

## ASX ANNOUNCEMENT

27 April 2023

### APPENDIX 4C AND QUARTERLY ACTIVITY REPORT AS AT 31 MARCH 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 31 March 2023.

#### Highlights:

- EZZ demonstrated a strong financial performance in the quarter, with cash receipts from customers totalling \$11.2 million, a 30% increase from the previous quarter and a 182% increase on the same period last year.
- Operating cash flows increased significantly by 371% from the previous quarter to \$2.8m.
- EZZ's cash position remains strong at \$12.3 million at the end of the quarter, an increase of ~\$2.7 million compared to the previous quarter.
- The trading restriction on EZZ's 30 million shares was lifted in March 2023.
- EZZ expanded its distribution capabilities and established a presence on three new e-commerce platforms during the quarter, including Amazon Australia, eBay Australia, and Pinduoduo China.

#### Activities:

- EZZ made significant progress in product innovation, releasing four new core products and two non-core products during the quarter.
- During the quarter, EZZ signed an agreement with University of Auckland New Zealand for a second ground-breaking anti-aging and immune-stimulation study.
- In February 2023, EZZ entered into a tripartite agreement with leading multinational pharmaceutical companies GMP Pharmaceuticals and Natural Innovations Group with an aim to bring new wellness innovation solutions to market.
- EAORON launched six new products with leading Australian pharmaceutical retailer Chemist Warehouse for distribution across 350 stores nationally.
- EZZ held an event at the Sydney Opera House in February and twenty influencers on Douyin (China's TikTok) and thirty EZZ distributors attended the event.

#### Performance:

EZZ delivered strong financial results in 3Q FY23, building on the momentum of the previous quarter. The company generated approximately \$11.2 million in cash inflows from customers, a 30% increase compared to the previous quarter and a 182% increase from the same period last financial year. The

growth in receipts from customers was primarily driven by the expansion of new e-commerce distribution channels in international markets.

Operating cash flows increased by 371% to approximately \$2.8 million compared to the previous quarter. The improvement in operating cash flows was due to the increase in customer receipts and lower expenditure on advertising and marketing activities.

The trading restriction on EZZ's 30 million shares was lifted in March 2023, which includes the two substantial shareholders Macquarie Holdings Pty Ltd and JNJ Mok Pty Ltd.

EZZ further expanded its omnichannel distribution capabilities by establishing a presence on three new e-commerce platforms in March 2023, including Amazon Australia, eBay Australia, and Pinduoduo China. Amazon and eBay are recognised as two of Australia's leading online e-commerce platforms, while Pinduoduo is one of the largest e-commerce platforms in China, offering group purchases and enabling buyers to purchase items in bulk.

During the quarter, EZZ launched four new core products and two non-core products, including EZZ Children's Eye Health, EZZ Magnesium Plus, EZZ Sugar Metabolism, EZZ Liver Detox, EZZ Hair Protector, and EZZ Complexion Refresh.

EZZ signed an agreement with the University of Auckland, New Zealand, for a second ground-breaking anti-aging and immune-stimulation study during the quarter. The project commenced in January 2023 and will conclude with a final report due on 20 January 2026.

In February 2023, EZZ entered into a tripartite agreement with leading multinational pharmaceutical companies GMP Pharmaceuticals and Natural Innovations group. The partnership aims to bring new wellness innovation solutions to the market, driven by a shared passion to improve the health and wellbeing of individuals, with a goal to extend lifespan and promote genetic longevity.

EAORON announced the launch of an updated product line to be stocked in Chemist Warehouse stores across Australia. The launch includes six new products, including the Hyaluronic Acid Glutathione Essence Face Mask and Hyaluronic Acid Glutathione Essence, and an upgrade to its one-of-a-kind product EAORON HA Collagen Essence V. This partnership will make EAORON's products more accessible to consumers, with 350 Chemist Warehouse stores across Australia to stock the upgraded product line. Additionally, EAORON's updated line of products will also be available through Chemist Warehouse's online store.

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	609	Commenced
Manufacturing facility	2,460	39	Commenced
Research & development	450	213	Commenced

Experimental concept store	800	Nil	To commence
Cost of Offer	768	747	Completed
Additional working capital	47	Nil	To commence
<b>Total</b>	<b>6,000</b>	<b>1,627</b>	

Related party payments in the quarter related to the purchase of inventory from Australian United Pharmaceuticals Pty Ltd and directors' fees.

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](mailto: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")**

31 Mar 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	11,203	25,848
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(2,185)	(7,884)
(c) advertising and marketing	(5,053)	(12,848)
(d) leased assets	-	-
(e) staff costs	(325)	(915)
(f) administration and corporate costs	(472)	(1,144)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(1)	(3)
1.6 Income taxes paid	(302)	(839)
1.7 Government grants and tax incentives	-	9
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>2,865</b>	<b>2,224</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(68)	(70)
(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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(68)</b>	<b>(70)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
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	(26)	(78)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	(11)	(195)
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(37)</b>	<b>(273)</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	9,586	10,465
4.2	Net cash from / (used in) operating activities (item 1.9 above)	2,865	2,224
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(68)	(70)

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)	(37)	(273)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	<b>Cash and cash equivalents at end of period</b>	<b>12,346</b>	<b>12,346</b>

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	12,346	9,586
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>12,346</b>	<b>9,586</b>

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	1,591
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>		

<b>7.</b>	<b>Financing facilities</b> <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>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	<b>Total financing facilities</b>	-	-
7.5	<b>Unused financing facilities available at quarter end</b>		-
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.		

<b>8.</b>	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	2,865
8.2	Cash and cash equivalents at quarter end (item 4.6)	12,346
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	12,346
8.5	<b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	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 April 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.