

Legacy beyond borders: an international
growth strategy for Devakam

Sapphire Consulting

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A global success story with local
roots

DVK can grow its international sales to meet the 2022 growth target of 20% international contribution



Laying the groundwork

How can we optimize the operating model between distributors to spur international growth?



Where to play?

Should we focus our international sales growth efforts on existing or new international markets?



How do we do it?

How do we grow brand awareness internationally and convert awareness into sales?

Recommendation Overview

By laying the appropriate distribution relationship groundwork for international growth and deploying it in correct markets we can achieve growth targets

1

Creating a distribution framework for international expansion

2

Entering Indonesia for it's untapped, sizable, growing market

3

Taking control of above-the-line marketing



Analysis

Measuring and benchmarking success

Key Goal: 20% international sales contribution by
2022

Measuring and benchmarking success

Key Goal: 20% international sales contribution by 2022



Number of Units

1,200,000 (100 mL units)

Sales (in THB)

120,000,000

Sales Increase

344% over FY 2019

Measuring and benchmarking success

Key Goal: 20% international sales contribution by

Constraining Factor

Time: We have an aggressive growth strategy and must develop a plan that attains our international growth target by 2022.

Our plan must be actionable, high impact, and growth focused

Number of Units

Sales (in THB)

Sales Increase

Takeaway box

Takeaway box

Takeaway box

Understanding our domestic success

What are our brand attributes?



Propelling domestic success

1

Category name status, high brand recall and consumer recognition

2

Moved from 16th to 4th place in total Thai market share

3

Product and branding is so superior that imitators are present in the marketplace

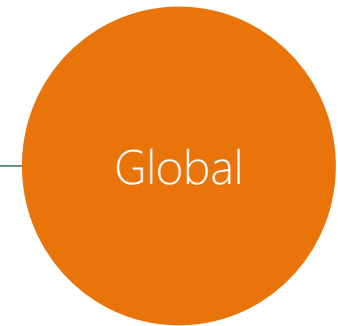
How can we export this success
abroad and drive international sales
growth?

Local customization vs global branding



Local
Customization

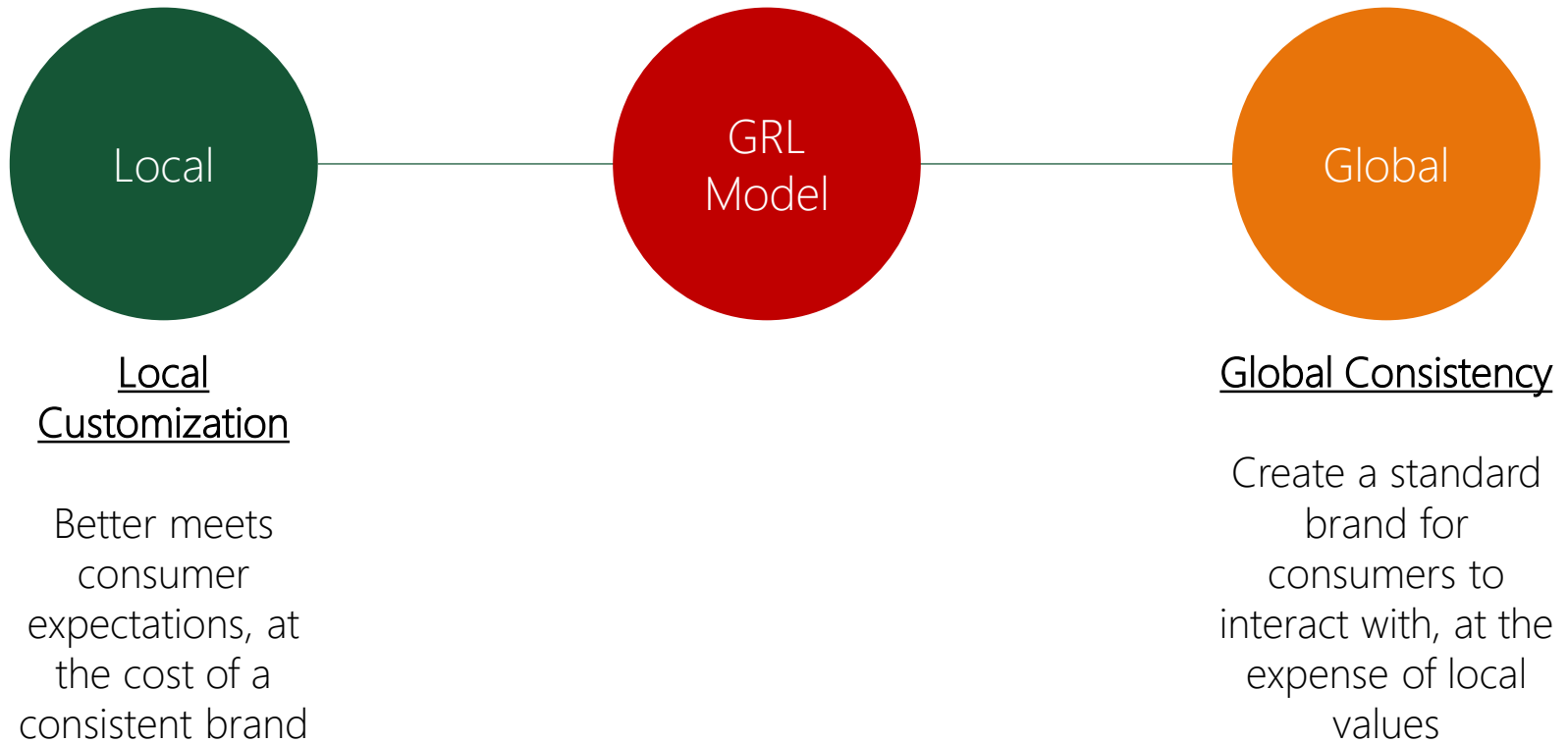
Better meets
consumer
expectations, at
the cost of a
consistent brand



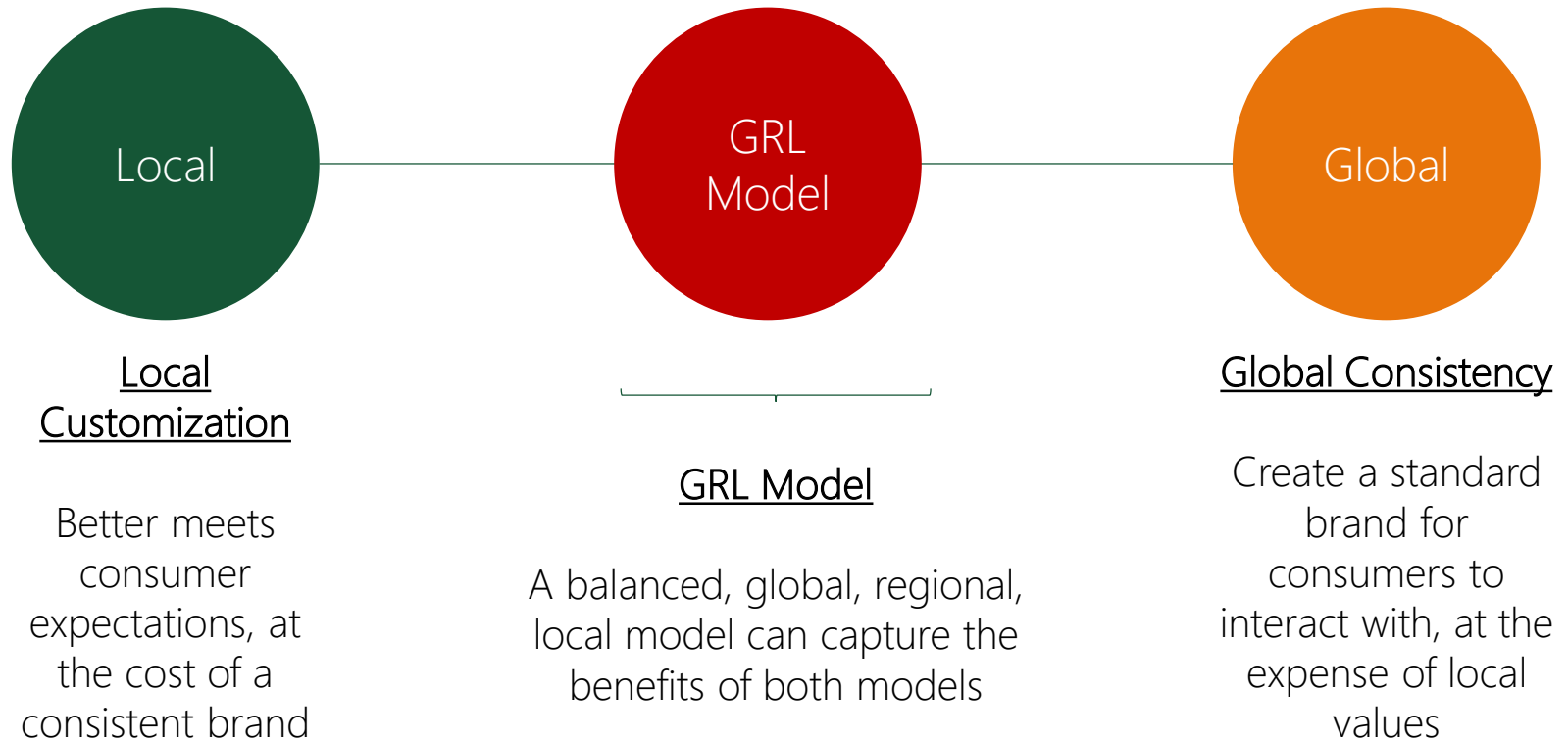
Global Consistency

Create a standard
brand for
consumers to
interact with, at the
expense of local
values

Local customization vs global branding



Local customization vs global branding



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Recommendation 1

What is our proposed distribution model?

1

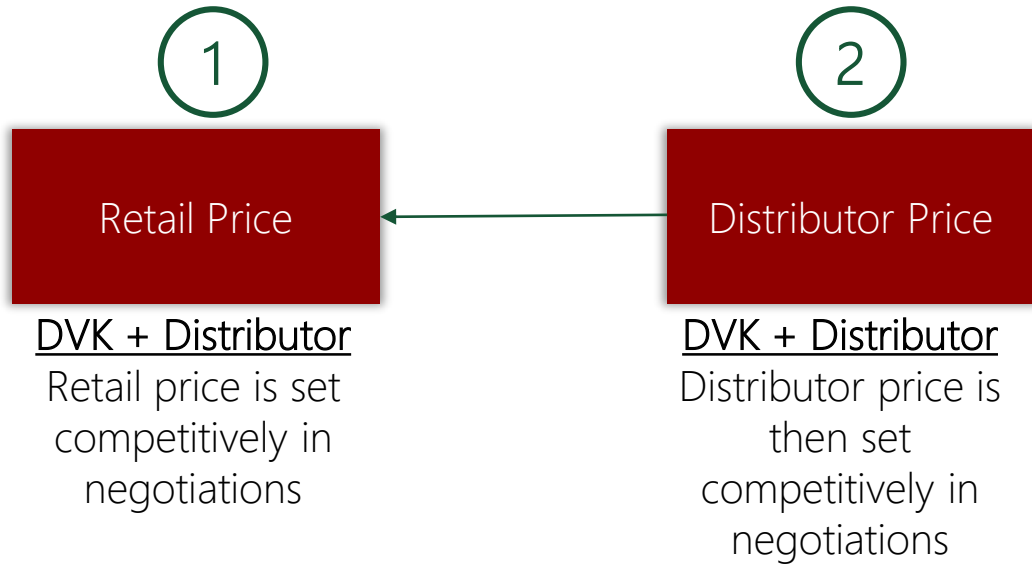
Retail Price

DVK + Distributor

Retail price is set
competitively in
negotiations

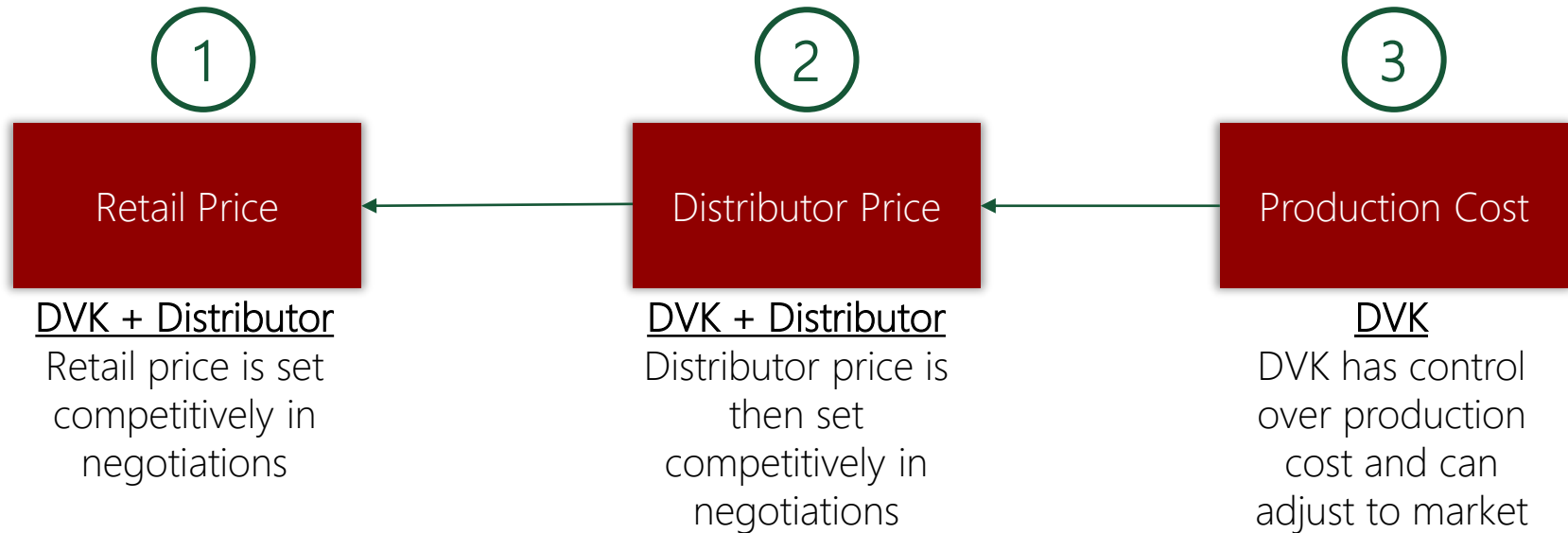
Recommendation 1

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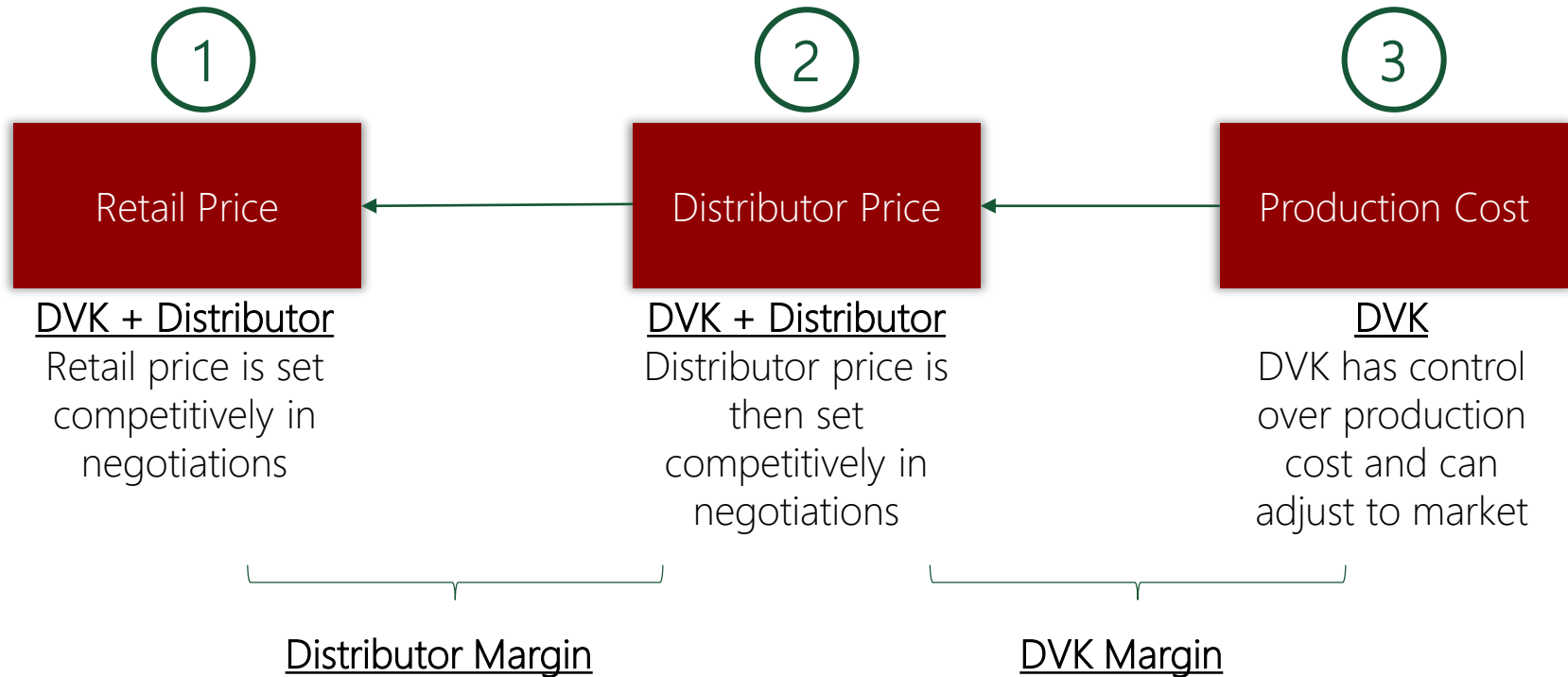
Recommendation 1

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Distributor Margin

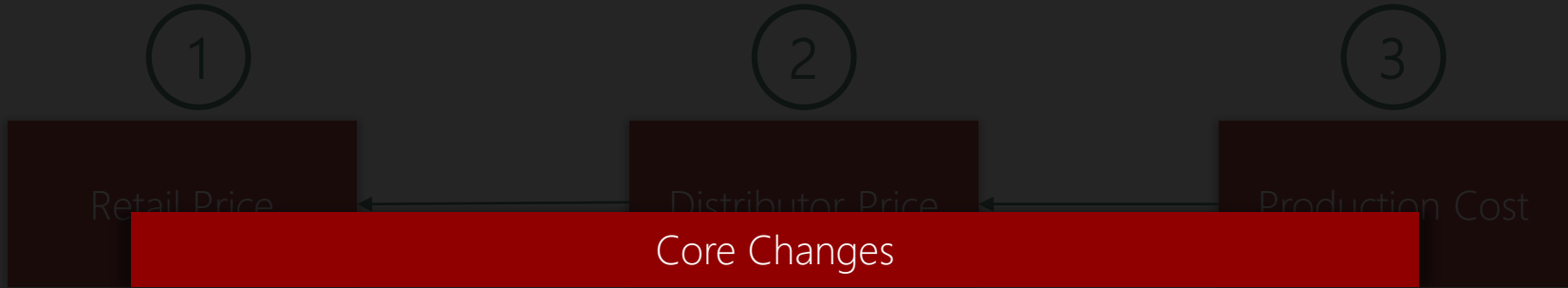
- VAT
- Import Tax
- Below the line (% split)
- Ops/shipping

DVK Margin

- Above the line
- Regulatory costs
- Below the line (% of marketing pool)

Recommendation 1

What is our proposed distribution model?

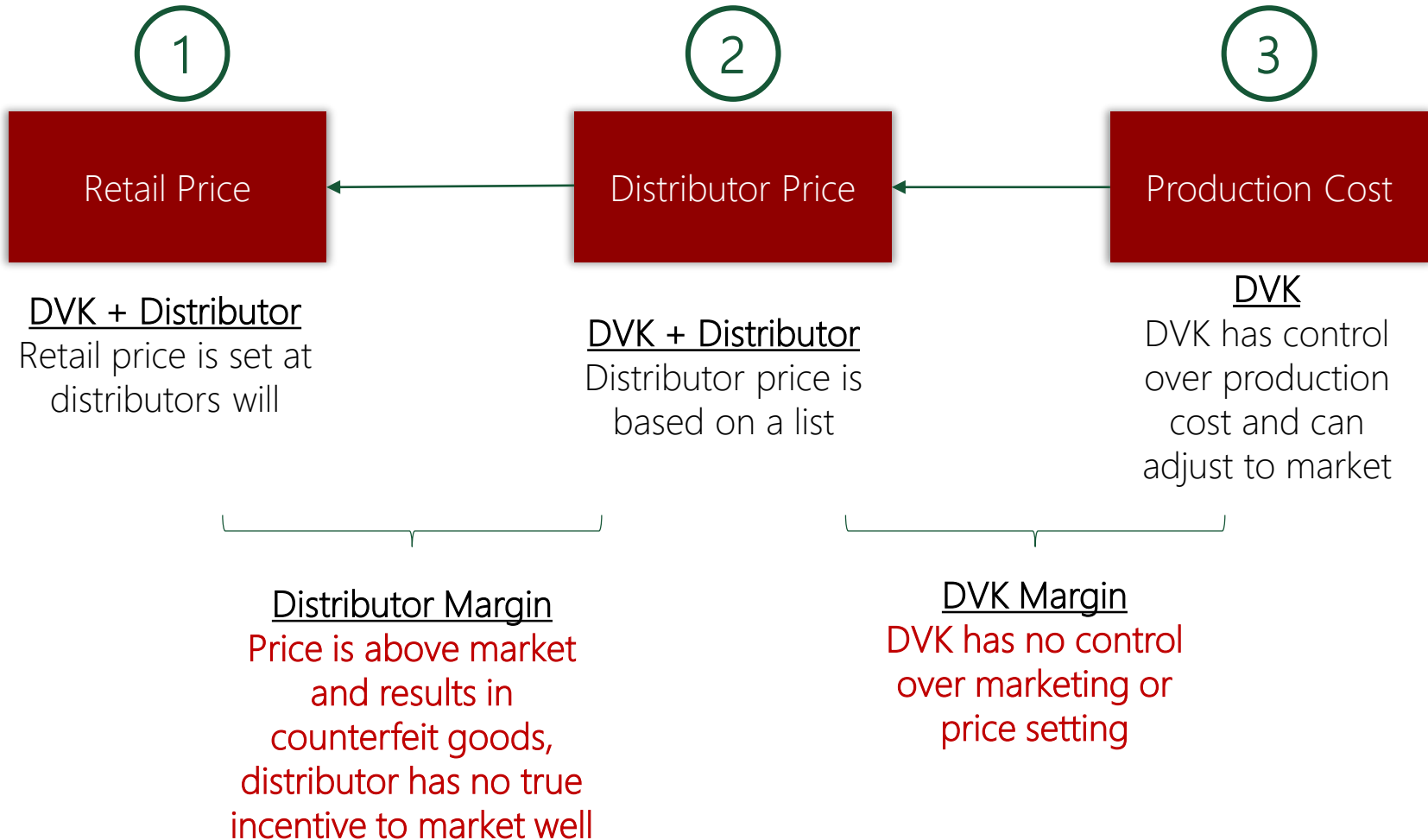


This model allows us to have control over price setting, marketing, and branding. As a result, it aligns our core success factors with our distributors

<u>Distributor Margin</u>	<u>DVR Margin</u>
- VAT	- Above the line
- import tax	- Regulatory costs
- Below the line	- Below the line (% of marketing pool)
- Ops/shipping	

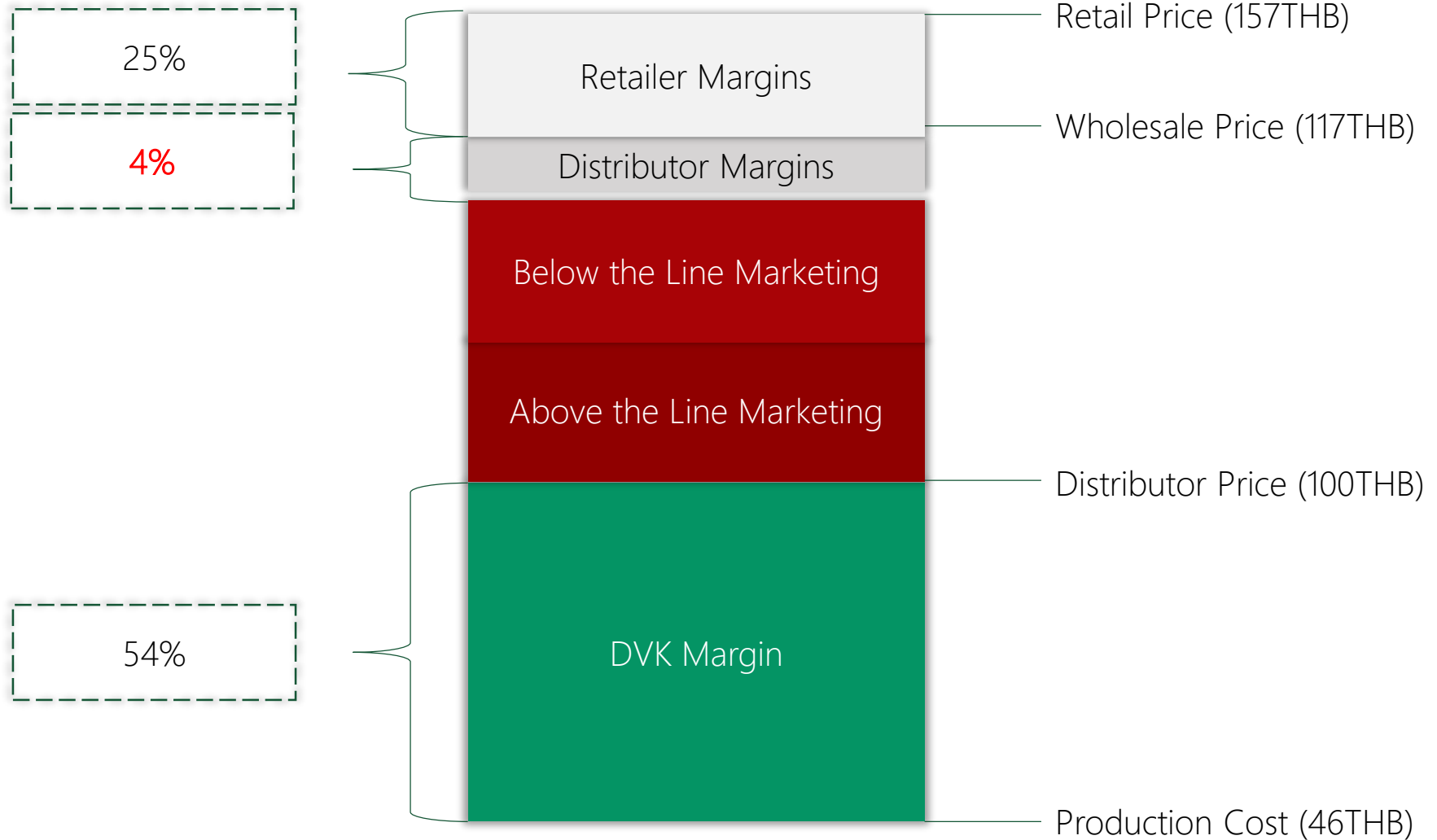
Recommendation 1

How does this differ from our current model?



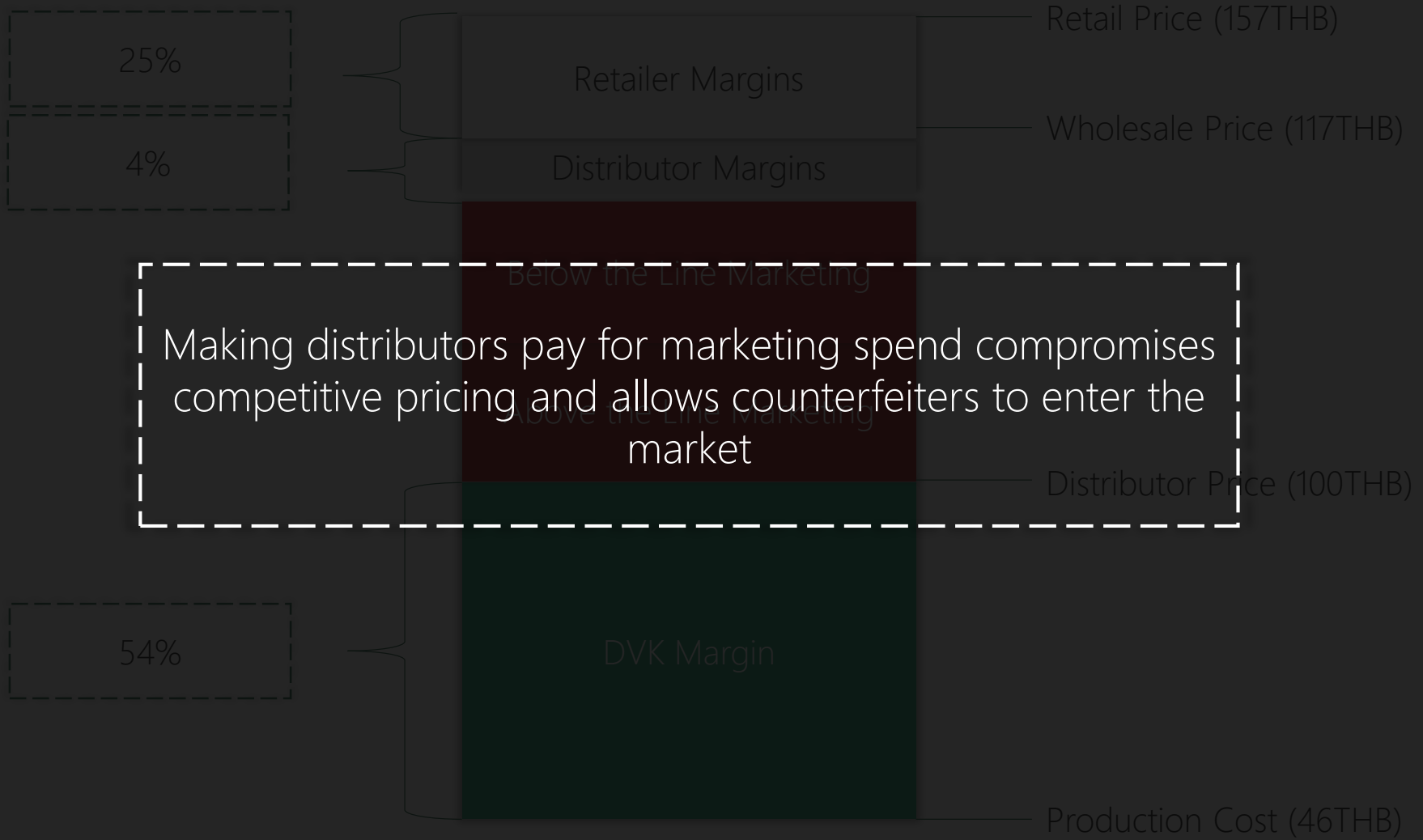
Recommendation 1

Marketing spend drives uncompetitive retail prices



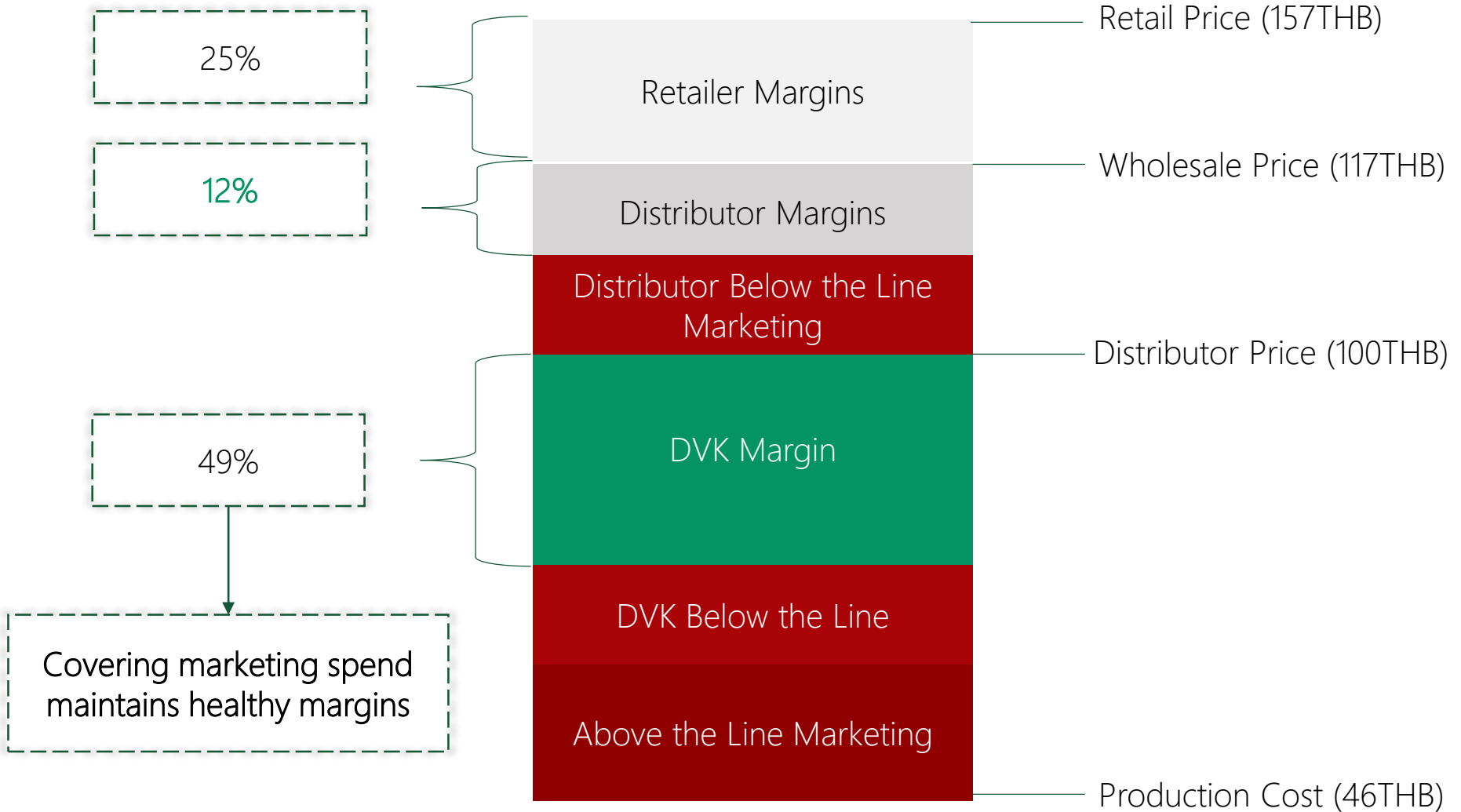
Analysis

Marketing spend drives uncompetitive retail prices



Recommendation 1

Covering marketing spend will allow for competitive pricing



Recommendation 1

What is the impact of this recommendation?

Building a scalable distribution network

Formalizing Distribution



Moving to paper contracts, improving revenue consistency



Creating long term partnerships and gaining price control



Margin Control



Allows for competitive price setting, reduce counterfeiting



Reduce strain on distributors margins by handling marketing







Willingness to Pay will increase amongst distributors as a result of the value add from marketing spending provided by DVK

Recommendation 1

Considering a D2C approach

Key Factors for a D2C Approach

Present?

1	In depth local market knowledge	
2	Brand knowledge and penetration	
3	Wide array of channels and ability to mitigate channel conflict	
4	Consumer comfort purchasing product class in online settings	

Present brand maturity and penetration in international markets is not well suited for a D2C approach

Recommendation 1

How will we implement this recommendation?

Case Study: P&G Global Business Units

P&G has 10 global business units (by product class) and 6 selling and marketing operations that allow for brand standardization with minor modifications for local markets as required

Major Benefits

- 1 Global consistency: ensure a uniform brand experience for all consumers
- 2 Local expertise: skilled business managers understand the local environment and consumer factors



Human Capital Considerations

Hire experienced regional brand managers to handle relationships with local distributors.

- 1 Maintain branding consistency to ensure consistent experience
- 2 Navigate local cultural customs and norms

Recommendation 1

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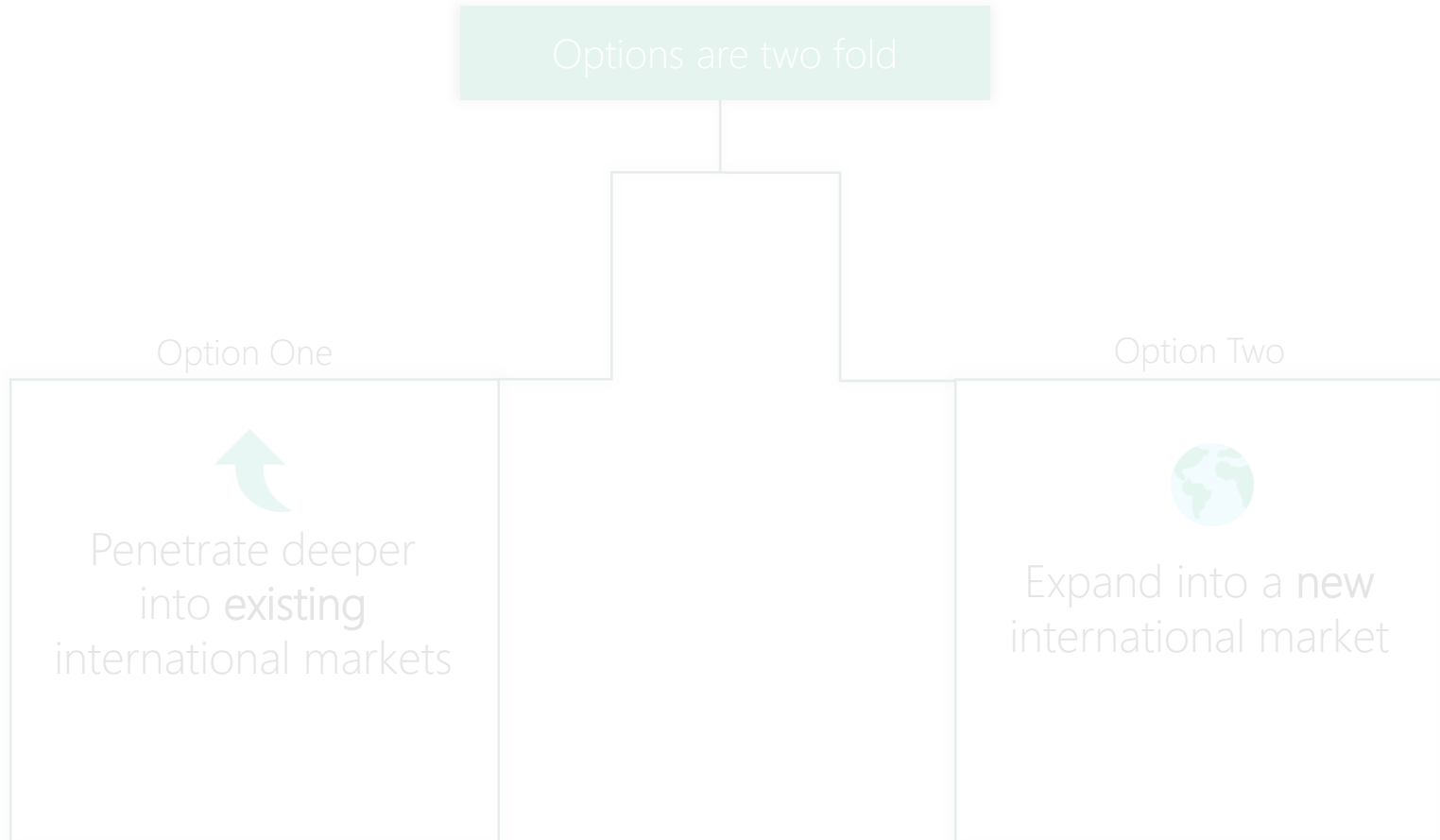
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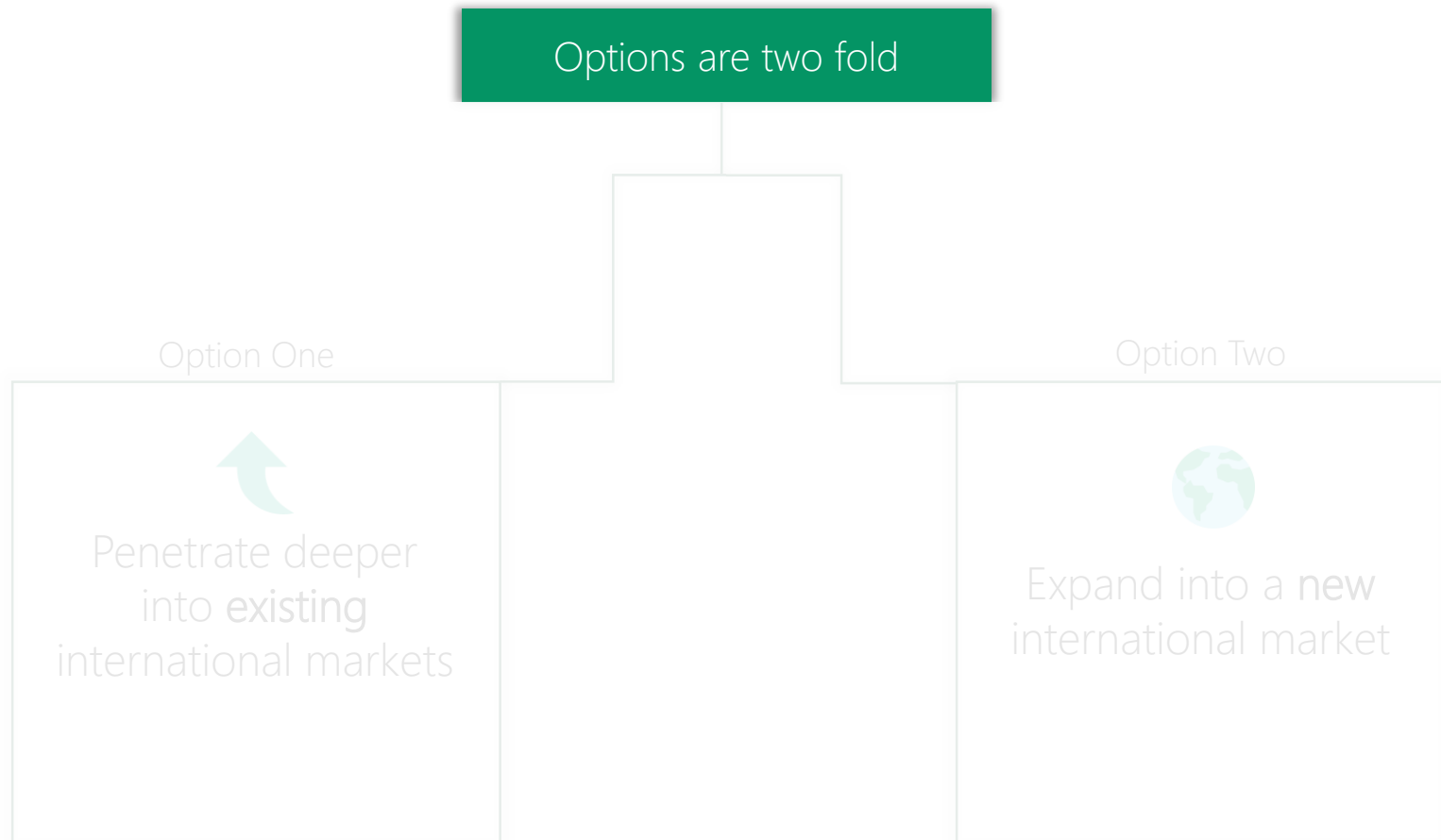
Recommendation 2

Solution: Enter Indonesia, Maintain Existing Markets

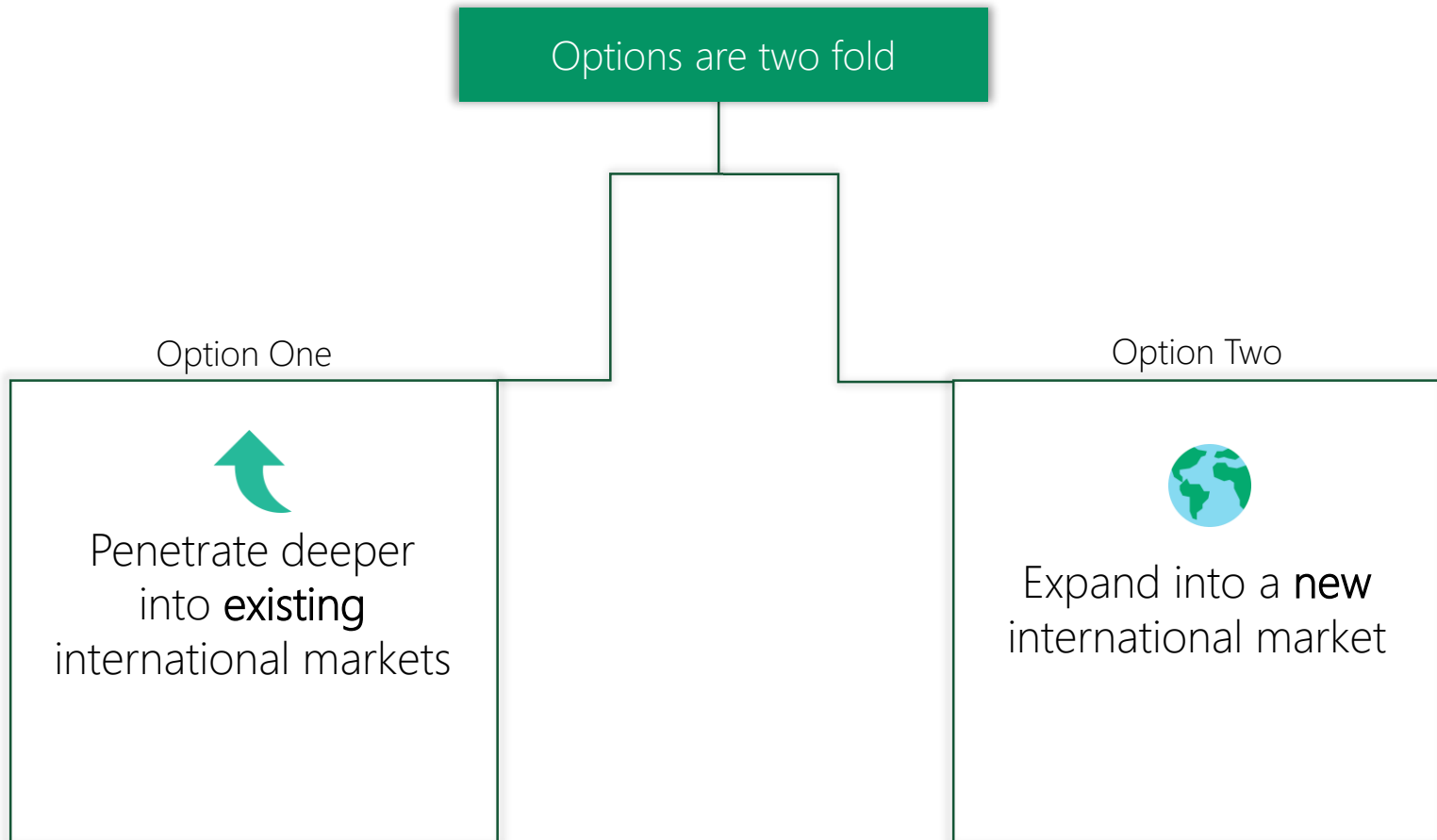


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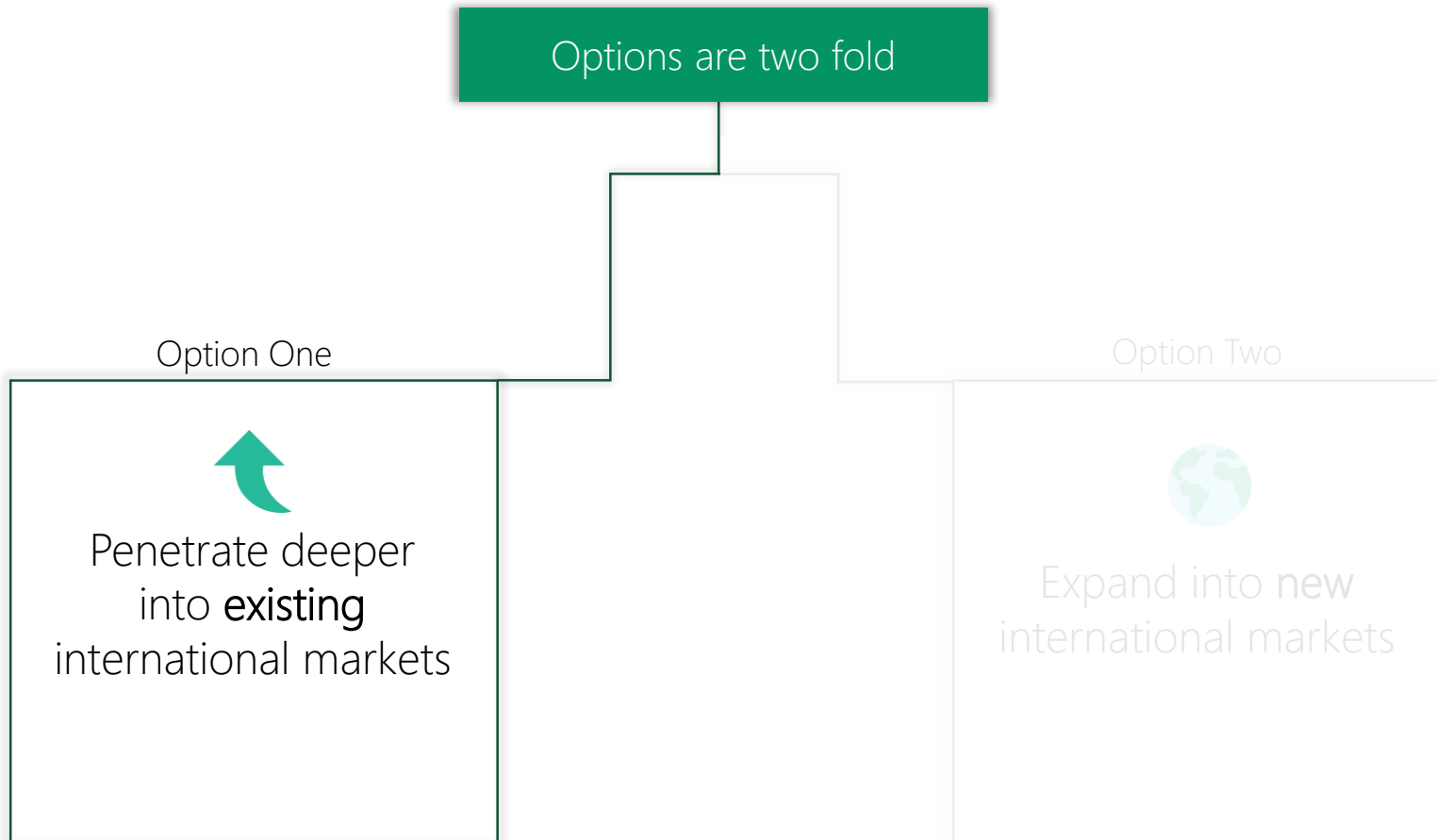


Solution: Enter Indonesia, Maintain Existing Markets



Recommendation 2

Solution: Enter Indonesia, Maintain Existing Markets



Recommendation 2:

New distribution agreements resolve current headwinds



European Union



Republic of the Union of
Myanmar



Hong Kong

Recommendation 2

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European Union



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Launch of relationship with Phoenix Pharmahandel will grow penetration

On-going negotiations with large pharmaceutical distributors in both Hong Kong & Myanmar will allow DVK to scale market presence to better meet demand

Recommendation 2:

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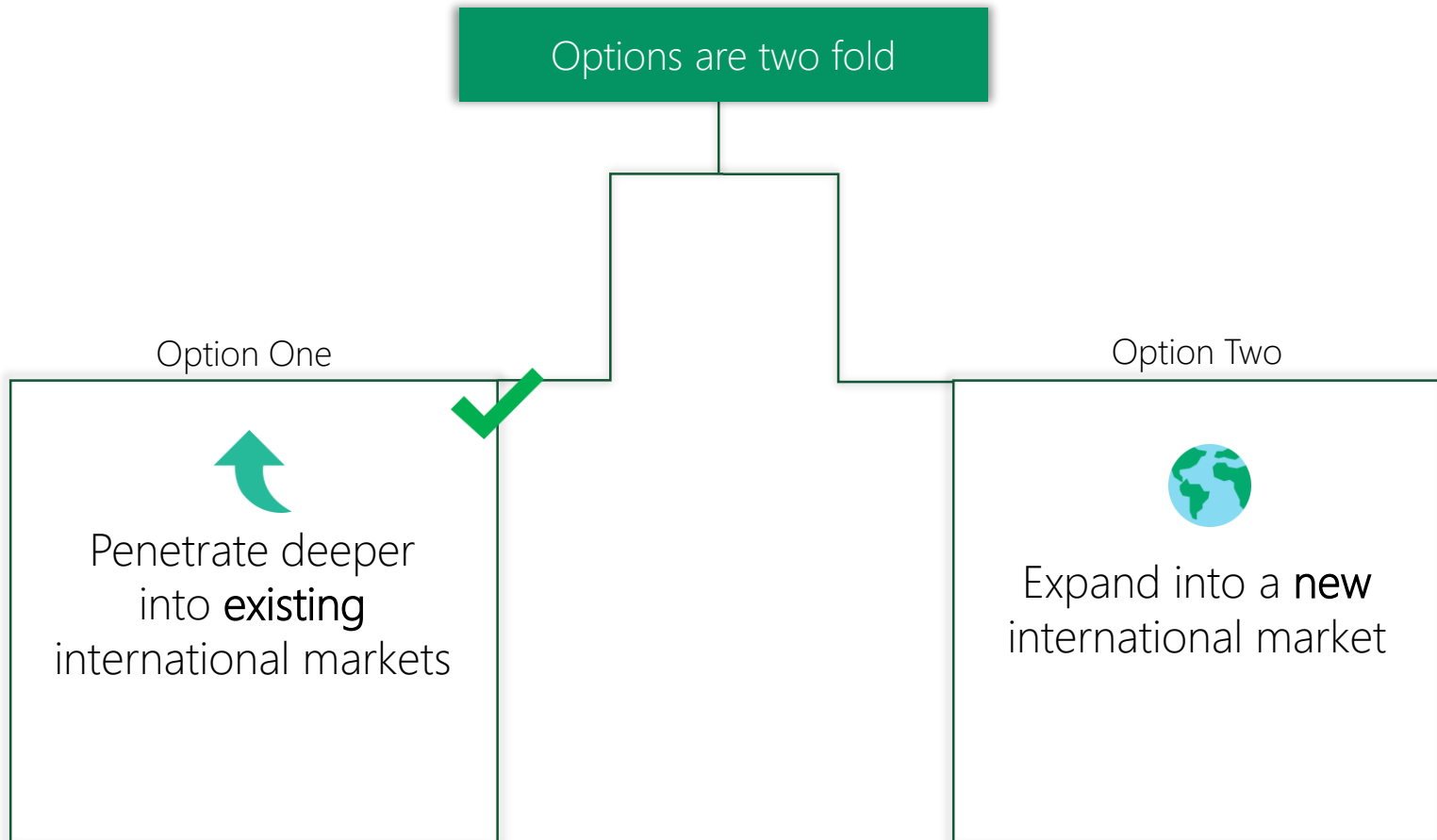
Existing global markets



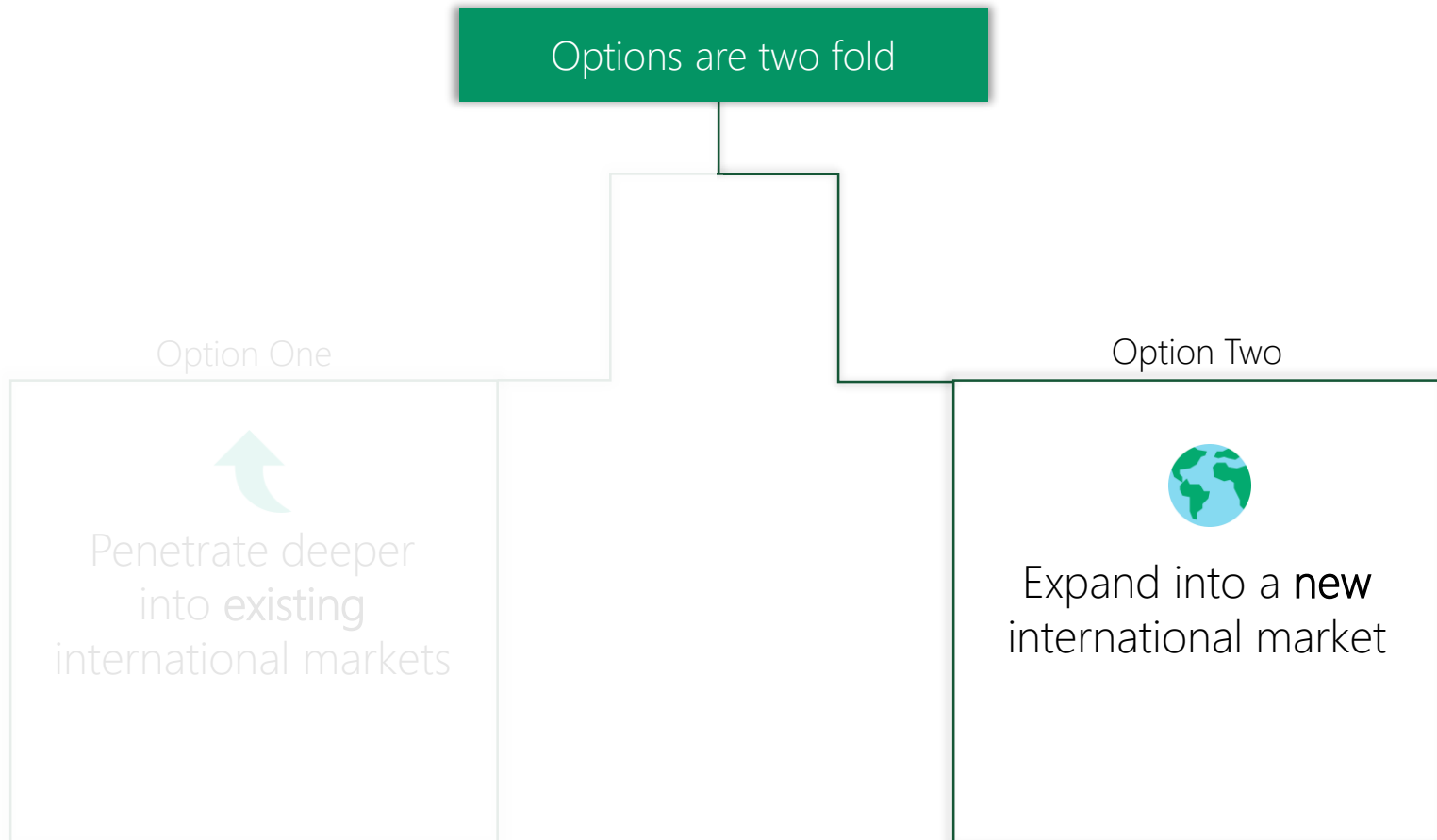
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Recommendation 2

Assessing international expansion targets

Legal Framework	Competitive Landscape	Consumer Habits	Market Size
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Market Factor Assessment Criterion

Recommendation 2

Assessing international expansion targets

Legal
Framework

Competitive
Landscape

Consumer
Habits

Market
Size

Potential Expansion Country

1



China

2



Russia

3



United States of America

4



Australia

5



India

6



Middle East








7



Southeast Asia

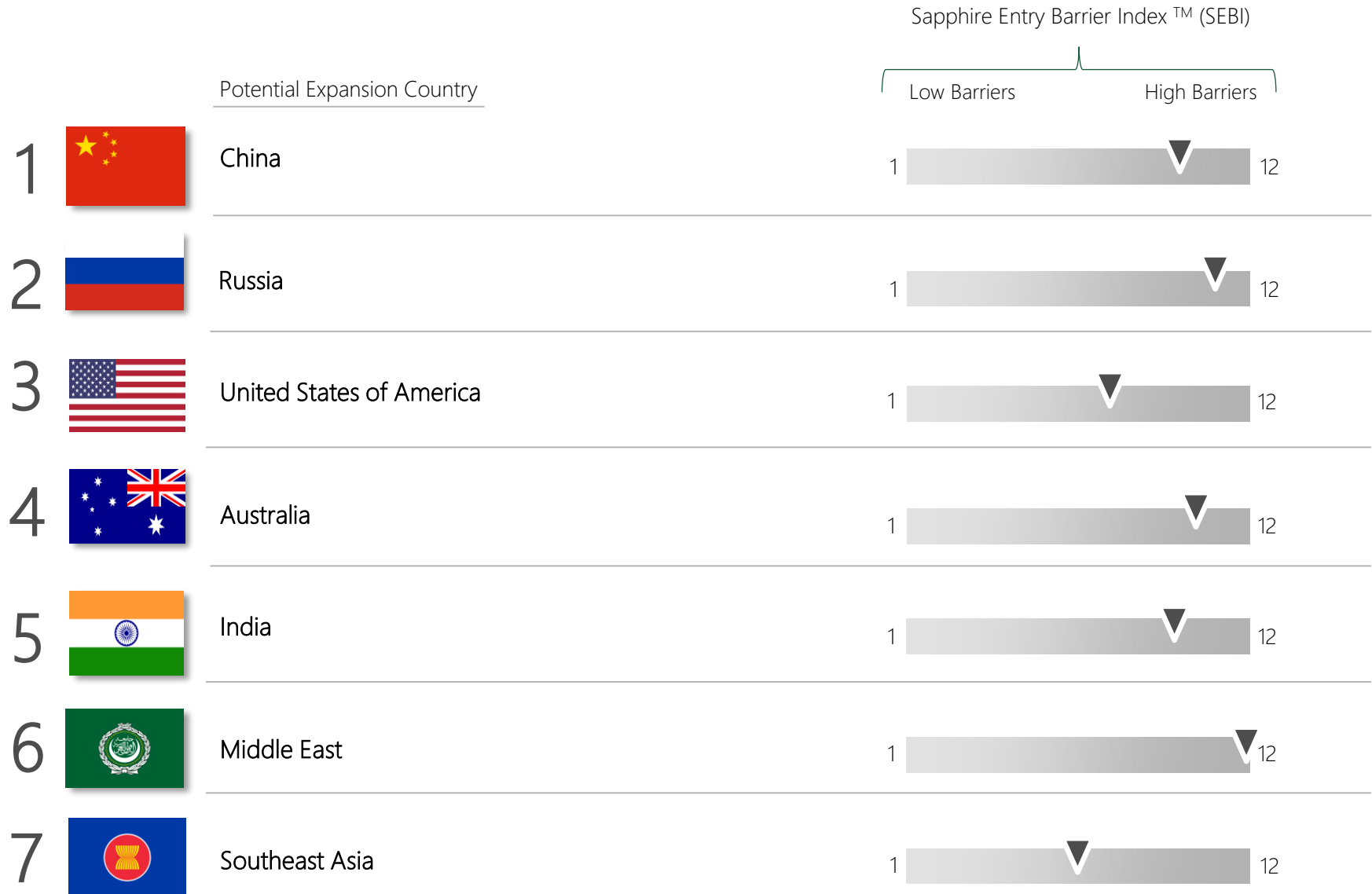
Recommendation 2

Assessing international expansion targets

		Potential Expansion Country	Legal Framework	Competitive Landscape	Consumer Habits	Market Size
1		China	Red	Red	Yellow	Green
2		Russia	Red	Yellow	Red	Yellow
3		United States of America	Green	Red	Yellow	Green
4		Australia	Green	Red	Red	Yellow
5		India	Red	Red	Green	Green
6		Middle East	Red	Red	Red	Red
7		Southeast Asia	Yellow	Green	Green	Yellow

Recommendation 2

Assessing international expansion targets



Recommendation 2

Assessing international expansion targets

Potential Expansion Country

Sapphire Entry Barrier Index™ (SEBI)

Low Barriers

High Barriers

1



China

1



12

2



Russia

1



12

3



United States of America

1



12

4



Australia

1



12

5



India

1



12

6



Middle East

1



12

7



Southeast Asia

1



12

Recommendation 2

ASEAN: Low barriers to entry, significant regional fragmentation



ASEAN has loose political co-operation

Beyond financial services, limited political and regulatory integration exists between ASEAN members



Significant country to country differences in legislation creates distribution siloes, most notably with regards to:

Regulatory Authority

Consumer Preferences

Recommendation 2

ASEAN: Low barriers to entry, significant regional fragmentation



Problem: Dichotomous political, regulatory, and economic conditions inside the ASEAN market leads to feasibility issues in launching a pan-ASEAN distribution strategy



ASEAN has loose political co-operation

Beyond financial services, limited political and regulatory integration exists between ASEAN members

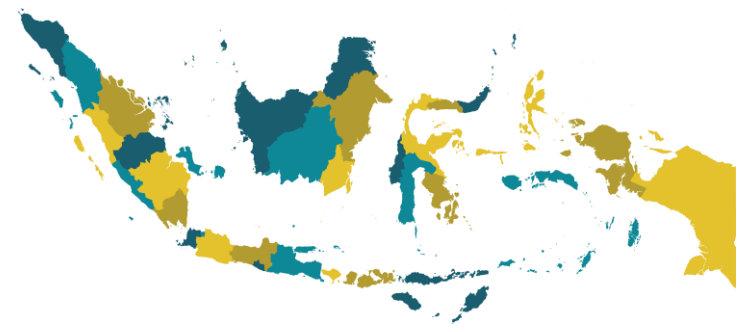


Significant country to country differences in legislation creates distribution siloes, most notably with regards to:

Regulatory Authority

Consumer Preferences

Solution: Focus medium term growth on a single large developing Southeast-Asian country

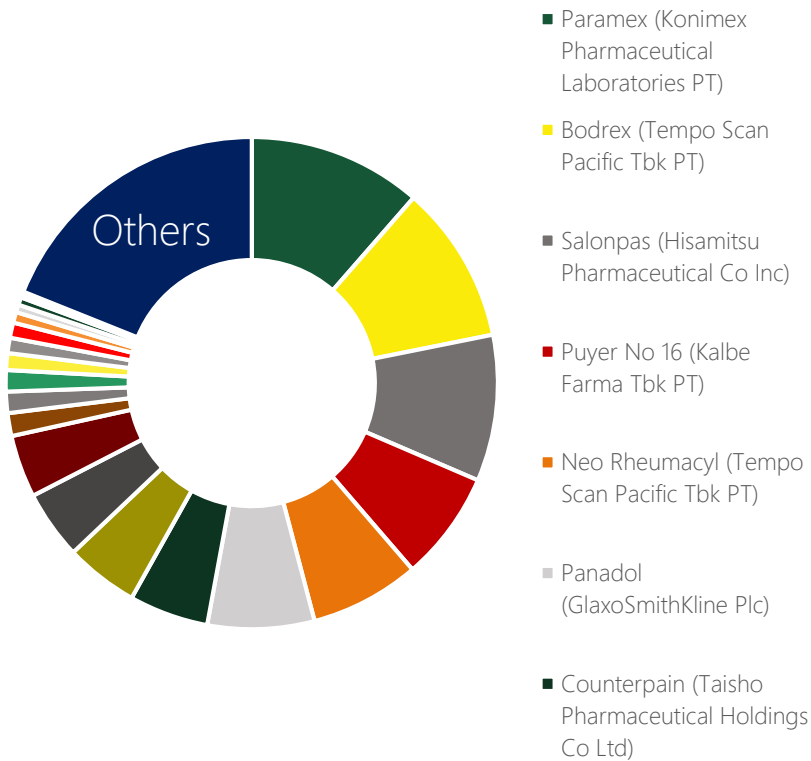


As the largest ASEAN economy, Indonesia is an ideal expansion target

Recommendation 2

Opportunity: Fragmented Competitive Landscape has no clear topical market leader, creating room for a new entrant

Analgesic Market Share Indonesia



Competitors market share ranges from 0.5%- 11.4%

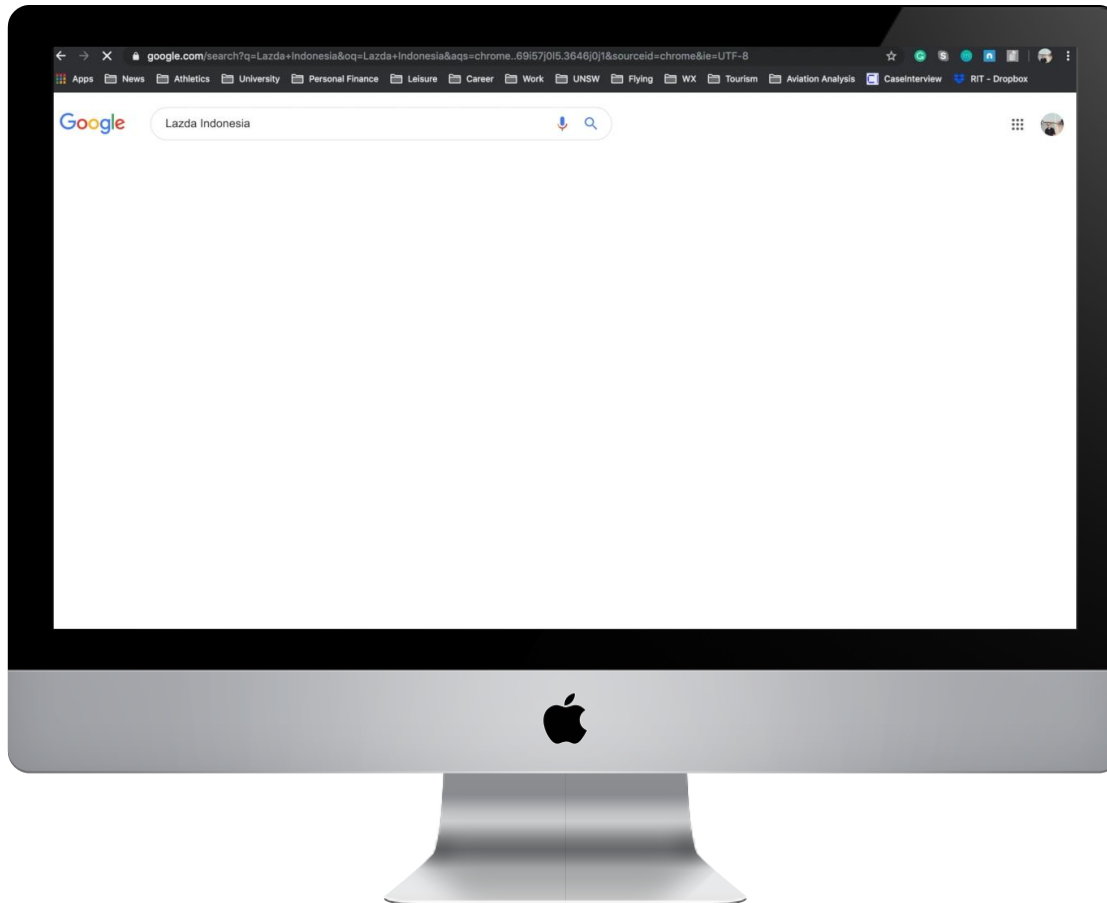
Reasonable to capture 2-5% of TAM with aggressive entry campaign

Indonesia's topical analgesic TAM will be 7.2 THB by 2024 (11% CAGR)

Potential to contribute 145M – 364THB to top line revenue by 2024

Recommendation 2

Opportunity: Unauthorized Indonesian reseller activity attests to consumer demand

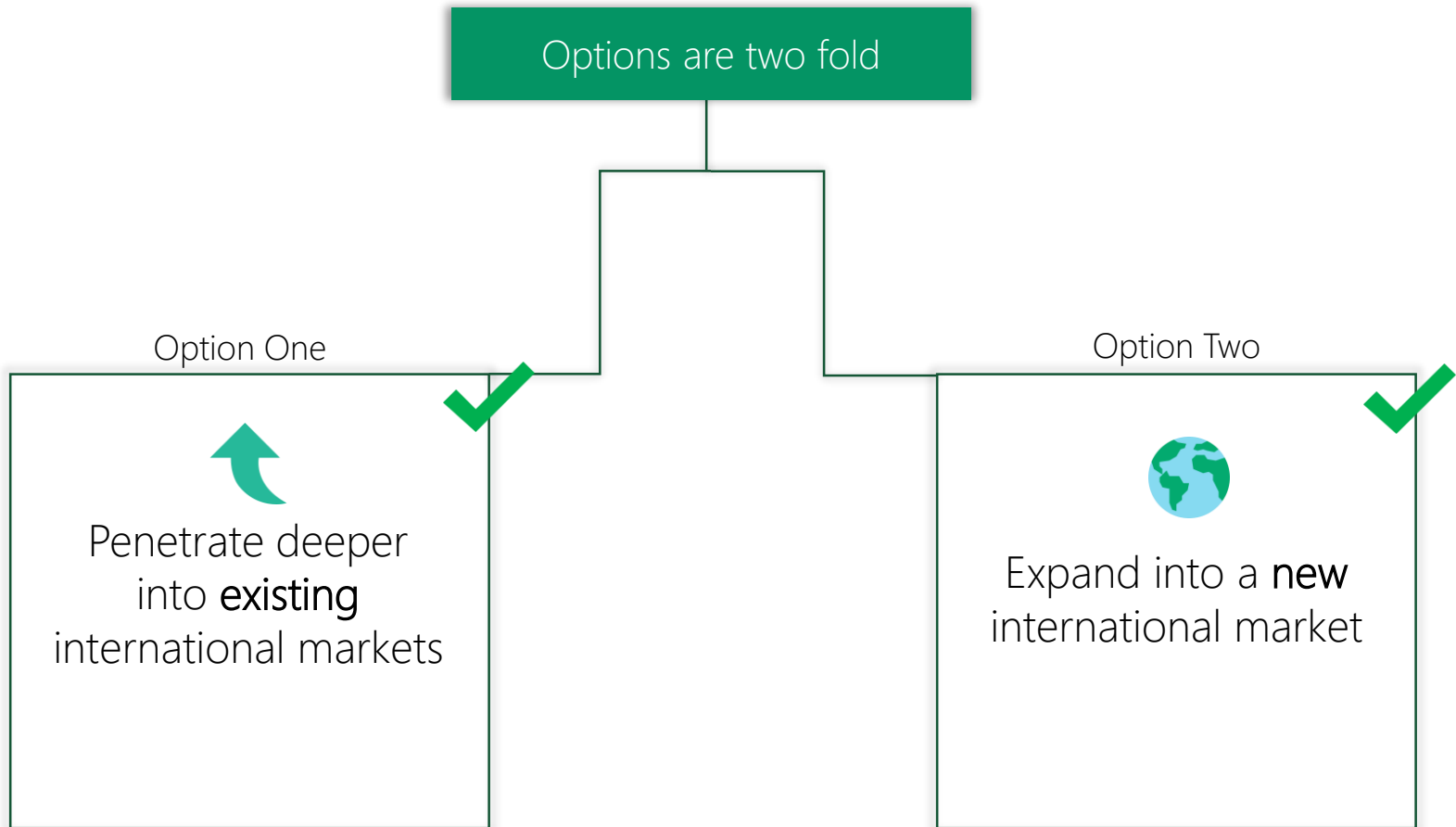


41 different unauthorized resellers identified in Indonesia

Available across Lazada, eBay, Alibaba, and Shopee

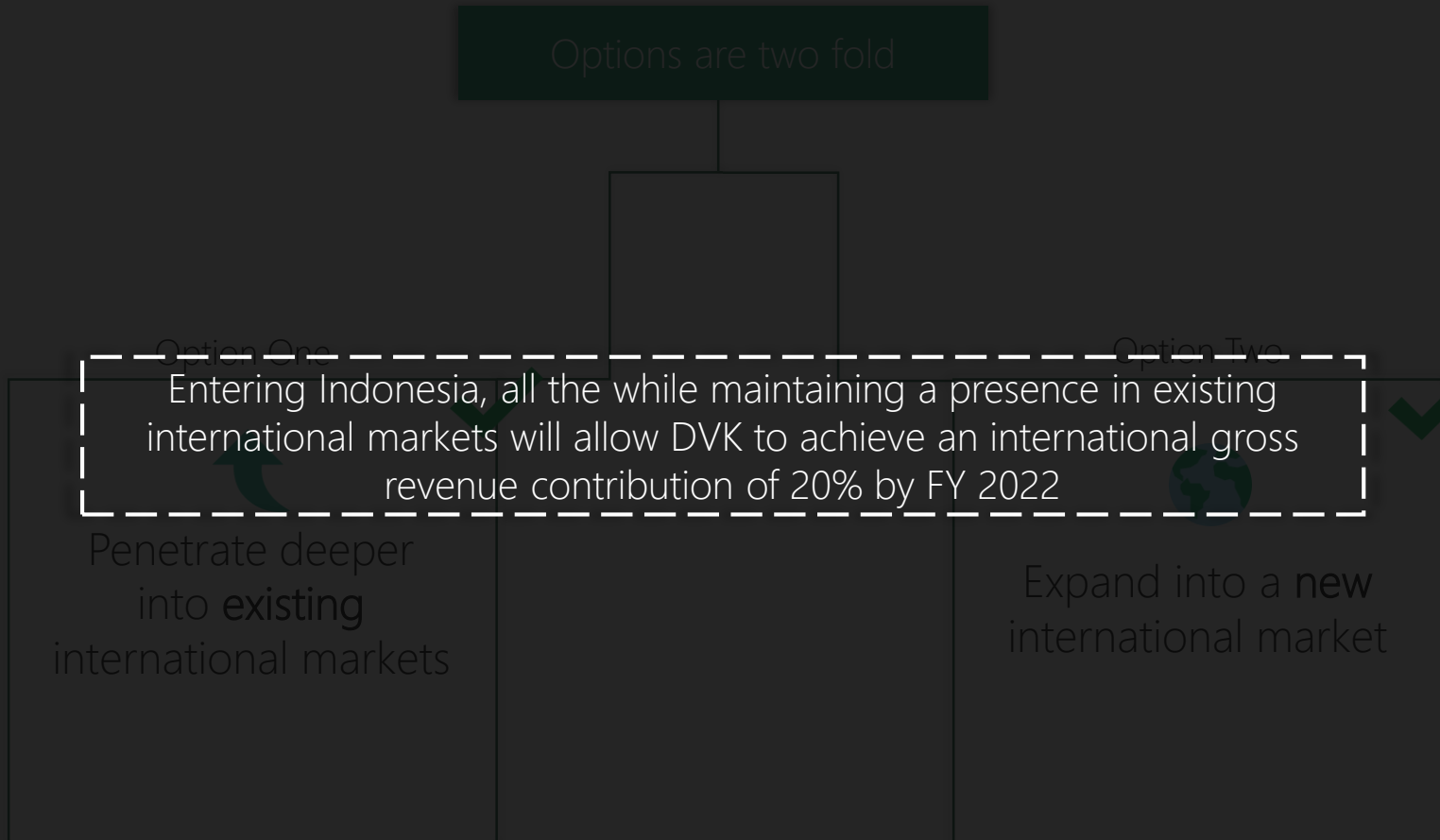
Illegitimate resellers cause significant brand and revenue dilution

Solution: Enter Indonesia, Maintain Existing Markets



Recommendation 2:

Solution: Enter Vietnam, Maintain Existing Markets



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Recommendation 3: Above-the-line and below-the-line brand strategy in Indonesia

Applying a Global-Regional-Local model to brand strategy

We can establish presence in the chosen international market through a Global-Regional-Local brand strategy



Global Brand



Regional Brand



Local Brand

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Applying a Global-Regional-Local model to brand strategy

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Global Brand



Regional Brand



Local Brand

What is the brand we want to be globally known as?

What regional values do we want to associate our brand with?

How do we drive conversion in local markets

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Global Brand



Regional Brand



Local Brand

Namman Muay is a natural, OTC, pain relief topical cream that is heavily influenced by its Thai roots

In Southeast Asia: values like collectivism, pragmatism, longterm-ism

In Western Europe: values like individualism

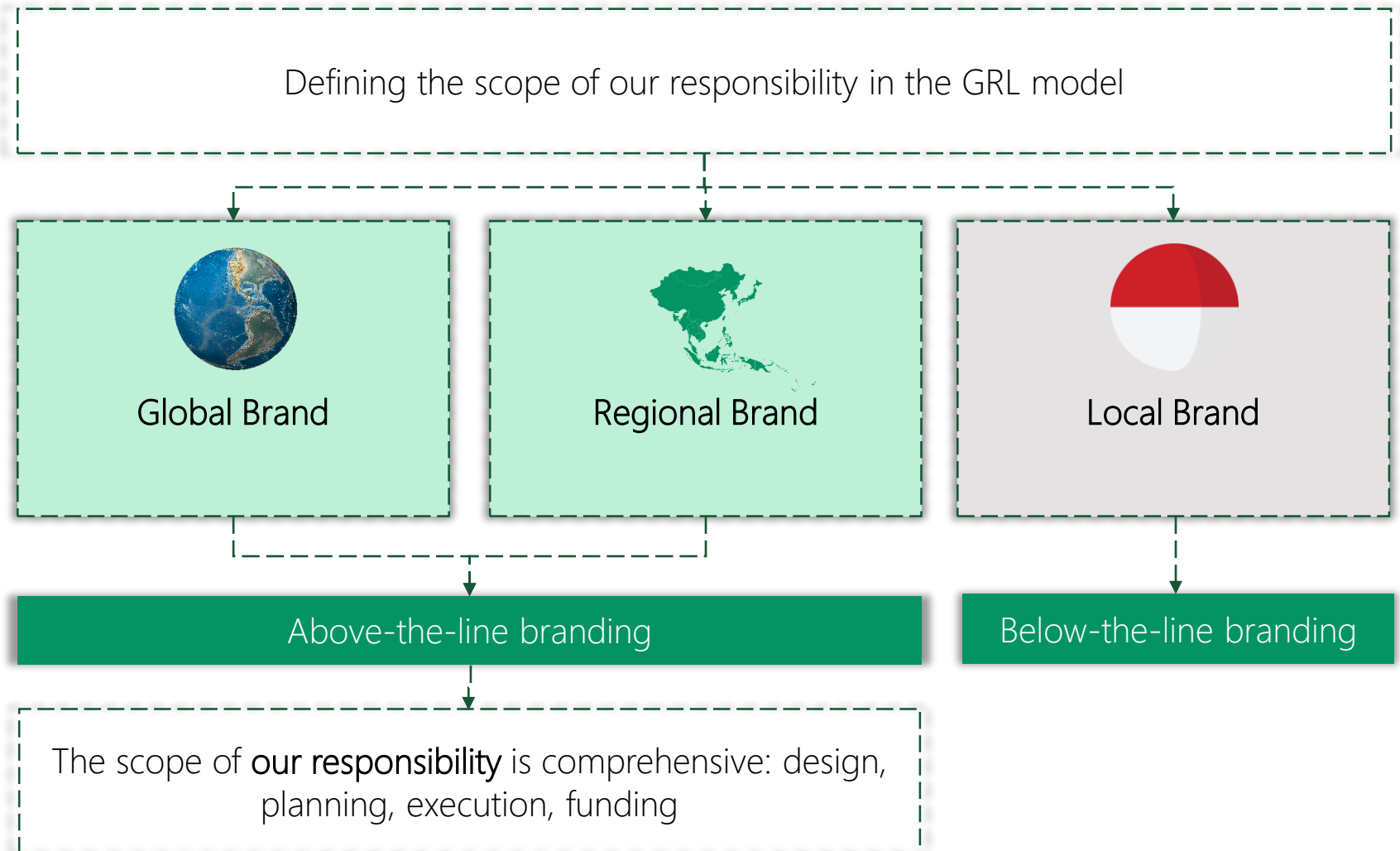
The guidelines for local distributors to drive conversion

Channels

Promotion

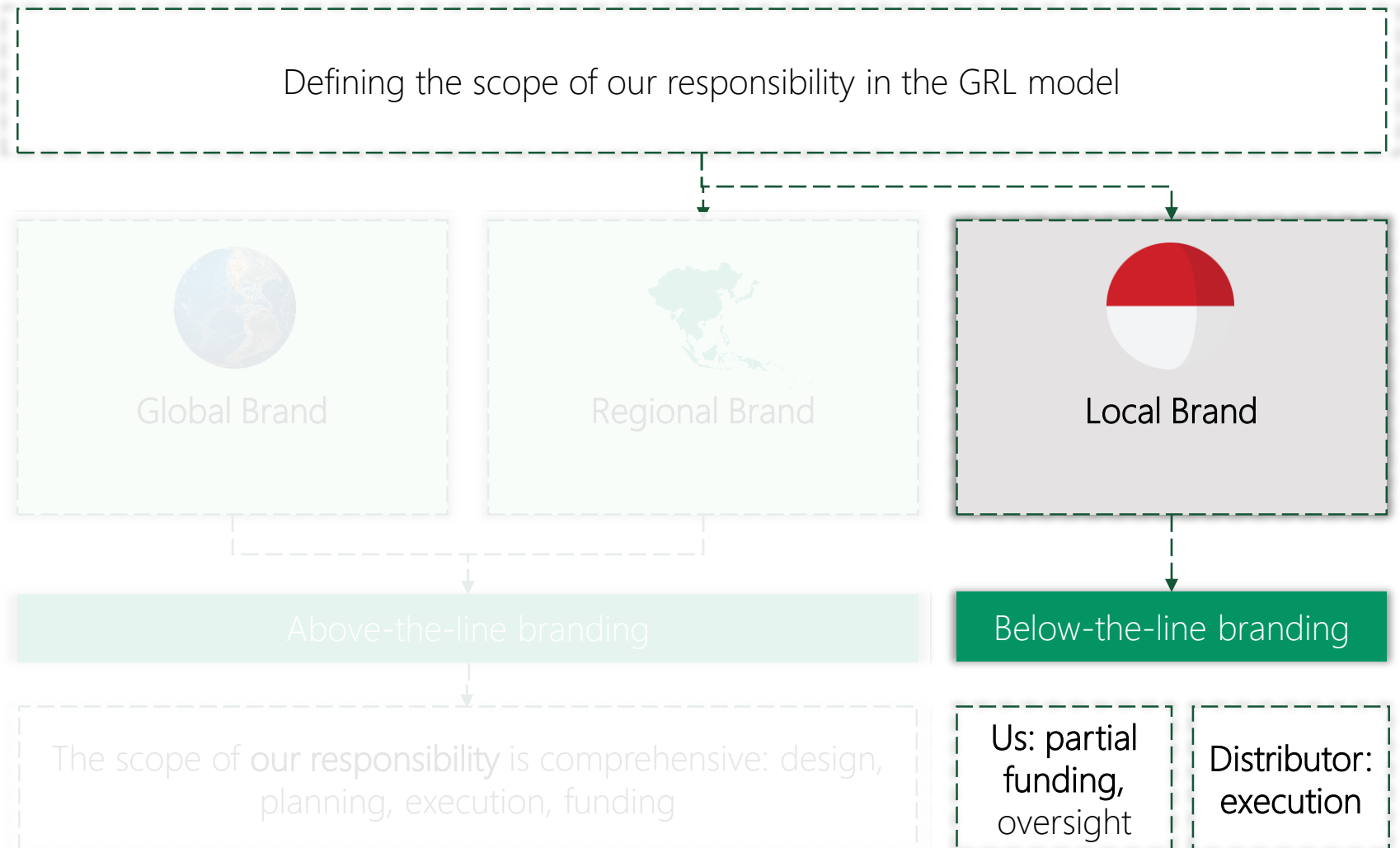
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The case for a Global-Regional-Local model

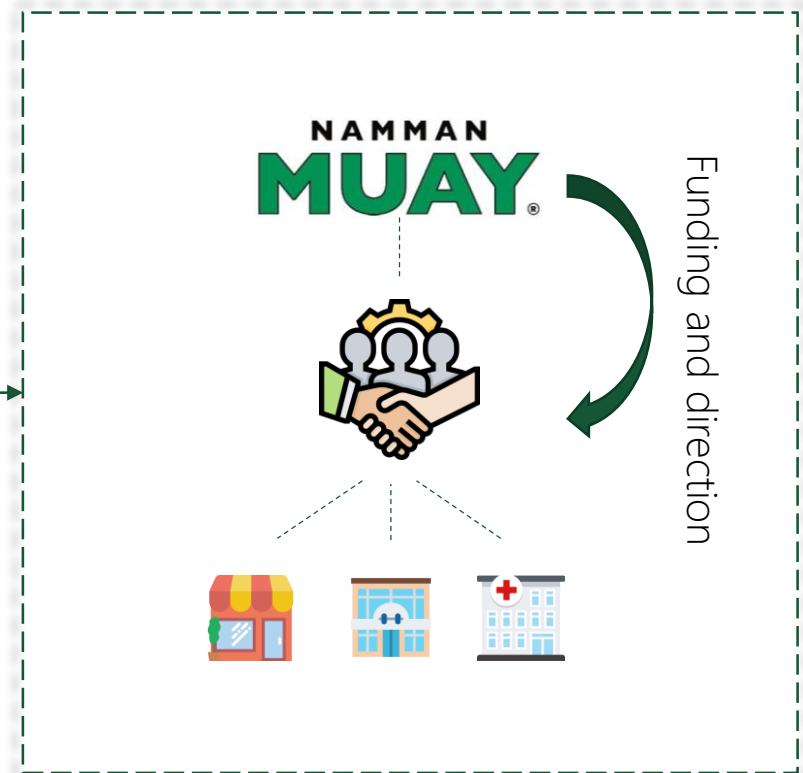
The GRL model is mutually beneficial to both distributors and Namman Muay brand

1 Benefits to International Distributors

Global Regional brand campaigns driven fundamental, mass market awareness

Financial support for below-the-line branding activities

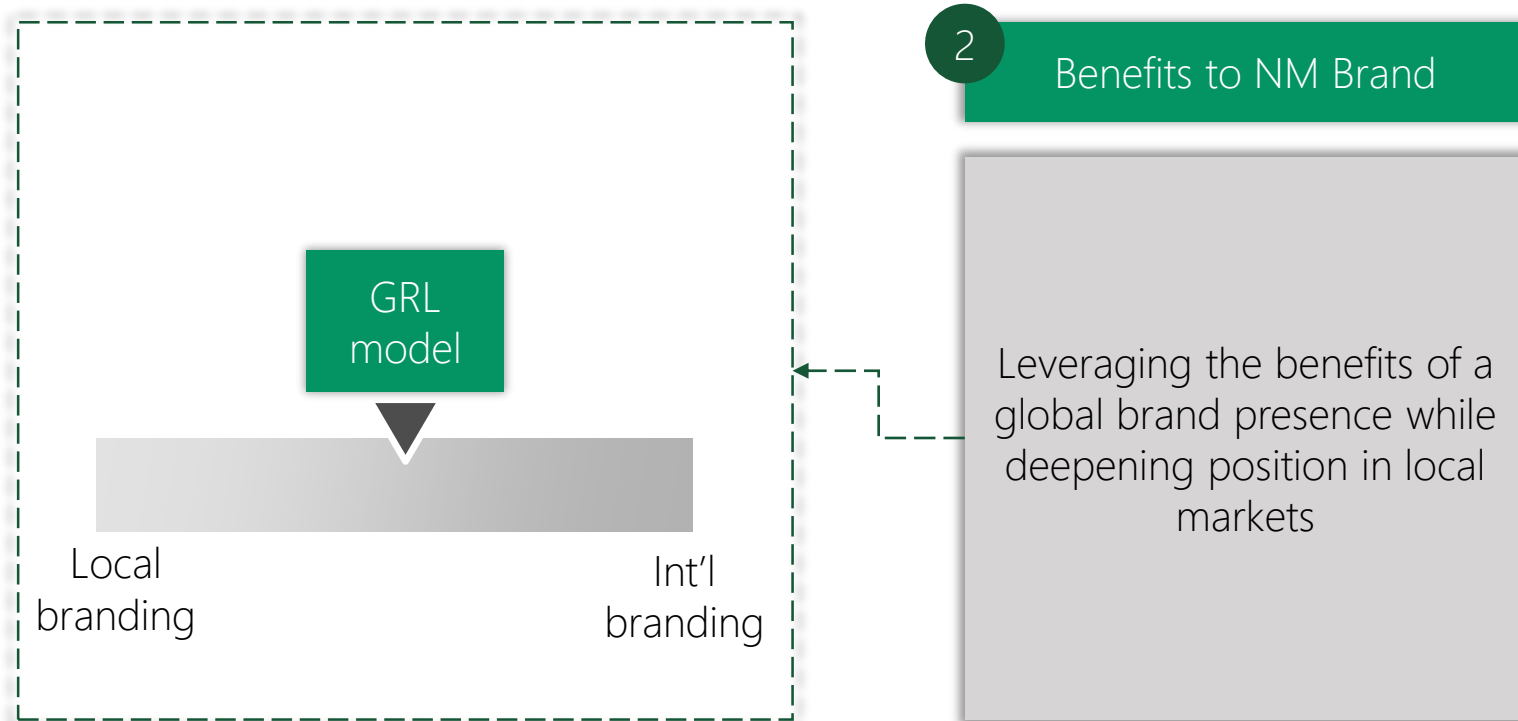
Lowered risk in branding activities



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The case for a Global-Regional-Local model

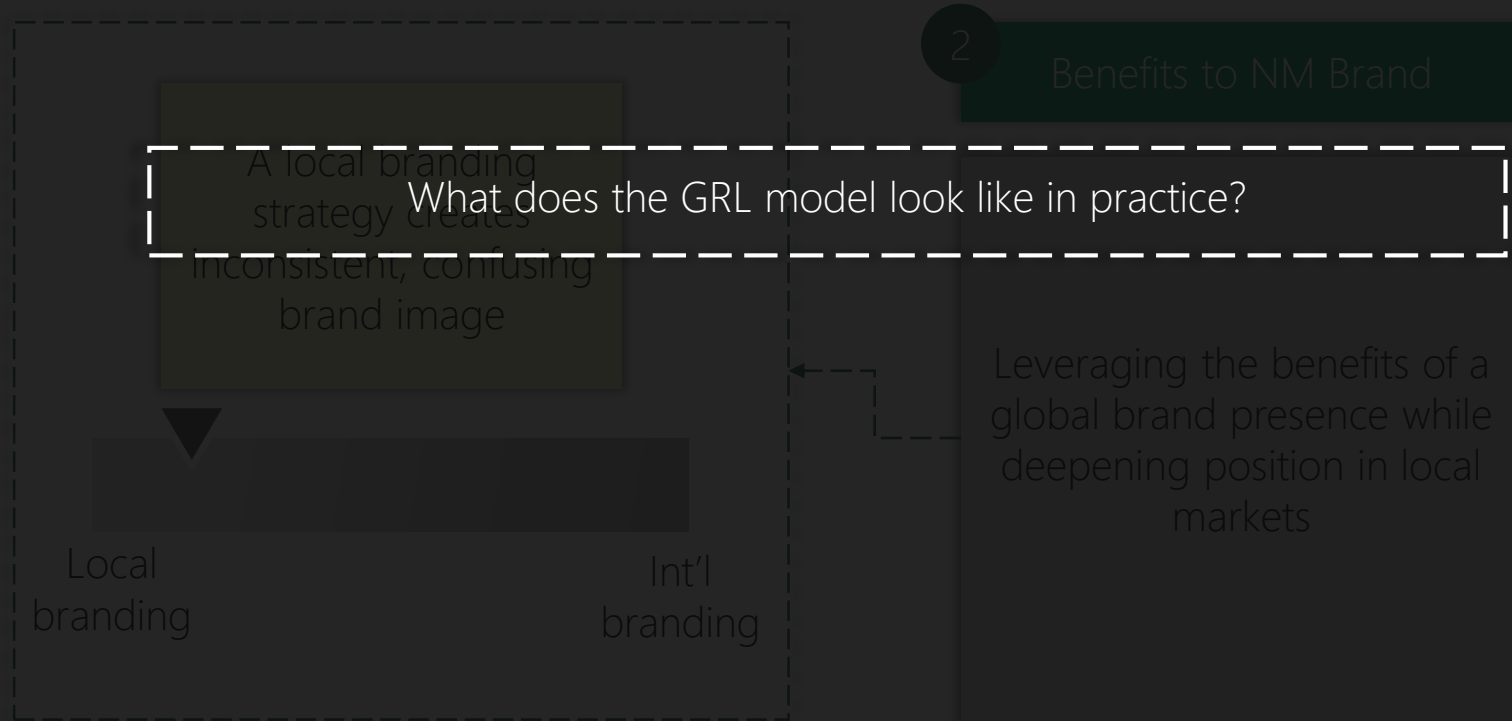
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Recommendation 3: Above-the-line and below-the-line brand strategy in Indonesia

3a. Driving brand awareness in through hyperlocalization

We can apply the GRL model to the Indonesian market



Global Brand



Regional Brand



Local Brand

a. Above-the-line branding

b. Below-the-line branding

Recommendation 3: Above-the-line and below-the-line brand strategy in Indonesia

3a. Driving brand awareness in through hyperlocalization

a. Above-the-line branding

We can apply the GRL model to the Indonesian market by taking on, funding and executing regional data-driven branding campaigns

“Why do you do it?” regional ad campaign

Scene 1: “Work hard”



1

Ad
Execution
example:
The
Labourer

Recommendation 3: Above-the-line and below-the-line brand strategy in Indonesia

3a. Driving brand awareness in through hyperlocalization

“Why do you do it?”

Recommendation 3: Above-the-line and below-the-line brand strategy in Indonesia

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Scene 2: "Why do you do it?"



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3a. Driving brand awareness in through hyperlocalization

a. Above-the-line branding

“Why do you do it?” regional ad campaign

We are united and empowered by our desire to work hard, sacrifice and strive towards a cause

Namman Muay helps us relieve the pain of our daily hard work so we can enjoy the rewards

2

Ad Core
Theme

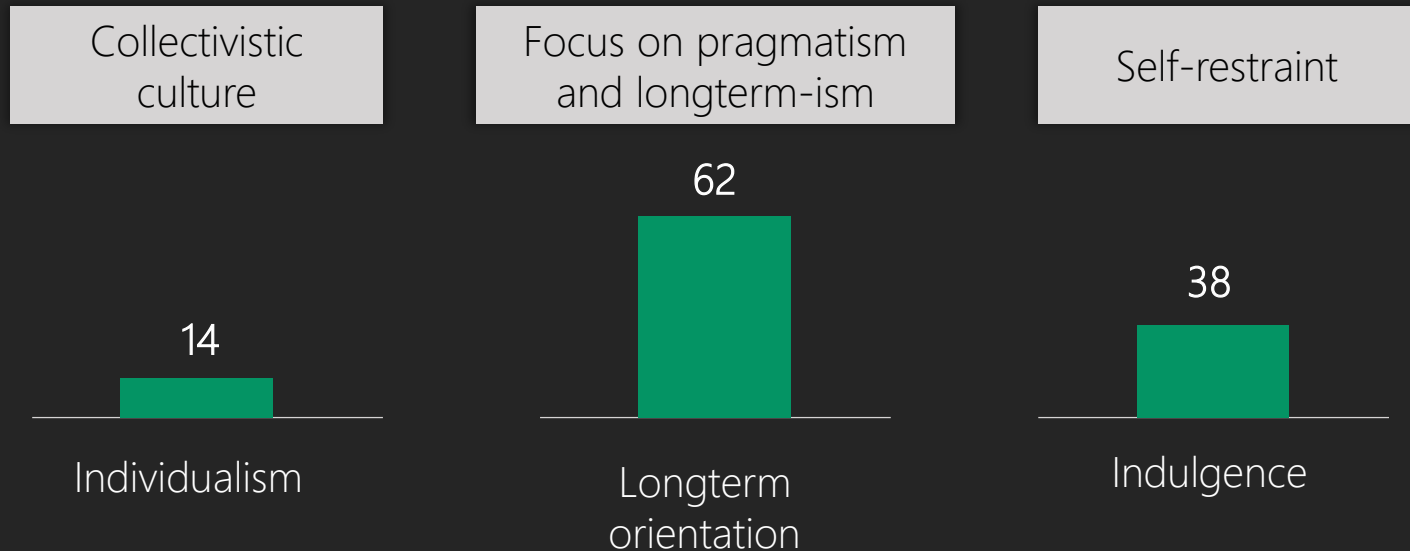
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"Why do you do it?" regional ad campaign

Driving mass brand awareness in the Indonesian region by connecting the Namman Muay brand with core regional values of Indonesia



3

Campaign goal

3a. Driving brand awareness through hyperlocalization

We can make the “Why do you do it?” ad campaign **engaging and personalized** through data-driven hyperlocalization

Executing the personalized “Why do you do it” ad campaign

- 1 Identify the key customer clusters in the given geography (Indonesia)
- 2 Geofence geographic areas
- 3 Make several iterations of ad campaigns with similar underlying theme



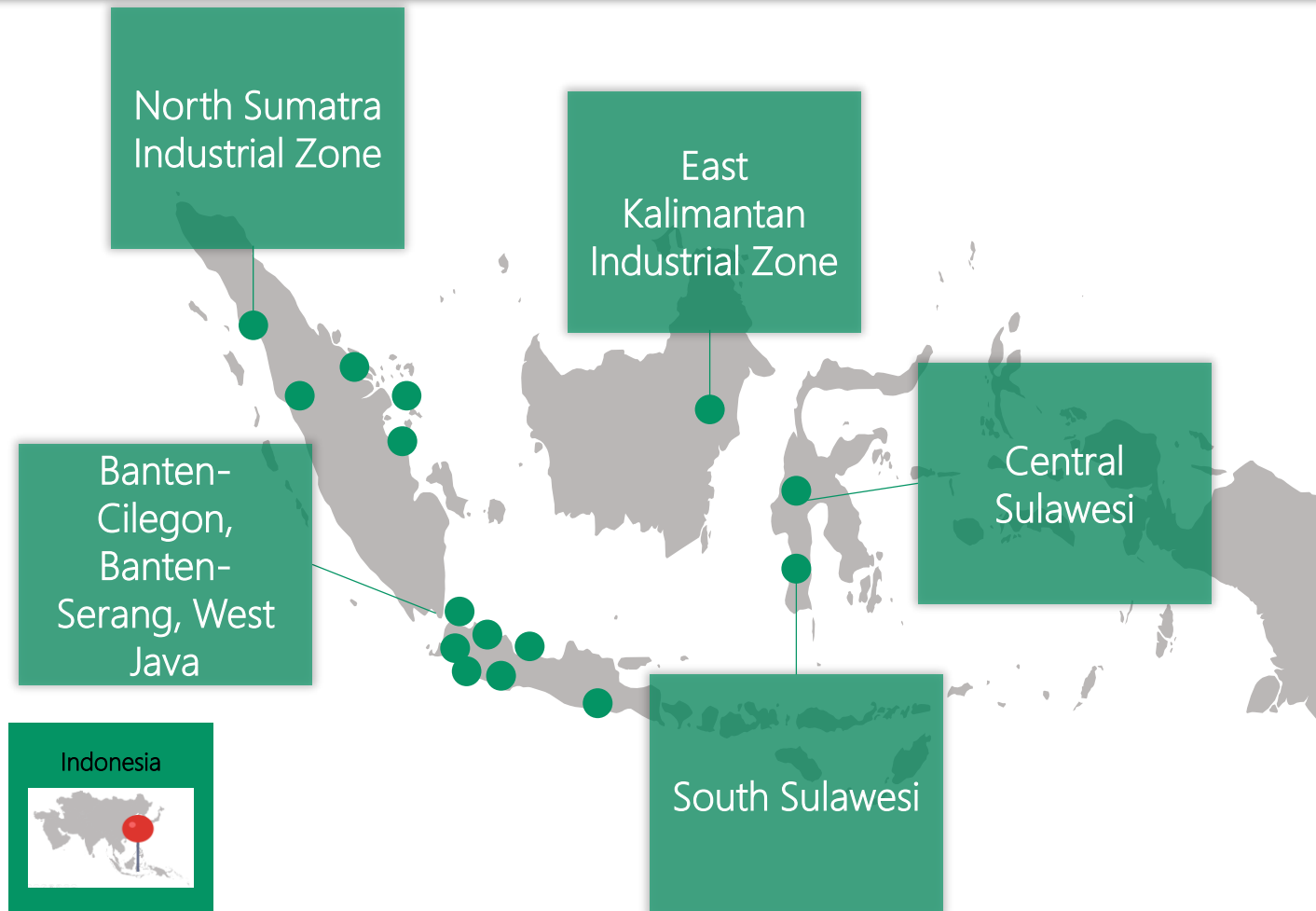
The result: a highly personalized ad campaign where individuals receive targeted Namman Muay ads, reflecting their experiences

Recommendation 3: Above-the-line and below-the-line brand strategy in Indonesia

3a. Driving brand awareness through hyperlocalization

1

Identify the key customer clusters in the given geography



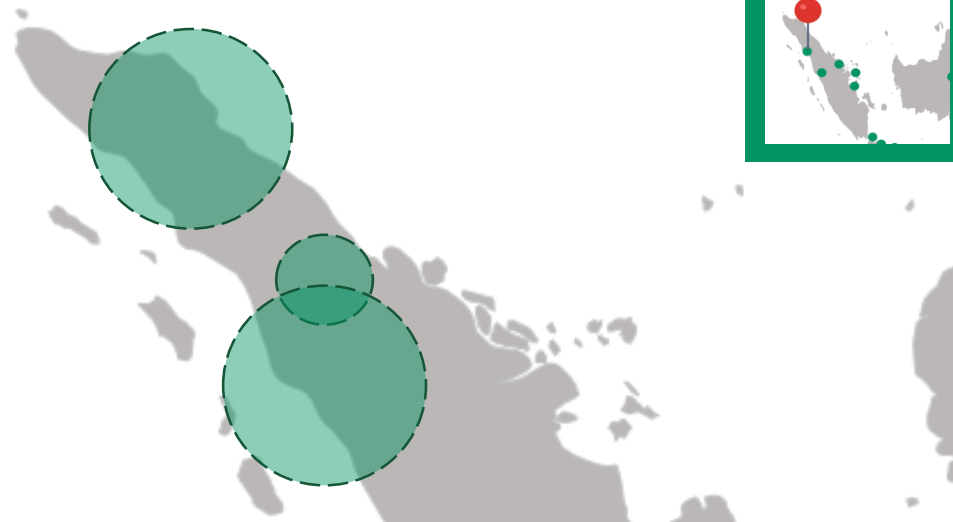
Source: Asean Briefing

Recommendation 3: Above-the-line and below-the-line brand strategy in Indonesia

3a. Driving brand awareness through hyperlocalization

2

Creating Geofences around specific Special Economic Zones (SEZ)



3 main geofencing zones

Kawasan Industri Medan

Medan Star Industrial Estate

Pulahan Serual Industrial Estate

Recommendation 3: Above-the-line and below-the-line brand strategy in Indonesia

3b. Enabling conversion with distributor branding guidelines

After attaining brand awareness, we can drive conversion at the local level using the new distribution model

b. Below-the-line branding in Indonesia

1

Determine the most prevalent end user in a given local region

2

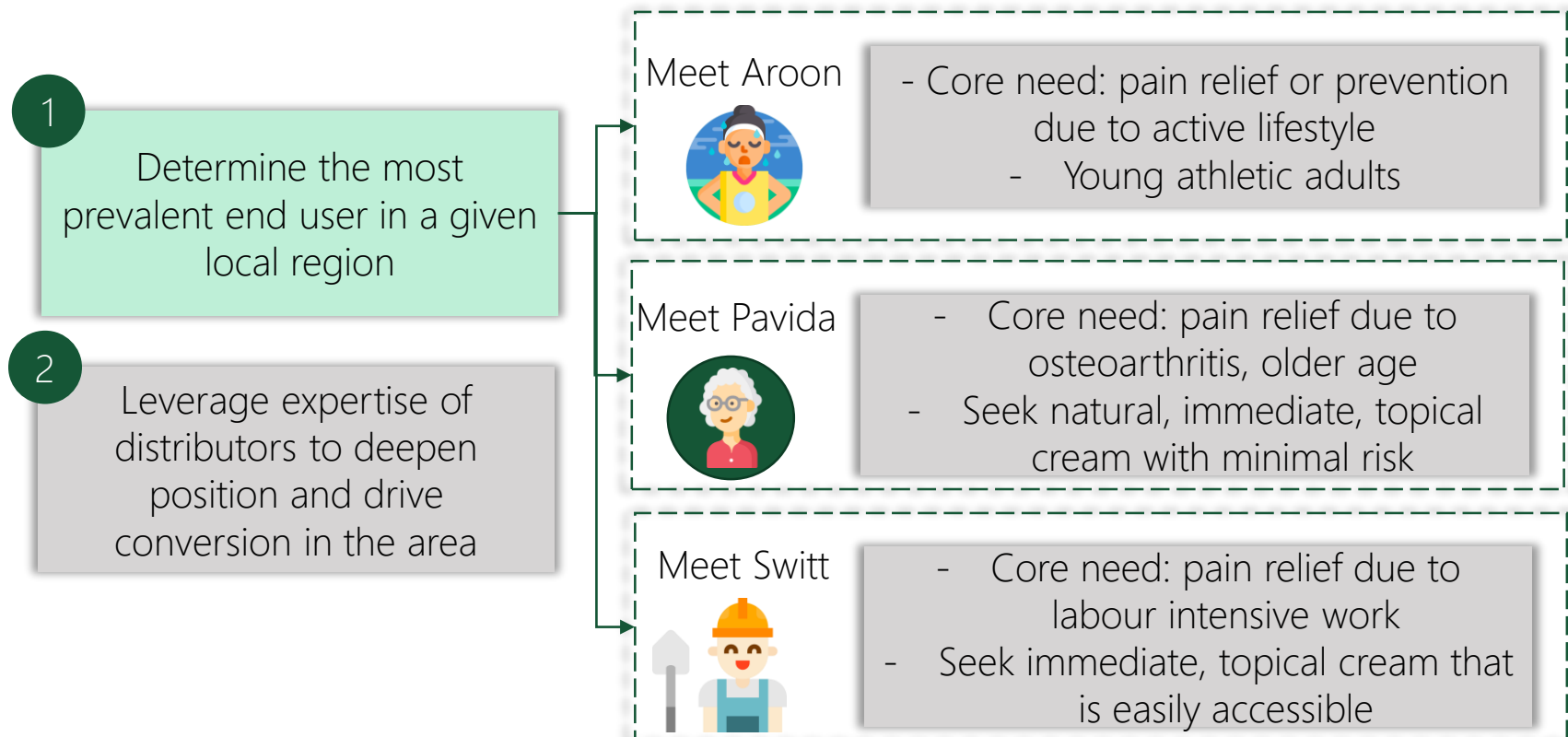
Leverage expertise of distributors to deepen position and drive conversion in the area

Recommendation 3: Above-the-line and below-the-line brand strategy in Indonesia

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b. Below-the-line branding in Indonesia

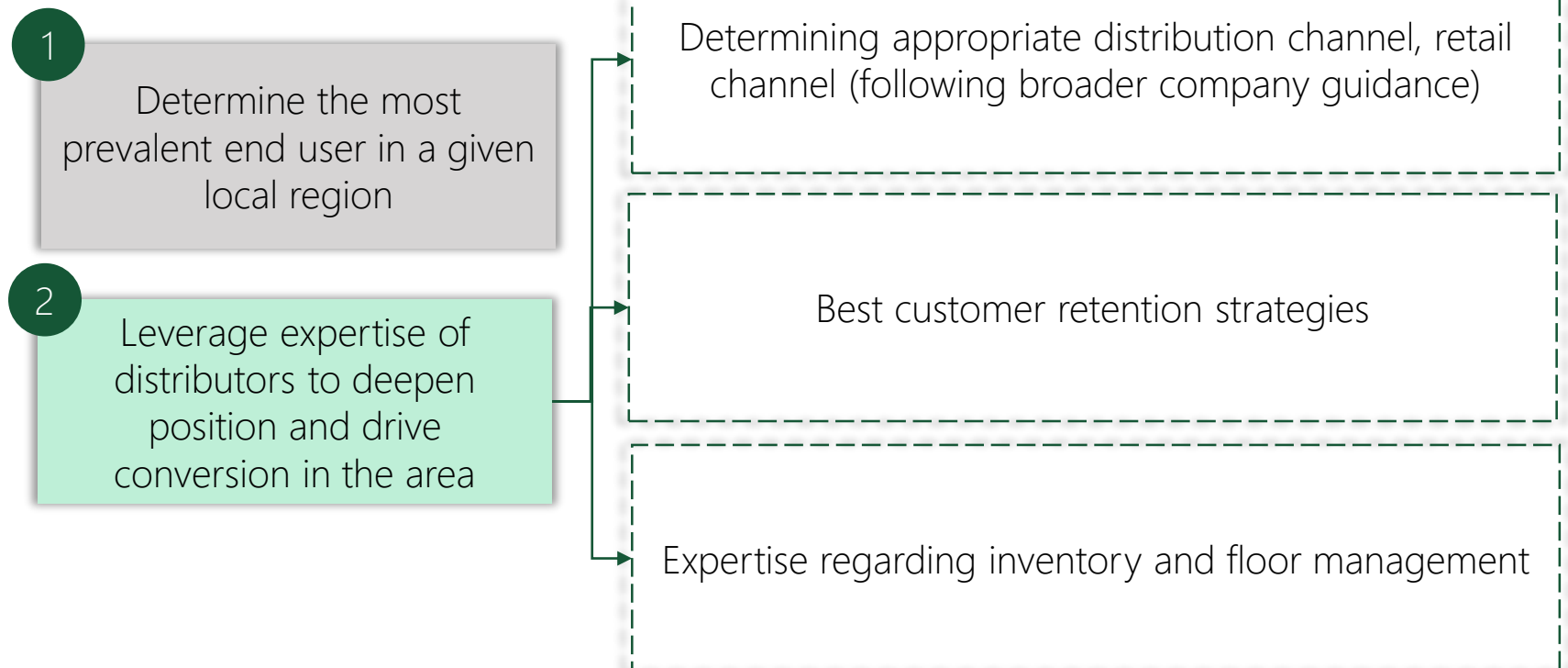


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b. Below-the-line branding in Indonesia



Measuring success for the marketing campaign

Views

Targeting 192M content views in initial year

Sales Growth

Capture 2-5% of the overall analgesic market

Engagement & Search Volume

Use FMG to monitor brand activation and search volume

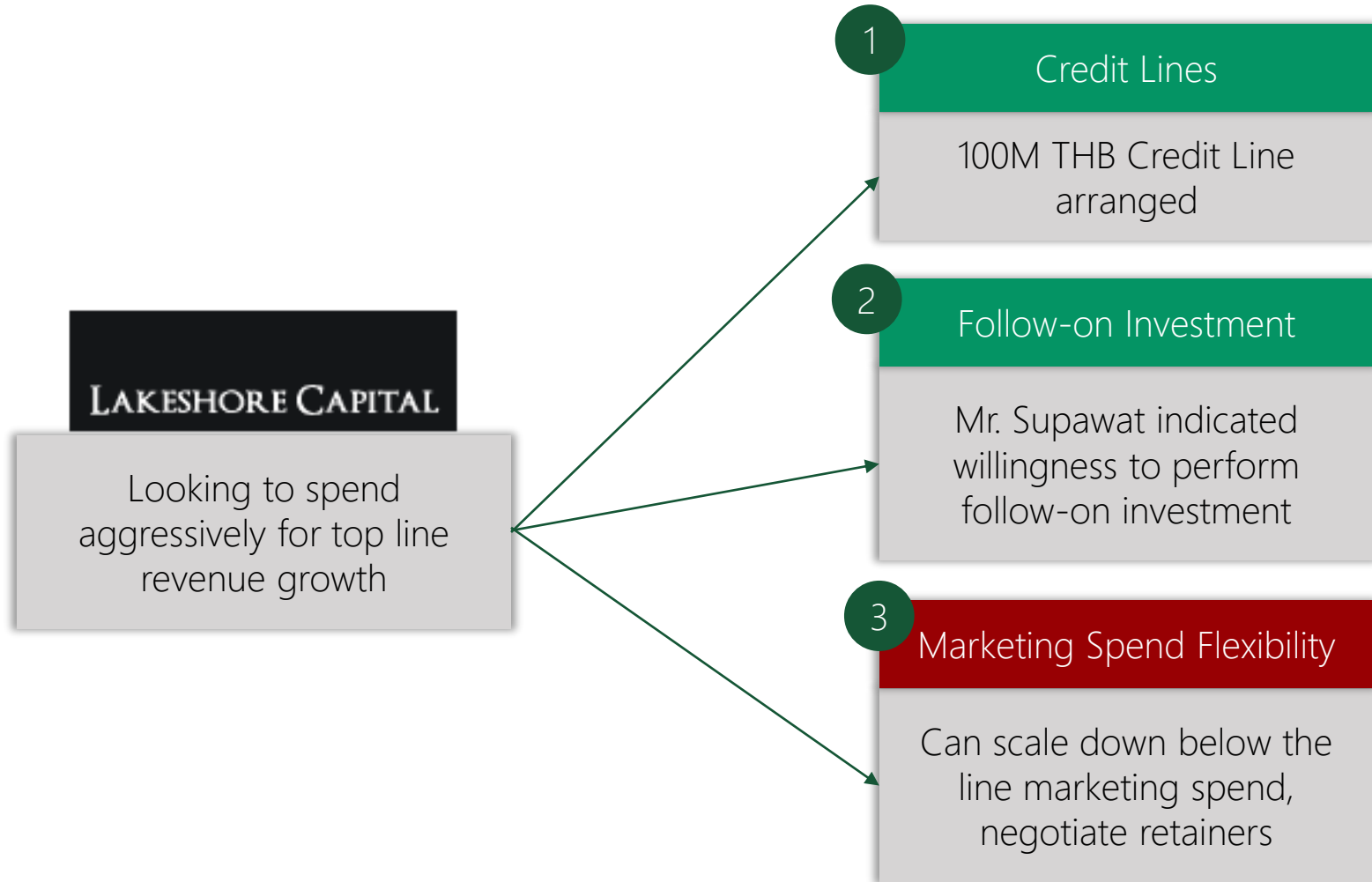
What are the financial implications of our recommendations?

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A topline annual revenue of 70-134MTHB for the Indonesian market by 2024

An NPV of 26-71M THB over a 5-year period.

Cash flow concerns and financing marketing spend



Hire full-service Indonesian FMG Marketing Agency



FMG
Future Mediatrix
Group

Manage Above the line social campaigns with FMG

Leverage local expertise in tracking brand activation, content creation, digital marketing

Cost per Thousand View x Target Views (000's)

Cost	=	Quoted Retainer Fee	+	Ad Spend
5.5M THB	=	5M THB	+	2.74THB x 192,000

Manggalla is a potential pharmaceutical distributor



Logistical expertise, with 40 years of operating experience

Scale of distribution with access to convenience stores, pharmacies, and clinics across 24 provinces

Expertise in achieving Halal and NADFC compliance

Yr 1 Below Line Marketing Budget

15M THB

=

Retail Outlets

=

1000

+

Spend per Outlet

x

% coverage DVK

+

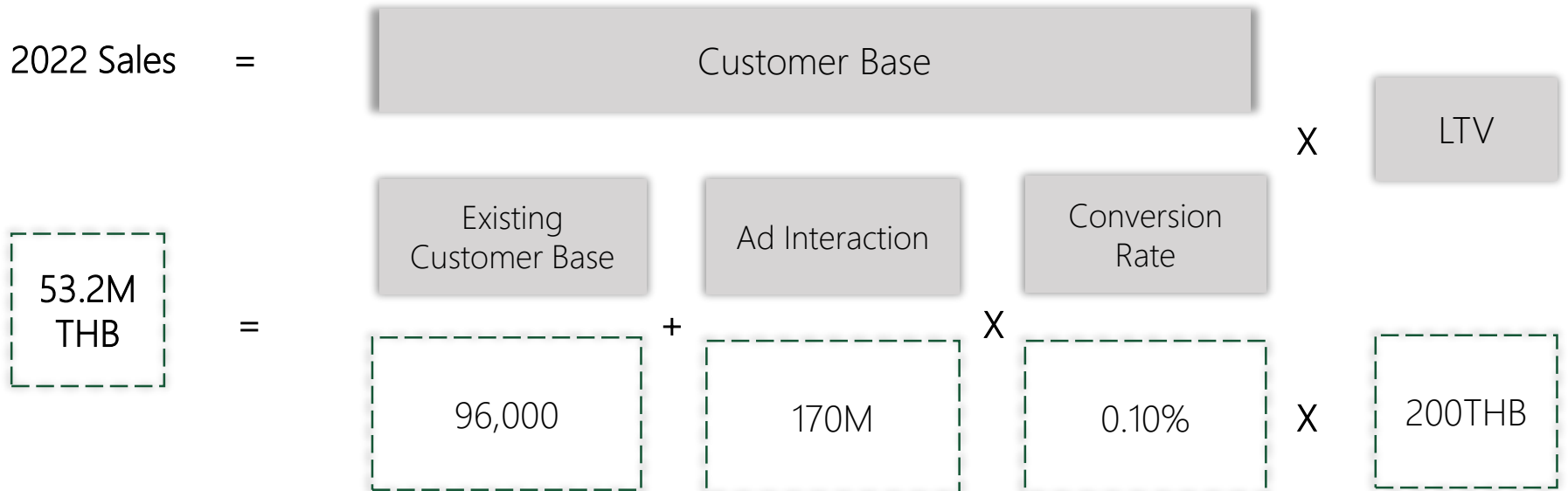
30,000THB

x

50%

Below Line Spend per Outlet * Budget Covered by DVK

Sales is driven by growing customer base and distributor spend

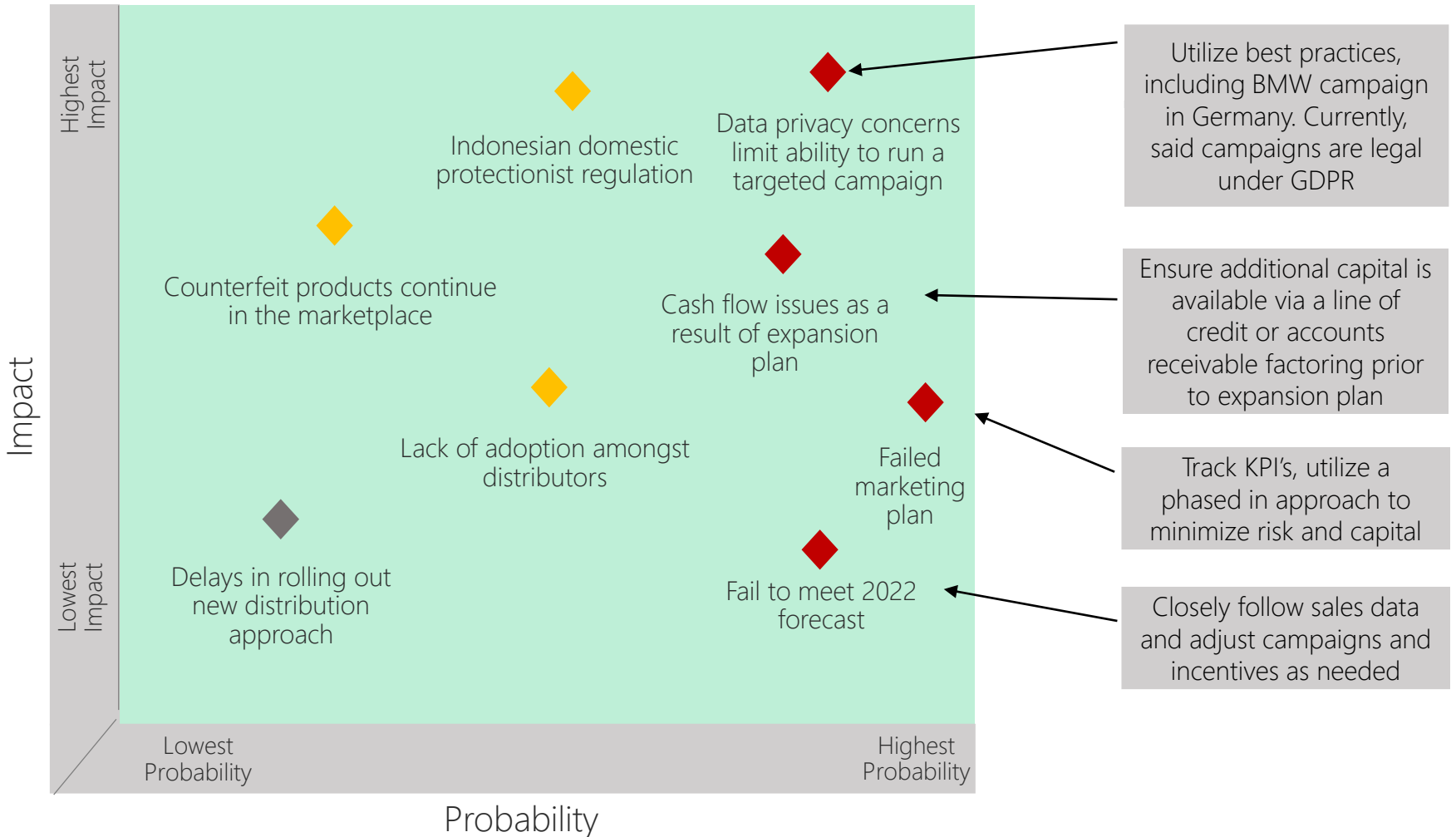


Assumptions

Conversion Rates
As awareness grows, BTL ad spend increases will drive conversion growth

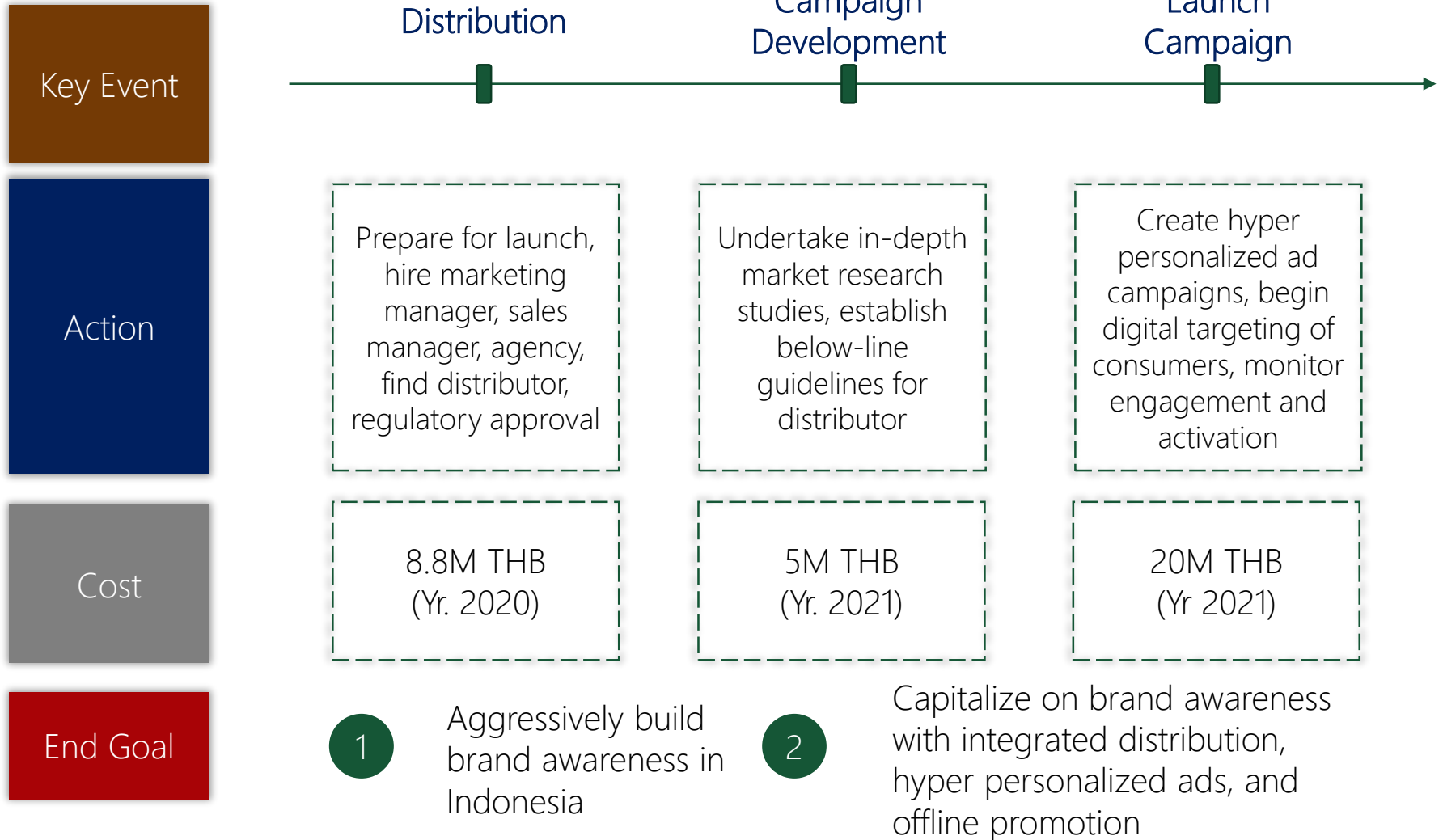
LTV
Each consumer will purchase twice a year, each product generates 100THB for DVK

Assessing and mitigating against potential risks



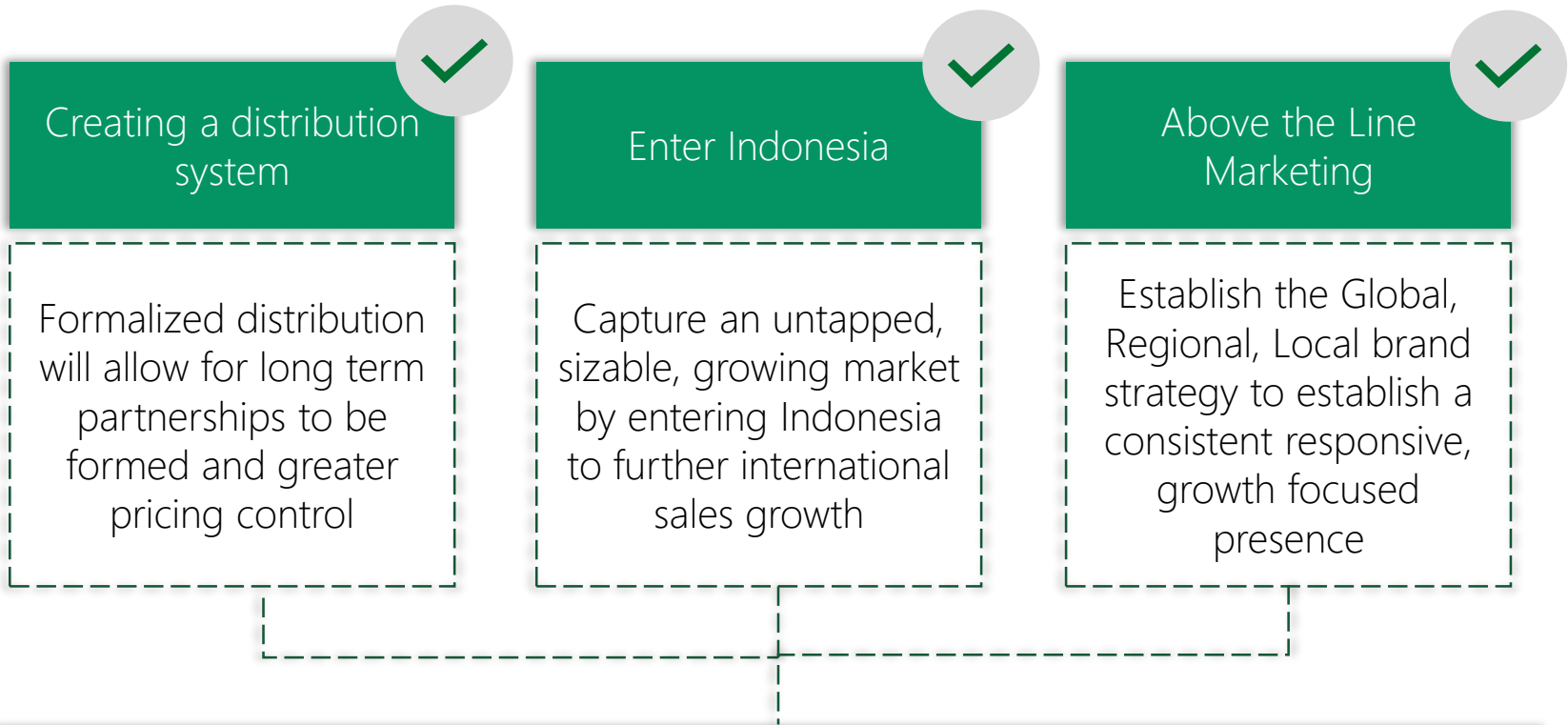
Implementation

Delivering Namman Muay to market



Conclusion

Creating international growth



DVK can grow international sales to meet the 2022 growth target of 20% international contribution and become a global leader while staying true to it's local roots

Legacy beyond borders: an international
growth strategy for Devakam








Sapphire Consulting

Alessandro Bottero, Kyle Bernat-Riddle, Nicholas Chan,
Alice He



Appendix 1:

Assessing international expansion targets scoring

		Potential Expansion Country	Score	Legal Framework	Competitive Landscape	Consumer Habits	Market Size
1		China	9	3	3	2	1
2		Russia	10	3	2	3	1
3		United States of America	7	1	3	2	1
4		Australia	9	1	3	3	2
5		India	8	3	3	1	1
6		Middle East	12	3	3	3	3
7			6	2	1	1	2

Appendix 2:

Assessing international expansion targets risk criteria

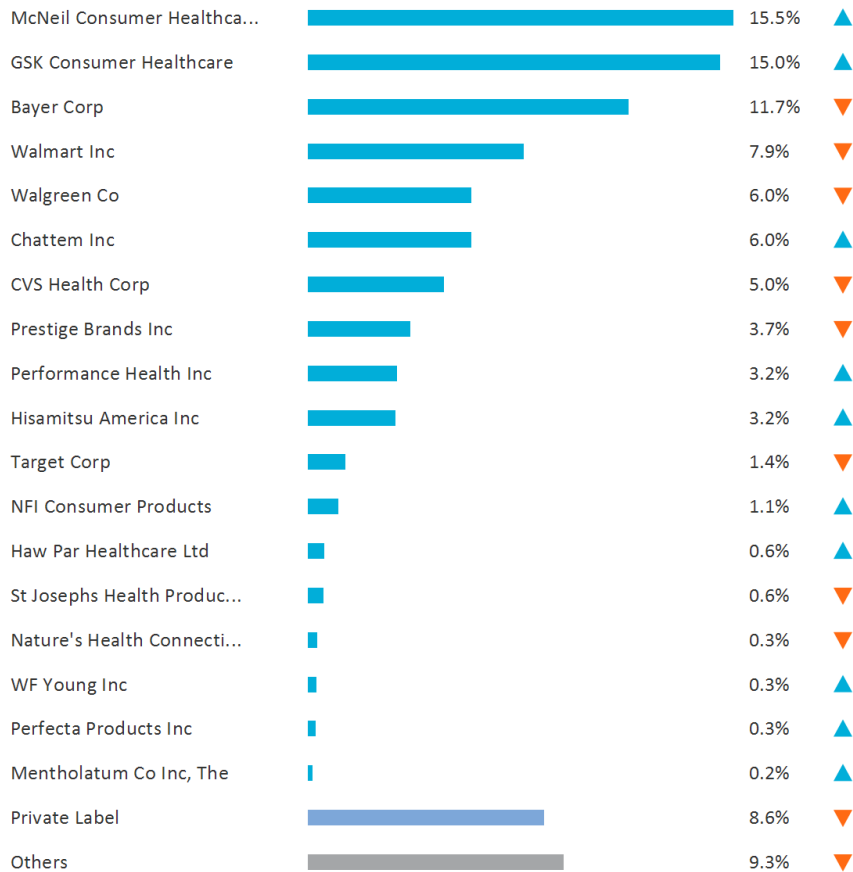
	GREEN	YELLOW	RED
Legal Framework	Licensing can be achieved in less than a year, for a low cost, with limited bureaucracy	Licensing can be achieved in 103 years with moderate levels of bureaucracy	International players are heavily restricted in their foreign operations within these jurisdictions
Competitive Landscape	Large market-share held by numerous non-major pharmaceutical players	Balanced market share between pharmaceutical and non-pharma players	Numerous major pharmaceutical companies controlling significant
Consumer Habits	Significant use of natural topical NSAID product	Blended use of natural topical NSAID products and systematic analgesics	Consumers primarily use systematic analgesics
Market Size	<US\$99.99M	US\$100M to US\$2,315.19	>US \$2,315.2M

Appendix 3:

Analgesics Market in the United States of America

Company Shares of Analgesics in USA

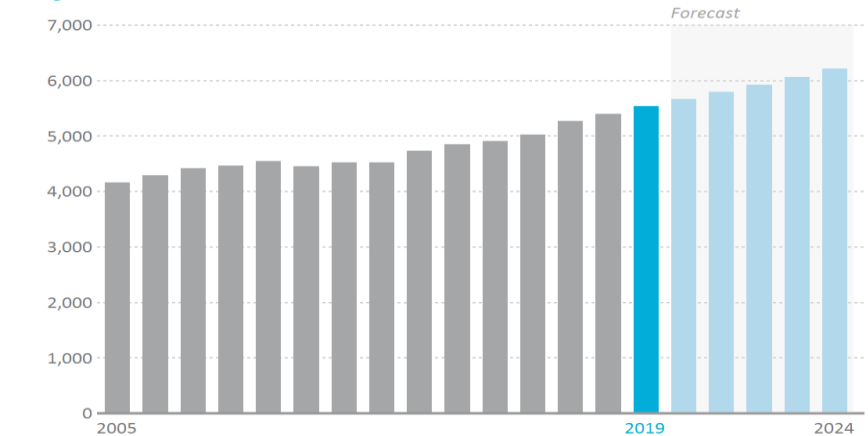
% Share (NBO) - Retail Value RSP - 2019



Sales of Analgesics in USA

Retail Value RSP - USD million - Current - 2005-2024

5,519



Passport

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Sales of Analgesics in USA by Category

Retail Value RSP - USD million - Current - 2019

Growth Performance

Click on a Category to update Sales Chart

Systemic Analgesics



Topical Analgesics/Anaesthetic



ANALGESICS 5,519.4

● CURRENT YEAR % GROWTH
 █ % CAGR 2014-2019
 █ % CAGR 2019-2024

Passport

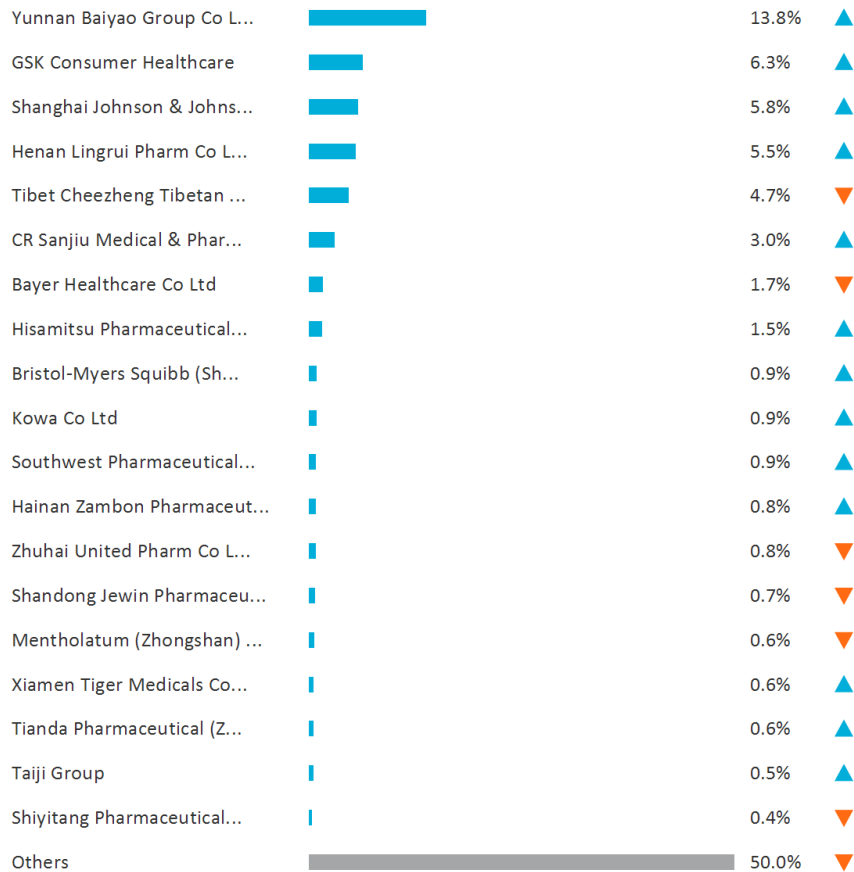
© Euromonitor International 2019

Appendix 4:

Analgesics Market in the People's Republic of China

Company Shares of Analgesics in China

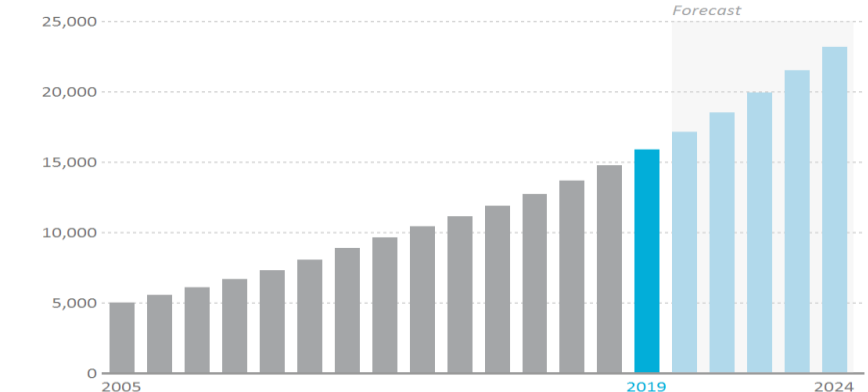
% Share (NBO) - Retail Value RSP - 2019



Sales of Analgesics in China

Retail Value RSP - CNY million - Current - 2005-2024

15,825



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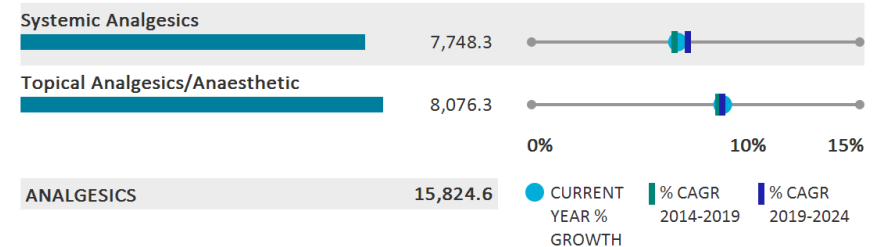
© Euromonitor International 2019

Sales of Analgesics in China by Category

Retail Value RSP - CNY million - Current - 2019

Growth Performance

Click on a Category to update Sales Chart



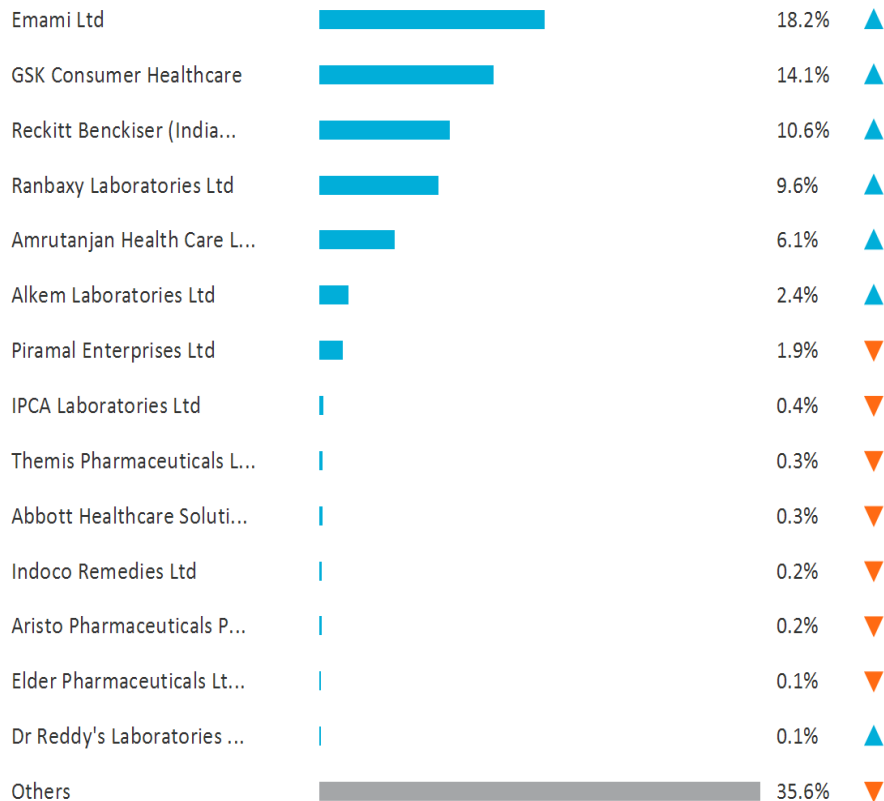
Passport

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Appendix 5: Analgesics Market in India

Company Shares of Analgesics in India

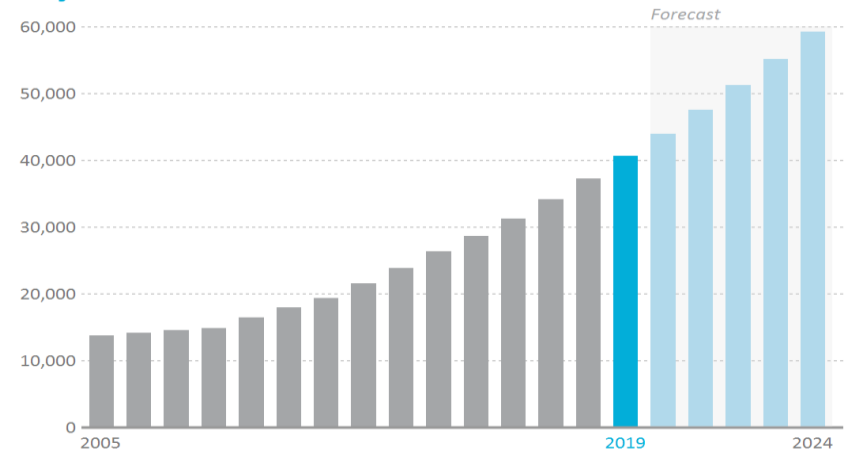
% Share (NBO) - Retail Value RSP - 2019



Sales of Analgesics in India

Retail Value RSP - INR million - Current - 2005-2024

40,484



Passport

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Sales of Analgesics in India by Category

Retail Value RSP - INR million - Current - 2019

Growth Performance

Click on a Category to update Sales Chart

Systemic Analgesics

6,730.6

Topical Analgesics/Anaesthetic

33,753.0

ANALGESICS

40,483.6

● CURRENT YEAR % GROWTH

■ % CAGR 2014-2019

■ % CAGR 2019-2024

Passport

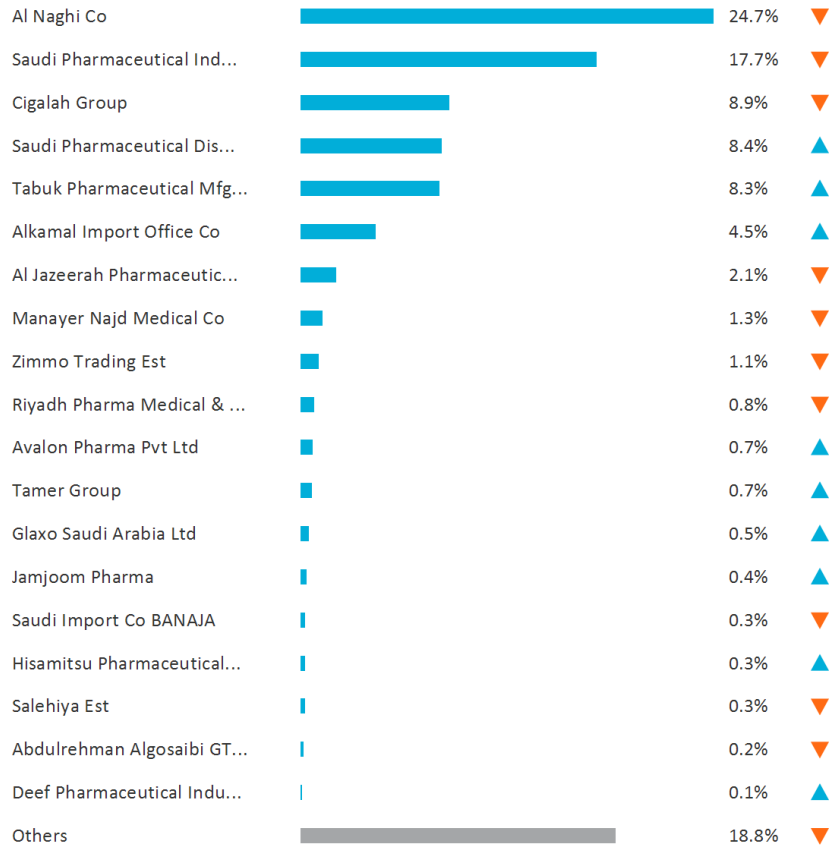
© Euromonitor International 2019

Appendix 6:

Analgesics Market in Saudi Arabia (Proxy for Middle East)

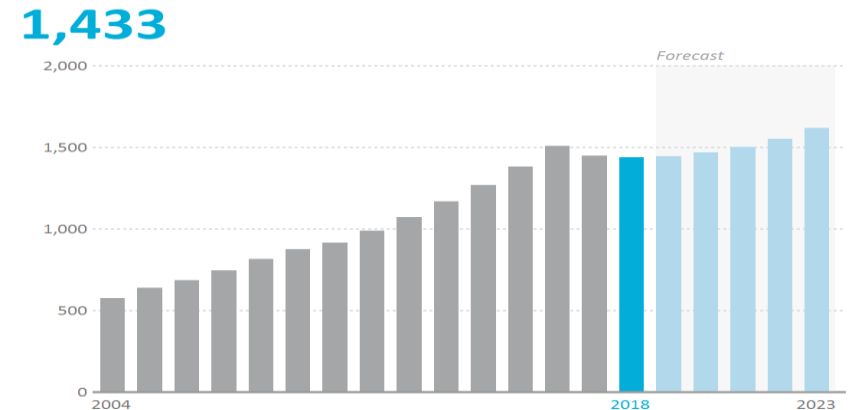
Company Shares of Analgesics in Saudi Arabia

% Share (NBO) - Retail Value RSP - 2018



Sales of Analgesics in Saudi Arabia

Retail Value RSP - SAR million - Current - 2004-2023



Passport

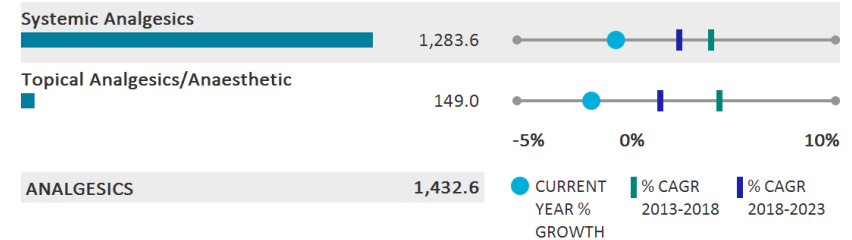
© Euromonitor International 2019

Sales of Analgesics in Saudi Arabia by Category

Retail Value RSP - SAR million - Current - 2018

Growth Performance

Click on a Category to update Sales Chart



Passport

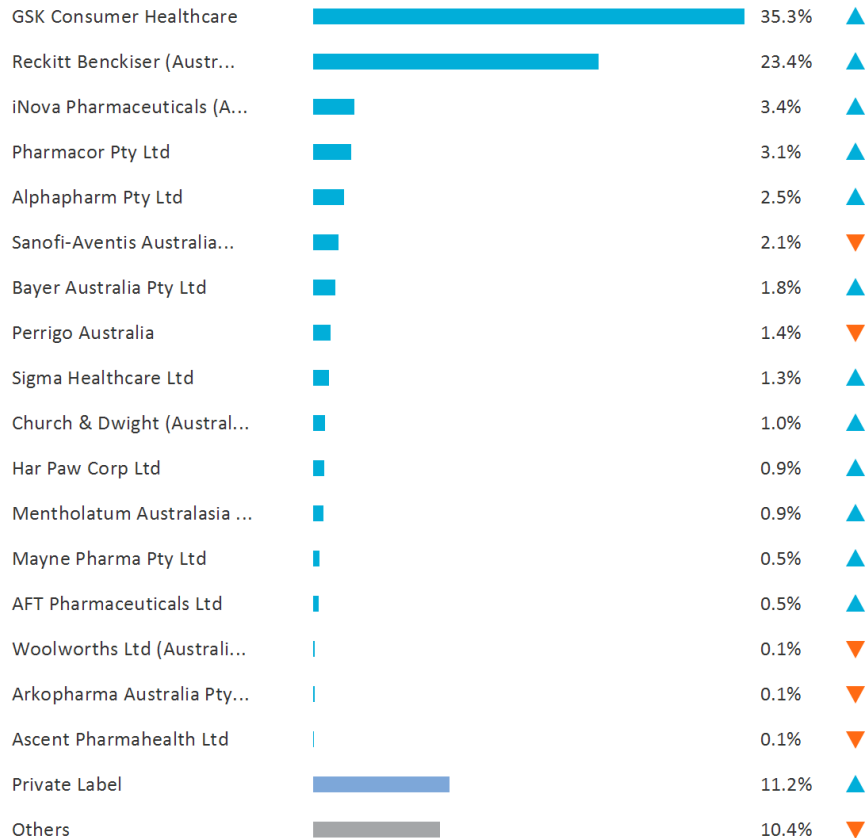
© Euromonitor International 2019

Appendix 7:

Analgesics Market in the Commonwealth of Australia

Company Shares of Analgesics in Australia

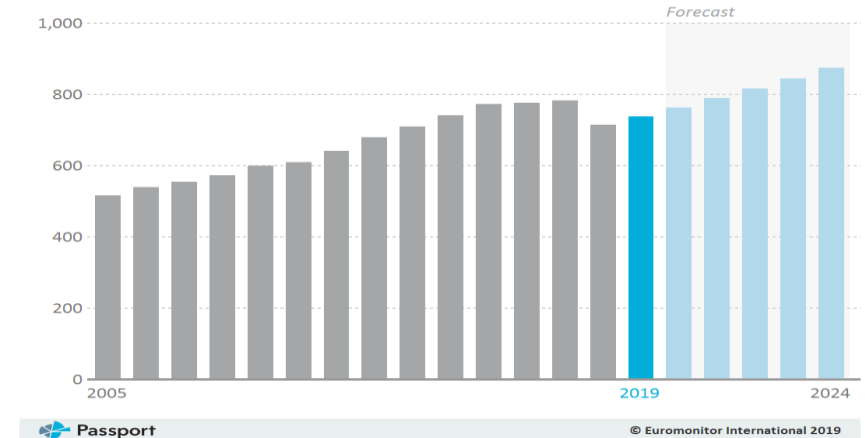
% Share (NBO) - Retail Value RSP - 2019



Sales of Analgesics in Australia

Retail Value RSP - AUD million - Current - 2005-2024

734

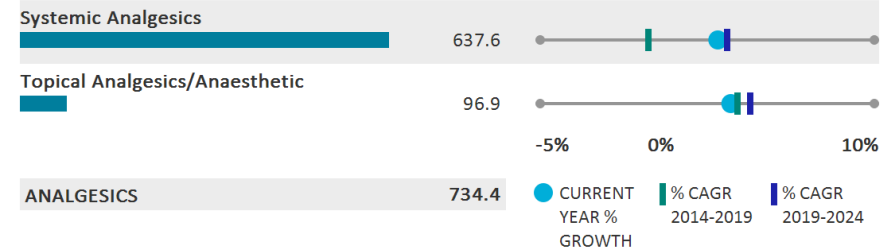


Sales of Analgesics in Australia by Category

Retail Value RSP - AUD million - Current - 2019

Growth Performance

Click on a Category to update Sales Chart



Passport

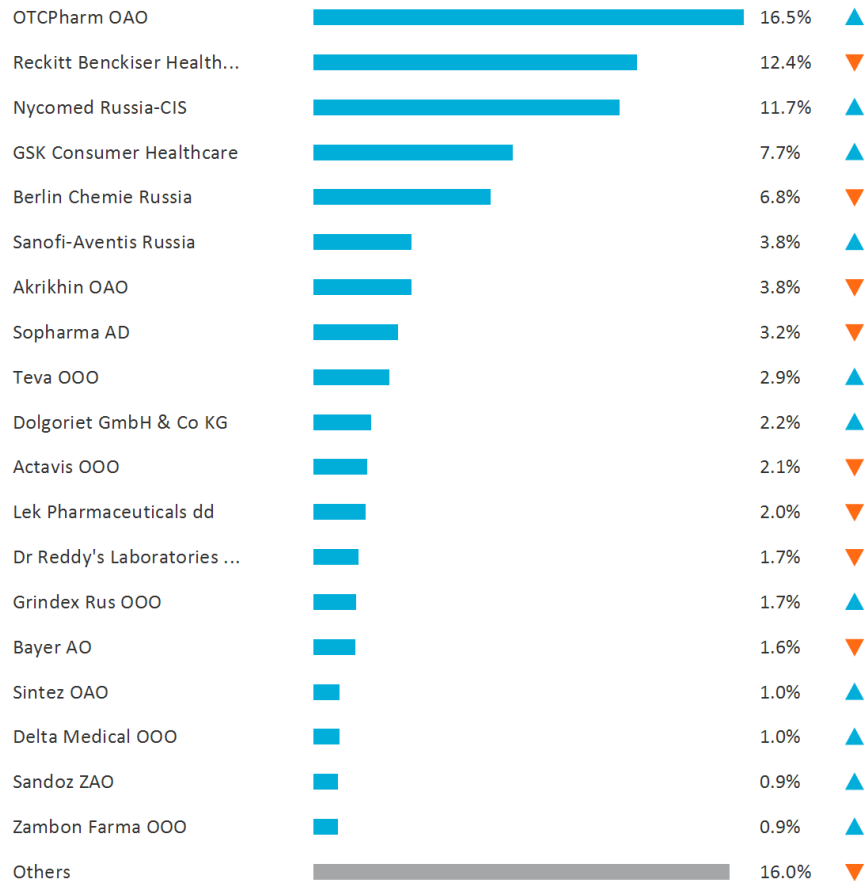
© Euromonitor International 2019

Appendix 8:

Analgesics Market in the Russian Federation

Company Shares of Analgesics in Russia

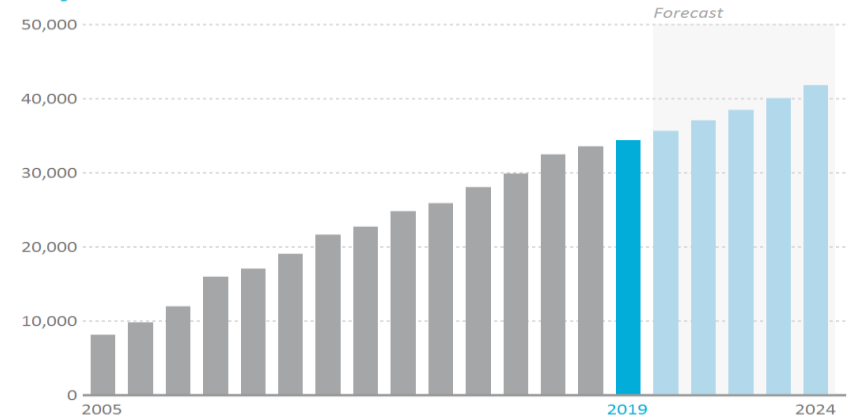
% Share (NBO) - Retail Value RSP - 2019



Sales of Analgesics in Russia

Retail Value RSP - RUB million - Current - 2005-2024

34,217



Passport

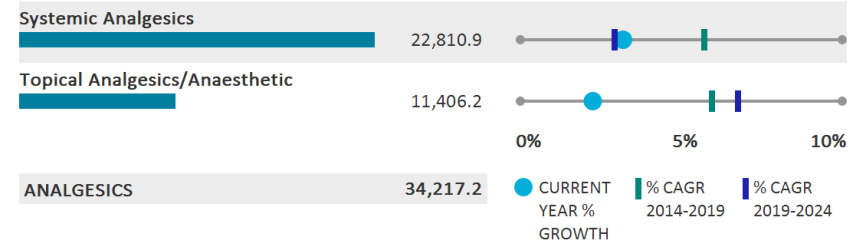
© Euromonitor International 2019

Sales of Analgesics in Russia by Category

Retail Value RSP - RUB million - Current - 2019

Growth Performance

Click on a Category to update Sales Chart



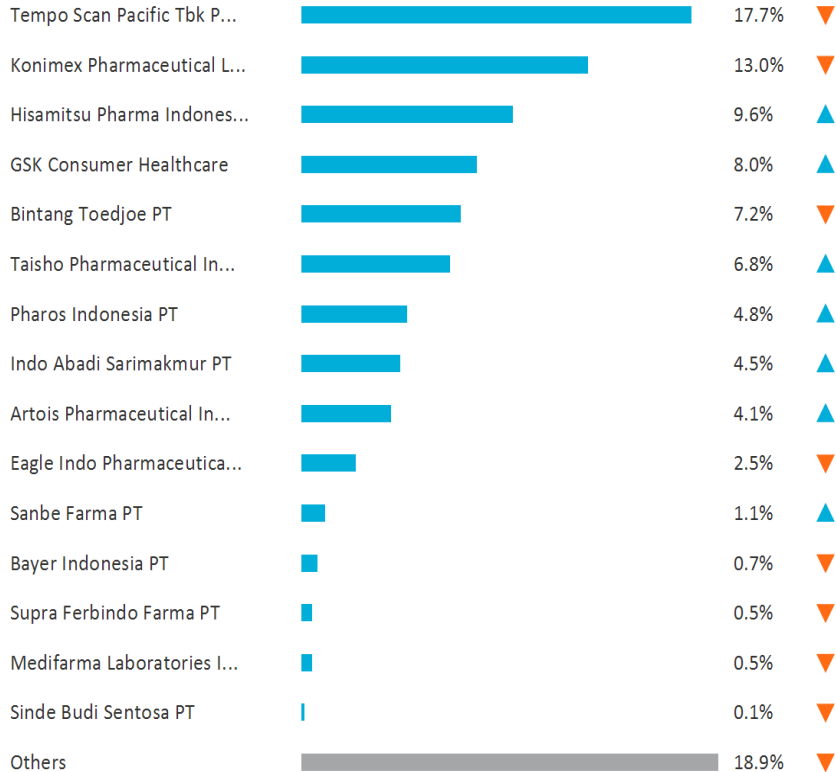
Passport

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Appendix 9: Analgesics Market in Indonesia

Company Shares of Analgesics in Indonesia

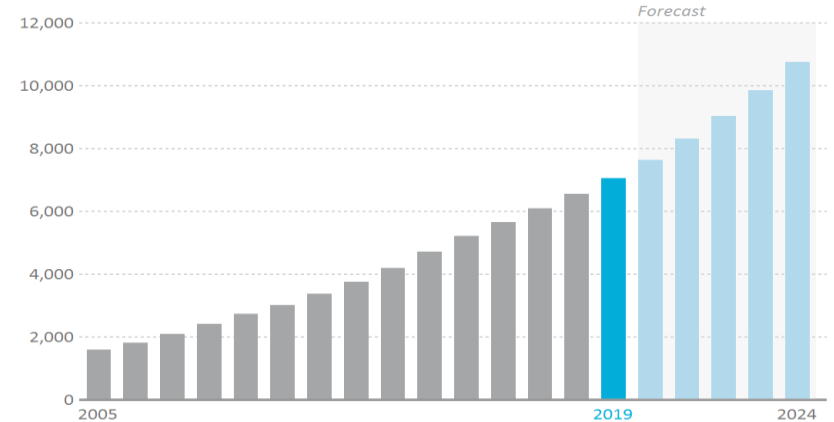
% Share (NBO) - Retail Value RSP - 2019



Sales of Analgesics in Indonesia

Retail Value RSP - IDR billion - Current - 2005-2024

7,013



Passport

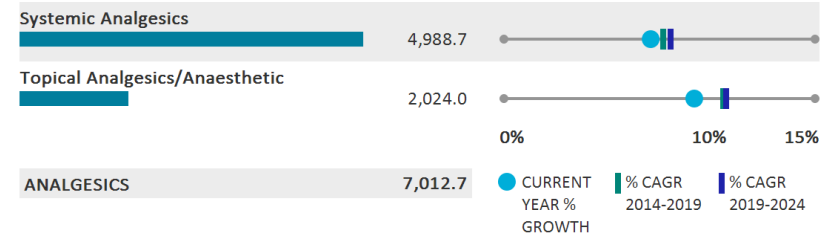
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Sales of Analgesics in Indonesia by Category

Retail Value RSP - IDR billion - Current - 2019

Growth Performance

Click on a Category to update Sales Chart



Passport

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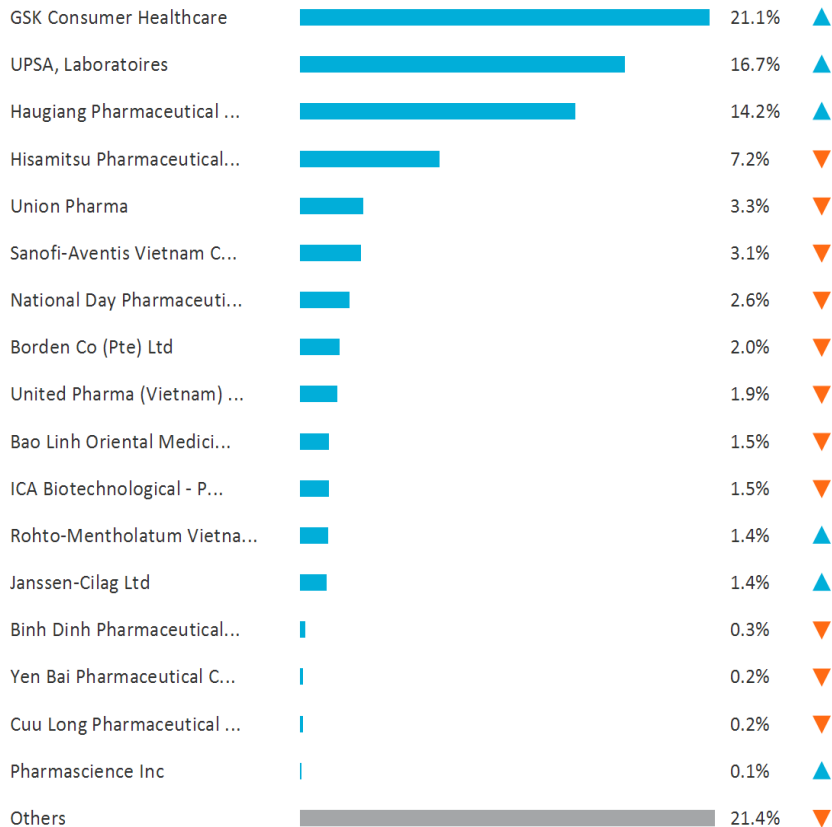
Passport

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Appendix 10: Analgesics Market in Vietnam

Company Shares of Analgesics in Vietnam

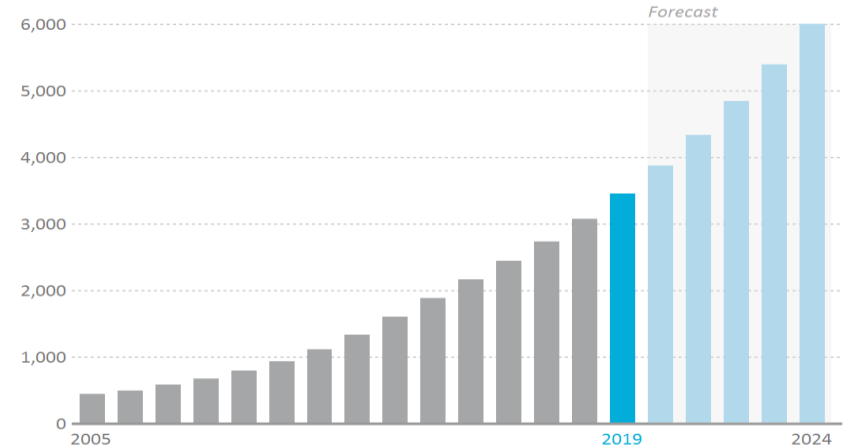
% Share (NBO) - Retail Value RSP - 2019



Sales of Analgesics in Vietnam

Retail Value RSP - VND billion - Current - 2005-2024

3,439



Passport

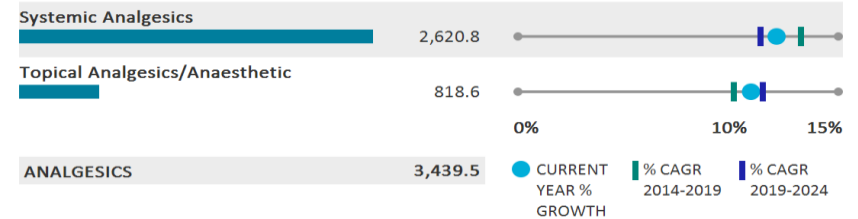
© Euromonitor International 2019

Sales of Analgesics in Vietnam by Category

Retail Value RSP - VND billion - Current - 2019

Growth Performance

Click on a Category to update Sales Chart



Passport

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Appendix 11:

Comparable Products



VOLTAREN® GEL (diclofenac sodium topical gel) is a nonsteroidal anti-inflammatory drug (NSAID) for topical use only. The chemical name is 2-[(2,6-dichlorophenyl) amino]benzene- acetic acid, monosodium salt. The molecular weight is 318.14. Its molecular formula is C₁₄H₁₀Cl₂NNaO₂. Produced by GSK.



Produced by Sanofi, Combifalm IcyHot is used as a topical pain relief for chronic pain in the Indian and emerging market place segment..

Appendix 12:

Understanding P&G Global Business Units

Global Business Units



Selling and Market Ops

- Asia Pacific
- Europe
- Greater China
- India, the Middle East and Africa (IMEA)
- Latin America
- North America

Our Selling and Market Operations (SMOs) are responsible for developing and executing go-to-market plans at the local level – and includes dedicated retail customer, trade channel and country-specific teams. Their focus is effective and efficient selling, distribution, shelving, pricing execution and merchandising for consumers, channels, customers and markets in six regions.

Appendix 13:

The power of hyperlocalization: BMW case study

BMW Campaign Overview

Efficiently target a niche audience. BMW needed to identify and strategize for its niche audience as efficiently as possible.

Encourage physical action. To be successful, the brand needed to be able to encourage users to visit local BMW dealerships and then quantify the results.

BMW Campaign Targeting

BMW chose to leverage mobile for this campaign so that it could reach the target audience while they were on the go and in the vicinity of a dealership. BMW knew that its location-based partners could help to identify when its target audience members were in the proximity of a local dealership by using geo-location services. The brand then used programmatic buying to find its target audiences across channels in real time..

BMW Campaign Results

The results of the 2015 campaign showed success beyond initial expectations. From June 1 through December 31, 2015, this campaign generated a 112.8 percent lift in physical dealer visits, equating to 334,548 incremental visits. By focusing on "Time + Location + Message" in the campaign strategy, the brand was able to send audiences into BMW dealerships for sale opportunities.

According to Placed, a third-party attribution company, the BMW campaign was one of the best-performing auto campaigns in 2015 in terms of creating lift in dealership visits.

Categories: | **Industries:** | **Objectives:** Location Based | **Awards:** Bronze Winner

Mitigating data concerns in a hyperlocalized strategy

Indonesia Data Security Law Assessment

Specific Regulations

In Indonesia, as of the date of this publication there is no general law on data protection. However, there are certain regulations concerning the use of electronic data. The primary sources of the management of electronic information and transactions are Law No. 11 of 2008 regarding Electronic Information and Transactions (EIT Law) as amended by Law No. 19 of 2016 regarding the Amendment of EIT Law (EIT Law Amendment), Government Regulation No. 82 of 2012 regarding Provisions of Electronic systems and Transactions (Reg. 82) and its implementing regulation, Minister of Communications & Informatics Regulation No. 20 of 2016 regarding the Protection of Personal Data in an Electronic System (MOCI Regulation).

However, a new draft Bill on the Protection of Private Personal Data (the Bill) is being discussed and as of this date it has not been issued. Although the exact date remains uncertain and the Bill is still to be considered by the House of Representatives, if passed, this will become Indonesia's first comprehensive law to specifically deal with the issue of data privacy.

In addition to the provisions under EIT Law, Reg. 82 and MOCI Regulation, there are also a series of regulations which also cover certain provisions which may relate to data protection, such as:

Appendix 15:

Mitigating data concerns in a hyperlocalized strategy

Hong Kong Data Security Law



香港個人資料私隱專員公署
Office of the Privacy Commissioner
for Personal Data, Hong Kong

Guidelines for online behavioral tracking

- (a) To inform users what types of information are being collected or tracked by them, the purpose of collecting the information, how the information is collected (including what tools are used), whether the information would be transferred to third-parties (and if so, the classes of such third-parties and purpose of transfer), whether the information will be combined with other information to track/profile users and for how long the information will be kept;
- (b) To inform users whether any third-party is collecting or tracking their behavioural information. As the organisation is the entity which engages the third-party to collect or track user behaviour, it is the organisation's responsibility to understand from the third-party what information is being collected and the means by which the information is collected. Organisations should inform users of the nature of such third-parties, purpose and means of collection, retention period and whether such information collected would be further transferred to other parties by the third party;

Appendix 16:

Advertising platform GDPR compliance

Facebook GDPR Compliance Statement

Advertiser specifications

In the event that Facebook operates as a data processor on behalf of advertisers and business partners in the European Union We will ensure that we comply with specific requirements for data processors. We have updated any terms and conditions. In accordance with the GDPR. In the event that we assign a group of people to act as data processors on our behalf We have made sure that we have the appropriate requirements to comply with the regulations under the GDPR and protect personal information. And in the event that we act as data processors on behalf of advertisers We will rely on the legal basis of the advertiser as the data controller for the processing of that data.

Appendix 17: Financial Projections (Bear Case)

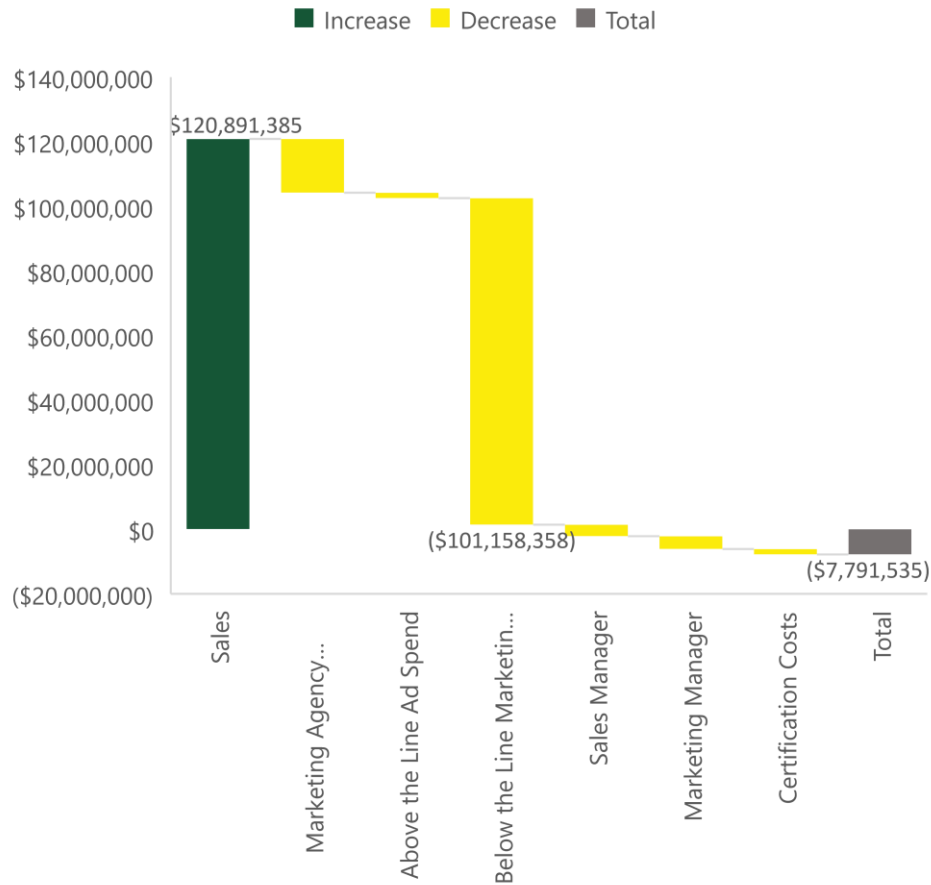
THB	2,020	2,021	2,022	2,023	2,024
Market Entry Indonesia					
Revenue Drivers					
Sales	-	19,200,000	36,200,000	53,200,000	70,200,000
Views (000's)	-	192,000,000	170,000,000	170,000,000	170,000,000
Conversion	-	0.05%	0.05%	0.05%	0.05%
LTV	200	200	200	200	200
Customer Base		96,000	181,000	266,000	351,000
Inflows		19,200,000	36,200,000	53,200,000	70,200,000
Cost Drivers					
Marketing Agency Retainer					
Fee	5,000,000	5,000,000	4,000,000	4,000,000	4,000,000
Above the Line Ad Spend	-	822,000	465,800	465,800	465,800
Views (000's)	-	300,000	170,000	170,000	170,000
CPM	2.74	2.74	2.74	2.74	2.74
Below the Line marketing spend	-	15,000,000	30,000,000	45,000,000	60,000,000
Drug Stores	-	1,000	1,200	1,500	2,000
Promotion per store	10,000	30,000	50,000	60,000	60,000
% DVK sponsored	1	1	1	1	1
Incremental Labour Costs					
Sales Manager	960,000	960,000	960,000	960,000	960,000
Sales Manager Annual Sala	960,000	960,000	960,000	960,000	960,000
Number of Sales Managers	1	1	1	1	1
Marketing Manager	1,059,643	1,059,643	1,059,643	1,059,643	1,059,643
Marketing Manager Salary	1,059,643	1,059,643	1,059,643	1,059,643	1,059,643
Number of Marketing Man	1	1	1	1	1
Certification Costs	1,823,000				
Outflows	8,842,643	22,841,643	36,485,443	51,485,443	66,485,443
Net Inflow (Outflow)	(8,842,643)	(3,641,643)	(285,443)	1,714,557	3,714,557

Appendix 18: Financial Projections (Bull Case)

THB	2,020	2,021	2,022	2,023	2,024
Market Entry Indonesia					
Revenue Drivers					
Sales	-	19,200,000	53,200,000	94,000,000	134,800,000
Views (000's)	-	192,000,000	170,000,000	170,000,000	170,000,000
Conversion	-	0.05%	0.10%	0.12%	0.12%
LTV	200	200	200	200	200
Customer Base		96,000	266,000	470,000	674,000
Inflows		19,200,000	53,200,000	94,000,000	134,800,000
Cost Drivers					
Marketing Agency Retainer					
Fee	5,000,000	5,000,000	4,000,000	4,000,000	4,000,000
Above the Line Ad Spend	-	822,000	465,800	465,800	465,800
Views (000's)	-	300,000	170,000	170,000	170,000
CPM	2.74	2.74	2.74	2.74	2.74
Below the Line marketing spend	-	15,000,000	30,000,000	45,000,000	60,000,000
Drug Stores	-	1,000	1,200	1,500	2,000
Promotion per store	10,000	30,000	50,000	60,000	60,000
% DVK sponsored	1	1	1	1	1
Incremental Labour Costs					
Sales Manager	960,000	960,000	960,000	960,000	960,000
Sales Manager Annual Sale	960,000	960,000	960,000	960,000	960,000
Number of Sales Managers	1	1	1	1	1
Marketing Manager	1,059,643	1,059,643	1,059,643	1,059,643	1,059,643
Marketing Manager Salary	1,059,643	1,059,643	1,059,643	1,059,643	1,059,643
Number of Marketing Man	1	1	1	1	1
Certification Costs	1,823,000				
Outflows	8,842,643	22,841,643	36,485,443	51,485,443	66,485,443
Net Inflow (Outflow)	(8,842,643)	(3,641,643)	16,714,557	42,514,557	68,314,557

Appendix 19: Visualizing NPV

NPV of Indonesian Marketing Campaign



WACC
10.49%

Appendix 20:

Key Assumptions for NPV and Financial Model

Key Assumptions

Campaigns continue on an annual basis, constantly driving brand awareness

Conversion rates increase as a result of below line spend and customer base

Managing new market with dedicated marketing and sales manager

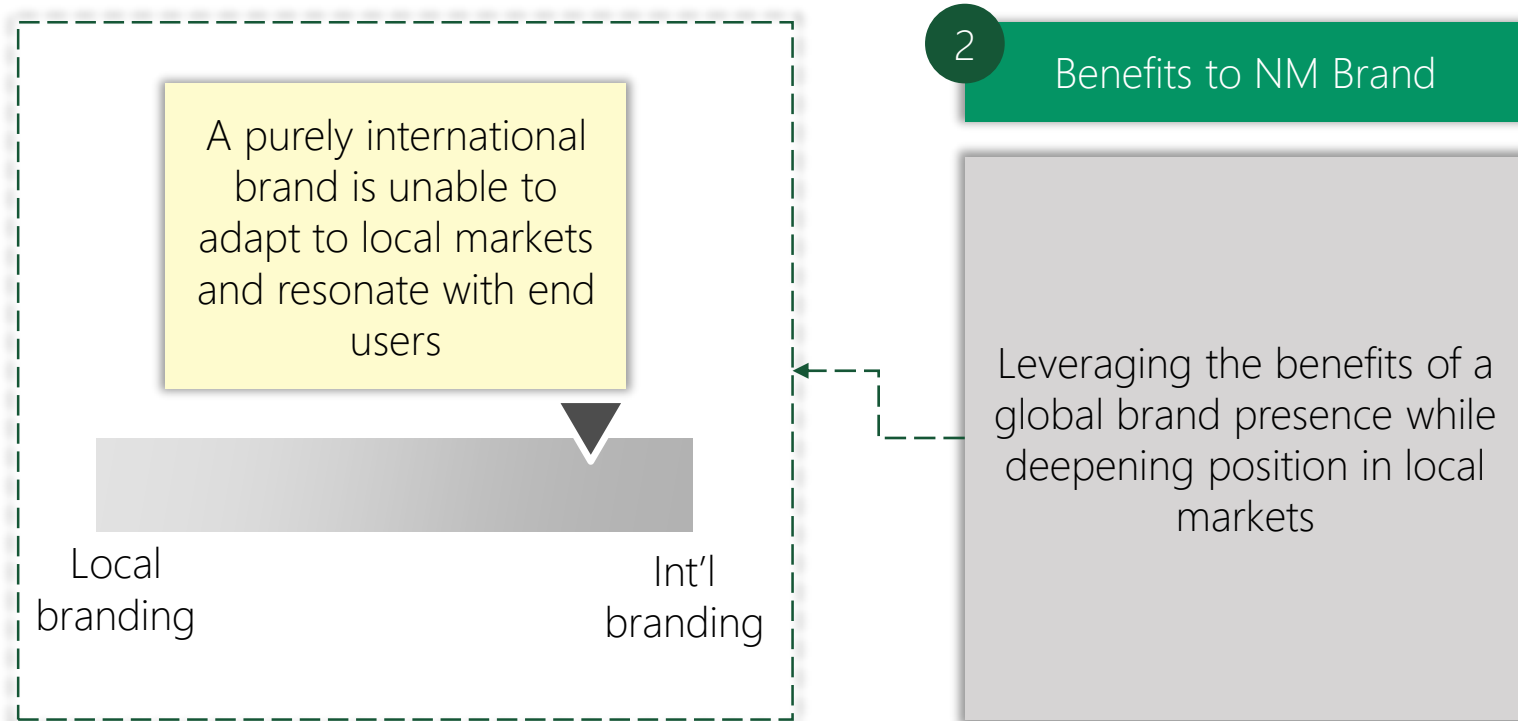
Unit price is 100THB

LTV is based off 2 purchases per year

European and other markets are factored out, existing strategies set, non-incremental

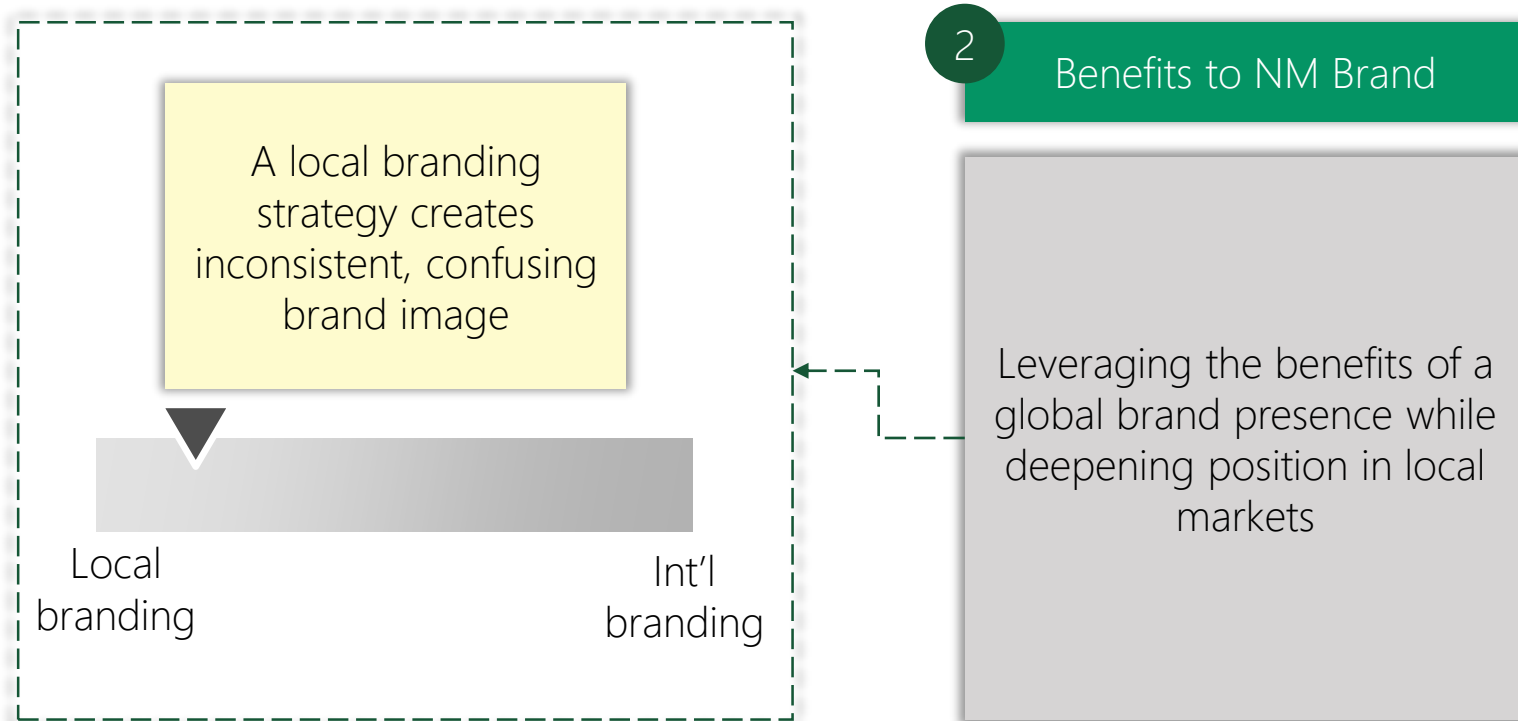
The case for a Global-Regional-Local model

The GRL model is mutually beneficial to both distributors and Namman Muay brand



The case for a Global-Regional-Local model

The GRL model is mutually beneficial to both distributors and Namman Muay brand



3a. Driving brand awareness through hyperlocalization

Why should we engage in hyperlocalization?

Data Collection

We can track customer profiles in a scalable, cheap, efficient manner using existing social media.

We do this by using a dashboard to target users by geography, interest, preferences, gender, age

Diversified customer base by region

Indonesia's archipelagic structure means people are across 17,500 islands. This level of diversity means that marketing tactics that work in the capital city of Jakarta, for example, may not necessarily work in another urban center like Surabaya

Increased awareness and growth

Brands with personalized experiences (integrating advanced digital technologies and proprietary data) have revenue increase by 6% to 10%, according to our research—two to three times faster than those that don't