



Cost and Revenue Projections for ReGen Factor

20 November 2024

1. Assumptions

Cost Projections Assumptions

- **R&D Costs:**
 - Focus on continuous improvements in bio-identical rh-bFGF production.
 - Development of applications in wound healing, anti-aging, and hair regrowth.
- **Production Costs:**
 - Proprietary Bacillus and yeast-based systems enable production at **<10% of competitor costs**.
 - Economies of scale will further reduce unit costs.
- **Regulatory Costs:**
 - FDA and EMA filings for bio-identical rh-bFGF.
 - Pre-IND, IND meetings, and Phase 1–3 trials for diabetic ulcers.

Revenue Projections Assumptions

- **Market Penetration:**
 - Wound healing: Initial penetration at 2%, growing to 8% by 2030.
 - Anti-aging: Initial penetration at 0.5%, growing to 3% by 2030.
 - Hair regrowth: Initial penetration at 0.3%, growing to 1% by 2030.
- **Pricing:**
 - Licensing: 10% royalty rates on gross sales.
 - Direct product sales: Initial price point of \$100/unit for cosmeceuticals.
- **Geographic Expansion:**
 - Initial focus: Asia-Pacific.
 - Expansion into U.S. and EU markets post-FDA and EMA approvals.

2. Cost Projections

Category	2024	2025	2026	2027	2028–2030 (Annual Average)
R&D	\$3M	\$2.5M	\$2M	\$1.5M	\$1M
Production Infrastructure	\$5M	\$3M	\$1M	\$1M	\$0.5M
Regulatory Costs	\$2M	\$3M	\$5M	\$6M	\$3M
Marketing & Distribution	\$1M	\$2M	\$3M	\$4M	\$5M
Total Costs	\$11M	\$10.5M	\$11M	\$12.5M	\$9.5M (avg.)

3. Revenue Projections

Market Segment	2024	2025	2026	2027	2030 (Projected)
Wound Healing	\$0	\$5M	\$12M	\$25M	\$60M
Anti-Aging Skincare	\$0	\$2M	\$6M	\$12M	\$50M
Hair Regrowth	\$0	\$0.5M	\$2M	\$5M	\$15M
Licensing Revenue	\$0	\$3M	\$8M	\$15M	\$30M
Total Revenue	\$0	\$10.5M	\$28M	\$57M	\$155M

4. Key Metrics

Break-Even Analysis

- **Break-Even Year:** Expected in **2026**, based on the rapid uptake of wound healing products and licensing income.

Profit Margins

- Gross Margins: Estimated at **70%** due to cost-efficient production.
- Net Margins: Estimated at **40%** after R&D, regulatory, and marketing costs.

Revenue CAGR

- Projected **compound annual growth rate (CAGR): 50%** from 2025–2030, driven by expanding product lines and global market penetration.

5. Sensitivity Analysis

Scenario	Impact on Revenue	Adjusted 2030 Revenue
Accelerated FDA Approval	+20% growth	\$186M
Slower Market Penetration	-15% growth	\$131M
Higher Licensing Uptake	+25% licensing revenue	\$172M

6. Conclusion

- **Short-Term Focus:** Initial commercialization in wound healing and licensing revenue will drive early-stage growth.
- **Long-Term Potential:** Anti-aging and hair regrowth applications offer significant upside as cosmeceutical markets expand globally.
- **Investor Proposition:** By 2030, ReGen Factor projects revenues of \$155M with high profitability, underpinned by proprietary, cost-efficient bio-identical rh-bFGF technology.

This projection demonstrates a clear path to profitability and strong long-term returns, making ReGen Factor a compelling investment opportunity.