A SIMPLER, CHEAPER AND EASIER TO RECYCLE AEROSOL CONTAINER

Reporting

Project Information

Click and Spray

Grant agreement ID: 886285

Project website

Start date
1 January 2020

End date
30 April 2020

Funded under
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H2020-EU.2.3.
H2020-EU.2.1.

Overall budget
€ 71 429

EU contribution
€ 50 000

Coordinated by
PURPLE HOLDING AB
Sweden

Periodic Reporting for period 1 - Click and Spray (A SIMPLER, CHEAPER AND EASIER TO RECYCLE AEROSOL CONTAINER)

Reporting period: 2020-01-01 to 2020-04-30

Summary of the context and overall objectives of the project

Purple Holding has patented Click/Spray which completely redefines the way aerosols have been made since they were first invented in 1949. Our technology will be a hallmark in the safer, more environmentally friendly, faster and cheaper production of the 16 billion aerosol containers sold every year and help bring the aerosol industry towards a circular economy. Click/Spray is a stabilizer that

eliminates the mounting cup, gasket and housing and integrates all the remaining components concealed in its own contraception. Replacing three parts with one saves time, money and precious resources. The Feasibility Study assessed all the elements needed to ensure that our strategy to license our patent for a completely new aerosol container, Click/Spray is ready to go. In order to ensure success of this strategy we have: prepared a work plan to create new prototypes of Click/Spray in different shapes and designs, performed a detailed market study to assess where we need additional patenting and certifications, developed a testing roadmap to validate our market-ready aerosol. We also performed a search for manufacturers and brand owners in countries where we have our patent China, EU, U.S. Hong Kong, Argentina and Brazil to identify potential partners to participate in testing. Lastly, we have refined our financial projections prepared a business plan with a clear market segmentation and identify terms of our licensing agreement.

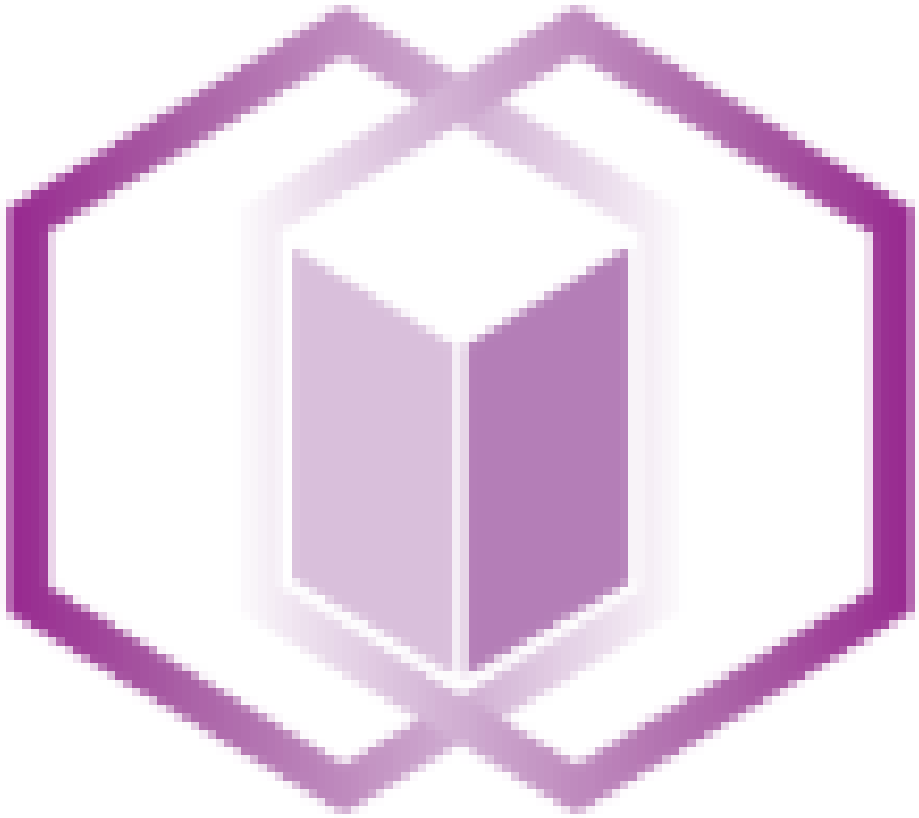
Work performed from the beginning of the project to the end of the period covered by the report and main results achieved so far

The conclusions from our Feasibility Study included identifying the new shapes and materials for our new porotypes that will allow Click/Spray to be used in a wide array of aerosol container designs, shapes and sizes including triangular and square in PET as well as a smaller 22mm size in aluminum. For each prototype we will design a conceptual prototype, develop conceptual/physical prototypes, manufacture smaller test series and test their flow rates, mechanical strength, endurance. To verify design and manufacturing of each prototype we will undertake our testing roadmap including 1) hydraulic testing 2) burst testing and 3) final quality inspection. For both the design and testing we have identified key technical risks, their potential impact on the project and possible contingency measures. We have also outlined a structure of a manufacturing protocol and the terms of our license agreement so we can start performing due diligence on possible licensees and work with a patent attorney to put these terms into a template in legal wording. We have identified the leading end use segments for targeting including the personal care segment, the household segment the automotive segment and the medical segment, with Europe as a clear leader, and identified a clear TAM, SAM and SOM of 16 billion, 12 billion and 5 billion units respectively. We have identified the mist relevant certifications as the 16 CFR 1500 and CFC prohibitions at 16 CFR 1401 regulations in the U.S and confirmed our FTO. We have also structured a clear dissemination strategy with activities to establish strategic communication partnerships, develop dedicated communication materials and perform ongoing networking and dissemination. We have identified key commercial risks, their potential impact on the project and possible contingency measures. And finally, we have also calculated that we will require a budget of €2.7M to undertake these activities

Progress beyond the state of the art and expected potential impact (including the socio-economic impact and the wider societal implications of the project so far)

We have gone above and beyond the expected objectives of the project by aiming to get a better understanding of how to justify the willingness to pay by our end users. In order to do this we have also calculated the average savings for various actors in the aerosols value chain. We have found that the groups to experience the biggest financial benefits are either professional filling companies or the companies branding aerosols who have the potential to save up to €152,941 every year in operational

expenses and €130,000 in CAPEX. This is followed by valve manufacturers who have the potential to save up to -€500,000 in CAPEX investment in machinery for setting up a new aerosol valve line based on Click/Spray and an additional €60,522 every year in various operational expenses. In addition, to get an in-depth understanding of our future funding needs we have calculated three potential financial projections: conservative, mid-range and ambitious. We have found that the incremental sales occurring in a more ambitious sales approach, would allow us to reach profitability much sooner (in 2023) rather than 2024 in a mid-range scenario or 2025 in a conservative scenario. In a mid-range scenario we would reach €2.97M by 2024 and in an ambitious scenario we would reach €4.203M by 2024



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