

The appeal of tasty dietary supplements and chewable drugs has meant a Derbyshire firm has become the first new company this year to float on the alternative investment market. **Oliver Astley** speaks to Oxford Nutrascience boss Nigel Theobald.

Money plus a smart idea to help the medicine go down

GENERATIONS of children were scarred by the foul taste of pure cod liver oil, while millions worldwide struggle to swallow tablets or chalky calcium supplements.

One Derbyshire company believes it has the technology to solve all of these issues – and now has the financial clout to do so.

Oxford Nutrascience, based in Melbourne and with a laboratory in Oxford, floated on the alternative investment market (Aim) last month, raising over £1m after issuing 62.8 million shares at 1.75p.

Those shares have since risen to 3.38p, giving it a value of £15.68m – not bad for a company only formed a couple of years ago.

One of its claims to fame is that it is the first to produce a low-calorie chew that tastes good and delivers vitamins and Omega 3, a fatty acid with proven health benefits, but not the fishy taste of cod liver oil.

It has a patent pending on its unique prebiotic soluble fibres,

Once we get through the process we will have a very successful product.

the magic ingredient that enables nutritional supplements and medicines to be incorporated into the chews.

These fibres are naturally sweet and so adding sugar to medicines or supplements is unnecessary.

The alternative investment market is home to many technology companies with new technology and big ideas.

But there is one thing that differentiates Oxford Nutrascience from other fledgling technology firms floated on Aim.

Chief executive officer Nigel Theobald said: "The fact that we already have a product on the shelves really counts in our favour."

Ellactiva calcium chews are sold in Boots stores across the UK and represent a major high street presence for the company.

The market is one that Nigel knows well, having worked for Boots for over a decade on the development and launch of new products.

He and Marcelo Bravo, non-executive chairman of Oxford Nutrascience, were involved in developing the Ellactiva chew back in 2004 and helped to bring it to market a couple of years later.

They saw further potential for the technology that could allow half of an adult's recom-

mended daily calcium intake to be incorporated into a chocolate-flavoured chew so they bought the company.

Nigel said: "What interested us was the brand and the patent and the possibility to expand the portfolio of products."

"Standard vitamins like A, C and E are easy to work with and can be put in a jelly format but calcium and Omega 3 are more difficult.

"If you put calcium into a jelly then it will be gritty and unpleasant and Omega 3 will taste fishy," he said.

The flotation of the company has given it the best part of £1m to take its products worldwide, targeting the Middle East and Brazil.

Nigel estimates that this is enough working capital for the next three years, by which time the products will have realised some of their potential.

The Brazilian market is one that the business is paying particular attention to.

Nigel said: "The Brazilian economy is expanding.

"There is a strong market for self-medication and there is concern that people are not getting enough calcium.

A lot of people have difficulty swallowing tablets. It's a condition called dysphagia.

"We believe it could be hugely successful. We have been working for a while with the Brazilian health authorities to get a licence for the calcium chews."

This month Nigel will again travel across the Atlantic to work towards a licence.

"You cannot just turn up in

Brazil or the Middle East and start marketing supplements and medicines.

"It takes a long time to get supplements and medicines licensed but the rules and regulations are there for a reason and after 20 years in healthcare, I'm used to the frustrations involved.

"Once we get through the process we will have a very successful product," said Nigel.

It also sees great potential for its products in Scandinavia, Italy, France and Spain, licensing products to large well-known brands being central to its business plan.

Another part of the plan is to work with researchers and get innovative products on the market earlier.

"There are lots of interesting projects going on but between research and commercial

launches there is sometimes a big gulf.

"Talking to people about their research, you often wish they'd told you about their work much earlier," said Nigel.

Beyond the fruit chew that delivers the nutritional benefits of 250ml of cranberry juice and the calcium chews, the business is involved in medicines, as its prebiotic fibres can be mixed with active ingredients to make chewable tablets.

"A lot of people have difficulty swallowing tablets. It's a condition called dysphagia and is a real problem.

"Our technology allows us to incorporate medicines in a pleasant chewable format," said Nigel.

The hope is that the world's pharmaceutical companies will see Oxford Nutrascience's Chewitabs as a convenience

product. Work has already taken place to produce chewable antihistamines.

"Our thinking was that this is a better format for medicines because a lot of people don't like taking tablets or might not have a glass of water to hand.

"People are getting older and

We have been working for a while with the Brazilian health authorities to get a licence for the calcium chews.

want to choose how they take their medicines and we believe that this is part of a larger trend," said Nigel.

The firm can also create suspensions with its prebiotic fibres which allow active ingredients to be mixed without the need for traditional sur-

factant and stabiliser ingredients.

The advantage that this has is that it makes the Melbourne firm's products easier and cheaper to produce, making it more likely to attract the attention of the big boys of the pharmaceutical industry.

Of course, researching and developing new products for the competitive and highly-regulated pharmaceuticals and supplements market is hugely costly process.

Oxford Nutrascience last year made an operating loss of £174,000 on revenues of £36,000.

However, given the worldwide market for vitamin and mineral supplements is worth some £13bn and the company has products both in the shops and in development, it is not something that investors have found too hard to swallow.

CHOOSE TO CHEW: Chief executive of Oxford Nutrascience Nigel Theobald holding a selection of their products.

Picture: Ian Hodgkinson
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