



**RISE
CAPITAL**

**RISE Capital Investment Group:
Brief overview of activities**

- Target portfolio up to 2018: €7 billion
- Target Group return: from 15%

RISE Capital Investment Group (RISE) is one of the **largest private investment groups in Russia:**

- * €7 billion is target size of the project portfolio up to 2018;
- * €2 billion are available investment resources;
- * Investment focus: infrastructure construction sector in Russia
- * Projects realized within the scope of PPP, concession agreements and CLM (with a given guaranteed income).

The role and function of RISE Capital Investment Group

together with its PPP project partners is:

- * Capital raising as a private investor-partner;
- * Preparation, construction, and implementation as a general (engineering procurement construction) contractor;
- * Servicing of delivered construction.

Areas of construction investments:

- * Transport: roads, railroads, bridges, overpasses, airports;
- * IT infrastructure;
- * Medical infrastructure;
- * Social infrastructure;
- * Communal housing sector.

* PPP – Public Private Partnership; CLM – Contract Lifecycle Management



Together with specialized corporate partners, RISE participates in all stages of the realization of a PPP project, operating as an investor but also, on a competitive basis, as a private partner and general (EPC) contractor, offering appropriate guarantees in terms of time, quality, price of the construction and similar concomitant obligations.

From the needs of the
PUBLIC PARTNER



Need to construct and service a new infrastructure object

Partial payments for delivered constructions

Provision of specialized services to the population (education, health, communal)

To the obligations of
the **PRIVATE PARTNER**

Capital raising

Construction of the object

Maintenance

Payment collection from users



1. The Social Sector

1.1 PPP

- Federal PPP law N224-FZ as of 13.07.2015;
- The Public Partner – A subject of the Russian Federation.

1.2 Concession Agreements

- 115-FZ On Concession Agreement as of 21.07.05;
 - Grantor (Public Partner) – A subject of the Russian Federation.
- Usage of the facility does not assume fees charged from the local population.
 - Presence of state programs (for PPP).
 - Guarantees of payments to the Private Partner over the course of the entire contract period.
 - Federal or regional budgets constitute the source of income to the Private Partner.
 - Direct contract with the creditor.
 - Ownership rights are designated either to the Public Partner (concession agreements) or to the Public and the Private Partners as per an agreement (PPP).
 - Project time: up to 30 years.

Examples: health services facilities, education, culture, sport

2. Guaranteed Income Sector

1.1 PPP

- Federal PPP law N224-FZ as of 13.07.2015;
- The Public Partner – A subject of the Russian Federation.

1.2 Concession Agreements

- 115-FZ On Concession Agreement as of 21.07.05;
 - Grantor (Public Partner) – A subject of the Russian Federation.
- Usage of the facility assumes fees charged from the local population.
 - State programs is not required in the absence of ability of the Public Partner to meet cost obligations.
 - Guarantees of payments to the Private Partner over the course of the entire contract period.
 - Payments from the users, along with participation of federal and/or regional budgets, constitute the source of income to the Private Partner.
 - Direct contract with the creditor.
 - Ownership rights are designated either to the Public Partner (concession agreements) or to the Public and the Private Partners as per an agreement (PPP).
 - Project time: up to 30 years.

Examples: railroad facilities, communal housing services, airports, toll roads

Federal subjects

Active cooperation:

1. Yamal-Nenetsk AO;
2. Khanty-Mansiysk AO;
3. Tyumen region;
4. Republic of Tatarstan;
5. Murmansk region;
6. Tomsk region;
7. Perm region;
8. Novosibirsk region;
9. Khabarovsk Krai;
10. Sakha Republic (Yakutia).

Negotiation stage:

1. Nizhny Novgorod region;
2. Sakhalin region;
3. Saratov region;
4. Jewish AO;
5. Leningrad region;
6. Moscow region;
7. Astrakhan region;
8. Saint Petersburg;
9. Rostov region;
10. Samara region;
11. Volgograd region;
12. Petrozavodsk (Karelia);
13. Stavropol Krai.

State corporations

Active cooperation:

- Federal Service for Penal Implementation;
- Russian Railways (RZhD);
- Russian Highways (Avtodor).

Negotiation stage:

- Agency for Housing Mortgage Lending (AIZhK).

Federal ministries

Active Cooperation:

- Transport Ministry;
- Defence Ministry.

Negotiation stage:

- Ministry of Construction and Communal Housing;
- Ministry of Industry.

Banks and financial institutions

Active cooperation:

- Gazprombank;
- Vnesheconombank (VEB);
- Sberbank;
- VTB.

• Strategic partnership agreements signed with RISE Capital Investment Group



The headquarters of RISE is located in Stockholm, Sweden

At the moment RISE operates its business in several cities in Russian regions:

- Moscow;
- Salekhard;
- Surgut;
- Novosibirsk;
- Tomsk;
- Yakutsk;
- Vladivostok.

RISE Capital Investment Group locations in Russia



A project implementation launch needs to be preceded by a serious preparation process, both at the regional and at the project level.

Preparation

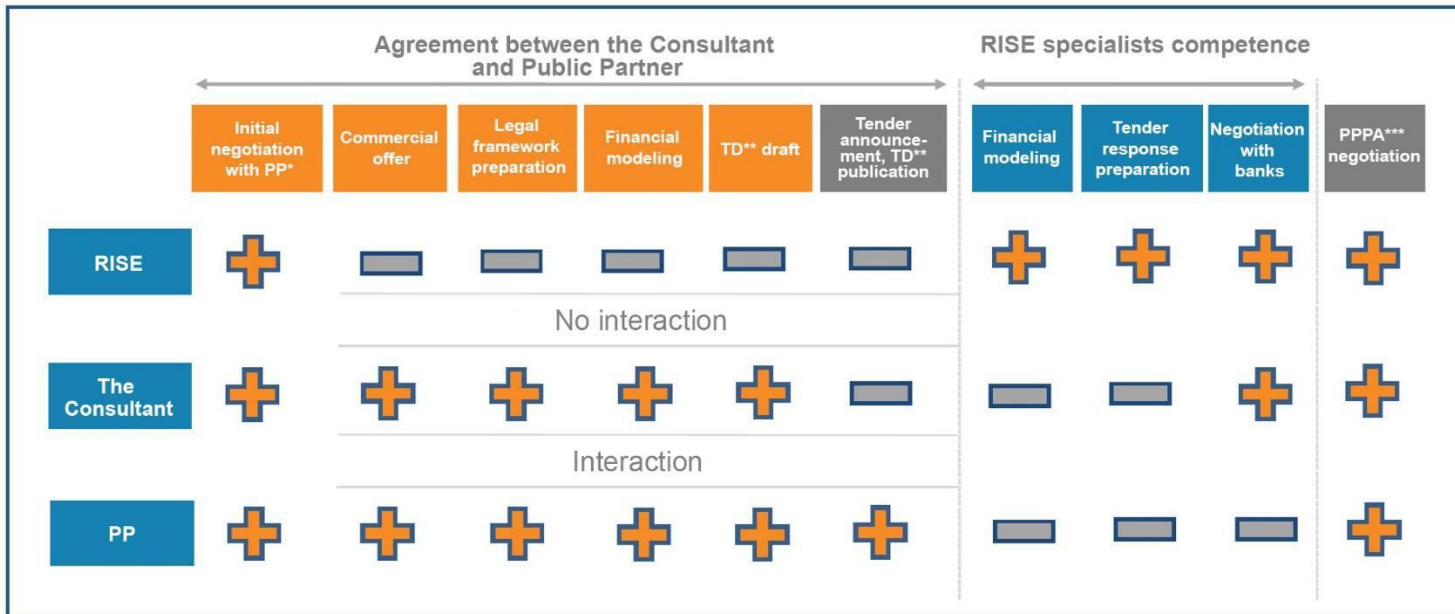
- The Public Partner organizes a preparation process for tender selection of a Private Partner for the PPP project;
- It is sometimes advisable to appoint a consultant (see slide 8).

Tender selection of a private partner – investor.

Appointment of investor

- The choice of Private Partner – Investor based on the tender result;
- Agreement of the conditions for realization of the PPP project;
- Signing of the PPP Agreement;
- Beginning of the project implementation.





In the first phase, PP signs an agreement with the Consultant to supervise the tender preparation process.

- There is no interaction between RISE and the Consultant before the tender is announced.

In the second phase, RISE specialists are connected to the announced PPP tender:

- This takes place after the announcement of the tender and the publication of TD with the project data;
- RISE specialists analyze the project and prepare an application for the tender.

Note: (*) PP – Public Partner (**) TD - Tender Documentation; PPPA = PPP Agreement





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