



NEW INVESTMENT OPPORTUNITIES IN AZERBAIJAN

May, 2022

ABOUT THE COMPANY

Founded: March 2006

Goal:

- To develop the non-oil sector of Azerbaijan;
 - To add value to the economic growth;
 - To support the development of capital market.
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- Cumulative project value: 860 mln. USD*
 - AIC investments value: 180 mln. USD*
 - AIC equity capital: 102 mln. USD*

**1 USD= 1.7 AZN for May, 2022*



INVESTMENT PRINCIPLES



Investments in non-oil sector



**Equity investments, including
minor growth capital**



**Brownfield and greenfield
projects, as well as the
establishment of joint funds**



**Minority shareholding
(up to 30%)**



**5-7 years of participation
(target)**



**Max. capital – 10% of AIC equity
(subject to increase up to 20%)**

ADVANTAGES OF INVESTMENT WITH AIC



UNIQUE FINANCIAL SOLUTIONS

Equity investments and balance sheet enhancement through debt reduction



BEST BUSINESS PRACTICES

Implementation of CG practices in portfolio companies and experience in market analyses and financial modeling, budgeting and taxes



ACCESS TO INTERNATIONAL CAPITAL MARKETS

Ability to market investment project to international investors and helping build international business relations



EFFICIENT COORDINATION BETWEEN STATE AGENCIES AND AIC

Contribution to the acceleration of investment processes via AIC's close cooperation with the relevant state agencies



COMMITMENT TO SUCCESS

We have vested interest in making sure our investment does well. When we invest, partner can rely on our commitment to ensure its future is successful



PRIORITY DIRECTIONS



HEAVY INDUSTRY



FOOD PROCESSING



GREEN ENERGY



AGRICULTURE



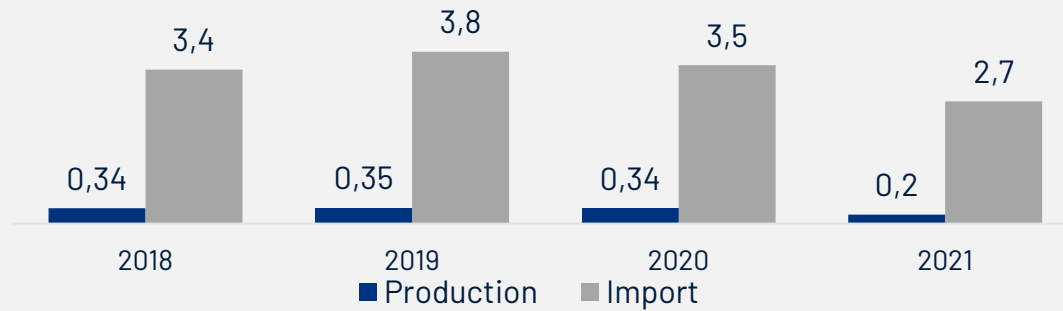
PHARMACEUTICALS



LOGISTICS

POTENTIAL COOPERATION – MACHINERY

PRODUCTION AND IMPORT IN AZERBAIJAN, \$BLN

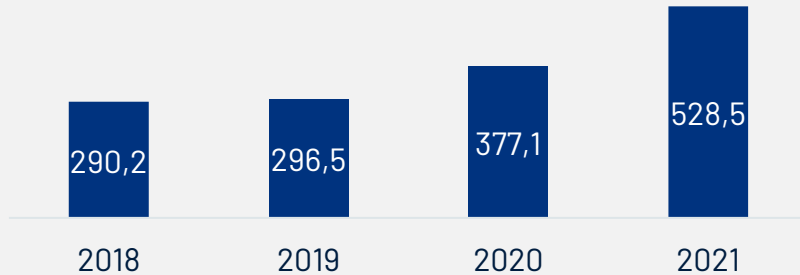


Source: Ministry of Economy of the Republic of Azerbaijan/State Statistical Committee of the Republic of Azerbaijan



POTENTIAL COOPERATION – PHARMACEUTICALS

IMPORT IN AZERBAIJAN, \$MLN



STATE PROGRAMS BUDGET, \$MLN



Source: State Statistical Committee of the Republic of Azerbaijan

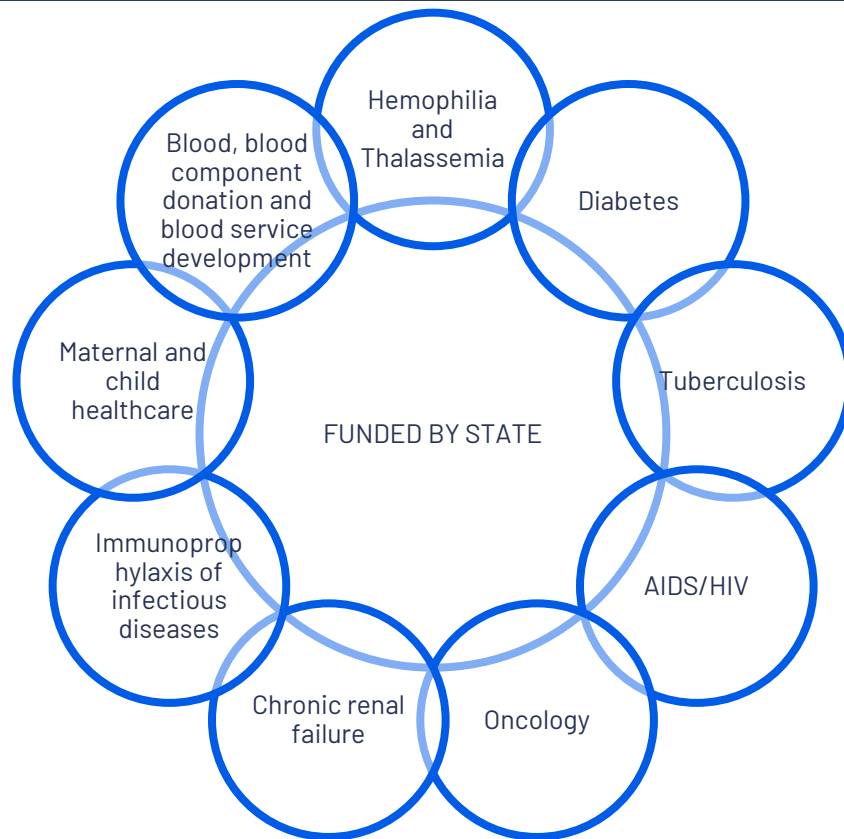
Source: Ministry of Health of the Republic of Azerbaijan



POTENTIAL COOPERATION – PHARMACEUTICALS

KEY COOPERATION FACTORS

- **Less than 1% of total consumption is covered by local production.**
- **By becoming a resident of Pirallahi Industrial Park, it is possible to be exempted from several taxes.**
- **Despite the medicine prices being regulated by Tariff Council, funds are allocated from the state budget for the medicines of certain diseases based on 9 state programs with the aim to provide the population with the said medicines free of charge.**

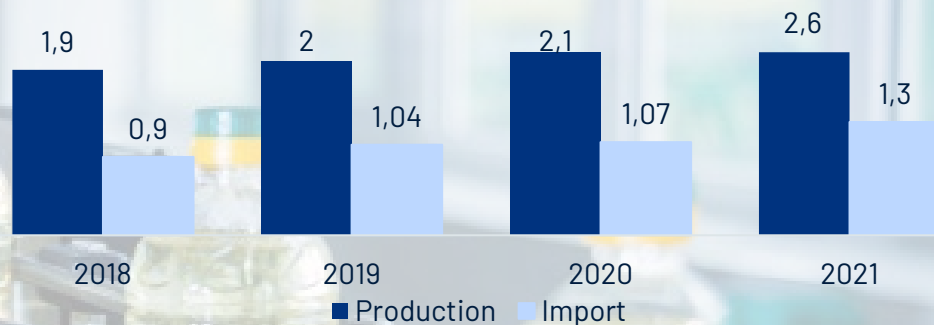


POTENTIAL COOPERATION – FOOD PROCESSING

KEY COOPERATION FACTORS

- **Azerbaijani market's potential**
- **Azerbaijan is one of the largest producer of hazelnuts in the world; Hazelnuts mainly consumed by global chocolate and confectionery industry.**
- **Favorable location of Azerbaijan with easy and effective transport and cargo transportation for export**

PRODUCTION AND IMPORT IN AZERBAIJAN, \$BLN

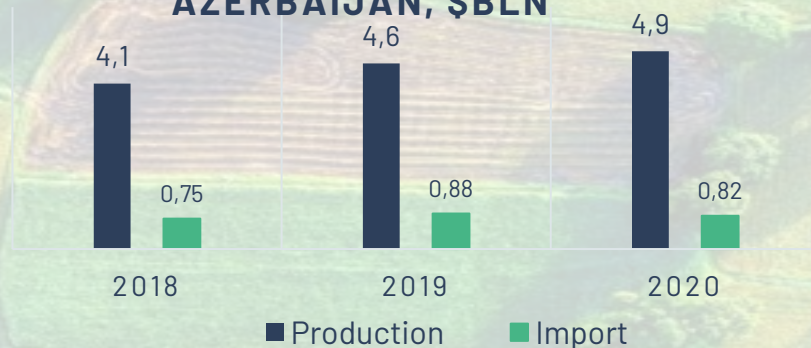


POTENTIAL COOPERATION – AGRICULTURE

KEY COOPERATION FACTORS

- Agriculture production at low cost price
- Local market's (Azerbaijan) domestic demand for cereals (wheat, barley and corn, especially)
- Favorable location of Azerbaijan with easy and effective transport and cargo transportation for export
- Tax exemption till 2027 in Azerbaijan (except land tax)
- Azerbaijan's favorable climate and land diversity

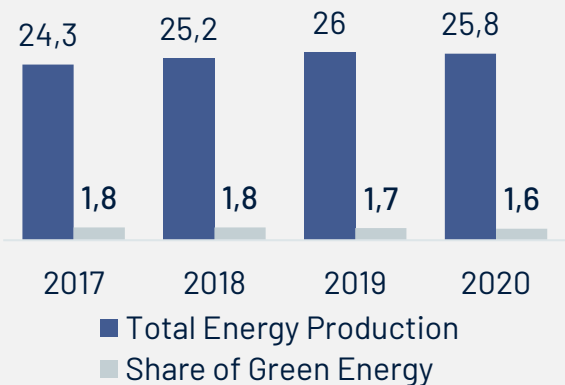
PRODUCTION AND IMPORT IN AZERBAIJAN, \$BLN



Source: State Statistical Committee of the Republic of Azerbaijan
Ministry of Economy of the Republic of Azerbaijan

POTENTIAL COOPERATION – GREEN ENERGY

Production in Azerbaijan, mln Kw/h



Source: State Statistical Committee of the Republic of Azerbaijan

NUMBER OF SUNNY DAYS IN AZERBAIJAN (2021)

Baku	Sumgait	Ganja
343	343	339

Source: www.worldweatheronline.com

Azerbaijan’s main target is to increase the share of the green energy up to 30% by 2030.



CONVENTION BETWEEN AZERBAIJAN AND AUSTRIA

The government of the Republic of Azerbaijan and the government of the Republic of Austria signed agreement on mutual promotion and protection of investments on October 24, 2000.

Also, the government of the Republic of Azerbaijan and the government of the Republic of Austria signed the Convention on avoidance of double taxation and prevention of tax avoidance on the income and the capital on July 4, 2000.

The convention, generally extends to the following existing taxes:

- | | |
|----------------------------------|--|
| ➤ in the Republic of Azerbaijan: | ➤ in the Republic of Austria: |
| ○ income tax of legal entities; | ○ income tax; |
| ○ income tax; | ○ corporate tax; |
| ○ property tax; | ○ land tax; |
| ○ income tax of legal entities. | ○ the taxes levied from the agricultural and forestry and landscape enterprises; |
| | ○ the taxes levied at the cost of the empty parcels of land. |

MARKET ACCESS

Preferential Trade Agreement with Turkey

Free Trade Agreements (FTA) allowing free trade without custom duties with :

**Ukraine
Georgia
Kazakhstan
Kyrgyzstan
Tajikistan
Uzbekistan
Turkmenistan
Moldova
Belarus
Russia**



OUR SELECTED PROJECTS



Logistics Center in Aktau



Holcim Azerbaijan (exited in 2015)



Baku Shipyard Company



Diamed Co (production of syringes)



Saba (poultry)



**AzerTokhum (seed processing plant)
Exited in 2020**



AZERBAIJAN
INVESTMENT
COMPANY

**THANK YOU FOR
ATTENTION**

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