

## Appendix 4C and Activities Report: Rebound in Sales and Positive Operating Cash Flow

### ASX Announcement

27 April 2023

### Highlights

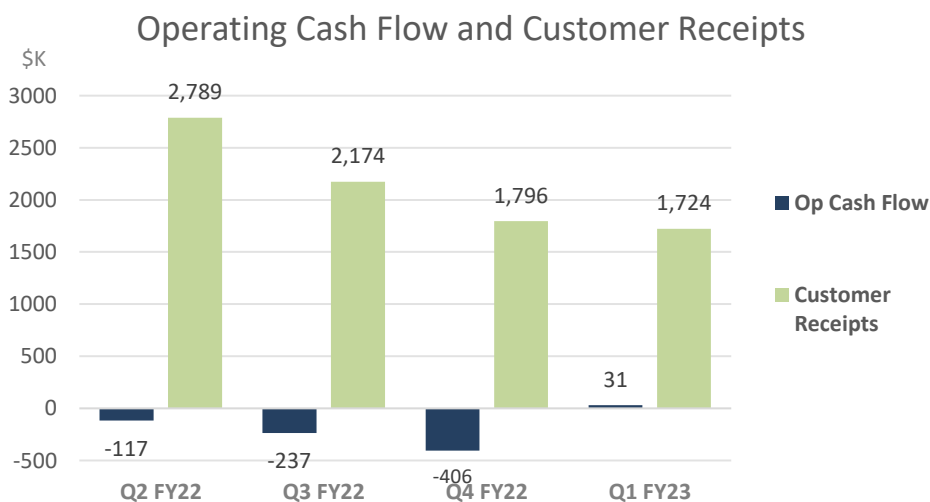
- Holista recorded a positive Operating Cash Flow in the quarter as Group sales increased 25% over the previous quarter
- Operating costs improved while customer receipts stabilised as Holista overcomes the worst of the supply chain disruption and economic headwinds
- Strong rebound in the Health Supplements business more than offset temporary weakness in other parts of Holista's diversified business
- Holista has total available funding of \$0.9M, which is made up of cash and available but undrawn debt

Holista Colltech Limited (ASX: HCT, "Holista" or "the Group") is pleased to provide the following quarterly update and commentary on its Appendix 4C for the three months to 31 March 2023 (1QFY23).

### Summary of cash position

The Group has delivered a positive operating cash flow as customer receipts stabilised from the previous quarter, which had been dragged lower by several macroeconomic factors, as detailed in the previous quarterly update.

Despite this, lower costs and a rebound in the performance of Holista's Health Supplements division more than offset the headwinds and allowed the Group to deliver an Operating Cash



Inflow of \$31K, compared with an outflow of \$354K in the previous corresponding period (pcp) and \$406K in 4QFY22.

Holista’s total available funding at the end of the March quarter is \$858K, which is made up of \$78K in cash and cash equivalents, and \$780K in available but unused debt facilities.

As detailed in Item 6.1 of the accompanying Appendix 4C, the Company paid \$119k in relation to consulting fees and directors’ remuneration to its related parties and associates.

### Operating activities

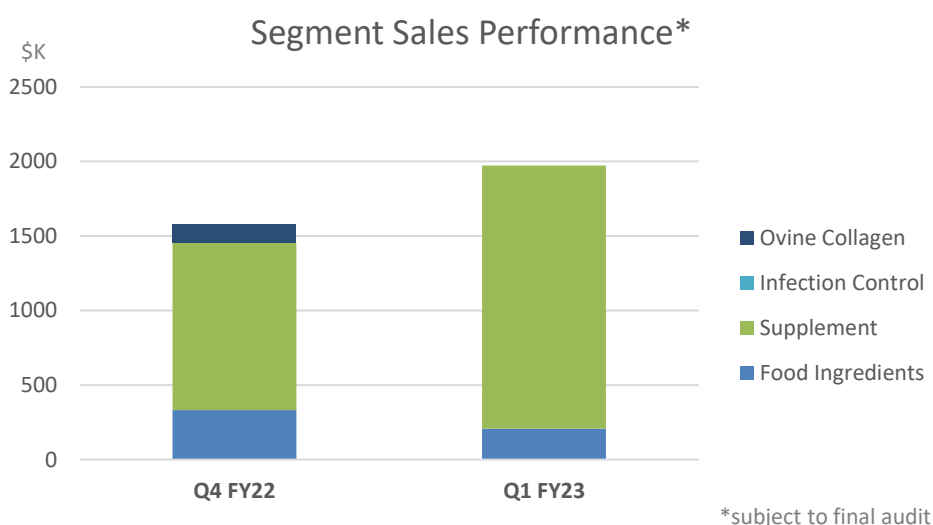
The Group’s positive operating cash flow in the period of \$31K was bolstered by a 39% decline in operating expenses compared to pcp as Holista overcame the worst of the rising cost environment, which was caused by global supply chain disruptions.

The largest operating expenses in the quarter were \$618K in staff costs, \$523K in product manufacturing and operating costs and \$318K in administration and corporate costs.

### Divisional performance

Total unaudited sales for the quarter came in at \$2 million, or 25% above the previous quarter. The 58% jump in sales from Holista’s Health Supplements division to \$1.7 million was the primary driver for the improved Group result.

The division, which owns several market leading vitamin brands in Malaysia, is benefitting from the rebound in consumer spending following a period of economic uncertainty due to rising interests rates and the Malaysian elections, which were held late last year.



Meanwhile, sales from the Group’s Food Ingredients division, which includes its innovative GI Lite™ premix and 80 Less™ sugar substitute, was \$207K vs. \$333K in the previous quarter.

Increased orders from food and beverage manufacturer, Rex Industry Bhd, was not enough to offset by slowing sales from other customers, including those in the United States that are impacted by a slowing economy.

Holista did not record any sales from its Infection Control and Ovine Collagen divisions in the period. Infection Control is the smallest and newest division, and falling consumer demand for the Group’s all-natural sanitising solutions in the post pandemic world has prompted Holista to turn its focus on the enterprise and government markets, where the sales cycle is significantly longer.

While Holista did not receive any orders from Behn Meyer Thailand for its patented collagen product in the quarter, it is expecting further orders from the cosmetic manufacturer as Behn Meyer has signed a binding minimum sales contract with Holista that runs through to the end of 2023.

### **Investing and financing activities**

The Group recorded a \$15K cash outflow from its Investing Activities, which relates to the purchase of IT software and equipment and investments.

Holista also recorded a cash outflow of \$51K from Financing Activities. The cash movement reflects the difference between what it received and what it repaid in trade financing during the period.

### **Events subsequent to quarter end**

On 6 April 2023, the Company announced that Mr David Deloub was appointed as non-executive Chair of the Company upon the resignation of Mr Walter Joseph.

This announcement has been approved by the Board of Directors.

**-ENDS-**

### **About Holista Colltech Limited**

Holista Colltech Ltd ("**Holista**" or "the **Company**") is an innovator in health and wellness solutions based in Perth, Western Australia. It is listed on the Australian Securities Exchange (ASX:HCT).

Holista's core business divisions are Dietary Supplements, Healthy Food Ingredients, Ovine Collagen and Infection Control Solutions. The suite of health and food related solutions, combines the best of nature and science to address evolving needs in order that people may live better and healthier lives.

Key products include one of the market-leading and best-selling health supplements, low-GI food ingredients used by leading food manufacturers, disease-free ovine collagen, all-natural and non-toxic effective sanitisers for consumers and industrial applications.

Over the years, the company has successfully developed and patented outstanding technologies in the field of Global Health and Wellness Industry.

Holista is passionate about combining economic success with enriching lives for a sustainable future.

### **For further information, please contact:**

Our Investor Mailing list: [investors@holistaco.com](mailto:investors@holistaco.com)

General Enquiries: [enquiries@holistaco.com](mailto:enquiries@holistaco.com)

#### **Australia**

283 Rokeby Road Subiaco  
WA 6008 Western Australia  
Australia  
P: +61 412 474 180

#### **Malaysia**

12th Floor, Amcorp Trade Centre, PJ Tower  
No. 18, Persiaran Barat off Jalan Timur  
46000, Petaling Jaya, Malaysia  
P: +603 7965 2828 ; F: +603 7965 2777

**Global Investor relations and media enquiries:**

Brendon Lau, Vantage Point Partners  
E: [brendon@vantagepointpartners.com.au](mailto:brendon@vantagepointpartners.com.au)  
M: +61 409 341 613

## 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 2023

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	1,725	1,725
1.2 Payments for		
(a) research and development	(4)	(4)
(b) product manufacturing and operating costs	(523)	(523)
(c) advertising and marketing	(161)	(161)
(d) leased assets	-	-
(e) staff costs	(618)	(618)
(f) administration and corporate costs	(318)	(318)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(21)	(21)
1.6 Income taxes paid	(49)	(49)
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>31</b>	<b>31</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(5)	(5)
(d) investments	(10)	(10)
(e) intellectual property	-	-
(f) other non-current assets	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
2.2	Proceeds from the 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</b>	<b>Net cash from / (used in) investing activities</b>	<b>(15)</b>	<b>(15)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	1,029	1,029
3.6	Repayment of borrowings	(1,080)	(1,080)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(51)</b>	<b>(51)</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	118	118
4.2	Net cash from / (used in) operating activities (item 1.9 above)	31	31
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(15)	(15)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(51)	(51)
4.5	Effect of movement in exchange rates on cash held	(5)	(5)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>78</b>	<b>78</b>

Appendix 4C  
Quarterly cash flow report for entities subject to Listing Rule 4.7B

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	78	118
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (Restricted Cash)	-	-
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>78</b>	<b>118</b>

6. Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to related parties and their associates included in item 1	119
6.2 Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>	
Fees include Salaries, Director Fees and Consulting Fees to Executive Director and Non-Executive Directors	

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	489	489
7.2 Credit standby arrangements	1,183	403
7.3 Other (please specify)		
<b>7.4 Total financing facilities</b>	<b>1,672</b>	<b>892</b>
<b>7.5 Unused financing facilities available at quarter end</b>		<b>780</b>

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 bankers' acceptance bears interest of 5.18% (2022: 4.58%).

The term loan is repayable over 240 monthly instalments (principal plus interest) of \$2,896 (2022: \$2,882) which commenced on 1 October 2020. The term loan bears interest rates of 4.50% (2022: 3.50%) per annum.

Both facilities are secured by the following:

- Fixed deposits with licensed banks of the Group and the Company;
- Facility agreement
- First party assignment over the office lots of the Company;
- Deed of assignment of rental proceeds;
- Executed fresh letter of authorisation, memorandum of deposit and letter of off-set; and
- Guarantee by a director of the Company

**Loan facilities:**

The bankers' acceptance bears interest of 4.53% (2022: 4.51%)

The term loan is repayable over 60 monthly instalments (principal plus interest) of \$1,302 (2022: \$1,300) which commenced on 28 September 2022. The term loan bears interest rates of 6.60% per annum.

The facility is secured by the following:

- Fixed deposits with licensed banks of the Group and the Company;
- Assignment of director insurance;
- Corporate guarantee; and
- Guarantee by a director of the Company

<b>8.</b>	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	31
8.2	Cash and cash equivalents at quarter end (item 4.6)	78
8.3	Unused finance facilities available at quarter end (item 7.5)	780
8.4	Total available funding (item 8.2 + item 8.3)	858
8.5	<b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	N/A

*Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.*

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

8.6.1 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



8.6.2 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

8.6.3 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

*Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.*

## 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: .....27 April 2023.....

Authorised by: The Board  
(Name of body or officer authorising release – see note 4)

## 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 – eg 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.