



Audit Committee

Annual Activity Report 2024

February 2025

Intro by the Chairman of the Audit Committee

In my capacity as Chair of the Audit Committee of the Company "LAMDA DEVELOPMENT - Holding and Real Estate Development Société Anonyme" and on behalf of the Committee, I hereby submit to you the Activity Report for the year 2024, which includes the Committee's actions until the approval of the 2024 annual financial statements by the Board of Directors, and describes its work, on the basis of the duties and responsibilities assigned to it, as presented in detail in the Audit Committee Charter published on the Company's website <https://www.lamdadev.com>.

Composition

The current Audit Committee, established according to the terms and conditions of article 44, par 1(c) of Law 4449/2017, as amended by article 74 of Law 4706/2020, was elected by resolution of the Extraordinary General Meeting of the Company's Shareholders dated 22.12.2020, and re-elected by resolution of the Ordinary General Meeting of the Company's Shareholders held on 21.06.2023. The election of the Committee's Chair and its establishment as a body has been effected by a decision of the Audit Committee, which convened on the same day, in accordance with article 44 par. 1(e) of Law 4449/2017, as amended by article 74, par. 4 of Law 4706/2020. More specifically, the Audit Committee is composed of:

1. Chariton Kyriazis, Chair of the Audit Committee and Non-Executive Director of the Company, and Independent Director within the meaning of article 9, par. 1 & 2 of Law 4706/2020, meeting in any case the criteria of article 4 of Law 3016/2002, as currently in force;
2. Ioannis Zafeiriou, Member of the Audit Committee and Non-Executive Director of the Company, and Independent Director within the meaning of article 9, par. 1 & 2 of Law 4706/2020, meeting in any case the criteria of article 4 of Law 3016/2002, as currently in force;
3. Evgenia Paizi, member of the Audit Committee and Non-executive Director; and
4. Konstantinos Sfakakis, member of the Audit Committee and a third party outside the Company, Independent within the meaning of article 9, paras 1 & 2 of Law 4706/2020, meeting in any case the criteria of article 4 of Law 3016/2002, as currently in force.

All Audit Committee members have sufficient knowledge of the sector that the Company operates. At least one member of the Committee, Mr. Sfakakis, has sufficient knowledge in auditing and accounting, as required by law.

The CVs of the Committee members are available on the Company's website (www.lamdadev.com)

The Audit Committee members are appointed for a three-year term of office, starting from their election by the above mentioned Ordinary General Meeting (21.06.2023). The term of office for the members of the Committee that are also members of the Board of Directors in any event expires upon expiry of their term of office as members of the Board of Directors. The term of office of Committee members that are not members of the Board of Directors may be extended by decision of the Board until the immediately following Ordinary General Meeting of shareholders, but in any case not later than eleven (11) months.

Meetings

During the FY 2024, a total of ten (10) meetings were held, which were attended by all the members of the Committee. See the table below:

Members	Audit Committee Meetings - Year 2024										Attendance percentage
	26/1	15/3	5/4	16/4	31/5	6/6	12/6	11/9	22/10	13/11	
Kyriazis Chariton	√	√	√	√	√	√	√	√	√	√	100%

Zafeiriou Ioannis	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	100%
Paizi Evgenia	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	100%
Sfakakis Konstantinos	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	100%

With regard to the activities of the Audit Committee, during the financial year 2024, all issues falling within its responsibilities were examined, with emphasis on external audit, the financial and non-financial reporting process and the Internal Control System and Corporate Governance System

A. External Audit

The Audit Committee:

1. Monitored and reviewed the process of the mandatory audit of the individual and consolidated financial statements of the Company for the fiscal year ending on December 31, 2023, as well as the content of the supplementary reports from the external auditors, PricewaterhouseCoopers (PwC). Specifically, during the mandatory audit, the key audit matters (KAMs) were discussed with the auditors, as presented in their report, which forms an integral part of the 2023 annual financial report. These included the valuation of property investments, the net realizable value of real estate inventory under development, and the recognition of revenues, contractual assets, and liabilities from property sales contracts. In addition, topics such as the significance threshold, the scope and results of the audits, issues raised during the audit process due to the complexity of the work, and the future challenges for the Company were analyzed. Particular mention was made of key characteristics of the business environment that emerged during the fiscal year, such as trends in the real estate market, sustainability issues, and ongoing inflationary pressures. In the report of the regular auditor, there were no additional references that were not discussed with the Committee. As a result, the accuracy and completeness of the auditing process were confirmed, based on the relevant regulatory provisions.
2. Took the necessary actions for the recommendation of the appointment of the new regular auditor, Ernst & Young (EY), for the fiscal year 2024, at the 2024 Annual General Meeting. In this context, the Committee reviewed and approved the proposed audit fee after discussion with the Company's Chief Financial Officer, ensuring that the fee was reasonable in relation to the quality of the services provided.
3. Ensured a smooth transition from PwC to EY regarding the change of external auditors, as part of a collaboration program between the two firms and the Group that had been underway since the previous year.
4. Monitored and reviewed the process of conducting the review of the individual and consolidated financial statements of the Company for the first half of 2024, as well as the content of the supplementary reports from the external auditors, Ernst & Young (EY). In this context, topics discussed included the total value of investment properties, the determination of the fair value of the Hellinikon project and its accounting treatment, refinancing of loans for the Company's operational shopping centers, changes in the Company's stakes in other companies and investment schemes, revaluation of the "Restricted Stock Units Plan" (RSU), the estimation of provisions related to employee licenses, and other significant tax matters. Additionally, the Committee members, during discussions with the external auditors, focused on a) reviewing the special technical memos related to the recognition of revenue from the Hellinikon project in terms of its accounting presentation according to IFRS standards, and b) the audit performed by the external auditors on the

calculation of financial ratios related to the Group's loan agreements, confirming the correct adherence to the terms of the bank loan covenants.

5. Discussed with the external auditors the risk analysis and audit plan for the 2024 fiscal year. Specifically, key risks and significant developments in the business environment that could impact the results of the year were discussed, as well as the key audit matters (KAMs) for 2024, as they were defined by January 15, 2025. These included the valuation of investment properties and the recognition of revenue, assets, and contractual liabilities from property sales based on the percentage of completion of the projects.
6. Confirmed the independence of the external auditor. In addition, Ernst & Young (EY) provided a written declaration of its independence, in accordance with the International Code of Ethics for Professional Accountants of the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements of the European Regulation 537/2014 and Law 4449/2017.
7. Was informed about the additional audit work that the external auditor would undertake for the 2024 fiscal year and agreed with Ernst & Young (EY) on the joint adherence to and monitoring of both audit and non-audit activities.

B. Financial Reporting Process

The Audit Committee:

1. Was briefed and reviewed the valuation results of the Group's investment properties, as included in the financial reporting process followed for the issuance of the 2023 Annual Financial Report and the 2024 Semi-Annual Financial Report. In this regard, the Committee was further informed through independence letters submitted by the Company's property appraisers concerning the principles, procedures, and policies governing the appraisal work, in accordance with the standards of the Royal Institute of Chartered Surveyors (RICS), of which the appraisers are members.
2. Reviewed and evaluated the financial reporting process followed for the issuance of the 2023 Annual Financial Report and the 2024 Semi-Annual Financial Report. During this review, discussions were held with the Chief Financial Officer and the external auditors regarding key points for review, as identified during the audit of the financial results and other relevant recommendations. The Committee was informed about the key financial data, initiated actions to mitigate any related risks to the Company, ensured their proper execution, and subsequently informed the Board of Directors, recommending the approval of the relevant financial statements.
3. Reviewed the preparation process for the interim financial statements of the Company and the Group for the first quarter and nine-month period of 2024, through audits conducted by the Internal Audit Service. Specifically, the Committee was informed by the Chief Internal Auditor about the results of these audits and discussed with the Chief Financial Officer the key review points identified during the audits. The Committee then recommended their approval to the Board of Directors.
4. Reviewed the Company's financial results announcements, including the preparation process for these announcements and other related documents such as press releases and analyst presentations.

C. Internal Control System

Internal Audit

The Committee:

1. Received updates from the Chief Internal Auditor on all audits conducted during the reporting period, reviewed their findings, the corrective actions agreed upon with Management, and the timeline for their implementation. Additionally, the Committee was informed about the follow-up process to ensure the timely execution of corrective actions as per the established schedule. In cases where necessary, the Committee

engaged with relevant executives for further clarifications on the agreed corrective actions. The identification of significant findings and areas for improvement led to supplementary recommendations from the Audit Committee to the Company's Management. These recommendations, which were extensively discussed, focused on the implementation of corrective actions and the adoption of additional internal controls in various Company's functions, including sustainability issues, management and monitoring of construction contracts for the Hellinikon project, administrative operations of project teams, and tracking the progress of project implementation.

2. Approved the final 2023 internal audit plan, based on an informational report prepared by the Internal Audit Service. This report detailed audits that were added in response to emerging needs and requests, aligning with the evolving requirements of the Company.
3. Approved the initial 2024 annual audit plan of the Internal Audit Service. The plan was based on a specific methodology that incorporated the Company's comprehensive risk identification and management register and considered the audit universe, covering both areas previously audited in past years and new areas targeted for review within a three-year period.
4. Reviewed the strategy and objectives of the Internal Audit Service, analyzing a detailed strategic plan prepared by the Chief Internal Auditor. This plan outlined the strategic goals of the Internal Audit Service and the short-term and long-term actions planned for the period 2024–2026.
5. Received updates on the risks related to the Internal Audit Service, as recorded in the Company's risk identification and management register, within the framework of preparing the strategic plan and objectives.
6. Reviewed the quarterly activity reports of the Internal Audit Service for the period ending 31 December 2023, as well as those for the periods ending 31 March 2024, 30 June 2024, 30 September 2024, and 31 December 2024.
7. Received a written declaration from the Chief Internal Auditor confirming the independence of the Internal Audit Service.
8. Evaluated the resource requirements and the potential impact of any limitations on resources or audit work within the Internal Audit Service, based on recommendations from the Chief Internal Auditor.
9. Reviewed the positive outcome of the independent external evaluation of the Company's Internal Audit Service, conducted in January 2024. This evaluation (IFACI certification) was performed according to the International Standards for the Professional Practice of Internal Auditing and was carried out by the Institutes of Internal Auditors of Greece (HIIA) and France (IFACI), adhering to international best practices and internal audit standards.
10. Approved the revised Operating Regulation of the Internal Audit Service, which was updated based on recommendations from external evaluators. The Committee also recommended its further approval by the Company's Board of Directors.
11. Received updates regarding the performance evaluation of the Chief Internal Auditor, following an authorization granted for this purpose to the Chairman of the Committee. This evaluation was conducted as part of the Group's annual executive performance assessment for 2023, and the Committee approved the performance objectives for 2024.
12. Maintained regular communication between the Chairman of the Committee and the Chief Internal Auditor throughout 2024. In addition to formal Committee meetings, the Chairman held weekly meetings with the Chief Internal Auditor to stay informed about the progress of internal audits and other matters related to the responsibilities and organization of the Internal Audit Service.

Risk Management

The Audit Committee:

1. Reviewed the most significant risks of the Group, through the quarterly reports of the Risk Director, with an emphasis on those related to the Hellinikon project.
2. Was updated on the progress of fraud risk assessment and recording, concerning the Company's critical operations, as well as the internal control mechanisms mitigating these risks, a task carried out in collaboration with specialized external consultants, as part of the design and implementation of the anti-fraud program.
3. Reviewed the function and work of the Risk Management Unit, through meetings with the Risk Director and other Company executives, as well as the related reports submitted, specifically the quarterly reports for the periods ending on 31 December 2023, 31 March 2024, 30 June 2024, 30 September 2024, and 31 December 2024, respectively.
4. Was initially informed and subsequently approved the Operational Regulation of the Company's Risk Management Unit, as prepared by the Risk Management Unit with the assistance of specialized external consultants and reviewed by the Internal Audit Service, as an advisory service. Furthermore, authorized the Chairman of the Audit Committee to propose to the Board of Directors the further approval of the aforementioned Operational Regulation at its next meeting.
5. Was extensively informed about the action plan for the year 2025.
6. Approved a plan to strengthen the oversight of the Risk Management Unit by the Committee, as part of the revised Operational Regulation of the above unit. This plan aims to improve the services of the Risk Management Unit and, more broadly, the function of the Audit Committee, through the analysis of operational issues of the Unit.

Regulatory Compliance

The Audit Committee:

1. Reviewed the Action Plan of the Regulatory Compliance Unit for the year 2024.
2. Was extensively updated on the progress of the Regulatory Compliance Unit's activities, through the quarterly reports submitted to it for the periods ending on 31 December 2023, 31 March 2024, 30 June 2024, 30 September 2024, and 31 December 2024, and through the Chairman of the Committee's meetings and discussions with the compliance unit's executives.

Evaluation of the Internal Control System (ICS)

As part of the responsibilities outlined in the Board-approved ICS Evaluation Policy of the Company, the Committee reaffirmed the proper functioning of the system through the independent external evaluator, who undertook the evaluation of the ICS, by monitoring the action plan for non-material weaknesses identified during the previous evaluation.

D. Corporate Governance System

1. Approved the assignment of the evaluation of the adequacy and effectiveness of the Corporate Governance System, with a reference date of 31 December 2023, which is also a requirement under Law 4706/2020, to an independent external evaluator. The evaluation, conducted by the audit firm Ernst & Young (EY), was completed within the first quarter of 2024, and based on it, no material weaknesses were identified in the Company's Corporate Governance System ("clean report").

2. The Chairman of the Audit Committee held meetings with the Chairman of the Board of Directors, the CEO, as well as executives of the Company, to discuss issues related to the internal control of the Company, risk management, regulatory compliance, as well as the Internal Control Systems and Corporate Governance.

E. Other Material Issues

The Audit Committee:

1. Was briefed by the Legal Advisor on all the Company's legal matters that were pending as of December 2024.
2. Confirmed the effective protection of the Company's information systems.
3. Was informed about the Whistleblowing issues managed by the Whistleblowing Committee, the process followed for investigating the related reports, and the actions taken to resolve them.
4. Re-examined and revised the action plan to address one (1) potential conflict of interest situation, in accordance with the relevant policy and conflict of interest management procedures of the Company, due to organizational restructuring of the involved parties within the Company's structure.
5. Was briefed by the Chief Financial Officer on the progress of the Financial Department's activities, specifically:
 - The progress of the redesign and implementation of the new cost model for the Ellinikon projects in the Company's SAP information system,
 - The further strengthening of the Group's financial consolidation process following the increased complexity of operations and structure, and
 - The redesign of the Financial Department's organizational structure and its upgrade with the further recruitment of experienced and specialized executives in the Accounting & Tax Department.
6. Reviewed all Corporate Announcements and the process for preparing them.

F. Issues Related to the Committee's Operations

The Audit Committee:

1. Conducted a self-assessment of its work for 2023, its operations, and the overall qualifications of its members, through the completion of an annual questionnaire and with facilitation by an external consultant, as required by law. The results of the questionnaire were communicated to the Company's Board of Directors.
2. Reviewed and approved the minutes of its meetings.
3. Submitted its Annual Report for the year 2023 to be included in the 2023 Corporate Governance Statement and presented at the Annual General Meeting of shareholders on 28 June 2024.
4. Prepared and submitted reports regarding its activities to the Board of Directors for the quarters ending on 31 December 2023, 31 March 2024, 30 June 2024, 30 September 2024, and 31 December 2024, including, among other things, information on the progress of the Internal Audit Service, the Regulatory Compliance Unit, and the Risk Management Unit. These reports also included the full Internal Audit Reports, which are submitted through an electronic platform with authorized access for Board members only, ensuring comprehensive, secure, and timely updates.

G. Non-financial Information and Sustainable Development

The Committee:

1. Was updated on the establishment of the Sustainable Development Committee, with the main objective of strengthening and overseeing the Company's long-term commitment to creating value in sustainable development issues through the systematic monitoring of the action plan implemented by its Management.
2. Reviewed, through the work of the Internal Audit Service, the Green Bond Report for 2023 and, after determining that it was comprehensive, technically detailed, and satisfactory in terms of the quality of the work done, approved its publication.
3. Reviewed, through the work of the Internal Audit Service, the Company's Internal Control System for Non-financial Information. After being informed of any findings and their significance, authorized the Internal Audit Service to monitor the implementation of relevant corrective actions and to update accordingly, as required.
4. Was updated through the quarterly reports of the Internal Audit Service on the key issues being examined within the Sustainable Development Committee, in the meetings of which the Chief Internal Auditor participates.
5. Participated in an informational meeting jointly with the Sustainable Development Committee, executives from the Internal Audit Service, the Sustainable Development Department, and the auditors from the audit firm Ernst & Young (EY), where the results of the double materiality analysis were extensively presented, along with the progress of the work for preparing the Sustainability Report for the year 2024.

For all the above matters, the Chairman of the Audit Committee updated the Board of Directors, as deemed necessary.

Sustainable Development Policy

Sustainable Development is an integral part of the Company's long-term strategy. By virtue of its Board of Directors' decision dated 16.7.2021, the Company implements a Sustainable Development Policy, the main points of which may be summarised below:

The Policy summarizes the Company's commitment to the responsible management of the economic, social and environmental impacts of all its activities towards its stakeholders, as well as the respective wider impacts towards the economy, society and natural environment, with a view to mitigating any adverse consequences (e.g. greenhouse gas emissions) on the one hand, and increasing the positive effects (e.g. job creation), in conformity with the UN Sustainable Development Goals, on the other.

The Company's Sustainable Development Policy is based, inter alia, on the Principle of Materiality and the Stakeholder Inclusiveness Principle, as both principles are defined in the GRI Standards and the United Nations 2030 Agenda on Sustainable Development (17 Sustainable Development Goals). It is also based on the principles of the Company - i.e. Extroversion, Innovation, Investing in its people, Customer-centered approach - and covers the following axes:

Environment: In every business and commercial development, the Company takes into consideration the following key environmental aspects:

- Climate change;
- Air, noise and particulate matter pollution;
- Biodiversity (effect on ecosystems - animals, plants) and soil quality;
- Sustainable use of raw materials and other materials; Solid waste;
- Water and wastewater.

Society: The company's activity creates a series of social and economic impacts for its stakeholders, as well as for the country in general. The most important socio-economic effects covered by this policy include:

- Employment and economic value;
- Prosperity for the society and the local communities;
- Innovation and digital transformation;
- Dignity and equality;
- Training and developing the skills of the future;
- Health, safety and well-being.

Governance: The Company, through the implementation of standards, principles and corporate governance best practices, seeks to operate with ethics, extroversion and transparency in every business operation aspect, in order to enhance its competitiveness and to create benefits at every level of its value chain. This policy includes the following aspects of a robust corporate governance approach:

- Corporate governance - Stakeholder engagement/participation;
- Regulatory compliance and business ethics;
- Risk management, business continuity and emergency preparedness;
- Responsible investment and sustainable finance;
- Responsible procurement.

Maroussi, 25/02/2025

The Chairman of the Audit Committee

C. Kyriazis