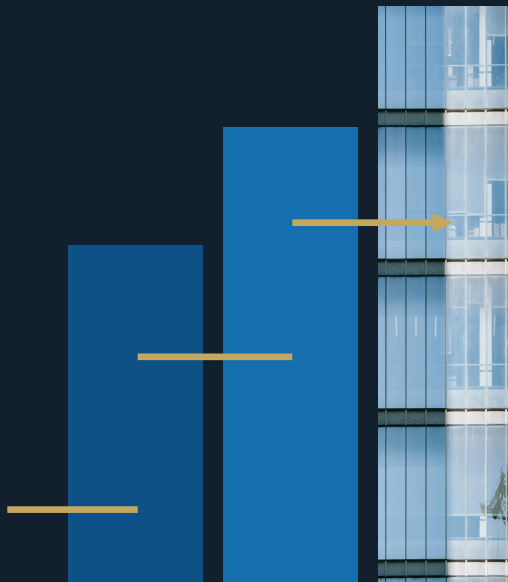


How does RRF subsidized Financing Enhance Investment Performance?

RRF FINANCING

A full analysis of how subsidized financing affects investment returns, debt-servicing capacity and capital recovery.

Full Report



RRF financing and investment performance

The Recovery and Resilience Facility (RRF) has played a significant role in supporting private investment in Greece, not only by facilitating access to funding, but also by materially reducing its cost.

With RRF loans carrying interest rates as low as 0.35%–1.0% and financing up to 50% of eligible investment costs, the difference compared with conventional bank financing can be substantial.

But how materially does this interest-rate advantage improve investment returns and debt-servicing capacity?

**0.35%-
1.0%**

RRF loan interest
rates

**Up to
50%**

of eligible investment
costs financed through
RRF loans

4.5%

commercial financing
rate used in the
sensitivity analysis

The financing-rate differential is the core variable isolated in the analysis.

Scope & Methodology

30

RRF-financed investment projects

€1.5bn

approximate aggregate investment

€705m

RRF financing

To quantify the impact, we performed a sensitivity analysis on 30 RRF-financed investment projects, representing approximately €1.5 billion of aggregate investment and €705 million of RRF financing.

The sample covers a range of sectors, with investment activity predominantly concentrated on hotel development and renewable energy projects, both typically capital-intensive investments with relatively long investment horizons.

For each investment, we compared the RRF financing rate with a 4.5% commercial financing rate, while keeping all other operating and financing assumptions unchanged. This isolates the impact of the lower cost of debt provided through the RRF.

MARKET BENCHMARK

The 4.5% assumption provides a reasonable market benchmark. According to the Bank of Greece, in July 2026 the average interest rate on new floating-rate loans with defined maturity stood at 4.21% for corporates and 4.45% for SMEs.

Predominant sectors in the sample

Hotel development

Renewable energy

Key Findings

Across the sample, the RRF interest-rate advantage had a material impact on equity returns and debt-servicing capacity:

+4.5%

4.5% increase in Equity IRR

+14.1%

14.1% improvement in DSCR

2.3 yrs

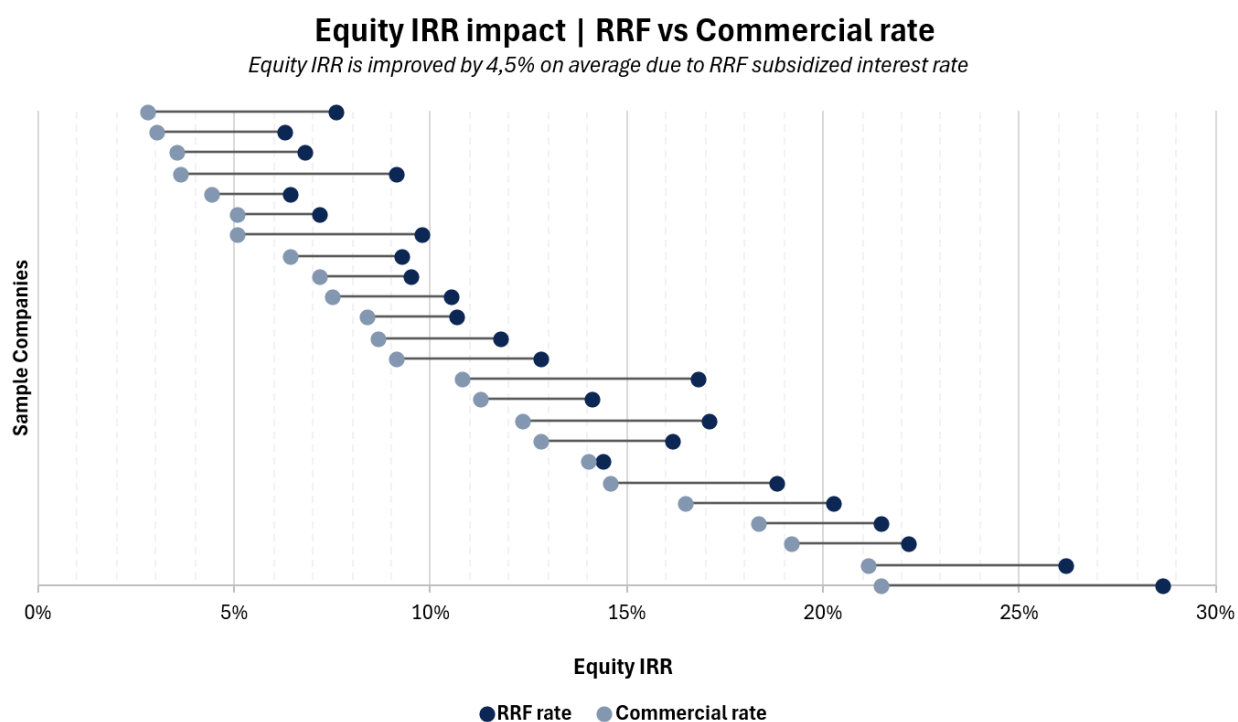
2.3-year Equity payback acceleration

The lower interest burden directly supports higher shareholder returns, stronger debt coverage and faster recovery of invested capital.

The results presented in the following pages show the sample-level distribution behind these averages.

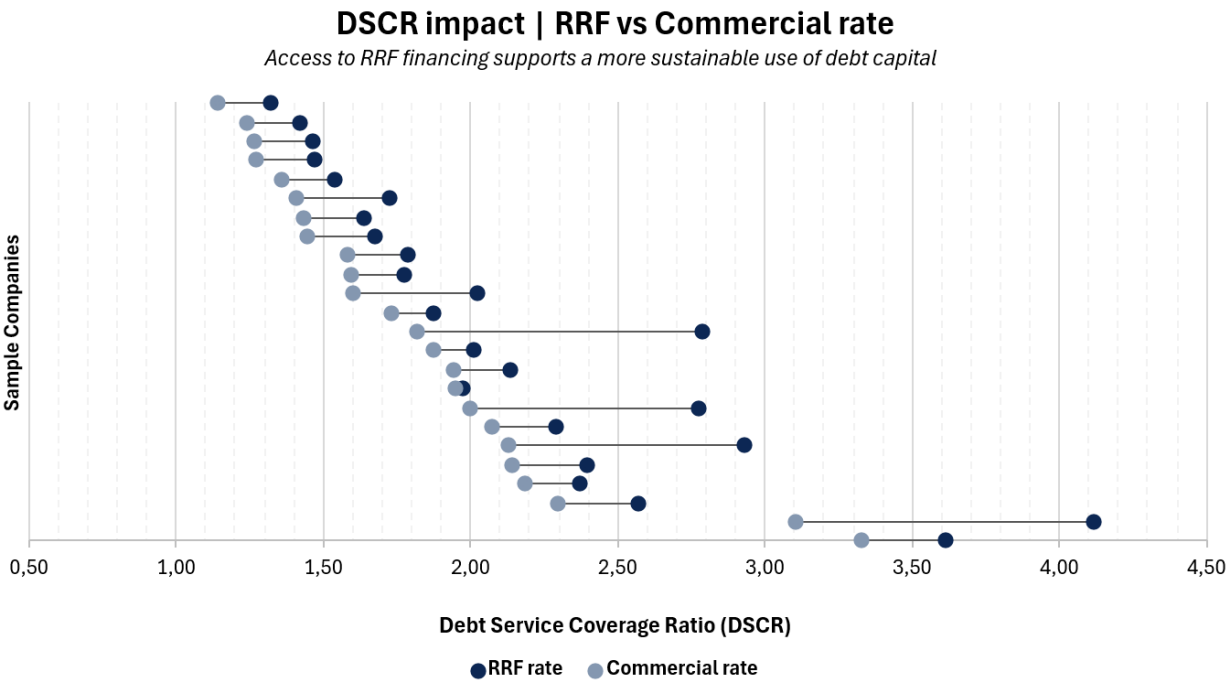
Equity IRR Impact

RRF vs Commercial rate



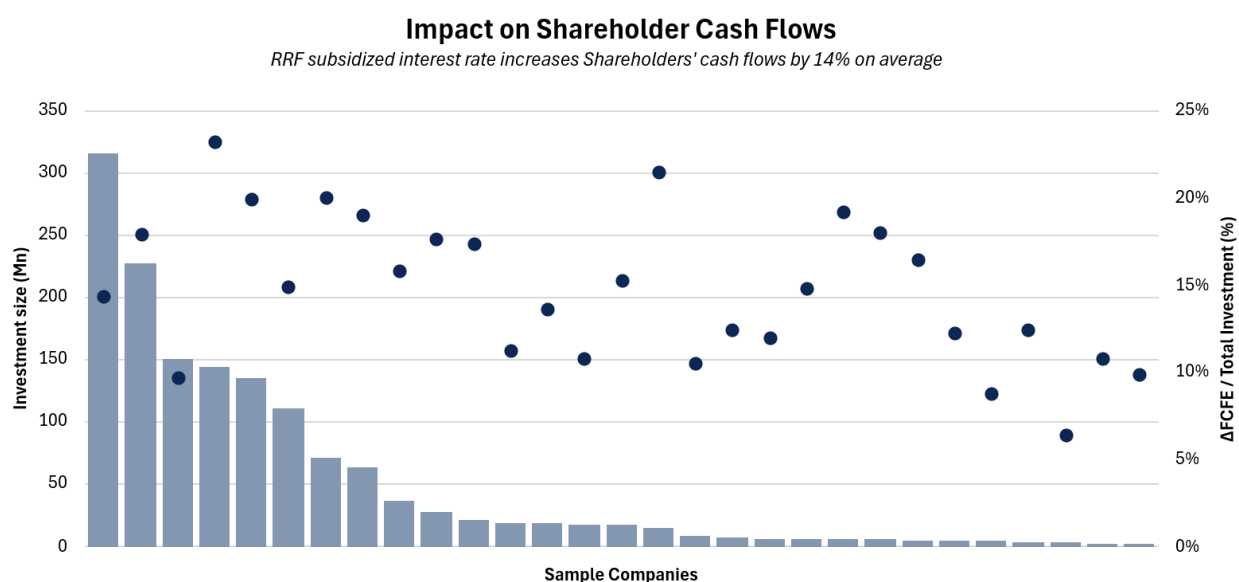
DSCR Impact

RRF vs Commercial rate



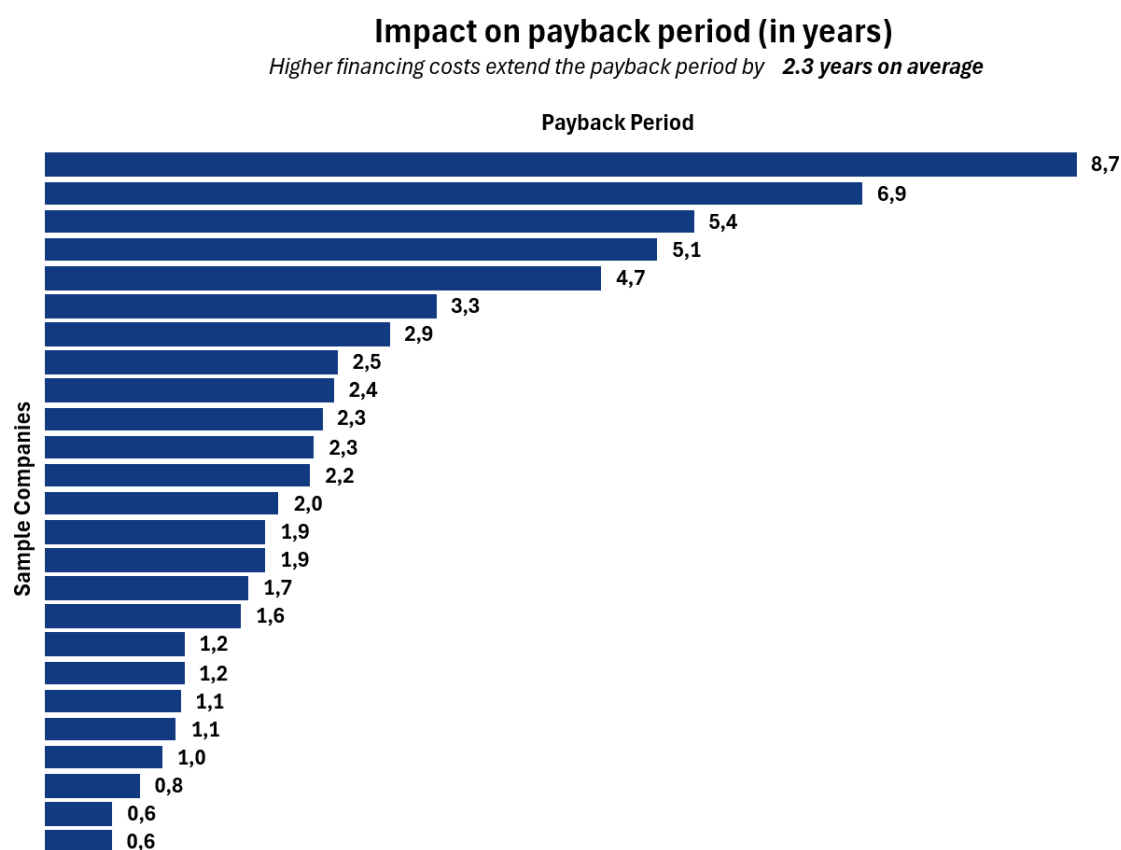
Impact on Shareholder Cash Flows

Sample-level view of the incremental cash-flow effect



Impact on Payback Period

Sample-level payback reduction in years



What does this mean for Investment attractiveness?

The value of RRF financing extends beyond direct interest cost saving, with a measurable impact on the risk-return profile of the investments analyzed.

EQUITY RETURNS

A 4.5% increase in Equity IRR is material in investment appraisal and may strengthen the attractiveness of an investment to shareholders.

DEBT SERVICE

Similarly, the 14.1% improvement in DSCR increases the headroom available for debt service. This may be particularly relevant for projects operating closer to minimum coverage requirements.

LONG-DURATION INVESTMENTS

The effect is especially relevant for capital-intensive and long-duration investments, where even a few hundred basis points of financing cost difference can compound into a significant impact over the life of the investment.

The value of the rate advantage compounds over the life of the investment.

Conclusion

Overall, the analysis shows that the RRF interest-rate advantage has measurably improved investment returns, debt coverage and equity payback across the projects analyzed.

RRF FINANCING - SAMPLE IMPACT

+4.5%

increase
in Equity IRR

+14.1%

improvement
in DSCR

2.3 yrs

Equity payback
acceleration

Let's discuss how Zephyros Partners can support your investment strategy.



RRF Financing // October 2026

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