START A SUCCESSFUL BUSINESS IN KURGAN REGION

- 0% from taxes
- Loans 0.1% p.a.
- Grants up to 70 million roubles
- A special economic zone
- 220 thousand ha of free land
- Subsidies for recovery of logistics costs up to 50% of the cost of equipment
have been created in Kurgan region in monotowns such as Dalmatovo, Kataysk and Vargashi.

### TAX EXEMPTIONS FOR RESIDENTS

<table>
<thead>
<tr>
<th>Tax</th>
<th>Current Rate</th>
<th>5 years</th>
<th>10 years</th>
<th>Currant Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal income tax</td>
<td>0%</td>
<td>3%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Insurance premiums</td>
<td>7.6%</td>
<td></td>
<td></td>
<td>30%</td>
</tr>
<tr>
<td>Regional income tax</td>
<td>5%</td>
<td>10%</td>
<td></td>
<td>17%</td>
</tr>
<tr>
<td>Property tax</td>
<td>0%</td>
<td></td>
<td></td>
<td>2.2%</td>
</tr>
<tr>
<td>Land tax</td>
<td>0%</td>
<td></td>
<td></td>
<td>1.5%</td>
</tr>
</tbody>
</table>

**Territories of Advanced Social and Economic Development**

- **Kurgan**
  - Population: 312 thousand people
  - Distance from Kurgan: 210 km
  - Distance from Ekaterinburg: 150 km

- **Dalmatovo**
  - Population: 12,3 thousand people
  - Distance from Kurgan: 200 km

- **Kataysk**
  - Population: 12,4 thousand people

- **Vargashi**
  - Population: 9,1 thousand people
  - Distance from Kurgan: 40 km

Local taxes: 0%
ESTABLISHMENT OF A NETWORK OF 7 INDUSTRIAL PARKS

3 GREENFIELD
- Vargashisky Industrial Park: 28 ha
- Dalmatovsky Industrial Park: 30 ha
- Industrial Park in village Ikovka: 131.9 ha

4 BROWNFIELD
- Kurgan industrial park: 24.7 ha and 45.9 m²
- Kataysk industrial park: 10.1 ha and 23.3 m²
- Industrial park “TOR”: 26.6 ha and 58.0 m²
- Industrial park located on the territory of KMZ (Kurgan Machinery Plant): 10.0 ha and 82.8 m²

TAX EXEMPTIONS
- Income tax: 13.5%
- Transport tax: 0%
- Property tax: 0%
- Land tax: 0%
A SPECIAL ECONOMIC ZONE OF INDUSTRIAL PRODUCTION TYPE

REGIONAL INCOME TAX

<table>
<thead>
<tr>
<th>0%</th>
<th>5%</th>
<th>13.5%</th>
</tr>
</thead>
<tbody>
<tr>
<td>5 years</td>
<td>10 years</td>
<td>Current rate</td>
</tr>
</tbody>
</table>

TRANSPORT TAX

FEDERAL INCOME TAX

0%  2%

CUSTOMS REGIME OF FREE CUSTOMS ZONE

0%  0%

FEDERAL AND REGIONAL TAX EXEMPTIONS

WELL-DEVELOPED INFRASTRUCTURE

DISCOUNTED RENT AND LAND BUYBACK

KEY BENEFITS FOR RESIDENTS

PARAMETERS OF THE INVESTMENT SITE:

- Land area ZPS (pressing and assembly plant) PAO (PJSC) «Kurgan Machinery Plant» of 10 ha located in: 17 Mashinostroiteley prospect, Kurgan;
- Land area of 53.1 ha located in: industrial district, Severny settlement, Kurgan;
- Land area of 43 ha located in: Omskaya street (at the intersection with the federal highway «Irtysh»), position 2, Kurgan;
- Land area of 131.9 ha located in: village Ikovka, Ketovo district, Kurgan region;
- Land area of 29.8 ha located in: 118 Burov-Petrov street, Kurgan, Kurgan region
FINANCIAL SUPPORT

MICROLOANS AT CONCESSIONARY INTEREST RATE

From 0.1%

- From 0.1% - Mini-plant - Equipment
- From 0.1% - Mini-plant - Construction
- From 0.1% - Mono-town
- From 0.1% - Micro-IT
- From 0.1% - Special equipment
- From 0.1% - Micro-services
- From 0.1% - A farm of your own

To 3 years

To 5.0 mln. roubles

BANK CREDIT GUARantees

50% of the credit amount/loan/banking guarantee

No more than 19.1 mln. roubles for one contract

Rate of return by guarantees — from 0.5% to 1%

SUBSIDIES FOR EQUIPMENT LEASING

Subsidies for up to 50% of costs (of a leasing item) connected with payment of the first contribution (down payment) when concluding an equipment leasing contract/contracts with Russian leasing companies
# Measures of State Support in Livestock Industry

<table>
<thead>
<tr>
<th>Measure of support</th>
<th>Main terms of receiving, subsidy rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subsidies for 1 kg of produced and realized milk</td>
<td>Processing and realization of milk to reprocessing enterprises; production (milk yield) per 1 cow for the reporting financial year 3000 kg of milk and more. Estimated rate depends on the production and volume of realized milk (from 2 to 4 rub)</td>
</tr>
<tr>
<td>Subsidies for keeping commercial cows of meat breed</td>
<td>Commercial breeding cattle stock of meat breeds no less than 20 heads. The rate 6000 rub. For head per year (2000 rub for 1,2,3 quarters)</td>
</tr>
<tr>
<td>Subsidies for keeping breeding stock</td>
<td>Rate for 1 head per year: dairy cows from 6000 to 8000 rub. Depending on milking herd production, beef cow 2686 rub, sows, brood mares 3720 rub, breeding poultry stock 651 rub.</td>
</tr>
<tr>
<td>Subsidies for purchase of young stock</td>
<td>For young breeder the amount of subsidy for 1 kg of live weight is: 50% of costs incurred in connection with the purchase of 100 heads of cattle, no more than 131 rub; 65% of costs incurred in connection with the purchase of more than 100 heads of cattle, no more than 165 rub. For non young breeder: 60%, no more than 108 rub/kg</td>
</tr>
<tr>
<td>Subsidies for purchase of equipment for livestock facilities</td>
<td>For dairy farms, for a new construction from 100 to 400 cows) 50%, no more than 30 million rub; for pig-breeding unites: up to 300 sows – 50%, no more than 15 million rub; from 300 sows – 50%, no more than 30 million rub.</td>
</tr>
<tr>
<td>Subsidies for construction and reconstruction of livestock breeding complexes</td>
<td>For construction of dairy units of 400 and more heads of cattle and (or) heifers and (or) 100 and more casemates – cost recovery up to 25%; For reconstruction of dairy units of 200 cows and (or) heifers and 100 casemates – cost recovery up to 25%; For construction of sheep units – cost recovery up to 20%</td>
</tr>
<tr>
<td>Preferential loans</td>
<td>Lending direction: construction and reconstruction of livestock breeding facilities, purchase of animals and equipment, fodder, animal drugs; no more than 5%</td>
</tr>
<tr>
<td>Measure of state support</td>
<td>Main terms of receiving, subsidy rate</td>
</tr>
<tr>
<td>--------------------------</td>
<td>-------------------------------------</td>
</tr>
<tr>
<td>Subsidies for the development of unused crop land, irrigated land</td>
<td>Availability of legal title to land, design and estimate documentation and its expert examination. Rate– up to 70% of actual expenditures</td>
</tr>
<tr>
<td>Elite seed production</td>
<td>Purchase of seeds of recognized varieties of the 9th region from organizations that specialize in the production of seeds and (or) their preparation before sowing, or from representatives of these organizations. Rate for spiked – 5000 rub per ton (exception – purchase of soft wheat and peas outside Kurgan Oblast, rate - 1000 rub)</td>
</tr>
<tr>
<td>Decoupled support</td>
<td>The land sown with certified seeds of recognized varieties of the 9th region is subsidized. For grain, legume, oil (except rape and soybeans), fodder crops the rate per 1 ha is applicable, multiplying coefficient of 2 with yield not less than average among regions. Rate for potatoes and vegetables – 3000 rub per 1 ha</td>
</tr>
<tr>
<td>Technical and technological modernization</td>
<td>Preferential loans (rate up to 5% per annum); Discounts from plant-manufacturers according to the agreement with Agro-Industrial Complex (OOO (LLC) «Research and Production Company «TECHNOTRANS, AO (JSC) «Peterburgsky Traktorny Zavod (Tractor plant of Saint-Petersburg) - 5%); 40% for forage machinery and equipment, equipment for drying and grain conditioning (planned period of adoption – April 2020)</td>
</tr>
<tr>
<td>Subsidies for the development of new capacities on processing of agricultural products</td>
<td>Subsidies up to 50% of costs (of a leasing item) connected with payment of the first contribution (down payment) when concluding an equipment leasing contract/contracts</td>
</tr>
<tr>
<td>Preferential loans in horticulture and livestock industry</td>
<td>Short-term: up to 1 year inclusively, no less than 1% and not more than 5%, in 2020 not more than 600 mln. rub per year to one borrower on the territory of the constituent entity of the Russian Federation Investment: from 2 to 15 years inclusively, no less than 1% and not more than 5%</td>
</tr>
<tr>
<td>Measure of state support</td>
<td>Main terms of receiving, grant amount</td>
</tr>
<tr>
<td>--------------------------</td>
<td>-------------------------------------</td>
</tr>
<tr>
<td>Grant to support beginning farmers</td>
<td>Peasant farm enterprise not operating for more than 24 months from the date of registration. Co-financing not less than 10% from the purchase price. Creation of new jobs. Maximum grant amount — 5 mln. rub for raising cattle of meat and dairy types, 3 mln. rub — other types</td>
</tr>
<tr>
<td>Grant «Agrostartup»</td>
<td>Citizen of the Russian Federation or peasant farm enterprise registered this year. Co-financing not less than 10% from the purchase price. Creation of new jobs. Maximum grant amount — 5 mln. rub for raising cattle of meat and dairy types, 3 mln. rub — other types</td>
</tr>
<tr>
<td>Grant for the development of family farms</td>
<td>Peasant farm enterprise operating for more than 24 months from the date of registration. Co-financing not less than 40% from the purchase price. Creation of new jobs. Maximum grant amount — 30 mln. rub</td>
</tr>
<tr>
<td>Grant for the development of material and technical base of agricultural consumer co-operatives</td>
<td>Agricultural consumer co-operative, processing and (or) marketing, operating for not less than 12 months, consisting of not less than 10 agricultural producers. Co-financing not less than 40% from the purchase price. Maximum grant amount — 70 mln. rub</td>
</tr>
<tr>
<td>Measure of state support</td>
<td>Main terms of receiving, subsidy rate</td>
</tr>
<tr>
<td>--------------------------</td>
<td>-------------------------------------</td>
</tr>
<tr>
<td>Subsidies of OAO «RZD» (JSC «Russian Railways») for the provision of preferential rate for grain transportation by rail</td>
<td>Transportation of grain cargo is subsidized. The volume of cargo is established by the order of the Russian Ministry of Agriculture more than 30 routes, as well as at the station of Murmansky and Leningradsky districts, Krasnodar and Primorsky Krai, Saint-Petersburg. Rate — 100 % of RZD tariff (to Novorossiysk on average for 1 ton of grain the reduction of the tariff is 1700 rub)</td>
</tr>
<tr>
<td>Subsidies for partial reimbursement of costs for transportation of agricultural and food products</td>
<td>Transportation of agricultural and food products. Rate — up to 30% of costs for transportation of agricultural products by railway, road or water transport to the border of the Russian Federation.</td>
</tr>
<tr>
<td>Preferential loans according to the agreement of competitive growth</td>
<td>It is granted by an authorized bank to a borrower at a preferential rate for the realization of investment projects of construction, reconstruction of agricultural facilities for a term of up to 15 years. Rate — up to 5% per annum. It is granted by an authorized bank to a borrower at a preferential rate for a term of up to 1 year. Rate — up to 5% per annum for the purchase of raw materials for further processing</td>
</tr>
</tbody>
</table>
Proposal for organization of joint ventures within the framework of the project:

• Shut-off valves of process piping system with hydraulic drive (3D models, technical specifications, price);
• quick-disconnect couplings of pressure lines (3D models, technical specifications, price);
• centrifugal pump, analogue Mission Sandmaster 10x8x14 (3D models, technical specifications, price);
• flowmeters on the sides of suction and pressure (3D models, technical specifications, price);
• radioisotope densimeter (3D models, technical specifications, price);
• dosing pumps for liquid chemicals (3D models, technical specifications, price);
• diesel engine with an automatic transmission with an output of 530-550 hp, analogue Caterpillar C15 (3D models, technical specifications, price);
• high pressure plunger pumps, analogue Weir SPM QWS 600S, TWS 2500SD (3D models, technical specifications, price).
INVESTMENT SITE

INVESTMENT PROPOSAL

CONSTRUCTION OF A CASTING AND MECHANICAL PLANT

MARKET VALUE OF PROPERTY

175 mln. rub

PROJECT DESCRIPTION

Available production facilities:

- Railway garage (old production area);
- Foundry;
- Administrative buildings.

From the second half of 2018 the enterprise is not working and bankrupt
INVESTMENT PROPOSAL

FOR THE CONSTRUCTION OF A PLANT PRODUCING HIGH-TECH PIPELINE VALVES

ECONOMIC ASSUMPTIONS

- Import substitution of products for oil and gas industry;
- Extensive scientific and technical base, convenient geographical location;
- Import content of goods in the Russian Federation is 56%.

INVESTMENT SITE

Overall production from 400 products per year.

STATE SUPPORT

- Preferential loans (3-5%);
- Complex support of the project;
- Land is provided without bidding;
- Subsidies for equipment leasing up to 50%, but not more than 50 mln. rub.

Territories of advanced social and economic development (Kataysk, Daimatovo, Vargashi)
INVESTMENT PROPOSAL
FOR THE CONSTRUCTION OF A GLASSFACTORY

STATE SUPPORT
- Preferential loans from 0.1%;
- Complex support of the project;
- Land is provided without bidding;
- Subsidies for equipment leasing up to 50%, but not more than 50 mln. rub.

INVESTMENT SITE
- The deposit of quartz sand
- Potential site for a plant

ECONOMIC ASSUMPTIONS
- The largest deposit of glass raw materials in Kurgan region—Podbornovskoye deposit of quartz sand;
- Content in sand SiO2-87.33%, Al2O3-6.21%, Fe2O3-0.83%;
- Today there is not a single enterprise on the territory of Kurgan region producing glass containers
INVESTMENT PROPOSAL
FOR THE CONSTRUCTION OF A LOGISTICS CENTRE IN PETUKHOVO

STATE SUPPORT

- Preferential loans from 0.1%;
- Complex support of the project;
- Subsidies for equipment leasing.

INVESTMENT SITE

- on the border with Kazakhstan;
- dead end track;
- extensive number of transported goods.

- Export:
  - pharmaceuticals;
  - metal products;
  - industrial wood;
  - special equipment, special vehicles;
  - fish, canned fish;
  - agricultural products.

- Import:
  - food products;
  - products of light industry;
  - agricultural products.

Compact self-contained complex of buildings with production areas (7077.8 sq.m)
INVESTMENT PROPOSAL

STATE SUPPORT

- Preferential loans from 0.1%;
- Complex support of the project;
- Land is provided without bidding.

INVESTMENT SITES

Peat resources of Kurgan region contain 49387 thousand tons having standard peat moisture content at 40%. They are located in proved peat fields.

Except peat deposits there are 179 peat formations in the region that are not included by the register of peat reserves in Kurgan region but included into the cadastral list with the total quantity of resources of 28346 thousand tons.

Register of mineral resources of Kurgan region registered 75 proved peat fields. There are 63 of them with total (economic) reserves of 17805 thousand tons and 12 proved peat fields with non-commercial (potentially economic) reserves of 3236 thousand tons. Non-commercial reserves are shallow deposits with average thickness less than 1 m.

INVESTMENT AMOUNT

From 100 mln. rub

ECONOMIC ASSUMPTIONS

- Huge peat reserves are located in 75 deposits that have high transport accessibility;
- Peat resources are used in various sectors: chemical (production of phenol, paraffin wax, alcohol, wax, acetic acid), agricultural (fertilizer manufacturing), energy (production of fuel briquettes);
- Today there is not a single peat mining enterprise on the territory of Kurgan region.
INVESTMENT PROPOSAL

FOR MINING OF BUILDING SAND AND PRODUCT OUTPUT

STATE SUPPORT

- Preferential loans from 0.1%;
- Complex support of the project;
- Land is provided without bidding

INVESTMENT SITES

- Deposits of building sand

Register of mineral reserves of widespread mineral resources of Kurgan region included 15 deposits of building sand with the total quantity of 84,944 thousand m³.

Wholly or partially 13 deposits are available for the development with reserves of 38,729 thousand m³.

Wholly or partially there are 6 deposits bearing reserves of building sands of 46,215 thousand m³ in the unallocated subsoil reserve fund.

INVESTMENT AMOUNT

From 100 mln. rub.

ECONOMIC ASSUMPTIONS

- High transport accessibility (Kosulenskoye-2, Chumlyakskoye-2 deposits are adjoining to the asphalt road. From Severny area of Karachelsky deposit to the asphalt road is less than 2 km, from Prosvetsky and Druzhininsky deposits – less than 5 km);
- Sand of Kosulinskoye-2, Chumlyakskoye-2 and Severny areas of Karachelsky deposit is suitable for the production of concrete and mortars after their beneficication;
- Sand of Prosvetsky deposit is suitable for producing sand-lime brick, gas concrete, cellular concrete.
INVESTMENT PROPOSAL

STATE SUPPORT

- Preferential loans from 0.1%;
- Complex support of the project;
- Land is provided without bidding.

INVESTMENT SITES

Register of mineral reserves of widespread mineral resources of Kurgan region included 52 deposits of brick and tile clays with the total quantity of 69,7 mln. m3.

Wholly or partially 8 deposits are available with reserves of 11 157 thousand m3. Only 4 of these deposits are being developed now.

Products of clay derivatives are facing and common bricks of various brands produced at 2 plants, and terracotta facing tiles are produced at 1 plant.

In the unallocated subsoil reserve fund wholly or partially there are 46 deposits bearing 58 518 thousand m³ of brick and tile clays.

INVESTMENT AMOUNT

From 900 mln. rub

ECONOMIC ASSUMPTIONS

- More than 70 mln. m³ of clays are located in 52 deposits and suitable for the production of ceramic bricks of various brands;
- Practically all deposits are located near asphalt roads;
- Prepared land is located close to the deposits and available for the construction of a plant with electricity and gas.
INVESTMENT PROPOSAL
FOR THE CONSTRUCTION OF A PLANT FOR PRODUCING
KERAMZITE GRAVEL

ECONOMIC ASSUMPTIONS

- Raw material base (unallocated reserves of brick and keramzite clays) Reserves – 13,271 thousand m³;
- It is favourably located near highways and railways.

2 options are possible:
- Opening of a plant at prepared production sites;
- Construction of a plant from scratch

DEPOSIT OF KERAMZITE RAW MATERIALS

STATE SUPPORT

- Preferential loans from 0.1%;
- Complex support of the project;
- Subsidies for equipment leasing up to 50%, but not more than 50 mln. rub;
- Land is provided without bidding.

Optimum location of the plant is near the clay deposit
INVESTMENT PROPOSAL
FOR THE CONSTRUCTION OF A DEEP GRAIN PROCESSING PLANT

ECONOMIC ASSUMPTIONS

- Production:
  - 10 thousand tons of pharmaceutical leasing;
  - 10 thousand tons of gluten;
  - 8 thousand tons of bioethanol;
  - 65 thousand tons of died fodder.

- Production facilities include:
  - elevator for 170 thousand tons of grain;
  - 2 mills with a capacity of 90 thousand tons and 58 thousand tons of flour per year.

- Preferential loans from 0.1%;
- Land is provided without bidding;
- Subsidies for equipment leasing up to 50%, but not more than 50 mln. rub

INVESTMENT SITE

- Area of 9 ha;
- Close to rail lines;
- Paved regional road is adjacent.

STATE SUPPORT

- Preferential loans from 0.1%;
- Land is provided without bidding;
- Subsidies for equipment leasing up to 50%, but not more than 50 mln. rub

PROJECT DISCRIPTION

- Production: 10 thousand tons of pharmaceutical leasing;
  10 thousand tons of gluten;
  8 thousand tons of bioethanol;
  65 thousand tons of died fodder.
INVESTMENT PROPOSAL
FOR THE PRODUCTION AND PROCESSING OF SOY BEANS

ECONOMIC ASSUMPTIONS

Production of soy beans in Kurgan region

Expansion of cultivated land by 2 times, increase in gross output of 3 times

STATE SUPPORT
- Subsidies for equipment leasing up to 50%, but not more than 50 mln. rub;
- Preferential loans from 0.1 %;
- Cost recovery up to 70% for land clearance operations;
- Land is provided without bidding.
INVESTMENT PROPOSAL
FOR THE CONSTRUCTION OF A FISH BREEDING COMPLEX

INVESTMENT SITE
Reservoir on Barneva river, Krasnaya Zvezda village in Shadrinsky district of Kurgan region, volume of 4.35 mln. m³

ECONOMIC ASSUMPTIONS
➢ Demand for fresh and live fish;
➢ Construction of a high-tech enterprise;
➢ High potential for industry development;
➢ Fish consumption in Kurgan region - 15 kg/year/person

PROJECT DISCRIPITION

INVESTMENT PROSPECTS OF THE PROJECT
➢ Project cost - 50 mln. rub;
➢ New jobs - 25;
➢ Payback period - 4 years;
➢ Taxation system - ECXH.

Reservoir on Alabuga river, Krasnoznamenka village in Zverinogolovsky district, volume of 9.5 mln. m³
The production of dried infant milk powders in Russia has been quite stable and over the past years it makes 19-20 thousand tons per year; Import volume reaches 80% of Russia’s market, export volume - 3,000 tons; The region can become a major supplier of products to any region in Russia and near abroad countries.

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INVESTMENT PROPOSAL

CONSTRUCTION OF A PLANT PRODUCING ICE-CREAM

STATE SUPPORT

- Subsidies for equipment leasing up to 50%, but not more than 50 mln. rub;
- Preferential loans from 0.1%;
- Land is provided without bidding;
- Tax incentives:
  - Property tax 0%;
  - Land tax 0%.

ECONOMIC ASSUMPTIONS

- In 2018 439 thousand tons of ice-cream was produced. It is 16.5% higher than 2017 output. From 2015-2018 average consumer prices rose by 31.4%, from 147 rub/kg to 193 rub/kg;
- Share of import is about 3% of domestic production, share of export – about 4.5%.

INVESTMENT SITE

Territories of advanced social and economic development (Kataysk, Dalmatovo, Vargashi)

PROJECT DESCRIPTION

- Payback period – 5.4 years;
- Production – from 2.5 up to 3 thousand tons.
INVESTMENT PROPOSAL FOR THE CONSTRUCTION OF A COMPLEX GROWING MUSHROOMS

STATE SUPPORT

- Preferential loans from 0.1%;
- Land is provided without bidding.

INVESTMENT SITE

- Low product supply, high demand;
- Year-round production;
- High yield;
- There is only 1 complex growing mushrooms on the territory of Ural Federal District that produces in industrial scale (1 thousand tons per year).

ECONOMIC ASSUMPTIONS

- Payback period – 2.7 years;
- EBITDA – 43,617,2 thousand rub;
- NPV – 276,546 thousand rub;
- Overall project profitability – 39%.
INVESTMENT PROPOSAL

CONSTRUCTION OF A DAIRY CATTLE FARM

STATE SUPPORT

- Land is provided without bidding
- Cost recovery up to 50% to purchase the equipment for the livestock sector when constructing a dairy farm of up to 400 cows but not more than 30 mln. rub;
- Subsidies up to 25% of costs for the construction of dairy farms from 400 cows;
- Reimbursement of costs up to 65% incurred in connection with the purchase of young stock of agricultural animals;
- Preferential loans for the construction and reconstruction of livestock entities, purchase of animals and equipment, fodder, animal drugs from 0.1%;
- Partial reimbursement of costs per 1 kg of realized and (or) shipped milk for cow’s milk processing;

ECONOMIC ASSUMPTIONS

- 1.7 mln. ha of natural grassland with average yields of 15 g/ha, cultivated not less than 35 g/ha;
- 220 thousand ha is ready to be used at minimal cost;
- Trans-Siberian electrified railway runs through the territory as well as the gas and oil pipelines, thus ensuring unfettered access of products to almost any region of Russia and near-abroad countries.

INVESTMENT SITES

- unused livestock houses
- potential free land

SALES MARKET ASSESSMENT

- The production of milk was 29% of the volume of farms of all categories in Kurgan agricultural farms in 2019;
- In 2018 milk and dairy products transportation in Kurgan region was estimated at 48.5 thousand tons;
- Milk consumption per person in Ural Federal District in 2018 was estimated at 203 kg, in Russia – 229 kg, in Kurgan region – 235 kg (standard rate – 305 kg), milk deficit in Kurgan region – more than 16.3 thousand tons, self-sufficiency rate of milk – less than 93%.
INVESTMENT PROPOSAL

FOR THE PRODUCTION OF CATTLE MEAT

STATE SUPPORT

- Reimbursement of costs up to 65% incurred with the connection of purchase of young stock of agricultural animals;
- Preferential loans for the construction and reconstruction of livestock facilities, purchase of animals, fodder, animal drugs from 0.1%;
- Partial reimbursement of costs connected with keeping of meat cattle;
- Land is provided without bidding.

INVESTMENT SITES

- unused livestock houses
- potentially free land

ECONOMIC ASSUMPTIONS

- Self-sufficiency of beef in Kurgan region is 42%;
- Livestock population - 18,3 thousand heads;
- Potential increase up to 400 thousand heads;
- Farms are ready to deliver 5,0 thousand heads annually for further feeding, and 3,0 thousand heads of meat cattle for slaughter;
- 1.7 mln. ha of natural forage grasslands with the average yield of 15 c/ha, for cultivated not more than 35 c/ha;
- 220 thousand of ha is ready to be used at minimal cost.

PRODUCTION CAPACITY

- 2500 tons of beef;
- 40 tons of byproducts;
- 50 tons of raw leather;
- 100 tons of manure per year.
INVESTMENT PROPOSAL

FOR THE PRODUCTION OF CHICKEN HATCHERY EGGS

STATE SUPPORT

- Preferential loans for the construction of poultry farms of egg farming and purchase of equipment for them from 0.1%;
- Land is provided without bidding;
- Subsidies for equipment leasing up to 50%, but not more than 50 mln. rub

INVESTMENT SITES

PROJECT DISCRIPITION

- Annual egg production – 18.2 mln. eggs, meat – 325 tons;
- Sales profitability – 17.9%.

ECONOMIC ASSUMPTIONS

- 220 thousand ha is ready to be used at minimal cost;
- Low egg supply - 39%;
- There is no production of chicken hatchery eggs;
- Stable demand for hatchery eggs, high profitability level of the industry, year-round production.
INVESTMENT PROPOSAL
FOR BREEDING, SLAUGHTER AND PROCESSING OF TURKEY MEAT

STATE SUPPORT

- Preferential loans for the construction of poultry farms and purchase of the equipment for them from 0.1%;
- Land is provided without bidding;
- Subsidies for equipment leasing up to 50%, but not more than 50 mln. rub.

YEAR-ROUND MEAT PRODUCTION

27692 tons

SALES PROFITABILITY

24%

INVESTMENT SITES

- 220 thousand ha is ready to be used at minimal cost;
- Low poultry meat supply – 27%;
- Absence of competition;
- High level of profitability.

ECONOMIC ASSUMPTIONS
FOR THE PRODUCTION OF DUCK MEAT

INVESTMENT PROPOSAL

PROJECT DESCRIPTION

CONDITION OF THE INDUSTRY

Self-sufficiency in poultry meat in Kurgan region in total is 27%

INVESTMENT SITES
INVESTMENT PROPOSAL

FOR PORK PRODUCTION

STATE SUPPORT

- Preferential loans for the purchase of equipment and specialized vehicles, brood products and hybrid breeding stock for pig-breeding units from 0.1%;
- Complex support of the project;
- Land is provided without bidding;
- Cost recovery up to 50%, but not more than 15 mln. rub when constructing a pig-breeding unit of up to 300 sows and not more than 30 mln. rub when constructing a pig-breeding unit of more than 300 sows.

INVESTMENT SITES

Land plots from 9 thousand ha for cultivation of fodder crops

Land plots from 100 ha

ECONOMIC ASSUMPTIONS

- Stable demand for pork;
- Pork supply in Kurgan region - 73%;
- Surplus production of coarse grain;
- Construction of high-tech enterprise.

DISCRIVPTION OF THE PROJECT

- Sales profitability – 40%;
- Internal rate of return – 15.9%.

PIG STOCK IN FARMS OF ALL CATEGORIES

<table>
<thead>
<tr>
<th>Year</th>
<th>Pigs</th>
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<tr>
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<tr>
<td>2017</td>
<td>81.2 thousand heads</td>
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<tr>
<td>2018</td>
<td>77.9 thousand heads</td>
</tr>
<tr>
<td>2019</td>
<td>76.5 thousand heads</td>
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</tbody>
</table>

PIG STOCK IN FARM HOUSEHOLDS

<table>
<thead>
<tr>
<th>Year</th>
<th>Pigs</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>44.1 thousand heads</td>
</tr>
<tr>
<td>2017</td>
<td>33.7 thousand heads</td>
</tr>
<tr>
<td>2018</td>
<td>34.4 thousand heads</td>
</tr>
<tr>
<td>2019</td>
<td>33 thousand heads</td>
</tr>
</tbody>
</table>

INVESTMENT PROPOSAL

CONSTRUCTION OF A HEALTH CENTRE ON THE LAKE MEDVEZHYE

INVESTMENT SITE

Settlement resort "Medvezhye Lake" – for touristic activities.
Sanatorium Zauralsk resort.

CHARACTERISTICS OF THE LAKE

Natural therapeutic factors:

- unique sludge mud (mineralization of the mud solution is 241.9 g/l, total content of iron sulfide is 180 mg per 100 g of sludge);
- brine of the lake (sulphate-sodium magnesium-sodium type with mineralization of 156-360 g/l);
- Mineral water «Medvezhye-11» (medical table sodium chloride with the content of mineral nutrients of 6.5 g/l).

Peloid reserves contain more than 14 mln. cu. m. These muds belong to mineral sludge sulphides, have high heat capacity and low thermal conductivity.
INVESTMENT PROPOSAL

CONSTRUCTION OF A HEALTH CENTRE ON THE LAKE «SHAMELYA»

INVESTMENT SITE

Shamelya Lake is situated 16 km from a regional centre Safakulevo

CONSTRUCTION OF A HEALTH CENTRE ON THE LAKE «SHAMELYA»

In legends since ancient times it has been called a place where dreams come true. It is a place where people come to restore their health and attract good fortune

Land plot with a total area of 186000 sq. m:

- 24 plots of 960 sq.m;
- 1 plot of 128000 sq.m;
- 1 plot of 33700 sq.m.

Mud structure:

- Mud solution 49.7%;
- Crystalline structure 40.6%;
- Colloidal complex 9.7%.

CHARACTERISTICS OF THE LAKE SHAMELYA

Natural therapeutic factors:

- annual input of organic matters into the lake from hydrobionts including Artemia Salina crustaceans reaches 5-7 thousand tons. Dead remnants of crustaceans accumulated at the bed of the lake over centuries and formed a thick layer of muds with therapeutic qualities;
- muds from Shamelya Lake has the same characteristics as lakes of the finest resorts in Russia and abroad. It can be placed among the first therapeutic muds on the territory of Ural Federal District;
- brine of the lake (mineral water) colourless, odourless. Mineralization 80-200g/l. Characteristic feature is excess in bromine.
INVESTMENT PROPOSAL

CREATION OF A RETIREMENT HOME AT THE HOTEL COMPLEX
STATE BUDGET PROFESSIONAL EDUCATIONAL INSTITUTION «KURGAN OLYMPIC RESERVE SCHOOL»

- 113 rooms that meet modern standards of hotel business for 200 people;
- sauna;
- swimming pool;
- gym;
- billiards;
- banquet hall;
- bar;
- conference room;
- hairdresser’s;
- canteen for 180 people.

**Rough price of immovable property – 193 673 075 roubles**

**Land plot with a total area of 52380 sq. m**

**Facility name** | **Area, sq.m** | **Book value, original** | **Facility characteristics**
---|---|---|---
Main building of a camp for foreign specialists with improvements | 10057.8 | 29155852.37 | 4 floors
Boiler house | 315.5 | 1223240.8 | 1 floor
Facility – telephone and radio | 582 | 792 035.19 | Communication facility of 582 0000 m in total
Biological purification station-building | 91.6 | 691830.98 | 2 floors
Local purification facilities | 216 | 10 967 812.54 | 2 floors (216 000 m)
Garage-building with a security checkpoint №1 | 397.9 | 14 27 533.89 | 1 floor (397.9 sq. m)

**INVESTMENT SITE**

1A Kirov street, village Chumiyak, Shchuchansky district, Kurgan region
**INVESTMENT PROPOSAL**

**CREATION OF A HOLIDAY SKI HEALTH RESORT ON THE TERRITORY OF KARGAPOLSKY DISTRICT**

**INVESTMENT SITE**

It is planned to locate the ski resort «Tamakulye» at the village settlement of Tamakulye of Kargapolsky district 75 km from Kurgan.

**PROJECT DISCRIPTION**

- natural upland of about 200 m high;
- slope length: about 400 m;
- service market potential: 120 000-150 000 people/year (the number of target audience using the service at least once a year).

The territory with total area from 4 to 20 ha is necessary for the construction of the ski resort where ski trails and tubing hills will be located of 2,5 km in total as well as other infrastructure facilities.

**Benefits of recreation in Kargapolsky district:**

- picturesque nature;
- peaceful family holiday;
- acceptable price;
- wide range of activities;
- hunting and fishing (there are 8 hunting lands on the territory of Kargapolsky district);
- Favourable geographic location for locals (domestic tourism) and guests of the district;
- regional highway of good quality.
INVESTMENT PROPOSAL

CREATION OF A HEALTH CENTRE AT THE SANATORIUM «SOSNOVAYA ROSCHA»

INVESTMENT SITE

Sanatorium «Sosnovaya Roscha» is situated in Zverinogolovsky district 150 km from Kurgan at the picturesque bank of Gorkoye-Zverinogolovskoye Lake.

Sanatorium territory of 16 ha

The sanatorium is a 526-bed facility. All rooms have necessary furniture, a TV, separate bathroom with a shower.

Natural therapeutic factors:
- medium-salt, medium-sulfide, high-ash sapropelic muds containing 30 g/l of minerals;
- brine of the lake (sulfate-chloride magnesium-sodium type with mineralization of 18.35 g/l) rich in micronutrients: bromine, iodine, boron, iron, potassium, calcium, chlorine;
- mineralization of mud solution is 21 g/l.

INSFRASTRUCTURE

- 3 residential blocks;
- canteen, cafe;
- medical centre;
- library;
- sports grounds;
- bath house and sauna;
- cosmetic room;
- equipped beach (in summer);
- gym.

Rough price of immovable property – 180 000 000 roubles
Sanatorium «Lesniki» is situated 20 km to the south of Kurgan.

The sanatorium is a 373-bed facility. It consists of bedroom blocks with a medical centre in one of them. All rooms have the necessary furniture, a TV, separate bathroom with a shower, fridge and air-conditioner.

Rough price of immovable property – 193 450 000 roubles

3 residential blocks; canteen; gym (physiotherapy); cultural centre; medical centre; library; bath house and sauna; barbeque area; sports grounds; cosmetic room; banquet hall.

Natural therapeutic factors:

- Healing microclimate of pine forest (ionized, oxygen and phytoncide-rich air);
- Mineral water «Lesniki» (hydro carbonate sodium-chloride with a content of minerals of 2.4 – 4.2 g/l).
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