NUCOREBIO · INTELLECTUAL PROPERTY GUIDE · PLAIN LANGUAGE

IP Transfer Rights Explained

What Formula License Rights Include — Manufacturing Freedom, Territory Terms & Re-Sale Restrictions

This guide explains — in plain, non-legal language — exactly what you get when you license or purchase a formula from NuCoreBio. We believe our clients should fully understand what they are paying for, what they can and cannot do, and how different licensing structures affect their business. Read this before signing any agreement.

WHAT THIS GUIDE COVERS

Key Question This Guide Answers: • Can I manufacture the formula myself or use any factory? • Can I sell in any country, or only the territory I licensed? • If I license the formula, does NuCoreBio still own it? • Can I change the formula after licensing? • What happens if I want to stop or switch suppliers? • What is the difference between a license and a full IP transfer? • Can I sell my brand (including the formula) to another company?

— CHAPTER 1

The Big Picture — License vs. Ownership

When most brands say they "have a formula," they mean one of three very different things. Understanding which situation you are in — and which you want — is the foundation of every conversation about formula intellectual property.

Situation	What It Means	Who Owns the IP	What You Can Do	Typical Cost
You Buy Generic Formula (no license)	A manufacturer makes a standard product for you. No exclusivity. Hundreds of other brands sell the same formula.	The manufacturer — they own nothing; the formula is public domain or their operational know-how	Sell under your brand. Cannot prevent competitors using same formula.	Lowest — $0 license fee; just production cost
You License NuCoreBio Formula IP (non-exclusive)	NuCoreBio grants you the right to use our validated proprietary formula. We may also license it to others in your market.	NuCoreBio owns the IP. You have a right to use it.	Sell under your brand. Use COA references. Cannot sub-license or sell IP.	License fee + production; mid-range investment
You License NuCoreBio Formula IP (exclusive territory)	Same as above but NuCoreBio cannot license to any other party in your specific territory for the term.	NuCoreBio owns the IP. You have exclusive USE rights in your territory.	Sell exclusively in your territory. Build brand equity. Cannot sell outside territory without approval.	Higher license fee + minimum volume commitment
You Purchase Full IP Transfer	NuCoreBio transfers complete ownership of the formula to you globally.	YOU own the formula IP. NuCoreBio retains nothing.	Do anything — change it, license it, sell your company with it included.	Highest — substantial one-time buyout fee

— CHAPTER 2

Manufacturing Freedom — Can You Use Any Factory?

This is the question most licensees ask first. The answer depends on your license type and the agreement terms. Here is the honest, plain-language breakdown.

Q: Do I have to manufacture through NuCoreBio?

For the first 12 months of any new license, YES — we require production through our partner network. This is not just a commercial preference: it protects the formula specification integrity and ensures your first batches match what you sampled and approved. After 12 months, you may apply to transition to an approved alternative GMP manufacturer.

Q: What qualifies as an "approved" alternative manufacturer?

Any manufacturer that: (1) holds valid cGMP certification (21 CFR 111 for US products or equivalent); (2) agrees to manufacture strictly to the locked formula specification in Schedule C of your license; (3) provides third-party COA verification for every batch; and (4) has been reviewed and approved by NuCoreBio in writing. We approve qualified manufacturers within 30 days of application.

Q: Can I adjust the formula after licensing?

MINOR adjustments (excipient changes, capsule colour, bottle size) can be made with written approval. MATERIAL changes to active ingredient identities or concentrations require a new license amendment and may involve additional fees. The formula is locked to protect the clinical evidence base.

Q: What if my alternative manufacturer's COA doesn't match the spec?

Any batch failing to meet the licensed specification cannot be sold as a Licensed Product. You bear sole liability for non-compliant batches manufactured by your chosen factory. NuCoreBio strongly recommends using our production network to ensure specification continuity — our COA records are defensible in any regulatory jurisdiction.

— CHAPTER 3

Territory Terms — Where Can You Sell?

Your licensed territory defines the geographic area where you may actively market, distribute, and sell Licensed Products. This chapter explains the rules clearly.

Territory Scenario	What You CAN Do	What You CANNOT Do	Resolution if You Want More
Single-country license (e.g. US only)	Sell throughout the US. Use all US distribution channels (Amazon, retail, direct).	Sell actively into Canada, EU, or any other market. List on global Amazon stores that ship internationally without approval.	Apply for additional territory license. If available (not already exclusively licensed), we quote within 48 hours.
Regional license (e.g. ANZ)	Sell in Australia and New Zealand through any channel.	Sell into other APAC markets (Singapore, Thailand, etc.) without additional license.	Expand to additional countries with supplemental territory license.
Global non-exclusive license	Sell anywhere in the world without territory restriction.	Prevent NuCoreBio from licensing the same formula to a competitor in any country.	Upgrade to global exclusive by paying the exclusivity premium.
Global exclusive license	Prevent any other brand from selling the same formula anywhere in the world for your agreement term.	Ignore minimum annual volume commitments (failure converts to non-exclusive).	Maintain volume commitments to retain exclusivity.

PASSIVE SALES — WHAT IS ALLOWED

PASSIVE SALES RULE: If a customer outside your licensed territory contacts you directly (e.g. via your website) and places an order, this is a "passive sale" and is generally permitted. You do not need to refuse orders from outside your territory — you simply cannot run active advertising campaigns or fulfillment infrastructure outside it. If passive sales grow significantly in a non-licensed territory, we recommend applying for that territory to formalise your rights.

— CHAPTER 4

What Is Included With Your License

Many supplement brands discover too late what they do and do not receive with a formula license. Here is the full, transparent list of what every NuCoreBio license includes — at no additional charge.

Item	Included in ALL Licenses?	Notes
Full formula specification (ingredient identities + concentrations)	YES — under NDA	Provided upon NDA execution before license payment
Certificate of Analysis references (HPLC, ICP-MS, microbial)	YES — every batch	3rd-party ISO/IEC 17025 accredited lab COA per production run
Stability study data (ICH 40°C/75%RH × 6 months accelerated)	YES — on request	Supports 24-month shelf-life claim; real-time ongoing
Pre-validated label claims for licensed territory	YES	Market-specific claim language reviewed by our regulatory team
Regulatory pathway document for target market	YES	US FDA, EU, AU TGA, CA NHP, Halal — written summary
Bio-Speed™ delivery matrix documentation	YES	Consumer onset timing data; marketing support material
Access to NuCoreBio production at licensee pricing	YES	Production pricing may differ from retail contract manufacturing
NuCoreBio brand attribution on your product	NO — your brand only	You sell under your brand entirely; NuCoreBio is not disclosed
Exclusivity in your territory	ONLY if exclusive license purchased	Standard license = non-exclusive
Right to sub-license formula to third parties	NO — never	Sub-licensing requires prior written approval + additional fee
Right to modify formula material composition	NO — specification locked	Minor excipient changes require written approval; active changes require amendment
Right to sell formula IP when you sell your company	YES — with conditions	Change of control provisions in agreement; NuCoreBio approval required
NuCoreBio R&D; support for product improvements	YES — at preferential rate	Access to Ph.D. R&D; team for formula iterations
Quarterly regulatory update notifications	YES — for licensed territory	We notify you of regulatory changes affecting your product

— CHAPTER 5

What Happens When You Sell Your Company or Brand?

This is the most overlooked question in formula licensing — and the most important for investors and M&A; buyers. Here is the plain-language answer.

Can I sell my brand that uses a licensed NuCoreBio formula?

YES — but with conditions. Your formula license is an asset of your business and may be transferred to a buyer along with your brand. However: (1) NuCoreBio must be notified of any change of control transaction before closing. (2) The buyer must agree to be bound by the existing license terms. (3) NuCoreBio has a right of first refusal to match any buyout offer specifically relating to the formula component of the transaction. (4) NuCoreBio cannot unreasonably withhold approval of a business sale.

Does a non-exclusive license make my brand less valuable to acquirers?

INVESTOR / M&A; CONSIDERATION

This is an honest question and deserves an honest answer: YES, somewhat. An acquirer values the exclusive right to sell a formula — if a competitor can use the same formula, that reduces your product's competitive moat. This is why brands that plan to exit should consider: (a) Upgrading to an exclusive license before fundraising or sale, OR (b) Negotiating a full IP transfer of the formula as part of their brand-building journey.

Does full IP transfer give my brand maximum M&A; value?

YES. Full IP transfer means the formula is an owned asset on your balance sheet. Acquirers and investors value owned IP significantly higher than licensed IP. If your business plan includes a brand sale or fundraising round within 3–5 years, the economics of full IP transfer vs. annual license fees often favour the buyout option.

— CHAPTER 6

Quick Reference Decision Table

Use this table to match your business situation with the right licensing structure.

Your Situation	Recommended License Type	Why	Estimated Investment
Testing a new market; no certainty of success	Non-exclusive license, single territory	Lowest risk entry. Validate market before committing to exclusivity.	USD $2,000–$18,000 one-time depending on formula tier
You have strong market position; want to build brand moat	Exclusive license, single country or region	Protects your market position; competitors cannot use same formula.	USD $25,000–$90,000 + volume commitment
Building for acquisition / investor round (3–5 year horizon)	Full IP transfer — global	Owned IP dramatically increases brand valuation and investor confidence.	USD $120,000–$250,000+ depending on formula
Multiple markets, different launch timing	Non-exclusive global initially; convert regions to exclusive as you scale	Flexible start; lock down markets as they prove commercially viable.	Modular — add exclusivity per region over time
Private label only (no brand equity building)	Non-exclusive; no need for exclusive	You want the product quality but not building a brand around the formula.	USD $2,000–$12,000 one-time; focus on production pricing
Contract manufacturer wants to offer NuCoreBio formula to multiple clients	Branded ingredient / sub-license arrangement — requires separate discussion	Special structure for B2B ingredient licensing to manufacturers.	Contact NuCoreBio to discuss terms

DISCUSS YOUR LICENSING OPTIONS

READY TO DISCUSS YOUR LICENSING STRATEGY? Our licensing team will: • Review your target market and business model • Recommend the most appropriate license structure • Provide formula-specific pricing within 48 hours • Send NDA template within 24 hours of your request Email: Mc5896538@outlook.com | WhatsApp: +86 15866920149 Reference: NCB-IPR-043 · NuCoreBio Technology Co., Ltd.