

**TITANIUM  
VALLEY**  
SPECIAL ECONOMIC ZONE



## SPECIAL ECONOMIC ZONES IN RUSSIA

Special economic zones (SEZ) in Russia are a large-scale project aimed at stimulating the growth and development of Russian regions by attracting direct domestic and foreign investments in high-tech industries and local source manufacturing

### PROTECTING INVESTOR'S RIGHTS

**SEZ** is state project focusing on regional growth and development

**Direct investments** in high-tech industries and local source manufacturing

**Legal status** with tax and customs privileges

**49 years** is the life-span of the privileges (from a SEZ's foundation date)

**30%** less investor outlay

**Act 116** guarantees investor protection (Federal Act №116 of 7/22/2005)

**Up to 90 days** — registration of documents, 'one-stop-shop' service for SEZ residents

### INDUSTRIAL & MANUFACTURING SEZ



# SPECIAL ECONOMIC ZONE «TITANIUM VALLEY»

We create the best conditions for industrial enterprises where Europe meets Asia

**2 sites**

Verkhnyaya Salda, 2010 – year of foundation  
Uktus, 2018 – year of foundation

**80,6 BRUB**

declared investments by SEZ residents\*

**28,30 BRUB**

invested by SEZ residents\*

**2 167**

created working places\*

**3 620,10 MRUB**

amount of taxes paid\*

\*as of 31.03.2024

## PRIORITY SECTORS



Aircraft construction



Titanium manufacturing



Components and equipment for metallurgy and machinery engineering



Wood processing



Medical equipment production



Composite materials production



Production of building materials



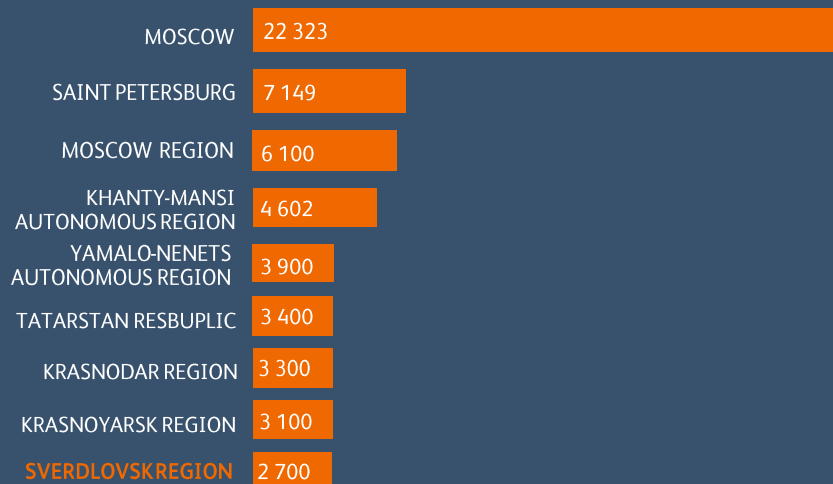


# SVERDLOVSK REGION

ONE OF THE MOST ECONOMICALLY AND INDUSTRIALLY ADVANCED REGIONS IN RUSSIA

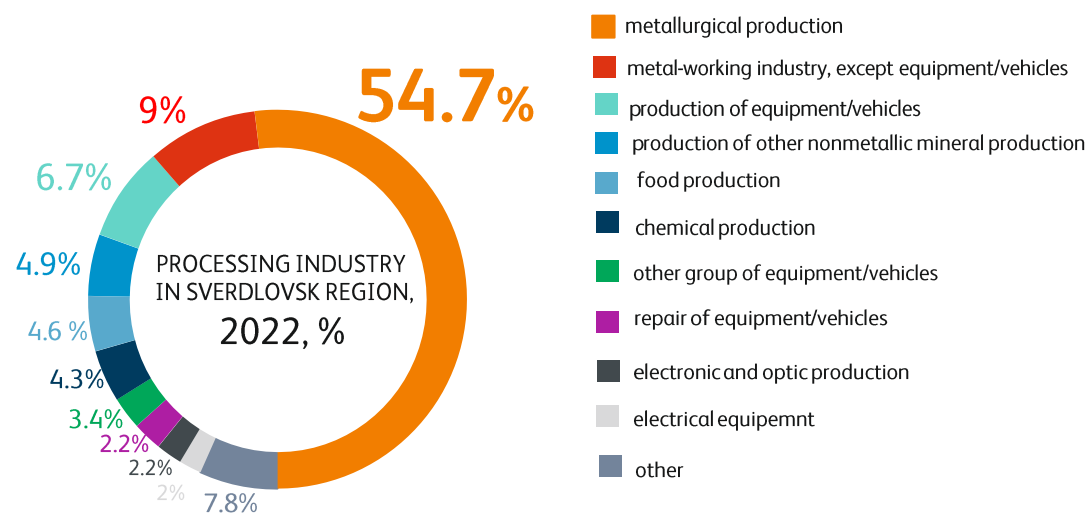
## TOP 9 regions by GRP in 2022

The Gross regional product by subjects of Russian Federation (Gross added value in basic prices, BRUB)



Source: Rosstat

\*Gross regional product is a difference between release of goods and services and intermediate consumption. GRP is calculated in current basic and market prices (nominal gross regional product) as well as in comparable prices (real gross regional product)









Volume of shipped goods of own manufacturing, of executed works and services by own forces of organizations of Sverdlovsk area (data by Sverdlovskstat)

**50 %** OF INDUSTRIAL GOODS ARE MADE IN SVERDLOVSK REGION ( BY ROSSTAT STATISTIC OF 2022)

**4<sup>th</sup> place** OF EXPORT VOLUME FINISHED GOODS OF RUSSIA REGIONS BY 2022 STATISTICS



# BENEFITS FOR «TITANIUM VALLEY» RESIDENTS

TAX PERIOD		Standard tax rate in Russia	SEZ «TITANIUM VALLEY»							
			1-5	6-10	11	12	13	14	15	16 and further
     	PROFIT	20%	2%		7%			15.5%		
	PROPERTY	2.2%	0%		2.2%					
LAND	VERKHNYAYA SALDA and SYSSERT	1.5%	0%		1.5%					
	EKATERINBURG		0%	1.5%						
	TRANSPORT	From X%	0%			DIFFERENTIAL RATE				
	IMPORT DUTY	5-10%				0%				
	CUSTOMS VAT (import)	10-20%				0%				

# HOW TO BECOME A RESIDENT OF SEZ «TITANIUM VALLEY»

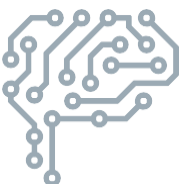
## REQUIREMENTS FOR INVESTORS



**II-V** Hazard Class



**Industrial** production



**High-tech** production



From **120**

**MRUB** — capital investments



**40 MRUB** —

capital investments during first three years of the project

## NECESSARY STEPS TO OBTAIN RESIDENT'S STATUS

**1** Prepare a business plan and register a official legal entity at the location of the SEZ

**2** Defend the business plan at the Expert Council

**3** Conclude a trilateral agreement with the Ministry of Investment and Development of the Sverdlovsk Region and the company

**90** days to obtain a certificate of SEZ resident



# FROM THE CONCEPT TO START-UP OF PRODUCTION WITH BUILD TO SUITE FORMAT

The managing company is ready to provide the package of services for design, construction and utilities connection of the project, to ensure implementation of project in accordance to plan

## DESIGN

- 1 Assit in preparation of the technical task for design
- 2 Select a pool of design agencies and compare their price bids for further approval by the resident
- 3 Ensure development of the design documents
- 4 Ensure that design documents get approval of expert review
- 5 Approve the project design with the Administration of the relevant municipal unit

**5%**

OF THE COST OF DESIGN WORKS

## CONSTRUCTION

- 1 Obtain a construction permit
- 2 Select a pool of construction companies and compare their price bids for their further approval by the resident
- 3 Inspection and technical supervision of construction and installation works, including verification for compliance of the scope, cost and quality of works with the project design and cost estimates
- 4 Arrange acceptance of the construction, installation and commissioning works
- 5 Obtain a comissioning permit\*

**5%**

OF THE AGGREGATE COST OF CONSTRUCTION

\* Warranty support of the facility after commissioning is provided **over the period of 5 years.**



# VERKHNYAYA SALDA SITE: INFRASTRUCTURE

Ural Boeing Manufacturing\*



UWCA\*



Minicut Tooling Manufacturing



Zibus



\*The facilities were built by JSC "SEZ" Titanium Valley "in 2018



# SITES VERKHNYAYA SALDA AND UKTUS: RESIDENTS' PRODUCTION FACILITIES

Checkpoint of the customs complex



Customs inspection point



Customs building



Treatment facilities



# SEZ «TITANIUM VALLEY» : VERKHNYAYA SALDA SITE

YEAR OF FOUNDATION – **2010**

LAND AREA – **298.1** ha

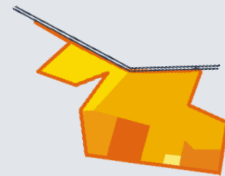
TYPE — **GREENFIELD**

DISTANCE TO EKATERINBURG — **180 km**  
TO NIZHNIY TAGIL — **35 km**

## PRIORITY SECTORS:

- Metallurgy and metalworking
- Wood processing
- Production of construction materials
- Titanium manufacturing
- Production of structural elements for aircraft construction

## ADVANTAGES



RAILWAY and CONTEITER  
YARD of SEZ's area

## FULLY PREPARED ENGINEERING INFRASTRUCTURE

The site is provided with all necessary communications with the possibility of increasing the available capacity for the needs of residents.



## INFRASTRUCTURE

- Natural gas 20 000 m<sup>3</sup>/hour
- Water supply 720 m<sup>3</sup>/day
- Power supply
- Sewage 250 m<sup>3</sup>/day
- Industrial and fire water supply 1050 m<sup>3</sup>/day
- Rail track of Titanium valley SEZ
- - - Rail track of SEZ residents
- National railways (existing)
- Titan Substation 25 MWt
- Container site 6304 sq. m.

# VERKHNYAYA SALDA SITE



\*Actual data about availability of land on SEZ on current date

# SEZ «TITANIUM VALLEY»: UKTUS SITE

YEAR OF FOUNDATION – **2010**

LAND AREA – **298.1** ha

TYPE — **GREENFIELD**

DISTANCE

TO EKATERINBURG (capital of region) — **180 km**

TO NIZHNIY TAGIL (2<sup>nd</sup> by population in a region) — **35 km**

PRIORITY SECTORS:

- Metallurgy and metalworking
- Wood processing
- Production of construction materials
- Titanium manufacturing
- Production of structural elements for aircraft construction

## ADVANTAGES



Runway on the border with the SEZ (within Uktus airport)

**18** km

International airport Koltsovo is in 18 km from the SEZ

## MAIN RESIDENT: URAL WORKS OF CIVIL AVIATION

UWCA project is a center of aviation cluster evolving in Uktus site. Production of aviation vehicles: L-410 planes, Diamond DA42T planes, and Bell 407GXP helicopters

**UWCA**



# UKTUS SITE

## LAND PLOT STATUS

- Reserved
- In operation
- Constructed
- Ongoing Designed
- Land plots owned by Sverdlovsk Ministry of State Property management
- Land plots owned by Titanium Valley SEZ

UWCA's industrial buildings:

- Operating manufacturing
- Projected manufacturing

Buy-out price depends on:

## LEASE (per month)

50 000 Rubles per ha (the first 3 years)  
200 000 Rubles per ha (from 4 year)

## BUY-OUT

39 M Rubles per ha

## INFRASTRUCTURE

- Gas
- Power supply
- Drinking water supply
- Industrial and fire-working water supply
- Sewage systems
- Heat supply networks

M5 CAR ROUTE «M5» EKATERINBURG – CHELYABINSK



## HAZARD CLASS

II III IV V

HIGHWAY «EKATERINBURG – ARAMIL»  
CATEGORY - III (three)

## MORE ABOUT INVESTOR'S PROJECTS



### URAL BOEING MANUFACTURING

Machining of stampings made of titanium alloys and used for aviation purposes



### MINICUT TOOLING MANUFACTURING

Production of cutting instrument, re-sharpening of end mills for machining titanium, stainless and structural steels, composite materials



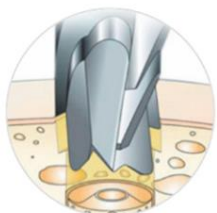
### ALLEGRO

Construction of a wheel rolling mill



### VERKHNAYA SALDA METALLURGICAL PLANT

Industrial production of granular cast iron



### ZIBUS

Production of medical instruments and implants for neurosurgery with the use of titanium alloys



### ZAVOD PRESSOVANNYH PROFILEY

High-tech production of aluminum products



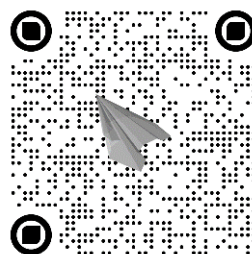
### ECO TECH

Creation of a plant for the production of graphitized electrodes



### SILARUS

High-tech production of metallurgical silicon



# MORE ABOUT INVESTOR'S PROJECTS



## URAL WORKS OF CIVIL AVIATION

Assembly and production of small aircraft L-410, UTK Diamond DA42T, helicopters Bell-407



## OTDEL MEDITSINSKOY TEHNIKI

Production complex for the production of medical devices



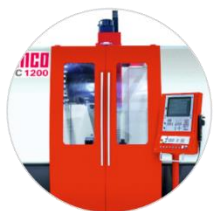
## VYBOR KSM EKATERINBURG

Production of sidewalk tiles and landscaping elements



## GORNYAK CONVEYOR EQUIPMENT PLANT

Production of machine tools and equipment for metallurgy, building materials industry, mining enterprises



## UNIMATIC

Local source production of assembly and adjustment of high-precision machine tools



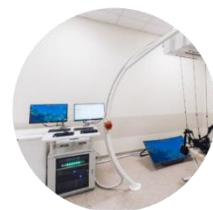
## ONG

Production of gas equipment, equipment for the processing of gas and gas condensate



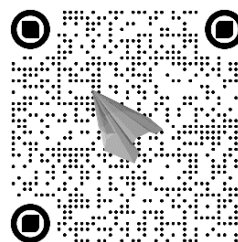
## RUSMED

Manufacturing of disposable three-component medical syringes



## ASPECT MEDICAL

Production of medical equipment



# ALLERGO'S PRODUCTION COMPLEX



16<sub>BRUB</sub>

INVESTMENT

425

WORKING PLACES

200

THOUSANDS OF RAILWAY WHEELS PER YEAR

2021

START OF CONSTRUCTION

2023

END OF CONSTRUCTION

Allegro is a joint venture between the global mining and metallurgical group EVRAZ and the railcar repair system integrator Rail Service (established on a parity basis).

The goal of the project is to create a modern high-tech production of solid-rolled wheelsets to provide final users with high-quality railway wheels.





# RAILWAY INFRASTRUCTURE AT VERKHNAYA SALDA SITE



1,6<sub>brub</sub>

FUNDING

500<sub>k.</sub>

VOLUME OF  
TRANSPORTATION

7,6<sub>km.</sub>

LENGTH OF RAILWAYS

2021

START OF  
CONSTRUCTION

2023

END OF  
CONSTRUCTION

Construction and installation work is being carried out at the same time at two objects: at the platform of the Titanium Valley SEZ, where a new railway station will be created and on the territory of the Verkhnyaya Salda station of the Sverdlovskaya mainline.

Due to the creation of this infrastructure, transport services will be organized in industrial areas of residents and the provision of production facilities with railway transport services.



# “STAFF FOR RESIDENTS” PROJECT

## CITIES WITH PERSONNEL RESOURCES FOR Titanium Valley SEZ

**60,278** rub.  
average salary  
(large and medium-sized companies)



EKATERINBURG  
**1,583.3** k  
people population  
**67 %**  
working-age  
population

## TRAINING INSTITUTIONS OF THE REGION

**21**

Licensed universities with state accreditation

**234**

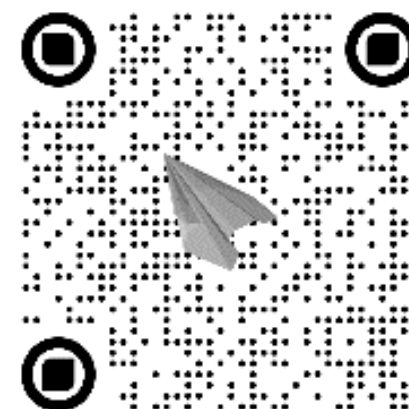
Engineering and technological specialties

**47**

Polytechnic and engineering colleges with branches in the region

**More than 30**

Modern specialties for skilled workers

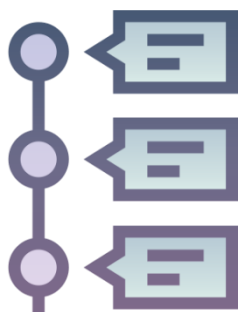


# PROCEDURE of PROVIDING INVESTMENT PROJECTS WITH QUALIFIED STAFF



## 1. REQUIREMENT

Sending information on personnel needs to Titanium Valley



## 2. PREPARATION OF THE OFFER

WITH THE PARTICIPATION OF:  
Department of Labor and Employment of the Population of the Sverdlovsk Region and training centers of the Ministry of Education and Youth Policy of the Sverdlovsk Region of Higher Educational Institutions



## 3. READY SOLUTION

Preparation of a staffing program with the direction of the relevant documentation to the address of the resident or investor



## 4. AGREEMENT

Conclusion of relevant Agreements with pre-selected educational institutions and / or the Department of Labor and Employment of the Population of the Sverdlovsk Region in terms of personnel training



## 5. HIRING

Sending information to the resident about potential applicants for filling vacant positions in anticipation of the opening of production

# SVERDLOVSK REGION: LOCATION ADVANTAGES

**EKATERINBURG** IS A MAJOR TRANSPORT HUB THAT CONNECTS EUROPEAN AND ASIAN PARTS OF THE COUNTRY

**4.600 km**

of railways are connected to industrial enterprises of the region

## EKATERINBURG IS A TRANSPORT HUB FOR LONG-DISTANCE RAILWAYS

- Moscow- Beijing
- Moscow — Petropavlovsk
- Moscow — Vladivostok (Trans-Siberian Railway)
- Moscow- Khabarovsk

## DIRECTIONS OF RAILWAY COMMUNICATION FROM EKATERINBURG

- Saint-Petersburg
- Tyumen
- Kurgan
- Perm
- Khanty-Mansiysk
- Novorossiysk
- Novy Urengoy
- Orenburg

**30.8 thousand km**

length of highways in Sverdlovsk Region

## FEDERAL HIGHWAY

**M5 Ural**  
Motor road to Ekaterinburg

## REGIONAL MOTOR ROADS

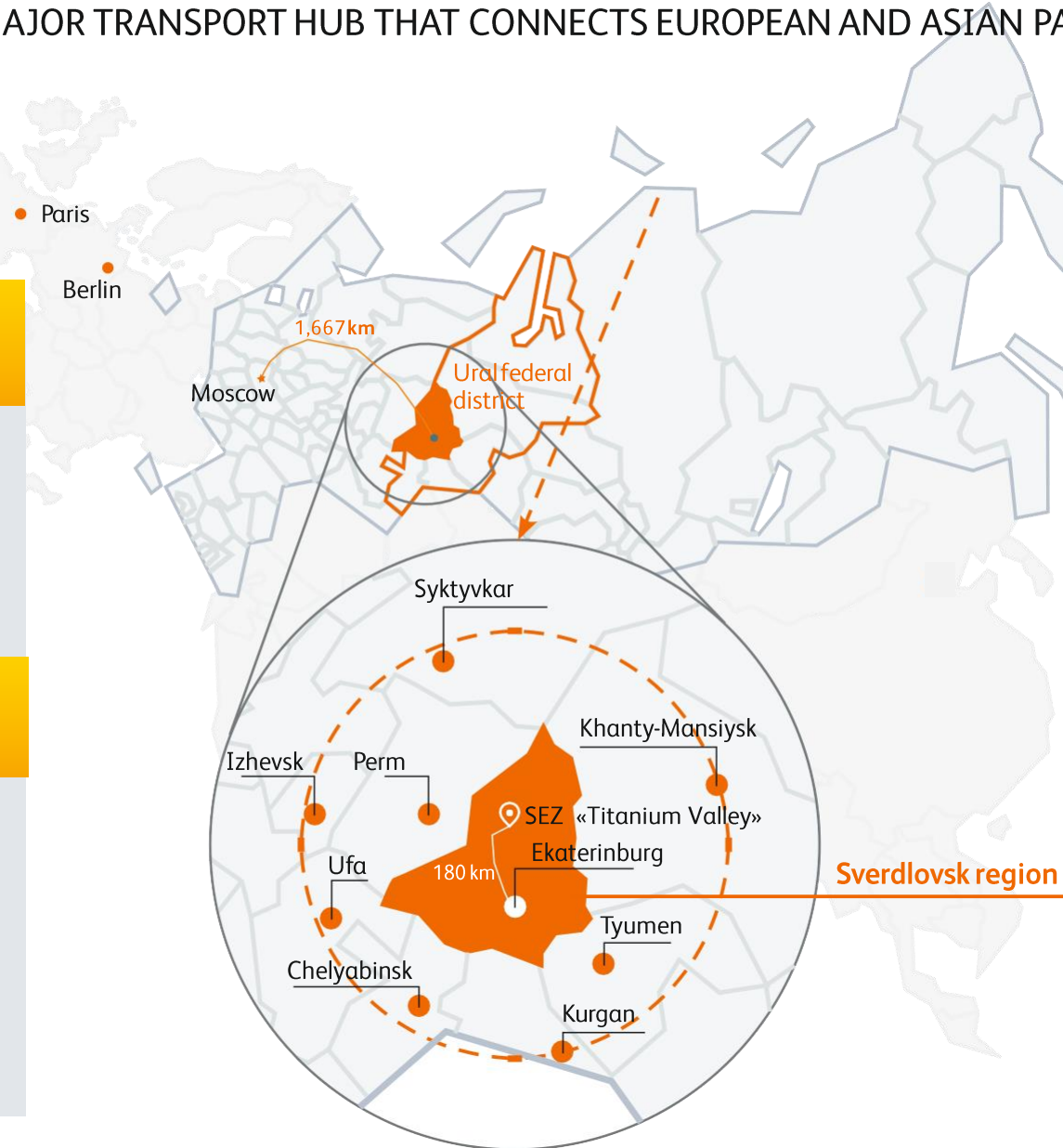
**R242**  
Perm — Ekaterinburg

**R351**  
Tyumen — Ekaterinburg

**R354**  
Ekaterinburg — Shadrinsk — Kurgan

**R402**  
Tyumen — Yalutorovsk — Ishim — Omsk

**R404**  
Tyumen — Tobolsk — Khanty-Mansiysk



# SVERDLOVSK REGION: LOGISTICS IN 2020\*

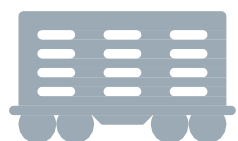
## FREIGHT TRANSPORTATION



### AVIA

**12.3 thousand tons**

of cargo shipped  
at the Koltsovo airport in 2020  
Cooperation with  
70 airlines, 120 flight directions



### RAILWAY

**142.6 million tons**

of cargo is shipped at Sverdlovsk railway  
in 2017 (11% of all shipped cargo in Russia)

**207.15 billion**

tariff ton-km — cargo turnover in 2020



### AUTOMOBILE

**34.3 million tons**

of cargo shipped in 2020

**3.2 billion** ton-km in 2020

## PASSENGER TRANSPORTATION



### AVIA

100 directions,  
5,8 million passengers  
from Koltsovo airport

#### TOP-10

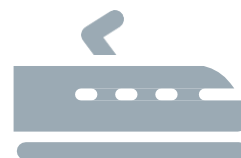
of best airports of the world  
with passenger traffic up to 5 million people

#### TOP-10

of best airports of the world according  
to World Airport Awards, Skytrax  
(Passenger's choice)

Best airport

of the macro-region of Russia and CIS,  
Best regional airport  
of the macro-region of Russia and CIS



### RAILWAY

**22.9 million**

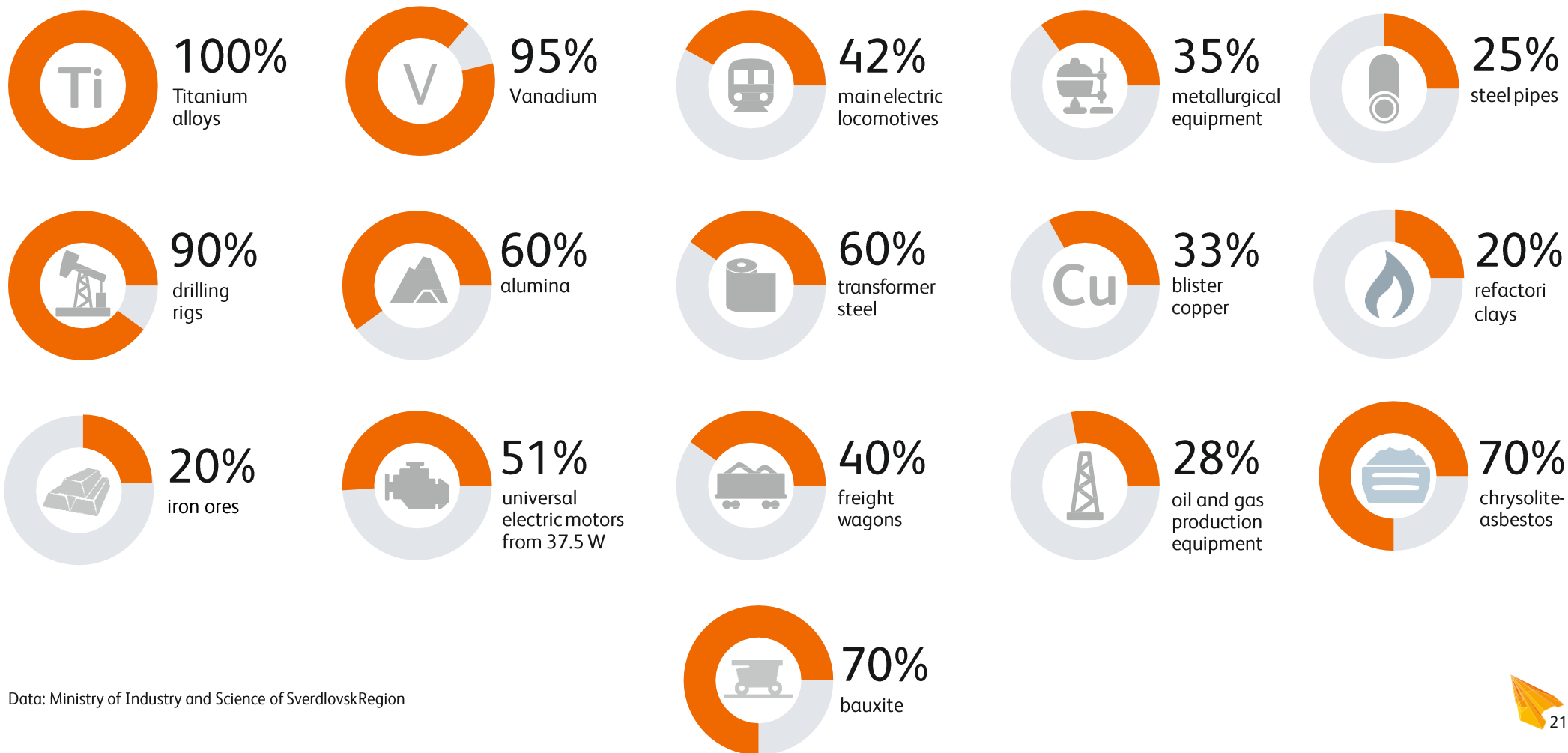
passengers transported by Sverdlovsk  
Railways in 2019

\*Data: Russian railways, Ministry of Economics of Sverdlovsk region, Federal air transport agency

# INDUSTRIAL SPECIALIZATION OF THE REGION

## SVERDLOVSK REGION IS A KEY INDUSTRIAL REGION OF RUSSIA

### SHARE OF SVERDLOVSK REGION IN ALL - RUSSIAN PRODUCTION OF PRODUCTS AND RAW MATERIALS\*



Data: Ministry of Industry and Science of SverdlovskRegion

# EKATERINBURG IS CITY FOR BUSINESS AND INTERNATIONAL COMMUNICATION\*

BUSINESS CENTER AND A LARGE HUMAN RESOURCE HUB

1,6 MLN

people population (as of 01.04.2023)

79 389

companies from different business sectors

220

large and medium-sized manufacturing enterprises

11

official representations of foreign states

26

educational institutions of higher professional education

\*№2 — Ekaterinburg in terms of business tourism and events potential among regional Russian cities (R&C 2022)



Summer Universiade



International Summit Sport Accord



International industrial exhibition Innoprom



**KOLTSOVO**  
Ekaterinburg International Airport

International airport Koltsovo  
World brands of hospitality



# VERKHNYAYA SALDA: A CITY FOR LIFE, A CITY FOR BUSINESS

47 396

population  
(as of 1/1/2023)

201

companies from different business sectors

11

large and medium-sized manufacturing enterprises

7

institutions of physical education and sports

3

higher education providers

8

cultural institutions



## VSMPO – AVISMA Corporation

city-forming enterprise, world leader in the production of titanium products



## ALLEGRO

anchor resident of Verkhnyaya Salda



## Developed system of dual education

students of the Verkhnyaya Salda Aviation Metallurgical College undergo practical training on modern equipment Emko Concept, MODELA, HAASTM-HE 60% of the time



## Ural Federal University named after the first President of Russia Boris Yeltsin

- training programs: titanium metallurgy, technological machines and equipment, design and technological support of machine-building industries



## INVESTMENT TEAM

Titanium Valley SEZ was established with the support of the Governor and the Government of the Sverdlovsk Region. The project is curated by the Ministry of Investment and Development of the Sverdlovsk Region

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Evgeny Vladimirovich Kuyvashev  
Governor of the Sverdlovsk region

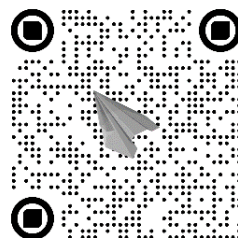
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