CURRENT BLACK SEA PORT DEPTHS

GEORGIA CAN NOT ACCEPT 75% OF VESSELS OPERATING IN THE BLACK SEA

Vessels up to 10,000 TEU

Vessels up to 1,500 TEU

GEORGIA CURRENTLY CANNOT ACCEPT VESSELS OF MORE THAN 1,500 TEU CAPACITY
GEORGIAN PORTS CAPACITY AND EXISTING MARKET GROWTH TREND

PORT CONTAINER TRAFFIC TEU

- Oil Crisis, Currency Devaluation by 42%
- World Crisis, War with Russia

CAGR: 19.7%
CAGR: 33.5%
ANAKLIA PORT PROJECT - KEY HIGHLIGHTS

PROJECT SUMMARY

- Public-private partnership with the Government of Georgia ("GoG")
- Build Operate Transfer ("BOT") with 52-year concession
- Up to 9 development phases
- Design Port depth of 16m CD
- Able to accommodate vessels up to 10,000 TEU
- Estimated cost advantage – USD 230 per TEU
- 95%+ designed uptime capacity
- Leading operator – SSA Marine (Seattle, US)
- Full commencement of Phase 1 in 2021
- Up to 1m TEU initial capacity + 1.5 million tons of dry bulk
- Phase 1 development cost c. $ 600m - 65% debt / 35% equity
- Signed mandate letters for debt financing of up to US$ 400 million.
- GoG direct investment into equity: $ 100m subordinated debt
- Government additional investments in addition to project costs:
  - Hinterland road and rail connections ~ $ 120m

“Strategic Project of the Year”
- 2016 Global Infrastructure Leadership Forum in Washington, DC
“Best Investment Project of the Year”
- 2016 Dubai Annual Investment Meeting
“Outstanding Conceptual Design”
- BUILD (UK construction industry architectural journal)
“Belt & Road Initiative Project of the year”
- Asiamoney (Euromoney Institutional Investor PLC)
GEORGIA – SHORTCUT TO CENTRAL ASIA MARKETS

Primary Market
South Caucasus: Georgia, Armenia and Azerbaijan
Landlocked
17m population
US$ 62 bln. Total GDP
+4% average GDP growth outlook

Secondary Market
Countries of Central Asia and North-West of Iran
Landlocked
146m population
US$ 655 bln. Total GDP
+5% average GDP growth outlook
CORRIDOR ONGOING AND COMPLETED DEVELOPMENTS

Aktau port: $210 mln
Kuryk port: $235 mln
Kazakh transport system: $26 bln
Kazakhstan:

Georgia rail & road: $5.5 bln
Azerbaijan rail: $1.2 bln
Alyat port: $530 mln
Azerbaijan:

Anaklia port: $600 mln
Kuryk port: $235 mln
Turkmenbashi port: $1.5 bln
Azerbaijan:

Khorgos dry port: $250 mln
Kazakhstan:

Azerbaijan:

Azerbaijan:

Azerbaijan:

Azerbaijan:

Azerbaijan:

Azerbaijan:

Azerbaijan:

Azerbaijan:

Azerbaijan:
ONGOING CONSTRUCTION PROCESS

- Up to **USD 70 million invested** in the project up to date
- Accomplished all technical, market and ESIA studies
- Preliminary works fully completed in mid 2017 year
- **Up to 5,000,000 cubic meters** of material dredged from sea bed and placed on construction site in Q4 2018.
- Compaction process ongoing until end of **May 2019**
DREDGING PROCESS VISUALS
Masterplan of 475HA (Phases 1-3)

- Year: 2040
- Total Area: 475HA
- Leasable Area: 334HA
- Number of Jobs: 16,100
## IDENTIFIED OPPORTUNITIES – SECTORS/PRODUCT GROUPS

**Logistics/Distribution sector**
- Port supplementary services
- Storage/Warehousing
- Re-export/transit
- Distribution/Value added services
- Industrial park induced logistics

**Food & Beverages**
- Confectionary/Cocoa products
- Packaged food/Snacks/Savories
- Preparations of fruits & vegetables
- Sweetened beverages

**Construction Materials**
- Ceramics products
- Sandwich panels
- Insulation materials
- Roofing/Flooring materials
- Frames, windows, doors and alike

**Cosmetics & Beauty**
- Personal hygiene products
- Dental products, shaving and alike
- Essential oils, odoriferous substances and mixtures
- Make-up and beauty preparations

**Automotive Components**
- Tier 2 and 3 products
- Parts and accessories for vehicle bodies
- Brakes, gear boxes and parts
- Suspension systems and parts
- Interior components, accessories and wiring

**Cleaning Products**
- Soap products
- Surface active agents and washing preparations
- Lubricants and waxes
- Polish products

**Pharmaceuticals**
- Unmeasured and packaged medicaments
- Pharmaceutical preparations
- Herbal, greens, berries preparations
- Wadding, gauze, bandages and the like

**Household Appliances/Elect.**
- Dishwashing, refrigerators and freezers
- Air-conditioning and heating
- Small electromechanical appliances
- TV/radio apparatus (components/assembly)
- Spare parts for electronics
MULTIMODAL MARKET ACCESS – REACH AREA

5 hours air flight coverage
- Key urban areas of CIS region
- Majority part of the European region
- Gulf Region
- Central Asia states and North-West of China (Urumqi)
- North West part of India

24 hours road coverage
- Caucasus region
- North-West of Iran (main urban areas)
- Turkey
- South of Russia
- Part of Central Asia region

8 days railway/coverage
- European region
- North-West of China (Urumqi)
- Central Asia states
- Caucasus and Turkey
- Iran