

# Corporate Presentation 2018

June 2018



# Disclaimer

This document contains forward-looking statements that involve risks and uncertainties. These statements may generally, but not always, be identified by the use of words such as “outlook”, “guidance”, “expect”, “plan”, “intend”, “anticipate”, “believe”, “target” and similar expressions to identify forward-looking statements. All statements other than statements of historical facts, including, among others, statements regarding the future financial position and results of ADMIE Holding and ADMIE (IPTO), the outlook for 2018 and future years as per IPTO’s business strategy and five-year business plan planning, the effects of global and local economic and energy conditions, the impact of the sovereign debt crisis, effective tax rates, future dividend distribution and management initiatives regarding ADMIE Holding’s and IPTO’s business and financial conditions are forward-looking statements. Such forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially, because current expectations and assumptions as to future events and circumstances may not prove accurate. Actual results and events could differ materially from those anticipated in the forward-looking statements for many reasons, including potential risks described in ADMIE Holding’s Greek Information Prospectus originally drafted and approved by the Hellenic Capital Market Commission in the Greek language as well as Affiliate ADMIE’s (IPTO) Annual Financial Report 31 December 2017.

ADMIE Holding S.A. is owner of a 51% stake in “Independent Power Transmission Operator S.A.” (ADMIE/IPTO).

EBITDA = Operating Income before Income tax and Financial Income (Expense) + Depreciation & Amortization.

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- 1 ADMIE Holding & IPTO Overview
- 2 Transmission Outlook
- 3 Regulatory Framework
- 4 Financial Summary
- 5 Appendix (A,B,C)







*'18 focus on transmission  
system growth*





*11,722km is the distance between London, UK and Jakarta, Indonesia*

# Investment proposition

- Natural monopoly in Greece

11,732km of HV transmission lines

- Recovery in domestic demand

Consumption >52TWh highest in six years

- Leading TSO as stakeholder

State Grid International Development, holder of 24% IPTO stake with execution input

- New management team

Implementation of a new organization chart, fresh people in key positions

- Growth in the regulated asset base

RAB growth up to €2.1B in 2021

- Investments

Investments approx. €1B cumulative '18-21

- Rational regulatory environment

Independent authority prioritizing asset growth

- Boosting dividend returns

Reduce borrowing costs and establish minimum 50% earnings payout

1.

# Overview

ADMIE Holding trading vehicle for natural  
monopoly ADMIE (IPTO)

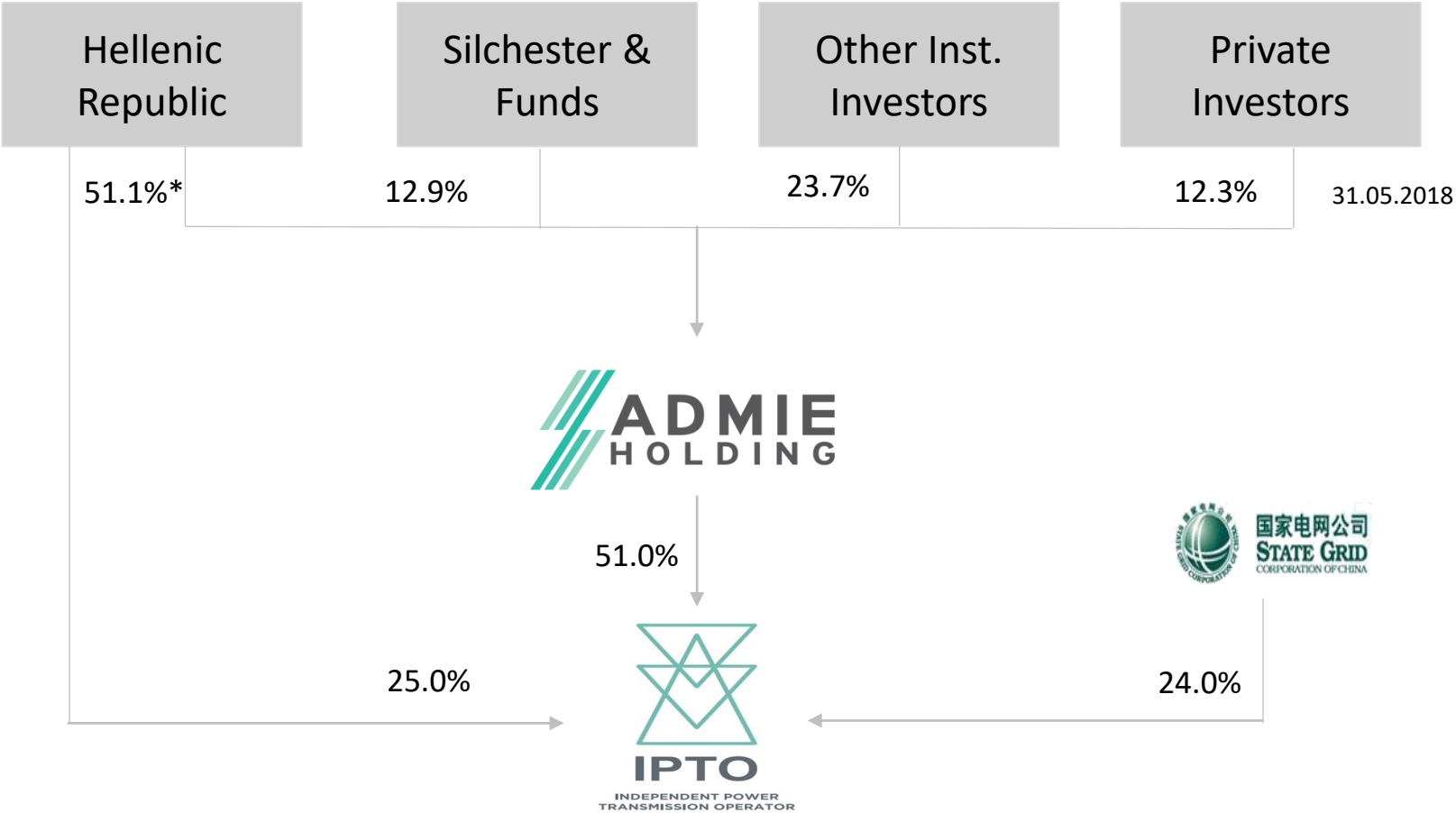


# Corporate Structure Overview

**ATHEX:** ADMIE  
**Bloomberg:** ADMIE GA  
**Reuters:** ADMr.AT

232,000,000 common shares

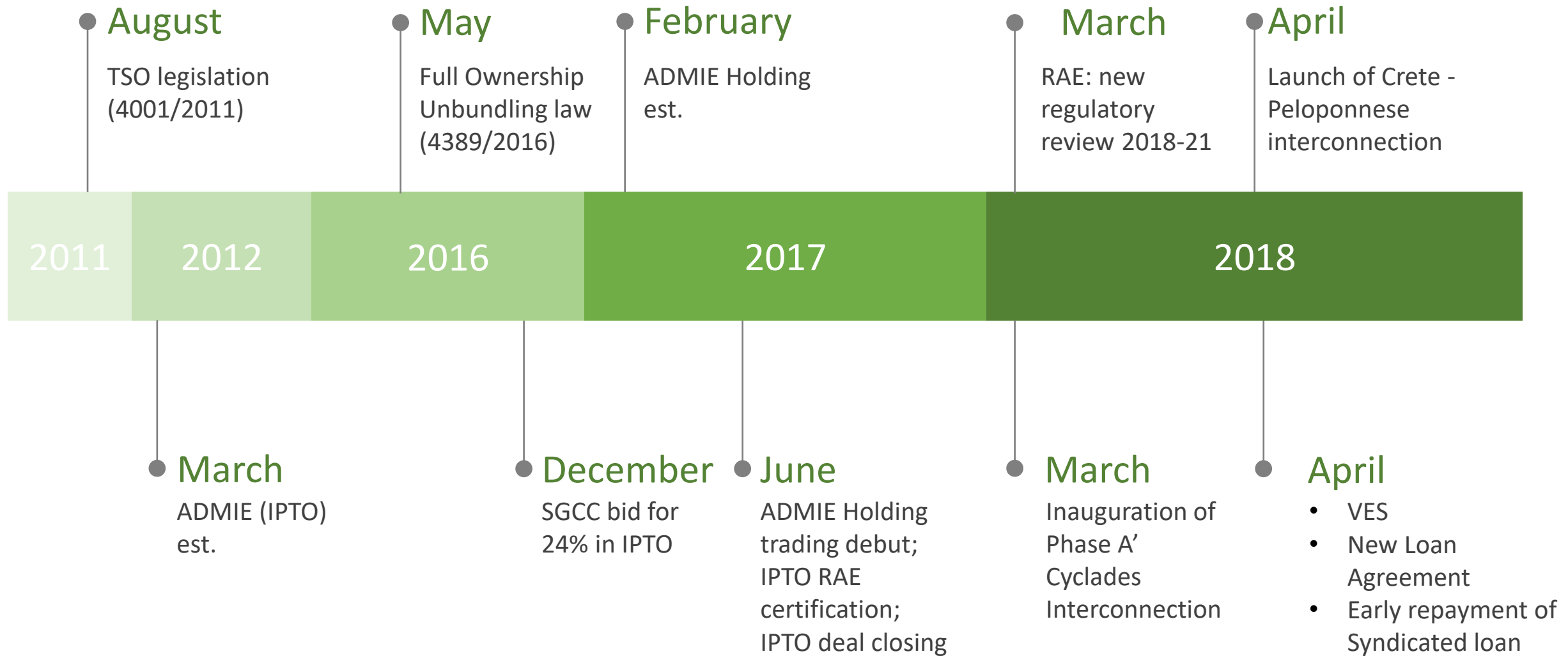
Owner of 51% stake in  
“Independent Power  
Transmission Operator S.A.”  
(ADMIE/IPTO)



\*as on 29 Sep 2017; Hellenic Republic stake via DES ADMIE S.A.



# Key milestones



# Corporate governance

Shareholder agreement in place

## ADMIE Holding

- AGM appoints Chairman & CEO
- BoD: 5 members  
2 independent, 3 non-executive  
Out of which 3 in key management positions in ADMIE (IPTO)
- ADMIE Holding appoints 3 BoD members at ADMIE (IPTO)

## ADMIE (IPTO)

- ADMIE Holding  
Proposes Chairman & CEO and Deputy CFO
- State Grid Corp. of China (SGCC)  
Approves Chairman & CEO; appoints Deputy CEO, CFO
- BoD: 9 members  
2 Hellenic Republic, 3 ADMIE Holding, 3 State Grid, 1 Representative of Employees

# IPTO 2017 Highlights

- Electricity transmission +1.6% yoy
- IPTO system rent +5% yoy on favorable 2H comps
- EBITDA €172.0M, +13.1% yoy
- Net profit €61.7M
- Net debt €234.4M\*
- Initiatives by new management well in-progress
- RAE initiates new, four-year, regulatory period

52TWh

Strongest demand since 2010

€172.0M

Reported EBITDA

€69.9M

Free cash flow\*\*

\* Excl. €476M regarding PSO's account deposited to HEDNO on 5 January 2018 ; \*\*Post-interest; source: ADMIE (IPTO)



# IPTO Q1 '18 Highlights

- IPTO system rent €53.3M
- EBITDA €63.6M
- Ad hoc provision release amounting to €26.6M due to dismissal of a contractor lawsuit
- Plan accelerating investments in place; commissioning of 1st Phase of Cycladic islands interconnection worth €247M completed; launch of the interconnection of Crete with Peloponnese with the publication of the tender documents with a total budget of €324M

€63.6M

Reported EBITDA

€26.6M

Provision Release

€76.8M

Free cash flow\*

\* Excl. €476M regarding PSO's account deposited to HEDNO on 5 January 2018 ; Post-interest; source: ADMIE (IPTO)

# ADMIE Holding Q1 '18 Highlights

- First quarterly results release
- Net profit €15.8M
- Management declares its intention to distribute interim dividend approximately €0.03 per share; final resolutions in June
- In 2019 total dividend is expected to amount around €0.07 per share

€15.8M

Net Profit

~€0.03 per share

Interim Dividend 2018

~€0.07 per share

Total Dividend 2019

# 2.

## Transmission Outlook

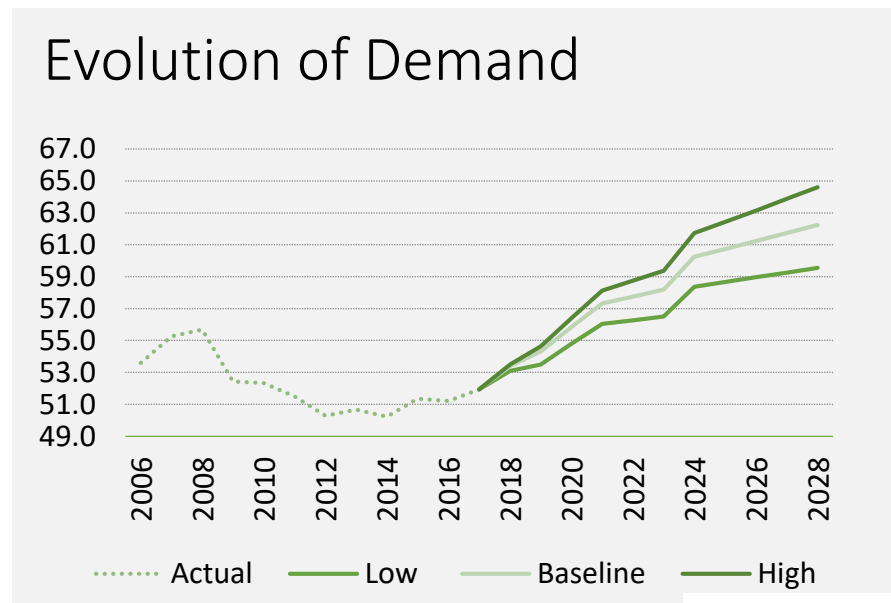
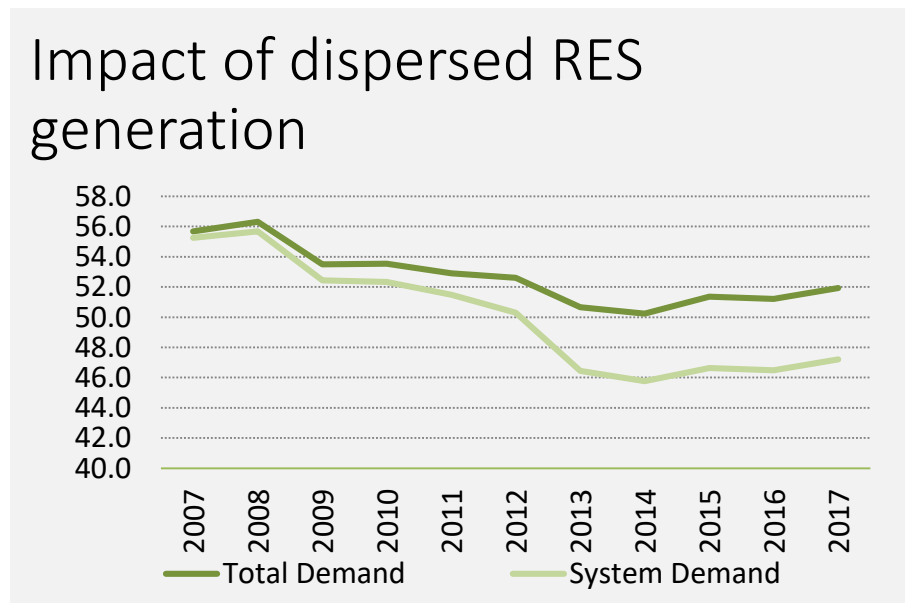
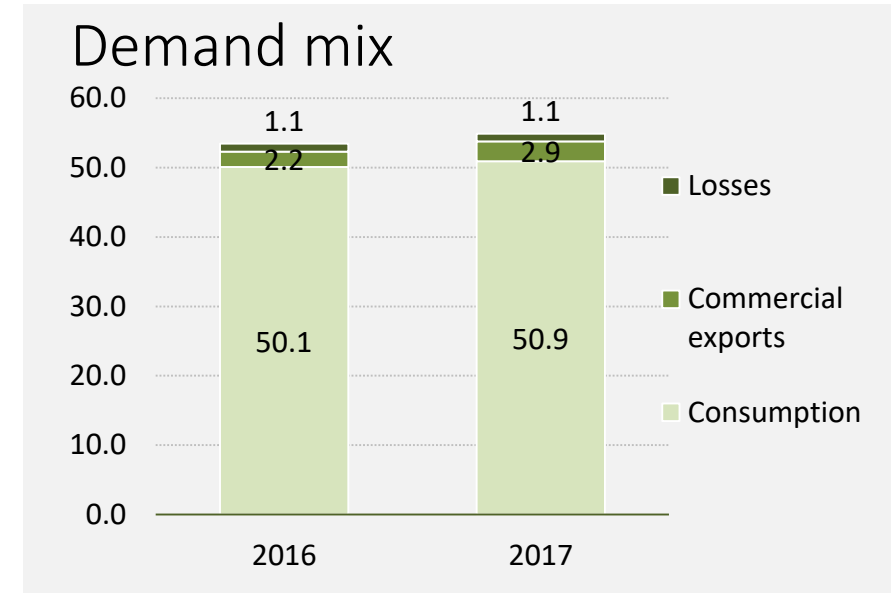
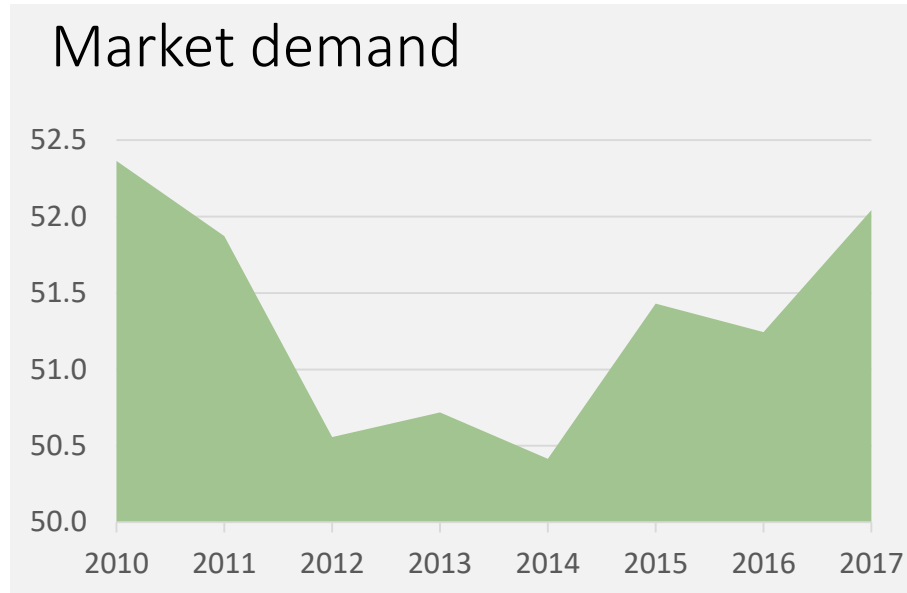
1<sup>st</sup> year of full ownership unbundling





# Demand & transmission

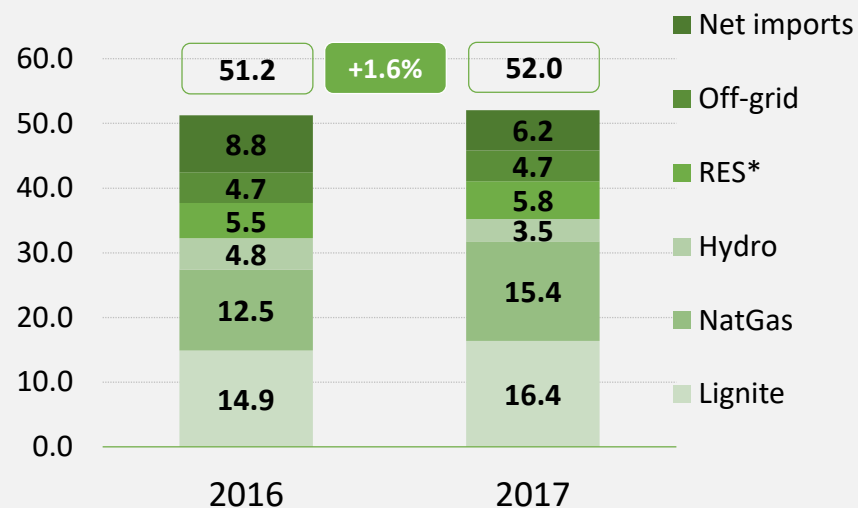
- Highest demand in six years
- Consumption at ~52TWh, back to 2010 levels
- 2012: dispersed RES generation amounted to 2.3 TWh, while in 2016 amounted to 4.7 TWh
- System demand toward 60-65 TWh



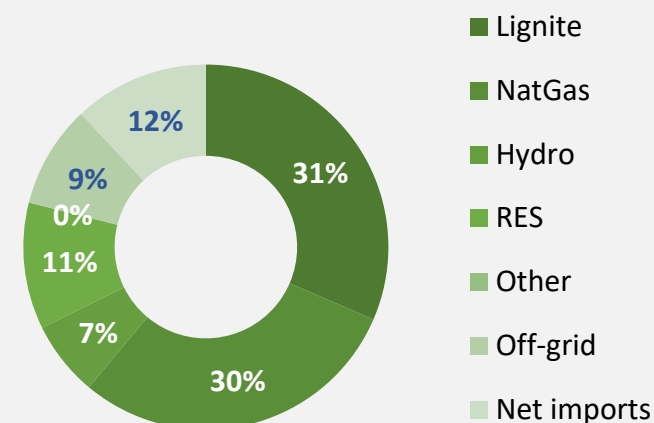
# Supply & transmission

- Net production at 45.8TWh, +7.9% yoy
- Net imports at 6.2TWh, -29.1% yoy
- Net imports at 12% in supply mix, lowest since 2013

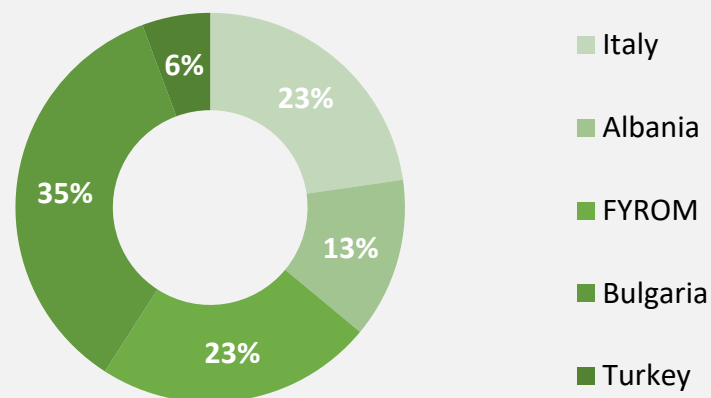
## Supply mix (TWh)



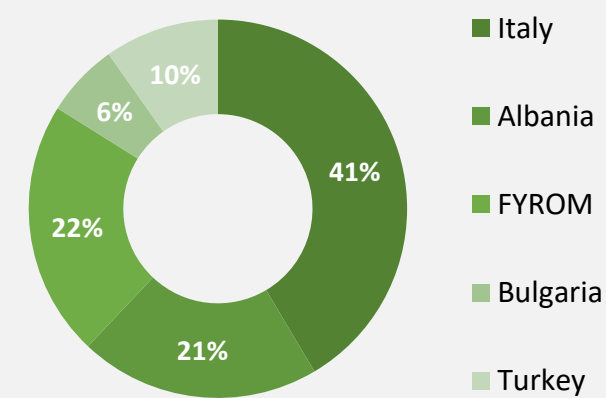
## Supply mix 2017



## Import mix 2017



## Export mix 2017

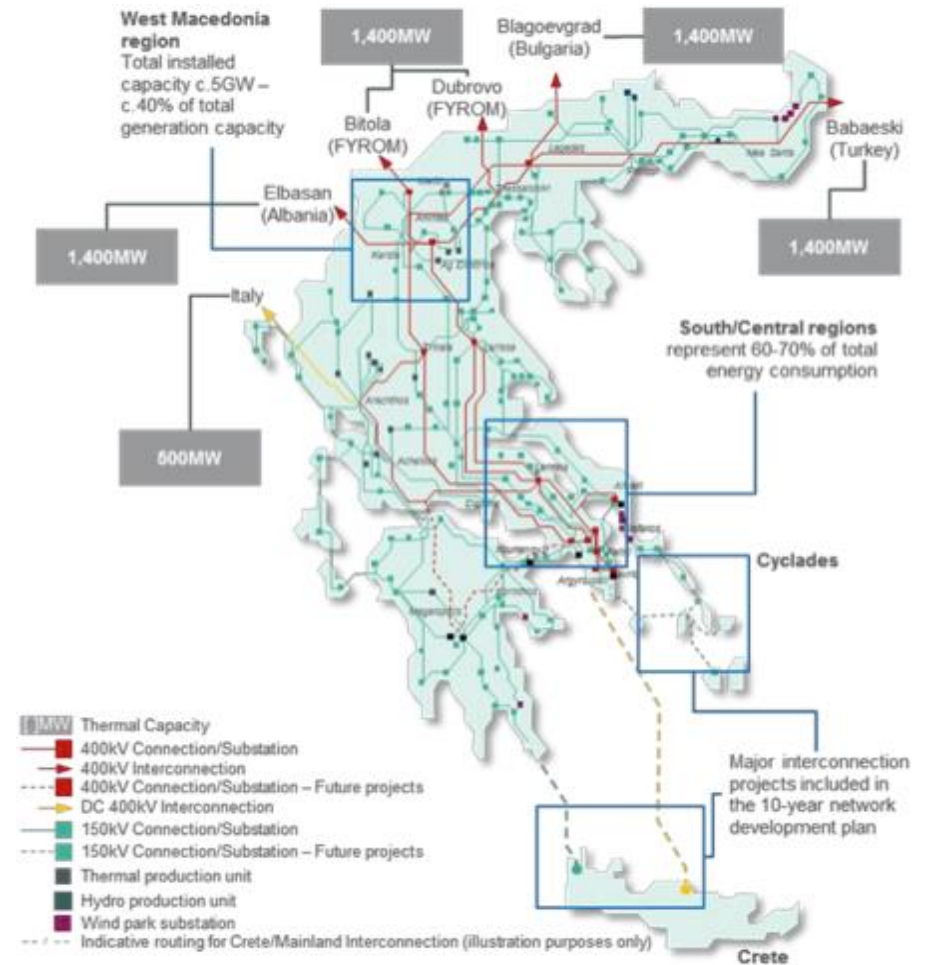


\* Interconnected capacity only; source: ADMIE (IPTO)

# Development of the HETS

## Main Drivers

- ❖ Besides the needs of demand supply, the main drivers for the development of the Hellenic Electricity Transmission System are:
  - Interconnection of Greek islands (security of supply, reduction of the energy cost, environmental issues)
  - Accommodation of future RES generation
  - Connection of conventional (thermal) generation
  - New interconnections with neighboring Systems
- ❖ The progress towards the National and European targets for an increased RES penetration (40% in the electricity sector) is already noticeable





# Interconnection of the Islands

## Main Objectives

### System stability

**Increase of security of supply** for the islands electricity system

### Cost Reduction

- **Drastic reduction of electricity generation cost** in the islands
- Substitution of oil units with RES plants and imports from the mainland

### PSOs elimination

More than 300M€/year due to the electricity supply of Crete and 50M€/year for the Cycladic islands, from high cost oil-fired unit

### Environmental benefits

- Most of the local old oil-fired units are located near residential and tourist areas
- They will be set in “cold reserve” status after the interconnection

### RES Enhancement

- The majority of the energy needs will be met by RES, while the rest will be imported from the mainland
- Reduction of energy dependence on imported fuels
- The achievement of the major 2020 energy goals of the country, in terms of enhancing RES penetration and reducing CO<sub>2</sub> emissions

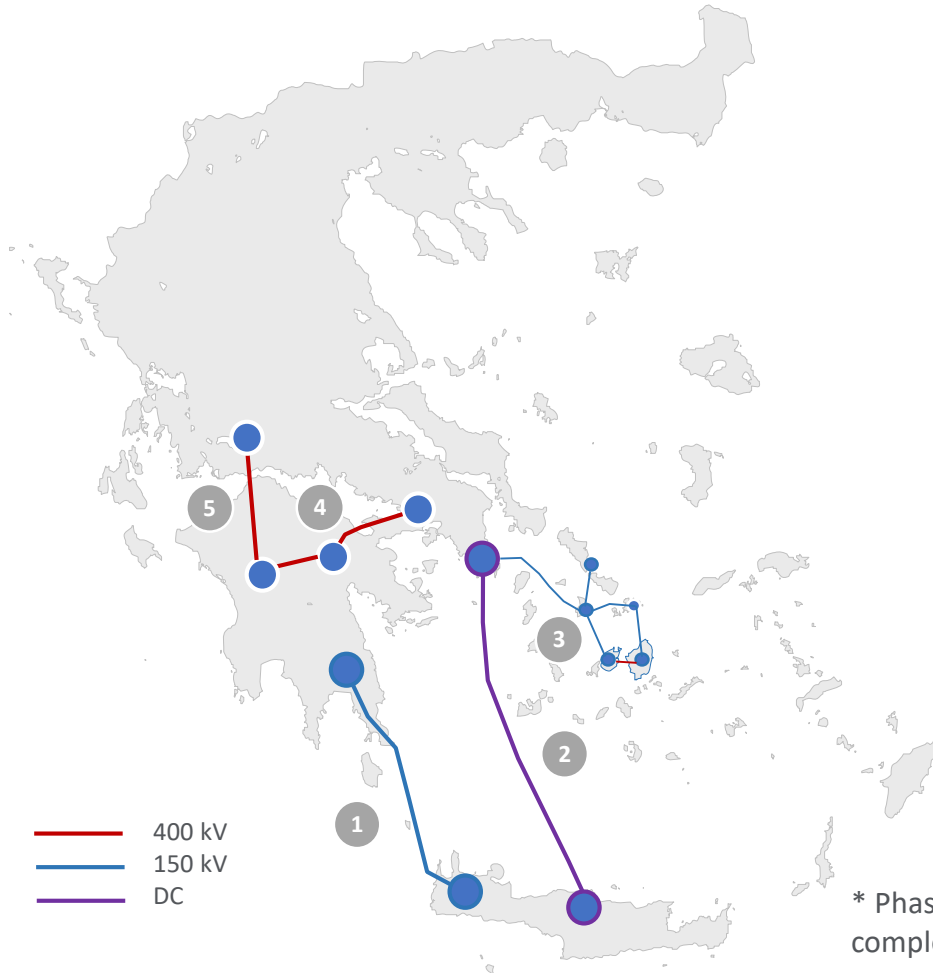
# Overview of the TYNDP 2018 Major Projects

## Top 5 Projects - Works Commencing Before the End of 2018

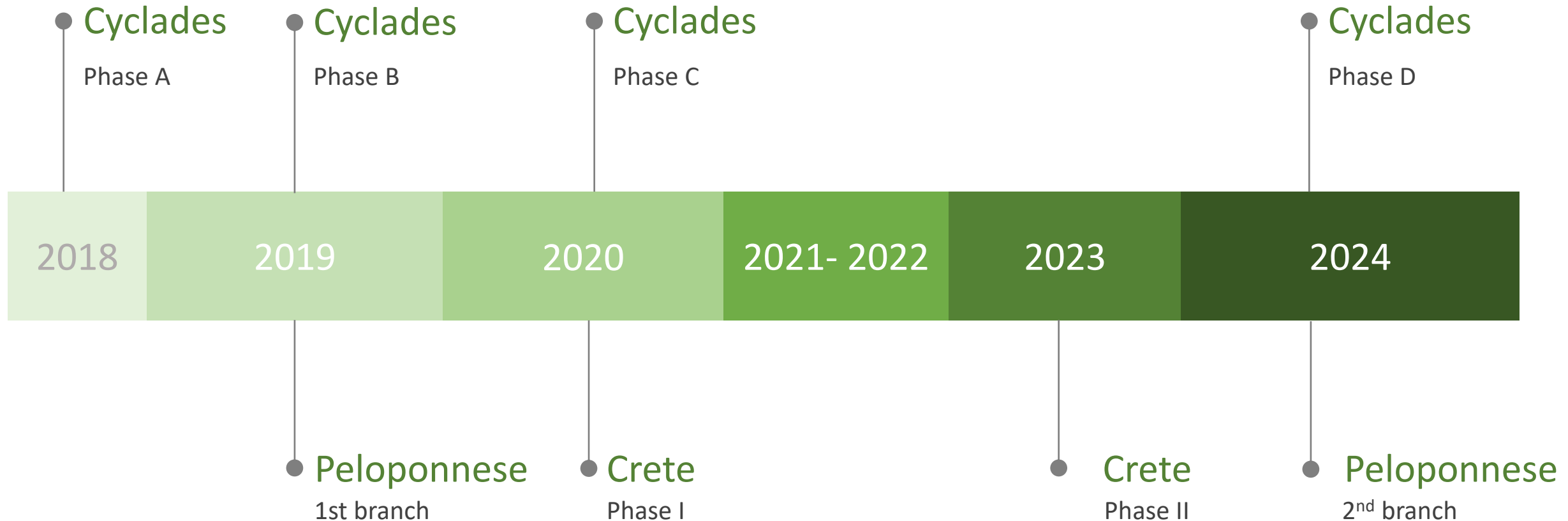
| ID | Project description  | Expected commissioning year                     | Total project cost 2018-2027 (€ M) |
|----|--|---|------------------------------------|
| 1  | Crete interconnection (Phase I)  | 2020  | 324.0                              |
| 2  | Crete interconnection (Phase II)   | 2023  | 713.3                              |
| 3  | Cycladic Islands interconnection (Phases A, B and C) *                           | 2020<br>(2018 for Phase A and 2019 for Phase B) | 424.0                              |
| 4  | Second 400 kV branch to Peloponnese (OHL Megalopoli – Korinthos – Koumoundouros) | 2024  | 111.6                              |
| 5  | First 400 kV branch to Peloponnese (OHL Megalopoli – Patras – Acheloos)          | 2019  | 83.1                               |

\* Phase C of Cycladic Islands Interconnection is accelerated according to BoD's decision and the project will be completed 2 years earlier.

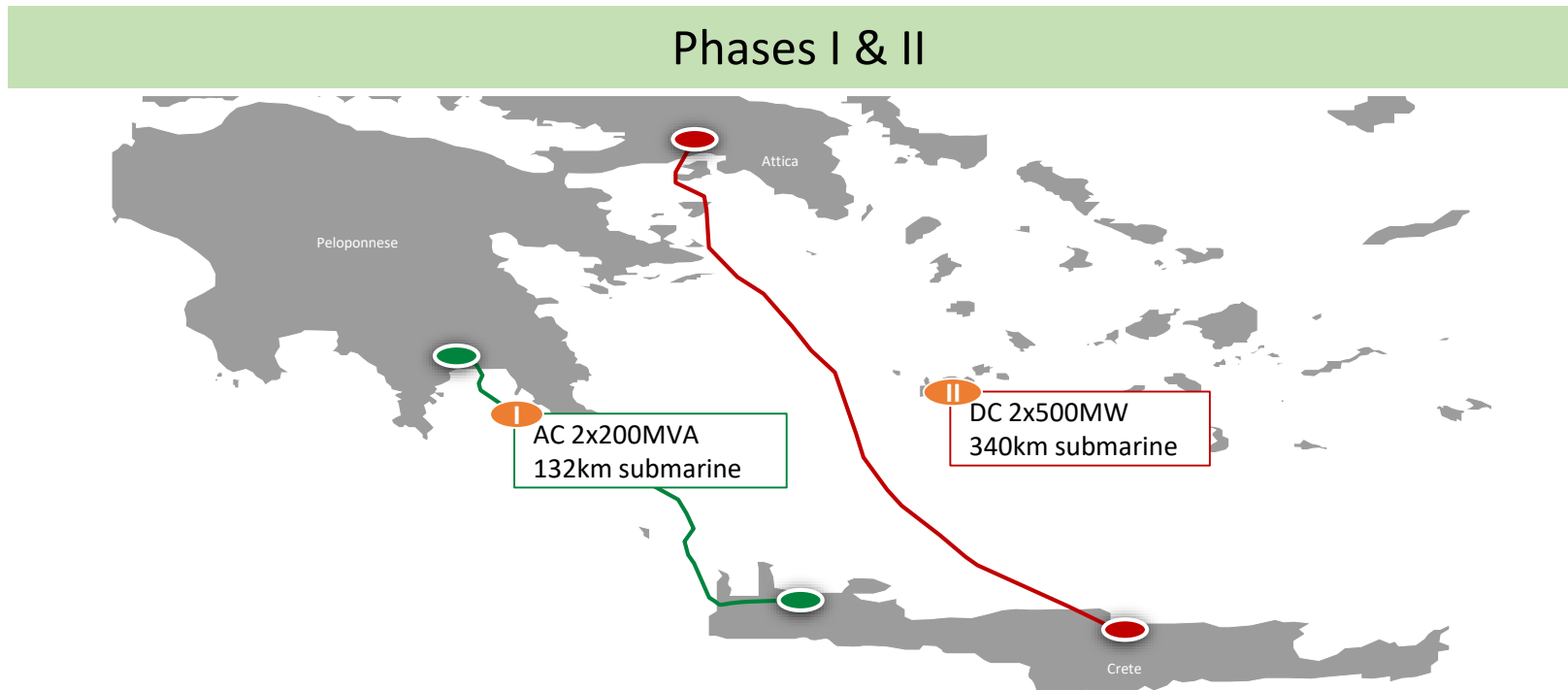
Phase D of Cycladic Islands Interconnection has been proposed in the updated TYNDP 2019-2028 for RAE's approval.



# TYNDP 2019-28 Major Projects



# Interconnection of Crete



Interconnection of Crete with the mainland through **two distinct links**  
The project is implemented in two phases (I, II)

**Phase I:** Connection Peloponnese with Crete

**Commissioning:** 2020

**Estimated budget:** ~ €324M

**Launched:** April '18 with the publication of the tender documents for the construction of the undersea cable

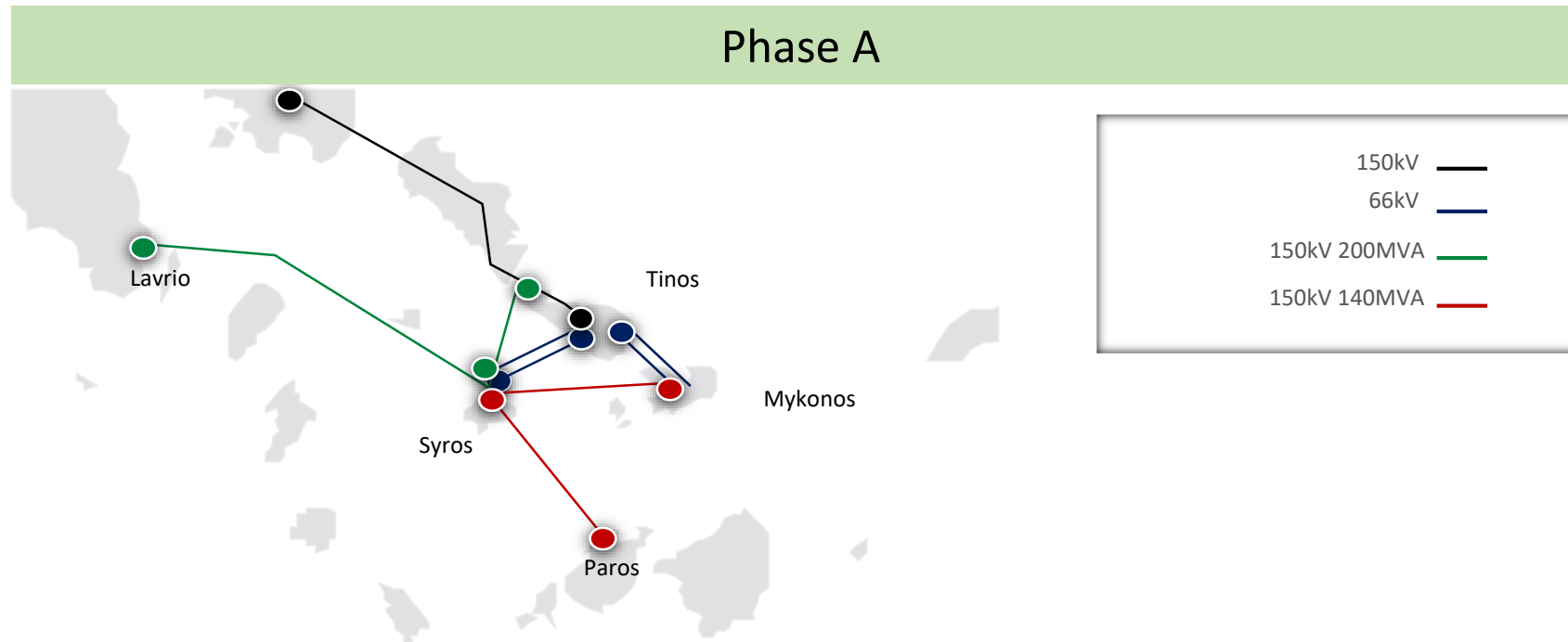
**Phase II:** Connection Attica to Crete

**Commissioning:** 2023

**Estimated budget:** ~ €713M



# Interconnection of Cyclades

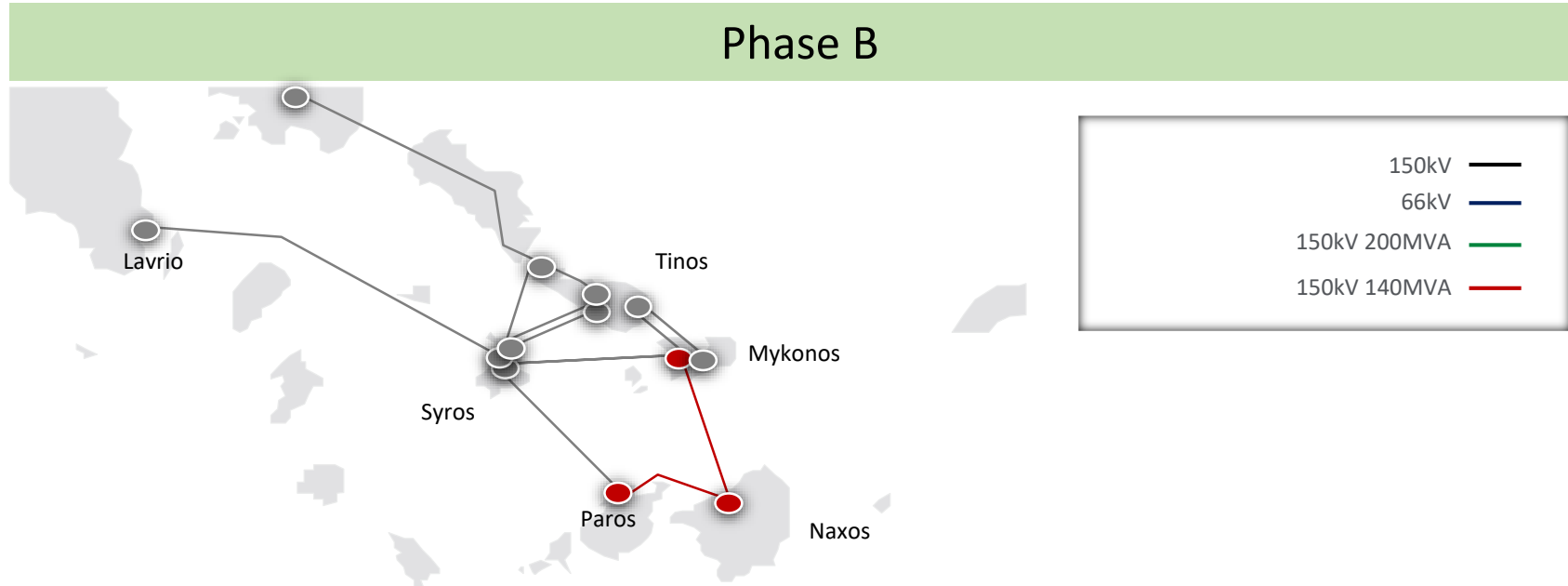


Radial Interconnection of Syros island with the mainland (Lavrio), Paros, Mykonos and Tinos islands.  
11 islands in total connected to the mainland.

**Completed:** April 2018 (Interconnection of Syros and Paros March 2018; Mykonos April 2018)

**Budget:** ~ €250M

# Interconnection of Cyclades



Interconnection of Naxos island with Paros and Mykonos islands (close loop between Syros-Mykonos-Naxos-Paros)

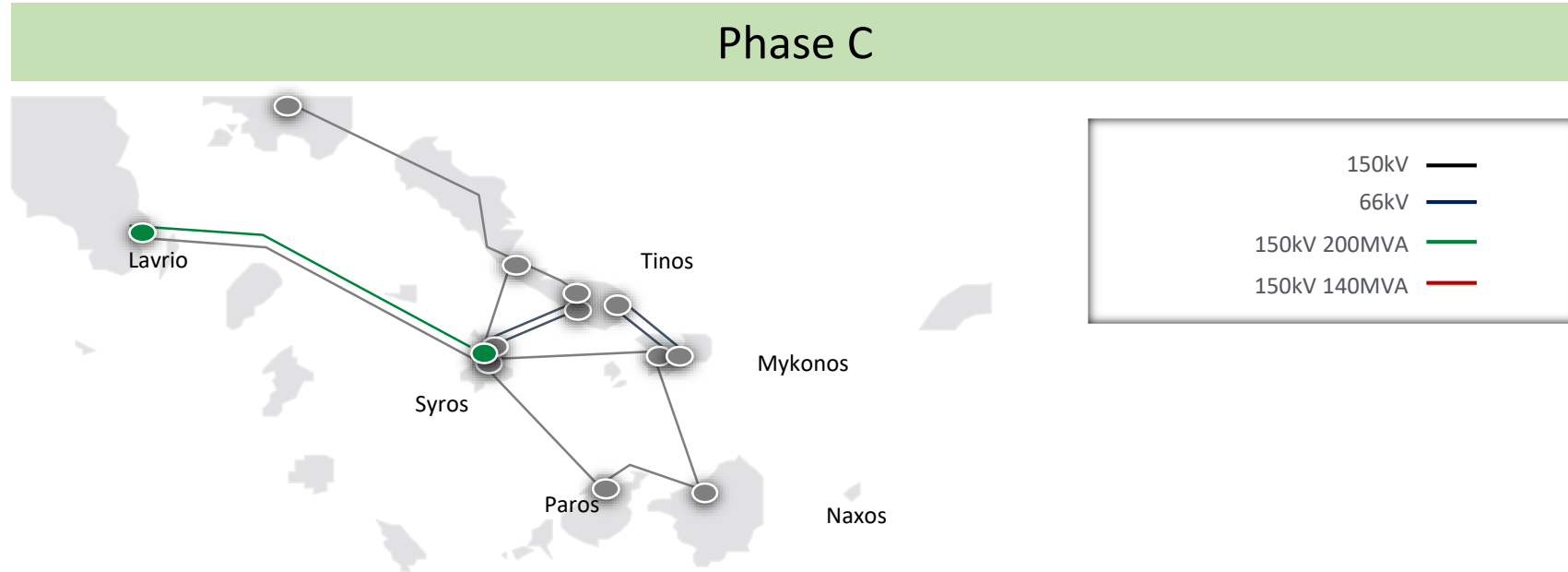
Reinforcement of the existing interconnections Andros – Evia and Andros - Tinos

**Expected completion:** 2019

**Estimated budget:** ~ €72M

The tenderer for the undersea cable that will connect Naxos with Paros and Mykonos with a budget of €42M has been selected

# Interconnection of Cyclades



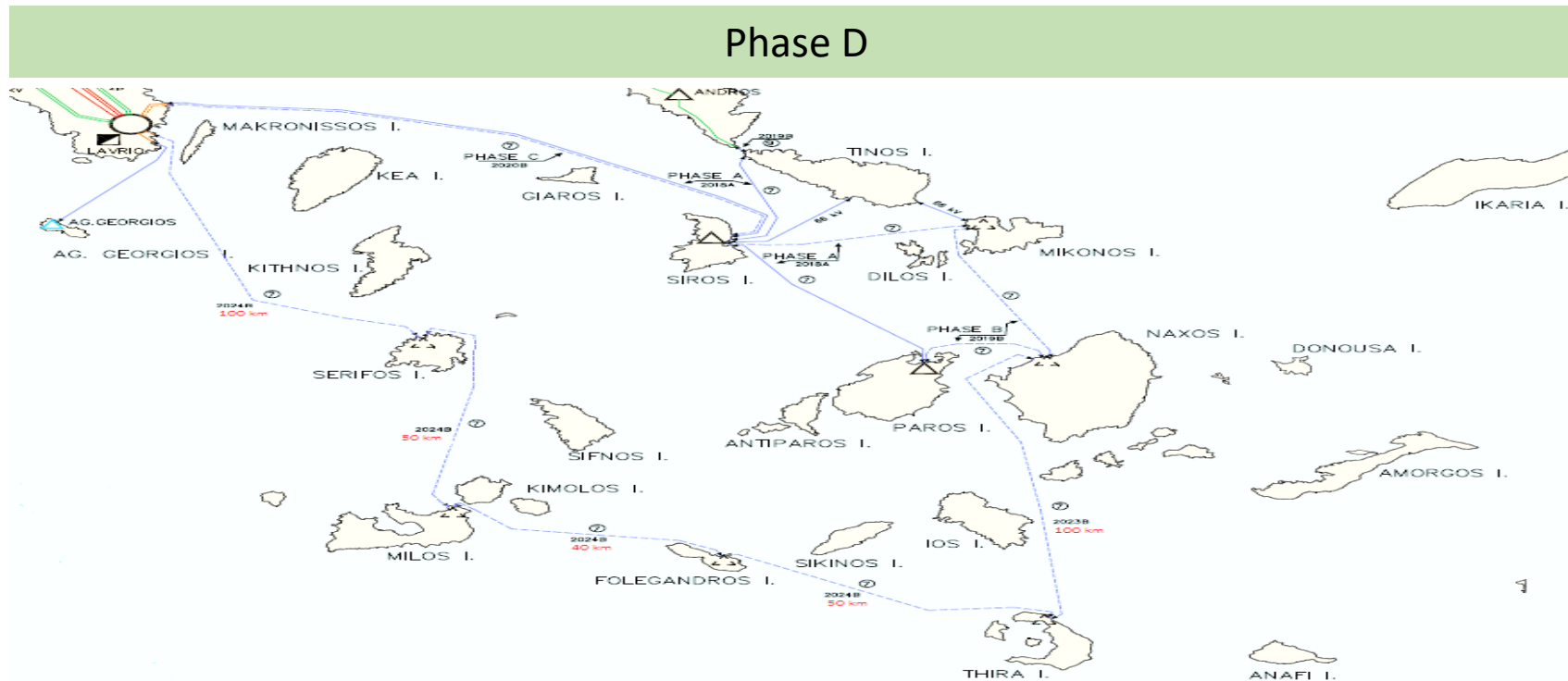
Construction of second submarine cable between Lavrio and Syros

**Expected completion:** 2020

**Estimated budget:** ~ €102M

Relevant tenders to be published during June

# Interconnection of Cyclades



## Expansion to the West and Southern Cycladic Islands

Interconnection of Lavrio - Serifos – Milos – Folegandros - Thira – Naxos (or Paros).

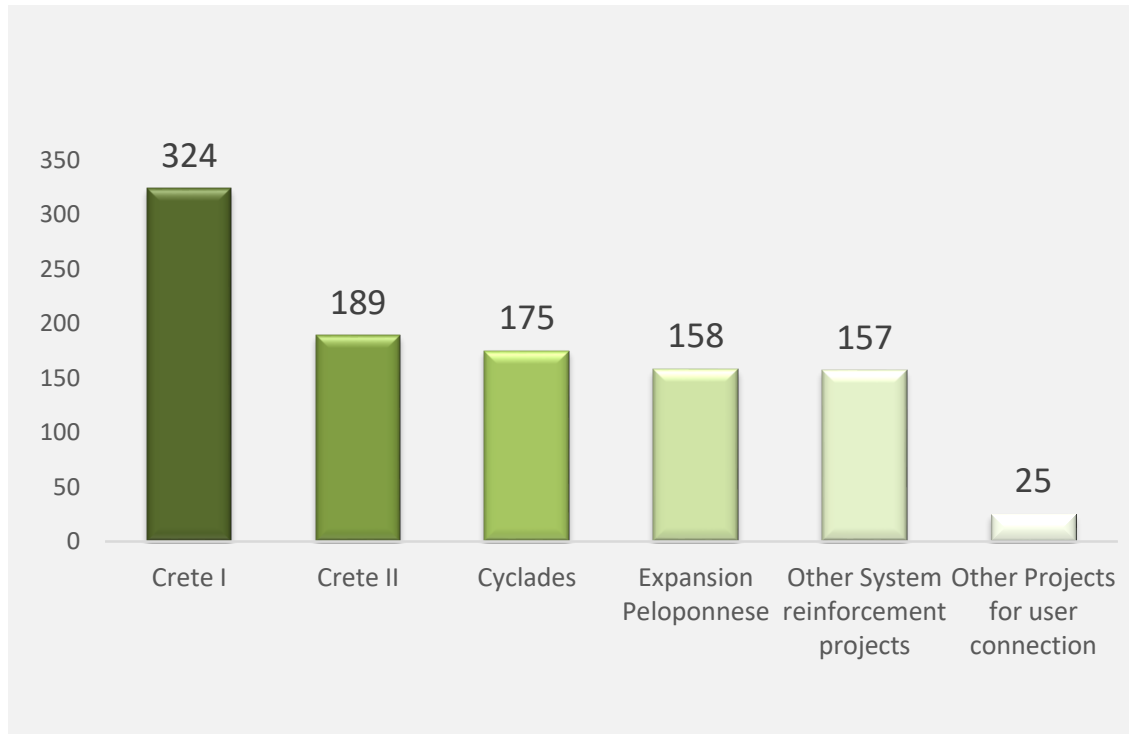
**Estimated budget for Phase D: ~ €386M**

**Expected completion: 2024**

It creates an additional strong connecting route to all the Cycladic Islands, ensuring their reliable supply for many years and also permits wider development of local RES.

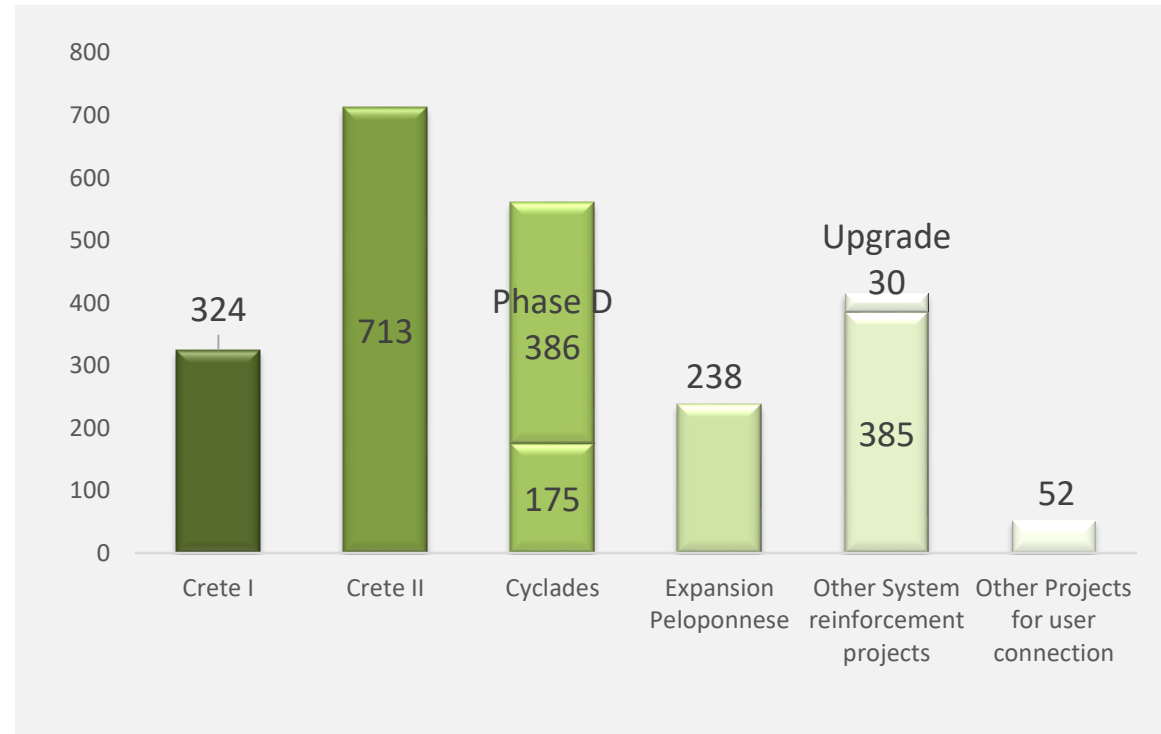
# Capex Estimation

2018 - 21



4 year Investment Plan ~ €1.0B

2018 - 28



10 year Investment Plan ~ €2.3B



# Inauguration of Cyclades Phase A

“This is an excellent example of how a company under public control can accelerate projects, operate efficiently and thus contribute to the development of the national economy”

March 2018

## Launch of Crete – Peloponnese Interconnection

“The Crete – Peloponnese Interconnection, combined with the Crete – Attica Interconnection (which IPTO’s management aims to realize in the fastest and most efficient way) will ensure the reliability of the long-term supply of Crete”

April 2018

M. Manousakis, IPTO CEO

# 3.

## Regulatory Framework

New, 4yr regulatory period 2018 – 2021



# Regulatory overview<sup>1</sup>

| EUR                                     | 2017                    | 2021                    | Comment                         |
|---|-------------------------|-------------------------|---------------------------------|
| Regulated Asset Base (RAB) <sup>2</sup> | €1.4B                   | €2.1B                   | Delta +50%<br>c10% CAGR '17-'21 |
| Investments (System & Users)            |                         | €1.0B                   | Cumulative '18-'21 <sup>3</sup> |
| Regulated Rate of Return                | 7.8%<br>Average 2015-17 | 6.7%<br>Average 2018-21 |                                 |
| Allowed remuneration                    | €126M                   | €130M                   |                                 |
| Regulatory depreciation                 | €55M                    | €77M                    |                                 |
| Allowed Revenue                         | €261M                   | €286M                   | Delta +10%<br>>2% CAGR '17-'21  |

<sup>1</sup> For presentation purposes; <sup>2</sup> Calendar RAB; <sup>3</sup> gross of asset sales, NWC, Grants, Depreciation; source: RAE, ADMIE (IPTO)

## Regulatory overview (unchanged from prior)

### Regulatory Asset Base (RAB)

Maintenance & development investments + Working Capital; no impairment/revaluation

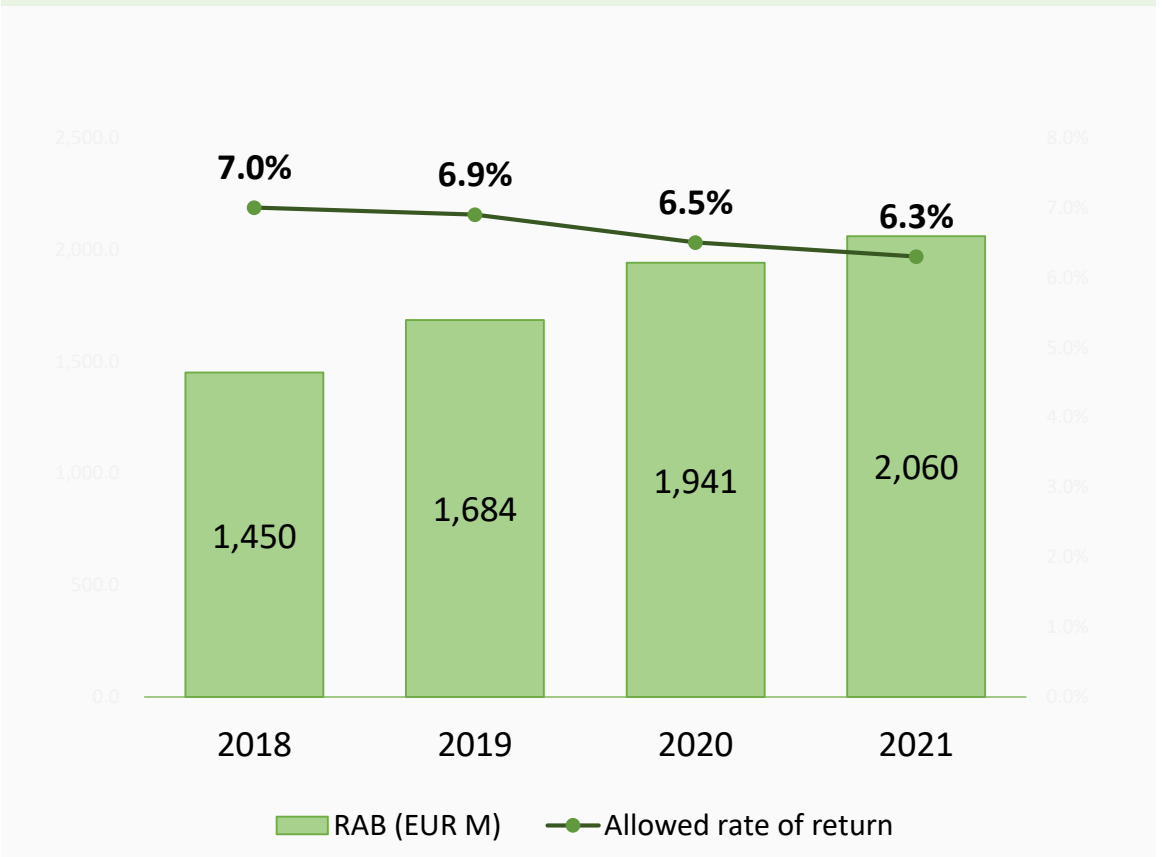
### Allowed rate of return/WACC\*

Sovereign risk-adjusted fair return; 100-250bp incentive for Projects of Major Importance\*\*

### Revenue cap

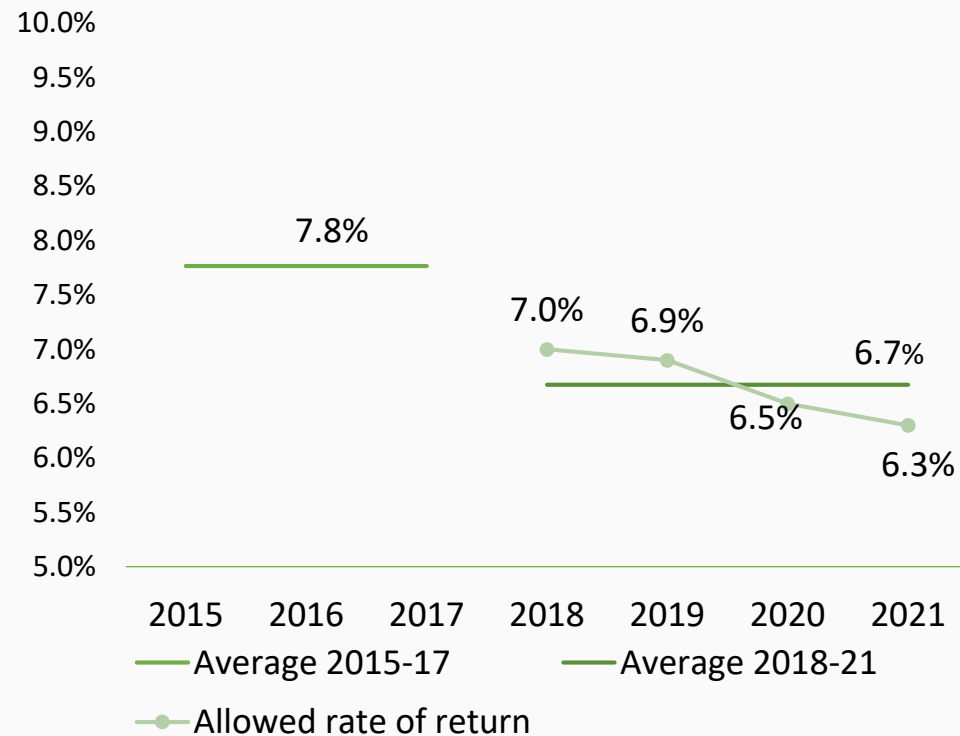
Allowed Revenue per year detailed across regulatory period; Required Revenue mandated annually

## New Regulated Asset & Rate of Return

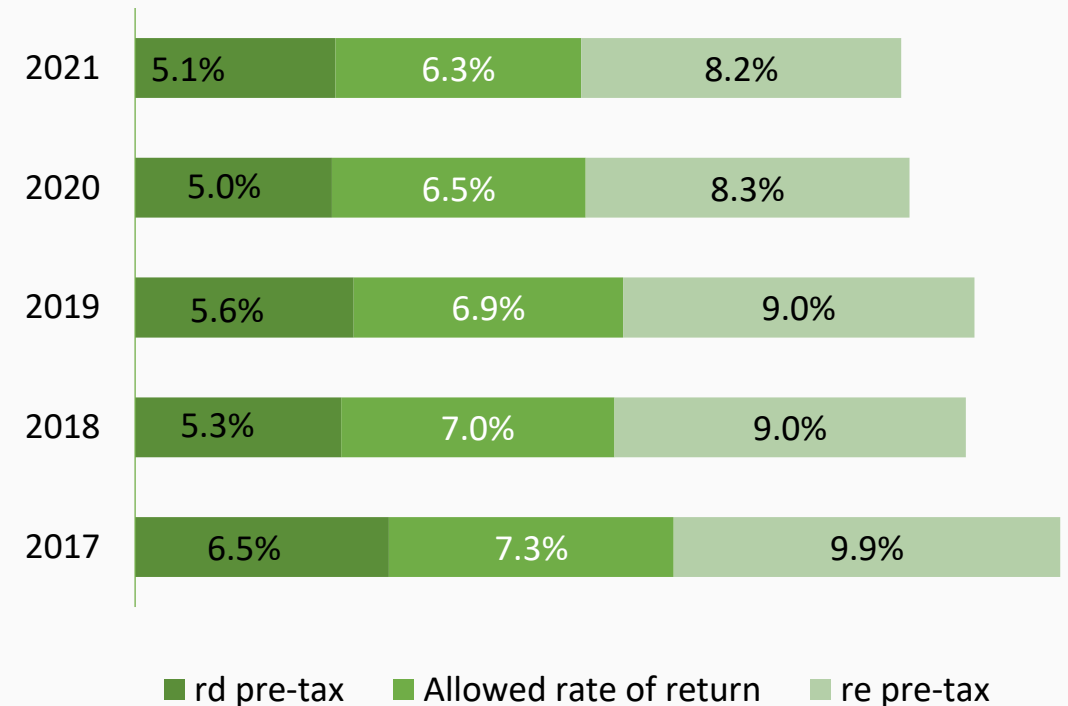


## New 4yr regulatory period 2018 – 2021

## Regulated Rate of Return



## Regulatory WACC main components\*

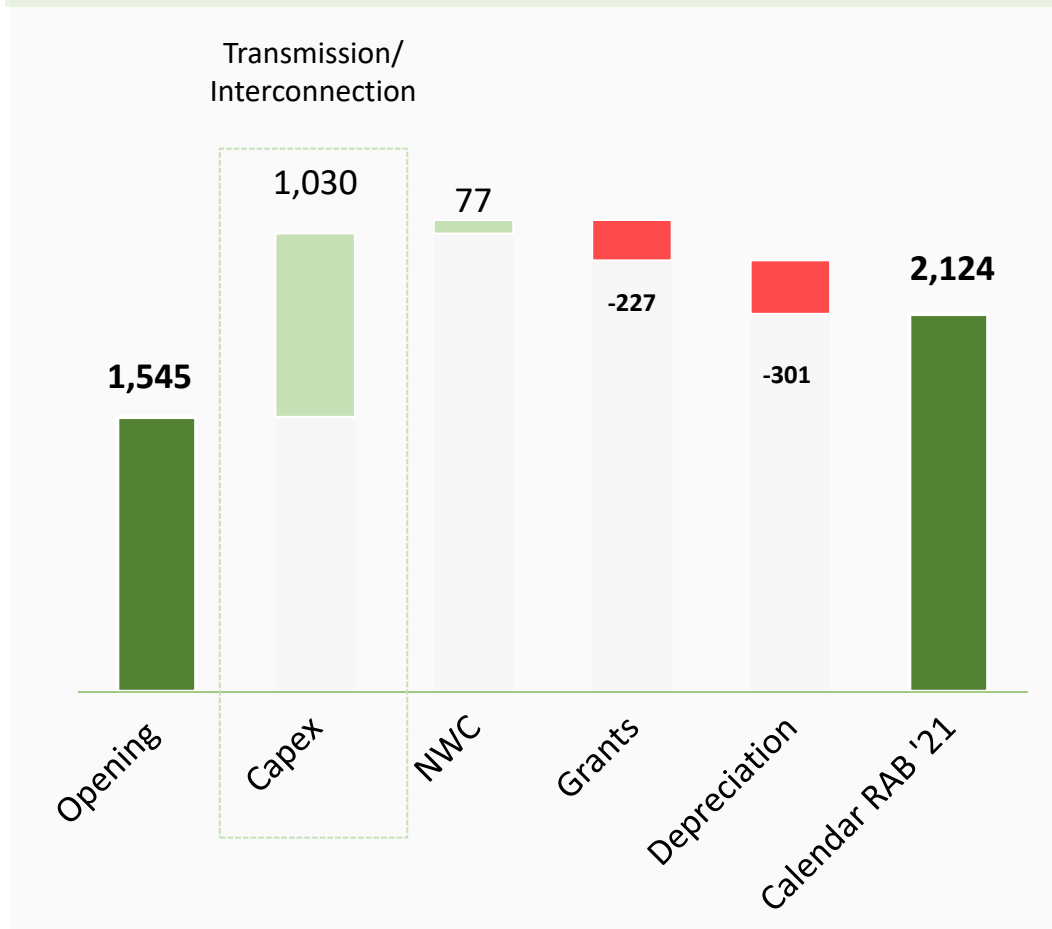


New returns reflect lower-risk macro environment and lower company-specific borrowing costs

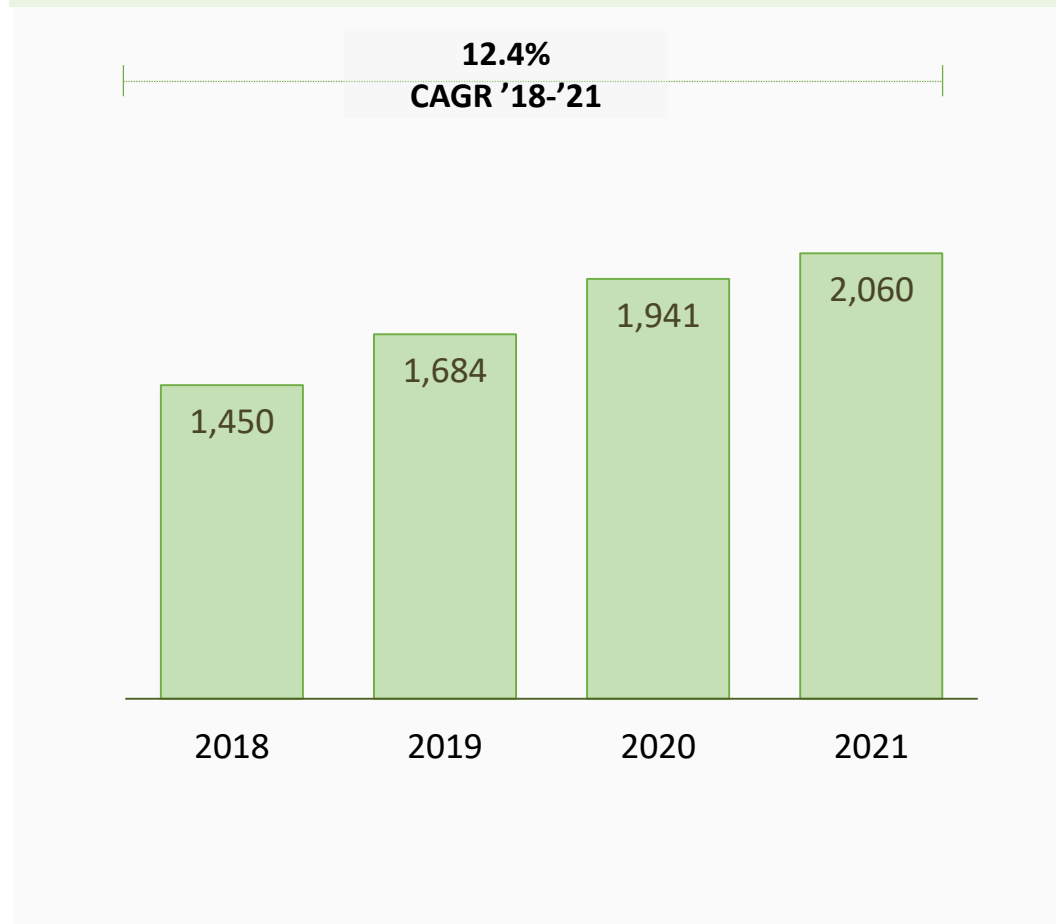
\*Allowed rate of return net of inflation for presentation purposes; source: RAE



## RAB cumulative 4yr evolution

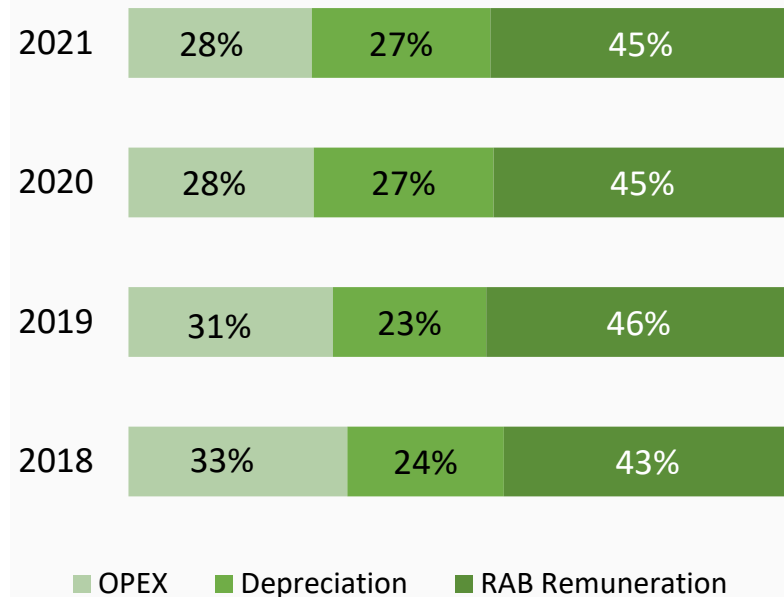


## Average RAB evolution

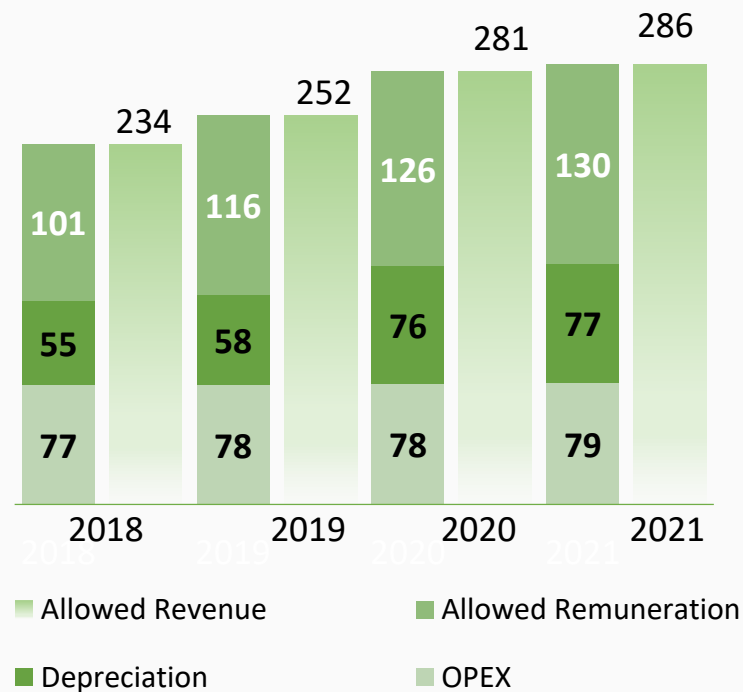


Transmission investment-driven asset growth

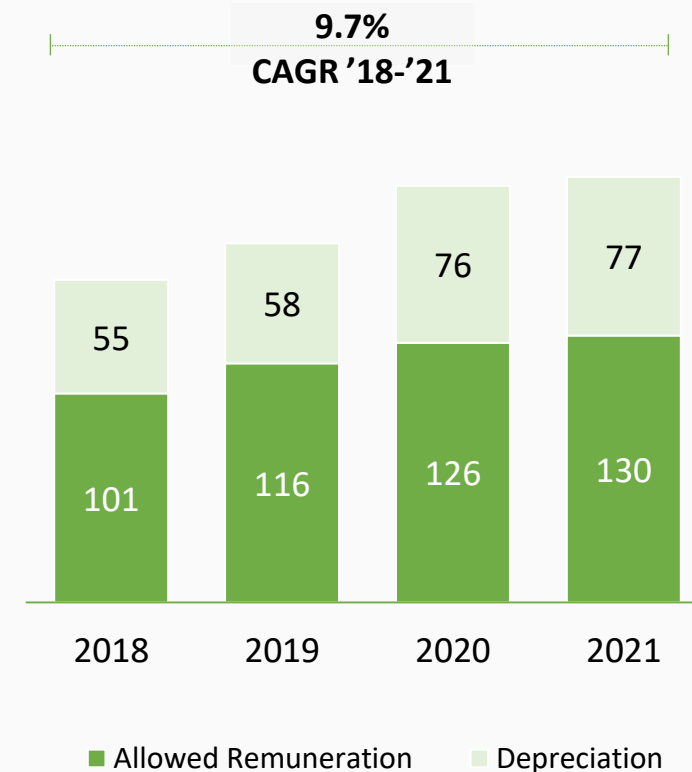
## Allowed Revenue mix



## Allowed Revenue buildout



## Allowed Remuneration



Growing RAB remuneration

4.

## Financial Summary



# IPTO '18-'21 outlook

| EUR                          | 2017          | 2021                                    |
|------------------------------|---------------|---|
| Regulated Asset Base (RAB)*  | RAE:<br>€1.4B | RAE:<br>€2.1B                           |
| Investments (System & Users) | 70.1M         | Approximately €1B<br>cumulative '18-'21 |
| EBITDA                       | 172.0M        | Approximately 220M                      |
| Net profit/(loss)            | 61.7M         | Approximately 85M                       |
| Dividend payout              | 50%           | At least 50%**                          |

\* Source: RAE, Resolution 235/2018 \*\*As per Shareholder Agreement; source: ADMIE (IPTO)

# 2017 Results





# IPTO 2017 checklist

| EUR                          | 2016   | 2017   | Comment                              |
|------------------------------|--------|--------|--------------------------------------|
| Regulated Asset Base (RAB)*  | €1.5B  | €1.4B  | RAE impact reflected on 2018 RAB     |
| Investments (System & Users) | 142.1M | 70.0M  | Backloaded due to unbundling process |
| EBITDA                       | 152.0M | 172.0M | ✓ In line with Outlook               |
| Net profit/(loss)            | -2.7M  | 61.7M  | ✓ Higher than Outlook                |
| Dividend payout              |        | 50%    | ✓ As per Shareholder Agreement       |

\* Source: RAE, Resolution 235/2018; source: ADMIE (IPTO)

# IPTO selected items

| Balance sheet                         | 2016           | 2017           |
|---------------------------------------|----------------|----------------|
| Non-current assets                    | 1,617.4        | 1,607.4        |
| Current assets                        | 1,237.1        | 2,131.3        |
| <i>of which: Cash &amp; equiv.*</i>   | <i>294.1</i>   | <i>295.8</i>   |
| <b>Total Assets</b>                   | <b>2,854.5</b> | <b>3,738.7</b> |
|                                       |                |                |
| Equity                                | 898.1          | 967.2          |
| Interest-bearing liabilities          | 498.1          | 530.3          |
| Non-current liabilities               | 443.8          | 456.2          |
| Current liabilities                   | 1,014.5        | 1,785.0        |
| <b>Total Equity &amp; Liabilities</b> | <b>2,854.5</b> | <b>3,738.7</b> |

| P&L                                  | 2016         | 2017        | Chg yoy       |
|--------------------------------------|--------------|-------------|---------------|
| System rent                          | 225.5        | 236.9       | 5.0%          |
| Total revenues                       | 248.6        | 256.5       | 3.2%          |
| Reversals/(Provisions & Impairments) | -7.3         | -5.5        | -23.9%        |
| EBITDA                               | 152.0        | 172.0       | 13.1%         |
| EBITDA margin                        | 61.1%        | 67.0%       | 5.9 pp        |
| Operating Income                     | 88.8         | 107.7       | 21.2%         |
| <b>Net profit/(loss)</b>             | <b>-2.7</b>  | <b>61.7</b> |               |
| Cash flows                           | 2016         | 2017        | Chg yoy       |
| CF from Operations*                  | 207.5        | 150.3       | -27.6%        |
| CF from Investments                  | -61.5        | -55.6       | -9.6%         |
| CF from Financing                    | -40.4        | -93.0       | 130.4%        |
| <b>Change in cash</b>                | <b>105.7</b> | <b>1.8</b>  | <b>-98.3%</b> |

\* Excl. €476M concerning PSO's account deposited to HEDNO on 5 January 2018; Pass-through revenues not presented; source: ADMIE (IPTO)

# ADMIE Holding selected items

| Balance sheet                         | 2017         |
|---------------------------------------|--------------|
| Non-current assets                    | 519.6        |
| Current assets                        | 2.8          |
| <i>of which: Cash &amp; equiv.</i>    | 2.2          |
| <b>Total Assets</b>                   | <b>522.4</b> |
|                                       |              |
| Equity                                | 518.7        |
| Interest-bearing liabilities          | -            |
| Non-current liabilities               | -            |
| Current liabilities                   | 3.7          |
| <b>Total Equity &amp; Liabilities</b> | <b>522.4</b> |

| P&L                          | 2017        |
|------------------------------|-------------|
| Income from Affiliate        | 24.0        |
| EBITDA                       | 23.0        |
| Operating Income             | 23.0        |
| <b>Net profit</b>            | <b>23.0</b> |
|                              |             |
| Cash flows                   | 2017        |
| CF from Operations           | -1.6        |
| CF from Investments          | -           |
| CF from Financing            | 3.8         |
| <b><i>Change in cash</i></b> | <b>2.2</b>  |

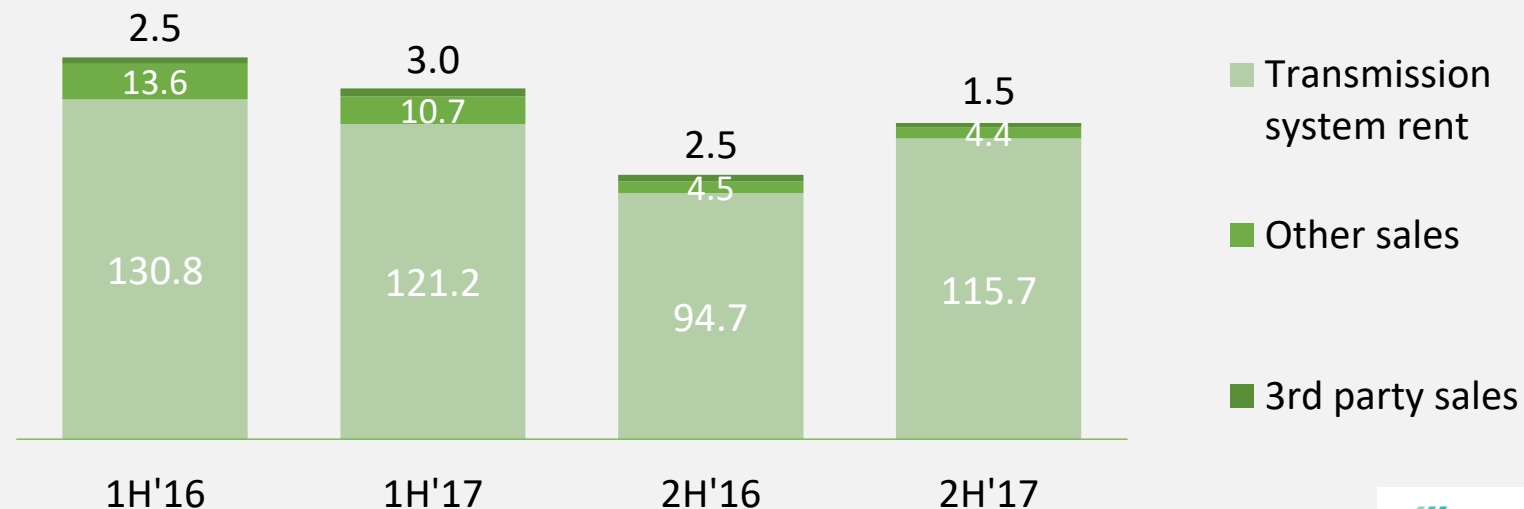
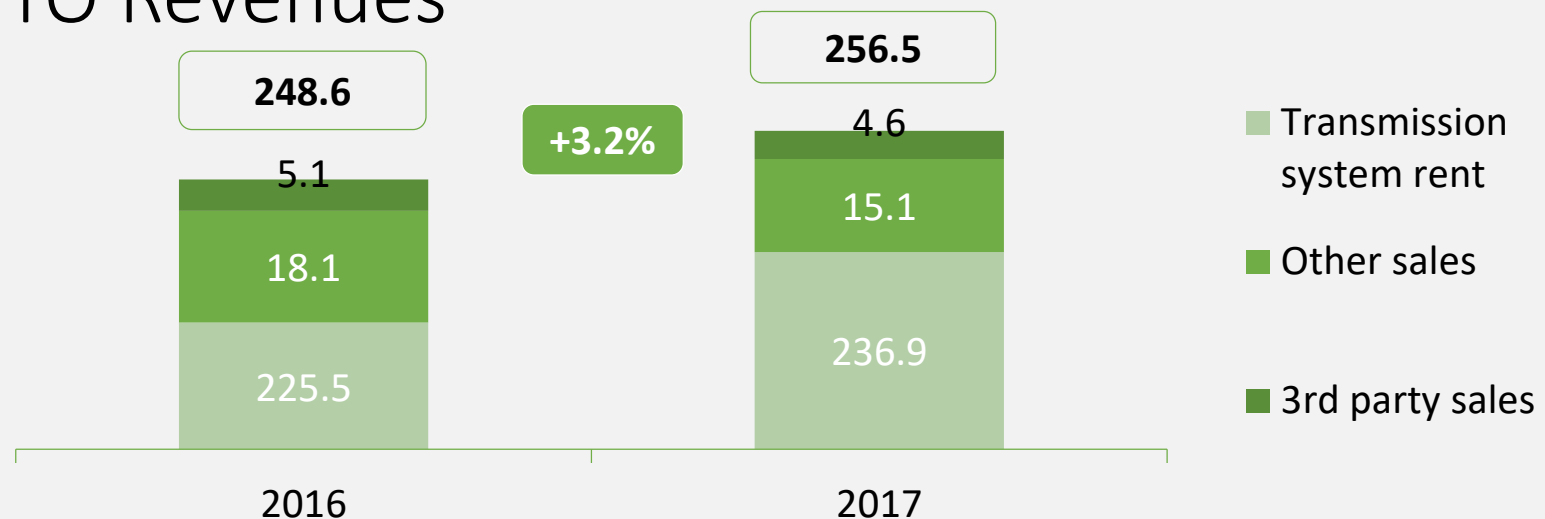
# Revenue inflection

- 2017 revenues +3.2% yoy

- System rent increase by €11.4M

- Favourable 2H comparison driven by accounting treatment in 2016

## IPTO Revenues



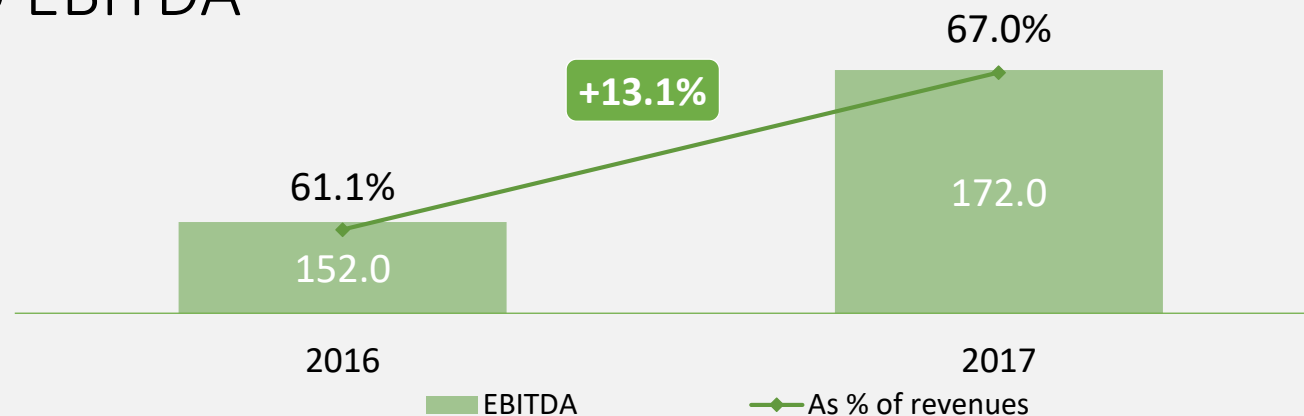
Pass-through revenues not presented; source: ADMIE (IPTO)

# EBITDA

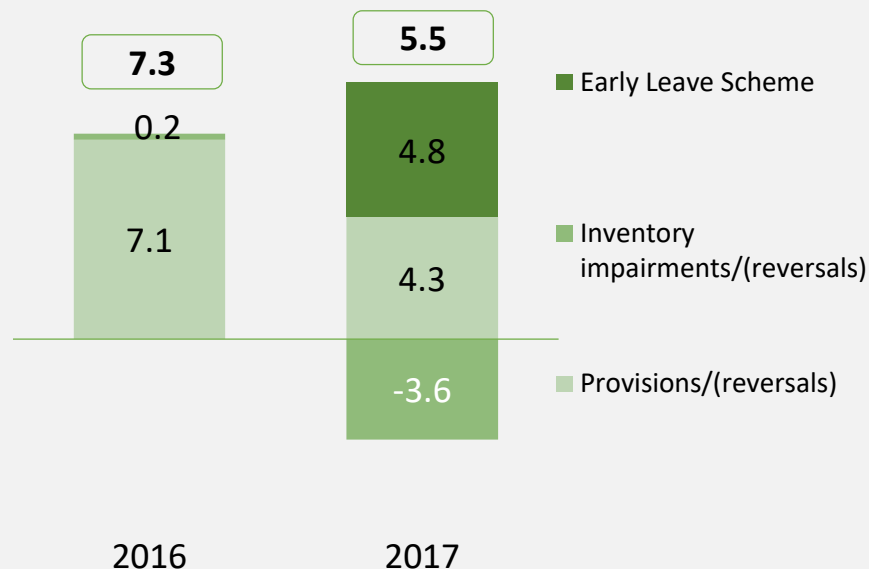
recovery due to  
system rent &  
efficiencies

- EBITDA +13.1% yoy
- OpEx before Net Provisions and excl. D&A -11.4% yoy
- Voluntary exit plan completed successfully in April '18. The reduction of the annual payroll cost is estimated at €8.5M per annum

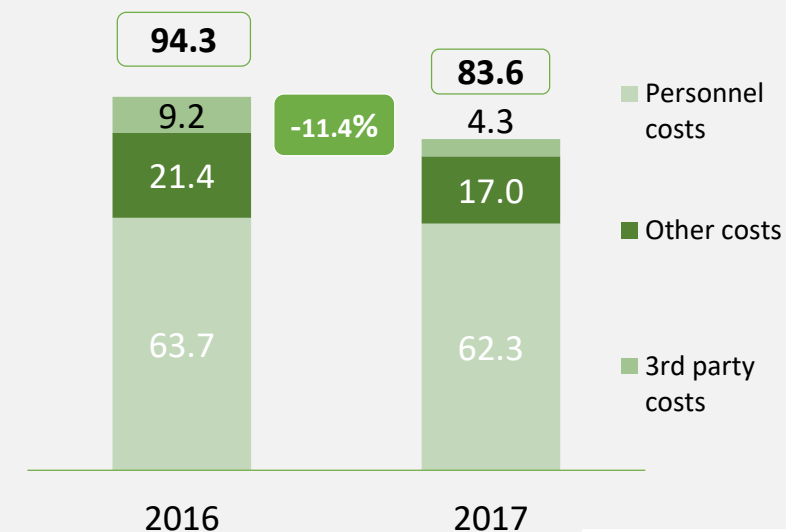
## IPTO EBITDA



## IPTO Provisions



## IPTO OpEx\*

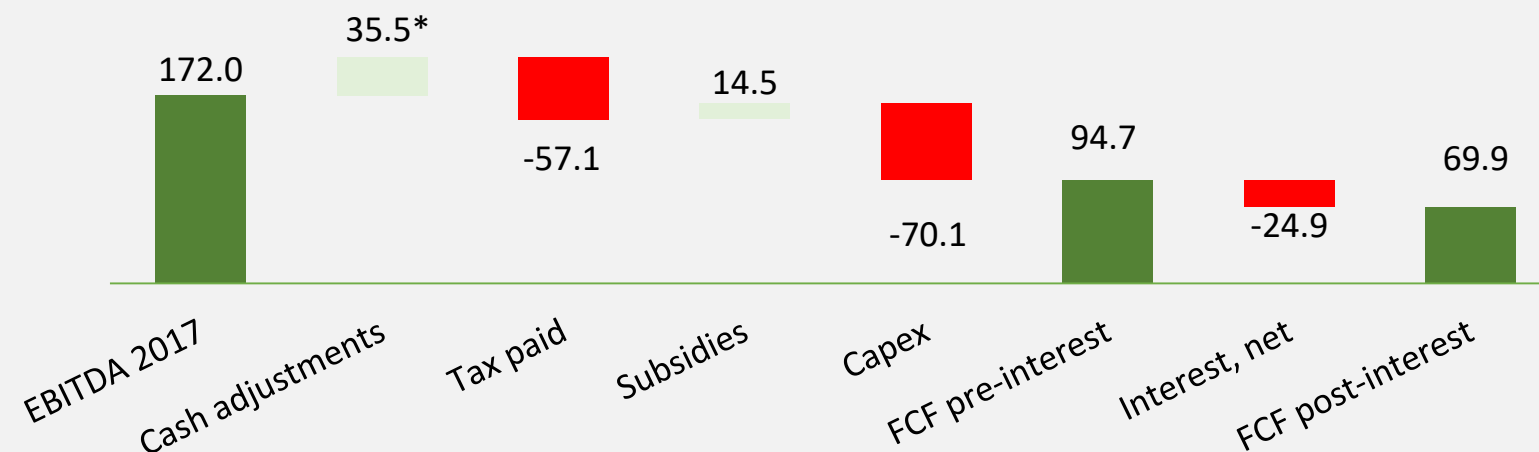


\*Expenses before Net Provisions and excl. D&A for presentation purposes; source: ADMIE (IPTO)

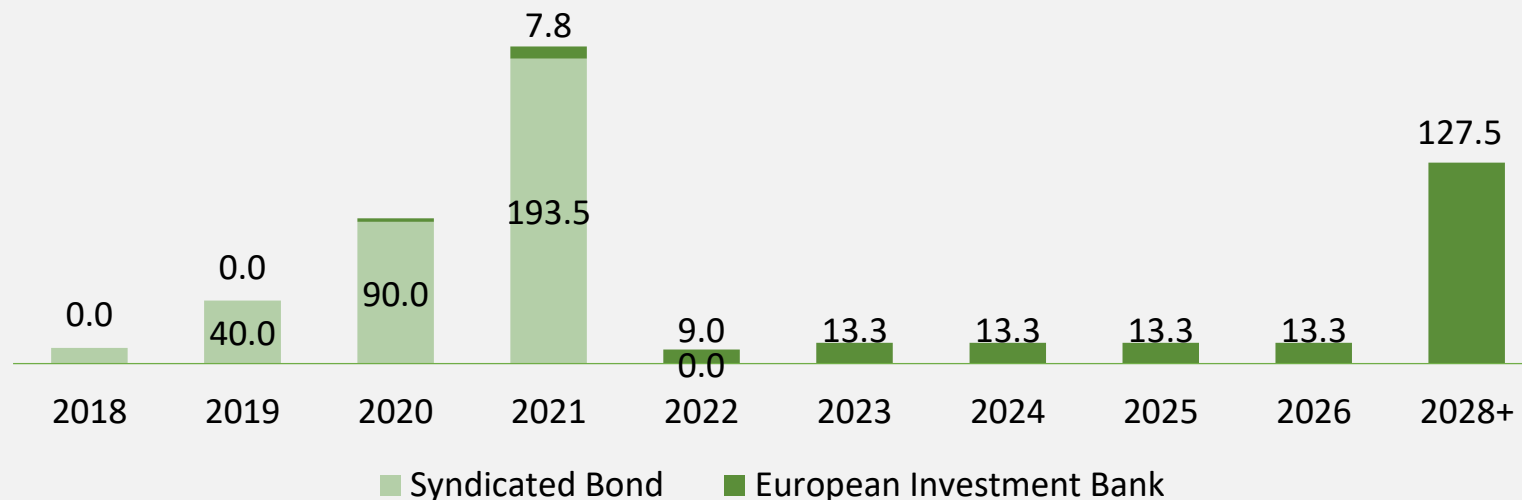
# Strong cash flow

- Net debt €234M, flattish in 2H'17
- Near-term debt maturities remain light prior to additional exercise
- ADMIE Holding has collected interim €3.7M dividend; is expected to receive regular dividend ~€12M

## IPTO Cash flow ladder



## IPTO debt maturity schedule



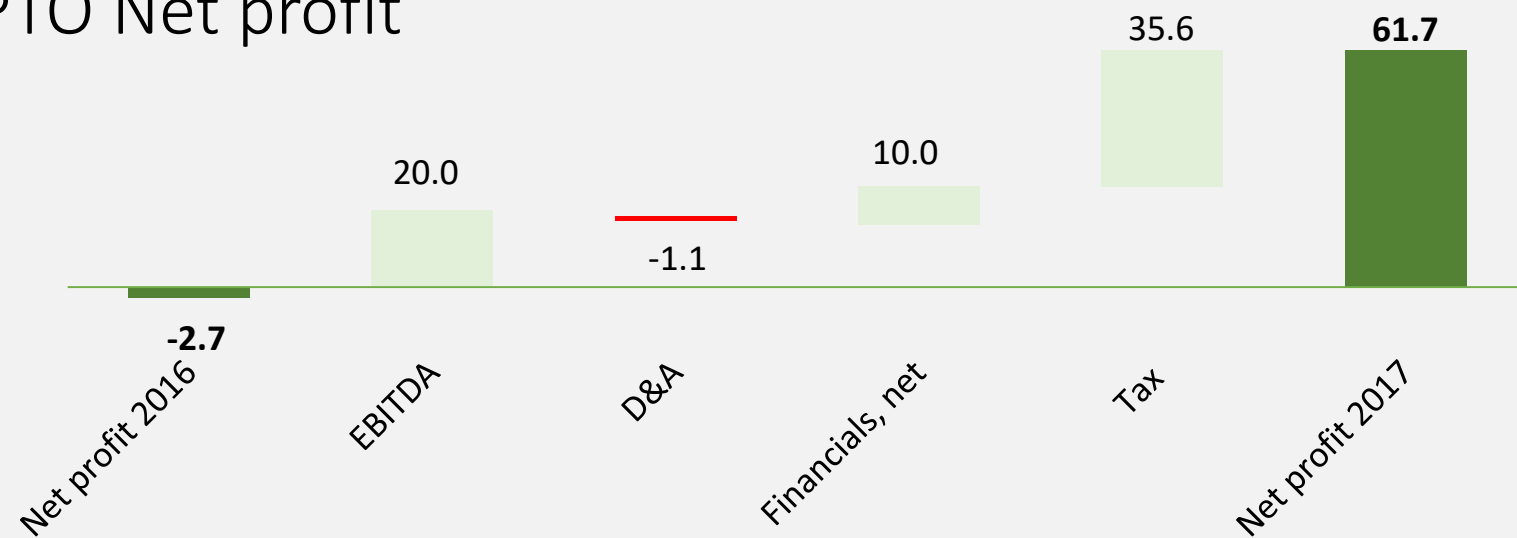
\*Excl. €476M regarding PSO's account deposited to HEDNO on 5 January 2018; source: ADMIE (IPTO)



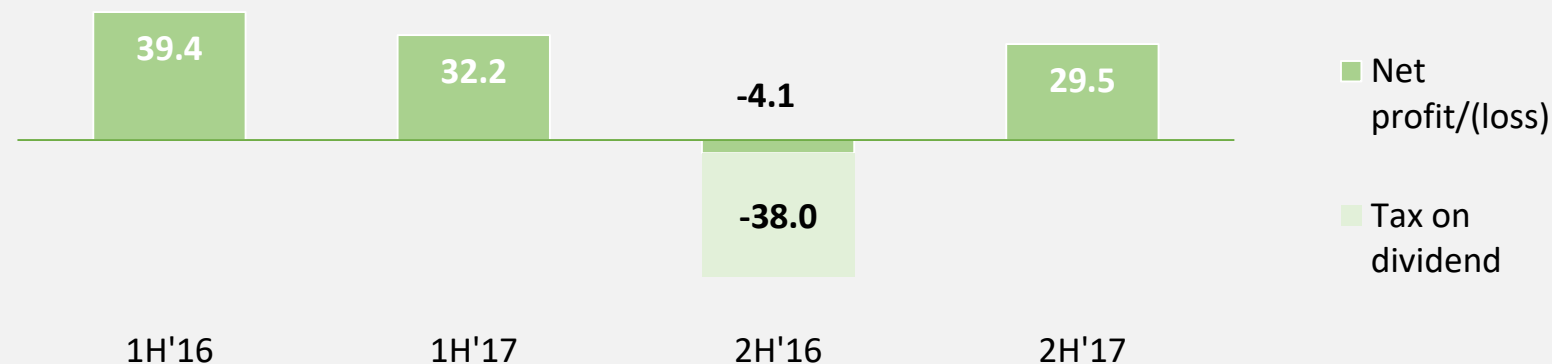
# Net profit higher on various drivers

- EBITDA increase
- Sharp drop in total financial expenses mainly due to elimination of PPC debt guaranties
- Non-recurring dividend-related tax worth €38M in 2016.

## IPTO Net profit



## IPTO net profit



Source: ADMIE (IPTO)

# Cash flow generation

Cash reserves excluding the amount deposited to HEDNO pursuant to a decision of the Ministry of Finance's for the Special Account for Public Service Obligations early this year increased only by €1.8M reflecting:

- Tax payment of €38M booked 4Q'16
- Dividend payment to PPC

| EUR M                                      | 2016         | 2017         |
|--|--------------|--------------|
| EBITDA                                     | 152.0        | 172.0        |
| Chg in WC,<br>non-cash Provisions & Other* | 65.5         | 35.5         |
| Tax paid                                   | -10.0        | -57.1        |
| Interest paid, net                         | -30.6        | -24.9        |
| <b>Cash Flow from Operations</b>           | <b>177.0</b> | <b>125.5</b> |
| Subsidies                                  | 80.6         | 14.5         |
| Capex                                      | -142.1       | -70.1        |
| <b>Free Cash Flow</b>                      | <b>115.4</b> | <b>69.9</b>  |
| Debt repaid                                | -27.0        | -29.7        |
| New debt                                   | 35.0         | 65.0         |
| Dividend paid                              | -17.8        | -92.9        |
| Interim Dividends paid                     | -            | -7.3         |
| Loan Expenses                              | -            | -3.2         |
| <b>Change in Cash</b>                      | <b>105.7</b> | <b>1.8</b>   |

\*Excl. €476M regarding PSO's account deposited to HEDNO on 5 January 2018; source: ADMIE (IPTO)

# Q1 '18 Results



# IPTO selected items

| Balance sheet                      | 31.12. 2017    | 31.03.2018     |
|------------------------------------|----------------|----------------|
| Non-current assets                 | 1,607.4        | 1,598.7        |
| Current assets                     | 2,131.3        | 1,172.0        |
| <i>Of which: Cash &amp; equiv.</i> | <i>771.8</i>   | <i>372.6</i>   |
| <b>Total Assets</b>                | <b>3,738.7</b> | <b>2,770.7</b> |
| Equity                             | 967.2          | 998.4          |
| Interest-bearing liabilities       | 530.3          | 530.3          |
| Non-current liabilities            | 456.2          | 435.9          |
| Current liabilities                | 1,785.0        | 806.1          |
| <b>Equity &amp; Liabilities</b>    | <b>3,738.7</b> | <b>2,770.7</b> |

| P&L                                  | Q1 '17       | Q1 '18        | Chg yoy        |
|--------------------------------------|--------------|---------------|----------------|
| System rent                          | 61.1         | 53.3          | -12.8%         |
| <b>Total revenues</b>                | <b>65.5</b>  | <b>56.7</b>   | <b>-13.5%</b>  |
| Reversals/(Provisions & Impairments) | -2.3         | 25.2          |                |
| <b>EBITDA*</b>                       | <b>43.9</b>  | <b>63.6</b>   | <b>44.9%</b>   |
| <b>EBITDA margin</b>                 | <b>67.0%</b> | <b>112.1%</b> | <b>45.1 pp</b> |
| Operating Income                     | 27.9         | 47.3          | 69.4%          |
| <i>Financial Expenses</i>            | <i>-7.9</i>  | <i>-5.3</i>   | <i>-33.4%</i>  |
| <i>Financial Income</i>              | <i>0.5</i>   | <i>1.9</i>    | <i>257.0%</i>  |
| Net Financial Expenses               | -7.4         | -3.4          | -54.0%         |
| <b>Net profit/(loss)</b>             | <b>14.6</b>  | <b>31.2</b>   | <b>113.0%</b>  |
| Cash flows                           | Q1 '17       | Q1 '18        | Chg yoy        |
| CF from Operations**                 | 13.0         | 87.8          |                |
| CF from Investments                  | -10.4        | -10.8         | 4.0%           |
| CF from Financing                    | -10.5        | -0.3          | -97.6%         |
| <b>Change in cash</b>                | <b>-7.9</b>  | <b>76.8</b>   |                |

\* incl provision release amounting to €26.6M due to dismissal of a contractor lawsuit

\*\*Excl. €476M concerning PSO's account deposited to HEDNO on 5 January 2018; Pass-through revenues not presented; source: ADMIE (IPTO)

# ADMIE Holding selected items

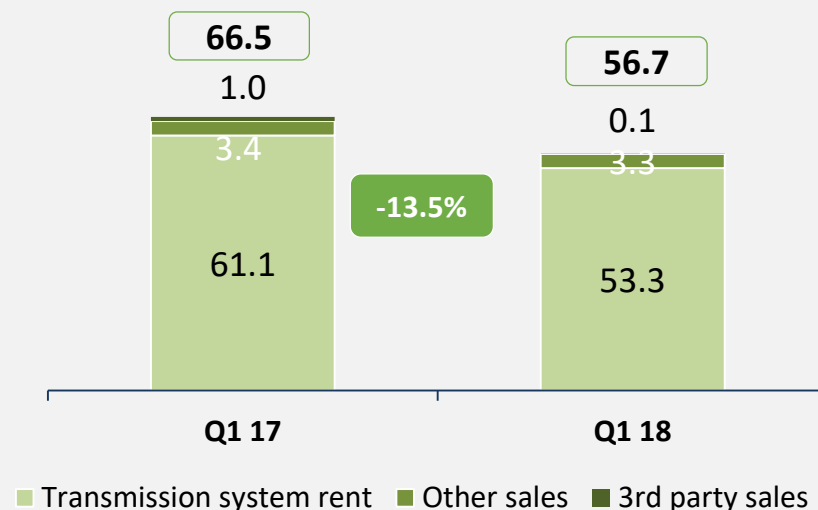
| Balance sheet                         | 31.03.2018   |
|---------------------------------------|--------------|
| Non-current assets                    | 536.0        |
| Current assets                        | 2.2          |
| <i>of which: Cash &amp; equiv.</i>    | <i>2.1</i>   |
| <b>Total Assets</b>                   | <b>538.3</b> |
| Equity                                | 534.5        |
| Interest-bearing liabilities          | -            |
| Non-current liabilities               | -            |
| Current liabilities                   | 3.8          |
| <b>Total Equity &amp; Liabilities</b> | <b>538.3</b> |

| P&L                          | Q1 '18              |
|------------------------------|---------------------|
| Income from Affiliate        | 15.9                |
| EBITDA                       | 15.8                |
| Operating Income             | 15.8                |
| Net profit                   | 15.8                |
| Cash flows                   | Q1 '18              |
| CF from Operations           | -0.05               |
| CF from Investments          | -                   |
| CF from Financing            | 0.01                |
| <b><i>Change in cash</i></b> | <b><i>-0.05</i></b> |

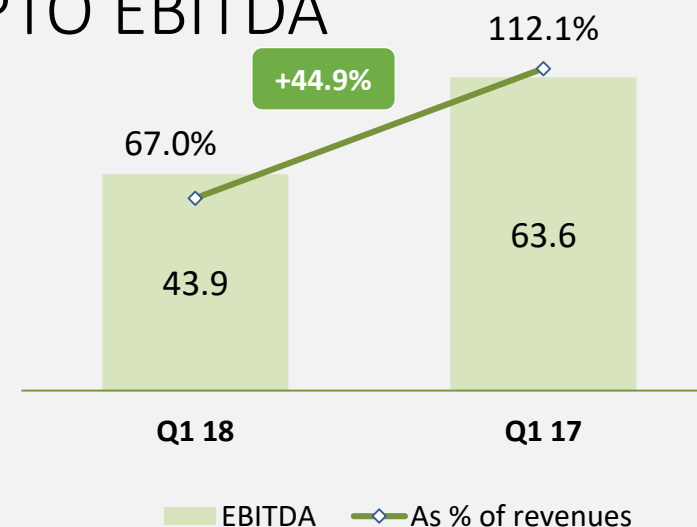
# Revenue & EBITDA

- Revenues -13.5% yoy
- System rent decrease by €7.8M reflecting reduced invoiced Transmission System Fees, according to Decision 235/2018 issued by the RAE
- EBITDA +44.9% mainly due to a provision release amounting to €26.6M
- OpEx before Net Provisions and excl. D&A -3.4% yoy

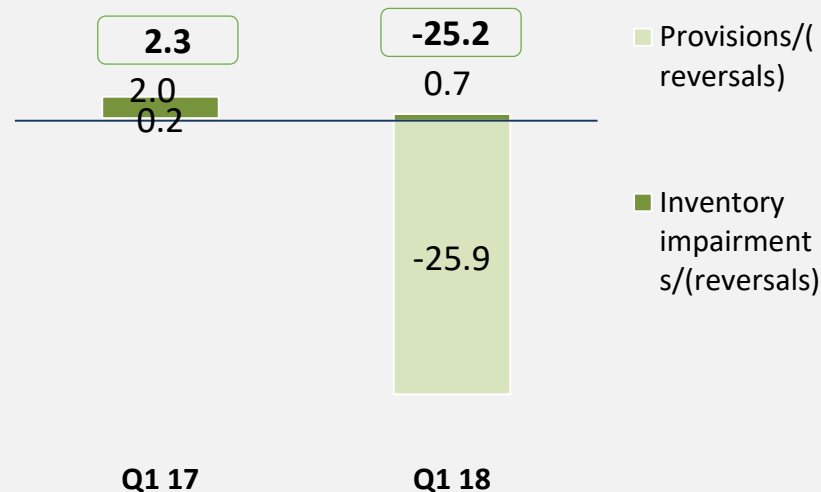
## IPTO Revenues



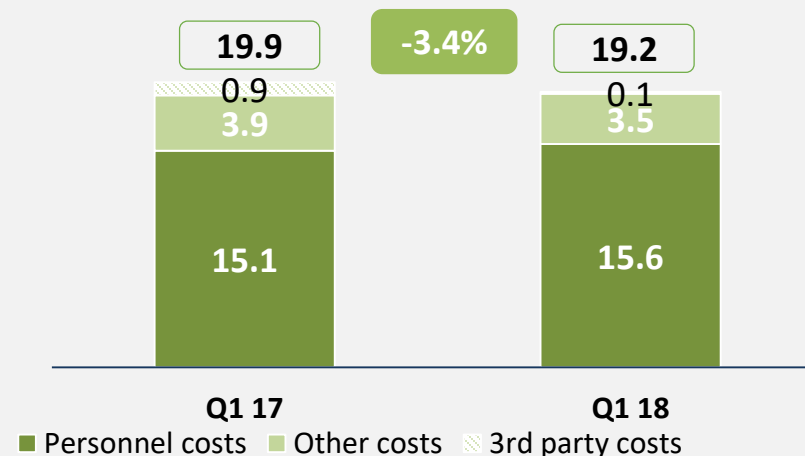
## IPTO EBITDA



## IPTO Provisions



## IPTO OpEx\*

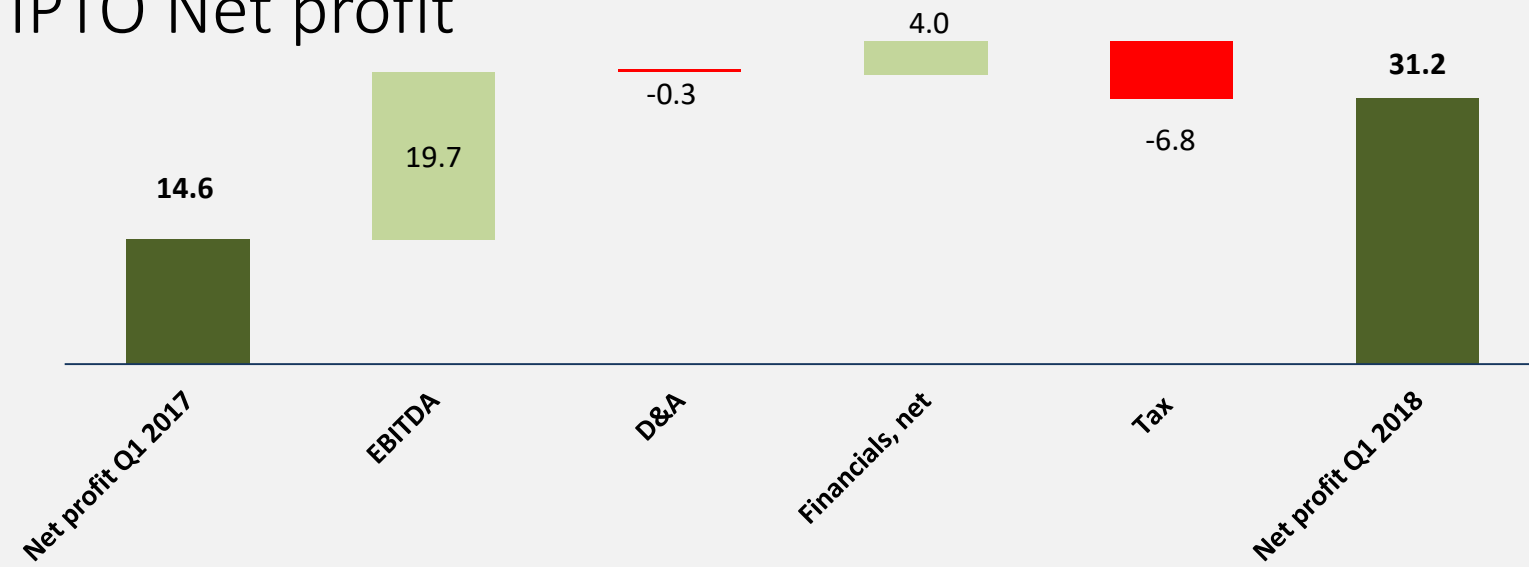




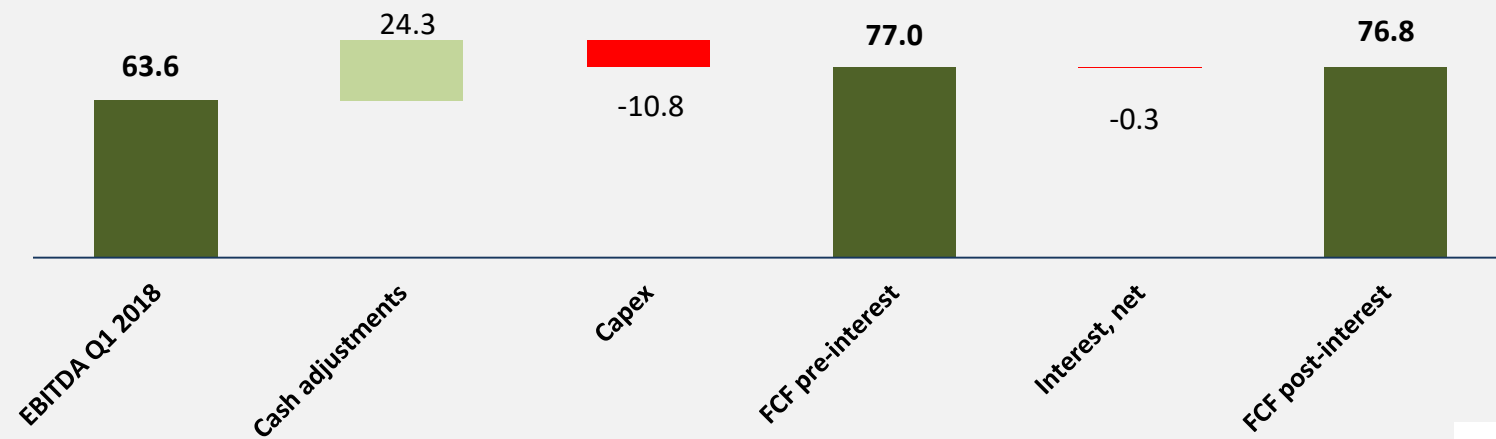
# Net profit higher on various drivers

- EBITDA increase due to a provision release amounting to €26.6M due to dismissal of a contractor lawsuit
- Drop in total financial expenses mainly due to improvement in time deposits and current account interest rates, and to elimination of PPC debt guaranties

## IPTO Net profit



## IPTO Cash flow ladder



Source: ADMIE (IPTO)

# Cash flow generation

Cash reserves excluding the amount deposited to HEDNO pursuant to a decision of the Ministry of Finance's for the Special Account for Public Service Obligations early this year increased by €76.8M

| EUR M                                     | Q1 '17      | Q1 '18      |
|---|-------------|-------------|
| EBITDA                                    | 43.9        | 63.6*       |
| Chg in WC,<br>non-cash Provisions & Other | -30.9       | 24.3**      |
| Tax paid                                  | -           | -           |
| Interest paid, net                        | -7.3        | -0.3        |
| <b>Cash Flow from Operations</b>          | <b>5.7</b>  | <b>87.6</b> |
| Subsidies                                 | 0           | 0           |
| Capex                                     | -10.4       | -10.8       |
| <b>Free Cash Flow</b>                     | <b>-4.7</b> | <b>76.8</b> |
| Debt repaid                               | -           | -           |
| New debt                                  | -           | -           |
| Dividend paid                             | -           | -           |
| Interim Dividends paid                    | -           | -           |
| Loan Expenses                             | -3.2        | -           |
| <b>Change in Cash</b>                     | <b>-7.9</b> | <b>76.8</b> |

\* incl provision release amounting to €26.6M due to dismissal of a contractor lawsuit

\*\*Excl. €476M regarding PSO's account deposited to HEDNO on 5 January 2018; source: ADMIE (IPTO)

A low-angle, upward-looking photograph of a tall, lattice-structured metal power line tower. The tower dominates the center of the frame, extending from the bottom towards the top. Numerous high-voltage power lines radiate outwards from the tower, creating a complex web of lines against a pale, overcast sky. The perspective creates a sense of height and scale.

## Appendix A Regulatory

| EUR M                       | 2018           | 2019           | 2020           | 2021           |
|-----------------------------|----------------|----------------|----------------|----------------|
| <b>Average RAB</b>          | <b>1,449.8</b> | <b>1,684.5</b> | <b>1,941.3</b> | <b>2,059.8</b> |
| X                           |                |                |                |                |
| <b>WACC (real, pre-tax)</b> | <b>7.0%</b>    | <b>6.9%</b>    | <b>6.5%</b>    | <b>6.3%</b>    |
| =                           |                |                |                |                |
| Allowed remuneration        | 101.5          | 116.2          | 126.2          | 129.8          |
| +                           |                |                |                |                |
| Authorized OPEX             | 77.3           | 77.9           | 78.5           | 79.1           |
| +                           |                |                |                |                |
| Regulatory Depreciation     | 55.2           | 58.3           | 76.4           | 77.1           |
| =                           |                |                |                |                |
| <b>Allowed revenue</b>      | <b>234.0</b>   | <b>252.4</b>   | <b>281.0</b>   | <b>285.9</b>   |

New regulatory period 2018-21

| WACC components                | 2018        | 2019        | 2020        | 2021        |
|--------------------------------|-------------|-------------|-------------|-------------|
| Risk-free                      | 0.7%        | 0.7%        | 0.7%        | 0.7%        |
| Market risk                    | 5.0%        | 5.0%        | 5.0%        | 5.0%        |
| Equity beta                    | 0.68        | 0.73        | 0.67        | 0.72        |
| Country risk                   | 2.3%        | 2.0%        | 1.8%        | 1.5%        |
| <b>Cost of equity post-tax</b> | <b>6.4%</b> | <b>6.4%</b> | <b>5.9%</b> | <b>5.8%</b> |
| Tax rate                       | 29.0%       | 29.0%       | 29.0%       | 29.0%       |
| <b>Cost of equity pre-tax</b>  | <b>9.0%</b> | <b>9.0%</b> | <b>8.3%</b> | <b>8.2%</b> |
| <b>Cost of debt pre-tax</b>    | <b>5.3%</b> | <b>5.6%</b> | <b>5.0%</b> | <b>5.1%</b> |
| Gearing                        | 36.3%       | 41.3%       | 36.3%       | 40.3%       |
| <b>WACC nominal</b>            | <b>7.6%</b> | <b>7.6%</b> | <b>7.1%</b> | <b>7.0%</b> |
| Inflation                      | 0.6%        | 0.6%        | 0.6%        | 0.6%        |
| <b>WACC real, pre-tax</b>      | <b>7.0%</b> | <b>6.9%</b> | <b>6.5%</b> | <b>6.3%</b> |

| Regulatory Period  | Four years  |
|--|---|
| <b>Regulatory Asset Base (RAB)</b>   | Undepreciated invested capital + maintenance/ development capex/ WiP + working capital<br>- disposals - subsidies   |
| <b>Allowed Revenue (AR)</b>  | <b>Operator's Allowed Revenue</b>   |
| In real terms for each year<br>O<br>Dep<br>R = RAB x WACC<br>Incentive       | AR = O + Dep + R<br>annual operating costs<br>annual depreciation of fixed assets<br>return on employed capital<br>100-250 bp for critical projects   |
| <b>Required Revenue (RR)</b>   | <b>Amount recovered through System usage charges</b>  |
|  | $RR = AR \pm K \pm \Pi_1 \pm \Pi_2 - \Pi_3 \pm \Pi_4 - \Pi_5$   |
| $\pm K$<br>$\pm \Pi_1$<br>$\pm \Pi_2$<br>$-\Pi_3$<br>$\pm \Pi_4$<br>$-\Pi_5$ | cost of investments financed by 3rd parties<br>settlement due to under-/over-recovery of RR<br>settlement due to deviations from AR<br>amount from auction of Interconnection Capacity Rights<br>amount from Inter-TSO Compensation Mechanism<br>amount from TSO income from non-regulated activities |



A low-angle, upward-looking photograph of several high-voltage electrical transmission towers and their associated power lines. The towers are constructed from dark metal lattice and extend diagonally across the frame towards the top. The power lines are numerous and parallel, creating a sense of depth and scale. The background is a bright, overcast sky with soft, white clouds. A semi-transparent white rectangular box with a thin black border is positioned on the left side of the image, containing the title text.

## Appendix B

### IPTO key financial items

# IPTO P&L items

| EUR M                                 | 2014         | 2015         | 2016         | 2017         | Q1 '18       |
|---------------------------------------|--------------|--------------|--------------|--------------|--------------|
| <b>System rent</b>                    | <b>242.3</b> | <b>239.7</b> | <b>225.5</b> | <b>236.9</b> | <b>53.3</b>  |
| Total revenues                        | 312.6        | 264.6        | 248.6        | 256.5        | 56.7         |
| Reversals/ (Provisions & Impairments) | -            | -25.1        | -7.3         | -5.5         | 25.2         |
| <b>EBITDA</b>                         | <b>183.8</b> | <b>154.8</b> | <b>152.0</b> | <b>172.0</b> | <b>63.6*</b> |
| As % of revenues                      | 58.8%        | 58.5%        | 61.1%        | 67.0%        | 112.1%       |
| Operating Income                      | 130.6        | 93.0         | 88.8         | 107.7        | 47.3         |
| <b>Net profit / (loss)</b>            | <b>70.0</b>  | <b>35.5</b>  | <b>-2.7</b>  | <b>61.7</b>  | <b>31.2</b>  |

\* incl provision release amounting to €26.6M due to dismissal of a contractor lawsuit

Pass-through revenues not presented; EBITDA = Operating Income before Income tax and Financial Income (Expense) + Depreciation & Amortization; source: ADMIE (IPTO)

# IPTO Balance sheet items

| EUR M                                 | 2014           | 2015           | 2016           | 2017           | Q1 '18         |
|---------------------------------------|----------------|----------------|----------------|----------------|----------------|
| Non-current assets                    | 1,537.7        | 1,597.8        | 1,617.4        | 1,607.4        | 1,598.7        |
| Current assets                        | 1,089.1        | 1,151.6        | 1,237.1        | 2,131.3        | 1,172.0        |
| <b>Total Assets</b>                   | <b>2,626.8</b> | <b>2,749.4</b> | <b>2,854.5</b> | <b>3,738.7</b> | <b>2,770.7</b> |
| Total Equity                          | 1,028.0        | 1,014.0        | 898.1          | 967.2          | 998.4          |
| Interest-bearing liabilities          | 445.1          | 490.2          | 498.1          | 530.3          | 530.3          |
| Non-current liabilities               | 287.7          | 360.6          | 443.8          | 456.2          | 435.9          |
| Current liabilities                   | 866.0          | 884.6          | 1,014.5        | 1,785.0        | 806.1          |
| <b>Total Equity &amp; Liabilities</b> | <b>2,626.8</b> | <b>2,749.4</b> | <b>2,854.5</b> | <b>3,738.7</b> | <b>2,770.7</b> |

Source: ADMIE (IPTO)

# IPTO Free cash flow

| EUR M                            | 2014         | 2015         | 2016         | 2017         | Q1 '18      |
|----------------------------------|--------------|--------------|--------------|--------------|-------------|
| EBITDA                           | 183.8        | 154.8        | 152          | 172.0        | 63.6*       |
| WC, Provisions & Other           | 23.7         | 66.4         | 65.5         | 35.5**       | 24.3**      |
| Tax paid                         | -3.9         | -            | -10          | -57.1        | -           |
| Interest, net                    | -29.6        | -31.2        | -30.6        | -24.9        | -0.3        |
| <b>Cash Flow from Operations</b> | <b>174.0</b> | <b>190.0</b> | <b>177.0</b> | <b>125.5</b> | <b>87.6</b> |
| Subsidies                        | 1.1          | 17.8         | 80.6         | 14.5         | -           |
| Capex                            | -92.4        | -138.6       | -142.1       | -70.1        | -10.8       |
| <b>Free Cash Flow</b>            | <b>82.7</b>  | <b>69.2</b>  | <b>115.4</b> | <b>69.9</b>  | <b>76.8</b> |

\* incl provision release amounting to €26.6M due to dismissal of a contractor lawsuit

\*\* excl €476M regarding PSO's account deposited to HEDNO on 5 January 2018; source: ADMIE (IPTO)



A low-angle, upward-looking photograph of several high-voltage electrical transmission towers and their associated power lines. The towers are constructed from dark metal lattice and are silhouetted against a bright, overcast sky filled with soft, white clouds. The power lines stretch across the frame, creating a sense of depth and scale. The perspective draws the viewer's eye towards the top of the central tower.

## Appendix C SGCC

# SGCC footprint & key economic interests



国家电网公司  
STATE GRID  
CORPORATION OF CHINA

- State Grid Corp. of China (SGCC)

World's largest electric utility

900k km transmission lines in China

Global top2 Corp. on revenues\*

- ADMIE (IPTO) in Greece

24% in 2017

- CDP Reti (TERNA S.p.A.\*\* ) in Italy

35% in 2014

- REN SGPS in Portugal

25% in 2012

- ElectraNet in Australia

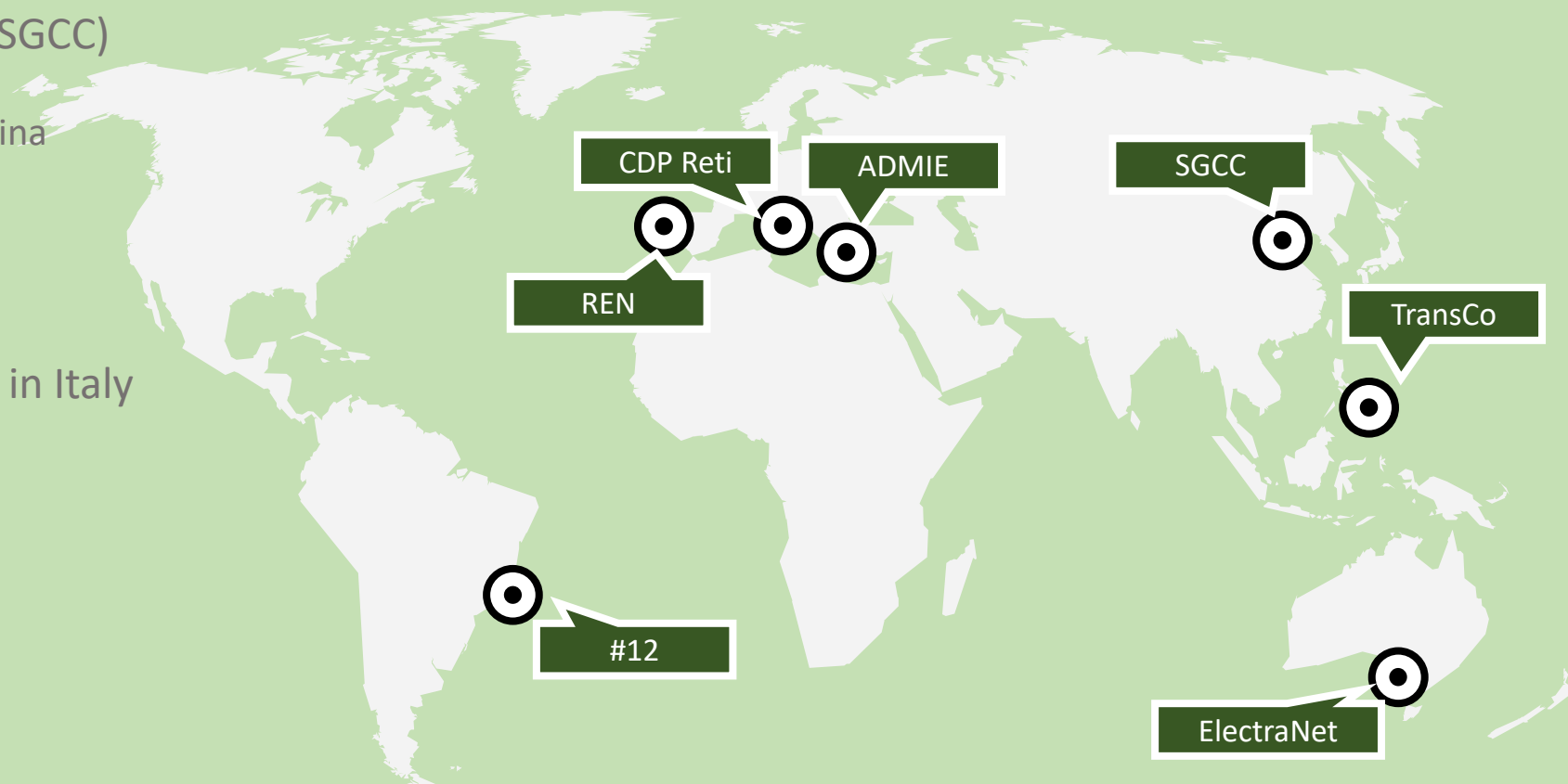
44.1% in 2012

- 12 TSOs in Brazil

100% stakes since 2010

- National Transmission Co. in Philippines

40% since 2007



\*2017 Fortune Global 500; \*\*CDR Reti controls 29.85% in Terna SpA; source: Companies

A close-up, black and white photograph of a stack of various materials. The stack includes several layers of dark, possibly rubber or plastic, sheets. On the left side, there are several layers of light-colored, perforated metal sheets. A dark, textured fabric or rope is also visible, wrapped around the stack. The materials are stacked in a way that shows their edges and textures. A semi-transparent grey rectangle is overlaid on the center of the image, containing the text "Thank you!".

**Thank you!**





# Contact

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