



## **AUDIT COMMITTEE ACTIVITY REPORT**

02.06.2022

In my capacity as Chairman of the Audit Committee (hereinafter the "Committee") of AVAX SA (hereinafter the "Company") I would like to briefly present the Report of the Committee for the year 2021 (01.01.2021-31.12.2021), to demonstrate its essential contribution and assistance in the compliance of the Company with the provisions of the current legislative and regulatory framework in an environment characterised by intense and multilevel challenges and uncertainties.

The Company, fully complying with the provisions and requirements of article 37 of Law 3693/2008, elected at the Annual General Meeting of its shareholders an Audit Committee with the aim of supporting the Board of Directors in its duties relating to financial information, internal audit and regular external audit supervision.

This Audit Committee now operates in accordance with the provisions of article 44 of Law 4449/2017 (which replaced the provisions of Law 3693/2008) and comprises a Chairman of the Committee, Independent, non-executive member of the Board of Directors of the Company, as well as an independent non-executive member and a non-executive member of the Board of Directors of the Company, who were appointed by the General Meeting of Shareholders on 24.06.2021. The members of the Committee as a whole have proven sufficient knowledge in the field in which the Company operates and in particular in the Construction sector, while the majority of them have proven sufficient knowledge in accounting and auditing issues, which is particularly the case of the member who heads the Audit Committee.

The Audit Committee comprises the following Members:

Siatis Christos	Chairman	Independent Non-Executive Board Member
Sotirakopoulos Alexios	Member	Independent Non-Executive Board Member
Ekaterini Pistioli	Member	Non-Executive Board Member



In particular, with regard to the Commission's actions during the previous year:

#### **A. Meetings-frequency of performance of each member of the Board per year at meetings**

The Committee meets at least four (4) times a year. The Chairman of the Committee decides on the frequency and schedule of meetings. External auditors are entitled to request the convening of the Commission if they deem it necessary.

In 2021 the Committee met 5 times, more specifically on: 01.02.2021, 29.03.2021, 22.04.2021, 27.09.2021, 16.12.2021, with all its members plus the internal auditors attending all meetings, while most of the committee meetings were attended by key executives in charge of the administration and management of corporate affairs and activities.

Minutes were kept for all meetings of the Commission in 2021.

The following main issues were examined in 2021:

#### **B. External Audit / Financial Information Procedure**

The Audit Committee was mainly concerned with:

- The process of financial information and the evaluation of the financial statements of the Company (annual and semi-annual) in terms of their accuracy, completeness and consistency. The financial statements were found in accordance with their legally binding content and preparation framework, while it was also verified that publicity rules were observed, and there was immediate and uninterrupted access to them.
- The supervision of the official announcements concerning the financial performance of the Company and the examination of the main points of the financial statements that contain significant judgments and estimates by the Management.
- The provision of additional services to the Company by the auditing company BDO which the regular auditor Mr. Andreas Konstantinou works for. The selection and determination of the terms of cooperation and the remuneration of the regular auditor, through the proposal made during the Annual General Meeting of the Company as well as the selection criteria (provision of high-quality services, fair, reasonable and competitive remuneration, etc.).
- The confirmation of the independence of the regular auditor, the objectivity and the efficiency of the audit process, based on the relevant professional and regulatory requirements in Greece. The regular



auditor was summoned by the Commission, to which he confirmed his independence and the absence of any external direction or directive or recommendation in the performance of his duties. Monitoring and ensuring the completeness, objectivity and effectiveness of the regular external auditor is a key priority of the Commission.

- The process of performing the mandatory audit of the company and the consolidated financial statements of the Company, as well as the content of the supplementary report submitted by the regular auditor.

### **C. Sustainable Growth Strategy**

The Audit Committee examined the implementation of the sustainable growth strategy by the Group at all levels and areas of activity. During the relevant examination, it was found that the objectives of the Group have included essential issues of employment, health, safety and welfare of employees, financial performance, supply chain, corporate governance, compliance and business ethics, health and safety, energy consumption and respect and the protection of the environment and the smooth coexistence with the local communities in which the Group operates.

The Audit Committee also examined the commitment of the Management in the strict observance of current legislation and the full implementation of the strategic goals that have been set regarding the objectives for the reduction of the Group's environmental footprint and the sustainable growth of the localities.

### **D. Internal Audit and Risk Management System / Internal Audit Unit**

- Supervising the Company's internal controls and monitoring the effectiveness of the Company's internal control and risk management systems, to ensure that the main risks (indicatively, raw material price fluctuation risk, credit risk, liquidity risk, foreign exchange risk, interest rate risk, capital adequacy risk, risks from the imposition of capital controls and restrictions on the banking system, etc.) are identified, dealt with and publicly disclosed.
- Ensuring the independence of the internal control unit, monitoring its smooth operation, in accordance with international standards for the professional implementation of internal control, along with the current legal and regulatory framework.
- Informing the Commission about the work of the internal control unit and its reports, the evaluation of the project, the adequacy and the efficiency of the unit.



- The information of the Board of Directors of the Company regarding the areas which the Audit Committee, during the exercise of its work, found essential issues that need to be reckoned with, and the monitoring of the response of the Management on them.
- The determination and examination of the operating regulations of the Company's internal control unit.
- The identification of possible cases of conflict of interest during the Company's transactions with related parties or any unusual transactions that have not taken place under normal market conditions and the submission of the relevant reports to the Board of Directors.
- I must note that during the exercise of our work, we had and have unhindered and full access to all the information required, while our Company provides the necessary infrastructure and space to perform our duties effectively.

The Chairman of the Audit Committee

Christos Siatis