Trieste – Eastern Europe Investment Forum
Wednesday 6 June 2018, Trieste
Mauro Zan, Head of Equity and Investment Department at Finest S.p.A di Finest S.p.A.
FINEST is a joint stock company established by the Italian Government in 1991 with the aim to promote the economic cooperation between the North East of Italy and Central Eastern Europe.

Supporting private sector projects in the target Regions through:

- Technical assistance and consulting;
- Taking shareholding and lending lines of credit to the new ventures set up in CEE, Russia and CIS.
- We work with Italian companies based in the North East of Italy
- Investing in CEE, Russian Federation, CIS and Balkans from the origin of FINEST operations,
  with a recent extension to Turkey, Middle East, North Africa, Spain and France

44 Countries of operation
550 deals
320 bln allocated
2 bil investments generated in those projects
Finest is

FINEST SHAREHOLDERS

- FRIULIA SPA: 73%
- PROVINCE OF TRENTO: 1%
- BANKS: 1%
- SIMEST S.P.A: 4%
- VENETO REGION: 13%
- VENETO SVILUPPO S.P.A: 8%
| - TO FACILITATE THE INVESTMENTS OF PRIVATE SECTOR IN THE TARGET REGIONS;  |
| - TO MAKE EASIER THE FINALIZATION OF SMEs INTERNATIONAL PROJECTS;       |
| - TO GET A RELEVANT IMPACT ON THE ECONOMIES OF THE NORTH EAST OF ITALY;  |
| - AT THE END TO HARMONIZE THE NORTH EAST ECONOMY WITH REGIONS REPRESENTING A NATURAL EXTENSION OF NORTH EAST OF ITALY |
The contest

**ITALIAN TREND**

Positive Trend of Italian EXPORT growth vs GDP

North Eastern Regions have high growth impact on Italian Economy

SOURCE: Sole 24 Ore 05/06/2018
FDI stocks - Outward, % of GDP, 2016

ITALY = 24,9%

vs.

GERMANY = 39,4%

SPAIN = 41,9%

FRANCE = 51,1%

Average EU – 28 = 55,5%

Average EU = 59,8%

Source: Italia Multinazionale 2017
World economies - Trends overview
The contest

<table>
<thead>
<tr>
<th>INFO</th>
<th>FRIULI VENEZIA GIULIA</th>
<th>VENETO</th>
<th>TRENTINO ALTO ADIGE</th>
<th>TOT TRIVENETO</th>
<th>ITALY</th>
<th>% TRIVENETO / ITALY</th>
</tr>
</thead>
<tbody>
<tr>
<td>POPULATION</td>
<td>1.218.985</td>
<td>4.857.210</td>
<td>1.029.475</td>
<td>7.105.670</td>
<td>59.433.744</td>
<td>12%</td>
</tr>
<tr>
<td>ACTIVE COMPANIES</td>
<td>82.720</td>
<td>391.474</td>
<td>84.398</td>
<td>558.592</td>
<td>4.338.085</td>
<td>13%</td>
</tr>
<tr>
<td>GDP GROWTH RATE 2017</td>
<td>+1,3%</td>
<td>+1,7%</td>
<td>+1,1%</td>
<td>+1,5%</td>
<td>+1,5%</td>
<td>-</td>
</tr>
<tr>
<td>EXPORT 2017</td>
<td>14,8 MLD €</td>
<td>61,3 MLD €</td>
<td>8,4 MLD €</td>
<td>84,6 MLD €</td>
<td>448 MLD €</td>
<td>19%</td>
</tr>
<tr>
<td>EXPORT GROWTH RATE 2017</td>
<td>+12,1%</td>
<td>+5,1%</td>
<td>+8%</td>
<td>+6,6%</td>
<td>+7,4%</td>
<td>-</td>
</tr>
<tr>
<td>JOINT VENTURE ABROAD (2015)</td>
<td>1.163</td>
<td>5.070</td>
<td>856</td>
<td>7.089</td>
<td>35.684</td>
<td>20%</td>
</tr>
</tbody>
</table>

Sources: ISTAT – Recent publications 2018; CGIA MESTRE, feb. 2018
### N° of Deals

<table>
<thead>
<tr>
<th>Countries</th>
<th>N.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Romania</td>
<td>126</td>
</tr>
<tr>
<td>Croatia</td>
<td>79</td>
</tr>
<tr>
<td>Russia</td>
<td>45</td>
</tr>
<tr>
<td>Poland</td>
<td>39</td>
</tr>
<tr>
<td>Serbia</td>
<td>37</td>
</tr>
<tr>
<td>Slovakia</td>
<td>37</td>
</tr>
<tr>
<td>Slovenia</td>
<td>33</td>
</tr>
<tr>
<td>Hungary</td>
<td>33</td>
</tr>
<tr>
<td>BIH</td>
<td>31</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>24</td>
</tr>
<tr>
<td>Czech republic</td>
<td>19</td>
</tr>
<tr>
<td>Albania</td>
<td>17</td>
</tr>
<tr>
<td>PECO</td>
<td>17</td>
</tr>
<tr>
<td>Italy</td>
<td>7</td>
</tr>
<tr>
<td>Spain</td>
<td>4</td>
</tr>
<tr>
<td>Turkey</td>
<td>4</td>
</tr>
<tr>
<td>Bielorussia</td>
<td>3</td>
</tr>
<tr>
<td>Fyrom</td>
<td>3</td>
</tr>
<tr>
<td>Egypt</td>
<td>2</td>
</tr>
<tr>
<td>Latvia</td>
<td>2</td>
</tr>
<tr>
<td>Ukraine</td>
<td>2</td>
</tr>
<tr>
<td>Others</td>
<td>6</td>
</tr>
</tbody>
</table>

**Romania + Croatia + Serbia + Slovenia + BIH + Albania + Bulgaria = 61% of deals**

### Investments 1993-2017 - Main Countries of investment

![Bar chart showing the distribution of investments across different countries from 1993 to 2017. The chart highlights Romania, Croatia, Slovakia, Russia, and other countries with their respective investment values. The total deals for Romania, Croatia, Serbia, Slovenia, BIH, Albania, and Bulgaria account for 61% of the deals.]
MAIN SECTORS IN ROMANIA, CROATIA, SERBIA, SLOVENIA, BIH, ALBANIA

Deals 1993-2017 – Main sectors of investment

- Mechanical/Electro-mechanical
- Constructions
- Wood/Furniture
- Metallurgical
- Utilities
- Plastic
- Agriculture/Fisheries
- Trade
- Textile/Clothing
- Financing
- Real Estate
- Leather
- Footwear
- Varie NT
- Chemical
- Tourism
- Services
- Transports
- Packaging
- Medical
- Others

Others 14%

Agriculture/Fisheries 3%

Plastic 3%

Textile/Clothing 6%

Trade 6%

Mechanical/Electro-mechanical 9%

Utilities 12%

Meccanica 12%

Metallurgical 12%

Constructions 14%

Wood/Furniture 20%
<table>
<thead>
<tr>
<th>Current portfolio</th>
<th>69</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current portfolio value</td>
<td>94 mln €</td>
</tr>
<tr>
<td>Current portfolio</td>
<td>40</td>
</tr>
<tr>
<td>Current portfolio value</td>
<td>56 mln €</td>
</tr>
</tbody>
</table>

- **IN ROMANIA, CROATIA, SERBIA, SLOVENIA, BIH, ALBANIA, BULGARIA**
- **FOR ROMANIA, CROATIA, SERBIA, SLOVENIA, BIH, ALBANIA, BULGARIA**

**CURRENT PORTFOLIO VALUE**

- Other Countries: 41%
- Romania, Croatia, Serbia, Slovenia, BIH, Albania Bulgaria: 59%

**Current Portfolio value**

- Bulgaria: €15,000,000
- Serbia: €10,000,000
- Romania: €5,000,000
- Croatia: €1,000,000
- BIH: €500,000
- Slovenia: €500,000
- Albania: €500,000
Investment Operations

MERGER & ACQUISITION

BROWNFIELD

GREENFIELD

CAPITAL SUBSTITUTION
Core instruments

**EQUITY (FDI)**

25%-49%  |  8 years
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<table>
<thead>
<tr>
<th>Max. Shareholding</th>
<th>Max. duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agreement with the main sponsor regulating the buy back of Finest shareholding</td>
<td></td>
</tr>
</tbody>
</table>

**FINANCING**

25%  |  8 years
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<table>
<thead>
<tr>
<th>Max. of total investment - providing loans directly to the foreign Company</th>
<th>Max. duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financing must be repaid by the foreign company with its own flows.</td>
<td></td>
</tr>
</tbody>
</table>
Other instruments for NON EU COUNTRIES

**SOFT FINANCING** *(subsidies)*

Grant to interest rate for corporate financing (only for NOT EU Countries) – L. 100/90

**ADVISORY**

- International operations
- Corporate consulting
- Management of international businesses

**BUSINESS DEVELOPMENT**

- Matching of business opportunities rising from Finest activities
Contacts

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FINEST

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