EZZ Life Science Holdings Limited

ACN 608 363 604

Audited Financial Statements

For the year ended 30 June 2024

Director's Report

Director's Report

The directors present their report on EZZ Life Science Holdings Limited (referred to hereafter as the 'Company' or 'Group') for the financial year ended 30 June 2024.

Directors

The following persons were directors of the Company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Glenn Cross	(appointed 30 November 2021)
Qizhou Qin	(appointed 1 September 2019)
Ivan Oshry	(appointed 27 October 2020)
Hao Huang	(appointed 27 October 2020)

Company Secretary

Ms Natalie Climo	(appointed 8 July 2020)

Principal Activities

During the financial year the principal activities of the Company included

- formulation, production, marketing and sale of the EZZ branded health and wellbeing products to retailers and consumers domestically and internationally, and
- wholesale distribution of the EAORON branded skin care products to retailers in Australia and New Zealand.

Dividends

The following dividends have been paid by the company or resolved to be paid by the directors since the commencement of the financial year ended 30 June 2024:

Financial year ended 30 June	$' 000
Out of the profits for the year ended 30 June 2024 and retained earnings on the fully paid ordinary shares:	
Fully franked interim ordinary dividend of 1.5 cents per share paid on 17 June 2024	666.2
Out of the profits for the year ended 30 June 2023 and retained earnings on the fully paid ordinary shares:	
Fully franked final ordinary dividend of 1 cent per share paid on 8 December 2023	427.1

Options and Performance Rights

As at 30 June 2024 and the date of this report, there are 85,000 performance rights outstanding in relation to the Company's ordinary shares and nil options.

Significant Changes in the State of Affairs

Share capital increased by $854,100 as a result of issuing 1,708,200 fully paid ordinary shares at $0.50 per share to a strategic investor, Kingstone Venture Capital Pty. Ltd. in April 2024. Details of the changes in shares capital are disclosed in note 17 to the financial statements.

Director's Report

Matters Subsequent to the End of the Financial Year

During the period ending 30 June 2024, the performance condition of Tranche 2 Performance Rights granted on 1 October 2022 was partially satisfied. As a result, on 5 July 2024, 10,000 Performance Rights were vested to each of Qizhou Qin and Anthony Guarna.

On 23 August 2024 the Company announced that it had moved its registered office and principle place of business to Shop 1, 55-59 Parramatta Road, Lidcombe, NSW 2141, Australia.

Likely Developments and Expected Results of Operations

Likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

Environmental Regulation

The Company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

Information on Directors

Glenn Cross Independent Non-executive Chair and Director	**Experience** **Mr. Cross has 40 years' experience in life science sector domestically and internationally, including over 20 years in senior executive capacity. He was formerly CEO and COO of AusBiotech over 13 years.** **Qualification** **Diploma of Applied Science** **Member of the Australian Institute of Company Directors** **Board committee membership:** • **Member of the Audit & Risk Committee** • **Member of the Nomination, Remuneration and Human Resource Committee** **Directorship of listed entities within the past three years** • **Nil**
Qizhou Qin **Chief Executive Officer and Executive Director**	**Experience** **Mr. Qin is a co-founder of the Company with a track record of success in the skin care and health supplements industries. He has a strong background in management consulting and extensive experience in sales and marketing. Prior to co-founding the Company in 2018, he co-founded a multi award winning marketing consulting firm, CE International, which was rated as one of the "Top 10 Consulting Firms in China" in 2010. Prior to that, he was personally awarded as the "Top Research Analyst" by the Sales and Marketing Magazine in 2006. Mr. Qin also authored five books in sales and marketing for the consumer health industry between 2003 and 2008.** **Qualification** **Mr. Qin holds a Bachelor of Human Resource Management from the Beijing Wuzi University.**

	Board committee membership: • **Nil** **Directorship of listed entities within the past three years** • **Nil**
Ivan Oshry **Independent Non-executive Director**	**Experience** **Mr. Oshry has more than 30 years of experience of legal practice in Australia and internationally, specialising in commercial and corporate law. Mr. Oshry was formerly a senior partner at Fluxmans Attorneys in Johannesburg and headed up the corporate department at Kemp Strang (which merged with Thomson Geer) in Sydney.** **Qualification** **Mr. Oshry holds a Bachelor of Arts and LLB degree from the University of Natal.** **Board committee membership:** • **Chair of Audit and Risk Committee** • **Member of Nomination, Remuneration and Human Resources Committee** **Directorship of listed entities within the past three years** • **Non-executive chair of Halo Technologies Holdings Limited (ASX: HAL) from 2021 to current**
Hao Huang **Independent Non-executive Director**	**Experience** **Ms. Huang has over 20 years of experience in the wealth management and banking industry. She has been working with Citi Group Australia since 2017 as Vice President of the APAC Desk of the Investment Partnerships Division.** **Qualification** **Ms. Huang holds a bachelor's degree in business management from the University of Technology Sydney.** **Board committee membership:** • **Chair of Nomination, Remuneration and Human Resources Committee** • **Member of Audit and Risk Committee** **Directorship of listed entities within the past three years** • **Nil**

Information on Company Secretary

Natalie Climo **Company Secretary**	**Experience** Ms. Climo is an experienced company secretary and lawyer. She has acted as company secretary to a range of listed and unlisted Australian and foreign companies and has experience in governance and board management. **Qualification**

	Ms. Climo holds both a Bachelor of Laws from Queensland University of Technology and a Certificate in Governance Practice from Governance Institute of Australia.

Meetings of Directors

The number of meetings of the Company's Board of directors and of each Board committee held during the financial year ended 30 June 2024, and the number of meetings attended by each director were:

	Board		Audit and Risk Committee		Nomination, Remuneration and Human Resource Committee	
	A	**B**	**A**	**B**	**A**	**B**
Glenn Cross	8	8	4	4	3	3
Qizhou Qin	8	8	-	-	-	-
Ivan Oshry	8	8	4	4	3	3
Hao Huang	8	7	4	4	3	3

A. Number of meetings held during the time the director held office or was a member of the committee during the financial year.

B. Number of meetings attended

Remuneration Report (Audited)

Contents

Remuneration Report (Audited)

The Directors are pleased to present the FY24 Remuneration Report, outlining the Board's approach to the remuneration for Key Management Personnel (referred to hereafter as the 'KMP').

1 Details of KMP

KMP include the directors and the executive officers of the Company who have authority and responsibility for planning, directing and controlling the activity of the Company. Figure 1 summarises all the KMP and their titles as at 30 June 2024.

Figure 1: KMP

Current KMP	Position	Time in Role[1]
Non-executive Directors		
Glenn Cross	• Non-executive Chair • Member of Audit and Risk Committee • Member of Nomination, Remuneration and Human Resources Committee	Full financial year
Ivan Oshry	• Non-Executive Director • Chair of Audit and Risk Committee • Member of Nomination, Remuneration and Human Resources Committee	Full financial year
Hao Huang	• Non-Executive Director • Chair of Nomination, Remuneration and Human Resources Committee • Member of Audit and Risk Committee	Full financial year
Executive Directors		
Qizhou Qin	• Executive Director • Chief Executive Officer	Full financial year
Executive officers		
Anthony Guarna	• Chief Financial Officer	Full financial year

2 Remuneration Governance

2.1 Role of the Board

The Board is responsible for setting remuneration policy and determining KMP's remuneration.

The Board is responsible for approving all targets and performance conditions set under the executive KMP's performance-based remuneration framework.

Each year the non-executive director fees including committee chair and member fees.

The Board delegates responsibility to the Nomination, Remuneration and Human Resource Committee for review and making recommendations to the Board.

The Board retains full discretion to change outcomes as it considers appropriate to ensure they are fair and appropriate.

2.2 Role of the Nomination, Remuneration and Human Resource Committee

The Nomination, Remuneration and Human Resource Committee makes recommendations to the Board in relation to KMP's remuneration. It is made up of independent non-executive directors. The responsibilities of the Nomination, Remuneration and Human Resource Committee are set out in the Committee's charter, which is available on the Company's website at www.ezzlife.com.au.

The Chief Executive Officer provides updates and makes recommendations to the Nomination, Remuneration and Human Resource Committee on matters included in the Chief Executive Officer's report throughout the year. Additional information is sought from the Company's management team and advisers, as required, to assist with the decision-making process.

The Chair of the Audit and Risk Committee attends the relevant Nomination, Remuneration and Human Resource Committee meetings and is formally involved in the remuneration outcome recommendations, ensuring that there is a tight linkage between behaviour, risk management and remuneration outcomes.

2.3 Use of Advisers

The Nomination, Remuneration and Human Resource Committee may obtain specialist external advice about remuneration strategies from time to time. The advice, if obtained, is used to support its assessment of the market to ensure that KMP are being rewarded appropriately.

No remuneration recommendations as defined in section 9B of the Corporations Act 2001 were obtained during the financial year ended 30 June 2024.

3 Remuneration Framework

The remuneration framework is designed to link total remuneration to both corporate performance and individual's performance. The remuneration framework is included in the Company's remuneration structure and is applied consistently to all KMP.

The remuneration for KMP comprises fixed remuneration and variable performance-based remuneration, which may include three components:

- Fixed Remuneration (referred to hereafter as the 'FR'), including superannuation and benefits
- Short-Term Incentives (referred to hereafter as the 'STI'), and
- Long-Term Incentives (referred to hereafter as the 'LTI').

Figure 2: Remuneration Framework

Component	Rational	Form	Instrument	Conditions
FR	Attraction, motivation and retention of the best talent to carry out strategies	Cash and non-monetary benefits	Salary and superannuation guarantee contribution	Market rate taking into account responsibilities, qualification, skills and experience
STI	Recognition of high performance for delivery corporate and individual targets	Cash	Bonus and where applicable including deferred portion	Corporate, divisional and individual performance scorecards
LTI	Alignment to sustainable shareholder value creation	Equity	Performance rights	Market and/or non-market related corporate performance measures

Figure 3 and Figure 4 summarise each component of the remuneration framework for the KMP as a percentage of total remuneration for the financial year ended 30 June 2024.

Figure 3: Target Remuneration Mix

	FR	Performance-based Remuneration		
		STI		LTI
Role		Cash	Deferred	
Chief Executive Officer	60%	19%	6%	15%
Chief Financial Officer	65%	17%	5%	12%

Figure 4: Remuneration Mix at Maximum Incentive Level

	FR	Performance-based Remuneration		
		STI		LTI
Role		Cash	Deferred	
Chief Executive Officer	50%	20%	10%	20%
Chief Financial Officer	55%	20%	8%	17%

4 Company Performance

Figure 5 summary of the performance of the Company over the last four years.

Figure 5: Key Performance Measures

Financial Year ended 30 June	2021	2022	2023	2024
Closing share price as at 30 June, ($)	0.4450	0.3100	0.5000	1.8450
Dividend per share (declared/paid), (cents)	0.45	0.45	1.98	1.50*
Revenue, ($'000)	22,287.1	15,002.0	37,143.3	66,443.4
Local revenue, ($'000)	12,006.7	9,433.9	9,759.4	11,244.3
EBITDA, ($'000)	2,698.4	1,760.7	4,797.3	10,108.1**
Operating cash flow, ($'000)	253.5	1,901.7	4,014.3	6,143.9
Net profit after tax, ($'000)	2,030.6	1,312.4	3,629.7	6,964.5
Basic earnings per share, (cents)	5.98	3.09	8.50	16.17

* Fully franked interim ordinary dividend.
** EBITDA excluding other income

5 Executive KMP Remuneration

5.1 Fixed Remuneration

FR comprises salary, superannuation guarantee contribution, leave entitlements and other benefits.

FR of executive KMP is based on the executive KMP's qualifications, skills, experience and role responsibility. Its levels vary among the executive KMP.

FR is reviewed annually or on promotion. It is not varied by reference to inflation or indexation as a matter of course. There was a salary increase approved by the Board for the CEO, Qizhou Qin whose annual salary increased effective from 1 December 2022.

5.2 Short-term Incentives

The STI provides eligible persons with a cash incentive for delivery of annual performance results against performance targets set at the beginning of the performance period. Eligible persons include the executive KMP.

Figure 6 summaries the key terms of the STI plan for executive KMP.

Figure 6: Short-term incentives

Performance Conditions

Performance is measured over a period of 12 months from 1 July 2023 to 30 June 2024. The incentives are subject to three conditions, which are as follows:

	Condition	Rational
Gateway Conditions Unless all gateway conditions are met, no STI is payable even if other performance conditions are achieved.	EBITDA	Earnings targets are linked to payment of STI.

	Condition	Weighting	Rational
Corporate Conditions Provided the gateway conditions are met, corporate STI can be awarded. It represents 40% of the STI.	12 months total revenue	40%	Ensures individual performance is linked to success of the Company
	12 months local market* revenue	20%	Diversification of revenue stream is linked to payment of STI.
	12 months operating cash flow	25%	Cash flows are linked to payment of STI.
	12 months net profit margin	15%	Earnings targets are linked to payment of STI.

Individual Conditions Provided the gateway conditions are met, individual STI can be awarded. It represents 60% of the STI.	Individual conditions comprise individual key performance indicators that are customised based upon individual's role and the specific strategic priorities of the Company and/or division, as appropriate. Each executive KMP has minimum four individual key performance indicators. Subject to the individual performance score being achieved, the individual STI, between 0% and 100%, is payable. In the event the executive KMP does not receive an acceptable individual performance score, the amount of STI payable will be reduced to zero, even if the gateway conditions are met and the corporate conditions are satisfactory.

Individual key performance indicators are selected to allow for the differentiation in performance at corporate and individual levels and recognise the key areas enabling the Company to generate sustainable satisfactory returns to shareholders over the long term.

STI opportunity

STI opportunity is a dollar amount that is a percentage of the executive KMP's fixed remuneration.

Role	Target	Maximum
Chief Executive Officer	10%	10%
Chief Financial Officer	10%	10%

Delivery of Incentives

75% of the STI is payable in cash after the results of the Company are published.

25% of the STI is deferred for twelve months and is subject to forfeiture on resignation. If the executive KMP resigns during the STI deferral period for reasons other than termination for cause, the executive KMP will still receive a pro-rata portion of the deferred STI to the last day of employment.

Method of Assessment

Each executive KMP undergoes an individual performance evaluation against individual key performance indicators at the end of each financial year. The Nomination, Remuneration and Human Resource Committee reviews the Chief Executive Officer's performance. The Chief Executive Officer reviews the performance of each other executive KMP and recommends a performance and STI outcome to the Nomination, Remuneration and Human Resource Committee to consider. The Nomination, Remuneration and Human Resource Committee recommends a performance and STI outcome for approval by the Board.

Claw Back

The Board may reconsider the level of satisfaction of a performance condition and take steps to defer, reduce, cancel and/or request to repay all or a part of the benefit in relation the STI in the event that it was affected by fraud, dishonesty, breach of obligation or other action likely to result in long term detriment to the Company.

* Local market is defined as Australia and New Zealand.

5.3 Long-term Incentives

The LTI provides eligible persons with an equity incentive to align the long-term performance with sustainable shareholder value creation over the performance period. Eligible persons are determined at the discretion of the Board.

The LTI plan for the year ending 30 June 2024 for executive KMP is illustrated as follows:

Figure 7: Long-term Incentives

Performance Conditions

Performance is measured over a period of three years from 1 July 2022 to 30 June 2025. The incentives are subject to two performance conditions weighted equally, which are as follows:

Metrics	Percentile of Target Performance	Percentage Vesting	Weighting	Reason for selection
Absolute Total	Less than the 75th percentile	Nil	50%	Absolute Total Shareholder Return measures the return to shareholders by taking into account

Shareholder Return	Equal to the 75th percentile	50% (Threshold)		the share price movement and dividend paid/declared during the performance period. It reflects the value that shareholders would derive from holding the Company's shares during the relevant performance period. It ensures the KMP is only awarded when shareholder value is increased over the performance period.
	Between the 75th and the 100th percentile	Straight line pro-rata between 50% and 100%		
	Equal to or greater than the 100th percentile	100% (Target)		
Diluted Earnings Per Share Compound Annual Growth Rate	Less than the 51st percentile	Nil	50%	It measures the growth of earnings attributable to each share held by shareholders over time. It reflects the change in profitability of the Company and relates to the value of the Company's shares.
	Equal to the 51st percentile	50%		
	Greater than the 51st and less than the 75th percentile	Straight line pro-rata between 50% and 100%		
	Equal to or greater than the 75th percentile	100%		

LTI Opportunity

LTI is equivalent to a percentage of eligible executive KMP's FR at the time of grant. The number of Performance Rights allocated is calculated by dividing the LTI by the volume weighted average price of the Company's share price for the 30 trading days ending 30 June in the relevant period. The number of shares issued is equivalent to the number of performance rights exercised.

Role	Threshold	Target
Chief Executive Officer	10%	15%
Chief Financial Officer	8%	13%

Delivery of Incentives

Plan Shares are not allowed to be sold for a period of twelve months immediately after they are issued.

Method of Assessment

Absolute Total Shareholder Return and Diluted Earnings Per Share Compound Average Growth Rate are calculated at the end of each year during the performance period and verified in reference to the audited financial statements to determine the number of rights that will vest. This method is selected to evaluate the performance objectivity, transparency and consistency with public disclosure.

Claw Back

The Board may reconsider the level of satisfaction of a performance condition and take steps to defer, reduce, cancel and/or request to repay all or a part of the benefit in relation to the LTI in the event that it was affected by fraud, dishonesty, breach of obligation or other action likely to result in long term detriment to the Company.

5.4 Linking Performance and Outcome

(a) Linking Short-term Performance and Incentives

Performance is measured over a twelve-month period from 1 July 2023 until 30 June 2024. The Company delivered an EBITDA outcome that met the gateway threshold for the STI to become payable.

Figure 8 below outlines the extent to which the Corporate Performance Metrics were met:

Figure 8 Performance against Corporate Performance Metrics

	Performance Target	FY24 Outcome
Total Revenue ($'000)	$48,819	Yes
Local Market Revenue (%)	50%	No
Operating Cash Flow ($'000)	$5,000	Yes
Net Profit Margin (%)	20%	No

The Board considers the manner in which the STI allocations as being fair and equitable, and in line with STI Plan rules for assessing performance based on financial and non-financial performance.

Details of payments awarded to the KMP during the financial year ending 30 June 2024 are shown in the following figure 9.

Figure 9: STI Awards

	STI Payable		
	% of FR	% of STI Opportunity Target	$ STI Award
Qizhou Qin	3%	30%	6,300
Anthony Guarna	3%	30%	2,548

(b) Linking Long-term Performance and Incentives

The performance period of the LTI is in its second financial year of a three-year performance period. Each tranche of the Performance Rights will be vested upon the service condition being satisfied.

Figure 10 below outlines the extent to which the Performance Metrics were met:

Figure 10 Performance against Performance Metrics

	Performance Target	FY24 Outcome
Absolute Total Shareholder Return	300%	Yes
Diluted Earnings Per Share Compound Annual Growth Rate	15%	Yes

The Board considers the manner in which the LTI allocations as being fair and equitable, and in line with LTI Plan rules for assessing performance based on market and non-market performance.

Details of FY24 LTI payments awarded to the KMP are shown in the following figure 11.

Figure 11: LTI Awards

	LTI Payable		
	% of FR	% of LTI Opportunity Target	$ LTI Award
Qizhou Qin	3%	18%	5,400
Anthony Guarna	6%	42%	5,400

5.5 Statutory Executive KMP Remuneration

Figure 12 details remuneration received or receivable by the executive KMP during the financial year ended 30 June 2024 based on the requirements of the Corporations Act 2001 and accounting standards, which includes fixed remuneration and performance-based remuneration.

Figure 12: Statutory Executive KMP Remuneration

FR								Performance Based Remuneration		Total	Performance related
Year	Salary / Fees[1]	Non-monetary benefits	Annual & long-service leave	Other Benefits	Superannuation	Other post-employ-ment benefits	Termination / sign-up benefits	Bonus paid/payable	Share based payments		
	($)	($)	($)	($)	($)	($)	($)	($)	($)	($)	(%)
Current Executive KMP											
Qizhou Qin											
2024	180,000	-	-	-	20,217	-	-	6,300	4,128	210,645	5.0
2023	151,923	-	-	-	15,952	-	-	5,060	405	173,340	3.2
Anthony Guarna											
2024	98,016	-	-	46,650	-	-	-	2,548	4,128	151,342	4.4
2023	98,016	-	-	-	-	-	-	7,546	404	105,966	7.5
Total											
2024	278,016	-	-	46,650	20,217	-	-	8,848	8,256	361,987	4.7
2023	249,939	-	-	-	15,952	-	-	12,606	809	279,306	4.8

[1] Salary and fees includes movement in the annual leave provision relating to the KMP.

5.6 Equity Instruments Held by Executive KMP

Figure 13 summaries the number of ordinary shares held directly, indirectly or beneficially by current and former executive KMP including related parties.

Figure 13: Executive KMP Ordinary Share Ownership

Name	Opening Balance	Exercise of Option / Rights	Shares Issued	Appointment /Cessation	Purchased On-market	Share Disposals	Other Movements	Ending Balance	Ending Balance, Nominally Held
	Current executive KMP								
Qizhou Qin	11,344,000	-	-	-	-	-	-	11,344,000	-
Anthony Guarna	9,794	-	-	-	-	-	-	9,794	-

In the period ending 30 June 2024, the 12-month service condition of Tranche 2 Performance Rights granted on 1 October 2022 was satisfied and summarised in Figure 14 as following.

Figure 14: Performance Rights Vested in FY24

	Grant Date	Vesting Date	Exercise Date	Expiry Date	Exercise Price per Share or Unit	Fair Value per Option or Right at Grant Date ($)	Total Amount Paid or Payable	Amount Paid per Instrument	Amount Unpaid per Instrument
Qizhou Qin									
Tranche 1	1 October 2022	5 July 2023	5 July 2025	5 August 2025	-	0.02	-	-	-
Tranche 2	1 October 2022	5 July 2024	5 July 2025	5 August 2025	-	0.31	-	-	-
Tranche 3	1 October 2022	5 July 2025	5 July 2025	5 August 2025	-	0.23	-	-	-
Anthony Guarna									
Tranche 1	1 October 2022	5 July 2023	5 July 2025	5 August 2025	-	0.02	-	-	-
Tranche 2	1 October 2022	5 July 2024	5 July 2025	5 August 2025	-	0.31	-	-	-
Tranche 3	1 October 2022	5 July 2025	5 July 2025	5 August 2025	-	0.23	-	-	-

Remuneration Report (Audited)

The movements during the reporting period in the number of Performance Rights held by each executive KMP are set out in Figure 15 below.

Figure 15: Movements in Performance Rights

Name	Grant Date	Beginning Balance			Granted	Vested		Exercised		Forfeited		Other Changes	Ending Balance			Minimum value Yet to Vest	Maximum value Yet to Vest
		Vested and Exercisable	Vested and Not Exercisable	Unvested									Vested and Exercisable	Vested and Not Exercisable	Unvested		
		No.	No.	No.	No.	No.	%	No.	%	No.	%	No.	No.	No.	No.	$	$
Qizhou Qin																	
Tranche 1	1 October 2022	-	-	-	10,000	-	-	-	-	10,000	100%	-	-	-	-	-	-
Tranche 2	1 October 2023	-	-	-	10,000	10,000	100%	-	-	-	-	-	-	10,000	10,000	-	-
Tranche 3	1 October 2024	-	-	-	10,000	-	-	-	-	-	-	-	-	-	-	2,300	2,300
Anthony Guarna																	
Tranche 1	1 October 2022	-	-	-	10,000	-	-	-	-	10,000	100%	-	-	-	-	-	-
Tranche 2	1 October 2023	-	-	-	10,000	10,000	100%	-	-	-	-	-	-	10,000	10,000	-	-
Tranche 3	1 October 2024	-	-	-	10,000	-	-	-	-	-	-	-	-	-	-	2,300	2,300

5.7 Contractual Arrangement with Executive KMP

Remuneration and other terms of employment for the executive KMP are included in employment agreements. Each agreement sets out details of base salary, superannuation, benefits and performance-based incentives. Key provisions of the employment agreements relevant to remuneration for the executive KMP are set out as follows.

Figure 16: Executive KMP employment agreement

Executive Management Personnel	Fixed Remuneration ($)[1]	Term	Notice period by the individual / Company
Chief Executive Officer	199,800	Ongoing	3 months
Chief Financial Officer	98,000 (excluding GST)	12 months, automatically renewed at the end of each term unless terminated	3 months

[1] Fixed remuneration includes salary and superannuation.

6 Non-executive Director Remuneration

6.1 Fixed Remuneration

Non-executive directors may receive fixed annual fees comprising a Board Fee, committee chair fee and committee fee as applicable. Non-executive directors may direct the Company to make superannuation guarantee contributions, or additional superannuation contributions allocated from their non-executive director's or committee member fees, to any complying nominated superannuation fund.

Fees payable to non-executive directors are determined by the Board within an aggregate non-executive directors' fee pool limit which is periodically recommended for approval by the shareholders. The aggregate non-executive director's fee pool was last considered by shareholders at a shareholder meeting in 2022. An aggregate fee pool of $249,000 was approved by shareholders and remained unchanged.

The Chair and other non-executive directors do not receive additional fees for their membership of the Board's Audit and Risk Management Committee or Nomination, Remuneration and Human Resource Committee.

Figure 17: Non-executive Director Fees

Fees	Description	FY23($)	FY24($)
Board Fees	Chair[1]	98,000	98,000
	Member[2]	68,000	68,000
Committee Fees	Audit and Risk Committee		
	Chair	-	-
	Member	-	-
	Nomination, Remuneration and Human Resource Committee		
	Chair	-	-
	Member	-	-

[1] Non-executive director's fees paid to Chair and members includes superannuation

[2] Non-executive director's fees paid to members includes superannuation

6.2 Long-term Incentives

Non-executive directors may also be remunerated with an equity incentive to align the long-term performance with sustainable shareholder value creation over the performance period.

The LTI provides eligible persons with an equity incentive to align the long-term performance with sustainable shareholder value creation over the performance period. Eligible persons are determined at the discretion of the Board.

The LTI plan for the period ending 30 June 2024 for non-executive KMP is illustrated as follows:

Figure 18: Long-term Incentives

Performance Conditions

Performance is measured at the end of each 12 months over a period of 36 months from 28 November 2023 to 28 November 2026. The incentives are subject to one performance condition, which is as follows:

Metrics	Percentile of Target Performance	Percentage Vesting	Weighting	Reason for selection
Absolute Total Shareholder Return	Less than the 75th percentile	Nil	100%	Absolute Total Shareholder Return measures the return to shareholders by taking into account the share price movement and dividend paid/declared during the performance period. It reflects the value that shareholders would derive from holding the Company's shares during the relevant performance period. It ensures the KMP is only awarded when shareholder value is increased over the performance period.
	Equal to the 75th percentile	50% (Threshold)		
	Between the 75th and the 100th percentile	Straight line pro-rata between 50% and 100%		
	Equal to or greater than the 100th percentile	100% (Target)		

LTI Opportunity

LTI is equivalent to a percentage of eligible non-executive KMP's FR at the time of grant. The number of Performance Rights allocated is calculated by dividing the LTI by the volume weighted average price of the Company's share price for the 30 trading days ending 30 June in the relevant period. The number of shares issued is equivalent to the number of performance rights exercised.

Role	Threshold	Target
Non-executive Chair	5%	10%
Non-executive Director	5%	10%

Delivery of Incentives

Plan Shares are not allowed to be sold for a period of twelve months immediately after they are issued.

Method of Assessment

Absolute Total Shareholder Return is calculated at the end of each performance period to determine the number of rights that will vest. This method is selected to evaluate the performance objectivity, transparency and consistency with public information.

Claw Back

The Board may reconsider the level of satisfaction of a performance condition and take steps to defer, reduce, cancel and/or request to repay all or a part of the benefit in relation to the LTI in the event that it was affected by fraud, dishonesty, breach of obligation or other action likely to result in long term detriment to the Company.

6.3 Linking Performance and Outcome

(a) Linking Long-term Performance and Incentives

Performance is measured over a 36-month period from 28 November 2023 to 28 November 2026. Each tranche of the Performance Rights will be vested upon the 12-month service condition being satisfied.

Figure 19 below outlines the extent to which the Performance Metrics were met:

Figure 19 Performance against Performance Metrics

	12-month Performance Target	24-month Performance Target	36-month Performance Target	FY24 Outcome
Absolute Total Shareholder Return	100%	200%	300%	n/a

The Board considers the manner in which the LTI allocations as being fair and equitable, and in line with LTI Plan rules for assessing performance based on market performance.

Details of FY24 LTI payments awarded to the KMP are shown in the following figure 20.

Figure 20: LTI Awards

	LTI Payable		
	% of FR	% of LTI Opportunity Target	$ LTI Award
Glenn Cross	6%	57%	5,600
Ivan Oshry	8%	82%	5,600
Hao Huang	8%	82%	5,600

Remuneration Report (Audited)

6.4 Statutory Non-executive Director Remuneration

Figure 21 summarise the remuneration of non-executive directors for the financial year ended 30 June 2024.

Figure 21: Statutory Non-executive Director Remuneration

	Fixed Remuneration							Performance Based Remuneration		Total
Year	Salary / Fees[1]	Committee Chair Fee	Committee Member fee	Non-monetary Benefits	Termination / Sign-up Benefits	Other Post-employment Benefits	Other Benefits	Bonus Paid/Payable	Share-based Payments	
	($)	($)	($)	($)	($)	($)	($)	($)	($)	($)
Current Non-executive Directors										
Glenn Cross										
2024	98,000	-	-	-	-	-	-	-	2,367	100,367
2023	98,000	-	-	-	-	-	-	3,000	-	101,000
Ivan Oshry										
2024	68,000	-	-	-	-	-	15,309	-	2,367	85,676
2023	68,000	-	-	-	-	-	-	2,000	-	70,000
Hao Huang										
2024	68,000	-	-	-	-	-	-	-	2,366	70,366
2023	68,000	-	-	-	-	-	-	-	-	68,000
Total										
2024	234,000	-	-	-	-	-	15,309		7,100	256,409
2023	234,000	-	-	-	-	-	-	5,000	-	239,000

[1] Non-executive director’s fees paid to Chair and members includes superannuation.

Due Book Pty Ltd a related party to Ivan Oshry, was contracted to provide legal services to the Company for an amount of $15,309.

6.5 Equity Instruments Held by Non-executive Directors

Figure 22 summarise the number of shares held directly, indirectly or beneficially by non-executive directors including their related parties.

Figure 22: Non-executive director ordinary share ownership

	Opening Balance	Appointment / Cessation	Purchased on-Market	Share Disposals	Ending Balance
Current Non-executive Directors					
Glenn Gross	-	-	63,076	-	63,076
Ivan Oshry	21,000	-	-	-	21,000
Hao Huang	-	-	-	-	-

In the period ending 30 June 2024, the 12-month service condition of Tranche 1 Performance Rights granted on 28 November 2023 was summarised in Figure 23 as following.

Figure 23: Performance Rights Vested in FY24

	Grant Date	Vesting Date	Exercise Date	Expiry Date	Exercise Price per Share or Unit	Fair value per Option or Right at Grant Date	Total Amount Paid or Payable	Amount Paid per Instrument	Amount Unpaid per Instrument
Glenn Cross									
Tranche 1	28 November 2023	28 November 2024	28 November 2026	28 December 2026	-	0.55	2,750	0.55	-
Tranche 2	28 November 2023	28 November 2025	28 November 2026	28 December 2026	-	0.37	1,850	0.37	-
Tranche 3	28 November 2023	28 November 2026	28 November 2026	28 December 2026	-	0.20	1,000	0.20	-
Ivan Oshry									
Tranche 1	28 November 2023	28 November 2024	28 November 2026	28 December 2026	-	0.55	2,750	0.55	-
Tranche 2	28 November 2023	28 November 2025	28 November 2026	28 December 2026	-	0.37	1,850	0.37	-
Tranche 3	28 November 2023	28 November 2026	28 November 2026	28 December 2026	-	0.20	1,000	0.20	-
Hao Huang									
Tranche 1	28 November 2023	28 November 2024	28 November 2026	28 December 2026	-	0.55	2,750	0.55	-
Tranche 2	28 November 2023	28 November 2025	28 November 2026	28 December 2026	-	0.37	1,850	0.37	-
Tranche 3	28 November 2023	28 November 2026	28 November 2026	28 December 2026	-	0.20	1,000	0.20	-

The movements during the reporting period in the number of Performance Rights held by each non-executive KMP are set out in Figure 24 below.

Figure 24: Movements in Performance Rights

Name	Grant Date	Beginning Balance			Granted	Vested		Exercised		Forfeited		Other Changes	Ending Balance			Minimum value Yet to Vest	Maximum value Yet to Vest
		Vested and Exercisable	Vested and Not Exercisable	Unvested									Vested and Exercisable	Vested and Not Exercisable	Unvested		
		No.	No.	No.	No.	No.	%	No.	%	No.	%	No.	No.	No.	No.	$	$
Glenn Cross																	
Tranche 1	28 November 2023	-	-	-	5,000	-	-	-	-	-	-	-	-	-	-	-	-
Tranche 2	28 November 2024	-	-	-	5,000	-	-	-	-	-	-	-	-	-		-	-
Tranche 3	28 November 2025	-	-	-	5,000	-	-	-	-	-	-	-	-	-	-	-	-
Ivan Oshry																	
Tranche 1	28 November 2023	-	-	-	5,000	-	-	-	-	-	-	-	-	-	-	-	-
Tranche 2	28 November 2024	-	-	-	5,000	-	-	-	-	-	-	-	-	-		-	-
Tranche 3	28 November 2025	-	-	-	5,000	-	-	-	-	-	-	-	-	-	-	-	-
Hao Huang																	
Tranche 1	28 November 2023	-	-	-	5,000	-	-	-	-	-	-	-	-	-	-	-	-
Tranche 2	28 November 2024	-	-	-	5,000	-	-	-	-	-	-	-	-	-		-	-
Tranche 3	28 November 2025	-	-	-	5,000	-	-	-	-	-	-	-	-	-	-	-	-

7 Further Information on Remuneration

7.1 Other Transactions with KMP

There were no loans made during the financial year, or remain unsettled at 30 June 2024, between the Company and its KMP and/or their related parties.

END OF REMUNERATION REPORT

Director's Report

Indemnity and Insurance of Officers

The company has indemnified the directors and executive officers of the company for costs incurred, in their capacity as a director or executive officer, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executive officers of the company against a liability to the extent permitted by the Corporations Act 2001.

Indemnity and Insurance of Auditor

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on Behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Non-audit Services

Due diligence service was provided by In.Corp Audit & Assurance Pty Ltd refer Note 23. No other non-assurance services were provided by In.Corp Audit & Assurance Pty Ltd.

Officers of the company who are former partners of the auditor

There are no officers of the company who are former partners of the In.Corp Audit & Assurance Pty Ltd.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

Auditor

The remuneration report has been audited by In.Corp Audit & Assurance Pty Ltd in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

Glenn Cross

Non-executive Chair

Sydney, 30 September 2024

Qizhou Qin

Executive Director

In.Corp
Vision To Reality

CHARTERED ACCOUNTANTS™
AUSTRALIA • NEW ZEALAND

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE *CORPORATIONS ACT 2001*

To the Directors of EZZ Life Science Holdings Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the year ended 30 June 2024 there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in relation to EZZ Life Science Holdings Limited and the entities it controlled during the year.

In.Corp Audit & Assurance Pty Ltd

Graham Webb
Director

Sydney, 30 September 2024

In.Corp Audit & Assurance Pty Ltd
ABN 14 129 769 151

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Contents

Consolidated Statement of Profit or Loss and Other Comprehensive Income
for the year ended 30 June 2024

	Note	**2024** **$**	2023 $
Revenue	4	**66,443,371**	37,143,330
Cost of sales		**(15,497,918)**	(8,613,168)
Gross Profit		**50,945,453**	**28,530,162**
Other income	4	**267,369**	295,696
Advertising and marketing expense		**(37,229,288)**	(20,557,802)
Depreciation and amortisation expense		**(391,537)**	(182,043)
Employee benefits expense		**(1,262,941)**	(1,145,025)
Finance expenses		**(24,754)**	(10,408)
Other expenses		**(2,345,124)**	(2,029,991)
Profit before income tax		**9,959,178**	4,900,589
Income tax expense	5	**(2,994,690)**	(1,270,862)
Profit for the year		**6,964,488**	3,629,727
Other comprehensive income			
Other comprehensive income		**-**	-
Total comprehensive income for the year		**6,964,488**	3,629,727
Earnings per share		**Cents**	Cents
Basic earnings per share	7	**16.17**	8.50
Diluted earnings per share	7	**16.17**	8.50

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position
As at 30 June 2024

	Note	2024 $	2023 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8	**19,022,611**	13,830,751
Trade and other receivables	9	**2,673,648**	1,387,646
Inventories	10	**1,401,195**	846,918
Other assets	11	**1,814,162**	940,506
TOTAL CURRENT ASSETS		**24,911,616**	17,005,821
NON-CURRENT ASSETS			
Plant and equipment	12	**621,519**	603,767
Intangible assets		**18,848**	18,848
Deferred tax assets	13	**-**	12,185
TOTAL NON-CURRENT ASSETS		**640,367**	634,800
TOTAL ASSETS		**25,551,983**	17,640,621
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	14	**2,857,259**	2,252,603
Current tax liabilities	13	**1,157,255**	292,504
Lease liabilities	15	**123,856**	354,736
Employee entitlements	16	**39,736**	34,780
TOTAL CURRENT LIABILITIES		**4,178,106**	2,934,623
NON-CURRENT LIABILITIES			
Deferred tax liabilities	13	**51,039**	-
Lease liabilities	15	**-**	123,856
TOTAL NON-CURRENT LIABILITIES		**51,039**	123,856
TOTAL LIABILITIES		**4,229,145**	3,058,479
NET ASSETS		**21,322,838**	14,582,142
EQUITY			
Issued capital	17	**6,852,670**	5,998,570
Reserves	18	**16,165**	809
Retained earnings		**14,454,003**	8,582,763
TOTAL EQUITY		**21,322,838**	14,582,142

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Change in Equity
For the year ended 30 June 2024

2024	**Note**	**Issued Capital $**	**Performance Rights Reserve $**	**Retained Earnings $**	**Total $**
Balance at 1 July 2023		5,998,570	809	8,582,763	14,582,142
Profit for the year		-	-	6,964,488	6,964,488
Other comprehensive income for the year		-	-	-	-
Shares issued – private placement		854,100	-	-	854,100
Share payment reserve – LTIP		-	15,356	-	15,356
Transactions with owners in their capacity as owners:					
Dividends paid	20	-	-	(1,093,248)	(1,093,248)
Balance at 30 June 2024		**6,852,670**	**16,165**	**14,454,003**	**21,322,838**

2023		**Issued Capital $**	**Performance Rights Reserve $**	**Retained Earnings $**	**Total $**
Balance at 1 July 2022		5,823,494	-	5,563,965	11,387,459
Profit for the year		-	-	3,629,727	3,629,727
Other comprehensive income for the year		-	-	-	-
Share payment reserve – ESP 2021		175,076	-	-	175,076
Share payment reserve – LTIP		-	809	-	809
Transactions with owners in their capacity as owners:					
Dividends paid	20	-	-	(610,929)	(610,929)
Balance at 30 June 2023		5,998,570	809	8,582,763	14,582,142

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows
For the year ended 30 June 2024

	Note	2024 $	2023 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		**65,228,999**	39,127,211
Receipts from Government incentives		**-**	44,122
Payments to suppliers and employees		**(57,189,418)**	(33,977,208)
Interest received		**195,738**	-
Interest paid		**(24,755)**	(10,408)
Income tax paid		**(2,066,713)**	(1,169,458)
Net cash provided by/(used in) operating activities	27	**6,143,851**	4,014,259
CASH FLOWS FROM INVESTING ACTIVITIES:			
Deposits Paid		**(31,881)**	-
Payments for plant and equipment		**(409,289)**	(101,785)
Net cash provided by/(used in) investing activities		**(441,170)**	(101,785)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Payment of lease liabilities		**(354,736)**	(161,323)
Proceeds from issued shares		**854,100**	-
Dividends paid		**(1,081,816)**	(600,394)
Net cash provided by/(used in) financing activities		**(582,452)**	(761,717)
Net increase in cash and cash equivalents held		**5,120,229**	3,150,757
Effects of exchange rate on cash and cash equivalents		**71,631**	215,153
Cash and cash equivalents at the beginning of financial year		**13,830,751**	10,464,841
Cash and cash equivalents at the end of financial year	8	**19,022,611**	13,830,751

The above Consolidated Statement of Cash Flow should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements
For the year ended 30 Jun 2024

The financial report covers EZZ Life Science Holdings Limited ('the Group') as an individual entity and the entities it controlled at the end of or during the year. EZZ Life Science Holdings Limited is a for-profit Company limited by shares, incorporated and domiciled in Australia.

The functional and presentation currency of EZZ Life Science Holdings Limited is Australian dollars.

The financial report was authorised for issue by the Directors on 30 September 2024.

Comparatives are consistent with prior years, unless otherwise stated.

1. Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit orientated entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

2 Summary of Material Accounting Policy Information

(a) Revenue and other income

Revenue from contracts with customers

Revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer

2. Identify the performance obligations

3. Determine the transaction price

4. Allocate the transaction price to the performance obligations

5. Recognise revenue as and when control of the performance obligations is transferred

Generally, the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

The revenue recognition policies for the principal revenue stream relating to sales of goods on digital platform sales is that revenue is recognised on acceptance of the goods by the customers. For sales to retailers, revenue is recognised when the goods are dispatched.

Products are often sold with volume discounts. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume discounts. Historical experience is used to estimate and provide discounts, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

(b) Income Tax

The tax expense recognised in profit or loss comprises current income tax expense plus deferred tax expense.

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and losses can be utilised.

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period except where the tax arises from a transaction which is recognised in other comprehensive income or equity, in which case the tax is recognised in other comprehensive income or equity respectively.

(c) Financial instruments

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs.

Financial assets

On initial recognition, the Company classifies its financial assets at amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less allowance for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss ("ECL") basis.

When determining whether the credit risk of a financial assets has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Company uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables and contract assets

Impairment of trade receivables and contract assets have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and contract asset and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced a significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Company comprise trade and other payables.

(d) Plant and equipment

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

Plant and equipment is depreciated on a reducing balance basis over the asset's useful life to the Company, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Motor Vehicles	25%
Computer Equipment	33%
Office Equipment	33%
Leasehold Improvements	20%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(e) Impairment of non-financial assets

At the end of each reporting period the Company determines whether there is any evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit ("CGU") is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

(f) Leases

At the lease commencement, the Company recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Company believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Company's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Company's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(g) **Share-based payments**

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees on exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions is measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes options pricing model that takes into account the exercise price, the term of the options, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield, and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Company receives the services that entitles the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions is recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative change to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Bionomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Company employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Company or employee and is not satisfied during the vesting period, and remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

(h) Foreign currency transactions and balances

Transaction and balances

Foreign currency transactions are recorded at the spot rate on the date of the transaction.

At the end of the reporting period:

- Foreign currency monetary items are translated using the closing rate;
- Non-monetary items that are measured at historical cost are translated using the exchange rate at the date of the transaction; and
- Non-monetary items that are measured at fair value are translated using the rate at the date when fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition or in prior reporting periods are recognised through profit or loss, except where they relate to an item of other comprehensive income.

(i) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the FIFO basis and is net of any rebates and discounts received.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimate costs of completion and the costs necessary to make the sale. Net realisable value is estimated using the most reliable evidence available at the reporting date and inventory is written down through an obsolescence allowance if necessary.

(j) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of EZZ Life Science Holdings Limited as at 30 June 2024 and the results of all subsidiaries for the year then ended (no subsidiaries existed prior to the 2024 financial year and so the 2023 comparatives relate solely to the parent entity financials). EZZ Life Science Holdings Limited and its subsidiaries together are referred to in these financial statements as the ‘consolidated entity’.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position, and the statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributable to the non-controlling interest in full, even if that results in a deficit balance.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

These consolidated financial statements are presented in Australian dollars, which is the Company's functional currency.

Parent entity information

In accordance with the *Corporations Act 2001*, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in Note 26.

3 Critical Accounting Estimates and Judgements

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment allowance is included for any receivable where the balance is not considered collectible. The impairment allowance is based on the best information at the reporting date.

4 Revenue and Other Income

	2024	2023
	$	$
Revenue		
- sale of goods – recognised at a point in time	**66,443,371**	37,143,330
	66,443,371	37,143,330
Other Income		
- Realised foreign exchange gains	**71,631**	215,153
- Other revenue	**-**	16,122
- Interest income	**195,738**	36,421
- Government subsidy	**-**	28,000
	267,369	295,696

5 Income Tax Expense

(a) The major components of tax expense (income) comprise:

	2024 $	2023 $
Current tax expense	**2,931,465**	1,219,072
Deferred tax expense relating to temporary differences	**65,662**	51,790
Deferred tax expense resulting from tax rate change	**(2,437)**	-
Total income tax expense	**2,994,690**	1,270,862

(b) Reconciliation of income tax to accounting profit:

	2024 $	2023 $
Prima facie tax payable on profit from ordinary activities before income tax at 30% (2023: 25%)	**2,987,753**	1,225,147
Tax effect of:		
- non-deductible depreciation and amortisation	**740**	823
- share based payments	**4,607**	43,769
- other non-deductible expenses	**4,027**	1,123
- Effect of rate change on deferred tax assets/liabilities	**(2,437)**	-
Income tax expense	**2,994,690**	1,270,862

6 Operating Segments

(a) Identification of reportable segments

The Company has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision maker) in assessing performance and determining the allocation of resources.

Operating segments are determined on the basis of financial information reported to the Directors which is revenue and gross profit for Brought in Lines and Company Owned products.

Therefore, management identified the Company as having two reportable segments. The financial results from these reportable segments are equivalent to the financial statements of the Company as a whole. Geographical sales information and customer concentration is disclosed below to assist in the understanding of the Company.

(b) Accounting policies adopted

All amounts reported to the Directors are determined in accordance with accounting policies that are consistent with those adopted in the annual financial statements of the Company.

(c) Segment assets

Assets of the Company are maintained in Australia with the exception of inventory which is stored in a bonded warehouse overseas.

(d) Segment liabilities

Liabilities are generally considered to relate to the Company as a whole and are not allocated.

6 Operating Segments (cont'd)

(e) Segment revenues

Revenue is segmented between brought in lines and Company owned products as follows:

	Brought in Lines		Company Owned		Total	
	2024	2023	**2024**	2023	**2024**	2023
	$	$	**$**	$	**$**	$
Revenue	**3,868,508**	4,601,996	**62,574,863**	32,541,334	**66,443,371**	37,143,330
Cost of Sales	**(2,877,028)**	(3,458,284)	**(12,620,890)**	(5,154,884)	**(15,497,918)**	(8,613,168)
Total	**991,480**	1,143,712	**49,953,973**	27,386,450	**50,945,453**	28,530,162

(f) Geographical information

	Revenue	
	2024	2023
	$	$
Australia and New Zealand	**11,244,311**	9,759,423
Mainland China	**52,431,919**	26,798,557
Other countries/regions	**2,767,141**	585,350
Total	**66,443,371**	37,143,330

7 Earnings Per Share

	2024	2023
	$	$
Basic earnings per share (cents)	**16.17**	8.50
Diluted earnings per share (cents)	**16.17**	8.50

The calculation of the basic and diluted earnings per share is based on the following data:

Earnings		
Earnings for the purpose of basic earnings per share being net profit attributable to owners of the Company	6,964,488	3,629,727
Earnings for the purpose of diluted earnings per share	6,964,488	3,629,727
Number of shares		
Weighted average number of shares used in calculating basic earnings per share	43,083,044	42,705,000
Weighted average number of shares used in calculating diluted earnings per share	43,083,044	42,705,000

8 Cash and Cash Equivalents

	2024 $	2023 $
Cash at bank and in hand	**19,022,611**	13,830,751
	19,022,611	13,830,751

9 Trade and Other Receivables

	2024 $	2023 $
CURRENT		
Trade receivables	**2,564,580**	1,316,820
Other receivables	**109,068**	70,826
	2,673,648	1,387,646

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

10 Inventories

	2024 $	2023 $
Finished goods, at cost	**1,401,195**	846,918
	1,401,195	846,918

11 Other Assets

	2024 $	2023 $
Prepayments	**1,257,671**	213,872
Deposits paid	**556,491**	726,634
	1,814,162	940,506

12 Plant and Equipment

	2024 $	2023 $
Motor vehicles		
At cost	**156,364**	156,364
Accumulated depreciation	**(90,471)**	(68,506)
Total motor vehicles	**65,893**	87,858
Office equipment		
At cost	**155,910**	3,679
Accumulated depreciation	**(6,007)**	(1,621)
Total office equipment	**149,903**	2,058
Computer equipment		
At cost	**25,497**	14,351
Accumulated depreciation	**(13,044)**	(7,939)
Total computer equipment	**12,453**	6,412
Right-of-Use		
At cost	**535,344**	665,094
Accumulated depreciation	**(416,379)**	(189,232)
Total right-of-use	**118,965**	475,862
Leasehold Improvements		
At cost	**277,489**	31,577
Accumulated depreciation	**(3,184)**	-
Total improvements	**274,305**	31,577
Total Plant and Equipment	**621,519**	603,767

Movement in the carrying amounts for each class of plant and equipment between the beginning and the end of the current financial year:

	Motor Vehicles $	Office Equipment $	Computer Equipment $	Right-of-Use $	Leasehold Improvements $	Total $
Year ended 30 June 2024						
Balance at the beginning of the year	87,858	2,058	6,412	475,862	31,577	**603,767**
Additions	-	152,231	11,146	-	245,912	**409,289**
Depreciation	(21,965)	(4,386)	(5,105)	(356,897)	(3,184)	**(391,537)**
Balance at the end of the year	**65,893**	**149,903**	**12,453**	**118,965**	**274,305**	**621,519**

	Motor Vehicles $	Office Equipment $	Computer Equipment $	Right-of-Use $	Leasehold Improvements $	Total $
Year ended 30 June 2023						
Balance at the beginning of the year	36,538	3,088	5,256	103,800	-	**148,682**
Additions	66,364	-	3,844	535,343	31,577	**637,128**
Depreciation	(15,044)	(1,030)	(2,688)	(163,281)	-	**(182,043)**
Balance at the end of the year	**87,858**	**2,058**	**6,412**	**475,862**	**31,577**	**603,767**

13 Tax Assets and Liabilities

	2024 $	2023 $
Income tax payable	**1,157,255**	292,504
	1,157,255	292,504

	Opening Balance $	Credited / (Charged) to Income $	Closing Balance $
Deferred tax assets			
Components of deferred tax assets are:			
Provision for annual leave	8,695	3,226	**11,921**
Provision for STIP	5,325	(1,725)	**3,600**
IPO transaction costs	74,533	(29,813)	**44,720**
Accrued audit fee	4,125	1,725	**5,850**
Unrealised foreign exchange loss	(55,688)	(32,628)	**(88,316)**
Superannuation payable	6,265	3,432	**9,697**
Net impact of accounting for operating lease	682	785	**1,467**
Reclassify from(to) deferred tax liabilities	(31,752)	42,813	**11,061**
	12,185	(12,185)	-
Deferred tax liabilities			
Components of deferred tax liabilities are:			
Depreciation	(2,118)	1,041	**(1,077)**
Unrealised foreign exchange gain	-	-	**-**
Prepayments	(29,634)	(9,267)	**(38,901)**
Reclassify to(from) deferred tax assets	31,752	(42,813)	**(11,061)**
	-	(51,039)	**(51,039)**
Net Deferred Tax Assets / (Liabilities)	12,185	(63,224)	**(51,039)**

14 Trade and Other Payables

	2024 $	2023 $
CURRENT		
Trade payables - non-related parties	2,077,561	1,317,943
Trade payable to related entity - Australian United Pharmaceuticals Pty Ltd	655,276	819,130
Dividends payable	37,801	26,368
Other payables and accruals	86,621	89,162
	2,857,259	2,252,603

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

15 Leases

Statement of Profit or Loss and Other Comprehensive Income

The amounts recognised in the statement of profit or loss and other comprehensive income relating to leases where the Company is a lessee are shown below:

	2024 **$**	2023 $
Interest expense on lease liabilities	(22,264)	(9,510)
Depreciation of right-of-use assets	(356,897)	(163,283)
	(379,161)	(172,793)

Statement of Cash Flows

	2024 **$**	2023 $
Total cash outflow for leases	(377,000)	(170,833)

Lease Liabilities disclosure	**2024** **$**	2023 $
Lease liabilities - current	123,856	354,736
Lease liabilities – non-current	-	123,856

Lease Liabilities

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

	< 1 year **$**	**1 - 5 years** **$**	**> 5 years** **$**	**Total undiscounted lease liabilities** **$**	**Lease liabilities included in this Statement Of Financial Position** **$**
2024					
Lease liabilities	125,667	-	-	125,667	
Interest expense	(1,811)	-	-	(1,811)	
	123,856	-	-	123,856	123,856
2023					
Lease liabilities	377,000	125,667	-	502,667	
Interest expense	(22,264)	(1,811)	-	(24,075)	
	354,736	123,856	-	478,592	478,592

16 Employee Entitlements

	2024 $	2023 $
Current liabilities		
Provision for annual leave	39,736	34,780
	39,736	34,780

17 Issued Capital

	2024 Number of shares	**2024 $**	**2023 Number of shares**	**2023 $**
Ordinary shares fully paid				
At the beginning of the year	**42,705,000**	**5,998,570**	42,000,000	5,667,219
Shares issued under employee share plan	**-**	**-**	705,000	331,351
Shares issued through private placement	**1,708,200**	**854,100**	-	-
Total ordinary shares fully paid	**44,413,200**	**6,852,670**	42,705,000	5,998,570

Movement in ordinary share capital

	2024 Number of shares	**2024 $**	**2023 Number of shares**	**2023 $**
At the beginning of the year	**42,705,000**	**5,998,570**	42,760,000	5,823,494
Shares issued under employee share plan	**-**	**-**	-	186,385
Share forfeited under ESOP conditions	**-**	**-**	(55,000)	(11,309)
Shares issued through private placement	**1,708,200**	**854,100**	-	-
Total ordinary shares fully paid	**44,413,200**	**6,852,670**	42,705,000	5,998,570

(a) Ordinary shares

The holders of ordinary shares are entitled to participate in dividends and the proceeds on winding up of the Company. On a show of hands at meetings of the Company, each holder of ordinary shares has one vote in person or by proxy, and upon a poll each share is entitled to one vote.

The Company does not have authorised capital or par value in respect of its shares.

Share buy-back

There is no current on-market share buy-back.

(b) Capital Management

The key objectives of the Company when managing capital is to safeguard its ability to continue as a going concern and maintain optimal benefits to stakeholders. The Company defines capital as its equity and net debt.

The Company manages its capital structure and makes funding decisions based on the prevailing economic environment and has a number of tools available to manage capital risk. These include the ability to adjust the size and timing of dividends paid to shareholders and the issue of new shares.

18 Performance Rights Reserve

	2024 $	2023 $
Performance Rights Reserve	**16,165**	809
	16,165	809

Movement in performance rights reserve

	2024 Number of securities	2024 $	2023 Number of securities	2023 $
At the beginning of the year	**60,000**	**809**	-	-
Long-term incentive plan performance rights (expiring 05/08/2025 exercisable at $0.00) issued to Eligible Executive of the Company	**-**	**-**	60,000	809
Long-term incentive plan performance rights issued to Eligible Non-Executive of the Company	**45,000**	**7,100**	-	-
Forfeited/Lapsed During the year *	**(20,000)**	**(393)**	-	-
Movement of Valuation of Long-term incentive plan performance rights expensed over vesting period	**-**	**8,649**	-	-
At the end of the financial year	**85,000**	**16,165**	60,000	809

Share-based payments - Executive

Grant Date	1 October 2022
Expiry Date	5 July 2025
Exercise Price	$0.00

Balance at start of year	Rights Issued during the period	Exercised during the period	Forfeited / Lapsed during the period	Balance at end of the period	Vested & exercisable at end of the period
Number	Number	Number	Number	Number	Number
60,000	-	-	20,000	**40,000**	-

Share-based payments Non-Executive

Grant Date	28 November 2023
Expiry Date	28 November 2026
Exercise Price	$0.00

Balance at start of year	Rights Issued during the period	Exercised during the period	Forfeited / Lapsed during the period	Balance at end of the period	Vested & exercisable at end of the period
Number	Number	Number	Number	Number	Number
-	45,000	-	-	**45,000**	-

* No Non-Executive Performance Rights were exercised this financial year and none existed in the previous financial year.

19 Financial Risk Management

The Company is exposed to a variety of financial risks through its use of financial instruments.

The Company's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

The most significant financial risks to which the Company is exposed to, are described below:

Specific risks

- Liquidity risk
- Credit risk
- Market risk - currency risk, interest rate risk and price risk

Financial instruments used
The principal categories of financial instrument used by the Company are:

- Cash and cash equivalents
- Trade and other receivables
- Trade and other payables

Objectives, policies and procedures
The Directors have overall responsibility for the establishment of the Company's financial risk management framework. This includes the development of policies covering specific areas such as foreign exchange risk, interest rate risk, liquidity risk and credit risk.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The day-to-day risk management is carried out by the Company's finance function under policies and objectives which have been approved by the Directors.

The Directors receive periodic reports which provide details of the effectiveness of the processes and policies in place.

Mitigation strategies for specific risks faced are described below:

Liquidity risk
Liquidity risk arises from the Company's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due.

The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities as and when they fall due. The Company maintains cash and marketable securities to meet its liquidity requirements for up to 30-day periods.

The Company manages its liquidity needs by monitoring cash-outflows due in day-to-day business.

Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a 180-day and a 360-day period are identified monthly.

At the reporting date, these reports indicate that the Company expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances and will not need to draw down any of the financing facilities.

Amounts recorded as trade and other payables are expected to be settled in their commercial terms, which is within 3 months.

Credit risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company.

Credit risk arises from cash and cash equivalents and credit exposure to its customers.

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Trade receivables and contract assets

Trade receivables consist of a number of customers. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of its customers. This is monitored by management and the Directors on a continual basis.

Management considers that all financial assets at 30 June 2024 are of good credit quality.

On a geographical basis, the Company has significant credit risk exposures in Australia and China given the location of its operations in those regions.

Market risk
Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, primarily from:

- Foreign exchange risk;
- Interest rate risk; and
- Price risk.

The Company does not have any material exposure to the above risks at year end, though the Company makes purchases in currencies other than Australian dollars.

20 Dividends

A fully franked final dividend of $0.01 cent per ordinary share was declared on 24 October 2023 and paid on 8 December 2023, resulting in a total dividend payment of $427,050 based on the number of ordinary shares on issue.

A fully franked interim dividend of $0.015 cent per ordinary dividend was declared on 7 May 2024 and paid on 17 June 2024, resulting in a total dividend of $666,198 based on the number of ordinary shares on issue.

Franking account

	2024 $	2023 $
The franking credits available for subsequent financial years at a tax rate of 30% (2023: 25%)	5,091,390	2,820,730

The above available balance is based on the dividend franking account at year-end adjusted for:

(a) Franking credits that will arise from the payment of the current tax liabilities.
(b) Franking debits that will arise from the payment of dividends recognised as a liability at the year-end.
(c) Franking credits that will arise from the receipt of dividends recognised as receivables at the end of the year.

The ability to use the franking credits is dependent upon the Company's future ability to declare dividends.

21 Key Management Personnel Remuneration

The totals of remuneration paid to the key management personnel of EZZ Life Science Holdings Limited during the year are as follows.

	2024	2023
	$	$
Short-term employee benefits	582,823	501,546
Post-employment benefits	20,217	15,952
Share-based payments	15,356	809
	618,396	518,307

22 Related Parties

(a) The Company's main related parties are as follows:

Key management personnel - refer to Note 21.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

(b) Transactions with related parties

The Company purchases inventory from a related entity, Australian United Pharmaceuticals Pty Ltd. A director, Mr. Qizhou Qin, is a director and a controlling shareholder of Australian United Pharmaceuticals Pty Ltd.

The Company entered into a lease agreement for its current office/warehouse property from a related party, Parramatta Asset Management Pty Ltd. The Substantial shareholder of the Group, Macquarie Holdings Pty Ltd, is the controlling shareholder of Parramatta Asset Management Pty Ltd.

The Company has entered into a lease agreement for its new Head Office from a related party, WM Group Pty Ltd. The Substantial shareholders of the Group, Macquarie Holdings Pty Ltd and JNJ Mok Pty Ltd, are the controlling shareholders of WM Group Pty Ltd.

The Company has entered into an agreement with Due Books Pty Ltd for legal services. A director, Mr. Ivan Oshry, is a director and a controlling shareholder of Due Books Pty Ltd.

Amounts payable to related parties are disclosed in Note 14 and details of transactions with related parties are summarised below:

	2024	2023
	$	$
Australian United Pharmaceuticals Pty Ltd		
Inventory purchases	2,877,029	3,458,284
Parramatta Asset Management Pty Ltd		
Office/Warehouse lease	108,000	108,000
Due Books Pty Ltd		
Legal services	15,309	-
WM Group Trust		
Head Office premises rent	377,000	62,833

23 Auditors' Remuneration

	2024	2023
	$	$
Remuneration of the auditor In.Corp Audit & Assurance Pty Ltd, for:		
- auditing or reviewing the financial statements	30,500	27,500
- due diligence services	20,000	-
Total	50,500	27,500

24 Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly owned subsidiaries in accordance with the accounting policy described in Note 1:

	Entity Type	Place formed or incorporation	% of share capital held
EZZ Cell Medical Technology (Australia) Pty Ltd	Body corporate	Australia	100%
EZZ Life Science Holdings (USA) Inc.	Body corporate	USA	100%

Both the above subsidiaries are new, having been incorporated in the second half of financial year 2024.

25 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2024 (30 June 2023: None).

26 Parent Entity Information

Set out below is the supplementary information about the parent entity.

Statement of Financial Position	2024 $	2023 $
ASSETS		
Current Assets	**24,914,380**	17,005,821
Non-Current Assets	**640,468**	634,800
TOTAL ASSETS	**25,554,848**	17,640,621
LIABILITIES		
Current Liabilities	**4,178,105**	2,934,623
Non-Current Liabilities	**51,041**	123,856
TOTAL LIABILITIES	**4,229,146**	3,058,479
NET ASSETS	**21,325,702**	14,582,142
EQUITY		
Issued capital	**6,852,670**	5,998,570
Reserves	**16,165**	809
Retained earnings	**14,456,867**	8,582,763
TOTAL EQUITY	**21,325,702**	14,582,142

Statement of profit or loss and other comprehensive income	2024 $	2023 $
Profit for the year	**6,967,353**	3,629,727
Total comprehensive income for the year	**6,967,353**	3,629,727

Guaranteed entered into by parent entity

The parent entity has not entered into any guarantees as of 30 June 2024.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2024 other than as disclosed in Note 25.

Commitments

The parent entity had no capital commitments as at 30 June 2024.

27 Cash Flow Information

Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2024 $	2023 $
Profit after income tax	**6,964,488**	3,629,727
Non-cash flows in profit:		
- depreciation and amortisation	**391,537**	182,043
- realised foreign exchange gains	**(71,631)**	(215,153)
- share based payments	**15,354**	175,884
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	**(1,286,002)**	906,170
- (increase)/decrease in inventories	**(554,277)**	(534,519)
- (increase)/decrease in other assets	**(841,775)**	(38,796)
- (increase)/decrease in deferred tax assets	**12,825**	81,166
- increase/(decrease) in trade and other payables	**593,223**	(215,646)
- increase/(decrease) in income taxes	**864,111**	49,614
- increase/(decrease) in employee entitlements	**4,957**	23,145
- increase/(decrease) in deferred tax liabilities	**51,041**	(29,376)
Cashflows from operations	**6,143,851**	4,014,259

28 Events Occurring After the Reporting Date

During the period ending 30 June 2024, the performance condition of Tranche 2 Performance Rights granted on 1 October 2022 was partially satisfied. As a result, on 5 July 2024, 10,000 Performance Rights were vested to each of Qizhou Qin and Anthony Guarna.

On 23 August 2024 the Company announced that it had moved its registered office and principle place of business to Shop 1, 55-59 Parramatta Road, Lidcombe, NSW 2141, Australia.

29 Statutory Information

The registered office and principal place of business of the Company is:

EZZ Life Science Holdings Limited

Shop 1, 55-59 Parramatta Road

Lidcombe NSW 2141

Consolidated Entity Disclosure Statement
For the year ended 30 Jun 2024

The Consolidated Entity Disclosure Statement has been prepared in accordance with the Corporations Act.

	Entity Type	Place formed or incorporation	% of share capital held	Tax Residency	
				Australian or foreign	Foreign jurisdiction
EZZ Cell Medical Technology (Australia) Pty Ltd	Body corporate	Australia	100%	Australian	N/A
EZZ Life Science Holdings (USA) Inc.	Body corporate	USA	100%	Foreign	Delaware, USA

Directors' Declaration

The directors of the Company declare that:

1. the financial statements and notes for the year ended 30 June 2024 are in accordance with the *Corporations Act 2001* and:

   a. comply with Accounting Standards, which, as stated in basis of preparation Note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and

   b. give a true and correct view of the financial position and performance of the Company;

2. in the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;

3. the information disclosed in the attached consolidated entity disclosure statement is true and correct;

4. the Chief Executive Officer and Chief Finance Officer have given the declarations required by Section 295A of the Corporations Act 2001 that:

   a. the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;

   b. the financial statements and notes for the financial year comply with the Accounting Standards; and

   c. the financial statements and notes for the financial year give a true and correct view.

This declaration is made in accordance with a resolution of the Directors.

Glenn Cross
Non-executive Chair
Dated 30 September 2024

Qizhou Qin
Executive Director

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EZZ LIFE SCIENCE HOLDINGS LIMITED
INDEPENDENT AUDITOR'S REPORT

In.Corp Audit & Assurance Pty Ltd
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To the Directors of EZZ Life Science Holdings Limited

Opinion

We have audited the financial report of EZZ Life Science Holdings Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit and loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended; and

b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the year ended 30 June 2024. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter – Revenue Recognition – Notes 2(a) and 4	How our Audit Addressed the Key Audit Matter
The Group's sales comprises of revenue from the sale of health and wellbeing products amounting to $66,443,371. This was considered to be a key audit matter given the significance of revenue to the Group's results and performance.	Our procedures in assessing revenue recognized during the year included but were not limited to the following: • We documented and assessed the processes and controls in place to recognise revenue to retailers and on e-commerce platforms; • We verified a sample of revenue transactions and associated receipts to determine they were accurately accounted for; • We reviewed the accounting policy for revenue recognition and ensured it was in accordance with AASB 15 *Revenue*; and • We assessed the appropriateness of the disclosures included in the financial report.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001;* and

b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001,* and

for such internal control as the directors determine is necessary to enable the preparation of:

i. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

ii. the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intends to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/admin/file/content102/c3/ar2_2020.pdf. This description forms part of our auditor's report.

EZZ LIFE SCIENCE HOLDINGS LIMITED
INDEPENDENT AUDITOR'S REPORT (continued)

Report on the Remuneration Report

We have audited the Remuneration Report for the year ended 30 June 2024. The Directors of the Group are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion on the Remuneration Report

In our opinion, the Remuneration Report of EZZ Life Science Holdings Limited, for the year ended 30 June 2024, complies with section 300A of the *Corporations Act 2001*.

In.Corp Audit & Assurance Pty Ltd

Graham Webb

Director

Sydney, 30 September 2024

Corporate Directory

Directors	Glenn Cross, Non-Executive Chair Qizhou Qin, Chief Executive Officer Ivan Oshry, LLB, Non-Executive Director Hao Huang, Non-Executive Director
Company secretary	Natalie Climo, LLB
Registered office	Shop 1, 55-59 Parramatta Road, Lidcombe, NSW 2141, Australia 02 9160 2305
Principle place of business	Shop 1, 55-59 Parramatta Road, Lidcombe, NSW 2141, Australia
Share register	Boardroom Pty Limited Level 8, 210 George Street, Sydney, NSW 2000 1300 737 760
Auditor	In.Corp Audit & Assurance Pty Ltd Level 1, 6-10 O'Connell Street, Sydney, NSW 2000
Stock exchange listing	EZZ Life Science Holdings Limited shares are listed on the Australian Securities Exchange (ASX code: EZZ)
Website	www.ezzlife.com.au