

AUDIT COMMITTEE OF ELVALHALCOR S.A.

Vasileios Loumiotis, President

Ploutarchos Sakellaris, Member

Nikolaos Koudounis, Member

Athens, March 15th, 2022

To: The Shareholders of the Ordinary General Meeting of the Company ELVALHALCOR S.A. of 2022

Activity Report of the Audit Committee on the audited financial year 2021

Dear Shareholders,

In our capacity as Members of the Audit Committee of the Company under the name "ELVALHALCOR HELLENIC COPPER AND ALUMINUM INDUSTRY SOCIETE ANONYME" (hereinafter referred to as the "Company"), and in accordance with article 44 of L. 4449/2017 (the "Law") on the one hand, and as referred to in detail in reference numbers 1302/28-4-2017 and 1508/17.7.2020 Announcements of the Directorate of Listed Companies / Department of Supervision of Listed Companies of the Hellenic Capital Market Commission (hereinafter the "Announcements") on the other hand, we state our Report below and we bring to your attention, within the responsibilities of the Audit Committee, findings regarding the objects regulated by the Law and the aforementioned announcements.

Specifically:

A) In relation to the mandatory audit (external audit) (article 44, par. 3, case a of the Law).

Particularly:

a) Regarding the performance of the statutory audit (external audit) of the corporate and consolidated financial statements of the Company for the year ended December 31, 2021, we did not find significant deviations in the recognition, valuation and classification of assets and liabilities and we consider that the Management's assumptions and estimates are reasonable. We have found that the relevant disclosures in the notes to the financial statements are adequate.

b) During the mandatory inspection, we performed the following matters:

1. Review of health, safety and environmental issues.
2. Review of the process of registration and accounting of expenses, fixed assets, sales and

other accounting circuit.

3. Review of tax and customs issues.
4. Review of production and export procedures and processes.
5. Visit and briefing at the premises of two of the Company's significant subsidiaries, SYMETAL S.A. and ANOXAL S.A., in Inofyta, Attica.
6. Review of processes and procedures of Financial Services of Hedging department.
7. Internal Audit Unit Reports.
8. Report of the group of External Auditors.
9. Review of processes and procedures of Human Resources
10. Examination of pending litigation risks.

In the exercise of our responsibilities, we have not identified any significant weaknesses that need improvement.

It is noted that the Audit Committee always takes into account the content of any additional reports submitted to it by the chartered accountant of the auditing company hired by the Company, which contains the results of the statutory audit performed and meets at least the specific requirements in accordance with Article 11 of Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014.

c) Within the framework of our responsibilities, we were informed about the procedure and the schedule of preparation of the financial information by the management of the Company, as well as we were informed by the chartered accountant on the statutory audit program for the year 2021 before its implementation. We evaluated it and made sure that this program covered the most important areas of control, taking into account the key areas of business and financial risk of the Company. We also held meetings with the Company's management / responsible executives and the chartered accountant, during the preparation of the financial statements, during the planning stage of the audit, its execution and during the stage of preparation of the audit reports, respectively.

d) We have taken into account and examined the most important issues and risks that may have an impact on the Company's financial statements, as well as the significant judgments and estimates of management during their preparation. Specifically, we examined and evaluated in detail the following issues with reference to specific actions on these issues:

- d1) Regarding the important judgments, assumptions and estimates in the preparation of the financial statements, we found that they are reasonable (reasonable).
- d2) Regarding the accounting treatment of the acquisition of ETEM EMPORIKI SA through the participation in the share increase, we evaluated the correctness of the accounting of the transaction in accordance with the provisions of IFRS 3 "Business Combinations" and we assessed that the recognition criteria provided by IAS 38 "Intangible Assets" regarding the recognition of intangible assets.
- d3) In addition, regarding the above transaction, in terms of the distribution of consideration in the identifiable assets acquired and the liabilities assumed as well as the calculation of

goodwill, from the difference between the consideration and the net identifiable assets, no exceptions were identified.

- d4) Regarding the accounting for the dividend distribution in kind of shares of Cenergy Holdings S.A. ownership of ELVALHALCOR, we assessed the correctness of the accounting treatment, given the absence of specific provision of IFRS / IAS that provides for the handling of such cases. We reviewed and evaluated the correct application of IAS 8 in conjunction with the use of standards with a similar conceptual framework, such as "IFRIC 17 Interpretation of Non-Cash Assets to Owners" and "ASC 845 US GAAP" – "Non-monetary transactions", and the treatment applied by the Company was judged to reflect the transaction in every fair and reasonable way.
- d5) We examined and evaluated the accounting treatment for the change in accounting policy, applying the change retrospectively from the beginning of the first comparative period, i.e. 2020, in accordance with paragraphs 19 - 22 of IAS 8, following the final decision of the IFRS Interpretations Committee regarding the International Accounting Standard (IAS) 19 "Attributing benefit to periods of service".
- d6) Regarding the disclosures on the above issues required by IAS / IFRS, we found that the disclosures included in the financial statements are sufficient.
- d7) Regarding the transactions with related parties, as shown in the Annual Financial Report for the year 2021, we did not find any significant unusual transactions.
- e) Finally, we had timely and substantial communication with the chartered accountant in view of the preparation of the audit report and its supplementary report to the Audit Committee, while we point out that we reviewed the financial reports before their approval by the Company's Board of Directors and consider that is complete and consistent in relation to the information that was brought to our attention, as well as to the accounting principles applied by the Company.

B) In relation to the financial information process (article 44, par. 3, per. B' of the Law). Particularly:

In relation to the process of preparing the financial information, the Audit Committee monitored, examined and evaluated:

- (a) the mechanisms and systems of production, flow and dissemination of financial information produced by the involved organizational units of the Company and
- (b) other disclosed information in any way (e.g. stock market announcements, press releases) in relation to financial information.

In the exercise of our responsibilities, we did not find any weaknesses in the process of compiling the financial information that need to be improved.

C) In relation to the procedures of internal control and risk management systems and the internal control unit (article 44, par. 3, point B' of the Law). Particularly:

In connection with the monitoring, examination and evaluation of the adequacy and effectiveness of all the policies, procedures and safety controls of the Company regarding the internal control system and the assessment and management of risks, in relation to the financial

information, the Audit Committee proceeded to actions below:

- (a) Evaluation of the proper functioning of the Internal Audit Unit according to the professional standards as well as the current legal and regulatory framework and evaluation of the work it performs, its adequacy and effectiveness, without however affecting its independence,
- (b) Overview of the disclosed information regarding the internal audit and the main risks and uncertainties of the Company in relation to the financial information,
- (c) Evaluation of the staffing and organizational structure of the Internal Audit Unit and its weaknesses, i.e. if it does not have the necessary means, if it is insufficiently staffed with insufficient knowledge, experience and training,
- (d) Assessing the existence or non-existence of restrictions on the work of the Internal Audit Unit, as well as the independence that it must have, in order to perform its work unobstructed,
- (e) Evaluation of the annual control program of the Internal Audit Unit before its implementation, taking into account the main areas of business financial risk as well as the results of previous audits,
- (f) Considering that the annual audit program, in conjunction with any corresponding medium-term programs, covers the most important areas of control and financial information systems,
- (g) Organizing regular meetings with the Head of the Internal Audit Unit on matters within its competence and gaining knowledge of its work and its regular and extraordinary reports,
- (h) Monitoring the effectiveness of internal control systems through the work of the Internal Audit Unit and the work of the chartered accountant;
- (i) Overview of the management of the main risks and uncertainties of the Company and their periodic review, evaluating the methods used by the Company to identify and monitor the risks, the treatment of the main ones through the internal audit system and the Internal Audit Unit as well as their disclosure to the disclosed financial information in a proper manner.

The Audit Committee was informed and has evaluated the reports of the audit program for the current year, while it was also informed and evaluated the audit program of the coming year. The following is what the Audit Committee has learned and evaluated:

- 2021 Audit Program Review.
- Summary of the Annual Audit Program of 2022.
- Human Resources of Internal Audit.
- Resource Allocation Guides.
- Risk Assessment.

During the internal audit process, the Audit Committee became aware of the following actions

of the Internal Audit Unit:

- Audit of health and safety issues, as well as environmental issues.
- Audit of the process of registration and accounting of expenses, fixed assets, sales and other accounting circuit.
- Financial management audit (Copper Division).
- Audit of tax and customs issues.
- Audit of personnel management issues and GDPR.
- Adherence to Internal Rules of Operation.
- Inventory control.
- Industrial Production Control.
- Audit of warehousing & costing procedures and gate-weighing.
- Audit of the efficiency of production resources.
- Night surveillance audit.
- Premises security audit.

The Audit Committee, having taken into account the effects and risks of the pandemic due to coronavirus COVID-19, was informed of the following main risks for the year 2022:

1. Commercial Risk - Distribution Risk, associated with:

- Additional quantities of final products to be available for sale in the year 2022, due to increased production capacity (Aluminum Sector).
- Maintaining high stocks - Slow moving products (Copper & Aluminum Sector).
- Additional costs after the completion of the production process, transportation and handling costs, etc. (Aluminum Sector).
- Logistics for sales abroad (Aluminum Sector).

2. Information Systems Risk, related to:

- Data Security (Cyber Security) (Copper & Aluminum Segment).
- Multiple Information Programs (Copper & Aluminum Segment).
- Information System Users Access / Authorization (Copper & Aluminum Segment).

3. Foreign Exchange Risk, related to the risk of exchange rate fluctuations, British Pound and US Dollar (Copper & Aluminum).

4. Compliance risk, related to:

- Environmental Risk (Possible non-compliance with environmental legislation). (Copper & Aluminum Segment).
- Health & Safety Risk (Possible non-compliance with Health & Safety rules). (Copper & Aluminum Segment).

- Risk of application of GDPR provisions (Copper & Aluminum Segment).
- Risk of an increase in contractor's staff due to new investments (Copper & Aluminum Segment).

5. Legal risk, related to the risk of:

- Pending legal claims against third parties.
- Legal claims of third parties.

In the exercise of our responsibilities on the above-mentioned issues, we have not identified any weaknesses that need to be improved.

D) Sustainable development policy followed by the Company

In accordance with the provisions of article 44 par. 1 of Law 4449/2017, as replaced by the provisions of article 74 par. 4 case 9 of L.4706/2020, the Audit Committee is obliged to include in the annual report of the proceedings to the ordinary general meeting also a description of the sustainable development policy followed by the Company.

Large modern companies implement a Sustainable Development Policy, in accordance with the international best practice. This policy empowers companies, gives them a social dimension and perspective for the future and makes them real cells of the national economy.

The Company and consequently the ELVALHALCOR Group, following the policy of the broader VIOHALCO group, implements a Sustainable Development Policy and seeks, over time, to create value for its participants, i.e. shareholders, customers, employees and society in general.

To achieve this goal, the Group places particular emphasis on, among others, the training and development of human resources, health and safety at work, as well as respect for the environment, following the principles of sustainable operation and development.

The Sustainable Development Policy of the Company reflects the approach and commitment of the Management to the issues of sustainable development and responsible operation. Responsible operation is a continuous commitment to action of substance, in order to generate value for all stakeholders that meet the modern needs of society and contribute in general to its prosperity. The Company has a specific strategy, which focuses on the important issues related to its activity and seeks its continuous responsible development, focusing on the critical pillars of business responsibility: Economy, Society, Environment. Sustainable development policy is an integral part of the Company's business practice model and culture. In the context of the implementation of Sustainable Development policy, the Company develops activities, among others, in the following areas:

a) Staff health and safety

The Company has set as an unnegotiable priority and primary concern the protection of the health and safety of its staff. In the context of the implementation of this policy, the Company has established every best international practice that contributes to the reinforcement and improvement of the safety culture and the achievement of the goal of "zero accidents" and at the same time organizes training programs, both for the knowledge of the risks in the production process and for the cultivation of a common consciousness and safety behavior among employees.

Promoting the protection of health as a maximum good, the Company treats the current situation, regarding the COVID-19 pandemic, with due seriousness, aiming at the health and safety of the employees. At the same time, with a high sense of social responsibility and in order to contribute to tackling the crisis facing our country from the spread of the coronavirus, he participated with a significant amount in strengthening the National Health System in hospital equipment and consumables.

b) Training and development of human resources

The Company recognizes the decisive contribution of the staff in its successful business path so far. The great experience, the high specialization, the know-how and the creativity of the staff support the course of the Company for a stable, dynamic and continuous development. The Company attaches great importance to the objective evaluation of the staff, to the detection and development of talent, as well as to the continuous training, designing and implementing training programs of high added value. The Company encourages professional development and makes the most of the knowledge and skills of the staff. The Academy of the Company, which has been operating for four years, aims to effectively develop the skills, knowledge and know-how of employees, through educational programs, which are based on structured methodology, selected subjects and educational material that meet specific needs and cover a wide range of knowledge fields. Within the Academy, in the year 2021, educational programs were implemented giving the opportunity to participants to take part and reap the benefits of learning provided by highly qualified instructors. Some of these programs were implemented on a recurring basis.

c) Responsibility for society

The Company seeks the sustainability of the local community and therefore maintains a bilateral, continuous cooperation with it. The Company draws from the local community that operates a significant part of its needs in human resources and suppliers. Of the total workforce, 56% concerns workers from local communities, thus contributing to the local and national economy.

Regarding the Company's social contribution initiatives, notable are the support of vulnerable groups, the strengthening of local health centers and hospitals with the provision of appropriate equipment, the response to emergencies (e.g. natural disasters), the voluntary blood donations in the facilities are noted, donations to charities, support to schools, sports and cultural organizations and other initiatives that promote common values for progress, development and social contribution.

d) Environmental protection

For the Company, the protection of the environment is a key element of its Sustainable Development Policy and is a key pillar of its business strategy, which is adjusted to the ever changing international business environment. Environmental awareness is expressed through targeted, environmental protection investments and systematic and daily practices, which combine responsible environmental management with the effort to constantly reduce the environmental footprint. In the context of environmental protection, the Company implements the current legislation and in particular:

- Implements targeted environmental management programs (e.g. energy saving

programs, actions and initiatives to reduce air emissions, etc.).

- It seeks the rational use of raw materials and natural resources (eg rainwater, etc.) and promotes the recycling of aluminum and copper.
- Implements an integrated waste management system (with emphasis on prevention to avoid their production).
- Monitors technology developments and regularly upgrades environmental protection infrastructure.
- Provides for the continuous training and awareness of employees on environmental issues.
- Ensures that there is an appropriate risk analysis and incident response organization.

The Company has adopted an environmental management policy to protect the environment from its operation.

e) Protection of personal data

We found that the Company respects the protection of personal data not only as an obligation of legal compliance with the General Regulation of Personal Data Protection but also takes appropriate measures in accordance with the provisions of the General Regulation of Personal Data Protection (EU) 679/2016 and the implementing internal law 4624/2019. In order to harmonize with international standards and best practices, the Company has adopted a Personal Data Protection Policy of employees, customers, suppliers and partners by setting specific roles, procedures and mechanisms for the full range of activities. At the same time, ensuring the appropriate technological means, planning its processes with a view to protecting from the outset and planning of business activities and information systems, but also the formation of a similar culture is a primary concern and goal of continuous improvement but also for added value and the competitive advantage it offers to the Company. The protection of personal data is a commitment.

f) Corporate governance

The Company, recognizing the importance of corporate governance principles but also the advantages deriving from their adoption, follows international best practices and international standards that apply in its areas of activity, in order to maximize the benefit for its shareholders and the production of value in general for all participants and for society as a whole.

As a listed company on the Athens Stock Exchange, it implements the current corporate governance legislation. In order to enhance corporate transparency and control mechanisms, effective management and optimal operational efficiency, the Company implements an Internal Operating Regulation and has adopted the Hellenic Corporate Governance Code issued by the Hellenic Corporate Governance Council (HCGC) of June 2021. In addition, the Code of Ethics and Business Ethics, the Code of Conduct for Suppliers / Partners of the Company and the Business Ethics and Anti-Corruption Policy reflect its commitment and position on the issues of transparency, anti-corruption and gift. The Company's exposure to the risk of corruption is systematically monitored.

It is pointed out that in order to achieve the above mentioned objectives of the Sustainable

Development policy, the Company has established and operates the following Directorates, which are fully staffed with sufficient and appropriate staff:

- Directorate of Health and Safety.
- Environment Department.
- Directorate of Sustainable Development.
- Human Resources Department.
- Directorate of Quality Assurance and Environment.

We remain at your disposal for any additional information or clarification.

With kind regards,

THE CHAIRMAN

THE MEMBERS

Vasileios Loumiotis

Ploutarchos Sakellaris

Nikolaos Koudounis