

Appendix 4C and Activities Report: Targeting Improved Performance Through Cost Reduction, Revenue Growth and Efficiency Gains

ASX Announcement

30 July 2024

Highlights

- **Sales Diversification:** Despite a challenging quarter, revenue for our Food Ingredients doubled to \$282k, indicating strong market demand and successful sales agreements.
- **Cost Management Success:** Effective cost control measures resulted in a 6% reduction in operating costs Quarter on Quarter (**QoQ**), demonstrating our commitment to improving operational efficiency and profitability.
- **Financial Stability:** Maintained a healthy cash position with total available funds of \$1.0 million, including unused debt facilities.
- **Strategic Partnerships:** Finalised a key sales agreement with Malaysian food and beverage maker Rex Industry Berhad, setting the stage for consistent future sales and market expansion.
- **Commitment to Innovation:** Continued focus on developing and patenting outstanding technologies in the health and wellness industry, reinforcing our position as a leader in combining nature and science for better living.

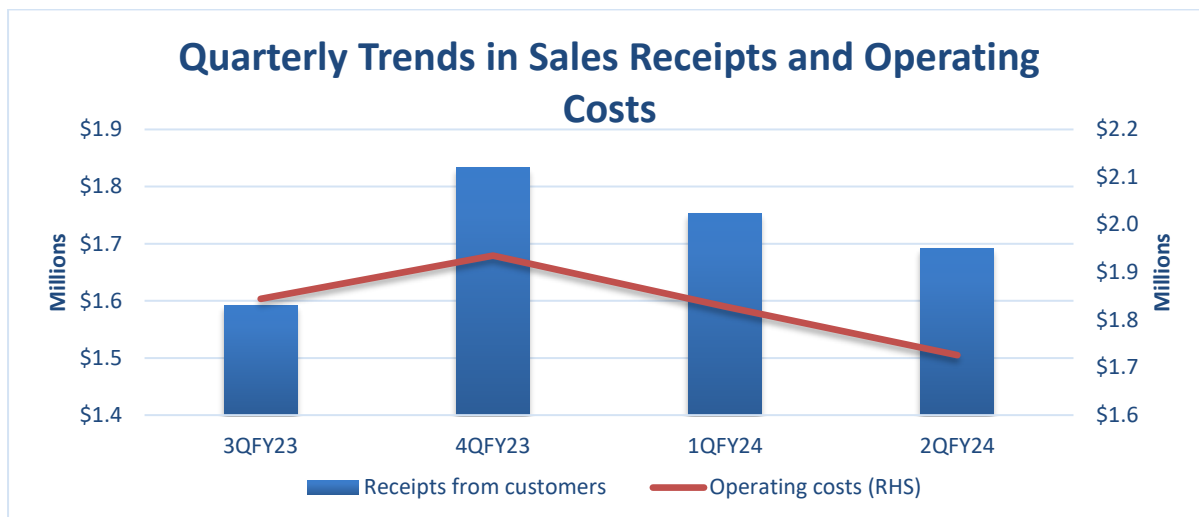
Quarterly Update and Commentary

Holista Colltech Limited (ASX: HCT, “**Holista**” or the “**Group**”) presents the following quarterly update to accompany its Appendix 4C for the three months to 30 June 2024 (**2QFY24**).

The Group continues to recover from the previous year’s challenges, focusing on cost rationalisation and efficiency improvements. As result, we expect to see meaningful improvements in cost management, operating revenues and operating margins in the coming quarters.

Financial Overview

Despite a 3.7% drop in sales receipts from 1QFY24, effective cost management initiatives have helped mitigate the impact on the Group. Operating costs decreased by 5.7% from 1QFY24 to 2QFY24 and by 4.6% compared to 2QFY23, reflecting a steady decline in operating expenses.



**All sales figures are subject to audit.*

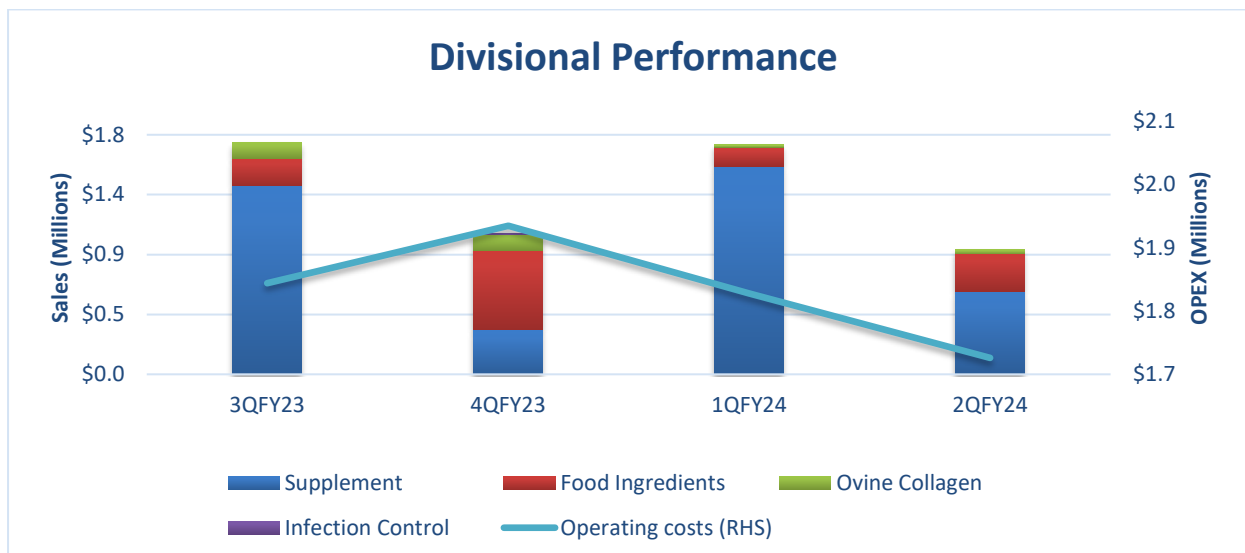
The Group's total available funds at the end of the quarter were \$1.0 million, including \$31K in cash and cash equivalents and approximately \$0.9 million in unused debt facilities. Directors' remuneration and consulting fees amounted to \$94K, paid to related parties and associates, as detailed in Item 6.1 of Appendix 4C.

Divisional Performance

Holista recorded Group sales of \$0.9 mil in 2QF24, reflecting a 46% QoQ decrease and a 20% decline compared to 2QFY23. Despite these challenges, there are several positive trends within our divisions:

- **Dietary Supplements Division:** Sales amounted to \$625k for the quarter. While this represents a 60% decrease from the previous quarter, it is important to note that this decline was influenced by accounting adjustments made during the half-year audit. We are confident that the underlying demand for our supplements remains strong.
- **Food Ingredients Division:** Demonstrating robust growth, this segment posted sales of \$282k versus \$146k in 1QFY23. This increase underscores the successful execution of our sales strategies and the finalisation of a key sales agreement with Rex Industry Berhad. We anticipate consistent and growing sales from this partnership in the upcoming quarters.
- **Ovine Collagen Division:** This division showed promising growth, generating sales of \$30k in 2QF2024, compared to \$16k in the previous quarter. The increasing demand for our high-quality ovine collagen products is a positive indicator of future performance.
- **Infection Control Division:** While there were no sales recorded in this division for the quarter, we are actively exploring opportunities to revitalise this segment and capitalise on our all-natural, non-toxic infection control solutions.

Overall, while the Group has faced some declines in sales, the growth in our Food Ingredients and Ovine Collagen divisions, along with our strategic partnerships, position us well for future success.



**All sales figures are subject to audit.*

Investing and Financing Activities

During the quarter, Holista managed its investing and financing activities with a focus on strategic investments and prudent financial management:

- Investing Activities:** The Group recorded a \$11K cash outflow, primarily attributable to a fixed deposit linked to our banking facility and the acquisition of essential equipment. These investments are integral to supporting our operational capabilities and future growth initiatives.
- Financing Activities:** Holista recorded a positive cash inflow of \$79K, reflecting effective management of trade financing, and balancing receivables and payables. The improvement in cash movement underscores our ability to secure necessary funds while maintaining financial stability.

This announcement has been approved by the Board of Directors.

-ENDS-

About Holista Colltech Limited

Holista Colltech Ltd (“**Holista**”, or the “**Group**”) 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, and all-natural and non-toxic effective sanitisers for consumers and industrial applications.

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

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

For further information, please contact:

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Appendix 4C

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

Name of entity

HOLISTA COLLTECH LIMITED (ASX: HCT)

ABN

24 094 515 992

Quarter ended ("current quarter")

30 June 2024

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	1,688	3,441
1.2	Payments for:		
	(a) research and development	(25)	(54)
	(b) product manufacturing and operating costs	(632)	(1,257)
	(c) advertising and marketing	(368)	(671)
	(d) leased assets	-	-
	(e) staff costs	(552)	(1,166)
	(f) administration and corporate costs	(147)	(404)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	1	1
1.5	Interest and other costs of finance paid	(29)	(55)
1.6	Income taxes paid	(38)	(74)
1.7	Government grants and tax incentives	-	15
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(102)	(224)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(1)	(2)
	(d) investments	(10)	(20)
	(e) intellectual property	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
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)	-	-
2.6	Net cash from / (used in) investing activities	(11)	(22)

3.	Cash flows from financing activities		
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	1,643	2,988
3.6	Repayment of borrowings	(1,564)	(2,785)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	79	203

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	49	60
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(102)	(224)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(11)	(22)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	79	203
4.5	Effect of movement in exchange rates on cash held	15	13
4.6	Cash and cash equivalents at end of period	30	30

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	30	49
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (Restricted Cash)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	30	49

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	94
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<p><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></p> <p>Fees include Salaries, Director Fees and Consulting Fees to Executive Director and Non-Executive Directors</p>		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>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	429	429
7.2	Credit standby arrangements	2,079	1,119
7.3	Other (please specify)		
7.4	Total financing facilities	2,508	1,548
7.5	Unused financing facilities available at quarter end		959
7.6	Include in the box below a summary of each finance 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.		
	Summary of Banking Facilities:		
	<p><u>Bank Loan Facility 1:</u></p> <p>Parties: CIMB Islamic Bank Berhad Malaysia (Banker), and Holista Biotech Sdn Bhd (100% subsidiary of Holista Colltech Ltd) (Borrower).</p> <p>i) Loan Facility 1 Term Loan Principal Amount: MYR 1.4M / approximately A\$448k Remaining Payable as at 30 June 2024: MYR 1.2M / approximately A\$384k Term: Commencing on 1 October 2020 and repayable over 240 monthly instalments (principal plus interest) of \$2,831 (2023: \$2,896) and ending in 200 months on 4 October 2040. Interest Rate: 3.74% per annum (2023: 3.74%).</p> <p>ii) Credit Standby Arrangement 1 Trade Financing and Banker Acceptances bears interest of 5.09% per annum (2023: 5.12%). Total Amount at Quarter End: MYR 2.0M / Approximately A\$640k Total Utilised at Quarter End: MYR 2.0M / Approximately A\$640k</p> <p>Bank Loan Facility 1 is secured by the following:</p> <ul style="list-style-type: none"> • Fixed deposit with a licensed bank 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. <p>Bank Loan Facility 1 is not a revolving credit facility that can be used for any purpose, with terms providing that the facility may only be drawn down by the Borrower for the following purposes:</p> <ul style="list-style-type: none"> • "Accepted Bills-i", to facilitate local and export sales of the Borrower; • "Multi Currency Trade Financing-i", to facilitate local and export sales of the Borrower; and • "Bank Guarantee", for issuance of financial, performance and security bonds to government and private entities, in relation to business. 		

Bank Loan Facility 2:

Parties: CIMB Islamic Bank Berhad (**Banker**), and Total Health Concepts Sdn Bhd (100% subsidiary of Holista Biotech Sdn Bhd) (**Borrower**).

i) Loan Facility 2

Term Loan

Principal Amount: MYR 200K / approximately A\$64K.

Amount Remaining as at 30 June 2024: MYR 140k / approximately A\$45k

Term: Commencing on 28 September 2022 and repayable over 60 monthly instalments (principal plus interest) of \$1,256 (2023: \$1,302) and ending in 44 months on 4 November 2027.

Interest Rate: 6.60% per annum (2023: 6.60%).

ii) Credit Standby Arrangement 2

Trade Financing and Banker Acceptance bears interest of 5.09% per annum (2023: 5.12%).

Total Amount at Quarter End : MYR 1.5M / Approximately A\$480k

Total Utilised at Quarter End : MYR 1.5M / Approximately A\$480k

Bank Loan Facility 2 is secured by the following:

- Fixed deposit with a licensed bank of the Group and the Company;
- Assignment of director insurance;
- Corporate guarantee; and
- Guarantee by a director of the Company.

Bank Loan Facility 2 is not a revolving credit facility that can be used for any purpose, with terms providing that the facility may only be drawn down by the Borrower for the following purposes:

- “Accepted Bills-i”, to facilitate local and export sales of the Borrower;
- “Multi Currency Trade Financing-i”, to facilitate local and export sales of the Borrower;
- “Documentary Credit-i”, to facilitate local and import purchases of the Borrower;
- “Accepted Bills-i 2”, to facilitate local and import purchases of the Borrower; and
- “Multi Currency Trade Financing-i 2”, to facilitate local and import purchases of the Borrower.

Bank Loan Facility 3:

Parties: CIMB Islamic Bank Berhad (**Banker**), and Total Health Concepts Sdn Bhd (100% subsidiary of Holista Biotech Sdn Bhd) (**Borrower**).

i) Credit Standby Arrangement 3

Trade Financing and Banker Acceptance bears interest of 5.09% per annum.

Total Amount at Quarter End : MYR 3.0M / Approximately A\$959k

Total Utilised at Quarter End : MYR nil / Approximately A\$ nil

Bank Loan Facility 3 is secured by the following:

- Fixed deposit with a licensed bank of the Group and the Company.

Bank Loan Facility 3 is not a revolving credit facility that can be used for any purpose, with terms providing that the facility may only be drawn down by the Borrower for the following purposes:

- “Accepted Bills-i”, to facilitate local and export sales of the Borrower;
- “Multi-Currency Trade Financing-i”, to facilitate local and export sales of the Borrower;
- “Documentary Credit-i”, to facilitate local and import purchases of the Borrower;
- “Accepted Bills-i 2”, to facilitate local and import purchases of the Borrower; and
- “Multi-Currency Trade Financing-i 2”, to facilitate local and import purchases of the Borrower.

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(102)
8.2	Cash and cash equivalents at quarter end (item 4.6)	30
8.3	Unused finance facilities available at quarter end (item 7.5)	959
8.4	Total available funding (item 8.2 + item 8.3)	989
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	9.70
<i>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.</i>		
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?	
	<div style="border: 1px solid black; padding: 5px; min-height: 30px;"> Answer: N/A </div>	
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?	
	<div style="border: 1px solid black; padding: 5px; min-height: 30px;"> Answer: N/A </div>	
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?	
	<div style="border: 1px solid black; padding: 5px; min-height: 30px;"> Answer: N/A </div>	
<i>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.</i>		

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:30 July 2024.....

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.