

**Holista Colltech Limited**  
**Appendix 4E**  
**Preliminary final report**

**1. Company details**

Name of entity:	Holista Colltech Limited
ABN:	24094515992
Reporting period:	For the year ended 31 December 2020
Previous period:	For the year ended 31 December 2019

**2. Results for announcement to the market**

			\$
Revenues from ordinary activities	down	2.1% to	7,106,635
Loss from ordinary activities after tax attributable to the owners of Holista Colltech Limited	up	688.6% to	(5,440,426)
Loss for the year attributable to the owners of Holista Colltech Limited	up	688.6% to	(5,440,426)

*Dividends*

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

*Comments*

The loss for the consolidated entity after providing for income tax and non-controlling interest amounted to \$5,440,426 (31 December 2019: \$689,851).

**3. Net tangible assets**

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>1.65</u>	<u>1.53</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.

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**8. Details of associates and joint venture entities**

Not applicable.

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**9. Foreign entities**

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

Australian Accounting Standards

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**10. Audit qualification or review**

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

The financial statements are in process of being reviewed by the auditors and their review report will be attached as part of the Annual Report once finalised.

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**11. Attachments**

*Details of attachments (if any):*

The Preliminary Final Report of Holista Colltech Limited for the year ended 31 December 2020 is attached.

## Company Update

### **Group Operations Review:**

Holista Colltech Limited (Holista) delivered steady revenues for the year ended 31 December 2020 despite the global COVID-19 crisis that had a material but temporary impact on Group earnings.

Holista posted total revenue of \$7.1 million for the 12-months ended 31 December 2020, which was 2.1% below that of 2019, as weakness in parts of its business due to the impact of COVID-19 was offset by strong growth in two key divisions.

Statutory net profit before tax for 2020 was a loss of \$5.6 million compared with a net loss of \$777,000 in the previous year that were largely due to significant one-off items. These included provisions for bad and doubtful debts (\$3.3m) and legal costs associated with defending the Company against legal challenges.

The 2020 disruption caused by the global pandemic on Holista's operations and change in the Group's sales mix accounted for the balance of the difference between losses recorded in 2020 and 2019. Holista's fastest growing businesses have smaller margins due to the required investments to build scale, expand into new markets and launch new product offerings.

During the financial year 2020 (FY2020), Holista and its controlled entities focused on four core areas:

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

### **Healthy Food Ingredients:**

Holista's Healthy Food Ingredients division is gaining momentum with sales increasing by 525% over the year before to just over \$1 million in 2020. The growth is bolstered by orders from Kawan Food Berhad, which has developed the world's first healthy low-Glycemic Index (GI) Asian flatbread using GI Lite™, and Rex Industry Berhad for Holista's proprietary 80Less™ (low-calorie and low-GI) sugar substitute for use in its drinks. However, restrictions to control the spread of COVID-19 in Malaysia and Singapore meant that orders from Kawan and Rex in FY2020 were lower than was originally forecasted at the start of the year.

The division's strong growth was also partly due to the expansion into the North American market with Costanzo's Bakery, Inc. signing a binding agreement during FY2020 (announced October 2020) to purchase around US\$2 million a year of Holista's GI Lite™ Bread Premix, for three years.

Another significant event during the course of the year was the validation from the University of Sydney that tortillas made with GI Lite™ were at least 30% healthier compared to traditional versions of flatbreads sold around the world.

Holista's proprietary food ingredients technologies can also be applied to the manufacture of healthier noodles, tapioca pearls (used in bubble tea) and sugar syrup without sacrificing taste.

### Company Update (continued)

#### **Infection Control Solutions:**

Holista's Infection Control Solutions business was another growth contributor as it achieved sales of \$665,000 in FY2020. This is the first year that this business contributed to Group revenue as COVID-19 drove demand for its NatShield™ range of products, which uses PathAway®.

PathAway® is made from all-natural ingredients and independent tests at Microbac Laboratories, Inc. have shown it to be 99.9% effective against the SARS-CoV-2 virus that causes COVID-19. Microbac is a US Department of Defence (DoD) and Environmental Laboratory Accreditation Program (ELAP) accredited laboratory.

Holista entered into a joint-venture (JV) in September 2020 with its long-standing US partner Global Infection Control Consultants LLC (GICC) to manufacture and market the M3® system, which works by dispensing PathAway® through heating, ventilation and air-conditioning ("HVAC") systems in buildings to treat harmful pathogens, including airborne viruses. PathAway® is currently awaiting List N certification in the US. List N is managed by the US Environmental Protection Agency (EPA) and products on List N are deemed by the EPA to kill SARS-CoV-2.

From December of last year, Holista was able to start offering a "List N" solution to disinfect buildings and kill coronavirus by using the M3® system with Bioesque, which is secured from Laboratoire M2, while awaiting List N certification for PathAway®. The same range is also under registration with Australian Therapeutic Goods Administration to be offered along with M3®.

A further significant development during FY2020 was the acquisition of the intellectual property and all associated rights to Protectene™ by Holista from GICC. Protectene™ has all the benefits of PathAway® but is gentler on skin. The acquisition enables Holista to offer sanitising products that can be used on sensitive parts of the body, such as a nasal balm.

The nasal balm formulation is now finalised and will be launched in the United States, Malaysia and Singapore in the 2<sup>nd</sup> Quarter of 2021. In the interim, the nasal balm will undergo tests to show efficacy against coronavirus at the Pantai Medical Centre in Kuala Lumpur, Malaysia. The Company is also close to engaging a leading hospital in New York City to undertake further tests.

#### **Dietary Supplements:**

The Company's Dietary Supplements division continued to be the largest income contributor to the group in 2020. Revenue from this business decreased by 21% to \$5.2 million due to COVID-19 social restrictions and lockdowns in markets Holista operates in.

While operating conditions were challenging, Holista launched a new health supplement called Forti-5 in Malaysia to boost the body's immune system and to fight infections in the 4<sup>th</sup> Quarter of 2020. Forti-5 stimulates the body's natural production of glutathione with three essential amino acids.

Holista is developing other new products to be sold commercially this year, including chewable Omega-3 gummies for children.

#### **Ovine Collagen:**

The Collagen Manufacturing business was also impacted by the fallout from the global pandemic with sales falling 62% to \$173,000 in FY2020 as most of our cosmetics manufacturing customers closed their production facilities for some time during the pandemic.

**Company Update (continued)**

**Outlook**

The volatility created by the global pandemic is expected to persist in 2021, but there has been a marked improvement in trading conditions across much of the Group's operations since the start of the current financial year.

The strong momentum achieved by the Healthy Food Ingredients business is expected to continue as Costanzo's launches a range of Low-GI white bread products using Holista's technology next month across North America. The healthier and better tasting white bread is expected to be a significant growth driver for Holista from 2021 onwards.

Additionally, orders from Kawan Foods and Rex Industry are anticipated to improve this year as the disruptions from the pandemic in Malaysia and Singapore ease further. Holista is also close to commercialising low-calorie and low-GI tapioca pearls and sugar syrup for use in bubble tea. The pearls will complement Holista's range of healthier food product ingredients, including those for flat breads, noodles and white bread.

Growing demand for sanitising solutions is also expected to persist in 2021 and beyond, even as mass COVID-19 vaccines are rolled out around the world. The ongoing long-term use of sanitisers bodes well for NatShield™ and Protectene™ as Holista believes consumers will increasingly turn to all-natural and gentler solutions compared to alcohol-based products.

Holista also plans to expand its infection control offering this year to include nasal balms and the M3® system that can be used against airborne viruses in buildings and for fogging applications.

Holista filed a global patent for the nasal sanitising balm in July 2020 and has commissioned a TGA application to classify its sanitisers as "Therapeutic Goods" and for labelling rights to claim their effectiveness against COVID-19, successfully demonstrating that Path-Away® can kill 99.9% of SARS-CoV-2 in an independent lab, and planned testing of NatShield™ Nasal Sanitising Balm ahead of its potential launch in three overseas markets in 2021.

Holista's Dietary Supplements and Ovine Collagen businesses are recovering from the coronavirus economic conditions in FY2020. There has been a notable resumption in orders for Holista's dietary supplements across all markets since the 4<sup>th</sup> quarter of 2020, while enquiry levels for its collagen product from cosmetics manufacturers around Asia have also increased.

Meanwhile, Holista has suspended payments to its US marketing partner, Eight Mercatus USA, since February 2021 as Eight Mercatus USA undertakes an internal review and formulates a new plan to address its disappointing performance in Natshield™ launching which was partly because of delay in N-listing of Path-Away®, launching of low Glycemic Index (GI) bread range and the water soluble supplements. Holista will consider resuming the partnership once Eight Mercatus USA presents a new credible plan to market and sell Holista's range of products and solutions in the US.

# **Holista Colltech Limited**

**ABN 24094515992**

**Preliminary Final Report - 31 December 2020**

**Holista Colltech Limited**  
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**31 December 2020**

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**Holista Colltech Limited**  
**Statement of profit or loss and other comprehensive income**  
**For the year ended 31 December 2020**

	Note	Consolidated 2020 \$	2019 \$
<b>Revenue</b>			
Revenue	1	7,106,635	7,257,778
Other income	2	368,739	147,131
<b>Expenses</b>			
Changes in inventories of finished goods and work in progress		363,950	197,844
Raw materials and consumables used		(3,484,941)	(3,277,420)
Distribution costs and other costs of sales		(404,327)	(467,599)
Advertising and promotion		(473,592)	(431,186)
Consultancy and professional fees		(939,209)	(502,222)
Depreciation and amortisation expense		(220,869)	(305,355)
Employee Benefits	3	(2,891,621)	(2,824,511)
Finance costs		(68,406)	(88,820)
Foreign exchange (loss)/gain		(381,130)	(38,790)
Impairment	3	(3,310,442)	407,096
Research and development		(339,850)	(132,275)
Share-based payments expense		(168,170)	(90,524)
Other expenses	3	(746,008)	(628,846)
<b>Loss before income tax expense</b>		(5,589,241)	(777,699)
Income tax expense		(69,652)	(126,335)
<b>Loss after income tax expense for the year</b>		(5,658,893)	(904,034)
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Foreign Currency translation		92,338	44,092
Other comprehensive income for the year, net of tax		92,338	44,092
<b>Total comprehensive income for the year</b>		<u>(5,566,555)</u>	<u>(859,942)</u>
Loss for the year is attributable to:			
Non-controlling interest		(218,467)	(214,183)
Owners of Holista Colltech Limited		(5,440,426)	(689,851)
		<u>(5,658,893)</u>	<u>(904,034)</u>
Total comprehensive income for the year is attributable to:			
Non-controlling interest		57,497	(66,319)
Owners of Holista Colltech Limited		(5,624,052)	(793,623)
		<u>(5,566,555)</u>	<u>(859,942)</u>
		<b>Cents</b>	<b>Cents</b>
Basic loss per share		(2.02)	(0.29)
Diluted loss per share		(2.02)	(0.29)

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



Holista Colltech Limited  
Statement of financial position  
As at 31 December 2020

	Note	Consolidated	
		2020	2019
		\$	\$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	2,725,237	101,400
Trade and other receivables	5	1,558,415	3,218,105
Inventories	6	1,108,346	675,782
Other current assets	7	682,575	1,010,820
Total current assets		<u>6,074,573</u>	<u>5,006,107</u>
<b>Non-current assets</b>			
Property, plant and equipment	8	1,112,490	1,317,918
Right-of-use asset	9	124,824	158,982
Intangible assets	10	106,281	776,121
Deferred tax asset		132,184	137,921
Other non-current assets	11	481,641	529,489
Total non-current assets		<u>1,957,420</u>	<u>2,920,431</u>
<b>Total assets</b>		<u>8,031,993</u>	<u>7,926,538</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	12	1,673,473	2,626,814
Contract liabilities	13	458,729	515,719
Borrowings	14	401,173	337,341
Leases	15	28,155	39,702
Short-term provisions		13,414	17,687
Total current liabilities		<u>2,574,944</u>	<u>3,537,263</u>
<b>Non-current liabilities</b>			
Borrowings	14	430,605	436,236
Leases	15	82,764	108,437
Provisions		275,000	275,000
Total non-current liabilities		<u>788,369</u>	<u>819,673</u>
<b>Total liabilities</b>		<u>3,363,313</u>	<u>4,356,936</u>
<b>Net assets</b>		<u>4,668,680</u>	<u>3,569,602</u>
<b>Equity</b>			
Issued capital	16	21,707,478	14,548,515
Reserves	17	(136,800)	2,329,439
Accumulated losses		<u>(16,106,382)</u>	<u>(12,455,239)</u>
Equity attributable to the owners of Holista Colltech Limited		5,464,296	4,422,715
Non-controlling interest		<u>(795,616)</u>	<u>(853,113)</u>
<b>Total equity</b>		<u>4,668,680</u>	<u>3,569,602</u>

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

**Holista Colltech Limited**  
**Statement of changes in equity**  
**For the year ended 31 December 2020**

<b>Consolidated</b>	<b>Issued capital \$</b>	<b>Share-based Payments Reserves \$</b>	<b>Foreign Currency Translation Reserve \$</b>	<b>Accumulated Losses \$</b>	<b>Non- controlling interest \$</b>	<b>Total equity \$</b>
Balance at 1 January 2019	14,548,515	4,899,791	(228,428)	(13,869,412)	(786,794)	4,563,672
Adjustment for change in Accounting policy - AASB 16	-	-	-	(224,652)	-	(224,652)
Balance at 1 January 2019 - restated	14,548,515	4,899,791	(228,428)	(14,094,064)	(786,794)	4,339,020
Loss after income tax expense for the year	-	-	-	(689,851)	(214,183)	(904,034)
Other comprehensive income for the year, net of tax	-	-	(103,772)	-	147,864	44,092
Total comprehensive income for the year	-	-	(103,772)	(689,851)	(66,319)	(859,942)
<i>Transactions with owners in their capacity as owners:</i>						
Recognition of performance rights	-	90,524	-	-	-	90,524
Transfer of expired option balance	-	(2,347,593)	-	2,347,593	-	-
Transfer to and from reserves	-	-	18,917	(18,917)	-	-
Balance at 31 December 2019	<u>14,548,515</u>	<u>2,642,722</u>	<u>(313,283)</u>	<u>(12,455,239)</u>	<u>(853,113)</u>	<u>3,569,602</u>

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

**Holista Colltech Limited**  
**Statement of changes in equity**  
**For the year ended 31 December 2020**

<b>Consolidated</b>	<b>Issued capital \$</b>	<b>Share-based Payments Reserves \$</b>	<b>Foreign Currency Translation Reserve \$</b>	<b>Accumulated Losses \$</b>	<b>Non- controlling interest \$</b>	<b>Total equity \$</b>
Balance at 1 January 2020	14,548,515	2,642,722	(313,283)	(12,455,239)	(853,113)	3,569,602
Loss after income tax expense for the year	-	-	-	(5,440,426)	(218,467)	(5,658,893)
Other comprehensive income for the year, net of tax	-	-	(183,626)	-	275,964	92,338
Total comprehensive income for the year	-	-	(183,626)	(5,440,426)	57,497	(5,566,555)
Shares issued during the year (note 16)	6,527,337	-	-	-	-	6,527,337
Transaction costs (note 16)	(29,874)	-	-	-	-	(29,874)
Transfer of expired options balance	-	(1,505,783)	-	1,505,783	-	-
Exercise of performance rights	661,500	(945,000)	-	283,500	-	-
Shares based payment expenses	-	168,170	-	-	-	168,170
Balance at 31 December 2020	<u>21,707,478</u>	<u>360,109</u>	<u>(496,909)</u>	<u>(16,106,382)</u>	<u>(795,616)</u>	<u>4,668,680</u>

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

**Holista Colltech Limited**  
**Statement of cash flows**  
**For the year ended 31 December 2020**



	Note	Consolidated	
		2020 \$	2019 \$
<b>Cash flows from operating activities</b>			
Receipts from customers		6,324,724	7,231,436
Payments to suppliers and employees		(10,342,180)	(7,422,701)
Finance costs		(68,406)	(83,839)
Interest received		23,405	9,221
Other revenue		268,856	133,678
Income tax paid		(74,009)	(28,770)
Net cash used in operating activities		(3,867,610)	(160,975)
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	8	(13,362)	(70,985)
Purchase of intellectual property	10	(20,979)	(39,548)
Loans repaid/(advanced), net		-	73,226
Increase / Refund of deposits/investments		(46,405)	52,516
Net cash (used in)/from investing activities		(80,746)	15,209
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares	16	6,527,337	-
(Repayment of)/proceeds from borrowings, net		146,750	(83,840)
Payments in respect to leases		(64,702)	(33,168)
Share issue transaction costs		(29,874)	-
Net cash from/(used in) financing activities		6,579,511	(117,008)
Net increase/(decrease) in cash and cash equivalents		2,631,155	(262,774)
Cash and cash equivalents at the beginning of the financial year		101,400	357,705
Change in foreign currency held		(7,318)	6,469
Cash and cash equivalents at the end of the financial year	4	<u>2,725,237</u>	<u>101,400</u>

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

Holista Colltech Limited  
Notes to the financial statements  
31 December 2020

**Note 1. Revenue from contracts with customers**

	Consolidated	
	2020	2019
	\$	\$
Sale of goods	7,106,635	7,257,778

**Note 2. Other income**

	Consolidated	
	2020	2019
	\$	\$
Government Grants - Research and development	163,540	133,678
Government Grants - Cashflow Boost and JobKeeper Subsidy	105,316	-
Interest income	23,405	9,221
Other income	76,478	4,232
Other income	368,739	147,131

**Holista Colltech Limited**  
**Notes to the financial statements**  
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**Note 3. Loss before income tax**

	<b>Consolidated</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Loss before income tax includes the following specific expenses:		
<i>Impairment</i>		
Impairment of other assets (note 7)	448,086	-
Impairment of funds loaned recovered	-	(511,744)
Doubtful debts expensed / (recovered)	46	298
Impairment on expected credit losses	2,341,655	-
Impairment of intangibles – Emulin trademark	-	104,350
Impairment of Goodwill	520,655	-
	<u>3,310,442</u>	<u>(407,096)</u>
<i>Other Expenses</i>		
Compliance and regulatory costs	264,155	117,648
Insurance	77,103	64,700
Other expenses	12,482	33,063
Collie factory maintenance costs	110,306	117,922
Audit fees	86,334	89,486
Office expense and other occupancy costs	195,628	206,027
	<u>746,008</u>	<u>628,846</u>
<i>Employee Benefit Expense Short-term</i>		
Salary and wages	1,794,543	1,831,255
Director Fees	193,665	108,844
Superannuation	247,538	250,409
Medical and Insurance	98,478	68,643
Bonus and Incentive	316,637	280,643
Travel	152,071	211,483
Others	88,689	73,234
	<u>2,891,621</u>	<u>2,824,511</u>

**Note 4. Current assets - cash and cash equivalents**

	<b>Consolidated</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Cash at bank	310,191	101,400
Cash on deposit	2,415,046	-
	<u>2,725,237</u>	<u>101,400</u>

Holista Colltech Limited  
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**Note 5. Current assets - trade and other receivables**

	<b>Consolidated</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Trade receivable	3,253,755	2,624,250
Less: Impairment on expected credit losses	(1,751,581)	-
	<u>1,502,174</u>	<u>2,624,250</u>
Other receivables	5,117	62,495
Amounts advanced to a related party	180,623	180,623
Amounts advanced to a third party	294,534	294,534
Less: Impairment on expected credit losses	(475,157)	-
Interest receivable	51,124	56,203
	<u>1,558,415</u>	<u>3,218,105</u>

**Note 6. Current assets - inventories**

	<b>Consolidated</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Raw materials - at cost	948,667	302,726
Finished goods - at cost	33,336	373,056
Stock in transit	126,343	-
	<u>1,108,346</u>	<u>675,782</u>

**Note 7. Current assets - Other current assets**

	<b>Consolidated</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Prepayments	243,504	614,602
Security deposits	320,463	303,921
Other deposits	17,474	14,645
Right-of-return assets	101,134	77,652
	<u>682,575</u>	<u>1,010,820</u>

Holista Colltech Limited  
Notes to the financial statements  
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**Note 8. Non-current assets - property, plant and equipment**

	<b>Consolidated</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Freehold land and buildings	1,017,689	2,577,466
Less: Accumulated depreciation and impairment	(314,367)	(1,799,081)
	<u>703,322</u>	<u>778,385</u>
Plant and equipment	2,031,321	2,025,588
Less: Accumulated depreciation	(1,622,153)	(1,486,055)
	<u>409,168</u>	<u>539,533</u>
Total plant and equipment	<u><u>1,112,490</u></u>	<u><u>1,317,918</u></u>

*Reconciliations*

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

<b>Consolidated</b>	Freehold land and buildings \$	Plant and Equipment \$	Motor Vehicles \$	Total \$
Balance at 1 January 2019	791,187	613,714	24,186	1,429,087
Additions	-	70,985	-	70,985
Exchange differences	15,035	314	456	15,805
Transfers in/(out)	-	-	(24,642)	(24,642)
Depreciation expense	(27,837)	(145,480)	-	(173,317)
	<u>778,385</u>	<u>539,533</u>	<u>-</u>	<u>1,317,918</u>
Balance at 31 December 2019	778,385	539,533	-	1,317,918
Additions	-	13,362	-	13,362
Exchange differences	(54,808)	(1,351)	-	(56,159)
Depreciation expense	(20,255)	(142,376)	-	(162,631)
	<u>703,322</u>	<u>409,168</u>	<u>-</u>	<u>1,112,490</u>
Balance at 31 December 2020	<u><u>703,322</u></u>	<u><u>409,168</u></u>	<u><u>-</u></u>	<u><u>1,112,490</u></u>

**Note 9. Non-current assets - Right-of-use asset**

	<b>Consolidated</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Properties	104,884	122,902
Motor vehicles	19,940	36,080
	<u>124,824</u>	<u>158,982</u>
	<u><u>124,824</u></u>	<u><u>158,982</u></u>



Holista Colltech Limited  
Notes to the financial statements  
31 December 2020

**Note 9. Non-current assets - Right-of-use asset (continued)**

	<b>Consolidated</b>	
	<b>2020</b>	<b>2019</b>
	\$	\$
<b>Depreciation charge of right-of-use assets</b>		
Properties	18,019	13,741
Motor vehicles	14,458	6,184
Other	-	7,785
	<u>32,477</u>	<u>27,710</u>
Interest expense (included in finance cost)	<u>7,334</u>	<u>9,024</u>

**Note 10. Non-current assets - Intangible assets**

	<b>Consolidated</b>	
	<b>2020</b>	<b>2019</b>
	\$	\$
Goodwill	-	572,378
Patents and licences	216,788	314,864
Less: Accumulated amortisation	(110,507)	(111,121)
	<u>106,281</u>	<u>203,743</u>
	<u>106,281</u>	<u>776,121</u>

*Reconciliations*

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

<b>Consolidated</b>	Goodwill \$	Patents and licences \$	Total \$
Balance at 1 January 2019	568,161	386,556	954,717
Additions	-	17,285	17,285
Disposals	-	(104,350)	(104,350)
Exchange differences	4,217	4,292	8,509
Amortisation expense	-	(100,040)	(100,040)
Balance at 31 December 2019	572,378	203,743	776,121
Additions	-	20,979	20,979
Exchange differences	(51,723)	(7,032)	(58,755)
Impairment of assets	(520,655)	-	(520,655)
Write off of assets	-	(85,234)	(85,234)
Transfers in/(out)	-	(414)	(414)
Amortisation expense	-	(25,761)	(25,761)
Balance at 31 December 2020	<u>-</u>	<u>106,281</u>	<u>106,281</u>

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**Note 11. Non-current assets - Other non-current assets**

	Consolidated	
	2020	2019
	\$	\$
Loans to related parties	481,641	529,489

**Note 12. Current liabilities - trade and other payables**

	Consolidated	
	2020	2019
	\$	\$
Trade payables	942,521	1,581,813
Accruals	376,339	381,740
Amounts due to Directors	21,588	89,109
Dividends payable	22,360	24,581
Refund liability	273,336	391,813
Other payables	37,329	157,758
	<u>1,673,473</u>	<u>2,626,814</u>

**Note 13. Current liabilities - contract liabilities**

	Consolidated	
	2020	2019
	\$	\$
Advance deposits and deferred revenue	458,729	515,719

**Note 14. Current liabilities - borrowings**

	Consolidated 2020	Consolidated 2019
	\$	\$
<b>Current Borrowings</b>		
Term Loan	29,027	57,045
Banker's acceptance	358,611	265,416
Loan from Related parties	13,535	14,880
Total Current Borrowings	<u>401,173</u>	<u>337,341</u>
<b>Non-Current Borrowings</b>		
Term Loan	<u>430,605</u>	<u>436,236</u>
Total Borrowings	<u>831,778</u>	<u>773,577</u>

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**Note 15. Current liabilities - Leases**

	<b>Consolidated</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>Current</b>		
Leases	28,155	39,702
<b>Non-Current</b>		
Leases	82,764	108,437
Total Leases	<u>110,919</u>	<u>148,139</u>

**Note 16. Equity - issued capital**

	<b>Consolidated</b>			
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>Shares</b>	<b>Shares</b>	<b>\$</b>	<b>\$</b>
Ordinary shares - fully paid	<u>275,349,087</u>	<u>234,039,087</u>	<u>21,707,478</u>	<u>14,548,515</u>

*Movements in ordinary share capital*

<b>Details</b>	<b>Date</b>	<b>Shares</b>	<b>Issue price</b>	<b>\$</b>
Balance	1 January 2019	234,039,087		14,548,515
Balance	31 December 2019	234,039,087		14,548,515
Collateral placement with Acuity Capital	13 January 2020	385,000	\$0.070	27,337
Collateral placement with Acuity Capital	11 February 2020	6,500,000	\$0.120	800,000
Collateral placement with Acuity Capital	11 February 2020	5,500,000	\$0.000	-
Collateral placement with Acuity Capital	19 February 2020	12,000,000	\$0.150	1,800,000
Collateral placement with Acuity Capital	4 March 2020	10,625,000	\$0.160	1,700,000
Exercise of performance rights	8 April 2020	6,300,000	\$0.100	661,500
Collateral placement with Acuity Capital	20 April 2020	-	\$0.000	2,200,000
Share Issue transaction costs, net of tax		-	\$0.000	(29,874)
Balance	31 December 2020	<u>275,349,087</u>		<u>21,707,478</u>

**Note 17. Equity - reserves**

	<b>Consolidated</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Foreign currency reserve	(496,909)	(313,283)
Share-based payment reserve	360,109	2,642,722
	<u>(136,800)</u>	<u>2,329,439</u>

**Note 18. Equity - dividends**

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

This announcement has been approved by the Board of Directors.