### The Republic of Bashkortostan

The Republic of Bashkortostan is one of the leading industrial and agricultural regions of the Russian Federation and one of the main oil-producing regions of the country, the center of the chemical industry and mechanical engineering.

One of the three leading regions in the rating of the effectiveness of industrial policy of the Russian Federation.

The Republic of Bashkortostan took 3rd place in the National Rating of the investment climate among the regions of the Russian Federation for the year 2023.

Based on the results of 2023 the VII National Rating of Investment Attractiveness of Special Economic Zones of Russia the SEZ Alga was recognized as the best in the «Import Substitution» category. Since its creation, the SEZ Alga has twice been recognized as the most dynamically developing SEZ in Russia.

### Population
- 4.07 million people

### Total area
- 142,947 sq. km

### Scope of Investments
- 620 billion rubles

### Credit rating
- ruAA+

### IC3
- High investment attractiveness

### 3rd place
- in the rating of the investment climate
The Republic of Bashkortostan is located at the intersection of main thoroughfares connecting the European part of Russia with the Urals, Siberia and the countries of Central Asia. Favorable conditions for doing business.
THE TERRITORY OF THE SEZ «ALGA»

The industrial special economic zone «ALGA» is located on 5 separate sites:

Sites № 1-2: Ishimbaysky District
Sites № 3-4: Sterlitamaksky District
Sites № 5: Ufimsky District

467.98 ha
TOTAL AREA SITES № 1-4

295.2 ha
TOTAL AREA SITE № 5

THE PERIOD OF EXISTENCE OF THE SEZ – until 2069
INDUSTRIAL SPECIAL ECONOMIC ZONE «ALGA»

763.18 ha
the total area of the SEZ

376.55 ha
usable (leasable) area

219.99 ha
some of them are occupied by residents

29.32 ha
reserved area

127.24 ha
free space
MANAGEMENT COMPANY SERVICES

THE DEVELOPMENT CORPORATION OF THE REPUBLIC OF BASHKORTOSTAN -
is the management company of the SEZ «Alga»

SERVICES

DESIGN AND CONSTRUCTION

SUPPORT FOR SEZ RESIDENTS AND OTHER INVESTORS

MARKETING AND PR

COMPREHENSIVE AUDIT

SUPPORT MEASURES
<table>
<thead>
<tr>
<th>SITE №1</th>
<th>Ishimbaysky District</th>
</tr>
</thead>
<tbody>
<tr>
<td>The total area</td>
<td>56.3 ha</td>
</tr>
<tr>
<td>Free space</td>
<td>7.93 ha</td>
</tr>
<tr>
<td>Number of residents</td>
<td>6</td>
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<tr>
<td>Industry focus</td>
<td>Consumer goods manufacturing and instrumentation</td>
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</table>

<table>
<thead>
<tr>
<th>SITE №2</th>
<th>Ishimbaysky District</th>
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<tbody>
<tr>
<td>The total area</td>
<td>205.86 ha</td>
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<tr>
<td>Free space</td>
<td>78.17 ha</td>
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<tr>
<td>Number of residents</td>
<td>5</td>
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<td>Industry focus</td>
<td>Processing of agricultural products</td>
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</tbody>
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<tr>
<th>SITE №3</th>
<th>Sterlitamaksky District</th>
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<tr>
<td>The total area</td>
<td>168.43 ha</td>
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<tr>
<td>Free space</td>
<td>32.3 ha</td>
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<tr>
<td>Number of residents</td>
<td>4</td>
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<tr>
<td>Industry focus</td>
<td>Chemical and petrochemical industry</td>
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</table>

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<tr>
<th>SITE №4</th>
<th>Sterlitamaksky District</th>
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</thead>
<tbody>
<tr>
<td>The total area</td>
<td>37.39 ha</td>
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<tr>
<td>Free space</td>
<td>0 ha</td>
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<tr>
<td>Number of residents</td>
<td>1</td>
</tr>
<tr>
<td>Industry focus</td>
<td>Chemical and petrochemical industry</td>
</tr>
</tbody>
</table>

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<tr>
<th>SITE №5</th>
<th>Ufimsky District</th>
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</thead>
<tbody>
<tr>
<td>The total area</td>
<td>295.2 ha</td>
</tr>
<tr>
<td>Free space</td>
<td>8.83 ha</td>
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<tr>
<td>Number of residents</td>
<td>6</td>
</tr>
<tr>
<td>Industry focus</td>
<td>Universal, the main direction is woodworking</td>
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</tbody>
</table>
THE LAYOUT OF INVESTMENT PROJECTS AT SITES NO. 1-4 OF THE SEZ «ALGA» IN ISHMIBAYSKY AND STERLITAMAKSKY DISTRICT
PROVISION OF INFRASTRUCTURE FOR SITES NO. 1-4 OF THE SEZ «ALGA» IN ISHIMBAYSKY AND STERLITAMAKSKY DISTRICT

- Electrical supply: 124.04 MW
- Gas supply: 147 903 m³/hr
- Water supply: 4 820 m³/day
- Drainage (sewage): 22 620 m³/day

Automobile transport: The proximity of federal highways, Tracca P-240
Railway: Allaguvat Station, road communication with Kuibyshev railway
Placement: In the territories of Ishimbaysky and Sterlitamaksky district
ENGINEERING INFRASTRUCTURE OF THE SITES NO. 1-4 OF THE SEZ «ALGA» IN ISHIMBAYSKY AND STERLITAMAKSKY DISTRICT

DPRS
Gas network

Electrical substation

Electric grid

Autoroutes

Railways

Planned railway tracks

A built roundabout

Water supply networks

Drainage networks

planned for the creation and reconstruction of autoroutes

sites on the territory of Sterlitamak district

sites on the territory of Ishimbaysky district

Prospective needs:

147 903 m³/hr
124.04 MW
10.37 km
21.12 km

| Site № 1 | 56.3 ha |
| Site № 2 | 205.9 ha |
| Site № 3 | 168.4 ha |
| Site № 4 | 37.4 ha |
THE LAYOUT OF INVESTMENT PROJECTS AT SITE NO. 5 OF THE SEZ «ALGA» IN UFIMSKY DISTRICT

- **Amkodor-Alga Ltd.**
  - Creation of innovative production of special earth-moving machines
  - 6.95 ha

- **Amkodor-Agidel Ltd.**
  - Construction of a plant for the production of machinery and equipment for post-harvest grain processing
  - 6.4 ha

- **Ultrakhem Ufa Ltd.**
  - Production of binder materials
  - 9.8 ha

- **NGO Ufimets Ltd.**
  - Creation of electrical equipment production
  - 1 ha

- **UltraDekor MDF Ltd.**
  - Manufacture of wood fibreboard
  - 19.63 ha

- **PC Dobryi Karton Ltd.**
  - Construction of a highly automated corrugated packaging plant with a capacity of 70 million m² per year
  - 4.4 ha

- **PC Azimut Ltd.**
  - Construction of an innovative plant for production of road paint on the basis of organic solvent and cold plastic area of location in the production buildings
  - 9360 m²

**SITE №5**
- 295.2 ha

**Conventional symbols:**
- current residents of the SEZ «Alga»
- potential residents of the SEZ «Alga»
PROVISION OF INFRASTRUCTURE FOR SITE NO. 5 OF THE SEZ «ALGA» IN UFIMSKY DISTRICT

- **Electrical supply**: 44.43 MW
- **Gas supply**: 17,017 m³/hr
- **Water supply**: 2,531 m³/day
- **Drainage (sewage)**: 1,868 m³/day

**Automobile transport**
- The proximity of federal highways road M5 «The Urals», Moscow-Chelyabinsk

**Railway**
- Shaksha Station
- Kuibyshev railway with access to the Transsib

**Placement**
- On the border with Ufa
- Ufa district of Bashkortostan
ENGINEERING INFRASTRUCTURE OF THE SITE NO. 5 OF THE SEZ «ALGA» IN IN UFIMSKY DISTRICT

- Gas reducing station (GRS)
- Distribution pressure reducing station (DPRS)
- Extra-compound pipelines
- Gas pipeline Du150
- Electrical substation 220 kW «Guards»
- Power transmission line 220 kW (PTL)
- Off-site water supply Du250
- On-site networks of water supply Du150
- Off-site drainage networks Du400
- On-site drainage networks Du200
- Local storm water treatment plants
<table>
<thead>
<tr>
<th>Type of privilege</th>
<th>Budget level</th>
<th>General regime</th>
<th>Benefits on the territory of SEZ SPT «ALGA»</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company’s income tax</td>
<td>Federal budget</td>
<td>3 %</td>
<td>2 %</td>
</tr>
<tr>
<td></td>
<td>Local budget</td>
<td>17 %</td>
<td>first 5 years* – 0%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>the next 7 years – 5%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>after 12 years – 13.5%</td>
</tr>
<tr>
<td>Company’s property tax</td>
<td>Local budget</td>
<td>2.2 %</td>
<td>0 %</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>10 years since registered</td>
</tr>
<tr>
<td>VAT</td>
<td>Federal budget</td>
<td>20 %</td>
<td>20 % (0 %)**</td>
</tr>
<tr>
<td>Land tax</td>
<td>Local budget</td>
<td>1.5 %</td>
<td>0 %</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>5 years since the property right registered</td>
</tr>
<tr>
<td>Transport tax</td>
<td>Local budget</td>
<td>10 - 250 RUB/h.p.</td>
<td>0 RUB/ h.p. within 10 years since the taxation period when the vehicle was registered, but nor earlier than when the company gained the status of an industrial production SEZ resident; the privilege applies to trucks, buses, other self-propelled vehicles, machines and mechanisms driven by pneumatic means or caterpillars</td>
</tr>
</tbody>
</table>
THE EFFECT OF THE FREE CUSTOMS ZONE

- Exemption from VAT and import duties on imported materials and raw materials processed on the territory of the SEZ.
- Exemption from export customs duties and taxes on foreign equipment for the period of stay of this equipment in the territory of the SEZ.
- Exemption from VAT, as well as import and export duties on goods imported and sold in the territory of the Customs Union (Russian Federation, Belarus, Kazakhstan, Kyrgyzstan, Armenia).
- Exemption from customs duties and VAT, in the case of the release of products from foreign components and the sale of finished products to the countries of the Customs Union.
- Payment of export duty only when exporting manufactured goods recognized as goods of the Customs Union, beyond its borders.
- No duties and VAT on the resale of foreign goods outside the Customs Union.
- Payment of export duty only for the resale of goods of the Customs Union, beyond its borders.
- Exemption from customs duties and VAT when exporting goods recognized as foreign outside the Customs Union.
ADDITIONAL SUPPORT FOR SEZ RESIDENTS

ACCELERATED DEPRECIATION IN SEZ

The possibility of applying a special coefficient to the basic depreciation rate, but not higher than 2, in relation to own depreciable fixed assets (before the end of its useful life)

RENT OF LAND*

2% of the cadastral value of the land plot with the possibility of applying a reduction coefficient for the lease of land plots up to 0.5 (in accordance with the order of the Ministry of Economic Development of the Russian Federation N 190 dated 14.07.2006)

* in relation to land plots owned by the state or municipal
RESIDENCE IN THE SEZ «Alga»

REQUIREMENTS TO SEZ RESIDENTS:
- Commercial organization (with the exception of a unitary enterprise)
- Registration of a legal entity on the territory of the municipality within which the SEZ is located
- Absence of branches and representative offices outside the SEZ
- The existence of an agreement on the implementation of activities in the SEZ «Alga» between the resident, the Government of the Republic of Bashkortostan and the Development Corporation of the Republic of Bashkortostan
- Implementation of capital investments in the amount of at least 120 million rubles, of which at least 80 million rubles - during the first 3 years

IT IS NOT ALLOWED ON THE TERRITORY OF THE SEZ:
- Development of mineral deposits (except for the development of mineral water deposits and other natural healing resources)
- Production and processing of excisable goods (except for the production of passenger cars, motorcycles, the production and processing of ethane, liquefied petroleum gases and liquid steel)

TYPES OF ACTIVITIES IN THE SEZ:
- Industrial and production activities (production and (or) processing of goods (products) and their sale)
- Technical and implementation activities (development of innovative activities for the creation and sale of scientific and technical products, bringing them to industrial use, as well as the creation of software products, data collection, processing and transmission systems, distributed computing systems and the provision of services for the implementation and maintenance of such products and systems)
- Logistics activities (provision of services for transportation and warehousing of goods)
**THE PROCEDURE FOR OBTAINING SEZ RESIDENT STATUS**

1. Preparation of an application for SEZ resident status
2. Making a decision on the implementation of the project on the territory of the SEZ
3. Decision-making by the Government of the Republic of Bashkortostan, taking into account the assessment of the passport and the financial model of the investment project
4. Conclusion of an agreement on the implementation of industrial and production activities
5. Obtaining the status of a SEZ resident
6. Obtaining technical specifications for connecting to networks
7. Conclusion of a land lease agreement with the SEZ management company
8. Preparation and examination of design and estimate documentation
9. Obtaining a building permit
10. Construction of a production facility
11. Commissioning of the production facility
12. Verification of the execution by a SEZ resident of agreements on the implementation of industrial and production activities

**Steps**

1. Preparation of an application for SEZ resident status
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PERSONAL MANAGER TO YOUR PROJECT

CONSULTANCY ON ALL ISSUES RELATED TO THE IMPLEMENTATION OF THE INVESTMENT PROJECT

SELECTION PLOT OF LANDS FOR BUSINESS TASKS

WE DEVELOP BUSINESS PLANS, ASSIST IN THE PREPARATION OF DOCUMENTS FOR OBTAINING THE STATUS OF A SEZ RESIDENT

PROVISION OF SERVICES COMPREHENSIVE SUPPORT OF INVESTMENT PROJECTS

WE ENSURE THE CREATION, OPERATION AND TECHNICAL CONNECTION OF ENGINEERING, TRANSPORT, SOCIAL AND INNOVATIVE INFRASTRUCTURE FACILITIES

WE ARE DEVELOPING A PROJECT FOR THE PLANNING OF THE SEZ TERRITORY