

ASX ANNOUNCEMENT

31 January 2024

APPENDIX 4C AND QUARTERLY ACTIVITY REPORT AS AT 31 DECEMBER 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 31 December 2023.

Highlights:

- Receipts from customers for 2Q FY24 totalled \$13.6m, marking by 57% increase from the corresponding period last year and 102% increase from 1Q FY24.
- Operating cash outflow was \$0.75m partially due to the increase in costs of producing additional products and the increase in marketing expenses.
- EZZ's concluded the quarter with a cash balance of \$12.6m, which resides in Big 4 Australia bank, and nil debt.
- Shareholders received a fully franked final dividend of 1c per share for FY23 resulting in a payout of \$0.4m in Q2 FY24.

Activities:

- EZZ expanded its distribution network by commencing trading on DFS Sydney, Chemist Warehouse Marketplace, and O'mall Global during the quarter.
- Seven new EZZ products were released to the market during the period.
- The EZZ L-Lysine Capsule ranked No 1 on Tmall Global within the Children's Essential Minerals category as both the 'Best Selling' and 'Most Repurchased' product during Double 11 Shopping Festival.
- By the end of the quarter, revenue derived from the Company's partnership with HIC was \$3.8m, with the first sale generated in early September 2023.

Performance:

EZZ closed 2Q FY24 with approximately \$13.6m in cash inflows from customers, representing a 57% increase from the same quarter last year and 102% from 1Q FY24. The strong cash inflow was mainly attributable to the success of the Double 11 Shopping Festival. The EZZ L-Lysine Capsule ranked No 1 on Tmall Global within the Children's Essential Minerals category as both the 'Best Selling' and 'Most Repurchased' product.

During the quarter, EZZ added seven new products. The total cash receipts generated from new products were \$0.2m, contributing 1.8% to the cash inflows from customers during the quarter.

The Company continued to expand its brick-and-mortar network and commenced trading within DFS's flagship store in Sydney. At the same time, it added two new eCommerce distribution channels (Chemist Warehouse Marketplace and O'mall Global) during the quarter. The total sales contributed by these new distribution channels were \$0.6m.

Operating cash outflow was \$0.75m for the quarter partially due to the increase in costs of producing additional products to meet expected increase in sales associated with the HIC contract. Investments in marketing increased from \$3.5m in 1Q FY24 to \$9.0m in 2Q FY24 to support newly established channels and the implementation of a mix of targeted promotion strategy, such as adding KOLs, promoting single-product store, and advertising on signboards at airports in major cities across Australia.

By the end of the quarter, revenue derived from the Company's partnership with HIC was \$3.8m. The Company generated the first sales from this partnership in early September 2023.

As at 31 December 2023, EZZ's cash balance remained robust at \$12.6m and the Company continues to be debt free.

Related party payments in the quarter related to:

| | |
|---|----------------------|
| a. Purchase of inventory from Australian United Pharmaceuticals Pty Ltd | A\$ 784,718 |
| 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\$ 114,532 |
| | <u>A\$ 1,002,925</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 | 308 | Commenced |
| Experimental concept store | 800 | Nil | To commence |
| Cost of offer | 768 | 747 | Completed |
| Additional working capital | 47 | 272 | Commenced |
| Total | 6,000 | 2,760 | |

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")

31 Dec 2023

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (6 months) \$A'000 |
|---|------------------------------------|--|
| 1. Cash flows from operating activities | | |
| 1.1 Receipts from customers | 13,575 | 20,311 |
| 1.2 Payments for | | |
| (a) research and development | - | - |
| (b) product manufacturing and operating costs | (4,155) | (5,903) |
| (c) advertising and marketing | (9,040) | (12,571) |
| (d) leased assets | - | - |
| (e) staff costs | (429) | (890) |
| (f) administration and corporate costs | (388) | (815) |
| 1.3 Dividends received (see note 3) | - | - |
| 1.4 Interest received | 25 | 47 |
| 1.5 Interest and other costs of finance paid | (6) | (14) |
| 1.6 Income taxes paid | (331) | (499) |
| 1.7 Government grants and tax incentives | - | - |
| 1.8 Other (provide details if material) | - | - |
| 1.9 Net cash from / (used in) operating activities | (749) | (334) |

| | | |
|--|------|-------|
| 2. Cash flows from investing activities | | |
| 2.1 Payments to acquire or for: | | |
| (a) entities | - | - |
| (b) businesses | - | - |
| (c) property, plant and equipment | (83) | (280) |
| (d) investments | - | - |
| (e) intellectual property | - | - |
| (f) other non-current assets | - | - |

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (6 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 | (83) | (280) |

| | | | |
|-------------|---|--------------|--------------|
| 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 | (88) | (174) |
| 3.7 | Transaction costs related to loans and borrowings | - | - |
| 3.8 | Dividends paid | (417) | (424) |
| 3.9 | Other (provide details if material) | - | - |
| 3.10 | Net cash from / (used in) financing activities | (505) | (598) |

| | | | |
|-----------|--|--------|--------|
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of period | 13,956 | 13,831 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (749) | (334) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | (83) | (280) |

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (6 months) \$A'000 |
|---|--|------------------------------------|--|
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | (505) | (598) |
| 4.5 | Effect of movement in exchange rates on cash held | (1) | (1) |
| 4.6 | Cash and cash equivalents at end of period | 12,618 | 12,618 |

| 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 | 12,618 | 13,956 |
| 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) | 12,618 | 13,956 |

| 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 | 1,003 |
| 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) | (749) |
| 8.2 Cash and cash equivalents at quarter end (item 4.6) | 12,618 |
| 8.3 Unused finance facilities available at quarter end (item 7.5) | - |
| 8.4 Total available funding (item 8.2 + item 8.3) | 12,618 |
| 8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1) | 17 |
| <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:31 January 2024.....

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.