

**ANNUAL ACTIVITY REPORT OF THE AUDIT COMMITTEE OF THE COMPANY**  
**“INTRAKAT SOCIETE ANONYME TECHNICAL AND ENERGY PROJECTS”**  
**FOR THE FISCAL YEAR 01.01.2023 – 31.12.2023**

To:

The Board of Directors and the Shareholders of the company

Intrakat Société Anonyme Technical and Energy Projects

Paiania, 17.04.2024

The present report concerns the Activities of the Audit Committee for the year 2023, in accordance with the provisions of par. 1 (i) of article 44 of Law 4449/2017, as in force, in order to demonstrate the contribution and assistance of the Audit Committee to the Company's compliance with the provisions of the applicable legislative and regulatory framework. It includes in particular a reference to the activities of the Audit Committee for the period from 01.01.2023 – 31.12.2023

## **1. Purpose**

The purpose of the Audit Committee is to assist the Board of Directors (hereinafter referred to as the "BoD") in fulfilling its supervisory duties regarding the financial reporting process, the internal audit system and its implementation as well as the external audit process.

Without prejudice to the responsibility of the BoD members, the Audit Committee, inter alia:

- (a) informs the BoD of the outcome of the statutory audit and explains how the statutory audit contributed to the integrity of the financial reporting and what the role of the Committee was in this process,
- (b) monitors the financial reporting process and makes recommendations or proposals to ensure its integrity,
- (c) monitors the effectiveness of the company's internal audit, quality assurance and risk management systems and, as the case may be, of its internal audit department, in terms of the Company's financial reporting, without violating its independence,
- (d) monitors the statutory audit of the annual separate and consolidated financial statements and in particular its performance, taking into account any findings and conclusions of the competent authority in accordance with paragraph 6 of Article 26 of Regulation (EU) No 537/2014,
- (e) reviews and monitors the independence of certified auditor accountants or auditing firms in accordance with articles 21, 22, 23, 26 and 27, as well as article 6 of Regulation (EU) No 537/2014 and especially the suitability of non-audit services rendered to the Company in accordance with article 5 of Regulation (EU) No 537/2014,
- (f) is responsible for the selection process of certified auditor accountants or auditing firms and proposes the certified auditor accountants or auditing firms to be appointed in accordance with article 16 of Regulation (EU) No 537/2014, unless par. 8 of article 16 of Regulation (EU) no. 537/2014 applies.

## 2. Composition – Rules of Procedure

The Company's Audit Committee consists of at least three members and constitutes:

- (a) a committee of the BoD, consisting of non-executive members, or
- (b) an independent committee, consisting of non-executive members of the BoD and third parties, or
- (c) an independent committee, consisting only of third parties.

The type of Audit Committee (committee of the BoD or independent committee), the term of office, and its composition (the number of members, which cannot be less than three and their capacities in relation to the Company), are decided by the Company's General Meeting, before the election of the persons-members of the Audit Committee.

During the year 2023, the composition of the Audit Committee was as follows:

1. Nikolaos Vougioukas, Chairman,
2. Panagiotis Antivalidis, Member and
3. Athanasios Schizas, Member.

The above members of the Audit Committee meet all the conditions of par. 1 of article 44 of Law 4449/2017, as in force, and are able to implement their powers and obligations provided in par. 3 of article 44 of Law 4449 / 2017, as in force.

More specifically:

(a) **The independent non-executive BoD member, Mr Nikolaos Vougioukas.** Nikolaos Vougioukas is an Economist, a graduate of the Athens University of Economics in Economic Sciences, with postgraduate studies in England (Master of Arts in Management Science, University of Kent), and a very experienced executive with extensive experience in the banking sector in many critical areas. He has worked for the Bank of America NT & SA (1982-1987) and the Barclays Bank in Greece and England (1987-1991). From 1991 to 1997 he worked as Deputy General Manager of Credit Lyonnais Greece S.A. in Athens and from 1997 to 2001 he was Assistant to the General Manager of the Shipping Centre of the Bank of Nova Scotia (Shipping Division) and was also a member of the Management Committee in Greece. For ten years (2001-2011) he worked at FBB-First Business Bank S.A. as General Manager of Maritime, member of the Management, Credit, Asset and Liability Management (ALCO) and Executive Committees. Since then and until today he has been working as a Business Consultant. He has served as Chairman of the Association of Maritime Banking & Finance Executives, and as a member of the Propeller Club. In addition, he is a member of the BoD of PAGRITIA BANK S.A.

(b) **The independent non-executive BoD member, Mr Panagiotis Antivalidis.** Panagiotis Antivalidis is a graduate in Civil Engineering from the Aristotle University of Thessaloniki. He was born and resides in Thessaloniki, where he completed his studies in Secondary Education. He enrolled at the School of Civil Engineering of the Aristotle University of Thessaloniki in 1982 and graduated in 1988. Since 1989 he has maintained a technical office for the design and construction of private projects, while in 1996 he founded the company under the name Dyas Construction, which has designed and constructed dozens of residential buildings in Thessaloniki and hotels in Halkidiki. In 2016 he founded the construction company "MACKAY EMERALD ESTATES", which operates in the Northern Suburbs of Athens, having developed luxury residential complexes in Kifissia, Kefalari, Politia and Kastri. He is actively involved in the field of engineering being an elected member of the Technical Chamber of Greece (T.E.E.) delegation from 2006 until today. He served as a member of the Central Steering Committee of T.E.E. from 2010 to 2020, General Secretary of the Steering Committee of T.E.E. - TKM from 2010 to 2013, as well as First ViceChairman of the Hellenic Association of Civil Engineers from

2009 to 2010. He participated in numerous committees and working groups of T.E.E.

(c) **The independent non-executive BoD member, Mr Athanasios Schizas.** Athanasios Schizas is an Electrical Engineer and has almost forty years of professional experience in business organization and management as well as in the management of large and complex projects, while in recent years he specializes in energy issues as an Independent Consultant in related projects. During the first years of his career, he worked as a Designer, Contractor and Supervising Designer in numerous projects, as well as manager of consortium projects in numerous road, building and railway projects, as well as for projects of the Ministry of Public Order, while he served as a consultant to the Ministry of Public Order and as a Senior Consultant Coordinator for the monitoring and installation of the Athens 2004 Olympic Games System. Since 2011 he has worked as a Project Management Consultant in a number of energy projects related to the development and installation of photovoltaic and wind power generation systems. During the period 2015-2019 he served as CEO of "GAIA OSE", while from March to September 2019 he served as CEO of "EGNATIA ODOS SA". During the period 2020-2021 he was Management Consultant to "EUNICE ENERGY GROUP" (2020-2021) on wind farms and autonomous energy storage systems and since then and until today he is employed as an Independent Energy Consultant on issues of energy market, energy strategy, energy systems development and energy investments. He is a member of the Technical Chamber of Greece and the Panhellenic Association of Graduate Mechanical and Electrical Engineers.

### 3. Meetings

During the year 2023 the Audit Committee held **thirteen (13) meetings**, in which all of its members participated and during which the Audit Committee took decisions on the following issues:

- **Meeting held on January 9, 2023, with agenda item:**

Evaluation of the adequacy of the provision of non-audit services by "Grant Thornton Business Solutions SA." The Committee took into account paragraph 3(e) of Article 44 of Law 4449/2017, and having assessed the nature of the services provided, it considered that they do not pose a threat to the independence of the auditors with regard to the audit for 2023, in accordance with the provisions of Article 44 of Law 4449/2017 and Article 5 of Regulation (EU) No. 537/2014.

- **Meeting held on February 13, 2023, with agenda item:**

Completion of scheduling the audit of the consolidated and separate financial statements of the Company for the financial year from 01.01.2022 to 31.12.2022.

- **Meeting held on February 15, 2023, with agenda items:**

(a) Update on the work of the Internal Audit Unit and the Internal Audit Reports during the 4th quarter of 2022. The Internal Audit Reports for the Equipment Division, the Energy Division of the INRAKAT Group and Corporate Governance were presented in detail.

(b) Discussion of the Annual Report for 2022

(c) Annual evaluation of the Internal Audit Unit Manager and strengthening of the Internal Audit Unit personnel.

- **Meeting held on March 6, 2023, with agenda item:**

Key audit matters of the consolidated and separate financial statements of the Company for the financial year from 01.01.2022 to 31.12.2022. Briefing of the Committee by the Company's statutory auditors on the development and progress of the audit of the consolidated and separate financial statements of the Company for the fiscal year 2022 and presentation of the key audit matters.

- **Meeting held on March 31, 2023, with agenda item:**

Discussion of the Assessment Report of the Company's Internal Control System (ICS) prepared pursuant to Article 14, par. 3.j of Law 4706/2020, and the relevant decisions of the Board of Directors of the Hellenic Capital Market Commission.

- **Meeting held on April 25, 2023, with agenda items:**

(a) Review of the draft Annual Report of the Group and the Company for the fiscal year from 01.01.2022 to 31.12.2022 prepared in accordance with International Financial Reporting Standards (IFRS), which includes the Annual Financial Statements of the Group and the Company, the related Management Report and the Corporate Governance Statement of the Board of Directors as well as the Independent Auditor's Report.

(b) Approval of the Report of the Audit Committee for the fiscal year 2022, prepared in accordance with the provisions of Art. 44 of Law 4449/2017, as amended.

- **Meeting held on May 19, 2023, with agenda item:**

Update on the work of the Internal Audit Unit and Internal Audit Reports during Q1 2023.

- **Meeting held on June 6, 2023, with agenda items:**

(a) Recommendation for the election of statutory auditors - accountants for the audit of the financial statements of the Company and the Group for the fiscal year from 01.01.2023 to 31.12.2023 and determination of their fees, whereby the Chairman of the Committee presented to the members the offer of the auditing firm "Grant Thornton SA" regarding the annual statutory audit, semi-annual review, tax audit and assurance reports for the company. The Committee took into account the above and unanimously decided to recommend to the Board of Directors and the forthcoming Regular General Meeting of the Company's shareholders the appointment of the auditing firm "Grant Thornton SA" for the audit of the financial statements of the Company and the Group for the fiscal year from 01.01.2023 to 31.12.2023.

(b) Evaluation of the adequacy of the provision of non-audit services by "Grant Thornton Business Solutions SA." The Commission took into account paragraph 3(e) of Article 44 of Law 4449/2017, and having assessed the nature of the services provided, considered that they do not pose a threat to the independence of the auditors with regard to the audit of the financial year 2023, in accordance with the provisions of Article 44 of Law 4449/2017 and Article 5 of Regulation (EU) No. 537/2014.

- **Meeting held on August 2, 2023, with agenda items:**

(a) Update on the work of the Internal Audit Unit and the Internal Audit Reports during the Q2 2023

(b) Evaluation of the adequacy of the provision of non-audit services by "Grant Thornton Business Solutions SA." The Commission took into account the paragraph 3(e) of Article 44 of Law 4449/2017, and having assessed the nature of the services provided, considered that they do not pose a threat to the independence of the auditors with regard to the audit of the financial year 2023, in accordance with the provisions of Article 44 of Law 4449/2017 and Article 5 of Regulation (EU) No. 537/2014.

- **Meeting held on August 10, 2023, with agenda item:**

Strengthening the internal control procedures for external projects. The BoD decided to strengthen the internal control procedures of the internal audit of external projects by the ACU and to reinforce the reports of this Unit on external projects.

- **Meeting held on September 25, 2023, with agenda item:**

Review of the draft separate and consolidated financial statements of the Company for the period from 01.01.2023 to 30.06.2023 prepared in accordance with International Financial Reporting Standards (IFRS).

- **Meeting held on October 31, 2023, with agenda items:**

(a) Update on the work of the Internal Audit Unit and the Q3 2023 Internal Audit Reports. In particular, there was a review of the work of internal construction sites of the INTRAKAT Group, a review of the Group's procurement and subcontracting activities, a review of the work of the National Social Security Fund (EFKA) department and a review of the Group's cash flow adequacy.

(b) Assessment of the suitability of the non-audit services provided by Grant Thornton Business Solutions SA and Grant Thornton SA. The Committee took into account paragraph 3(e) of Article 44 of Law 4449/2017 and having the auditors with regard to the audit of the financial year 2023, in accordance with the provisions of Article 44 of Law 4449/2017 and Article 5 of Regulation (EU) No. 537/2014.

(c) Revision of the Internal Audit Unit's Operating Regulations and the Audit Committee's Operating Regulations, with the aim of simplifying and clarifying their provisions.

- **Meeting held on December 12, 2023, with agenda items:**

(a) Approval of the Annual Work Plan of the Internal Audit Unit for 2024, accompanied by an inventory of the audit universe and the audit risk matrix.

(b) Discussion on the Monthly Assessment Reports of Foreign Activities for September and October 2023.

(c) Approval of the Manual of Policies and Procedures of the Internal Audit Unit, which contains the principles and policies of the Internal Audit Unit, the rules governing the operation of the Unit, the types of audits it carries out and the main stages in the conduct of audit work, the Unit's reporting framework and the criteria for measuring its performance

It is noted that during the Committee's meeting held on January 31, 2024, the Committee was, inter alia, informed about the work of the Internal Audit Unit and the Internal Audit Reports during the Q4 2023 and, it also discussed the Annual Report of the Internal Audit Unit for 2023.

#### **4. Internal Control System**

During the year, the Audit Committee was particularly involved in monitoring, reviewing and evaluating the adequacy and effectiveness of the Company's policies, procedures and internal controls in relation to the internal control system to ensure that the main risks are identified and addressed in accordance with applicable and international practice.

Furthermore, a significant area of activity of the Committee was planning and monitoring the work of the Internal Audit Unit as mentioned in paragraph 3 above, with emphasis and instructions regarding compliance with professional standards, training and the preparation of audit reports and statements and, above all, regarding independence, which was not affected in the slightest by the Committee's monitoring and supervision as described above. The Unit was reinforced with employees both in the first half of 2023 [with the recruitment of one (1) employee] and in the second half of 2023 [with two (2) employees, through the acquisition of AKTOR SA].

With regard to risk management, sustainable development and regulatory compliance, these are areas that were under the supervision of the Audit Committee until the beginning of 2023, when the Board

of Directors decided to establish the Sustainability and Compliance Committee.

## **5. Sustainability Development Policy**

The Company has a Sustainability Development Policy which is part of the Company's Rules of Procedure. The Sustainability Development Policy reflects the commitments undertaken by the Company regarding each of the pillars of sustainable development, in the framework of which, the Company seeks, inter alia:

- to maintain customer satisfaction at high levels
- to ensure a fair working environment, with respect for human rights, diversity and equal opportunities for all employees
- to ensure the health and safety of employees, but also of all its partners (customers, suppliers and third parties) in the workplace
- to protect the environment and conserve natural resources
- to address the effects of climate change and take initiatives to strengthen the resilience and sustainability of local communities
- to actively contribute to society as a whole and to local development

The Company seeks to respond responsibly to contemporary economic, environmental and social challenges by following international standards and investing in partnerships and initiatives that enhance corporate social responsibility and create appropriate conditions for the achievement of the UN's 17 Sustainable Development Goals 2030.

## **6. Conclusions**

Considering the above, the Audit Committee estimates that the operation of the Company is supported by an integrated framework of a responsible and sustainable business development, which seeks to balance economic, environmental and social needs and create value for the Company and its co-participants (customers and suppliers, employees and local communities) in the long run.

### **The Audit Committee**

Nikolaos Vougioukas, Chairman

Athanasios Schizas, Member

Panagiotis Antivalidis, Member