

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 2023

Half year ended (“previous period”)

31 December 2022

2. Results for announcement to the market

		31 Dec 2023	31 Dec 2022
		\$	\$
2.1 Revenues from continuing operations	Increase 43.44%	21,696,812	15,125,613
2.2 Profit (loss) from continuing operations after tax attributable to members	Decrease (12.06%)	1,142,373	1,299,037
2.3 Net profit (loss) for the period attributable to members	Decrease (12.06%)	1,142,373	1,299,037
2.4 Dividends	Amount per security	Franked amount per security	
Final dividend declared	AUD 0.01	AUD 0.01	
2.5 Record date for determining entitlements to the dividend		31 October 2023	
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 2023.			

3. Net tangible assets per security

	31 Dec 2023	31 Dec 2022
	\$	\$
Net tangible asset backing per ordinary security	0.36	0.29

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

N/A

5. Dividends

Individual dividends per security

Dividends declared and paid in the year ended 30 June 2023.

	Date dividend is payable	Amount per security	Franked amount per security at 25% tax	Amount per security of foreign source dividend
Final dividend: Current period	8 Dec 2023	1 cent	1 cent	N/A
Previous period	16 Dec 2022	0.45 cent	0.45 cent	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

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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 2023 financial report.

10. Attachments

The financial statements of the Company for the half-year ended 31 December 2023 is attached.

As authorized by the Board of Directors



Qizhou (Mark) Qin
Executive Director

29 February 2024

EZZ Life Science Holdings Limited
ACN 608 363 604

Financial Report

For the Half-Year Ended 31 December 2023

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Corporate Directory

Directors	Glenn Cross, Non-Executive Chair Qizhou (Mark) Qin, Executive Director and CEO Ivan Oshry, LLB, Non-Executive Director Hao Huang, 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	In.Corp Audit & Assurance Pty Ltd (formerly 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

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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 2023.

Directors

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

Glenn Cross

Qizhou (Mark) Qin

Ivan Oshry

Hao Huang

Company secretary

Ms Natalie Climo

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.

Dividends

A fully franked final dividend of AUD 1 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.

Review of operations

Revenue from operating activities increased by 43% from \$15.1 million in 1H FY23 to \$21.7 million in this half year period end 31 December 2023, including the sales from both the EZZ branded health supplements and EAORON branded skincare products.

Revenue from the EZZ branded products increased year-on-year by 50% from \$12.7 million to \$19.1 million during the period, which represented 88% of total revenue. Supported by increased investments in marketing activities, the combination of direct-to-consumer and omni-channel digital marketing strategies has continued to drive its success and contributed \$18.6 million in revenue in 1H FY23, which represented a 56% growth year-on-year. In the first half of 2024, the company successfully developed and launched 11 new products. Revenue from new products was \$2.4 million, representing 11% of 1H FY24 revenue.

As more tourists returned to Australia, revenue from the EAORON branded product increased by 6.6% from \$2.41 million in 1H FY23 to \$2.57 million in 1H FY24, contributing 11.8% of overall revenue.

Gross margin remained largely stable above 70% during the period.

Investments in marketing activities increased by \$4.0 million or 51% during the period. The majority of this increase is attributable to newly established social commerce distribution channels, such as Kuaishou and Pindodo, which is

Directors' Report

expected to reduce once the revenue from these channels stabilises. Douyin remained as a key distribution channel in addition to Tmall Global. Douyin related marketing expenditure increased moderately to further expand its social commerce distribution network and support newly added online distribution points. As a result of return of tourists, marketing activities in related channels such as major airports were also resumed.

EBIDTA (excluding other income) decreased by 7.0% compared with the same period last year as a result of increase in marketing expenditures.

EBITDA reconciles to profit for the half-year as follows:

	31 December 2023	31 December 2022
	\$	\$
Profit for the year	1,142,373	1,299,037
Other income	-	(9,122)
Depreciation and amortisation expense	191,304	58,200
Finance expenses	14,226	2,497
Interest income	(46,930)	(18,023)
Income tax expense	383,724	479,220
EBITDA	<u>1,684,697</u>	<u>1,811,809</u>

The Company's cash position remained strong with a closing balance of \$12.6 million as at 31 December 2023, following the distribution of FY23 final dividend. The Company also maintained its debt-free status, with no external debt (other than property lease liabilities) in 1H FY24. The operating cash outflow was \$0.3 million during the period due to the increased investment in marketing activities to support newly developed channels. As a result, EZZ managed to successfully implement its channel diversification strategy by establishing Kuaishou as the third key digital distribution channel after Tmall Global and Douyin. Generating more than \$4 million revenues in 1H FY24, Kuaishou is now the second largest distribution channel after Douyin.

General Risks

The Company was listed based on its January 2021 Prospectus which did identify a number of specific risks associated with investing in the Company. The Company is addressing the main risks as follows:

- (a) Reliance on customer demand for the EAORON products
 - The Company has the exclusive distribution rights of EAORON products to pharmacies, supermarkets and specialist retailers in Australia and New Zealand, and this brand continues to sell well, especially after the upgraded SKUs released to the market. In the meantime, EZZ continues to release new market favoured products resulting in the EZZ brand generating revenues significantly surpassing EAORON, and dominating the company's product portfolio.
- (b) Reliance on Distribution Agreement with Australian United Pharmaceuticals Pty Ltd for the EAORON branded products
 - Australian United Pharmaceuticals Pty Ltd is a related party of the Company and the current distribution agreement is under option period.
- (c) New product risk for the EZZ branded products
 - The Company has launched over 30 new products since its listing on the ASX and these products have been well received by the market, with EZZ branded products now dominating total sales product mix.
- (d) End user customers' satisfaction
 - The Company generates most of its sales from B2C via selling on its own official online store on various e-commerce platforms (Douyin, Kuaishou, Tmall, Onion, VipShop, Shopify). With increasing end user customers the demand for after sale services have excelled dramatically.
- (e) Reliance on manufacturers

Directors' Report

- The Company raised \$2.46 million as part of the IPO with the intent of bringing the manufacturing process in-house within the intermediate term (two to five years).

Matters subsequent to the end of the reporting period

There has no subsequent matters to the end of the reporting period.

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

In.Corp Audit & Assurance Pty Ltd (this is the new name for 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 306(3)9a) of the Corporations Act 2001.



Qizhou (Mark) Qin

Executive Director



Glenn Cross

Non-Executive Chair

Sydney, 29 February 2024

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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 review for the half-year ended 31 December 2023 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.

In.Corp Audit & Assurance Pty Ltd



Daniel Dalla
Director

Sydney, 29 February 2024

In.Corp Audit & Assurance Pty Ltd
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Statement of Profit and Loss and Other Comprehensive Income

For the half-year ended 31 December 2023

	Note	31 December 2023 \$	31 December 2022 \$
Revenue	2	21,696,812	15,125,613
Other income	2	46,930	27,145
Cost of sales		(6,388,728)	(3,972,472)
Advertising and marketing expense		(11,733,603)	(7,759,278)
Depreciation and amortisation expense		(191,304)	(58,200)
Employee benefits expense		(559,814)	(573,972)
Finance expenses		(14,226)	(2,497)
Director fees		(117,000)	(142,000)
Other expenses		(1,212,970)	(866,082)
Profit before income tax		1,526,097	1,778,257
Income tax expense	3	(383,724)	(479,220)
Profit for the year		1,142,373	1,299,037
Other comprehensive income			
Other comprehensive income		-	-
Total comprehensive income for the year		1,142,373	1,299,037
Earnings per share		Cents	Cents
Basic earnings per share	5	2.68	3.04
Diluted earnings per share	5	2.68	3.04

The accompanying notes form part of these financial statements.

Statement of Financial Position

As at 31 December 2023

		31 December 2023	30 June 2023
	Note	\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		12,618,374	13,830,751
Trade and other receivables	6	3,276,512	1,387,646
Inventories		1,559,463	846,918
Other assets		2,136,862	940,506
TOTAL CURRENT ASSETS		19,591,211	17,005,821
NON-CURRENT ASSETS			
Plant and equipment	7	633,454	603,767
Intangible assets	8	18,848	18,848
Deferred tax assets	9	53,309	12,185
TOTAL NON-CURRENT ASSETS		705,611	634,800
TOTAL ASSETS		20,296,822	17,640,621
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	4,400,699	2,206,243
Current tax liabilities	9	218,570	292,504
Lease liabilities	11	304,318	354,736
Employee entitlements	12	75,482	81,140
TOTAL CURRENT LIABILITIES		4,999,069	2,934,623
NON-CURRENT LIABILITIES			
Lease liabilities	11	-	123,856
TOTAL NON-CURRENT LIABILITIES		-	123,856
TOTAL LIABILITIES		4,999,069	3,058,479
NET ASSETS		15,297,753	14,582,142
EQUITY			
Issued capital	13	5,998,570	5,998,570
Retained earnings		9,298,086	8,582,763
Reserves	14	1,097	809
TOTAL EQUITY		15,297,753	14,582,142

The accompanying notes form part of these financial statements.

Statement of Cash Flows

For the half-year ended 31 December 2023

		31 December 2023	31 December 2022
	Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		20,313,439	14,642,215
Receipts from Government incentives		-	9,122
Payments to suppliers and employees		(20,180,746)	(14,771,257)
Interest paid	11	(14,226)	(2,497)
Interest received		46,930	18,023
Income tax paid		(498,783)	(536,943)
Net cash provided by/(used in) operating activities	19	(333,386)	(641,337)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of plant and equipment		(68,876)	(1,956)
Payments to lease improvement		(211,400)	
Net cash provided by/(used in) investing activities		(280,276)	(1,956)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Payment of lease liabilities	11	(174,274)	(51,503)
Dividends paid		(424,441)	(184,165)
Net cash provided by/(used in) financing activities		(598,715)	(235,668)
Net increase/(decrease) in cash and cash equivalents held		(1,212,377)	(878,961)
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		12,618,374	9,585,880

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the half-year ended 31 December 2023

2023

	Issued Capital	Share Payment Reserve	Retained Earnings	Total
	\$	\$	\$	\$
Balance at 1 July 2023	5,998,570	809	8,582,763	14,582,142
Profit for the half-year	-	-	1,142,373	1,142,373
Dividends paid	-	-	(427,050)	(427,050)
Share-based payments	-	288	-	288
Balance at 31 December 2023	5,998,570	1,097	9,298,086	15,297,753

2022

	Issued Capital	Share Payment Reserve	Retained Earnings	Total
	\$	\$	\$	\$
Balance at 1 July 2022	5,667,219	156,275	5,563,966	11,387,460
Profit for the half-year	-	-	1,299,037	1,299,037
Dividends paid	-	-	(192,420)	(192,420)
Share-based payments	-	134,223	-	134,223
Balance at 31 December 2022	5,667,219	290,498	6,670,583	12,628,300

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the half-year ended 31 December 2023

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 29 February 2024.

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 2023 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 ensures 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 2023 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 2023	31 December 2022
	\$	\$
Revenue		
- sale of goods – recognised at a point in time	21,696,812	15,125,613
	21,696,812	15,125,613

	31 December 2023	31 December 2022
	\$	\$
Other Income		
- Government subsidy	-	9,122
- Interest income	46,930	18,023
	46,930	27,145

Notes to the Financial Statements

For the half-year ended 31 December 2023

3 Income Tax Expense

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

	31 December 2023	31 December 2022
	\$	\$
Current tax expense	424,849	519,619
Deferred tax expense relating to temporary differences	(41,125)	(40,399)
Total income tax expense	383,724	479,220

(b) Reconciliation of income tax to accounting profit:

	31 December 2023	31 December 2022
	\$	\$
Prima facie tax payable on profit from ordinary activities before income tax at 25%	381,524	444,565
Tax effect of:		
- non-deductible depreciation and amortisation	310	415
- other non-deductible expenses	1,890	34,240
Income tax expense	383,724	479,220

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.

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Notes to the Financial Statements

For the half-year ended 31 December 2023

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 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 2023	31 December 2022	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	\$	\$	\$	\$	\$	\$
Revenue	2,567,051	2,413,640	19,129,761	12,711,973	21,696,812	15,125,613
Cost of Sales	(1,810,270)	(1,856,139)	(4,578,458)	(2,116,333)	(6,388,728)	(3,972,472)
Total	756,781	557,501	14,551,303	10,595,640	15,308,084	11,153,141

(f) Geographical information

	Revenue	
	31 December 2023	31 December 2022
	\$	\$
Australia and New Zealand	3,167,564	2,985,178
Mainland China	18,481,217	11,809,888
Other countries/regions	48,031	330,547
Total	21,696,812	15,125,613

Notes to the Financial Statements

For the half-year ended 31 December 2023

5 Earnings Per Share

	31 December 2023	31 December 2022
	\$	\$
Basic earnings per share (cents)	2.68	3.04
Diluted earnings per share (cents)	2.68	3.04

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	1,142,373	1,299,037
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Number of shares

Number of shares used in calculating basic earnings per share*	42,705,000	42,760,000
Weighted average number of shares used in calculating diluted earnings per share*	42,705,000	42,760,000

*Includes 760,000 employee incentive shares

6 Trade and Other Receivables

	31 December 2023	30 June 2023
	\$	\$
CURRENT		
Trade receivables	3,096,029	1,316,820
Other receivables	180,483	70,826
	<u>3,276,512</u>	<u>1,387,646</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.

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Notes to the Financial Statements

For the half-year ended 31 December 2023

7 Plant and Equipment

	31 December 2023	30 June 2023
	\$	\$
Motor vehicles		
At cost	156,364	156,364
Accumulated depreciation	(79,548)	(68,506)
Total motor vehicles	<u>76,816</u>	<u>87,858</u>
Office equipment and furniture		
At cost	9,964	3,679
Accumulated depreciation	(2,026)	(1,621)
Total office equipment and furniture	<u>7,938</u>	<u>2,058</u>
Computer equipment		
At cost	17,657	14,351
Accumulated depreciation	(9,347)	(7,939)
Total computer equipment	<u>8,310</u>	<u>6,412</u>
Improvements At Cost	<u>242,977</u>	31,577
Total Improvements	<u>242,977</u>	31,577
Right-of-Use		
At cost	535,344	665,094
Accumulated depreciation	(237,931)	(189,232)
Total right-of-use	<u>297,413</u>	<u>475,862</u>
	<u><u>633,454</u></u>	<u><u>603,767</u></u>

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Notes to the Financial Statements

For the half-year ended 31 December 2023

8 Intangible Assets

	31 December 2023	30 June 2023
	\$	\$
Trademark	11,348	11,348
Other	7,500	7,500
	18,848	18,848

9 Tax Assets and Liabilities

	31 December 2023	30 June 2023
	\$	\$
Income tax payable	218,570	292,504
	218,570	292,504

	Opening Balance	Credited / (Charged) to Income	Closing Balance
	\$	\$	\$
Deferred tax assets			
Components of deferred tax assets are:			
Employee leave entitlements	8,695	(1,158)	7,537
Provision for short term incentive plan	5,325	(2,174)	3,151
IPO transaction costs	74,533	(18,735)	55,798
Accruals	4,125	(1,375)	2,750
Unrealised foreign exchange loss	(55,688)	43,520	(12,168)
Superannuation payable	6,265	1,917	8,182
Net impact of accounting for operating lease	682	1,044	1,726
Other Adjustment	-	273	273
Reclassify from deferred tax liabilities	(31,752)	17,812	(13,940)
	12,185	41,124	53,309

Notes to the Financial Statements

For the half-year ended 31 December 2023

	Opening Balance	Credited / (Charged) to Income	Closing Balance
	\$	\$	\$
Deferred tax liabilities			
Components of deferred tax liabilities are:			
Depreciation	(2,118)	(1,944)	(4,062)
Prepayment	(29,634)	19,756	(9,878)
Reclassify to deferred tax assets	31,752	(17,812)	13,940
	-	-	-
	12,185	41,124	53,309

10 Trade and Other Payables

	31 December 2023	30 June 2023
	\$	\$
CURRENT		
Trade payables - non-related parties	2,800,059	1,317,943
Trade payable to related entity - Australian United Pharmaceuticals Pty Ltd	1,525,709	819,130
Other payables	74,931	69,170
	4,400,699	2,206,243

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.

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Notes to the Financial Statements

For the half-year ended 31 December 2023

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 2023	31 December 2022
	\$	\$
Interest expense on lease liabilities	14,226	2,497
Depreciation of right-of-use assets	178,448	51,900
	<u>192,674</u>	<u>54,397</u>

Statement of Cash Flows

	31 December 2023	31 December 2022
	\$	\$
Total cash outflow for leases	<u>188,500</u>	<u>51,503</u>

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 2023					
Lease liabilities	314,167	-	-	314,167	304,318
30 June 2023					
Lease liabilities	377,000	125,667	-	502,667	478,592

Notes to the Financial Statements

For the half-year ended 31 December 2023

12 Employee Entitlements

	31 December 2023	30 June 2023
	\$	\$
Current liabilities		
Annual leave entitlements	30,148	34,780
Provision for short-term incentive bonus	12,606	21,300
Superannuation payable	32,728	25,060
	<u>75,482</u>	<u>81,140</u>

13 Issued Capital

	31 December 2023 Number of shares	31 December 2023 \$	30 June 2023 Number of shares	30 June 2023 \$
Ordinary shares fully paid				
At the beginning of the period	42,705,000	5,998,570	42,705,000	5,998,570
Total ordinary shares fully paid*	<u>42,705,000</u>	<u>5,998,570</u>	<u>42,705,000</u>	<u>5,998,570</u>

14 Reserves

	31 December 2023	30 June 2023
	\$	\$
LTIP - Executives	1,097	809
	<u>1,097</u>	<u>809</u>

15 Dividends

A fully franked final dividend of AUD 0.01 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.

Notes to the Financial Statements

For the half-year ended 31 December 2023

	31 December 2023		31 December 2022	
	Cents per share	\$	Cents per share	\$
Dividend payments on ordinary shares				
Final dividend	1.00	427,050	0.45	192,420
Total dividends on ordinary shares paid to owners of the Company	1.00	427,050	0.45	192,420

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	31 December
	2023	2022
	\$	\$
Short-term employee benefits	256,008	227,931
Post-employment benefits	9,900	6,502
	265,908	234,433

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 entered into a lease agreement for its current office/warehouse property from a related party, Parramatta Asset Management Pty Ltd.

The Company has entered into a lease agreement for its new Head Office from a related party, WM Group Trust.

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

Notes to the Financial Statements

For the half-year ended 31 December 2023

	31 December 2023	31 December 2022
	\$	\$
Australian United Pharmaceuticals Pty Ltd		
Inventory purchases	1,810,270	1,856,139
Due Books Pty Ltd		
Legal services	5,000	-
Parramatta Asset Management Pty Ltd		
Office/Warehouse lease	54,000	54,000
WM Group Pty Ltd		
Head Office premises rent	188,500	-

18 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 31 December 2023 (30 June 2023: None).

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 2023	31 December 2022
	\$	\$
Profit after income tax	1,142,373	1,299,037
Non-cash flows in profit:		
- Depreciation	191,304	58,200
- Share based payments	288	134,223
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(1,888,866)	(936,968)
- (increase)/decrease in inventories	(712,545)	(418,131)
- (increase)/decrease in prepayments and other assets	(1,137,071)	(283,978)
- increase/(decrease) in trade and other payables	2,190,822	(446,075)
- increase/(decrease) in income taxes	(115,059)	(57,724)
- increase/(decrease) in employee entitlements	(4,632)	10,079
Cashflows from operations	<u>(333,386)</u>	<u>(641,337)</u>

Notes to the Financial Statements

For the half-year ended 31 December 2023

20 Events Occurring After the Reporting Date

No matters or circumstances have arisen since the end of the reporting period 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 2128

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Directors' Declaration

In the directors' opinion:

1. the financial statements and notes for the half-year ended 31 December 2023 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 2023 and of its performance for the half-year ended on that date, and
 - b. complying with Australian Accounting Standards, AASB 134 *Interim Financial Reporting*.
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, 29 February 2024

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**EZZ LIFE SCIENCE HOLDINGS LIMITED
INDEPENDENT AUDITOR'S REVIEW REPORT**

To the Members of EZZ Life Science Holdings Limited

Conclusion

We have reviewed the accompanying half-year financial report of EZZ Life Science Holdings Limited ("the Company"), which comprises the statement of financial position as at 31 December 2023, and 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 on that date, notes to the financial statements including a summary of significant accounting policies, other explanatory information, and the directors' declaration.

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 2023 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report.

We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and 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 requirements 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 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.

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

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EZZ LIFE SCIENCE HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REVIEW REPORT (continued)

Directors' Responsibility for the Half-Year Financial Report

The directors of EZZ Life Science Holdings Limited are responsible for the preparation of the 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 Responsibilities for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether 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 2023 and its performance for the half-year ended on that date, and complying with AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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.

In.Corp Audit & Assurance Pty Ltd



Daniel Dalla
Director

Sydney, 29 February 2024

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