

*Speech by HEDNO CEO, Mr. Stefanos Oktapodas at the HEDNO New Year Celebration, 30 January 2019*

Minister,

Secretary-General,

President of the Regulatory Authority for Energy [PAE/RAE],

President and CEO of the Public Power Corporation [ΔΕΗ/PPC],

President and CEO of the RES and Guarantees of Origin Operator [ΔΑΠΕΕΠ/RESGOO],

President and CEO of the Independent Power Transmission Operator [ΑΔΜΗΕ/IPTO],

President of the General Federation of Power Industry Personnel [ΓΕΝΟΠ/GFPIP],

Representatives of Power Suppliers,

Honourable guests and dear colleagues,

I would like to warmly thank you for attending today's event for the HEDNO New Year Celebration and I would like to wish, with all my heart, a happy and creative new year, with health and happiness for all of us and our families.

2019 will be a very interesting year for me. Having recently taken over as the Company CEO, I know there will be many professional challenges.

Taking advantage of this opportunity, I would like to thank once again the shareholder, PCC SA and in particular its CEO, Mr. Manolis Panagiotakis, for his trust in me.

I would also like to offer heartfelt thanks to the Company's employees. The past year as well as the first

days of the new year were extremely demanding for all HEDNO staff.

We faced very difficult emergency situations, such as the almost total destruction of the Network from the deadly fire in Mati and Neo Voutza, as well as the severe bad weather that hit the country once the new year started. All the employees showed professionalism and responsibility in order to resolve the serious problems that occurred as quickly as possible, ensuring the restoration of power supply in the afflicted areas under particularly difficult and adverse conditions. I would like to thank them for their marathon efforts, which I am certain they will undertake again in the future, should similar emergency situations arise.

Moreover, I would like to thank our staff for the progress on another crucial front concerning electricity thefts.

Over the past year, the new framework against electricity thefts has been fully implemented, in accordance with the provisions of the Network Management Code and the Power Theft Manual and on the basis of fully standardised procedures and forms.

The first results are very encouraging. In 2018, HEDNO has completed 10,000 verified electricity theft cases and collected around € 10,000,000 against charged debts. The results from the consistent implementation of the new framework will become evident in the new year, while the Company will continue and intensify the declared "war" against this phenomenon, aiming first to restrain it and then drastically restrict it.

All of HEDNO forces have joined this "war" and I personally feel the need, as well as on behalf of all the members of the Board of Directors to offer, our heartfelt thanks to all colleagues involved at the frontline units, i.e the areas that bear the burden of this effort both in terms of finding and dealing with cases of electricity theft. The results, the very good results of this effort, will soon be

reflected in the substantial reduction of non-technical losses.

Ladies and gentlemen,

Important steps are also taking place in the process of modernizing the Company.

The Board of Directors recently approved the project for the implementation of the new Company Data Network, while a large number of mobile applications has been developed internally (concerning cut-offs, inspections, management of requests etc.). As a result, both our technicians and our subcontractors have been largely using mobile devices for their works. Following the relevant ministerial decision, the electronic procurement system has been fully implemented via the Cosmoone platform.

Early next month, bids will be submitted for the new Information System Servicing the Network Users, which is a very important project for the improved operation and modernization of HEDNO.

In addition, since September 2018, there have been partial deliveries of 224,000 low-voltage smart electronic meters while the assessment of the tender for the supply of 70 to 150 charging stations for electrical vehicles has been completed.

At the same time, HEDNO submitted a proposal to receive 2014-2020 CSF funding for new infrastructure projects.

In terms of the crucial infrastructure projects, I should mention that the construction of the new distribution centre of Rhodes has been completed and the implementation of the project for the installation of two new 150kv cable lines on the island has commenced. The goal is to provide them with electricity towards the end of 2019, allowing for the full operation of the Distribution Centre.

At the same time, the procedures for the construction of the new Distribution Centre and their respective cable lines in Chania II are moving along.

On the islands, we have made progress in the critical project of Island Network Control Centres, which is bound to reduce operating costs, improve quality, reduce losses and improve our productivity.

In the meantime, we have already opened up the procurement market in all 32 Non-Interconnected Islands (after Crete and Rhodes) and we have submitted our proposal on the methodology of pricing, guarantees and clearing the NIIs market to RAE, as well as a remuneration proposal for thermal power plants in the NIIs.

In addition to our islands, we have initiated major projects to upgrade the Mainland Network, such as the completion of the Network Control Centres in Attica and the 4 Regional ones, while tender proceedings for the procurement of remotely-controlled equipment costing over 50 million Euros have been scheduled.

Ladies and gentlemen,

HEDNO is one of the largest Electricity Distribution Network Operators in Europe and one of the main players in the national electricity market, with a multi-faceted role, responsibilities, duties and obligations.

The company manages the networks, which are strategic infrastructures that are crucial not only for the country's economy and citizens, but also for the development of the electricity market within the context of the national and European goals set in order to tackle climate change.

In order to continue responding effectively to the ever-increasing market demands, HEDNO needs to be modernized and digitized.

Its strategic projects aim at modernizing the Company through the adoption of innovative systems and new information and telecommunication technologies, which will usher in a new era with modern services and standardised procedures across the mainland and island Network.

HEDNO is evolving in a High-tech Company with multiple benefits, which will lead to the improvement of the quality of energy and services provided to all customers and the decrease of the Company's operational cost and, consequently, of the cost of the provided services.

However,

The modernization of HEDNO must start first from its internal operation. The Company needs to be reorganized and its transformation must begin from its structures and internal functions.

HEDNO must adopt a modern customer-driven model of flexible organisation and corporate governance. The re-organisation of its internal structures must be implemented on the basis of ensuring the focus of all employees on measurable goals as well as the ability to monitor the productivity and efficiency of any procedure relating to such goals, of any everyday activity that will gradually allow us to achieve the strategic vision of the Company.

The core for the transition to the new modern model is, of course, the Company's personnel. For this reason, the evaluation of HEDNO's employees must be completed through a system ensuring their maximum performance. The evaluation and good use of staff is a basic parameter for the efficient implementation of corporate strategy.

Our goal, is for the employees to develop their skills through the training they are being offered. The improvement of their performance is an integral part of HEDNO's corporate development.

The development of new skills and abilities that will be in line with the corporate values will become the support basis for improving our performance and achieving our strategic goals.

At this point, allow me to emphasise how important it is for the employees to believe that new knowledge can be gained not only for the Company's benefit, but also for their own benefit, their own advancement and development.

To facilitate HEDNO's transition to the new era, there is a great need to upgrade its staff and modernize its internal operation.

Its strategic projects demand new knowledge and specialisation. They demand new staff, not only in terms of age, but also in terms of know-how. They demand a flexible operational framework, similar to what most Sociétés Anonymes have.

The new development model must be based on a new way of thinking, focusing on the necessary reforms that will enhance the flexibility and independence of Companies that manage crucial national infrastructures, such as HEDNO.

Ladies and gentlemen,

This is a dynamic moment for reorganising. Many challenges lie ahead for all of us. HEDNO's employees must actively participate in this effort.

We must all commit to this new direction.

Thank you very much and I wish you again a happy and creative year.