

Overview of the Audit Committee Activities in 2021

1 COMPOSITION

- 1) The Audit Committee has been legally established in accordance with article 44 of Law 4449/2017 and article 74 of Law 4706/2020. The Audit Committee during the fiscal year 2021 had, until January 27, 2021, a three-member composition, chaired by Chariton (Harris) Kyriazis (non-member of the Board of Directors and independent within the meaning of the provisions of Law 3016/2002) and members Eleni Papakonstantinou and Alexis Komninos, both then independent non-executive members of the Board of Directors of ELLAKTOR¹

As of 27.1.2021, the Audit Committee consisted of Panagiotis Alamanos (Chairman, non-member of the Board of Directors and independent within the meaning of the provisions of Law 4706/2020) and Members Konstantinos Toumpouros² and Athina Chatzipetrou, both independent non-executive members of the Board of Directors of ELLAKTOR³.

- 2) The operation of the Committee is governed by the applicable legal framework and the Regulation of the Committee. ⁽⁴⁾

2 MEETINGS

To carry out its work, the Audit Committee conducted twenty (20) times in 2021, thirteen (13) of which were in full quorum.

3 OPERATIONS RELATED TO THE MONITORING OF THE STATUTORY AUDIT

- 1) The Audit Committee monitors performance of the statutory audit of the Company's individual and consolidated financial statements. In this context, it has held discussions with the external auditors and the financial services department, and:

¹ Their appointment was made by the General Assembly of July 25, 2018.

² Mr. Konstantinos Toumpouros was replaced on 11.02.2022 by Ms. Evgenia (Jenny) Leivadarou independent non-executive member of the Board of Directors.

³ They were elected by the Extraordinary General Meeting of the Shareholders of the Company dated 27.01.2021, in accordance with the conditions of article 44 of Law 4449/2017 and were constituted into a body during the first unsolicited meeting of the Audit Committee on 28.01.2021 by which it was unanimously and unanimously decided to appoint President of the Audit Committee, in accordance with the provisions of par. 1 par.(e) of article 44 of Law 4449/2017, Mr. Panagiotis Alamanos and its members Mrs. Athina Hatzipetrou and Mr. Konstantinos Toumpouros.

⁴ <https://ellaktor.com/epitropi-elegchov/kanonismos-leitovrgias-epitropis-elegchov/>

- i. It has been made aware of the independent auditors' schedule for the audit of the financial statements prior to its implementation, including risk assessment in the respective audit areas⁵ and the areas of significant interest for audit purposes.
 - ii. The Committee has been notified through interim meetings of any new important issues arising during the audit;
 - iii. It is aware of the contents of the Annual Audit Report for the year 2020, the respective Supplementary Report, as well as reports on the review of interim statements;
 - iv. The Committee is also aware of the tasks and remuneration for the non-audit services that have been assigned, has monitored and evaluated any threats to the auditors' independence and meticulously implemented the Policy for Assigning Non-Audit Tasks to External Auditors.
- 2) The Audit Committee has carefully examined: a) the appropriateness and consistency of applied accounting policies, in particular with regard to recognition of income, accounting estimates (focusing in detail on the assumptions on which they are based and their calculation models); b) any impairment of assets and the respective disclosures; c) accounting for the recognition, measurement and presentation of financial instruments; d) lease accounting; e) accounting for intangible assets and goodwill arising from the acquisition of subsidiaries.

The Audit Committee was also informed of the impairment tests and the assets on which they were performed, the assumptions for the recognition and measurement of provisions. In addition, it has reviewed all matters involving a significant degree of uncertainty, and the disclosures in the notes to the financial statements.

The Audit Committee has received explanations from the financial departments regarding the collection of trade and other receivables, and the adequacy of impairment provisions with regard to expected credit losses. It has also discussed and appreciates the extent to which deferred tax assets are collectable, as well as the adequacy of deferred tax liabilities duly recognised.

The Committee has requested details and duly received updates on all related party transactions and has reviewed the proper application of the provisions of Law 4548/2018. It has also examined the adequacy and appropriateness of the disclosures in the notes to the financial statements.

- 3) Furthermore, the Audit Committee has monitored the consolidation procedure, preparation of the consolidated financial statements, and the consistency of the application of IFRSs with regard to subsidiaries, associates and joint ventures. In this context, the Committee has requested and reviewed the reports received by the Group's independent auditors from the auditors of the component units, and has carefully reviewed the findings expressed in them.

The Audit Committee, closely monitoring the completion of the process of auditing the financial statements and fully understanding the importance of this process for the quality of financial information, has requested the approval of the of the Company's Board of Directors to institute statutory reviews by the independent auditors entrusted with the audit of the individual and consolidated financial statements.

⁵ These at a minimum cover the issues indicatively mentioned in the Hellenic Capital Market Commission Circular 1302/28-4-2017 p.4.

- 4) Taking into account the outcome of the audit of the individual and consolidated financial statements by the independent auditor, and in accordance with the results of its review, as well as the discussions it has held with executive personnel and others, the Audit Committee has made its recommendations to the Board of Directors with regard to approval of the financial statements for fiscal year 2020.
- 5) In addition, the Audit Committee has asked, in accordance with its standing request, that a statutory auditor be assigned for the purpose of obtaining issuance of a tax certificate for fiscal year 2021.
- 6) There was no reason to discuss a change of external auditor in 2021. It is emphasized that, by law, the external auditors are subject to replacement no later than fiscal year 2024.

4 INTERNAL AUDIT SYSTEM, INTERNAL AUDIT DIVISION

- 1) The Audit Committee monitors the effectiveness of all the policies, procedures and safeguards of the Company. To this end, as of the 3rd quarter of 2021 it has commenced, via the quarterly reports of the Internal Audit Division, to submit proposals to correct weaknesses and deficiencies in various areas within the Group.
- 2) The Audit Committee also monitors and supervises the proper functioning of the Internal Audit Division, in accordance with the professional standards and the applicable legal and regulatory framework, and evaluates its work, competence and efficiency, without, however, affecting its independence. It shall be noted that the Audit Committee is the only competent body to evaluate the Internal Auditor.
- 3) Within 2021, the Internal Audit Division has completed 18 regular audit reports in accordance with the scheduled plan for the year 2021 approved in the previous fiscal year. These regular audits, carried out the Internal Audit Division, represent 100% of the audits planned for the fiscal year 2021. One (1) extraordinary audit took place in 2021.
- 4) The Audit Committee reviews the staffing and organisational structure of the Internal Audit Division. In 2021, several proposals regarding the reinforcement of the staffing complement of the Department were considered. The Audit Committee will proceed with the first evaluation of the Internal Audit Division in 2022, after receiving the results of work on the degree of readiness of the Company and the Group in the light of the independent evaluation of the Internal Audit System.
- 5) The Audit Committee has approved the annual audit schedule prepared by the Internal Audit Division for fiscal year 2022, prior to its implementation, having assessed it in accordance with key business and financial risk sectors, as well as to the results of previous audits.⁶
- 6) The Audit Committee undertook and carried out the first phase of preparation of the Company and the Group for evaluation of the Internal Audit System by an independent

⁶ The Audit Committee receives updates on the work of the Internal Audit Division in addition to the reports prepared by it (regular and extraordinary). In 2021, 18 ordinary audit reports (3 on operations abroad and 15 on domestic operations) were discussed, as well as the annual follow-up report. The Committee also monitored the participation of the Internal Audit Division in consultancy work, and confirmed that these works in any case represented less than 30% of the permanent managerial staff's available working hours.

Evaluator, in accordance with the Company Regulation, which fully complies with Article 14 of Law 4706/2020 and Decision No 1/891/2020 of the Hellenic Capital Market Commission.

- 7) In this context, an invitation to tender was announced, with a public call for financial bids for the selection of a consultant to examine the degree of readiness of the Company and the Group in view of the forthcoming independent evaluation.
- 8) The Director of the Internal Audit Division was present at the meetings of the Committee throughout 2021.
- 9) The Committee has studied the contents of new Law 4706/2020 on Corporate Governance, in particular in relation to the new responsibilities and obligations of the Committee itself.

In cooperation with the Internal Audit Division, the Committee has approved the updating of the Operating Regulation for the department and has recommended its approval by the Board of Directors, having ensured that the changes in the new version of the Regulation are fully compatible with the provisions of Law 4706/2020.

At the same time, it proceeded, through the ongoing cooperation with the Board of Directors and the executives of the Company, to take all actions as required in order to ensure that the work of the Internal Audit Division includes, among others, proposals with regard to issues concerning the unimpeded verification of the adequacy of the Company's Internal Audit System, as defined by Law 4706/2020 and the respective decisions of the Hellenic Capital Market Commission. All audit reports (reports) were discussed in the Audit Committee after relevant explanations were offered by the Internal Audit Division.

5 RISK MANAGEMENT

The Audit Committee was informed of the assessment of the main risks and uncertainties facing the Company, conducted by the Internal Audit Division, and the correlations with the outcome of the scheduled tasks carried out by external and internal auditors.

6 SUSTAINABLE DEVELOPMENT

The ELLAKTOR Group, following best international practices and recognized standards, fully aligns its sustainable development activities with its corporate values, namely meritocracy and equal opportunities, cooperation and excellence, achievement and effectiveness, innovation and best practices, integrity and respect, encouragement and progress, health and safety.

In this context, special emphasis has been placed both on the achievement of the United Nations Sustainable Development Goals (SDGs) related to the Group's activities, as well as on highlighting key issues identified by the needs and expectations of stakeholders, based on a survey conducted every two years.

In particular, the actions and initiatives of the Group are focused on the following areas:

- Business ethics
- Low carbon economy

- Health, safety and development of employees
- Innovation
- Community support.

Regarding the reporting of sustainability data, the Sustainability Development Report includes information on actions implemented in 2021 in the Group with the aim of shielding and further improving its operation, as well as for actions that are planned for implementation in the near future. The Sustainable Development Report is drafted in accordance with the guidelines of the Global Reporting Initiative (GRI Standards) and the 10 Principles of the UN Global Compact are also taken into account (UN Global Compact), as is the Guide to the Disclosure of Non-Financial Information of the Athens Stock Exchange.

In 2021, it was decided to create a four-member Sustainable Development Committee, consisting in the majority of members of the Board of Directors. The Committee assists the Board of Directors of the Company in strengthening the long-term commitment of the Group, in order to increase its positive impact on the economy, society and the environment, creating added value for all stakeholders. The Commission met for the first time in 2022.

At present, with the support of an external consultant, the Group's approach to sustainability issues is being revised, with a view to implementing an integrated ESG framework, taking into account international developments in sustainable development issues.

7 COOPERATION WITH THE MANAGEMENT

- 1) Apart from the invitation of executives to the Committee meetings, the Chairman of the Committee systematically cooperates with the Group's CEO and other senior executives (about 10 meetings took place in 2021).
- 2) Throughout the year, the departments of the Group cooperated seamlessly with external and internal auditors, providing them with unimpeded full access to the information they required and generally facilitating their work.

8 COMMITTEE EVALUATION

During the year in question, the Audit Committee evaluated the adequacy of its current Operating Regulation and made changes as appropriate.

Kifissia, March 18th, 2022

The Chairman

The Members

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Panagiotis Alamanos

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Evgenia Leivadarou

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Athina Hatzipetrou