

**ASX Announcement****8 April 2020****ACHIEVEMENT OF PERFORMANCE RIGHTS MILESTONES**

**Holista CollTech** (ASX:HCT, “Holista”) is pleased to announce today the achievement of the Company’s first two performance milestones.

The first milestone performance condition (Class A Performance Right), is defined as being satisfied upon the Company signing a binding agreement for the sale, distribution, licensing and/or manufacturing of at least 3 Low GI Products and the transfer of all the related patents to the company.

This milestone has been exceeded with the commercialisation of 5 products.

1. Noodles
  - a. Refer to ASX announcement dated 22 February 2018, titled ‘Holista secures first confirmed order to supply patented mix for low GI Noodles’.
    - i. Secured maiden orders of US\$250,000 from Wing’s Food Products, North America’s leading noodle supplier.
  - b. Refer to ASX announcement dated 5 July 2018, titled ‘ASX Listed Holista to export low GI Noodles to China...’.
    - i. Execution of an agreement to export its patented low GI Noodles to China.
2. Pasta (Amazon and sales with US retail sales)
  - a. Refer to ASX announcement dated 25 June 2018, titled ‘Clean-Label low GI Noodles developed by ASX Listed Holista and Wing’s Food, now sold on Amazon.com’.
    - i. Low GI Noodles and Pasta offered in US and Canada using Amazon as the sales platform.
  - b. Refer to ASX announcement dated 26 November 2018, titled ‘Appointment of distributor for low-GI pasta for Canada’.
    - i. Hilary’s Salesmaster appointed as exclusive distributor in Canada for low GI pasta products.
3. Linguini & Spaghetti (Amazon and US retail sales)
  - a. Refer to ASX announcement dated 5 November 2019, titled ‘Holista’s US subsidiary Holista Foods Inc. wins 2019 USA taste championship award of excellence for two low-GI pastas’.
    - i. Won the award of excellence for two variants of pasta – spaghetti and linguine under the “Low GI pasta” category which are sold through Amazon. To supplement this, a Canadian-based distributor for the noodles was appointed to increase market presence in North American retail stores.
4. Roti Canai (Kawan Food – Malaysia and Singapore)
  - a. Refer to ASX announcement dated 16 January 2019, titled ‘Two Malaysian companies to develop breakthrough low GI Roti Canai’.

- i. Partnership with Malaysian-listed Kawan Food Berhad (“Kawan Food”) to produce health Asian flatbreads, including roti canai and chappati, for local and international markets.
    - ii. Maiden sales in September 2019 of A\$74,000 as part of Kawan first year sales commitment of A\$1million (trial run before commercialisation). It was a deemed commercial sale after the low-GI validation was received from University of Sydney (see 4.b below) with an order of A\$270,000 received on 24 December 2019.
    - iii. The product is now on Malaysian shelves
    - iv. Shipments to the US have been initiated
  - b. Refer to ASX announcement dated 9 October 2019, titled ‘Roti Canai and Chappati Flatbreads developed in Malaysia receive coveted low-GI validation from University of Sydney.’
    - i. Both low-GI flatbreads to be launched in Malaysia and the US by end of 2019.
  - c. The validation of low-GI status and commercial sales of two products to Kawan Foods was considered as satisfaction towards the performance milestone.
- 5. Chappati (Kawan Food – Malaysia and Singapore)
  - a. As above in item 4.

Class A Performance Rights were technically achieved on 24 December 2019 upon the validation of low-GI status of the Roti Canai and Chappati flatbreads and upon the first commercial sales to Kawan Foods.

The second milestone performance condition (Class B Performance Right), is defined as being satisfied upon the Company securing patents associated with its Low GI Products. This has been achieved with patents having been issued and then were transferred to the company:

1. Singapore patent # 172214, being for a product to reduce glycemic response of carbohydrate based food (issued: 13<sup>th</sup> April 2012)
2. Europe patent # 2378899, being for a product to reduce glycemic response of carbohydrate based foods (issued: 27<sup>th</sup> March 2013)
3. Japan patent # 5552721, being for a product to reduce glycemic response of carbohydrate based food (issued: 6<sup>th</sup> June 2014)
4. United States patent # US862881, being for a product to reduce glycemic response of carbohydrate based food (issued: January 14<sup>th</sup> 2014)
5. Australia patent # 2009334010, being for a product to reduce glycemic response of carbohydrate based food (issued: 8<sup>th</sup> January 2015)
6. Philippines patent # 1-2011501260, being for a product to reduce glycemic response of carbohydrate based food (issued: 29<sup>th</sup> April 2018)

The Malaysian patented was issued late last year and is in the process of being assigned to the company in April 2020.

Class B Performance Rights were technically achieved in April 2017, upon the transfer to the Company of all Low-GI patents from their inventors (including Dr Rajen Manicka). There were some additional patents registered after this time and more patents may be registered in the future, in additional

countries. The performance condition description was not specific on the number of countries for the Low-GI patents to be registered. The Board decided at the time, that they would not approve the Class B Performance Rights to vest, until all the milestones for Class A Performance Rights had been achieved.

In accordance with the Performance Rights Plan, as approved by shareholders on 9 January 2017, the achievement of a Performance Condition is to be determined by the Board, with the Rights only converting as soon as the achievement of the relevant performance condition has been determined.

No previous announcements have been made to the ASX on the achievement of the Performance Rights Milestones.

Final approval for the Performance Rights conversion was received at a recent board meeting, only after extensive discussion and validation of the performance rights were reviewed. It was only at this time, after the board were satisfied that Class A and Class B Performance Rights milestones were achieved, that the board then agreed to approve the conversion. The Board were unable to convene a meeting earlier or around the time of the last milestone being achieved, on 24 December 2019, to approve the performance rights for various reasons. COVID-19 then took priority over any other matters and the Board were not able to meet. The Board convened at the end of March whereby the Performance Rights were approved for conversion.

Reaching these performance milestones results in the vesting of 3,600,000 Class A Performance Rights and 2,700,000 Class B Performance Rights to Ordinary Fully Paid Shares, and will be issued to Dr Rajen Manicka.

The Share allotment has been included in an Appendix 2A to be lodged with ASX today.

Authorised by:

Stuart Usher  
**Company Secretary**

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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 – a patented blend that can make most baked foods become low glycemic
- - Ovine collagen – suitable as cosmetic, food, and research- grade 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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