

## Information memorandum (share)

Items	Notes
<b>Policy statement</b>	
About the fact that the information contained in the information memorandum is based on true facts, that no facts have been omitted, and that all necessary measures have been taken to ensure the accuracy and completeness of such information	<p>Sample: We, the undersigned,</p> <p>Confirm that, prior to the preparation of this information memorandum, we have reviewed the 'Regulations on requirements for information memorandum and information memorandum' approved by Resolution No. 05 of 27 January 2016 of the State Committee for Securities of the Republic of Azerbaijan.</p> <p>Declare that all information included in this information memorandum relating to the issue by _____ (the "Company") of ____ (in words) interest-bearing (or discount), unsecured (or secured), uncertificated, registered bonds, each with a nominal value of ____ (in words) manats (or, where applicable, the relevant currency), is based on true facts, that no material facts have been omitted, and that all necessary measures have been taken to ensure the accuracy and completeness of such information.</p> <p><i>Individuals (first, last, middle names and positions held) and legal entities (names and registered addresses) responsible for all or part of the information contained in this information memorandum, together with their signatures and the dates of signing .</i></p>
<b>Table of Contents</b>	<b>The table of contents shall be presented in a clear and detailed manner.</b>
<b>1. Important notices</b>	
1.1. This document forms the introductory section of the information memorandum	
1.2. Any decision to invest in securities should be made by the investor only after reading the information memorandum	

1.3. The persons who have prepared the information memorandum shall be held civilly liable where the information contained in the information memorandum is misleading, inaccurate or inconsistent, or where material information necessary to assist investors in deciding whether to invest in the securities has not been provided.

<b>Summary section</b>	<b>The summary must not exceed 7% of the total volume of the information memorandum or 15 pages. The information contained in the summary must be presented in a clear and understandable manner</b>
<b>2. Information about the issuer and guarantor (if any)</b>	
2.1. Issuer's full name	
2.2. Issuer's location and legal organizational form, and the country of registration	
2.3. A description of the principal markets in which the Issuer competes, together with an analysis of total revenues for the current financial year, taking into account the Issuer's business activity categories and geographical factors	This section requires the Issuer to provide a description of the principal markets in which it operates and competes. The Issuer shall describe the geographical scope of such markets (domestic, regional or international), as well as their principal characteristics and overall size. Information shall also be provided regarding the Issuer's main competitors, the general competitive environment, the Issuer's market share and its competitive strengths, including, inter alia, product quality, pricing policy, technological advantages or other relevant factors. In addition, the Issuer may include information concerning market trends and future market prospects. For the purposes of this section, geographical factors shall include both domestic and foreign market activities. The Issuer shall disclose information relating to its import and export activities, revenues derived from sales and services in domestic and foreign markets, and, where relevant, import indicators relating to goods. It is recommended that all information provided be current and up to date.
2.4. A description of the most significant recent trends affecting the Issuer and the sectors in which it operates	Information on existing trends in the market in which the issuer operates, including the competitive environment and the issuer's position, regulatory changes, technological innovations, and similar developments.
2.5. A brief description of the issuer's position in other legal entities	Where the Issuer holds, directly or indirectly, participation interests in, or exercises control over, other legal entities, this section shall include the following information in respect of such entities: the name and registered office of the legal entity; the Issuer's holding in such legal entity (expressed as a percentage); and the nature of the Issuer's participation, including a description of the principal activities of the legal entity and the significance of such participation for the Issuer.
2.6. Names and nationalities of shareholders with qualifying holding in the Issuer's share capital, together with the number of shares held by each such shareholder and the corresponding percentage of the Issuer's share capital represented by those shares	

<p>2.7. Information relating to the voting rights attached to the shares held by qualifying holding owners in the Issuer's share capital</p>	<p>It is recommended that attention be paid to ensuring that the information complies with the requirements established by the Civil Code and the Issuer's charter documents.</p>
<p>2.8. The nature of control exercised over the issuer by qualifying holding owners</p>	<p>It is recommended that attention be paid to ensuring that the information complies with the requirements established by the Civil Code and the Issuer's charter documents.</p>
<p>2.9. Principal indicators of the Issuer's financial position, based on selected financial information for each of the last three financial years. Where selected financial information is provided for interim periods, comparative information for the corresponding period of the preceding financial year shall also be disclosed. The financial information shall be accompanied by detailed explanatory commentary</p>	<p>It shall be indicated for each financial year whether the information has been audited. Where selected financial information is presented for interim periods, comparative information for the corresponding period of the preceding financial year shall also be provided. For example, where information for the second quarter of the current year is disclosed, it shall be presented together with comparative figures for the second quarter of the previous year. Selected financial information shall be presented in a concise format, including key indicators such as assets, liabilities, equity, profit and other relevant figures. Significant changes in financial indicators shall be explained in detail.</p>

2.10. Selected pro forma financial information. A statement indicating that selected pro forma financial information is presented to illustrate a hypothetical financial position of the Issuer and, accordingly, does not reflect the Issuer's actual financial results or financial position	It shall be prepared in accordance with the requirements set out in Annex No. 3 to the ' <i>Regulations on requirements for prospectus and information memorandum</i> '. Where such financial information is not available, it may be stated as "Not available".
2.11. Where a yield forecast is available, a relevant note	Pursuant to Item 11.3 of the " <i>Regulations on requirements for prospectus and information memorandum</i> ", an independent auditor's report on the consistency of the revenue forecast with the Issuer's accounting policies shall be included as an annex to the revenue forecast. Where no revenue forecast is available, it shall be sufficient to state "Not available".
2.12. A brief description of the auditor's opinion on the audited financial information	This section shall provide concise information on the results of audits conducted by an independent auditor in respect of the Issuer for recent years, while covering the key relevant aspects. The information shall include the full name of the audit firm, a brief summary of the audit opinion, the period covered by the opinion, and whether the auditor's report contains any material qualifications, emphasis of matter paragraphs, or other significant observations, including risks or related issues.
2.13. Information on the sources of any additional funding required in the event that the Issuer's working capital is not sufficient to meet its current needs.	
<b>3. Information about securities</b>	
3.1. Type of shares and registration number (for shares in circulation)	This section requires the indication of the type of shares <b>in circulation</b> and the state registration number issued by the Central Bank.
3.2. Number and nominal value of the issuer's shares held in the issuance account. Number and nominal value of the issuer's shares owned by the issuer's subsidiaries	Shares held in the issuance account refer to shares repurchased by the issuer and recorded in the issuer's issuance account maintained at the National Depository Center. Shares of the issuer owned by its subsidiaries refer to the issuer's shares held by its subsidiary companies (this information is provided where applicable).
3.3. Rights conferred by the shares.	In this section, information is provided about the basic rights granted to shareholders under legislation and the issuer's charter.
3.4. Restrictions attached to the shares	In this section, information is provided about the restrictions applied to the purchase and sale of shares and the exercise of the rights arising from them.

<p>3.5. Information on whether the issuer intends to apply for admission of the shares to trading on a regulated market. If such an application is intended, information on the regulated market on which the shares will be admitted to trading, as well as the terms and conditions of admission to trading.</p>	<p>This section provides information on whether the issuer has submitted, or intends to submit, an application for the admission of its shares to trading on a regulated market. If such an application is envisaged, the name of the regulated market where the shares will be admitted to trading is specified, along with a brief description of that market (including its address, contact details, website, and areas of activity). The conditions for admission to trading on that market are also outlined with reference to the '<i>Regulation on admission to trading, listing, maintenance of listing, and delisting of securities on the Baku Stock Exchange</i>.'</p>
<p>3.6. Description of the issuer's dividend policy.</p>	<p>Information is provided on dividends paid by the issuer over recent years (or the last 3 years, where available) (in cases where dividend payments have been made), as well as on planned dividend payments for the current year. It is recommended to ensure that the information complies with the requirements of the Civil Code and the provisions set out in the company's charter.</p>

<b>4. Risk factors</b>	
4.1. Risk factors necessary to assess the market risks associated with the offered securities	This section highlights the risks associated with the relevant securities for investors' attention. It includes information on the liquidity of the bonds, the existence or absence of a secondary market, and how future conditions in the securities market may affect the value of the bonds. It also addresses how the Issuer's financial condition may impact the value of the bonds, together with other relevant risk factors.
4.2. Risk factors specific to the issuer or to the sector in which it operates	This section provides information on risk factors specific to the issuer or the industry in which it operates. For example, if the issuer operates in the construction sector, it should include information on risks inherent to that sector.
<b>5. Offer</b>	
5.1. Costs expected to be incurred in connection with the issuance and the net amount of funds to be raised	This section provides information on anticipated costs related to the issuance. It should include expenses associated with the Baku Stock Exchange, the investment firm, the settlement agent bank, state fees, and other relevant costs. All costs must be deducted from the total issuance amount, and the net amount should be stated accordingly.
5.2. Reasons for the offer, use of proceeds, and the expected net amount of proceeds	Detailed information is provided on the rationale for the offering and the intended use(s) of the proceeds to be raised. Net proceeds should be stated after taking into account all associated costs.
5.3. Description of the terms and conditions of the offer	Information is provided on the key terms of the offering, including the placement timeline, disclosure of information, as well as the method and procedure of placement.
5.4. Detailed information on the interests of persons involved in the offering, including any conflicts of interest	Information is provided on the interests of the parties involved in the issuance (such as the Baku Stock Exchange, the National Depository Center, underwriter(s), etc.) and on any conflicts of interest. Detailed information is also given on whether any conflicts of interest exist between the parties.
5.5. Names and addresses of owners of offered shares, information on any agreements between the issuer and any shareholder regarding the non-sale of shares owned by that shareholder for a specified period, the parties to such agreements, and the term of the agreement	This is a required disclosure when previously issued shares are intended to be admitted to trading on a regulated market. If this condition does not apply, the statement "not applicable" may be used.

5.6. Potential changes in ownership interests of existing shareholders as a result of the new share offering, including the number and percentage of such changes	It is stated how the ownership structure of existing shareholders is expected to change depending on whether newly issued shares are acquired by current shareholders or not, indicating changes in both absolute numbers and percentage terms.
5.7. Amount of taxes and expenses payable by the purchaser of the shares	When providing information, all costs related to the Tax Code, the Baku Stock Exchange, the National Depository Center, investment companies, and state fees are specified, and any available exemptions or concessions are also noted.
5.8. Information about the underwriter(s) involved in the placement of the securities, including their name, license number, and date of issuance	If underwriting services are to be provided by several investment firms, then in accordance with the requirements of the 'Regulation on provision of investment services (operations) by investment companies and banks', approved by Decision 23/1 of the Management Board of the Central Bank of the Republic of Azerbaijan dated 31 August 2021, the lead underwriter should be identified, and information on each company should be disclosed in line with the requirements of this section
5.9. The start and end dates of the offering and placement of the securities	Where placement is carried out through subscription, information on the start and end dates of the subscription period, as well as the start and end dates of the placement period, is disclosed.
5.10. A statement indicating that information on the terms of the offer will be provided to investors by the underwriter at the time of the offering.	Information is provided on where and under what conditions the information will be made available.