

Appendix 4D

Half-year report

1. Company Details

Name of Entity

EZZ Life Science Holdings Limited

ABN

83 608 363 604

Half year ended ("current period")

31 December 2021

Half year ended ("previous period")

30 December 2020

2. Results for announcement to the market

| | | 31 Dec 2021 \$ | 31 Dec 2020 \$ |
|---|---------------------|-----------------------------|-------------------|
| 2.1 Revenues from continuing operations | Down 50.5% | 6,213,787 | 12,564,565 |
| 2.2 Profit (loss) from continuing operations after tax attributable to members | Down 91.8% | 99,800 | 1,222,939 |
| 2.3 Net profit (loss) for the period attributable to members | Down 91.8% | 99,800 | 1,222,939 |
| 2.4 Dividends | Amount per security | Franked amount per security | |
| Interim dividend declared | 0.45 cents | 0.45 cents | |
| 2.5 Record date for determining entitlements to the dividend | | 10 November 2021 | |
| 2.6 Brief explanation of any of the figures in 2.1 to 2.4 above necessary to enable figures to be understood. | | | |
| Please refer to the ‘Review of operations’ section included within the directors’ report of the attached financial statements for the half-year ended 31 December 2021. | | | |

3. Net tangible assets per security

| | 31 Dec 2021 \$ | 31 Dec 2020 \$ |
|--|-------------------|-------------------|
| Net tangible asset backing per ordinary security | 0.24 | 0.12 |

4. Details of entities over which control has been gained or lost

N/A

5. Dividends

Individual dividends per security

| | Date dividend is payable | Amount per security | Franked amount per security at 25% tax | Amount per security of foreign source dividend |
|---|-----------------------------|------------------------|---|--|
| Interim dividend: Current period | 16 Dec 2021 | 0.45 cents | 0.45 cents | N/A |
| Previous period | N/A | N/A | N/A | N/A |

6. Dividend reinvestment plans

The dividend or distribution plans shown below are in operation.

| | |
|--|-----|
| N/A | |
| The last date(s) for receipt of election notices for the dividend or distribution plans. | N/A |

7. Details of associates and joint entities

| |
|-----|
| N/A |
|-----|

8. Foreign entities

| |
|--|
| For foreign entities, which set of accounting standards is used in compiling the report. |
| N/A |

9. Audit

The Company's financial statements were subject to a review by the auditors and the auditor's review report is attached as part of the attached half-year ended 31 December 2021 financial report.

10. Attachments

The financial statements of the Company for the half-year ended 31 December 2021 is attached.

As authorized by the Board of Directors



Qizhou (Mark) Qin
Executive Director

28 February 2022

EZZ Life Science Holdings Limited
ACN 608 363 604

Financial Statements
For the Half-Year Ended 31 December 2021

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Corporate Directory

| | |
|-----------------------------|--|
| Directors | Glenn Cross, Non-Executive Chair Qizhou (Mark) Qin, Executive Director and Interim CEO Ivan Oshry, LLB, Non-Executive Director Hao Hang, Non-Executive Director |
| Company secretary | Natalie Climo, LLB |
| Registered office | 104 Derby Street, Silverwater, NSW 2128, Australia 02 9160 2305 |
| Principle place of business | 104 Derby Street, Silverwater, NSW 2128, Australia |
| Share register | Boardroom Pty Limited Level 12, 225 George Street, Sydney, NSW 2000 1300 737 760 |
| Auditor | Rothsay 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 |

Directors' Report

The directors present their report on EZZ Life Science Holdings Limited (referred to hereafter as the 'Company') for the half-year ended 31 December 2021.

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 1 December 2021) |
| Qizhou (Mark) Qin | (appointed 1 September 2019) |
| Ivan Oshry | (appointed 27 October 2020) |
| Hao Huang | (appointed 27 October 2020) |
| Philippa Lewis | (appointed 27 October 2020, resigned 23 November 2021) |
| Luis Rodriguez Bravo | (appointed 8 July 2020, resigned 8 October 2021) |

Company secretary

| | |
|------------------|-----------------------------|
| Ms Natalie Climo | (appointed 27 October 2020) |
|------------------|-----------------------------|

Principal activities

During the financial year the principal activities of the Company included:

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

From 10 February 2022 EZZ has been reclassified within the ASX sector -industry classifications and now becomes part of the 'Life Sciences Tools & Services' industry grouping.

Dividends

A fully franked final dividend of 0.45 cents per ordinary share was declared on 27 September 2021 and paid on 16 December 2021, resulting in a total dividend payment of \$189,000 based on the number of ordinary shares on issue.

Review of operations

In the past two years, many countries faced supply chain disruption and severe logistics delay, causing many businesses to shut down whilst many others to experience a significant drop in the revenue. EZZ hasn't been immune to these consequences, yet it has managed to still run profitably as a result of effective cost control.

Revenue dropped by 50% from \$12,564,565 in 1H 2021 to \$6,213,787 in 1H FY22.

The sale of EZZ branded products from Tmall Global in China, which contributed 43% to the total revenue in FY21, fell from July 2021 significantly. The drop in revenue was after Alibaba Group Holdings Limited being penalised by market regulators as China stepped up antitrust scrutiny in the technology sector. Tmall Global is a part of Alibaba Group Holdings Limited.

Revenue from the EAORON branded product also fell by 34% from \$5,539,507 in 1H FY21 to \$3,642,001 in 1H FY22. The sale of EAORON products was primarily through retail outlets and the impact of COVID-19 especially lockdown orders imposed by the Australian government continued to adversely impact the sales of the EAORON branded products for the period.

Directors' Report

Gross profit margin dropped from 58% in 1H FY21 to 48% in 1H FY22 largely due to the shift of revenue mix towards products with lower margin.

In response to a multi-country supply chain disruption experienced by the retail industry, lack of retail trading footfall in Australia and New Zealand and an anticipated cooling down of Tmall Global's transaction volume in Double Eleven eCommerce shopping festival in mainland China, the Company made a decision to reduce its advertising and marketing expenditure, which decreased from \$4,674,035 in 1H FY21 to \$1,241,060 in 1H FY22.

As a part of the Company's strategic plan, it successfully established four new distribution channels in USA, Singapore and China. Towards the end of December 2021, it also successfully launched its online store and initiated discussion with multiple rival eCommerce platforms that are expected to take market share from Alibaba's Tmall Global.

Overhead increased in 1H FY21 to support the development of eCommerce capability, maintain the Company as an ASX listed entity and explore opportunities for future growth.

EBITDA decreased from \$1,749,502 in the six months to 31 December 2020 to \$176,402 in the six months to 31 December 2021. EBITDA (excluding other income that relates to government subsidies) reconciles to profit for the half-year as follows:

| | 31 December 2021 | 31 December 2020 |
|---------------------------------------|------------------|------------------|
| | \$ | \$ |
| Profit for the year | 99,800 | 1,222,939 |
| Other income | (106,200) | (136,441) |
| Depreciation and amortisation expense | 58,762 | 65,056 |
| Finance expenses | 1,721 | 2,512 |
| Income tax expense | 16,119 | 458,995 |
| EBITDA (excluding other income) | 70,202 | 1,613,061 |

Operating cash flow fell from \$701,483 in 1H FY21 to \$320,280 in 1H FY22, primarily due to the decrease in receipts from customers.

Despite of the decrease on operating cash flow, the Company's cash increased by 1% to \$8,946,407 as at 31 December 2021, after distributing an interim dividend of 0.45 cents per share. It continued to operate with nil external debt (other than property lease liabilities) for 1H FY22.

Significant changes in the state of affairs

There have been no significant changes in the state of affairs of the Company during the year.

Matters subsequent to the end of the financial year

COVID-19 continued to impact the markets that the Company serve and it caused unforeseen issues and complexity across the supply chain. However, many countries are slowly opening their borders and adjusting to living with COVID and slowing returning to the 'new' normal. The Company anticipates sales to slowly recover during the second half of the year. The company also accelerated its strategic plan of factory acquisition to ease supply chain shortages.

Directors' Report

Likely developments and expected results of operations

The Company's main business growth strategies are:

- To expand the distribution channels in Australia and New Zealand into further pharmacies and grocery retailers.
- Implement and accelerate the direct-to-consumer strategy in ANZ and other countries by setting up online stores on key e-commerce platforms.
- Invest in research and development in genomics and precision nutrition research with a focus on longevity, weight management, human papillomavirus, and helicobacter pylori.
- Invest in technology and establish in-house e-commerce capability.
- Enhance cooperation with laboratories and scientific research institutions for the research and development of life science projects.

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.

Rounding of amounts

The company is of a kind referred to in Corporations Instrument 2016/191 dated 24 March 2016 issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest dollar.

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

Rothsay Audit & Assurance Pty Ltd continues in office 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.



Qizhou (Mark) Qin
Executive Director



Glenn Cross
Non-Executive Chair

Sydney, 28 February 2022

EZZ LIFE SCIENCE HOLDINGS LIMITED

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

As lead auditor for the review of EZZ Life Science Holdings Limited for the half-year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been:

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

Rothsay Audit & Assurance Pty Ltd



Daniel Dalla

Director

Sydney, 28 February 2022

Financial Statements

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Statement of Profit and Loss and Other Comprehensive Income

For the half-year ended 31 December 2021

| | | 31 December 2021 | 31 December 2020 |
|--|------|---------------------|---------------------|
| | Note | \$ | \$ |
| Revenue | 2 | 6,213,787 | 12,564,565 |
| Other income | 2 | 106,200 | 136,441 |
| Cost of sales | | (3,225,481) | (5,260,355) |
| Advertising and marketing expense | | (1,241,060) | (4,674,035) |
| Depreciation and amortisation expense | | (58,762) | (65,056) |
| Employee benefits expense | | (414,311) | (301,153) |
| Finance expenses | | (1,721) | (2,512) |
| Management fees | | (157,455) | (20,949) |
| Other expenses | | (1,105,278) | (695,012) |
| Profit before income tax | | 115,919 | 1,681,934 |
| Income tax expense | 3 | (16,119) | (458,995) |
| Profit for the year | | 99,800 | 1,222,939 |
| Other comprehensive income | | | |
| Other comprehensive income | | - | - |
| Total comprehensive income for the year | | 99,800 | 1,222,939 |
| Earnings per share | | Cents | Cents |
| Basic earnings per share | 5 | 0.24 | 4.08 |
| Diluted earnings per share | 5 | 0.24 | 4.08 |

The accompanying notes form part of these financial statements.

Statement of Financial Position

As at 31 December 2021

| | | 31 December 2021 | 30 June 2021 |
|--------------------------------------|------|---------------------|-------------------|
| | Note | \$ | \$ |
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | | 8,946,407 | 8,853,644 |
| Trade and other receivables | 6 | 1,532,652 | 2,188,788 |
| Inventories | | 494,544 | 271,611 |
| Other assets | | 514,619 | 419,996 |
| TOTAL CURRENT ASSETS | | 11,488,222 | 11,734,039 |
| NON-CURRENT ASSETS | | | |
| Plant and equipment | 7 | 72,836 | 131,598 |
| Intangible assets | 8 | 18,848 | 11,348 |
| Deferred tax assets | 9 | 177,078 | 161,687 |
| TOTAL NON-CURRENT ASSETS | | 268,762 | 304,633 |
| TOTAL ASSETS | | 11,756,984 | 12,038,672 |
| LIABILITIES | | | |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 10 | 1,571,707 | 1,638,200 |
| Current tax liabilities | 9 | 70,359 | 180,102 |
| Lease liabilities | 11 | 26,733 | 79,012 |
| Employee entitlements | 12 | 34,764 | 32,262 |
| TOTAL CURRENT LIABILITIES | | 1,703,563 | 1,929,576 |
| NON-CURRENT LIABILITIES | | | |
| Deferred tax liabilities | 9 | 12,530 | 1,330 |
| TOTAL NON-CURRENT LIABILITIES | | 12,530 | 1,330 |
| TOTAL LIABILITIES | | 1,716,093 | 1,930,906 |
| NET ASSETS | | 10,040,891 | 10,107,766 |
| EQUITY | | | |
| Issued capital | 13 | 5,667,219 | 5,667,219 |
| Retained earnings | | 4,351,347 | 4,440,547 |
| Reserves | 14 | 22,325 | - |
| TOTAL EQUITY | | 10,040,891 | 10,107,766 |

The accompanying notes form part of these financial statements.

Statement of Cash Flows

For the half-year ended 31 December 2021

| | | 31 December 2021 | 31 December 2020 |
|--|------|---------------------|---------------------|
| | Note | \$ | \$ |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | |
| Receipts from customers | | 7,303,849 | 15,126,108 |
| Receipts from Government incentives | | 105,978 | - |
| Payments to suppliers and employees | | (6,957,774) | (14,355,713) |
| Interest paid | | (1,721) | (2,512) |
| Income tax paid | | (130,052) | (66,400) |
| Net cash provided by/(used in) operating activities | 19 | 320,280 | 701,483 |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | |
| Payment for intangible assets | | (7,500) | (8,760) |
| Purchase of plant and equipment | | - | (1,166) |
| Net cash provided by/(used in) investing activities | | (7,500) | (9,926) |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | | |
| Payment of lease liabilities | | (52,279) | (56,528) |
| Dividends paid | | (167,432) | - |
| Net cash provided by/(used in) financing activities | | (219,711) | (56,528) |
| Net increase/(decrease) in cash and cash equivalents held | | 93,069 | 635,029 |
| Effects of movements in forex | | (306) | - |
| Cash and cash equivalents at the beginning of financial year | | 8,853,644 | 3,174,826 |
| Cash and cash equivalents at the end of financial year | | 8,946,407 | 3,809,855 |

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the half-year ended 31 December 2021

2022

| | Issued Capital \$ | Share Payment Reserve | Retained Earnings \$ | Total \$ |
|--|-------------------------|-----------------------------|----------------------------|-------------------|
| Balance at 1 July 2021 | 5,667,219 | - | 4,440,547 | 10,107,766 |
| Profit for the half-year | - | - | 99,800 | 99,800 |
| Other comprehensive gain/(loss) for the year | - | - | - | - |
| Dividends paid | - | | (189,000) | (189,000) |
| Share-based payments | - | 22,325 | - | 22,325 |
| Balance at 31 December 2021 | 5,667,219 | 22,325 | 4,351,347 | 10,040,891 |

2021

| | Issued Capital \$ | Retained Earnings \$ | Total \$ |
|--|-------------------------|----------------------------|-------------|
| Balance at 1 July 2020 | 100 | 2,409,941 | 2,410,041 |
| Profit for the half-year | - | 1,222,939 | 1,222,939 |
| Other comprehensive gain/(loss) for the year | - | - | - |
| Balance at 31 December 2020 | 100 | 3,632,880 | 3,632,980 |

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the half-year ended 31 December 2021

The financial report covers EZZ Life Science Holdings Limited ("the Company") as an individual entity. 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 28 February 2022.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

These general purpose financial statements for the interim half-year period ended 31 December 2021 have been prepared in accordance with the Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit orientated entities. Compliance with AASB 134 ensure compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2021 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

New or amended Accounting Standards and Interpretations adopted

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

2 Revenue and Other Income

| | 31 December 2021 | 31 December 2020 |
|---|---------------------|---------------------|
| | \$ | \$ |
| Revenue | | |
| - sale of goods – recognised at a point in time | 6,213,787 | 12,564,565 |
| | 6,213,787 | 12,564,565 |
| | | |
| | 31 December 2021 | 31 December 2020 |
| | \$ | \$ |
| Other Income | | |
| - Government subsidy | 105,978 | 136,441 |
| - Other revenue | 222 | - |
| | 106,200 | 136,441 |

Notes to the Financial Statements

For the half-year ended 31 December 2021

3 Income Tax Expense

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

| | 31 December 2021 | 31 December 2020 |
|--|---------------------|---------------------|
| | \$ | \$ |
| Current tax expense | 20,309 | 524,545 |
| Deferred tax expense relating to temporary differences | (4,190) | (65,550) |
| Total income tax expense | 16,119 | 458,995 |

(b) Reconciliation of income tax to accounting profit:

| | 31 December 2021 | 31 December 2020 |
|---|---------------------|---------------------|
| | \$ | \$ |
| Prima facie tax payable on profit from ordinary activities before income tax at 25% (31 December 2020: 27.5%) | 28,980 | 462,532 |
| Tax effect of: | | |
| - non-deductible depreciation and amortisation | 553 | 880 |
| - other non-deductible expenses | 5,581 | - |
| - non-assessable income | (18,995) | - |
| - current tax of prior periods | - | (4,417) |
| Income tax expense | 16,119 | 458,995 |

4 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

Notes to the Financial Statements

For the half-year ended 31 December 2021

4 Operating Segments (continued)

results from these reportable segments are equivalent to the financial statements of the Company as a whole. Geographical sales information 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.

(d) Segment liabilities

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

(e) Segment Revenues

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

| | Brought in Lines | | Company Owned | | Total | |
|---------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | 31 December 2021 | 31 December 2020 | 31 December 2021 | 31 December 2020 | 31 December 2021 | 31 December 2020 |
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Revenue | 3,468,035 | 5,539,507 | 2,745,752 | 7,025,058 | 6,213,787 | 12,564,565 |
| Cost of Sales | (2,370,960) | (4,346,171) | (854,521) | (914,184) | (3,225,481) | (5,260,355) |
| Total | 1,097,075 | 1,193,336 | 1,891,231 | 6,110,874 | 2,988,306 | 7,304,210 |

(f) Geographical information

| | Revenue | |
|---------------------------|------------------|-------------------|
| | 31 December 2021 | 31 December 2020 |
| | \$ | \$ |
| Australia and New Zealand | 4,479,142 | 5,683,264 |
| Mainland China | 1,709,220 | 6,832,737 |
| Other countries/regions | 25,425 | 48,564 |
| Total | 6,213,787 | 12,564,565 |

Notes to the Financial Statements

For the half-year ended 31 December 2021

5 Earnings Per Share

| | 31 December 2021 | 31 December 2020 |
|------------------------------------|---------------------|---------------------|
| | \$ | \$ |
| Basic earnings per share (cents) | 0.24 | 4.08 |
| Diluted earnings per share (cents) | 0.24 | 4.08 |

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 | 99,800 | 1,222,939 |
|---|--------|-----------|

Number of shares

| | | |
|---|------------|------------|
| Number of shares used in calculating basic earnings per share* | 42,000,000 | 30,000,000 |
| Weighted average number of shares used in calculating diluted earnings per share* | 42,000,000 | 30,000,000 |

*Excludes 760,000 restricted shares issued during the half-year.

6 Trade and Other Receivables

| | 31 December 2021 | 30 June 2021 |
|-------------------|---------------------|------------------|
| | \$ | \$ |
| CURRENT | | |
| Trade receivables | 1,517,010 | 2,047,618 |
| Other receivables | 15,642 | 141,170 |
| | <u>1,532,652</u> | <u>2,188,788</u> |

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.

Notes to the Financial Statements

For the half-year ended 31 December 2021

7 Plant and Equipment

| | 31 December 2021 | 30 June 2021 |
|--------------------------|---------------------|-----------------|
| | \$ | \$ |
| Motor vehicles | | |
| At cost | 90,000 | 90,000 |
| Accumulated depreciation | (47,422) | (41,282) |
| Total motor vehicles | 42,578 | 48,718 |
| Computer equipment | | |
| At cost | 8,510 | 8,510 |
| Accumulated depreciation | (4,015) | (2,909) |
| Total computer equipment | 4,495 | 5,601 |
| Right-of-Use | | |
| At cost | 154,555 | 154,555 |
| Accumulated depreciation | (128,792) | (77,276) |
| Total right-of-use | 25,763 | 77,279 |
| | 72,836 | 131,598 |

Notes to the Financial Statements

For the half-year ended 31 December 2021

8 Intangible Assets

| | 31 December 2021 | 30 June 2021 |
|-----------|---------------------|-----------------|
| | \$ | \$ |
| Trademark | 11,348 | 11,348 |
| Other | 7,500 | - |
| | 18,848 | 11,348 |

9 Tax Assets and Liabilities

| | 31 December 2021 | 30 June 2021 |
|--------------------|---------------------|-----------------|
| | \$ | \$ |
| Income tax payable | 70,359 | 180,102 |
| | 70,359 | 180,102 |

Deferred tax assets

Components of deferred tax assets are:

| | Opening Balance | Credited / (charged) to Income | Closing Balance |
|--|--------------------|--------------------------------------|--------------------|
| | \$ | \$ | \$ |
| Employee leave entitlements | 4,065 | 346 | 4,411 |
| IPO transaction costs | 149,065 | (18,633) | 130,432 |
| Accrued audit fee | 3,750 | (3,750) | - |
| Accrued management fee | - | 37,262 | 37,262 |
| Unrealised foreign exchange loss | 373 | 77 | 450 |
| Superannuation payable | 4,001 | 279 | 4,280 |
| Net impact of accounting for operating lease | 433 | (190) | 243 |
| Balance at 31 December 2021 | 161,687 | 15,391 | 177,078 |

Notes to the Financial Statements

For the half-year ended 31 December 2021

| | Opening Balance | Credited / (charged) to Income | Closing Balance |
|---|--------------------|--------------------------------------|--------------------|
| | \$ | \$ | \$ |
| Deferred tax liabilities | | | |
| Components of deferred tax liabilities are: | | | |
| Depreciation | 1,330 | (253) | 1,077 |
| Prepayment | - | 11,453 | 11,453 |
| Balance at 31 December 2021 | 1,330 | 11,200 | 12,530 |

10 Trade and Other Payables

| | 31 December 2021 | 30 June 2021 |
|---|---------------------|-----------------|
| | \$ | \$ |
| CURRENT | | |
| Trade payables - non-related parties | 514,809 | 473,359 |
| Trade payable to related entity - Australian United Pharmaceuticals Pty Ltd | 870,995 | 1,116,121 |
| Other payables | 185,903 | 48,720 |
| | 1,571,707 | 1,638,200 |

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.

Notes to the Financial Statements

For the half-year ended 31 December 2021

11 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:

| | 31 December 2021 | 31 December 2020 |
|---------------------------------------|------------------|------------------|
| | \$ | \$ |
| Interest expense on lease liabilities | 1,721 | 2,512 |
| Depreciation of right-of-use assets | 51,516 | 56,553 |
| | 53,237 | 59,065 |

Statement of Cash Flows

| | 31 December 2021 | 31 December 2020 |
|-------------------------------|------------------|------------------|
| | \$ | \$ |
| Total cash outflow for leases | 52,279 | 56,528 |

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 |
|-------------------------|----------|-------------|-----------|--------------------------------------|--|
| | \$ | \$ | \$ | \$ | \$ |
| 31 December 2021 | | | | | |
| Lease liabilities | 27,000 | - | - | 27,000 | 26,733 |
| 30 June 2021 | | | | | |
| Lease liabilities | 81,000 | - | - | 81,000 | 79,012 |

Notes to the Financial Statements

For the half-year ended 31 December 2021

12 Employee Entitlements

| | 31 December 2021 | 30 June 2021 |
|---------------------------|---------------------|-----------------|
| | \$ | \$ |
| Current liabilities | | |
| Annual leave entitlements | 17,644 | 16,259 |
| Superannuation payable | 17,120 | 16,003 |
| | 34,764 | 32,262 |

13 Issued Capital

| | 31 December 2021 Number of shares | 31 December 2021 \$ | 30 June 2021 Number of shares | 30 June 2021 \$ |
|--|--|---------------------------|--|-----------------------|
| Ordinary shares fully paid | | | | |
| At the beginning of the period | 42,000,000 | 5,667,219 | 100 | 100 |
| 100 ordinary shares split to 30,000,000 ordinary shares | - | - | 29,999,900 | - |
| Shares issued through IPO, net of transaction costs | - | - | 12,000,000 | 5,667,119 |
| Total ordinary shares fully paid* | 42,000,000 | 5,667,219 | 42,000,000 | 5,667,219 |

*Excludes 760,000 restricted shares issues during the half-year.

14 Reserves

| | 31 December 2021 | 30 June 2021 |
|-----------------------|---------------------|-----------------|
| | \$ | \$ |
| Share payment reserve | 22,325 | - |
| | 22,325 | - |

Notes to the Financial Statements

For the half-year ended 31 December 2021

15 Dividends

A fully franked final dividend of 0.45 cents per ordinary share was paid on 16 December 2021, resulting in a total dividend payment of \$189,000 based on the number of ordinary shares on issue was declared on 27 September 2021.

| | 31 December 2021 | | 31 December 2020 | |
|---|------------------|----------------|------------------|----------|
| | Cents per share | \$ | Cents per share | \$ |
| Dividend payments on ordinary shares | | | | |
| 2021 final dividend (31 December 2020: None) | 0.45 | 189,000 | - | - |
| Total dividends on ordinary shares paid to owners of the Company | 0.45 | 189,000 | - | - |

16 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.

| | 31 December 2021 | 31 December 2020 |
|------------------------------|------------------|------------------|
| | \$ | \$ |
| Short-term employee benefits | 243,293 | 117,885 |
| Post-employment benefits | 9,659 | 11,199 |
| | 252,952 | 129,084 |

17 Related Parties

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

Key management personnel - refer to Note 16.

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 related entities, Australian United Pharmaceuticals Pty Ltd.

The Company has entered into a service arrangement with related entities Australian United Pharmaceuticals Pty Ltd and Australian Health Industry Co. Pty Ltd. These have ceased on the employment of the key personnel by the Company.

Notes to the Financial Statements

For the half-year ended 31 December 2021

17 Related Parties (continued)

The Company has entered into a lease agreement for its current property from a related party, Parramatta Asset Management Pty Ltd.

Amounts payable to related parties are disclosed in Note 10 and details of transactions with related parties are summarised below:

| | 31 December 2021 \$ | 31 December 2020 \$ |
|--|---------------------------|---------------------------|
| Australian United Pharmaceuticals Pty Ltd | | |
| Inventory purchases | 2,312,906 | 4,972,856 |
| Australian Health Industry Co. Pty Ltd | | |
| Premises rent | - | 32,040 |
| Parramatta Asset Management Pty Ltd | | |
| Premises rent | 54,000 | 27,000 |

18 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 31 December 2021 (30 June 2021: None).

Notes to the Financial Statements

For the half-year ended 31 December 2021

19 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:

| | 31 December 2021 | 31 December 2020 |
|---|------------------|------------------|
| | \$ | \$ |
| Profit after income tax | 99,800 | 1,222,939 |
| Non-cash flows in profit: | | |
| - depreciation | 58,762 | 65,056 |
| - effects of foreign exchange | 306 | - |
| Changes in assets and liabilities: | | |
| - (increase)/decrease in trade and other receivables | 656,136 | 1,061,609 |
| - (increase)/decrease in inventories | (222,933) | (352,897) |
| - (increase)/decrease in prepayments and other assets | (94,623) | (47,877) |
| - increase/(decrease) in trade and other payables | (88,062) | (1,642,718) |
| - increase/(decrease) in income taxes | (113,933) | 392,595 |
| - increase/(decrease) in employee entitlements | 24,827 | 2,776 |
| Cashflows from operations | 320,280 | 701,483 |

20 Events Occurring After the Reporting Date

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial year.

21 Statutory Information

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

EZZ Life Science Holdings Limited

104 Derby Street

Silverwater NSW 2074

Directors' Declaration

In the directors' opinion:

1. the financial statements and notes for the half-year ended 31 December 2021 are in accordance with the *Corporations Act 2001* including:
 - a. giving a true and fair view of the Company's financial position as at 31 December 2021 and of its performance for the half-year ended on that date, and
 - b. complying with Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and;
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



Qizhou (Mark) Qin
Executive Director



Glenn Cross
Non-Executive Chair

Sydney, 28 February 2022

EZZ LIFE SCIENCE HOLDINGS LIMITED

INDEPENDENT REVIEWER'S REPORT

To the members of EZZ Life Science Holdings Limited

Report on the Half-Year Financial Report

We have reviewed the half-year financial report of EZZ Life Science Holdings Limited ("the Company"), which comprises the statement of financial position as at 31 December 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the half-year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the consolidated half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the consolidated half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Company's financial position as at 31 December 2021 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of EZZ Life Science Holdings Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



EZZ LIFE SCIENCE HOLDINGS LIMITED

INDEPENDENT REVIEWER'S REPORT

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of EZZ Life Science Holdings Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of EZZ Life Science Holdings Limited is not in accordance with the *Corporations Act 2001* including:

- a) giving a true and fair view of the Company's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Rothsay Audit & Assurance Pty Ltd

Daniel Dalla

Director

Sydney, 28 February 2022