

Results for Announcement to the Market

Appendix
3 Ref

1	Current period	1 July 2021 to 31 December 2021
1	Previous corresponding period	1 July 2020 to 31 December 2020

		Half-year Ended 31-Dec-21 \$	Half-year Ended 31-Dec-20 \$	% Change
	Key Information			
2.1	Revenue from ordinary activities	317,664	38	835857%
2.2	Loss after tax from ordinary activities attributable to owners	(1,008,491)	(1,344,456)	-25%
2.3	Net loss attributable to owners	(1,008,491)	(1,344,456)	-25%

2.4, 2.5, 5, 6 **Dividends Paid and Proposed**
There were no dividends paid, proposed or declared during the current financial period

2.6 **Explanation of Key Information and Dividends**
Refer to the commentary on the results for the period contained in the "Review of Operations" included within the operating and financial review section of the annual report.

3	Net Tangible Assets per Share	Half-year Ended 31-Dec-21 \$/share	Half-year Ended 31-Dec-20 \$/share
	Net tangible assets per share	(1.3)	(0.83)

4 **Details of entities over which control has been gained or lost during the period**
Nil

7 **Joint Venture arrangements**
Nil

8 **Foreign Entity accounting**
Not Applicable

9 **Status of Audit**
The 31 December 2021 financial statements and accompanying notes for VGI Health Technology Limited have been audited and are not subject to any disputes or qualifications. Refer to page 18 of the 31 December 2021 financial report for a copy of the auditor's report

VGI Health Technology Limited

ABN 35 111 082 485

(Formerly: Azure Health Technology Limited)

Interim Report

for the year half year ended

31 December 2021

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CORPORATE DIRECTORY

VGI HEALTH TECHNOLOGY LIMITED

ABN 35 111 082 485

Directors

Lou Panaccio	Non-Executive Chairman
Steven Jiayi Yu	Non-Executive Director
Glenn Tong	Executive Director

Company Secretary

Catriona Glover

Registered Office and Principal Place of Business

Level 45, Suite 03,
19-29 Martin Place,
Sydney, NSW, 2003

Ph: (02) 8279 8908

Postal Address

VGI Health Technology Limited
Level 45, Suite 03,
19-29 Martin Place,
Sydney, NSW, 2003

Share Register

Link Market Services
Level 12, 680 George Street
SYDNEY, NSW, 2000
Ph: 1300 554 474

Auditors

Hall Chadwick
Level 40, 2 Park Street
SYDNEY, NSW, 2000

Securities Exchange Listing

National Securities Exchange
(Home Branch – Sydney)
NSX Code: VTL

DIRECTORS' REPORT (Continued)**DIRECTORS' REPORT**

Your Directors submit the annual financial report of VGI Health Technology Limited ("VGI" or "the Company") for the half year ended 31 December 2021. In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

Directors

The names of Directors who held office during the half year and up to the date of this Report are as follows. Directors were in office for this entire period unless otherwise stated.

Name	Appointed
Lou Panaccio	Non-Executive Chairman (Appointed 19 December 2019)
Steven Jiayi Yu	Non-Executive Director (Appointed 28 March 2019)
Glenn Tong	Executive Director (Appointed 19 December 2019)

PRINCIPAL ACTIVITIES

During the half year ended 31 December 2021 the principal activity of VGI Health Technology Limited is to research, develop, distribute and market a range of health and therapeutic products and technologies, including innovative drugs and wellbeing supplements.

REVIEW OF OPERATIONS

On 9 July 2021, following shareholder approval, the company advised that it's name had changed to VGI Health Technology Limited (formerly Azure Health Technology Limited). The effective date of change for the NSX was the commencement of trading on Wednesday 14 July 2021. The Company's ticker code on NSX remained as VTL.

On 7 September 2021 VGI Health Technology Limited announced that it agreed with FIFO Capital to renew a Receivable Finance Facility with respect to VTL's assessed tax cash benefit under the Federal Government's R&D Tax Incentive Program administered by AusIndustry and paid by the Australian Tax Office for the June 2022 period.

On 13 September the company announced it's operational subsidiary, Invictus Ops Pty Ltd., had approved a clinical study to be conducted by Altipure R&D in Ohio, USA on its patented nutraceutical product NE1-Elite®. NE1-Elite® has been shown in previous clinical studies to reduce Delayed Onset Muscle Soreness (DOMS), improve muscle recovery after exercise and allow maintenance of peak muscle power.

The company announced on 14 September 2021 that its wholly owned subsidiary, Invictus Ops Pty Ltd, had appointed Gallipoli Medical Research Foundation (GMRF) as a clinical study site for its multi-site Phase II Clinical Study in Non-alcoholic Fatty Liver Disease (NAFLD)/Non-Alcoholic Steatohepatitis (NASH).

On 5 October 2021 VTL announced that it had agreed revised terms with cornerstone investor Mr Aiden Jiang for the draw down of \$1,500,000 from a previously agreed convertible loan facility. The company would start drawing down on the facility from the week commencing 11 October 2021. The loan is convertible to shares in VTL at a Loan Conversion Price of \$0.20 per share, subject to approval, by VTL shareholders at a general meeting. The interest rate applicable is 8% per annum (to be capitalised and repaid with the principle upon settlement of the loan), the period of the loan is for 12 months and VTL may repay the loan at its election prior to the expiry date or extend the repayment period by a further 12 months.

EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

On 20 January 2022 VTL announced that both NE1-Elite® and NE1-Heart® were now available for sale on Amazon in the United States.

On 14 February 2022 VTL announced that it had executed a non-binding Term Sheet for the sale of its wholly owned subsidiary, the Invictus BioPharma Pty Ltd Group (Invictus Group) to Invictus BioPharma Holdings Ltd (IVBHL). IVBHL is a company founded by VTL Director Dr Glenn Tong. The Term Sheet prescribes an Exclusivity Period which extends for three months after the date of execution of the Term Sheet or the execution of a Share Purchase Agreement (SPA), whichever is the earlier.

DIRECTORS' REPORT (Continued)

The Key Terms that have been agreed in principle by VTL and IVBHL are as follows:

- A cash payment of \$2,300,000 by IVBHL to VTL
- Issue of shares in the capital of IVBHL equating to no less than 20% of the total capital on issue in IVBHL (following any seed round capital raise dilution). These shares are to be issued to VTL on completion of the transaction.
- VTL is to be granted a first right of refusal / pre-emption in relation to any future capital raisings undertaken by IVBHL on a pro rata basis. As an illustrative example, if the VTL owns 20% of the IVBHL, and IVBHL conducts a capital raising for \$2,000,000, the right of first refusal/pre-emption will apply to a \$400,000 investment by VTL.
- VTL agrees to hand over the Invictus Group free of financial indebtedness on completion of this transaction. The Invictus Group includes Invictus Biotechnology Pty Ltd. which owns the patent rights to the "Transmucosal Delivery of Tocotrienols" patent estates and also the licensed patent rights from Monash University for tocotrienol produgs.
- IVBHL will transfer the ownership of the US subsidiary, Invictus Nutraceuticals, Inc., to VTL for nil consideration.
- IVBHL is to grant VTL an exclusive perpetual global licence to manufacture, market and sell nutraceutical products based on the Invictus Group's intellectual property rights, with a royalty payable of 10% of net profit after tax.
- IVBHL is to grant VTL an exclusive perpetual licence to manufacture, market and sell pharmaceutical products based on the Invictus Group's intellectual property rights in the Peoples Republic of China with a royalty payable of 10% of net profit after tax.

No other matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Operating Results

The loss of the Company for the half year ended 31 December 2021 after tax was \$1,008,491 (2020 loss \$1,344,456).

Dividends

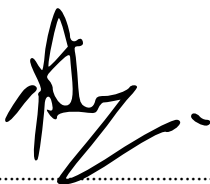
No dividends have been paid or declared by the Company for the half year ended 31 December 2021 and up to the date of this report. The Directors do not recommend the payment of a dividend.

Auditor Independence and Non-Audit Services

Section 307C of the Corporations Act 2001 requires our auditors, Hall Chadwick, to provide the Directors of the Company with an Independence Declaration in relation to the audit of the Financial Report. This Independence Declaration is set out on page 8 and forms part of this Directors' report for the half year ended 31 December 2021.

There were no non-audit services provided by our auditors, Hall Chadwick.

Signed in accordance with a resolution of the Directors.



.....
Lou Panaccio
Chairman
SYDNEY, New South Wales
11 March 2022

VGI HEALTH TECHNOLOGY LIMITED
ABN 31 111 082 485
AND CONTROLLED ENTITIES

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF VGI HEALTH TECHNOLOGY 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 VGI Health Technology Limited. As the lead partner for the review of the financial report of Azure Health Technology Limited for the half year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

Hall Chadwick

HALL CHADWICK (NSW)
Level 40, 2 Park Street
Sydney NSW 2000

Drew Townsend

DREW TOWNSEND
Partner
Dated: 11 March 2022

ADELAIDE	BRISBANE	DARWIN	MELBOURNE	PERTH	SYDNEY
Suite 201 Level 2 147 Pirie Street Adelaide SA 5000	Level 4 240 Queen Street Brisbane QLD 4000	Paspalis Business Centre Level 1 Suite 11 48-50 Smith Street Darwin NT 0800	Level 14 440 Collins Street Melbourne VIC 3000	Allendale Square Level 11 77 St Georges Terrace Perth WA 6000	Level 40 2 Park Street Sydney NSW 2000
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**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2021**

	Note	31 Dec 2021	31 Dec 2020
		\$	\$
Revenue and Other Income			
Interest Income	3	6	38
Other Income	3	317,658	-
Expenses			
Licence fee	5	(25,116)	(6,000)
Marketing expenses	5	(7,047)	(1,500)
Occupancy and share service expenses	5	(10,500)	(15,000)
Administration expenses	5	(34,327)	(6,879)
Bank fees		(686)	(2,335)
Research and development expenses	5	(507,349)	-
Legal and professional fees	5	(560,717)	(1,172,607)
Directors fees	5	(59,999)	(140,173)
Share based payments	5	(120,414)	-
Loss before income tax benefit		(1,008,491)	(1,344,456)
Loss after income tax benefit		(1,008,491)	(1,344,456)
Total Comprehensive Income		(1,008,491)	(1,344,456)
Basic loss per share (cents per share)		(0.73)	(1.28)

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

		Consolidated	
		31 Dec 2021	30 Jun 2021
	Note	\$	\$
Assets			
Current Assets			
Cash and cash equivalents	6	95,118	226,769
Trade and other receivables	7	36,821	59,594
Inventory		134,225	52,926
Total Current Assets		266,164	339,289
Non-Current Assets			
Intangible assets	8	9,253,927	9,233,752
Total Non-Current Assets		9,253,927	9,233,752
Total Assets		9,520,091	9,573,041
Liabilities			
Current Liabilities			
Trade and other payables	9	1,207,787	1,000,269
Borrowings	10	835,815	208,206
Total Current Liabilities		2,043,602	1,208,475
Total Non-Current Liabilities		-	-
Total Liabilities		2,043,602	1,208,475
Net Assets		7,476,489	8,364,566
Equity			
Issued capital	11	83,217,518	83,217,518
Reserves		11,974,620	11,854,206
Accumulated losses		(87,715,649)	(86,707,158)
Total Equity		7,476,489	8,364,566

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2021

	Note	Consolidated	
		31 Dec 2021	31 Dec 2020
		\$	\$
Cash flows from operating activities			
Payments to suppliers and employees		(1,033,431)	(1,151,007)
Interest received		6	-
Other revenue		317,658	-
Net cash (used in) operating activities		(715,767)	(1,151,007)
Payment for intangible investments		(43,439)	-
Net cash (used in) investing activities		(43,439)	-
Cash flows from financing activities			
Proceeds from Borrowings		627,609	32,255
Proceeds from issue of Convertible notes		-	693,268
Net cash provided by financing activities		627,609	725,523
Net (decrease) in cash and cash equivalents		(131,651)	(425,484)
Cash and cash equivalents at 1 July		226,769	445,371
Cash and cash equivalents at 31 December	6	95,118	19,887

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2021

Consolidated	Issued Capital	Option Reserves	Accumulated Losses	Total
	\$	\$		\$
Balance at 30 June 2021	83,217,518	11,854,206	(86,707,158)	8,364,566
Loss after income tax expense for the half-year	-	-	(1,008,491)	(1,008,491)
Other comprehensive income	-	-	-	-
Total comprehensive loss	-	-	(1,008,491)	(1,008,491)
Transactions with owners in their capacity as owners				
Vesting of Options		120,414		120,414
Total transactions with owners	-	120,414	-	120,414
Balance at 31 December 2021	83,217,518	11,974,620	(87,715,649)	7,476,489

Consolidated	Issued Capital	Option Reserves	Accumulated Losses	Total
	\$	\$		\$
Balance at 30 June 2020	76,575,647	11,656,949	(82,803,043)	5,429,553
Loss after income tax expense for the half-year	-	-	(1,344,456)	(1,344,456)
Other comprehensive income	-	-	-	-
Total comprehensive loss	-	-	(1,344,456)	(1,344,456)
Transactions with owners in their capacity as owners				
Vesting of Options		65,506		65,506
Total transactions with owners	-	65,506	-	65,506
Balance at 31 December 2020	76,575,647	11,722,455	(84,147,499)	4,150,603

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

These general purpose interim financial statements for half-year reporting period ended 31 December 2021 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of VGI Health Technology Limited and its controlled entities (referred to as the "consolidated group" or "group"). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2021 together with any public announcements made during the following half-year.

These interim financial statements were authorised for issue on 11 March 2022.

Going Concern

During the half year ended 31 December 2021, the company incurred a net loss of \$1,008,491 (Half year 2020 loss of \$1,344,456) and generated net operating cash outflows of \$715,767 (2020: \$1,151,007). As at 31 December 2021, the company's current liabilities exceeded its current assets by \$1,777,438 (30 June 2021: \$869,186) and had a net asset surplus of \$7,476,489 (30 June 2021: \$8,364,566).

VGI Health Technology Limited announced on 7 September 2021 that it agreed with FIFO Capital to renew a Receivable Finance Facility with respect to VTL's assessed tax cash benefit under the Federal Government's R&D Tax Incentive Program administered by AusIndustry and paid by the Australian Tax Office for the period ended June 2022.

On 5 October 2021 VTL announced that it had agreed revised terms with cornerstone investor Mr Aiden Jiang for the draw down of \$1,500,000 from a previously agreed convertible loan facility. The company would start drawing down on the facility from the week commencing 11 October 2021. The loan is convertible to shares in VTL at a Loan Conversion Price of \$0.20 per share, subject to approval, by VTL shareholders at a general meeting. The interest rate applicable is 8% per annum (to be capitalised and repaid with the principle upon settlement of the loan), the initial period of the loan is for 12 months and VTL may repay the loan at its election prior to the expiry date or extend the repayment period by a further 12 months.

On 14 February 2022 the VTL announced that it has executed a non-binding Term Sheet for the sale of its wholly owned subsidiary, the Invictus BioPharma Pty Ltd Group (Invictus Group) to Invictus BioPharma Holdings Ltd (IVBHL). IVBHL is a company founded by VTL Director Dr Glenn Tong.

The Term Sheet prescribes an Exclusivity Period which extends for three months after the date of execution of the Term Sheet or the execution of a Share Purchase Agreement (SPA), whichever is the earlier.

The Key Terms that have been agreed in principle by VTL and IVBHL are as follows:

- A cash payment of \$2,300,000 by IVBHL to VTL
- Issue of shares in the capital of IVBHL equating to no less than 20% of the total capital on issue in IVBHL (following any seed round capital raise dilution). These shares are to be issued to VTL on completion of the transaction.
- VTL is to be granted a first right of refusal / pre-emption in relation to any future capital raisings undertaken by IVBHL on a pro rata basis. As an illustrative example, if the VTL owns 20% of the IVBHL, and IVBHL conducts a capital raising for \$2,000,000, the right of first refusal/pre-emption will apply to a \$400,000 investment by VTL.
- VTL agrees to hand over the Invictus Group free of financial indebtedness on completion of this transaction. The Invictus Group includes Invictus Biotechnology Pty Ltd. which owns the patent rights to the "Transmucosal Delivery of Tocotrienols" patent estates and also the licensed patent rights from Monash University for tocotrienol produgs.
- IVBHL will transfer the ownership of the US subsidiary, Invictus Nutraceuticals, Inc., to VTL for nil consideration.
- IVBHL is to grant VTL an exclusive perpetual global licence to manufacture, market and sell nutraceutical products based on the Invictus Group's intellectual property rights, with a royalty payable of 10% of net profit after tax.
- IVBHL is to grant VTL an exclusive perpetual licence to manufacture, market and sell pharmaceutical products based on the Invictus Group's intellectual property rights in the Peoples Republic of China with a royalty payable of 10% of net profit after tax.
-

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2021

Based on the above, the Directors are satisfied that the Company will be able to meet its liabilities as and when they fall due in the interim and as a consequence of this belief and the planned future capital raising, the Directors believe that the Company remains a going concern at the date of this Report.

(b) Accounting policies

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements except for those as described below.

Standards and Interpretations applicable to 31 December 2021

In the half year ended 31 December 2021, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the current annual Reporting Period.

As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Group and, therefore, no material change is necessary to Group accounting policies.

Standards and Interpretations in issues not yet adopted

The Directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half year ended 31 December 2021. As a result of the review the Directors have determined that there is no material impact, of the new and revised Standards and Interpretations on the Company and, therefore, no change necessary to Group accounting policies.

NOTE 2: FINANCIAL REPORTING BY SEGMENTS

The Board of Directors for VGI Health Technology Limited reviews internal reports prepared by management and strategic decisions of the Company are determined upon analysis of these internal reports. During the Reporting Period, the Company operated predominantly in one business and geographical segment, being Health technology and development. Accordingly, under the 'management approach' outlined, one operating segment has been identified and no further disclosure is required in the notes to the financial statements.

NOTE 3: REVENUE AND OTHER INCOME

	Consolidated	
	31 Dec 2021	31 Dec 2020
	\$	\$
Revenue		
Interest received	6	38
Other revenue - Australian Taxation office R&D incentive rebate	317,658	-
-	317,664	38

NOTE 4: INCOME TAX

	Consolidated	
Income Tax Expense	31-Dec-21	31-Dec-20
	\$	\$
The income tax expense for the year differs from the prima facie tax as follows:		
Loss for year	(1,008,491)	(1,344,456)
Prima facie income tax (benefit) @ 26%	277,335	349,559
Other temporary differences not recognised	(172,635)	
Deferred tax assets not brought to account **	(104,700)	(349,559)
Total income tax expense	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2021

* These amounts have not been brought to account as it is not considered probable that the Company will earn taxable income in the foreseeable future to allow the deferred tax assets to be utilised.

The Company has not yet carried out an assessment as to whether it is able to utilise current year and prior years' tax losses against future taxable income following the significant changes in the Company's shareholding and the changes to the Company's operations. If the Company does not satisfy the eligibility criteria relating to the continuation of ownership test and the same business test for carrying forward these tax losses, it will not be able to utilise some or all of these tax losses against future taxable income.

NOTE 5: EXPENSES	Consolidated	
	31 Dec 2021	31 Dec 2020
	\$	\$
Licence fee		
- ASX and ASIC fees	25,116	6,000
Marketing expenses		
- Design and Branding	7,047	1,500
Occupancy and share service expenses	10,500	15,000
Administration expenses		
- Computer and website maintenance	5,464	5,865
- Other admin	28,863	1,014
	34,327	6,879
Research and development expenses	507,349	-
Legal and professional fees	560,717	1,172,607
Directors fees	59,999	140,173
Share based payments	120,414	-

NOTE 6: CASH AND CASH EQUIVALENTS	Consolidated	
	31 Dec 2021	30 Jun 2021
	\$	\$
Cash at bank	95,118	226,769
	95,118	226,769

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2021

	Consolidated	
	31 Dec 2021	30 Jun 2021
	\$	\$
NOTE 7: TRADE AND OTHER RECEIVABLES		
Other receivables	9,245	59,594
Prepayments	27,576	-
	<u>36,821</u>	<u>59,594</u>

Other Receivables balance is the GST input tax to be reclaimed from the ATO.

	Consolidated	
	31 Dec 2021	30 Jun 2021
	\$	\$
NOTE 8: INTANGIBLE ASSETS		
Intellectual property	8,754,237	8,754,237
IVB patents and licensed patents	499,690	479,515
	<u>9,253,927</u>	<u>9,233,752</u>

	Consolidated	
	31 Dec 2021	30 Jun 2021
	\$	\$
NOTE 9: TRADE AND OTHER PAYABLES		
Trade payables	1,187,191	827,204
Other payables and accruals	20,596	173,066
	<u>1,207,787</u>	<u>1,000,270</u>

	Consolidated	
	31 Dec 2020	30 Jun 2021
	\$	\$
NOTE 10: BORROWINGS		
Current		
Convertible loan *	771,696	-
FIFO capital loan – Advance on R&D tax incentive	42,267	186,394
Attvest Finance – Loan for Insurance premium	21,852	21,812
	<u>835,815</u>	<u>208,206</u>

* On 5 October 2021 VTL announced that it had agreed revised terms with cornerstone investor Mr Aiden Jiang for the draw down of \$1,500,000 from a previously agreed convertible loan facility. The company would start drawing down on the facility from the week commencing 11 October 2021. The loan is convertible to shares in VTL at a Loan Conversion Price of \$0.20 per share, subject to approval, by VTL shareholders at a general meeting. The interest rate applicable is 8% per annum (to be capitalised and repaid with the principle upon settlement of the loan), the initial period of the loan is for 12

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2021

months and VTL may repay the loan at its election prior to the expiry date or extend the repayment period by a further 12 months.

		Consolidated		
NOTE 11: ISSUED CAPITAL		31 Dec 2021	30 Jun 2021	
		\$	\$	
Issued and paid up capital				
Ordinary shares fully paid		83,217,518	83,217,518	
(a) Ordinary shares				
Details	Issue Date	Number of shares	Issue Price	Amount \$
Balance as at 1 July 2021		138,246,522		83,217,518
Balance as at 31 December 2021		138,246,522		83,217,518

NOTE 12: CONTINGENT LIABILITIES

There were no contingent liabilities for the half year ended 31 December 2021 (2020: \$Nil)

NOTE 13: RELATED PARTY DISCLOSURES

There have been no significant changes to related party transactions as disclosed in the last annual report.

NOTE 14: EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

20 January 2022 VTL announced that both NE1-Elite® and NE1-Heart® are now available for sale on Amazon in the United States.

On 14 February 2022 VTL announced that it has executed a non-binding Term Sheet for the sale of its wholly owned subsidiary, the Invictus BioPharma Pty Ltd Group (Invictus Group) to Invictus BioPharma Holdings Ltd (IVBHL). IVBHL is a company founded by VTL Director Dr Glenn Tong.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2021**

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- IVBHL is to grant VTL an exclusive perpetual licence to manufacture, market and sell pharmaceutical products based on the Invictus Group’s intellectual property rights in the Peoples Republic of China with a royalty payable of 10% of net profit after tax.

No other matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

DIRECTORS' DECLARATION

1. In the opinion of the Directors of VGI Health Technology Limited ("the Company"):

a) the accompanying financial statements and notes are in accordance with the Corporations Act 2001, including:

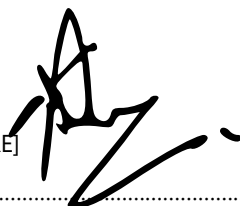
i) complying with Accounting Standard AASB 134: *Interim Financial Reporting*; and

ii) giving a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the half-year ended on that date.

b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors.

[SIGNATURE]



.....
Lou Panaccio

Chairman

SYDNEY, New South Wales

11 March 2022

VGI HEALTH TECHNOLOGY LIMITED
ABN 31 111 082 485
AND CONTROLLED ENTITIES

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
VGI HEALTH TECHNOLOGY LIMITED

Report on the Half Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of VGI Health Technology Limited (the Company) and its controlled entities (the Group), which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the 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 half year financial report of the Group is not in accordance with the *Corporations Act 2001* including:

- i. giving a true and fair view of the group's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
- ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis of Conclusion

We conducted our review in accordance with ASRE 2410 *Review of Financial Report performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities 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*, which has been given to the directors of the company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Material Uncertainty Related to Going Concern

We draw attention to Note 1(a) to the financial statements, which indicates the group has incurred a net loss after tax of \$1,008,491 and generated net operating cash outflows of \$715,767 for the half year ended 31 December 2021. As of that date, the group's current liabilities exceeded its current asset assets by \$1,777,438. These conditions along with other matters set forth in Note 1(a) indicate the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore, the group may be unable to realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report. Our conclusion is not modified in respect of this matter.

Responsibilities of the Directors for the Half Year Financial Report

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

**VGI HEALTH TECHNOLOGY LIMITED
ABN 31 111 082 485
AND CONTROLLED ENTITIES**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
VGI HEALTH TECHNOLOGY LIMITED**

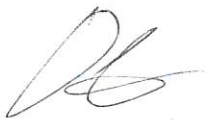
Auditor's Responsibility for the Review of the Half Year Financial Report

Our responsibility is to express a conclusion on the half year financial report based on our review. ASRE 410 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 Group's financial position as at 31 December 2021 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 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.



HALL CHADWICK (NSW)
Level 40, 2 Park Street
Sydney NSW 2000



DREW TOWNSEND
Partner
Dated: 11 March 2022