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Holista Colltech (ASX:HCT) to satisfy Malaysia’s sweet tooth with \$1.4M 80Less contract

ASX:HCT MCAP \$32.28M



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CEO, Rajen Manickavasagar
 Sourced: The Sun Daily

- Biotech company Holista Colltech (HCT) has locked in its first contract for its "80Less" sugar substitute product
- The product is essentially a far sweeter form of ordinary sugar – meaning a lower amount of the product is needed to create sweet treats
- According to Holista Colltech, one spoon of 80Less can replace five spoons of ordinary sugar with the same end result
- Under today’s contract, Holista Colltech will supply an annual \$1.4 million worth of 80Less to Malaysia-based Rex Industry Berhad
- The contract will last for five years
- Holista Colltech shares have gained over eight per cent today, worth 13 cents at lunchtime trade

ASX-listed biotech company Holista Colltech (HCT) is has taken a break from fighting the coronavirus to sign maiden contracts for its 80Less sugar formula.

The product was announced in February 2019 as a low-glycemic index (low GI) substitute to ordinary sugar. Today, the company has locked in a five-year deal with Malaysia-based Rex Industry Berhad, who will be including 80Less as a key ingredient in a new range of low-sugar drinks.

Under the contract, Rex Industry will need to buy up at least \$1.4 million worth of the product before the end of 2020.

The 80Less formula is a blend of sucrose, which is more commonly known as table sugar, and sucralose, which is an "intense" sweetener also derived from sugar cane.

This, of course, begs the question: how can a product derived from sugar and sugar cane be branded as "low-sugar"?

Quality, not quantity

Holista Colltech claims that 80Less is essentially a far sweeter form of sugar. The product is designed to achieve the same results as sugar but with a lower dosage.

On a gram-for-gram basis, one gram of 80Less can replace five grams of sugar. This means that for companies creating sugary treats, every five spoons of ordinary sugar can be replaced with one spoon of 80Less for the same end result.

Holista Colltech insists 80Less tastes like sugar but without the unpleasant aftertaste that's often associated with substitute sweeteners. Further, the product has 80 per cent fewer calories than ordinary sugar can still be used in baking and other high-temperature situations.

Importantly, the product is much cheaper than ordinary sugar given the small volumes needed to achieve the same effects.

Skinny clients, fat wallets

While 80Less is branded as a healthier alternative to ordinary sugar, a key motivation for the product's creation seems to be avoiding the health tax.

Malaysia was one of the first countries in Asia to introduce a sugar tax to fight obesity and diabetes. The tax came into effect in July 2019.

Almost 17 per cent of Malaysians aged 20-to-79 suffer from either Type 1 or Type 2 diabetes, and as such the local government has taken some steps to reduce its citizens' sugar intake.

With 80Less, the sugar content is so low that its products fly below the taxable amount of sugar content. For example, Rex Industry's new range of drinks will have a certified sugar content below 4.99 per cent – meaning they provide the same sweet satisfaction while avoiding the new tax regime.

Holista Colltech founder and CEO Dr Rajen Manicka said the ability to commercialise such a low-sugar product is a testament to the company's research and development abilities.

"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," Dr Rajen said.

Rex Industry represents the first 80Less commercial contract to be signed by Holista Colltech, but the biotech company said it has received "expressions of interest" for 80Less from six other companies.

HCT shares have gained 8.33 per cent today. At lunchtime AEDT, shares are trading for 13 cents each in a \$34.98 million market cap.