Biomix RECEPTOL global business Plan

1. **MANUFACTURING COSTING**
   Plant Details

A. Cost of the building and infrastructure a — USD 10mn

B. Cost of Plant & Machinery listed below — USD 8.5mn

1. Merc Millipore Ultra Nano Filtration systems (10) 2. Vacuum Powder Drying machines (5)
3. Puf Panel
4. Vibro Sifter
5. S.S.Bins (3)
6. S.S.Trolley (3)
7. S.S.Table (2)
8. Trolley (2)
9. Pump, Flexible Pipe
10. Eco-Fans (2 Nos)
11. Tank (2000 Ltr)
12. Piping Cost
13. Flooring
14. Tiles
15. Cream Separator
16. PHE – 1
17. Cheese Vat
18. Whey IT SS
19. Colostrum Milk Collection Tank
20. Hot Water Pump
21. Cheese Vat Pump
22. Whey IT Pump
23. Chiller Pump
24. Chiller
25. Milk Collection Tank Pump
26. Hot Water Battery
27. Whey Storage tank
28. Whey Storage tank pump
29. Laminar Air Flow
30. Incubators (3)
31. Hot Air Oven
32. ph Meter (all range)
33. Biological Incubators (2)
34. Autoclave
35. UV Water

Purification System
36.Refrigerators (4)
37.Bulk Chiller
38.Hot Plate
39.Hand Dryer
40.Hygiene Meter
41.Filter 1 & 2
42.Bulk Chiller
43.Pre Filtration
44.Balance Tank 1 & 2
45.CIP Tank
46.Turn Table 1 & 2
47.Bottle Filling Machine
48.Labeling Machine
49.Blister Packing Machine
50.Induction Sealing Machine
51.Bottle Cleaning Machine
52.Weighing Balance 1kg. & 50kg. 53.Bulk Filling Machine
54.Inspection Table 1 & 2
55.UF - 1 System
56.UF - 2 System
57.Stability Chamber
58.Weighing Balance
59.Kjeldal protein analysis system 60.Ultrasonic (Sonictor)
61.Vacuum Pump
62.AHU & FCU
63.Air Curtain
64.LG Split A.C.
65.0.2 Micron + Housing
66.1 Micron Filter + Housing 67.S.S. Fabrication Work
68.Waters HPLC System
69.Stability Chamber
70.Image Printer
71.Pump (CIP Tank)
72.Vernier Caliper
73.Water Vacuum pump (Diesel) 74.Magnified Glass (Small) 75.Magnified Glass (Big)
76.Drainage Pump
77.Stirrer industrial
78.Product pump BC-1
79.Final Pump
80.Furniture & Fixtures
81.Furniture & Fixtures
82.Computer
83.Computer
84.Electronic Equipment's Control Panel
85.Electronic Equipment (Misc.) 86.Electronic Equipment ISI Flexible Cable
87.Lab Instrument (Glassware) 88.Lab Instrument (LAF)
89.Office Equipment (Thermocole Sheet etc.)
90.office Equipment (Aluminium door, partition etc.)
91.Lab Instrument (HPLC Column) 92.Plant & Machinery (POP work & other work)
93.Lab Instrument (Air Curtain) 94.Plant & Machinery (Sealing M/ C)
95.Lab Instrument (Misc.)
96.Plant & Machinery (Pipe Work) 97.Lab Instrument (Misc.)
98.Plant & Machinery (Filter Housing & Cartridge)
99.Plant & Machinery (UV lights) 100.Ultra pure RO water system 101.Lab Instrument (Autoclave102.Lab

C. Storage warehouse facility
Storage of Raw Material/Packing Material/Finished Product including -18degree Celsius dedicated deep freezer industrial Facility — USD 4mn

MANUFACTURING COST TOTAL — USD 22.5mn

2. **COST OF CRUCIAL RAW MATERIAL INVENTORY/STORAGE** — USD 5mn

3. **MARKETING & DISTRIBUTION COST**

Allen Kay – Advertising guru Hall of Fame — USD 15mn

4. **TECH TRANSFER & LICENSE FEES** — USD 10mn

5**. WORKING CAPITOL** (Admin, Salaries, etc.) — USD 7.5mn

TOTAL OPERATIONAL COSTS — **USD 60mn**

Cost of Marketing and Distribution** Marketing Sales and Distribution cost includes Promotion, Advertising, Joint venture company team (3 senior VPs and consultants for manufacturing, marketing & liaison with marketing partners, office overheads, travel and government regulatory expenses) Promotion & Advertising Cost – 1 million dollars for the first 12 months with Recurring cost of 5% thereafter via one of the top US Media agencies like Fleishman Hillard & GWA (Gregory Weltered Advertising). This includes Cost of Digital marketing, Radio, Local TV, Doctor Awareness Programs via CMEs (Continuous Medical Education) at major hospitals and medical schools across USA. Out of the first year's promotion cost, USD 250,000 will be spent on Creative Concept Selling, Logos, Advertisements, Billboards, Social Media Pitch to be done one month before the launch of the product.

Product Costing for marketing, sales & distribution: Retail Price across north America – 19.99 US $ as per breakup below 1. Cost of Product – 7.0 $ 2. Cost to Marketing Partners – (30 % of retail price) 6.0 $ Includes- Cost of Personnel (14 % of retail price), Cost of Travel, Liabilities and Contingency 3. Retail &

stockists Outlets – (20% of retail price) 4.0 $ 4. Logistics – (4 % of retail price – Inbound + Outbound). 0.8 $ 5. Insurance – (1% of retail price) 0.2 $ 6. Breakage – (1% of retail price) 0.2 $ 7. Contingency – (1% of retail price) 0.2 $ 8. Government Levies – (8 % of retail price) 1.6 $

Total **20.0**

MARKETING PLAN & STRATEGY

As per Global Market Research conducted by IPSOS USA along with Glaxo Consumer Health per details below we have selected FMCG Health & Nutrition MNCs like Abbott Nutrition & Pfizer to market our product

Name of Store/Company (OTC Sales)	Number of stores in US	Number of stores in Canada	Expenses
Amazon	Online Presence	Online Presence	30% of Sales
Indian Stores via Dabur International	2778	1250	30% of Sales
Walgreens	9277		30% of Sales
Walmart Pharmacies	4756	408	30% of Sales
Rite Aid	2458		30% of Sales
Costco	551	100	30% of Sales

Financial Per Global Market Research By IPSOS* / Glaxo

USD Million

Financial Year	2021	2022	2023	2024	2025
Unit Sales Receptol Liquid (million) unit price USD 7	7	15	36	51	66
Value Sales	50	105	252	352	458
Unit Sales Receptol Powder (ton)	-	200	480	672	874
Value Sales	-	20	48	68	88
Total Revenue	50	125	300	420	546
Y-O-Y Growth		108%	140%	40%	30%
Cost of Product (Transfer Price to JVC)	28	72.94	167.2	231.2	298.7
Expenses**	10.3	12.36	14.83	17.8	21.3

Assumptions: Cost of production – Transfer Price from excide pharma to Joint venture 4 USD for Receptol oral spray and actual conversion cost for the powder thereof. Joint venture will sell at USD 7 to marketing and distribution companies Retail Price of USD 19.99.

WORST CASE SCENARIO

Financial Year (All $ figures in millions)	**2021**	**2022**	**2023**	**2024**	**2025**
Unit * Sales (in millions)	2.1	5.1	7.3	9.4	11.75
Value Sales	$ 15	$ 36	$ 50	$ 65	82.25
Unit Sales Receptol Powder (ton) for biscuits	28.6	68.6	96.0	124.9	140.5
Value Sales	$ 3	$ 7	$ 10	$ 13	14
Total Revenue	$ 17.86	$ 42.86	$ 60.00	$ 78.00	96.25
Y-O-Y Growth		140 %	40%	30%	25%
total cost of manufacturing per unit sales	$ 10.42	$ 23.89	$ 33.03	$ 42.67	53.22

Gross Margin	**$ 7.44**	**$ 18.97**	**$ 26.97**	**$ 35.33**	**43.03**
Operating Exp:					
- General & Admin Expenses:					
• Staff / Yr	$ 0.40	$ 0.50	$ 0.60	$ 0.70	$ 0.80
• Non People Exp (% of Sal)	$ 0.12	$ 0.15	$ 0.18	$ 0.21	0.24
• Office expenses	$ 0.11	$ 0.12	$ 0.13	$ 0.14	$ 0.15
• Audit Expenses	$ 0.12	$ 0.14	$ 0.16	$ 0.18	$ 0.20
- R & D Expenses:					
• Concept Prototype Expenses	$ 0.10	$ 0.10	$ 0.10	$ 0.10	$ 0.10
• Formulations	$ 0.10	$ 0.10	$ 0.10	$ 0.10	$ 0.10
• Samples	$ 0.06	$ 0.07	$ 0.08	$ 0.09	$ 0.10
- Selling Expenses:					
• Sales Support					
• National Shows	$ 0.50	$ 0.50	$ 0.50	$ 0.50	$ 0.50
• Brand Adv (Creative)	$ 0.20	$ 0.15	$ 0.10	$ 0.10	$ 0.10
• Media Advertising Expenses	$ 1.25	$ 1.50	$ 1.75	$ 2.00	$ 2.25

• Sales reps.					
- Base Salary, Fringes, T & E	$ 1.00	$ 1.25	$ 1.50	$ 1.50	$ 1.75
- Variable Commissions	$ 0.50	$ 0.63	$ 0.75	$ 0.75	$ 0.75
- Liability Insurance Expenses	$ 0.20	$ 0.30	$ 0.40	$ 0.50	$ 0.60
- Distribution Expense:					
• Transportation Expenses	$ 0.20	$ 0.30	$ 0.35	$ 0.40	$ 0.45
• Warehousing Expenses	$ 0.60	$ 0.70	$ 0.80	$ 0.90	$ 1.00
- Shared Services:					
• IT System (G/L Systems)	$ 0.15	$ 0.20	$ 0.10	$ 0.10	$ 0.10
• HR, Treasury, Tax, A/P, & Payroll	$ 0.15	$ 0.20	$ 0.10	$ 0.10	$ 0.10
• A/R & Program Management	$ 0.15	$ 0.20	$ 0.10	$ 0.10	$ 0.10
• Legal Expenses	$ 0.30	$ 0.35	$ 0.25	$ 0.25	$ 0.10
Total Operating Expenses:	$ 6.21	$ 7.46	$ 8.05	$ 8.72	$ 9.49
"Net Income Before Taxes"	$ 1.23	$ 11.52	$ 18.92	$ 26.61	$ 33.54
LESS: Taxes @ 30%	$ 0.37	$ 3.45	$ 5.68	$ 7.98	$ 10.00
"Net Income After Taxes"	**$**	**$**	**$**	**$**	**$**
	0.86	**8.06**	**13.25**	**18.63**	**23.54**

Assump&ons

* Unit Sales – 120-150 ml liquid in bo;le with dispenser or a box of 120-150 sachets of 1 ml

each***GLAXO IPSOS US GLOBAL MARKET RESEARCH ON**

RECEPTOL

Markets : India, UK, USA.

Sample Size : 800 respondents.

Target population: Households of SEC A in society consuming HFDs and FMCG products.

Product: RECEPTOL powder additive & Oral liquid spray using 2 Concepts (P & Q).

Concept P (50 % lesser infection)

Concept P – Clinically proven dependable immune power of RECEPTOL reduces common infections like those of stomach, nose and throat by up to 50%.

ITP index 100 and ITP score

• ITP index (Concept Performance vs Success Norm)

• ITP score (Maximum trial potential in % within target)

Concept Q (108 Immunity superchargers)

Concept Q : RECEPTOL powder packed with 108 immunity superchargers.

Builds protection against all Pathogen types- All Viruses, bacteria and fungi.

ITP index 97 and ITP score 39%.

Commercial Market Advantage

IPSOS studied Customer's perceptions towards two concepts of the RECEPTOL immune powder (as infection reducer & immunity super charger) and their willingness to buy HFDs (Health Food Drinks), and FMCG products with RECEPTOL as an additive or Standalone Oral Spray inside buccal mucosa.

RESULT:

The ITP index was around 97-100%, while the ITP score was around 39-40 in both of the above mentioned two concepts. Results indicated USD 5.6 Billion Market Potential for USA & USD 13 Billion Globally both as Nutraceutical & Safe Natural Drug per USFDA. RECEPTOL met mandate from 800 consumer families who were willing to use the product as standalone / add on to various immunity building foods including Health Food Drinks, Ice cream & Milk Products, Cereals, Soups, Juices, Sauces, Condiments, Jams, Ready Meals, Coffee & Tea . It can also be used in beauty & personal care category. Respondents agreed that both formulations of the product are much better than existing products in use. Science behind colostrum Nano-peptides to be most useful for health food drinks. 80% of the respondents surveyed were ready to pay a higher price if RECEPTOL ® were added to the products categories as compared to all current brands.