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**ADMIE Holding**

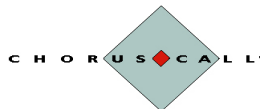
**“Full Year 2019 Financial Results”  
Conference Call**

Friday 15<sup>th</sup> of May 2019, 16:00 GR Time

**Conductors:**

***Mr. Iason Rousopoulos, Chairman of the Board***

Conference Call Conducted by Chorus Call Hellas



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OPERATOR: Ladies and Gentlemen, I am Konstantinos your Chorus Call operator.

Welcome and thank you for joining the ADMIE Holding Conference Call to present and discuss the Full Year 2019 Financial Results.

At this time, I would like to turn the conference over to Mr. Iason Rousopoulos, Chairman of the Board of ADMIE HOLDING SA.

Mr. Rousopoulos you may now proceed.

ROUSOPOULOS I: Good afternoon to everyone. Welcome to this conference call of ADMIE Holding's Full Year Results of 2019. Mr. Manousakis, Chairman and CEO of IPTO Group, Mr. Margaris, Executive Vice Chairman and Mrs. Zarikou, Finance Director of IPTO are next to me. In today's call we will provide you a review of what has happened in IPTO and ADMIE Holding in 2019 and then we will answer to your questions.

To begin with, let me pass you over to Mr. Manousakis for his initial remarks.

MANOUSAKIS M: Thank you, Iason. Welcome and thank you all for joining us today. As we continue to adapt to the ongoing challenges imposed by COVID-19, we remain committed to keeping our employees and critical facilities safe and our country powered of course.

In fact, I am very proud of IPTO's overall response to this emergency conditions we face. In order to safeguard our business continuity, we have been updating our business continuity plan in close cooperation with the Ministry of Energy, and I can tell you

that more than 1,000 employees from the 1,500 we totally have, have been working remotely and our project management teams continue to work around the clock. We are now implementing our recovery plan in order for our employees to come gradually back to the office.

At the same time, IPTO actively supports the public healthcare system of Greece, by donating masks and medical equipment of a total value of €900,000. The implementation of our massive investment plan is not disrupted by the pandemic situation as all our flagship projects, I can assure you that are on track throughout Greece.

Furthermore, in the beginning of June less than one month from now, Ariadne Interconnection, a 100% subsidiary of IPTO, will sign the cable and converter contracts for the Crete-Attica interconnection. The record project of IPTO of a total value of €1 billion. This will be a milestone in the history of IPTO as it signals a significant scale up of its business. We expect this project to conclude in a 3-year time, contributing significantly to the green footprint of the largest Greek Island, Crete, it's population is about half a million people.

Moreover, for the first time the islands of the North Aegean have been included in the 10-year investment plan of our Company for the years 2021 to 2030. With this project the Greek islands interconnection to the Mainland will conclude.

However, IPTO's business is not limited to electrical interconnections. We are actively exploring new business opportunities including energy storage, having talks with key

European players of the industry. Greece is evolving and our projects are contributing to this, is evolving into the prominent areas hub in South Eastern Europe and IPTO will be a key enabler of this involvement.

With that, I am finishing, and I am handing over again to our Deputy CFO, Mr. Iason Rousopoulos. Iason, it's over to you. Iason, of course, is also the Chairman of the IPTO ADMIE Holding.

ROUSOPOULOS I: Thank you, Manos for the short presentation of our IPTO strategy, and how IPTO handle the situation of COVID-19. Let me briefly highlight the financial performance of ADMIE Holding and its' affiliate IPTO for 2019. As this is only a summary of the results; please refer to the financial statements that are available on the website of our companies for further details if needed.

Starting the financial review, our listed entity ADMIE Holding achieved a net profit of €53.7 million an increase of 28.4% compared to last year. Operating expenses of the Holding Company stood at €421,000 mainly related to the trading activity of stock... Athens Stock Exchange personnel...IR, personnel fees and fees to third parties such as legal, accounting and audit services negatively affected by one off expense of around €21,000 of... bad of back expenses of previous years.

The Company's cash reserves at year end amounted to €8.5 million and are deposited in Bank of Greece providing an average 2.3% for 2019, we will see the level in 2020. We will expect to remain at this level. Due to this cash management the financial income amounted to €314,000 almost offsetting the operating expenses. It is worth noting that ADMIE Holding has no debt.

The main revenue for ADMIE Holding is a dividend received from an affiliate company IPTO. Further on this IPTO has a dividend policy of distributing 50% of its net income every year, while the rest of net profits are reinvested for the capital expenditure program.

Turning to ADMIE Holding's dividend policy for 2019, the Company distributed the maximum permissible payout of cash dividend received from IPTO within a year is a form of an interim dividend and regular dividend. The interim dividend amounted to €0.06, while the total regular interim dividend amounted to €0.088 per share

The proposal by the Board as I told you before was last year was €0.088 and for this year we expect BOD will propose to the General Assembly that would take place in July as we have already communicated. Total dividend distribution of €0.118, an increase...a significant increase since last year totally we will distribute €27.3 million that corresponds to a yield...dividend yield of 5% to 6%, we have high volatility in stock exchange depends on the day, these days.

Turning to our affiliate, IPTO Group would have been able to deliver a very strong set of numbers. Let me elaborate on the most significant figures. The 2019 revenues from Transmission System Rent increased by 3% at €229.1 million compared to €222.7 million in 2018. In 2000... these profits... the accretion of profits is mainly driven by the positive trends of electricity demand since the Unitary Transmission Use of System charge remained flat

in the year. We expect to change an increase of this number this year.

Total other sales decreased by €4.1 million lower by 16.5% at €20.6 million mainly as a result of a reduction in revenues from contracts which is reflected in a corresponding decrease in contract costs supported by an increase of received customer contribution related to the increasing number of RES connection to the Transmission System.

On December 31<sup>st</sup>, 2019, our affiliate proceeded with the revaluation of its operating fixed assets. The revaluation is conducted every 3 to 5 years in accordance with IFRS by an independent appraisal company and does not include the projects under construction. The previous revaluation conducted on December 31<sup>st</sup> of 2014. As a result of the appraisal, a total net increase of the fixed assets value of IPTO Group by €308.4 million was recorded, which based on IFRS has a direct impact on equity, while at the same time, as a result of the appraisal a decrease of assets by €16.8 million was recorded in the income statement. All the above amounts do not have a cash flow effect.

Consolidated operating expenses excluding depreciation and amortization and impairment of fixed assets fell by 36% at €65 million compared to €101.4 million in 2018.

Let me elaborate on the most significant elements of OPEX, many of them were on-off. Payroll decreased, one of them is payroll, that decreased by €29.2 million from €70 million to €40.8 million a decrease of 41.7%. This decrease has a lot of ad hoc elements that relate to provisions and that is the decrease in provisions for

redundancy from €11.5 million to €0.6 million. This provision was first created in 2018 according to a new law back then and due to a provision release of €15.7 million in 2019 following the change in legislation regarding reduced electricity tariffs to the employees. Actually, employees stop having the benefit of reduced electricity tariffs so we had to reverse provision.

Excluding the aforementioned provisions payroll...adjusted payroll decreased in 2019 by €2.7 million. This is a real decrease in our OPEX, mainly attributed to the successful voluntary exit schemes and we launched in 2018 and in 2019. As we described before contracted costs decreased from €10.9 million to €1.5 million as a result of the decrease in revenue from contract as we have already mentioned and this relates mainly to maintain SLA with HEDNO for maintaining their network.

Regarding other income, we had an increase of €27.0 million from €7.9 million to €35.1 million as we did mainly to the recovery of the costs of Polypotamos projects in 2019 amounting to €27.5 million and it is a non-recurring item. In 2019, there were related provisions amounting to €4.4 million which relate to dismiss the lawsuits versus €27 million last year.

Moving on to profitability, consolidated EBITDA for the fiscal year reached €224.1 million, marking an increase of 34% compared to 181...almost €181 million in 2019. When excluding one-off items already described, the adjusted EBITDA came in at €176.5 million higher by 6.7% compared to 2018.

One of the factors that lead to the Company's top performance is a result of the successful implementation of group financial strategy.

To be more specific, financial income rose by 31% at €15.4 million mainly due to an increase in Polypotamos project receivables but also supported by the strategic decision to place a significant part of cash reserves in a special account of Bank of Greece and the same bank of...bank account that ADMIE Holding deposits money.

Secondly, the financial expenses dropped by 32% at €13.2 million, reflecting the refinancing of IPTO's loan portfolio in 2018. As a bottom...we expect such a refinancing to take place in 2020. At the bottom line our consolidated net profit increased by 28.4% at €105.6 million versus €82.2 million in 2018. While adjusted net income came in at €78.7 million versus €69.7 million last year. In 2019, IPTO Group reported record capital expenditures making a significant increase by 39% at €249 million versus €178.2 million in 2018, while net debt amounted to €201 million, having net debt to EBITDA...leading to a...net debt to EBITDA ratio of 1.14%.

At this point, I would like to highlight the significance of CAPEX for the Company's sustainable development, since IPTO is compensated based on its...regulated cost base, which currently stands at €1.7 billion. It is highly critical that the CAPEX plan is implemented timely and precisely. Top management in close cooperation with ADMIE Holding and the strategic investor State Grid Corporations China carry on with acceleration of all our major projects as Mr. Manousakis said before with an increased focus on Island Interconnection.

We, our estimation, our assumption is that for the until 2028 we have €5 billion of CAPEX mostly for new interconnections. The pickup investments in 2019 reflects progress into construction phase for a series of major projects, such as Phase B and C of the



Cycladic interconnection, Peloponnese Interconnection and expansion of the 400 KV system of Peloponnese with a constructing of the so-called a Corridor A Project.

Furthermore, the Company is planning Phase B of the Cycladic Island Interconnection budgeted to almost €400 million, which recently identified as a project of major importance and has included in the new 10-year development plan.

With that, I would like to thank you for participating and we are ready to take any questions you might have.

## Q&A

OPERATOR                    The first question is from the line of Labate Victor with Piraeus Securities. Please go ahead.

LABATE V:                    Hi, thank you for taking my call. You mentioned, the challenges faced due to COVID-19. And I was wondering if you're expecting any delays going forward in the implementation of your investment program? Also, my second question was about CAPEX. What CAPEX do you project for 2020 and for 2021, if possible? And I also had a question about your debt. What kind of debt levels do you expect for the ...for the end of 2020? And if you can also elaborate on your financing? And finally, also if you can shed any insight on the privatization of IPTO? Thank you.

MARGARIS I:                So thank you for the question. It's Margaris Ioannis talking, I am the Chief Officer for new projects and system development. So regarding the first part of the question related to COVID-19 conditions and possible impact on our investment program. As it

was also mentioned in our introduction, the first months of 2020 are very solid proof that the impact of COVID-19 until now has not been significant. Basically, the... all the investments, which are under...which are ongoing, the projects which are under execution are according to the timeline. So, this basically means that our investment plan for the year 2020 will be on the level and even higher than 2019. And this is a result of all the mitigation measures that we took early on, on the year. And of course, on the very good and solid cooperation with our major contractors, which are multinational and national entities. Regarding the second part of the question, I think Iason... it's on you.

ROUSOPOULOS I: Regarding CAPEX, CAPEX program. We expect that in 2020, we will raise another €400 million for the Ariadni projects, while we have already the...the financial contract from EIB, €170 million that we will raise. And so in total, we expect something higher than €500 million.

LABATE V: That's your CAPEX, right, €500 million?

ROUSOPOULOS I: No, no. This is the new loans.

LABATE V: Okay. New loans. Okay.

ROUSOPOULOS I: About the new loans. About the CAPEX there is a general rule as we said before we have €5 billion to invest until 2028. This CAPEX will be almost equally spread throughout this year. So you can make your calculations. We expect something like more or less €0.5 billion per year. Of course, project management is something that can differentiate the numbers from year-to-year, but as

general rule of thumb it's €0.5 billion per year. And I forgot this part of the question about leverage.

Now, we have 1.14, net debt to EBITDA index. We expect that we will reach the European average for other DSOs at full development of our...at the point of full development of our projects, and we will remain at a point less than 5, times net debt to EBITDA by 2028.

LABATE V: And in terms of the privatization of IPTOs, do we expect any developments in 2020.

ROUSOPOULOS I: There are thoughts from the ministry. And there is this COVID-19 circumstance situation that makes scheduling difficult especially on these types of matters. In any case, we focus on growing the Company. And regardless of the privatization or not in the coming months, we will continue our hard work.

LABATE V: Okay. Thank you very much.

OPERATOR: The next question is from the line of Giannoulis Dimitris with Research Greece. Please go ahead.

GIANNOULIS D: Yes, good afternoon. With regards to the strategic investor entering the capital of Ariadne, could you please let us know what are the chances of this happening? And also, the rationale behind it because unless I am mistaken, I think the IPTO has the capacity to implement the project on its own. So, given that this is a flagship and very lucrative project for the country and the company, we would appreciate an insight on, #1, whether...what

are the chances of actually seeing some strategic partner in the project, and also the rationale behind it. Thank you very much.

ROUSOPOULOS I: Thank you for this question. I can, I have to give a similar answer to my previous question. In COVID-19 circumstances, it's difficult to make predictions on important M&A. In any case, we are positive as IPTO to bring minority investors in Ariadne because it's always good to have good partners and still build strong relationships with other companies that might lead to other fields in the future. So, apart from capital there are also other aspects that collaboration can give. Once we are sure IPTO will keep a significant percentage of Ariadne, since it's a project of the national 10 year development plan, the National Transmission System, and so PSO needs to control the progress of such a project. So yes, IPTO now has a low leverage ratio, still have a financial capacity to execute such a project by himself.

But, taking into account, other synergies and other benefits that a strong collaboration with a strong partner with a good profile for such projects, meaning long term view and financial...high financial Fitch rating et cetera and taking into account the €5 billion of general CAPEX of IPTO, we think that such a partnership would be beneficial for us.

GIANNOULIS D: Okay. Thank you. And on that front, could you please let us know what amount of subsidies do you expect for this project, roughly?

ROUSOPOULOS I: Roughly it will be around...a little bit lower than 40%.

GIANNOULIS D: Okay. Thank you very much. Thank you.

OPERATOR: The next question is from the line of Hatzidakis Manos with Beta Securities. Please go ahead.

HATZIDAKIS M: Hi, thank you for taking my questions. Just to make it clear, did you say that there would be €500 million CAPEX per year? Is this correct? And secondly, do we have an indication as it regards to financing where the average interest rate would be? Thank you.

ROUSOPOULOS I: What I said is that in total we have €5 billion of CAPEX spread for the next decade. So, because we have a balanced investment plan because we don't want to have all the projects at the same time, we expect a smoother...I'd say smooth spread of this €5 billion for the next 10 years. So yes, on average €500 million per year is the number we seek of course because every project has its own life. We would expect to see some small variations year-to-year.

So, I don't say that this year or next year it will be €500 million. This year it could be €400 million. Next year, it could be €600 million but, on an average, we expect to be at this level. And I remind to everyone that the Company in 2017 had €75 million more or less. In 2018, €170 million. This year, €250 million. You see the tendency. I tell you the tendency will keep going this way and on average would be this amount of €0.5 billion per year on average.

HATZIDAKIS M: And if I may, what percentage of this €5 billion will be included in the regulator database.

ROUSOPOULOS I: I expect that out of this €5 billion, €4 billion will be included in RAB and €1 billion will be subsidies.

HATZIDAKIS M: Okay.

ROUSOPOULOS I: Of course, you have to take into account depreciation to make your calculation for RAB.

HATZIDAKIS M: About the interest rate of the financing?

ROUSOPOULOS I: Correct. We have grabbed the opportunity that the decreased interest rate of last period gave us, we expect all of our loans to be around 2%.

HATZIDAKIS M: 2% okay. Very clear.

ROUSOPOULOS I: 2.2%, around 2%.

HATZIDAKIS M: Thank you.

OPERATOR: The next question is from the line of Nikokyrakis, Ioannis with Alpha Finance. Please go ahead.

NIKOKYRAKIS I: Good afternoon from my side. Thanks for taking my question as well. My first question comes regarding your investment plan and specifically the Crete Peloponnese Interconnection and due to the COVID pandemic do you see any delays on this going forward this year? When is it actually likely going to be interconnected into the main grid and electrified? That's my first question.

Regarding my second question, can you give us a flavor on the electricity market dynamics going forward since we have evidenced demand falling by 10% in March and around 14% in April, and how would this possibly affect your revenues?

And my final question, regarding energy storage going forward in Greece, can we have any updates on developments regarding this and can you give us a color on this from European experience and the role of ADMIE IPTO on this. Thanks very much.

ROUSOPOULOS I: I would ask Mr. Margaris, to answer the first and the third question while Ms. Eleni Zarikou will answer the second question.

MARGARIS I: Thank you, Iason and thank you for the question. Regarding Crete Peloponnese Interconnection, as I also mentioned in my previous intervention, until now the first months of 2020 have been very efficient despite the conditions of COVID-19 also for the specific project Crete Peloponnese. Now, ahead of us, we have the next milestones for this project and until now, there is no major delay, so the target for completion is still for the end of 2020.

All the measures that we have taken until now ensure the efficient delivery of the project, you know since you make the question, I understand you, you can understand, it's one of the biggest projects and most important projects of IPTO regarding interconnections and also internationally in terms of technical characteristics length of the cable and so on and so forth. So, we have major contractors by our side with experience and we believe that the target will be met before the end of 2020.

Now, regarding the third question on storage, this is a very important field for IPTO. We've been doing a range of studies but also consultation with other companies around the world with experience in storage applications focusing on transmission system. Our now target is to mature and start the development of

pilot projects increase focusing on islands, the islands that we have already interconnected, but also islands that we are going to interconnect in the coming period, in order to assess, test the technology and cooperate with other vendors and technology providers and be able to quantify the positive effects of storage in the operation of the system, in the operation of our interconnections. And of course, this will be done in accordance to also the...the relevant European discussion among PSOs and regulators regarding the role of PSOs in the future of a storage business in Europe. So we have already identified the key aspects of storage for the PSO perspective, and we believe that by the end of 2022 we will have clear and transparent results of our preparation work that we have been doing in the last couple of years. Eleni.

ZARIKOU E: Hello, from me. Thank you for your questions. Regarding our revenue we have final numbers for the first trimester. And for revenue regarding the transmission system rent, the decrease is approximately around 2% and for April, although we do not have final figures, we cannot expect a decrease of more than 5%. So on an annual base our total revenue will not be affected significantly.

NIKOKYRAKIS I: Okay. Thank you.

OPERATOR: The next question is from the line of Aifantopoulos, Konstantinos with Iolkus Investments. Please go ahead.

AIFANTOPOULOS K: Yes, hello. Thanks for taking my question. I want to follow-up on the electricity demand and how that affects your allowed remuneration. I get that most important part of your revenues



concerns the RAB. So I suppose that the decrease of demand affects the authorized OPEX and the regulatory depreciation. My question...because I was almost covered from your last answer. My question is a following, do you have a sensitivity analysis, let's say, 1 percentage drop on an annual basis of electricity demand how, would that affect your revenue? Thank you very much.

ZARIKOU E: Thank you for your questions. Regarding, the first scale of your question, if I understood correctly you asked about the correlation of the drop in the demand with our allowed revenue.

AIFANTOPOULOS K: Correct.

ZARIKOU E: The demand of this year cannot affect our allowed revenue, you know, only CAPEX, depreciation and perhaps this will affect our RAB. So, we cannot see any correlation. And regarding if we have any sensitivity analysis. As I answered before of course we have run any stress test scenario on an annual basis. We do not expect anything...a significant decrease in our total revenue.

AIFANTOPOULOS K: Thank you.

OPERATOR: The next question is from the line of Gkonis Argyrios with Axia Ventures. Please go ahead.

GKONIS A: Yes, good afternoon a couple of questions from my side as well. First of all, I would like some...if you can provide us any update on the regulatory returns WACC. Should we expect any changes given the adjustment in the tax rates, and given your plan...your 10-year investment plan going forward, have you held any preliminary discussions with the regulator on any potential

changes or restructuring of the...of the allowed return rate specs. And the second question if you could elaborate a bit on your plans regarding the fiber optics subsidiary? Thank you.

ROUSOPOULOS I: Okay. First, the recent discussion with the regulator about the tax rate and to WACC no final decision has been taken if the WACC of 2000...of this year until the end of the regulatory period that is still 2021 will take place. In any case we don't expect a significant change that will affect our results dramatically. So we discussed until the end we will see.

As I tell you before the regulatory period expires in 2021...in May of 2021 we will submit our proposal to the regulator for the new regulatory period of 2022 until 2025. So, no negotiations have already...have been already taking place, it's early, and to expect this to happen after May 2021.

Regarding optical fiber, Ms. Eleni Zarikou will answer to you.

ZARIKOU E: Regarding the exploitation of our optic fiber network through our new subsidiary Greek Telecom, as you have already seen in the financial statements of 2019, we have a new revenue stream with the positive effect in the group financials. And as, you know, in 2019 there is an agreement with telecom provider and the...this was the effect in our figures this year. And moving forward as, you know, in all our interconnections with, from Islands to the Mainland we have new optic fibers. So, we expect further growth as you can understand and an even better effect on the financials of the group.

GKONIS A: Thank you very much.

OPERATOR: Ladies and gentlemen, there are no further questions at this time. I will now turn the conference over to Mr. Rousopoulos for any closing comments. Thank you.

ROUSOPOULOS I: I want to thank everyone for their participation, for their questions. Every year this session becomes more and more interesting and since we also have interesting results and interesting...an interesting story. We want to thank on behalf of our...my other colleagues, I want to thank everyone for their participation. Look forward for this session next year or earlier if the chance arises in one of the roadshows we hope to participate.