DUBNA TECHNOLOGY AND INNOVATION SPECIAL ECONOMIC ZONE

“TECHNOLOGY AND INNOVATION SPECIAL ECONOMIC ZONE “DUBNA”, JSC
MANAGEMENT OF THE SPECIAL ECONOMIC ZONES

Ministry of Economic Development of the Russian Federation

- Implementation of general policy on SEZ (incl. legislation)
- Attraction of potential residents and management companies
- Approval and registration of residents
- Signing agreements with residents and management companies
- Control over execution of residents’ agreements

JSC “Special Economic Zones”

- Master-planning and development of SEZ
- Designing and building infrastructure
- Attraction of potential residents
- Management and operation of SEZ
- Granting land to residents
- Connection to engineering networks

Subsidiaries of JSC “SEZ”
INFORMATION ABOUT THE CITY OF DUBNA

Population
- 67,900 residents;
- 1000 PhD, 300 Doctors of Science, 5 Academicians, 2 Corresponding Members of the Russian Academy of Sciences;
- A third of employed population is involved in the field of science and high-tech.

Transport Infrastructure
- A104 Moscow – Dubna Highway (120 km);
- Water Route (the Moscow Canal);
- Railway Route (express trains, regular trains);
- Sheremetyevo International Airport (passenger and cargo) -100 km.

Dubna SEZ

- Joint Institute for Nuclear Research
- Engineering Design Bureau “Raduga”
- Electronic Instrumental Plant “Tenzor”
- Nuclear Physics
- Dubna Engineering Plant
- Research Institute “Atoll”
- Digital Electronics
- Satellite Communication Center
- Aviation and Missile Production Hypersonic Aircrafts
- Dubna International University
- Educational and Research Center of the Science City
- The Largest Teleport in Eastern Europe
- Over 200 Small and Medium Size High-tech Companies
GENERAL INFORMATION

**Date of Creation:** December 21, 2005

**Validity Period:** 49 years

100% is owned by the **Russian Government**

**Requirements:** projects in developing, creating, manufacturing and realization of high-tech products and services focused on areas of priority in science and technology in Russia

**Total Area:** 187.7 hectares

- Site №1 “Russian IT-Center”: 135.7 hectares
- Site №2 “New Industrial Zone”: 52 hectares

**Adjacent Territory:** Residential Area – Programmer’s Township, 330 hectares, planned housing for 30,000 people

**Total Planned Infrastructure Investment:** over $530 million

**Already Spent:** over $316 million

**Planned Number of Residents:** 230 companies

**Number of Residents:** 95 companies
SPECIAL ECONOMIC ZONE “DUBNA”

Purpose

To create conditions for the promotion of R&D activities in the areas of priority in the national science and technology

To commercialize R&D findings/results

To increase marketability of the Russian economy

To create a national “point of attraction” for the skilled and promising workforce

To increase the scale of investment into Russian high-tech industries

To build a show case of successful high-tech projects

Competitive Strengths

Dubna is a Russian and a world-recognized center of science and technology. Deep international cooperation

Dubna is a territory of innovative development:
1991 – Technology Park Dubna
2001 – The City of Science Dubna
2005 – Special Economic Zone “Dubna”

Creation and development of Clusters (cluster in nuclear physics, cluster in safety and security, cluster in engineering)

High-speed data transmission channels

Dubna International University

Dubna Nanocenter

Interesting and promising jobs

Favorable environment, friendly city

Logistics
SPECIAL ECONOMIC ZONE “DUBNA”

KEY ACCOMPLISHMENTS

**Number of Residents over Time**

<table>
<thead>
<tr>
<th>Year</th>
<th>Residents</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>2</td>
</tr>
<tr>
<td>2007</td>
<td>14</td>
</tr>
<tr>
<td>2008</td>
<td>32</td>
</tr>
<tr>
<td>2009</td>
<td>60</td>
</tr>
<tr>
<td>2010</td>
<td>80</td>
</tr>
<tr>
<td>2011</td>
<td>82</td>
</tr>
<tr>
<td>2012</td>
<td>88</td>
</tr>
<tr>
<td>2013</td>
<td>95</td>
</tr>
</tbody>
</table>

September 2013:

- 95 investors
- 6 international investors: Germany, Japan, Bulgaria, Cyprus
- Private investment exceeded $81 million
- Total production exceeded $112 million
**INCENTIVES FOR INNOVATIVE COMPANIES**

**Ready-to-use Infrastructure**
- No fees for connecting to engineering networks
- Electricity, heat supply, water supply, roads, telecom cables

**Discounts for Land Acquisition and Office Lease**
- Office Lease at discounted rates
- Land Plots for lease or acquisition
- Build-to-suit Lease

**Tax and Customs Preferences**

**Administrative Support**

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**Tax Preferences**

<table>
<thead>
<tr>
<th></th>
<th>Russia</th>
<th>SEZ</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit Tax, %</td>
<td>20</td>
<td>13.5</td>
</tr>
<tr>
<td>Property Tax, %</td>
<td>2.2</td>
<td>0</td>
</tr>
<tr>
<td>Land Tax, %</td>
<td>1.5</td>
<td>0</td>
</tr>
<tr>
<td>Transport Tax (USD/h.p)</td>
<td>0.2 – 5</td>
<td>0</td>
</tr>
<tr>
<td>Social Insurance Contributions, %</td>
<td>30</td>
<td>14</td>
</tr>
<tr>
<td>Lease of Land</td>
<td>100% Market Value</td>
<td>2% Of Cadastral Value</td>
</tr>
<tr>
<td>Acquisition of Land</td>
<td>100% Market Value</td>
<td>15% Of Cadastral Value</td>
</tr>
</tbody>
</table>
### INNOVATION AND TECHNOLOGY CENTER

| Building №1 | Resident Hotel | 122 rooms with 172 pax capacity, incl. 48 rooms for long-term stay |
| Building № 2, 3 | Business Centers | Office space for lease |
| Building № 4 | Dubna NanoCenter | Business Incubator, Technology Transfer Center (Management Company), Shared Use Center with unique research and testing equipment |
| Building № 5 | Congress Center | Office space for lease Conference Halls, Meeting Rooms, Exhibition Area, Cafeteria, Cafe Dubna SEZ Management staff |
NEW INFRASTRUCTURAL PROJECT

BUILD-TO-SUIT LEASE

**Technical Specifications**

- **Total area**: 10 000 sq.m.
- **Commissioning in**: 2014

**Production Facilities**

- Ready-to-use production facilities with all utility, transport and telecom infrastructure in place

**Lab Facilities**

**Office Space**

- The concept of build-to-suit lease will provide attractive terms for resident companies – a combination of office, production and lab facilities within one complex.
RESIDENT COMPANIES OF DUBNA SEZ

Priority Industries

- Information Technologies
- Design of Complex Engineering Systems
- Bio and Medical Technologies
- Nuclear Physics and Nanotechnologies

Figures and Facts

- Number of Residents: 95 companies
- Number of companies planning own construction: 35
- Planned Private Investment: over $540 million
- Percentage of Foreign Investment: 9%
- Actual Volume of Private Investment: over $81 million
- Percentage of Actual Foreign Investment: 10%
- Actual Production: over $112 million
- Number of jobs created: over 1200
- Number of companies funded by State Corporation RUSNANO: 8
- Number of Implemented Patents: 30
International Market:
• filtered elements for plasmapheresis and preparation of blood – $2 billion
• devices for hemodialysis – $18 billion

Experts predict the increase in the market of cascade plasmapheresis primarily for the treatment of atherosclerosis.
**WORLD CLASS EXPERTISE. TECHNICAL SECURITY SYSTEMS**

**DViN, LLC**
**Neutron Technologies, LLC**

“Tagged” neutrons are used for detection and specification of explosives and drugs

When used at the airports, prohibition of liquids is not required

Start-up (RUSNANO + JINR) in 2010
In 2011 70 DVIN1 devices were sold for the total sum of over $14.5 million

**Nordavind-Dubna, LLC**

R&D in the field of security surveillance systems and intelligent security systems

One of the products: Complex automated information system “Safe city” - a centralized urban security system based on intelligent video surveillance, cloud and mobile technologies

**SPE “DEDAL”, JSC**

Design, development, and manufacture of devices and systems for the physical protection of special civil and military objects (perimeter security systems, security alarm systems, access control systems

**ADDITIONAL COMPATIBLE EXPERTISE:**
Color X-ray, seismic and magneto seismic technologies, single wire systems of electric power supply

Kamenny Vek, LLC
Manufactures high quality basalt continuous fiber products under BASFIBER® brand name. Applications: high pressure vessels, tanks and cylinders, load bearing profiles, wind-mill blades, boats, SMC/BMC parts for automotive industry, concrete reinforcing bars, friction materials, concrete reinforcement.

Prepreg-Dubna, LLC
Production of carbon fiber based technical fabrics. Carbon fabrics are part of a composite material and are applied in aviation, shipbuilding, civil construction, power generation sector, pipeline transport, & commodity products.
RADUGA State Machine-Building Design Bureau

- Develops and manufactures domestic air-to-ground, ship-to-ship, and ground-to-ground guided missiles
- The company also develops and manufactures high-tech equipment for wind-power engineering, agriculture, light, and medicine industries

PROGRESSTEC, Group of Companies

Engineering team of over 1000 highly experienced professionals from various cities of Russia and CIS countries who successfully supported multiple large-scale international engineering projects.
- Intellectual services to aerospace and aviation transport industries.
- Airports and infrastructures design;

**Engineering Support Programs for:**
- Boeing 737, 757, 767, 747, 777, 787
- Airbus A320, A330, A380
- Sukhoi SuperJet 100, MS 21
- Cessna Columbus
- Bombardier CSeries, Learjet 85
- AutoVAZ-Renault

PROMTECH-Dubna, JSC

- Establishment of a competence center for development of aircraft on-board cable networks and systems;
- Design, preproduction and production of aircraft on-board cable networks and systems

**International Cooperation:**
- Aerazur (Zodiac Aerospace, France)
- Fokker Elmo (Fokker Aerospace group, the Netherlands)
- Thales (France)
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<tr>
<th><strong>RESIDENTS WITH FOREIGN INVESTMENTS</strong></th>
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<tr>
<td><strong>ARKRAY (JAPAN)</strong></td>
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<tr>
<td>Research, development &amp; production of cutting edge clinical chemistry &amp; diabetes care products (automatic analyzers, blood glucose test meters, urine analyzers &amp; test strips).</td>
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<tr>
<td><strong>Planned Investment</strong> – over $1 million</td>
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<td><strong>Leased Premises</strong> – 425 sq. m.</td>
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<th><strong>AQUANOVA RUS (GERMANY)</strong></th>
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<tr>
<td>Research, development &amp; production of innovative liquid solutions (“solubilisates”) for raw materials &amp; active substances (e.g. vitamins, fatty acids, phytoextracts). The basis are nanostructured carriers – “product micelles”.</td>
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<tr>
<td><strong>Planned Investment</strong> – over $6 million</td>
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<th><strong>bright box (CYPRUS)</strong></th>
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<td>Development of IT solutions for automotive industry (manufacturers, dealers, distributors).</td>
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<tr>
<td><strong>Planned Investment</strong>– over $250 000</td>
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<tr>
<td><strong>Leased Premises</strong> – 100 sq. m.</td>
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<th><strong>NanoBrachyTech (GERMANY)</strong></th>
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<tr>
<td><strong>Planned Investment</strong> - over $6 million</td>
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<th><strong>Joint Venture “SODRUZHESTVO” (BULGARIA)</strong></th>
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<td>Software Development for automatic management of business process of small and medium sized companies.</td>
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<tr>
<td><strong>Planned Investment</strong> – over $62 000</td>
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SOCIAL INFRASTRUCTURE

Medical Center at the Municipal Hospital

A New Municipal Hospital Unit

Building No 5 Dubna International University Campus

School

Daycare

Dormitories

Sport Center “Raduga”

Beginning of Construction of the Residential Area
STEPS TO OBTAIN THE RESIDENT STATUS

1. Registering the Company in Dubna
   Forming Business Plan

2. Forming the Request to the Ministry

3. Supervisory Committee Consideration
   Expert Committee Consideration

4. Agreement with the Government of the Russian Federation, the Management
   Company and the Resident
Thank you!

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