

Report from the Chairman of the Audit Committee to the shareholders to the Annual General Assembly on the activities of the Audit Committee based on the planned activities.

1. Audit Committee

The purpose of the Audit Committee is to assist the Board of Directors in fulfilling its supervisory duties regarding (i) the Financial Reporting process, (ii) the internal audit system, (iii) the internal audit, (iv) the external audit process, (v) the GEK TERNA Group's procedures for monitoring compliance with laws, regulations and the Code of Conduct and (vi) the Corporate Governance System. The Committee is established and operates in accordance with all applicable laws and regulations.

Composition

The General Assembly of June 20, 2023, elected a new four-member Audit Committee for a two-year term, which was constituted as follows:

1. Spyridon Capralos, independent non-executive member of the BoD, Chairman of the Committee,
2. Apostolos Tamvakakis, non-executive member of the BoD
3. Athanasios Skordas, independent non-executive member of the BoD, and
4. Angelos Tagmatarchis, third independent person, non-member of the Board of Directors

The above composition of the Audit Committee is in accordance with the provisions of article 44 of Law 4449/2017, i.e. all members of the Audit Committee have sufficient knowledge in the fields in which the Company operates.

In addition, Mr. Tamvakakis and Mr. Tagmatarchis have sufficient knowledge in the field of auditing and accounting.

It is noted that the Audit Committee, according to the decisions of the General Assembly of July 1, 2021, until 26.04.2023 had the following composition:

1. Apostolos Tamvakakis, independent non-executive member of the BoD, Chairman of the Committee,
2. Spyridon Capralos, independent non-executive member of the BoD
3. Dimitrios Afentoulis, non-executive member of the BoD and
4. Angelos Tagmatarchis, who is a third independent person, non-member of the Board of Directors

The Board of Directors at its meeting on 26.04.2023, following the proposal of the Nominations Committee, reviewed the fulfilment of the independence criteria provided for in article 9 of Law 4706/2020, in accordance with the specific provisions of the relevant Minutes

of the meeting. During this procedure it was found that Mr. Apostolos Tamvakakis, Chairman of the Audit Committee, had ceased to meet the independence criteria as provided for in Article 9 para. 1 of Law 4706/2020, as he had served as a member of the Board of Directors of the Company for more than nine (9) financial years. Due to the fact that the term of office of the Audit Committee expired on 30.06.2023, it was decided that the Audit Committee would continue its work with the remaining three (3) members, chaired by the independent non-executive member of the BoD, Mr. Spyridon Capralos, until the Annual General Assembly of 20.06.2023, and was constituted into body corporate at the meeting of the Committee on 26.04.2023.

Terms of operation

The Audit Committee meets at least four times a year, with the authority to convene additional meetings if circumstances require in compliance with its action plan to perform the duties and responsibilities assigned to it.

The Secretary of the Audit Committee, after communicating with the Chairman and the other members of the Committee, the Head of the Internal Audit Unit and other executives or third parties if required, sends (himself or another authorized executive) to the members of the Committee, the items of the agenda and a relevant invitation via e-mail to those expected to attend or an electronic invitation via videoconference platform if the meeting is held via teleconference.

All members of the Audit Committee are expected to participate in the meetings, either in person or via teleconference or video-conference. Decisions shall be made by a majority of the members present. The Committee may invite members of the Company's Management, executives of the Company or its subsidiaries, or any other person (employee, partner, etc.) to participate in meetings and provide relevant information, where necessary.

The Committee organizes meetings with the external auditors and with the Executive Directors. If required, joint meetings may be held with the Audit Committees of subsidiaries of the Group. Agendas shall be prepared and provided to members in advance, together with appropriate supporting material. Minutes are kept with a full record of decisions and actions on the items discussed.

Every six (6) months or more regularly, if necessary, the Committee prepares and submits to the Board of Directors reports on its activities on important issues and once a year, an activity report (including the evaluation of its work and a description of the Sustainable Development Policy implemented by the Company) which is addressed to the Annual General Assembly of shareholders.

The Audit Committee will be evaluated periodically every 3 years. During 2023, the self-evaluation of the Audit Committee for the year 2022 was completed, in the context of the self-evaluation of the Board of Directors and its Committees. The results of the self-evaluation were considered satisfactory.

The Audit Committee's Rules of Operation, approved by the Board of Directors of the Company, are posted at the following link:

<https://www.gekterna.com/userfiles/25cf6784-d046-4d9e-ac0f->

Responsibilities of the Committee

The Audit Committee has the following, per section, basic responsibilities:

- Oversees the drafting process of the Company's financial statements and other financial reporting and examines their reliability. It shall inform the Board of Directors of the results of the statutory audit. It monitors the financial reporting process and submits recommendations or proposals to ensure its integrity.
- Ensures the smooth conduct of internal audit work by providing its support to the competent Internal Audit Unit and periodically evaluating the adequacy and reliability of the methods and procedures used to carry out its work. Its main objective is the early diagnosis and analysis of business risks so that the Board of Directors can react quickly to address them.
- The Audit Committee receives the reports of the Internal Audit Unit, evaluates their content, proposes to the Board of Directors the head of the Unit, evaluates its efficiency and effectiveness and based on these recommends the continuation or termination of its duties.
- Monitors the conduct of the regular auditor's work and assesses whether it complies with the relevant legal – regulatory framework, international standards and best practices. It also investigates and evaluates the adequacy of knowledge, professional consistency, independence and effectiveness of the regular auditor, and based on these recommends to the Board of Directors the continuation or termination of the performance of its duties.

Method of Evaluation

The Committee shall evaluate its work annually. In the context of the annual evaluation of the Board of Directors, the members of the Committee completed a questionnaire relating to this Committee with sections of questions on a) the composition of the Committee, b) its role and responsibilities and c) its organization and operation. The Committee conducts an annual review of its work, a summary report of which is submitted to the Board of Directors. This includes proposals for improving its operation and efficiency.

Activities of the Audit Committee in 2023

The Audit Committee met seventeen (17) times in 2023.

FULL NAME	NUMBER OF MEETINGS HELD DURING THE TERM OF OFFICE OF EACH MEMBER	NUMBER OF MEETINGS ATTENDED	ATTENDANCE AT MEETINGS
Tamvakakis Apostolos ¹	15	15	100%
Capralos Spyridon	17	17	100%
Afentoulis Dimitrios ²	7	7	100%

Skordas Athanasios ³	10	10	100%
Angelos Tagmatarchis	17	17	100%

¹For the period 01.01.2023-26.04.2023 and 20.06.2023-31.12.2023

²Member of the Audit Committee until 20.06.2023

³Member of the Audit Committee from 20.06.2023

The works included meetings with the Internal Audit Unit, the Head of the Financial, Administrative and other Divisions, the Risk Officer, the Compliance Officer, the Certified Auditors of Grant Thornton, directors of the parent and subsidiary companies. The Chairman of the Audit Committee informs the Board of Directors at most of its meetings about the work of the Committee or important issues that arise.

More specifically, the activities of the Audit Committee are summarized in the following points:

Financial reporting

- The Committee examined and evaluated the adequacy and effectiveness of all policies, procedures and safeguards of the Company regarding, on the one hand, the internal audit system and, on the other hand, the assessment and management of risks, in relation to financial reporting.
- The Committee proposed to the Board of Directors the renewal of the audit firm Grant Thornton and the amount of their remuneration, taking into account a) the existing good cooperation with the audit firm for 6 consecutive years, b) the contribution of this audit firm to the upgrading of the quality and integrity of financial information and c) the absence of threats that would alter the independence of judgment of the specific audit firm in relation to the Company.
- The Committee contacted regularly the Certified Auditors who participated in four (4) meetings of the Audit Committee in 2023 - in order to inform them about the planning, the development of the statutory audit of the Company's and the Group's financial statements and received the supplementary audit report of article 11 of Regulation 537/2014. The Committee was informed about the findings (Key Audit Matters) and the results of the audits and discussed them with the Certified Auditors.
- The Committee was informed about the following sections, during the planning of the audit of the Financial Statements for the year 2023 by the Certified Public Accountants of the company:
 - Areas of audit interest
 - Audit Risks
 - Highlights
 - Audit Plan
 - Audit approach
 - Independence
 - Use of specialist work

- More specifically, the areas of audit interest for the financial year 2023 that were discussed and analyzed are a) the Management override of controls, b) revenues recognition coming from i) construction and concession contracts, ii) sale of electricity power, iii) the renewable energy sector, c) the impairment of non-current assets, d) hedge accounting, e) provisions for doubtful accounts and f) change in the useful life of wind parks.
- The Committee held meetings with the Chief Financial Officer of GEK TERNA and was briefed on the significant amounts of the annual and interim half-yearly Financial Statements for the year 2023, on the significant changes compared to the previous period and about the following issues:
 - The evaluation of the use of the going concern assumption;
 - The significant judgments, assumptions and estimates in the preparation of financial statements;
 - The valuation of assets at fair value;
 - The assessment of the recoverability of assets,
 - The accounting treatment of acquisitions,
 - The adequacy of disclosures about the material risks faced by the Company;
 - The significant transactions with related parties;
 - The significant unusual transactions
 - The important accounting policies.
- The Committee monitored the drafting process by the Group's Financial Management of the interim and annual financial statements of the Company and the Group, which were prepared in accordance with the applicable accounting standards.
- The Committee reviewed the annual and interim half-yearly financial statements of the Group and the Company, as well as the content of the Audit Report of the Certified Auditors prior to their recommendation for approval by the Board of Directors and received the necessary assurances regarding the completeness and consistency of these statements, in relation to the information that has been brought to its attention.
- The Committee pre-approved all non-audit services provided by Grant Thornton in 2023 and the aggregated total remuneration of non-audit services provided for the year 2023. The Committee considered that the work carried out and the remuneration of the commissioned non-audit services did not jeopardize the independence or objectivity of the Certified Auditors.
- The Committee examined the independent status of the Certified Auditors in the following ways:
 1. Completion of a predetermined list of questions based on Law 4449/2017 – Articles 21, 22,23,26,27 and articles 5 and 6 of the Regulation (EU) 537/2014.
 2. The monitoring of non-audit work and

3. The supplementary report received by the Statutory Auditor (pursuant to Article 11 of EU Regulation 537/2014)

Acts of the Internal Audit Unit

- The Committee collaborated and cooperated constantly throughout the year with the Internal Audit Unit of the Company, providing the appropriate instructions for carrying out the internal audit work by subject and priority. The Internal Audit Unit participated in 15 of the 17 meetings of the Audit Committee in 2023.
- The Committee received from the Internal Audit Unit all audit reports produced during 2023. The Audit Committee reviewed and commented on all audit reports during its meetings. In addition, during 2023, the Internal Audit Unit carried out additional important works and other actions for the organization of the Internal Audit Unit and the evaluation of the Internal Audit System. Regarding the Internal Audit System of GEK TERNA the Internal Audit Unit supported the work of the evaluator, which was completed during 2023 and concerned the fiscal year until 31.12.2022.
- The Committee discussed the findings as well as the conclusions and relevant recommendations with the Head of the Internal Audit Unit of the Company. Where necessary, a meeting was set up, in which the Audit Committee, the head of the Internal Audit Unit, the head of the department / project that was audited and, where applicable, the heads of other departments, who participated in the audit, participated.
- Throughout the year, the Committee monitored the progress of the audit activities of the Internal Audit Unit and the operation of the Unit in general.
- The Committee received the annual report of the work of the Internal Audit Unit for the year 2023.
- The Committee reviewed and approved the audit plan for 2024 by the Internal Audit Unit.
- The Committee carried out the annual evaluation of the Head of the Internal Audit Unit and the Internal Audit Unit.
- The Committee made decisions regarding the staffing of the Internal Audit Unit of GEK TERNA. The Committee decided and recommended to the Board of Directors the strengthening of the Internal Audit Unit. The Committee carried out the selection and recruitment process of two new members of the Internal Audit Unit, which now consists of 4 people. One recruitment process concerned an additional member, while the second concerned the replacement of a resigned member.
- Based on the above, the Committee considered the adequacy and performance of the Head and the Internal Audit Unit as satisfactory.
- The Committee reviewed the Internal Audit Unit's Report for 2023 and the 2024 audit plan of TERNA ENERGY.

Risk Management Unit

- Monitoring and Audits

The compliance with the Group's audit framework is monitored through a range of methods and procedures including, but not limited to, assessments, management information, reports and other monitoring activities at company level, project visits and financial audits.

➤ Staff training

The Risk Management Unit (RMU) designed a training program on risk management issues, in compliance with the requirements of the institutional framework and the Company's internal policies. Specifically, during the year, training material on introductory Risk Management topics (with duration of one hour) was prepared, which is addressed to the following:

- ❖ members of the Board of Directors in the context of training upon holding duties and during their term of office, to ensure compliance with the provisions of the Suitability Policy of the members of the Board,
- ❖ executives of top / senior management,
- ❖ competent executives from the 1st line units.

The purpose of this training material was to train participants on the basic principles, governance, classification and methodology of risk management. The training material attempted to familiarize the recipient with basic concepts of the risk management framework and strengthen the culture of risk perception, while presenting both the risk register and a model of risk formulation and safeguards.

RMU maintains regular communication with the Internal Audit Unit (IAU) on risk management issues, including providing information in the context of the preparation of the annual audit plan by the IAU based on the risk based approach, with the aim of ensuring the limitation of overlap of work between them.

In addition, the IAU notifies the RMU of the internal audit reports, which highlight weaknesses in the Company's Internal Audit System, and therefore constitute a key factor in update/revision of the risk registry.

Compliance Unit

Report of actions and Compliance Plan of the previous year.

➤ In 2023, the following actions were effected:

- The Company's annual compliance with ISO 37001:2016 and ISO 37301:2021 has been completed.
- Inspections of the Compliance Unit at the Company's headquarters, where the Group Divisions were inspected.
- Inspections at subsidiaries and construction sites of important Group projects
- Training through asynchronous training, e-learning platform, and briefing of all Group staff on Compliance issues and the Code of Conduct and Policies.

Staff training focused on the following topics:

- Conflict of interest
- Corruption and Bribery

- Workplace bullying, mobbing, violence in the workplace
- Week of celebration "Corporate Compliance and Ethics" with a crossword puzzle on Compliance issues, in which participants who answered all questions correctly were awarded (number of successful participants 725).
- The following Policies have been updated:
 - Reporting Policy, in order to comply with Law 4990/2022
 - Code of Concut
 - Conflict of Interest Policy
- Participation in specialized training programs:
 - EQS: Policy and Procedures Technology
 - EQS: Whistleblowing in Europe: From Law to Practice
 - EU Directive 1937/2019: on the protection of persons who report breaches of Union law, Law 4808/2021 on the elimination of violence and harassment at the workplace.
 - Anti-Bribery Management System according to the requirements of ISO 37001:2016
 - Violence and Harassment in the Workplace – The new legislative framework
 - Workshop on Whistleblowing and Harassment
- Participation in specialized conferences:
 - Whistleblowing programs-New law 4990/2022 – Incorporation of EU Directive 2019/1937 | Sanctions
 - 6th Compliance Conference of the Association of Regulatory Compliance Professionals of Greece Focusing on the core to approach the future
 - European Compliance and Ethics Conference 2023
- Cooperation with an audit firm in the context of the evaluation of the Company's Internal Audit.
- Meeting of the Compliance Officer with the Compliance Officers of the Group's subsidiaries.

➤ Changes to the Company's Procedures and Policies made in the previous year:

In 2023, the Management System was adapted to the requirements mainly of the new Law 4990/2022 on witness protection based on the European Directive 1937/2019 and the appointment of the Compliance Officer as the Person Responsible for the Receipt and Follow-up of Reports.

The main changes concern the following:

- Code of Conduct (updated)
- Conflict of Interest Policy

- Reporting Policy
- Significant risks as they have arisen from the respective Risk Assessment and mitigation actions.

A Risk Assessment Study has been prepared for Bribery and Regulatory Compliance issues, and the risks have been assessed.

The areas where bribery risks have been identified are:

- Relations with banks
- Evaluation of investment programs
- Property management
- Choosing a partner
- Proposals for new projects – participation in competitions
- Relations with authorities
- Donations and Sponsorships
- Joint ventures
- Information Security
- Resource Management and Company Property
- Personnel Management
- Financial Management
- Contract Management

The areas in which risks for Compliance issues have been identified are the following:

- Legislation Management
- Corporate Governance
- Environment
- Labor
- Personal Data
- Tax
- Banks/investment funds
- Contracts

Each risk is assessed based on the possibility of occurrence and the severity of its effects. The RCU (Regulatory Compliance Unit) informed the Compliance Committee, the Internal Audit Unit (IAU), the Audit Committee and the Board of Directors regarding the findings of the internal audits, which fall within the perimeter of responsibility of the RCU and its Action Plan.

Internal Audit System

- The Audit Committee received the detailed and concise evaluation report of the Internal Audit System (IAS) of GEK TERNA (see section 6.4 below).
- The Chairman of the Audit Committee sent the brief evaluation report of the Internal Audit System (IAS) of GEK TERNA to the Hellenic Capital Market Commission, within the deadline provided by the Regulatory Framework.
- The Audit Committee discussed and monitored the compliance with Law 4706/2020 on Corporate Governance and the relevant circulars of the Hellenic Capital Market Commission (Internal Audit System).
- The Audit Committee monitored the implementation of the Group's commitments to sustainable development and corporate responsibility, as the latter promote social welfare, protect the environment and constitute the only sustainable business practice.
- The Audit Committee was briefed on the work carried out by the ESG Committee on ESG issues.
- The Audit Committee selected the Independent Evaluator for the evaluation process of the Corporate Governance System that was completed in 2024 under law 4706/2020.
- The Audit Committee monitored the work of the evaluation process of the Corporate Governance System which was completed in 2024 (see section 6.5).

The Audit Committee constantly informed the Board of Directors of the Company about its activities.

Sustainable development

The Group's approach to Sustainable Development is based on dialogue between the interested parties, as well as the identification and regular evaluation of the most important economic, social and environmental impacts of its activities. It aims to enhance positive impacts and reduce negative ones, through best practices, sustainable initiatives and reliable partnerships, aiming at continuous improvement for the benefit of shareholders, investors, employees and society.

The Unit responsible for the development and the revision of this policy is the General Division of Corporate Relations and Sustainable Development.

Other important issues

- The Audit Committee drafted and presented to the Board of Directors the activities for the first semester of 2023 and for the whole year 2023.
- The Audit Committee drafted and presented to the General Assembly of shareholders the activities for the year 2023.
- The two persons who served as Chairmen of the Audit Committee during the year 2023 met with executives of the Supervisory Authority (Hellenic Accounting and Auditing Standards Oversight Board/) at the request of the Supervisory Authority.
- The Audit Committee met with other executives of Company and subsidiaries to discuss important issues of the group (the General Manager of TERNA ENERGY, the Chairman, the CEO and the Chief Financial Officer of HERON I and II, the CEO of TERNA, the Corporate

Governance Officer of GEK TERNA, the Chief Financial Officer of GEK TERNA, the Chairman of the ESG Committee and the Director of Corporate Social Responsibility, the Executive Director, who also serves as General Manager of Administrative Services, the Chief Information Security Officer, the Compliance Officer of Heron I and II, the Human Resources Manager of GEK TERNA and the Human Resources Manager of TERNA).

Evaluation of the Internal Audit System taking into account the provisions of Law 4706/2020

The Company, by virtue of decision of the Board of Directors, assigned to "Grant Thornton Societe Anonyme of Certified Auditors and Business Consultants" the project "Provision of Internal Audit System Evaluation Services", aiming at the evaluation of the adequacy and effectiveness of the Internal Audit System ("IAS") of the Company "GEK TERNA Holdings S.A." and its significant subsidiaries, "HERON ENERGY S.A.", "HERON II VIOTIAS S.A.", "NEA ODOS S.A.", "ODOS KENTRIKIS ELLADAS S.A.", "TERNA S.A.", with reference date 31.12.2022, in accordance with the provisions of per. I of para. 3 and para. 4 of article 14 of Law 4706/2020 and Decision 1/891/30.09.2020 of the Board of Directors of the Hellenic Capital Market Commission, as in force.

This evaluation of the Internal Audit System was successfully completed in March 2023 and covered the following areas: the Audit Environment, Risk Management, Audit Mechanisms and Audits, the Information and Communication System as well as the Monitoring of the Company's Internal Audit System.

The Conclusion of the Independent Evaluator, namely Ms. Athina Moustaki, Certified Public Accountant with registry no. 28871 and Partner of Grant Thornton, which is included in the final report evaluating the adequacy and effectiveness of the IAS dated 24.03.2023, concludes that from the work carried out and the evidence obtained regarding the evaluation of the adequacy and effectiveness of the IAS of the Company and its significant subsidiaries, no weaknesses were identified that could be considered as material weaknesses in the IAS of the Company and its significant subsidiaries, in accordance with the Regulatory Framework.

This result is yet another confirmation that the Company is in constant compliance with the legislative and regulatory framework governing the Internal Audit System and adopts best practices for the lawful and smooth operation of the Group's IAS.

For the year 2023, through the evaluation of the Corporate Governance System, the effectiveness of the internal audit system has also been evaluated (see paragraph 6.5).

Evaluation of the Corporate Governance System taking into account the provisions of Law 4706/2020

The Board of Directors in relation to its obligations arising from para. 1 of article 4 of Law 4706/2020 evaluated the implementation and effectiveness of the Company's Corporate Governance System with reference date 31 December 2023 and this evaluation did not reveal any material weaknesses.

In the context of the above evaluation, the Board of Directors of the Company assigned, inter alia, to Grant Thornton S.A. Certified Auditors and Business Consultants the evaluation of the

adequacy and effectiveness of the Company's Corporate Governance System. This assessment was carried out on the basis of the program of assurance procedures included in Decision 73/08b/14.02.2024 of the Supervisory Board of the Institute of Certified Public Accountants, in accordance with International Standard on Assurance Engagements 3000 (Revised), "Assurance Projects Beyond Audit or Review of Historical Financial Information". The above work of the Certified Public Accountants did not reveal any material weaknesses in the Company's Corporate Governance System.