. These have ceased on the employment of the key personnel by the Company.

The Company has entered into a lease agreement for its current property from a related party, Parramatta Asset Management Pty Ltd.

Amounts payable to related parties are disclosed in Note 10 and details of transactions with related parties are summarised below:

Notes to the Financial Statements

For the half-year ended 31 December 2022

	31 December 2022	31 December 2021
	\$	\$
Australian United Pharmaceuticals Pty Ltd		
Inventory purchases	1,856,139	2,312,906
Parramatta Asset Management Pty Ltd		
Premises rent	54,000	54,000

18 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 31 December 2022 (30 June 2022: None).

19 Cash Flow Information

Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	31 December 2022	31 December 2021
	\$	\$
Profit after income tax	1,299,037	99,800
Non-cash flows in profit:		
- depreciation	58,200	58,762
- effects of foreign exchange	-	306
- EPS and LTIP	134,223	-
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(936,968)	656,136
- (increase)/decrease in inventories	(418,131)	(222,933)
- (increase)/decrease in prepayments and other assets	(283,978)	(94,623)
- increase/(decrease) in trade and other payables	(446,075)	(88,062)
- increase/(decrease) in income taxes	(57,724)	(113,933)
- increase/(decrease) in employee entitlements	10,079	24,827
Cashflows from operations	<u>(641,337)</u>	<u>320,280</u>

Notes to the Financial Statements

For the half-year ended 31 December 2022

20 Events Occurring After the Reporting Date

No matters or circumstances have arisen since the end of the reporting period which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial year.

21 Statutory Information

The registered office and principal place of business of the Company is:

EZZ Life Science Holdings Limited

104 Derby Street

Silverwater NSW 2074

Directors' Declaration

In the directors' opinion:

1. the financial statements and notes for the half-year ended 31 December 2022 are in accordance with the *Corporations Act 2001* including:
 - a. giving a true and fair view of the Company's financial position as at 31 December 2022 and of its performance for the half-year ended on that date, and
 - b. complying with Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and;
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.



Qizhou (Mark) Qin
Executive Director



Glenn Cross
Non-Executive Chair

Sydney, 27 February 2023

ROTHSAY

AUDIT & ASSURANCE PTY LTD

EZZ LIFE SCIENCE HOLDINGS LIMITED

INDEPENDENT REVIEWER'S REPORT

To the members of EZZ Life Science Holdings Limited

Report on the Half-Year Financial Report

We have reviewed the half-year financial report of EZZ Life Science Holdings Limited (“the Company”), which comprises the statement of financial position as at 31 December 2022, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the half-year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors’ declaration.

Directors’ Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the consolidated half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express a conclusion on the consolidated half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Company’s financial position as at 31 December 2022 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of EZZ Life Science Holdings Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

A Level 1/6 O’Connell Street
Sydney NSW 2000

A Level 1, Lincoln Building,
4 Ventnor Avenue, West Perth WA 6005

E info@rothsay.com.au
W www.rothsay.com.au

ABN 14 129 769 151

Liability limited by a scheme approved under Professional Standards Legislation





EZZ LIFE SCIENCE HOLDINGS LIMITED

INDEPENDENT REVIEWER'S REPORT

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of EZZ Life Science Holdings Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of EZZ Life Science Holdings Limited is not in accordance with the *Corporations Act 2001* including:

- a) giving a true and fair view of the Company's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Rothsay Audit & Assurance Pty Ltd

Daniel Dalla

Director

Sydney, 27 February 2023