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ASX Announcement

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HOLISTA ANNOUNCES SYDNEY UNIVERSITY TEST RESULTS FOR HEALTHIER TORTILLA, TO ACCELERATE GLOBAL MARKETING OF FLATBREADS IN PARTNERSHIP WITH MALAYSIA-LISTED KAWAN FOODS

PERTH/ KUALA LUMPUR, 3 June 2020 – The Food Ingredients division of Holista Colltech Ltd (ASX:HCT, “Holista”) announces today that scientific validation from the Sydney University has rated its proprietary all-natural GI Lite™ formula for tortillas, with a Low Glycemic Index (“GI”) reading of 54, which is at least 30% lower and healthier compared to traditional versions of flatbreads sold around the world.

The study was conducted to determine the glycemic index (GI) value of one Tortilla product in 10 healthy adults and was completed according to the International Standard methodology for the determination of the GI of foods (ISO/FDIS 26642:2010). Foods and beverages with a GI value of 55 or under are currently classified as low GI products.

The results from the Sydney University Glycemic Index Research Service (“SUGiRS”) will now enable the Company to accelerate its marketing efforts of low-GI tortillas among the flatbreads in international markets including the United States and China.

Holista has an existing partnership with Bursa Malaysia-listed Kawan Food Berhad (“Kawan Food”) to develop the low-GI flatbreads which are currently sold in Malaysia as roti canai, a favourite local staple.

SUGiRS’ reading of 54 for GI Lite™ tortilla indicates that the patented, plant-based formulation can lower the GI of flatbreads by between 30% to 40% compared to similar flatbreads, without using chemicals or altering the mouth-feel, and with minimal changes to the production process.

The GI measures a food’s impact on blood sugar. A lower GI is healthier as more time is taken to digest and absorb glucose. A higher GI spikes up blood sugar levels, causing diabetes and increasing the chances of obesity, stroke and heart disease.

Holista, has previously announced to ASX on 16 January 2019, titled ‘Two Malaysian companies to develop breakthrough low GI Roti Canai’, a partnership with Kawan Food (which exports frozen food to over 40 countries) to develop a range of healthy Asian flatbreads. Since then, Kawan Food’s low-GI roti canai (roti prata) using GI Lite™ has been selling well in Malaysia.

As previously announced to ASX on 9 October 2019, titled ‘Flatbreads successfully tested as low-GI by University of Sydney’, SUGiRS’ scientific validation of the roti canai and chappati flatbreads was a reading of 50 for chappati and 53 for paratha, a famous Malaysian flatbread which is also known as roti canoi.

To date, Kawan Food placed maiden orders in September 2019 for low-GI roti canai sold in Malaysia amounting to A\$74,000 with a further order received on 24 December 2019 for A\$270,000. Kawan is expected to order a further A\$285,000 before June 2020 with total orders of A\$1,000,000 by December 2020, which will then satisfy Kawan Foods first year sales commitment of A\$1million.

With the scientific validation from SUGiRS, Kawan expects to launch the low-GI tortilla in the United States and China in the fourth quarter of 2020. The earlier plans for the launch were delayed by movement restrictions imposed due to COVID-19.

The low-GI flatbreads will be produced at Kawan Food's manufacturing plant in Pulau Indah, near Malaysia's capital Kuala Lumpur.

According to an October 2019 article from Report Linker, the worldwide tortilla market is projected to grow at a compounded annual rate of 4.9% to US\$14.5 billion by 2025, propelled largely by a 7.8% annual growth rate for flatbread wraps in China. The report estimates the U.S. market for tortillas to maintain its growth at 3.8% per year due to the rising popularity of Mexican cuisine.

Holista's U.S. subsidiary Holista Foods will continue to work with Kawan Food to widen distribution channels in North America.

Dr Rajen Manicka, CEO of Holista Colltech, said "The SUGiRS test result for GI Lite™ tortillas is a major catalyst for our Food Ingredients business, adding to our line-up of healthy bread, noodles and sugar. The global flatbread market is growing rapidly due to lifestyle and food trends. With the test results from a world-renowned institution, we will accelerate efforts to offer healthier versions of flatbreads at a time of rising obesity and incidence of diabetes.

"As consumers spend more time at home, they want easy-to-eat solutions. Our low-GI flatbreads provide a healthier but a tasty alternative," he added.

Mr Timothy Tan, Managing Director of Kawan Food, said, "The low-GI tortilla is being unveiled to the world at a time when stay-at-home restrictions have driven up demand for food products worldwide. With a lack of exercise amid the lockdowns, our partnership with Holista offers a tasty and healthier alternative."

This announcement has been approved by Holista Colltech Ltd.

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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>

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