EXTRACTION AND PROCESSING OF MARBLE AND LIMESTONE

INVESTMENT POTENTIAL OF THE SVERDLOVSK REGION



GOVERNMENT OF THE SVERDLOVSK REGION

MINISTRY OF INVESTMENT AND DEVELOPMENT

АГЕНТСТВО ПО ПРИВЛЕЧЕНИЮ ИНВЕСТИЦИЙ
Свердловской области

INVESTMENT PROMOTION AGENCY of the Sverdlovsk region



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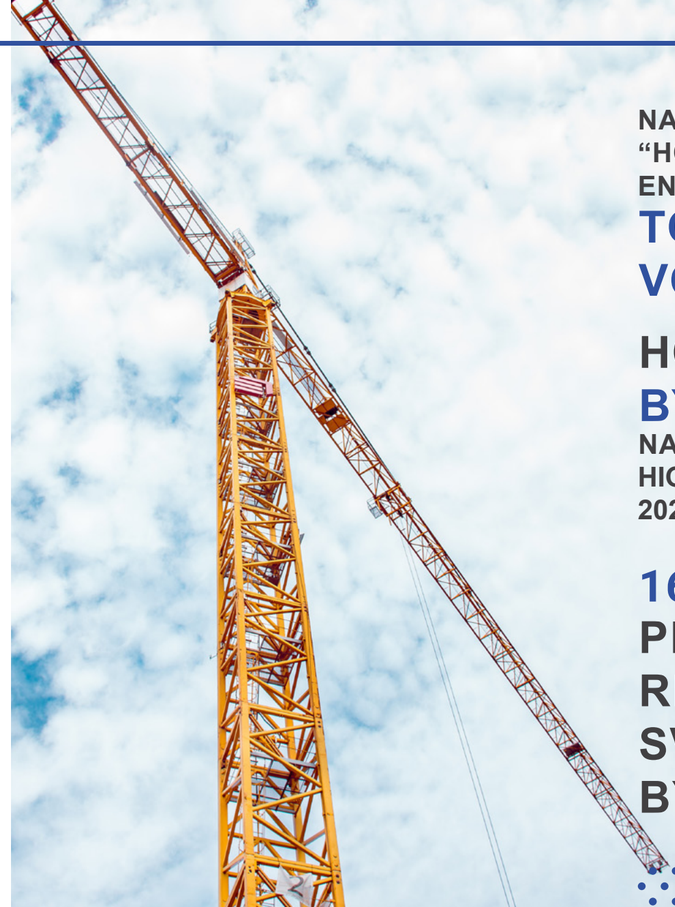
GENERAL INFORMATION ON THE REGION

01

TOP-10
IN CONSTRUCTION VOLUMES:
202,4 billion rubles in 2019

TOP-10
AMONG THE REGIONS BY PRODUCTION POTENTIAL (6th PLACE)

TOP-10
REGIONS BY INVESTMENT POTENTIAL (5th PLACE):
115 billion rubles - volume of construction materials' sales in the Sverdlovsk region



NATIONAL PROJECT "HOUSING AND URBAN ENVIRONMENT" until 2024
TO INCREASE THE VOLUMES OF

HOUSING CONSTRUCTION BY 1.5 TIMES UNTIL 2024
NATIONAL PROJECT "SAFE AND HIGH-QUALITY MOTOR ROADS" until 2024

163 PROJECTS ARE PLANNED TO BE REALIZED IN THE SVERDLOVSK REGION BY 2024



THE URAL FEDERAL DISTRICT OCCUPIES THE 2nd PLACE IN THE VOLUME OF CONSTRUCTION WORKS IN RUSSIA (15,7%)

THE COUNTRY TOTAL IS 3125 PROJECTS AT DESIGN AND CONSTRUCTION PREPARATION STAGE, 236 OF WHICH ARE IN THE URFD (7,5%)

TOP-5

retailers of construction materials present in the region:

LEROY MERLIN, OBI, castorama, МаксиДом, СТРОЙ

41
private investment projects (without considering housing sphere) are at design or construction preparation stage on the UrFD territory as of today

20 projects in the Sverdlovsk region with a total of **18,2 billion rubles**

4 projects in the Kurgan region with a total of **1,59 billion rubles**

4 projects in the Tyumen region with a total of **1,4 billion rubles**

4 projects in KhMAO-Yugra with a total of **1,6 billion rubles**

9 projects in the Chelyabinsk region with a total of **23,1 billion rubles**

over 300 projects, both private and with state participation, are at **design and up-front design work stage**

10 projects **with state participation with a total of over 150 billion rubles** (including Novatek's Arctic LNG 2 plant in Sabetta) located in the UrFD **are at construction preparation stage**

01

02 ADVANTAGES OF PRODUCTION'S LOCALIZATION IN THE SVERDLOVSK REGION



LIMESTONES (CARBONATES FOR LIME)

16 deposits

7 mined deposits

9 undisposed deposits

157 814 tons reserves

FACING MARBLE

16 deposits

9 mined deposits

7 undisposed deposits

56 876 tons reserves

MARBLE, LIMESTONE (STRUCTURAL STONE)

28 deposits

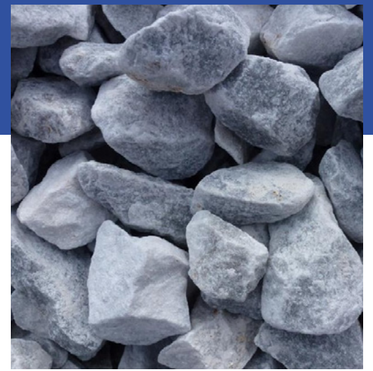
19 mined deposits

9 undisposed deposits

111 556 tons reserves

INVESTMENT NICHES

03

NICHES	CRUSHED MARBLE	AGGREGATES, SAND, POWDER	FACING MARBLE	LIMESTONE (POWDER)
				
CONSUMERS	road construction railway tracks housing and industrial construction decorating facing	producers of dry mixes, concrete, lime, artificial stone	outer facing and interior finishing of buidings, structures	food, chemical industry metallurgy (flux)

PRODUCTION VOLUME IN 2019

88,6 B rubles
Non-metallic mineral products

4,2 million t
Concrete

289 thous. m³
Cement, concrete, artificial stone products

04

BENEFITS OF PRODUCTION'S LOCALIZATION IN THE SVERDLOVSK REGION

MAIN FACTS

1. State program of the Sverdlovsk region "Realization of main direction of state policy in the construction complex of the Sverdlovsk region until 2024" - Increase in yearly housing commissioning up to 3.25 million m²
2. Developed logistics: average delivery radius to consumers − from 100 to 500 km
3. Workforce capacity
4. Scientific and production base - Ural State Mining University, Institute of Mining of the Ural Branch of the Russian Academy of Sciences, Uralmekhanobr Institute (UMMC)
5. 7 neighboring federal subjects, including the Tyumen region – 1st place in Russia in construction volumes (1022,0 billion rubles in 2019), are historically oriented on building materials coming from the Sverdlovsk region
6. 12 % of all dry construction mixes manufactured in the Russian Federation is consumed in the Urals.

BENEFITS FOR INVESTORS



1. confidence in stable demand on finished products
2. reduction of transport costs (second cost item in rock excavation after mining)
3. prompt solving of technological and workforce issues
4. cooperation opportunities with acting enterprises
5. optimization of expenses on production start-up
6. reduction of project's investment phase



ECONOMICALLY ACTIVE POPULATION

2 124 500

PEOPLE

SVERDLOVSK REGION IS THE HOMELAND OF THE URAL ENGINEERING SCHOOL

1st PLACE
BY THE NUMBER OF PROFESSIONAL EDUCATIONAL INSTITUTIONS IN THE RF

5th PLACE
BY THE NUMBER OF UNIVERSITIES

23 universities
TRAIN
GRADUATES IN
250
ENGINEERING MAJORS

The Sverdlovsk region is one of the largest scientific centers of Russia. The region offers investors both workforce and specialized programs of targeted training in collaboration with major Ural universities.

USMU - Ural State Mining University



TYPES OF TAXES, INSURANCE FEES	GENERAL RATES	TAX PRIVILEGES AND PREFERENCES	
		TASED resident	Conclusion of special investment contract (SPIC 2.0)
PROFIT TAX:	20%	5% for 5 years 13% for further 5 years	13,5% in accordance with the contract but no later than 2030 inclusively
FEDERAL BUDGET	3%	0% for 5 years	0% in accordance with the contract
REGIONAL BUDGET	17%	5% for 5 years 10% for further 5 years	13,5% in accordance with the contract but no later than 2030 inclusively
PROPERTY TAX	2,2%	0% for 5 years	0% for 5 years
LAND TAX	1,5%	0% for 10 years	0% in accordance with the contract
TRANSPORT TAX	1,5%		
INSURANCE FEES	30%	7,6% for 10 years	
PFR (PENSION FUND OF RUSSIA)	22%	6% for 10 years	
SIF (SOCIAL INSURANCE FUND)	2,9%	1,5% for 10 years	
SIMF (STATUTORY MEDICAL INSURANCE FUND)	5,1%	0,1% for 10 years	



Agreement on protection and encouragement of capital investments (APECI)

1. Reimbursement of expenses for energy, transport, communal, social, and digital infrastructures required for investment project's realization
2. Reimbursement of expenses for interest payments on credits and loans attracted for investment project's realization
3. Stabilization clause — preservation of state support conditions, rates on customs export duties, rates and calculation procedure of taxes and fees up to 20 years regardless the changes in legislation

Loan instruments:

1. Soft loan by the program of the Ministry of Economic Development:
   from 1 to 50 million rubles for up to 120 months at a rate from 7,75% to 8,5%
2. Loan from SRFES: from 5 million at 4,25%
3. Guarantees of SRFES: pledgery of up to 50 million rubles (for 50% of the loan amount)
4. Preferencial lease program through RLC:
   6% — domestic equipment, 8% — foreign equipment

SVERDLOVSK REGION OFFERS FLEXIBLE SUPPORT MECHANISMS OF INVESTMENT PROJECTS, INCLUDING MINING INDUSTRY ENTERPRISES

06 STATE SUPPORT OF ENTERPRISES



07 A SINGLE- WINDOW SERVICE FOR INVESTORS

IN CASE IF YOUR COMPANY HAS AGREED OR IS ALREADY IMPLEMENTING THE INVESTMENT PROJECT, WE WILL:

QUALITY SERVICES FOR INVESTORS

1 SELECT OPTIMAL MEANS OF SUPPORT FOR YOUR PROJECT

In the Sverdlovsk region, there are dozens of state support institutions for investors. We have concluded agreements with the majority of them; our specialists constantly train in new and acting support instruments. All of this allows us to promptly offer the most suitable assistance options to the investors and provide help with documents' execution to the projects' initiators

2 GIVE DETAILED EXPLANATION ON THE FORMAL PROCEDURES

We will consult on issues of administrative procedures in the fields of land use, construction, licensing, connection to engineering infrastructure facilities, interaction with state and municipal authorities

3 PROVIDE COMPLEX FOLLOW-UP FOR YOUR PROJECT

We provide complex support to the initiators of large investment projects. It includes consulting on documents' execution, provision of tracking in administrative procedures, project advancement, recruitment, prompt solving of all arising issues



07 A SINGLE- WINDOW SERVICE FOR INVESTORS

IN CASE IF YOUR COMPANY DID NOT MAKE THE FINAL DECISION ON THE PROJECT AND IMPLEMENTATION LOCATION, WE WILL SHARE REQUIRED CONTACTS AND USEFUL INFORMATION

QUALITY SERVICES FOR INVESTORS

1 WE WILL PROVIDE ANALYTICAL INFORMATION ON BUSINESS OPPORTUNITIES OF THE SVERDLOVSK REGION

Every year, we perform **over 20 studies** of investment opportunities in various industry fields of the region together with our partners

2 WE WILL SELECT A LAND PLOT OR A REAL ESTATE OBJECT

We maintain databases of the most promising land plots and real estate objects for the investors. We keep this data on all objects up to date in collaboration with land owners, regional, and municipal authorities. We will easily select an investment site by given parameters and organize a site visit

3 WE WILL HELP ESTABLISH CONTACTS WITH LOCAL ENTERPRISES

Our permanent partners are not only Ural companies but also social associations, financial institutions, educational and scientific organizations, project offices, legal companies, and many other. We will assist in establishing required contants with the local communities

GOVERNMENT OF THE SVERDLOVSK REGION

MINISTRY OF INVESTMENT AND DEVELOPMENT OF THE SVERDLOVSK REGION

INVESTMENT PROMOTION AGENCY
of the Sverdlovsk Region

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