

1 August 2016

## **FOLLOW UP Q&A TO HOLISTA FOODS ANNOUNCEMENT ON 12 JULY 2016**

The Board of Directors of Holista CollTech Limited (“Holista” or “the Group”) refers to its announcement dated 12 July 2016, “Celebrity cook and author Nadja Piatka partners Australian-listed Holista to promote low-GI white bread and baked products in North America”, and wishes to provide the following clarifications and updates:

### **1. What is Nadja Foods?**

Nadja Foods LLC (“Nadja Foods”) is a U.S.-based food manufacturer with operations in the U.S. and Canada. Nadja Foods supplies healthy snacks and deserts to the food service industry, restaurant chains and retail stores under private label and brand products. Customers have included Subway Restaurants®, McDonald’s®, Sodexo®, Wegmans®, Price Chopper, Tops, schools, healthcare facilities and others.

### **2. Who is Nadja Piatka?**

Nadja Piatka is the founder and President of Nadja Foods. She is also the founder of the *Ultimate Girls Getaway* and the author of two best-selling books. Nadja Piatka has appeared on many TV programmes including the Oprah Winfrey show.

As a single mother, she baked muffins and brownies at home and tested them on her two teenage children. Soon after, she was selling homemade goods to local coffee shops. As her customer base grew, she commissioned a local bakery to outsource and deliver her products. Her business grew from a US\$100 investment started from her kitchen to an international supplier to the global food industry.

### **3. What is the structure of the Holista Foods joint venture?**

Holista Foods will be 49% owned by Holista and 51% owned by Nadja Foods. The Company will be based in North America.

### **4. What is the joint venture about?**

Holista will partner Nadja Foods to promote its low-GI reducer for white bread and baked products in North America. This joint venture will allow both parties to tap on each other’s expertise. Holista will leverage on Nadja’s established reputation and

network to develop and market healthy low-GI baked goods for distribution to fast food companies, food service providers, retailers, schools and hospitals. Nadja Foods will tap on Holista's breakthrough natural formula to revolutionise the baked goods industry.

**5. When did operations for Holista Foods commence?**

Operations began on 12 July 2016.

**6. What is low-GI?**

*According to the University of Sydney, "the glycemic index (GI) is a ranking of carbohydrates on a scale of 0 to 100, according to the extent to which they raise blood sugar levels after eating. Foods with high-GI are those which are rapidly digested and absorbed, and result in marked fluctuations in blood sugar levels. Low-GI foods, by virtue of their slow digestion and absorption, produce gradual rises in blood sugar and insulin levels, and have proven benefits for health. Low-GI diets have been shown to improve both glucose and lipid levels in people with diabetes (type 1 and type 2). They have benefits for weight control because they help control appetite and delay hunger. Low-GI diets also reduce insulin levels and insulin resistance."*

More information on GI is available on: <http://www.glycemicindex.com/about.php>

**7. Where can I find Holista Foods' low-GI reducer products?**

Holista Foods' GI-reducing products will be sold via a business to business model. Holista Foods does not have its own consumer brands but will supply the relevant ingredients of bread and bakery products to B2B customers, such as food manufacturers or food chains.

Holista Foods expects its GI-reducer product to hit the North American market in 2017.

**8. Has Holista worked with Nadja Foods before the joint venture?**

In March this year, Holista announced a partnership with Nadja Foods to develop and distribute a range of healthy low-GI muffins exclusively for the U.S. and Canadian market. According to a 2014 study by research organisation Nielsen, in the U.S., muffins alone (frozen and baked) are in excess of US\$1.0 billion in retail sales (all

outlets combined including convenience stores). Following this partnership, Holista extended the scope of its exclusive arrangement with Nadja Foods to include brownies, croutons and bagels, all inclusive of its proprietary clean label low-GI reducer mix.

#### **9. Why did Holista choose to go into a joint venture with Nadja Foods?**

Holista has been working closely alongside Nadja Foods in the last months before the joint venture was formalised. The Group believes that this long-term partnership will give both parties the opportunity to tap on each other's expertise to bring a healthier product to the market amidst the rising anti-carbohydrates sentiment. Holista believes that the network, access to and track record with North American food manufacturers and restaurant chains will be a major factor in accelerating market acceptance of its food ingredients, starting with the GI reducer.

#### **10. What does this joint venture mean to Holista?**

Holista is excited by this landmark partnership as the Group establishes itself in a new region. This joint venture will lay the foundation for Holista as it positions itself as the world's first low-GI foods carrier.

Holista Foods intends to work with partners who manufacture and supply the vast food service and retail food industry in North and South America through Nadja Foods established industry relationships, customers, marketing expertise and local presence.

#### **11. Why North America?**

According to market research, North America is the largest baked goods market in the world at an estimated US\$37 billion with a growth rate of 2% a year. The increasing consumption of white flour-based products is also leading to metabolic syndrome, a health pandemic which includes symptoms such as obesity, type-2 diabetes and heart disease in the U.S. Recent studies have also shown that the primary source for this stems from baked goods which are mostly wheat based.

#### **12. What is Holista Foods' growth strategy for its business in North America?**

The Company will focus on developing and marketing low-GI baked goods for distribution to fast food companies, retailers, schools and hospitals.

The Company has started trials with some players. With the growing awareness in North America of the health benefits of low glycaemic food, low-GI products will soon be the next big item for consumer demand. Holista Foods' on-the-ground presence will accelerate market penetration of Holista's clean label GI reducer to position it as the leader in low-GI for North America.

**13. What products will Holista Foods be distributing?**

Holista Foods will promote its low-GI reducer for white bread and baked products. Holista's breakthrough natural formula, when added to white flour, dramatically reduces blood sugar levels without changing the taste or texture of the final product. This reducer will be used in the products to be distributed to Holista Foods' customers in North America.

**14. How will this collaboration contribute to a healthier food choice for consumers?**

Baked goods are the top source of high-GI foods in the modern diet. High-GI foods rapidly converts itself to sugar, spiking blood sugar levels in the body that lead to heart disease, diabetes and obesity over time.

With North America being one of the largest regions for this market, Holista Foods brings to consumers a healthier choice without altering the taste or texture of the final baked product. Leveraging on Nadja Foods' established reputation and network, Holista believes that this collaboration will revolutionise North America's food industry.

**15. Is Holista Foods planning on expanding into any other regions?**

The Company is currently focused on North America as it has one of the largest growing baked goods markets in the world. The Company is exploring the possibility of expansion to South America.

**16. What will be the greatest challenge for Holista Foods?**

The Company foresees stiff competition in North America as it is one of the biggest markets for baked goods. However, the Company believes that consumers will be able to see a differentiating value in Holista Foods and align strategies with the vision to revolutionise North America's food industry without compromising taste and quality.



### **About Holista CollTech Ltd (HCT)**

Holista CollTech Ltd (“Holista”) is a research-driven biotech company and is the result of the merger of Holista Biotech Sdn. Bhd. and CollTech Australia Ltd. Headquartered in Perth with extensive operations in Malaysia, Holista is dedicated to delivering first-class natural ingredients and wellness products and leads in research on herbs and food ingredients

Holista, listed on the Australia Securities Exchange, researches, develops, manufactures and markets “health-style” products to address the unmet and growing needs of natural medicine. It is the only company to produce sheep (ovine) collagen using patented extraction methods, and is on track in nanonising and encapsulating liposomes for the ovine collagen. Holista has suite of ingredients that is capable of serving the industry to provide low-GI baked products, low sodium salt, low fat fried foods and low calories sugar without compromise in taste, odor and mouth feel.

For more information on Holista: [www.holistaco.com](http://www.holistaco.com)

### **About Nadja Foods**

Nadja Foods supplies great-tasting healthy snacks and desserts to the food service industry, restaurant chains and retail stores under private label and brand products. Customers have included Subway Restaurants®, McDonald’s®, Sodexo®, Wegmans®, Price Chopper, Tops, schools, healthcare facilities and others. Manufacturing facilities are located in the U.S. and Canada.

Nadja Piatka is founder and President of Nadja Foods. Its reputation for producing great tasting healthy food resulted in the creation of innovative successful products for leading fast food restaurants – McDonald’s and Subway. Nadja has appeared on many TV shows, including the Oprah Winfrey Show and The Big Idea with Donny Deutsch.

For more information, visit [www.nadjafoods.com](http://www.nadjafoods.com)

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