

# Ukraine 2024

## Resume

of the investment project "Organization of high-tech production of directly squeezed juices, smoothies, purees and drinks with a health-improving effect"

The initiator of the business project of SPE "Polymer" LLC;

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The technologies available to us make it possible to produce juices and drinks without adding stabilizers, flavor enhancers, preservatives and dyes. These technologies enhance the release of flavor components, color pigments and cellular components such as sugar, polysaccharides, vitamins, amino acids and aromatic compounds into the juice. The result is an improvement in color intensity, sweetness and aroma.

The content of such useful ingredients as pectin, inulin, beta-carotene and vitamin complex in juices and drinks is valuable and useful for consumers, which, with regular consumption, are an effective means for the prevention of oncological diseases, diseases of the cardiovascular and endocrine systems, as well as for complex treatment of obesity, because it is in the hydrated form that these ingredients have the most effective physiological effect on the human body.



## 1. The purpose and essence of the project.

The purpose of this business project is to create a high-tech production of freshly squeezed fruit and vegetable juices and purees of their mixes and drinks with a health-improving effect.

Possession of a patent for a useful model with the use of various juice bases, natural ingredients and components makes these products unique for achieving a health-improving effect.

The business plan provides a more detailed technical, economic and marketing rationale for the organization and successful commercial operation of the plant for the production of therapeutic and preventive juices and drinks of about 5 thousand tons per year.

**table No. 1.1. Basic technical parameters.**

Description of the parameter	Value of the indicator
<b>Nominal production capacity:</b>	
Production of freshly squeezed apple juice - "Pectino" smoothie in packaging (back in box) capacity:	
- 3 liters.	300 000 pack. per year
- 5. liters.	100 000 pack. per year
Production of juices - "Pectino" smoothies with a health-improving effect in aseptic Tetra Pak-type cardboard packaging capacity:	
- 0,33 liters.	8 000 000 pack. per year.
- 0,2 liters.	5 000 000 pack. per year
Production of tomato juice "Pectino" in packaging (back, etc. box) with a capacity of 2 liters.	50 000 pack. per year
Production of juices - smoothies "Pectino" in packaging (back, etc. box) with a capacity of 2. Liters.	100 000 pack. per year
Mode of operation:	
Hours per day:	24
Shift per day:	3
Working Sunday days:	7
Number of working days per year:	240
Total number of working days in a year.	7200
The total number of full-time personnel after the introduction of all production capacities.	36
Total area of production and warehouse premises: m2	<b>1 370</b>
Area of production premises, m2.	870
Area of warehouse and auxiliary premises, m2	500

The mode of operation of the plant is justified by the possibility of year-round supply of raw materials.

## 2. Main financial and economic indicators of the project.

**Table No. 2.1. Summary table of the main indicators of the investment project.**

Indicator	The value of the indicator
The period of operation of the investment project (calculation period).	5 year
Net need to finance the project.	1 639 035 EUR
Earnings before depreciation, interest and taxes (EBITDA)	9 890 330 EUR
Net Profit	6 581 720 EUR
Net cash flow	8 445 225 EUR

**Table No. 2.2. Operational plan indicators.**

The name of the indicator	Year one thousand euros	Year two thousand euros	Year three thousand euros	Year four thousand euros	Year five thousand euros	A total of one thousand euros
Revenue (excluding VAT)	2 271,0	4 471,0	4 471,0	4 471,0	4 471,0	20 155,0
All expenses (without depreciation)	1361,5	2 226,28	2 225,63	2 225,63	2 225,63	10 264,67
EBITDA (profit before taxes, interest, depreciation)	909,5	2 244,72	2 245,37	2 245,37	2 245,37	9 890,33
Amortization	239,0	312,0	312,0	312,0	312,0	1 487,0
EBIT (earnings before taxes, interest)	670,5	1 932,72	1 933,37	1 933,37	1 933,37	8 403,33
Loan interest.	30,0	40,0	30,0	20,0	10,0	130,0
Payroll tax (EUW 22%)	37,09	52,44	52,44	52,44	52,44	246,85
EBT (earnings before income tax)	603,41	1 840,28	1 850,93	1 860,93	1 870,93	8 026,48
Income tax - 18%	108,61	331,25	333,16	334,97	336,77	1 444,76
Net Profit	494,8	1 509,03	1 517,77	1 525,96	1 534,16	6 581,72
Net cash flow	1 531,665	1 371,09	1837,49	1847,49	1857,49	8 445,225
Cash balance at the end of the period	1 531,665	2 902,755	4 740,245	6 587,735	8 445,225	
Direct investment in equity capital.	386,800	456,5				1 233,3
Loan	795,735					

**Table No. 2.3. Budget payments.**

The name of the indicator	Year one thousand euros	Year two thousand euros	Year three thousand euros	Year four thousand euros	Year five thousand euros	A total of one thousand euros
Payment of VAT in the budget	222,87	571,52	571,62	571,62	571,62	2 509,25
Payment of income tax to the budget	108,61	331,25	333,16	334,98	336,77	1 444,78
Paying the payroll tax (SEP) to the budget	37,09	52,44	52,44	52,44	52,44	246,85
Together	366,57	955,21	957,22	959,04	960,83	4 200,88

### 3. Efficiency of the investment project.

**Table No. 3.1. Output data for scenario analysis (deviations from the base scenario).**

№	Modifiable parameter	Unit. ex.	Pessimistic scenario	Optimistic scenario
1	Change in prices for raw materials and energy carriers	EUR	15%	-15%
2	Change in sales prices	EUR	-15%	15%
3	Change in sales volumes.	EUR	-15%	15%

**Table No. 3.2. Summary report of scenario analysis by project performance indicators.**

Financial indicator	Basic scenario (euro)	Pessimistic scenario (euro)	Optimistic scenario (euro)
Net profit;	6 581 720	3 886 950	8 802 000
NCF (Net Cash Flow) .	8 445 225	6 502,75	9 832 500
Return on Investments (ROI) %	48,5%	34,1%	61,3%

**Table No. 3.3. Results of the sensitivity analysis on the Net profit parameter. Parameter change step 10.00%**

Аргумент	-30%	-20%	-10%	0%	10%	20%	30%
Change in the volume of product sales from the base indicator, EUR	4 213 360	5 030 180	5 846 990	6 581 720	7 480 620	8 297 430	9 114 260
Change in product prices from the base indicator, EUR	1 418 600	3 071 310	4 724 020	6 581 720	8 029 440	9 682 140	11 334 850
Change in prices for raw materials and materials from the base indicator, EUR	8 653 940	7 908 620	7 245,240	6 581 720	5 917 480	5 255 130	4 591 750
Change of FOP (labour fund) basic indicator, EUR	7 008 820	6 893 870	6 778 810	6 581 720	6 548 810	6 434 260	6 318 800

**Table No. 3.4. Performance indicators of the investment project.**

Indicator name	Value
Life term of investment project.	5 year
NCF (Net Cash Flow).	8 445 225 EUR
NPV (Net Profit).	6 581 720 EUR
Return on Investments (ROI)	48,5%

**Table No. 3.5. Investment costs and the need for financing.**

Description of the parameter	EUR
The net need for project financing, including:	1 639 035
financing the purchase of fixed assets	1 489 035
working capital financing	100 000
insurance fund	50 000
General funding requirements:	1 639 035

**Table No. 3.6. Sources of funding**

Sources of funding	Amount, EUR	% of the total amount
Contribution of a private investor (business angel)	386 800	23,6%
Loan (bank loan, leasing)	795 735	48,5 %
At the expense of the company's profit.	456 500	27,9%
TOTAL	1 639 035	100%

**This financial model provides for three stages of financing:**

**1. The SEED stage.** It involves the involvement of a private investor (business angel) with a contribution to the statutory fund of the enterprise in the amount of EUR 386.8 thousand. In exchange for a 49% stake in the authorized capital of the company.

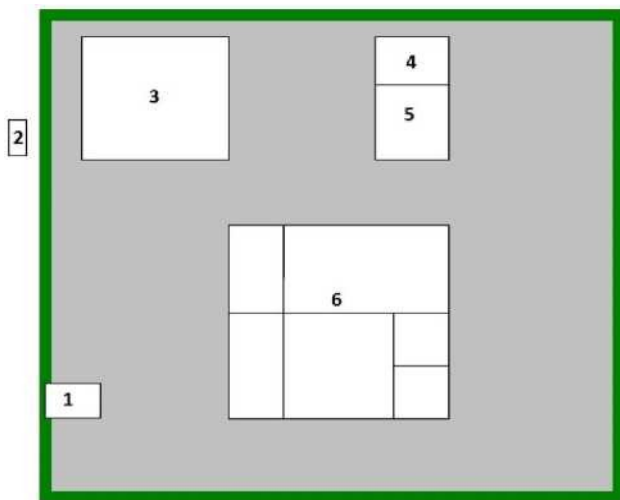
**2. Stage A.** Attracting loan capital in the form of a five-year long-term loan for a total of 795.7 thousand euros through cooperation with credit unions, banks and leasing companies secured by the company's property.

**3. Stage B.** Purchase of additional technological equipment to expand the range of products for the total amount of 456.5 thousand euros at the expense of the company's profit.



#### 4. The starting platform of the project initiator.

At the moment, there are the following developments and resources for the implementation of the project:



1. Pass-through (in use).
2. Transformer substation (in operation).
3. A warehouse for raw materials with a plan size of 18x15x4.5 m. (design documentation has been developed and construction has begun).
4. Garages with a plan size of 9x10x3.8 m (design documentation has been developed and construction has begun).
5. Locksmith's workshop with a plan size of 6x10x3.8 m. (design documentation has been developed and construction has begun).
6. The production building for the production of pectin-containing drinks with a plan size of 24x30x6

m (in operation).

Received patent for utility model No. 134786 "Healthy non-alcoholic juice drink".

The starting capital of the project initiator is 400,000 euros.

#### 5. Offer to the investor.

Table No. 5.1. Offer to investors.

Parameter	Transcript
The planning period	5 year.
Form of ownership	Limited liability company.
Form of investment	Direct investment (contribution to the statutory fund).
Legal consolidation of investors' rights.	Conclusion of the founding agreement and registration of the investor as a co-founder in the LLC.
Ownership structure after investment	49% - investor, 51% - initiator.
Participant contributions	The investor finances the project in the amount of EUR 386,800 and receives a 49% stake in the authorized capital. The initiator with a professional team of experienced specialists consisting of a manager, technologist, marketer, engineer, economist and lawyer provides a business idea, know-how, a patent for a useful model, a developed business plan, land, buildings and structures with communications. The starting capital of the project initiator is EUR 400,000 and its share in the authorized capital is 51%.
Dividend policy	Payment of dividends quarterly or according to another agreed schedule in the proportion of 51/49%

## 6. Target market and market opportunities



The world production of pectin is 80,000 tons per year. Consumption of pectin of food and beverages in Ukraine (in terms of dry pectin) - 800 tons per year. By means of simple mathematical calculations, it can be determined that one citizen of Ukraine consumes pectin-containing products three times less than a citizen of the European Union and four times less than a citizen of the United States. Although there is a steady increase in pectin consumption at an average of 5-7% per year, we need to raise the consumption of pectin-containing foods and beverages to 2 thousand tons per year compared to the EU and to 3 thousand tons per year compared to the USA.

At the same time, it should be noted that the post-Soviet Republic of Belarus reached the same level of pectin consumption as the European Union.

The market of food products enriched with pectin, which has health-improving, protective and curative-prophylactic properties, is extremely large today. A number of regions of the country belong to the most polluted regions of Ukraine, which determines the high need for natural means of protecting the population from exposure to harmful substances. Based on the characteristics of the proposed product, initially the geographical boundaries of the market will be limited to the adjacent regions of Ukraine due to the operation of sanatoriums for the prevention and treatment of various diseases in them, namely:

- ♣ Lviv region – 62;
- ♣ Transcarpathian region – 30;
- ♣ Vinnytsia region – 19;
- ♣ Ivano - Frankiv region -15;
- ♣ Odesa region -41.

In the process of business planning, the following studies of the market and market opportunities were conducted: market segmentation and identification of target segments; comparative analysis of consumer value; SWOT analysis.

In the process of segmentation, it was found that pectin-containing drinks should take their place in:

- ♣ catering system of school institutions and student canteens;
- ♣ hospitals, sanatoriums, boarding houses and other medical and health facilities;
- ♣ army food systems;
- ♣ nutrition for athletes of all levels and people who correct their figure;
- ♣ food for employees of various industries with harmful working conditions (factories, metallurgical plants, various transport companies, etc.);
- ♣ zones of contamination with radioactive substances. Some geographic areas of the target market:
- ♣ regions of Ukraine adjacent to the plant, in which many sanatoriums operate;
- ♣ Chernobyl zone;
- ♣ regions with operating nuclear power plants;
- ♣ regions with functioning enterprises of the chemical, mining and metallurgical industries.

## **7. Assessment of business experience. A team of managers and key specialists.**

The initiator of the project is Polymer LLC, represented by Poberezhny Vitaly Timofiovych, the director, with two leading specialists with additional competencies, who are close relatives of the project initiator, with the subsequent involvement of other family members in the project, which gives the right to call the project a family affair.

### **Poberezhny Vitalii Tymofiyovych.**

Place of residence: Khmelnytskyi region, Nova Ushytsia.

Field of activity: Management of food industry enterprises.

Education is higher.

Novoushytsk Technical School of Agricultural Mechanization

Year of completion: 1985.

Specialty: mechanic technician.

Faculty of Law of the Odesa State University named after I.I. Mechnikova.

Year of completion: 1991.

Specialty: jurist.

Work experience:

LLC "NVP Polymer" - director from 01.01.1995 to the present.

Organization of production of plastic products on CNC foundry machines.

Organization of production of PETF bottles on blowing machines.

Organization of bottling of non-alcoholic carbonated drinks.

Organization of production of bakery products.

Organization of sunflower oil production.

Key skills.

Knowledge of languages: English.

Computer skills: at user level.

Personal qualities: purposefulness, responsibility and decency.

The planned position in the company is director:

- project management in the pre-investment and investment phases,
- the technical director for the management of the technological processes of the production of health drinks in the operational phase of the project before reaching the design capacity.

### **Oleksandr Vitaliyovych Poberezhny**

Place of residence: Khmelnytskyi

Field of activity: jurisprudence

Education is higher.

Khmelnytskyi University of Management and Law.

Specialty: jurist.

Bachelor's, specialist's and master's degrees with honors.

The planned position in the company is a legal consultant, head of the legal department.

(business correspondence, claims work, representation of the company's interests in courts and state bodies, legal support for inspections, preparation and transfer of claims to counterparties, organization of product certification according to the ISO 9001 system, legal support for obtaining patents by the company).

Work experience as a legal advisor, head of the legal department:

- State management of land resources in Khmelnytskyi region (field of activity - land law, state submission to courts of various instances of land legislation).
- SE "Khmelnytskstandartmetrologiya" (field of activity - standardization, metrology and certification)
- "Yasen Podillya" LLC - a commercial enterprise for the production and sale of furniture.

Key skills.

Knowledge of languages: English.

Computer skills: at the user level.

Personal qualities: purposefulness, responsibility and punctuality.

## **Bohdan Oleksandrovich Moskovchuk**

Place of residence: Khmelnytskyi;

Field of activity: marketing.

Education: higher.

Faculty of Economics, Khmelnytskyi National University

Specialty: accounting and auditing.

Degree of qualification: specialist.

Planned position in the company: marketer, head of the sales department.

(development and registration of a trademark and company slogan, management of product advertising, organization of product sales in the Khmelnytskyi region, organization of a distribution network in regional regions of Ukraine, control of the work of distributors).

Work experience:

- employee in various commercial banks in Khmelnytskyi.

Position. Cashier - controller, credit department specialist.

- a private entrepreneur in the placement of advertisements and organization of green tourism.

- sales representative of "KM Media Publishing House" for the sale of printed polygraphic products in the Khmelnytskyi region.

- regional IT representative of the "Plus1s" Company for the implementation and installation of computer training programs in the western region of Ukraine (Khmelnytskyi, Vinnytsia, Chernivtsi, Ternopil, Lviv, and other regions).

Responsibilities: Eight sales offices under supervision. Selection and formation of a team from scratch, creation of a client base, coordination and control, advertising, logistics, sales analysis.

Key skills.

Knowledge of languages: English.

Computer skills: at user level.

Personal qualities: purposefulness, responsibility and sociability.

## **8. Additional information.**

**Negotiations were conducted and contracts were prepared with all suppliers of equipment and raw materials.**

**There is a detailed business plan developed in accordance with UNIDO recommendations.**

**Alternative investment terms acceptable to the parties may be developed in negotiations with the investor.**