

# HOLISTA COLLTECH

ABN 24 094 515 992



APPENDIX 4E

Preliminary Final Report

**31 December 2018**

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**About Us**

“We all strive to be healthy. Yet sometimes, making the right choice is beyond our control. Holista CollTech carries out research to find natural solutions so people can enjoy healthy and organic alternatives to tasty but unhealthy processed and baked foods. No compromise on taste, odour and mouth-feel. Everyone can enjoy their favourite foods and still be healthy.”

**CORPORATE PROFILE**

Holista CollTech Ltd (Holista) is a research-driven biotech company, a result of the merger of Holista Biotech Sdn. Bhd. and CollTech Australia Ltd. It is listed on the Australian Securities Exchange (ASX:HCT), headquartered in Perth and has extensive operations in Malaysia.

Dedicated to deliver top-notch organic ingredients and wellness products, Holista specialises in herbs and food ingredients. It researches, develops, manufactures and markets “health-style” products to address the unmet and growing needs of natural medicine.

Mindful that people find it difficult to change eating habits despite the growing pandemic of diabetes and obesity, Holista has created a suite of ingredients that does not compromise on taste, odour and mouthfeel. These healthy and organic ingredients include the low-Glycemic Index (GI) flour mix for noodles, pasta and flatbreads and baked products, low-sodium salt, low-fat fried foods and low-calories sugar and low-GI sugar.

Holista is the only company in the world that produces ovine collagen from Australian sheep using patented extraction methods. It is on track to nano-nise and encapsulate 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.

## APPENDIX 4E

Preliminary final report  
31 December 2018

## 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

#### Registered Office

Street + Postal: 283 Rokeby Road  
SUBIACO WA 6008  
Telephone: +61 (0)8 6141 3500  
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Email: [enquiries@holistaco.com](mailto:enquiries@holistaco.com)  
Website: [www.holistaco.com](http://www.holistaco.com)

#### Share Registry

Computershare Investor Services Pty Limited  
Level 11, 172 St Georges Terrace  
PERTH WA 6000  
Telephone: 1300 850 505 (investors within Australia)  
Telephone: +61 (0)3 9415 4000  
Email: [web.queries@computershare.com.au](mailto:web.queries@computershare.com.au)  
Website: [www.investorcentre.com](http://www.investorcentre.com)

#### Auditors

Stantons International  
Street: Level 2, 1 Walker Avenue  
WEST PERTH WA 6005, AUSTRALIA  
Telephone: +61(0)8 9481 3188  
Facsimile: +61(0)8 9321 1204

#### Securities Exchange

Australian Securities Exchange  
Level 40, Central Park, 152-158 St Georges Terrace  
Perth WA 6000  
Telephone: 131 ASX (131 279) (within Australia)  
Telephone: +61 (0)2 9338 0000  
Facsimile: +61 (0)2 9227 0885  
Website: [www.asx.com.au](http://www.asx.com.au)  
ASX Code HCT

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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**

The Dietary Supplements division has remained the main revenue contributor for Holista since the past five years (FY2014-FY2018). Even though Holista has a strong distribution network in Malaysia, the Malaysian market remains a challenge for us due to inflation (and weakness of the ringgit relative to major currencies) which has impacted purchasing power. In spite of this, there has been a steady increase in our revenue on a year-on-year basis.

During the year in review, revenue for this segment increased 7% to \$7,699,489 in FY2018 from \$7,176,684 in FY2017.

#### **Healthy Foods Ingredients**

During the financial period, the Group focused on:

- Low-Glycemic Index (GI) Reducer
- Low-GI Sugar - 80Less

#### *Low-Glycemic Index (GI) Reducer*

Building on its patented low-GI reducer formula for flour products, during the year under review the Group focused on collaborations and partnerships that will help us enter different food markets. Our strategy remains unchanged – providing healthier yet tasty alternatives to unhealthy processed and baked food products amidst rising global concerns about obesity and diabetes caused by diet.

On 14th February 2018, we signed a three-year MOU with North-America's leading noodle maker, Wing's Group of Canada, to supply our patented low-GI noodle mix. We have spent the last few months settling all the regulatory hurdles in entering the China market. A 20 foot container will leave for China after February. We expect this sales order to increase over FY2019 and beyond.

During the year, together with Wing's Group we also developed a low-GI spaghetti which has been successfully sold in North America on the online e-commerce platform Amazon. Even though our sales on Amazon began in June 2018, the product has already been featured under Amazon's Choice. We also started working with Wing's group to develop a range of pasta products.

On 26th November 2018, our U.S. subsidiary Holista Foods appointed Hilary's Salesmaster as its exclusive distributor of low-GI noodles in Canada where the latter has a strong presence. Hilary's distributes to major health, retail and convenience stores. Its range of healthy bars and beverages includes the 5-Hour Energy Drink, the leading energy drink in North America. Holista will leverage on Hilary's extensive distribution network in North America to distribute other low-GI pasta products.

On 11th December 2018, Holista Foods launched two new varieties of low-GI pastas – fettuccini and pappardelle. They were produced along with Wing's Group and have a GI reading of 38 instead of the global average of 65.

Subsequent to the end of FY2018, on 16<sup>th</sup> January 2019, we partnered with Kawan Food Berhad, Malaysia's leading frozen food manufacturer and worldwide exporter of Asian delicacies, to produce low-GI versions of chappati and the Malaysian favourite – roti canai. Our target markets for these flat-bread products would be Malaysia and the U.S. We expect to our products to hit the stores by April or May 2019 in Malaysia and by June or July 2019 in the U.S.

## Company Update

### *Low-GI sugar - 80Less*

The rising global pandemic of diabetes and obesity has put the focus on sugar. Several countries are introducing or are proposing a sugar tax to influence eating behaviour and diets. On 14th February 2019, we launched our proprietary low-GI sugar 80Less™ that is five times sweeter than the ordinary sugar and leaves no after taste. It is made up of sucrose (table sugar) and very low levels of sucralose (an intense sweetener derived from sugarcane). It contains 80% less calories. It can replace sugar in every application.

We will be completing low GI studies on 80Less™ at the University of Sydney by the end of April. This will give 80Less™ a low GI status as well.

We have begun discussions with potential customers in Malaysia who are keen to offer a new solution ahead of the imposition of sugar tax on April 1, 2019.

### **COLLAGEN (Food grade, ovine grade and med grade)**

During the year in review (FY2018), revenue for this segment decreased from \$413,000 to \$215,000 as we shut the plant down for upgrade and process improvement. As we are fully operational this year, we have already collected orders worth \$567,000.

The global collagen market size is expected to reach US\$663 billion by 2025, progressing at a compounded annual growth rate of 6.5% during the forecast period as per the Collagen Market Analysis Report. This is due to the accelerating demand for collagen from end-user industries involved in healthcare, food and beverage, cosmetics and anti-aging. There has also been a strong growth in the cosmetic industry with respect to the global collagen market and hence the cosmetic grade collagen is expected to contribute the most to revenue within the collagen sector in the coming years.

During the year in review, we completed the renovation of our ovine collagen plant in Collie, Perth. We also received ISO 9002 certification which states that our cosmetic collagen meets the quality requirements of International Standards Organisation. We are preparing to work with a European cosmetic company for a high-end cosmetic collagen and we are also receiving orders from Thailand for cosmetic collagen. We are preparing to file a nano-patent for cosmetic collagen and we have also renewed our halal status for all collagen types produced at our Collie plant.

Now with the ISO 9002 certification, we can produce feedstock for medical grade collagen. We are now in a midst of completing a trial order for a healthcare company based in the United States.

Adding on to these, we have also completed the pilot scale of our food collagen plant. This will allow us to produce food grade hydrolyzed collagen for use and sale in the supplement industry.

**Results for announcement to the Market**

for the year ended 31 December 2018

<b>1</b>	<b>REPORTING PERIOD (item 1)</b>	
	<ul style="list-style-type: none"> <li>■ Report for the financial year ended: 31 December 2018</li> <li>■ Previous corresponding period is the year months ended: 31 December 2017</li> </ul>	

<b>2</b>	<b>RESULTS FOR ANNOUNCEMENT TO THE MARKET</b>	<b>Movement</b>	<b>Percentage %</b>	<b>Amount \$</b>
	<ul style="list-style-type: none"> <li>■ Increase in revenues from ordinary activities (item 2.1)</li> <li>■ Decrease in loss from ordinary activities after tax attributable to members (item 2.2)</li> <li>■ Decrease in loss from after tax attributable to members (item 2.3)</li> </ul>	<ul style="list-style-type: none"> <li>↑</li> <li>↓</li> <li>↓</li> </ul>	<ul style="list-style-type: none"> <li>4.91 to</li> <li>( 42.66) to</li> <li>( 42.66) to</li> </ul>	<ul style="list-style-type: none"> <li>7,940,555</li> <li>(1,737,623)</li> <li>(1,737,623)</li> </ul>
	a. Dividends (item 2.4)			
			<b>Amount per Security</b>	<b>Franked amount per security</b>
			¢	%
	<ul style="list-style-type: none"> <li>■ Interim dividend</li> <li>■ Final dividend</li> <li>■ Record date for determining entitlements to the dividend (item 2.5)</li> </ul>	n/a	nil	n/a
	b. Brief explanation of any of the figures reported above necessary to enable the figures to be understood (item 2.6):			
	Included in the loss for the period are share-based payments and share-based consulting fees amounting to \$90,524. These are non-cash transactions and are not part of the operating activities of the Group.			

<b>3</b>	<b>PRELIMINARY FINAL REPORT</b>
	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

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

**Results for announcement to the Market**

for the year ended 31 December 2018

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	(1,737,623)	(3,030,290)
Net assets	4,563,671	3,483,512
Less: Intangible assets (including net deferred tax balances)	(1,172,406)	(1,151,329)
Net tangible assets	3,391,265	2,332,183
	No.	No.
Fully paid ordinary shares	234,039,087	184,039,087
Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS	206,708,949	171,128,350
	¢	¢
b. Net tangible assets backing per share (cents) (item 9):	1.542	1.426
c. Earnings per share attributable to owners of the parent (cents) (item 14.1):	(0.841)	(1.771)
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 34,954,205 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 Ingredients India Pvt Ltd |
| ■ Date(s) of gain of control (item 10.2)   |                                   |
| 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). | Nil                               |
| d. Profit (loss) from ordinary activities after tax of the controlled entities for the whole of the previous corresponding period (item 10.3)  | Nil                               |

**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 |

## APPENDIX 4E

Preliminary final report  
31 December 2018

## HOLISTA COLLTECH LIMITED

AND CONTROLLED ENTITIES  
ABN 24 094 515 992

### Results for announcement to the Market

for the year ended 31 December 2018

	Current period \$	Previous corresponding Period \$
■ Aggregate share of profits (losses) of these entities (item 11.3)	N/A	N/A
<b>8</b> Any other significant information needed by an investor to make an informed assessment of the entity's financial performance and financial position. (item 12):  Refer to commentary update covering this 4E		
<b>9</b> 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)		
<b>10</b> <b>A COMMENTARY ON THE RESULTS FOR THE PERIOD</b> (item 14)  Refer to commentary update covering this 4E. The results for the period are as expected. The group had revenue of \$7,940,555 (2017: \$7,569,007) for the period.		
<b>11</b> The report is based on accounts which are in the process of being audited (item 15)		

**Consolidated statement of profit or loss and other comprehensive income**

for the year ended 31 December 2018

	Note	2018 \$	2017 \$
<i>Continuing operations</i>			
Revenue	1	7,940,555	7,569,007
Other income	1	136,387	338,736
		8,076,942	7,907,743
Change in inventories of finished goods and work in progress		(581,132)	51,564
Raw materials and consumables used		(3,546,608)	(3,868,768)
Distribution costs		(363,197)	(313,880)
Consultancy and professional fees		(552,998)	(861,427)
Depreciation and amortisation		(257,378)	(224,514)
Employment costs		(3,015,355)	(2,379,167)
Finance costs		(83,486)	(83,580)
Foreign exchange gain / (loss)		57,974	(78,053)
Share-based payments expense		(90,524)	(1,589,954)
Research and development		(157,657)	(468,223)
Advertising and promotion		(313,186)	(556,481)
Impairment		(370,772)	(152,205)
Other expenses	2	(880,902)	(717,541)
(Loss) / profit before tax		(2,078,279)	(3,334,486)
Income tax benefit / (expense)	3	(125,082)	160,218
<b>Net profit / (loss) for the half-year</b>		<b>(2,203,361)</b>	<b>(3,174,268)</b>
<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		182,997	(37,405)
<b>Other comprehensive income for the half-year, net of tax</b>		<b>182,997</b>	<b>(37,405)</b>
<b>Total comprehensive income attributable to members of the parent entity</b>		<b>(2,020,364)</b>	<b>(3,211,673)</b>
<i>Profit/(loss) for the period attributable to:</i>			
■ Non-controlling interest		(465,738)	(143,978)
■ Owners of the parent		(1,737,623)	(3,030,290)
<i>Total comprehensive income/(loss) attributable to:</i>			
■ Non-controlling interest		(467,746)	(143,978)
■ Owners of the parent		(1,552,618)	(3,067,695)

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

**APPENDIX 4E**

Preliminary final report  
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**HOLISTA COLLTECH LIMITED**

AND CONTROLLED ENTITIES

ABN 24 094 515 992

**Consolidated statement of financial position**

as at 31 December 2018

	Note	2018 \$	2017 \$
<i>Current assets</i>			
Cash and cash equivalents	4a	357,705	120,982
Trade and other receivables	5	3,019,017	1,807,114
Inventories	6	442,621	956,236
Other current assets	7	978,795	876,746
<b>Total current assets</b>		<b>4,798,138</b>	<b>3,761,078</b>
<i>Non-current assets</i>			
Property, plant, and equipment	8	1,429,087	1,557,436
Intangible assets	9	954,717	858,803
Deferred tax asset	3c	217,689	292,526
Other non-current assets	7	13,844	343,912
<b>Total non-current assets</b>		<b>2,615,337</b>	<b>3,052,677</b>
<b>Total assets</b>		<b>7,413,475</b>	<b>6,813,755</b>
<i>Current liabilities</i>			
Trade and other payables	10	1,973,889	2,557,670
Borrowings	11	349,232	222,975
Current tax liabilities	3b	(13,434)	7,588
Short-term provisions	12	9,710	8,081
<b>Total current liabilities</b>		<b>2,319,397</b>	<b>2,796,314</b>
<i>Non-current liabilities</i>			
Borrowings	11	530,407	533,929
<b>Total non-current liabilities</b>		<b>530,407</b>	<b>533,929</b>
<b>Total liabilities</b>		<b>2,849,804</b>	<b>3,330,243</b>
<b>Net assets</b>		<b>4,563,671</b>	<b>3,483,512</b>
<i>Equity</i>			
Issued capital	13a	14,558,515	11,538,515
Reserves	14	4,671,361	4,395,833
Accumulated losses		(13,994,888)	(12,257,265)
Non-controlling interest		(661,317)	(193,571)
<b>Total equity</b>		<b>4,573,671</b>	<b>3,483,512</b>

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

**Consolidated statement of changes in equity**  
 for the year ended 31 December 2018

	Note	Issued Capital \$	Share-based Payments Reserve \$	Foreign Currency Translation Reserve \$	Accumulated Losses \$	Non- controlling Interest (NCI) \$	Total \$
<i>Balance at 1 January 2017</i>							
Loss for the year attributable owners of the parent		-	-	-	(3,030,290)	(143,978)	(3,174,268)
Other comprehensive income for the year attributable owners of the parent		-	-	(37,405)	-	-	(37,405)
Total comprehensive income for the period attributable owners of the parent		-	-	(37,405)	(3,030,290)	(143,978)	(3,211,673)
<i>Transaction with owners, directly in equity</i>							
Shares issued during the period	13a	739,810	-	-	-	-	739,810
Options granted during the period	13d	-	2,536,595	-	-	-	2,536,595
NCI upon acquisition of subsidiary		-	-	-	-	179,408	179,408
NCI acquisition of additional interests		-	-	-	-	129,994	129,994
Reduction of interest in subsidiary		-	-	-	151,449	(151,449)	-
Balance at 31 December 2017		11,538,515	4,809,268	(413,435)	(12,257,265)	(193,571)	3,483,512
<i>Balance at 1 January 2018</i>							
Loss for the year attributable owners of the parent		-	-	-	(1,737,623)	(465,738)	(2,203,361)
Other comprehensive income for the year attributable owners of the parent		-	-	185,005	-	(2,008)	182,997
Total comprehensive income for the year attributable owners of the parent		-	-	185,005	(1,737,623)	(467,746)	(2,020,364)
<i>Transaction with owners, directly in equity</i>							
Shares issued during the year	13a	3,020,000	-	-	-	-	3,020,000
Options granted during the year	13d	-	90,523	-	-	-	90,523
NCI upon acquisition of subsidiary		-	-	-	-	-	-
NCI acquisition of additional interests		-	-	-	-	-	-
Reduction of interest in subsidiary		-	-	-	-	-	-
Balance at 31 December 2018		14,558,515	4,899,791	(228,430)	(13,994,888)	(661,317)	4,573,671

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 2018

Note	2018 \$	2017 \$
<i>Cash flows from operating activities</i>		
Receipts from customers	7,277,030	8,362,462
Payments to suppliers and employees	(9,344,268)	(8,017,323)
Interest received	16,494	6,302
Finance costs	(83,486)	(75,235)
Income tax paid	(47,400)	(35,284)
<b>Net cash from operating activities</b>	4b.i (2,181,630)	240,922
<i>Cash flows from investing activities</i>		
Purchase of intellectual property	(88,668)	(68,663)
Purchase of property, plant, and equipment	(63,923)	(161,940)
Loans provided, net	(287,677)	(257,166)
Net cash acquired on acquisition	(1,020)	28,035
(Increase in)/refund of deposits / investments	218,483	(104,579)
<b>Net cash used in investing activities</b>	(222,805)	(564,313)
<i>Cash flows from financing activities</i>		
Proceeds from issue of shares	2,361,631	-
Proceeds from exercise of options	210,000	379,049
Shares issued to non-controlling interest	-	128,968
(Repayment of) / proceeds from borrowings, net	59,320	(120,362)
<b>Net cash provided by financing activities</b>	2,630,951	387,655
<b>Net decrease in cash held</b>	226,516	64,264
Cash and cash equivalents at the beginning of the year	120,982	58,105
Change in foreign currency held	10,207	(1,387)
<b>Cash and cash equivalents at the end of the year</b>	4a 357,705	120,982

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

## APPENDIX 4E

Preliminary final report

31 December 2018

## HOLISTA COLLTECH LIMITED

AND CONTROLLED ENTITIES

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### Notes to the Appendix 4E preliminary final report

for the year ended 31 December 2018

#### Note 1 Revenue and other income

##### a. Revenue

Sale of goods

##### b. Other Income

Gain / (loss) on disposal of property, plant and equipment

Interest income

Rental income

Research and development grant income

Other income

	2018 \$	2017 \$
	7,940,555	7,569,007
	7,940,555	7,569,007
	17,651	(33)
	16,494	6,302
	-	54,593
	94,082	134,137
	8,160	143,737
	136,387	338,736

#### Note 2 Profit / (loss) before income tax

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

##### a. Other Expenses:

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

	2018 \$	2017 \$
	115,016	81,105
	57,278	45,025
	530,845	349,686
	48,386	66,727
	101,420	72,782
	27,957	96,749
	-	5,467
	880,902	717,541

#### Note 3 Income tax

##### a. Income tax expense / (benefit)

Current tax

##### b. Current tax liabilities

Income tax payable (international)

##### c. Deferred tax assets

Other

Note

	2018 \$	2017 \$
	125,082	(160,218)
	125,082	(160,218)
	(13,434)	7,588
	217,689	292,526

**Notes to the Appendix 4E preliminary final report**

for the year ended 31 December 2018

**Note 4 Cash and cash equivalents**

**a. Current**

Cash at bank

Note	2018 \$	2017 \$
	357,705	120,982
	357,705	120,982

**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 loss

■ Net share-based payments expensed (including other expenses settled by way of share-based payment)

■ Impairment

■ Accrued interest payable or capitalised

■ Loss on disposal of property, plants, and equipment

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

■ Decrease/(increase) in receivables

■ (Increase)/decrease in inventories

■ (Increase)/decrease in prepayments

■ Increase in trade and other payables

■ Increase in provisions

■ (Increase)/decrease tax balances

Cash flow from operations

	2018 \$	2017 \$
	(2,203,361)	(3,174,268)
	-	-
	257,378	224,514
	(57,974)	78,053
	90,524	2,536,595
	370,772	152,205
	-	8,345
	-	33
	(857,255)	69,413
	593,713	(87,198)
	(198,539)	(154,607)
	(256,199)	781,610
	1,629	1,729
	77,682	(195,502)
	(2,181,630)	240,922

**Note 5 Trade and other receivables**

**a. Current**

Trade receivable

Amounts advanced to third parties

Other receivables

	2018 \$	2017 \$
	2,379,411	1,404,003
	548,383	258,082
	91,223	145,029
	3,019,017	1,807,114

**Note 6 Inventories**

Raw materials - at cost

Finished goods - at cost

	2018 \$	2017 \$
	141,996	627,987
	300,625	328,249
	442,621	956,236

## APPENDIX 4E

Preliminary final report  
31 December 2018

## 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 2018

#### Note 7 Other assets

##### a. Current

Security deposits

Other deposits

Prepayments

Right of return assets

##### b. Non-current

Loans to related parties

Less: Impairment

	2018	2017
	\$	\$
Security deposits	289,283	417,177
Other deposits	80,165	109,655
Prepayments	548,453	349,914
Right of return assets	60,894	-
	978,795	876,746
Loans to related parties	525,588	475,590
Less: Impairment	(511,744)	(131,678)
	13,844	343,912

#### Note 8 Property, plant, and equipment

Freehold land and buildings

Accumulated depreciation and impairment

Plant and equipment

Accumulated depreciation

Motor vehicles

Accumulated depreciation

Total plant and equipment

	2018	2017
	\$	\$
Freehold land and buildings	2,557,156	2,408,331
Accumulated depreciation and impairment	(1,765,969)	(1,666,308)
	791,187	742,023
Plant and equipment	1,952,920	2,052,091
Accumulated depreciation	(1,339,206)	(1,248,318)
	613,714	803,773
Motor vehicles	156,642	151,891
Accumulated depreciation	(132,456)	(140,251)
	24,186	11,640
Total plant and equipment	1,429,087	1,557,436

#### Note 9 Intangible assets

Goodwill

Patents and licences

Accumulated amortisation and impairment

	2018	2017
	\$	\$
Goodwill	568,161	514,113
Patents and licences	510,905	393,999
Accumulated amortisation and impairment	(124,349)	(49,309)
	954,717	858,803

#### Note 10 Trade and other payables

##### Current

*Unsecured*

Trade payables

Accruals

Advance deposits and deferred revenue

Amounts due to Directors

Dividends payable

Refund liability

Other payables

	2018	2017
	\$	\$
Trade payables	860,127	746,687
Accruals	212,787	609,208
Advance deposits and deferred revenue	386,018	624,590
Amounts due to Directors	21,000	297,601
Dividends payable	24,400	22,079
Refund liability	312,407	-
Other payables	157,150	257,505
	1,973,889	2,557,670

**Notes to the Appendix 4E preliminary final report**

for the year ended 31 December 2018

**Note 11 Interest-bearing loans and borrowings**

	2018 \$	2017 \$
<b>a. Current</b>		
Banker's acceptance	269,743	156,349
Leases	21,055	13,966
Term loan	58,434	52,019
Loan from related parties	-	641
	349,232	222,975
<b>b. Non-current</b>		
Term loan	487,960	498,857
Leases	42,447	35,072
	530,407	533,929

**Note 12 Provisions**

	2018 \$	2017 \$
<b>a. Current:</b>		
Provision for employee entitlements	9,710	8,081
Carrying amount at the end of year	9,710	8,081

**Note 13 Issued capital**

	2018 No.	2017 No.	2018 \$	2017 \$
Fully paid ordinary shares at no par value	234,039,087	184,039,087	14,558,515	11,538,515
<b>a. Ordinary shares</b>	2018 No.	2017 No.	2018 \$	2017 \$
At the beginning of the period	184,039,087	171,708,921	11,538,515	10,798,705
Shares issued during the year:				
■ 24.03.17 Options ex. at \$0.06	-	6,012,698	-	360,762
■ 18.04.17 Options ex. at \$0.06	-	1,666,667	-	100,000
■ 14.06.17 Options ex. at \$0.06	-	1,666,667	-	100,000
■ 26.09.17 Options ex. at \$0.06	-	1,500,000	-	90,000
■ 05.10.17 Options ex. at \$0.06	-	1,484,134	-	89,048
■ 06.02.18 Controlled placement with Acuity Capital	6,500,000	-	10,000	-
■ 06.08.18 Entitlement Issue	40,000,000	-	2,800,000	-
■ 17.10.18	3,500,000	-	210,000	-
Transaction costs relating to share issues	-	-	-	-
At reporting date	234,039,087	184,039,087	14,558,515	11,538,515

- 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.

## APPENDIX 4E

Preliminary final report  
31 December 2018

## 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 2018

#### Note 13 Issued capital (cont.)

##### c. Performance shares

Performance shares

2018 No.	2017 No.
9,000,000	9,000,000

##### d. Options

At beginning of the period

Options issued during the year:

- Options exercisable at 20 cents expiring 20 March 2020
- Options exercisable at 10 cents expiring 31 December 2019
- 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

2018 No.	2017 No.
46,362,616	30,692,782
-	10,000,000
-	1,000,000
-	6,000,000
-	3,000,000
-	2,000,000
-	2,000,000
-	7,000,000
(7,908,411)	(3,000,000)
(3,500,000)	(12,330,166)
34,954,205	46,362,616

#### Note 14 Reserves

Foreign currency translation reserve

Share-based payment reserve

2018 No.	2017 No.
(228,430)	(413,435)
4,899,791	4,809,268
4,671,361	4,397,851

#### Note 15 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

# HOLISTA COLLTECH

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