

EXECUTIVE SUMMARY

Waste management is currently able to become a driver of Indonesia's economic growth as well as a manifestation of one of the principles of sustainable waste management. One solution to reducing waste, especially organic waste, is processing organic waste into Black Soldier Fly (BSF) Larvae or maggot. BSF has been widely cultivated by the community, both at home and on an industrial scale, with various end products, mostly in the form of fertilizer and feed. BSF cultivation in addition to producing the final product also contributes to reducing organic waste in the environment, considering that organic waste is "food" for BSF.

Apart from being used for animal feed and fertilizer, several studies have shown that BSF Larvae Extract contains protein, which is good for the skin, so that the extract can be used as raw material for skincare. The high content of lauric acid (lauric acid), makes this BSF extract have emollient properties which can provide moisture and protection as well as soften the skin. These ingredients make BSF extracts usable as raw materials for the cosmetic and drug industries, as well as protein and other nutrients that can have a positive effect on the skin.

Several groups of people are currently experiencing lifestyle changes, becoming more environmentally friendly and using natural materials. Consumers are switching to skincare products that use natural ingredients because they are safer, contain less chemicals, are more environmentally friendly, and are suitable for all skin types. This is an opportunity for the emergence of skincare products with raw materials that contain good properties and are sustainable and are environmentally friendly, such as skincare from BSF oil extraction raw materials.

PT Inovasi Maggot Indonesia is here to produce MOTION, a facial serum made from oil extracted from black soldier fly / maggot larvae and other nutritious ingredients. BSF larvae extract contains high levels of lauric acid (lauric acid) so it has emollient properties which could moisturize, soften and protect the skin from bacteria as well as provide an anti-aging effect for facial skin. Different from other serum products, MOTION not only has fulfilled the mandatory certification for a skincare product such as BPOM, MOTION has also fulfilled halal certification and passed clinical trial certification (Approved Clinical Trial).

MOTION is a social innovation-based business, by providing its own raw materials through maggot cultivation which involves the community and contributes to reducing organic waste in the surrounding environment, to produce a skincare product that is marketed to the public. The circular economy principle is one of MOTION's advantages, where MOTION is not only a facial care product that has a healthy effect on the skin but can also have a positive impact on society and the environment.

MOTION has a vision to become a social innovator in the cosmetics industry in Indonesia by creating facial care products made from BSF larvae extract that can provide added value to companies, consumers, society, and the environment. To achieve its vision, MOTION's mission is to create facial care products that are efficacious in moisturizing, protecting and softening the skin as well as providing anti-aging effects, which are not only profit-oriented but also provide optimal social and economic impacts for society and environmental sustainability; Collaborate with various

parties to continuously improve product quality and optimize social, economic and environmental impacts; and continue to innovate both in terms of products and technology as well as business processes to meet market and consumer expectations and keep products up-to-date.

MOTION has a segment market for women 30 - 50 years old, SES A+-A, living in big cities and having dry skin problems and wanting early anti-aging treatments. MOTION is marketed through level 0 and level 1 channels, through direct sales to consumers via the website, as well as through distribution to beauty clinics and pharmacies, and in collaboration with dermatologists as parties who recommend products to consumers. MOTION's marketing communications are carried out using an omni-channel strategy, in which MOTION collaborates online and offline communication strategies, with PR, advertorial, event, sponsorship, white paper/research and community engagement strategies.

MOTION is a business with value chain model, where the supply chain from upstream (management of raw materials through maggot cultivation), production of raw materials (maggot extraction) and packaging is carried out independently, while product formulation is carried out in collaboration with Maklon.

MOTION will be sold with an estimated selling price of IDR 349,000. Revenue growth is predicted to be 20% per year, with revenue in the first year amounting to Rp.69,094,811,853 and becoming Rp.143,275,001,859 in the fifth year. The net margin of 50% from the second year will be distributed to shareholders. Marketing costs are set at 40% of sales. There are 10 components, with the largest components being doctor engagement fees, reseller fees, referral programs and clinic fees which account for more than 61% of marketing expense. This is in accordance with MOTION's marketing strategy which uses clinics and pharmacies as the main marketing channels.

Sales volume is predicted to continue to grow but the Company can maintain the cost side which does not increase significantly. MOTION's NPV has a value of Rp 16,318,776,842.- which means that this business generates very good profits, the annual IRR is 47%, which means that it is greater than the cost of capital requested by the capital owner (12.89%), and the payback period is 3 years 2 months. With a Coeff. Variant value of 57.17%, MOTION has a moderate investment risk, and the investment risk of the MOTION project is feasible, and the chance of a loss is quite low, namely 4.01%.

As a social business, MOTION not only focuses on profits and financial return value to the company itself, but also the value of social return to society so that it can be seen that the MOTION business has a social and economic impact on society through the calculation of Social Return on Investment (SROI) from the community development program which also has an impact on the company's business cycle through the maggot plasma system which will increase the supply network from the community. The SROI value in each year has reached a ratio above 1, which shows that every investment value made is able to provide more added value to the community, and this SROI value also increases every year.