



1. STRUCTURAL FUNDS AND ROMANIA

The European Commission adopted the "Partnership Agreement" with Romania, in the context of mobilization of the Structural Funds and EU investment in sustaining the growth and employment for the period 2014-2020.

The Structural Funds and European Investment (ESI Fund) consist of:

- European Regional Development Fund (ERDF)
- European Social Fund (ESF)
- Cohesion Fund (CF)
- European Agricultural Fund for Rural Development (EAFRD)
- European Maritime & Fisheries Fund (EMFF)

This strategy is based on the significant commitment provided by Romania to help the EU achieve the objectives of the 2020 Strategy efficiently, in smart and sustainable growth, social inclusion and climate change mitigation. In return, these investments will develop the competitiveness of the country, in urban and rural areas, in growth sectors such as energy, engineering, nanotechnology and bio-economy, ensuring benefits for the economy of Romania and its citizens.

Romania has developed greatly during the last years. However in our opinion, there are still many and major Projects which require urgent attention and implementation so they may contribute to the development of the country and its people.



2. INFRASTRUCTURE PROJECTS CURRENTLY UNDER EXECUTION IN ROMANIA BY AKTOR

We have successfully completed the performance of several Projects financed by Structural Funds in Romania.

Title	Description	Fund
REHABILITATION OF DN6 ROAD SECTION DROBETA TURNU SEVERIN - LUGOJ KM 332+150 - 495+800	The Project is located at the south western part of Romania at Banat county. DN6 connects Bucharest with Hungarian borders and is part of the European road network as "E70 highway". The total length of DN6 is 720 km from which 44.5 km is Contract 4R18.	ISPA
BUCHAREST WASTEWATER TREATMENT PLANT	The plant with hydraulic capacity of 10m ³ /s, 5m ³ /s of which is treated in the biological stage and treatment capacity of approximately 1,750,000 Equivalent Population. The wastewater treatment consists of: preliminary treatment (coarse and fine screening, grit removal), primary treatment (primary sedimentation) and biological treatment including Nitrogen and Phosphorous removal, sludge treatment facilities (thickening, anaerobic digestion, dewatering), as well as a co-generation plant which utilizes the biogas generated from the anaerobic digestion process. The client was the Bucharest Municipality.	ISPA
BACAU WASTEWATER TREATMENT PLANT	The project involves the design and build of the Wastewater Treatment Plant of 200.000 equivalent population. The wastewater treatment consists of inlet works, biological treatment, sludge treatment (thickening, anaerobic digestion, dewatering) and co-generation unit.	Cohesion Fund

Currently, we are entrusted with the performance of the following Projects financed by Structural Funds.

Title	Description	Fund
<p>Construction and installation works (exclusive ERTMS, GSM-R, Electronic Interlocking) on section 2: COSLARIU-SIGHISOARA, sector Micăsasa – Coşlariu, part of the project of “Rehabilitation of Brasov – Simeria Railway, component of the corridor IV Pan European, for the traffic of trains with maximum speed of 160 km/h, section Coşlariu – Sighișoara” – lot 2</p>	<p>The project includes rehabilitation / upgrading of rail infrastructure for a total length of 36.6 km. The project will ensure maximum speed of 160 km / h for passenger trains and 120 km / h for freight, and includes the following areas of works: earthworks, 7 new and rehabilitated bridges, 52 new and rehabilitated culverts, works for the consolidation and stabilization of earthworks, the construction of railway superstructure, civil works in buildings and platforms, electromechanical works for the rail line and the buildings, geotechnical investigations.</p>	<p>Cohesion Fund</p>
<p>Rehabilitation of the railway line Border – Curtici - Simeria, component of the corridor IV Pan European, for the traffic of trains with maximum speed of 160 km/h: Section 2: km 614-Gurasada, sub-section 2c: Y End Ilteu-Gurasada</p>	<p>The works for the rehabilitation and modernization of Cap Y Ilteu – Gurasada subsection, for double electrified line and for the operation of trains with a maximum speed of 160 km/h will cover embankment works and consolidations on a length of over 22 km, modernization of 15 bridges (of which 2 bridges over Mureş river with a central opening of more than 110 m), 17 bridges, 1 upper passage, 3 lower passages, 2 tunnels (837 m in total) and a 340 m high facility, electrification and power supply works (including electric traction substations from the national network at 25 Kv or 27,5 Kv as well as SCADA system), for a length of 22 km, signaling works (electronic interlocking system) and 69 switches, implementation of the ERTMS system (ETCS Level 2+GSMR) implementation works, including RBC (Radio Block Center), for a distance of 22 km and civil works in 4 stations (including commercial stops and other flag stations).</p>	<p>Cohesion Fund</p>
<p>D&B Motorway Sebes – Turda lot 2</p>	<p>Lot 2 of the motorway Sebes – Turda is a motorway with the length of 24.25 km, 2 traffic lanes and 1 emergency lane per direction, 1 maintenance and monitoring centre, 1 interchange, 12 viaducts, 9 overpasses, 7 underpasses</p>	<p>Cohesion Fund</p>



3. INFRASTRUCTURE PROJECTS

The development of any country, Romania obviously being included, means the development, the continuous upgrade and improvement of the Economic, Social, Cultural and Environmental level of life.

The development of any country is also noticed when the GDP, or the median personal Annual income, or other economic indicators improve and in how such improvements are reflected in the daily life of each citizen living in that country, in the time allocated by every citizen for himself, his family, for getting involved in social and cultural activities. The development of a country may also be noticed and reflected in the environmental changes occurred, such as improvement of the surrounding nature, breathable air, increase of green spaces, reduction of air pollutants, waste water treatment.

Infrastructure Projects promote the development of a country. The development itself of a country also generates the need for new Infrastructure Projects; the connection between these two being quite obvious.



4. PUBLIC PRIVATE PARTNERSHIP

The necessity of any Project is at first established through the applicable procedures of the social bodies of the country, either by its local or central Authorities, bodies which should express the will of the people.

In parallel the availability of funds, private and public is investigated and the method for the construction is decided. In Romania, the most common methods used for financing the constructions in the infrastructure field are with public funds, or partially with funds received from the European Union and partially with public funds.

Another possibility for financing the construction of Infrastructure Projects is with the participation of private funds, namely **Concession Projects** which hopefully shall be soon implemented as well in Romania.

Since from the National Funds of Romania only a certain amount is allocated for the construction of Infrastructure Projects, then it is probably advisable one to consider that with the method of Concession, more Projects shall be constructed with the same amount of money, since also private funds will be made available for this purpose.

After the construction of a Concession Project, the operation itself of the Project generates further additional financial results to the country. Such results, in their turn, will reimburse in full the cost of the Projects in the future.

In other words, a successful Concession Project is the one that through its use, the investment, the cost of the construction and its operation is paid back. A successful Concession Project is the one that the user encumbers the cost of the construction and operation and not the other citizens of the country.



5. WHICH PROJECTS MAY BE SUBJECT OF CONCESSION?

A significant question to be answered to is which Projects may be constructed as Concession Projects. The Concession method is best applicable for the Projects that the revenues from the operation of the Project can cover the investment within a visible and measurable time margin.

Such Projects should be mainly:

- Construction of Road Projects having as result the increase of traffic, shortening the travel time, improvement of the traffic safety, etc.
- Household Waste Management Projects which should commence from the collection and selection from every house until the complete treatment of the household waste, such as to have a minimum impact on the Environment.
- Waste Water Treatment Projects consisting in the biological treatment of the waste water and the expansion of the existing networks/ plants.
- Energy Projects, Parkings, Hospitals, Schools and Transport Projects such as Ports, Airports, Railway Projects, etc.

Our Company AKTOR possesses a vast experience on Concession Projects and it has completed with success similar Projects developed in Greece in partnership with the Greek Authorities. If required, AKTOR is open and wishes to cooperate with the Romanian Authorities on developing Concession Projects also in Romania.

The legal frame in Romania for the development of Projects by Concession Method is already advanced.

It is our opinion that in case there is Will and considering also the applicable European rules and the availability of Structural Funds, legal solutions can be established by the European Union together with the Romanian responsible Authorities for the development of such Concession Projects.

Concessions segment overview

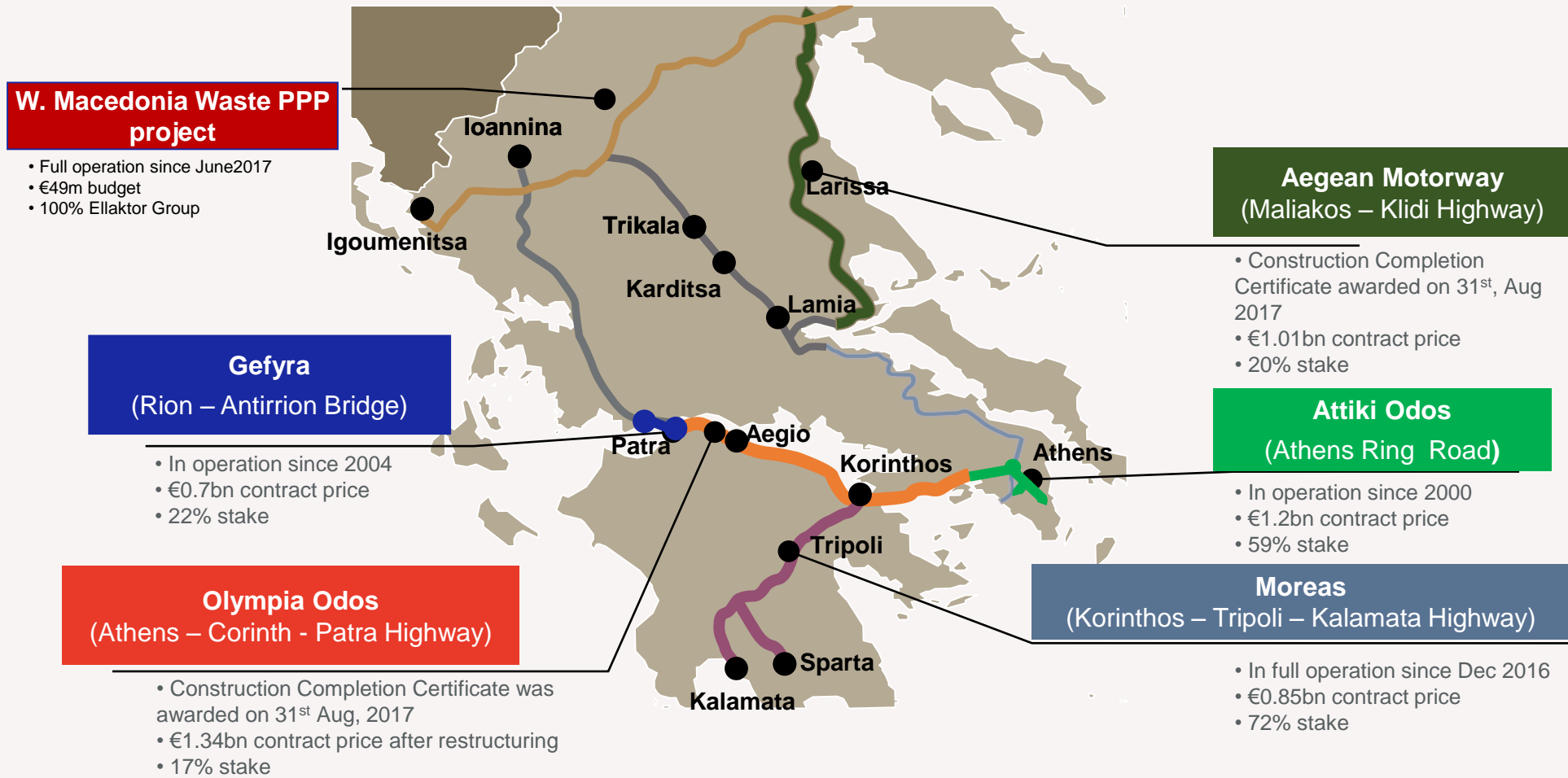
AKTOR

- ▲ Holds mature assets (59.2% in Attiki Odos, 22.0% in Rion-Antirion Bridge & 71.67% in Moreas)
- ▲ Participates in two (Olympia Odos and Aegean Motorway) out of four major road concession projects which were recently awarded the relevant Construction Completion Certificate which marks the completion of the projects.
- ▲ Moreas was completed on Dec. 12th, 2016 and is in full operation since then.
- ▲ Olympia Odos and Aegean Motorway were awarded the Certificate for the Operational Use on March 31st, 2017, the new sections were given to traffic during the first days of April 2017 and the relevant Completion Certificates awarded on 31.8.2017.
- ▲ The traffic on the motorways has been steadily increasing at rates higher than GDP since the last quarter of 2015



- ▲ Participates in concessions of 4,939 car parking spaces, in the operation of another 2,194 spaces including those of Stavros Niarchos Foundation Cultural Center Car Park and recently announced preferred bidder for the management of at least 500 spaces.
- ▲ **EPADYM S.A.**, the 1st Waste Management PPP in Greece commenced Operations on June, 10th 2017. Construction Works, Commissioning and Acceptance Testing reached 100% completion exactly 24 months following Financial Close, fully in line with the contractually agreed timetable and budget.
Project characteristics:
 - Processing capacity: 120,000 tons per annum
 - Investment: €48ml
 - End of concession: 10.06.2042 (27 years)
 - Financing scheme includes EIB: €13ml, Jessica (EU structural funds): €13ml, National Bank of Greece VAT facility: €5.6ml (repaid in full Jan'18) & Equity: €16ml.

Overview of AKTOR's Motorways Concession portfolio



Operating Motorways Concessions assets

...Low risk mature assets ...

	 ATTIKI ODOS	 GEFYRA	 MOPIAS
Type of concession	Toll ring road in Athens	Toll bridge	Motorway KTK
AKTOR (%)	59.2%	22.0%	71.67%
Total length	65.2Km	2.3Km ⁽¹⁾	250 Km
Commencement of operation	March 2001	August 2004	March 2008 /Dec 2016
End of concession	September 2024	December 2039	March 2038
Total investment	€1,310 ml	€ 839 ml	€1,016 ml
Average daily traffic (2017)	216,914 vehicles	10,196 vehicles	47,430 vehicles
Toll Revenues (2017)	€176.87 ml	€39.52 ml	€ 32.11 ml
First Net Profit Year	2012	2004	
Operator (Aktor Concessions stake %)	ATTIKES DIADROMES: 47.4%	GEFYRA LEITOURGIA: 23.1%	The Concessionaire

Note: (1) 8.2 Km total length, which includes access bridges, toll plaza and the connections with the national roads network

Rest of Motorways Concessions

Aegean Motorway and Olympia Odos were awarded with the Construction Completion Certificate on Aug 31st , 2017



	AEGEAN MOTORWAY S.A.	OLYMPIA ODOS
Type of concession	Motorway Maliakos - Kleidi	Motorway Elefsina -Korinthos-Patra
AKTOR (%)	20.00%	17.00%
Other Shareholdings	35.00% Hochtief 13.75% Vinci 16.25% J&P-Avax 10.00% Aegek 5.00% Athina	29.90% Vinci 19.10% J&P-Avax 17.00% Hochtief 17.00% Gek Terna
Total length	230 Km	201 Km
Commencement of operation	March 2008 / April 2017	August 2008 / April 2017
End of concession	March 2038	August 2038
Total investment	€1.6bn	€2.1bn
Toll Revenues (2017)	€ 64.22 ml	€ 80.17 ml
Average daily traffic (2017)	60,451 vehicles	112,011 vehicles
Operator (Aktor Concessions stake %)	The Concessionaire	OLYMPIA ODOS LEITOURGIA (shareholdings as in concession company)

Attiki Odos – Flagship Concession asset



- It was a challenge for construction, as it had to take place with the minimum disruption of a very crowded city
- It was a project management challenge as the project had to deal with 30 municipalities, various public companies of utility networks, a number of design modification and delays because of court decisions related to environmental issues and rich archaeological findings.
- It was a financial challenge, as it was the first project executed and financed exclusively by Greek companies.
- It was an operation challenge successfully handled by Attikes Diadromes S.A. as the ringroad involves 39 toll stations and almost 200 entry gates) and as the number of users grew rapidly, averaging 280.000 per day in 2010 but more than 300.000 per working day.