

Holista Signs A Binding Agreement with A U.S. Bread Supplier Costanzo's to Launch the World's Lowest Glycaemic Index (GI) Clean Label White Bread

1 October 2020

ASX Announcement

Highlights:

- **Holista signs three-year exclusive deal with Costanzo's for GI Lite™**
- **Costanzo's to use GI Lite™ to make the world's lowest GI clean label (all natural) white bread for US, Canada and Mexican markets**
- **Costanzo's is to purchase 165 tons worth ~US\$1.9m (~A\$2.7m) of GI Lite™ in the first year and 220 tons for ~US\$2.5m (~A\$3.6m) for each of the next two years (subject to reviews)**
- **Costanzo's manufactures and supplies both fresh and frozen bakery products via a network of food distributors and brokers throughout the continental U.S. and eastern Canada.**

Holista Colltech Limited (ASX: HCT, "Holista" or "the Company") and its United States subsidiary, Holista Foods Inc., have signed a binding agreement with Costanzo's Bakery, Inc. ("Costanzo's") to use Holista's GI Lite™ technology to manufacture the world's lowest Glycaemic Index (GI) clean label white bread using only all-natural ingredients.

Under the exclusive three-year Licence and Commercialisation agreement, Costanzo's will purchase 165 tons of GI Lite™ Bread Premix worth circa US\$1.9 million (~A\$2.7 million) in the first year of the contract.

The size of the annual orders may vary as they are subject to quarterly reviews and Holista can increase the price of GI Lite™ to compensate for commodity price changes from 1 January 2022 onwards. As such, investors should not treat the information as forecasts.

Costanzo's, which was founded 87 years ago, supplies bread products across the US and Canada to supermarkets and other retail outlets.

Other key contract details include:

- **Costanzo's will have the exclusive right to use GI Lite™ in white bread sold in the U.S., Canada and Mexico.**
- **The term of the contract runs from 1 October 2020 to 30 September 2023.**

- Costanzo's will manufacture and sell low GI white bread, rolls and buns using Holista's technology.
- There is a Minimum Annual Performance Requirement (MAPR) for Costanzo's to purchase 220 tons (US\$2.5 million) of GI Lite™ in each of the three years.
- The MAPR is subject to review depending on market conditions and Holista will update the market on any material changes.
- Both parties agree that for the first year, due to the difficulty in forecasting and in order to "normalise" the supply chain, the first three months of the term of this contract will be excluded from the MAPR and that the minimum requirement for the subsequent nine months will be equal to 75% of the MAPR, or 165 tons.
- Holista can change the price of its GI Lite™ Bread Premix after 1 January 2022 with written notice to accommodate for commodity price inflation. The unit price quoted is free on board (FOB) Toronto, Canada.
- Either party can terminate the agreement by serving a 90-day notice.

"There is a large and untapped market for clean-label, all natural, low-GI white bread and we are pleased to be able to offer our customers such a unique and healthy product," said Costanzo's chief executive officer, Angelo Costanzo III.

"We are confident in the success of the GI Lite™ breads due to its superior taste and mouthfeel, which cannot be matched by other low GI breads in the market as they use chemicals and other artificial ingredients."

GI is a measure by which food products are ranked between 0-100 according to their impact on blood sugar levels. The lower the GI, the more time it takes for the glucose to be digested and absorbed into the blood stream. The higher the GI, the faster it digests, which causes a spike in blood sugar levels and is a known contributor to diabetes.

White bread has a high GI of over 70. Low glycaemic foods have a GI of 55 or less. Independent tests by the University of Sydney in July 2020 found that white bread made using GI Lite™ had a GI reading of 46, a significant reduction from the reading of 53 conducted in 2016. Holista believes this is the world's lowest readings for clean label low-GI white breads sold around the world.

Dr Rajen Manicka, CEO of Holista, commented:

"This is a break thorough agreement for the North American market and we expect this to spur interest in other markets. We are excited to be bringing a healthier and better tasting white bread product to the world, and we are currently pursuing opportunities in other countries."

GI Lite™ is made from a blend of okra, barley, lentils and fenugreek. It does not affect taste, mouthfeel or food production methods. When mixed with white flour, it lowers the GI reading of the final product without compromising taste or texture.

Holista Foods won the Award of Excellence under "Low Glycaemic Pasta" category for its spaghetti and linguine in the 2019 U.S.A. Taste Championships.

“Providing the world’s lowest low GI healthy clean label white bread has been our goal and vision,” said Nadja Piatka, CEO of Holista Foods. “Costanzo’s is a perfect partner to bring this important mission to fruition.”

This announcement has been approved for release by the Board of Directors.

-Ends-

About Holista Colltech Limited

Holista Colltech Ltd(“Holista”) is a natural wellness company, that has the following main divisions:

- Dietary supplements
- Food Ingredients
- Ovine collagen
- Infection Control Solutions

Holista has a global collaboration with Global Infection Control Consultants LLC to use Path-Away®, a plant-based solution that is proven to kill a broad spectrum of microbes. The all-natural alcohol-free active ingredient is used in Holista’s range of sanitising products under the NatShield™ brand.

Listed on the Australian Securities Exchange (“ASX”), Holista researches, develops, manufactures and markets health style products. Holista’s suite of ingredients includes low GI baked products, reduced sodium salts, low fat fried foods and low-calorie sugar without compromising taste, odour and mouthfeel. Holista also produces sheep (ovine) collagen using patented extraction methods.

For more information on Holista, please visit <https://www.holistaco.com/>

About Costanzo’s Bakery Inc.

Costanzo’s Bakery (“Costanzo”) started in a small shop in 1933 along the Niagara River delivering Italian breads to “mom and pop” grocery stores throughout Buffalo, NY. As the business grew, and with the advent of the Supermarket, Costanzo’s bread was soon found in every store throughout the region. In 1977, Angelo Costanzo’s sons took over the bakery and eventually moved into a new location. As the business grew, the natural progression was to expand into the national marketplace by developing a line of frozen, fully-baked sub rolls and round rolls. This was the beginning of Costanzo’s Bakery, Inc. Today, with the third generation of Costanzo’s at the helm, the bakery services retail outlets and local routes in the Buffalo/Niagara region, as well as a national distribution network in the Foodservice, Deli/Bakery, and Retail businesses, with all products being produced and delivered from its bakery in Cheektowaga, NY.

For more information on Costenzo, please visit <https://costanzosbakery.com>

About Holista Foods, Inc.

Holista Foods is dedicated to developing and delivering clean label ingredients, finished food products and recipe development. The company specializes in next generation food research and development for improved taste and nutritional value. Under the leadership of Nadja Piatka, Holista Foods is embracing a philosophy of providing great tasting, nutritional food products that will be readily available to all consumers. Nadja's original passion of providing healthy food products to consumers has carried over to low GI food innovations for an even healthier nutritional outcome. With the successful launch of the world's first low glycaemic noodles, spaghetti and linguine and low glycaemic bread, the company is working on new low glycaemic products.

Holista Foods is 74%-owned by LiteFood Inc of US and 26%-owned by Nadja Piatka and Nadja Foods. LiteFoods Inc is 53%-owned by Holista. Holista Foods, Inc. is based in Buffalo NY.

For more information on Holista Foods, Inc., please visit www.holistafoods.com

For further information, please contact:

Corporate Affairs & Business Opportunities

Corporate Matters: investor@holistaco.com

General Enquiries: enquiries@holistaco.com

Australia

Level 5, 126 Phillip Street,
Sydney, NSW 2000
P: 02 8072 1400; F: 02 8072 1440

Malaysia

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

Australia and New Zealand Investor relations and media enquiries:

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

Global Investor relations and media enquiries:

WeR1 Consultants Pte Ltd
E: holista@wer1.net
M: +65 673 74 844