

Key points of George Peristeri's, Chairman and CEO of GEK TERNA Group, speech  
in Economist Conference "Infrastructure in Greece and the Eastern Mediterranean in the  
Next Decade"

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Kindly allow me to begin first with the perspective of Greece in terms of making large investments in general and implementing infrastructure investments in particular. In my opinion, Greece after a long period of disinvestment constitutes today a unique investment opportunity. I believe that its growth potential is multiple times higher than the growth rates mentioned by the country's creditors who have been rather pessimistic recently, although they had been overwhelmingly optimistic at the start of the crisis. These opportunities are not only seen by Greek businessmen. More and more international investors, such as the Dutch company REGGEBORGH INVEST, which has invested in our Group extremely significant amounts of capital over the past year, recognize them in practice and not only in theory.

I have personally believed in Greece's prospects since the beginning of the crisis and talked about three conditions under which Greece would return dynamically to the international economic scene. I had then talked about the need of an investment shock that is perfectly possible based on the available investment plans. I had also referred to the need for Greek entrepreneurship demonstrating investment patriotism through implementation of investments, as well as the practical support of the domestic banking system by preserving and repatriating funds to the Greek banks. Finally, I had expressed our reasonable demand for equal treatment to Greek companies compared to foreign ones. The same is true largely today as available investment plans have multiplied.

Based on PWC's data for 2018, the number of planned and unfinished infrastructure projects has increased significantly during the crisis and their value is estimated at € 18.7 billion until 2023. Overall, the average investment in Greece, as a percentage of GDP, is currently about half the level of 21% that is the average in the eurozone. At the same time, those of us who are still here on the Greek entrepreneurial side have actually demonstrated resilience to the greatest crisis that a western country has ever experienced since the World War II.

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Unfortunately, unequal treatment is still present, whether it concerns the huge differences in lending options and the interest rates we pay, the tax and bureaucratic behavior of the Greek state, which unfortunately remains unchanged, or even more the overall favorable treatment of foreign investors by the State.

Our politicians and bureaucrats, both domestic and European ones, must understand the World Bank's finding, according to which in order to promote and boost investments in a country the system needs to have domestic businessmen be mobilized first and foremost. By mobilizing domestic businessmen, growth in Greece in the coming years, focusing on infrastructure which possesses an extremely high multiplier of about 1.8 times, may even surprise the most optimistic observers.

I am now coming to the next topic that is the development of infrastructure in South East Europe as a whole, which I also believe has very interesting prospects. This observation is true, particularly in relation to the Western Europe where infrastructure sector is already mature and without any potential for rapid growth. There are three reasons for the above:

1. The **difficult geomorphology**, which means that many large projects will still be needed in order to complete the development of infrastructure in the wider region. It is no coincidence that the peninsula of Aimos is named after the homonymous mountain range. Even in Greece, where infrastructure is already developed in many areas, there is still considerable additional room for growth.
2. The **dynamic growth rates of recent years** in the wider region, which will accelerate when Greece, one of the region's largest economies, enters its own dynamic growth trajectory, after being in recession for nearly a decade.
3. The **important infrastructure sectors with untapped growth potential**. The energy sector, for example, in which our Group is highly active, has great potential for additional growth.

You will allow me now to complete my speech by referring to a specific infrastructure sector, namely the energy, which especially in Greece, which I know with great depth, has great prospects.

Greece has the largest wind potential in the wider region of Southeast Europe and the Mediterranean, particularly in view of the country's sea wind potential as technologies and industrial development in this sector mature. There is also great potential for energy storage through mature pumping technology, as the country has natural and artificial reservoirs, elevation differences and abundant energy for renewable energy storage.

There are also large electrical interconnection projects, such as those concerning the Aegean (Crete, Dodecanese, etc.) that are needed to harness the country's energy potential. I

mention all these with a word of knowledge. Our subsidiary TERNA ENERGY is the largest Greek wind energy player internationally and the largest wind energy investor in Greece. We have licensed or constructed more than 1,500 MW of RES projects in Europe and America and target to reach 2,000 MW. At the same time, we are promoting investments in energy storage with a total budget of € 800 million.

These three categories of investments – renewable energy sources, storage and interconnections - constitute a single and complementary whole, which can cumulatively exceed EUR 8 billion in investments over the next five years, adding 1.5% to GDP growth over the corresponding period. This will set the ground for Greece becoming -during the decade of 2030 and for the first time in its modern history- a net energy exporter and the "battery" of the European South, which as a whole is a major importer of energy.