



nickelodeon WORLD

BAKU AZERBAIJAN

Theme Park: Reasons to invest in Azerbaijan

Geostrategic location

Azerbaijan is located on the Silk Way which is the huge passage between the Europe and Asia playing the role of intercontinental touristic hub

Positive Growth of tourism

In 2018, Azerbaijan's tourism sector is forecasted to grow by 6.6%, and over 6% in next 3 years.

Emerging economy status

Over \$62 billion has been invested in the Azerbaijani economy since 2008 by foreign direct investors.

Population

21% of Azerbaijani population are under age of 21. Which is exactly necessary point for this business

Project Description

- To contemplate the very first Theme park in the Caucasus region and the Central Asia
- Project consists of 3 main phases: 1 Theme Park 2 Safari Park 3 Water Park

Market Analysis

Foreign citizens			Foreign citizens for tourism purpose		
Year	Number	Annual change Percentage	Year	Number	Annual change Percentage
2016	2 248 800	12,10%	2 044 700	6,39%	91%
2017	2 700 000	20%	2 376 000	12%	88%
2018	3 105 000	15%	2 661 120	12%	85%
2019	3 570 750	15%	2 980 454	12%	84%

Nickelodeon Theme Park: AS Group Privileges



'Strategic location of the project site makes it easily arrival destination not only citizens but also for tourists



1. AS Group already has a ready agreement for IP for the THEME Park - Nickelodeon partnership

2. Partnership with the international operating Company

3. Formulated design concept



As Group have already gained for the project "Special Investment Status" from the Government which assure Exemption form - VAT and customs duties on imports; - property tax; - land tax.
- 50% reduction of profit tax; for 7 years



AS Group ready to mobilize all its construction equipment & experience for the project realization

Project Location



Nickelodeon Theme Park is going to be the first park not only in the Caucasus region but also in Central Asia

Ready to Be The FIRST one?



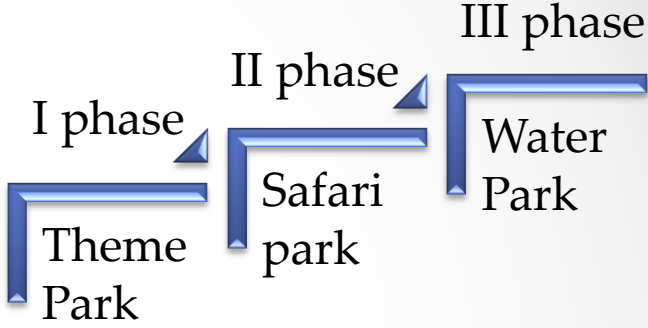
Nickelodeon Theme Park: Operator-Parques Reunidos



Parques Reunidos in worldwide manages all types of parks

With 50 years' experience, it owns and operates more than 60 parks in 14 countries. Biggest Animal Park Operator in the World

Parques Reunidos operates in Europe (Germany, Spain) America (USA and Argentina), Middle Eastern (Dubai) and in Asia (Vietnam)



Parques Reunidos: Nickelodeon Theme Park, Bottrop, Germany



Parques Reunidos: Zoo park, UAE, Dubai

Parques Reunidos :Water park, San Jose California



Worldwide theme park required investment

Name	Country	Year Opened	Development Cost		
			Original Amount	Planned Av. Attendance (5th year)	Amount Per Attendee
<i>Proposed Theme Park:</i>					
Base Warranted Investment	Azerbaijan	2020	\$146,842,740	1,550,330	\$95
<i>Other Theme Parks:</i>					
Terra Botanica	France	2010	\$100,000,000	1,250,000	\$80
Cinecitta World	Italy	2014	\$338,000,000	1,800,000	\$187
Warner Bros. Movie World	Spain	2002	\$302,000,000	3,000,000	\$128
Warner Bros. Movie World	Australia	1991	\$91,116,000	1,250,000	\$122
Legoland Deutschland	Germany	2002	\$138,000,000	1,500,000	\$117
Legoland California	USA	1999	\$130,000,000	1,800,000	\$99
Isla Magica	Spain	1997	\$95,000,000	1,400,000	\$97



**Total required
Investment**

**150 000 000
USD**

Projected Attendance Justification

Market Segment	Fiscal Year Beginning				
	2020	2021	2022	2023	2024
<i>Market Size:</i>					
Residents (0 to 80 km)	2,245,000	2,267,000	2,290,000	2,313,000	2,336,000
Foreign Arrivals	2,700,000	3,270,000	3,539,000	3,819,000	4,101,000
<i>Market Penetration:</i>					
Residents (0 to 80 km)	20%	22%	25%	25%	28%
Foreign Arrivals	15%	15%	20%	20%	20%
<i>Targeted Annual Attendance:</i>					
Residents (0 to 80 km)	449,000	498,740	572,500	578,250	654,080
Foreign Arrivals	405,000	490,500	707,800	763,800	820,200
Others ^{1/}	<u>32,582</u>	<u>39,521</u>	<u>59,740</u>	<u>72,885</u>	<u>76,050</u>
Total	886,582	1,028,761	1,340,040	1,414,935	1,550,330



Source: State Statistical Committee of Azerbaijan
 *The actual number of residents 80 km around Baku is approximately 4 000 000

Projected attendance studied by LBA
 (leisure Business Advisor LLC)



Standard Admission Prices

Name	Country	Standard Adult Admission Price (in Euros)	Standard Adult Admission Price (in U.S. Dollars)
Disneyland Park	France	€ 82	\$112
Warner Bros. Movie World	Australia	€ 64	\$79
Legoland California	USA	€ 77	\$95
Alton Towers	UK	€ 55	\$68
Chessington World of Adventures	UK	€ 43	\$53
PortAventura	Spain	€ 55	\$68
Heide Park	Germany	€ 46	\$57
Legoland Germany	Germany	€ 39	\$54
Europa Park	Germany	€ 39	\$53
Parque Warner Madrid	Spain	€ 39	\$53
Great Escape	USA	€ 39	\$53
La Ronde	Canada	€ 36	\$49
Flamingo Land	UK	€ 34	\$47
Legoland Billund	Denmark	€ 38	\$47
Mirabilandia	Italy	€ 37	\$45
Valleyfair	USA	€ 25	\$30
Hansa-Park	Germany	€ 38	\$47
Bellewaerde	Belgium	€ 30	\$38
Walibi Holland	Netherlands	€ 33	\$41
Gardaland	Italy	€ 32	\$40
Kennywood	USA	€ 34	\$42
Slagharen	Netherlands	€ 29	\$36
Elitch Gardens	USA	€ 32	\$40
Wild Waves Theme Park	USA	€ 24	\$33
Frontier City	USA	€ 26	\$32

Admission fee for Nickelodeon Baku
\$ 19,41



Source: Individual facilities; and Leisure Business Advisors LLC.

Financial Assumptions

Per capita spending

Category	Fiscal Year Beginning				
	2020	2021	2022	2023	2024
Admissions	\$19.41	\$19.41	\$19.41	\$22	\$24
Food & Beverage	\$9	\$9.50	\$10.00	\$11.00	\$13.00
Merchandise	\$4.30	\$5.00	\$5.50	\$6.00	\$7.00
Participatory Activities	\$1.87	\$1.98	\$2.09	\$2.21	\$2.34
Miscellaneous	<u>\$1.25</u>	<u>\$1.32</u>	<u>\$1.39</u>	<u>\$1.47</u>	<u>\$1.55</u>
Total Per Capita	\$35.83	\$37.21	\$38.39	\$42.68	\$47.89



Revenue projections

Category	Fiscal Year Beginning				
	2020	2021	2022	2023	2024
Annual Attendance	886,582	1,028,761	1,340,040	1,414,935	1,550,330
Admissions	\$17,208,557	\$19,968,251	\$24,262,500	\$31,128,570	\$37,207,920
Food & Beverage	\$7,979,238	\$9,773,230	\$12,500,000	\$15,564,285	\$20,154,290
Merchandise	\$3,812,303	\$5,143,805	\$6,875,000	\$8,489,610	\$10,852,310
Participatory Activities	\$1,657,908	\$2,036,947	\$2,612,500	\$3,127,006	\$3,627,772
Miscellaneous	<u>\$1,108,228</u>	<u>\$1,357,965</u>	<u>\$1,737,500</u>	<u>\$2,079,954</u>	<u>\$2,403,012</u>
Total	\$31,766,233	\$38,280,197	\$51,444,140	\$60,389,426	\$74,245,304

Financial Assumptions – Operational Expenses



Cost of Goods Sold

Category	<i>Fiscal Year Beginning</i>				
	2020	2021	2022	2023	2024
Food & Beverage	\$2,792,733	\$3,420,630	\$4,375,000	\$5,447,500	\$7,054,002
Merchandise	\$1,715,536	\$2,314,712	\$3,093,750	\$3,820,325	\$4,883,540
Participatory Activities	\$331,582	\$407,389	\$522,500	\$625,401	\$725,554
Miscellaneous	<u>\$221,646</u>	<u>\$271,593</u>	<u>\$347,500</u>	<u>\$415,991</u>	<u>\$480,602</u>
Total	\$5,061,497	\$6,414,325	\$8,338,750	\$10,309,216	\$13,143,698

Operating expenses

Category	<i>Fiscal Year Beginning</i>				
	2020	2021	2022	2023	2024
Salaries / Wages	\$4,129,610	\$4,976,426	\$6,238,375	\$7,850,625	\$9,651,889
Marketing	\$2,223,636	\$2,679,614	\$3,359,125	\$4,227,260	\$5,197,171
Maintenance	\$1,270,649	\$1,531,208	\$1,919,500	\$2,415,577	\$2,969,812
Rentals / Services	\$571,792	\$689,044	\$863,775	\$1,087,010	\$1,336,415
Utilities	\$1,016,519	\$1,224,966	\$1,535,600	\$1,932,462	\$2,375,850
Supplies	\$952,987	\$1,148,406	\$1,439,625	\$1,811,683	\$2,227,359
Insurance	\$698,857	\$842,164	\$1,055,725	\$1,328,567	\$1,633,397
Miscellaneous	<u>\$476,493</u>	<u>\$574,203</u>	<u>\$719,813</u>	<u>\$905,841</u>	<u>\$1,113,680</u>
Total	\$11,342,565	\$13,668,051	\$18,366,457	\$21,556,156	\$26,507,597

Budget determination

Projected FCF (k USD)	2021	2022	2023	2024	2025	2026	2027	2027
Operating Revenues	31,766	38,280	51,444	60,389	74,245	77,457	90,909	95,025
Less: Cost of Goods Sold	(5,061)	(6,414)	(8,939)	(10,309)	(13,144)	(13,712)	(16,678)	(17,434)
Less: Operating Expenses	(11,341)	(13,666)	(18,366)	(21,559)	(26,506)	(27,652)	(32,455)	(33,924)
Operating Profit	15,364	18,200	24,139	28,521	34,596	36,093	41,776	43,668
EBITDA	12,217	14,390	19,529	23,096	27,938	29,147	33,640	35,163
EBITDA Margin	38.5%	37.6%	38.0%	38.2%	37.6%	37.6%	37.0%	37.0%
Investment, USD	150 000 000 \$							
Payback Period	7.5 Years							



Who We ARE & Our Projects

Your reliable Business
Partner



The Biggest non-oil
sector development
Investor in Georgia
and the number one
construction
company



The owner of the
Biggest Agro Park
within 140 ha of
greenhouses (under
construction) in the
Region



The owner of the
biggest logistics
Company in
Azerbaijan within
100 refrigerator
trucks and 300
units of machinery
(construction)



The top 3
residential
developer in
Azerbaijan



The owner of the
biggest concrete
products factory in
Azerbaijan



Accomplished more
than 100 projects in
Azerbaijan in the
sector of social
buildings, water
infrastructure,
industrial
construction



Who We ARE & Our Projects

Renaissance Palace Residential Complex

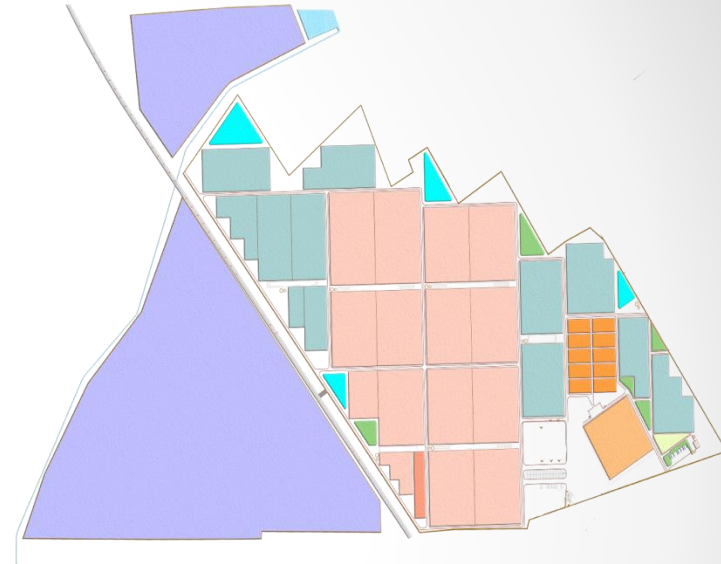


- ❖ The biggest residential development with premium segment
- ❖ 1132 premium class residential apartments
- ❖ 2,7 ha protected area

**SOFAZ Building
(Baku, Azerbaijan)**



**Master plan of 140 Ha
of Agro park Project**



**Dirsi Residential Complex
(Tbilisi, Georgia)**



Villa Sienna (luxury villa resort)



**Water treatment projects for 2
regions with World Bank
cooperation**





nickelodeon WORLD

BAKU AZERBAIJAN