

ASX Announcement**11 March 2020****MAIDEN SALES OF \$1.4M FOR 80LESS™ SUGAR FORMULATION TO MALAYSIAN COMPANY**

KUALA LUMPUR/PERTH, 11 MARCH 2020 – Holista CollTech (ASX:HCT, “Holista”) refers to its announcement dated 14 February 2019, titled “Holista announces 80Less™ – Proprietary low-calorie sugar reformulation – as more countries announce sugar tax”, where the Company stated that it had completed successful tests on 80Less™, a proprietary sugar formulation with a low-glycemic Index (Low-GI) that is five times sweeter than ordinary sugar. It was also stated that no regulatory approvals were needed.

Holista wishes to announce that, Holista Biotech SDN BHD (Holista Biotech) (wholly owned subsidiary of Holista) has signed a five-year supply agreement with Rex Industry Berhad (“Rex”) to supply 80Less™ for a range of at least eight low-sugar beverage drinks that the Malaysia Bursa-listed drinks manufacturer is developing for Malaysia and Singapore markets.

80Less™ is a physical blend of two internationally approved substances – *Sucrose* (table sugar) and very low levels of *Sucralose* (an intense sweetener derived from sugar cane) – resulting in 80% fewer calories and a low-GI formulation that has taste uniformity in solid or liquid form. 80Less™ can replace sugar in all applications without the loss of sugar’s sensory effects. One gram of 80Less™ can replace five grams of sugar. On a gram, for gram basis, it is significantly cheaper than sugar.

By using 80Less™, the range of drinks to be launched by Rex next month will be certified to have sugar content below 4.99% and thus achieve the ‘sugar-free’ labelling. These drinks will not be subject to the ‘sugar tax’ imposed in Malaysia since 1 July 2019 – a duty of RM0.40 per litre for non-alcoholic beverages containing added sugars of more than 5gm per 100ml drink (and for fruit or vegetable juice containing added sugars of more than 12gm per 100ml drink). Rex’s new range of drinks will be sold to food and beverage outlets, supermarkets and groceries in Malaysia and Singapore.

The sugar tax was introduced in Malaysia in response to the rising incidence of diabetes and obesity in the country, caused largely by diet. According to the International Diabetes Foundation, 16.7% of Malaysians between ages 20 to 79 suffer from Type 1 or Type 2 diabetes, the 12th highest in the world. Including those with pre-diabetic conditions, this number rises to 25%.

In accordance with the supply agreement, there is a minimum annual order purchase amount of A\$1.4 million of 80Less™ by Rex in the financial year ending 31 December 2020 (“FY2020”). The supply agreement with Rex represents the first commercialisation of 80Less™ by Holista Biotech which has also received expressions of interest for this product from six other companies.

“Holista Biotech has demonstrated R&D leadership and ability to commercialise a product which can reduce sugar intake by up to 50%. Apart from helping food manufacturers achieve healthier labelling and low-sugar or sugar-free certification, 80Less™ also offers the advantage of helping such

manufacturers lower costs of raw materials and related logistics,” said Dr Rajen Manicka, the founder and CEO of Holista.

This announcement has been approved for release by all members of the Holista Board.

Authorised by:

Dr Rajen Manicka
Managing Director

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About Holista CollTech Ltd

Holista CollTech Ltd (“Holista”) is a natural wellness company, the result of a merger between Holista Biotech Sdn Bhd and CollTech Australia Ltd. The company has 3 main divisions:

- Dietary supplements and personal care
- Food Ingredients
- Ovine collagen

Listed on the Australian Securities Exchange (“ASX”), Holista researches, develops, manufactures and markets “health-style” products to address the unmet and evolving needs of natural medicine. 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 remains the only company to produce sheep (ovine) collagen using patented extraction methods.

For more information, please refer to <http://www.holistaco.com>

For further information, please contact:

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