

Group 1

Biopure Case Analysis

09.24.2025

To: Carl Rausch, President and CEO of Biopure Corporation
From: Group 1
Re: What should Biopure do regarding the commercial release of Oxyglobin?
Date: 09/24/2025

This memo presents an actionable recommendation for the commercial launch of Oxyglobin, incorporating comprehensive market assessment, risk analysis, profit estimation, and strategic brand considerations to support Biopure's growth and sustainability.

Recommendation

We recommend releasing Oxyglobin immediately in limited quantities at a price of \$150 per unit, targeting emergency veterinary care practices. This approach captures an underserved market, generates near-term revenue, and builds credibility for Hemopure's future launch in the human market.

Analysis and Support

Given the gap in the veterinary market for blood substitutes, clear willingness to pay by pet owners, especially in emergencies (see Table B), and dissatisfaction among vets with blood transfusion alternatives currently available, we predict a large market value capture with Oxyglobin given the lack of competitors in the field.

Given Hemopure is still in Phase III of clinical trials and with existing blood product alternatives in the human market, we feel that releasing Oxyglobin now ensures revenue, and establishes Biopure as experts in blood product alternatives with credibility before Hemopure can be released.

We do not think releasing Oxyglobin at a lower price than Hemopure will affect the pricing strategy given the distinction between the small animal and human markets. Focus on that distinction can involve general customer education on the product and a clear separation between the two product markets with Oxyglobin being solely advertised for pets and Hemopure for humans.

We suggest pricing Oxyglobin at \$150 per unit, in limited quantities. Targeting high-value veterinary segments, specifically the Emergency Care sector. This strategy captures first-mover advantage, maximizes revenue, and builds market experience for Hemopure, while maintaining their distinct market positioning.

Launching Oxyglobin at \$150 per unit in limited quantities captures unmet demand in the veterinary market, generates immediate revenue, and builds brand strength for Biopure. Financial projections indicate break-even performance at approximately 100,000 units and profits of up to \$25 million at full capacity. This strategy balances revenue generation with risk management and ensures Biopure is well positioned for Hemopure's entry into the human market.

Exhibits

Tables A & B (p10-11)

Table A Veterinarians' Reported Willingness to Trial Oxyglobin

Price to Veterinarian	% of Veterinarians Who Would Trial Product	
	Noncritical Cases	Critical Cases
\$50 per unit	95%	100%
\$100 per unit	70%	95%
\$150 per unit	25%	80%
\$200 per unit	5%	60%

Source: Biopure company records

Table B Pet Owners' Willingness to Trial Oxyglobin

Price to Pet Owner	% of Pet Owners Who Would Trial Product	
	Noncritical Cases	Critical Cases
\$100 per unit	60%	90%
\$200 per unit	40%	85%
\$300 per unit	35%	75%
\$400 per unit	30%	65%

Source: Biopure company records

Financial Exhibit: Revenue, Cost, and Profit Scenarios

Units Sold	Revenue (\$150/unit)	Total Costs (Direct)	Profit (Direct)	Total Costs (Distributor)	Profit (Distributor)
100,000	\$15,000,000	\$15,150,000	-\$150,000	\$19,650,000	-\$4,650,000
200,000	\$30,000,000	\$17,750,000	\$12,250,000	\$19,800,000	\$10,200,000
300,000	\$45,000,000	\$20,350,000	\$24,650,000	\$20,950,000	\$24,050,000