

ASX ANNOUNCEMENT

27 July 2023

APPENDIX 4C AND QUARTERLY ACTIVITY REPORT AS AT 30 JUNE 2023

EZZ Life Science Holdings Limited (ASX: EZZ, or the Company), is a genomic life science company with a mission to improve quality of life and human health. EZZ has a focus on genomic research and development to address four key human health challenges: genetic longevity, human papillomavirus (HPV), helicobacter pylori, and weight management. EZZ is passionate about investing in the future of consumer health through the development of e-commerce and distribution of high-quality products via omnichannel models across Australia, New Zealand, China and worldwide.

EZZ presents its quarterly activity report and Appendix 4C cash flow statement for the quarter ended 30 June 2023.

Highlights:

- EZZ continued to demonstrate a strong financial performance in the quarter, with cash receipts from customers totalling \$13.5 million, a 21% increase from the previous quarter and a 193% increase on the same period last year.
- The company generated an Operating cash inflow of \$2 million during the quarter which increased significantly by \$1.9 million during the same period last year.
- EZZ's cash position remains strong at \$13.8 million at the end of the quarter, an increase of 12% on the previous quarter.
- The company remains debt-free at the end of the quarter.

Activities:

- During the quarter, EZZ released a total of four new products including one core product and three non-core products.
- In May, EZZ entered into a major agreement with Aubay Pty. Ltd. trading as HIC (HIC), for the exclusive distribution rights of two EZZ-branded products. The two-year Agreement forecasts additional annual revenues over \$16 million to EZZ commencing from FY24.
- EZZ ranked 41st in the Australian Financial Review's Fast Global List highlighting Australian companies seeing rapid growth in international revenue.
- EZZ showcased its key products for mothers, babies and toddlers at the Vietbaby Exhibition in Ho Chi Minh City, Vietnam in early June.
- During the quarter, EZZ declared and paid a fully franked interim dividend for the FY23 half year result at 0.98c per share, which was double its previous dividend payment.
- EZZ commenced a new lease agreement with a related party in the quarter, over commercial premises to act as its headquarters – the lease is on commercial terms.

Performance:

EZZ delivered strong financial results in 4Q FY23, building on the momentum of the previous quarter. The company generated approximately \$13.5 million in cash inflows from customers, a 21% increase compared to the previous quarter and a 193% increase on the same period last financial year. The growth in receipts from customers was primarily driven by continued sales growth on e-commerce distribution channels in international markets.

The Company generated operating cash flows of \$2 million during the quarter which increased significantly by \$1.9 million from \$0.1 million during the same period last year. This was a slight drop of \$0.8 million compared to the previous quarter due to an increase in advertising and manufacturing costs associated with the promotion of EAORON-branded products during China's 6.18 Shopping Festival.

EZZ's cash position remains strong at \$13.8 million at the end of the quarter, a 12% increase compared to the previous quarter. The Company remains debt free at the end of the June quarter.

During the quarter, EZZ launched four new products including EZZ Heart Health, EZZ Hair Growth Shampoo, EZZ Hair Growth Conditioner, and EZZ Sheep Placenta.

In May, EZZ entered into a major agreement with Aubay Pty. Ltd. trading as HIC (HIC), for the exclusive distribution rights of two EZZ-branded products. The two-year Agreement forecasts additional annual revenues of over \$16 million to EZZ commencing from FY24. HIC has the exclusive international distribution rights for two EZZ-branded products, excluding Tmall, Douyin and Pinduoduo and all channels in the Australia and New Zealand regions. The two EZZ products are EZZ NMN 175000 Gift Pack and EZZ L-Lysine Growth Capsule 60.

In June, EZZ ranked 41st in the Fast Global List recently announced by Australian Financial Review in association with Quadrant Private Equity. The Fast Global List showcases Australian companies delivering real commercial growth in international markets. Due to EZZ's continued expansion into international markets, the Company had a compound annual growth rate for FY20 to FY22 of 30.8%, which resulted in a company ranking at number 41. The list assessed EZZ's performance primarily during the period impacted by the COVID-19 pandemic (FY20-22) and the growth rate has increased further in FY23.

EZZ showcased its range of products for mothers, babies, and toddlers at the Vietbaby Exhibition in Ho Chi Minh City, Vietnam from 1 to 4 June 2023. EZZ has identified Vietnam as a high-potential market for the Company's range of health and wellness and beauty products.

Due to the Company's strong performance for the first half year of FY23, EZZ declared and paid a fully franked interim dividend during the quarter at 0.98c per share, which was double the previous dividend paid.

The Company commenced a new lease agreement with a related party for eighteen months at \$377k per annum for a new company headquarters. The Company plans to build a new laboratory, three studios for livestreaming consumer and marketing content, several display rooms and working spaces for staff and contractors.

Related party payments in the quarter related to the purchase of inventory from Australian United Pharmaceuticals Pty Ltd, rent paid for the new lease 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	19	Commenced
Additional market expansion	1,375	949	Commenced
Manufacturing facility	2,460	39	Commenced
Research & development	450	286	Commenced
Experimental concept store	800	Nil	To commence

Appendix 4C
Quarterly cash flow report for entities subject to Listing Rule 4.7B

Cost of Offer	768	747	Completed
Additional working capital	47	Nil	To commence
Total	6,000	2,040	

This notice has been authorised for lodgement with the ASX by the Board of EZZ Life Science Holdings Limited.

For further information, please contact:

Investor Relations

<https://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 Jun 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	13,493	39,341
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(3,022)	(10,906)
(c) advertising and marketing	(7,453)	(20,301)
(d) leased assets	-	-
(e) staff costs	(411)	(1,326)
(f) administration and corporate costs	(299)	(1,443)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(6)	(9)
1.6 Income taxes paid	(331)	(1,170)
1.7 Government grants and tax incentives	35	44
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	2,006	4,230

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(32)	(102)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
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)	-	-
2.6	Net cash from / (used in) investing activities	(32)	(102)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
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	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(83)	(161)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	(406)	(601)
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(489)	(762)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	12,346	10,465
4.2	Net cash from / (used in) operating activities (item 1.9 above)	2,006	4,230
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(32)	(102)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(489)	(762)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	13,831	13,831

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	13,831	12,346
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	13,831	12,346

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	1,130
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>		

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

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<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 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
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. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	2,006
8.2 Cash and cash equivalents at quarter end (item 4.6)	13,831
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	13,831
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	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:27 July 2023.....

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.