# **Corporate Presentation**







# 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 2021 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 (IPTO) Annual Financial Report 31 December 2020.

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.





# **ADMIE** at a glance



Sole Transmission System
 Operator (TSO) in Greece





**Employees** 

Transported Energy

1.590

**50.1** TWh





# **Investment Proposition**

#### Boosting dividend returns

Reduced borrowing costs and established minimum 50% earnings payout

#### Rational regulatory environment

Independent authority prioritizing asset growth



#### Natural monopoly in Greece

11,971 km of HV transmission lines

#### Investments

c. €5b of cumulative investments from 2020 to 2030

#### Leading TSO as Strategic Investor

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





# ADMIE HOLDING & IPTO S.A. Overview



### **Shareholder Structure**



# **Regulatory Framework**

Stable regulatory	No consumer	Allowed
framework	credit risk	Revenue
<ul> <li>4-year regulatory period during which the respective parameters remain stable</li> <li>Stabilitity is the guiding pillar of the regulator</li> <li>Approves Ten Year Network Development Plan</li> </ul>	<ul> <li>Revenues are not depended on state payments</li> <li>Transmission operators do not have consumer credit risk</li> </ul>	<ul> <li>Allowed revenues assure remuneration of cost of capital and cost of debt</li> <li>Remuneration is collected through System Users (suppliers) and passed over to final electricity consumers (ie companies and households)</li> </ul>

### **Remuneration scheme**

Regulatory Period: Four years





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# Investment Program Summary



# Network Development Plan 2020-2030

#### **Major Project Locations**



ID	Project description	Expected commissioning	Project Cost (2020-30) €m
1	Corridor A' 400 kV to Peloponnese (OHL Megalopoli – Patras – Acheloos)	2021	117
2	Cycladic Islands Interconnection (Phases B and C)	completed	
3	Cycladic Islands Interconnection Phase D	2024	377
4	Crete Interconnection (Phase A)	2021	235
5	Crete Interconnection (Phase B) Ariadne Interconnection	2023	1,006
6	Skiathos Island Interconnection	2022	46
7	High Voltage Substations & related projects (Koumoundourou, Patra, Rouf)	2023-25	202
8	Corridor B' 400 kV to Peloponnese (OHL Megalopoli – Korinthos – Koumoundouros)	2024	99
9	Dodecanese Interconnection	2028	1,477
10	North Aegean Interconnection	2030	935
	Various projects		531
	Total Capex		5,035
	Subsidies		1,000

#### **Crete – Attica Interconnection**



The company Ariadne Interconnection SPSA, a currently 100% subsidiary of IPTO, has been established as a SPV (Special Purpose Vehicle – SPV) in order to finance and construct the project of Crete – Attica Interconnection

The **Attica-Crete interconnection** is a 2X500MW capacity DC link consisting of two 328km submarine cables, additional underground and overhead lines

The **purpose** of the project is to improve the **security of supply** of Crete's electricity system

Commissioning: 2023

Estimated budget: c. €1b



✓ The project is considered Project of Major Importance (PMI), so a Premium rate of return can be approved by the regulator (RAE), on top of the normal rate of return. The percentage of the premium return can be from 1%-2.5% and is provided from the electrification of the project up until the 12th year from the scheduled year of electrification

✓ The main benefits of the project are the elimination of Public Service Obligation (PSOs) of more than € 400mn/year, the reduction of the energy cost and environmental benefits

# Key milestones in 2020



Maturing of the tender process for both parts of the project (submarine cable interconnection and converters), whereas the signing of the relevant contracts took place in June 2020.

The first cable was successfully tested in December 2020. The second has been installed and is expected to be tested before Easter. It is estimated that within June-July, the first interconnection of Crete with the mainland system will be ready to transfer electricity power to the island.

Regarding the «West Corridor» (budgeted at EUR 118 million), the submarine cable connection between Rio-Antirio has been completed, subject of which is to connect the Extra High Voltage (EHV) Center of Megalopolis – via Patras- to the existing 400 kV Acheloos-Distomo transmission line

The Phase IV (interconnection of Santorini, Milos, Folegandros and Serifos with Naxos) has been included in the National Recovery and Resilience Plan and will receive funding of EUR 170 million. The tenders for the first section, Naxos-Santorini, were announced on 19 February 2021 (for the cable sections) and 19 March 2021 (for the Santorini substation).

Submission and technical evaluation of tenders for the 150 kV cable connecting Mantoudi (Evia)-Skiathos and the construction of a new 150 / 20kV substation in Skiathos.

# **Strategic Plan**

#### Leadership

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- Acceleration of all island interconnections
- Participation in Energy Exchange and implementation of the target model.

#### Growth

- Renovation and optimal management of assets
- Strong financial profile

#### Digitalization

• Optimization of operations, systems and procedures



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# Financial Overview



# **IPTO Group FY 2020 Highlights**

# total revenues €286.7m

#### PY €249.8m(+14.8%)

- ✓ Increase by €44.4m in System Rent due to the increase of the Allowed Revenue set by the Regulatory Authority for Energy (RAE)
- ✓ Reduction of €1m in Revenues from contracts, albeit reflected in a corresponding decrease in contract costs
- ✓ Decrease by 6.6 EUR million of received customer contributions related to high number of RES connections to the Transmission System in 2019.

#### **EBITDA**

**€210.6 m** PY €224.1 m (-6.1%)

- ✓ 2019 Positive affected by one-off non recurring items
- ✓ Strong profitability margins
- Sufficient liquidity and high Interest coverage ratio (>10 times)

#### **Net PROFIT**

# **€84.9**m

#### PY €105.6m(-19.6%)

 Refinancing of existing syndicated loans in more favorable terms; signed 6-year loan with interest rate of 2.1% plus the Euribor for the first three years and 2% plus Euribor for the next three years.



Solid EBITDA driven by regulated and non-regulated activities

# Profitability



Numbers adjusted following these one-off items:

- a) Release of provision for the discount on reduced electricity tariffs given to employees and retirees of the Company amounting to EUR 0.6 million vs EUR 15.7 million in 2019.
- b) release of provision for risks and expenses EUR 8.7 million against a relevant release of EUR 4.3 million in 2019,
- Recovery of the costs of special projects (Polypotamos) amounting to EUR 27,5 million in 2019
- d) Revenue of prior years' optical fiber rents amounting to EUR 0,7 million.

Adjusted EBIT came in at EUR 114 million, higher by 9.7% y-o-y, , compared to EUR 134.8 million in 2019, mainly due to the increase in the amount of depreciation by 22% as a result of the increase of the fixed assets from the revaluation conducted by the Affiliate on 31.12.2019 and the Regulated Asset base (RAB) expansion. Adjusted Net profit supported also by the one-off positive impact on financial income from the discounting of long-term receivables (Polypotamos) by EUR 4 million.

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# **EBITDA Bridge**



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# **Cash Flow & Net Debt**

#### Cash Flow Bridge



#### **Net Debt**



## **IPTO selected items**

Delever ekset	ΙΡΤΟ	) S.A.	Group	
Balance sneet	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Non-current assets	2.689,5	2.327,7	2.489,5	2.128,6
Current assets	505,8	602,4	592,5	803,6
Of which: Cash & equiv.	161,5	224,4	248,4	425,2
Total Assets	3.195,3	2.930,1	3.082	2.932,2
Equity	1.326,1	1.030,4	1.327	1.030,7
Interest-bearing liabilities	886,1	626,9	753,2	626,2
Non-current liabilities	1.430,4	1.087	1.302	1.086,2
Current liabilities	431,2	891,1	431,1	891,3
Equity & Liabilities	3.195,3	2.930,2	3.082	2.932,2

	IPTO S.A.			Group	
PAL	31.12.2020	31.12.2019	Chg yoy	31.12.2020	31.12.2019
System rent	273.6	229.1	19.4%	273.6	229.1
Total revenues	285.1	248.8	14.6%	286.7	249.8
Reversals/(Provisions & Impairments)	-8.7	-4.4	97.5%	-8.7	-4.3
EBITDA	210.1	222.7	-5.7%	210.6	224.1
EBITDA margin	73.7%	89.5%	-23.5%	73.5%	90%
Operating Income	121.7	133.4	-8.8%	122.1	134.8
Financial Income	5.4	13.4	-59.7%	6.1	15.5
Financial Expenses	-13.2	-13.3	-1.5%	-13.2	-13.4
Net Financial Expenses	-7.8	0.1	-7900%	-7.1	2.2
Net profit/(loss)	84.1	102.9	-18.4%	84.9	105.6
Cash flows	31.12.2020	31.12.2019	Chg yoy	31.12.2020	31.12.2019
CF from Operations before WC	202.8	209.2	-3.1%	203.1	209
CF from Operations after WC*	168.6	161.4	4.5%	159.2	159.9
CF from Investments	-295.1	-220.3	34%	-397.3	-218.3
CF from Financing	63.5	-119.4	-153%	61.3	-119.4
Change in cash	-62.9	-178.3	-52%	-176.9	-177.7

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



# **ADMIE Holding FY 2020 Highlights**



# **ADMIE Holding selected items**

Balance sheet	31.12.2020	31.12.2019
Non-current assets	722.6	704.6
Current assets	27.8	22.5
of which: Cash & equiv.	7.0	8.5
Total Assets	750.4	727.2
Equity	750.3	727.1
Current liabilities	0.1	0.1
Total Equity & Liabilities	750.4	727.2

P&L		31.12.2020	31.12.2019
	Income from Affiliate	43.3	53.9
	EBITDA	38.8	53.4
	Operating Income	43.2	53.4
	Net profit	43.2	53.9
Cash flows		31.12.2020	31.12.2019
Cash flows	CF from Operations	<b>31.12.2020</b> 0.0	<b>31.12.2019</b> 1.4
Cash flows	CF from Operations CF from Investing	<b>31.12.2020</b> 0.0 26.2	<b>31.12.2019</b> 1.4 21,8
Cash flows	CF from Operations CF from Investing CF from Financing	31.12.2020         0.0         26.2         -27.7	<b>31.12.2019</b> 1.4 21,8 -19,5

source: ADMIE (IPTO)



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# **Dividend Policy**



\*Calculations based on year-end stock prices .

\*\*There is a one year accounting lag between two entities, however ADMIE Holding mitigates this issue by maximizing the Interim Dividend Policy

 Average dividend yield since listing ~%

Bound to distribute based on a minimum payout ratio of 50% (PTO SAY | DENC

 ADMIE Holding SA is committed to distribute the bulk of dividend collected by IPTO SA

### IPTO 2019-2023 outlook





# GRID Telecom



#### 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-ofthe-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 proving collocation services to mobile telecom operators on IPTO's Powers Pylons which are set up all over Greece.

# Our Vision

- Submarine cables transfer
   99% of internet traffic.
- Many local operators (East Europe) seek routes to major gateways (Athens and Chania)
- Balkans are currently underserved and by-passed by the main fiber corridors connecting Asia, Africa and Western Europe
- ✓ IPTO could provide access to main Internet Hubs in cooperation with local TSOs.



# Thank you

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#### Appendix IPTO key financial items/ 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
+				
<b>Regulatory Depreciation</b>	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

#### Regulatory period 2018 – 2021



Regulated Asset & Rate of Return

RAB (EUR M) — Allowed rate of return

#### Allowed Revenue build out



■ Allowed Revenue ■ Inflation ■ Allowed Remuneration ■ Depreciation ■ OPEX

#### 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%
Cost of equity post-tax	6.4%	6.4%	5.9%	5.8%
Tax rate	29.0%	29.0%	29.0%	29.0%
Cost of equity pre-tax	9.0%	9.0%	8.3%	8.2%
Cost of debt pre-tax	5.3%	5.6%	5.0%	5.1%
Gearing	36.3%	41.3%	36.3%	40.3%
WACC nominal	7.64%	7.6%	7.1%	6.95%
Inflation	0.6%	0.6%	0.6%	0.6%
WACC real, pre-tax	7.0%	6.9%	6.5%	6.3%

#### **Required Revenue calculation**

Regulatory Period	Four years
Regulatory Asset Base (RAB)	Undepreciated invested capital + maintenance/ development CapEx/ WiP + working capital - disposals - subsidies
Allowed Revenue (AR)	Operator's Allowed Revenue
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
Required Revenue	Amount recovered through System usage charges
(RR)	$RR = AR \pm K \pm \Pi_1 \pm \Pi_2 - \Pi_3 \pm \Pi_4 - \Pi_5$
$ \begin{array}{c} \pm K \\ \pm \Pi_1 \\ \pm \Pi_2 \\ - \Pi_3 \\ \pm \Pi_4 \\ - \Pi_5 \end{array} $	cost of investments financed by 3rd parties settlement due to under-/over-recovery of RR settlement due to deviations from capex amount from auction of Interconnection Capacity Rights amount from Inter-TSO Compensation Mechanism amount from TSO income from non-regulated activities

#### IPTO – Regulated Revenue analysis

	In thous' euros	2020	2019	Difference
Items comprising AR in RAE 235/2018				
OPEX		78.461	77.862	599
Depreciation		76.370	58.335	18.035
Total expenses		154.831	136.197	18.634
RAB		1.941.335	1.684.495	
WACC		6,50%	6,90%	
RAB*WACC		126.187	116.230	9.957
AR - Allowed revenue		281.018	252.427	28.591

#### Plus: Items not budgeted in RAE 235/2018

(Π3) Revenue from Interconnection rights

Revenue from Transmission System Rent (FS)

(П4) ITC

Ariadne	2.408	-	2.408
RSC	1.090	-	1.090
AR revised	284.517	252.427	32.090
Inflation	0,00%	0,60%	
AR inflated	284.517	253.942	30.575
Adjustments for (RAF 100/2019 & RAF 1650/2020):			
(Π1) Amount cleared due to (over)/under recovery of revenue	2.519	2.024	495
$(\Pi 2)$ Amount cleared due to over/(under) investment	779	-17.318	18.097
(Π5) Revenue from non regulated activities	-11.501	-9.366	-2.135
AR adjusted	276.314	229.281	47.033
Revenues recovered from other sources (RAF 100/2019 & RAF 1650/2020):			
(K) Cost of HETS projects implemented by means of third party funding	-10.000	7,164	-17,164
(Π3) Revenue from Interconnection rights	-68.082	-37.910	-30.173
(П4) ITC	238	454	-216
RR - Required revenue	198.469	198.989	-520
Actual			
TUoS	195.715	198.846	-3.132
Other sources			
(K) Cost of HETS projects implemented by means of third party funding	10.000	-7.164	17.164

68.082

273.560

-238

37.910

229.138

-454

30.173

44.421

216

#### **Comments:**

- For 2020, Allowed Revenue (AR) was budgeted with an increase of €28.6m, mainly as a result of the estimated expansion of the Regulated Asset Base (RAB) of IPTO.
- Allowed Revenue (AR updated) of 2020 was increased by €3.5m, to include the operating expenses of Ariadne and the RSC.
- П2 increased by €18.1m compared to 2019, which reflects the over-investment of 2018 in relation to the under-investment of 2017 (negative П2 in 2019).
- Interconnection Rights increased, allowing the use of a higher amount of the reserve (+€30.2m), which contributed to maintain the Required Revenue at levels close to 2019.
- The slight decrease in consumption, as a result of the pandemic crisis, led to reduced System Usage Charges by €3.1m in 2020 compared to 2019.

# 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

### **Cycladic Interconnection**



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 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

Completed: 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 D



Expansion to the West and Southern Cycladic Islands

Construction of second submarine cable between Lavrio and Syros Nexans was the successful bidder Completed: 2020

Estimated budget: c. €111m

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

Estimated budget for Phase D: c. €386m

Expected completion: 2023

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.



### Crete- Peloponnese Interconnection (Phase A)

Interconnection of Crete with the mainland through two distinct links The project is implemented in two phases (A, B)

#### Phase A' : Connection Peloponnese - 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

Commissioning: 2021 Estimated budget: c. €292m 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

Phase B'  $\rightarrow$  page 12



### Crete-Attica Interconnection (Phase B)



The company Ariadne Interconnection SPSA, a currently 100% subsidiary of IPTO, has been established as a (Special Purpose Vehicle – SPV) in order to finance and construct the project of Crete – Attica Interconnection

#### Phase 'B : Connection Crete - Attica



#### 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

Commissioning: 2023 Estimated budget: c. €1b Implementation: Ariadne Interconnection

#### **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)
- Nexans, prysmian, Hellenic cables
- Siemens the convertors

