AZERBAIJAN INVESTMENT COMPANY

May, 2025

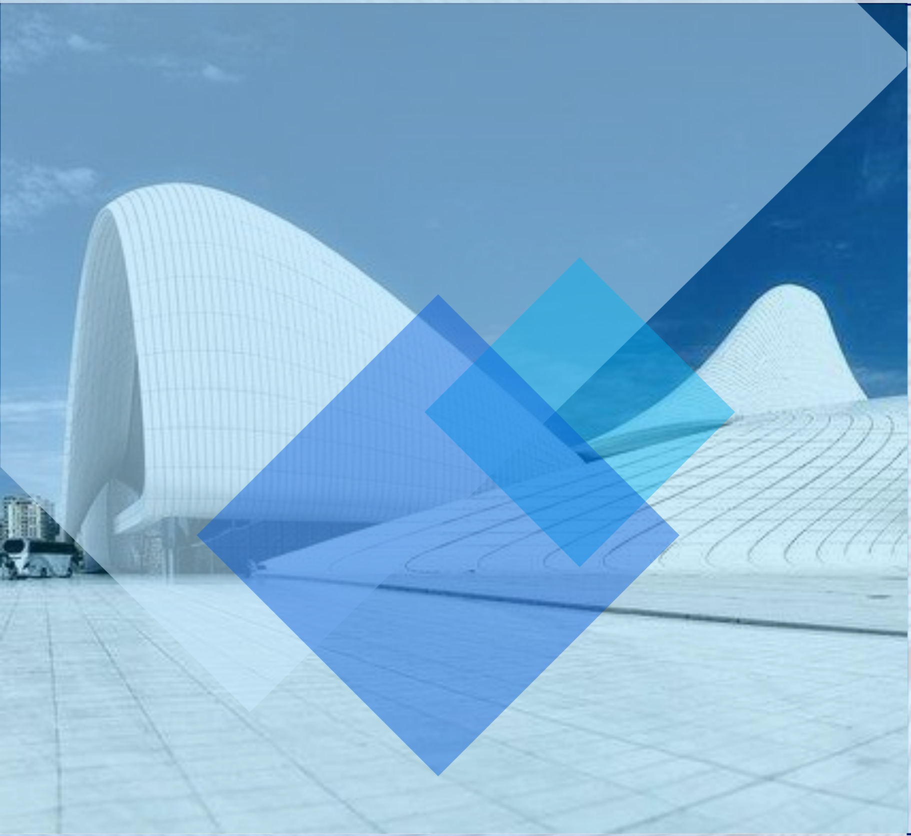
About AIC

AZERBAIJAN INVESTMENT COMPANY

Azerbaijan Investment Company was established in 2006 to support the development of the non-oil sector of Azerbaijani economy and facilitate economic diversification.

Company is governed by Supervisory Board led by Minister of Economy.

In December 2024, AIC and Entrepreneurship Development Fund started merger process to form Azerbaijan Business Development Fund, with total assets of $842 M.



Company’s Mission

Supporting development and diversification of the country’s economy

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Attraction of foreign direct investments (FDI) to the Republic of Azerbaijan

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Participation in competitive and value-added projects focused on import substitution and export promotion

Investment Principles

Investments in non-oil and gas sector

Brownfield and greenfield projects

Value added and strategic projects for local economy

Target IRR >10%

Minority shareholding (up to 30%)

Max. investment level $~25 M (subject to increase)

5-7 years of participation

Main investment instruments: ordinary shares, preferred shares, and corporate bonds.

Production based on import substitute and export

Advantages of investment with AIC

UNIQUE FINANCIAL SOLUTIONS

Optimizing the balance sheet by reducing leverage through increased equity commitments.

COORDINATION WITH STATE AGENCIES

AIC plays a role of a bridge between local investors, FDIs and state authorities.

BEST BUSINESS PRACTICES

Extensive support in market research, financial modeling, corporate governance, budgeting and taxation.

COMMITMENT TO SUCCESS

Our partners can place their trust in our commitment, as we actively share all associated risks with them.

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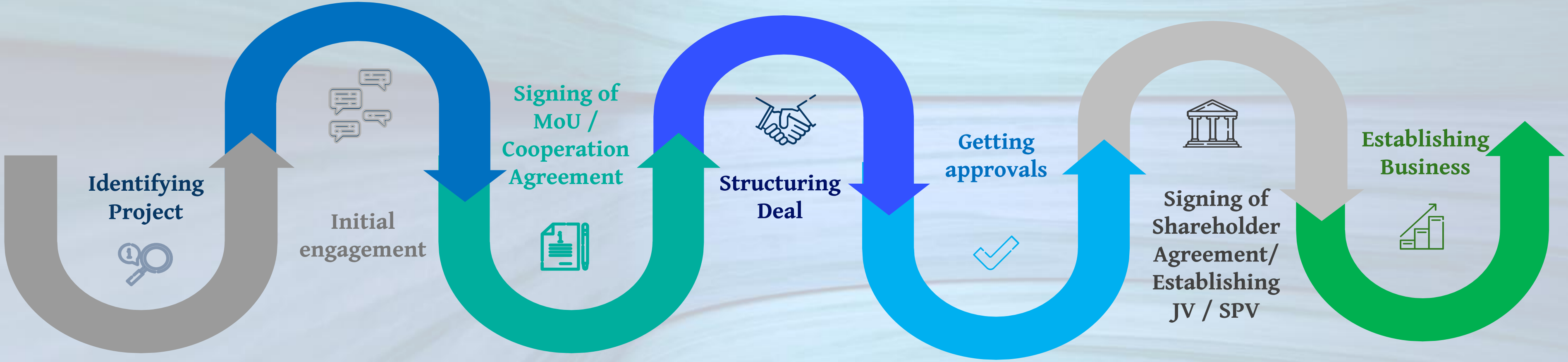
Priority industries

Establishing cooperation with AIC

- Introductory meetings
- Preliminary project evaluation
- Signing of NDA

- Financial due diligence
- Capital structure modeling
- Technical feasibility
- Risk assessment

- Finalization of management structure
- Capital contribution and arrangements



- Alignment with AIC's mandate
- Market opportunity analysis
- Fit with national priorities
- Submission of teaser

- Definition of responsibilities
- Outlining project objectives
- Timeline and deliverables

- Investment committee approval
- Legal compliance assessment

- Transition to development phase
- Procurement and construction
- Launch of production
- Ongoing monitoring and reporting

AIC's social-economic impact (2020-2025)

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TOTAL VALUE OF INVESTMENTS
~ 1.7 B ₼

FOREIGN DIRECT INVESTMENT
~ 406 M ₼

FOREIGN LOANS ATTRACTED
~ 324 M ₼

AIC'S INVESTMENT AMOUNT
~ 265 M ₼

TOTAL PROJECTS VALUE AS THE SHARE OF GDP
~1,2%

EXECUTED PROJECTS
22 projects

NEW PLANTS
18

NEW WORKPLACES
~2,100

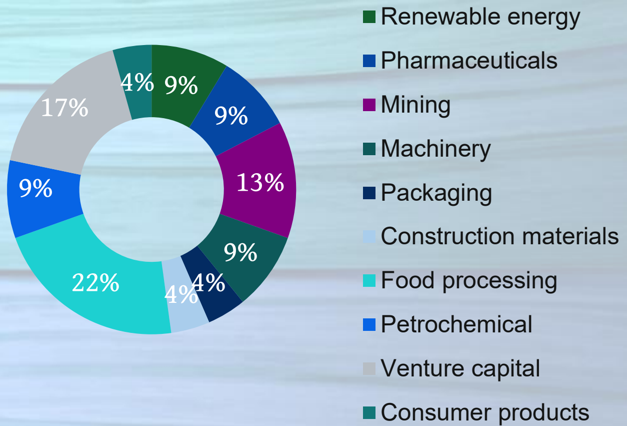
PROJECTS IN THE LIBERATED AREAS
4 projects
AIC: ~ 44,2 M ₼

GREEN PROJECTS
4 projects
AIC: ~ 74 M ₼

FOREIGN PARTNERS
12

EXITS
5

INDUSTRY BREAKDOWN



STATISTICS ON THE INCOMING REQUESTS

INCOMING REQUESTS
406

PROJECTS APPROVED TO THE NEXT PHASE
116

CONFIRMED PROJECTS
22

Business Environment in Azerbaijan

Market Access

Free Trade Agreements

Russia
Ukraine
Georgia
Kazakhstan
Kyrgyzstan
Tajikistan
Uzbekistan
Turkmenistan
Moldova
Belarus

Preferential Agreement

Turkey

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Transport Infrastructure

20 000 KM

- Almost 20000 km of roads and highways
- 8 new international airports across the Azerbaijan
- Baku-Tbilisi-Kars railroad (“the iron silkway”)
- New Baku International Sea Trade Port

16 – 23 DAYS

- Trans-Caspian International Transport Route (China-Kazakhstan (Aktau) - Azerbaijan - Georgia-Turkey - Romania-Poland)

60%

- TIME SAVING
- NORTH-SOUTH ROUTE (INDIA - EUROPE)

70%

- TIME SAVING
- (CHINA - EUROPE MARITIME ROUTE)

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Industrial Parks

- 0% Corporate Tax
  0% Land Tax
  0% Property
  0% VAT
- No Customs Duty on Imported Machinery, Tech Equipment and Installations
- No legal limitations on ownership structure
- No limits on profit repatriation
- Minimum number of state on-site audits
- No restriction on capital movement

Note: Exemptions are valid for 10 years

Holders of Investment Promotion Document

- 50% reduced corporate tax
- 0% land and property tax
- 0% vat on hardware, technological equipment and structures imported by IPD holders
- 0% customs duty on hardware, technological equipment and structures imported by IPD holders

Note: Exemptions are valid for 7 years

Alat Free Economic Zone

- 0% customs duties on Import and Export
  0% Taxes on Import and Export.
- 0 % VAT
  0 % Withholding Tax,
  0 % any other Corporate Tax,
  0 % personal income tax for local personal. (if the monthly salary does not exceed 4700$)
- No social security payments and no other similar taxes and payments for foreign skilled personnel;
  No restrictions on foreign ownership.
  No requirement for a local partner;
  No restrictions on currency transactions or profit repatriation;
- Investors' property is immune from any nationalization, expropriation measures or any other restrictions on private ownership;
- Own legislation and Internal Regulations.

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State Financing Mechanisms

ENTREPRENEURSHIP DEVELOPMENT FUND

9% annual credit rate

Equipment Loan

Up to 3M AZN (5 years)

5% annual credit rate

Discounted Loan

Up to 10M AZN (10 years)

AZERBAIJAN REPUBLIC MINISTRY OF AGRICULTURE

40% of the cost

Agricultural Subsidy

Agricultural machinery and equipment

MORTGAGE AND CREDIT GUARANTEE FUND OF THE REPUBLIC OF AZERBAIJAN

0.5% annual guarantee commissions

Credit Guarantee

Up to 10M AZN (for 7 years)

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State Support in Liberated Territories

Tax benefits, social insurance and other incentives

Expansion of access to financial resources

Customs benefits for entrepreneurs engaged in production activities related to the import of raw materials

Determination of labor migration quotas and procedure improvement for work permits for green projects

Concessions on utility services (electricity, natural gas and water consumption)

Additional support for investors engaged in green projects

AZERBAIJAN INVESTMENT COMPANY

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