



Brief Presentation
Attracting Strategic Investments
«Fast-Track»
Law 4864/2021 (GG A'237/2.12.2021)

STRATEGIC INVESTMENTS

"Strategic Investments" are characterized by investments which, due to their strategic importance for the national or local economy, can bring quantitative and qualitative results of significant intensity for the increase of employment, productive reconstruction and the promotion of the natural and cultural environment of the country, with main features the extroversion, innovation, competitiveness, universal design, saving natural resources in the perspective of the circular economy and high added value, especially in areas of economic activity of internationally traded products or services.

Strategic investments are distinguished according to the incentives provided in the following categories: "Strategic Investments 1", "Strategic Investments 2", "Emblematic Investments of Extraordinary Importance", "Strategic Investments for rapid licensing", "Automatically Included Strategic Investments".

INVESTMENT INCENTIVES

<p>a) Location Incentives (Article 7)</p>	<p>i. For the realization of Strategic Investments, the Ministry of Development and Investments may, further to a decision of the Interministerial Committee for Strategic Investments (ICSI), prepare Special Plans for Spatial Development of Strategic Investments (SPSDSI) in principle of single areas, except for the public real estates mentioned in article 10 of law 3986/2011 (A '152). Under certain conditions, up to 1 non-adjacent area is included.</p> <p>ii. For industrial investments os sub-cases bb) and bc) of case b) of par. 1 of article 2, the investments of spatial organization of the enterprises of sub-case. eb) of case e) of par. 1 of article 2 and of the supply chain, the maximum allowed building factor, provided for each case of par. C of article 11 of law 3986/2011 to which the above investment categories belong to, is set to zero party six (0.6), which may be reasonably increased to zero party nine (0.9).</p> <p>iii. For investments in the field of construction of data centers and technological support of companies and other accompanying activities (Data Centers), the maximum permissible building factor, provided in case d) of par. C of article 11 of law 3986/2011 is set at zero party eight (0.8) and the maximum allowable coverage rate is set at sixty percent (60%).</p> <p>iv. Investment plans for which SPDSI are approved, from the beginning of their productive operation must implement a plan of principles of sustainable development based on the criteria of Environmental, Social and Corporate Governance - (ESG).</p>
<p>b) Tax incentives (Article 8)</p>	<p>i. The incentive to stabilize the current, at the date of their designation, income tax rate of legal entities for a period of time, which is set at twelve (12) years from the completion of the investment plan, is provided to all Strategic Investments regardless of category. The investment entity can make use of the consolidated income tax rate from the tax year of completion and commencement of productive operation of the investment. If the rate is reduced, the current reduced rate is applied</p>

	<p>ii. The possibility of a tax exemption consisting of the exemption from the payment of income tax on the pre-tax profits, which arise, according to the tax legislation, from all the activities of the company, after the deduction of the tax of the legal entity or the legal entity, which is proportional to the profits distributed or assumed, is provided. The amount of tax exemption constitutes an equal reserve, which in case of distribution or capitalization is taxed in accordance with article 47 of law 4172/2013 (A '167). The institution may utilize the entire eligible tax exemption within fifteen (15) tax years and not in less than three (3) tax years from the year of establishment of the right to use the said incentive.</p> <p>iii. The possibility of accelerating tax depreciation of fixed assets that have been included in the approved investment plan is established by increasing the rates in the table of par. 4 of article 24 of law 4172/2013 by one hundred percent (100%). If the initial rate of depreciation is higher than twenty percent (20%), the final rate of increase may not exceed forty percent (40%). For manufacturing companies, depreciation of machinery and mechanical equipment is deducted from gross income at the time of their realization, increased by thirty percent (30%).</p>
<p>c) Rapid licencing incentive (Article 9)</p>	<p>A period of forty-five (45) calendar days is set for the issuance of any required permit or approval for the execution of projects, the installation or operation of a strategic investment, including spatial permits.</p> <p>These deadlines begin from the submission by the investment entity to the General Directorate of Strategic Investments (GDSI) of the Ministry of Development and Investments, of a complete file for each required license or approval, with all the necessary supporting documents.</p> <p>The G.D.S.I. of the Ministry of Development and Investments examines the formal completeness and compatibility of the data of the file with the decision of the Interministerial Committee for Strategic Investments (ICSI) and within a period of seven (7) calendar days from the submission, necessary additional information to complete the file can be requested just once (1). It shall then forward to the competent licensing authority an application and the relevant file for the issue of the license, approval or opinion.</p>
<p>c) Incentives to increase costs (Article 10)</p>	<p>Aids are provided in the form of a grant, which consist of providing a sum of money to cover part of the assisted costs. Specifically:</p> <p>i. Aid for the employment of <u>disadvantaged workers</u> and persons with disabilities, which, combined with any other state aid, may not exceed EURO 5,000,000 per investment project.</p> <p>ii. Aid for Research and Development projects, which, combined with any other State aid, may not exceed (a) for projects mainly related to industrial research - EURO 20,000,000 per investment project, (b) for projects mainly related to experimental development - EURO 15,000,000 per investment project and (c) for feasibility studies and preparation of research activities EURO 7,500,000 per investment project.</p> <p>iii. The investment plans, which are included in the "Emblematic Investments of Extraordinary Significance", of circumstance c) of par. 1 of article 2, may, by</p>

	<p>decision of the ICSI, also receive an aid, divisive or cumulative, in the following forms:</p> <p>a) <u>Grant</u>, which consists of the provision of a sum of money by the State, in order to cover part of the assisted costs and is determined as a percentage of them,</p> <p>b) leasing subsidy, which consists of the coverage by the State of part of the paid installments of the leasing installments</p> <p>c) subsidizing the cost of employment created</p> <p>The aids hereby are granted as individual aid, either under Regulation (EU) 651/2014, or following an approval decision by the European Commission.</p>
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CONDITIONS AND INCENTIVES BY CATEGORY

Category	Annual Work Units (AWUs)	Total Budget	Incentives (divisive or cumulative)
aa. Strategic Investments 1		Over EURO 75.000.000	- Location Incentives (Art.7) - Tax rate stabilization (§1, Art.8) - Rapid licensing (Art.9)
ab. Strategic Investments 1	At least 75 new AWUs	Over EURO 40.000.000	- Location Incentives (Art.7) - Tax rate stabilization (§1, Art.8) - Rapid licensing (Art.9) - Cost aid (for hiring disadvantaged workers and for research and development projects aid) (Art.10)
ba. Strategic Investments 2 relates to one (1) or more of the agri-food sectors, research and innovation, biotechnology, cultural and creative industries, robotics, artificial intelligence, medical tourism, waste management, space industry or more than twenty million (20,000,000) euros and the investment aims at the digital transformation of the company or the provision of cloud computing services.	Regardless of limit	Over EURO 20.000.000	- Tax incentives (Art.8) - Rapid licensing (Art.9) - Cost aid (for hiring disadvantaged workers and for research and development projects aid) (Art.10)
bb. Strategic Investments 2	At least 50 new AWUs	Over EURO 30.000.000	- Tax incentives (Art.8) - Rapid licensing (Art.9) - Cost aid (for hiring disadvantaged workers and for research and development projects aid) (Art.10)
bc Strategic Investments 2 within Organized Recipients of	At least 40 new AWUs	Over EURO 20.000.000	- Tax incentives (Art.8) - Rapid licensing (Art.9)

Manufacturing and Business Activities			- Cost aid (for hiring disadvantaged workers and for research and development projects aid) (Art.10)
c. Emblematic Investments of Extraordinary Importance	Regardless of limit	Regardless of limit	- Location incentives (Art.7) - Tax incentives (Art.8) - Rapid licensing (Art.9) - Cost Aid (Art.10) Subsidy is also included (100% in the Decarbonization Zones and 80% outside the said zones)
da. Strategic Investments for rapid licensing	At least 30 new AWUs	Over EURO 20.000.000	- Rapid licensing (Art.9) - Cost aid (for hiring disadvantaged employees) (Art.10)
db. Strategic Investments for rapid licensing which are part of an investment, which has already been identified as a strategy and its implementation has been completed	At least 30 new AWUs	Over EURO 10.000.000	- Rapid licensing (Art.9) - Cost aid (for hiring disadvantaged employees) (Art.10)
dc. Strategic Investments for rapid licensing which are existing investments, strategic or not, that restructure or modernize or expand facilities	at least one hundred (100) existing AWUs are maintained in a sustainable manner	Over EURO 15.000.000	- Rapid licensing (Art.9)
ea. Automatically Included Strategic Investments: Important Projects of Common European Interest (IPCEI)	Regardless of limit	Over EURO 20.000.000	- Tax Rate stabilization (Art. 8) - Rapid licensing (Art.9)
eb. Strategic investments of company spatial organization , which concern the development of business parks of law 3982/11 in an area of at least (500) acres	Regardless of limit	Over EURO 10.000.000	- Location incentives (Art.7) - Tax incentives (Art.8) - Rapid licensing (Art.9)

SUBMISSION AND DOCUMENTATION OF AN APPLICATION FOR CLASSIFICATION OF AN INVESTMENT AS "STRATEGIC"

Any interested investment entity submits to the "**Hellenic Investment and Foreign Trade Company SA**" an application for the designation of its investment plan as a Strategic Investment, its inclusion in one of the categories of article 2 and the incentives it wishes to receive. Its application is accompanied by a complete file, which includes at least the following information:

I. Business Plan

Business plan of the investment that includes in particular, the identity of the investor and his associates, indicative detailed schedule of implementation of the investment and its operating period, reference to the previous experience of the investor in relation to the type and nature of the investment, a description of the total investment and the individual investments with particular reference to the fulfillment of the criteria set out in Article 2 on the creation of new annual work units, the development of new technologies, innovation, extroversion, high added value, environmental protection, the overall planning, a description of the proposed strategy concerning the implementation of the project, a description of the individual activities and services that will be provided.

II. Evidence of securing the investment location

Purchase and sale contracts or concessions of ownership or notarial documents for the establishment of a surface right, according to articles 18 to 23 of Law 3986/2011 (A' 152) or lease agreements or pre-lease agreements accompanied by ownership certificates from the competent Mortgage Office or, according to which the real estate is located in an area where the cadaster has been completed, accompanied by copies of the cadastral sheet of the real estate or concessions for the use of real estate of a minimum duration of thirty (30) years for all investment plans requested to receive the incentives provided for all other cases, or notarial pre-agreements for the purchase of real estate subject to the non-inclusion of the investment plan in the strategic investments of this Part.

In case of submission of the above lease agreements, the accompanying documents must have been issued within one month before the date of submission of the application of par. 1 and the investment entity must, after the decision to designate its investment as a strategy by the Board of the ICSI, convert the pre-lease agreements into lease agreements and include these lease agreements in the investment and licensing file of par. 2 of article 17 to the General Directorate of Strategic Investments (G.D.S.I.).

III. Investment Budget

Analysis of the budget of the total investment and the individual investments, as well as the financing structure during the construction period of the investment project and during its operation period, provision of a comfort letter or letter of proof of funds, in the case of investment funds ("funds") from a financial institution operating legally in another Member State of the European Union (EU) or the European Economic Area (EEA) or in a Member State of the Organization for Economic Co-operation and Development (OECD), list of key performance indicators, report of any form of aid requested by the State, as well as analysis of possible direct or indirect compensatory benefits in favor of the State and the local community.

IV. Environmental and urban characteristics and land use documentation

Environmental and urban characteristics of the properties provided in the plan and documentation of land use or uses, their size and intensity, as well as building conditions and restrictions. Analysis of the direct and indirect effects of the investment in the Greek economy in the short, medium and long term (investment impact assessment), at national, regional and local level, which includes the analysis of social and environmental impacts. This analysis takes into account in particular the local productivity and the degree of employment, the size and productivity of the neighboring areas, the natural beauty of the area, its archaeological and cultural wealth, the resilience and the ability to smoothly adapt the natural, residential and economic and social subsystem in the effects of the investment and finally the existence of similar economic activities in the region.

V. Mandate and power of attorney to the "Hellenic Investment and Foreign Trade Company S.A."

Irrevocable mandate and power of attorney to the "Hellenic Investment and Foreign Trade Company SA" taking the necessary actions regarding:

aa) the control and / or cross-checking of the elements of the investment proposal file, in order for it to

be included in the Strategic Investments,

bb) the publication of investment data, except those covered by business, industrial or other confidentiality and its development, the applications submitted by the investment entity, as well as the relevant decisions and opinions of the Management on the website of the " Hellenic Investment and Foreign Trade Company SA " .

VI. Proof of payment of the management fee to the "Hellenic Investment and Foreign Trade Company SA"

Proof of payment of 25% of the total management fee to the "Hellenic Investment and Foreign Trade Company SA". The amount of the total management fee, paid to the "Hellenic Investment and Foreign Trade Company SA" to cover the administrative costs of processing the investment portfolio of "Strategic Private Investments", is estimated at **0.1% of the total cost of the investment and cannot be less than fifty thousand (50,000) euros or more than two hundred and fifty thousand (250,000) euros**. The remaining seventy-five percent (75%) is paid to the "Hellenic Investment and Foreign Trade Company SA" prior to the meeting of the ICSI, on the agenda of which the investment proposal has been introduced for consideration. In case of non-characterization of an investment proposal as a strategy by the ICSI, seventy-five percent (75%) of the total management fee is refunded.

VII. Declaration by the legal representative

Declaration by the legal representative of the investment entity, in which it is stated that the submitted documents, data, declarations and documents contained in the submitted file are accurate and true.

VIII. Detailed description of the aid requested and the costs involved

Detailed description of the aid requested and the costs associated, necessary evidence of compliance with the applicable compatibility requirements of the Commission Regulation (EU) 651/2014 of June 17, 2014 on the declaration of certain categories of aid as compatible with the internal market (L 187), only if the application for the characterization of an investment plan as a Strategic Investment shall also include an application for the granting of Articles 8 and 10.

Pre-characterization of an investment as a Strategy

1. Within a period of **forty five (45) calendar days from the date of submission** of the investment proposal file, the "Hellenic Investment and Foreign Trade Company SA" **evaluates** and gives opinions on the fulfillment of the criteria of article 2, the **completeness** of the file and the required data and documents of article 12, the expediency of including the investment in the Strategic Investment process.
2. After the completion of the evaluation of the investment proposal, the "Hellenic Investment and Foreign Trade Company SA" **posts** the key details of the portfolio and a staff summary of the investment proposal (except for information submitted confidentially in the investment proposal portfolio, which is confidential and classified as confidential by the investor and may not be disclosed to any third party) on a properly designed platform, on its website, and invites the public and co-competent entities to a public consultation. The consultation lasts **ten (10) calendar days**.
3. The consultation process is not mandatory in cases of implementation of investment proposals within Organized Recipients of Manufacturing and Business Activities of par. 4 of article 41 of law 3982/2011 (A '143), while it remains mandatory for business parks. The results of the consultation, if carried out, are analyzed and taken into account for the formulation of the **final opinion** of the Hellenic Investment and Foreign Trade Company SA.
4. The opinion and the other data of the presentation file of the investment proposal are forwarded to the General Secretariat of Strategies and Private Investments and Public-Private Partnerships of the Ministry of Development and Investments, which further **forwards** the presentation file to the investment

proposal and prepares the relevant meeting of the ICSI.

5. For the submitted investment proposals, whose investment entities are requesting aid for research and development projects, pursuant to circumstance b) of par. 1 of article 10, the "Hellenic Investment and Foreign Trade Company SA" forwards the executive summary of the investment proposal, the market study and the specific commercial characteristics of the product produced, as well as the documentation of the investment entity regarding its technological or research and innovative texture, to the General Secretariat for Research and Technology which within three (3) days replies concerning the possibility of assigning or not to experts from the Registry of Certified Evaluators, kept at the General Secretariat for Research and Technology.
6. The decision of the General Secretariat for Research and Technology is issued within the same deadline, by which the investment proposal is assigned to an expert of the Registry of Certified Evaluators, kept at the GSRT, specialized in the specific field of the evaluated investment proposal, in order to give an opinion on whether or not the conditions of Articles 6 and 25 of Regulation (EU) 651/2014 are met. The decision of the Secretary General of Research and Innovation is notified to the "Hellenic Investment and Foreign Trade Company SA", which within twenty-four (24) hours forwards a complete file with the investment proposal to the General Secretariat for Research and Innovation.
7. The expert prepares a proposal, which he submits to the Innovation Department of the Research and Innovation Actions Support Directorate of the General Secretariat for Research and Innovation.
8. Within a period of fifteen (15) days from the assignment decision, the General Secretariat for Research and Innovation is obliged to forward its opinion, through the suggestion of the above expert, as well as to return the complete presentation file of the investment proposal to the "Hellenic Investment and Foreign Trade Company SA". In case of refusal or inability to draft a relevant opinion or the non-compliance with the above deadline of three (3) days, the "Hellenic Investment and Foreign Trade Company SA" may itself select distinguished domestic or foreign scientists.

Decision for the characterization of the investment as Strategic

1. The ICSI within thirty (30) calendar days from the receipt of the presentation file to the General Secretariat of Strategies and Private Investments and Public-Private Partnerships of the Ministry of Development and Investment decides with a specially justified decision on the designation of the investment, its inclusion in one of the categories of Article 2 on the basis of the budgeted implementation costs or the jobs created, as well as for the incentives granted.

2. The investment proposals are binding on the investor, who cannot change them substantially, except by decision of the Board of Directors, following the opinion of the "Hellenic Investment and Foreign Trade Company SA". The description of the data contained in the file is subject to declaration from the legally responsible entity.

For the implementation of the present, regarding the investment plans, which have been included after a decision of the ICSI in Strategic Investments, non-essential change means the transfer of the entire investment to another legal entity, which is a subsidiary of one hundred percent (100%) of the original Strategic Investor, which is mentioned in the above decision of integration of the ICSI. In this case, the new legal entity must notify the General Directorate of Strategic Investments of the change accompanied by the necessary supporting documents as well as a Declaration stating the non - amendment of the investment financing plan, as described in the inclusion decision of the Interministerial Committee on Strategic Investments.

In any other case of modification of the investment plan, for the investment plans, which have been included further to a decision by the Interministerial Committee on Strategic Investments in Strategic Investments, the investor must notify the modification to the "Hellenic Investment and Foreign Trade Company SA", which within

ten days of receiving the notification informs the investor about the substantial or not modification, and concerning the necessity or not to issue a relevant decision by the Interministerial Committee on Strategic Investments. The investor in case of necessity of issuing a new decision by the Interministerial Committee on Strategic Investments following a relevant opinion of the "Hellenic Investment and Foreign Trade Company SA" must, within fifteen (15) days, resubmit a complete file in accordance with the provisions of Articles 12 and 13 hereof, paying 1/3 of the fee referred to in Article 12.

3. For the **characterization of an investment as strategic, the Interministerial Committee on Strategic Investments** takes into account the criteria set out in Article 2, and:

- (a) the financial viability and financial adequacy of the proposed investment, and the solvency of the investor,
- (b) the protection of the environment and energy savings in order to achieve a low environmental footprint and the adoption of circular economy practices,
- (c) the projected increase or maintenance of employment in a sustainable manner, including the employment of skilled manpower and vulnerable groups of the population,
- (d) the substantial stimulation of the country's entrepreneurship, competitiveness, as well as the export activity,
- (e) the compatibility of the type and size of the investment in relation to the natural, residential and socio-economic subsystem,
- (f) the environmental, spatial, economic and social impact of the project or investment at local, regional and national level.

4. Specifically for the **financial viability and financial adequacy of the investment proposal, controlled are elements** such as:

- a) the existence of bank financing or support,
- b) the financial status of the investor through balance sheets or balance sheet statements,
- c) the total turnover of the investment entity or its turnover in the business sector, which is the subject of the investment proposal for the last three financial years at most,
- d) the commitment of third parties to support the investor in the execution of the object of the contract or to participate in its financing (comfort letter), if such a commitment is invoked, as well as, in case of investment or other funds, the presentation of letters of capital adequacy (proof of funds) from a financial institution operating legally in the EU. or in a third country,
- e) the creditworthiness of the investor through a certificate from an international or domestic rating agency, and
- f) the documentation of the experience of the investment entity through similar respective projects.

5. The critical time point for the evaluation of the contribution of the conditions for inclusion of an investment proposal in one of the categories of strategic investments of article 2, is considered the time of submission of the relevant application for inclusion by the investment entity.

Investments in electricity generation units.

Investments in electricity generation units are characterized as "Strategic Investments" if, they cumulatively with the individual conditions of each of the cases of par. 1, meet the following conditions:α) Εμπíπτουν σε μια από τις κάτωθι κατηγορίες:

- aa) Systems that combine a power plant from RES and a "green" hydrogen production system, since the electricity produced is used exclusively for hydrogen production.
- ab) Installations of marine wind and / or floating photovoltaic parks.
- ac) RES projects that connect areas which are not interconnected and are not foreseen to be interconnected with the National Electricity Transmission System via submarine cable, according to the approved, according to the

application for inclusion, Ten-year Development Program (TDP) of the National Electricity Transmission System (NETS).

ad) RES projects concerning fully controlled electricity generation according to par. 14 of article 2 of law 4414/2016 (A '149).

ae) RES electricity storage systems

b) They have a budget of at least seventy-five million (75,000,000) euros.

The RES projects of sub case ae) of case a) can be included exclusively in the category of circumstance c) of par.1, of article 2 as "Emblematic Investments of Extraordinary Significance" and to receive the incentives provided in this category, provided that the relevant applications have been submitted by 1.11.2021.