

REPORT OF THE AUDIT COMMITTEE OF THE YEAR 2022

In my capacity as Chairman of the Audit Committee of the Company, I hereby present the summary Report of the Committee for the year 2022 (01.01.2022-31.12.2022), in order to demonstrate the relevant actions and Committee's essential contribution toward the Company's compliance with the provisions of current legislative and regulatory framework in an environment characterized by intense and multilevel challenges as well as uncertainties.

The Audit Committee constitutes an Independent Committee and is consisted of three (3) members, of which one (1) independent non-executive member of the Board of Directors of the Company and two (2) non-members - third parties - of the Board of Directors:

Georgios Samothrakis	Independent Non-Executive Member of the Board – Chairman
Konstantinos Kotsilinis	Third party – non Board Member – Member
Konstantinos Gianniris	Third party – non Board Member – Member

The members of the Audit Committee have in their entirety sufficient knowledge of the sector which the Company activates in, while the majority of the members of the Audit Committee are independent of the Company, as the following apply:

- (a)** They do not hold shares representing an equity stake greater than 0.5% of the Company's share capital; and
- (b)** They do not have any dependency relationship with the Company itself or persons related to the Company. The dependency relationship is specified in particular in the provisions of article 9 par. 1 and 2 of Law 4706/2020.

Furthermore, the criterion of sufficient knowledge and experience in the fields of auditing or accounting which all members of the Committee must possess, is met by all three members of the above Committee, and therefore each of the members will be required on obligatory basis to attend the meetings of the Audit Committee concerning the approval of the financial statements.

The term of office of the Audit Committee as five years, beginning on February 11, 2021 and ending on February 11, 2026.

Furthermore, with regard to the Committee's actions during the previous year:

Meetings - frequency of attendance of each member per year in the meetings

The Committee convenes at least four (4) times a year. The Chairman of the Committee decides on the frequency and schedule of meetings. External auditors are entitled to request a meeting with the Committee if they deem it necessary.

During the year 2022, the Audit Committee convened twelve (12) times with all its members present at all meetings and with the internal auditors informing the Committee on matters related to their duties. In the majority of meetings, and following a relevant invitation made by the Committee, key executives in charge of the administration and management of the various corporate affairs and activities were also present.

The relevant minutes were kept for all meetings of the Committee that took place in 2022, while during these meetings the following issues were mainly examined:

A. External Audit / Financial Information Procedure

The Audit Committee was mainly concerned with the following:

- The preparation process of financial information and the assessment of the financial statements of the Company in terms of their accuracy, completeness and consistency. In particular, it was found that the financial statements were in accordance with their legally binding content and framework of preparation. At the same time, the compliance with the respective publicity rules was verified, as well as the ability of investors and other users to have immediate, smooth and uninterrupted access to the financial information.
- The announcements concerning the financial performance of the Company and the careful examination of the main parts of financial statements that contain significant judgments and estimates by the Management.
- The provision of additional non-audit services to the Company by the audit firm to which the regular auditor belongs. The selection and determination of the terms of collaboration and the remuneration of the regular auditor, through a relevant proposal presented at the Ordinary General Meeting of the Company as well as the selection criteria that should be applied and ultimately be fulfilled (provision of high quality services, fair, reasonable and competitive remuneration, etc.).
- The assurance of independence of the regular auditor, of the objectivity and efficiency of the audit process, based on the relevant professional and regulatory requirements. In the above context, the regular auditor was summoned by the Committee and was asked to confirm the independence and absence of any external direction or directive or recommendation in the performance of

duties. Furthermore, monitoring and ensuring the completeness, objectivity and effectiveness of the audit by the regular auditor is a key priority of the Committee.

- The process of carrying out the mandatory audit of the Company and its consolidated financial statements, as well as the content of the main and the supplementary report submitted by the regular auditor.
- The performance of a procedure for the selection of a new Audit Firm in application of article 42 of Law 4449/2017 due to the imposed change (mandatory rotation) of the current external auditors from the financial year 2024.

It is noted that in the year 2022 the Audit Committee met two (2) times with the existing external auditors supervising the process of the relevant audit of the financial statements.

The important audit issues (Risks and areas of emphasis of audit), which according to the judgment of the Audit Committee were adequately covered by the ordinary audit process, are the following:

Risk: Violation of Controls and Rules by the Management

Description of risk: The Management is theoretically capable of committing fraud due to its ability to manipulate accounting records and prepare misleading financial statements by violating controls and rules that otherwise appear to be applied effectively. Although the level of risk referring to any breach of controls and rules on behalf of the management will vary from entity to entity, the risk is nevertheless present in all entities. Due to the unpredictable manner in which such a breach could occur, the above is a risk of material error due to fraud and therefore constitutes a serious risk (IAS 240.31). The Management has implemented certain audit procedures at the entity level in order to prevent / detect possible violations of the controls and rules by the administration.

During the execution of audit procedures for the risk of fraud, no cases of realized or suspected fraud were identified.

Risk: Revenue Recognition (in € 000)

Group – Consolidated Financial Statements	2022	2021
Turnover – continued activities	€ 394,382	€ 428,429

Income recognition

The Group recognizes income from the sale of goods when the control of the goods is transferred to the customer, usually upon delivery, and there is no outstanding obligation that could affect the customer's acceptance of the goods. The main product categories are technical fabrics (Geosynthetics and fabrics for construction, garden projects, hospital and hygiene products, filter industry, automotive industry, industrial use, sports and leisure, carpets, yarns and belts) and packaging products (mega bags, sacks, packaging film, packaging fabrics, containers, buckets, cups, glasses, containers and trays, plastic boxes, bottles, various bags, waste bags, ropes and strings.) The Group accepts return of products only in case of a defective or generally non-standard product.

Significant risks

- risk of error in income due to fraud.
- risk that the income from sales is not recognized based on the requirements of IFRS 15 as well as the risk that the time at which the risks and rewards are transferred has not been correctly depicted in the financial statements.

Audit approach

- Dispatch confirmation letters.
- Substantial verification at the end of the period to ensure that the risks and rewards of the transaction related to income from sales to third parties have been properly recognized and in the appropriate financial year.

Audit results / conclusion

- Based on the procedures carried out, no issues were identified in relation to the timing of income / revenue recognition.

Other areas of audit emphasis

Risk	Significant / increased / standard risk	Risk identification factor	Audit approach
Impairment of participations in subsidiaries	Increased	The Management initially examines whether there are indications of impairment in	Examination of any evidence for impairment identified by the

		<p>order to proceed with an impairment test of its equity holdings. This particular process is complex, requires judgment and is based on a number of significant assumptions and estimates by Management. The procedures include a review of the assumptions used, the calculations made and an examination of the rationality of Management's estimates.</p>	<p>Management and substantive procedures to confirm the value of equity holdings in subsidiaries and related companies in the Financial Statements of 31.12.2022. No material errors were found during the audit.</p>
<p>Provision for obsolete and slow moving inventory</p>	<p>Standard</p>	<p>The provision for obsolete and slow moving inventory may be overstated or understated</p>	<p>Substantive audit procedures to examine the rationality of Management's estimates concerning the provision for obsolete and slow moving inventory. No material errors were found during the audit.</p>
<p>Impairment of non-financial assets (Don & Low)</p>	<p>Standard</p>	<p>The Management initially examines whether there are indications of impairment in relation to non-financial assets in order to proceed with an impairment test. This particular process is complex, requires judgment and is based on a number of significant assumptions and estimates by Management.</p>	<p>Examination of any evidence for impairment identified by the Management and substantive procedures to confirm the value of the tangible fixed assets in the Financial Statements of 31.12.2022. No significant errors were identified during the audit.</p>

		The procedures include a review of the assumptions used, the calculations made and an examination of the rationality of Management's estimates.	
Provisions for employee benefits (Don & Low)	Increased	The provisions for employee benefits may be overstated or understated – since it is an area where significant judgment is required.	Substantive audit procedures to examine the rationality of estimates and assumptions used by Management. No material errors were found during the audit.

Risk	Significant / increased / standard risk	Risk identification factor	Audit approach
Goodwill Impairment	Increased	The Management initially examines whether there are indications of impairment in order to proceed with a goodwill impairment test. This particular process is complex, requires judgment and is based on a number of significant assumptions and estimates by Management. The procedures include a review of the assumptions used, the calculations made and an examination of the rationality of Management's estimates.	Examination of any evidence for impairment identified by the Management and substantive procedures to confirm the balance of the Goodwill item of the Financial Statements as of 31.12.2022. No material errors were found during the audit.

Provision for doubtful receivables	Standard	Receivables whose recoverability is doubtful have not been included in the provision for doubtful receivables	Substantive audit procedures to examine the reasonableness of Management's estimates of impairment of doubtful receivables. No material errors were found during the audit.
Other long-term receivables	Standard	Receivables whose recoverability is doubtful have not been impaired according to their recoverable value.	Substantive audit procedures to examine the reasonableness of Management's estimates of impairment of long-term receivables. No material errors were found during the audit.

Conclusion: No deviations were detected in the above-mentioned areas of audit emphasis.

B. Internal Control and Risk Management System / Internal Audit Unit

The Audit Committee also dealt with the following:

- Supervision of the Company's internal audits and monitoring the effectiveness of the Company's internal control and risk management systems to ensure that the main risks (such as risk of fluctuations in raw material prices, credit risk, liquidity risk, foreign exchange risk, interest rate risk, capital adequacy risk, etc.) are properly identified, addressed and disclosed.
- Ensuring the independence of the internal audit unit, monitoring its smooth operation in accordance with international standards for the professional implementation of internal control procedures, but also in line with the current legal and regulatory framework (indicatively Law 4706/2020, as currently in force).
- Informing the Committee, regarding the work of the internal audit unit and its audit reports, the evaluation of the work, the adequacy as well as the efficiency of the unit.
- The submission of the audit reports from the internal audit unit to the Board of Directors.

- The information provided to the Board of Directors of the Company regarding the areas that the Audit Committee, during the exercise of its duties, considers that there are essential issues and the monitoring of the response of the Management on the above issues.
- Defining and reviewing the operating regulation of the internal audit unit of the Company.
- The identification of possible cases of conflict of interest during the Company's transactions with related parties or any unusual transactions that have not taken place under normal market practices and the submission of the relevant reports to the Board of Directors.
- Ensuring the existence of the required procedures, according to which the Company's personnel will be able, in confidentiality, to express their concerns about possible illegalities and irregularities in matters of financial information or other issues related to the operation of the Company, which they should then be properly investigated and addressed.
- It is noted that the Audit Committee fully complying with the key points, clarifications and recommendations as well as the Questions and Answers (Q&As) of the documents with protocol number 784/20.03.2023 of the Department of Listed Companies of the Hellenic Capital Markets Commission underlines that both the main and the supplementary report submitted by the regular certified auditor accountant does not include any of the following:
 - o Important issues regarding financial information and reporting, and
 - o Weaknesses on the level of the internal control system with regard to the auditor's supplementary report to the Audit Committee.
- Additionally, as already mentioned in the above paragraphs, the Audit Committee during the fiscal year of 2022:
 - o Was informed of all the findings resulting from the reports compiled by the Internal Audit Unit,
 - o Submitted specific proposals in relation to the above reports and findings either to the Internal Audit Unit or to the company's Board of Directors, and in all cases there was a corresponding response to all issues that emerged.

C. Regulatory Compliance and Risk Management / Regulatory Compliance and Risk Management Unit

In implementation of Law 4706/2020 during the closing fiscal year of 2022, the supervision of the Regulatory Compliance and Risk Management Unit was added to the responsibilities of the Audit Committee, and therefore the Audit Committee mainly dealt with the following:

- Monitoring the level of compliance with corporate governance and specific governance practices such as data protection, cyber security and information security.

- Ensuring that there were no cases of conflict of interest in the Company's transactions with related parties. Provision of an update to the Board of Directors about the specific issue.
- The monitoring of the process along with the performance of assessment of the Internal Control System of the Company and of the important subsidiaries by an independent auditor.
- The monitoring of the process and implementation of the risk assessment exercise (Enterprise Risk Assessment Project) of the Company and of subsidiaries submitted by the external consultant (Deloitte) towards the Audit Committee.
- Ensuring that there are structures and procedures, according to which the Company's personnel will be able, in confidence, to express concerns about potential illegalities and irregularities in matters of financial information or about other issues related to the operation of the business (Whistleblowing). Also ensuring the performance of effective and independent investigation of such matters and their appropriate handling.
- Informing the Board of Directors about the issues arising from the work carried out on the above areas.

D. Sustainable Development Policy

Thrace Plastics Group in 2022 drafted an official Sustainable Development Policy.

For a number of years, the Group has been implementing a specific Sustainable Development strategy based on 5 pillars: Integrity, Human Resources, Circular Economy, Environment and Local Society.

The focus areas of the above strategy have emerged through the recognition and prioritization -by the Management of the Group- of the essential issues of sustainable development (according to the international standards of Sustainable Development, GRI – Global Reporting Initiative), aiming at their timely, lawful and effective management of those issues and the delivery of tangible results for the creation of a greater value in the economy, the environment and the society where the Group operates.

Especially in recent years, the transition from the model of linear economy to the one of circular economy has been a great challenge for the Group, as it creates opportunities for further growth and development. Fully in line with the European strategy on plastics, the Group has taken initiatives to enter into the era of circular economy with the aim of reducing its environmental footprint. In this context, the Group voluntarily committed to the European Union to replace 8,500 tons of raw material with recycled one, by the year 2025, that will be used in the production of its products.

The strategy, the plans, the results and the relevant commitments are analyzed in the Sustainable Development Report of the Group which is posted on its website.

A summary of the items of the agenda of the Audit Committee per meeting is being attached to the current document.

Finally, it is noted that during the exercise of our Committee's duties, we had and continue to have unhindered and full access to all the information we need each time, while our Company provides the necessary infrastructure and space in order to effectively perform all our duties.

Georgios Samothrakis

Chairman of the Audit Committee of Thrace Plastics Co S.A.

APPENDIX: Summary of the items of the agenda of the Audit Committee per meeting

Summary of the Audit Committee Meetings of Thrace Plastics Group for the Financial Year 2022:		
Date of Meeting	Items of the Meeting's Agenda	Participation
10/1/2022	<ol style="list-style-type: none"> 1. Validation of minutes of previous meeting. 2. Update-discussion on IAS 19. 3. Update from PWC on the course of the external audit of the Group's companies. 4. Approval of revised Audit Committee Operating Regulations. 5. Other Matters. 	Quorum
8/3/2022	<ol style="list-style-type: none"> 1. Validation of minutes of previous meeting. 2. Briefing by Group CEO & CFO on the impact of the events in Ukraine. 3. Update from the Internal Audit on the work of the period and presentation of the audit reports distributed during the last period. 4. Presentation of the evolution of the Audit Plan 2021. 5. Presentation of the proposed Audit Plan 2022. 6. Presentation by the Internal Audit of the implementation progress of the corrective actions in relation to the significant audit findings. 7. Complaint Management Policy/Procedure. 8. Regulatory Compliance & Risk Management Unit. 9. Other Matters 	Quorum
4/4/2022	<ol style="list-style-type: none"> 1. Validation of Minutes of the Previous Meeting. 2. Presentation by PwC about the regular audit and conclusions. 3. Discussion on the drafts of the Financial Statements and the Reports of the Certified Auditors. 	Quorum

6/4/2022	<ol style="list-style-type: none"> 1. Validation of Minutes of Previous Meeting 2. Validation of the 2021 Audit Committee Report 3. Approval of Annual Financial Report 1.1.2021 – 31.12.2021 and Validation of Audit Committee Memorandum to the Board of Directors 4. Proposal-Recommendation for the Election of an Auditing Company from the Public Registry for the mandatory audit of the annual and semi-annual Financial Statements of the current financial year 2022 (01.01.2022-31.12.2022) and determination of its remuneration. 	Quorum
13/5/2022	<ol style="list-style-type: none"> 1. Validation of minutes of previous meeting. 2. Presentation by PWC of the project "Evaluation of the Internal Control System - Law 4706/2020". 3. Press release (preliminary) of the financial results of the 1st quarter of 2022. 4. Presentation of the Chairman of the Audit Committee to the Board of Directors. 5. Other Matters. 	Quorum
27/7/2022	<ol style="list-style-type: none"> 1. Validation of minutes of previous meeting. 2. Presentation by PWC of "Thrace Group L4706 Readiness Assessment" - 1st deliverable of the project "Assessment of the Internal Control System - Law 4706/2020". 3. Overview of the semi-annual report of the work of the regulatory compliance and risk management department by the Audit Committee. 	Quorum
9/9/2022	<ol style="list-style-type: none"> 1. Validation of the minutes of the previous meeting. 2. Update of external auditors for the 2022 semi-annual financial statements 3. Approval of semi-annual financial statements 2022 and of the relevant memorandum of the Audit Committee to the Board of Directors. 4. Discussion on compliance review of the existing Framework concerning the Management of Conflict of Interest Issues. 	Quorum
28/11/2022	<ol style="list-style-type: none"> 1. Validation of the minutes of the previous meeting. 2. Change of External Auditors 3. Internal Audit Department Evaluation 4. Update from CFO and CEO on the Group's development 5. Approval of interim summary financial information for the nine-month period ended September 30, 2022 and of the relevant memorandum of the Audit Committee to the Board of Directors. 	Quorum
10-12-22 (A)	<ol style="list-style-type: none"> 1. Validation of the minutes of the previous meeting. 2. Briefing by the Chairman and CFO of the Group on the progress of the selection of new external auditors 3. Presentation by the Committee of the offer of EY for the audit of the Group 	Quorum
10-12-22 (B)	<ol style="list-style-type: none"> 1. Presentation of the offer of KPMG for the audit of the Group 	Quorum

<p>22-12-22 (A)</p>	<ol style="list-style-type: none"> 1. Validation of the minutes of the previous meeting. 2. Update on the current work of the Internal Audit Department and of the Regulatory Compliance & Risk Management Department. 3. Update from the Internal Audit on the work of the period and presentation of the audit reports distributed during the last period. 4. Presentation by the Internal Audit Department of the status of the corrective actions concerning the audited companies that are pending for various reasons. 5. Update on the progress of the External Quality Assessment project of the Internal Audit Department. 6. Presentation by PWC on the progress of the Internal Control System evaluation project. 7. Submission and approval of 4 new procedures required for the evaluation of the Internal Control System by PWC. 8. Submission and approval of the new-proposed Manual of the Internal Audit Department. 9. Other Matters. 	<p>Quorum</p>
<p>22-12-22 (B)</p>	<ol style="list-style-type: none"> 1. Briefing by the Chairman and CFO of the Group on the progress of the selection of new external auditors 2. Presentation by DELOITTE of its offer for the audit of the Group 	<p>Quorum</p>