Investment potential of Montenegro

Podgorica, July 2026.

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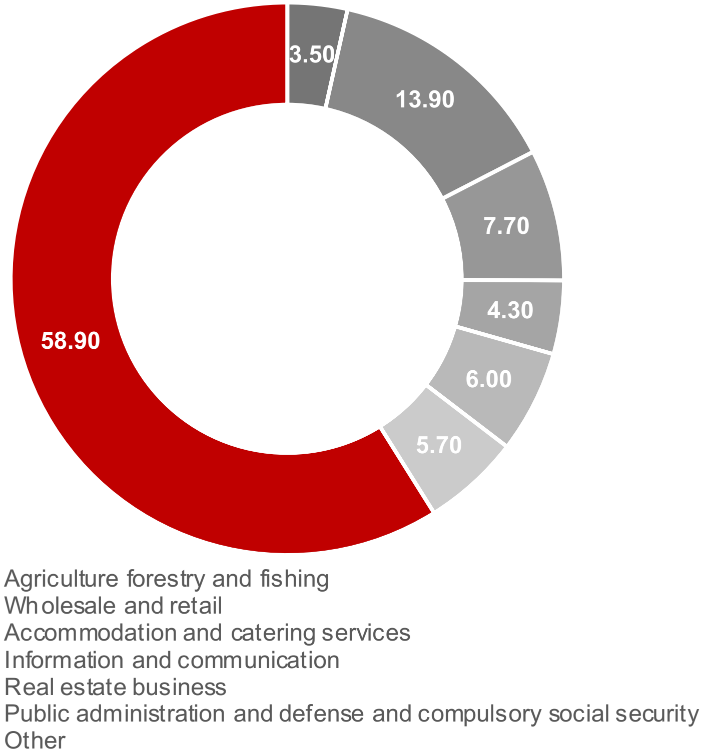
01

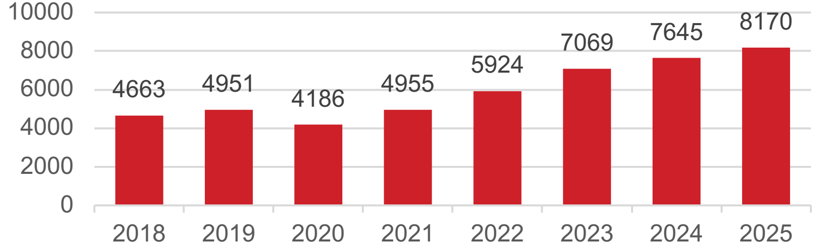
Welcome to Montenegro

Share of economic sectors in GDP in Montenegro 2025

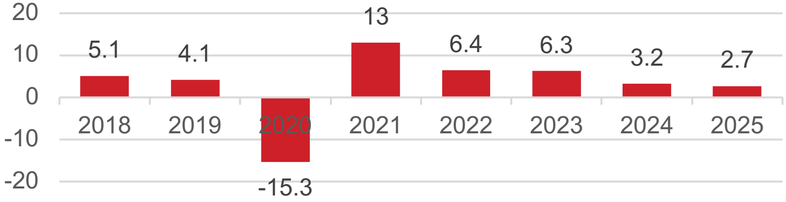
GDP structure 2024



GDP at current prices (mil EUR)



Real GDP growth (%)



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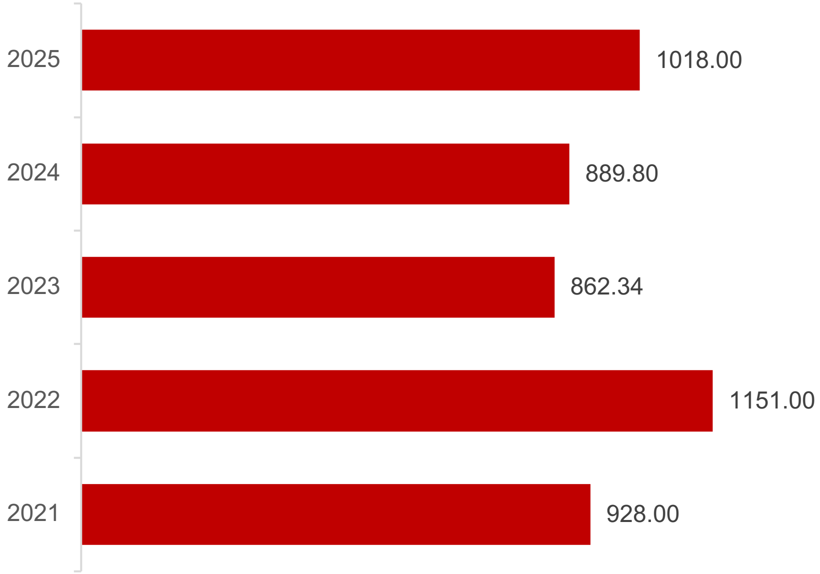
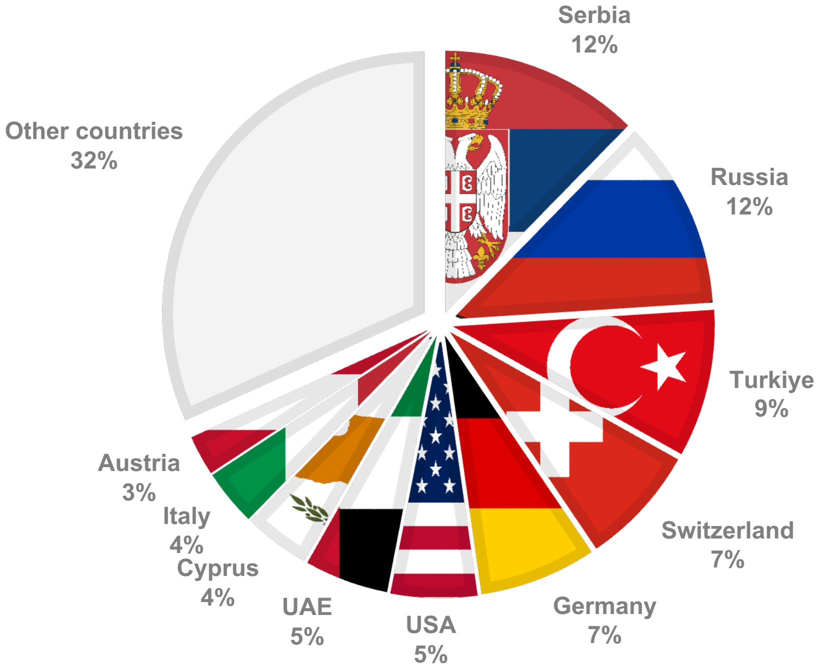
FDI INFLOW 2021-2025

mil. EUR



FDI INFLOW 2021-2025

by countries (%)



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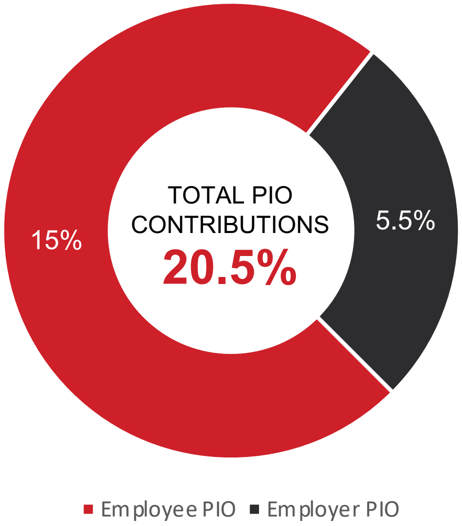
02

Fiscal policy

NEW FISCAL POLICY

REDUCTION OF LABOUR COSTS - EUROPE NOW 2

BEFORE EUROPE NOW 2



TOTAL PIO CONTRIBUTION RATE REDUCED BY

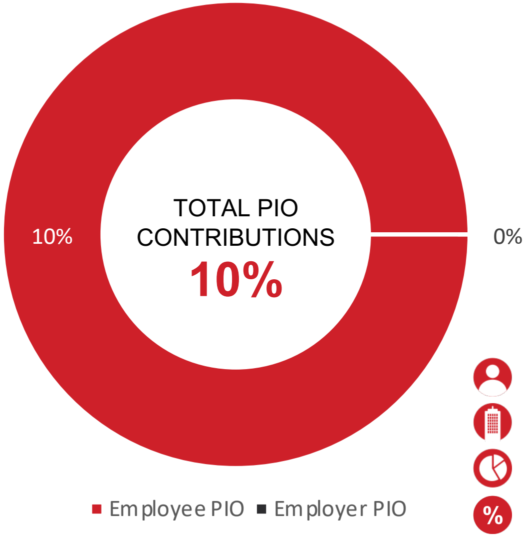
51.2%

from

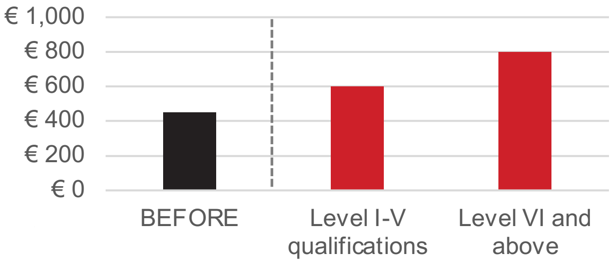
20.5% to **10%**

(-51.2%)

EUROPE NOW 2



MINIMUM NET WAGE



EUROPE NOW 2 - KEY MEASURES

- Employee PIO contribution: 15% → 10%
- Employer PIO contribution: 5.5% → 0%
- Total PIO contribution rate: 20.5% → 10%
- Progressive PIT: 0% / 9% / 15%
- Lower labour costs, higher net wages and stronger competitiveness

Europe Now 2 continues the reform toward lower labour costs, higher employment and sustainable economic growth.

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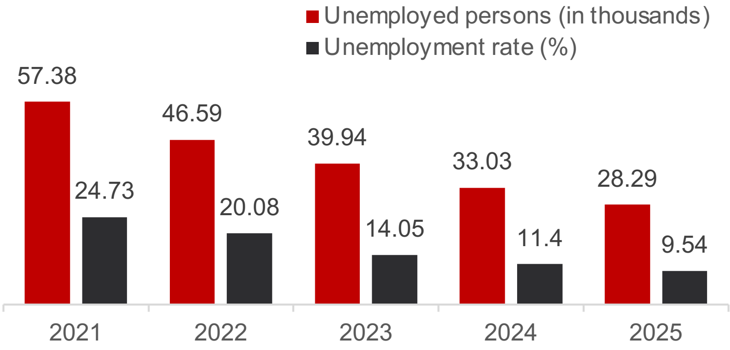
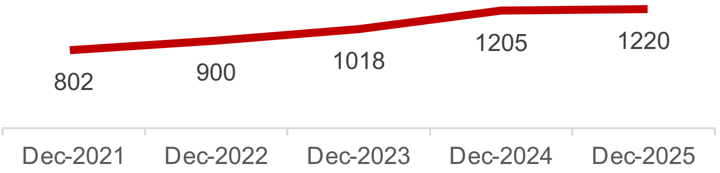
LABOUR MARKET

a significant decrease of unemployment rate and increase of average salary

Number of unemployed persons and unemployment rate by year



Average monthly net salary in Montenegro by year (in EUR)



Source: Monstat

9%

Corporate profit tax from 0€ to 100.000€

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Taxes in Montenegro

a taxation system and individual and corporate tax rates

Corporate profit tax

9% From €0 to €100.000

12% - from €100.000 to €1.500.000
15% - over €1.500.000

Personal income tax

0% - up to €700 monthly salary
9% - €700,01 to €1000 monthly salary
15% - Over €1.000,01 monthly salary

Witholding tax

Dividends - 15% for resident and nonresident legal entities
Interest - 0% for resident and 15% for nonresident legal entities
Royalties - 0% for resident and 15% for nonresident legal entities

Real estate tax

3% - real estate transfer tax
0.25% - 1% - annual real estate tax
3% - inheritance/estate tax lan exemption is avaliable for the transfer of the property as a gift or inheritance to children, parents or spouse.

Social contributions

The rates paid by the employer are as follows:
Pension and disability insurance 0%.
Unemployment insurance 0.5%.

The rates paid by the employee are as follows:
Pension and disability insurance 10%.
Unemployment insurance 0.5%.

National treatment of foreign investors

Foreign Investment Law guarantees the principle of national treatment, which means that foreign investors have the equal rights as domestic ones.

Montenegro has signed double taxation agreements with more than 70 countries to avoid double taxation.
EU currency, 15 days to register (fast company formation)

03

Inspiring Environment

Investment Environment

- Accelerating Public Investment Cycle
- Large-scale infrastructure pipeline underway
- Strong role of EBRD, EIB, World Bank financing
- Increasing PPP project pipeline
- Focus on transport, healthcare, energy, tourism

PROGRAM FOR IMPROVING THE COMPETITIVENESS OF THE ECONOMY

The total budget allocated for the implementation of the Program for Improving the Competitiveness of the Economy for the year 2025 was €3,500,000.00, i.e. individually by program lines:

Program line for the improvement of production capacities in the food industry €2,850,000.00
Program line to support women's entrepreneurship €500,000.00
Program line for the incentive of sustainable health development €150,000.00

A similar program is expected in 2026.

New Foreigners Law

Stronger Commitment-Based Residency Framework

Business-based residence

- Foreign owners holding more than 51% of a company and executive directors must employ at least **3 full-time employees**
- At least **2 employees must be Montenegrin citizens**

Property-based residence

- Temporary residence linked to real estate ownership requires a minimum property value threshold
- The latest amendments introduced a threshold between **€150,000** and **€200,000**, depending on the applicable legal provision and implementation phase.

Policy objective

- Encourage genuine business activity
- Promote local employment
- Attract long-term investors rather than passive residency seekers

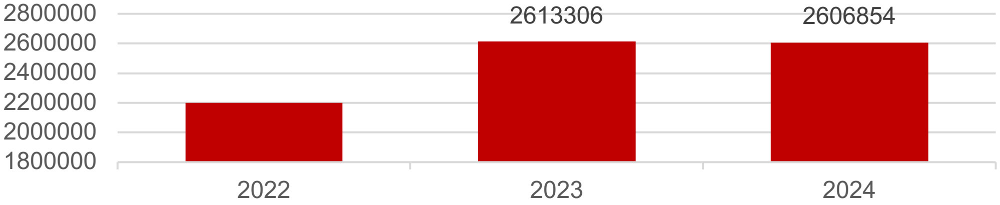
Regional Development Strategy of Montenegro 2023–2027: Investment-Led Growth

Enhancing regional competitiveness through infrastructure, business environment improvements and development of high-potential sectors.

€383.5 million allocated to Montenegro under the EU Growth Plan, including grants and infrastructure financing.

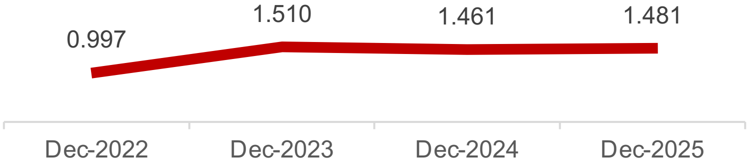
Tourism Insights

High growth in tourist arrivals, YoY
International tourism, number of arrivals



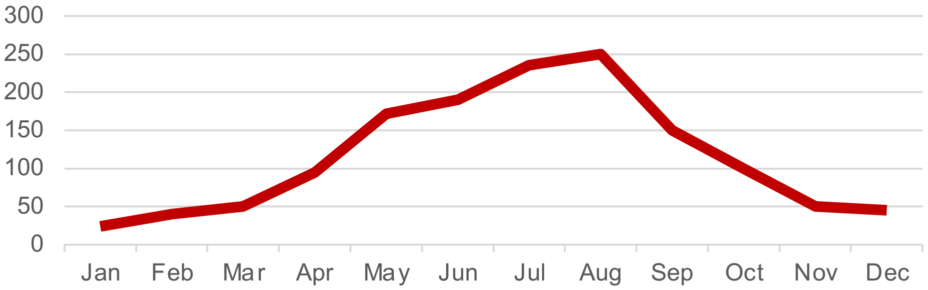
Revenues from tourism are constantly growing and in the last three years exceeded **one billion US dollars**

International tourism, receipts (USD, billion)



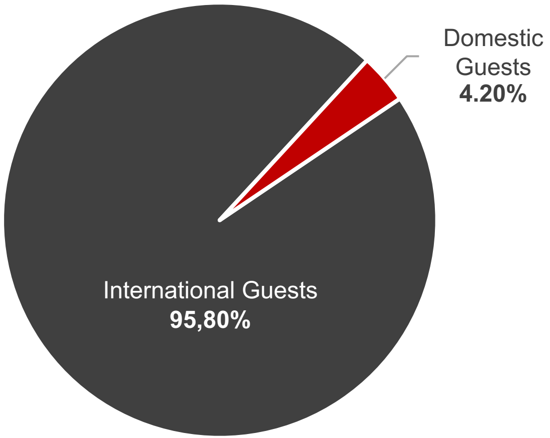
Seasonality as a prevalent characteristic of Montenegrin tourism sector

Tourist arrivals in collective accomodation in 2025 by month



Foreign guests have more than 95.8% participation in total revenue, which is an indicator of the competitiveness

Source: Monstat



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100%

Tax exemption for the first **8 years**

Tax Incentives for Investments in Less Developed Municipalities

- **100%** exemption from corporate profit tax for newly established companies operating in underdeveloped municipalities for the first **8 years**.
- Tax relief for employment in less developed municipalities.
- Incentives for large-scale tourism investments and tourism infrastructure development, with a particular focus on less developed regions.

04

Public – Private Partnership

PPP as a Core Model

EFFICIENT use of public & private capital

Budgetary funds, assets and private capital work together rather than separately.

1

Risk-Sharing framework

Clear allocation of project, financial, and operational risks.

2

Higher Quality of Service

Focus not only on construction, but also on availability, maintenance, and outcomes.

3

Which Sectors Can PPP Cover?

- Transport and logistics
- Energy and renewables
- Municipal infrastructure
- Healthcare and rehabilitation
- Sports and tourism
- Culture and heritage
- Digital and social infrastructure

PPP Procedure

The process is clear, procurement is transparent and implementation is monitored through a registry and oversight system.

Identification	Preparation	Opinion	Planning	Tender	Monitoring
define needs and concept	economic, technical, and legal structuring	Agency, Ministry of Finance, and oversight bodies review	project enters official plan	transparent partner selection	contract management and performance tracking
1	2	3	4	5	6

05

Priority Areas
RED & GOLD

TOURISM RED & GOLD PRIORITY

Bjelasica Mountain Resort

1,350 Ha · Flagship Greenfield Ski & Eco-Resort

Zarski COA 193 ha **6,776 beds · €347M**	**Cmiljaca COA** 119 ha **1,995 beds · €37M**
Jelovica COA 139 ha **2,818 beds · €82M**	**Torine COA** 121 ha **1,526 beds · €121M**

Excellent snow cover and a Mediterranean-Alpine climate support a compelling year-round destination.

Full master plans available for hospitality, resort, and infrastructure developers.

Ski slopes · Apartments · Hotels · Golf

Northern Montenegro

- Wellness & Nature-Based Healthcare
- Regions: Kolasin, Zabljak, Plav, Berane
- Clean environment + mountain climate advantage
- Development of wellness resorts and rehabilitation centres
- Sports medicine and longevity tourism potential
- Strong season extension opportunity

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SUCCESS STORIES

The most significant realized investments in the tourism sector

Porto Novi

Investor: Azmont Investments

835 million € investment
500 new employees

in 2021, the "One & Only" hotel was opened within the resort - the first of that brand in Europe

Porto Montenegro

Investor: Investment Corporation of Dubai

923,4 million € investment
580 new employees

Lustica Bay

Investor: Orascom

447 million € investment
483 new employees

Swissôtel Resort Kolasin

The total amount invested in the Kolasin 1600 project as of December 31, 2023. year: **€20,676,665.20**

Mamula Island

Investor: Orascom

36,6 million € investment
203 new employees

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06

Energy in Focus

Undersea Cable
Between Italy and Montenegro

The largest development project
in the energy sector in history of Montenegro

Regional hub for the electricity export to the EU market

A huge boost for the implementation of the new projects in the energy sector of Montenegro

600 MW capacity (total 1200 once the 2nd phase is implemented)

1.2 billion EUR total investment

Single point of service

CLEAN ENERGY PORTFOLIO

Energy Storage & Solar

Leading Montenegro's Clean Energy Transition

SPP Slano Floating Solar

68 MWp · 75 GWh/yr · €60M

Montenegro's first floating solar project, supported by EBRD technical assistance. Long-term PPA structure available.

SPP Stedim Solar Power Plant

Niksic region · Utility-scale

Grid-connected ground-mounted solar. Well-suited for long-term PPA structure in the EU-linked energy market.

Battery Energy Storage Systems

30 MW planned · Portfolio-level

Storage spanning EPCG Zeljezara, HPP Piva/Perucica, SPP Gvozd, and TPP Pljevlja generation assets.

43% Electricity from renewables

68 MWp Floating solar capacity

30 MW Battery storage planned

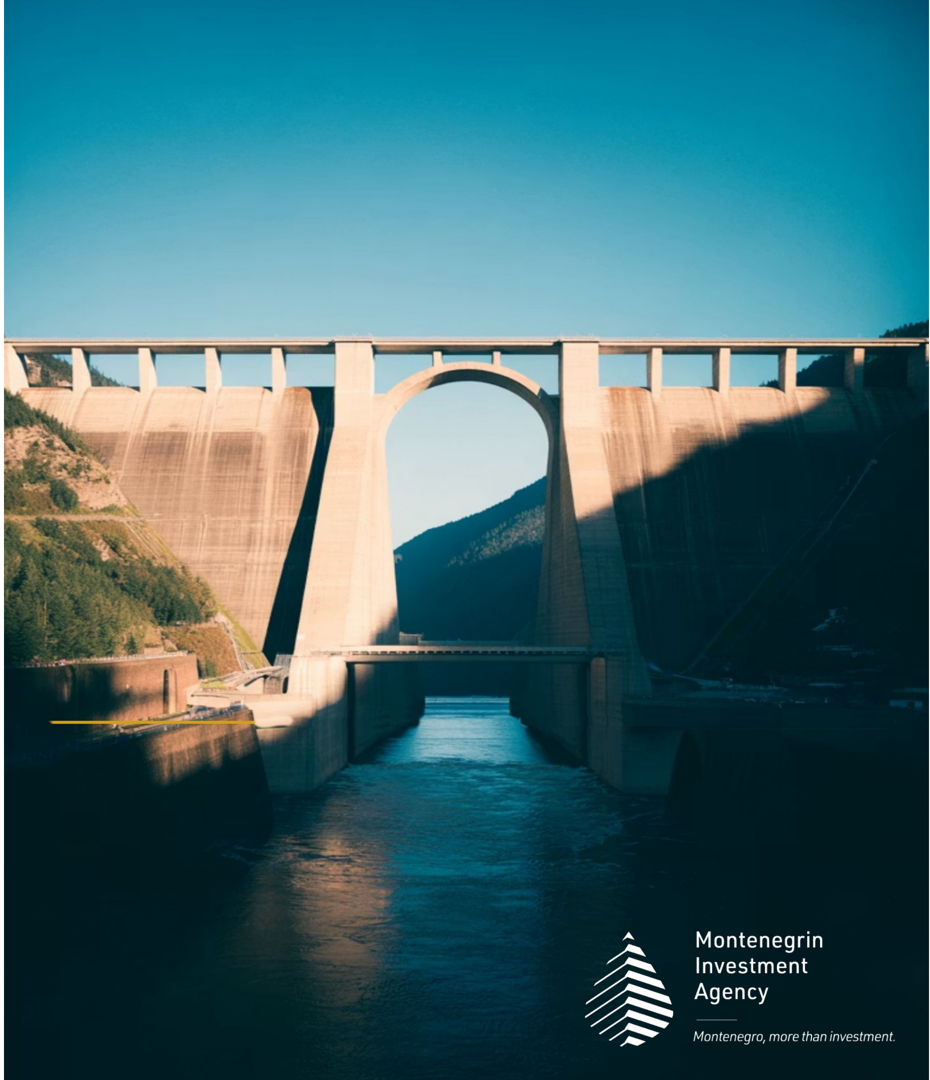
RENEWABLE ENERGY

HPP Komarnica

Hydropower Plant · *EU-Scale Renewable Infrastructure*

171.9 MW ***Installed Capacity*** Two 81 MW generators + 9.9 MW auxiliary.	**213 GWh** ***Annual Output*** 227 million m³ reservoir capacity
€315M ***Total Investment*** EBRD technical & financial support secured	**EPC Open** ***Contract Status*** Contractors welcomed

EBRD - backed · PPP - ready · EPC partners welcomed



INFRASTRUCTURE
CLEAN ENERGY

Podgorica Waste-to-energy

Municipal Waste Management · Feasibility Stage

€300M	Open
Estimated Investment	***Partnership Status***
PPP structure preferred	EPC partners welcomed

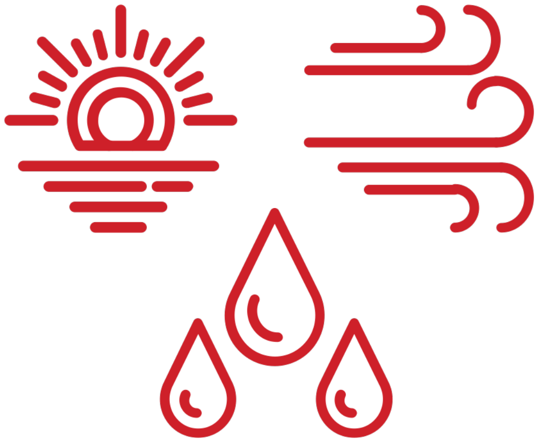
Feasibility study open · PPP - ready · EPC partners welcomed

Transition Creates Opportunity

Electricity production comes from various sources, but a large part, over 40%, still comes from the **Pljevlja Thermal Power Plant**, which uses coal.

However, due to strict EU environmental regulations, this plant will eventually need to shut down.

That is why we actively promote alternative energy projects, focusing on renewable sources such as wind, hydro, and solar power. At the same time, a business transformation of the Pljevlja Thermal Power Plant is being planned, including the creation of 11 new companies with different types of activities. The goal is to keep stable business operations and preserve jobs. Because of this, the transition process also creates good opportunities for investors and international partners.



Sustainable Energy sector

Renewable Energy Investment Framework in Montenegro

EU-Aligned Legal Framework

New Renewable Energy Law adopted in 2024
Full alignment with EU Renewable Energy Directive (RED II)
Competitive auctions replacing legacy subsidy schemes

Investor Opportunities

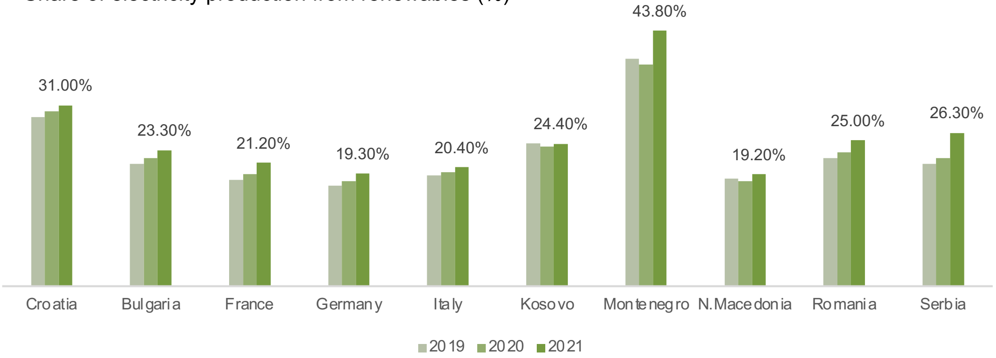
250 MW first solar auction launched
Market premium support mechanism
Guarantees of Origin (GO) for green energy trading
Support for solar, wind, hydro, biomass and emerging technologies

Strategic Advantage

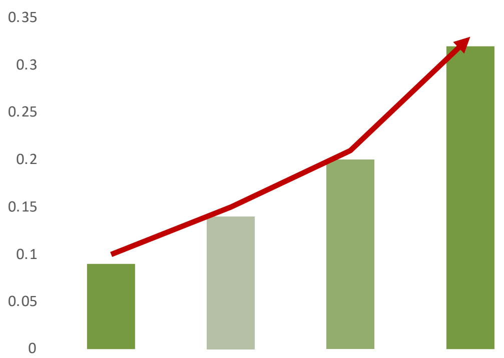
Strong government commitment to energy transition
EBRD and EU-backed regulatory framework
Growing demand for renewable generation capacity

The largest share in the production of energy from renewable sources

Share of electricity production from renewables (%)



Electricity production from wind (TWh)



Electricity production in Montenegro (2024)		
	GWh	%
HPP Perucica & HPP Piva	1.544,0	46,7
TPP Plievlja	1.290,0	39,1
Small HPPs	164	4,9
Wind Power Plants	304	9,2

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07

Infrastructure

INFRASTRUCTURE

Bar-Boljare Highway

The Largest Infrastructure Project Being Implemented in Montenegro

173 km

Total Length

Podgorica to Serbian border

€2.8B

Total Investment

EU co-financed project

4 Sections

Construction Phases

Mateshevo to Bar corridor

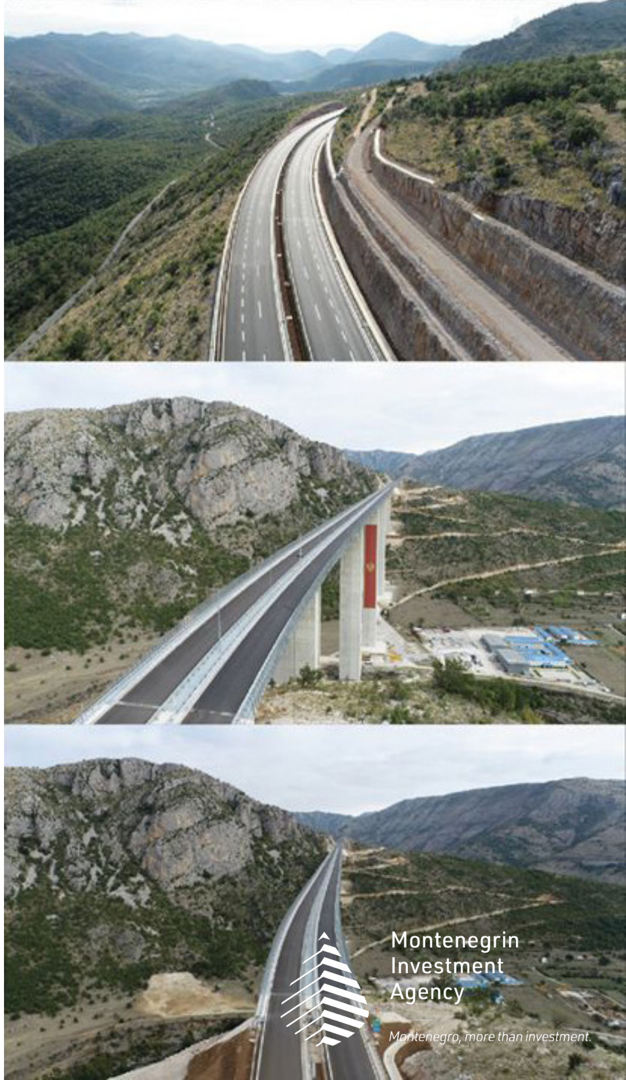
Ongoing

Project Status

EPC partnership opportunity

Montenegro's flagship road project, connecting the Adriatic coast to Central Europe

EPC opportunity · PPP-ready · Partners welcomed



INFRASTRUCTURE

Road Infrastructure Development Plans

Expanding Montenegro's highway and expressway network

KEY PROJECTS

Bar-Boljare Highway (A1)
First section completed and open. Remaining sections under construction. Total value €2.8 billion — ready for EPC and financing partners.

Adriatic-Ionian Highway (A2)
5 sections along the Adriatic-Ionian route. Preliminary designs for two sections complete. 2025–2026 tender for preliminary designs.

Expressways B1, B3, B4, B5
13 new junctions across Montenegro's interior regions. 2027–2028 design tender windows — open to EPC and detailed designs.

OPPORTUNITY

→ EPC contracting & construction
→ Bridge & tunnel engineering
→ Preliminary design tenders
→ Equipment supply & smart road tech

RED & GOLD PRIORITY · STRATEGIC PORT ASSET

PORT OF BAR

Eastern Adriatic Gateway

Only deep-sea port on the Eastern Adriatic — integrated with the Belgrade–Bar railway and road network.

400K m²	**Cargo Area** Established logistics footprint
10 km²	**Expansion Zone** High-potential development area
€300M	**Investment Target** Strategic capital opportunity

OPPORTUNITY

→ Smart port technology
→ Cargo handling equipment
→ Container terminal PPP
→ Free trade zone manufacturing

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INFRASTRUCTURE

Railway Modernisation

Upgrading Montenegro's Strategic Rail Links

Montenegro's rail network connects the Adriatic coast with Central Europe. Modernisation and new cross-border links create opportunities for rail technology, rolling stock, and EPC contractors.

€540	**Vrbnica – Bar Line** 25 km section · Track, signalling & tunnels Flagship railway reconstruction — EU co-financed	**EIB FUNDED**
€20M	**Podgorica – Niksic Line** 46 km regional line · Track renewal and stations 2025–2027 implementation window — open to EPC	**MRD GRANT**

Business Services Sector On A Rise

Due to time proximity, good infrastructure and multilingual capabilities, Montenegro is becoming a next-wave location for detivery of voice and non-voice business process services and IT

ICT SECTOR

The ICT sector in Montenegro has been recognized as one of the most important sectors for the future economic development of Montenegro

NAUČNO TEHNOLOŠKI PARK Crne Gore
Innovation Fund of Montenegro
Tehnopolis Inovaciono Preduzetnički Centar

amplitudo coinis datadesign OYKOS logate

ALICORN fleka s&t bildstudio one

Thank you.

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