

ASX ANNOUNCEMENT

24 April 2024

APPENDIX 4C AND QUARTERLY ACTIVITY REPORT AS AT 31 MARCH 2024

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 March 2024.

Highlights:

- Receipts from customers totalled \$23.6m for 3Q FY24, up 111% from the corresponding period last year.
- Operating cash flows remained positive at \$2.04m representing a 372% increase from the last quarter.
- EZZ's cash position remained robust with a balance of \$14.5m at 31 March 2024 and no debt.

Activities:

- Four new EZZ health and wellness products launched during the quarter, targeting holistic well-being.
- EZZ expanded its distribution network and launched its products in new retail outlets including DFS Duty Free and Lotte Duty Free on both sides of the Tasman.
- EZZ Life Science launched an advertising partnership deal with the Asia Pacific Aviator Club (APAC), which will see EZZ and EAORON branding across two million boarding passes and products made available in the online store.
- During the quarter, EZZ exhibited at major trade and industry events in Sydney and the Gold Coast and hosted key influencers to promote the EZZ range of products (including EAORON) to large groups of followers on social platforms.

Performance:

EZZ achieved a record cash inflow of approximately \$23.6m from customers in 3Q FY24, representing a significant 111% increase compared to the corresponding quarter last year. This strong growth is primarily attributable to:

1. Delayed payments: A substantial portion of the cash inflow arises from delayed payments, indicating the realisation of prior investments in advertising and manufacturing expenses.
2. Sales via Douyin: The Company's expanding presence on Douyin, a burgeoning platform for ecommerce in China, has significantly contributed to sales growth, demonstrating the potential of this channel to drive future revenue growth.

Despite the anticipated seasonal fluctuations in cash flows for this quarter, the Company's investment in new marketplaces during 1Q and 2Q FY24 has yielded strong results. EZZ achieved cash inflow of \$2.04m from its operational activities, marking an impressive increase of approximately 372% compared to the previous quarter.

As of 31 March 2024, EZZ's cash balance remained robust at \$14.5m, with no debt. The 15% increase in cash balance over the previous quarter reflects the strong improvement in operating cashflow achieved this quarter. 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 in new duty-free channels, including DHS Duty Free and Lotte Duty Free. The advertising partnership with the Asia

Pacific Aviator Club and participation in key trade shows further strengthened the Company's market presence and brand visibility.

During the quarter, four new EZZ health and wellness products were launched. These additions cater to consumer demands for innovative solutions, reflecting the Company's commitment to diverse options and improved lifestyle choices. The products are: EZZ Children's Essential Miner, EZZ Detoxifying Lung Tablets, EZZ Sugar Metabolism and EZZ Mount Peak III.

In March, EZZ exhibited at Alibaba Group's 'AliExpo' in Sydney which attracted more than 12,000 visitors over the course of the two-day event. Also in March, EZZ exhibited at the APP Conference on the Gold Coast. The event brought together over 7,000 pharmacists and healthcare industry professionals to discuss market trends and industry developments.

During the quarter, EZZ Life Science hosted Hu Bing, regarded as one of China's most renowned male models, in Sydney to showcase the EAORON range of products to some of his 20 million followers across his social platforms. In March, EZZ hosted Yuanyuan in Sydney - regarded as one of China's top influencers. Yuanyuan conducted a livestream with some of her 20 million followers on Douyin to showcase the benefits of the EAORON skincare range.

Related party payments in the quarter related to:

a. Purchase of inventory from Australian United Pharmaceuticals Pty Ltd	A\$ 1,617,690
b. 3 months rent paid to WM Group Pty Ltd re Lidcombe office/showroom	A\$ 103,675
c. 3 months rent paid to Parramatta Asset Management Pty Ltd re Silverwater office/warehouse	A\$ 29,700
d. Fees paid to Directors and CEO for the quarter	A\$ 135,431

	A\$ 1,886,496

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>

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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	309	Commenced
Experimental concept store	800	Nil	To commence
Cost of offer	768	747	Completed
Additional working capital	47	512	Commenced
Total	6,000	3,001	

Appendix 4C

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

Name of entity

EZZ Life Science Holdings Limited

ABN

88 608 363 604

Quarter ended ("current quarter")

31 Mar 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	23,593	43,904
1.2 Payments for		
(a) research and development	(13)	(13)
(b) product manufacturing and operating costs	(6,285)	(12,188)
(c) advertising and marketing	(13,563)	(26,134)
(d) leased assets	-	-
(e) staff costs	(504)	(1,394)
(f) administration and corporate costs	(451)	(1,266)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	50	97
1.5 Interest and other costs of finance paid	(7)	(21)
1.6 Income taxes paid	(782)	(1,281)
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	2,038	1,704
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(88)	(368)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 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	(88)	(368)

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 (lease payments)	(89)	(263)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	(6)	(430)
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(95)	(693)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	12,618	13,831
4.2	Net cash from / (used in) operating activities (item 1.9 above)	2,038	1,704
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(88)	(368)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(95)	(693)
4.5	Effect of movement in exchange rates on cash held	-	(1)
4.6	Cash and cash equivalents at end of period	14,473	14,473

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	14,473	12,618
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)	14,473	12,618

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	1,886
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>		

7.	Financing facilities <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>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
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)	2,038
8.2	Cash and cash equivalents at quarter end (item 4.6)	14,473
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	14,473
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:24 April 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.