

ASX ANNOUNCEMENT

27 October 2023

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

EZZ Life Science Holdings Limited (ASX: EZZ), 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), children's care, 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 September 2023.

Highlights:

- Receipts from customers \$6.8m for 1Q FY24, up 12% from the corresponding period last year.
- Operating cash flows remained positive at \$0.4m during China retail's off-season, representing a 133% increase from the corresponding quarter last year.
- The Company spent \$197k this quarter fitting out its newly leased headquarter in Lidcombe which is expected to be completed in November 2023.
- EZZ's cash position remained robust with a balance of \$13.9m as at 30 September 2023.
- A fully franked final dividend of 1c per share for FY23 was recently declared, representing a dividend yield of 3.96% for the financial year based on the market share price as at 30 June 2023.
- The company remains debt-free at the end of the quarter.

Activities:

- The company commenced trading on Onion Global's O'Mall in July 2023 and generated \$0.2m of revenue in its first quarter of operation via this channel.
- In September, EZZ was nominated as a finalist in the Growth Company Awards for the Health & Life Sciences Growth Company of the Year Award (<https://growthcompanyawards.com/>).
- In September, EZZ was nominated as a finalist for the NSW Premier's Export Awards in the E-Commerce Category (<https://export.org.au/premiers-nsw-export-awards/>).
- In September, EZZ formally launched its two-year partnership with HIC at an event in Guangzhou.
- Four new EZZ products were released to the market during the period.

Performance:

EZZ closed 1Q FY24 with approximately \$6.7m in cash inflows from customers, representing a 12% increase from the same quarter last year. The September quarter is traditionally a slower period in mainland China's retail sector.

Notwithstanding the typical seasonal fluctuations in cash flows anticipated for this quarter, EZZ achieved cash flow of \$0.4m from its operational activities, marking an impressive increase of approximately 133% compared to the same quarter of the previous year.

As at 30 September 2023, EZZ's cash balance remained robust at \$13.9m. With a strong balance sheet, the Company continues the implementation of its strategic plan and accelerating growth.

The Company continued to expand its distribution channels and commenced trading on Onion Global's O'Mall in July 2023. It generated \$0.2m of revenue in its first quarter of operations. Similar to Tmall Global and Douyin, O'Mall is one of the major cross-border e-commerce platforms in China, with approximately three hundred million users.

EZZ has recently declared a fully franked final dividend of 1c per share in relation to FY23. Together with the interim dividend of 0.98c per share, EZZ is committed to delivering returns to its shareholders, improving the dividend yield to 3.96% for the fiscal year, based on the closing market share price as of 30 June 2023.

In September, EZZ was proud to receive two notable nominations. EZZ was honoured to be selected as a finalist for the Health & Life Sciences Growth Company of the Year Award in the Growth Company Awards. Additionally, the Company was recognised as a finalist in the E-Commerce Category of the NSW Premier's Export Awards. The outcomes of these awards are due to be announced in October. These nominations add to the list of accolades for EZZ in 2023, building upon our recognition in the Fast Global Growth Company List as announced by the Australian Financial Review in June.

In September, EZZ formally launched its partnership with HIC at an event in Guangzhou attended by EZZ's Chair, Glenn Cross. The event formally commences the two-year exclusive distribution partnership with EZZ for two products, EZZ's 175000mg NMN and EZZ's L-Lysine Growth Capsule 60.

During the quarter, EZZ launched four new products: EZZ 175,000mcg NMN, EZZ Eye Guard, EZZ Citrus Bergamia Tablet, and EZZ Smart Clarity Booster. The formula for EZZ L-Lysine, one of the existing core products, was also upgraded during the quarter. Total revenue generated from these four new products reached \$1.2m, contributing 20% to the total revenue generated from the EZZ branded products during the quarter.

Related party payments in the quarter related to:

a. Purchase of inventory from Australian United Pharmaceuticals Pty Ltd	A\$ 500,000
b. 3 months' rent paid to WM Group Pty Ltd re Silverwater office/warehouse	A\$ 103,675
c. Fees paid to Directors and CEO for the quarter	A\$ 131,898
	<u>A\$ 735,573</u>

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

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

<https://www.ezzlife.com.au/investors>

ir@ezzlife.com.au

Annexure

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	1,375	Commenced
Manufacturing facility	2,460	39	Commenced
Research & development	450	303	Commenced
Experimental concept store	800	Nil	To commence
Cost of offer	768	747	Completed
Additional working capital	47	1	To commence
Total	6,000	2,484	

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 Sep 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	6,736	6,736
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(1,748)	(1,748)
(c) advertising and marketing	(3,531)	(3,531)
(d) leased assets	-	-
(e) staff costs	(461)	(461)
(f) administration and corporate costs	(427)	(427)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	22	22
1.5 Interest and other costs of finance paid	(8)	(8)
1.6 Income taxes paid	(168)	(168)
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	415	415

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(197)	(197)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 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	(197)	(197)

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	(86)	(86)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	(7)	(7)
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(93)	(93)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	13,831	13,831
4.2	Net cash from / (used in) operating activities (item 1.9 above)	415	415
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(197)	(197)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(93)	(93)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	13,956	13,956

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	13,956	13,831
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)	13,956	13,831

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	736
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)	415
8.2 Cash and cash equivalents at quarter end (item 4.6)	13,956
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	13,956
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 October 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.