

# Corporate Presentation

May 2019







# 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 2018.

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

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

# Content

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- 1 ADMIE Holding & IPTO Overview
- 2 Islands Interconnection
- 3 Ariadne Interconnection
- 4 Grid Telecom
- 5 Appendices (A,B)







*'18 focused on transmission  
system growth*

A diver is silhouetted against a bright blue background, swimming along a diagonal line. The diver is wearing a full scuba gear, including a tank and fins. The background is a deep blue with some lighter, hazy areas, suggesting an underwater environment. The diver is positioned on the left side of the frame, moving towards the right. The text is overlaid on the right side of the image.

*'19 progressing on  
transmission system  
growth*





# 11,801km

Owned and maintained High-Voltage lines across  
Greece

*11,868 km is the distance between Paris, France and Christmas Island, Australia*

# Investment proposition

## Natural monopoly in Greece

11,801 km of HV transmission lines

## Investments

c. €4b of cumulative investments  
from 2019 to 2027

## Leading TSO as stakeholder

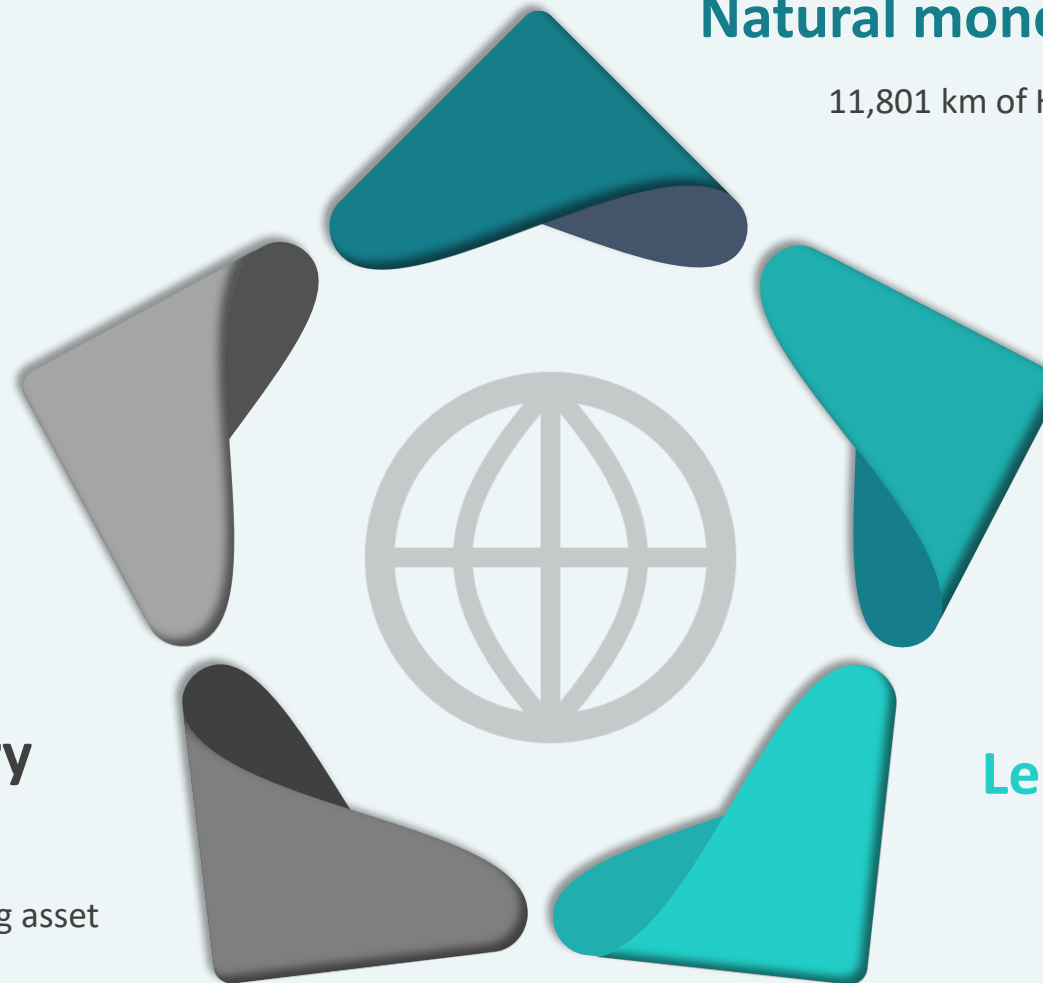
State Grid International  
Development, of China, holder  
of 24% IPTO stake with  
execution input

## Boosting dividend returns

Reduced borrowing costs and  
established minimum 50% earnings  
payout

## Rational regulatory environment

Independent authority prioritizing asset  
growth



# 1.

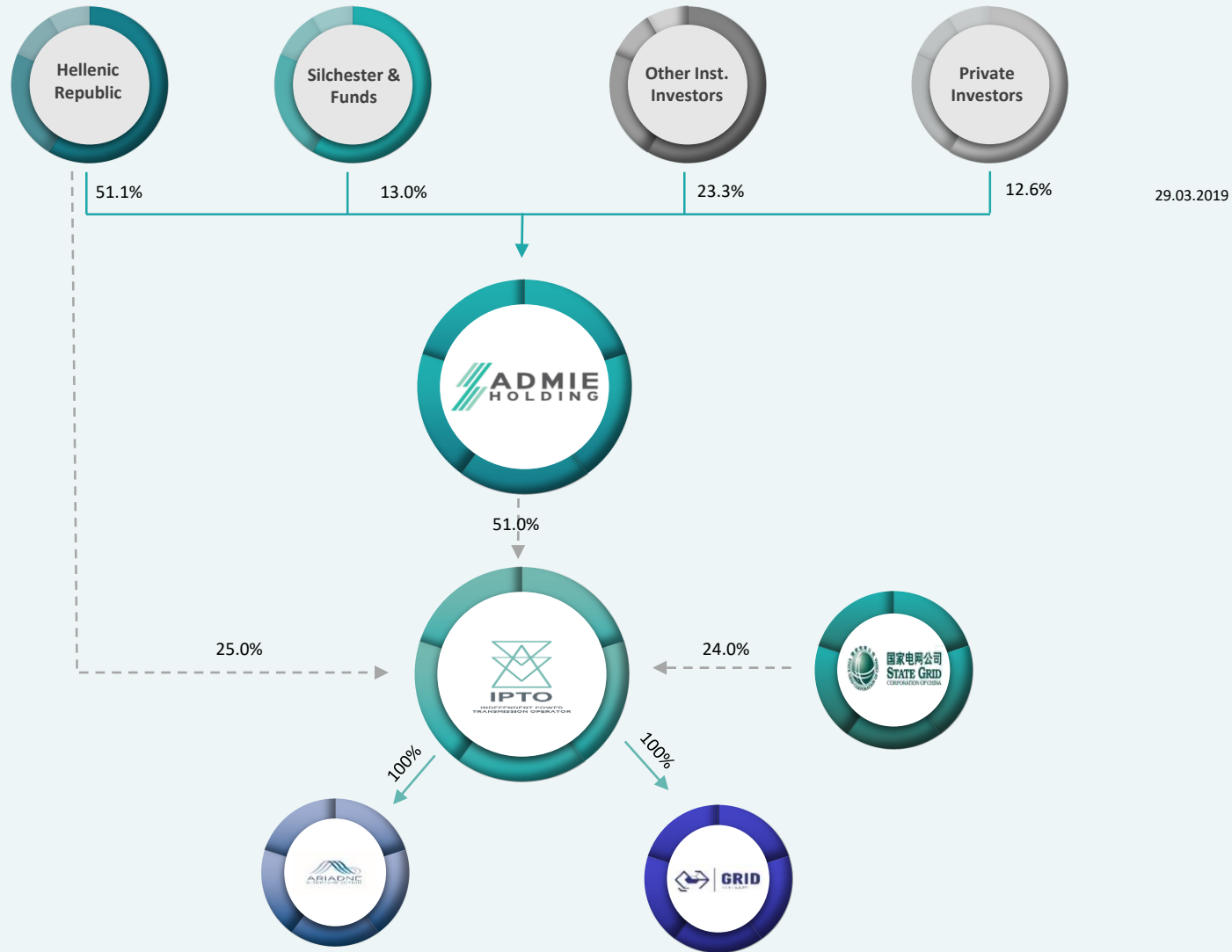
## Overview

ADMIE Holding trading vehicle for natural  
monopoly Independent Power  
Transmission Operator (IPTO)





# Full Ownership Unbundling – Corporate Structure



## Athens Stock Exchange

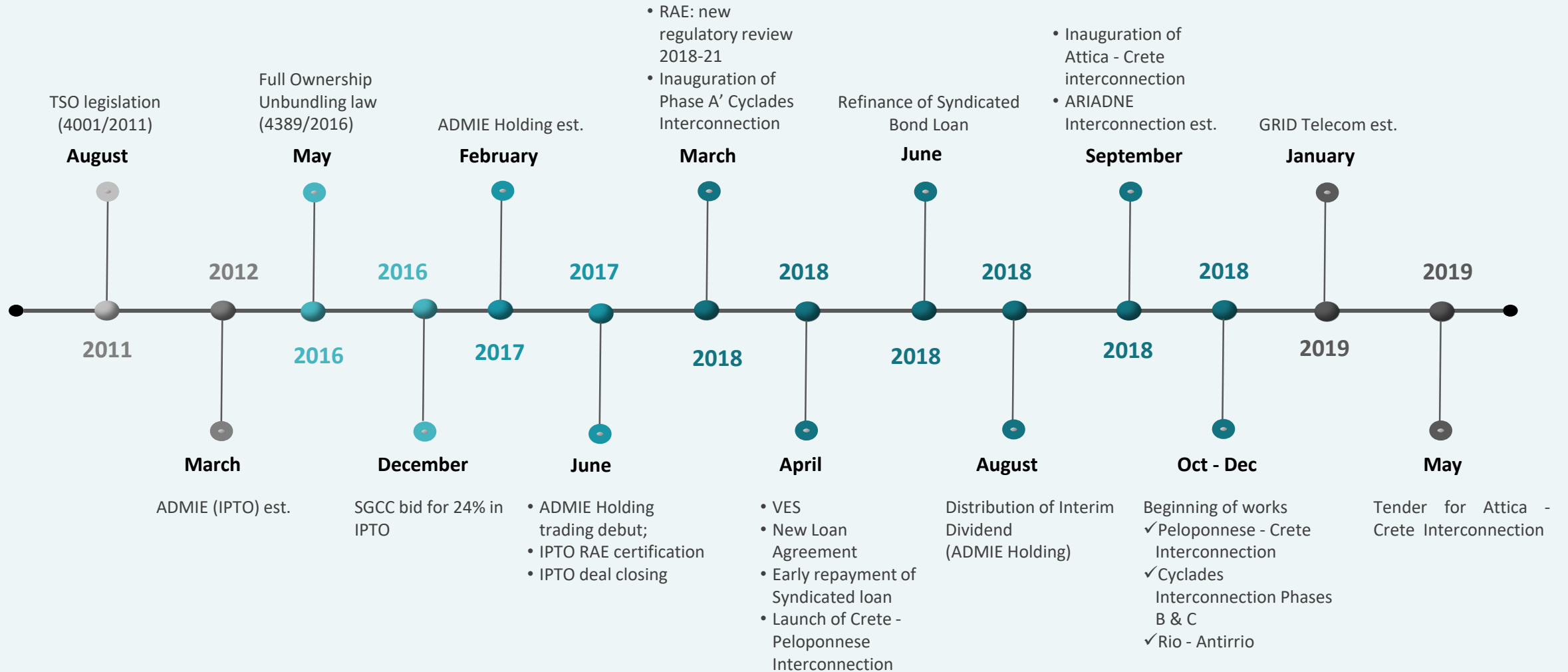
**ATHEX:** ADMIE

**Bloomberg:** ADMIE GA

**Reuters:** ADMr.AT

232,000,000 common shares

# Key milestones



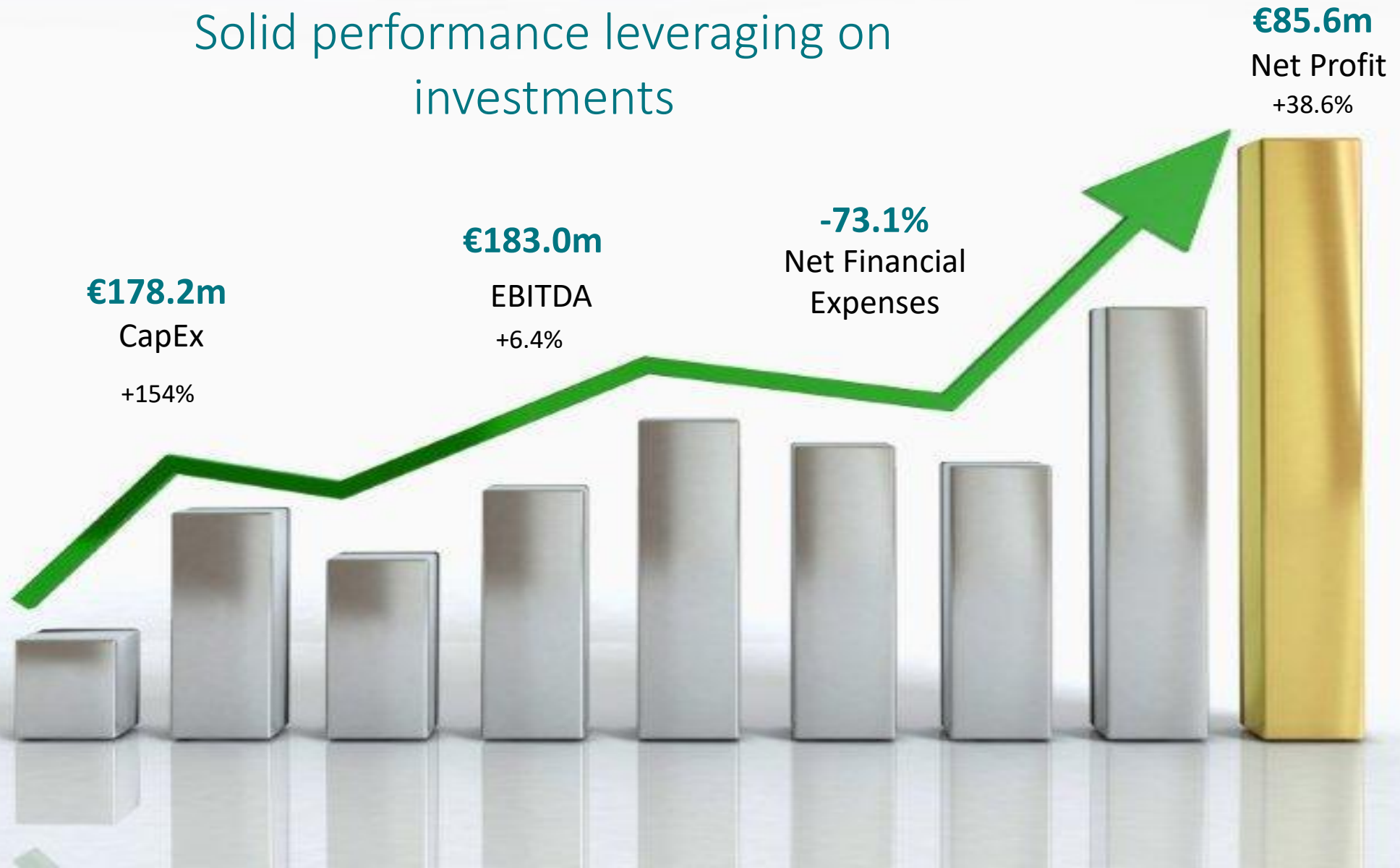


# Action Plan



# IPTO 2018 Financial Highlights

Solid performance leveraging on investments





# IPTO 2018 Investment Highlights

- ✓ Establishment of Ariadne Interconnection for the financing and construction of the Attica - Crete Interconnection (*€1b - Crete II*)
- ✓ Commissioning of Phase A of Cycladic islands interconnection (*€247m*)
- ✓ Investment acceleration with contracting of major projects:
  - Peloponnese - Crete Interconnection (*€324m - Crete I*)
  - Phases B and C of Cycladic Interconnection (*€72m and €111m respectively*)
  - Submarine and underground cables in the area of Rio - Antirrio (*€47m*)
- ✓ Phase D of Cycladic Islands Interconnection is included in the TYNDP (*€386m*)
- ✓ Entry of the Dodecanese Interconnection in the TYNDP 2020-2029 (*€1.5b*)
- ✓ Entry of the North Aegean Islands Interconnection in the TYNDP 2020-29 (*tbd*)

# IPTO selected items

Balance sheet	IPTO S.A.		Group
	31.12.2017	31.12.2018	31.12.2018
Non-current assets	1.607,4	1.876,3	1.676,3
Current assets	2.131,3	1.235,9	1.436,3
<i>Of which: Cash &amp; equiv.</i>	<i>771,8</i>	<i>402,6</i>	<i>602,9</i>
<b>Total Assets</b>	<b>3.738,7</b>	<b>3.112,2</b>	<b>3.112,6</b>
Equity	967,2	1.027,7	1.028,0
Interest-bearing liabilities	530,3	686,5	686,5
Non-current liabilities	456,2	506,9	506,9
Current liabilities	1.785,0	891,1	891,3
<b>Equity &amp; Liabilities</b>	<b>3.738,7</b>	<b>3.112,2</b>	<b>3.112,6</b>

P&L	IPTO S.A.			Group
	2017	2018	Chg yoy	2018
System rent	236,9	222,7	-6,0%	222,7
<b>Total revenues</b>	<b>256,5</b>	<b>249,2</b>	<b>-2,8%</b>	<b>249,2</b>
Reversals/(Provisions & Impairments)	-0,8	27,0		27,0
<b>EBITDA</b>	<b>172,0</b>	<b>183,0</b>	<b>6,4%</b>	<b>182,8</b>
<b>EBITDA margin</b>	<b>67,0%</b>	<b>73,4%</b>	<b>6,4 pp</b>	<b>73,3%</b>
Operating Income	107,7	115,6	7,4%	115,4
<i>Financial Expenses</i>	<i>-27,4</i>	<i>-17,8</i>	<i>-35,2%</i>	<i>-17,8</i>
<i>Financial Income</i>	<i>2,7</i>	<i>11,2</i>	<i>308,1%</i>	<i>11,7</i>
Net Financial Expenses	-24,7	-6,6	-73,1%	-6,1
<b>Net profit/(loss)</b>	<b>61,7</b>	<b>85,6</b>	<b>38,6%</b>	<b>85,9</b>
<b>Cash flows</b>	<b>2017</b>	<b>2018</b>	<b>Chg yoy</b>	<b>2018</b>
CF from Operations before WC	175,4	169,6	-3,3%	169,4
CF from Operations after WC*	626,3	-195,4	-131,2%	-195,7
CF from Investments	-53,0	-287,4	442,2%	-86,8
CF from Financing	-95,6	113,6	-218,9%	113,6
<b>Change in cash</b>	<b>477,8</b>	<b>-369,2</b>	<b>-177,3%</b>	<b>-168,9</b>

\* Pass-through amounts included; source: ADMIE (IPTO)



# ADMIE Holding 2018 Highlights

- Net profit €42.3m, +83.4% YoY
- OpEx stood at €244k, -75% YoY (2017: ad hoc establishment costs)
- Active cash management led Financial Income to €156k, partially offsetting OpEx
- Interim dividend distributed in 2018: €0,0316 per share
- Proposed Dividend and Interim Dividend for 2019: ~€0,088 per share

**€42.3m**

Net Profit

**€0.0316**  
per share

Interim Dividend 2018

**~€0.088**  
per share

Total Dividend 2019

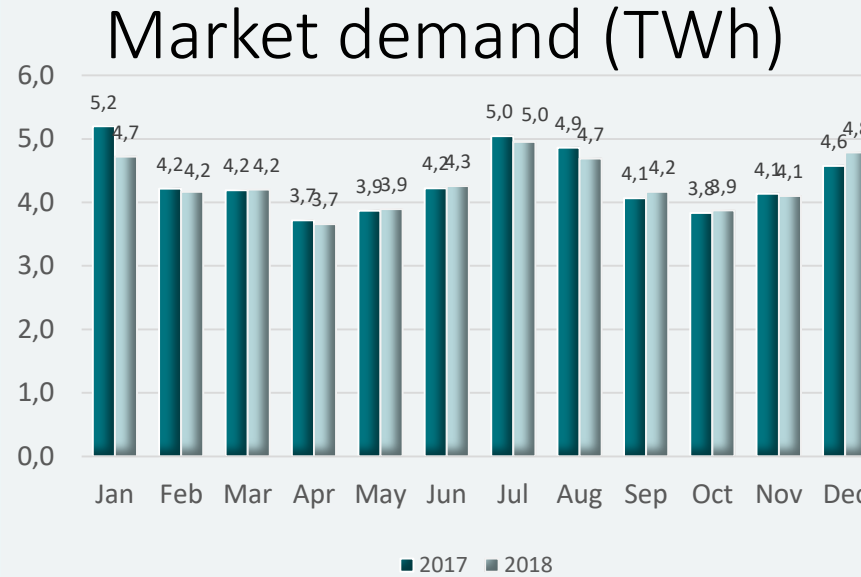
# ADMIE Holding selected items

Balance sheet	31.12.2017	31.12.2018
Non-current assets	520,1	550,5
Current assets	2,3	14,7
<i>of which: Cash &amp; equiv.</i>	<i>2,2</i>	<i>4,8</i>
<b>Total Assets</b>	<b>522,4</b>	<b>565,2</b>
Equity	518,7	565,2
Current liabilities	3,7	0,02
<b>Total Equity &amp; Liabilities</b>	<b>522,4</b>	<b>565,2</b>

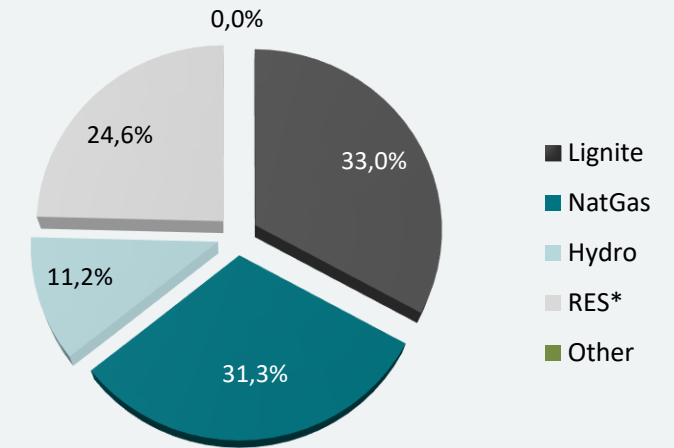
P&L	2017	2018
Income from Affiliate	24,0	42,4
EBITDA	23,1	42,1
Operating Income	23,0	42,1
Net profit	23,0	42,3
Cash flows	2017	2018
CF from Operations	-1,6	-1,3
CF from Financing	3,8	3,9
<b>Change in cash</b>	<b>2,2</b>	<b>2,7</b>

# Demand & Supply

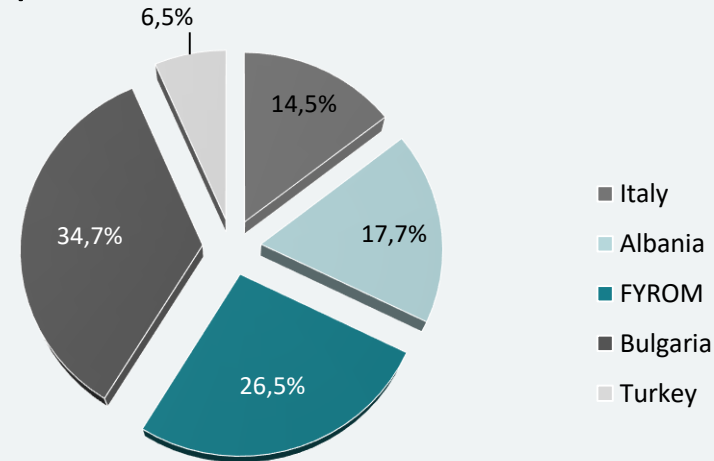
- Consumption at c 51.5 TWh
- Lignite at 33.0% in 2018 in generation mix from 35.8% in 2017
- RES at 24.6% in 2018 in generation mix from 23.1% in 2017
- Hydro at 11.2% in 2018 in generation mix from 7.5% in 2017



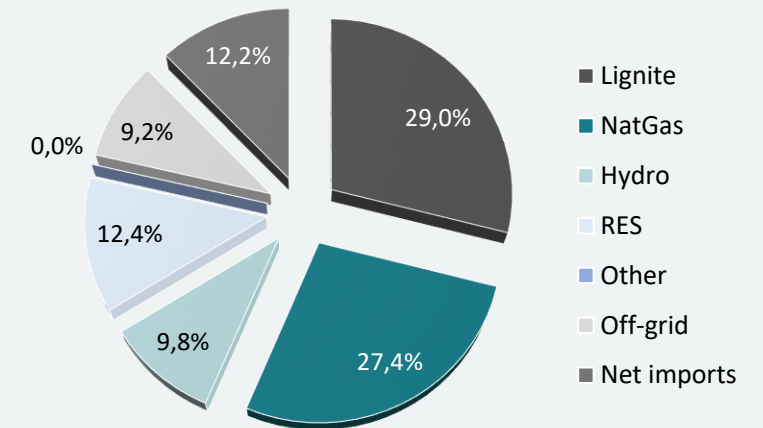
## Net Production mix



## Import mix



## Supply mix





# 2.

## Islands Interconnection



# Islands Interconnection

## Main Objectives

### Cost Reduction

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

### 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

### System stability

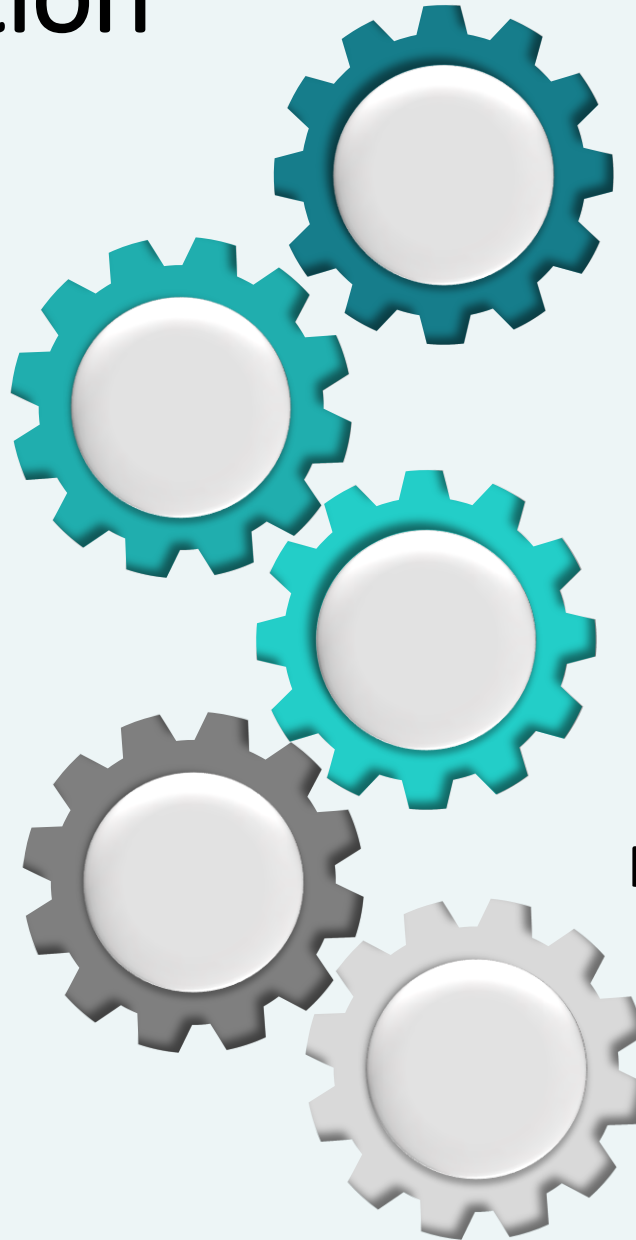
Ensuring a safe supply of energy for the islands electricity system

### 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

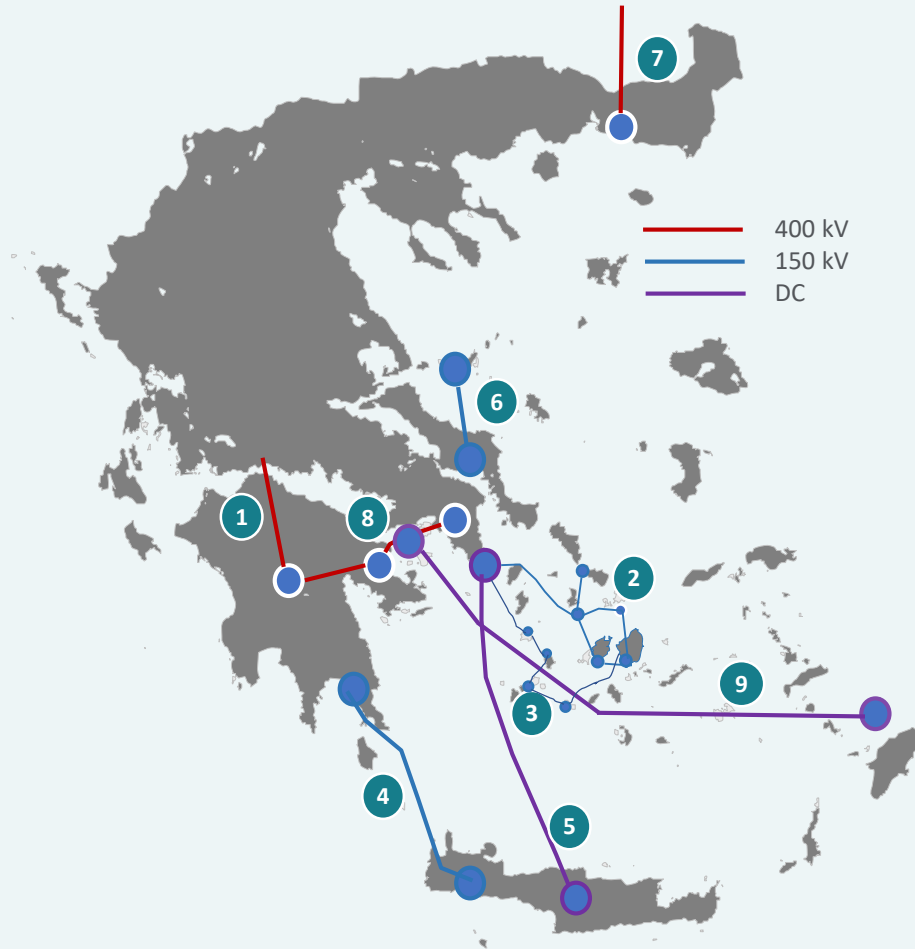
### RES Enhancement

- 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



# IPTO Major Projects

Major Project Locations

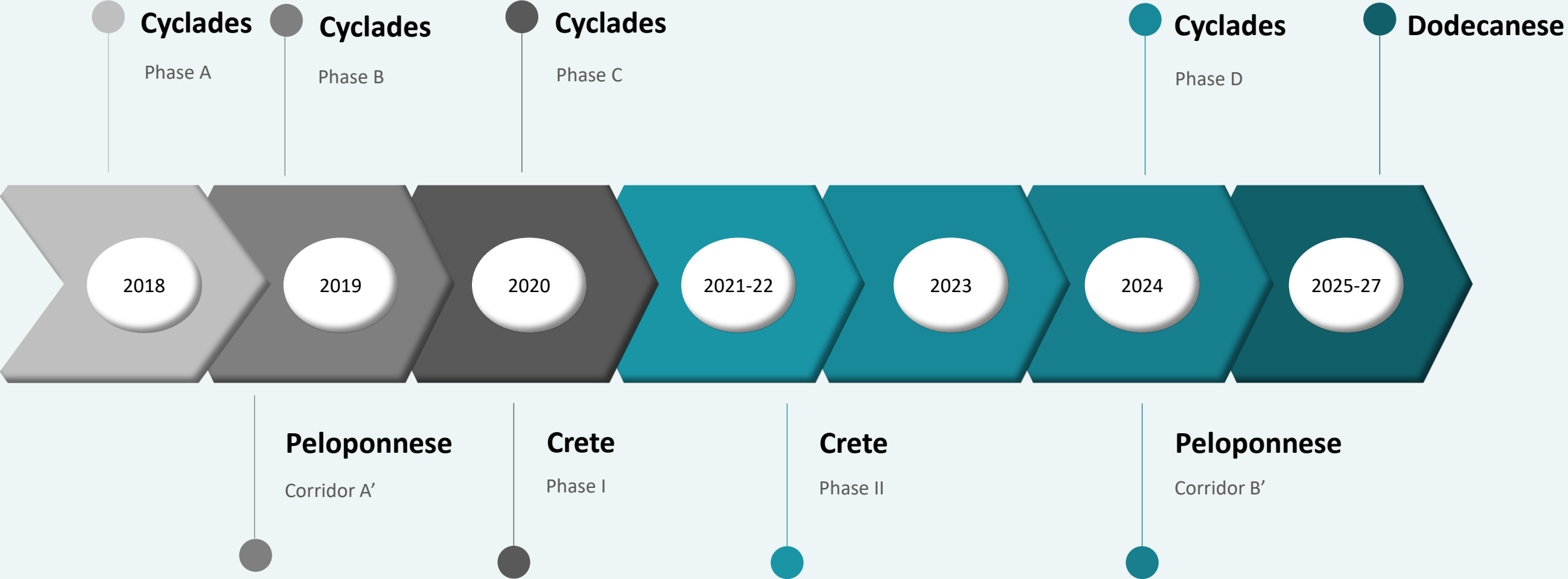


ID	Project description	Expected commissioning	Project Cost (2019-27)
1	Corridor A' 400 kV to Peloponnese (OHL Megalopoli – Patras – Acheloos)	2019	67
2	Cycladic Islands Interconnection (Phases B and C)	2020 Phase B 2019 Phase C 2020	125
3	Cycladic Islands Interconnection Phase D	2024	386
4	Crete Interconnection (Phase I)	2020	276
5	Crete Interconnection (Phase II) Ariadne Interconnection	2022	1b
6	Skiathos Island Interconnection	2020	44
7	New 400 kV interconnector to Bulgaria N. Santa (GR) – Maritsa (BG)	2023	8
8	Corridor B' 400 kV to Peloponnese (OHL Megalopoli – Korinthos – Koumoundouros)	2024	99
9	Dodecanese Interconnection	2027	1.5b

The expansion to the North Aegean Islands has been proposed in the updated TYNDP 2020-29 for RAE's approval



# Major Projects 2018-2027 (Expected commissioning year)



# Crete Interconnection

Interconnection of Crete with the mainland through two distinct links

The project is implemented in two phases (I, II)

## Phase I : Connection Peloponnese - Crete



**Commissioning:** 2020

**Estimated budget:** c. €330m

**Contractualisation:** 11.2018

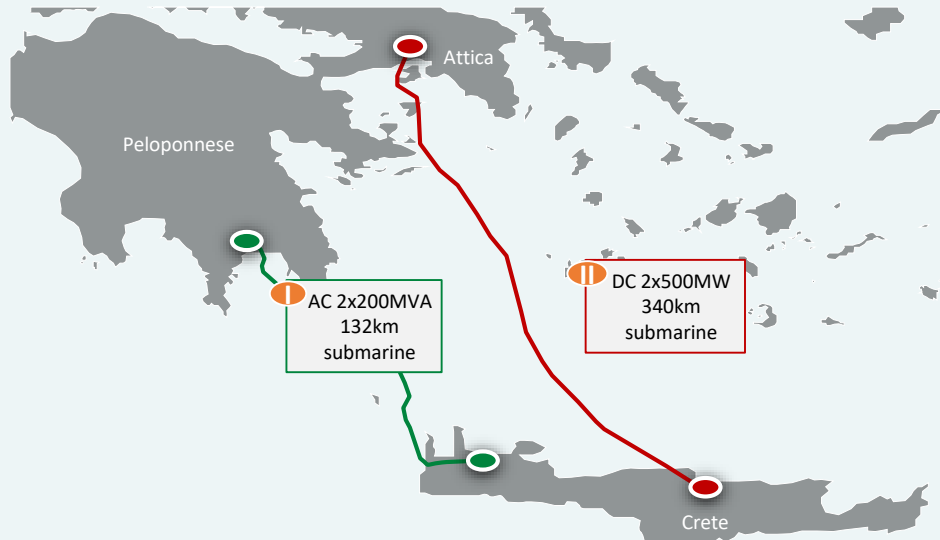
- **Fulgor:** western submarine interconnections and the underground connections in the Peloponnese
- **Prysmian Powerlink:** eastern submarine interconnection
- **Hellenic Cables:** underground interconnections in Crete within the Peloponnese-Crete interconnection
- **Terna:** construction of the new Substation in the South East Peloponnese, the upgrading and extension of the existing substation in the Chania area in Crete

### Technical Characteristics

- Voltage: 150 kV AC
- 2 GIS Substations
- Capacity: 2 x 200 MVA
- Cable technology: XLPE
- Maximum depth: ~980 m
- Cable length: 2 x 132 km

# Crete Interconnection

## Phase II: Connection Attica - Crete



**Commissioning:** 2022

**Estimated budget:** c. €1b

**Implementation:** Ariadne Interconnection

The Company has submitted to the Energy Regulatory Authority (RAE) the Invitation for Expression of Interest for the entry of one or more strategic investors by acquiring up to 39% into its share capital.

The tenders for the submarine cables and the converter stations of Crete-Attica Interconnection will be launched within May.

### Technical Characteristics

- VSC MMC Converters
- Voltage: ~500kV
- Bipolar Configuration
- Link Capacity: 2 x 500 MW
- Cable technology: MIND/XLPE
- Maximum depth: ~1250m
- Cable length: 2 x 340 km submarine and additional underground (at both sides) and overhead lines (in Crete)

### Similar projects in Europe

**SAPEI:** Sardinia-Italy, 1000 MW, 500 kV, LCC, depth 1650 m, 420 km long

**MONITA:** Italy-Montenegro, 1000 MW, 500 kV, LCC, depth 1200 m, 415 km long

**SKAGERRAK IV:** Denmark-Norway, 700 MW, 500 kV, VSC, depth 550 m, 137 km long

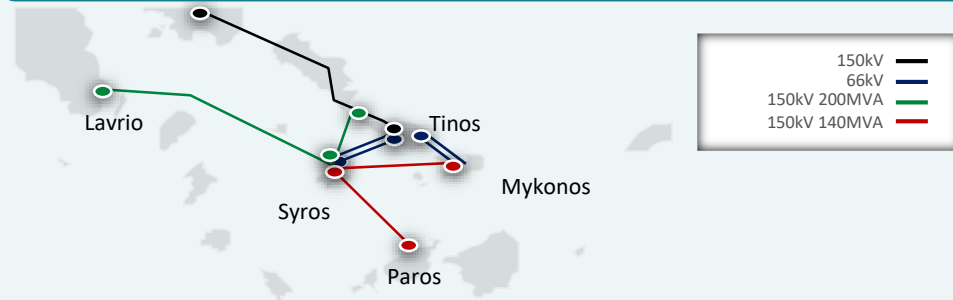
**NORD.LINK:** Germany-Norway, 1400 MW, 525 kV, VSC, depth 230 m, 623 km long

**NSL:** UK-Norway, 1400 MW, 525 kV, VSC, depth 600 m, 730 km long



# Cycladic Interconnection

## Phase A

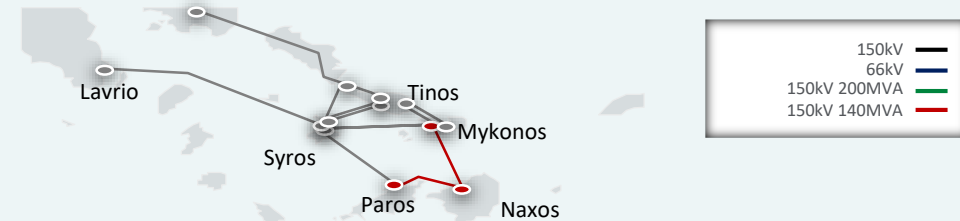


Radial Interconnection of Syros island with the mainland (Lavrio), Paros, Mykonos and Tinos islands. 13 islands in total connected to the mainland.

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

**Budget:** c. €250m

## Phase B



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:** c. €72m

The **Hellenic Cables SA - Fulgor SA consortium** has undertaken the construction of the submarine cables connecting Naxos with Paros and Mykonos, while the **Consortium of Nari Group Corporation – Elektromek S.A.** was selected as the contractor for the construction of the 150 KV Substation in Naxos.

The tender for the installation of new increased capacity lines (200 MVA) at the Interconnections of Evia - Andros and Andros - Tinos, has also been completed and IPTO has signed a contract with the contractor **Prysmian**

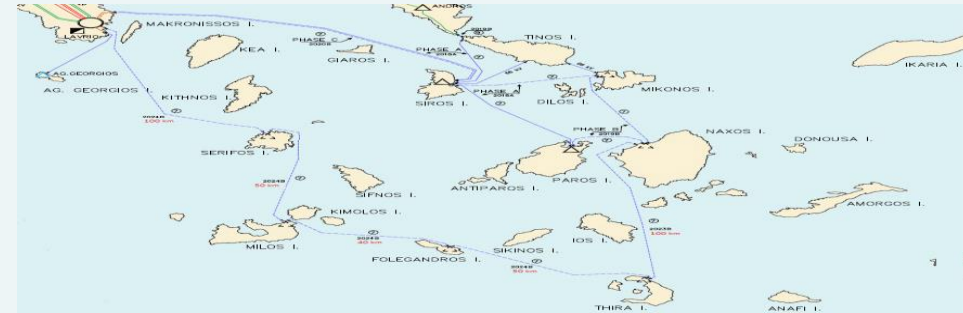
# Cycladic Interconnection

## Phase C



Construction of second submarine cable between Lavrio and Syros  
**Nexans** was the successful bidder  
**Expected completion:** 2020  
**Estimated budget:** c. €111m

## Phase D



Expansion to the West and Southern Cycladic Islands

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

**Estimated budget for Phase D:** c. €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.

# 3.



Est. September 2018

A new IPTO below IPTO arises



“

“... by undertaking the most important infrastructure project currently under construction in Greece and one of the most important interconnections across Europe, IPTO becomes an even stronger company and consolidates its leading position in the power transmission energy industry”

”

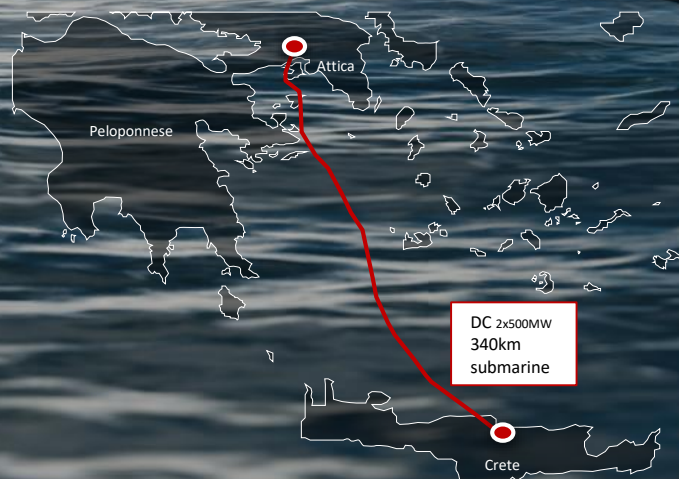
Manos Manousakis, CEO of IPTO

“

“... IPTO’s managerial team has envisioned the new era for the Operator, with the interconnection of the islands as its central strategic aim. The company that until now was operating a mainly overland grid, is dynamically expanding its activities to the field of island interconnections, creating value for the consumers and the shareholders”

”

Iason Rousopoulos, Ariadne Interconnection BoD member





# Attica - Crete Interconnection

Establishment of a 100% subsidiary SPV (Special Purpose Vehicle – SPV) named Ariadne Interconnection SPSA

**Scope:** to finance and construct the project Crete – Attica Interconnection

A 2x500MW capacity DC link consisting of two 340km submarine cables and additional underground (at both sides) and overhead lines (in Crete)

**Share Capital:** €200m

**Project Cost:** c. €1b

**Electrification of the Project:** 2022

**Tenders for the submarine cables and the converter stations :** May 2019

**Invitation for Expression of Interest:** The Company has submitted to the Energy Regulatory Authority (RAE) the Invitation for Expression of Interest for the entry of one or more strategic investors by acquiring up to 39% into its share capital.



# Attica - Crete Interconnection

**Project of Major Importance (PMI):** a premium rate of return can be approved by the Greek Energy Regulator (RAE), on top to the rate of return for specific projects that are characterized PMI's

The percentage of the premium return can be from 1% to 2.5%. Decision pertains RAE.

For this project WACC will be refined with a built in premium in order to provide appropriate and effective incentives

The premium rate of return is provided from the electrification of the project up until the 12th year from the scheduled year of electrification

IPTO S.A. has submitted to RAE updated data on the Crete – Attica Interconnection project in order to calculate the Allowed Revenue and made a proposal for the WACC of the project.



4.



**GRID**  
TELECOM

Est. January 2019



# Services



Having direct access to the extended (2.500 km) fiber optic network throughout Greece owned by IPTO, Grid Telecom provides super high speed capacity services from 10 to 100 Gbps via state-of-the-art DWDM network.

IPTO is quickly developing its land and submarine network ensuring alternative routing thus providing protected circuits and the highest levels of availability to Carriers.



Grid Telecom provides collocation services within protected areas in IPTO's substation sites.



In the near future Grid Telecom will be providing collocation services to mobile telecom operators on IPTO's Powers Pylons which are set up all over Greece.



# Map of Fiber Optic Network





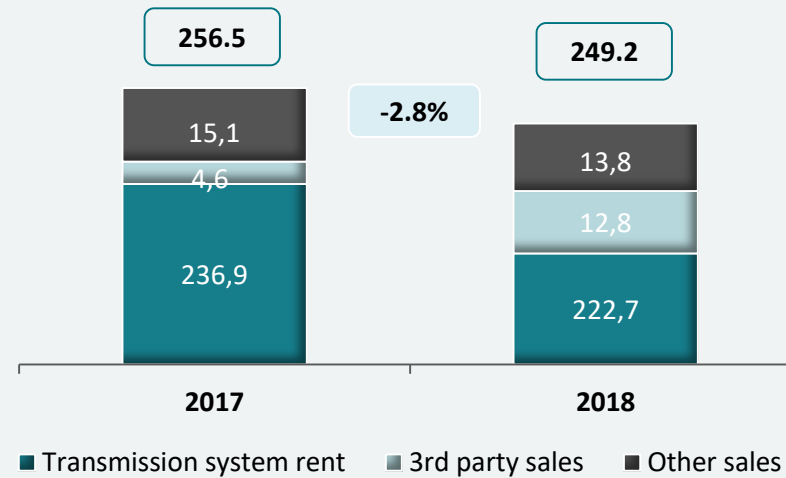
# Appendix A

## IPTO key financial items

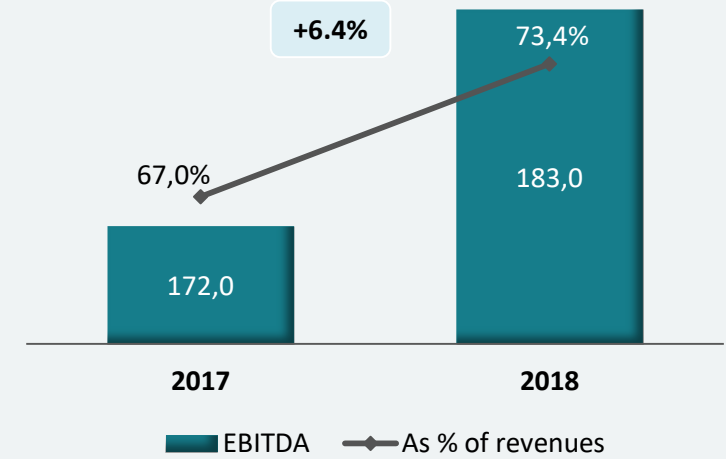
# Revenue & EBITDA

- Revenues -2.8% YoY
- System Rent -6.0% YoY due to the temporary under-recovery of the Revenue comparing to Decision 235/2018 issued by the RAE
- EBITDA +€11.0m YoY
- OpEx excl. Provisions and D&A +2.8% YoY mainly due to contracting costs, factor that is reflected in increased contractor revenues as well

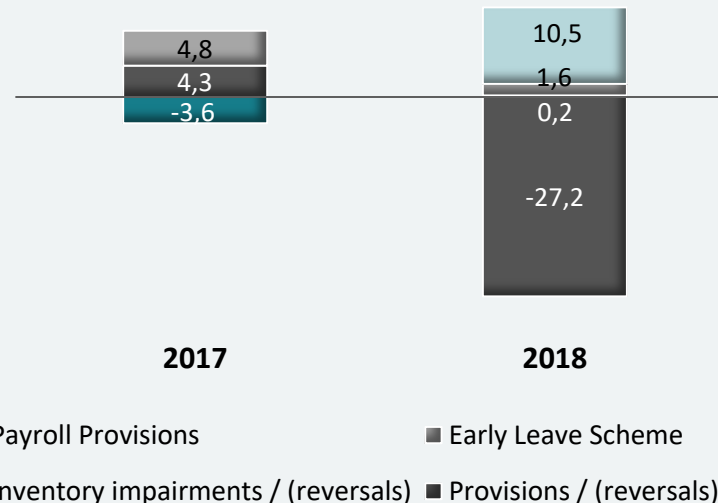
## IPTO Revenues



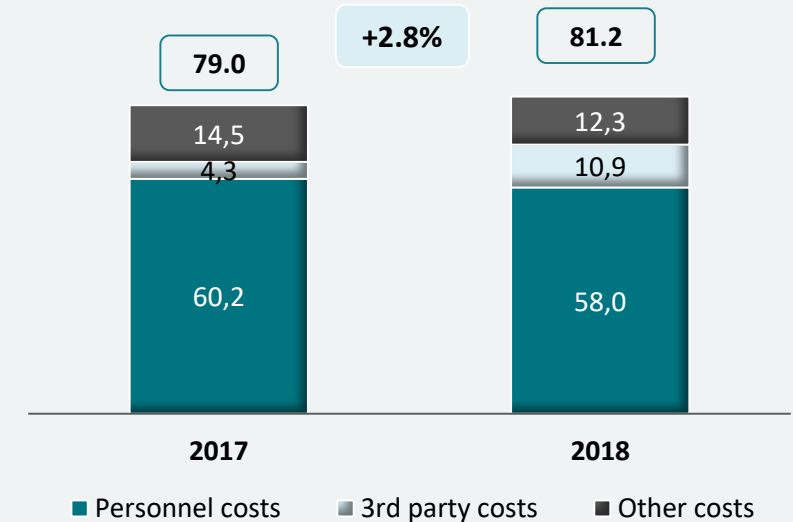
## IPTO EBITDA



## IPTO Provisions



## IPTO OpEx\*





# Net profit higher on various drivers

- EBITDA increase mainly due to a provision release regarding a dismissal of a contractor lawsuit
- Successful implementation of Group's financial strategy led to a drop in net financial expenses
  - ✓ improvement in time deposits and current accounts interest rates
  - ✓ significant decrease of the interest rates of IPTO's loan portfolio
  - ✓ elimination of Public Power Company (PPC) debt guaranties

## IPTO Net profit



## IPTO Cash flow ladder





# Appendix B

## Regulatory Framework

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# Regulatory overview

Year	2018	2019	2020	2021
Average RAB	1,449.8	1,684.5	1,941.3	2,059.8
X				
WACC (real, pre-tax)	7.0%	6.9%	6.5%	6.3%
=				
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
=				
Allowed revenue	234.0	252.4	281.0	285.9
Inflation (RAE 100/2019)		0,6%		
Adjusted allowed revenue *		253.9		

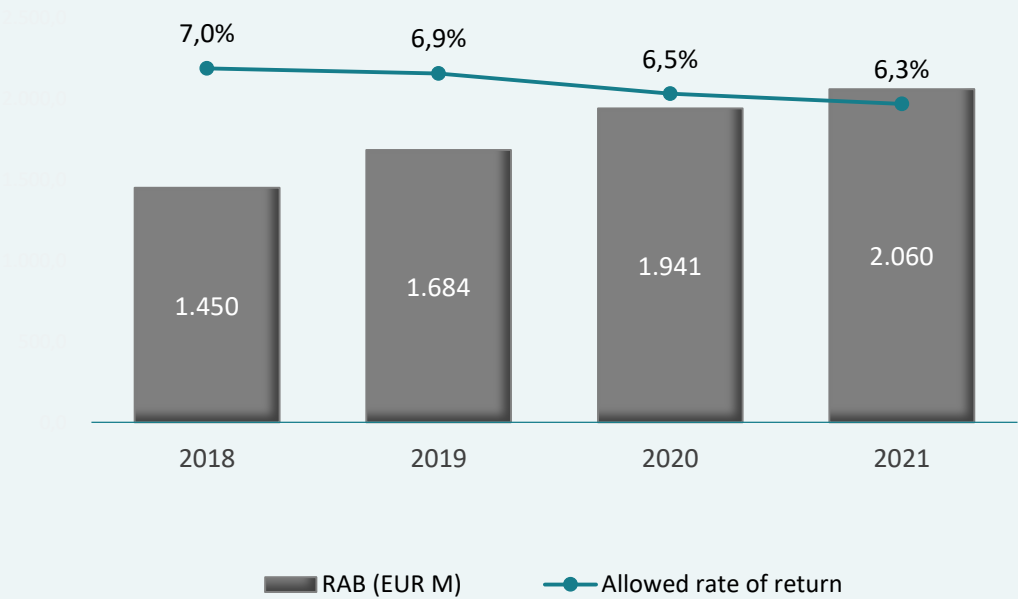
\* It is expected that RAE will incorporate inflation in the next years

Source: RAE (235/2018 & 100/2019)

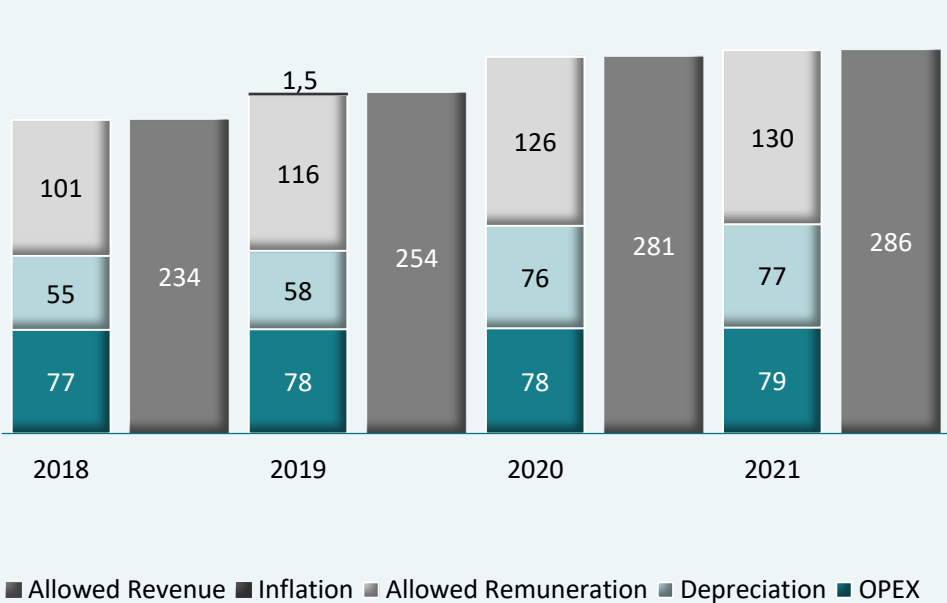
# Regulatory period 2018 – 2021

€ m

Regulated Asset & Rate of Return



Allowed Revenue build out



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



# WACC calculation

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>

# Required Revenue calculation

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



# Contact

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