AMBER
INFRASTRUCTURE GROUP

INVESTING IN INFRASTRUCTURE: CENTRAL AND EASTERN EUROPE

2025 OUTLOOK REPORT

March 2025

CONTENTS

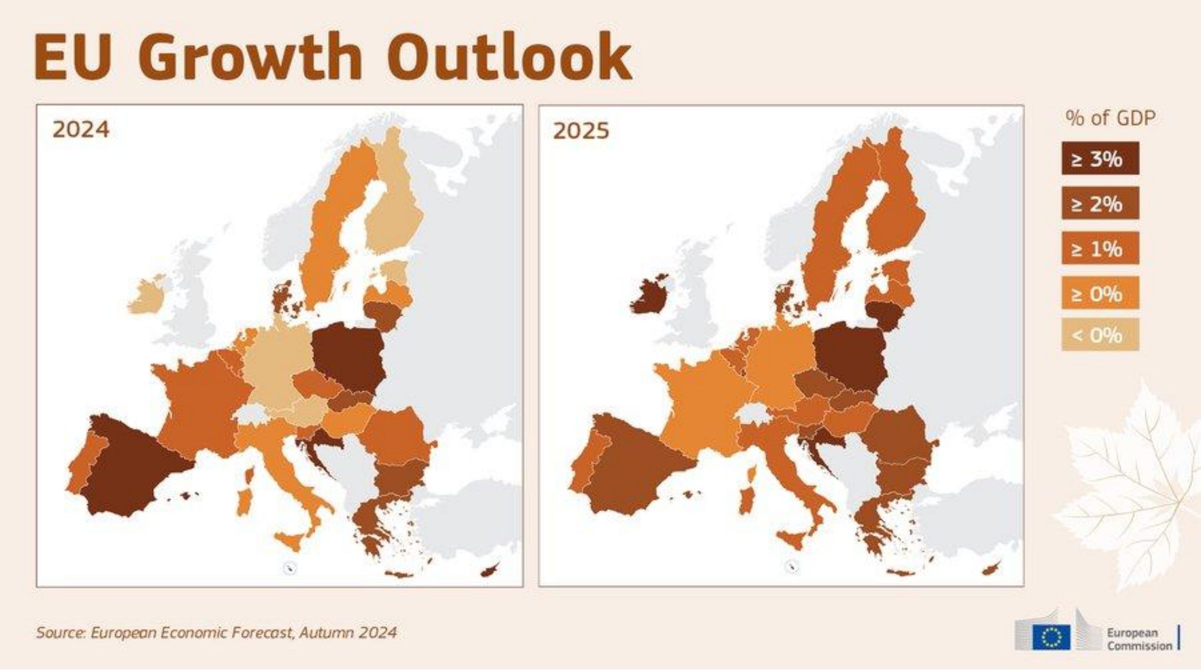
1. EXECUTIVE SUMMARY

Christian Roy: Head of CEE, Amber Infrastructure

"The CEE region remains one of the fastest-growing areas within the European Union, with investment activity continuing to rise across most sectors despite global market volatility and geopolitical considerations. Driven by a combination of EU funding, national investment programs and private sector growth, the region offers diverse opportunities for infrastructure investors, from stable, regulated markets with reliable returns to developing markets with higher risk-reward profiles and long-term potential - ensuring capacity to support all types of investment and investor profiles"

This report marks the first of what will be an annual overview of the Central & Eastern Europe (CEE) region. Over the last decade and more so over the last few years, the region has been characterised by rapid development across infrastructure, most notably through energy transition, digital connectivity and sustainable transport infrastructure sectors. Regularly outperforming Western European markets, the combination of a prevalent financing gap and the need for high-quality infrastructure has positioned the CEE region among the most attractive for international investors, boasting a strong pipeline of investment with the security offered by the European Union regulatory landscape. Whilst there remains a significant valuation gap between the CEE and the rest of Europe, this is consistently shrinking year on year[1].

[1] *Source*: Forvis Mazars 2025 – Inbound M&A report 2024/2025



This report will cover some of the key themes characterising the region in 2025, in light of the ongoing war in Ukraine and expected impact of a new administration in the U.S. The region's strong performance and staunch resilience in light of the challenges it faces have been the highlight of 2024, and with shifting dynamics – the potential for further growth in 2025 and beyond continues to build momentum.

Amber Infrastructure has supported the region's emergence as a prime destination for investment for a number of years, primarily as the exclusive investment adviser of the Three Seas Initiative Investment Fund. Partnering with regional development banks, international financial institutions and private sector investors, Amber Infrastructure has overseen the commitment of >€1 billion to date.

2. REGIONAL CONTEXT: A DECADE OF GROWTH

2.1 ECONOMIC TRANSFORMATION – 10-YEAR TRENDS

CEE's emergence as a global industrial hub over the last decade has established the region as a compelling investment destination, illustrated by its development over the last 10 years and cementing its position as the growth engine of the European Union.

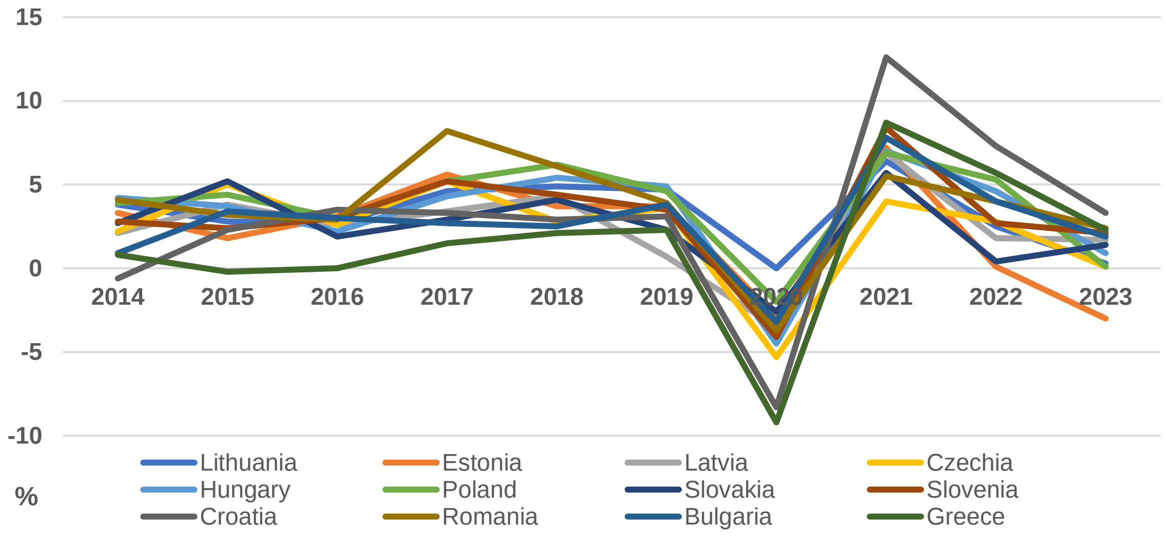
Characterised by diverse investment profiles, opportunities range from more established economies such as Poland and Czechia, to developing markets with rapidly evolving infrastructure such as Romania and Bulgaria, all of which provide competitive returns often higher than their Western European counterparts.

For infrastructure investors, there are several key factors that make CEE particularly attractive, including:

1. Fastest growing region in the EU
2. Demand for high-quality infrastructure
3. Attractive risk-adjusted return profile

Among the benchmark metrics for measuring potential are GDP Growth, and the value of Foreign Direct Investment (FDI), which provides key insights into investor sentiment and long-term confidence in particular markets/regions.

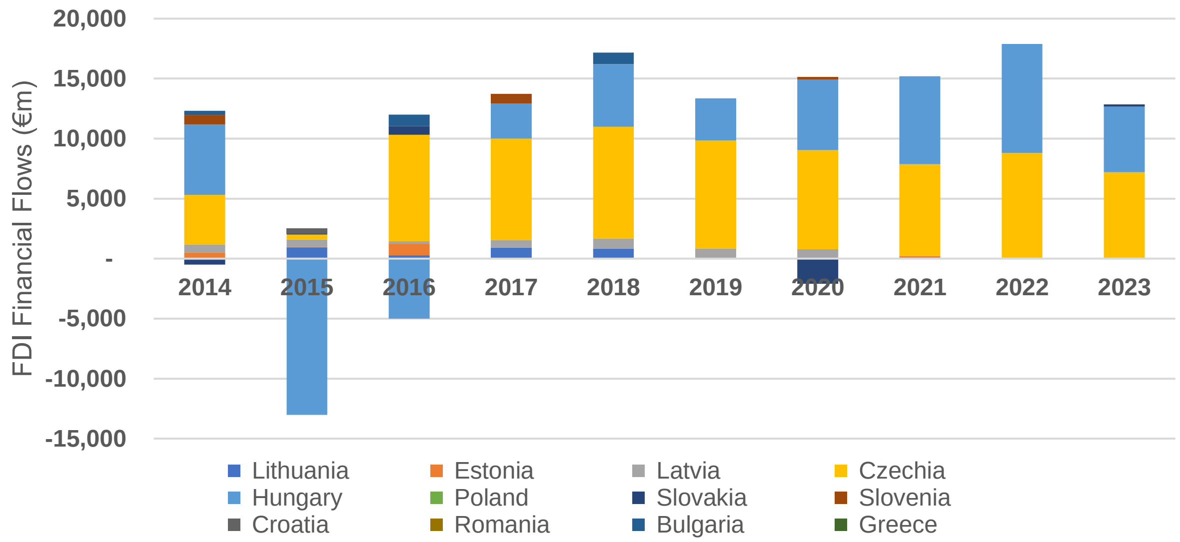
GDP annual growth[2]



The trajectory remains on a positive trend in the long-term, albeit with several themes characterising growth rates over the last decade:

- **Covid-19 pandemic:** 2020 was undoubtedly a difficult year for global markets, however the post-Covid recovery demonstrated the region's overarching resilience, validating its long-term growth credentials. This rebound not only exceeded initial recovery projections but also reinforced CEE's position as a region capable of maintaining economic momentum through economic volatility
- **War in Ukraine:** The war strained supply chains and created a vacuum for resources, with several CEE states also re-prioritising spending toward defence and future-proofing economies. Though the region witnessed a slight slowdown, the war also accelerated the demand for infrastructure development and modernisation to guarantee energy independence and ensure the uninterrupted supply into Europe

FDI[3]



Foreign investment into the region has grown exponentially, and although the war has mobilised investors to support the region, the sentiment around the region's prospects pre-dates both the war in Ukraine and the Covid pandemic. In 2017, the then-U.S. President Trump attended the Three Seas Initiative Summit in Warsaw, praising the Initiative's push for energy independence and in particular, applauding the Initiative's focus on infrastructure

[2] *Source:* World Bank Group, retrieved from: https://data.worldbank.org/indicator/
[3] *Source:* OECD Data Explorer – FDI main aggregates and MNB Statistics – Annual FDI Flows

development across the region. Following this, in 2022, the U.S. International Development Finance Corporation (DFC) agreed a term sheet for up to $300m in financing for the Three Seas Initiative Investment Fund (3SIIF), with the first disbursement taking place in July 2024 to support infrastructure and energy projects.

In 2025, the landscape has changed - increased polarisation between Russia and the West has increased the political and commercial will to establish energy security and infrastructure resilience, while several states continue their harmonisation, bringing local regulations in line with EU standards.

Three Seas

THREE SEAS INITIATIVE INVESTMENT FUND

The Three Seas Initiative comprises 12 EU CEE member states which border the Baltic, Adriatic and Black Seas. Launched in 2020 to support and bolster the CEE region's development and competitiveness on a European and global scale, the – 3SIIF specialises in fostering collaboration and financing critical infrastructure projects across energy, transport and digital infrastructure, having committed to date over €850 million toward projects across the core sectors.

2.2 INVESTMENT LANDSCAPE

The CEE region continues to grow in economic stature and global standing. The share of funding originating outside Europe rose from 9% in 2022 to 21% last year[4]. It is indicative of a trend that there is a growing appetite for investment in the region, with awareness of the region expanding to wider international markets despite a fundraising and capital slowdown.

From an investment standpoint, the region can be split into groups based on a combination of economic development, historical and geographical context, regulatory landscape and social cultures, among others: the Baltic states in the north (Lithuania, Estonia and Latvia), Central Europe (Czechia, Hungary, Poland, Slovakia) and the Balkans (Slovenia, Croatia, Romania, Bulgaria, Greece).

2.3 STATE OF PLAY - FACTORS INFLUENCING INVESTMENT

Historically leveraging a combination of funding mechanisms, including EU funds and national budgets, many CEE states are now further relying on private sector investments to bolster their economic growth and align with broader EU sustainable development and connectivity goals.

Despite a growing private sector participation, the CEE still lags behind Western Europe in investment:

[4] *Source*: Invest Europe: 2023 Central & Eastern Europe Private Equity Statistics. June 2024

3. OPPORTUNITIES AND CHALLENGES

Among the hallmarks of an attractive investment destination is the presence of strong frameworks and stable institutions to provide security to investors. In 2025, CEE offers investors a unique proposition: high growth potential typically seen in emerging markets, bolstered by the stability that comes with EU membership and institutional backing. Given current geopolitical events, there is a renewed will to strengthen infrastructure across sectors. With strong EU funding support and increased private sector involvement, there are compelling opportunities for investors. However, these opportunities need to be weighed against certain challenges that reflect not only regional developments, but broader global trends impacting growth in the region.

Here we examine the key opportunities and challenges associated with investment in the CEE region.

OPPORTUNITIES	
Strong Frameworks and Stable Institutions	EU membership provides CEE markets with strong legal and regulatory systems designed to safeguard investors. While the region offers higher growth potential than Western Europe, it still operates under the same umbrella of EU rules and standards. This gives investors the best of both worlds: high growth potential with strong institutional protection.
Funding Mechanisms	The combination of availability of EU funding mechanisms (e.g. Connecting Europe Facility, Cohesion Fund) and the growing adoption of Public Private Partnerships (PPPs) makes for a robust investment framework. Projects benefit from EU oversight and standardised procurement processes, while funding support enhances project viability.
Market Liberalisation	Incentivising the private sector is a cornerstone of an attractive investment destination, with many CEE countries having developed investment frameworks with private-sector needs in mind – aiming to reduce bureaucracy and red-tape.
Low Market-Access Burden	Given the region broadly remains in its ‘development’ stage, increased receptiveness to foreign investment is a significant draw, with significantly lower cost-of-entry compared to Western European counterparts.
Nearshoring Momentum	Growing transport infrastructure investments throughout the CEE are among the cornerstones of the nearshoring trend. Household brands such as Volkswagen and Amazon are among a number of Multinational Corporations (MNCs) bolstering their CEE presence, keen to take advantage of low-costs coupled with EU-based regulatory frameworks.

CHALLENGES	
Geopolitical Risk	The most notable challenge is navigating a geopolitical climate that remains unstable due to the proximity of the war in Ukraine and rapidly changing dynamics following the U.S. presidential election.
Lack of Government Experience	Many CEE governments have limited experience managing large-scale complex infrastructure projects, with potential procurement and other project structuring delays. Though the EU provides some guidance, and governments have shown a willingness to adopt best-practices, the learning curve for local authorities in handling major projects remains steep.
Regulatory Hurdles	Market liberalisation continues to take place at varying levels across the region, though significant barriers to investment remain. Restrictions on investments in the infrastructure asset class remains a key barrier to investment, particularly for the pension fund market.

Growing Socio-Political Polarity	In an increasingly polarised socio-political landscape, public sentiment shifts have become more prominent, giving rise to alternative views and policies. Established parties are increasingly challenged, giving rise to concerns over instability.
Ageing Population	With an ageing population and a youth demographic still recovering from decades' worth of emigration to more developed markets, the shrinking workforce presents long-term challenges, despite efforts to address this. However, the demographic makeup will continue to offer opportunities across social infrastructure in the long-term, though at the expense of public spending capacity.

4. KEY SECTORS TO LOOK OUT FOR IN 2025

4.1 TRANSPORT

Supply chain modernisation, sustainability and convergence with EU-driven initiatives are among the key themes within the transport sector. The war in Ukraine has resulted in significant increases in road and rail-based trade entering the EU, primarily through Poland and Romania, as Ukrainian exports seek alternative routes. At the same time, sanctions and geopolitical risks have prompted some China-Europe rail traffic, previously routed through Poland and Belarus, to shift toward the Middle Corridor.

Supported by the Connecting Europe Facility and numerous national investment programs, transport infrastructure has become a priority for governments across CEE, with PPP models continuing to form a key method of driving investment.

> ”*Recent events have undoubtedly served as a catalyst in the region, and the demand to accelerate growth and connectivity is higher now than ever before. Ports, railways, highways and airports are among the key infrastructure sectors and with an existing infrastructure gap separating the CEE from Western Europe, bridging the gap is a long-term priority for the region*” – **Lukas Boron, CEO of CARGOUNIT**

Convergence with EU-Initiatives & Support

- **Trans-European Transport Network (TEN-T):** The expansion of TEN-T corridors across CEE creates investment opportunities in both new infrastructure and modernisation of existing assets. Projects along these corridors benefit from priority status for EU funding and regulatory support, enhancing their appeal to international investors
- **North-South Connectivity:** Investment in cross-border rail and road connection (e.g. Rail Baltica), supported by both EU funding and national investment programs are key to bridging the infrastructure gap. Amidst increasing freight and passenger volumes, geopolitical circumstances have catalysed the region, spurring growth
- **Urban Mobility:** Cities across CEE are investing in comprehensive public transport solutions, including new metro lines, tram systems, and integrated transport hubs, with projects often formed via long-term concession agreements. Beyond urban transport hubs, the proliferation of urban mobility schemes opens up ‘last-mile’ opportunities for investors

Supply Chain Evolution

- **Logistics Infrastructure Modernisation:** The need to enhance supply chain resilience and support Ukraine's future reconstruction is driving investment in expanded logistics capacity. This includes both traditional infrastructure and digital logistics solutions to improve efficiency and transparency
- **Border Infrastructure Enhancement:** Significant investment is being directed toward modernising and expanding border crossing infrastructure, particularly along the EU-Ukraine border. These projects often combine traditional transport infrastructure with digital systems for improved processing
- **Alternative Route Development:** The development of new transport corridors is being accelerated to provide supply chain alternatives and redundancy. This includes both North-South connections (e.g., Via Carpatia, linking the Baltic with the Black and Aegean Seas) and enhanced links to Black Sea ports (e.g., expansion of Constanța port in Romania and modernisation of Burgas and Varna in Bulgaria). Additionally, geopolitical risks have prompted a shift in China-Europe rail freight, with the Middle Corridor (via Kazakhstan, the Caspian Sea, Azerbaijan, and Turkey) gaining traction as an alternative to the traditional Northern Corridor through Belarus and Poland (Małaszewicze). Meanwhile, the Solidarity Lanes Initiative

is boosting rail and road capacity between Ukraine and the EU, particularly through Poland (Medyka, Dorohusk), Slovakia (Čierna nad Tisou), and Romania (Siret, Reni, Constanța)

CASE STUDY: Ukraine Driving Demand Across Poland & CEE Supply Chains

The war in Ukraine has amplified supply chain issues, significantly increasing demand for rail and road networks, given the challenges of sea-based trade and a blockade on exports.

Polish-Ukrainian trade has naturally seen an increase since the start of the war. 2022 saw 16.9m tons of cargo transported through railway crossings, representing an increase of 36.7% from 2021. More recently, the January-April 2024 period saw 7.4m tons of cargo transported to Poland by rail – 28% more than the same period in 2023[5].

Given the strain on the existing supply chain, local operators have mobilised to meet ever-increasing demand in response not only to war-related supply chain issues, but in anticipation of Ukraine's reconstruction needs and future trade with regional partners.

Among notable projects are:

- The EBRD signed an agreement with Ukraine's national rail operator, Ukrzaliznytsia, to loan €300m for fleet modernisation[6]
- The Central Communication Port (CPL) project in Poland is a large-scale infrastructure investment aiming to integrate air, rail and road connectivity via the construction of a new international airport. The project is open to private sector collaborations, and is expected to cost up to PLN 131 billion (approximately €31 billion) by 2032[7]
- Cargounit, Poland's largest locomotive lessor, signed an agreement for the delivery of up to 100 locomotives to bolster capacity[8]

As the region's most developed economy, Poland's role in driving growth across the region is a key factor in regional development. Serving as both a gateway to Western European markets and a catalyst for CEE economic integration, the country's expanding logistics capabilities creates opportunity not just in Poland, but in neighbouring markets as well, particularly in terms of supply chain optimisation and cross-border connectivity. This, coupled with Poland's ability to attract significant FDI, cements its potential as a regional hub for economic growth.

4.2 ENERGY

With one eye on an evolving EU landscape with regard to renewable energy, and the other on the war in Ukraine, 2025 is shaping up to be pivotal in the bloc's efforts to ensure energy security while simultaneously bolstering its renewable energy capacity. As a result, the region's energy sector is experiencing unprecedented transformation, driven by both demand and circumstance. The convergence of EU climate targets, geopolitical considerations and the emergence of the region as a nearshoring destination for manufacturing, has created a dynamic investment environment, suited for investment across ancillary sectors.

> *"The region has continued to demonstrate impressive resilience despite significant challenges over the past few years. Aligning the green energy transition with the growing demand to ensure energy security has created an environment that champions innovation and public-private sector collaboration"* – **Dominykas Tuckus, Chairman of the Supervisory Board of R.Power**

Ongoing war in Ukraine

- The ongoing war in Ukraine has significantly impacted global energy markets, leading to heightened uncertainty in power prices. This uncertainty is closely correlated with fluctuations in natural gas prices,

[5] *Source*: GMK Center
[6] *Source*: European Bank for Reconstruction and Development
[7] *Source*: Centralny Port Komunikacyjny
[8] *Source:* Siemens Press

as natural gas is a primary fuel for electricity generation. The conflict has disrupted Russian gas supplies, causing volatility in gas prices due to supply constraints and geopolitical tensions. As a result, power prices have also become more unpredictable, reflecting the instability in the gas market. This situation underscores the need for diversified energy sources and increased resilience in energy infrastructure to mitigate the effects of such disruptions

- The end of the war in Ukraine could have several potential impacts on gas prices:
  - **Stabilisation of Supply:** With the cessation of hostilities, gas supplies from Russia might resume more consistently, reducing the supply constraints that have driven prices up
  - **Market Confidence:** The resolution of the conflict could restore confidence in the energy markets, leading to a decrease in the risk premium currently factored into gas prices
  - **Infrastructure Repairs:** Rebuilding and repairing damaged infrastructure in Ukraine and surrounding regions could initially keep prices volatile, but long-term improvements would likely stabilise the market

Renewable Energy Transition

- **Growing Pipeline of Renewable Projects:** The region is experiencing rapid expansion in wind and solar capacity, as a result of an increased demand for energy from alternative sources (Polish power-grid operator PSE has recently outlined plans to invest PLN 64 billion - approximately €15.2 billion by 2034)[9]. Given the urgent need for energy security and renewable energy sources, these represent some of the largest renewable infrastructure opportunities in Europe, with established regulatory frameworks supporting private investment, and incentives for supporting the renewable energy transition
- **Capacity for Grid Modernisation:** Significant investment is needed in transmission and distribution infrastructure to accommodate increasing renewable energy penetration and growing industrial demand. Grid modernisation projects often benefit from regulatory support and guaranteed returns, providing stable, long-term investment opportunities
- **Integration with EU Energy Mechanisms:** Cross-border interconnection projects are receiving priority status and funding support as part of broader European energy security initiatives. These projects typically offer regulated returns and benefit from cross-border, bipartisan support

Nearshoring & Supply Chain Resilience

- **Industrial Energy Demand:** The relocation of manufacturing operations to CEE is creating significant demand for reliable, cost-competitive energy infrastructure. This trend is driving investment in both generation capacity and distribution networks, particularly in markets with strong industrial growth such as Poland, Czechia, and Romania
- **International Best-Practice Cluster Development:** Energy infrastructure investment is increasingly aligned with the development of industrial clusters, creating opportunities for integrated energy solutions serving multiple manufacturing facilities. These projects often benefit from both public support and long-term industrial offtake agreements
- **Supply Chain Resilience:** Development of localised energy infrastructure is supporting the broader trend of supply chain diversification, with manufacturers seeking reliable energy supplies in their nearshoring destinations

Energy Security

- **Conflict-Driven Diversification of Energy Sources:** The impetus to reduce dependence on single-source energy supplies is driving investment in new import infrastructure and domestic production capabilities. LNG terminals, pipeline interconnectors, and storage facilities are being fast-tracked across the region, often with strong government support and guaranteed usage agreements
- **Storage Infrastructure Development:** Investment in energy storage solutions is accelerating, from utility-scale batteries to hydrogen infrastructure. These projects often combine innovation funding with traditional infrastructure investment models, creating opportunities across the risk spectrum

[9] *Source:* Reuters

CASE STUDY – PPAs driving solar growth

The EU has set ambitious goals as part of its commitment to combat climate change and achieve climate neutrality by 2050. As a result, the revised Renewable Energy Directive adopted in 2023, established a binding renewable energy target of at least 42.5% of its total energy consumption from renewable sources, with an aspirational goal of 45%[10].

In light of the EU's targets, the region has seen a substantial uptick in renewable energy investment and capacity, particularly across solar and wind sectors. In fact, during the first half of 2024, wind and solar generated more electricity than fossil fuels for the first time, accounting for 30% of the EU's total consumption, compared to 27% from fossil fuels[11].

Central and Eastern Europe continues to lead the charge in relative growth across the solar sector compared to Western Europe; Poland increased capacity by 2.4 Terawatt hours, a 37% increase, while Hungary's addition of 1.5 Terawatt hours represented a 49% increase in the first half of 2024 compared to the same period in 2023[12].

Among the key attractions for investors are the incentives and opportunities for public/private sector partnerships, particularly where investment security is concerned. Power Purchasing Agreements (PPAs) are becoming more widely utilised as a means to guarantee long-term contracts and minimum purchase amounts, ensuring stability and capacity to grow. Though in the past they were more commonly used to secure government contracts, where a guaranteed price model would offer long-term returns and state-backed regulatory support, they are becoming increasingly used by suppliers to encourage industrial customers to achieve EU regulatory compliance and corporate sustainability goals.

With a burgeoning manufacturing industry in CEE that requires renewable energy compliance, PPAs represent a win-win, where customers retain price-stability in a volatile energy market, and suppliers are protected against shifting government priorities and policies. Pioneers of this model have already demonstrated its resilience - Enery, founded in 2019, owns a portfolio of 490MW of operating generation assets and a significant development portfolio of ~8GW+ across CEE. Their use of physical and virtual PPAs have provided stability and guaranteed returns in an environment where governments are commonly reviewing energy sector subsidies and incentives.

Though PV generation has yet to be widely deployed in CEE, the ideal conditions remain a lucrative opportunity, with high levels of irradiation and availability of suitable land.

4.3 DIGITAL

CEE has continued to excel in expanding its reputation as a hub for digital innovation, AI and data sovereignty in the broader European spectrum. Concerted efforts to create a 'reverse brain-drain' environment where talent is not only retained from within the region, but is attracted from international markets has contributed to the sector's growth. Competitive operating costs, liberalisation of regulations and positive socio-cultural environments continues to drive investment in digital infrastructure. With the support of EU digital transformation initiatives and dedicated national strategies, CEE – and the Baltics in particular – are projected to grow through 2025.

> *"The Baltic states' emergence as a digital powerhouse reflects the broader transformation taking place across CEE. The convergence of talent, innovation and supportive policy frameworks has created an environment where digital infrastructure investment can thrive, positioning the region as a crucial hub for Europe's digital future"* – **Kert Evert, Acting CEO of *Greenergy Data Centers***

[10] *Source:* European Commission
[11] *Source:* Ember Research
[12] *Source:* Ember Research

Reverse Brain-Drain

- **'Innovation Hub' Development:** The growth of digital business clusters is driving investment in specialised digital infrastructure. Cities like Tallinn, Warsaw, and Prague are emerging as major technology hubs, creating demand for advanced digital infrastructure
- **Research & development infrastructure:** Investment in digital research facilities and innovation centres is increasing, supported by the region's strong technical talent pool. These developments often combine traditional real estate investment with specialised digital infrastructure
- **Talent infrastructure:** The region's growing reputation for technical excellence is attracting investment in specialised facilities supporting the digital economy. This includes dedicated tech campuses and digital skills centres, often developed in partnership with major technology companies

Digital Connectivity

- **Network Modernisation:** Beyond transport corridors, the broader rollout of 5G networks and fibre infrastructure continues across the region. These projects often benefit from EU digital inclusion funding and national broadband strategies, offering stable, regulated returns for infrastructure investors
- **Integrated Transport Corridors:** The integration of digital and transport infrastructure is creating new investment opportunities across the region. The Via Baltica 5G Corridor exemplifies this trend, where traditional transport infrastructure modernisation is being combined with advanced telecommunications deployment, offering multiple entry points for investors across both sectors
- **Regional Digital Integration:** Cross-border connectivity projects are reshaping the region's digital landscape, with numerous initiatives focused on creating seamless network coverage across national boundaries. The 5G NETC project along key European transport corridors demonstrates this commitment to digital integration, creating opportunities for infrastructure investors to participate in the region's digital transformation

Proliferation of Artificial Intelligence (AI) in Infrastructure & Education

- **Sustainable infrastructure:** AI had an immense impact on the digital infrastructure requirements with the power needs of data centres expected to grow three times higher than current capacity by the end of the decade[13], consequently much of the existing data centre infrastructure will have to invest in upgrades and new facilities to meet the rising standards. Growing renewable power capacity in the region is creating enabling investments in data centres which can accommodate AI processing capacities. Projects incorporating renewable energy and innovative cooling technologies are driving the region's potential
- **AI Research Centres:** Universities and private sector partnerships are establishing dedicated AI research facilities across the region, localising knowledge and application potential. This expansion of research infrastructure will create new opportunities for digital infrastructure investment supporting advanced AI applications. In Slovakia, the Kempelen Institute of Intelligent Technologies (KInIT) is pioneering research in the field, and aims to be one of a growing number of specialised institutions dedicated to exploring AI for applications across sectors in the CEE region

CASE STUDY – AI boom in the Baltics

The Baltic states have emerged as a leading hub for AI and digital infrastructure development, creating capacity across sub-sectors from the proliferation of 5G connectivity, to increasing data storage capacities. Crucially, within this emergence is a keenness to utilise emerging technologies and artificial intelligence to optimise new infrastructure.

A favourable regulatory environment, coupled with its growing reputation as a 'breeding ground' for talent, has seen employment figures soar over the last 10 years. This growth has been particularly evident since 2020, with estimates suggesting a 360% growth in the last five years across the Baltics' Deep Tech scene[14], far outpacing other European regions.

[13] *Source:* McKinsey
[14] *Source*: Baltic Deep Tech Report

The rapid expansion of the AI and digital infrastructure sector has driven a number of projects aimed at cementing the region's position as a global, low-cost alternative capable to upscaling and representing best-in-class AI solutions to meet operational needs:

- Greenergy Data Centers (GDC): Based in Tallinn,GDC has established one of the most energy-efficient data centres in Northern Europe. Operating on 100% renewable energy, its modular design enables scalability while maintaining infrastructure protection through AI-powered monitoring and efficiency systems

- airBaltic, the Latvian national airline, has emerged as a pioneer of AI-driven solutions in the aviation sector, integrating AI solutions developed in-house across business operations. Their adoption has encompassed pricing mechanisms and workflow automation thus far, and given its bespoke nature, has ensured competitiveness on the global aviation market despite servicing fewer destinations than other full service airlines

The scale of these projects also illustrates the room for growth – startup turnover growth in deep tech sectors in Q1 2024 showed a 38% increase over Q1 2023 figures[15], in a global environment where economic growth is increasingly stagnating.

5. CONCLUSIONS

2025 promises to be a transformational year for the CEE region. A new administration in the White House and renewed optimism that a ceasefire in Ukraine may be achievable are among the most notable factors influencing investment in the region. Given geopolitical tensions, the region has in the last several months and years seen a renewed momentum for addressing core infrastructure needs, with resilience a key feature of trade and security discussions.

Current market dynamics are particularly favourable for infrastructure investors. The varying stages of market liberalisation across the region create multiple entry points for different investment strategies, from stable, regulated returns in more developed markets to higher-growth opportunities in rapidly evolving ones. This diversity, combined with the region's established legal and regulatory frameworks, offers investors the ability to build balanced exposure to CEE infrastructure while managing risk profiles.

Looking ahead, the convergence of EU funding mechanisms, increased private sector participation, and the region's growing strategic importance creates a unique window of opportunity. For investors seeking exposure to EU-based infrastructure, CEE offers an opportunity: projects backed by secure frameworks and funding, enhanced returns owing to the region's strong growth performance and potential, and assets that will play a critical role in future-proofing EU economic security across energy transition, sustainable transport and digital connectivity infrastructure.

The region is expected to see a rapid uptick in economic growth and a significant increase in infrastructure investment volumes. The CEE market has already cemented itself as one-to-watch among global competitors and as the region enters its next phase of infrastructure development, opportunity thrives.

Cargounit, leading locomotive lessor in Central Europe

[15] *Source*: Startup Estonia

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