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Press Release

GEK TERNA: Preferred Investor for Attica Motorway

GEK TERNA SA (Bloomberg: GEKTERNA GA / RIC: HRMr.AT) announces that the Board of Directors of HRADF has declared GEK TERNA SA as the Preferred Investor for the concession of the right to operate, maintain, improve and commercially exploit Attica Motorway for a period of 25 years.

Attica Motorway was built in the 1990s. It extends along 70 km and constitutes the ring road of the greater metropolitan area of Athens and the backbone of the road network of Attica Prefecture where more than 5 million people live. It is also the connecting link of the PATHE road axis (Patra-Athens-Thessaloniki-Evzoni), since it connects the Athens-Lamia National Road with the Athens-Corinth National Road, by-passing the center of Athens, while also connecting the Athens airport with the city center. Average daily traffic (ADT) by the end of 2022 had already surpassed pre-pandemic levels, with the highway averaging an annual traffic increase of about 4.0% over the past 10 years.

The project is already in operation, while its' heavy maintenance will be completed by the date that the project will be transferred to GEK TERNA. The traffic data available for the last 20 years, combined with the contractual provisions of the concession agreement, underline that the specific project can efficiently overcome adverse conditions, ranking it as a very low risk project. At the same time, the prospect for the implementation of various extensions of the motorway (under separate contracts) allows for expectations for increase in traffic volumes and revenues. Within this context, the returns of the project are expected to be within the range that traditionally GEK TERNA aims and achieves in similar projects, creating additional value for the company and its shareholders.

The price of EUR 3.270 bn will be paid in a lump sum at the time of signing the concession agreement. The project will be financed by a combination of the Group's equity (recall that according to the published financial figures at the end of the 1st Quarter 2023 the cash reserves of the Group amounted to EUR 1.6 bn) and bank lending, as has been foreseen in the context of the tender process. Mediobanca S.p.A. acted as the exclusive financial advisor of GEK TERNA S.A. for the transaction, while the Greek systemic banks provided the financing support.

GEK TERNA Group is the major Greek strategic and long-term investor in the concessions sector. Capitalizing upon its' many years of experience in the sector and its organizational structure, expects to achieve significant synergies and economies of scale from the operation and management of the motorway, considering also the incorporation of the largest fleet of e-pass subscribers.

With the addition of the Attica Motorway concession contract, the total motorway network managed by GEK TERNA Group will exceed 1,600 kilometers, including the Egnatia Motorway project, where the concessioner has already submitted all necessary documentation for the financing and implementation of the project, and it is pending the completion of the relevant contractual procedures by the State. GEK TERNA's motorway portfolio is one of the largest and "youngest" portfolios in Europe (average remaining contractual term of 25 years) in Europe, ensuring long-term, significant and predictable recurring revenues.

GEK TERNA is among the leading Greek companies with significant presence abroad. With more than 6,500 employees it showcases once more its long-term commitment to invest in Greece, implementing an unprecedented investment plan that exceeds EUR 10 bn creating more than 20,000 new jobs, supporting at the same time the Greek banking system, while maintaining at all times its substantial cash reserves in the Greek banks.

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