

George Peristeris's, Chairman and CEO of GEK TERNA Group, speech in Athens Investment Forum

October 9, 2019

Dear Minister, ladies and gentlemen, good morning.

I would like to thank the conference organizers for inviting us to talk about investments. The restart of the Greek economy and the country's growth prospect, which is the title of this conference section that hosts us, are summarized in one word: INVESTMENTS!

Let me start with a personal note. From the first moment the crisis broke out, at every opportunity that was given, in public interventions and private discussions, I have been saying and keep saying it with all my strength that there are three fundamental conditions for the country to come out of the crisis:

The first is the investment shock.

The second is investment patriotism.

The third is the equal treatment of Greek companies against the foreign ones.

The first two depend mainly on the companies themselves. And we, ourselves, at GEK TERNA Group have been implementing these two things for many years now, but also with even greater intensity since the first day of the crisis. We have actively supported the Greek economy and society by investing more than 2.5 billion Euro during the crisis, while we have already launched a new investment plan worth over 1.5 billion Euro.

At the same time, we have continuously and uninterruptedly maintained our entire cash in the Greek banking system, even during the difficult times. It is gratifying that the call we have made for the repatriation of funds from all over the world has now become wider, and I hope that - even if the conditions are clearly safer - more businesses will respond. Because some companies cannot have their deposits outside Greece and only their loans in our country and because without a strong banking system, there can be no investments or growth of course.

Unfortunately the third condition, that of equal treatment of Greek companies in their own country, remains a requirement. Not just because it should be so for "justice" purposes, but also because

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otherwise there will be no restart of the Greek economy. Our politicians and bureaucrats, both domestic and European, need to understand the World Bank's finding; The institution has explained that in order to promote investment in a country first and foremost, domestic entrepreneurs must be mobilized.

Greek companies want and can play a leading role in this new era. All they ask for is the obvious. Equal treatment. Equal treatment refers to the cost of financing, the ease of access to capital, in taxation, in the payment of state liabilities. Especially on taxation let me note that it makes no sense just to talk about the income tax rate, but about the overall tax burden on businesses, which cumulatively is probably one of the largest in the world. It is very gratifying that the new government has realized this and is moving towards reducing taxation.

Let me briefly mention the investment sectors that we as a Group know very well, namely investing in projects and infrastructure of all kinds as well as in energy production, i.e. sectors with huge domestic value added and a significant multiplier; for every euro spent on those areas, 1.8 euros return to the Greek economy.

In the field of infrastructure, many studies have shown that more than 18 billion Euro worth of infrastructure can be implemented in the country over the next five to ten years. It is absolutely essential to proceed with basic infrastructures that will serve the digital transition, but of course infrastructures of all kinds, with their dominant tool of implementation being concessions and public-private partnerships. The experiment proved successful, both in transport infrastructure, such as in the case of major motorways that changed the country's image, as well as in environmental projects such as the area of waste management. Public-Private Partnerships have proven to be both effective and cost-efficient solutions and at the same time a priority for both the European Union and the European Investment Bank. In times of significant shortage of funds from the Public Investment Program, the rapid implementation of private sector co-financed projects with the help of the banking system and the EU is a one-way road.

In the energy field, our view for years now has been that for national, economic and social reasons, domestic energy sources should be optimally exploited. What are our domestic 'fuels'? What does the country have? It has wind and sun, i.e. Renewable Energy Sources, water and lignite. Given that the government has taken the right decision to phase out lignite in the coming years, it is imperative to

turn massively to other domestic energy sources, namely RES. And I am pleased to see that the new government is supporting the promotion of RES and clean energy. Nevertheless, let us clarify something here. Clean energy is only RES energy. It makes no sense to remove lignite because it pollutes, and then replace it with imported fuels like natural gas, simply because they pollute less. Indeed, gas pollutes less than lignite and is useful for balance and stability reasons for the system over a transitional period. We, as GEK TERNA Group, have also responded to this challenge in a timely manner by completing the Production License process for a new ultra-modern 670 MW combined cycle power plant in Komotini area.

However, we must not forget that gas also emits pollutants, in addition to being an imported fuel. Therefore, its use should be limited. Clean energy is the energy that has zero pollutants, that is, Renewable Energy, and therefore we need to dynamically support and massively turn our focus towards this type of energy.

To do this, investments must be made in three interconnected sectors at the same time: Mass investment in RES - Energy storage investments using increased domestic value added technologies such as pumping - Investments in integrated interconnection systems. Only the simultaneous promotion of these three categories of investments will enable us to achieve the national targets for RES penetration, with huge economic, environmental and social benefits. These three categories constitute a single and complementary set, which could cumulatively exceed 8 EUR billion in investment over the next five years, adding 1.5% of GDP growth over the corresponding period and laying the foundations for Greece becoming in the 2030s for the first time in its modern history a net clean energy exporter and the "battery" of the European south, which is also a major importer as a whole.

We will help with all our strength towards the above objective as we have been doing so for years now. I would like to point out that we are promoting new investments of over EUR 1 billion in new RES projects and also in two major storage projects, which, once started, will create approximately 2,000 new jobs. Many other investments in RES and in storage can and should be implemented. Benefits will come out to all businesses that have access to cheap electricity and thus they will be able to make their long-term planning easier. There will also be benefits for all Greeks who, through RES, can see significant economic benefits in their pocket with cheaper power, environmental benefits by improving their quality of life, and social benefits by creating thousands of jobs. Thank you.