Making investments happen by making investors happy SEZ. **STUPINO** QUADRAT L **DEVELOPED BY GDP QUADRAT** RUSSIA'S INDUSTRIAL DRIVER

Who stands behind GDP Quadrat?

MR Group

The holding company

A market leading real estate development and management company







Moscow, Moscow region, Sochi

Ekaterina Evdokimova

Managing partner GDP Quadrat Attorney-at-Law (DE), Lawyer (RU), LL.M. (USA)

- 15 years of advisory on industrial Construction and production localization in Russia
- 10-years experience as Head of Russia Desk and Partner with an international law firm
- Ranked in Chambers Global and Best Lawyers 2013, 2014



Our approach

INVESTOR CONCENTRATES ON PRODUCTION AND SALES

The rest IS OUR JOB



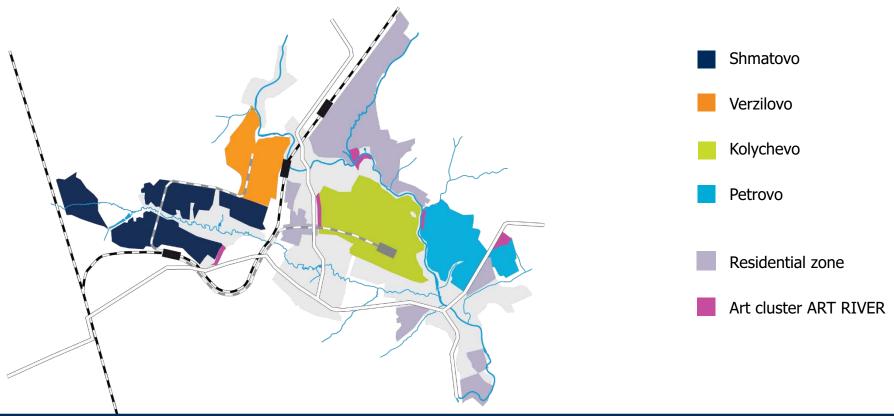






What is STUPINO QUADRAT?

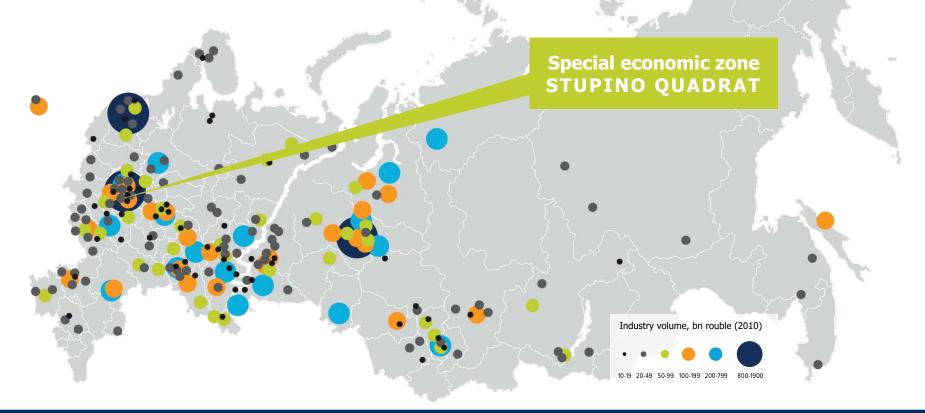
STUPINO QUADRAT: four industrial parks and a Special Economic Zone in Moscow region, a new residential area NOVOE STUPINO and an art cluster ART RIVER.



The right place to invest

STUPINO QUADRAT:

an excellent location to access main industrial centers of Russia

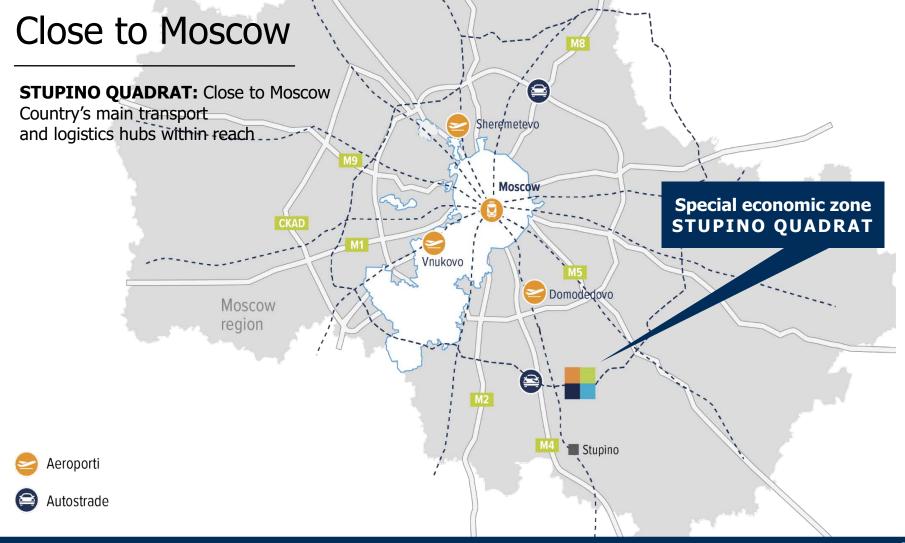


Access to the main market

STUPINO QUADRAT: access to main market

(European part of Russia with 82% of population) and the main trade routes

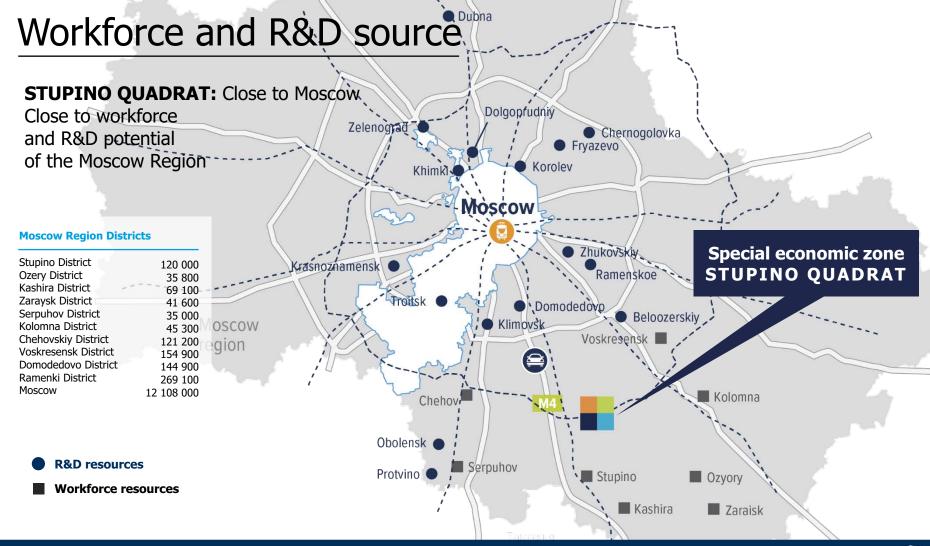




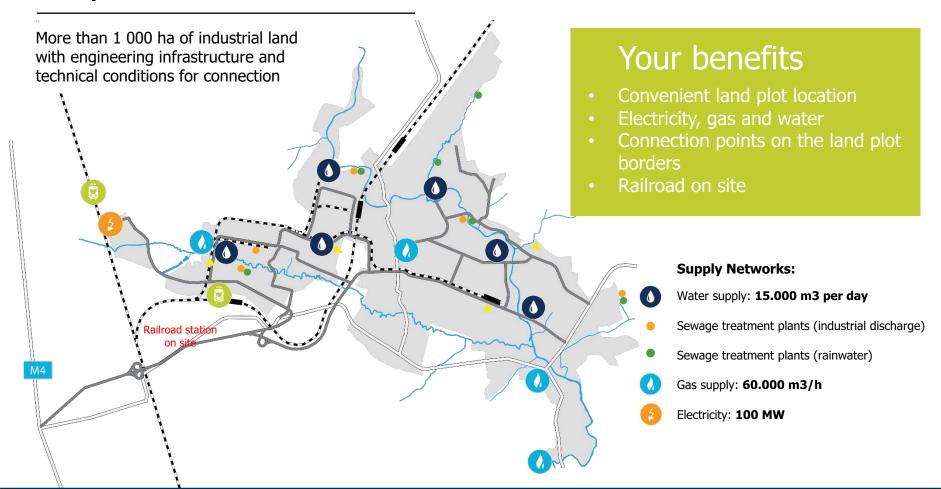
Road infrastructure







Prepared infrastructure



Prepared infrastructure

On site:

Gas distribution station and electrical substation are ready to operate, the construction of the freight railway terminal is being complete











Destinations



Domodedovo International airport **71 km**Vnukovo International airport **110 km**Sheremetyevo International airport **140 km**Paveletsky railway station **1 hr 40 min (by train)**Moscow (centre) **110 km (app. 1.5 hrs by car)**

The Moscow Outer Ring (A108) **15 km**The Moscow Automobile Ring Road (MKAD) **73 km**The Federal Highway M-2 <Crimea> **47 km**The Federal Highway M-5 <Ural> **53 km**The Federal Highway M-3 <Ukraine> **110 km**

The Federal Highway M-4 <Don> **7 km**Kashira Highway (backup route for M4) **14 km**Central Ring Road (CKAD) **60 km** (from 2020)
Shmatovo freight terminal (Moscow Railway) **on site**Stupino City, Customs terminal Stupino **18 km**



Benefits of Special Economic Zone

Tax	STUPINO QUADRAT	In the rest of the RF
Profit tax	2% first 8 years 7% next 6 years 15,5% until 2064	20 %
Property	0% 10 years from the property registration	up to 2,2%
Land	0% 5 years starting from the month of the title registration	up to 1,5%
Transport	0% 5 years from the transport registration	up to STUPINO QUADRA
	VAT and customs free import of production lines and raw materials	ANDRAY STUMO ONADRAY STUMO ON ADRAY

0 %

customs duty, import VAT and other taxes

Fast track for construction permits

SEZ Project

Limited governmental audit Federal government support

All products are labelled as "MADE IN RUSSIA"

- ✓ Property type private property
- ✓ Guarantee from unfavorable changes in the legislation of the Russian Federation

Non-SEZ Project

- × NO customs privileges
- × NO or less tax benefits
- × NO guarantee against unfavorable changes
- NO fast track for construction
- × NO limitations for governmental audit
- NO automatic labelling as "MADE IN RUSSIA"
- × NO or less federal government support



SEZ

- Minimum investment €2 million
- Step-by-step localization of production not mandatory
- Taxation privileges for 49 years
- Legal guarantee against unfavorable changes
- Product labelling "MADE IN RUSSIA" facilitated*
- NO state supervision of localization process

SIC (special invest contract)

- Minimum investment €12 million
- MANDATORY step-by-step localization of production
- Taxation privileges for 10 years
- Legal guarantee against unfavorable changes
- Product labelling "MADE IN RUSSIA" for limited period
- State supervision of localization process

COMBINATION OF SEZ AND SIC IS POSSIBLE!



^{*} Amendments to Federal Law N 116-F3 "On Special economic zones in the Russian Federation"

Save up to 50-60% of project costs

Package solutions for investors of any level

Construction optimization

The "turnkey" project - from 9 months

From 17.000 RUB per 1 m2



How to become a resident of the SEZ?

Establish a local SPV

- Authorised capital 10 000 RUB (less than €200)
- Local address in the municipal district of the SEZ
- One or two CEOs (new!)
- List of documents available upon request

Prepare a business plan

- Total investment min. 120 million RUB (appr. €2 million)
- 40 million RUB (less than €800 000 within the first tree years)

Decision of the expert commission

Written agreement with RF, region and managing company of SEZ

- Business plan is the basis for investor's obligations
- Investor, region and managing company are liable for investor's performance
- Period of benefits begins with signing of the agreement



Verified by investors

ARVALUS

KRASKO

DELOGRO

17 manufacturers are investors and residents of Special economic zone «STUPINO QUADRAT»

MeSi

MUSTANG STUPINO

FENIKS CHIMNEYS

ECO-FUTURE

Stupino District

INTELBIO

DIGITAL TEXTILE

Population **130 000** Higher education **30%**

IRIS CERAMICA

AKRUS

GMP GROUP

Technical colleges **7**Graduates per year **1000+**

MISSION FOOD STUPINO **APOLLO**

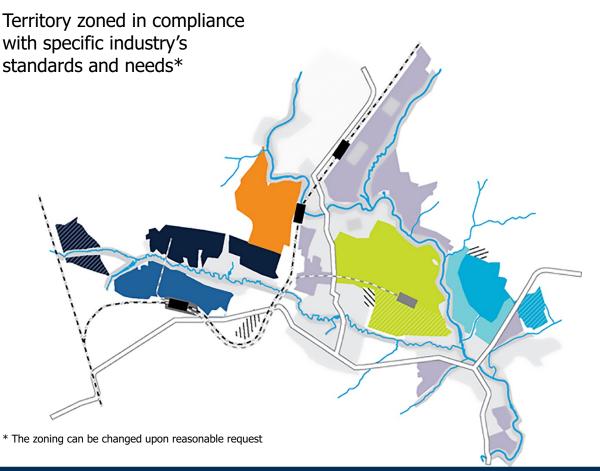
Area **80 441 ha**Roads **1 511 km**

AVALON – STUPINO QUADRAT

SKS

PHOENIX CONTACT

Prepared industry clusters



Zoning

- automotive, tools and machinery
- light industry & wood-working industry
- glass, ceramics, construction materials, logistics
- /// chemical industry
- food
- automotive
- high tech / electronics, pharmaceuticals
- light industry
- management companies' domain
 - recreation/ education / R&D
- residential zones
- // territory for prospective development
- /// truck parking
- railway cargo

Social infrastructure

NOVOE STUPINO – comfortable and safe residential area for employees and their families

For family

International school Child care, park Environment and holiday inns

For well-being

Sports center **Private clinics**Wellness center

Fitness center

For professional education

Colleges, community colleges, Scientific facilities, Universities Central Federal Academic University, cooperation with the top-rated Universities*

For life

Comfortable
Cottages,
Townhouse, apartments, hotels

For entertainment

restaurants
cafe
cinema
museum
concert hall
exhibition complex

* planned



Flexible decisions – low risks

Full range of services for greenfield projects from pure land plot sale to turn-key solutions

Pure land plot sale

Optional services:

- Technical contractor services
- General contractor selection
- Design services
- Project management solution
- Project financing solution
- Property leasing solutions





Turn-Key solution

Low risk solution:

- Full project completion
- Timeline adherence
- Predictable budget
- Flexible financing
- Penalties for non-fulfilment
- Possible rental solution



Integrated services

BUSINESS INFRASTRUCTURE

Personal drivers with foreign language skills Sale and rent of industrial sites Cooperation with authorities Office rental Preparation of business plans Account keeping

Co-working center IT support Translations

Advertisement

RECRUITMENT

Development of incentive program
Outsourcing / outstaffing
Temporary management
Stafftraining
Staffsharing
Recruitment of staff of various qualification



MANAGEMENT

COMPANY





CONSULTING

Assistance and getting the funding
Legal and tax consulting
Intellectual property protection
Development of marketing strategies
Tax and fiscal audit
Search of channels of marketing
Supplier search



OPERATING BUSINESS

Service of engineering projects Check-Point Area cleanup operations CCTV monitoring Capital improvement

SOCIAL INFRASTRUCTURE



Hotel

Restaurants

Cinemas

Houses, flats and dormitory accommodation for staff members



TRANSPORT AND LOGISTICS

Lease of railroad engine
Railway station at site
Customs brokerage
Temporary storage warehouse
High speed air transportation
Customs controlled zone on the resident sites



Fast document processing

Best investment climate in the Moscow Region in consequence of comprehensive support from federal, regional and local government structures, inter alia with transparent legislative and decrease of administrative barriers

We serve you with

Complete document package

Vendor due diligence

Environmental audit

Geological survey

Standard form contract

Turn-key development*

Full compliance

Service provider network*



Your business support

Market analysis

Recommendations on distribution channels

Raw materials and components suppliers

State financial aid

Direct subsidy

Interest rate subsidies

Government purchase preference

Custom Privileges

Quota

Special agreements





Governmental support

SMEs support

Governmental plan for competitiveness increase in national production - 22 subprograms for different branches

Return of the interest paid for the loans used for production infrastructure and facilities Special Economic Zone Tax and customs reduction

Fund for support of production – low interest rates and direct subsidies

Special contract with purchase guarantee

Bank programs for

- SME
- Industrial parks
- Residents of industrial parks

Project financing on discounted rates for new facilities' construction

Territories of accelerated growth – tax and customs reduction

Regional Support:

- grants
- discounted loans
- special taxation



Prerequisites

- Reduction of import fails to catch up with the import substitution
- Economical and political issues dictate the necessity of localization for foreign investors
- Russian Federation and it's Federal States created a wide range of instruments for support of the local producer

Need for SYSTEM INTEGRATION

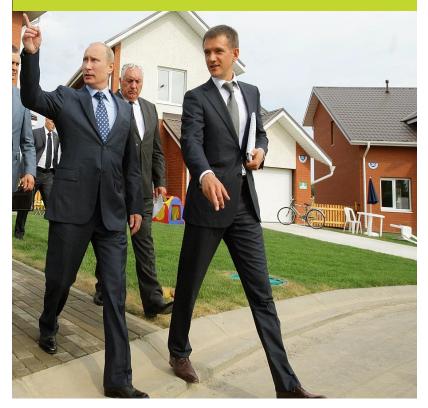




Support on all levels



Vladimir Putin visits the eco-town NOVOE STUPINO, July 2011























































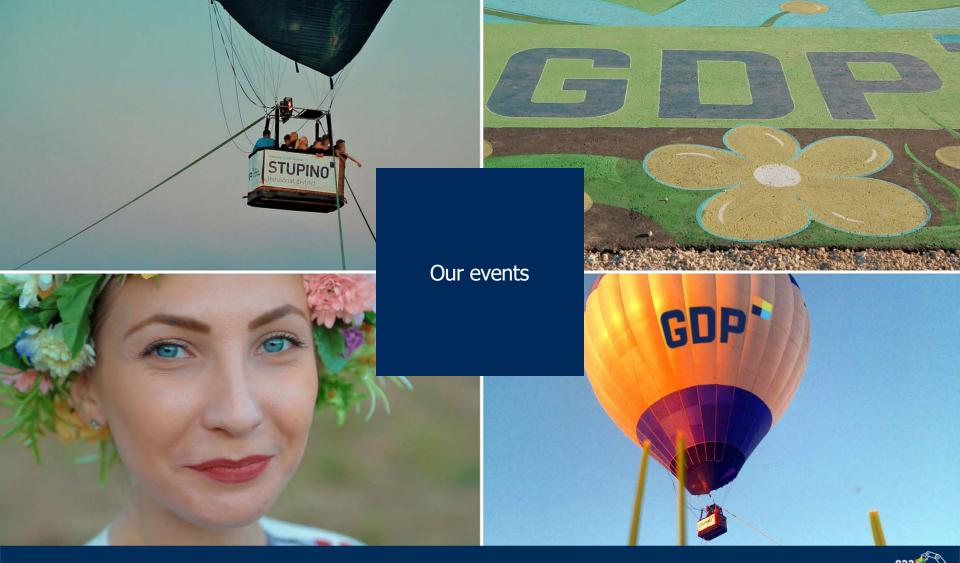












INFO-CENTER

This building details the different stages in which the project was developed.

From the top of this structure opens up an excelent view of the whole area.







ART RIVER is the culture center of the STUPINO QUADRAT.

The future art cluster is planned to be erected near village Petrovo, on the magnificent warp of the Kashirka river.

Key elements of the cluster:

- Culture center, including the watchtower, Info center with sales office, children club and cafe.
- Art-residence with houses for artists, mini hotel and workshops.
- Territory for organizing festivals, with the summer camping spot.
- Eco-farm, for breeding organic products, with farmers, supporting infrastructure and cafe – restaurant.
- All-year cultural activity of the cluster residents may enable vivid and authentic center of cultural gravity for the industrial district and the whole Moscow region.











Good social infrastructure

High-comfort living spaces, medical and educational facilities, sports, entertainment and cultural opportunities

Utilities included

Competitive and flexible land prices including utility limits

Special economic zone

- Tax benefits
- Customs benefits
- «Single window»: range of state services in one place

Excellent location

Close to Moscow, huge workforce and R&D resources, main product markets and transport hubs

Best investment climate

Fast document processing, region's government support

Unique service offering

Professional management company with the widest range of services on the Russian market

10 reasons to invest in STUPINO QUADRAT

Full energy supply

Existing hook-up points for electricity, gas and water

Reputable Developer

Shareholders of GDP Quadrat:

- MR Group LLC with 10-yrs market experience, 20 real estate projects and 5 million sqm portfolio
- Ekaterina Evdokimova with 10-years experience as Head of Russia Desk and Partner with an international law firm in Germany

Turn-key / financing solutions

Full range of services for greenfield projects from pure land plot purchase

(with optional services to choose) up to low risk turn-key solutions

Verified by investors

33+ major international brands as established residents of Stupino District





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