



Regulatory Update

April 2017

Disclaimer

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The information presented or contained in this Presentation is current as of the date hereof and is subject to change without notice and its accuracy is not guaranteed.

More detailed information on potential risks that could affect our financial results is included 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).

RAE material as per Resolution 235/2018 for presentation purposes.

Regulatory overview¹

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

¹ For presentation purposes; ² Calendar RAB; ³ 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

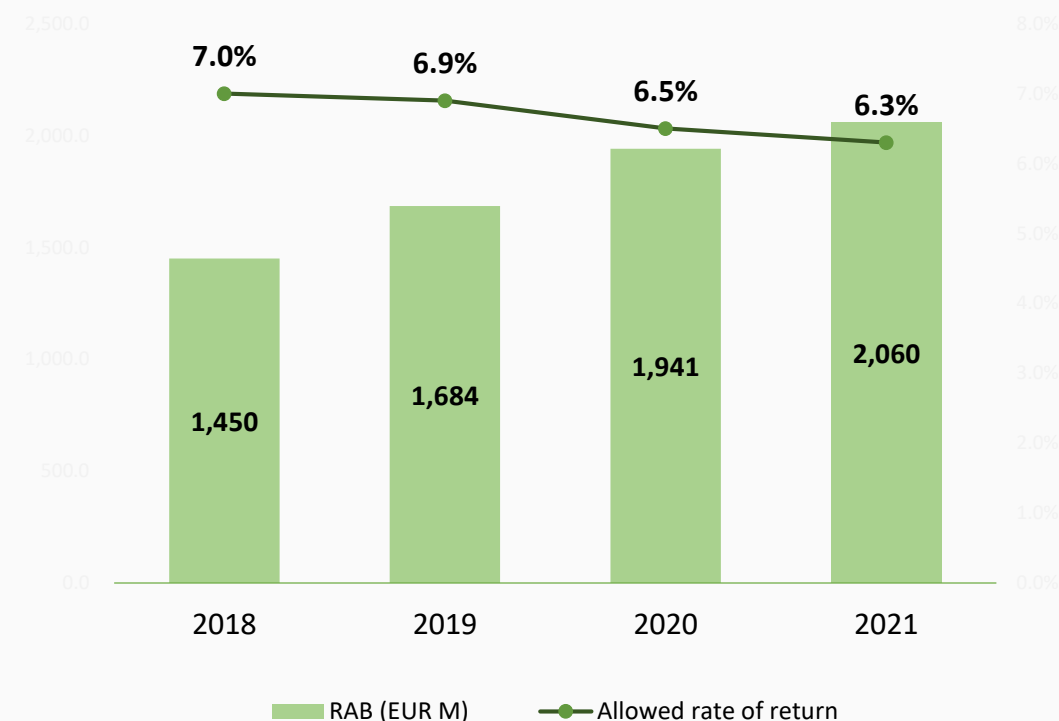
Allowed rate of return/WACC*

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

Revenue cap

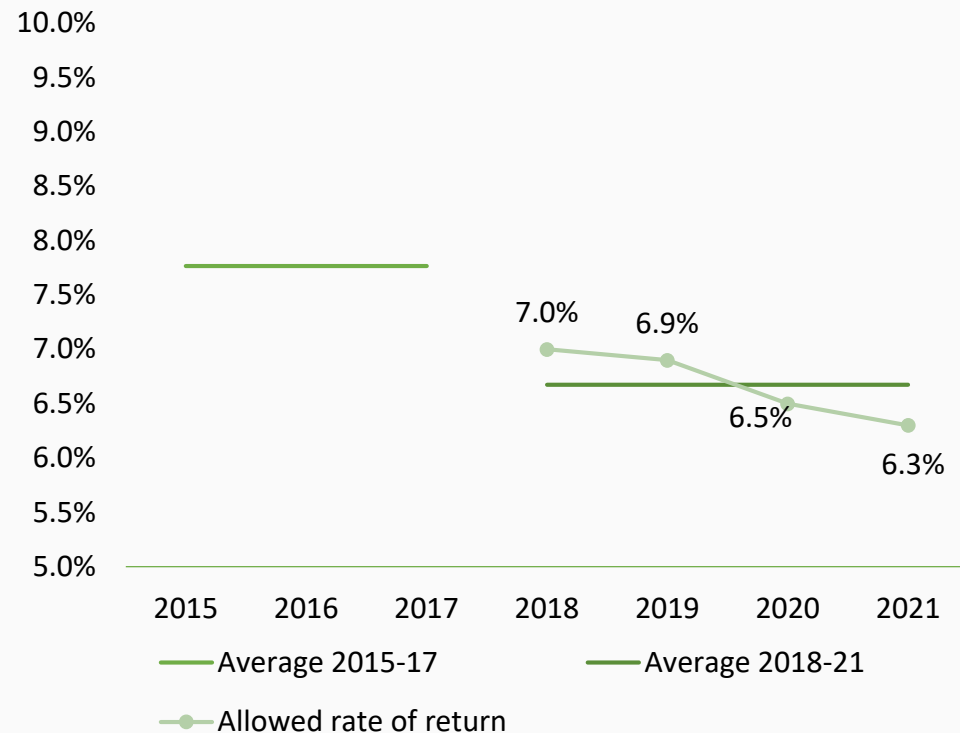
Allowed Revenue per year detailed across regulatory period; Required Revenue mandated annually

New Regulated Asset & Rate of Return

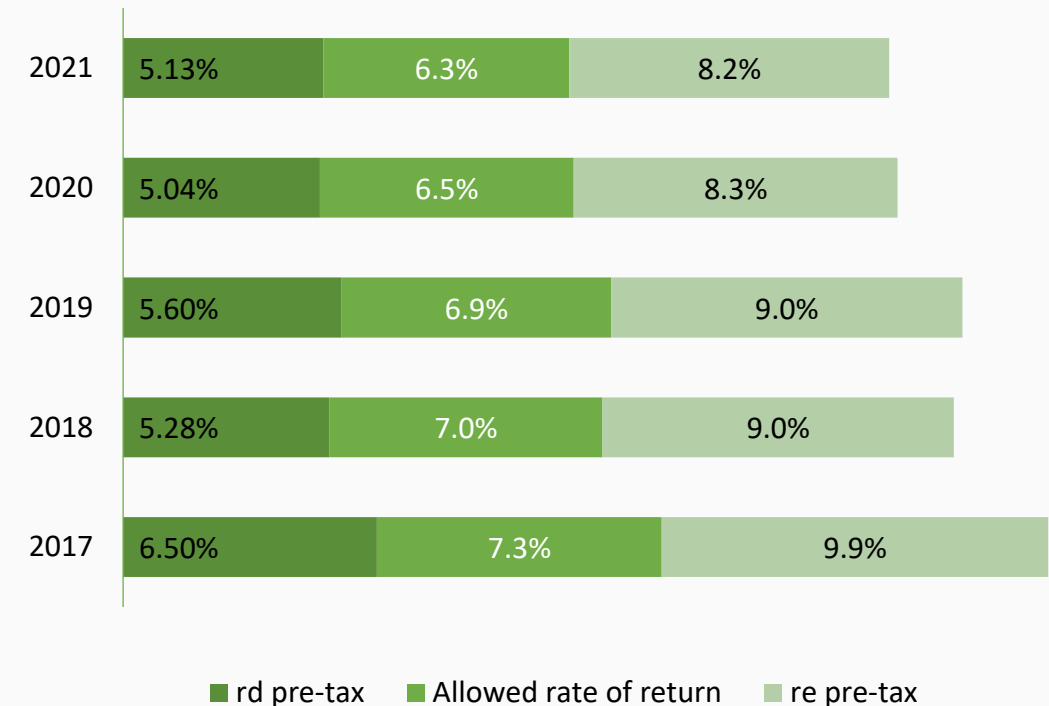


New, 4yr regulatory period 2018 – 2021

Regulated Rate of Return

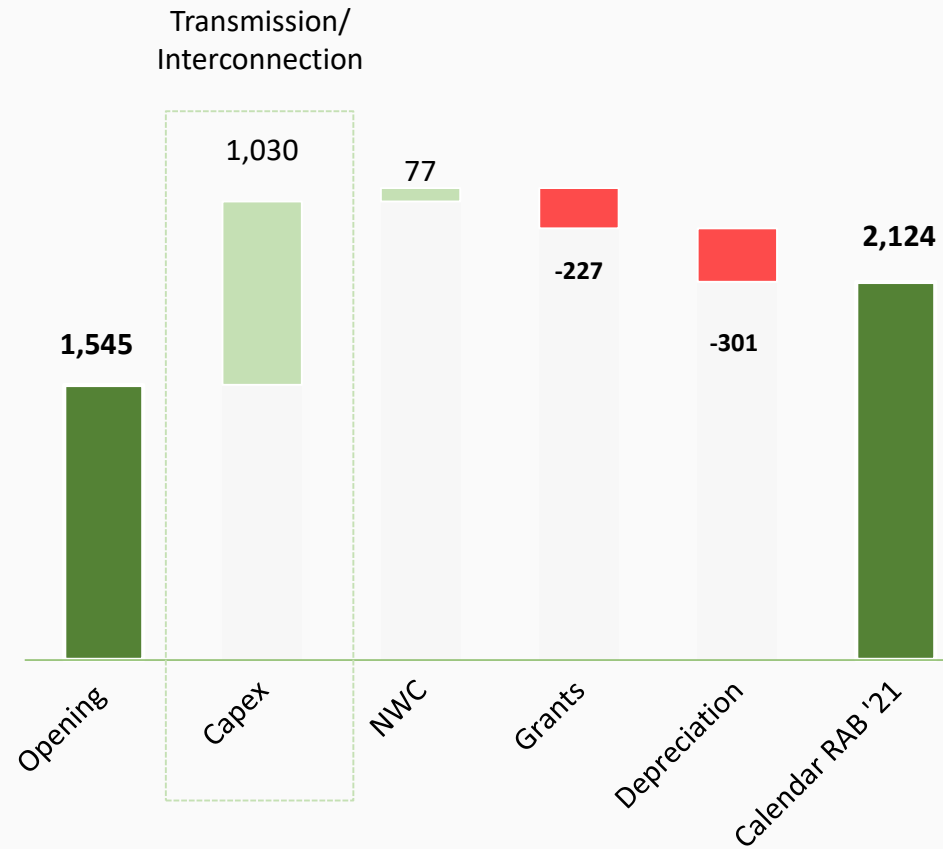


Regulatory WACC main components*



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

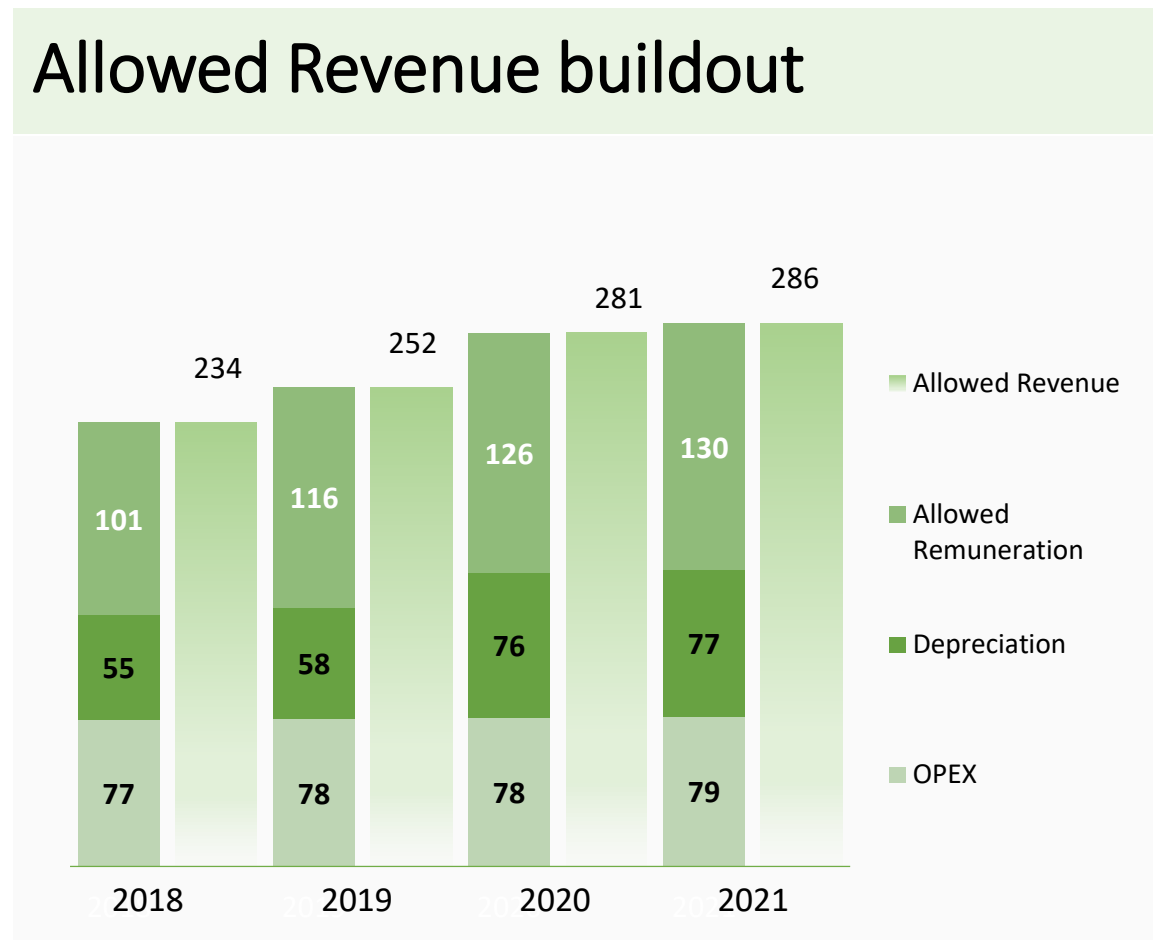
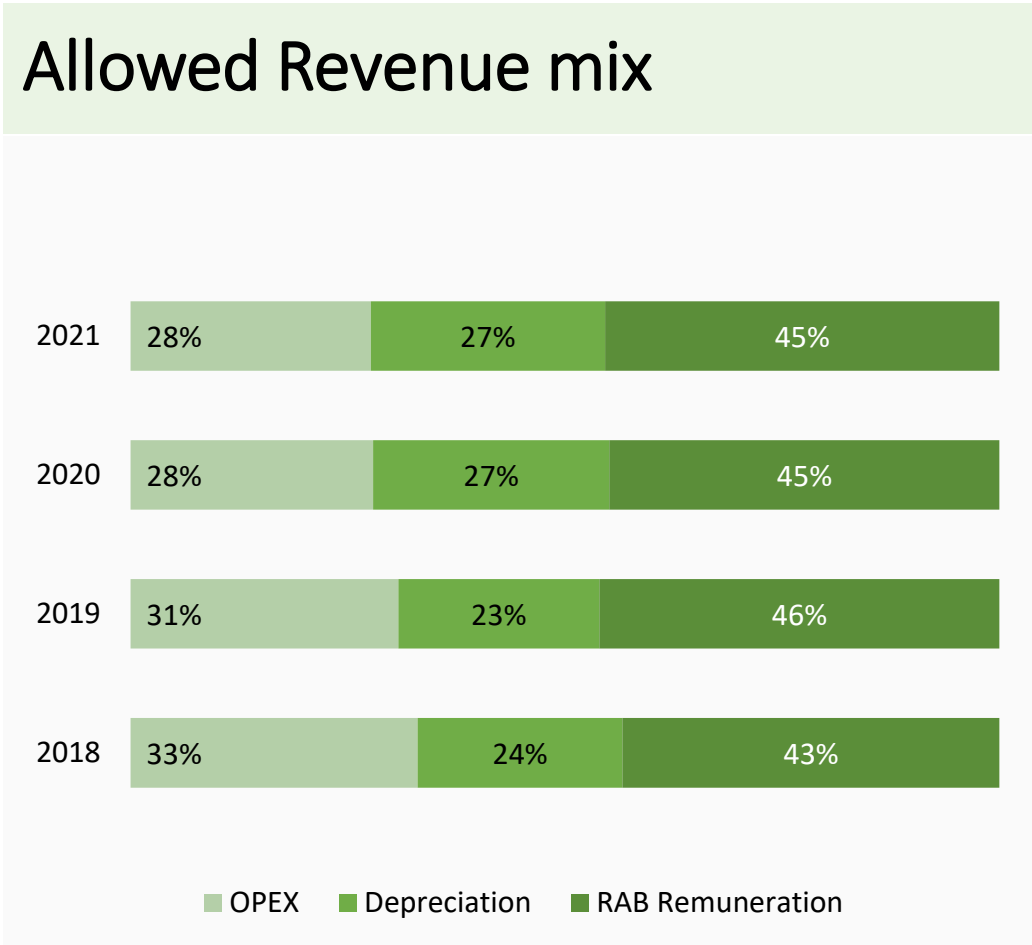
RAB cumulative 4yr evolution



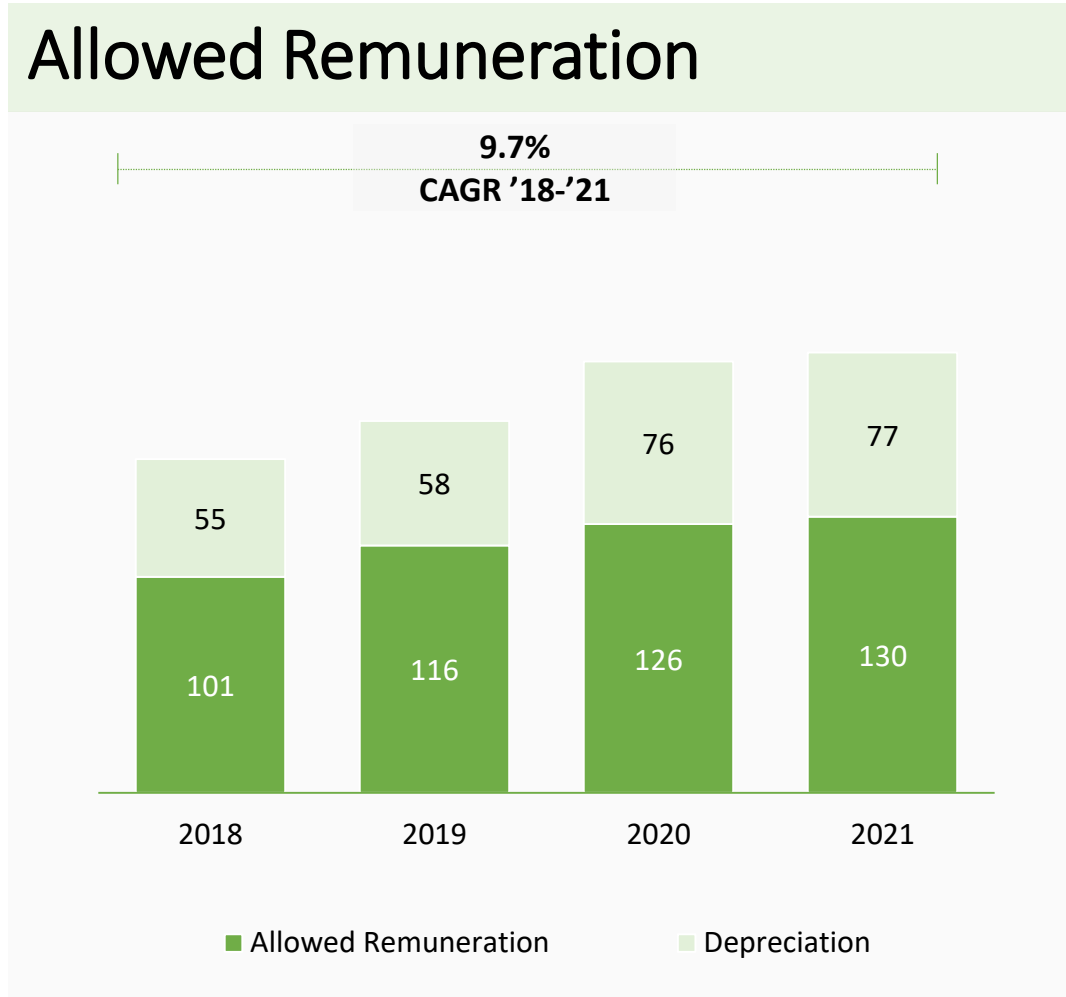
Average RAB evolution



Transmission investment-driven asset growth



Growing RAB remuneration



A clear path to higher profitability allowed

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 towards the top of the frame. The power lines are numerous and parallel, creating a strong sense of perspective. The background is a bright, overcast sky with soft, white clouds. In the lower-left corner, there is a white rectangular box with a thin black border containing the word "Appendix".

Appendix

EUR million	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

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%
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	7.6%	7.6%	7.1%	7.0%
Inflation	0.6%	0.6%	0.6%	0.6%
WACC real, pre-tax	7.0%	6.9%	6.5%	6.3%

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 (RR)	Amount recovered through System usage charges
$RR = AR \pm K \pm \Pi_1 \pm \Pi_2 - \Pi_3 \pm \Pi_4 - \Pi_5$	
$\pm K$ $\pm \Pi_1$ $\pm \Pi_2$ $-\Pi_3$ $\pm \Pi_4$ $-\Pi_5$	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



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