

**GEK TERNA HOLDING REAL ESTATE CONSTRUCTION S.A**

(hereinafter, the “Company”)

**Invitation of the Bondholders of the common bond loan of an amount of €120,000,000 (hereinafter, the “CBL 2018”), issued by the Company by virtue of the resolution of its Board of Directors, dated 16.03.2018, and the Common Bond Loan Programme of an amount up to €120,000,000 and Agreement on Appointment of the Bondholder Agent, dated 22.03.2018 (hereinafter, the “CBL Programme 2018”)**

By a resolution dated 26.02.2020, the Company’s Board of Directors decided to issue a common bond loan up to the amount of five hundred million Euros (€500,000,000) (hereinafter, the “Loan”) whose bonds shall be publicly offered in Greece and listed under the category of fixed-income securities on the ATHEX regulated market (hereinafter, the “Issue”). The Issue shall take place upon obtaining the regulatory approvals from the Hellenic Capital Market Commission and the Athens Stock Exchange and provided that the Loan is subscribed for at least four hundred million Euros (€400,000,000).

GEK TERNA Group of companies is one of the largest business groups in Greece with significant experience and know-how in the entire range of its activities, thus having the ability to successfully complete the most complex and challenging projects undertaken.

With a turnover of 1.4 billion Euros<sup>1</sup>, unexecuted balance of signed contracts of 1.8 billion Euros<sup>2</sup>, established capacity and/or under construction capacity of RES more than 1.5 GW<sup>3</sup>, the largest portfolio of 720 km highway concession projects in operation, participation in the new international airport of Crete in Kasteli (second largest airport in Greece) and significant growth prospects of new projects, the GEK TERNA Group holds a leading position in the field of infrastructure, clean energy and concessions in Greece nowadays.

As part of implementing its business plan for the following years, through this Issue the Company seeks to finance the further development of its Group through existing and/or new investments, while significantly contributing to growing and boosting the Greek economy and increasing the country’s GDP, in line with the support and the means provided by the Government in the relevant sectors.

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<sup>1</sup> Reference date: 31.12.2018.

<sup>2</sup> Reference date: 30.09.2019.

<sup>3</sup> Reference date: 30.09.2019.

More specifically, the funds to be raised from the Issue (following deduction of the cost of such Issue) shall be allocated, for the most part, to financing (through share capital increases and/or loans) existing and/or current and/or new investments of the Company's Group in the fields of concessions, infrastructure and energy.

The Company considers it necessary to amend certain terms of the CBL Programme 2018 in order to align it with both the new Issue and the new financial and growth data of the Group. This amendment shall ensure smooth operation and servicing of both loans, the CBL 2018 and the Loan, without violating the terms of the CBL Programme 2018 and without making the position of the CBL 2018 bondholders any less favourable. In particular, the new Issue provides additional means to the Company and its Group for extending their business activities and, therefore, justifies modifying certain restrictive terms of the CBL 2018, while adding new means of considerable value as assurance to the benefit of bondholders of the CBL 2018.

If approved by the Bondholders Meeting of the CBL 2018, the proposed amendments shall only apply provided that the Issue takes place.

In particular, the objectives of the proposed amendments are to:

- Make the Issue possible without violating the obligations that the Company has undertaken by virtue of the CBL Programme 2018. Therefore, it is considered necessary to increase the maximum limit of the financial liabilities that the Company is required to maintain for the term of the CBL 2018.
- Increase flexibility in the use of the Company's funds, make management of capital resources more efficient and, consequently, make implementation of the business plan of the Company's Group effective. In this context, the amendments aim at removing certain restrictions in the activities of the Company and of its Group. Therefore, it is being proposed to:
  - Remove from the notion of "Material Change" which is a Termination Event of the CBL 2018 any change in the shareholder structure and/or the voting rights in any Significant Subsidiary resulting in such company no longer being considered a Subsidiary of the Issuer.
  - Expand the ability of using Net Cash Income from the Sale of Assets, by (i) adding the ability of using Net Cash Income also for partial (and not only total) repayment or early payment of (a) any Company or Subsidiary non-subordinated loan, or (b) Company or Subsidiary secured debts, (ii) adding the ability of using Net Cash Income to acquire shares, for a maximum consideration equal to the fair market value, in any company operating in the sector of the Issuer and/or the Subsidiaries, without it being necessary for this company to become a Subsidiary following such acquisition, (iii) abolishing the obligation to use at least 20% of the Net Cash Income for early payment/repayment of loans. With regard to such amendments it should be noted that, under (i) the ability for equivalent deleveraging of the Company is

maintained, thus reducing the risk for Bondholders, without limiting such ability only to full repayment of loans, whereas under (ii) the Company shall be able to use the Net Cash Income in minority participations in projects with considerable value for the Company.

- Exclude from the notion of Total Debt (a) any intragroup loans, and (b) letters of guarantee (as already included in the Financial Liabilities ratio), and (c) Company guarantees granted in favour of any company in which the Company is a shareholder to guarantee such company's liabilities arising from any bank loan agreement, provided that such guarantee is to be lifted upon expiration of the construction period of any project in whose implementation TERNA S.A. also participates. The latter exception shall not apply where the guarantee has been recognised as a liability in the Issuer's balance sheet and/or the loan guaranteed has been terminated and/or the construction period, as possibly contractually agreed, has ended, without the Issuer's guarantee having been lifted.
- Increase the amount of certain items excluded from the notion of Financial Liabilities, as indicated below: (a) increase the guarantee granted as part of participating in the company with the corporate name "International Airport of Heraklion Crete Concession SA" from €120,000,000 to €161,100,000, following finalisation and approval of the financing of such project by National Bank of Greece S.A., and (b) increase short-term credit from €50,000,000 to €70,000,000, taking into account the Group's updated financials.
- Permit the disposal of assets by the Issuer or its Subsidiaries and the merger of Subsidiaries with entities outside the Company's Group, which, based on the initial terms of the CBL Programme 2018, are prohibited where they result in increasing the Group's Debt by more than 20% and/or decreasing the Group's EBITDA and/or Assets by more than 20%. At the same time, the prohibition for the Issuer to merge with any legal entities outside the Group shall only apply in cases where it results in increasing the Group's Debt by more than 20% and/or decreasing EBITDA by more than 20%, abolishing the relevant prohibition where such merger results in decreasing the Group's Assets by more than 20%, as provided in the initial terms of the CBL Programme 2018.
- Make it possible to provide adequate assurance to the bondholders of the Loan, without affecting the position of the Bondholders of the CBL 2018, adding further assurances for the Bondholders of the CBL 2018. Therefore, it is being proposed to:
  - Abolish the Company's obligation to deposit, or maintain deposited, amounts in the DSRA Pledged Account equal to (a) the aggregate gross amounts payable to the Company's shareholders, and (b) the Excess Earnings (i.e. the net income from the sale of the Excluded Assets and the net income from the sale of other assets, to the extent that they are not used within 240 days from collection for the purposes envisaged in the CBL Programme 2018), provided that the funds that have been deposited in the DSRA Pledged Account under (a) and/or (b) above are equal to the

total outstanding principal of the CBL 2018 capital from time to time. In any event, the maximum limit of the DSRA Pledged Account shall be equal to the CBL 2018 outstanding principal amount due from time to time.

- Add, at the same time, (i) to the notion of “Excluded Assets”, i.e. the assets whose sale net income shall be deposited in the DSRA Pledged Account, the following assets: (a) all shares held by the Issuer in the company with the corporate name “XENODOCHIAKAI – TOURISTIKAI - OIKODOMIKAI & LATOMIKAI EPICHIRISSIS O KEKROPS S.A” (i.e. 7,421,662 shares), together with all rights arising therefrom, (b) once the encumbrance existing thereon has been lifted, the Company’s office building property, located at 85 Mesogeion Avenue, Athens, and (c) all shares held by the Company in Terna Energy S.A. (i.e. 43,211,556 shares), together with all rights arising therefrom (in lieu of the current provision of the relevant clause regarding 10,931,440 shares held by the Company in Terna Energy S.A., together with all rights arising therefrom, and the proceeds and benefits arising from 21,862,880 shares held by the Issuer in Terna Energy S.A.), and (ii) to the notion of “Sale of Assets”, i.e. the transactions whose net income shall be used by the Issuer and the Subsidiaries for the limited purposes provided for by the CBL Programme 2018 within 240 days from collection thereof, or deposited in the DSRA Pledged Account, the transactions of the companies with the corporate names “NEA ODOS CONCESSION SOCIETE ANONYME” and “AFTOKINITODROMOS KENTRIKIS ELLADAS CONCESSION SOCIETE ANONYME” as well as the transactions of the Concession SPV relating to its share participations in the aforementioned companies and/or the secondary debt bonds issued by such companies.

In addition to the above, due to the Issue, which is in line with the Company’s current business plan, it is envisaged that the Company may breach the obligation to respect the Total Debt to Equity ratio provided for in Clause 9.2.2 of the CBL Programme 2018 for the period from the Issue to completion of the Permitted Transformation and, consequently, the bondholders are invited to give their consent so that exceeding the Total Debt to Equity ratio provided for in Clause 9.2.2 of the CBL Programme 2018 for the Calculation Periods ending on dates prior to the completion of the Permitted Transformation or to the expiration of a 12-month period from the Issue, whichever occurs first, may not be considered a breach of any Company obligation.

Based on the above and in accordance with Clause 12.10 of the CBL Programme 2018, the Company’s Board of Directors invites the bondholders of the CBL 2018 to attend the Bondholders Meeting to be **held on 17 March 2020, Tuesday, at 11.00 a.m., at the Company’s offices located at 85 Mesogeion Avenue, Athens,** to deliberate and adopt resolutions on the following items of the agenda:

**Item No 1:** Approval by the bondholders of the following amendments of the CBL Programme 2018, subject to the Issue, and authorisation to the Bondholder Agent to execute the amending agreement of the CBL Programme 2018:

- (i) Amendment of the definition of “Encumbered Properties” as follows:

*“**Encumbered Properties**” means (i) a property owned by the Issuer, located in the district of “Palaia” in Volos, (ii) a property owned by the Subsidiary under the corporate name “MONASTIRIOU TECHNIKI ANAPTYXIAKI S.A.”, based in Athens, at 85 Mesogeion Avenue, GEMI No 003824801000, located at 240-232 Monastiriou str., Thessaloniki, and (iii) a property owned by the Issuer, located in the Municipality of Athens, district of Ampelokipi, at 85 Mesogeion Avenue, as described in Annex B of the Programme.”*

- (ii) Amendment of the definition of “Sale of Assets” as follows:

*“**Sale of Assets** means (a) the direct or indirect sale, disposal, transfer, or any other transaction with equivalent result, to any third party by the Issuer or any Subsidiary of any asset or right owned by the Issuer or any Subsidiary, excluding the Excluded Disposals, and (b) the issue of shares by a Subsidiary resulting to the decrease of the Issuer’s or any Subsidiary’s participation in such Subsidiary, excluding any programmes for the allocation of shares to employees or to members of the Issuer’s or any Subsidiary’s board of directors. The following shall not be considered a Sales of Assets: (a) the Permitted Transformation, (b) transactions between companies of the Group, (c) transactions involving Excluded Assets, and (d) transactions by Subsidiaries (and the Subsidiaries thereof), provided that and for as long as their shares are listed on any regulated market or multilateral trading mechanism, or transactions by the Concession SPV, or by any newly established Subsidiary that shall enter into the concession agreement, as concessionaire, regarding the ‘Design, Construction, Financing, Operation, Maintenance & Exploitation of the New International Airport of Iraklion Crete & Design – Construction and Financing of its Road Links’ project’. Exception under (d) shall not include any transactions by the Concession SPV with respect to the companies under the corporate names ‘NEA ODOS CONCESSION SOCIETE ANONYME’ and ‘AFTOKINITODROMOS KENTRIKIS ELLADAS CONCESSION SOCIETE ANONYME’.”*

- (iii) Amendment of the definition of “Excluded Assets” as follows:

*“**Excluded Assets**’ means: (a) all shares issued by TERNA SA, together with all rights arising therefrom, (b) all shares held by the Issuer in TERNA ENERGY SA (i.e. 43,211,556 shares), together with all rights arising therefrom, (c) full ownership, possession, and occupancy of the Properties, (d) once the Encumbrances over the Encumbered Properties on the Issue Date have been released, full ownership, possession, and occupancy of the Encumbered Properties, and (e) all shares held by the Issuer in the company with the corporate name “XENODOCHIAKAI – TOURISTIKAI - OIKODOMIKAI & LATOMIKAI EPICHIRISSIS O KEKROPS S.A” (i.e. 7,421,662 shares), together with all rights arising therefrom.”*

- (iv) Addition of the definition of “Issue Date of the CBL 2020” as follows:

*“**Issue Date of the CBL 2020**’ means the date, following the expiration of the public offer through the Electronic Book Building (EBB) Service, on which the Issuer issues, one-*

*off, the CBL 2020 bonds, each person liable to subscribe, as an original bondholder of the CBL 2020, fully subscribes, undertakes, and purchases, against payment, the bonds of the CBL 2020 issued to them, and the bonds of the CBL 2020 shall be credited on the share and the securities account held with ATHEX by the investor.”*

(v) Addition of the definition of “CBL 2020” as follows:

*“‘CBL 2020’ means the common bond loan under Law 4548/2018, of an amount of up to €500,000,000, that the Issuer intends to issue, whose bonds shall be publicly offered in Greece and shall be listed under the category of fixed-income securities on the ATHEX regulated market.”*

(vi) Amendment of the definition of “Material Change” as follows:

*“‘Material Change’ means: (a) withdrawal, replacement, removal, resignation in any manner whatsoever of Mr. Georgios Peristeris from the position of CEO of the Issuer (including his failure to be elected and appointed in the aforementioned position), and/or removal, and/or modification of the powers and duties already assigned to him by the Issuer’s Board of Directors regarding the Issuer’s regulatory and statutory administration, management, and representation, as performed and implemented on the date of the Programme, or (b) acquisition of Control over the Issuer by any person, other than Mr. Georgios Peristeris (acting individually or in concert with other persons). Removal from or modification of the powers and duties of Mr. Georgios Peristeris, under (a) above, which is due to death, illness, or injury, shall not be considered a Material Change.”*

(vii) Amendment of Clause 8.1 (g) of the CBL Programme 2018 as follows:

*“Without prejudice to the Permitted Transformation, the Issuer shall be required not to, directly or indirectly, merge with any legal entity that is not part of the Group to the extent that the cumulative effect of the aforementioned transformation shall materially change the activity of the Group as a whole. A change shall be deemed material in case it results in increasing the Group’s Debt by more than 20% and/or decreasing EBITDA by more than 20%, as such financials are calculated on the basis of the most recent financial statements.”*

(viii) Amendment of Clause 8.1 (n) of the CBL Programme 2018 as follows:

*“Without prejudice to Clause 8.1 (o), the Issuer and the Subsidiaries may use the Net Cash Income within 240 calendar days from collection as follows:*

- (i) to repay or prepay, in whole or in part, (a) any Issuer or Subsidiary non-subordinated debt (and, in the event of revolving credit, together with the final decrease of the corresponding available equal amount), or (b) any Issuer or Subsidiary secured debt,*

- (ii) to invest for a maximum consideration equal to the fair market value in fixed assets relating to the activity of the Issuer and/or any Subsidiary, whose ownership shall be maintained by the Group throughout the Term of the Loan,
- (iii) to acquire for a maximum consideration equal to the fair market value: (a) shares in any company operating in the sector of the Issuer and/or the Subsidiaries, and/or (b) additional participations in Subsidiaries which the Issuer does not, directly or indirectly, fully own (100%),
- (iv) to finance construction, concession, or partnership projects undertaken by the Issuer, any Subsidiary, consortium, or other legal entity in which the Issuer or any Subsidiary participates,
- (v) to participate in establishing or increasing the share capital of, any Subsidiary, in conjunction with the Subsidiary's relevant investment activity, in which case the Subsidiary shall be required to use the funds for one or several of the purposes referred to under (i)-(iv) above, or to cover the Subsidiary's losses, and
- (vi) any combination of the above.

*Pending the final use of the Net Cash Income according to the above, the Issuer and the Subsidiaries may temporarily decrease the revolving credit or invest the Net Cash Income pursuant to the above and/or in cash or cash equivalents, until any of the uses under (i)-(vi) takes place. The 240-calendar day period may be extended provided that the use of the Net Cash Income for any of the aforementioned purposes has been initiated within the aforementioned period by legally binding agreements with counterparties of the Issuer and/or any Subsidiary. In any event, Net Cash Income shall be used within 360 calendar days from collection thereof."*

- (ix) Amendment of Clause 8.1 (o) of the CBL Programme 2018 as follows:

*"Without prejudice to its obligations under Clause 8.1 (n), the Issuer shall deposit the funds in the DSRA Pledged Account, as soon as the above funds become Excess Earnings (i.e. are not used in accordance with paragraph (n) or are collected in accordance with paragraph (p) below), provided that and to the extent that the amounts deposited in the DSRA Pledged Account in accordance with Clauses 14.1 (b) and 14.1 (c) are less than the total outstanding principal of the Bond Loan from time to time."*

- (x) Amendment of Clause 9.1.9 of the CBL Programme 2018 as follows:

*"**Total Debt**" shall mean, for each Calculation Period, the Issuer's debt, on an individual level, including short-term and long-term loan liabilities, financial leasing (leasing and sale and lease back), but explicitly excluding (a) any intragroup loans, (b) letters of guarantee, and (c) the Issuer's guarantees granted in favour of any company in which the Issuer participates to guarantee such company's liabilities arising from any bank loan agreement, provided that such guarantee is to be lifted upon lapse of the construction period of any project in which TERNA SA also participates. The latter*

*exception shall not apply where the guarantee has been recognised as a liability in the Issuer's balance sheet in accordance with the Applicable Accounting Standards and/or the loan guaranteed has been terminated and/or the construction period has ended, as possibly contractually agreed, without the Issuer's guarantee having been lifted."*

(xi) Amendment of Clause 9.1.11 of the CBL Programme 2018 as follows:

*"Financial Liabilities" shall mean Total Debt, with the exception of: (i) loans without recourse (for example, project finance, assignment of factoring claims, leasing without recourse), (ii) the guarantee for a maximum amount of €161,100,000 to finance the participation of TERNA S.A. in the initial share capital of the company under the corporate name "IRAKLION CRETE INTERNATIONAL AIRPORT CONCESSION SOCIETE ANONYME", any transfer to the company with the corporate name "GEK TERNA KASTELI SINGLE MEMBER SOCIETE ANONYME" of the shares held by TERNA S.A. in the company with the corporate name "IRAKLION CRETE INTERNATIONAL AIRPORT CONCESSION SOCIETE ANONYME" and/or the secondary debt subordinated bonds issued by the aforementioned company subscribed by TERNA S.A., and the subscription of any share capital increase of the company with the corporate name "IRAKLION CRETE INTERNATIONAL AIRPORT CONCESSION SOCIETE ANONYME", and (iii) short-term credits up to the total amount of €70,000,000."*

(xii) Amendment of Clause 9.2.3 of the CBL Programme 2018 as follows:

*"Throughout the Term of the Loan, Financial Liabilities shall not exceed: (i) the amount of €900,000,000, until completion of the Permitted Transformation or the lapse of a 12-month period from the Issue Date of the CBL 2020, whichever occurs first, and (ii) the amount of €800,000,000, for the remaining period until the Bond Loan Maturity Date."*

(xiii) Amendment of Clause 14.1 of the CBL Programme 2018, by adding the following paragraph at the end of the clause:

*"In any event, the Issuer's obligation to deposit, or keep deposited, amounts in accordance with paragraphs (b) and/or (c) shall cease if the funds deposited in the DSRA Pledged Account in accordance with paragraphs (b) and (c) amount to the total outstanding principal of the Bond Loan from time to time."*

**Item No 2:** Grant of consent by the bondholders so that exceeding the Total Debt to Assets ratio provided for in Clause 9.2.2 of the CBL Programme 2018 for the Calculation Periods ending on dates prior to the completion of the Permitted Transformation or to the expiration of a 12-month period from the Issue, whichever occurs first, is not considered a breach of any obligation of the Company.

Should the quorum provided in the CBL Programme 2018 not be reached, the bondholders are invited to a **repeat Bondholders Meeting, to be held on 19 March 2020, Thursday, at 11.00 a.m., at the Company's offices located at 85 Mesogeion Avenue, Athens** to deliberate and adopt resolutions on the above items of the agenda.

Pursuant to the terms of the CBL Programme 2018, the Bondholders Meeting shall be in quorum and validly adopt resolutions on the above items on the agenda in case one or more Bondholders, whose participation in the total outstanding nominal value of the Bonds is at least equal to 50% of the total outstanding principal amount of the CBL 2018, are present. In the event of a repeat Meeting, the Bondholders Meeting shall be in a quorum and validly adopt resolutions in case one or more Bondholders, whose participation in the total outstanding nominal value of the Bonds is at least equal to 20% of the total outstanding principal amount of the CBL 2018, are present.

According to the terms of the CBL Programme 2018, provided that the Bondholders Meeting is in quorum, adopting a resolution on item No 1 of the agenda shall require an Enhanced Majority of Bondholders, i.e. bondholders holding at least 66.67% of the nominal value (capital) of the bonds represented either at the initial or at the repeat Meeting, and adopting a resolution on item No 2 of the agenda shall require a Majority of Bondholders, i.e. bondholders holding at least 50.01% of the total outstanding principal amount of the CBL 2018 capital at the initial Meeting, or 50.01% of the nominal value (capital) of the bonds represented at the repeat Meeting.

Both at the Bondholders Meeting to be held on 17.03.2020 and at the repeat Bondholders Meeting to be held on 19.03.2020, the persons entitled to participate and vote are those appearing as holders of bonds in the records of the Dematerialised Securities System (DSS) managed by the company "ATHEXCSD SA" at the beginning of the fifth day before the date on which the initial Bondholders Meeting is to be held, **i.e. on 12.03.2020 (Registration Date)**, without it being required that their bonds be blocked.

Bondholders may participate in the Bondholders Meeting either in person or through proxy, in the latter case by filling in and signing the relevant authorisation form available on the website of the Company <http://www.gekterna.com/el/investor-relations/corporate-bond/> For the participation of Bondholders in the Bondholders Meeting, any **authorisation and representation documents** as well as any **authorisations for participating in the Bondholders Meeting through proxy**, as indicated above, shall be submitted at the offices of the Bondholders Agent, "NATIONAL BANK OF GREECE S.A.", Akadimias 68, Athens, Attention: Mrs. Xenophontia Dimakopoulou, telephone number: +30 210 9477 759, email: [gssunderwriting@nbg.gr](mailto:gssunderwriting@nbg.gr), or sent by email at the above email address, two (2) full business days before the date set for the Bondholders Meeting, i.e. **by 12 March 2020**. The above shall apply *mutatis mutandis* in the event of a repeat Meeting.

Any revocation of the proxy authorised to participate in the Bondholders Meeting may be in writing and be notified to the Bondholder Agent, according the above.

Any Bondholder holding at least ¼ of the Company's share capital may not vote at the Bondholders Meeting. Bondholders may not be represented at the Bondholders Meeting by any person having any of the capacities referred to in Article 99(2) of Law 4548/2018 with regard to the Company.

Participating in the Bondholders Meeting by electronic means or remotely shall not be possible.

Any resolutions adopted by the Bondholders Meeting shall be binding upon all Bondholders, including those who did not participate in the Bondholders Meeting or did not vote in favour of any resolution.

Athens, 06 March 2020

The Board of Directors