

HOLISTA COLLTECH

ABN 24 094 515 992

Appendix 4E

Preliminary final report

31 December 2017

About Us

"We all strive to be healthy. Yet sometimes, making the right choice is beyond our control. That's where Holista CollTech comes in. We have devoted our time into researching and finding natural solutions to help you improve their health. After all, being healthy is the best gift you can give your body."

CORPORATE PROFILE

Holista CollTech Ltd (**Holista**) is research-driven biotech company and is the result of the merger of Holista Biotech Sdn. Bhd. and CollTech Australia Ltd.

Headquartered in Perth with extensive operations in Malaysia, Holista is dedicated to delivering first-class natural ingredients and wellness products, and leads in research on herbs and food ingredients.

Holista, listed on the Australian Securities Exchange (ASX:HCT), researches, develops, manufactures and markets "health-style" products to address the unmet and growing needs of natural medicine.

Holista has a suite of food ingredients which does not compromise on taste, odour and mouth-feel. This includes low-Glycemic Index ("GI") baked products, low sodium salt, low fat fried foods and low calories sugar.

It is the only company to produce sheep (ovine) collagen using patented extraction methods from Australia, and is on track in nano-nising and encapsulating liposomes for the ovine collagen.

Holista aims to build a world class company focused on providing consumers with scientifically enhanced, engineered and tested natural health supplements and consumer products.

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APPENDIX 4E

Preliminary final report
31 December 2017

HOLISTA COLLTECH LIMITED

AND CONTROLLED ENTITIES

ABN 24 094 515 992

Corporate directory

Current Directors

Dr Rajen Manicka *Managing Director and Chief Executive Officer*
Mr Daniel Joseph O'Connor *Non-executive Director*
Mr Chan Heng Fai *Non-executive Director*

Joint Company Secretary

Mr Jay Stephenson
Mr Brett Fraser

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Company Update

1.1. Operations Review

During the financial period, the Group remained focused on three core areas:

- Dietary Supplements
- Healthy Food Ingredients
- Sheep (Ovine) Collagen

Dietary Supplements

Dietary Supplements were the Group's main income contributor during the financial period. While the Group has a strong distribution network throughout Malaysia, market conditions in Malaysia remain challenging as inflation (due to the relative weakness of the Ringgit against major world currencies) continues to impact customers' purchasing power.

Revenue for this segment increased by 104.8% to \$7,176,684 for the 12 months ended 31 December 2017 (new financial year end), compared to \$3,503,976 from the previous 6 months ending 31 December 2016 (previous financial year end).

The Group has launched initiatives to increase its presence in the Dietary Supplements market. In the year under review, the Group released a new dietary supplement product, PRISTIN® GOLD, in Malaysia. PRISTIN® GOLD contains Omega-3 benefits in fewer servings. The fish oil is imported from EPAX AS, Norway, and is encapsulated in fish gelatin capsules by Eurocaps Ltd, UK. Sales reached \$566,000 in the first year of launch.

On 8 March 2017, the Group launched iNContro™ (**iNContro**) in Kuala Lumpur, an all-natural spinach extract which helps reduce hunger and food cravings.

On 9 August 2017, the Group secured global rights to an all-natural carbohydrate manager developed by two Nobel Prize nominees, which has proven successful in combating obesity and diabetes.

On 14 November 2017, the Group secured global distribution rights for a supplement sourced from algae found in pristine conditions in a lake in the United States, which can enhance stem cell growth and promote their release.

The Group is also exclusively supplying raw material to multi-level marketing companies and will continue to source for new potential products in the next financial year.

Healthy Foods Ingredients

During the financial period, the Group focused on:

- Glycemic Index (GI) Reducer
- Low-GI Sugar

In the year under review, the Group's focus area within this segment was its GI reducer – a patented formula consisting of barley, dhal, fenugreek and okra – which has been independently verified to have significant reduction of blood sugar levels when added to white flour, without changing the taste or texture of the final product.

We have made significant progress with our GI reducer, which includes a partnership with Veripan Ingredients AG (**Veripan**), the largest independent bakery supplier in Europe, to develop and market PANATURA®GI, an all-natural sourdough. White bread made with PANATURA®GI has been proven to achieve a significantly low GI reading of 55.

On 3 March 2016, we began a partnership with Nadja Foods LLC (**Nadja Foods**) to co-develop clean-label low-GI muffins for distribution in U.S. and Canada. On 6 April 2016, Holista extended this partnership with Nadja Foods to include bagels, brownies and croutons.

On 12 July 2016, our U.S. subsidiary Litefood Inc (**Litefood**) announced the formation of a 51-49 joint venture company (**Holista Foods**) with Nadja Foods to distribute our low-GI product in North America. Holista Foods has food manufacturing operations in the U.S. and Canada, and will be helmed by Nadja Piatka, a celebrity chef who has pioneered many healthy food products, as CEO.

This is a landmark partnership as North America is widely known as the home of fast food chains, and entering this market will present opportunities for the Group to generate income from this area in the near future. According to research by global food research house Statista, baked goods account for over US\$22.15 billion in retail sales across North America.

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Company Update

On 21 October 2016, Holista Foods secured its first major collaboration following the announcement of a Research and Development (“R&D”) collaboration with a leading North American noodle manufacturer, Wing’s Food Products (**Wing’s**), to develop the world’s first low-GI noodles. Once validated, Wing’s and Holista Foods will enter a commercial agreement to distribute the low-GI noodles to the North American market.

According to Statista, 50% of the world’s wheat is consumed as noodles, with the largest markets being China and Indonesia. In the U.S. alone, the noodle market is worth US\$270 million. In 2015, the global demand for instant noodles amounted to 103.58 billion servings.

On 17 Oct 2017, Litefood acquired an additional 25% of Holista Foods, following which Holista Foods became a 39%-owned subsidiary of Holista CollTech.

On 19 October 2017, Holista Foods announced it had developed a breakthrough low-GI noodle formula, opening a major market for a healthier version of the staple, which will be vital in the global fight against diabetes and obesity. The noodles recorded a GI reading of 38 in independent tests conducted by Glycemic Index Laboratories, Inc, Toronto, Canada. The global average GI reading for noodles is 60.

On 14 February 2018, Holista Foods announced it had signed a three-year MOU to supply its low-GI mix to Wing’s. Pursuant to the MOU, sales are expected to be US\$6 million for the 2018 financial year. This is projected to increase to US\$12 million in 2019 and to US\$25 million in 2020. In the month of February 2018, we delivered the first 1,000 kg of raw material to Canada for the first batch of production of low-GI noodles.

Another focus area in this segment is Low-GI sugar.

On 6 January 2017, we announced a collaboration with 2016 Nobel Prize Nominee, Daryl Thompson, to file a patent for low-GI sugar made from all-natural ingredients. Unlike most available alternatives on the market, our low-GI sugar can be melted, baked and caramelized for use in cooking applications – potentially replacing standard sugar altogether, with minimal formulation issues. Moreover, the product is made from all-natural ingredients and is therefore unlikely to face regulatory hurdles.

Sheep Collagen (Ovine)

This area of business registered an increase during the year due to the additional markets we have secured in China, USA and some global. We delivered 8,440 kg of collagen during the 12 months in review, compared to 1,520 kg in the previous reporting period.

On 3 April 2017, the Group announced that it will supply collagen sourced from Australian sheep – certified disease-free by the U.S. Department of Agriculture – to the USA Division of Australia’s Keneric Medical Supplies Pty Ltd, which will develop products targeted at the multibillion-U.S. dollar global medical collagen market, marking Holista’s entry to the sector, through an exclusive partnership.

According to U.K. biotechnology market research group Meticulous Research, the global collagen market is expected to grow at a compounded annual rate of 6.3% from 2015 to reach US\$3.97 billion by 2020. The world’s largest collagen market is China, as collagen forms a critical component of Traditional Chinese Medicine. It is also popular with ethnic Chinese people elsewhere in the world.

On 21 August 2017, the Group announced that it has begun a \$1 million retrofit of its facility in Collie, Western Australia, to prepare for production of halal-certified food-grade collagen. The retrofit is scheduled for completion by end-March 2018. The halal certification is now secured, taking the Collie plant’s capacity to an additional 4 tonnes of food-grade collagen per month, supplementing the expected 3-4 tonnes of cosmetic-grade collagen we will produce from the second half of 2018.

The Group will carry out the sale of food collagen via a unique collaboration with iGalen, a global network marketing company headquartered in San Diego. iGalen sources all its bio-pharmaceutical and dietary supplement products exclusively from Holista. Beyond supplying to iGalen, Holista intends to market food collagen to the food supplement industry.

Among sources of mammalian collagen (warm-blooded like human beings), sheep-derived collagen is not subject to religious or cultural sensitivities, compared to collagen from cows or pigs. The use of ovine collagen also avoids the potential of “mad cow” or avian diseases (the latter being associated with chickens).

Results for announcement to the Market

for the year ended 31 December 2017

1	REPORTING PERIOD (item 1)
■	Report for the financial year ended: 31 December 2017 (12 months)
■	Previous corresponding period is the 6 months ended: 31 December 2016 (6 months)

2	RESULTS FOR ANNOUNCEMENT TO THE MARKET	Movement	Percentage %	Amount \$
■	Increase in revenues from ordinary activities (item 2.1)	↑	103.64 to	7,569,007
■	Decrease in loss from ordinary activities after tax attributable to members (item 2.2)	↓	(1,885.65) to	(2,968,970)
■	Decrease in loss from after tax attributable to members (item 2.3)	↓	(1,885.65) to	(2,968,970)
a.	Dividends (item 2.4)			
			Amount per Security ¢	Franked amount per security %
■	Interim dividend		nil	n/a
■	Final dividend		nil	n/a
■	Record date for determining entitlements to the dividend (item 2.5)	n/a		
b.	Brief explanation of any of the figures reported above necessary to enable the figures to be understood (item 2.6): The comparative figures presented in this report are the 31 December 2016 Annual Report, which was a six month annual report due to a change in financial year. Accordingly, changes from the comparative period have been effected by the differing length of reporting period. Included in the loss for the period are share-based payments and share-based consulting fees amounting to \$2,461,845. These are non-cash transactions and are not part of the operating activities of the Group.			

3	PRELIMINARY FINAL REPORT
a.	Statement of comprehensive income (item 3): Refer to Consolidated statement of profit or loss and other comprehensive income on page 6
b.	Statement of financial position (item 4): Refer to Consolidated statement of financial position on page 7
c.	Statement of cash flows (item 5): Refer to Consolidated statement of cash flows on page 9
d.	Statement of changes in equity (item 6): Refer to Consolidated statement of changes in equity on page 8

4	DIVIDENDS (item 7) AND RETURNS TO SHAREHOLDERS INCLUDING DISTRIBUTIONS AND BUY BACKS (item 14.2)
	Nil.
a.	Details of dividend or distribution reinvestment plans in operation are described below (item 8): Not applicable

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Results for announcement to the Market

for the year ended 31 December 2017

5 RATIOS	Current period	Previous corresponding period
a. Financial Information relating to 5b and 5c:	\$	\$
Earnings for the period attributable to Owners of the parent	(2,968,970)	166,268
Net assets	3,483,512	3,109,378
Less: Intangible assets	(858,803)	(321,986)
Net tangible assets	2,624,709	2,787,392
	No.	No.
Fully paid ordinary shares	184,039,087	171,708,921
Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS	179,185,313	171,128,350
	¢	¢
b. Net tangible assets backing per share (cents) (item 9):	1.426	1.623
c. Earnings per share attributable to owners of the parent (cents) (item 14.1):	(1.657)	0.097
The Group does not report diluted earnings per share, as dilution is not applied to annual losses generated by the Group. During the 2017 financial year the Group had 46,362,616 unissued shares under option and 9,000,000 which are anti-dilutive.		
6 DETAILS OF ENTITIES OVER WHICH CONTROL HAS BEEN GAINED OR LOST DURING THE PERIOD: (item 10)		
a. Control gained over entities		
■ Name of entities (item 10.1)	Holista Foods Inc.	HF Pre IPO Fund I LLC
■ Date(s) of gain of control (item 10.2)	16 October 2017	1 January 2017
b. Loss of control of entities		
■ Name of entities (item 10.1)	Nil	
■ Date(s) of loss of control (item 10.2)	N/A	
c. Contribution to consolidated profit (loss) from ordinary activities after tax by the controlled entities to the date(s) in the current period when control was gained / lost (item 10.3).	\$121,293	\$20
d. Profit (loss) from ordinary activities after tax of the controlled entities for the whole of the previous corresponding period (item 10.3)	\$12,099	\$25,678
7 DETAILS OF ASSOCIATES AND JOINT VENTURE: (item 11)		
■ Name of entities (item 11.1)	Nil	
■ Percentage holding in each of these entities (item 11.2)	n/a	
	Current period	Previous corresponding Period
	\$	\$
■ Aggregate share of profits (losses) of these entities (item 11.3)	N/A	N/A

Results for announcement to the Market

for the year ended 31 December 2017

- | |
|---|
| <p>8 Any other significant information needed by an investor to make an informed assessment of the entity's financial performance and financial position. (item 12):</p> <p>Refer to commentary update covering this 4E</p> |
| <p>9 The financial information provided in the Appendix 4E is based on the preliminary final report (attached), which has been prepared in accordance with Australian Accounting Standards (item 13)</p> |
| <p>10 A COMMENTARY ON THE RESULTS FOR THE PERIOD (item 14)</p> <p>Refer to commentary update covering this 4E. The results for the period are as expected. The group had revenue of \$7,569,007 (2016: \$3,716,876) for the period.</p> |
| <p>11 The report is based on accounts which are in the process of being audited (item 15)</p> |

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APPENDIX 4E

Preliminary final report
31 December 2017

HOLISTA COLLTECH LIMITED

AND CONTROLLED ENTITIES

ABN 24 094 515 992

Consolidated statement of profit or loss and other comprehensive income

for the year ended 31 December 2017

	Note	12 months to 31 December 2017 \$	6 months to 31 December 2016 \$
<i>Continuing operations</i>			
Revenue	1	7,569,007	3,716,876
Other income	1	260,683	351,404
		7,829,690	4,068,280
Change in inventories of finished goods and work in progress		51,564	(51,263)
Raw materials and consumables used		(3,868,768)	(1,486,996)
Depreciation and amortisation		(224,514)	(70,532)
Employment costs		(2,379,167)	(877,867)
Finance costs		(83,580)	(34,032)
Share-based payments expense		(1,515,204)	(6,943)
Share of net loss of joint ventures		-	(6,224)
Research and development		(468,223)	(65,237)
Advertising and promotion		(556,481)	(288,020)
Impairment		(152,205)	(4,210)
Other expenses	2	(1,892,848)	(949,710)
Profit / (loss) before tax		(3,259,736)	227,246
Income tax benefit / (expense)	3	160,218	(63,388)
Net profit / (loss) for the half-year		(3,099,518)	163,858
<i>Other comprehensive income, net of income tax</i>			
■ Items that will not be reclassified subsequently to profit or loss		-	-
■ Items that may be reclassified subsequently to profit or loss			
□ Foreign currency movement		(37,405)	(197,639)
Other comprehensive income for the half-year, net of tax		(37,405)	(197,639)
Total comprehensive income attributable to members of the parent entity		(3,136,923)	(33,781)
<i>Profit/(loss) for the period attributable to:</i>			
■ Non-controlling interest		(130,548)	(2,410)
■ Owners of the parent		(2,968,970)	166,268
<i>Total comprehensive income/(loss) attributable to:</i>			
■ Non-controlling interest		(130,548)	(8,012)
■ Owners of the parent		(3,006,375)	(25,769)

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the accompanying notes.

Consolidated statement of financial position

as at 31 December 2017

	Note	2017 \$	2016 \$
<i>Current assets</i>			
Cash and cash equivalents	4a	120,982	58,105
Trade and other receivables	5	1,807,114	2,040,254
Inventories	6	956,236	891,340
Other current assets	7	876,746	596,101
Total current assets		3,761,078	3,585,800
<i>Non-current assets</i>			
Property, plant, and equipment	8	1,557,436	1,569,356
Intangible assets	9	858,803	321,986
Investment accounted using the equity method	10, 7c	-	-
Deferred tax asset	3c	292,526	99,085
Other non-current assets	7	343,912	471,193
Total non-current assets		3,052,677	2,461,620
Total assets		6,813,755	6,047,420
<i>Current liabilities</i>			
Trade and other payables	11	2,557,670	1,672,621
Borrowings	12	222,975	718,700
Current tax liabilities	3b	7,588	6,569
Short-term provisions	13	8,081	6,516
Total current liabilities		2,796,314	2,404,406
<i>Non-current liabilities</i>			
Deferred tax liability	3d	-	770
Borrowings	12	533,929	532,866
Total non-current liabilities		533,929	533,636
Total liabilities		3,330,243	2,938,042
Net assets		3,483,512	3,109,378
<i>Equity</i>			
Issued capital	14a	11,538,515	10,798,705
Reserves	15	4,321,083	1,896,643
Accumulated losses		(12,227,219)	(9,378,424)
Non-controlling interest		(148,867)	(207,546)
Total equity		3,483,512	3,109,378

The consolidated statement of financial position is to be read in conjunction with the accompanying notes.

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Consolidated statement of changes in equity
for the year ended 31 December 2017

Note	Issued Capital \$	Share-based Payments Reserve \$	Foreign Currency Translation Reserve \$	Accumulated Losses \$	Non-controlling Interest (NCI) \$	Total \$
	10,670,515	2,265,730	(183,993)	(9,544,692)	(199,534)	3,008,026
	-	-	-	166,268	(2,410)	163,858
	-	-	(192,037)	-	(5,602)	(197,639)
	-	-	(192,037)	166,268	(8,012)	(33,781)
	<i>Transaction with owners, directly in equity</i>					
14a	128,190	-	-	-	-	128,204
14d	-	6,943	-	-	-	6,957
	10,798,705	2,272,673	(376,030)	(9,378,424)	(207,546)	3,109,378
	10,798,705	2,272,673	(376,030)	(9,378,424)	(207,546)	3,109,378
	-	-	-	(2,968,970)	(130,548)	(3,099,518)
	-	-	(37,405)	-	-	(37,405)
	-	-	(37,405)	(2,968,970)	(130,548)	(3,136,923)
	<i>Transaction with owners, directly in equity</i>					
14a	739,810	-	-	-	-	739,824
14d	-	2,461,845	-	-	-	2,461,859
	-	-	-	-	179,408	179,408
	-	-	-	-	129,994	129,994
	-	-	-	120,175	(120,175)	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	11,538,515	4,734,518	(413,435)	(12,227,219)	(148,867)	3,483,512

Balance at 1 July 2016

Loss for the half-year attributable owners of the parent

Other comprehensive income for the period attributable owners of the parent

Total comprehensive income for the half-year attributable owners of the parent

Transaction with owners, directly in equity

Shares issued during the half-year

Options granted during the half-year

Balance at 31 December 2016

Balance at 1 January 2017

Loss for the year attributable owners of the parent

Other comprehensive income for the year attributable owners of the parent

Total comprehensive income for the year attributable owners of the parent

Transaction with owners, directly in equity

Shares issued during the year

Options granted during the year

NCI upon acquisition of subsidiary

NCI acquisition of additional interests

Reduction of interest in subsidiary

Options exercised

Transaction costs

Balance at 31 December 2017

The consolidated statement of changes in equity is to be read in conjunction with the accompanying notes.

Consolidated statement of cash flows

for the year ended 31 December 2017

Note	12 months to 31 December 2017 \$	6 months to 31 December 2016 \$
<i>Cash flows from operating activities</i>		
Receipts from customers	8,228,325	3,716,876
Payments to suppliers and employees	(7,857,279)	(3,331,165)
Interest received	6,302	5,901
Finance costs	(83,580)	(24,080)
Other revenue	-	37,825
Net income tax received	98,853	283,851
Net cash from operating activities	392,621	689,208
<i>Cash flows from investing activities</i>		
Proceeds from legal settlements	-	3,456
Proceeds from the sale of property, plant and equipment	-	3,467
Purchase of intellectual property	(57,066)	(117,181)
Purchase of property, plant, and equipment	(222,562)	(106,808)
Increase in fixed deposits pledged	-	(5,757)
Construction of plant and equipment	-	(532,427)
Loans provided	(368,185)	-
Net cash acquired on acquisition	28,035	-
Increase in deposits / investments	(104,579)	(115,703)
Investment in joint venture	-	(48,144)
Net cash used in investing activities	(724,357)	(919,097)
<i>Cash flows from financing activities</i>		
Proceeds from exercise of options	739,811	128,190
Shares issued to non-controlling interest	128,968	-
Proceeds from borrowings	80,463	379,238
Repayment of borrowings	(553,242)	(23,575)
Advance loan to third party	-	(377,453)
Net cash provided by financing activities	396,000	106,400
Net decrease in cash held	64,264	(123,489)
Cash and cash equivalents at the beginning of the half-year	58,105	348,434
Change in foreign currency held	(1,387)	(166,840)
Cash and cash equivalents at the end of the half-year	120,982	58,105

The consolidated statement of cash flows is to be read in conjunction with the accompanying notes.

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APPENDIX 4E

Preliminary final report
31 December 2017

HOLISTA COLLTECH LIMITED

AND CONTROLLED ENTITIES

ABN 24 094 515 992

Notes to the Appendix 4E preliminary final report

for the year ended 31 December 2017

Note 1 Revenue and other income

a. Revenue

Sale of goods

b. Other Income

Loss on disposal of property, plant and equipment

Interest income

Rental income

Research and development tax offset

Other income

Dividend receivable

Foreign exchange gain / (loss)

	12 months to 31 December 2017 \$	6 months to 31 December 2016 \$
	7,569,007	3,716,876
	7,569,007	3,716,876
	(33)	(65)
	6,302	10,874
	54,593	37,825
	134,137	283,851
	143,737	3,467
	-	15,452
	(78,053)	-
	260,683	351,404

Note 2 Profit / (loss) before income tax

The following significant revenue and expense items are relevant in explaining the financial performance:

a. Other Expenses:

- Distribution costs
- Compliance
- Insurance
- Other expenses
- Collie factory maintenance costs
- Consultancy and professional services
- Audit fees
- Operating lease rental expense
- Provision for stock written off

	12 months to 31 December 2017 \$	6 months to 31 December 2016 \$
	313,880	176,955
	81,105	56,362
	45,025	36,207
	349,686	329,039
	66,727	45,323
	861,427	215,732
	72,782	46,093
	96,749	35,709
	5,467	8,290
	1,892,848	949,710

Note 3 Income tax

a. Income tax expense / (benefit)

Current tax

Note	12 months to 31 December 2017 \$	6 months to 31 December 2016 \$
	(160,218)	63,388
	(160,218)	63,388

Notes to the Appendix 4E preliminary final report

for the year ended 31 December 2017

Note 3 Income tax (cont.)

b. Current tax liabilities

Income tax payable in Malaysia

c. Deferred tax assets

Other

d. Deferred tax liabilities

Other

Note	2017 \$	2016 \$
	7,588	6,569
	292,526	99,085
	-	770

Note 4 Cash and cash equivalents

a. Current

Cash at bank

Note	2017 \$	2016 \$
	120,982	58,105
	120,982	58,105

b. Cash Flow Information

i. Reconciliation of cash flow from operations to (loss)/profit after income tax

Loss after income tax

Cash flows excluded from loss attributable to operating activities

Non-cash flows in (loss)/profit from ordinary activities:

■ Depreciation and amortisation

■ Foreign exchange (gain)/loss

■ Loss/(gain) and interest on non-current assets

■ Dividends receivable

■ Accrued interest payable

■ Accrued interest receivable

■ Share of loss of joint venture

■ Property plant and equipment written off

■ Net share-based payments (lapsed) / expensed

■ Impairment

Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:

■ Increase in receivables

■ Decrease/(increase) in inventories

■ (Increase)/decrease in prepayments

■ Increase in payables

■ Increase in provisions

■ (Increase)/decrease tax balances

Cash flow from operations

	12 months to 31 December 2017 \$	6 months to 31 December 2016 \$
	(3,099,518)	163,858
	-	-
	224,514	70,532
	78,053	46,429
	-	(3,467)
	-	(15,452)
	-	9,952
	-	(4,973)
	-	6,224
	-	65
	2,461,845	(6,943)
	152,205	-
	69,413	(423,452)
	(87,198)	129,985
	(154,607)	321,519
	941,687	331,463
	1,729	6,516
	(195,502)	43,066
	392,621	675,322

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APPENDIX 4E

Preliminary final report
31 December 2017

HOLISTA COLLTECH LIMITED

AND CONTROLLED ENTITIES

ABN 24 094 515 992

Notes to the Appendix 4E preliminary final report

for the year ended 31 December 2017

Note 5 Trade and other receivables**a. Current**

Trade receivable
Amounts advanced to third parties
Other receivables

	2017 \$	2016 \$
Trade receivable	1,404,003	1,367,066
Amounts advanced to third parties	258,082	417,941
Other receivables	145,029	255,247
	1,807,114	2,040,254

Note 6 Inventories**Current**

Raw materials - at cost
Finished goods - at cost

	2017 \$	2016 \$
Raw materials - at cost	627,987	291,497
Finished goods - at cost	328,249	599,843
	956,236	891,340

Note 7 Other assets**a. Current**

Security deposits
Other deposits
Prepayments

	2017 \$	Restated 2016 \$	Previously Stated 2016 \$
Security deposits	417,177	400,794	400,794
Other deposits	109,655	-	-
Prepayments	349,914	195,307	195,307
	876,746	596,101	596,101
b. Non-current			
Legal settlement proceeds due	-	5,238	5,238
Unlisted investments (Level 3)	343,912	354,936	354,936
Loans to related parties – Holistic Foods Inc	-	111,019	-
	343,912	471,193	360,174

c. The comparative balances have been adjusted by \$111,019 previously recorded as an investment in a joint venture. This value represented a loan and not an investment as reported. As such, the comparative balances have been restated to reflect the correction to the classification. There has been no effect on reported profit and loss or net assets, being a reclassification contained entirely within non-current assets.

Note 8 Property, plant, and equipment

Freehold land and buildings
Accumulated depreciation and impairment

Plant and equipment
Plant and equipment under construction
Accumulated depreciation

Motor vehicles
Accumulated depreciation

Total plant and equipment

	2017 \$	2016 \$
Freehold land and buildings	2,401,965	2,385,557
Accumulated depreciation and impairment	(1,640,251)	(1,643,660)
	761,714	741,897
Plant and equipment	1,984,147	1,711,209
Plant and equipment under construction	-	532,427
Accumulated depreciation	(1,200,090)	(1,450,284)
	784,057	793,352
Motor vehicles	151,890	148,160
Accumulated depreciation	(140,225)	(114,053)
	11,665	34,107
Total plant and equipment	1,557,436	1,569,356

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Notes to the Appendix 4E preliminary final report

for the year ended 31 December 2017

Note 9 Intangible assets

Goodwill

Patents and licences

Accumulated amortisation and impairment

	2017 \$	2016 \$
Goodwill	514,113	-
Patents and licences	393,999	337,098
Accumulated amortisation and impairment	(49,309)	(15,112)
	858,803	321,986

Note 10 Associates and Joint Arrangements

a. Information about principal joint arrangements

Note	Place of Incorporation / Business	Measurement Bases	Proportion of Ordinary Share Interests / Participating Share		Carrying Amount			
			2017	2016	2017	Restated 2016	Previously Stated 2016	
			%	%	\$	\$	\$	
• Holista Foods Inc	7c	USA	Equity method	-	36.26	-	-	111,019

Note 11 Trade and other payables

Current

Unsecured

Trade payables

Accruals

Advance deposits and deferred revenue

Amounts due to Directors

Dividends payable

Other payables

	2017 \$	2016 \$
Trade payables	746,687	731,688
Accruals	609,208	495,920
Advance deposits and deferred revenue	624,590	227,875
Amounts due to Directors	297,601	69,098
Dividends payable	22,079	-
Other payables	257,505	148,040
	2,557,670	1,672,621

Note 12 Interest-bearing loans and borrowings

a. Current

Banker's acceptance

Leases

Term loan

Loan from related parties

	2017 \$	2016 \$
Banker's acceptance	156,349	313,338
Leases	13,966	12,998
Term loan	52,019	35,285
Loan from related parties	641	357,079
	222,975	718,700

b. Non-current

Term loan

Leases

	2017 \$	2016 \$
Term loan	498,857	485,032
Leases	35,072	47,834
	533,929	532,866

Note 13 Provisions

a. Current:

Provision for employee entitlements

Carrying amount at the end of year

Note	2017 \$	2016 \$
Provision for employee entitlements	8,081	6,516
Carrying amount at the end of year	8,081	6,516

APPENDIX 4E

Preliminary final report
31 December 2017

HOLISTA COLLTECH LIMITED

AND CONTROLLED ENTITIES

ABN 24 094 515 992

Notes to the Appendix 4E preliminary final report

for the year ended 31 December 2017

Note	14	Issued capital	Note	2017	2016	2017	2016
				No.	No.	\$	\$
		Fully paid ordinary shares at no par value		184,039,087	171,708,921	11,538,515	10,798,705
				12 months to 31 December 2017 No.	6 months to 31 December 2016 No.	12 months to 31 December 2017 \$	6 months to 31 December 2016 \$
a.		Ordinary shares					
		At the beginning of the period		171,708,921	169,572,421	10,798,705	10,670,515
		Shares issued during the year:					
		■ 19.08.16 Options exercised at \$0.06		-	2,136,500	-	128,190
		■ 24.03.17 Options exercised at \$0.06		6,012,698	-	360,762	-
		■ 18.04.17 Options exercised at \$0.06		1,666,667	-	100,000	-
		■ 14.06.17 Options exercised at \$0.06		1,666,667	-	100,000	-
		■ 26.09.17 Options exercised at \$0.06		1,500,000	-	90,000	-
		■ 05.10.17 Options exercised at \$0.06		1,484,134	-	89,048	-
		Transaction costs relating to share issues		-	-	-	-
		At reporting date		184,039,087	171,708,921	11,538,515	10,798,705

b. Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote. Ordinary shares have no par value and the company does not have a limited amount of authorised capital.

c. Performance shares

Performance shares

	2017 No.	2016 No.
Performance shares	9,000,000	-

d. Options

At beginning of the period

Options issued during the year

Options exercisable at 25 cents expiring 29 December 2019

Options exercisable at 20 cents expiring 20 March 2020

Options exercisable at 20 cents expiring 23 June 2020

Options exercisable at 25 cents expiring 23 June 2020

Options exercisable at 30 cents expiring 23 June 2020

Issued to Patent Consultant exercisable at 10 cents expiring 1 August 2020

Issued to Holista Foods Inc shareholder/director and I Galen consultant exercisable at 20 cents expiring 20 October 2020

Expired Options

Options exercised

At reporting date

	2017 No.	2016 No.
At beginning of the period	30,692,782	31,829,282
Options issued during the year		
Options exercisable at 25 cents expiring 29 December 2019	-	1,000,000
Options exercisable at 20 cents expiring 20 March 2020	10,000,000	-
Options exercisable at 20 cents expiring 23 June 2020	6,000,000	-
Options exercisable at 25 cents expiring 23 June 2020	3,000,000	-
Options exercisable at 30 cents expiring 23 June 2020	2,000,000	-
Issued to Patent Consultant exercisable at 10 cents expiring 1 August 2020	2,000,000	-
Issued to Holista Foods Inc shareholder/director and I Galen consultant exercisable at 20 cents expiring 20 October 2020	7,000,000	-
Expired Options	(2,000,000)	-
Options exercised	(12,330,166)	(2,136,500)
At reporting date	46,362,616	30,692,782

Notes to the Appendix 4E preliminary final report

for the year ended 31 December 2017

Note 15 Reserves

Foreign currency translation reserve

Share-based payment reserve

2017 No.	2016 No.
(413,435)	(376,030)
4,734,518	2,272,673
4,321,083	1,898,660

Note 16 Company details**The registered office of the Company is:**

Address:

Street + Postal: 283 Rokeby Road

SUBIACO WA 6008

Telephone: +61 (0)8 6141 3500*Facsimile:* +61 (0)8 6141 3599

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