

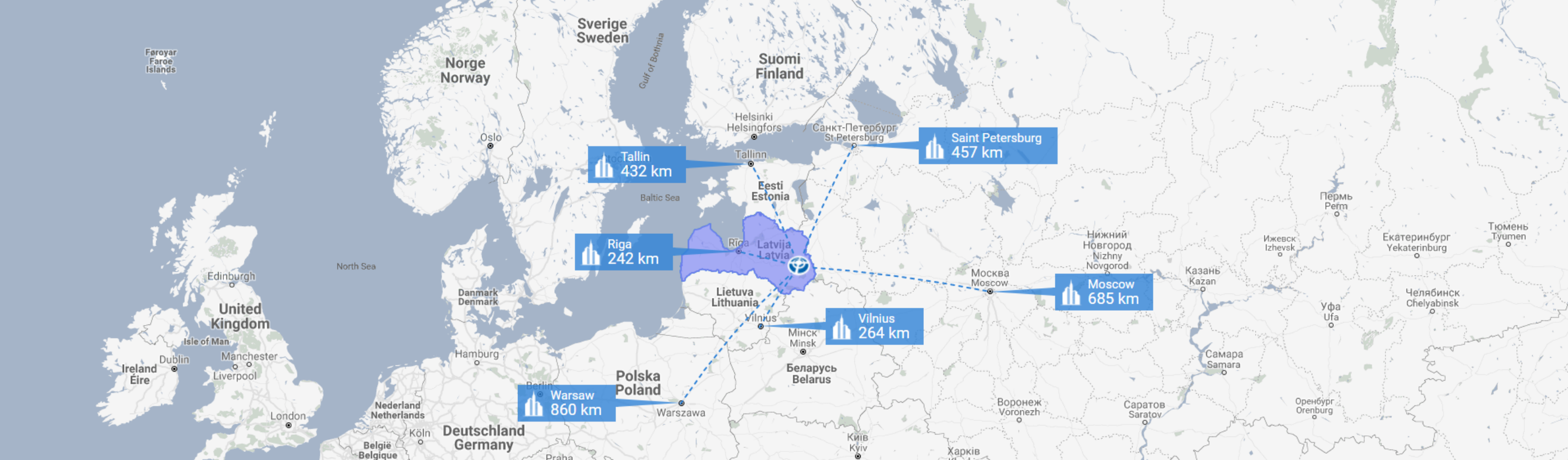


RIGHT PLACE FOR YOUR SUCCESS

Frankfurt, Germany
20-21.03.2018



Investment
Management
Exhibition

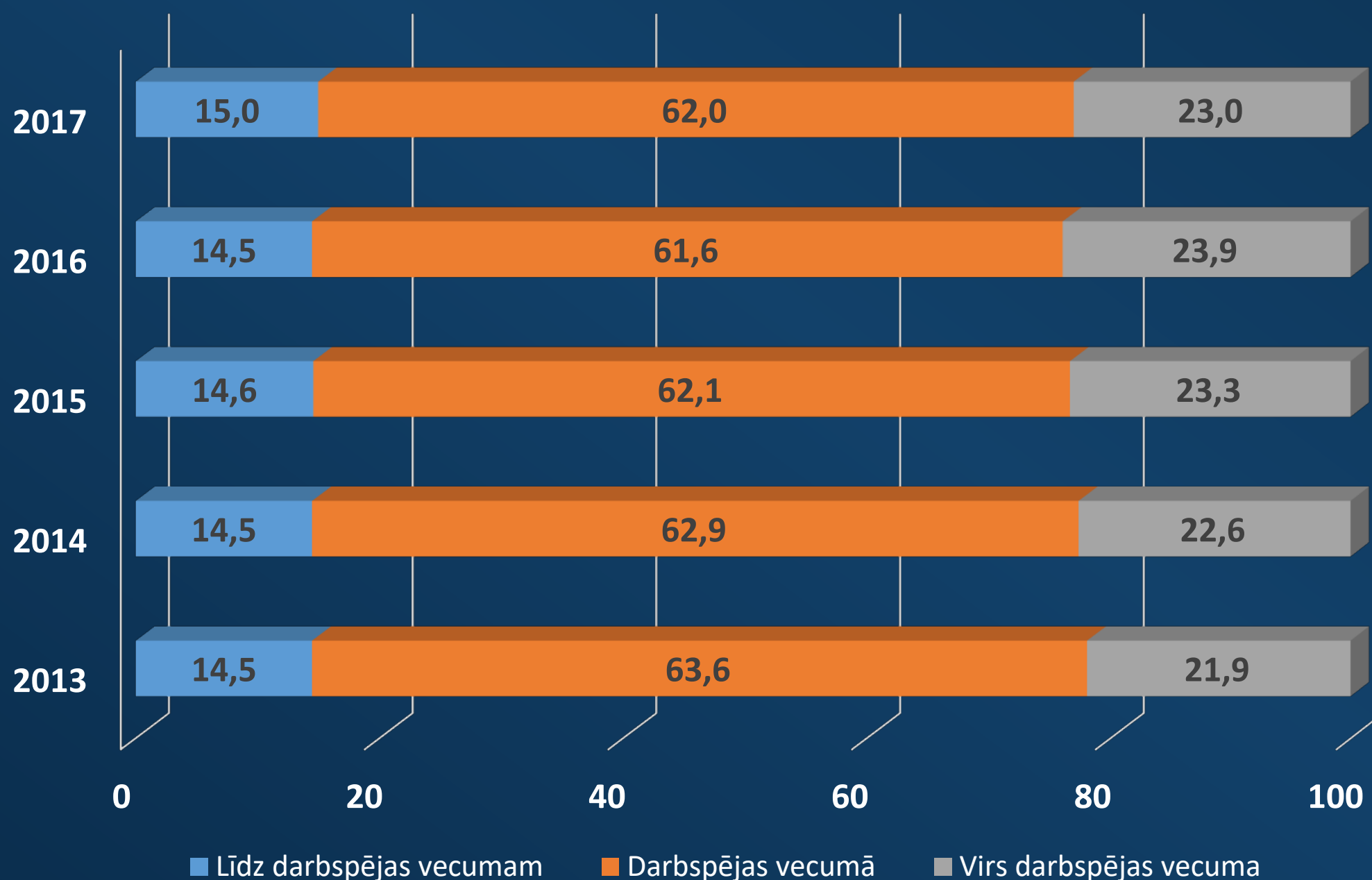


Discover Rezekne

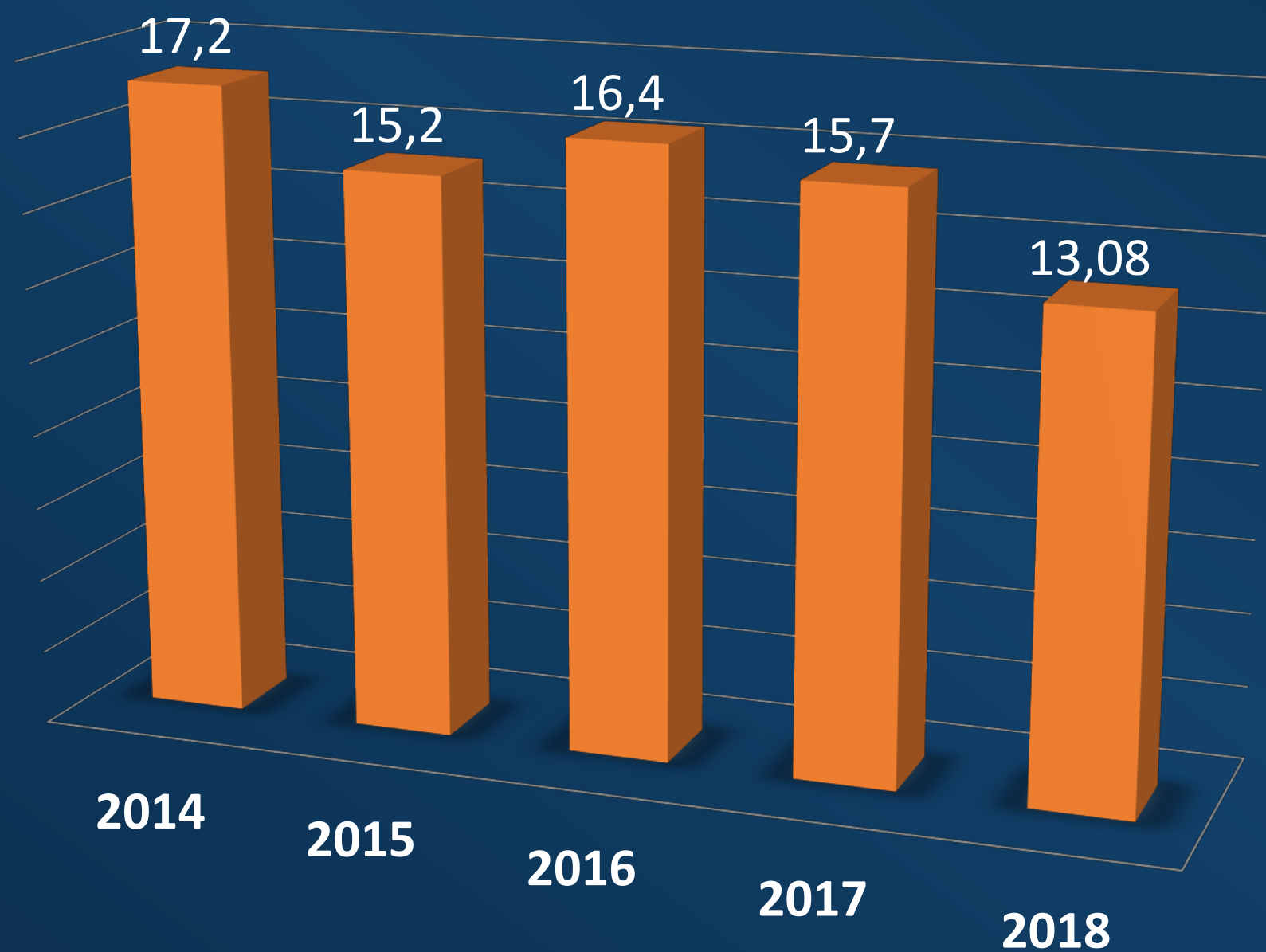
- Latvia and Rēzekne — a gateway between the West and the East, between Europe and CIS countries
- World-class ICT infrastructure — in TOP 10 in the world and 4th position in the European Union in terms of Internet connection speed
- One of the fastest growing economies in the European Union — GDP growth reached 2.7% in 2015
- The main industrial sectors – woodworking, metalworking, food processing industry

- City – 18 km²
- Industrial areas – 165 ha
- Inhabitants in the city – 28 745
- Inhabitants in the region – 32 602
- Outstanding geographical location
- Significant crossroads of transport corridors with direct access to international markets with more than 500 million consumers in the EU, Russia and CIS countries.

Percentage of population under working, in the working and above working age in Rzekne (%)



Unemployment rate in Rezekne (% of economically active population)

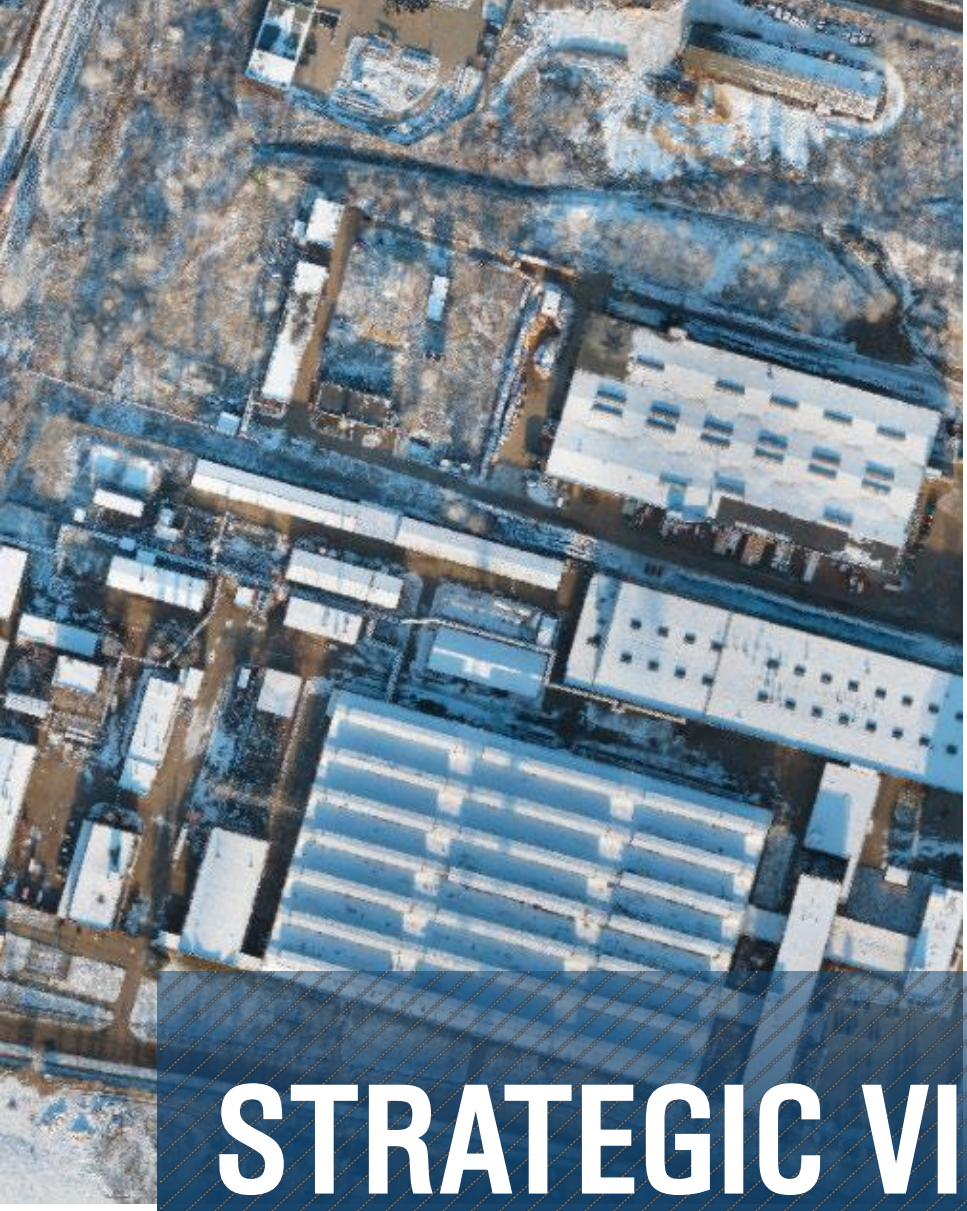




High-quality contemporary environment



WHY REZEKNE IS THE RIGHT PLACE TO INVEST?



STRATEGIC VISION

Rezekne as the center of economic growth of the Eastern Latvia

- Creation and development of industrial territories and adjacent infrastructures
- Revitalization of degraded industrial territories
- Creation and promotion of new tourism product
- Development of science potential and its integration into business sphere
- Development of transport and logistics

An aerial photograph of a town, likely in Eastern Europe, showing a central street lined with buildings. The architecture is a mix of older, multi-story buildings and more modern structures. The street is paved and has some parked cars. The surrounding area is filled with more buildings and some greenery. The sky is clear and blue.

PROFICIENT ADMINISTRATION AND SUPPORT

- Efficient, client and results-oriented administration, as well as consultation services to enterprises that perform or plan to perform commercial activity
- Equal treatment for foreign investors
- Ease of doing business 2017 – ranked **No. 22** in the world
- State and municipality support in the implementation of investment projects, consultations on selection of real estate appropriate for entrepreneurship
- EU funds activities for facilitation of entrepreneurship and energy efficiency in 2014 – 2020 more than **30 mln. euro**



“DEVELOPED TO SUIT” SITES, PREMISES AND ALL NECESSARY INFRASTRUCTURE

- Reconstruction of streets, utilities and connections in the industrial zone
- Construction of “Developed to suit ” premises, access roads and parking lots in the industrial area
- Creation of Business center and manufacturing/warehouse premises



INVEST IN TOURISM

Construction of “Developed to suit” premises of the SPA 4* Hotel, 9620 m²

- Full support provided by municipality
- Developed all necessary documentation





LOGISTICS

Excellent logistics and transportation connections to the EU, Russia and the CIS

- East-West transit corridor – the gateway to the East and the West
- Crossroads of the Trans-European Network (TEN) motorways and railways
- Direct access to the international market, comprising more than 500 million consumers of the European Union (EU) internal market
- Raw material resources and markets of Russia, the Commonwealth of Independent States (CIS), and the Far East
- A well-developed road infrastructure complying with EU standards
- A railroad integrated into the railroad systems of Russia and the CIS



SKILLED LABOUR FORCE

- Responsible and professional labour force in a region with long-standing industrial traditions and access to high-quality higher and vocational education. "Mechanics and metal working, heat power industry, heat engineering and mechanical engineering" programme at Rezekne Academy of Technologies
- The number of job-seekers in Rēzekne is around 2300 people at the economically active age
- More than 85% of the inhabitants know Russian and around 70% of the inhabitants at the age up to 40 years have a good command of English

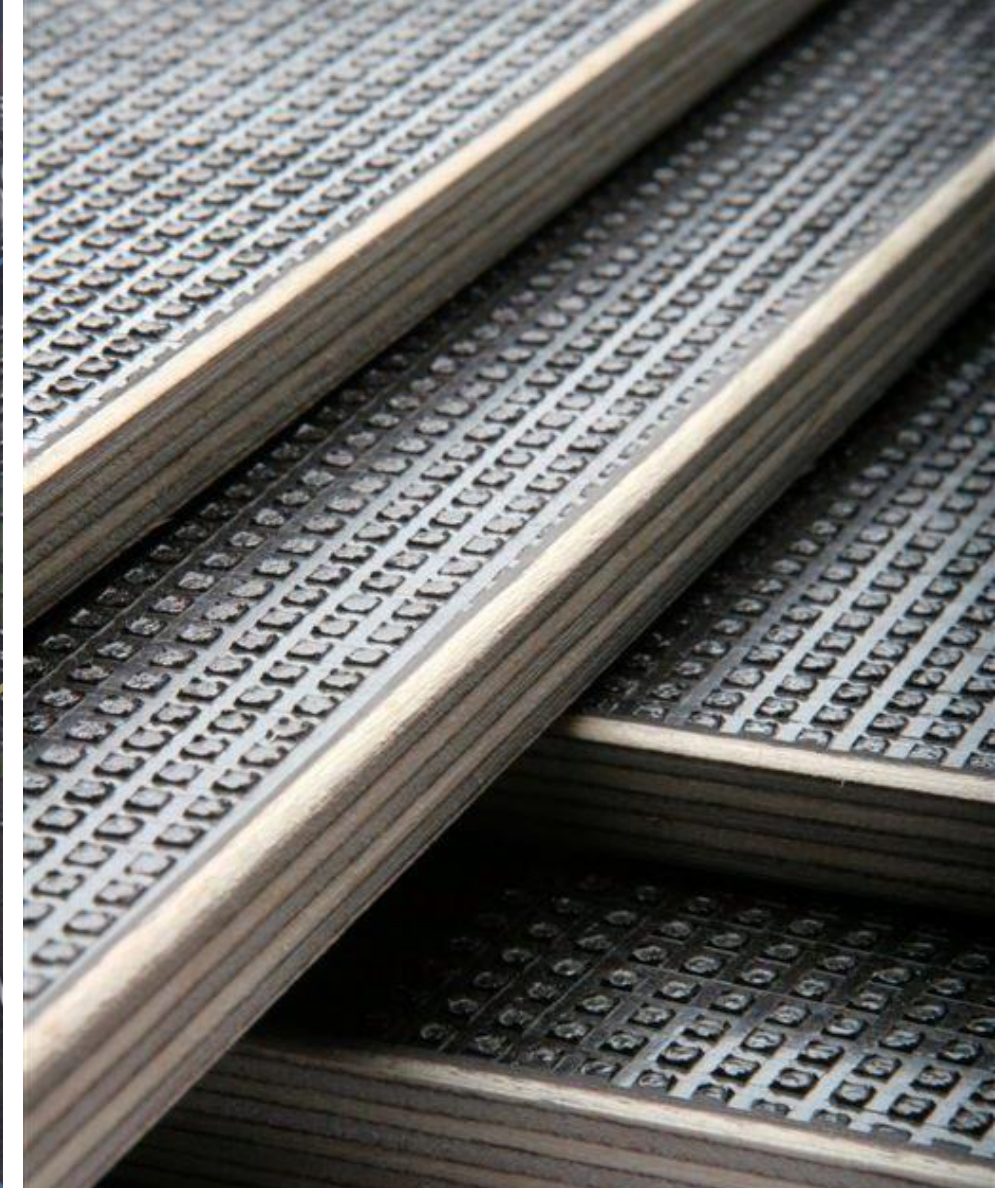


REZEKNE SPECIAL ECONOMIC ZONE

PLACE THAT DEVELOPS IN STEP WITH
TIME, FORWARD THINKING PEOPLE

REMARKABLE GROWTH FOR RĒZEKNE SEZ ENTERPRISES

- 20,5 % annual increase of turnover
- 25,4 % annual increase of profit
- 16 % of international enterprises plan to expand their presence within next two years



STRATEGIC LOCATION

REZEKNE SPECIAL ECONOMIC ZONE

1155 ha INVESTMENT AREAS

Rēzekne SEZ is the largest multi-sectoral industrial territory in Eastern Latvia, where business activity may be conducted under preferential terms of state aid provided by the Latvian government

- Existing industrial facilities
- Areas equipped with technical infrastructure, but without buildings
- Greenfield areas

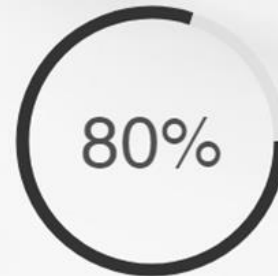
RĒZEKNE SEZ AUTHORITY SERVICES

Rēzekne SEZ Authority provides support and personalized services to more than 100 enterprises per year based on its 20 years of experience in administration of state aid

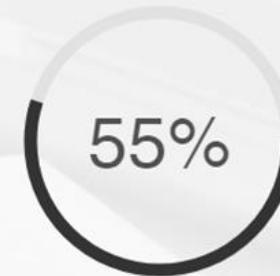
- Consultations on state and regional business incentives
- Site selection and visits
- Connection to regional service providers
- Information on the business environment and incentives in Rēzekne SEZ



Real estate tax relief up to 100%!



Corporate income tax relief of 80%!



Return of investment costs in tax incentives
up to 55%!

REZEKNE SPECIAL ECONOMIC ZONE

- **Taxation in Rēzekne SEZ:**

Corporate Income Tax applicable on dividends **4%***

Immovable Property Tax **0.3-0%****

- **Taxation in Latvia:**

Corporate Income Tax applicable on dividends **20%**

Immovable Property Tax **1.5%**

Since 2018 corporate income tax for reinvested profit in Latvia is 0% while corporate income tax rate of 20% in Latvia and 4% in Rēzekne SEZ is applicable on dividends

80% immovable property tax is guaranteed by the law, additional 20% discount can be granted by the local municipality

Among the Best in the World



- Rezekne SEZ commended for “Infrastructure upgrades” and “Expansions” in “Global Free Zones of the Year 2017” survey
- Rezekne – the 6th place in the category fDi Strategy among micro cities in the European Cities of the Future 2018/19 ranking

Graham Bell

Chief Operating Officer of SIA “Atmosclear Investments SA”

“ When the decision to build a wood pellet plant in Latvia was made, the decision to locate that plant in Rēzekne City was made for a number of **compelling reasons**. Firstly, with Rēzekne being in a special economic zone, this provided **good business incentives** that will **enhance our return on investment**.

Rēzekne also provided us with a **good quantity of readily available labour** to employ and train. The location was also situated close to a high volume of forests that supply the plant with the raw material required for production. And finally with a railway line passing through Rēzekne, which could transport the plant's finished product to Latvia's sea ports, the **logistics planning is also very good**. “

Roman Vdovychenko

Chairman of the Board of “NewFuels” RSEZ SIA and “Energy Resources CHP” RSEZ SIA

"Company New Fuels RSEZ SIA is located in the territory of Rēzekne Special Economic Zone and is the largest producer of wood pallets of industrial use in Europe. Our company **successfully continues to grow and invest** in production due to **preferential conditions** for conduct of business in Rēzekne SEZ. "

CONTACT INFORMATION

REZEKNE CITY COUNCIL

Rēzeknes pilsētas dome

Tel.: 00 371 64607605, 00 371 64607686

Fax: 00 371 64607606

E-mail: dome@rezekne.lv

Address: Atbrivosanas aleja 93, Rēzekne, LV-4601, Latvia

www.rezekne.lv

RĒZEKNE SEZ AUTHORITY

Tel.: 00 371 6462 5941,

00 371 6462 5941

E-mail: info@rsez.lv

Address: Atbrīvosanas aleja 93, Rēzekne
LV-4601, Latvia

www.rsez.lv