

## Overview of the Audit Committee Activities in 2022

### 1 COMPOSITION

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- 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 February 11, 2022, a three-member composition, chaired by Panagiotis Alamanos (non-member of the Board of Directors and independent within the meaning of the provisions of Law 3016/2002) and members Konstantinos Toumbouros and Athina Hadjipetrou, both then independent non-executive members of the Board of Directors of ELLAKTOR<sup>1</sup>.

As of 11.02.2022, 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 Evgenia Livadarou and Athina Hadjipetrou, both independent non-executive members of the Board of Directors of ELLAKTOR<sup>2</sup>

As of August 25, 2022, the Audit Committee has a four-member composition and consists of Panagiotis Alamanos (Chairman, non-member of the BoD and independent within the meaning of the provisions of Law 4706/2020) and members Athina Hadjipetrou, Evgenia (Jenny) Livadarou and Ioanna Dretta, both non-executive members of ELLAKTOR's BoD.

### 2 MEETINGS

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The operation of the Committee is governed by the applicable legal framework and the Regulation of the Committee.<sup>3</sup>

For the purposes of performing its various tasks, the Audit Committee met fifteen (15) times in 2022, twelve (12) of which were in full quorum.

### 3 Works related to the monitoring of the statutory audit

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<sup>1</sup> 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.

<sup>2</sup> By the decision of the Audit Committee dated 14.02.2022 and by the decision of the Extraordinary General Meeting of the Company dated 30.06.2022, Kostantinos Toumbouros was replaced by Eugenia (Jeni) Livadarou and by the decision of the Extraordinary General Meeting of the Company dated 25.08.2022, Ioanna Dretta was elected as a member. By the decision of the Audit Committee dated 25.08.2022, the committee was constituted into a body and its Chairman was elected from among its members.

<sup>3</sup> <https://ellaktor.com/epitropi-elegchov/kanonismos-leitovrgias-epitropis-elegchov/>

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:
  - (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 areas 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 2021, 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) accounting for leases; 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.

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 2021.
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 2022.

#### **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 2022, the Internal Audit Division has completed 17 regular audit reports in accordance with the scheduled plan for the year 2022 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 2022. In addition, two (2) unscheduled audits were carried out in 2022.
4. The Audit Committee evaluates the staffing and the organisational structure of the Internal Audit Division and the recruitment procedures have started for an experienced executive who will strengthen the Internal Audit Division. The Audit Committee proceeded with the evaluation of the Internal Audit Division for the year 2022.
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.<sup>4</sup>

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<sup>4</sup> 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 2022, 19 ordinary & extraordinary audit reports (7 on operations abroad and 12 on domestic operations) were discussed, as well as the annual follow-up report. The Committee

6. The Director of the Internal Audit Division was present at 13 out of the 15 meetings of the Committee throughout 2022.
7. The Committee continues to consider the changes brought about by Law 4706/2020 on Corporate Governance, in the powers and obligations of the Committee itself.

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**

ELLAKTOR Group places an active contribution to, and substantial promotion of, sustainable development at the heart of its business planning and the activities of its sectors. Ensuring a safe and fair working environment, substantial support for the economy and local communities, and reducing the impact of its activities on the environment are key principles of the Group. These commitments, which act as the fundamental guide to fulfilling its mission, are expressed through modern infrastructure projects that have been upgrading people's quality of life for decades, as well as environmental and energy projects that promote the circular economy and energy production through alternative and renewable sources, while creating added value for all its social partners.

During 2022, the Group's Sustainable Development strategy was redefined, specific short-term, medium-term and long-term objectives were set at the level of Environment (E), Society (S) and Governance (G), and the Group's new priorities regarding Sustainable Development were defined, which are summarised in innovation and digital transformation, climate change and the promotion of circular economy, the protection of health, safety and development of employees, social responsibility and integrity and business ethics. The above was presented and analysed in the Sustainable Development Report for 2021, which was published in July 2022.

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also monitored the participation of the Internal Audit Division in consulting works, and ensured that these works represented in any case less than 30% of the available working hours of the permanent Management staff.

Within 2022, the process of analysing the performance of the Group's companies, in terms of Sustainable Development, continued, in accordance with recognised international and national standards such as GRI, SASB and the ESG Information Disclosure Guide of the Athens Stock Exchange. This process made it possible to collect key quantitative data at company and activity level, with the aim of enhancing transparency and continuously improving the Group's ESG performance.

At the same time, the Sustainable Development Committee, the establishment of which was decided by the Group's Board of Directors at the end of 2021, met for the first time in 2022. The committee in question consists of a majority of members of the Board of Directors and helps to strengthen the Group's long-term commitment to increasing its positive impact on the economy, society and the environment, creating added value for all stakeholders. At the same time, during 2022 the Sustainable Development Policy, the Donations-Sponsorship Policy and the Diversity, Equality and Inclusion Policy were approved, while a Donations-Sponsorship Committee was established whose purpose is, among other things, to approve and implement the sponsorship Programme of the Group.

## **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.
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 assessment**

The Audit Committee conducted a self-assessment for the fiscal year 2021 and 2022.

During the financial year in question, the Audit Committee evaluated the adequacy of the current Rules of Procedure and made the appropriate changes.

**Kifissia, ..... 2023**

**The Chairman**

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Panagiotis Alamanos

**The Members**

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Athina Hadjipetrou

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Ioanna Dretta