

Holista Colltech Limited
Appendix 4D
Half-year report

1. Company details

Name of entity:	Holista Colltech Limited
ABN:	24 094 515 992
Reporting period:	For the half-year ended 30 June 2022
Previous period:	For the half-year ended 30 June 2021

2. Results for announcement to the market

			\$
Revenues from ordinary activities	up	25.59% to	4,497,374
Loss from ordinary activities after tax attributable to the owners of Holista Colltech Limited	down	9.75% to	(567,724)
Loss for the half-year attributable to the owners of Holista Colltech Limited	down	9.75% to	(567,724)

Dividends

There were no dividends paid, recommended or declared during the current financial period.

Comments

The loss for the Group after providing for income tax and non-controlling interest amounted to \$567,724 (30 June 2021: \$629,052).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>0.84</u>	<u>1.03</u>

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period

There were no dividends paid, recommended or declared during the current financial period.

Previous period

There were no dividends paid, recommended or declared during the previous financial period.

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements have been reviewed by the auditors and the review report is attached as part of the Interim Report.

11. Attachments

Details of attachments (if any):

The Interim Report of Holista Colltech Limited for the half-year ended 30 June 2022 is attached.

12. Signed

Signed



Date: 29 August 2022

Holista Colltech Limited

ABN 24 094 515 992

Interim Report - 30 June 2022

Holista Colltech Limited
Corporate directory
30 June 2022

Directors	Dr Rajen Manicka Mr Walter Edward Joseph Mrs Loren King
Company secretary	Mr Jay Stephenson
Registered office and Principal place of business	Australia: 283 Rokeby Road Subiaco, WA 6008 Malaysia: Unit 1201, 12th Floor, Amcorp Trade Centre, PJ Tower No. 18, Persiaran Barat 46000 Petaling Jaya, Malaysia Telephone: +603 7965 2828 Facsimile: +603 7965 2777 Email: enquiries@holistaco.com Website: www.holistaco.com
Share register	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 Website: www.investorcentre.com
Auditor	Stantons Level 2, 40 Kings Park Road West Perth WA 6005, Australia Telephone: +61(0)8 9481 3188 Facsimile: +61(0)8 9321 1204
Solicitors	Edwards Mac Scovell Level 1/8, St.Georges Terrace Perth WA 6005, Australia Telephone: +61(0)8 6245 0222
Bankers	National Australian Bank
Stock exchange listing	Holista Colltech Limited shares are listed on the Australian Securities Exchange (ASX code: HCT).
Media Enquiries	Australia and New Zealand: Vantage Point Partners Email: brendon@vantagepointpartners.com.au Telephone: +61 409 341 613 Global: WeR1 Consultants Pte Ltd 1 Raffles Place Singapore 048616 Telephone: +65 6721 7161 Email: holista@wer1.net

Holista Colltech Limited
Directors' report
30 June 2022

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Holista Colltech Limited (referred to hereafter as 'Holista', the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 30 June 2022.

Directors

The following persons were directors of Holista Colltech Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Dr Rajen Manicka	Executive Chairman, Managing Director and Chief Executive Officer
Mr Walter Edward Joseph	Non-Executive Director
Mrs Loren King	Non-Executive Director

Principal activities

The principal activities of the Group are the manufacture and sale of health-style products, focusing on the following core areas:

- Dietary Supplements
- Healthy Food Ingredients
- Ovine Collagen
- Infection Control Solutions

Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Operating and financial review

Holista posted a significantly improved result for the six months to 30 June 2022, compared to 1H 2021 as all of the Group's four divisions posted stronger sales revenue.

Total interim Group revenue increased by 26% to \$4.5 million, while the loss for the Group after providing for income tax and non-controlling interest narrowed to \$567,724 (30 June 2021: \$629,052).

During the interim financial period, the Group focused on:

- Dietary Supplements
- Healthy Food Ingredients
- Ovine Collagen
- Infection Control Solutions

Dietary Supplements

Holista's Dietary Supplement division was the standout in 1H22 as sales jumped 34% to \$3.4 million. Easing social restrictions in Malaysia, the increased focus by consumers on boosting their healthy and immunity through supplements and Holista's brand leadership position in this market have contributed to the division's strong performance.

Further, the recent launch of the Group's water-soluble vitamin D product also contributed to the growth of the division and Holista is planning on launching new innovative supplements over the coming months.

Healthy Food Ingredients

Holista's Healthy Food Ingredients division also contributed strongly to the stronger 1H22 result even though delays in shipments to the US weighed on the result. Revenue from the sale of its low glycaemic index (GI) premix, GI Lite™, and its sugar substitute, 80Less™, increased by 30% vs. the pcp to just over \$1 million during the period.

A significant development for this division in 1H22 was the receipt of an initial order for GI Lite™ and 80Less™ from Country Farms Sdn Bhd, which is owned by Malaysian conglomerate Berjaya Corporation Berhad, in April this year. While the first order was modest, there are opportunities for Holista to expand its relationship with Berjaya, which owns several international franchises in Malaysia, including Starbucks and 7-Eleven.

Ovine Collagen

Sales from the Group's Ovine Collagen division fell modestly by 5% to \$122,000 in the half year as its largest customer, Behn Meyer Thailand, delayed in ordering for the June quarter.

However, Holista is confident that this division will stage a rebound in the current half as Behn Meyer is contractually obligated to purchase Holista's collagen product before the end of this calendar year.

Additionally, Guangzhou Sinbio Cosmetic Co Ltd ("Sinbio") has indicated to Holista that it is still intending to proceed with trials of the collagen for its cosmetics, although progress is slowed by China going in and out of lockdowns. The success of the trials is likely to lead to a significant sales agreement with Sinbio, but the timing and progress of this opportunity is largely outside the control of Holista, which plays no part in the trials apart from supplying a small quantity of collagen for testing.

Guangzhou Sinbio is a Chinese state-owned enterprise that exclusively represents leading cosmetic brands like Ceeture, Estee Lauder and SK-II in China. It sells cosmetics via a network of 45,000 direct-owned stores.

Infection Control Solutions

Holista's newest and smallest division, Infection Control, posted interim sales of \$17,000 compared with sales of \$179,000 in the first half of last year. The decline in sales comes as Holista refocused its resources on securing commercial/industrial business to business (B2B) sales of its sanitising solutions, which requires more lead time due to the longer sales cycle.

Holista takes a disciplined approach in pursuing growth opportunities. In regard to rapid COVID-19 test kits, the market for these kits is competitive and the resources required to secure overseas government approvals and channel partners mean it is often not financially viable for Holista to invest in many of these opportunities, especially when there are more compelling growth projects on the immediate horizon.

Another significant event in 1H22 was the results of independent tests undertaken by SGS (Malaysia) Sdn Bhd (SGS) confirming the efficacy of the Group's all-natural Super Bio Nano Silver disinfectant. SGS reported that Holista's solution killed 99.99% of the human coronavirus (ATCC VR-740) after 30 and 60 minutes, as announced to the ASX on 29 April 2022.

Outlook and Projects

The volatile and dynamic macroeconomic environment make forecasting a challenge for any company, including Holista. But the Group believes it is in a good position to continue delivering improved results in the current year even after it delivered record revenues and a significantly improved bottom line in FY21.

Holista's confidence in its positive outlook stems from several factors, which are detailed below:

- **Continued momentum in Health Supplements:** Holista's largest division is expected to deliver consistent results as the Group is yet to see a drop-off in demand for its products.
- **Growth opportunities in Healthy Food Ingredients:** Demand from existing customers is also forecasted to remain strong in the current half. Further, Holista is working closely with Berjaya Group (the owner of Country Farms and several international franchise brands in Malaysia) to ramp up sales to the group following initial sales of GI Lite™ for Starbucks Malaysia and 80Less™ for Country Farms, as announced to the market in April this year.
- **New products:** The recent introduction of new products, such as the all-natural Nano Silver Disinfectant and water-soluble vitamin D, Hydro-D, and the upcoming launch of other innovations, are expected to contribute positively to Holista's Supplements and Infection Control divisions.
- **Ramp-up in collagen sales:** Holista is expecting sales of its unique cosmetic grade ovine collagen product to Behn Meyer Thailand to accelerate in the second half of the year as the international chemicals group has a binding sales contract to place orders by the end of 2022.
- **Easing headwinds:** While Holista is well placed to manage supply chain challenges, there are early signs that the inflationary pressure due to supply chain disruptions are easing. Group performance could be further bolstered if these positive macro trends continue.

Holista Colltech Limited
Directors' report
30 June 2022

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Group during the financial half-year.

Event after the reporting period

On 14 July 2022, the Company issued 2,000,000 fully paid ordinary shares at \$0.04 per share for the investor relationship services rendered.

On 16 August 2022, the Company issued 1,450,980 fully paid ordinary shares at \$0.04 per share for the consulting services rendered.

On 17 August 2022, the Company issued 20,000,000 unlisted options with exercise price of \$0.07 per options expire on 31 December 2022.

Apart from the above, no other matters or circumstances have arisen since 30 June 2022 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affair in future financial years.

Future Developments, Prospects and Business Strategies

There are no other likely developments, future prospects and business strategies not included in this Directors' report.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



DR RAJEN MANICKA
Executive Chairman and Chief Executive Officer

29 August 2022



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29 August 2022

Board of Directors
Holista CollTech Limited
283 Rokeby Road,
Subiaco, WA 6008

Dear Directors

RE: HOLISTA COLLTECH LIMITED

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Holista CollTech Limited.

As Audit Director for the review of the financial statements of Holista CollTech Limited for the half-year ended 30 June 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours faithfully

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(An Authorised Audit Company)

A handwritten signature in black ink, appearing to read "Samir Tirodkar", written over a horizontal line.

Samir Tirodkar
Director

Holista Colltech Limited

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30 June 2022

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General information

The financial statements cover Holista Colltech Limited as a Group consisting of Holista Colltech Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Holista Colltech Limited's functional and presentation currency.

Holista Colltech Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

283 Rokeby Road
Subiaco
WA 6008
Australia

Principal place of business

Unit 1201, 12th Floor,
Amcorp Trade Centre, PJ Tower
No 18, Persiaran Barat,
46000 Petaling Jaya, Malaysia

A description of the nature of the Group's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 29 August 2022.

Holista Colltech Limited
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 30 June 2022

	Note	Consolidated 30 June 2022 \$	30 June 2021 \$
Revenue			
Revenue		4,497,374	3,580,946
Other income	3	30,990	44,770
Expenses			
Change in inventories of finished goods and work in progress		498,886	217,048
Raw materials and consumables used		(2,536,142)	(1,838,308)
Distribution costs and other costs of sales		(253,651)	(207,150)
Advertising and promotion		(251,999)	(249,535)
Consultancy and professional fees		(357,161)	(337,088)
Depreciation and amortisation		(139,047)	(99,730)
Employment costs		(1,448,931)	(1,431,593)
Finance costs		(32,099)	(20,578)
Foreign exchange loss		2,119	(7,585)
Impairment	4	(54,217)	(142,336)
Research and development		(38,373)	(85,204)
Share-based payments expense	4	-	360,109
Other expenses	4	(348,023)	(430,032)
Loss before income tax benefit		(430,274)	(646,266)
Income tax (expense)/benefit		(119,956)	6,575
Loss after income tax benefit for the half-year		(550,230)	(639,691)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		2,717	1,601
Other comprehensive income for the half-year, net of tax		2,717	1,601
Total comprehensive income for the half-year		(547,513)	(638,090)
Loss for the half-year is attributable to:			
Non-controlling interest		17,494	(10,639)
Owners of Holista Colltech Limited		(567,724)	(629,052)
		(550,230)	(639,691)
Total comprehensive income for the half-year is attributable to:			
Non-controlling interest		(41,998)	13,101
Owners of Holista Colltech Limited		(505,515)	(651,191)
		(547,513)	(638,090)
		Cents	Cents
Basic loss per share	12	(0.21)	(0.23)
Diluted loss per share	12	(0.21)	(0.23)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Holista Colltech Limited
Consolidated statement of financial position
As at 30 June 2022

		Consolidated	
	Note	30 June 2022	31 December 2021
		\$	\$
Assets			
Current assets			
Cash and cash equivalents		697,145	1,213,093
Trade and other receivables	5	1,234,746	1,795,140
Inventories		1,979,839	1,521,917
Income tax recoverable		54,587	49,155
Other current assets	6	913,376	1,007,569
Total current assets		<u>4,879,693</u>	<u>5,586,874</u>
Non-current assets			
Property, plant, and equipment		949,532	1,010,263
Right-of-use assets		313,615	113,413
Intangible assets		110,713	134,157
Deferred tax assets		41,841	83,166
Total non-current assets		<u>1,415,701</u>	<u>1,340,999</u>
Total assets		<u>6,295,394</u>	<u>6,927,873</u>
Liabilities			
Current liabilities			
Trade and other payables	7	2,486,658	2,746,596
Contract liabilities		-	5,245
Borrowings	8	365,580	364,882
Income tax		-	13,521
Provisions		34,496	34,496
Total current liabilities		<u>2,886,734</u>	<u>3,164,740</u>
Non-current liabilities			
Borrowings	8	406,619	417,774
Provisions		275,000	275,000
Lease liabilities		298,341	94,146
Total non-current liabilities		<u>979,960</u>	<u>786,920</u>
Total liabilities		<u>3,866,694</u>	<u>3,951,660</u>
Net assets		<u>2,428,700</u>	<u>2,976,213</u>
Equity			
Issued capital	9	21,707,478	21,707,478
Reserves		(142,293)	(204,502)
Accumulated losses		(17,973,056)	(17,405,332)
Equity attributable to the owners of Holista Colltech Limited		3,592,129	4,097,644
Non-controlling interest		(1,163,429)	(1,121,431)
Total equity		<u>2,428,700</u>	<u>2,976,213</u>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Holista Colltech Limited
Consolidated statement of changes in equity
For the half-year ended 30 June 2022

Consolidated	Issued capital \$	Options reserve \$	Foreign exchange translation reserve \$	Accumulated losses \$	Non-controlling interest \$	Total equity \$
Balance at 1 January 2021	21,707,478	360,109	(497,453)	(16,149,123)	(777,364)	4,643,647
Loss after income tax benefit for the half-year	-	-	-	(629,052)	(10,639)	(639,691)
Other comprehensive income for the half-year, net of tax	-	-	(22,139)	-	23,740	1,601
Total comprehensive income for the half-year	-	-	(22,139)	(629,052)	13,101	(638,090)
<i>Transactions with owners in their capacity as owners:</i>						
Reversal of share-based payments expense	-	(360,109)	-	-	-	(360,109)
Balance at 30 June 2021	<u>21,707,478</u>	<u>-</u>	<u>(519,592)</u>	<u>(16,778,175)</u>	<u>(764,263)</u>	<u>3,645,448</u>
Consolidated	Issued capital \$	Options reserve \$	Foreign exchange translation reserve \$	Accumulated losses \$	Non-controlling interest \$	Total equity \$
Balance at 1 January 2022	21,707,478	-	(204,502)	(17,405,332)	(1,121,431)	2,976,213
Loss after income tax expense for the half-year	-	-	-	(567,724)	17,494	(550,230)
Other comprehensive income for the half-year, net of tax	-	-	62,209	-	(59,492)	2,717
Total comprehensive income for the half-year	-	-	62,209	(567,724)	(41,998)	(547,513)
Balance at 30 June 2022	<u>21,707,478</u>	<u>-</u>	<u>(142,293)</u>	<u>(17,973,056)</u>	<u>(1,163,429)</u>	<u>2,428,700</u>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

Holista Colltech Limited
Consolidated statement of cash flows
For the half-year ended 30 June 2022

	Consolidated	Consolidated
	30 June 2022	30 June 2021
	\$	\$
Cash flows from operating activities		
Receipts from customers	5,216,267	3,861,288
Payments to suppliers (inclusive of GST) and employees	(5,570,719)	(4,244,892)
Interest received	76	6,873
Finance costs	(32,099)	(5,595)
Net Income tax paid	(84,728)	(24,021)
Grant received	-	9,600
	<u> </u>	<u> </u>
Net cash used in operating activities	<u>(471,203)</u>	<u>(396,747)</u>
Cash flows from investing activities		
Purchase of property, plant, and equipment	(51,131)	(11,651)
Increase of deposits/investments	(325)	-
Proceeds from disposal of property, plant and equipment	30,914	-
	<u> </u>	<u> </u>
Net cash used in investing activities	<u>(20,542)</u>	<u>(11,651)</u>
Cash flows from financing activities		
Proceeds from borrowings	1,946,603	611,947
Repayment of borrowings	(1,956,384)	(795,337)
Repayment of lease liabilities	(15,025)	(8,494)
	<u> </u>	<u> </u>
Net cash used in financing activities	<u>(24,806)</u>	<u>(191,884)</u>
Net decrease in cash and cash equivalents	(516,551)	(600,282)
Cash and cash equivalents at the beginning of the financial half-year	1,213,093	2,725,237
Change in foreign currency held	603	(8,285)
	<u> </u>	<u> </u>
Cash and cash equivalents at the end of the financial half-year	<u><u>697,145</u></u>	<u><u>2,116,670</u></u>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

Holista Colltech Limited
Notes to the consolidated financial statements
30 June 2022

Note 1. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 30 June 2022 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 31 December 2021 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

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

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

Going concern

The financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Group incurred a loss after tax for the period of \$550,230 (June 2021: \$639,691 loss) and a net cash outflow from operating activities of \$471,203 (30 June 2021: \$396,747 outflow). As at 30 June 2022, the Group has generated a working capital of \$1,992,959 (31 December 2021: \$2,422,134 working capital).

This financial report is prepared on the going concern basis, which contemplates continuity of normal business activities and realisation of assets and settlement of liabilities in the ordinary course of business. The ability of the Group to continue to pay its debts as and when they fall due is dependent upon the Group's ability to generate positive cash flows through its existing business and/or raising of further equity.

While the Group is optimistic that its Malaysian and Australian revenue will continue to grow and contribute positively in the future, it does realise the risk should the Group fail to generate sufficient positive cash flows and/or obtain funding when required. There is significant uncertainty as to whether the Group will continue as a going concern and whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Note 2. Operating segments

Identification of reportable operating segments

The Group has identified its operating segments based on the internal reports that are provided to the Board of Directors (the Board) on a monthly basis and in determining the allocation of resources. Management has identified the operating segments based on the principal activities – Supplements; Ovine Collagen; Infection Control Solutions; Food Ingredients; and Corporate.

Holista Colltech Limited
Notes to the consolidated financial statements
30 June 2022

Note 2. Operating segments (continued)

Segment Performance

	Supplements \$	Ovine Collagen \$	Food ingredients \$	Infection Control Solutions \$	Corporate \$	Total \$
Half-year ended 30 June 2022						
Revenue						
External sales	3,356,556	121,670	1,002,557	16,591	-	4,497,374
Other revenue	-	-	-	-	30,990	30,990
	<u>3,356,556</u>	<u>121,670</u>	<u>1,002,557</u>	<u>16,591</u>	<u>30,990</u>	<u>4,528,364</u>
Reconciliation of segment revenue to group revenue: Total group revenue and other income						<u>4,528,364</u>
Segment Profit/(Loss) from continuing operations before tax (Loss) before income tax expense	666,978	(211,895)	(200,629)	(116,417)	(568,311)	(430,274)
						<u>(430,274)</u>
	Supplements \$	Ovine Collagen \$	Food Ingredients \$	Infection Control Solutions \$	Corporate \$	Total
Half-Year ended 30 June 2021						
Revenue						
External sales	2,502,272	128,100	771,091	179,483	-	3,580,946
Other revenue	-	-	-	-	44,770	44,770
Total segment revenue	<u>2,502,272</u>	<u>128,100</u>	<u>771,091</u>	<u>179,483</u>	<u>44,770</u>	<u>3,625,716</u>
Reconciliation of segment revenue to group revenue: Total group revenue and other income						<u>3,625,716</u>
Segment (Loss) from continuing operations before tax (Loss) before income tax expense	(15,332)	(223,979)	(35,172)	(116,493)	(255,290)	(646,266)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(646,266)</u>

Holista Colltech Limited
Notes to the consolidated financial statements
30 June 2022

Note 2. Operating segments (continued)

Segment Financial Position

	Supplements \$	Ovine Collagen \$	Food Ingredients \$	Infection Control Solutions \$	Corporate \$	Total \$
As at 30 June 2022						
Segment Assets	3,313,729	5,486,216	1,856,136	307,236	-	10,963,317
Intra-segment eliminations	-	-	-	-	(4,667,923)	(4,667,923)
Total assets	<u>3,313,729</u>	<u>5,486,216</u>	<u>1,856,136</u>	<u>307,236</u>	<u>(4,667,923)</u>	<u>6,295,394</u>
Segment liabilities	(1,650,461)	(2,475,865)	(4,894,699)	(482,310)	-	(9,503,335)
Intra-segment eliminations	-	-	-	-	5,636,641	5,636,641
Total liabilities	<u>(1,650,461)</u>	<u>(2,475,865)</u>	<u>(4,894,699)</u>	<u>(482,310)</u>	<u>5,636,641</u>	<u>(3,866,694)</u>
Total net assets/(liabilities)	<u>1,663,268</u>	<u>3,010,351</u>	<u>(3,038,563)</u>	<u>(175,074)</u>	<u>968,718</u>	<u>2,428,700</u>
	Supplements \$	Ovine Collagen \$	Food Ingredients \$	Infection Control Solutions \$	Corporate \$	Total \$
As at 31 December 2021						
Segment Assets	3,341,994	6,103,998	1,824,902	328,595	-	11,599,489
Intra-segment eliminations	-	-	-	-	(4,671,616)	(4,671,616)
Total assets	<u>3,341,994</u>	<u>6,103,998</u>	<u>1,824,902</u>	<u>328,595</u>	<u>(4,671,616)</u>	<u>6,927,873</u>
Segment Liabilities	(1,893,284)	(2,430,009)	(4,600,567)	(526,165)	-	(9,450,025)
Intra-segment eliminations	-	-	-	-	5,498,365	5,498,365
Total liabilities	<u>(1,893,284)</u>	<u>(2,430,009)</u>	<u>(4,600,567)</u>	<u>(526,165)</u>	<u>5,498,365</u>	<u>(3,951,660)</u>
Total net assets/(liabilities)	<u>1,448,710</u>	<u>3,673,989</u>	<u>(2,775,665)</u>	<u>(197,570)</u>	<u>826,749</u>	<u>2,976,213</u>

Note 3. Other income

	Consolidated	
	30 June 2022	30 June 2021
	\$	\$
Gain on disposal of property, plant and equipment	30,914	-
US COVID-19 Subsidy	-	27,045
Interest income	76	8,125
ATO COVID-19 JobKeeper Subsidy	-	9,600
Other income	<u>30,990</u>	<u>44,770</u>

Holista Colltech Limited
Notes to the consolidated financial statements
30 June 2022

Note 4. Loss before income tax

Consolidated
30 June 2022 30 June 2021
\$ \$

Loss before income tax includes the following specific expenses:

Impairment

Impairment on credit losses (note 5)	54,217	142,336
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Other expenses

Compliance and regulatory costs	85,350	143,910
Insurance	42,586	52,895
Other expenses	10,122	47,743
Collie factory maintenance costs	64,133	40,235
Audit fees	47,784	43,064
Office rental expense and occupancy costs	98,048	102,185
	348,023	430,032

Share-based payments expense

Reversal of Share based payment expenses *	-	(360,109)
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* As approved by shareholders on 9 January 2017, the Company issued 2,700,000 performance rights to Dr Rajen Manicka with non-market performance conditions attached. The milestone date of these performance conditions is on or before 30 June 2021 and as at 30 June 2021, the performance conditions were not achieved. Consequently, the share-based expenses previously recognised in relation to the performance rights were fully reversed.

Note 5. Trade and other receivables

Consolidated
31 December
30 June 2022 2021
\$ \$

Current assets

Trade receivables	3,158,288	3,669,889
Less: Allowance for expected credit losses	(1,985,448)	(1,934,523)
	1,172,840	1,735,366

Other receivables

Amounts advanced to a related party	180,623	180,623
Amounts advanced to third party	294,534	294,534
Less: allowance for expected credit losses	(475,157)	(475,157)
Interest receivable	57,158	54,267
	1,234,746	1,795,140

The average credit period on sales of goods ranges from 30 to 240 days. Interest is not charged. During the period ended 30 June 2022 an allowance of \$50,925 has been made for estimated irrecoverable trade receivable amounts arising from past sale of goods, determined by reference to past default experience. Amounts are considered as 'past due' when the debt has not been settled, within the terms and conditions agreed between the Group and the customer or counter party to the transaction.

The amounts advanced to related party were fully impaired since the financial year ended 2021.

Holista Colltech Limited
Notes to the consolidated financial statements
30 June 2022

Note 6. Other current assets

	Consolidated	31 December
	30 June 2022	2021
	\$	\$
<i>Current assets</i>		
Prepayments	272,242	318,703
Security deposits	33,558	33,616
Other deposits	14,822	14,518
Loan to a related party	538,481	511,246
Right of return assets	54,273	129,486
	<u>913,376</u>	<u>1,007,569</u>

Included in prepayment is an amount of \$428,052 for deposit and advances previously made to Proimmune Company LLC for supply contract. As disclosed in 31 December 2020 annual report, Proimmune Company LLC filed for purported breached of supply contracts by the Company in February 2020. As it is not practical to estimate when the decision of the court will be made, the prepayments has been fully impaired.

Security deposits are restricted cash. In order to obtain various financing facilities, banks in Malaysia require cash to be deposited if other collateral is not available. These deposits are interest bearing and the interest is compounded and added to the principal.

Loan to a related party as at 30 June 2022 is related to loan to Galen BioMedical Inc - related party. which is non-interest bearing and repayable upon demand.

Note 7. Trade and other payables

	Consolidated	31 December
	30 June 2022	2021
	\$	\$
<i>Current liabilities</i>		
Trade payables	1,469,389	1,370,345
Accruals	656,901	668,649
Dividends payable	24,998	23,734
Refund liability	150,758	340,753
Other payables - current	184,612	343,115
	<u>2,486,658</u>	<u>2,746,596</u>

Included in the accruals is deferred revenue amounting of \$45,865 (2021: \$27,892) which represents customer loyalty points and is estimated based on the amount of loyalty points outstanding at reporting date that are expected to be redeemed.

Holista Colltech Limited
Notes to the consolidated financial statements
30 June 2022

Note 8. Borrowings

	Consolidated	
	30 June 2022	31 December 2021
	\$	\$
<i>Current liabilities</i>		
Term Loan	20,531	20,029
Banker's acceptance	329,457	330,022
Loan from related parties	15,133	14,367
Other borrowings	459	464
	<u>365,580</u>	<u>364,882</u>
<i>Non-current liabilities</i>		
Term loan	<u>406,619</u>	<u>417,774</u>

Note 9. Issued capital

	Consolidated			
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	Shares	Shares	\$	\$
Fully paid ordinary shares	<u>275,349,087</u>	<u>275,349,087</u>	<u>21,707,478</u>	<u>21,707,478</u>

Ordinary shares

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.

Note 10. Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Note 11. Contingent liabilities

Gara Group, Inc. ("Gara Group")

On 27 September 2019, iGalen (a related company and a customer of the Group), filed an action against Gara Group and others alleging breach of contract. This complaint stems from Gara Group's failure to provide services including product fulfillment, software development and maintenance of non-site platform which manages the Company's back office and managing the Company's social media sites. Gara Group filed a complaint against the Company for breach of contract. Gara Group has gone through several changes in various sets of attorneys and moved operation from California to Florida where they have filed again similar claims in Florida which the parties have attempted to bring similar causes of action that are alleged in the Florida into California case.

The case is still progressing in Courts. The exposure to the Company always exists, however, management maintains its claims and anticipates recovering from Gara Group. It is too early in the case to determine amounts of recovery or exposure.

Prolmmune Company LLC ("Prolmmune")

The present lawsuit involves four claims brought by Prolmmune against the Company for breach of four distinct contracts which seeks total damages of USD 2million. The Company has completed the discovery phase of the litigation where after attempting to seek dismissal of the claims brought against it, the Company has answered the complaint of Prolmmune Company LLC and asserted its own counterclaims against Prolmmune for breach of contract as well as one claim for breach of express warranty, both of which seeking monetary damages in excess of USD300,000 plus interest.

Holista Colltech Limited
Notes to the consolidated financial statements
30 June 2022

Note 11. Contingent liabilities (continued)

The discovery stage is over and each party have filed their own motions for summary judgment, which effectively seeks a judgment without trial on either sides' respective claims and/or defence. Both ProImmune and the Company have filed their respective claims and counter claims for the motion for summary of judgement. A decision could be rendered in second half of 2022 or early 2023 and should either party dissatisfy with the motion; they may proceed with further court proceedings.

At the date of this report, it is premature to estimate any material contingent liabilities for this case.

Australian Securities and Investments Commission ("ASIC")

On 5 August 2021, the Company has been served with Federal Court proceedings commenced by the Australian Securities and Investments Commission ("ASIC"). The proceedings relate to allegedly false and misleading statements with respect to Holista's sanitiser products and partnership with Global Infection Control Consultants LLC ("GICC"), which are said to have been disseminated by the Company in the period from January 2020 to July 2020. ASIC claims that between April and July 2020 the Company was in breach of its continuous disclosure obligations. The proceedings also alleged that Dr Manicka, the Company's Managing Director and CEO, breached his director's duties to the Company by causing or permitting the Company to engage in the conduct complained of by ASIC.

ASIC and the Group have gone through mediation process and the case was listed for mediation in April 2022 and August 2022 but no settlement was reached. In parallel to this mediation, legal proceeding is ongoing whereby the Court have fixed a further case management hearing in October 2022.

In view of inconclusive status of this matter, no liabilities are being admitted by the Group at the date of this report. The case is still progressing in Court.

The exposure to the Group always exists. However, management maintains its claims and will defend the allegation in the Court. In the view of the management, it is too early in the case to determine the amount of exposure.

Note 12. Earnings per share

	Consolidated	
	30 June 2022	30 June 2021
	\$	\$
Loss after income tax	(550,230)	(639,691)
Non-controlling interest	(17,494)	10,639
Loss after income tax attributable to the owners of Holista Colltech Limited	<u>(567,724)</u>	<u>(629,052)</u>
	Number	Number
Weighted average number of ordinary shares outstanding during the period used in calculation of basic EPS	<u>275,349,087</u>	<u>275,349,087</u>
Weighted average number of ordinary shares outstanding during the period used in calculation of basic EPS	<u>275,349,087</u>	<u>275,349,087</u>
	Cents	Cents
Basic loss per share	(0.21)	(0.23)
Diluted loss per share	(0.21)	(0.23)

There are no options and performance rights outstanding as at the end of the financial period.

Note 13. Events after the reporting date

On 14 July 2022, the Company issued 2,000,000 fully paid ordinary shares at \$0.04 per share for the investor relationship services rendered.

On 16 August 2022, the Company issued 1,450,980 fully paid ordinary shares at \$0.04 per share for the consulting services rendered.

On 17 August 2022, the Company issued 20,000,000 unlisted options with exercise price of \$0.07 per options expire on 31 December 2022.

Apart from the above, no other matters or circumstances have arisen since 30 June 2022 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affair in future financial years.

Holista Colltech Limited
Directors' declaration
30 June 2022

In the directors' opinion:

- the attached consolidated financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached consolidated financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2022 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



DR RAJEN MANICKA
Executive Chairman and Chief Executive Officer

29 August 2022

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
HOLISTA COLLTECH LIMITED**

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Holista Colltech Limited (the "Company") and its subsidiaries (the "Group"), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Holista Colltech Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2022 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* has been given to the directors of the Company on 29 August 2022.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which describes the financial report being prepared on a going concern basis.

The Group incurred a loss after tax for the half-year of \$550,230 and a net cash outflow from operating activities of \$471,203. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.

The ability of the Group to continue as a going concern is subject to the future profitability of the Group and the ability of management to collect the receivables and sell its inventories. In the event that the Group is not successful in being profitable, collecting the receivables and selling the inventories, the Group may not be able to meet its liabilities as and when they fall due, and the realisable value of the Group's assets may be significantly less than book values.

Our conclusion is not modified in respect of this matter.

Responsibility of the Directors for the Financial Report

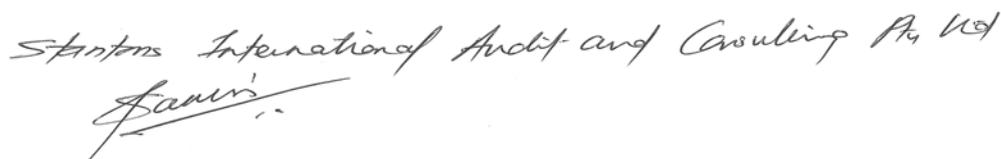
The directors of Holista Colltech Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable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

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 30 June 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(An Authorised Audit Company)



Samir Tirodkar
Director

West Perth, Western Australia
29 August 2022