

## ASX Announcement

29 APRIL 2020

## HOLISTA COLLTECH LIMITED APPENDIX 4C QUARTERLY REPORT

Holista Colltech Limited (**Holista, or the Company**) (ASX CODE: HCT) is pleased to release the Appendix 4C for the quarter ending 31<sup>st</sup> March 2020. It has been a busy and successful quarter for Holista. In the current global pandemic situation and the unprecedented level of interest in the company, Holista's group of companies report the following:

- 1) Growth in sales of Natshield™ (an all-natural and alcohol-free sanitiser) has opened up during this quarter with the outbreak of Covid-19. Natshield™, which has been part of Holista's portfolio of 87 products for ten years, has required the Company to apply greater resources to it since January 2020 after the run on Natshield™ stocks in Malaysian pharmacies (ASX Announcement 29 January 2020)
- 2) Holista agree to Co-Develop a Nasal Sanitising Balm with Global Infection Control Consultants LLC (GICC LLC) (ASX Announcement 20 February 2020).
- 3) Brett Fraser appointed to the Holista Board as non-executive Chairman and Stuart Usher appointed Company Secretary (ASX Announcement 21 February 2020).
- 4) Dr Arthur v. Martin, President and Principal Research scientist at GICC LLC and creator of Path-Away® joins the Holista Scientific Advisory Board (ASX Announcement 27 February 2020).
- 5) Holista secured the global rights for the use of Path-Away® in Natshield™ Sanitiser and Natshield™ Nasal Balm (ASX Announcement 3 March 2020).
- 6) \$4.33m raised by the Company this quarter utilising the Controlled Placement Agreement (ASX Announcement 4 March 2020)
- 7) Holista Biotech SBN BHD (wholly owned subsidiary of Holista) signs supply agreement with Rex Industry Berhad for a minimum annual order value of \$1.4m of 80Less™ (ASX Announcement 11 March 2020).

### OVERVIEW

The March 2020 quarter saw unprecedented activity in the Company as its Natshield™ Sanitiser inventory had a run due to the current health crisis, the outbreak of COVID-19. Natshield™ Sanitiser is a plant based natural sanitiser that a leading UK Bio-safety Lab recently confirmed its active ingredient, Path-Away®, is more than 99.99% effective against feline coronavirus, a surrogate of COVID-19 novel coronavirus (ASX Announcement 20 April 2020).

The increased activity around Natshield™ has focused the Company to sourcing fresh funds, strengthen the Company Board and Governance, introduce greater depth to the Scientific Advisory Board, securing control over the global rights to the application of Path-Away® in sanitising lotions and balms, building new distribution networks, new partnerships, and field numerous inquiries from stakeholders and potential opportunities.

It has been a challenging and exciting quarter. The Company is committed to establishing Natshield™ as the preferred natural sanitiser globally whilst maintaining its core activity and markets for all its products. Balancing these priorities has stressed the Company and as it responds to these pressures, there has been areas requiring improvement. The acceptance and significant sales of Natshield™ in new markets coupled with growing demand for Holista's 80Less™ and other food ingredient products offer Holista's stakeholders a stronger more financial company today than it started this quarter.

**Capital Raised**

During the quarter, the Company raised A\$4,327,000 from the Controlled Placement Agreement (CPA) with Acuity Capital. Another tranche raised a further A\$2,200,000 on 21 April 2020. The CPA was terminated the same day. The Company does not see the need for any further capital raise in the immediate future.

**Cashflow**

The Company booked a total cash inflow from customers of A\$1,989,000 for the quarter ending 31<sup>st</sup> March 2020. With the increased activity and the Company urgent call to action costs were greater than plan and costs are expected to find a new level once the current activity settles. The cash held by Holista is expected to support all the current programs on the Company agenda.

**Bottling (Natshield™)**

Holista has managed to secure bottles and the bottling capacity in America by applying part of the funds raised this quarter that will deliver the product to the USA distributor announced 19 March 2020. The company has completed similar arrangements in Malaysia and Philippines.

The Company now is working with potential distributors in new international markets.

Registration for Natshield™ is now in progress in new markets.

**Core Products**

Holista's Malaysian subsidiary continues to deliver orders of GI Lite to Kawan Food in line with the supply contract. Orders for 80Less™ have been contracted with Rex International.

Since the implementation of Malaysian Movement Control Order (MCO) the dietary supplement sales in Malaysia have seen a 5% drop in the first Quarter of 2020 as compared to same period last year. The Company continues to monitor the development to minimize the impact.

The sales of low Glycemic index noodles by our 39.2% owned US subsidiary is growing with strong orders for the next quarter. The Company expects the US Subsidiary to require less financial support from Holista as its cash flow improves.

**Cost Management**

The Company continues to negotiate more favorable terms from our suppliers. This has been complicated by the disruption in our supply chains precipitated by all the lockdowns in various countries.

The Company confirms compliance with Listing Rule 3.1 and that it is not aware of any other information that has not already been released to the market.

**ENDS**

This announcement has been authorised by the Board.

Authorised for release by:

**Dr Rajen Manicka**  
**Managing Director**

**END**

**About Holista CollTech Limited (ASX:HCT)**

Holista CollTech Limited (ASX:HCT) ("Holista") is a natural wellness company, the result of a merger between Holista Biotech Sdn Bhd and CollTech Australia Ltd. The company has 3 main divisions:

- Dietary supplements and personal care
- Food Ingredients
- Ovine collagen

Holista has a global collaboration for Path-Away®, a plant-based solution that is proven to kill a broad spectrum of microbes. The all-natural alcohol-free solution is an active ingredient in Holista's proprietary hand sanitiser, NatShield™ that is sold under its personal care range.

Holista researches, develops, manufactures and markets "health-style" products to address the unmet and evolving needs of natural medicine. Holista's suite of ingredients includes low-GI baked products, reduced-sodium salts, low-fat fried foods and low-calorie sugar without compromising taste, odour and mouthfeel. Holista remains the only company to produce sheep (ovine) collagen using patented extraction methods. For more information, please visit: [www.holistaco.com](http://www.holistaco.com)

**For further information, please contact:**

**Corporate Affairs & Business Opportunities**

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# Appendix 4C

## Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

|                                    |
|------------------------------------|
| HOLISTA COLLTECH LIMITED (ASX:HCT) |
|------------------------------------|

ABN

|                |
|----------------|
| 24 094 515 992 |
|----------------|

Quarter ended (Current quarter)

|               |
|---------------|
| 31 March 2020 |
|---------------|

### Consolidated statement of cash flows

|                                                           | Current<br>quarter<br>\$A'000 | Year to date<br>(3 Months)<br>\$A'000 |
|-----------------------------------------------------------|-------------------------------|---------------------------------------|
| <b>1. Cash flows from operating activities</b>            |                               |                                       |
| 1.1 Receipts from customers                               | 1,989                         | 1,989                                 |
| 1.2 Payments for:                                         |                               |                                       |
| (a) research and development                              | (57)                          | (57)                                  |
| (b) product manufacturing and operating costs             | (1,344)                       | (1,344)                               |
| (c) advertising and marketing                             | (251)                         | (251)                                 |
| (d) leased assets                                         | (8)                           | (8)                                   |
| (e) staff costs                                           | (870)                         | (870)                                 |
| (f) administration and corporate costs                    | (223)                         | (223)                                 |
| 1.3 Dividends received (see note 3)                       | -                             | -                                     |
| 1.4 Interest received                                     | -                             | -                                     |
| 1.5 Interest and other costs of finance paid              | (23)                          | (23)                                  |
| 1.6 Income taxes (paid) / refunded                        | (11)                          | (11)                                  |
| 1.7 Government grants and tax incentives                  | -                             | -                                     |
| 1.8 Other:                                                | -                             | -                                     |
| <b>1.9 Net cash from / (used in) operating activities</b> | <b>(798)</b>                  | <b>(798)</b>                          |
| <b>2. Cash flows from investing activities</b>            |                               |                                       |
| 2.1 Payments to acquire:                                  |                               |                                       |
| (a) entities                                              | -                             | -                                     |
| (b) businesses                                            | -                             | -                                     |
| (c) property, plant and equipment                         | (2)                           | (2)                                   |
| (d) investments                                           | -                             | -                                     |
| (e) intellectual property                                 | (7)                           | (7)                                   |
| (f) other non-current assets                              | -                             | -                                     |
| 2.2 Proceeds from disposal of:                            |                               |                                       |
| (a) entities                                              | -                             | -                                     |
| (b) businesses                                            | -                             | -                                     |
| (c) property, plant and equipment                         | -                             | -                                     |
| (d) investments                                           | -                             | -                                     |
| (e) intellectual property                                 | -                             | -                                     |
| (f) other non-current assets                              | -                             | -                                     |
| 2.3 Cash flows from loans to other entities               | -                             | -                                     |
| 2.4 Dividends received (see note 3)                       | -                             | -                                     |
| 2.5 Other (provide details if material)                   | -                             | -                                     |
| <b>2.6 Net cash from / (used in) investing activities</b> | <b>(9)</b>                    | <b>(9)</b>                            |

| <b>Consolidated statement of cash flows</b>                                                                                                                                    | <b>Current<br/>quarter<br/>\$A'000</b> | <b>Year to date<br/>(3 Months)<br/>\$A'000</b> |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|------------------------------------------------|
| <b>3. Cash flows from financing activities</b>                                                                                                                                 |                                        |                                                |
| 3.1 Proceeds from issues of equity securities (excluding convertible debt securities)                                                                                          | 4,327                                  | 4,327                                          |
| 3.2 Proceeds from issue of convertible debt securities                                                                                                                         | -                                      | -                                              |
| 3.3 Proceeds from exercise of options                                                                                                                                          | -                                      | -                                              |
| 3.4 Transaction costs related to issues of equity securities or convertible debt securities                                                                                    | -                                      | -                                              |
| 3.5 Proceeds from borrowings                                                                                                                                                   | 7                                      | 7                                              |
| 3.6 Repayment of borrowings                                                                                                                                                    | -                                      | -                                              |
| 3.7 Transaction costs related to loans and borrowings                                                                                                                          | -                                      | -                                              |
| 3.8 Dividends paid                                                                                                                                                             | -                                      | -                                              |
| 3.9 Other (provide details if material)                                                                                                                                        | -                                      | -                                              |
| <b>3.10 Net cash from / (used in) financing activities</b>                                                                                                                     | <b>4,334</b>                           | <b>4,334</b>                                   |
| <b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>                                                                                                |                                        |                                                |
| 4.1 Cash and cash equivalents at beginning of period                                                                                                                           | 101                                    | 101                                            |
| 4.2 Net cash from / (used in) operating activities (item 1.9 above)                                                                                                            | (798)                                  | (798)                                          |
| 4.3 Net cash from / (used in) investing activities (item 2.6 above)                                                                                                            | (9)                                    | (9)                                            |
| 4.4 Net cash from / (used in) financing activities (item 3.10 above)                                                                                                           | 4,334                                  | 4,334                                          |
| 4.5 Effect of movement in exchange rates on cash held                                                                                                                          | 9                                      | 9                                              |
| <b>4.6 Cash and cash equivalents at end of period</b>                                                                                                                          | <b>3,637</b>                           | <b>3,637</b>                                   |
| <b>5. Reconciliation of cash and cash equivalents</b><br>at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | <b>Current<br/>quarter<br/>\$A'000</b> | <b>Previous<br/>quarter<br/>\$A'000</b>        |
| 5.1 Bank balances                                                                                                                                                              | 1,037                                  | 1,037                                          |
| 5.2 Call deposits                                                                                                                                                              | 2,600                                  | 2,600                                          |
| 5.3 Bank overdrafts                                                                                                                                                            | -                                      | -                                              |
| 5.4 Other (provide details):                                                                                                                                                   | -                                      | -                                              |
| <b>5.5 Cash and cash equivalents at end of quarter</b> (should equal item 4.6 above)                                                                                           | <b>3,637</b>                           | <b>3,637</b>                                   |
| <b>6. Payments to related parties of the entity and their associates</b>                                                                                                       | <b>Current<br/>quarter<br/>\$A'000</b> |                                                |
| 6.1 Aggregate amount of payments to related parties and their associates included in item 1                                                                                    | 125                                    |                                                |
| 6.2 Aggregate amount of payments to related parties and their associates included in item 2                                                                                    | -                                      |                                                |
| Note: if any amounts are shown in items 6.1 and 6.2 your quarterly activity report must include a description of, and an explanation for, such payments                        |                                        |                                                |
| In respect to 6.1: Salaries and consulting fees paid to directors and their related parties.                                                                                   |                                        |                                                |

| <b>7. Financing facilities</b>                                                                                                                                                                    | <b>Total facility amount at quarter end<br/>\$A'000</b> | <b>Amount drawn at quarter end<br/>\$A'000</b> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|------------------------------------------------|
| Note: the term "facility" includes all forms of financing arrangements available to the entity.<br>Add notes as necessary for an understanding of the sources of finance available to the entity. |                                                         |                                                |
| 7.1 Loan facilities                                                                                                                                                                               | 523                                                     | 523                                            |
| 7.2 Credit standby arrangements                                                                                                                                                                   | 329                                                     | 301                                            |
| 7.3 Other (please specify)                                                                                                                                                                        | -                                                       | -                                              |
| <b>7.4 Total financing facilities</b>                                                                                                                                                             | <b>852</b>                                              | <b>824</b>                                     |

7.5 **Unused financing facilities available at quarter end** 28

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

**Loan Facilities**  
The term loan is repayable over 240 monthly instalments (principal plus interest) of \$5,119 which commenced on 1 July 2008. The term loan bears interest rates ranging from 5.77% (2018: 5.20%) per annum is secured by the following:

- i. As principal Instrument, an "all monies" Facilities Agreement stamped to the amount of facilities advanced;
- ii. First-party absolute assignment of all rights, interest, title and benefits in and to property beneficially owned by a Subsidiary Company;
- iii. Corporate Guarantee by subsidiary company for \$823,949; and
- iv. Personal Guarantee for \$823,949 by a Director of the subsidiary company.

**Credit standby arrangements**  
The bankers' acceptance bears interest of 5.23% (2018: 5.15%) and is secured by the following:

- i. Facility Agreement;
- ii. Pledge of fixed deposits with licensed banks
- iii. Execution of a fresh letter of authorisation, memorandum of Deposit and letter of set off;
- iv. First-party assignment over the office lots of the Company; and
- v. Joint and several guarantees from a Director of the Company.

| <b>8. Estimated cash available for future operating activities</b>                | <b>\$A'000</b>                                |
|-----------------------------------------------------------------------------------|-----------------------------------------------|
|                                                                                   | <b>Error!<br/>Reference source not found.</b> |
| 8.1 <b>Net cash from / (used in) operating activities</b> (Item 1.9)              | (798)                                         |
| 8.2 Cash and cash equivalents at quarter end (Item 4.6)                           | 3,637                                         |
| 8.3 Unused finance facilities available at quarter end (Item 7.5)                 | 28                                            |
| 8.4 Total available funding (Item 8.2 + Item 8.3)                                 | 3,665                                         |
| 8.5 <b>Estimated quarters of funding available</b> (Item 8.4 divided by Item 8.1) | 4.6                                           |

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

1. *Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?*

Answer:

N/A

2. *Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?*

Answer:

N/A

3. *Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?*

Answer:

N/A

### Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: Thursday, 30 April 2020

Authorised by: \_\_\_\_\_  
(By the Board)

### Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 107: Statement of Cash Flows apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – e.g. Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.