Holista Colltech Limited
Appendix 4D
Half-year report

1. Company details

Name of entity:	Holista Colltech Limited
ABN:	24 094 515 992
Reporting period:	For the half-year ended 30 June 2021
Previous period:	For the half-year ended 30 June 2020

2. Results for announcement to the market

				$
Revenues from ordinary activities	up	29.7%	to	3,580,946
Loss from ordinary activities after tax attributable to the owners of Holista Colltech Limited	down	87.1%	to	(629,052)
Loss for the half-year attributable to the owners of Holista Colltech Limited	down	87.1%	to	(629,052)

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

Comments
The loss for the Group after providing for income tax and non-controlling interest amounted to $629,052 (30 June 2020: $4,875,851).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	1.27	1.63

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.

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Holista Colltech Limited
Appendix 4D
Half-year report

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:

Not applicable.

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10. Audit qualification or review

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

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

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11. Attachments

Details of attachments (if any):

The Interim Report of Holista Colltech Limited for the half-year ended 30 June 2021 is attached.

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12. Signed



Signed _____ Date: 26 August 2021

DR RAJEN MANICKA
Executive Chairman and Chief Executive Officer

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Holista Colltech Limited

ABN 24 094 515 992

Interim Report - 30 June 2021

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Holista Colltech Limited
Corporate directory
30 June 2021

Directors	Dr Rajen Manicka Mr Walter Edward Joseph (Appointed 28 June 2021) Mrs Loren King (Appointed 31 July 2021) Mr Daniel Joseph O'Connor (Resigned 31 July 2021) Mr Chan Heng Fai (Resigned 28 June 2021) Mr Blair Michelson (Resigned 28 June 2021)
Company secretary	Mr Walter Edward Joseph (Appointed 28 June 2021)
Registered office and Principal place of business	Australia: Level 5, 126 Phillip Street, Sydney, NSW, 2000 Malaysia: Unit 1201, 12th Floor, Amcorp Trade Centre, PJ Tower No. 18, Persiaran Barat 46000 Petaling Jaya, Malaysia Telephone: +603 7965 2828 Facsimile: +603 7965 2777 Email: enquiries@holistaco.com Website: www.holistaco.com
Share register	Computershare Investor Services Pty Limited Level 11, 172 St Georges Terrace Perth WA 6000 Telephone: 1300 850 505 (investors within Australia) Telephone: +61 (0)3 9415 4000 Email: web.queries@computershare.com.au Website: www.investorcentre.com
Auditor	Stantons Level 2, 1 Walker Avenue West Perth WA 6005, Australia Telephone: +61(0)8 9481 3188 Facsimile: +61(0)8 9321 1204
Solicitors	Edwards Mac Scovell Level 1/8, St.Georges Terrace Perth WA 6005, Australia Telephone: +61(0)8 6245 0222
Bankers	National Australian Bank
Stock exchange listing	Holista Colltech Limited shares are listed on the Australian Securities Exchange (ASX code: HCT).
Media Enquiries	**Australia and New Zealand:** Vantage Point Partners Email: brendon@vantagepointpartners.com.au Telephone: +61 409 341 613 **Global:** WeR1 Consultants Pte Ltd 1 Raffles Place #02-01 One Raffles Place Mall, Suite 332 Singapore 048616 Telephone: +65 6721 7161 Email: holista@wer1.net

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Holista Colltech Limited
Directors' report
30 June 2021

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Holista Colltech Limited (referred to hereafter as 'Holista', the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 30 June 2021.

Directors

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

Dr Rajen Manicka	Executive Chairman and Chief Executive Officer
Mr Walter Edward Joseph	Non-Executive Director (Appointed 28 June 2021)
Mrs Loren King	Non-Executive Director (Appointed 31 July 2021)
Mr Daniel Joseph O'Connor	Non-Executive Chairman (Resigned 31 July 2021)
Mr Chan Heng Fai	Non-Executive Director (Resigned 28 June 2021)
Mr Blair Michelson	Non-Executive Director (Resigned 28 June 2021)

Principal activities

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

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

Dividends

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

Operating and financial review

Holista posted a significantly improved result for the six months to 30 June 2021, compared to 1H 2020 as all of the Group's four divisions posted stronger sales revenue.

Total interim Group revenue increased by 30% to $3.6 million, while the loss for the Group after providing for income tax and non-controlling interest narrowed to $629,052 (30 June 2020: $4,875,851).

During the interim financial period, the Group focused on:

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

Dietary Supplements

Sales of Dietary Supplements increased by $57,000 to $2.5 million in 1H 2021 and continued to be the Group's largest revenue contributor, accounting for 70% (2020: 89%) of total revenue for the period. The improved performance was partly due to easing COVID-19 disruptions that impacted on Holista's sales channels and supply chains.

The Company also successfully capitalised on its market leading brands, LACTO-5® and Pristin®, at a time of growing consumer awareness and demand for vitamins to boost immunity and overall health during the pandemic. Additionally, the global market for health supplements continues to grow with Holista being well positioned to benefit from the trend as it is one of the largest supplement suppliers in Malaysia.

Holista aims to launch a new supplement product which is a water-soluble vitamin D later this year.

Healthy Food Ingredients

The Healthy Food Ingredients division recorded a $474,000 increase in revenue versus the previous corresponding period (pcp) to $771,000 in the first half of 2021.

The division's sales are driven by Holista's patented GI Lite™ premix and 80Less™ sugar substitute. US-based Costanzo's Bakery, Inc. (Costanzo's) signed a three-year agreement to purchase GI Lite™ for use in its new range of low Glycaemic Index (GI) white breads. Costanzo's started supplying the breads to several US supermarket chains from April this year.

GI Lite™ is a non-GMO and clean label (all-natural) premix that has been independently tested by the University of Sydney and proven to lower the GI in foods by 30% to 40%. Foods with low GI are healthier as they release sugars in the body more slowly and helps with weight management, diabetes and other health issues. In contrast, foods with high GI are a key contributor to global obesity and heart disease. GI Lite™ can be used to make healthier white breads, flat breads (e.g. chapatti and roti canai), muffins, tortillas, noodles and pasta without sacrificing taste or texture.

Meanwhile, Company's unique 80Less™ offering is sold to a handful of food and beverage companies, including Bursa Malaysia-listed company Rex Industries ("Rex") 80Less™ is a low GI and low-calorie sugar replacement that lowers calories by 80% for the equivalent sweetness and is stable at all cooking temperatures. Unlike other sugar substitutes, 80Less™ does not have an artificial aftertaste and is ideal for desserts, tapioca pearls used in bubble tea, and sweetened drinks.

Drinks using 80Less™ can be labelled as "sugar free" and avoid paying potential sugar taxes in countries that apply such a tax. Holista is developing two new health products for Rex – a cocoa milk powder product and Ready-to-Drink cocoa formulation.

Ovine Collagen

Improving COVID-19 conditions were also behind the turnaround in Holista's Ovine Collagen division. This division recorded the biggest percentage recovery among the four divisions with revenue from this business increasing to $128,000 in the period compared to $18,000 in 1H 2020 as Behn Meyer Thailand placed additional orders for the cosmetic ingredient. Demand for cosmetics in Thailand had been negatively impacted by the pandemic in 2020, before recovering this year.

Additionally, Holista also signed an agreement with Mutiara Seribumi Sdn Bhd in the first half of the year to allow Guangzhou Sinbio Cosmetic Co Ltd to undertake trials of the Company's ovine collagen. Guangzhou Sinbio is a Chinese state-owned enterprise that exclusively represents leading cosmetic brands like Ceeture, Estee Lauder and SK-II in China. It sells cosmetics via a network of 45,000 direct-owned stores.

If the trials are successful and if regulatory approvals in China are granted, Guangzhou Sinbio will sign a binding agreement to purchase the entire production capacity of 48 tonnes in the first year from Holista's collagen plant in Collie, Western Australia.

The Chinese customer, through Mutiara, will purchase 144 tonnes in year two, 288 tonnes in year three and 576 tonnes in years four and five. Holista will progressively expand production capacity at Collie to accommodate the growth in these orders, with the capital investment funded from the 50% deposits it receives from each order and from internal resources.

The agreed price for Holista's unique collagen, which uses a patented extraction process, is $75 per kilogram, Free on Board (FOB) Perth, Australia. Holista can increase the price by providing a 90-day written notice to Mutiara.

Infection Control Solutions

The Infection Control Solutions division focuses on providing all-natural sanitising solutions to control viruses, including SARS-CoV-2 (the virus that causes COVID-19), for the consumer and industrial markets through the NatShield™ and M3® System product offerings. Holista also expanded its suite of products in June this year to include rapid test kits for SARS-CoV-2.

The successful restructure of Holista's global distribution, of iGalen, amid the global pandemic has resulted the division's first half revenue of $179,000.

Holista is also looking to launch a nasal balm using Protectene® as an active ingredient later in 2021. Protectene®, which Holista acquired from Global Infection Control Consultants LLC (GICC), is a gentler version of PathAway® that can be used on sensitive parts of the body. Holista's NatShield™ nasal balm is undergoing final tests ahead of its expected launch in the US, Malaysia and Singapore.

Outlook and Projects

The ongoing impact from COVID-19 will continue to create challenges for Holista, but the Group is in a good position to build on the growth momentum it achieved across all key areas of its business in the first half of 2021.

The outlook for the Infection Control Solutions division is positive as the pandemic will drive demand for all-natural sanitisers that are gentle on the skin despite repeated use. Further, the ongoing recovery in iGalen Inc is expected to contribute to further sales growth for NatShield™ hand sanitisers. Holista's plans to launch a sanitising nasal balm and explore commercial opportunities for M3® is expected to support growth in the division as well.

The good traction achieved by Holista's Healthy Food Ingredients division is expected to persist due to its unique value proposition to food and beverage manufacturers looking to offer healthy alternatives. Costanzo's has only recently started selling its low GI white bread using GI Lite™ to major US supermarkets, which leaves the product room to grow over the short to long-term. The upcoming introduction of Holista's new cocoa milk powder product and Ready-to-Drink cocoa formulation also provides another avenue for the division to expand sales and profits.

Meanwhile, the outlook for the Dietary Supplements division is expected to be underpinned by organic growth, strong market position and the addition of new vitamin products; while the Ovine Collagen division could experience a significant step-change if the trials by Guangzhou Sinbio are successful and regulatory approvals are awarded. Holista should know the outcome by end of 2021 or early 2022.

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

Events Subsequent to Reporting Date
On 31 July 2021, Mrs Loren King has been appointed as Non-Executive Director in line with the resignation of Mr Daniel Joseph O'Connor as the Non-Executive Director and Chairman to the Board, Dr Rajen Manicka has been appointed as Executive Chairman to the Board.

As mentioned in note 21, Australian Securities and Investments Commission (ASIC) has commenced Federal Court proceedings on 5 August 2021. The Company has appointed lawyers to defend the proceedings and understands that Dr. Manicka has separately appointed lawyers to do likewise on his own behalf.

Apart from the above, no other matter or circumstance has arisen since 30 June 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.

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

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

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Holista Colltech Limited
Directors' report
30 June 2021

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

On behalf of the directors



DR RAJEN MANICKA
Executive Chairman and Chief Executive Officer

26 August 2021

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Holista Colltech Limited
Auditor's independence declaration

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26 August 2021

Board of Directors
Holista CollTech Limited
Level 5, 126 Phillip Street,
Sydney NSW 2000

Dear Directors

RE: HOLISTA COLLTECH LIMITED

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

As Audit Director for the review of the financial statements of Holista CollTech Limited for the half-year ended 30 June 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and

(ii) any applicable code of professional conduct in relation to the review.

Yours faithfully

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD



Samir Tirodkar
Director

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Holista Colltech Limited
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General information

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

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

Registered office	Principal place of business
Level 5, 126 Phillip Street, Sydney NSW 2000, Australia	Unit 1201, 12th Floor, Amcorp Trade Centre, PJ Tower No 18, Persiaran Barat, 46000 Petaling Jaya, Malaysia

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 26 August 2021.

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Holista Colltech Limited
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 30 June 2021

	Note	Consolidated 30 June 2021 $	Consolidated 30 June 2020 $
Revenue			
Revenue	3	3,580,946	2,760,966
Other income	4	44,770	36,739
Expenses			
Change in inventories of finished goods and work in progress		217,048	342,568
Raw materials and consumables used		(1,838,308)	(1,590,776)
Distribution costs and other costs of sales		(207,150)	(138,131)
Advertising and promotion		(249,535)	(187,511)
Consultancy and professional fees		(337,088)	(384,934)
Depreciation and amortisation		(99,730)	(162,924)
Employment costs		(1,431,593)	(1,586,532)
Finance costs		(20,578)	(38,682)
Foreign exchange loss		(7,585)	(323,621)
Impairment	5	(142,336)	(3,068,694)
Research and development		(85,204)	(169,118)
Share-based payments expense	5	360,109	(45,136)
Other expenses	5	(430,032)	(373,408)
Loss before income tax benefit/(expense)		(646,266)	(4,929,194)
Income tax benefit/(expense)		6,575	(92,425)
Loss after income tax benefit/(expense) for the half-year		(639,691)	(5,021,619)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		1,601	320,686
Other comprehensive income for the half-year, net of tax		1,601	320,686
Total comprehensive income for the half-year		(638,090)	(4,700,933)
Loss for the half-year is attributable to:			
Non-controlling interest		(10,639)	(145,768)
Owners of Holista Colltech Limited		(629,052)	(4,875,851)
		(639,691)	(5,021,619)
Total comprehensive income for the half-year is attributable to:			
Non-controlling interest		13,101	22,182
Owners of Holista Colltech Limited		(651,191)	(4,723,115)
		(638,090)	(4,700,933)
		Cents	**Cents**
Basic loss per share	24	(0.23)	(1.86)
Diluted loss per share	24	(0.23)	(1.86)

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

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Holista Colltech Limited
Consolidated statement of financial position
As at 30 June 2021

	Note	Consolidated 30 June 2021 $	Consolidated 31 December 2020 $
Assets			
Current assets			
Cash and cash equivalents	6	2,116,670	2,725,237
Trade and other receivables	7	1,023,969	1,558,007
Inventories	8	1,154,679	1,108,346
Other current assets	9	953,375	1,201,977
Total current assets		5,248,693	6,593,567
Non-current assets			
Property, plant, and equipment	10	1,038,155	1,112,490
Right-of-use assets		108,894	124,824
Intangible assets	11	137,506	146,471
Deferred tax assets	12	142,835	75,412
Total non-current assets		1,427,390	1,459,197
Total assets		6,676,083	8,052,764
Liabilities			
Current liabilities			
Trade and other payables	13	1,866,374	1,719,277
Contract liabilities	14	-	458,729
Borrowings	15	226,039	401,173
Lease liabilities	16	20,660	28,155
Income tax		465	-
Provisions	17	13,414	13,414
Total current liabilities		2,126,952	2,620,748
Non-current liabilities			
Trade and other payables	13	135,054	-
Borrowings	15	417,384	430,605
Provisions	17	275,000	275,000
Lease liabilities	16	76,245	82,764
Total non-current liabilities		903,683	788,369
Total liabilities		3,030,635	3,409,117
Net assets		3,645,448	4,643,647
Equity			
Issued capital	18	21,707,478	21,707,478
Reserves	19	(519,592)	(137,344)
Accumulated losses		(16,778,175)	(16,149,123)
Equity attributable to the owners of Holista Colltech Limited		4,409,711	5,421,011
Non-controlling interest		(764,263)	(777,364)
Total equity		3,645,448	4,643,647

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

Holista Colltech Limited
Consolidated statement of changes in equity
For the half-year ended 30 June 2021

Consolidated	Issued capital $	Options reserve $	Foreign exchange translation reserve $	Accumulated losses $	Non-controlling interest $	Total equity $
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 half-year	-	-	-	(4,875,851)	(145,768)	(5,021,619)
Other comprehensive income for the half-year, net of tax	-	-	152,736	-	167,950	320,686
Total comprehensive income for the half-year	-	-	152,736	(4,875,851)	22,182	(4,700,933)
Transactions with owners in their capacity as owners:						
Contributions of equity, net of transaction costs	6,497,463	-	-	-	-	6,497,463
Share-based payments	-	45,138	-	-	-	45,138
Exercise of performance rights	661,500	(945,000)	-	283,500	-	-
Transfer of expired options balance	-	(1,066,922)	-	1,066,922	-	-
Balance at 30 June 2020	21,707,478	675,938	(160,547)	(15,980,668)	(830,931)	5,411,270

Consolidated	Issued capital $	Options reserve $	Foreign exchange translation reserves $	Accumulated losses $	Non-controlling interest $	Total equity $
Balance at 1 January 2021	21,707,478	360,109	(497,453)	(16,149,123)	(777,364)	4,643,647
Loss after income tax benefit for the half-year	-	-	-	(629,052)	(10,639)	(639,691)
Other comprehensive income for the half-year, net of tax	-	-	(22,139)	-	23,740	1,601
Total comprehensive income for the half-year	-	-	(22,139)	(629,052)	13,101	(638,090)
Transactions with owners in their capacity as owners:						
Reversal of share-based payments expense (note 5)	-	(360,109)	-	-	-	(360,109)
Balance at 30 June 2021	21,707,478	-	(519,592)	(16,778,175)	(764,263)	3,645,448

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

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Holista Colltech Limited
Consolidated statement of cash flows
For the half-year ended 30 June 2021

	Note	Consolidated 30 June 2021 $	Consolidated 30 June 2020 $
Cash flows from operating activities			
Receipts from customers		3,861,288	2,988,171
Payments to suppliers (inclusive of GST) and employees		(4,244,892)	(5,605,581)
Interest received		6,873	4,336
Finance costs		(5,595)	(38,682)
Net Income tax paid		(24,021)	(20,832)
Grant received		9,600	32,403
Net cash (used) in operating activities		(396,747)	(2,640,185)
Cash flows from investing activities			
Purchase of intellectual property		-	(6,229)
Purchase of property, plant, and equipment		(11,651)	(8,730)
Deposits and investments		-	(4,353)
Net cash (used) in investing activities		(11,651)	(19,312)
Cash flows from financing activities			
Proceeds from borrowings		611,947	249,881
Repayment of borrowings		(795,337)	(291,662)
Proceeds from issue of shares	18	-	6,527,337
Share issue transaction costs		-	(29,874)
Repayment of lease liabilities		(8,494)	(63,319)
Net cash (used) in/generated from financing activities		(191,884)	6,392,363
Net (decrease)/increase in cash and cash equivalents		(600,282)	3,732,866
Cash and cash equivalents at the beginning of the financial half-year		2,725,237	101,400
Change in foreign currency held		(8,285)	(1,813)
Cash and cash equivalents at the end of the financial half-year		2,116,670	3,832,453

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

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Note 1. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 30 June 2021 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 31 December 2020 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

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

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

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

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

The Group incurred a loss after tax for the period of $639,691 (June 2020: $5,021,619 loss) and a net cash outflow from operating activities of $396,747 (30 June 2020: $2,640,185 outflow). As at 30 June 2021, the Group has generated a working capital of $3,121,741 (31 December 2020: $3,972,819 working capital).

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

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

Note 2. Operating segments

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

Note 2. Operating segments (continued)

Segment Performance

	Supplements $	Ovine Collagen $	Food ingredients $	Infection Control Solutions $	Corporate $	Total $
Half-year ended 30 June 2021						
Revenue						
External sales	2,502,272	128,100	771,091	179,483	-	3,580,946
Other revenue	-	-	-	-	44,770	44,770
	2,502,272	128,100	771,091	179,483	44,770	3,625,716
Reconciliation of segment revenue to group revenue:						
Total group revenue and other income	-	-	-	-	-	3,625,716
Segment (Loss) from continuing operations before tax	(15,332)	(223,979)	(35,172)	(116,493)	(255,290)	(646,266)
Loss before Income tax expense	-	-	-	-	-	(646,266)

	Supplements $	Ovine Collagen $	Food Ingredients $	Infection Control Solutions $	Corporate $	Total
Half-Year ended 30 June 2020						
Revenue						
External sales	2,445,685	18,000	297,281	-	-	2,760,966
	-	-	-	-	36,739	36,739
Total segment revenue	2,445,685	18,000	297,281	-	36,739	2,797,705
Reconciliation of segment revenue to group revenue:						
Total group revenue and other income	-	-	-	-	-	2,797,705
Segment (Loss) from continuing operations before tax	(2,488,517)	(204,433)	(265,402)	-	(1,970,842)	(4,929,194)
Loss before income tax	-	-	-	-	-	(4,929,194)

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Note 2. Operating segments (continued)

Segment Financial Position

	Supplements $	Ovine Collagen $	Food Ingredients $	Infection Control Solutions $	Corporate $	Total $
As at 30 June 2021						
Segment Assets	2,261,308	5,053,937	2,481,333	194,383	-	9,990,961
Intra-segment eliminations	-	-	-	-	(3,314,878)	(3,314,878)
Total assets	2,261,308	5,053,937	2,481,333	194,383	(3,314,878)	6,676,083
Segment liabilities	(1,101,876)	(502,748)	(4,367,586)	(627,111)	-	(6,599,321)
Intra-segment eliminations	-	-	-	-	3,568,686	3,568,686
Total liabilities	(1,101,876)	(502,748)	(4,367,586)	(627,111)	3,568,686	(3,030,635)
Total net assets/(liabilities)	1,159,432	4,551,189	(1,886,253)	(432,728)	253,808	3,645,448

	Supplements $	Ovine Collagen $	Food Ingredients $	Infection Control Solutions $	Corporate $	Total $
As at 31 December 2020						
Segment Assets	2,891,061	5,734,695	2,178,633	125,509	-	10,929,898
Intra-segment eliminations	-	-	-	-	(2,877,134)	(2,877,134)
Total assets	2,891,061	5,734,695	2,178,633	125,509	(2,877,134)	8,052,764
Segment Liabilities	(1,344,937)	(487,690)	(4,440,377)	(722,947)	-	(6,995,951)
Intra-segment eliminations	-	-	-	-	3,586,834	3,586,834
Total liabilities	(1,344,937)	(487,690)	(4,440,377)	(722,947)	3,586,834	(3,409,117)
Total net assets/(liabilities)	1,546,124	5,247,005	(2,261,744)	(597,438)	709,700	4,643,647

Note 3. Revenue

	Consolidated 30 June 2021 $	Consolidated 30 June 2020 $
Sale of goods	3,580,946	2,760,966

Note 4. Other income

	Consolidated 30 June 2021 $	Consolidated 30 June 2020 $
US COVID-19 Subsidy	27,045	-
Interest income	8,125	4,336
ATO COVID-19 JobKeeper Subsidy	9,600	32,403
Other income	44,770	36,739

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Note 5. Loss before income tax

	Consolidated	
	30 June 2021	30 June 2020
	$	$
Loss before income tax includes the following specific expenses:		
Impairment		
Impairment of goodwill (note 11)	-	584,305
Impairment on credit losses (note 7)	142,336	2,042,070
Impairment on other assets (note 9)	-	442,319
Total impairment	142,336	3,068,694
Other expenses		
Compliance and regulatory costs	143,910	134,801
Insurance	52,895	36,716
Other expenses	47,743	9,441
Collie factory maintenance costs	40,235	45,738
Audit fees	43,064	43,286
Office rental expense and occupancy costs	102,185	103,426
	430,032	373,408
Share-based payments expense		
(Reversal)/Recognition of Share based payment expenses *	(360,109)	45,138

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

Note 6. Cash and cash equivalents

	Consolidated	
	30 June 2021	31 December 2020
	$	$
Current assets		
Cash at bank	305,687	310,191
Term deposits at call	1,810,983	2,415,046
	2,116,670	2,725,237

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Note 7. Trade and other receivables

	Consolidated	
	30 June 2021 $	31 December 2020 $
Current assets		
Trade receivables	2,840,411	3,138,830
Less: Allowance for expected credit losses	(1,878,944)	(1,751,581)
	961,467	1,387,249
Other receivables	10,126	119,634
Amounts advanced to a related party	180,623	180,623
Amounts advanced to a third party	294,534	294,534
Less: Allowance for expected credit losses	(475,157)	(475,157)
Interest receivable	52,376	51,124
	1,023,969	1,558,007

The average credit period on sales of goods ranges from 30 to 240 days. Interest is not charged. During the period ended 30 June 2021 an allowance of $127,363 has been made for estimated irrecoverable trade receivable amounts arising from past sale of goods, determined by reference to past default experience. Amounts are considered as 'past due' when the debt has not been settled, within the terms and conditions agreed between the Group and the customer or counter party to the transaction.

The amounts advanced to related party were fully impaired during the financial year ended 31 December 2020.

Note 8. Inventories

	Consolidated	
	30 June 2021 $	31 December 2020 $
Current assets		
Raw materials - at cost	1,131,330	948,667
Finished goods - at cost	17,267	33,336
Stock in transit - at cost	6,082	126,343
	1,154,679	1,108,346

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Note 9. Other current assets

	Consolidated	
	30 June 2021 $	31 December 2020 $
Current assets		
Prepayments	304,530	239,412
Security deposits	32,033	320,463
Other deposits	23,289	21,566
Loan to a related party	493,429	481,641
Right of return assets	100,094	101,134
Other current assets	-	37,761
	953,375	1,201,977

Included in prepayment is an amount of $442,319 for deposit and advances previously made to Proimmune Company LLC for supply contract. As disclosed in December 2020 annual report, Proimmune Company LLC filed for purported breached of supply contracts by the Company in February 2020. As it is not practical to estimate when the decision of the court will be made, the prepayments has been fully impaired.

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

Loan to a related party as at 30 June 2021 is related to loan to Galen BioMedical Inc - related party. which is non-interest bearing and repayable upon demand.

Note 10. Property, plant, and equipment

	Consolidated	
	30 June 2021 $	31 December 2020 $
Non-current assets		
Freehold land and buildings	1,007,225	1,017,689
Accumulated depreciation	(320,541)	(314,367)
	686,684	703,322
Plant and equipment	2,037,977	2,031,321
Accumulated depreciation	(1,686,506)	(1,622,153)
	351,471	409,168
	1,038,155	1,112,490

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Note 11. Intangible assets

	Consolidated	
	30 June 2021 $	31 December 2020 $
Non-current assets		
Goodwill	-	-
Patents and licences	214,414	216,788
Accumulated amortisation	(76,908)	(70,317)
	137,506	146,471
	137,506	146,471

Patents and licences

Patents and licenses relate to food ingredients for several countries.

Goodwill

Goodwill relates to the acquisition of the food ingredients business in the USA. Consequently, the carrying amount of goodwill was allocated to the food ingredients CGU.

Goodwill impairment testing

The recoverable amount of goodwill has been determined based on a value-in-use calculation using cash flow projections for the food ingredients business in the USA. Cash flows beyond the five year forecast are extrapolated using estimated terminal growth rates.

During the financial year ended 31 December 2020, there has been considerable volatility in the economic environment as a result of COVID-19. Management has carefully assessed the impact of COVID-19 and the implications of lower economic activity on its operations. Management has observed that there has been a significant impact in the performance of the food ingredients business in the USA in prior year.

Based on management's assessment, the carrying amount of the food ingredient's CGU exceeded its recoverable amount and consequently goodwill of $584,305 in relation to the food ingredient's CGU was fully impaired in the previous financial year.

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

Consolidated	Goodwill $	Patents and licences $	Total $
Balance at 1 January 2021	-	146,471	146,471
Revaluation decrements	-	(1,742)	(1,742)
Amortisation expense	-	(7,223)	(7,223)
Balance at 30 June 2021	-	137,506	137,506

Note 12. Deferred tax assets

	Consolidated	
	30 June 2021 $	31 December 2020 $
Non-current assets		
Tax losses (in Malaysia)	142,835	75,412

Note 13. Trade and other payables

	Consolidated	
	30 June 2021 $	31 December 2020 $
Current liabilities		
Trade payables	751,482	829,857
Accruals	258,313	433,102
Amounts due to Directors	39,588	21,588
Dividends payable	22,907	22,360
Refund liability	318,761	368,905
Other payables - current	475,323	43,465
	1,866,374	1,719,277
Non-current liabilities		
Other payables - non-current	135,054	-

Included in the accruals is deferred revenue amounting of $70,508 (2020: $71,241) which represents customer loyalty points and is estimated based on the amount of loyalty points outstanding at reporting date that are expected to be redeemed.

Other payables – current of $225,147 and other payables – non-current of $135,054 represent payables previously classified as contract liabilities. Refer to note 14 for more information.

Note 14. Contract liabilities

	Consolidated	
	30 June 2021 $	31 December 2020 $
Current liabilities		
Contract liabilities	-	458,729

Contract liabilities represents advance deposits received from customers where performance obligations were not satisfied at the end of the reporting period.

During the half-year ended 30 June 2021 $360,201 that were previously classified as contract liabilities were transferred to Trade and other Payables (2020: $nil). This change was done as response to the impossibility of the Company to provide the goods for which the deposits have been made. Refund has been agreed with customers and the reimbursement of these funds will happen in the following two years. Refer to note 13 for more information on current and non-current portion of the payable.

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Note 15. Borrowings

	Consolidated	
	30 June 2021 $	31 December 2020 $
Current liabilities		
Term loan	19,975	29,027
Banker's acceptance	192,197	358,611
Loan from related parties	13,867	13,535
	226,039	401,173
Non-current liabilities		
Term loan	417,384	430,605

Note 16. Lease liabilities

	Consolidated	
	30 June 2021 $	31 December 2020 $
Current liabilities		
Lease Liabilities	20,660	28,155
Non-current liabilities		
Lease liabilities	76,245	82,764

Note 17. Provisions

	Consolidated	
	30 June 2021 $	31 December 2020 $
Current liabilities		
Provision for employee entitlements	13,414	13,414
Non-current liabilities		
Make good provision	275,000	275,000

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Note 18. Issued capital

	Consolidated			
	30 June 2021 Shares	31 December 2020 Shares	30 June 2021 $	31 December 2020 $
Fully paid ordinary shares	275,349,087	275,349,087	21,707,478	21,707,478

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote. Ordinary shares have no par value and the company does not have a limited amount of authorised capital.

Note 19. Reserves

	Consolidated	
	30 June 2021 $	31 December 2020 $
Foreign currency translation reserve	(519,592)	(497,453)
Share-based payments reserve	-	360,109
	(519,592)	(137,344)

Note 20. Dividends

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

Note 21. Contingent liabilities

Gara Group, Inc. ("Gara Group")

On 27 September 2019, iGalen (a related company and a customer of the Group), filed an action against Gara Group and others alleging breach of contract. This complaint stems from Gara Group's failure to provide services including product fulfillment, software development and maintenance of non-site platform which manages the Company's back office and managing the Company's social media sites. Gara Group filed a complaint against the Company for breach of contract. The case is still progressing in Courts. The exposure to the Company always exists, however, management maintains its claims and anticipates recovering from Gara Group. It is too early in the case to determine amounts of recovery or exposure.

ProImmune Company LLC ("ProImmune")

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

The discovery stage is over and each party have filed their own motions for summary judgment, which effectively seeks a judgment without trial on either sides' respective claims and/or defences. The Company have filed a case for motion for summary judgment on its claims for breach of contract and breach of express warranties against ProImmune. Due to backlog of similar motions pending, a decision on the competing motions will likely be rendered in 2022.

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

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Note 21. Contingent liabilities (continued)

Australian Securities and Investments Commission ("ASIC")

On 5 August 2021, the Company has been served with Federal Court proceedings commenced by the (ASIC). The proceedings relate to allegedly false and misleading statements with respect to Holista's sanitiser products and partnership with Global Infection Control Consultants LLC (GICC), which are said to have been disseminated by the Company in the period from January 2020 to July 2020. ASIC claims that between April and July 2020 the Company was in breach of its continuous disclosure obligations.

The proceedings also alleged that Dr Manicka, the Company's Managing Director and CEO, breached his director's duties to the Company by causing or permitting the Company to engage in the conduct complained of by ASIC.

The Company has appointed lawyers to defend the proceedings and understands that Dr Manicka has separately appointed lawyers to do likewise on his own behalf.

At this juncture, it is premature to estimate any material contingent liabilities for this case.

Note 22. Commitments

The Group has no capital commitments at 30 June 2021 (31 December 2020: $nil).

Note 23. Events after the reporting period

On 31 July 2021, Mrs Loren King has been appointed as Non-Executive Director in line with the resignation of Mr Daniel Joseph O'Connor as the Non-Executive Director and Chairman to the Board, Dr Rajen Manicka has been appointed as Executive Chairman to the Board.

As mentioned in note 21, Australian Securities and Investments Commission (ASIC) has commenced Federal Court proceedings on 5 August 2021. The Company has appointed lawyers to defend the proceedings and understands that Dr. Manicka has separately appointed lawyers to do likewise on his own behalf.

Apart from the above, no other matter or circumstance has arisen since 30 June 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.

Note 24. Earnings per share

	Consolidated	
	30 June 2021	30 June 2020
	$	$
Loss after income tax	(639,691)	(5,021,619)
Non-controlling interest	10,639	145,768
Loss after income tax attributable to the owners of Holista Colltech Limited	(629,052)	(4,875,851)
	Number	**Number**
Weighted average number of ordinary shares outstanding during the period used in calculation of basic EPS	275,349,087	262,247,457
Weighted average number of ordinary shares outstanding during the period used in calculation of basic EPS	275,349,087	262,247,457

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Note 24. Earnings per share (continued)

	Cents	Cents
Basic loss per share	(0.23)	(1.86)
Diluted loss per share	(0.23)	(1.86)

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

Note 25. Impact of COVID-19

The COVID-19 pandemic has adversely affected the global economy, including a decrease in consumer demand, interruptions in supply chains, and tight liquidity and credit conditions. This pandemic has created unprecedented uncertainty, in particular the measures taken by various governments to contain the virus have affected economic activities. Compared to same period last year, as consumers slowly adjusted to Government imposed restrictions and key economic activities and distribution channels slowly re-opened, the Group's exhibit the following positive business growth including:

- an increase in the sales in the Healthy Food Ingredients division due to orders of GI Lite™ from customer in the United States of America;
- an improvement in sales in Dietary Supplements along with higher demand from Holista's global distribution for Infection Control Solutions, and
- higher demand from Thai distributor of the Group's proprietary ovine collagen.

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Holista Colltech Limited
Directors' declaration
30 June 2021

In the directors' opinion:

- the attached consolidated financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached consolidated financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2021 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

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

On behalf of the directors



DR RAJEN MANICKA
Executive Chairman and Chief Executive Officer

26 August 2021

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

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Holista Colltech Limited (the "Company") and its subsidiaries (the "Group"), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

(a) giving a true and fair view of the Group's financial position as at 30 June 2021 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

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

We confirm that the independence declaration required by the *Corporations Act 2001* has been given to the directors of the Company on 26 August 2021.

Material Uncertainty Related to Going Concern

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

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The Group incurred a loss for the half-year of $639,691 and a net cash outflow from operating activities of $396,747. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.

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

Our conclusion is not modified in respect of this matter.

Responsibility of the Directors for the Financial Report

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

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 30 June 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 other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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

Stantons International Audit and Consulting Pty Ltd

Samir Tirodkar
Director

West Perth, Western Australia
26 August 2021