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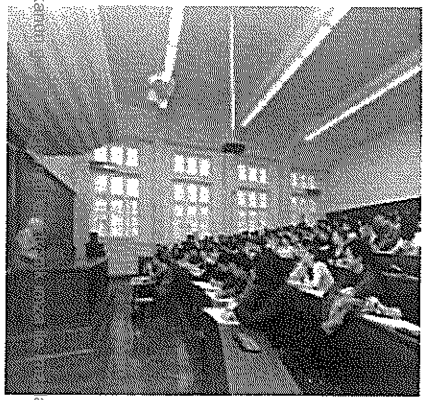
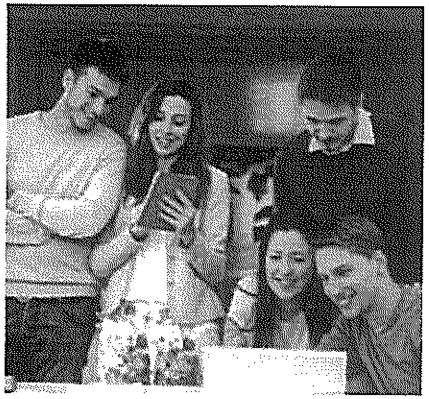
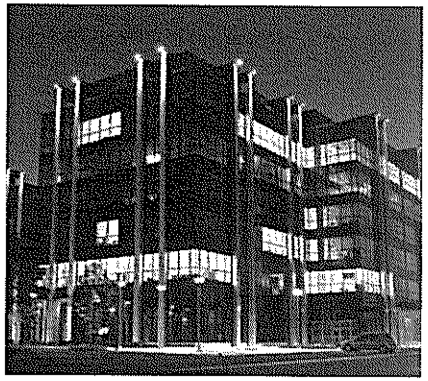
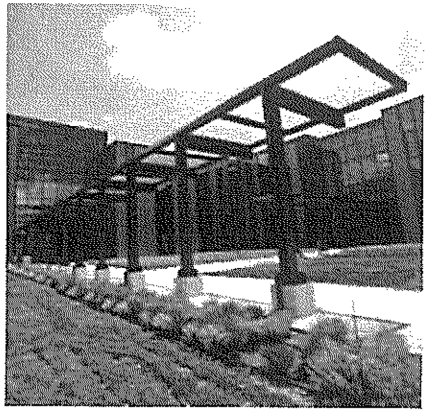




RAS





Why Invest in Serbia?

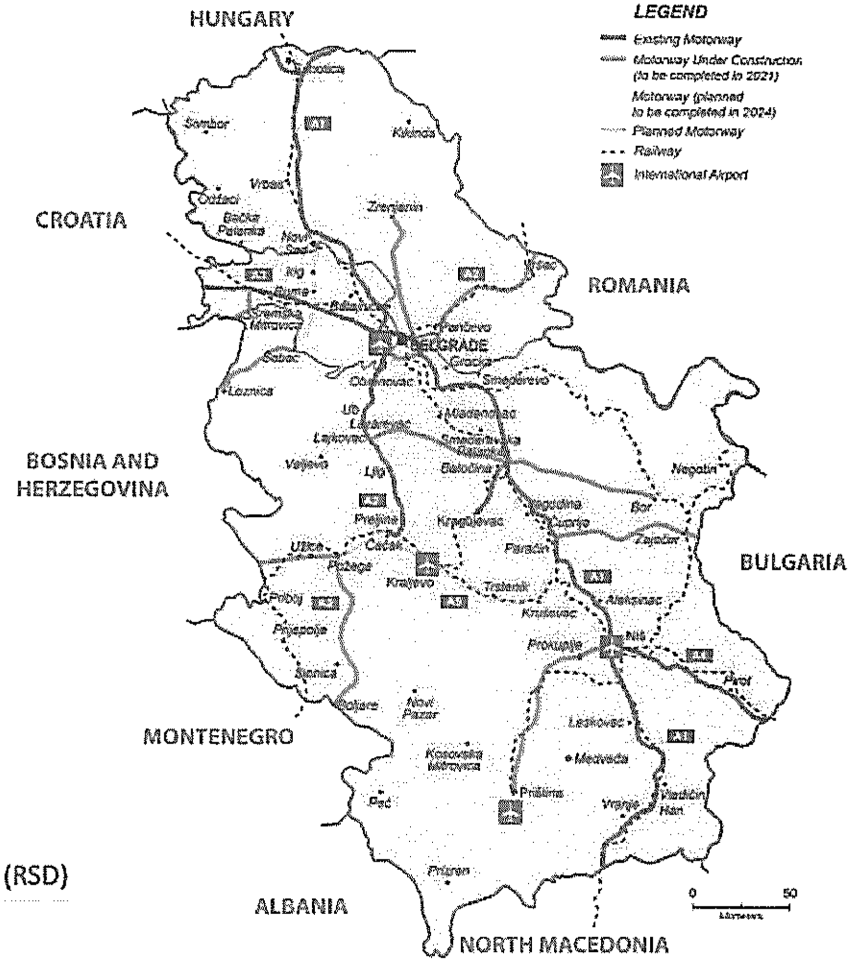
Welcome to Serbia!

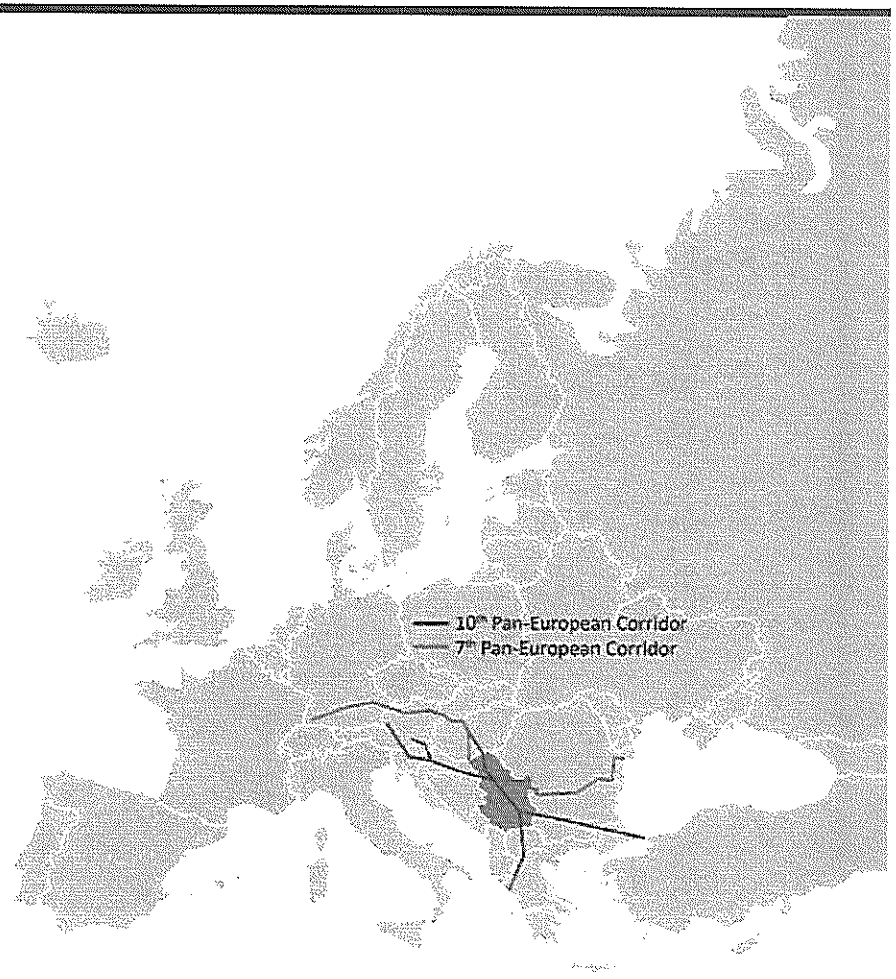
RAS

88,361 km²

7 million*

Currency: Serbian Dinar (RSD)





*Data does not include Kosovo and Metohija

About Serbia

RAS

”

I have been nothing but impressed by Serbia - a hidden gem to the business world.

Jeff McCroskey, VP Services, Europe, NCR

”

The business environment is stable, and it offers transparent market conditions, which creates a good starting point for our business growth in a long run.

Marco Aspesi, VP Corporate Transformation at SR Technics

Serbia has continued its path towards EU membership: negotiation process has officially started

On the World Bank's Doing Business list for 2020 Serbia occupies the 44^{th} place among the 190 countries

City of Belgrade has been named a City of the Future in Southern Europe by the Financial Times

Industrial Sectors in Focus

RAS

Automotive

- Top technical education at all levels - wide availability of highly-qualified staff
- The perfect geographic location for efficiently serving EU, SEE and Middle East
- Sufficient capacity for large volumes of production

IT

- ICT is most prosperous industry in Serbia with a record 1.4 billion euros of export in 2019
- Positive growth trend in this industry, more than 25 percent annually in the previous three years
- Serbia is home to 2,300 innovative IT companies employing more than 28,000 people
- Microsoft's 4th development center in the world opened in Serbia
- Expertise in custom, high-end IT development, including software, hardware, and solutions

Metalwork and Machine Building

- One of Serbia's core industries with the longest manufacturing tradition
- Most of the companies are export-oriented because of internationally acknowledged quality and competitive prices
- Highly-skilled workers and competitive labor costs

Aerospace and Defense

- Century-long tradition and reputation
- World class workforce
- Close relations with countries anticipated to have the highest growth in aerospace and defense spending

Industrial Sectors in Focus

RAS

Agriculture, Food and Beverages

- Serbia is a global leader in the export of frozen raspberries with $261 million exported in 2018 and world No.1 producer of frozen raspberries in 2018. Over 6.12 million Ha of agricultural land, of which 60% is arable
- Sector accounts for 13.1% of FDI since 2001
- One of the few industry sectors recording a trade surplus

Textile

- Long tradition in providing services to global industry leaders
- Developed educational system that includes both secondary schools and university levels
- Highly export-oriented sector, with more than 1.3 billion euros of total export in 2019, out of which 70% was absorbed by EU market

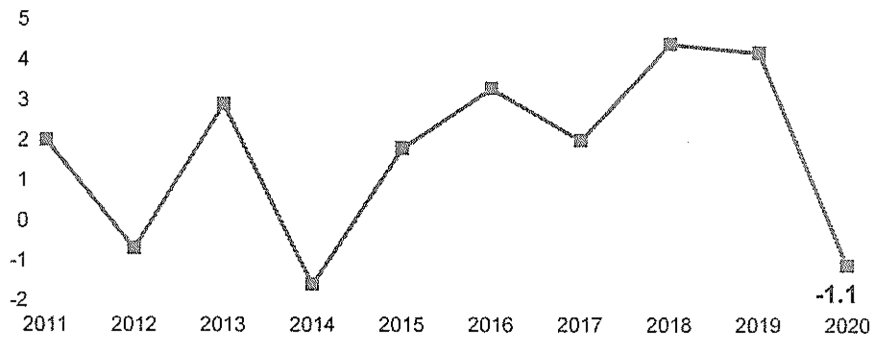
Forest Based Industry

- Tradition and experience in producing hard wood furniture
- Large opportunities in sawn wood, engineered wood products, furniture, and paper production
- Top-quality raw base materials

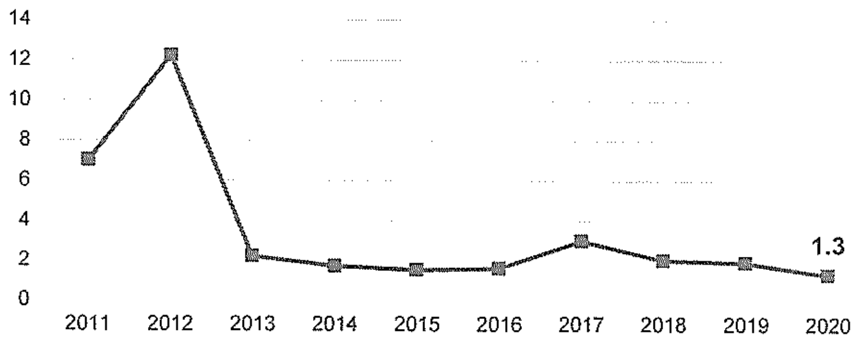
Economic Indicators

RAS

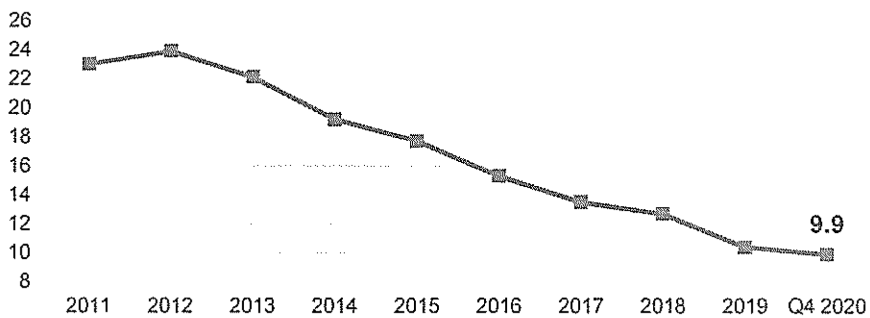
GDP Growth Rate (%)



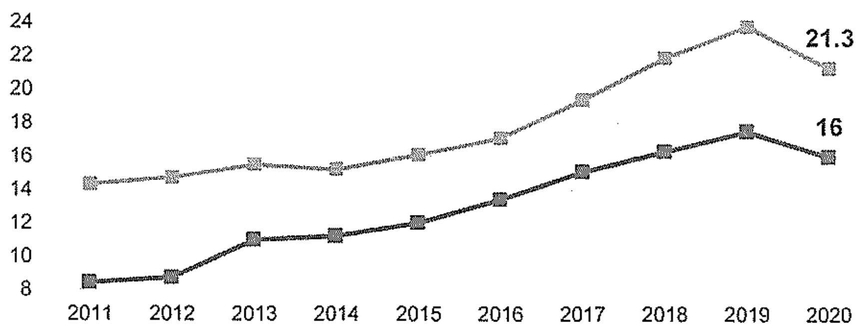
Inflation (%)



Unemployment Rate (%)



Import and Export (billion EUR)

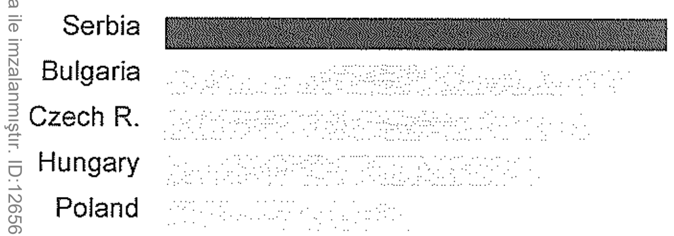


Source: National Bank of Serbia, Ministry of Finance of the Republic of Serbia,
Statistical Office of the Republic of Serbia

Success in Attracting FDI

RAS

FDI Stock (% of GDP), 2019



Source: UNCTAD

2012	2013	2014	2015	2016	2017	2018	2019	2020
1,009	1,548	1,500	2,114	2,127	2,548	3,464	3,815	3,014

Inflow of FDI in Serbia (million EUR)

Source: National Bank of Serbia

Join the Pool of the Successful

Success in Attracting FDI

RAS

FDI Ranking by Value

- Germany 14.9%
- Italy 14.6%
- Austria 8.2%
- Slovenia 6.2%
- USA 5.4%
- France 5.0%
- Turkey 3.4%

FDI Ranking by Number of Projects

- 10.7% Italy
- 10.3% USA
- 9.7% France
- 9.7% Germany
- 9.3% Austria
- 8.9% China
- 6.8% Czech Republic

FDI Ranking by Sector by Number of Projects

- 18.5% Automotive
- 10.6% Agriculture,Food and Beverage
- 8.7% Textile & Clothing
- 6.4% Electrical and Electronics
- 5.4% Construction
- 5.0% Machinery and Equipment
- 4.8% Metallurgy & Metalworking

Source: RAS, February 2021

Success in Attracting FDI

RAS

FT Greenfield FDI Performance Index 2019

- Financial Times has **ranked Serbia #1** in the world in Greenfield FDI performance
- Index is based on the number and size of Greenfield investment projects relative to the country's GDP
- According to FT, Serbia is "punching almost at 12 times above its weight"

Country	Ranking	Score
Serbia	**1**	**11.92**
Montenegro	2	11.49
Cambodia	3	10.82
Lithuania	4	8.47
Malta	5	7.78

IBM Global Locations Trends 2019

- For the third year in a row Serbia is **ranked #1** in the world by estimated jobs created from FDI per million inhabitants
  - In addition, Serbia is ranked 12th in the World by total estimated jobs created from FDI

Country	Ranking
Serbia	**1**
Ireland	2
Jamaica	3
Lithuania	4
Hungary	5

RAS

Why Invest in Serbia?

Why Invest in Serbia?

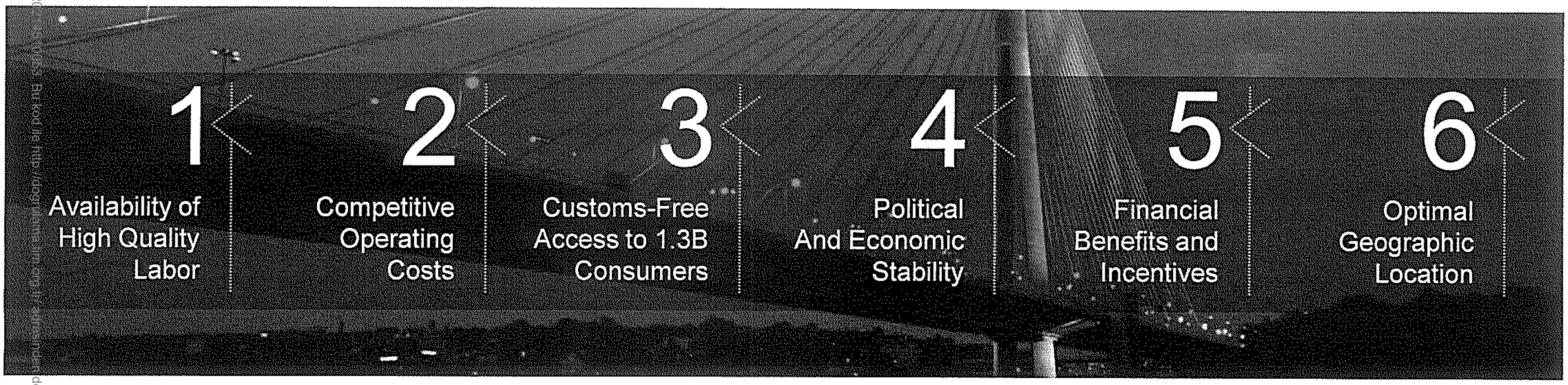
RAS

"The attractiveness of the location, logistics advantages, availability of skilled workforce, and a very good support of the Government of the Republic of Serbia and the local community are the main reasons why the Bosch Group decided to invest in the municipality of Pecinci and the Republic of Serbia.

Mrs. Jovanka Jovanovic, General Manager of Robert Bosch Serbia

"We saw Serbia as a country with good strategic position, adequate infrastructure and great human resource potential. Being at a unique position in the European market, Serbia offers diverse possibilities and, above all, high quality workmanship.

Mrs. Silvia Vernetti - Blina, Director FCA Serbia

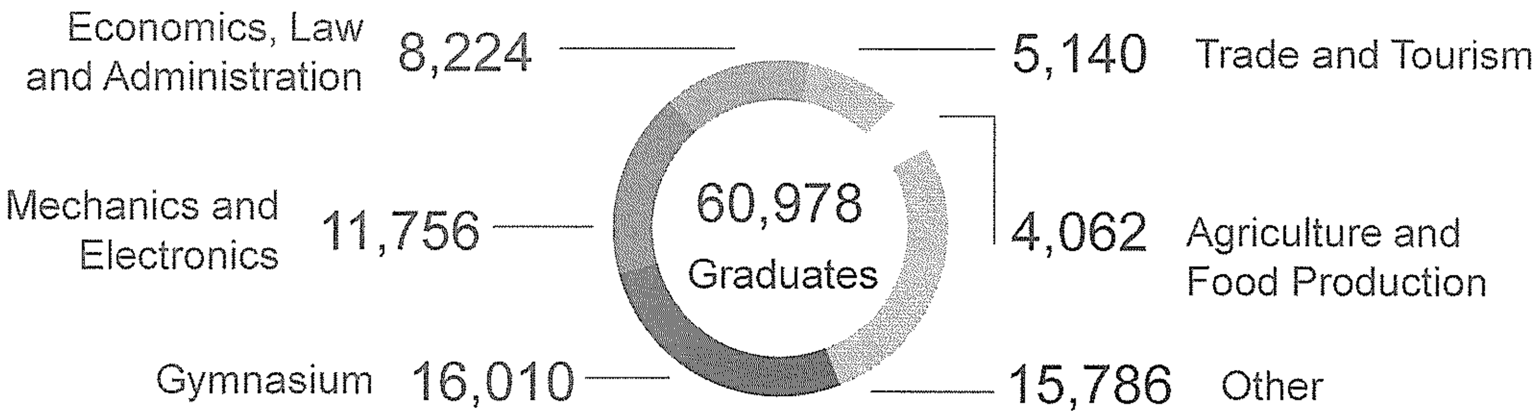


Availability of High Quality Labor

RAS

High School Education

There are 517 high schools in Serbia, with approximately 60,978 graduates each year:



School Year 2019/20, Source: Statistical Office of RS

Availability of High Quality Labor

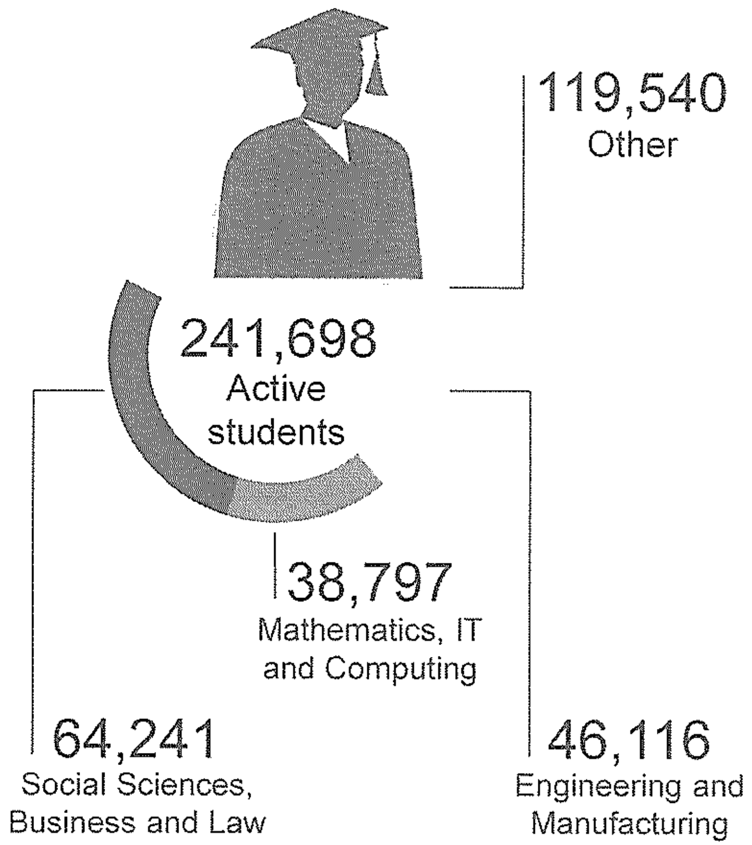
RAS

University Education

- There are 8 public universities in Serbia (82 faculties) and 10 private universities (48 faculties)
- The number of enrolled students is increasing each year
- University of Belgrade is ranked in top 500 universities in the world according to the Shanghai Ranking (top 200 in Physics and Mathematics)
- Universities have advanced programs in sciences: engineering, IT, physics and mathematics

Serbia is ranked as 23rd in respect to
Graduates in Science and Engineering
according to Global Innovation Index 2020

(The share of all tertiary graduates in science, manufacturing, engineering, and construction over all tertiary graduates)



School Year 2019/20, Source: Statistical Office of RS

Availability of High Quality Labor

RAS

U21 Ranking of National Higher Education Systems 2019

Serbia's universities are 3rd highest performing in the ranking adjusted for gross domestic product

Country	Rank(2019)	Score
UK	1	19.5
Finland	2	19.4
Serbia	3	18.7
South Africa	4	17.2
Denmark	5	16.9
Canada	6	14.6
Sweden	7	13.9
New Zealand	8	13.3
Switzerland	9	13.0
Australia	10	12.7

Source: U21, universitas21.com

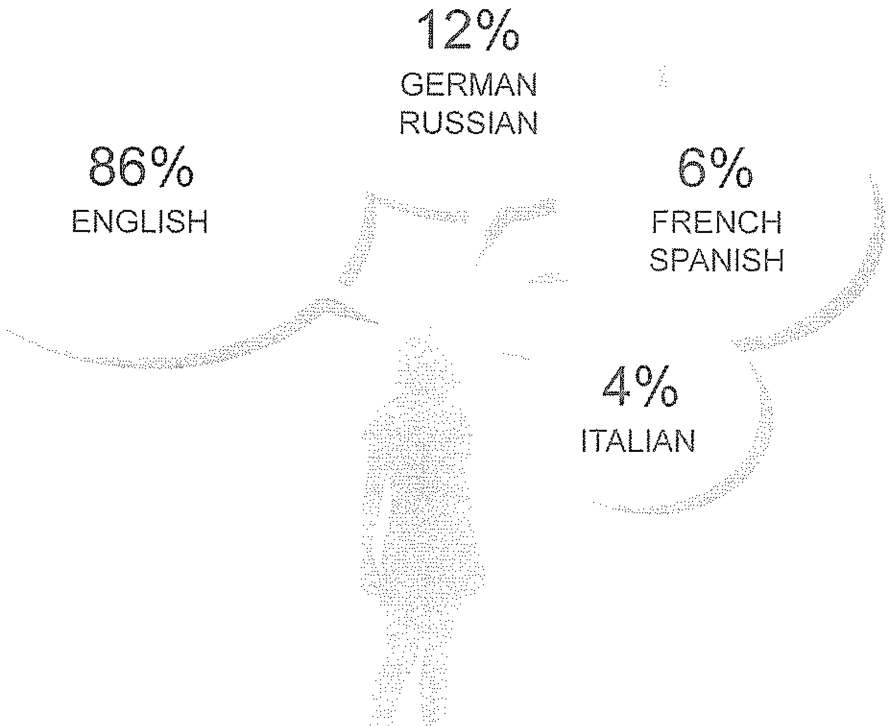
In 2015, Times Higher Education selected Serbia as one of the eight countries that could be the world's new education superstars!

Ranking was based on a range of academic and economic metrics like research publication rates, higher education participation rates and GDP per head.

Availability of High Quality Labor

RAS

Foreign Language Proficiency



Percentage of job applicants that speak a foreign language

According to the EF English Proficiency Index 2019, prepared by Swiss-based Education First, Serbia ranks 17th overall out of the listed 100 non-native English speaking countries

Number of Students Studying Foreign Languages

Language	Elementary School	High School
English	551,173	324,561
German	128,201	58,620
French	86,423	43,483
Russian	61,262	27,433
Italian	13,669	5,006
Spanish	5,940	1,451

Availability of High Quality Labor

RAS

”

This initiative demonstrates our confidence and trust in Serbia, its industry, management competence and the skill of its workers.

Mr. Sergio Marchionne, former CEO, FCA

”

Schneider Electric recognized knowledge, innovation and experience of young engineers in Serbia and invested resources in the DMS from Novi Sad, which is now a global center of Schneider Electric research, development and production of software for optimal management of electricity distribution.

Mr. Dragoljub Damljanovic,
Power Systems & Field Services Cluster VP for South East Europe at Schneider Electric

”

BPE Belgrade employs local workforce in all segments of operation, not only in the production process. We have created one of the world’s best teams in the industry; our employees now take on central functions, provide support to the head office, as well as to other factories in the group worldwide.

Mr. David Banjai, Former Ball Packaging Europe Belgrade General Manager

Availability of High Quality Labor

RAS

Availability of Labor

9.9%

Unemployment Rate

Source: Statistical Office of the Republic of Serbia, Q4 2020

Structure of Unemployed by Level of Education

Level of Education	Number of Unemployed	%
No Education and Primary School	51,600	16.1
High School	190,500	59.3
University and College	78,800	24.6
Total	**321,000**	**100%**

Source: Statistical Office of the Republic of Serbia, Q4 2020

Structure of Unemployed by Age

Age Group	Number of Unemployed	%
15-24	70,800	22.1
25-34	97,000	30.2
35-44	68,100	21.2
45-54	52,100	16.2
55-64	32,600	10.2
65+	400	0.1
Total	**321,000**	**100%**

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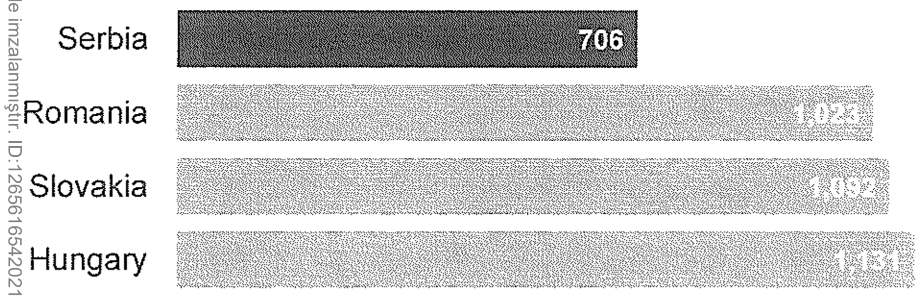
Competitive Operating Costs

RAS

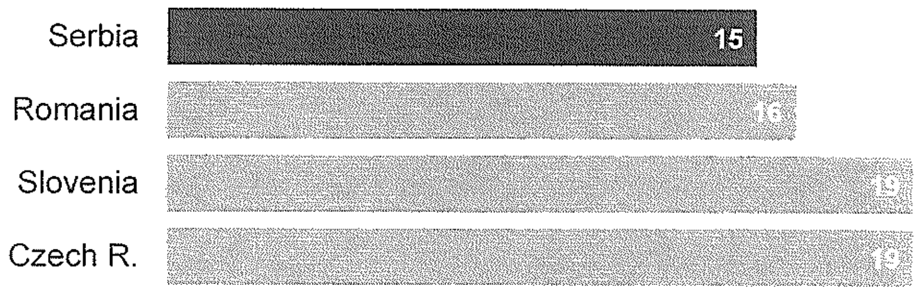
Labour cost (€)

GROSS AVERAGE MONTHLY SALARIES



Source: The Vienna Institute for International Economic Studies, 2020

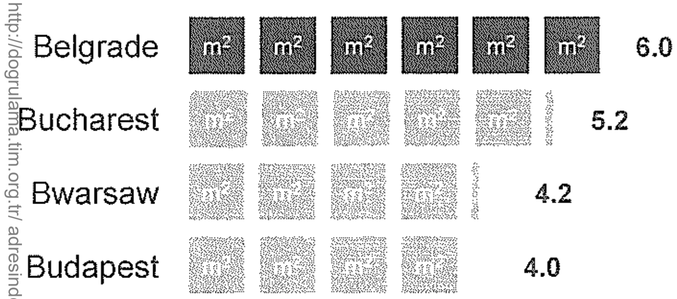
Corporate Profit Tax (%)



Source: KPGM, 2021

Office Space Rental per Month

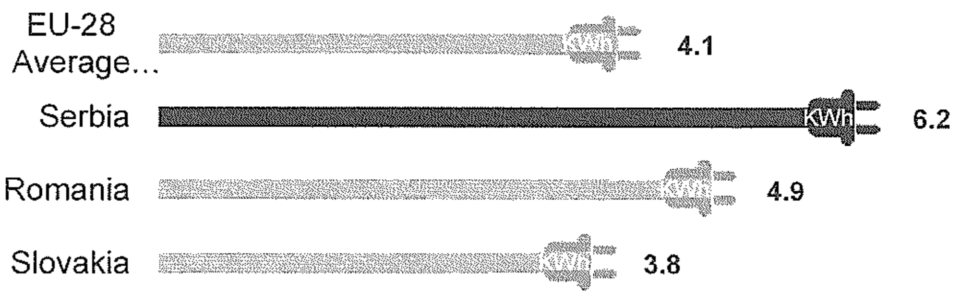
PRIME RENT,SQM FOR €100?



Source: Cushman & Wakefield, Q3 2020

Electricity

HOW MUCH KWh CAN YOU BUY FOR €0.50?



* Excluding VAT and other recoverable taxes and levies
Source: EUROSTAT, Q2 2019

Competitive Operating Costs

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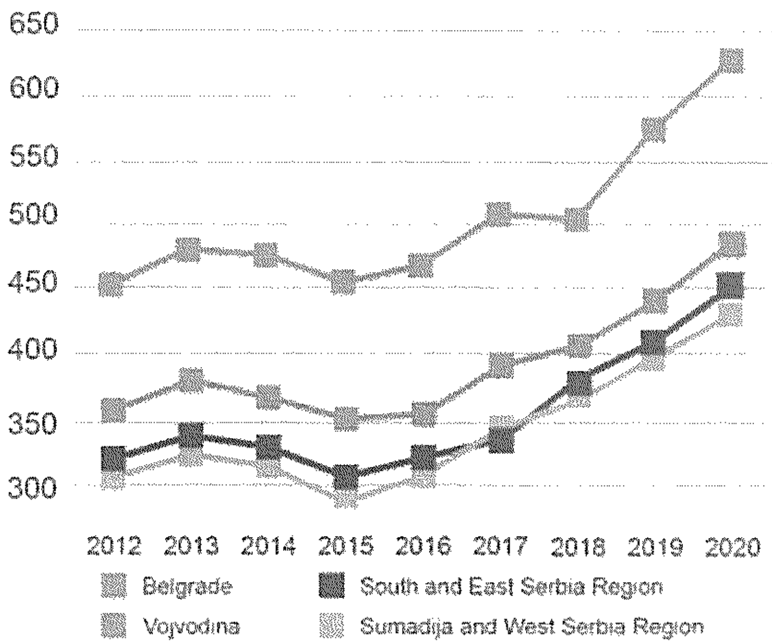
Average Net Salary by Regions (EUR)



Source. Statistical Office of the Republic of Serbia

Old Build 1-2.5€/m²
New Build 3-5€/m²
Industrial Facility Lease Cost

200-400€/m² Average Building Cost

0.067 €/kWh

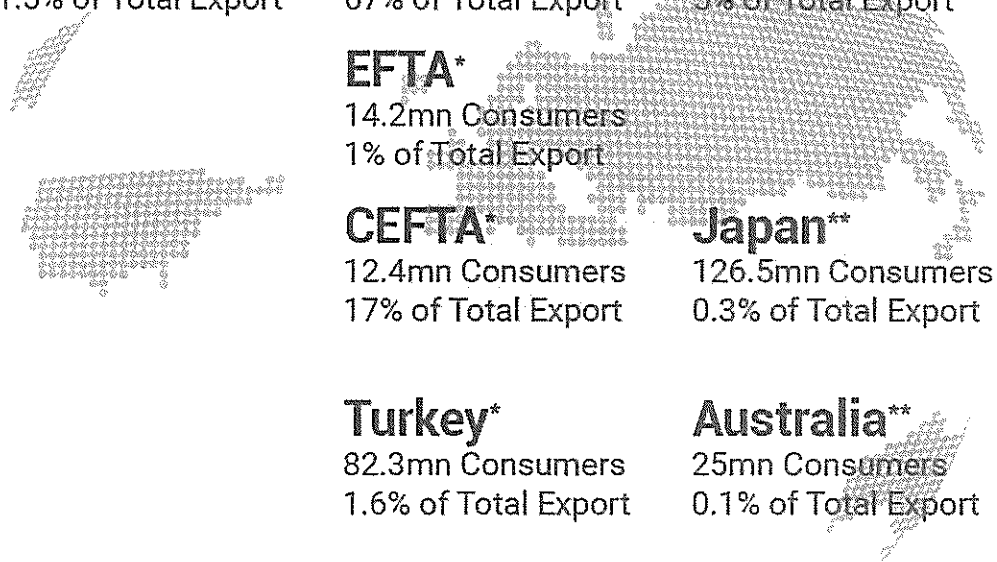
0.6-1.3 €/m³

0.38-0.42 €/m³

Customs-Free Access to 1.3bn Consumers

RAS

Total: 1.3bn Consumer



USA**
327.2mn Consumers
1.5% of Total Export

EU*
513.2mn Consumers
67% of Total Export

EAEU*
181.5mn Consumers
5% of Total Export

EFTA*
14.2mn Consumers
1% of Total Export

CEFTA*
12.4mn Consumers
17% of Total Export

Japan**
126.5mn Consumers
0.3% of Total Export

Turkey*
82.3mn Consumers
1.6% of Total Export

Australia**
25mn Consumers
0.1% of Total Export

World Bank Doing Business List- Trade Across Border	
Country	**Rank**
Norway	22
Serbia	23
Albania	24
Latvia	25
Bhutan	26
North Macedonia	27
United Kingdom	28

Did you know?

Externally, Serbia can serve as a manufacturing hub for duty-free "made in Serbia" exports to a market of more than 1 billion people that includes the EU, USA, Turkey, South East Europe, the European Free Trade Agreement members, as well as Russian Federation and Eurasian Economic Union (EAEU) member states.
This customs-free regime covers most key industrial products.

* FTA - Free Trade greements
**GSP - Generalized System of Preferences

Political and Economic Stability

RAS

- Global financial crisis of 2008 exposed the structural weaknesses in Serbia's economic, consumption led service based, growth model
- A new, strong majority government was formed in March 2014 and launched bold economic and structural reforms, including fiscal consolidation, improvement of the regulatory framework to promote investment climate and business environment:
  - Consolidated budget deficit was reduced from alarming 6.2 % of GDP in to surplus in 2017 and 2018, government budget recorded deficit of 0.2% of GDP in 2019, maintaining primary balance in surplus (1.8% of GDP), while accelerating growth of public debt has been reversed bringing it from its peak at 71.2% of GDP in 2015 to 52.0% of GDP in 2019 (48,9% of GDP in January 2020)
  - GDP growth in 2019 continued with strong economic expansion reaching a rate of 4.2%, as a result of faster growth of investment.
  - Export of goods is registering constant growth reflecting rise in competitiveness of local economy and positive global environment
  - Unemployment rate has been reduced from its post crisis peak at 23.9% in 2012 to 9.7% in Q4 2019
  - Serbia moved up by 47 places over the past 5 years on the World Bank Doing Business List and is now ranked 44^{th} globally

Political and Economic Stability

RAS

- Political and economic stability, regional cooperation, infrastructure development, investments promotion and educational reform are among Serbia's highest priorities
- Serbia is on a clear path towards EU membership, while nurturing close ties and partnerships with countries from all around the world
- Regional stability is one of the highest priorities of the Government of the Republic of Serbia
- Serbia is committed to continuing to lead the region towards cooperation and unity in order to ensure peace and prosperity for generations to come
- Infrastructure projects such as the proposed motorway connecting Belgrade and Sarajevo, and proposed motorway connecting Belgrade and Tirana are great examples of joint undertakings that have a goal to connect people in the region
- In order to further strengthen regional market integration, Serbia has recently initiated the establishment of a "regional economic area" with a detailed list of measures adopted in June 2017 aiming to go a step beyond the CEFTA agreement (Albania, Bosnia and Herzegovina, Macedonia, Moldova, Montenegro and Serbia - market of ca. 20 million inhabitants)
- In October 2019 the leaders of Albania, North Macedonia, and Serbia have committed to working together to lift barriers on the movement of goods and people between the three Balkan countries launching an initiative 'Small Schengen'

Political and Economic Stability

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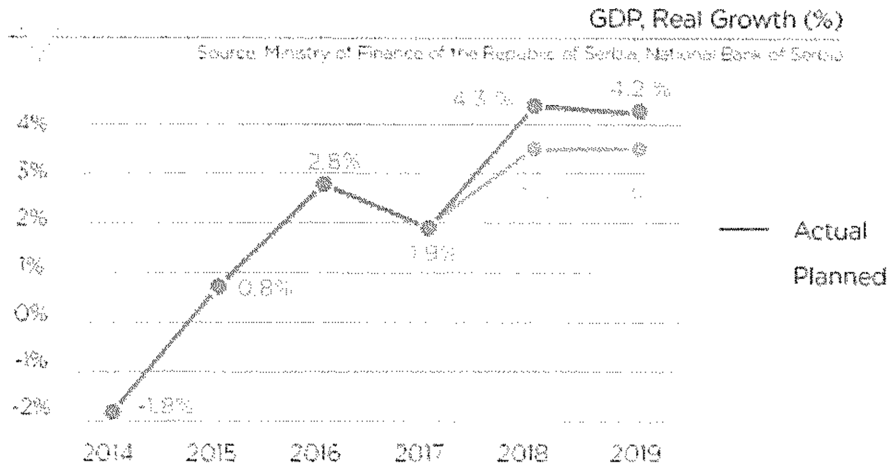
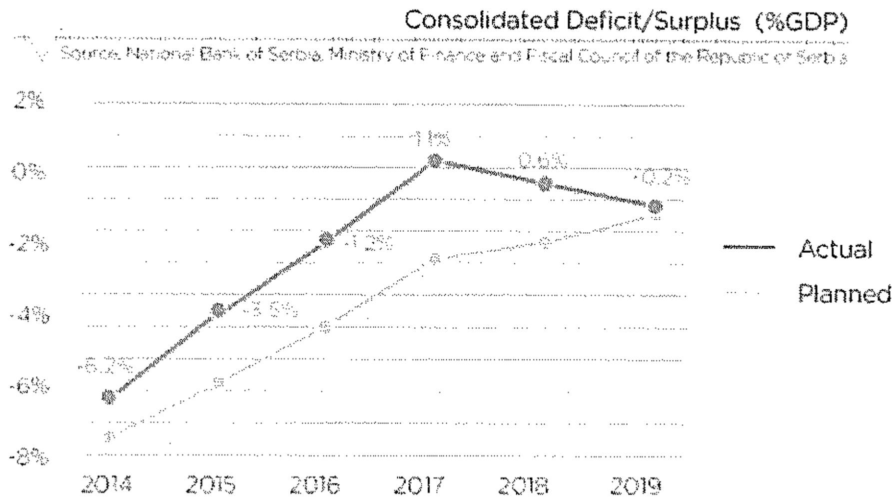




"

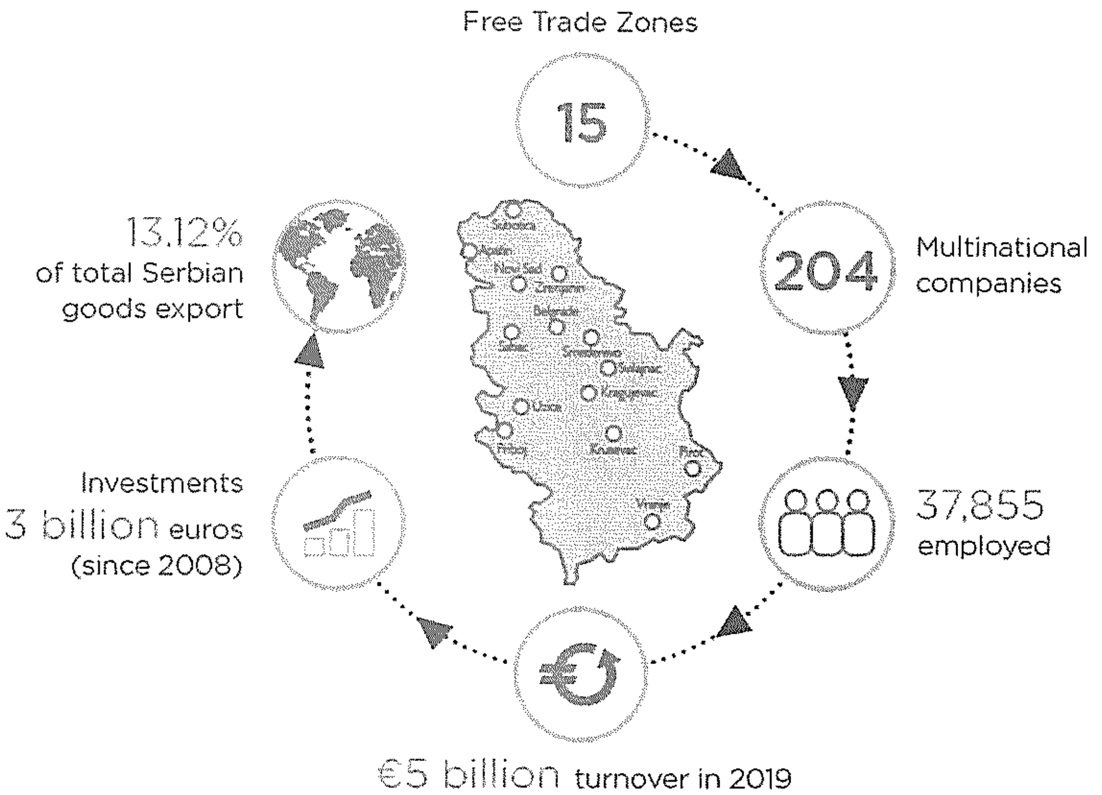
The Serbian government has also moved ahead with an ambitious economic and structural reform agenda which will contribute to a more attractive business environment: restoring growth, improving competitiveness and creating new jobs.

Mr. Johannes Hahn
European Commissioner for European Neighborhood Policy and Enlargement Negotiations

Financial Benefits and Incentives

RAS

Free Trade Zones



Source: Free Zones Administration, 2020

Financial Benefits and Incentives

RAS

Financial Incentives

To offset initial capital investments and ease the start-up of business endeavours, the Government of Serbia offers financial support for projects in the manufacturing sectors and services sector which may be subject to international trade

Corporate Income Tax Incentives

A 10 year Corporate Income Tax Holiday is available for investors who hire more than 100 employees and invest more than 8.3 million euros (1 billion RSD). Tax holiday begins once the company starts making a profit.

Payroll Tax Incentives

Employment of people who were registered with the National Unemployment Agency for more than 6 months entitles employers to a sizable relief of taxes paid on net salary from the moment of employment:

- 1-9 new jobs: 65% reduction
- 10-99 new jobs: 70% reduction
- 100+ new jobs: 75% reduction

(payroll tax incentives can't be combined with Financial Incentives)

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Financial Benefits and Incentives

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LEVEL OF DEVELOPMENT OF THE LOCAL MUNICIPALITY	MINIMUM NUMBER OF NEW JOBS CREATED*	MINIMUM LEVEL OF INVESTMENT*	LEVEL OF INCENTIVES			INVESTMENT PROJECTS IN THE SERVICES SECTOR	INVESTMENT PROJECTS - SPAS AND CLIMATES
			Percentage of 2-year gross salaries	Percentage of Investment in Fixed Assets (OPTIONAL)	Bonus for Labor Intensive Projects (OPTIONAL)		
I	50	500,000 EUR	20% MAX 3,000 EUR per employee	+ up to 10%	For more than 200 employees +10% of the sum of 2-year gross salaries		
II	40	400,000 EUR	25% MAX 4,000 EUR per employee	+ up to 15%			
III	30	300,000 EUR	30% MAX 5,000 EUR per employee	+ up to 20%	For more than 500 employees +15% of the sum of 2-year gross salaries	min 15 new jobs created min €150,000 * of the eligible investment costs	min 70 new jobs created min €2,000,000 * of the eligible investment costs
IV	20	200,000 EUR	35% MAX 6,000 EUR per employee	+ up to 25%	For more than 1000 employees +20% of the sum of 2-year gross salaries		
V (Devastated Regions)	10	100,000 EUR	40% MAX 7,000 EUR per employee	+ up to 30%			

* Applies only for investment projects in internationally marketable service sector (minimums for other sectors are higher)

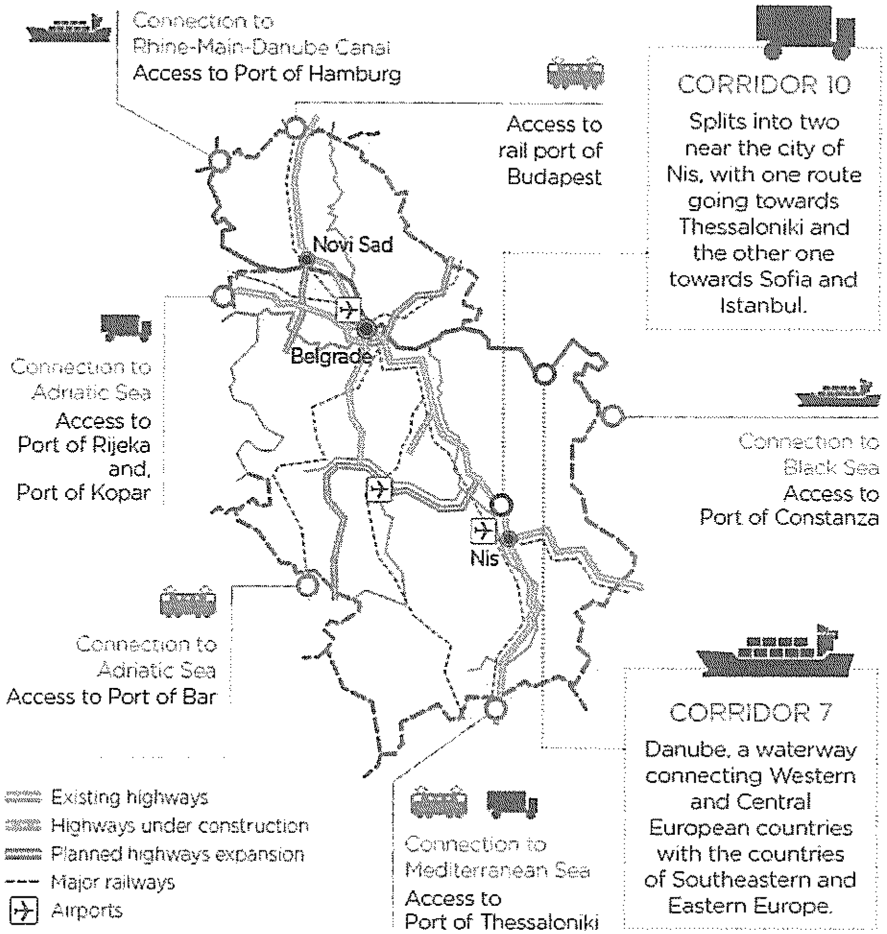
Financial Benefits and Incentives - Food Processing

RAS

LEVEL OF DEVELOPMENT OF THE LOCAL MUNICIPALITY	LEVEL OF INCENTIVES	
	Percentage of 2-year gross salaries	Bonus for Investment in Fixed Assets (OPTIONAL)
I	20% MAX 3,000 EUR per employee	+ 20% for investment up to € 20,000,000 + 10% for investment from €20,000,000 to €40,000,000 + 5% for investment more than € 40,000,000
II	25% MAX 4,000 EUR per employee	
III	30% MAX 5,000 EUR per employee	
IV	35% MAX 6,000 EUR per employee	
V (Devastated Regions)	40% MAX 7,000 EUR per employee	

Optimal Geographic Location

RAS



"

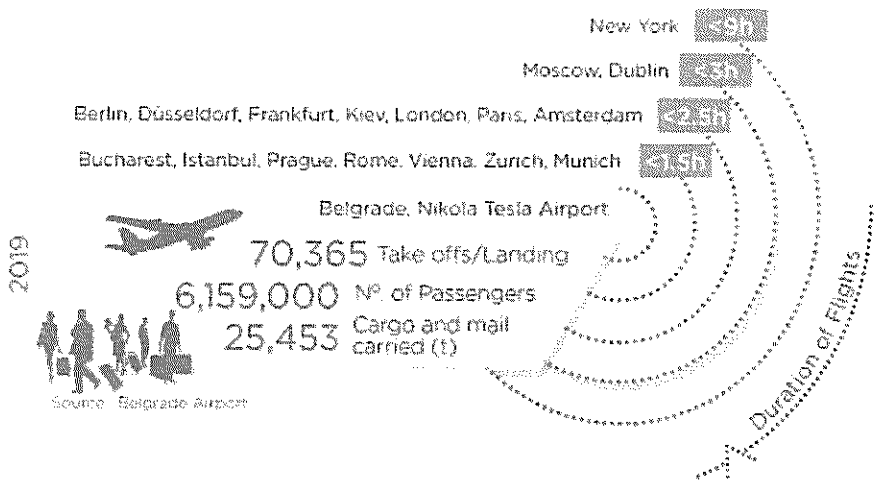
The existing infrastructure, speed of issuance of building permits, administrative procedures and existing transport corridors and logistics, provide solid and stable business environment, similar to the business environment in the EU.

Mr. Zivko Topalovic, CEO, ContiTech Fluid Serbia (Continental AG)

Easily Accessible

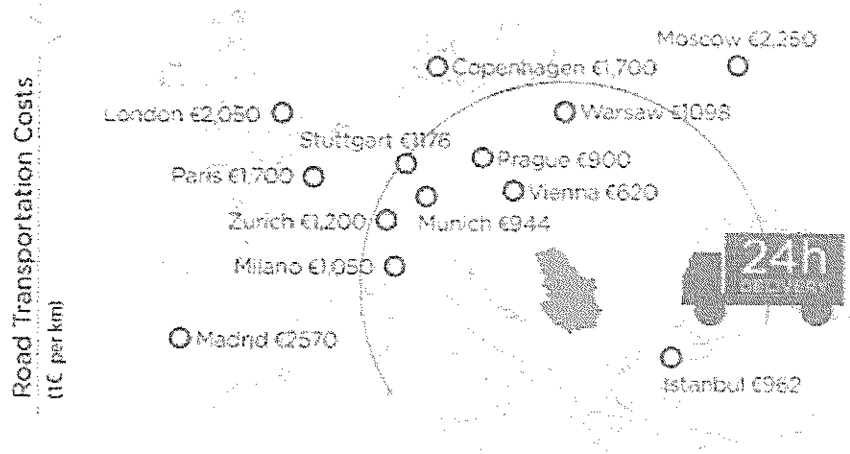
Getting to Serbia is easier than ever!

With the formation of the national airline - Air Serbia in 2013, Belgrade International Airport has increased a number of passengers for over 60%.



Staying close to your customers

Serbia's optimal geographic location keeps you close to your customers with the ability to serve most EU markets by road in less than 24 hours.



RAS

Success Stories

Automotive

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- Fiat Chrysler Automobiles – FCA is the 7th largest automaker in the world.
- FCA Serbia was established in 2008 by a joint venture agreement between Fiat Group Automobiles (67%) and the Republic of Serbia (33%).
- Fiat invested EUR 1.6 billion in a Serbian Automotive Industry, out of which EUR 850 million for the purchase of the latest state-of-the-art equipment projected to reach the global market with 200.000 units annually.
- Today, with over 3.000 employees FCA Serbia is the leader of Serbian automotive sector and the biggest exporter.

- The Bosch Group is an international leader in the field of research and development with about 5.000 registered patents, or an average of 20 new patents every working day.
- Bosch has been operating in the Republic of Serbia since 1991. In 2013, Robert Bosch d.o.o Srbija oppened a factory for the production of automotive components, with 22.000 square meters of production capacity.
- Today, Robert Bosch d.o.o Srbija employs over 1.000 workers and will reach total investment of EUR 71 million.

Rubber & Tyre

RAS

- The Michelin Group is world 2nd largest tire producer.
- Present in Serbia from 1995, Michelin becomes 100% owner of Tigar Tyres in 2009.
- With an overall investment of more than EUR 400 million, and employment of 3.000 workers, Michelin is the largest French investor in Serbia.
- Tigar Tyres, third largest exporter in Serbia, is producing 12 million passenger car tyres annualy, with an export value of EUR 300 million.

- Cooper Tire & Rubber Company is the 5th largest tire manufacturer in the U.S.
- Entered Serbia through a acquisition of Trayal car-tire plant from Krusevac in 2012.
- With an overall investment of more than EUR 50 million, and employment of more than 600 workers, Cooper Tire is the largest American investor in this sector.
- Great example of a big technology transfer in order to upgrade production process.

Shared Service & IT

RAS

NCR

- NCR is the world leader in consumer transaction technologies
- Since 2011, NCR's Center of Excellence in Belgrade has expanded to more than 1.500 employees with a plan to reach 2.000 employees by 2017
- From Belgrade, NCR provides 24/7 technical support to its customers throughout the world, in 17 languages
- This creates resolutions for more than 22 million service incidents are handled each year, including those that require engagement of field engineers

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Microsoft

- Microsoft Corporation is the world leader in development of computer softwares.
- Existing since September 2005, Microsoft Development Center Serbia (MDCS) was just 4th oppened center outside of US.
- Today, MDCS has more than 45 professionals contributing to the global efforts of Microsoft Corporation by developing software components built in Windows, MS Office, SQL, and Live Search software.
- Compared to other Microsoft Centers in the world the Belgarde MDCS progress reports were always amongst the most impressive ones.

Electronics

RAS

gorenje

- Gorenje is the largest Slovenian and 8th European manufacturer of home appliances.
- After 50 years long tradition of being the most trusted home appliances brand in Serbia, in 2006 Gorenje decided to enter Serbia with production facilities.
- Now, Gorenje has five investment projects in three Serbian cities and planning new expansions. This is one of best examples of reinvestments among foreign investors in Serbia.
- With over 1.800 workers, Gorenje is the biggest Slovenian employer in Serbia.

SIEMENS

- With a 168 years long business tradition, Siemens is a global leader in electronics and electrical engineering industries.
- Serbian economy relies on Siemens solutions since 1887, the company opened representative office in 1996 in Belgrade, and build its plant in 2003.
- More than 24.000 wind-power generators are produced and exported to Europe and US from Siemens plant in Subotica.
- With an overall investment of EUR 40 million, company grew from 12 employees in 2003 to 1.770 workers today, which makes total of almost 2.000 people employed in Siemens Serbia.

Machinery

RAS

RAPP MARINE GROUP

- The Rapp Marine Group is a Norwegian company with over 100 years tradition in developed of advanced machinery and equipment for the marine and offshore oil industries world wide.
- Entered Serbia in 2006 through the privatisation of Kragujevac bassed company, Zastava Masine.
- Satisfied with results in Serbian plant, The Rapp Marine Group moved its 70% of production to Kragujevac and got involved in another privatisation in Serbia in order to expand further.
- More than 90% of products from Serbia are exported.

- Grundfus is a Danish company and the biggest global pump manufacturer, holding 50% of the world market share.
- The company came to Serbia in 2010 building its 27.000 m^2 factory in Indjija, with an overall investment of 33 million euros.
- The annual sale of Made-in-Serbia pumps is around 100 million euros.
- Almost 100% of the entire production is exported, of which 55% in Russian Federation, through the Free Trade Agreement that Serbia has.

GRUNDFOS

Chemical

RAS

Henkel

- Founded in 1876, Henkel AG & Company, is one of world leading companies in laundry, home, and beauty care, as well as in adhesive technologies.
- Entered Serbia in 2002 through the privatization of Merima Krusevac, the largest home care chemistry factory in a region, adding another greenfield investment in Indjija, in 2007.
- Today, with an overall investment of over 160 million euros, Henkel covers markets of 55 million consumers from its two factories in Serbia.

MESSER

- Existing since 1898, the Messer Group is the world biggest private-owned supplier of industrial gases.
- Present in Serbia from 1997, through acquisition of 1929-founded Serbian company Tehnogas, and an overall investment of over 100 million euros.
- Today, Messer Tehnogas is having its plants in eight Serbian towns and producing 400.000 tons of gases for more than 4.000 consumers in the country or abroad.

Construction

RAS

LAFARGE

- Lafarge is the world leader in building materials, with a long history and strong presence in Central Europe.
- Investment in Serbia started in early 2002 through privatization of Beocin cement plant, a facility with 176 years long tradition in this sector.
- Initial investment of 57 million almost tripled through modernization of production in Serbia, and amounts to over 160 million euros.
- Lafarge is using Danube proximity for its export, but also company in involved in all major domestic construction projects.

- Foundedin 1862, Tikkurila is the largest paint manufacturer in Finland.
- One of biggest European paint brands, having leader status in Nordic countries, Russian and Baltic markets.
- Entered Serbia in 2011 through an acquisition of Zorka Color company, national and regional leader in paint industry.

TIKKURILA

Food

RAS

- Meggle was founded in 1887 in Germany and today ranks among the most renowned manufacturers of dairy products, not only in Europe but also in Asia and America.
- In 2011 Meggle AG made an acquisition of Kragujevac's dairy "Mladost", founded in 1954, beginning its production in Serbia.
- Product range includes fermented and UHT milk products to cheese and cream.
- Entire production process has been adapted to EU rules and regulations, and MEGGLE Srbia is now exporting to European markets.

- Ferrero was founded in 1946 in Italy and today it is world's third and Europe's second biggest chocolate producer and confectionery company.
- Also, Ferrero is the world's largest processor of hazelnuts, buying almost 30% of global production.
- Entered Serbia in 2014 through an ambitious plan of developing 20.000 ha of hazelnut farms up to 2020, changing and modernizing country's agriculture picture on a long term.

Pharmaceutical

Fresenius Medical Care

- Fresenius Medical Care is German based company and the world's leading provider of products and services for people with chronic kidney failure.
- The company hires over 104.000 employees in more than 50 countries and has generated revenues of more than USD 16.7 billion in 2015.
- Active in Serbia since 1982, where it produces and distributes dialysis machines, bloodlines and concentrates.
- Fresenius invested around EUR 35 million and employed 800 out of 1.150 planed workers in Serbia.

- STADA Arzneimittel AG is an international publicly listed pharmaceutical company.
- In 2006 the STADA acquired the Serbian pharmaceutical company Hemofarm from Vršac, targeting Eastern European markets.
- With an overall investment of more than EUR 110 million and employment of nearly 2.100 workers, STADA is the leading German-based investor in Serbia.

STADA Arzneimittel

Textile

RAS

FALKE

- Founded in 1895 in Germany, The Falke Group grew from a small family business to an international clothing and lifestyle company.
- The Group employs a staff of 3,200 worldwide and generates total sale of EUR 226 million annually.
- Due to a successful collaboration with a enterprise in Leskovac, South of Serbia, during 1980s, Falke decided to start production in a same city in 2012.
- Overall investment is more than EUR 10 million, it employs 600 workers and it is 100% export-oriented.

UNITED COLORS OF BENETTON.

- Founded as a family company in 1965, Benetton Group grew to a global fashion brand, based in Ponzano Veneto, Italy.
- Now, Benetton has a network of more than 6.000 stores worldwide, that are generating an annual turnover of around EUR 1.6 billion.
- Benetton opened its production in Serbia in 2011, through more than EUR 43 million worth investment, and an employment of 2.000 workers.

Leather

RAS

- Italian company Geox is present in more than 100 countries worldwide, while more than 70% of its sales are generated outside Italy.
- Geox opened its 100,000 square meters factory in Vranje, South Serbia, in January 2016.
- The total investment is EUR 15,8 million, while it is planned to employ 1.250 workers.
- Vranje-based factory will produce 1.250.000 pairs of high quality women fashion footwear, bringing a new technology and business culture part of Serbia.

- Progetti is an Italian footwear investment located only in Serbia.
- It manufactures high quality semi-finished shoe parts for global brands such as Prada, Gucci and Louis Vuitton.
- Progetti employ 1010 workers in three plants in Sombor, Šabac and Vršac, and additional 460 through suppliers in Vranje and Knjaževac.

RAS

Development Agency of Serbia- RAS

About Us

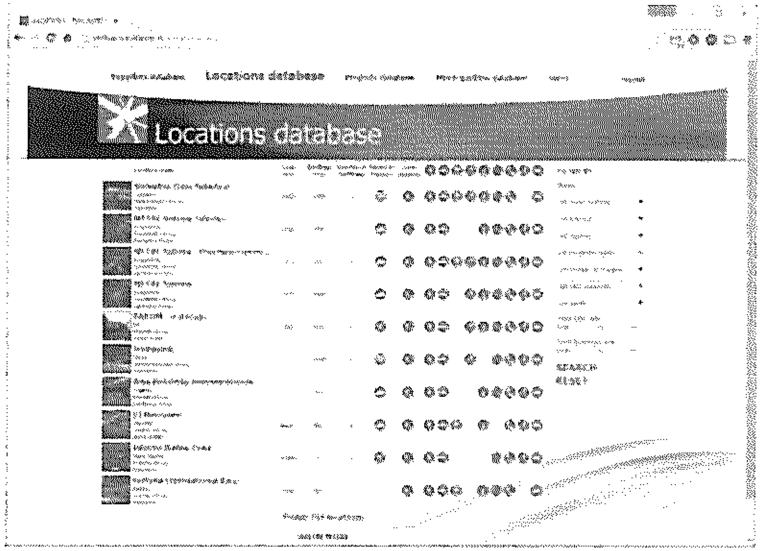
RAS

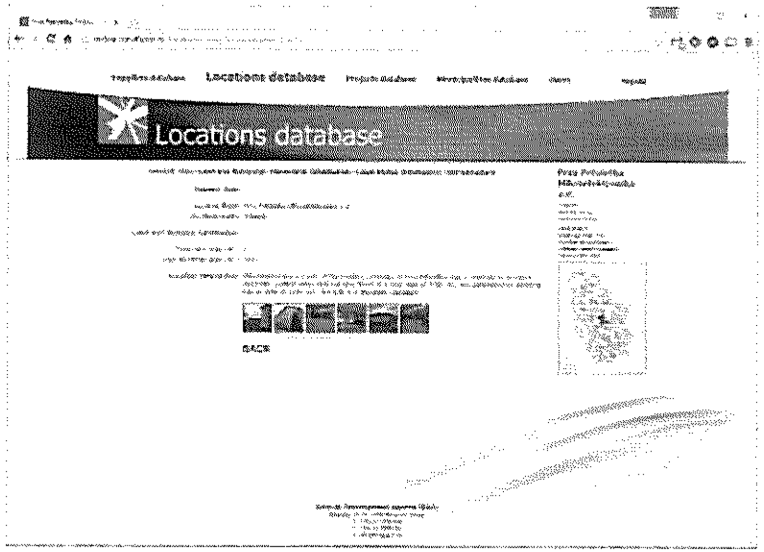
- Development Agency of Serbia is a government organization dedicated to facilitating and implementing direct investments, promoting and increasing exports, improving the competitiveness of Serbian economy, as well as reputation, and economic and regional development of the Republic of Serbia
- RAS provides support to investors from the initial, question and answer stage of the investment all the way through the implementation and the entire lifecycle of the investment
- RAS Direct Investment Advisors are available at all times to answer any questions or provide assistance

Locations Database

RAS

RAS Locations Database represents the most up to date registry of available greenfield and brownfield locations for investment in Serbia including general data, land and building information, ownership information, legal status and infrastructure.



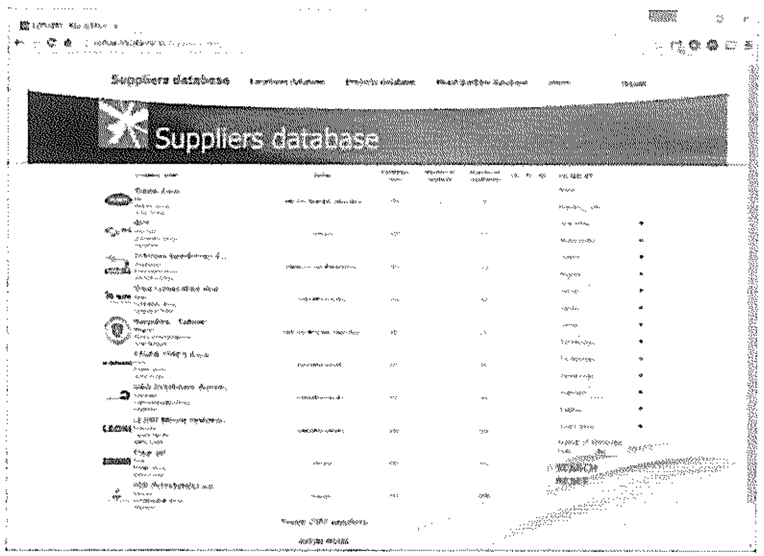


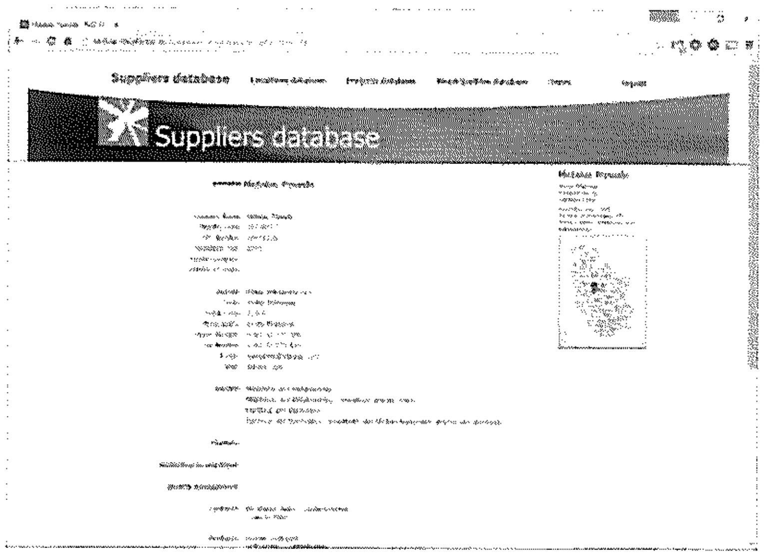
http://www.serbia-locations.rs

Suppliers Database

RAS

RAS Suppliers Database represents the most up to date registry of companies in Serbia that can supply raw materials, goods and services to investors in Serbia.





http://serbia-locations.rs/suppliers-eng

RAS

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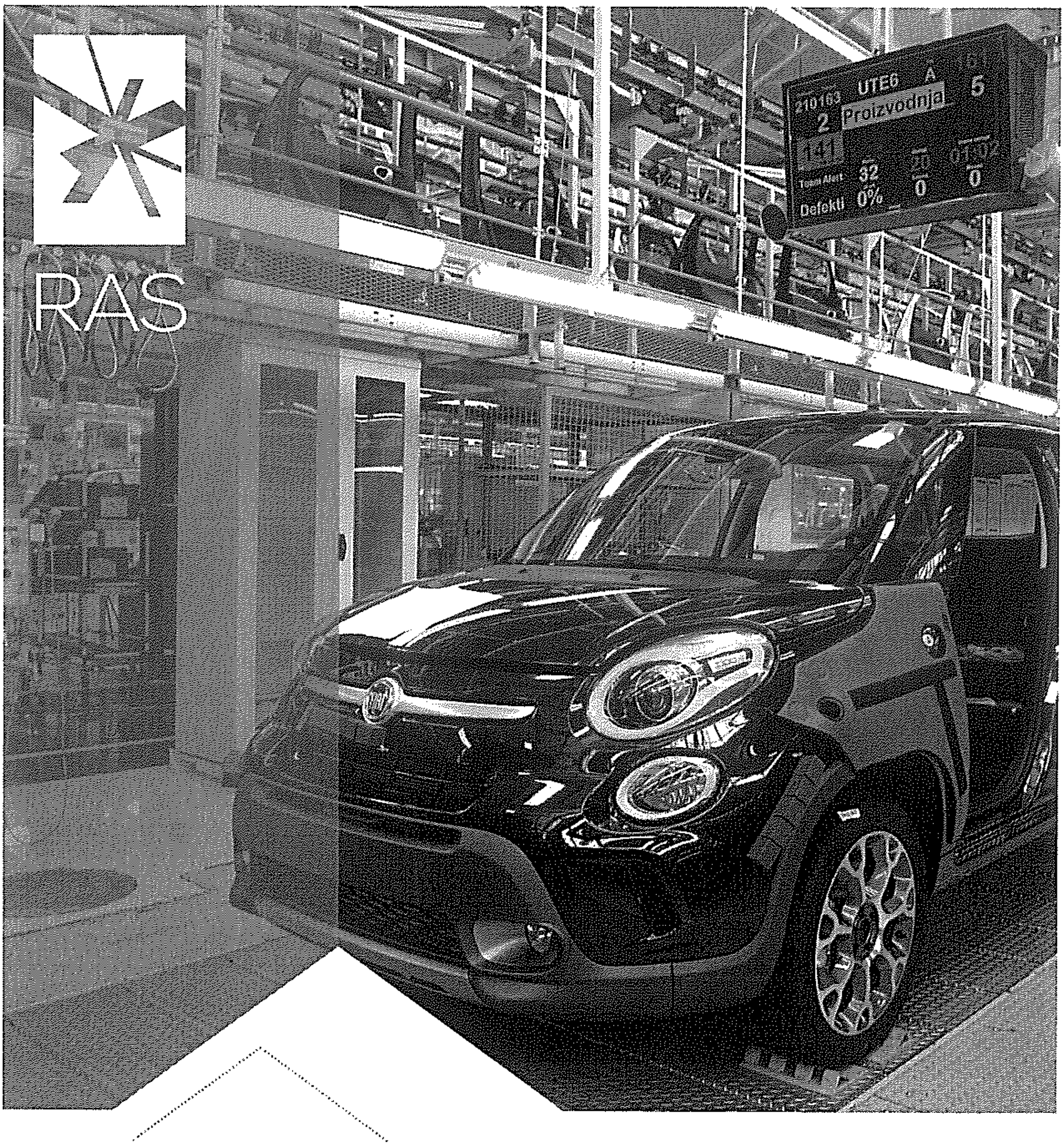


Why Invest in Serbia

Development Agency of Serbia

Welcome to Serbia!

88,499km²

7 million*

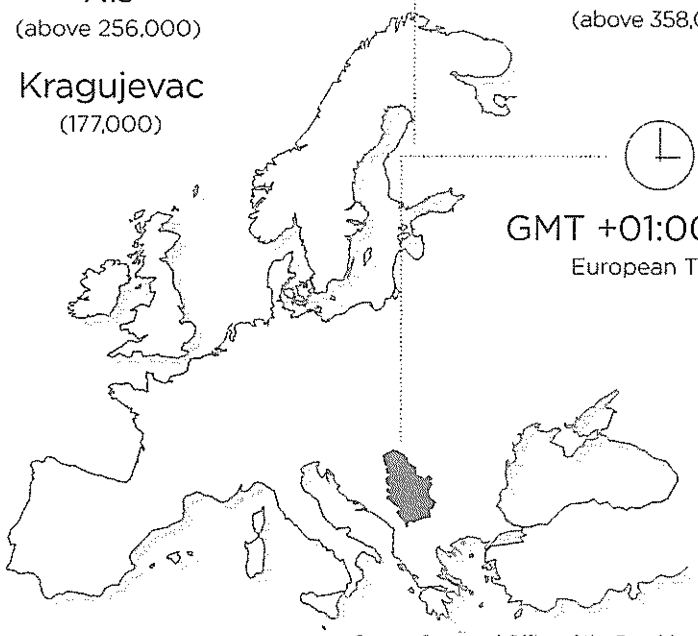
Belgrade
(capital, 1,690,000)

Novi Sad
(above 358,000)

Nis
(above 256,000)

Kragujevac
(177,000)

GMT +01:00 (Central European Time)



Source: Statistical Office of the Republic of Serbia, 2018
*Data does not include Kosovo and Metohija

I have been nothing but impressed by Serbia - a hidden gem to the business world.

Jeff McCroskey, VP Services, Europe, NCR

Serbia has continued its path toward EU membership: **EU negotiation process officially started,** ready for accession by 2025.

Serbia is ranked No. 1 at the FDI 2019 Europe list, based on the criteria of Greenfield investments relative to the size of economy*

*Financial Times, fDi Report 2019

Serbia has confirmed its top position **holding 1st place as the top investment destination country in the world,** measured by the estimated number of jobs relative to the size of the population.*

*According to IBM Global Location Trends 2019 report, IBM Global Business Services

Efforts in attracting new investments in the Republic of Serbia were also recognized by the new " E&Y European Attractiveness Survey 2019". **Serbia** has attracted a record number of FDI in 2018, and it **is listed as one of the top 15 countries in Europe by the number of FDIs.**

Serbia is the only country outside of the Commonwealth of Independent States that **has a Free Trade Agreement with Russian Federation.**

On WB Doing Business List, Serbia moved up by 47 places over the past 5 years, and is now ranked 44th globally.

The business environment is stable, and it offers transparent market conditions, which creates a good starting point for our business growth in a long run.

Marco Aspesi, Former VP Corporate Transformation at SR Technics Group

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Join the Pool of the Successful

FCA · BOSCH · MICHELIN · SIEMENS · Panasonic · NCR · YURA · MAGNA · Continental · CALZEDONIA · EATON · STADA Arzneimittel · YAZAKI · ZF · SWAROVSKI · FALKE

Key investors

FDI Ranking by Value	FDI Ranking by No. of Projects
Germany 14.9%	10.7% Italy
Italy 14.6%	10.3% USA
Austria 8.2%	9.7% France
Slovenia 6.2%	9.7% Germany
USA 5.4%	9.3% Austria
France 5.0%	8.9% China
Turkey 3.4%	6.8% Czech Republic

Source: RAS*, February 2021

Ball · SITEL · gorenje · MEITA · Schneider Electric · GEOX · COOPER TIRES · Microsoft · Tarkett · LINGLONG TIRE · Johnson Controls · JOHNSON ELECTRIC · LEONI

* RAS database includes almost 400 foreign investment projects and tracks all investment types in the manufacturing and service sector, excluding portfolio investments. Data are based on the research that was done according to the country of origin of the investor company.

"

Serbia has taken important steps to implement the reforms necessary for attracting foreign and domestic investors. We are pleased to be further strengthening the investment climate and enhancing governance. Given Serbia's strong potential, such positive changes in what is the largest economy in the Western Balkans will have a wider impact throughout the region.

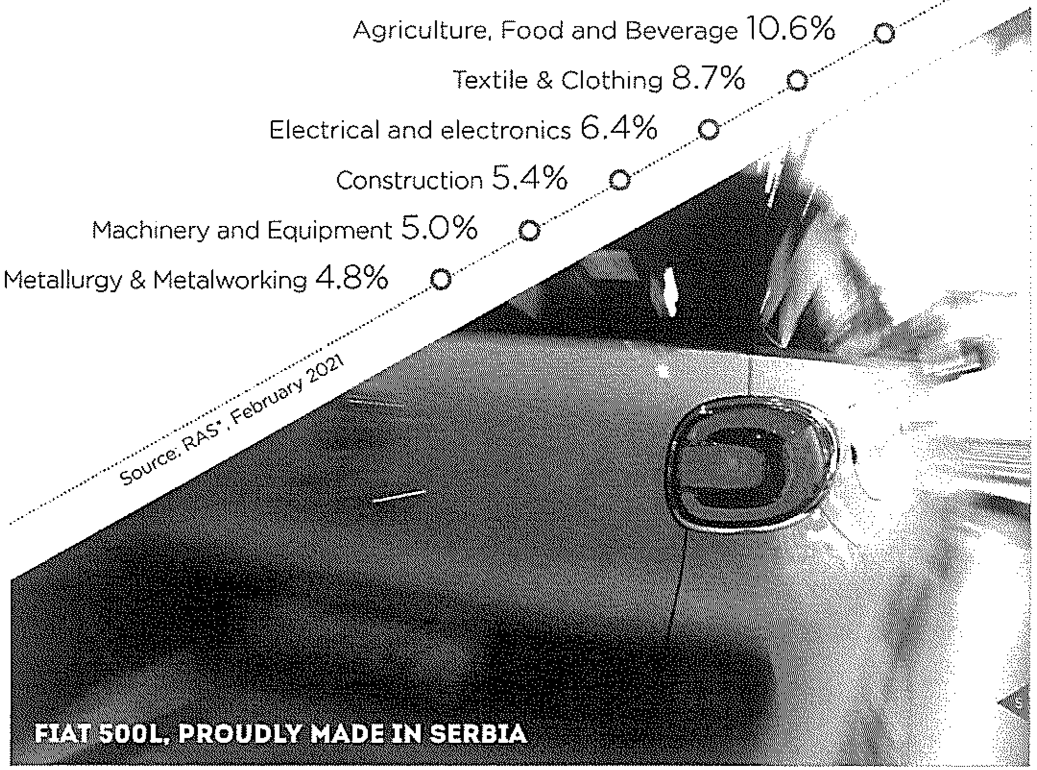
Sir Suma Chakrabarti, EBRD President (2015)

more than €34 billion of FDI inflow since 2007

FDI Ranking per Sector by No. of Projects

- Automotive industry 18.5%
- Agriculture, Food and Beverage 10.6%
- Textile & Clothing 8.7%
- Electrical and electronics 6.4%
- Construction 5.4%
- Machinery and Equipment 5.0%
- Metallurgy & Metalworking 4.8%

Source: RAS*, February 2021



FIAT 500L, PROUDLY MADE IN SERBIA

Why Invest in **Serbia?**

"

The attractiveness of the location, logistics advantages, availability of skilled workforce, and a very good support of the Government of the Republic of Serbia and the local community are the main reasons why the Bosch Group decided to invest in the municipality of Pecinci and the Republic of Serbia.

Mrs. Jovanka Jovanovic, General Manager of Robert Bosch Serbia

"

We saw Serbia as a country with good strategic position, adequate infrastructure and great human resource potential. Being at a unique position in the European market, Serbia offers diverse possibilities and, above all, high quality workmanship.

Mrs. Silvia Vernetti - Blina, Director FCA Serbia

1 Availability of High Quality Labor

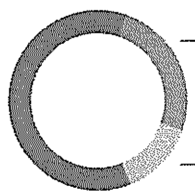
This initiative demonstrates our confidence and trust in Serbia, its industry, management competence and the skill of its workers.

Mr. Sergio Marchionne, Former CEO, FCA

9.9%
Unemployment Rate

Source: *Statistical Office of the Republic of Serbia, Q4 2020

The Structure of Unemployed by Level of Education



Source: Statistical Office of the Republic of Serbia, Q4 2020

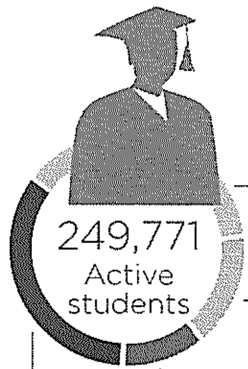
Schneider Electric recognized the knowledge, innovation and experience of young engineers in Serbia and invested resources in the DMS from Novi Sad, which is now a global center of Schneider Electric research, development and production of software for optimal management of electricity distribution.

Mr. Dragoljub Damljanovic,
Power Systems & Field Services Cluster VP for South East Europe at Schneider Electric

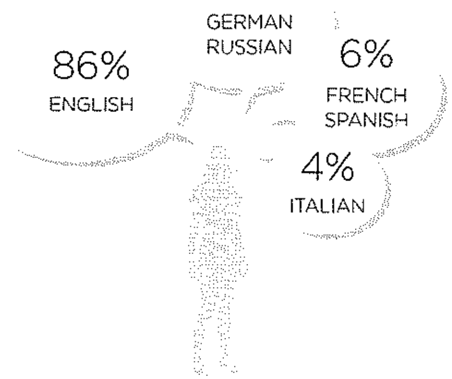
Our decision (to invest in Serbia) was based on a high confidence to find a very motivated and skilled workforce, to have optimal logistics conditions from and to the other European countries, to develop an intense cooperation with technical high schools and universities and to build a strong partnership with the national and local authorities.

Mr. Laurent Cardon, General Manager Operations Europe, Johnson Electric

5 University Centers across the Country



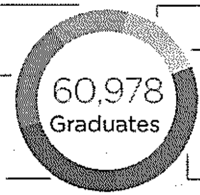
Source: *Statistical Office of the Republic of Serbia, 2017/18



Language Proficiency

Source: InfoStud, indication of knowledge of languages, based on 100K+

517 High Schools across the Country



Source: Statistical Office of the Republic of Serbia, 2019/20

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2 Competitive Operating Costs

According to EUROSTAT, Serbia has the lowest costs of electricity, gas, other fuels and landline telephony among 37 European states.

Average Gross Monthly Salary (EUR)

Serbia	706
Romania	1,067
Slovakia	1,092
Hungary	1,131
Poland	1,144
Czech R.	1,329

Corporate Profit Tax

Serbia	15%
Romania	16%
Croatia	18%
Slovenia	19%
Poland	19%
Czech R.	19%

Source: The Vienna Institute for International Economic Studies, 2020; KPMG, 2021

Cost Savings vs EU-28 Average

Net Salary
74% savings

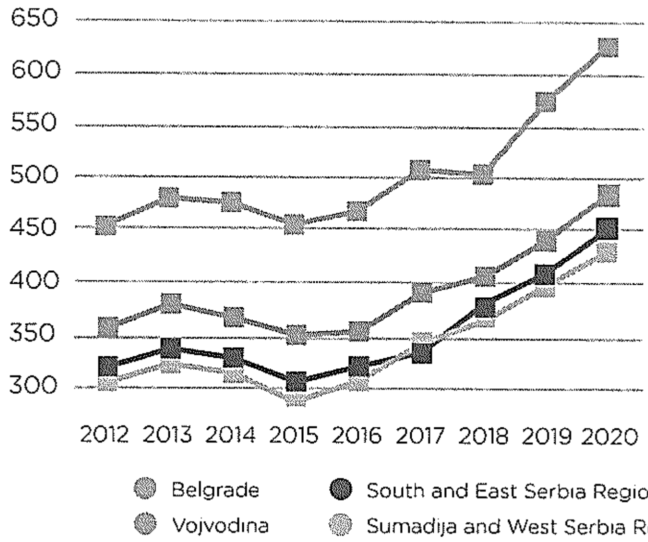
Electricity
41% savings

Transport Services
43% savings

Office Space Rental
55% savings

Source: EUROSTAT, 2018

Average Net Salary by Regions (EUR)



Source: Statistical Office of the Republic of Serbia

Old Build 1-2.5€/m² Industrial Facility
New Build 3-5€/m² Lease Cost

200-400€/m² Average Building Cost

0.067 €/kWh

0.6-1.3 €/m³

0.38-0.42 €/m³

Source: RAS

3 Customs Free Access to 1.3bn Consumers

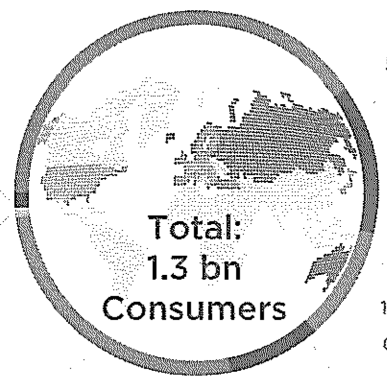
The existence of educated and skilled workforce, incentives to investors, and the free trade agreements with the Russian Federation and Turkey, as well as developed infrastructure and favorable geographical position were the key factors for Grundfos investment to Serbia.

Jim Toft Nielsen, General Manager, Grundfos Serbia

EU*
513.2 mn Consumers
67% of Total Export

EAEU*
181.5 mn Consumers
5.0% of Total Export

EFTA*
14.2 mn Consumers
1.0% of Total Export



CEFTA*
12.4 mn Consumers
17.0% of Total Export

Japan**
126.5 mn Consumers
0.3% of Total Export

US**
327.2 mn Consumers
1.5% of Total Export

Turkey*
82.3 mn Consumers
1.6% of Total Export

Australia**
25 mn Consumers
0.1% of Total Export

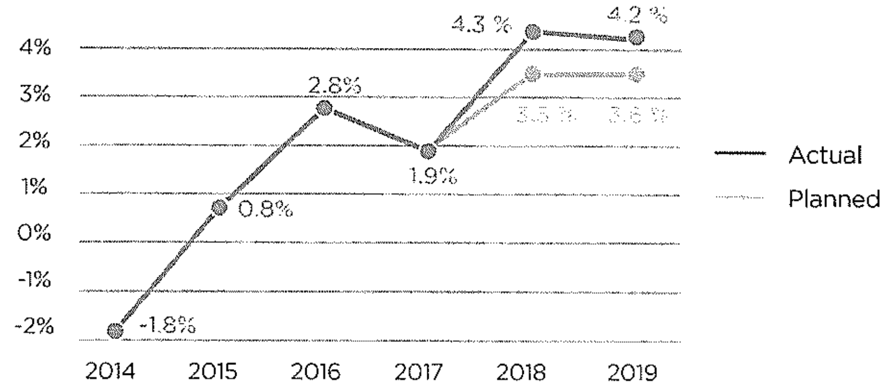
*FTA - Free Trade Agreements
**GSP - Generalized System of Preferences

Source: Statistical Office of the Republic of Serbia, 2018
World Bank, 2018

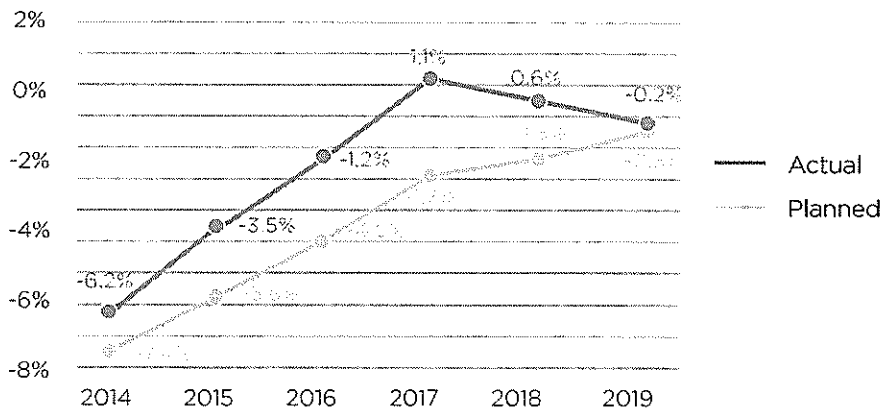
4 Political and Economic Stability

Over the past several years Serbia took steps to further improve political and economic stability. In order to reverse the Serbia´s trend of economic growth driven by import and consumption, and put the country on a dynamic and sustainable growth path, led by investments and exports, it was necessary to carry out economic reforms consisting of macroeconomic stabilization and improving the business climate.
Since 2014, the Government of the Republic of Serbia has taken steps towards reducing the government debt, including greater fiscal responsibility, reform of the public administration, reform of the state-owned enterprises and an overall increase of the productivity in the public sector.

GDP, Real Growth (%)
Source: Ministry of Finance of the Republic of Serbia, National Bank of Serbia



Consolidated Deficit/Surplus (%GDP)
Source: National Bank of Serbia, Ministry of Finance and Fiscal Council of the Republic of Serbia



5 Financial Benefits and Incentives

Cash Grants

To offset initial capital investments and ease the start-up of business endeavors, the Government of Serbia offers financial support for Greenfield and Brownfield projects in production sector and service centres services.

Construction Land Transfer Subsidy

Government or the local municipality can sell construction land at a price which is lower than the market price in support of an investment project that is of national importance (if the land is owned by the government) or an investment projects that promotes local economic development (if the land is owned by the local municipality).

Corporate Income Tax Relief

A 10-year Corporate Profit Tax Holiday is available for investors who hire more than 100 employees and invest more than 8.5 million euros (1 billion RSD). Tax holiday begins once the company starts making a profit.

Payroll Tax Incentives

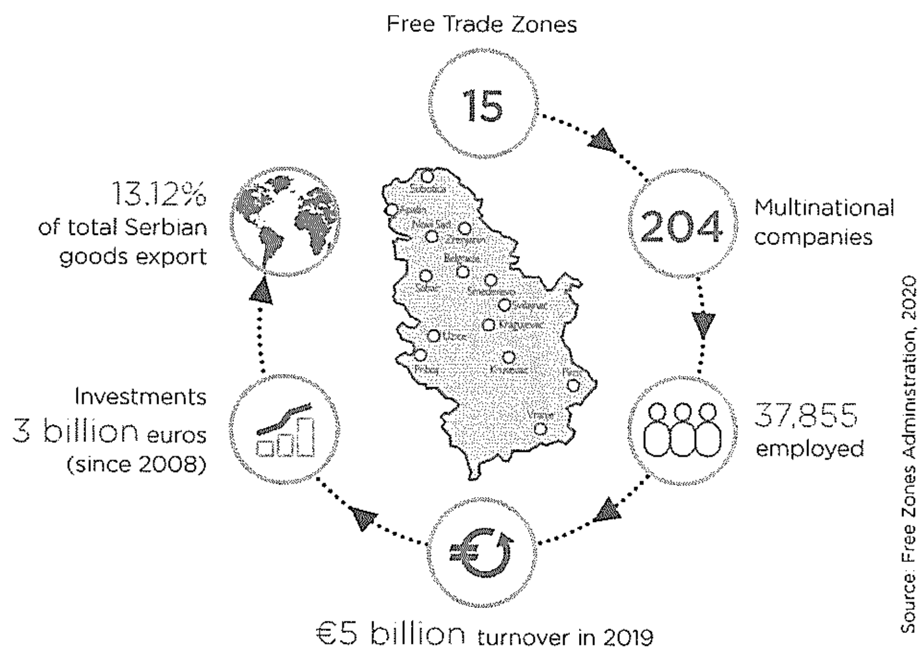
Employment of people who were registered with the National Unemployment Agency for more than 6 months entitles employers to a sizable relief of taxes paid on net salary from the moment of employment:

- 1-9 new jobs: 65% reduction
- 10-99 new jobs: 70% reduction
- 100+ new jobs: 75% reduction
(payroll tax incentives can't be combined with Financial Incentives)

Double Taxation Avoidance

Republic of Serbia has 62 effective double taxation agreements in place that cover income, capital and property. In addition to having double taxation agreements in place with most European countries, Serbia has double taxation treaties in place with many countries in Asia and Africa.

Free Trade Zones



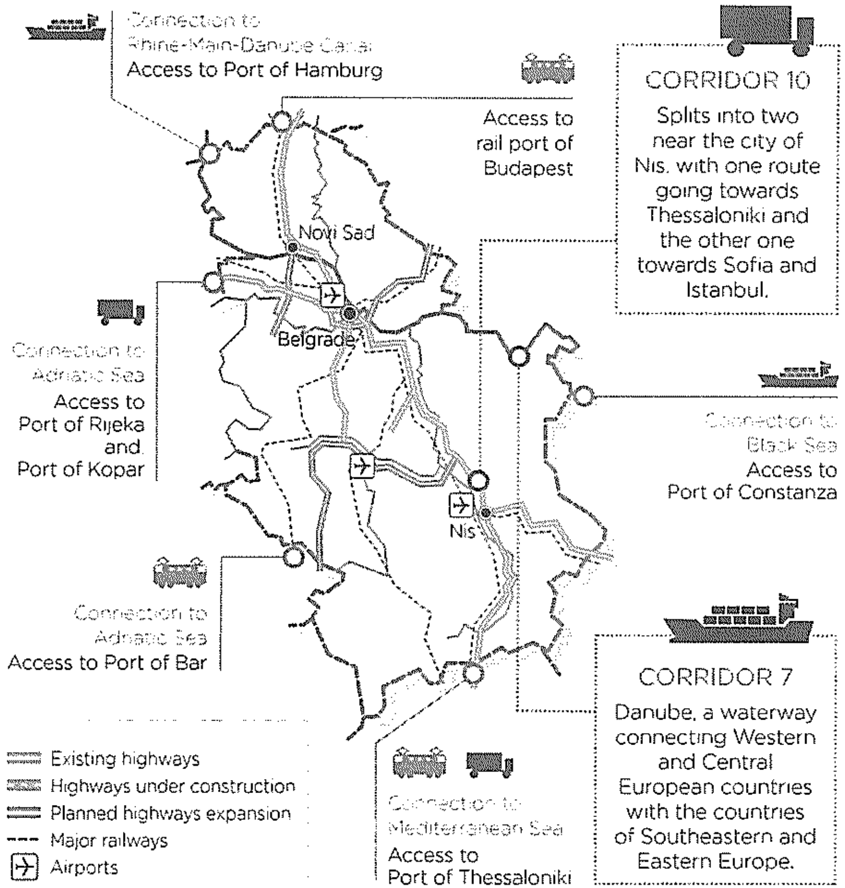
no VAT

Construction material, energy, transport and fuels cost free of VAT

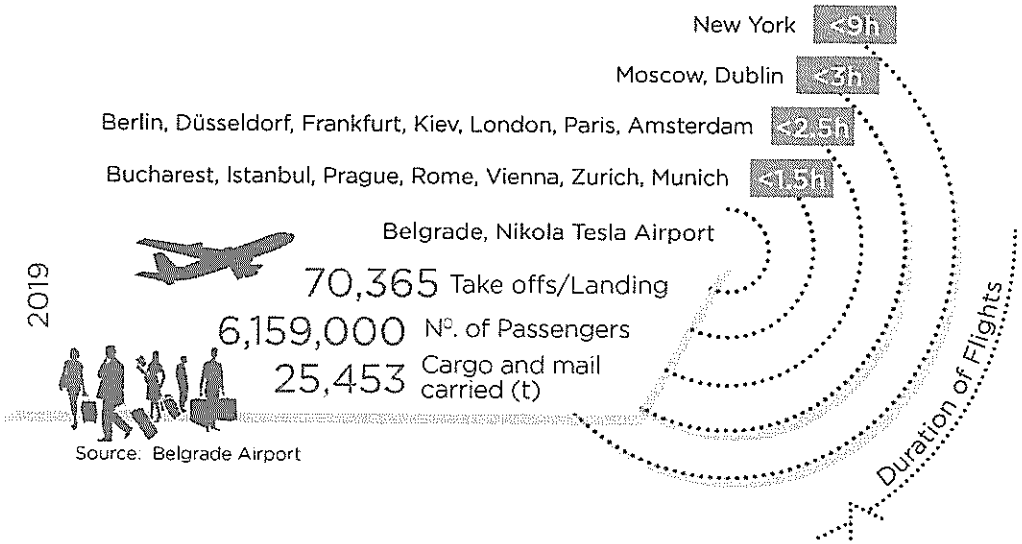
DOUANE

No custom duties (raw materials, equipment, construction materials)

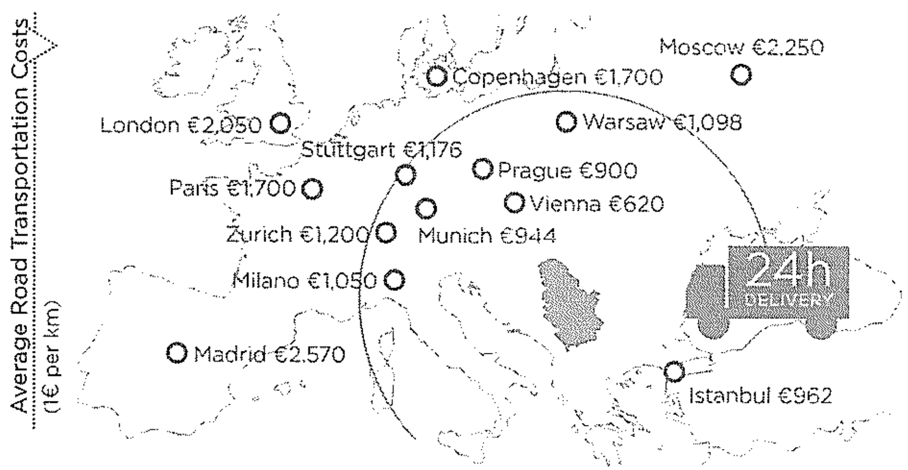
6 Optimal Geographic Location



Getting to Serbia is easier than ever!



Stay close to your customers



"The Serbian government has also moved ahead with an ambitious economic and structural reform agenda which will contribute to a more attractive business environment: restoring growth, improving competitiveness and creating new jobs."

Mr. Johannes Hahn, European Commissioner for European Neighborhood Policy and Enlargement Negotiations

"The IMF Delegation was satisfied with the progress Serbia had made in macroeconomic stability and fiscal consolidation. The economic recovery continues to take hold, supported by strong policies and improved confidence."

Mr. James Roaf, Head of the IMF Mission to Serbia (2015)

"Serbia offers an ideal base for business activities throughout eastern Europe. A strong argument for investing in Serbia is also the access to highly qualified employees, and thus the ability to produce and develop products of the highest quality economically."

Dr. Ronald Seeliger, CEO, STada/Hemofarm

"Wide availability of highly qualified staff in Serbia is the core of our success. Only through their commitment it is possible to survive in a market environment despite increasing difficulties, to develop new markets, to increase efficiency and take position for future challenges."

Hubert Forster, Muhlbauer Technologies

"The existing infrastructure, speed of issuance of building permits, administrative procedures and existing transport corridors and logistics, provide solid and stable business environment, similar to the business environment in the EU."

Mr. Zivko Topalovic, CEO, ContiTech Fluid Serbia (Continental AG)

"BPE Belgrade employs local workforce in all segments of operation, not only in the production process. We have created one of the world's best teams in the industry; our employees now take on central functions, provide support to the head office, as well as to other factories in the group worldwide."

Mr. David Banjai, Former Ball Packaging Europe Belgrade General Manager

RAS

Development Agency of Serbia (RAS) is a government organization offering a wide range of services including support to direct investments, competitiveness and export promotion, leading the implementation of projects aiming to improve Serbia's attractiveness and reputation and increase economic and regional development.

With a unique set of support programs tailored for micro, small and medium enterprises and entrepreneurs, as well as domestic and foreign investors seeking to set up or expand their business in Serbia, RAS strives to raise Serbia`s position in the region and globally.

Created as a one-stop-shop, RAS acts as a reliable partner for both domestic and international companies with a single goal of building a strong and sustainable economy, and increasing the quality of life for the people in Serbia.

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