



**Audit Committee Report for Financial Year  
01/01/2022 – 31/12/2022**

TO ANNUAL GENERAL MEETING OF THE SHAREHOLDERS  
**of KRI-KRI MILK INDUSTRY S.A.**

3rd km. Serres – Drama, 62125, Serres, GREECE,

General Commercial Registry No.: 113772252000

Serres, 25<sup>th</sup> April 2023

## 1. Introduction

According to article 44 of Law 4449/2017, the Audit Committee (“the Committee”) of KRI-KRI MILK INDUSTRY SA (“the Company”) submits to the Annual General Meeting (“AGM”) of the shareholders this report which relates to the Company’s operations for the Financial Year ending on 31st of December 2022. The scope of this report is to demonstrate the Committee’s substantial contribution regarding the Company’s compliance with the provisions of the current legislative and regulatory framework within a business environment which is characterised by intense and difficult challenges and uncertainties.

## 2. Purpose of the Committee

The primary purpose of the Committee is to support the BoD in its duties related to financial information, internal audit and regular audit oversight. The responsibilities and operation of the Committee are further explained in the current Corporate Governance Code.

## 3. Composition of the Committee

As it is known, the Audit Committee was elected by decision of the Ordinary General Meeting of the Company's shareholders that took place on 07/06/2021, as a committee of the Board of Directors, with a six-year term. The members of the Audit Committee were decided to be appointed by the Company's Board of Directors, after it examined the fulfillment of the eligibility conditions in the person of each of them, in order for the Audit Committee to have the legal composition and its members to meet the eligibility criteria, and according to independence case. The Chairman of the Audit Committee was decided to be appointed by its members during its formation as a body and to be independent.

The composition of the Committee for the year 2022 was not modified, therefore it was as follows:

The Audit Committee for the whole of 2022, consisted of two (2) independent non-executive members of the Company's Board of Directors, Anastasios Moudios and Anastasios Kyriakides and one non-executive member of the Company's Board of Directors, Georgios Kotsambasis. The Chairman of the Committee was Mr. Anastasios Moudios.

The Regulatory Compliance Department and the company's Board of Directors examined and confirmed within 2022 that Anastasios Kyriakidis and Anastasios Moudios continued to meet the independence criteria of Article 9 par. 1 and 2 of Law 4706/2020.

In addition, as was already known from the biographies of Anastasios Kyriakides, Anastasios Moudios and Georgios Kotsambasis, the following applied:

Mr. Anastasios Kyriakidis has sufficient knowledge of the industry in which the Company operates (food and drink industry). That knowledge can be demonstrated not only by his previous senior managerial roles in some of the largest companies in Greece but also due to his positions as secretary of the Board of Directors of SEVIZ (Federation of animal feeds Industries of Greece), member of the Board of Directors of SVE (Federation of Industries of Greece), secretary of EEDE, Chairman of EIM (Hellenic Marketing Institute) of Macedonia and member of the Board of Directors and vice Chairman of SEVE (Exporters Association of Northern Greece). Moreover, Mr. Anastasios Kyriakidis had been appointed as a member of the BoD of the Company in the beginning of 2017. That role has provided him with the opportunity to build his knowledge both around the Company and the industry in which the company operates.

Mr. Anastasios Moudios has sufficient knowledge of the industry in which the Company operates (food and drink industry) due to his role as a certified auditor. During his career he has

been leading audit controls for some of the largest Greek companies, including DODONI (dairy production company), EURIMAC (pasta production company) and MALAMATINA (drink production company), as well as other companies, whose operational activity is in line with the Company's activity. All the above give Mr. Moudios the advantage to has sufficient knowledge of the industry in which the Company operates.

Mr. Georgios Kotsambasis has worked in managerial positions in the Company for over two decades. He has also been the Production Manager in the Company, as well as the Vice Chairman of the BoD of the Company, while he has contributed decisively to the Company's development. Therefore, his knowledge of the industry in which the Company operates is unquestionable.

Thus, all the above members of the Committee have sufficient knowledge of the sector in which the Company operates, and that sector is the production, processing and marketing of dairy products, as well as the sub-sector to which the Company has been assigned in Athens Stock Exchange: "Food and Beverage".

Finally, the BoD noted that Mr. Anastasios Moudios, as a chartered accountant, has sufficient knowledge and experience in auditing and accounting.

As to date, the above data have not changed.

Therefore, currently the Committee consists of the following three (3) members:

- Anastasios Kyriakidis of Charalampos, member
- Anastasios Moudios of Konstantinos, Chairman
- George Kotsampasis of Ioannis, member

#### 4. Meetings of the Committee

The number of meetings of the Committee during the financial year is determined by the requirements to successfully perform its responsibilities.

During Financial Year 2022, the Committee met ten (10) times. The below table shows the number of meetings where the members of the Committee physically participated:

Member	Physical Participation in the meetings
<b>Moudios Anastasios</b>	10
Kyriakidis Anastasios	10
Kotsampasis Georgios	10

To review the financial statements of the financial year 2022, the Committee had met four (4) times with the Company's certified auditor/ accountant. Two (2) of those meetings took place prior to the publication of the Company's semi-annual and annual financial statements, and there was no participation of any member of the Company's senior management.

#### 5. Responsibilities and activities of the Committee

##### A. Structure and Procedures of Internal Audit

The Committee within the financial year 2022:

- Collaborated with the Internal Auditor and provided appropriate guidance on the auditing process of the Company and discussed its findings and conclusions of the audit report.
- Approved the audit plan of the Internal Audit team for the financial year 2022.
- Co-operate with Risk Management and Regulatory Compliance Unit to monitor and control the company's Internal Audit System of the company.
- Examined and evaluated the efficiency and effectiveness of the procedures of the Internal Audit System and made suggestions on its improvement.
- Evaluated the individual and collective suitability of its members and its work

#### B. Financial Statements - Statutory Audit

The Committee monitored the audit control of the annual financial statements of the financial year 2022 and considered the findings and conclusions of the regulatory authority, in accordance with paragraph 3 of Article 44 of Law 4449/2017 and paragraph 6 of Article 26 of the Regulation (EU) no. 537/2014.

The statutory audit of the financial statements for the financial year 2022 was carried out by the company "Grant Thornton" in accordance with the International Standards on Auditing. Moreover, the financial statements of the Company were prepared in accordance with the International Financial Reporting Standards (IFRS), as those Standards have adopted by the European Union. More specifically, two meetings took place with Grant Thornton's certified auditors, one during the planning stage of the audit control of the financial statements for the financial year 2022 and a second meeting during the stage of the completion of those audits. Finally, there was frequent communication between the Company's management and certified auditors throughout the whole process of the audit control.

The following were considered during the planning stage:

- the independence of certified auditors
- setting a timetable for actions
- the appointment of audit teams
- the evaluation of the annual program of audit control
- the indication of the responsibilities of both the Company's senior management and certified auditors
- identification of important risks for the Company
- the main points of the audit control approach

After the completion of the audit control of the financial statements for the financial year 2021, the audit report of the independent certified auditor and the supplementary report with the relevant findings were presented. In this context, the below important issues were addressed:

- quality assurance
- project management
- the evaluation of the level of importance
- the evaluation of the principle of business continuity
- the suitability to provide non-audit services

During the presentation of the audit results they were analyzed

- the key financial figures,
- the most important audit matters, which were a) the recoverability of trade receivables and b) the valuation of inventories,
- and the most significant changes in the statements of financial position, results of operations and cash flows.

Present to the BoD the results of the audit control of the financial statements for the financial year 2022

The Committee, considering the audit report and the supplementary report of the certified auditors, informed the BoD about the results of the audit control, the contribution of the audit control to the quality and integrity of financial information and the role of the Committee in this process.

In the context of that update, the Annual Financial Report for the year was reviewed before its approval by the BoD, in order to assess their completeness and consistency in relation to the information that has been considered as well as the accounting principles that apply to the Company.

The Committee also considered and examined the most important issues and risks that may have an impact on the Company's financial statements.

Overview of the independence and adequacy of the provision of non-audit services of certified auditors

The Committee, considering the case e 'of paragraph 3 of article 44 of Law 4449/2017 and articles 5, 6, 21, 22, 23, 26 and 27 of Regulation 537/2014 of the European Union, reviewed and monitored the independence of certified auditor and in particular the adequacy of the provision of non-audit services. In this context, the Committee received assurance through the preliminary audit report that the certified auditor is independent of the audited entity. The risks for the independence of the certified auditor were also discussed, as well as the relevant safeguards for the reduction of those risks.

C. Corporate risks

The Audit Committee within the financial year 2022:

- Examined the usual financial risks to which the Company may be exposed, which are the market risk, mainly that of the fluctuation of the prices of raw materials, the credit risk resulting from the inability of its customers to meet their obligations, and the liquidity risk related to the potential difficulty of the Company paying its obligations on time.
- It closely monitored the evolution of the energy crisis and the measures taken to mitigate its effects on the Company's operations.

D. Regulatory compliance

The Committee within the year 2022:

The Audit Committee within the fiscal year 2022 cooperated with the Risk Management and Regulatory Compliance Unit and monitored its response to the requests of the external evaluation process of the Company's Internal Control System, as it was carried out in accordance with No. 14 of Law 4706/2020 and Decision 1/891/30/09/2020 of the Board of

Directors of the Capital Market Commission.

#### E. Preparation and review of reports

The Committee within the year 2022:

- Preparation of the Audit Committee report for the year 01.01.2021- 31.01.2021
- Review the content of the Remuneration Report for the year 01.01.2021- 31.01.2021

#### 6. Regulation of the Audit Committee

The Regulation of the Committee, as in force, is posted on the Company's website.

#### 7. Final remarks

In carrying out its work, the Audit Committee had full access to all the necessary information and at the same time had the necessary infrastructure for the effective performance of its duties. Warm thanks to the Management, the Auditors and the Company's Staff for the perfect and seamless cooperation.

Serres, 25/04/2023

Sincerely,

Anastasios K. Moudios  
Chairman of the Committee