



ECOBALTIC
BUSINESS PARK



Project
presentation

PHARMACEUTICAL SPRAYER MANUFACTURING

ECOBALTIC industrial business park
Bagrationovsky city district
Kaliningrad Region

2018



INVESTMENT IDEA

Creation of production of sprayers for pharmaceutical products, cosmetics and perfumery packaging. The products could also be used in the household chemicals and food industry. The production, compliant with all GMP requirements, will be placed in the clean rooms (class C and D).



IMPORTANCE

Aruna LLC., the initiator of the project, produces packaging for the INFAMED K LLC., which is one of the largest consumers of sprayers in the Russian market. Around 15 mln packages will go for the internal use of the company, thus allowing savings of approximately \$2M a year.

The project will have a great import substitution effect. As for now, pharmaceutical sprayers are 100% imported in Russia. The project's implementation will allow the company to keep the entire technological process flow in Russia, whereas, now, sprayers is the only element of it imported from abroad.



OBJECTIVE

Creation of the domestic manufacturing of the high-quality products for the national market, that will be able to replace the foreign counterparts partially, with the perspective of further export to the international markets.



GOALS

1. Increase of the share of the domestically produced sprayers in the total consumption of medical products in both physical and monetary terms.
2. Achievement of a positive socio-economic effect by means of creation of new high-performance jobs in the region.
3. Increase in the amount of tax liabilities assigned to the budgets of all levels.



INITIATOR
OF THE
PROJECT

Aruna LLC



LOCATION

ECOBALTIC industrial business park,
Bagrationovsky city district,
Kaliningrad Region



IMPLEMENTATION
PERIOD

I quarter 2019



Amount of investment (I stage)

\$11,1M

Production output (I stage)

36 mln un./year

Projected revenue

\$7,8M/year

Payback period

3,6 years

Tax liabilities

\$1,2M/year

New jobs

50

Sales market

Russia (INFAMED), EU

Potential market share

10%



Aruna LLC

One of the initiators and investors of the project, Aruna LLC, is the Russian company that produces packaging for the pharmaceutical products Miramistin® and Okomistin®.

The production is certified in compliance with the Russian GMP standards for the pharmaceutical polymer packaging manufacturing. Class C and D cleanrooms (ISO 7) are organized on the territory of the plant.



The company is also engaged in the sales of the secondary polyethylene materials (polymer production waste in the form of polyethylene granules).





Mechanic screw spray nozzles for atomizing liquids, used for the assembly of bottles with hygienic and antiseptic solution, imbedded in the polymer container by means of threaded joint, sold in the cartons 2 000 pcs in each.

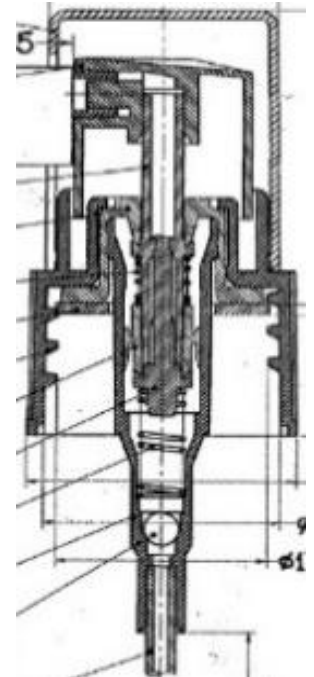
At the initial phase, there are plans to produce two types of sprayers (for 50 ml and 150 ml bottles)

Main materials:

- POM (Polyoxymethylene)
- LDPE (Low Density Polyethylene)
- HDPE (High Density Polyethylene)
- PP (Polypropylene)

Joint type:

Threaded joint

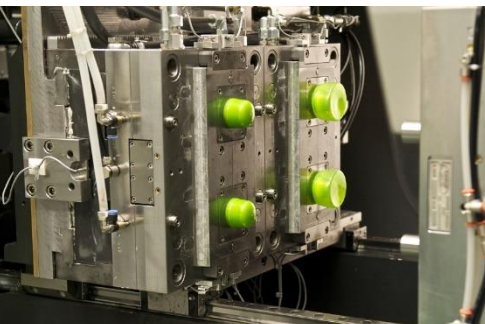




INJECTION MOULDS CANTONI (Italy)

www.cantoni.biz

Development, project engineering and manufacturing of injection moulds for plastic materials and complete systems used in the production of packaging in a wide range of industries (cosmetics, PET, food industry etc.). Among others, the company provides solution for the health care field using any of the applicable technologies in terms of hot runner system and moulds: stack, multi-material, collapsing core, unscrewing, slide action, bump-off, flip top, etc.



INJECT2BLOW ENGEL (Austria)

www.engelglobal.com

ENGEL and CANTONI supply integrated production systems from one source. In addition to the ENGEL injection moulding machine, they include a CANTONI sliding table mould and an ENGEL viper linear robot which removes finished parts from the mould. Both the injection moulding and blow moulding processes are visualised, monitored, and controlled via the ENGEL injection moulding machine CC 200 control unit.



ASSEMBLING MACHINES CAMAS

www.camasonline.it

Each machine has:

- Main chassis with electro welded steel;
- Safety protection;
- Electrical box including PLC and electromechanical components;
- Touch screen and panel operator (HMI);
- Manual mode on each single station;
- Counting of the OK parts unloaded and KO rejected;
- Module for the remote assistance.



AUTOCLAVE FOR GAS STERILIZATION (ethylene oxide) DE LAMA (Italy)

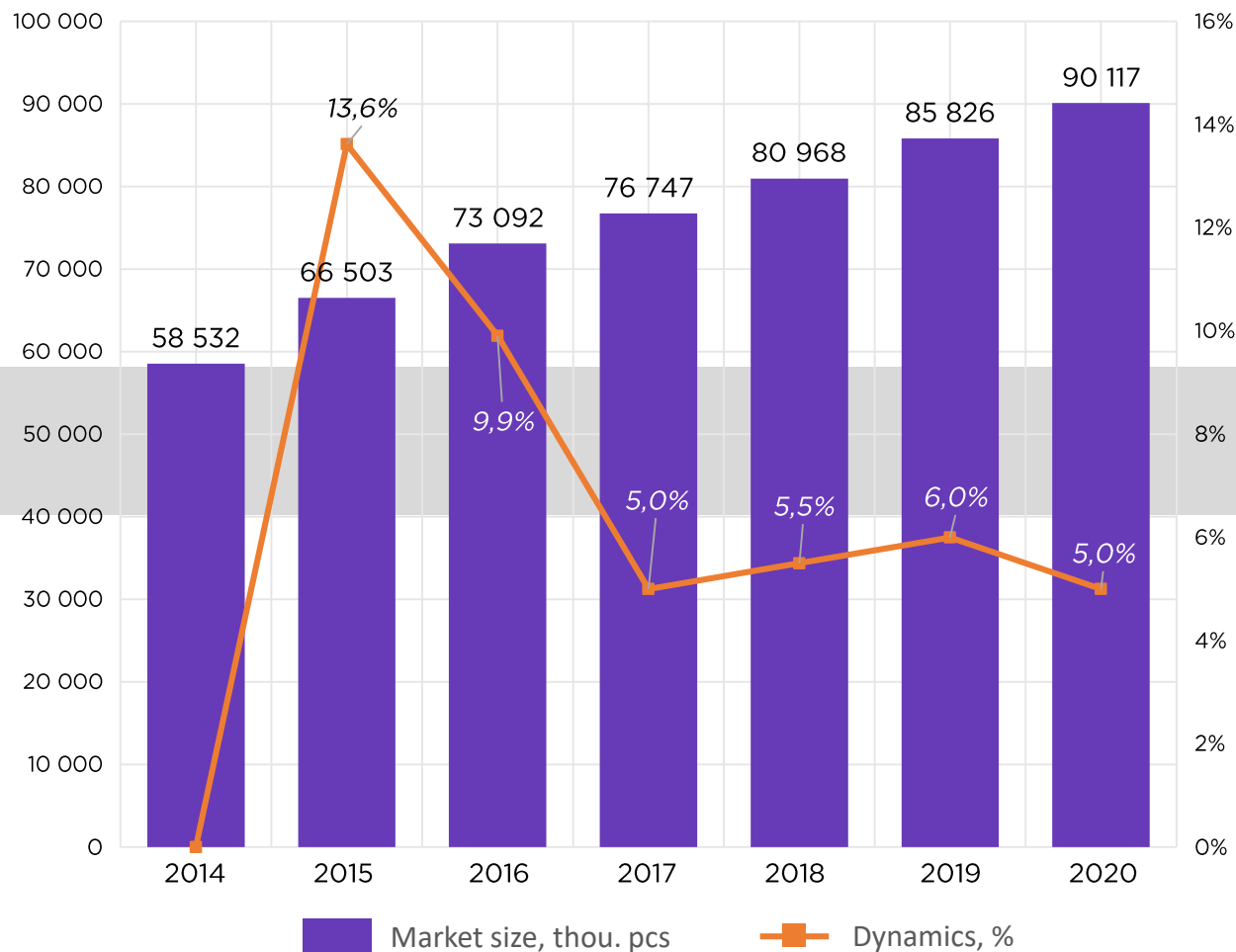
www.delama.it

DLOG-type sterilization autoclave working above atmospheric pressure, executed in stainless steel, with the double ended chamber.
Gross volume: 5510 lts.
Sterilant concentration: up to 20% max. of EtO concentration.
Loading capacity:
3 europallets with the size 800x1200mm per cycle.





Sprayer market development forecast, Russian Federation, 2014-2020, in physical terms



Data on the sprayer market in Russia, 2016

- Market size : **73** mln pcs, in physical terms (+9.9% against 2015), **491** mln rubles, in monetary terms (+24.2% against 2015)
- Market capacity - **340** mln pcs
- An increase of the market size up to **90,1** mln pcs is expected by 2020
- Import: 100% for pharmaceutical sprayers, 70% for cosmetics and perfumery

15 mln pcs will go for the own needs of the INFAMED K LLC., which is one of the largest consumers in the Russian market

Import structure:

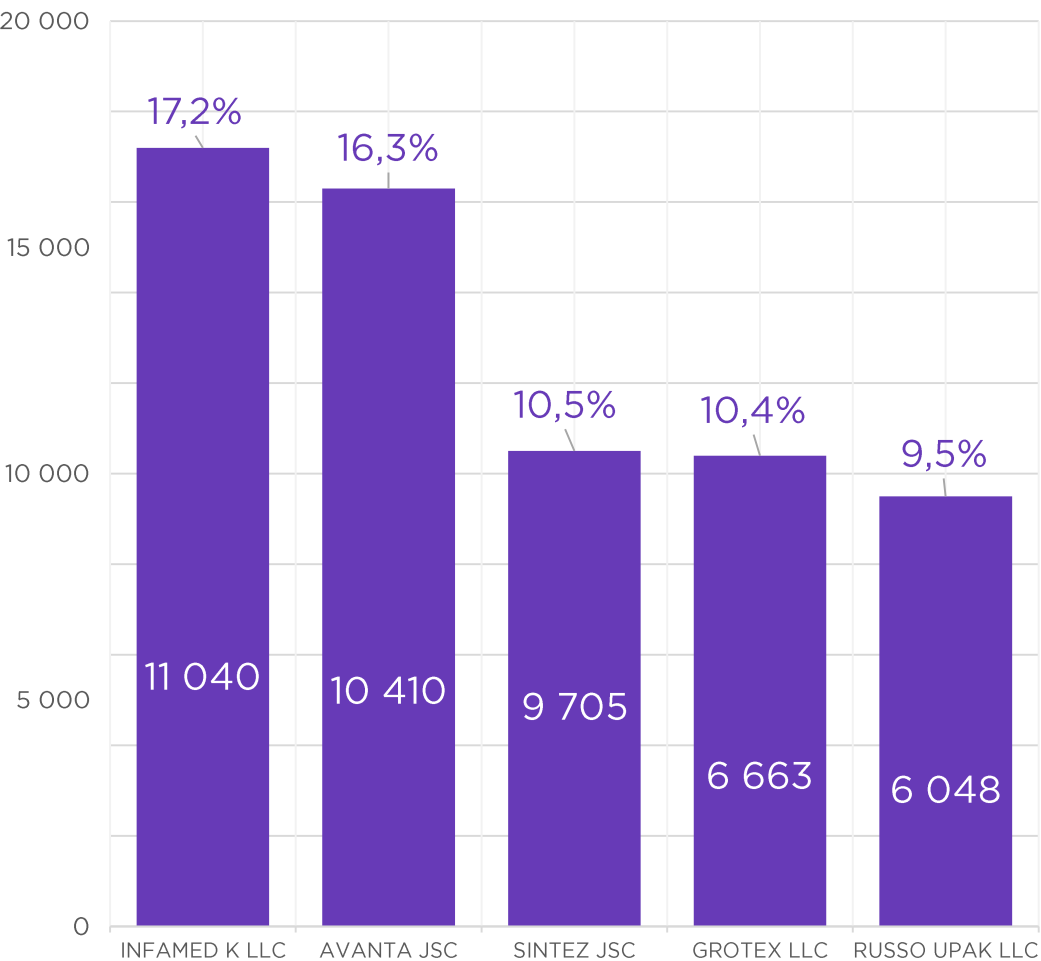
- China - 53.4%
- Germany - 21.5%
- Poland - 16.4%

Largest producers:

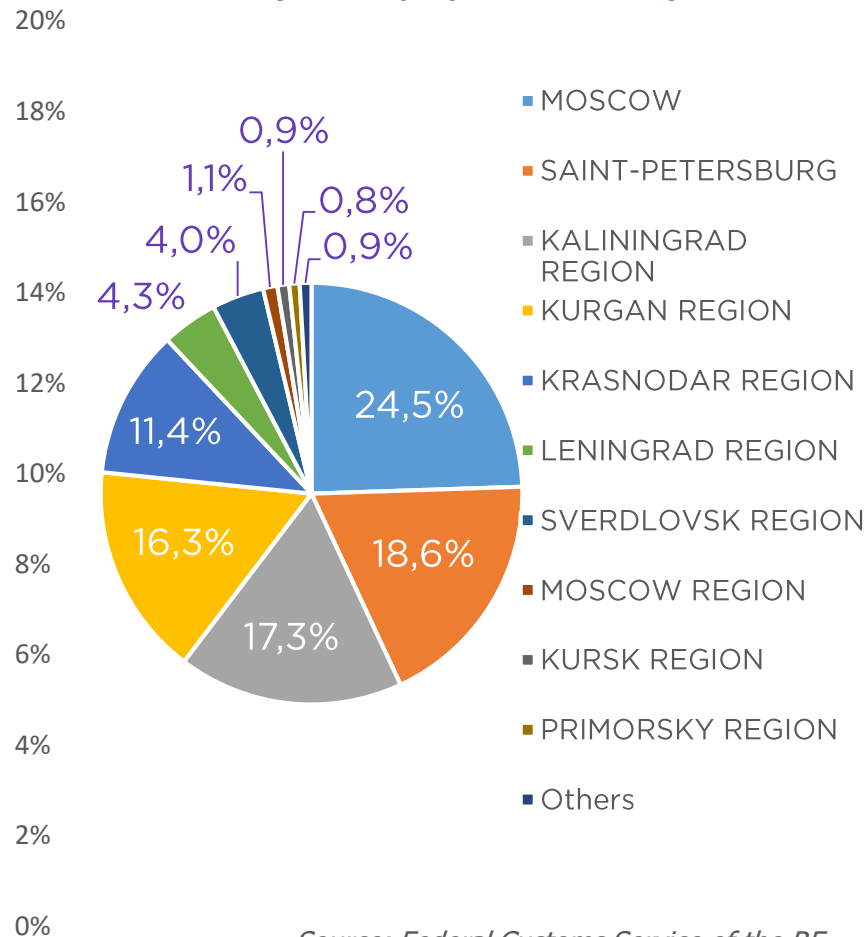
- SHENZHEN STONE MEDICINAL PACKAGING MATERIAL CO. - 16.6%
- GERRESHEIMER BOLESZLAWIEC S.A. - 15.6%
- YUYAO HONGDA SPRAYER CO. - 8.3%
- APTAR (group of companies) - 13%



TOP-5 companies importing sprayers, 2016
(thousand pcs and %, in physical terms)



Import structure for sprayers by
receiving regions, 2016
(%, in physical terms)



Source: Federal Customs Service of the RF, evaluations by the MegaResearch experts



Location of the pharmaceutical sprayer production on the territory of the ECOBALTIC business park.



Federal motorway
Kaliningrad-Bezledy
along the borders of the park



ECOBALTIC
BUSINESS PARK

Trigeneration

AB-Market

Filling workshop
for Miramistin
and Okomistin

Workshops for
ointments and
substances

BAGRATIONOVSK

Customs and logistics terminal
SIRIUS



Dart Plus

Sprayer
manufacturing

Catheter
manufacturing

GDP
warehouse

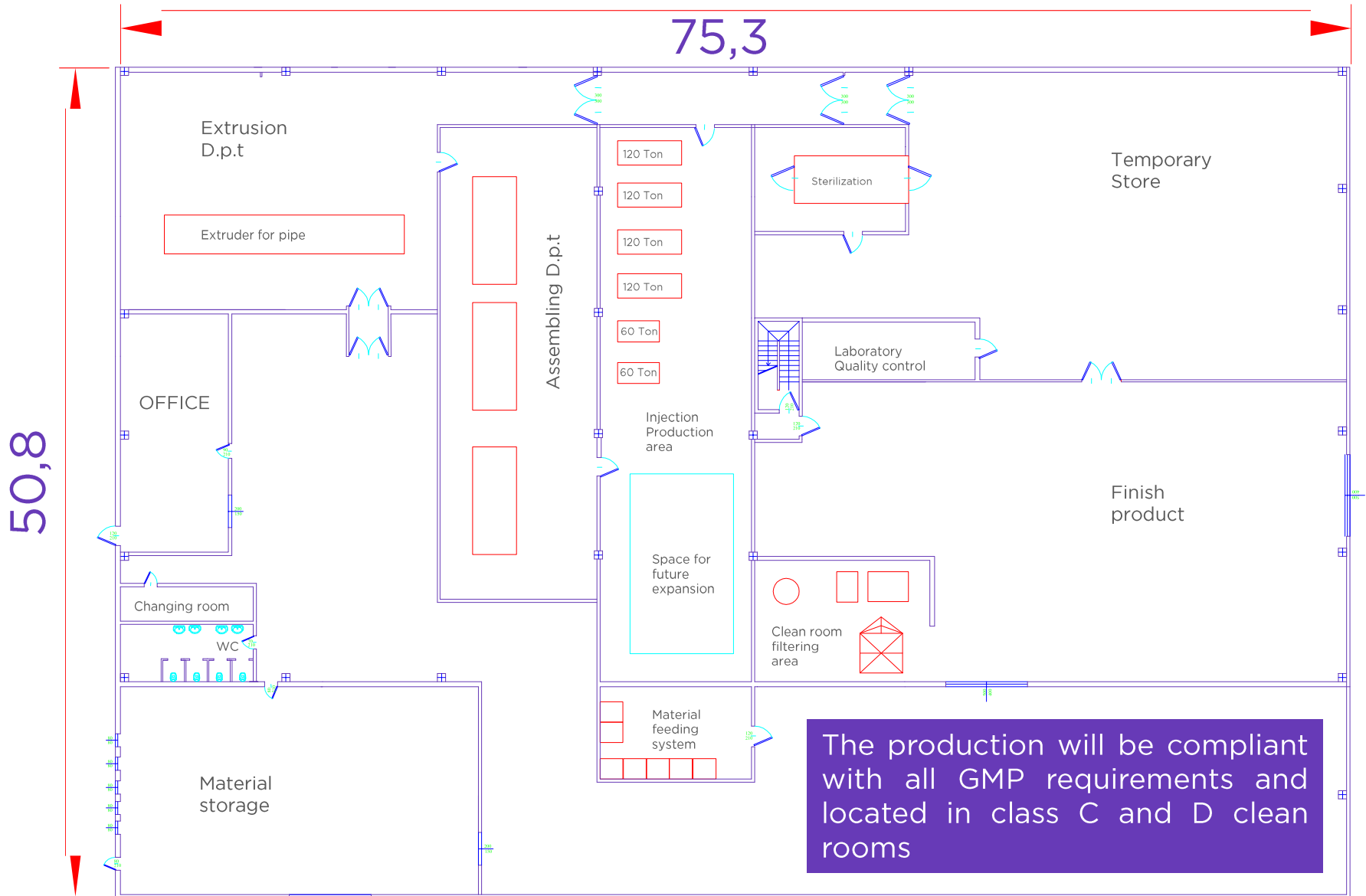



The Polish border
(the international automobile border-crossing point
“Bagrationovsk”) is only few meters away

Production site requirements:
Area of the I stage building: 3 000 m²
Total area: up to 7 000 m²



Schematic arrangement of the premises for the sprayer manufacturing





2017-2018

IV quarter –
I quarter

Project engineering



2018

II quarter

Selection of equipment,
Commencement of
construction



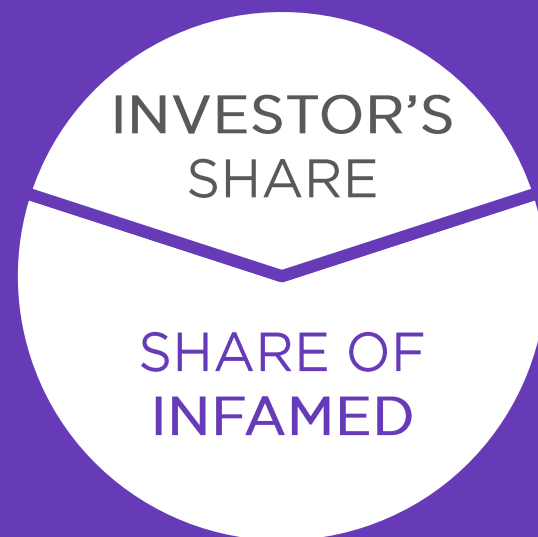
2019

I quarter

Implementation of the
I stage



Investment capital sources



Comparison of the costs for 1 unit

CURRENT COST

13 8
rub. rub.

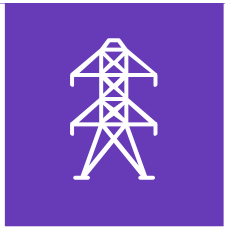
FUTURE COST



WATER SUPPLY
\$ **0,27** /m³



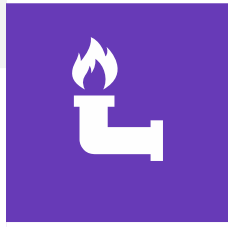
ELECTRIC POWER
\$ **0,05** /kWh



WATER DISPOSAL
\$ **0,13** /m³



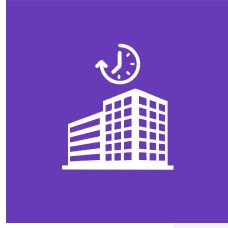
GAS SUPPLY
\$ **75** /1 000 m³



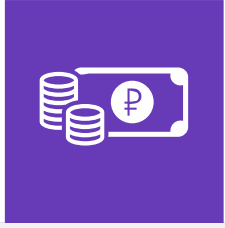
LAND PLOT
\$ **60 000** / ha



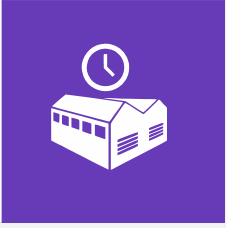
OFFICE RENT
The price is negotiable



AVERAGE SALARY
\$ **6 360** per year



RENT OF PRODUCTION PREMISES
\$ **6** /m²



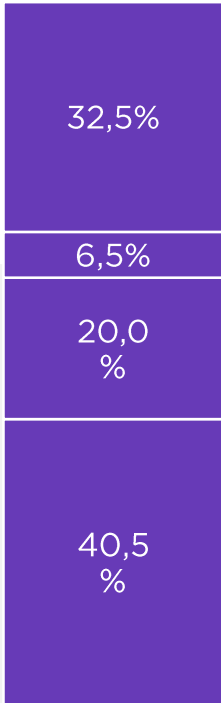
COST STRUCTURE FOR SPRAYERS

Import share 32,5%

Utility expenses 6,5%

Payroll fund 20,0%

Raw materials and supplies 40,5%



The price for resources is calculated according to the state tariffs

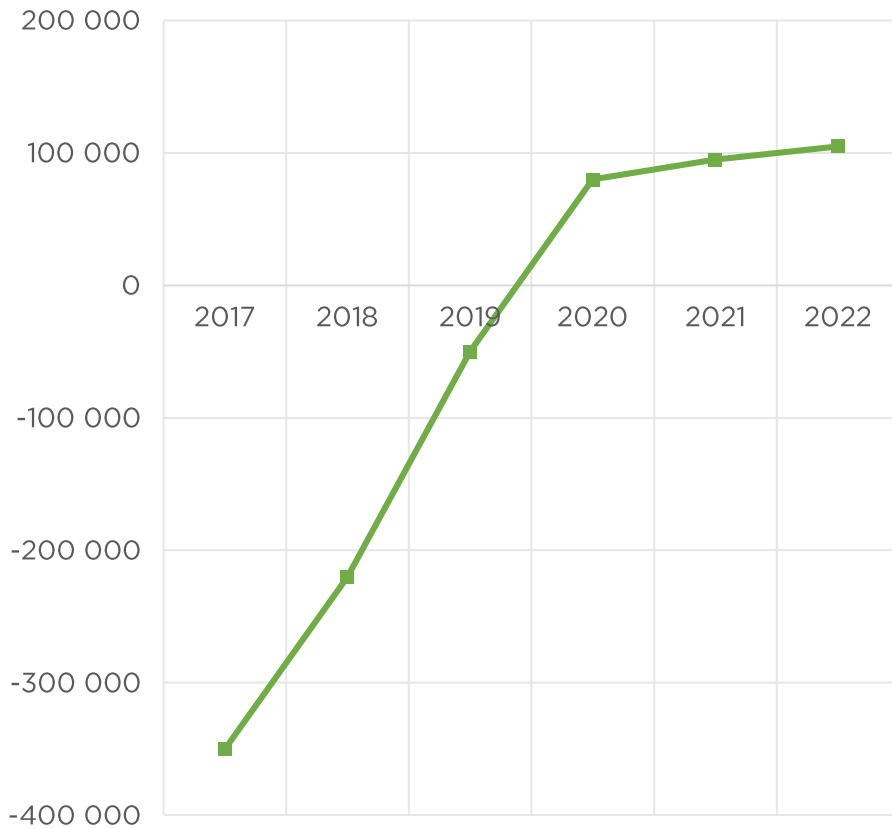
The tariffs are changed 1-2 times a year

Calculation of variable expenses: monthly with metering devices

The prices do not include VAT



Net profit variance,
thousand rub.



Performance indicators of total
investment costs

Net present value **\$54,7M**

Discounted payback
period **4,1
years**

Internal rate of return **56
%**

Rate of return of the
discounted expenses **6,4**



WE ARE READY TO SHARE WITH YOU MORE!



Our address:

Kommunalnaya st., building. 2, Bagrationovsk,
Kaliningrad Region, 238420



www.ecobaltic.com



+7 (4012) 310-369



info@ecobaltic.com