

ASX ANNOUNCEMENT

27 October 2021

QUARTERLY ACTIVITIES REPORT

Highlights:

- Operating cash inflows of \$0.4m for the quarter, solid cash position with a closing balance of \$9.2m as of 30 September 2021.
- One new product successfully launched to its supplement portfolio in line with EZZ's strategic plan. Three new EAORON branded products added to the company's portfolio in Q1 FY22.
- Commenced building the online shopping module including Shopify and the official website.

EZZ Life Science Holdings Limited (ASX: EZZ, or the Company), 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 and presents the quarterly activities report and Appendix 4C (Quarterly Cashflow Report) for Q1 FY22 ended 30 September 2021.

Performance:

The cash received from customers kept strong due to the focus on the debtors management during lockdown. The company successfully collected \$595,372 from the overdue debtors during the quarter.

The company had an 8.8 Promotion Sale with Chemist Warehouse which contributes 15.2% of the total revenue for the quarter. This increased 49.4% compared with last quarter and 30.2% compared with same period last year.

Related Party Transactions:

Item 6.1 of the attached Appendix 4C includes an amount of \$1,494,000 which largely relates to the purchase of inventory from Australian United Pharmaceuticals Pty Ltd, as well as directors' fees, and legal consulting fees paid to a director for additional legal work performed.

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	8	Commenced
Additional market expansion	1,375	2	Commenced
Manufacturing facility	2,460	Nil	To commence
Research & development	450	0	Commenced

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

Experimental concept store	800	Nil	To commence
Cost of Offer	768	747	Completed
Additional working capital	47	Nil	To commence
Total	6,000	757	

Activities:

During the quarter, the company commenced building the online shopping module including Shopify online store for EAORON branded products which is expected to start running in November 2021. The official shopping website for EZZ branded products is expected to release its beta version in November 2021 and have the site up and running by the end of the year.

At late this quarter, the company released a total of four new products including three new EAORON branded Clay Masks and one EZZ branded product. The EZZ L-Lysine Growth Capsule is a supplement listed on the Australian Register of Therapeutic Goods. It aims to support growth and development, and maintain bone health and muscle function. The L-Lysine Growth Capsule has been successfully launched in Australia, New Zealand and China during the quarter.

In September, EZZ sponsored Professor Jun Lu who co-published a world-first literature review of how Nicotinamide adenine dinucleotide (NAD+) levels in the body deplete with aging. The EZZ's core product NMN is involved in generating this NAD+.

This announcement has been authorised by the Board of EZZ Life Science Holdings Limited.

For further information, please contact:

Investor Relations

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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 September 2021

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	3,612	3,612
1.2 Payments for		
(a) research and development	(3)	(3)
(b) product manufacturing and operating costs	(1,692)	(1,692)
(c) advertising and marketing	(769)	(769)
(d) leased assets	-	-
(e) staff costs	(256)	(256)
(f) administration and corporate costs	(391)	(391)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(1)	(1)
1.6 Income taxes paid	(114)	(114)
1.7 Government grants and tax incentives	66	66
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	452	452
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	(8)	(8)
(f) other non-current assets	-	-

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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	(8)	(8)

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	(26)	(26)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(26)	(26)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	8,855	8,855
4.2	Net cash from / (used in) operating activities (item 1.9 above)	452	452
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(8)	(8)

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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)	(26)	(26)
4.5	Effect of movement in exchange rates on cash held	(1)	(1)
4.6	Cash and cash equivalents at end of period	9,272	9,272

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	9,272	9,272
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)	9,272	9,272

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	1,494
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<p><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></p>		

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7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. 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)	452
8.2 Cash and cash equivalents at quarter end (item 4.6)	9,272
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	9,272
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	21
<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 2021

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.