

Holista Received First Orders from Costanzo's for US Launch of Low GI Bread

ASX Announcement

18 November 2020

Highlights

- **Holista received first purchase orders for its proprietary GI Lite™ Bread Premix**
- **Costanzo's to launch clean label all natural low GI bread using Holista's technology in January 2021 in US and Canada**
- **Initial orders are worth ~ US\$220,000 and Holista expects a ramp-up in orders for Costanzo's to meet its annual minimum commitments**
- **Costanzo's to purchase at least 165 tons (~US\$1.9m) of GI Lite™ in the first year**
- **This increases by 33% to 220 tons (~\$2.5m) annually in second and third years of its three-year agreement with Holista**

Holista Colltech Limited (ASX:HCT, "Holista" or "the Company") is pleased to announce that its US subsidiary, Holista Foods Inc., has received initial purchase orders for GI Lite™ Bread Premix as Costanzo's Bakery, Inc. ("Costanzo's") prepares to launch the world's lowest low Glycemic Index (GI) clean label white bread using Holista's technology in the North American market.

The orders, which total ~US\$220,000 (~\$301,000 at the current exchange rate), were placed by Caldic Canada Inc. who are managing the supply chain and blending for Costanzo's. Costanzo's is a leading baked goods supplier to supermarkets and bakeries in the US and Canada, and it plans to sell the healthier clean label all natural low GI bread from January 2021.

Holista expects to deliver around a third of the purchase orders before the end of calendar 2020 with the balance scheduled for delivery by the first quarter of next year.

The Company expects a ramp-up in subsequent orders as Costanzo's is committed to ordering 165 tons of GI Lite™, worth approximately US\$1.9 million, in the first year of its three-year exclusive license and commercial agreement with Holista.

The annual minimum order will increase by 33% to 220 tons (circa US\$2.5 million) in the second and third years of the agreement, which was announced to the market on 1 October 2020.

“We have received very good early feedback on our soon to be released low GI clean label all natural white bread. Given the rising incidences of diabetes and obesity worldwide, we are excited to bring this healthy option to the North American market,” said Costanzo’s chief executive officer, Angelo Costanzo III.

“With our successful scientific and taste tests, we are confident that this product will be well-received by the consumers.”

Clean label all natural white bread made with GI Lite™ recorded a GI score of 46, according to independent testing by the University of Sydney. This is significantly lower than the reading of 70 for most white breads.

GI is a measure by which food products are ranked 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 bloodstream. The higher the GI, the faster it digests, which causes a spike in blood sugar levels and is a known contributor to diabetes.

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.

“Using our technology, Costanzo’s is able to manufacture the world’s lowest GI clean label all natural white bread that is made 100% from natural ingredients,” said Dr Rajen Manicka, CEO of Holista Colltech

“We are elated to be partnering with Costanzo’s given their 87-year track record in the North American market and their extensive network of customers. The feedback we have received so far gives us confidence that we can successfully expand our sales in Australia and internationally.”

Nadja Piatka, CEO of Holista Foods, commented:

“The deal with Costanzo’s is ground-breaking in itself and validates our seven long years of R&D to produce an all-natural product that allows people to enjoy their favourite foods in a much healthier way.”

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

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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

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.

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.

For more information on Holista, please visit <https://www.holistaco.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 for 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 glycemic noodles, spaghetti and linguine and low glycemic bread, the company is working on new low glycemic 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

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 Costanzo, please visit <https://costanzosbakery.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