THRACE PLASTICS CO S.A.

# ANNUAL FINANCIAL REPORT

## 01/01-31/12/2020

IN ACCORDANCE ARTICLE 4 OF LAW 3556/2007 AND THE RELEVANT EXECUTIVE DECISIONS OF THE BOARD OF DIRECTORS OF THE HELLENIC CAPITAL MARKET COMMISSION

20

**General Commerce Reg. No. 12512246000**

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THRACE GROUP

# Information regarding the preparation of the Annual Financial Report for the period from January 1st to December 31st 2020

The present Financial Report, which refers to the period from 1.1.2020 to 31.12.2020, was prepared in accordance with the provisions of article 4 of L.3556/2007 (Gov. Gaz. 91A'/30-04-2017), of Law 4548/2018 and the relevant decisions issued by the Board of Directors of the Hellenic Capital Market Commission under Reg. No. 8/754/14-4-2016 and 1/434/03-07-2007 as well as with the protocol no. 62784/06-06-2017 Circular of the Division of Enterprises and GEMI of the Ministry of Finance, Development and Tourism. The present Report was approved unanimously by the Board of Directors of "THRACE PLASTICS CO S.A." ("Company") on April 8th, 2021, and has been posted on the Company's website www.thracegroup.gr where such will remain available to investors for a period of at least (10) ten years from the publication date and includes:

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- Any deviation in the numbers' last digit is due to rounding.

*Amounts in Euro thousand, unless stated otherwise*

# I. STATEMENTS BY REPRESENTATIVES OF THE BOARD OF DIRECTORS

(according to article 4 par. 2 of L 3556/2007)

We, the representatives of the Board of Directors, hereby state and confirm that to our knowledge:

(a) The Annual Financial Statements (Parent and Consolidated) of the Company, which concern the period from January 1st 2020 to December 31st 2020, were prepared in accordance with the accounting standards in effect, accurately present the Assets and Liabilities, Equity and Results of the Company, as well as those of the companies included in the consolidation and considered aggregately as a whole, and

(b) The Annual Report by the Company's Board of Directors accurately presents the significant events of the year 2020 and their effect on the annual financial statements, the significant transactions between the Company and its related parties, the developments, performance and position of the Company, as well as of the companies included in the consolidation and considered aggregately as a whole, including the description of basic risks and uncertainties such face.

**Xanthi, 08 April 2021**

THE SIGNATORIES

| The Chairman of the Board of Directors | The Chief Executive Officer & Executive Member of the Board of Directors | The Non-Executive Member of the Board of Directors |
|---|---|---|
| **Konstantinos St. Chalioris** | **Dimitris P. Malamos** | **Vassilios S. Zairopoulos** |

# II. ANNUAL REPORT BY THE BOARD OF DIRECTORS OF THRACE PLASTICS CO S.A. ON THE FINANCIAL STATEMENTS OF THE YEAR FROM 01-01-2020 TO 31-12-2020

## INTRODUCTION

The present Annual Management Report by the Board of Directors (hereinafter also for abbreviation purposes "Report") refers to the fiscal year 2020 (01.01.2020 – 31.12.2020). The Report was prepared in accordance with the relevant provisions of Law 4548/2018 (GOV. GAZ. 104A΄/13.06.2018) as it is currently in force and of Law 3556/2007 as it is in effect following its amendment from Law 4374/2016 and the relevant executive decisions issued by the Board of Directors of the Hellenic Capital Market Commission, and especially the decisions with number 1/434/3.7.2007 and 8/754/14.4.2016, as the latter is valid after its amendment by the decision with number 12A / 889 / 31.08.2020 of the Board of Directors of Hellenic Capital Market Commission.

The Report includes the total required by law information (financial and non-financial information) with a concise as well as comprehensive, objective and adequate manner and with the principle of providing the complete and substantial information with regards to the issues included in such.

Given the fact that the Company prepares consolidated and non-consolidated (separate) financial statements, the present Report constitutes a single report referring mainly to the consolidated financial data of the Company and its affiliated or related companies. Any reference to non consolidated financial data takes place in certain areas which have been deemed as necessary by the Board of Directors of the Company for the better understanding of the contents of the report and towards providing investors with the most complete information.

It is noted that the present Report includes, along with the 2020 financial statements, the required by law data and statements in the Annual Financial Report, which concern the financial year ended on 31 December 2020.

The sections of the present Report and the contents of such are in particularly as follows:

# SECTION I: Significant events that took place during the financial year 2020

Below, the most significant events that took place during the fiscal year 2020 are presented:

## Macroeconomic Environment and Impact of COVID-19

The spread of the COVID-19 pandemic from the beginning of 2020 until today, with repeated pandemic waves, has brought and continues to cause significant disruptions and fluctuations in global supply and demand, including Greece and other countries in which the Group operates and therefore continues to create conditions of intense uncertainty, hampering the macroeconomic environment globally and domestically. At the same time, there is still an inability to accurately estimate the timing of return of the economies to growth trajectories (especially in Europe), as well as the overall impact that the current situation will ultimately have on the national economies, when the phenomenon begins to subside.

At the given time period, on a global scale, but also in Greece, a new wave of the pandemic is in progress. Nevertheless, the start and the accelerated development of vaccinations create conditions for optimism that in a reasonable period of time, which however remains undetermined, the virus will be tackled effectively and the economies will once again return to a restart and recovery phase.

## I. Impact of the pandemic on the operation of the Group for the entire fiscal year 2020

Despite the fact that the wide and rapid spread of the coronavirus COVID-19 from the beginning of 2020 until today has caused significant disruptions in global supply and demand, the business and financial activity as well as operation of the Group was not adversely affected during the year. On the contrary, the Group implemented an effective action plan, ensuring the necessary liquidity, expanding its customer and product portfolio and implementing targeted investments, and as a result the Group managed to improve its financial position at all levels.

Regarding the operation of production, all production units within the Group continued to operate smoothly for the entire year 2020, without facing any operational issues from the spread of the pandemic, regarding the health and safety of the Group's employees, as a result of the particularly strict protection measures taken by the Group since the beginning of the pandemic.

From a financial point of view, the Group managed not only to deter any decrease in its revenues, but instead achieved to expand sales and profitability, as the reduced demand in some areas of activity was more than offset by the significant increase in sales in other areas. More specifically, it was observed:

- Increased demand for products related to personal protection and health and in particular for technical fabrics, used in personal protection applications.
- Generation of sales in products and activities related to personal protection, including the installation and opera-

tion of surgical mask production lines in Greece, Scotland and Ireland.

- Increased demand for products aimed at the food packaging sector.
- Reduced demand for packaging products related to tourism and catering, as a result of the limited activity in this sector, especially in Greece.
- Fluctuation of raw materials' prices worldwide at relatively lower levels.
- Maintaining and further strengthening the Group's customer base.

It is important to note, however, that in recent years, the Group has undertaken an extensive investment plan for the purchase and installation of new production lines and the adoption of new technologies, while it has also proceeded with operational restructuring, limiting or discontinuing production operations that did not contribute to expected benefits. Implementing this action plan, the Group created the appropriate basis in order to be able to respond to new market conditions, possessing the required flexibility and financial stability.

As a consequence of the above, in quantitative terms, the Group managed to increase its turnover from continuing operations. As result, sales for 2020 amounted to € 339.7 million, increased by 13.9%, compared to 2019, and Profit before Taxes (EBT) from continuing operations amounted to € 52.1 million, increased by 339.9% compared to the year 2019. It should be noted that according to Management estimates, the Earnings before Taxes on the Group level which generated from the increased demand for products within the existing portfolio used in personal protection and health applications, amounted to € 22.7 million. This development resulted into a change in the product mix compared to the previous year (see relevant reference in note 3.3 of the financial statements).

At the same time, during the fiscal year 2020 the Group incurred extraordinary expenses, which were mainly related to the measures taken to deal with the pandemic, such as increased expenses for protection measures for employees, virus detection tests, preventive disinfection costs, etc., which amounted to € 1.37 million.

It is noted, however, that the significant reduction of other categories of operating expenses, mainly related to participation in exhibitions and corporate trips, partially offset the higher expenses incurred due to the pandemic.

Regarding the liquidity levels of the Group and the transaction cycle of the subsidiaries, there was no negative effect from the adverse conditions due to the pandemic. On the contrary, for the entire fiscal year 2020, the Group achieved the significant increase of liquidity and the reduction of Net Debt by 45.3 million Euros, thus further strengthening its financial position.

At the same time, the Group increased and maintains higher levels of inventory in basic raw materials, compared to the average inventory (increase by 57% in terms of quantities on 31/12/2020 compared to the inventory level on 31/12/2019), thus ensuring its smooth production operation, at the level of supply chain, in order to be able to meet obligations towards its existing as well as prospective customers in a consistent manner.

Regarding the investment plan, in addition to the planned actions carried out, the Group for the year 2020 proceeded with extraordinary investments which can be summarized as follows:

- Extraordinary investment of € 3 million for the installation of surgical mask production lines in the production facilities in Greece, Scotland and Ireland, achieving full vertical integration in the production of surgical masks (more details are included in the relevant Corporate Announcement as of 01/10/2020).

- Extraordinary investment of € 5.1 million for the installation of mechanical equipment for the production of "Meltblown" material, which is being also used in the production of all types of masks, from surgical masks to FFP2 and FFP3 type masks. To implement the above investment, the subsidiary Don & Low reached an agreement with the state-owned Scottish Enterprise to finance percentage of 80% of the specific investment plan. The funding will be reimbursed to Scottish Enterprise within the next five years in proportion to the Company's sales during the period under consideration (more details are included in the relevant Corporate Announcement as of 04/05/2020).

From the above it is demonstrated that for the entire fiscal year 2020, the Group, despite the unprecedented conditions in the global economy due to the pandemic did not suffer any negative, from a financial point of view, impact both in its financial results and trading cycle and therefore it did not face any material financial risk that would adversely affect its business continuity.

## II. Measures taken to reduce the impact of the pandemic

The Management of the Group continues to closely monitor the developments related to the pandemic crisis and to fully implement a plan to ensure the health and safety of the personnel and the uninterrupted business continuity of the Group.

In particular, in accordance with the guidelines and recommendations of the World Health Organization (WHO) and the local Public Health and Civil Protection Organizations, the following measures were implemented:

- Establishment of sub-crisis management teams with the participation of the Managements of the subsidiaries and the Group, the Human Resources Directorates, the Occupational Physicians and the Safety Technicians.
- Informing employees about the coronavirus, the mode of transmission, the prevention and protection measures and providing recommendations and instructions for personal hygiene, in accordance with the local instructions of the competent authorities.
- Provision of personal protective equipment to the personnel (masks, antiseptics, gloves).
- Carrying out disinfections at the Company's premises on a regular basis.
- Conduct Covid-19 tests on the personnel as a whole and repeat them, as appropriate.
- Remote work for office employees to the greatest possible extent.
- Protection of employees belonging to vulnerable groups, by their immediate removal from the premises, without curtailing their salaries.
- Development of specific procedures and protocols for all visitors to the Company's facilities (carriers, contractors, technicians, etc.)
- Conducting meetings of the employees of all the Companies as well as the Management of the Group and conducting meetings of the Board of Directors without physical presence using electronic or audiovisual means (e.g. video conference).

- Conducting General Meetings by video conference, in accordance with the provisions of the relevant legislative framework.
- Restriction of movements to all facilities of the Companies and restriction of travel for business purposes.
- Continuous monitoring of liquidity, maintaining a high level of cash reserves, for safety reasons.

It should be noted that the protection measures mentioned above continue to be fully implemented in the most consistent manner and to absolute degree at the time of preparation of the present Report.

## III. Assessing the impact of the pandemic in the future

Regarding the prospects for the current year, at the time of preparation of this Report, the Management estimates that the financial figures of the Group in the first quarter will continue to demonstrate the satisfactory course of the previous year, both in terms of profitability and liquidity, in the first quarter of the year 2021 as well. The maintenance of satisfactory demand for the greatest part of the Group's product portfolio, despite any limited fluctuations in specific areas, the already expanded customer base, the enhanced liquidity as well as the constant implementation of strict safeguards are the key factors to minimize the negative effects of the current situation.

Despite the fact that the full unfolding of the new wave of pandemic and the re-imposition of restrictive measures in most countries in which the Group operates make any assessment regarding the impact of pandemic on the business activity and the financial results of the Company and the Group both precarious and uncertain, on the other hand the Group's Management estimates that based on the above neither the Group nor any of its individual activities face any threat in terms of cessation of activities (going concern). Nevertheless, the Management of the Group maintains reservations regarding the financial consequences that the development of the pandemic will cause to the economies of the countries in the next period (especially after the completion of the state aid programs for those affected) and about the manner and the intensity by which these may impact the broader activities of the Group.

## Change of Senior Executives

**I.** By decision of the Board of Directors of March 20th, 2020, Mr. Dimitris Malamos, Executive Member of the Board of Directors, took over the duties of Deputy CEO of the Group (Deputy Group CEO). Mr. Malamos, who has held the position of Group CFO since 2010, has many years of experience in financial analysis and internal restructuring, has demonstrated his administrative and managerial skills and at the same time has gained deep knowledge and experience about the organization, operation and business activities of the Company and the Group.

The position of Group CFO was assumed by Mr. Dimitrios Fragkou, Certified Accountant (member of ACCA), who for many years held managerial positions in a well-known auditing company and has significant and valuable expertise in providing financial, auditing and consulting services. This expertise will be further used to improve the organization, efficiency and operation of the relevant Divisions and Departments of the Company and the Group. Mr. Fragkou is a graduate of the Department of Business Administration and holds a Master's degree in Accounting and Finance from the Athens University of Economics and Business.

**II.** The Board of Directors of the Company, during the meeting that took place on October 14, 2020, aiming to ensure the profitable future growth of the Group, and always with the objective to create an experienced Management team and make best use of the skills of its managers, decided the following:

Mr. Dimitris Malamos, executive member of the Board of Directors, assumed the duties of Chief Executive Officer of the Company and of the Group (Group CEO).

Mr. Konstantinos Chalioris, remained Chairman of the Board of Directors of the Company and also assumed the position of Chief Entrepreneur. The specific position, which was added to the organizational chart of the Group, based on the above decision of the Board of Directors, aims to ensure the continuation of the profitable growth of the Group in areas that fall both in the existing activities of the Group and in new beneficial activities in the future. The Management of the Group believes that the creation of this position and its assumption by Mr. Chalioris, who has a significant career and valuable experience in "entrepreneurship", will ensure the future development of the Group.

## Change in the Composition of the Board of Directors

***Resignation of Executive Member of the Board of Directors***

The Board of Directors of the Company, during its meeting held on 10 January 2020, accepted the resignation of Mr. Georgios Braimis, Executive Member of the Board of Directors, who left the Group. During the above meeting, the Board of Directors decided in accordance with article 8 of the Company's Articles of Association and article 82, par. 2 of Law 4548/2018 the non-immediate replacement of above member and the continuation of the management and representation of the Company by the remaining members of the Board of Directors.

***Reformation of the Board of Directors into a body as a result of the changes in relation to the organization chart of the Company***

Following the modification - restructuring of the Company's Organization Chart according to the above, the assumption of the position of CEO of the Company and the Group (Group CEO) by Mr. Dimitrios Malamos as well as the assumption of the newly created position of Chief Entrepreneur by Mr. Konstantinos Chalioris, the Board of Directors of the Company was reformed into a body as follows:

1) Konstantinos Chalioris of Stavros, Chairman of the Board of Directors (executive member).
2) Christos-Alexis Komninos of Konstantinos, Vice Chairman of the Board of Directors (non-executive member).

3) Dimitrios Malamos of Petros, Chief Executive Officer of the Company (executive member).
4) Vassilios Zairopoulos of Stylianos, Member of the Board of Directors (non-executive member).
5) Christos Siatis of Panagiotis, Member of the Board of Directors (non-executive member).
6) Petros Fronistas of Christos, Member of the Board of Directors (independent non-executive member).
7) Ioannis Apostolakos of Georgios, Member of the Board of Directors (independent non-executive member).
8) Konstantinos Gianniris of Ioannis, Member of the Board of Directors (independent non-executive member).
9) Theodoros Kitsos of Konstantinos, Member of the Board of Directors (independent non-executive member).
10) Nikitas Glykas of Ioannis, Member of the Board of Directors (independent non-executive member).

## Group Restructuring

Further implementing the internal restructuring plan within the financial year 2020, the Management of the Group decided the following:

- The transfer of the production line of non-woven fabrics (needle punch) from the 100% subsidiary Thrace Linq INC which is headquartered in South Carolina, USA, to the 100% subsidiary Thrace Nonwovens & Geosynthetics Single Person SA, based in Magiko of Xanthi, Greece, in order to strengthen the production capacity of the subsidiary and thus expand its sales growth potential. The transfer of the production line started in April 2020 whereas its installation and commencement of operation took place within the fourth quarter of 2020. Following the above, the final termination of the production operations of Thrace Linq INC was approved whereas it was decided that the US geotextiles market would still be served by the Group's facilities in Europe and by Lumite Inc. in the USA, in which the Group participates with 50%.
- The liquidation of Thrace China (already completed) and its parent company Thrace Asia. The latter company operated as the sales office of Thrace Nonwovens & Geosynthetics Single Person SA in the Chinese market, with extremely limited activity in recent years, as most of the sales in the Asian market are made directly by Thrace Nonwovens & Geosynthetics Single Person SA. Therefore, the Group's Management decided to terminate the operation of this office. The parent company's, Saepe LTD, participation value in the above companies settled at € 631 and there was also an intra-group receivable of € 30. The participation and the receivable were impaired by 100%.

It is noted that this impairment charge did not affect the results of the Group but only the results of the subsidiary Saepe LTD. Also, the participation of Thrace Nonwovens & Geosynthetics Single Person SA in the company Saepe LTD amounting to € 505 and its intra-group receivable amounting to € 205 were written-off. For the same reason, the write-off did not affect the results of the Group, only the stand alone results of the subsidiary Thrace Nonwovens & Geosynthetics Single Person SA.

## Transfer of Industrial Property of Thrace Linq INC

The transfer of the privately owned industrial property, which housed Thrace Linq INC and is located in South Carolina, USA, took place.

The total price consideration of the transfer amounted to USD 14.5 million. As a result of the existing agreement, Thrace Linq INC received the amount of USD 11 million, while an amount of USD 3.5 million, as well as the corresponding interest, must be repaid by the Buyer at a later time, no later than twelve months from the date of transfer of the property. However, according to the existing agreements and its special covenants (both with the Buyer and with the Buyer's Bank involved), in case for any reason the Buyer breaches its obligation to repay the remaining amount at the agreed time horizon (up until 15/06/2021 at the latest), the company Thrace Linq INC has the right to repurchase the property (based on priority and also based on its own discretion), covering the outstanding balance of the loan (and any interest or expenses that will be due) of the buyer as it will have been formed at the time when Thrace Linq INC will exercise this right, thus permanently canceling the sale or alternatively in case this is deemed unprofitable, has the right to participate in the sale process (having as collateral the second registered mortgage).

Given the above and as the existence of the aforementioned right to repurchase the property creates conditions of uncertainty regarding the final completion of the transaction, its accounting recognition will take place when (by 15/06/2021 the latest, unless agreed otherwise) the relevant events become certain and final. The amount of USD 11 million received was recorded in the cash and cash equivalents, respectively increasing the "Other current liabilities".

It should be noted that the cash received (USD 11 million) was used to reduce the Group's Net Debt.

## New investment from Don & Low LTD in Meltblown fabric production line

The fully owned by 100% subsidiary Don & Low LTD, based in Forfar, Scotland, decided to invest GBP 4.5 million in the purchase and installation of mechanical equipment for the production of meltblown material. The meltblown material will be used for the production of all types of masks, from surgical masks to FFP2 and FFP3 masks. The new production line is expected to be operational in the last quarter of the year.

To implement the investment, Don & Low LTD agreed with the state-owned institution "Scottish Enterprise" to finance 80% of the investment. Funding will be returned to Scottish Enterprise within the next five years depending on the company's sales volume during that time.

## Completion of Surgical Protective Masks Investment Plan

The Company with its announcement on October 1, 2020 informed the investor community about the completion of the investments in surgical mask production lines. Specifically and based on the announcements made by the Company: The Group from April of this year until today, proceeded to extraordinary investments of 3 million Euros for the installation of production lines of type I, Type II and Type IIR surgical masks, in the Group's facilities in Xanthi, Greece, in Forfar, Scotland, and in Clara, Ireland.

The investment plan was completed with great success and in a timely manner. All production lines are now in operation, while their total capacity has been set at the level of 1.5 million masks per day. It is noted that apart from the sales generated in the Greek market, a large proportion of the production capacity is channeled to the United Kingdom and to the European Union.

The surgical masks produced are fully complied with the relevant quality standards, while the production is now performed through automated and efficient processes, thus making the overall process very competitive in financial terms, utilizing the strong technical know-how and the expertise developed.

It is noted that the investment plan included the installation of production lines for ear loops and nose wires, through which the Group has achieved a fully vertical integration of its operations. All raw materials required for surgical masks production are now produced in-house, hence strengthening the competitive advantage of the Group in this particular business activity.

## Donation of surgical masks

The Management of Thrace Plastics Group, decided to support our fellow human beings who do not have the financial means to obtain the masks necessary for their protection, donating to Social Welfare Institutions, vulnerable groups and generally social groups that need them, more than 2.5 million protective masks for the year 2020.

## Decisions of the Ordinary General Meeting of 15 July 2020

At the annual Ordinary General Meeting of 15 July 2020, among others, the shareholders:

a) approved unanimously the allocation (distribution) of the results of the financial year 2019 (01.01.2019-31.12.2019) and in particular the distribution (payment) of a total dividend of 2,000,003.25 Euros (gross amount) from the profits of the closed year 2019. Beneficiaries to the collection of the above dividend were the shareholders of the Company registered in the records of the Dematerialized Securities System (DSS) on 20 July 2020 (record date). The cut-off date of the 2019 dividend was set on 17 July 2020. The payment of the dividend started on 23rd July 2020 and was made through Piraeus Bank and in accordance with the procedure provided by the current Athens Exchange Regulation.

b) voted by a majority in favor of the Remuneration Report, which was drafted in accordance with the provisions of Article 112 of Law 4548/2018, contains a comprehensive overview of the total remuneration of the members of the Board of Directors (executive and non-executive) and explains the manner by which the Remuneration Policy of the Company for the immediately preceding financial year was implemented.

## Acceptance by the competent authority of the appeal of Thrace Nonwovens & Geosynthetics Single Person SA to the Administrative Court of Appeal for taxes charged for the year 2011

The Administrative Court of Appeal, according to its decision under no. 2826/2020, accepted the appeal of the company Thrace Nonwovens & Geosynthetics Single Person SA and canceled the accrued taxes and surcharges from the tax authorities amounting to € 527 for the year 2011. The Company had paid the above amount and had formed an equal claim in its accounting books, which was offset by the Company's tax liabilities.

## Offsetting of Claims from OAED (Greek Manpower Employment Organization) with Liabilities towards the Greek State

On July 17, 2020, the Law 4706/2020 was passed, according to which the outstanding claims of the beneficiaries until 31.12.2015 are offset by existing and future claims of the State against them, from the entry into force of the law. The obligations of OAED and the Greek State are exhausted according to the provisions of article 87 par. 2 of Law 4706/2020. The Group has a long-term receivable from OAED amounting to € 4,879, which concerns a subsidy of 12% on the payroll costs of personnel and recruitment of new graduates in the area of Xanthi. The receivable of the Group before the impairments that have been recorded amounts to € 11,062.

The companies of the Group, which raise claims against OAED, have initiated the legal and formal procedures for claiming the above amounts, however, at the time of preparing the current annual financial report, the required decisions of the Administrative Court of First Instance have not been issued, in accordance with the provisions of JMD that has been based on the aforementioned Law.

## Issuance of Tax Certificate for Fiscal Year 2019 According to article 65 A of law 4174/2013

Following the tax audit for the fiscal year 2019, that was carried out by the statutory external auditors in accordance with the article 65A of law 4174/2013, both to the Company and to the subsidiaries "Thrace Nonwovens & Geosynthetics Single Person SA", "Thrace-Polyfilms Single Person SA", "Thrace Plastics Pack SA", "Thrace Eurobent SA", and "Thrace Greenhouses SA", the corresponding tax certificates were issued with an unreserved conclusion.

## Decisions of the Extraordinary General Meeting of the shareholders of 14 December 2020

The Extraordinary General Meeting of the Company's shareholders which took place on 14 December 2020 decided to distribute dividend from prior years' profits and in particular it was decided to distribute a total amount of 2,500,262.00 Euros (gross amount), i.e. 0.05716 Euros per share of the Company (gross amount), which following the increase corresponding to the 322,688 own (treasury) shares, which were held by the Company and were excluded from the monetary distribution, reached the level of 0.05758 Euros. From the above amount, the relevant tax of 5% was withheld based on article 40, par. 1 and article 64, par. 1 of law 4172/2013, as in force after its amendment by law 4646/2019, and therefore the final paid amount of the above capital distribution settled at 0.054701 Euros per share.

The cut-off date of the above dividend distribution was set for Thursday 17 December 2020. Therefore, the beneficiaries of the above distribution were those shareholders registered in the files of the Dematerialized Securities System (DSS) managed by the "Hellenic Central Securities Depository SA" at the record date, i.e. on Friday 18 December 2020.

The payment of the dividend distribution started on Wednesday 23 December 2020 and was implemented through the paying Bank "PIRAEUS BANK SA".

## SECTION II: Main Risks and Uncertainties

The Group's activities, in general, create several financial risks. Such risks include market risk (foreign exchange risk and risk from changes of raw materials prices), credit risk, liquidity risk and interest rate risk.

### Financial Risks

The financial assets used by the Group consist mainly of bank deposits, overdraft bank accounts, accounts receivable, accounts payable and loans.

### Risk of Price Fluctuations of Raw Materials

The Group is exposed to fluctuations in the price of polypropylene (represents approximately 53% of the cost of sales), which are mainly faced by a similar change in the selling price of the final product. The possibility that the increase in the price of polypropylene cannot be fully passed on to the selling price, causes unavoidably the compression of margins. For this reason, the Company accordingly adjusts, to the extent it is feasible, its inventory policy as well as its commercial policy in general so that the particular risk is relatively controlled.

### Credit Risks

The credit risk to which the Group and the Company are exposed is the likelihood that a counterparty will cause financial loss to the Group and the Company as a result of the breach of its contractual obligations.

The maximum credit risk to which the Group and the Company are exposed at the date of preparation of the financial statements is the book value of their financial assets. In order to address credit risk, the Group consistently applies a clear credit policy, which is monitored and evaluated on an ongoing and systematic basis so that the credit granted does not exceed the credit limit per customer. Client sales insurance policies are also concluded per customer whereas no tangible guarantees on the assets of clients are required.

In order to monitor credit risk, customers are grouped according to the category they belong to, their credit risk characteristics, the maturity of their receivables and any past collection issues they have created, in addition to taking into account future factors in relation to customers as well as the financial environment.

### Impairment

The Group and the Company, in the financial assets that are subject to the new model of expected credit losses, include receivables from customers and other financial assets.

The Group and the Company recognize provisions for impairment with regard to the expected credit losses of all financial assets. The expected credit losses are based on the difference between the contractual cash flows and the entire cash flows which the Group (or the Company) anticipates to receive. The difference is discounted by using an estimate concerning the initial effective interest rate of the financial asset. With regard to the trade receivables, the Group and the Company applied the simplified approach of the standard and estimated the expected credit losses based on the anticipated losses for the entire life of these assets. Regarding the remaining financial assets, the expected credit losses are being calculated according to the losses of the next 12 months. The expected credit losses of the following 12 months are part of the anticipated credit losses for the entire life of the financial assets, which emanates from the probability of a default in the payment of the contractual obligations within the next 12-month period starting from the reporting date. In case of a significant increase in credit risk since the initial recognition, the provision for impairment will be based on the expected credit losses of the entire life of the asset.

At the date of the preparation of the financial statements, impairment of receivables from customers and other financial assets was made on the basis of the above.

The following table analyzes the maturity of customers at 31/12/2020.

| Maturity of Trade Receivables at 31.12.2020 | Group |
|---|---|
| 01 – 30 days | 21,197 |
| 31 – 90 days | 30,357 |
| 91 – 180 days | 5,927 |
| 180 days and over | 6,689 |
| **Subtotal** | **64,170** |
| Provisions for doubtful receivables | (7,307) |
| **Total** | **56,863** |

The above amounts are expressed in terms of days of past due in the table below.

| Analysis of due/overdue customer receivables at 31.12.2020 | Group |
|---|---|
| Receivables due | 47,434 |
| Overdue receivables 1 – 30 days | 8,017 |
| Overdue receivables 31 – 90 days | 1,528 |
| Overdue receivables above 91 days | 7,191 |
| **Subtotal** | **64,170** |
| Provisions for doubtful receivables | (7,307) |
| **Total** | **56,863** |

With regard to uninsured overdue receivables above 90 days, which the Group has classified as doubtful, relevant provisions have been made which are deemed as sufficient based on the available information.

Correspondingly, the amounts of maturity and past due days for the financial year 2019 are presented in the following tables:

| Maturity of Trade Receivables at 31.12.2019 | Group |
|---|---|
| 01 – 30 days | 17,848 |
| 31 – 90 days | 32,584 |
| 91 – 180 days | 7,037 |
| 180 days and over | 6,500 |
| **Subtotal** | **63,969** |
| Provisions for doubtful receivables | (6,541) |
| **Total** | **57,428** |

*Amounts in Euro thousand, unless stated otherwise*

| Analysis of due/overdue customer receivables at 31.12.2019 | Group |
|---|---|
| Receivables due | 44,182 |
| Overdue receivables 1 – 30 days | 9,373 |
| Overdue receivables 31 – 90 days | 3,197 |
| Overdue receivables above 91 days | 7,217 |
| **Subtotal** | **63,969** |
| Provisions for doubtful receivables | (6,541) |
| **Total** | **57,428** |

- **Liquidity Risks**

The monitoring of liquidity risk is focused on managing cash inflows and outflows on a constant basis, in order for the Group to have the ability to meet its cash flow obligations by a consistent and timely manner. The management of liquidity risk is applied by maintaining cash equivalents and approved bank credits. During the preparation date of the annual financial statements, there are adequate, unused already approved bank credits, which are considered sufficient to be used in a case of a possible shortage of cash equivalents.

Short-term bank debt liabilities are renewed at their maturity, as they are part of the approved bank credits.

The following table presents the liabilities according to their maturity dates.

| Group 31.12.2020 | Up to 1 month | 1-6 months | 6-12 months | 1-5 Years | Over 5 years | Total |
|---|---|---|---|---|---|---|
| Suppliers | 10,706 | 18,819 | 172 | - | - | **29,697** |
| Other short-term liabilities | 7,904 | 15,738 | 9,450 | - | - | **33,092** |
| Short-term debt | 514 | 5,395 | 20,402 | - | - | **26,311** |
| Liabilities from leasing (short-term part) | 455 | 1,394 | 973 | - | - | **2,822** |
| Long-term debt | | | | 46,691 | - | **46,691** |
| Liabilities from leasing (long-term part) | | - | - | 2,998 | 212 | **3,210** |
| Other long-term liabilities | | - | - | 208 | 34 | **242** |
| **Total 31.12.2020** | **19,579** | **41,346** | **30,997** | **49,897** | **246** | **142,065** |

*Amounts in Euro thousand, unless stated otherwise*

| Group 31.12.2019 | Up to 1 month | 1-6 months | 6-12 months | 1-5 Years | Over 5 years | Total |
|---|---|---|---|---|---|---|
| Suppliers | 17,180 | 19,007 | - | - | - | **36,187** |
| Other short-term liabilities | 8,600 | 7,097 | 564 | - | - | **16,261** |
| Short-term debt | 3,946 | 17,027 | 22,523 | - | - | **43,496** |
| Liabilities from leasing (short-term part) | 405 | 1,883 | 2,485 | - | - | **4,773** |
| Long-term debt | - | - | - | 29,367 | 23,504 | **52,871** |
| Liabilities from leasing (long-term part) | - | - | - | 3,632 | 807 | **4,439** |
| Other long-term liabilities | - | - | - | 93 | - | **93** |
| **Total 31.12.2019** | **30,131** | **45,014** | **25,572** | **33,092** | **24,311** | **158,120** |

### Foreign Exchange Risk

The Group is exposed to foreign exchange risks arising from existing or expected cash flows in foreign currency and investments that have been made in foreign countries. The management of the various risks is made by the use of natural hedge instruments. In order to hedge foreign currency risk from foreign currency customer receivables, borrowing is contracted in the same currency, according to the management's judgment. Sensitivity analysis of the effect of exchange rate changes is given in the table below.

| Foreign Currency | 2020 | | | 2019 | | |
|---|---|---|---|---|---|---|
| Change of foreign currency against Euro * **Profit before tax** | USD | GBP | Other | USD | GBP | Other |
| +5% | (244) | (44) | (62) | (1.012) | (331) | (6) |
| -5% | 270 | 49 | 68 | 1.118 | 365 | 7 |
| **Equity** | | | | | | |
| +5% | 136 | 169 | (277) | (439) | 649 | (207) |
| -5% | (151) | (187) | 307 | 486 | (718) | 229 |

***Note***
- *Profit before Taxes are converted at the average exchange rates.*
- *Equity is converted at the exchange rate at the closing date of each fiscal year*

### Interest Rate Risk

The Group's long-term loans have been provided by Greek and foreign banks and are mainly denominated in Euro. The repayment period varies, according to the loan contract each time, while long-term loans are mainly linked to Euribor plus a margin. The Group's short-term loans have been provided by various banks, under Euribor, plus a margin and Libor plus a margin.

It is estimated that a change in the average annual interest rate by 1 percentage point, will result in a (charge) / improvement of Earnings Before Tax as follows:

*Amounts in Euro thousand, unless stated otherwise*

| Possible interest rate change | Effect on Earnings before Tax - Group | |
|---|---|---|
| | 2020 | 2019 |
| Interest Rate Increase 1% | **(790)** | (1,055) |
| Interest Rate Decrease 1% | **790** | 1,055 |

## Capital Adequacy Risk

The Group controls capital adequacy using the net debt to operating profit ratio and the net debt to equity ratio. The Group's objective in relation to capital management is to ensure the ability for its smooth operation in the future, while providing satisfactory returns to shareholders and benefits to other parties, as well as to maintain an ideal capital structure so as to ensure a low cost of capital. For this purpose, it systematically monitors working capital in order to maintain the lowest possible level of external financing.

| Capital Adequacy Risk | Group | |
|---|---|---|
| | 2020 | 2019 |
| Long-term debt | 46,691 | 52,871 |
| Long-term debt from leases | 3,210 | 4,439 |
| Short-term debt | 26,311 | 43,496 |
| Short-term debt from leases | 2,822 | 4,773 |
| **Total debt** | **79,034** | **105,579** |
| Minus cash & cash equivalents | 40,824 | 22,051 |
| **Net debt** | **38,210** | **83,528** |
| | | |
| **EBITDA*** | **69,444** | **28,745** |
| **NET DEBT / EBITDA*** | **0.55** | **2.91** |
| | | |
| **EQUITY** | **174,583** | **146,349** |
| **NET DEBT / EQUITY** | **0.22** | **0.57** |

* Concerns Total Operations

*Amounts in Euro thousand, unless stated otherwise*

## SECTION III: Significant Transactions with Related Parties

The most significant transactions between the Company and its related parties, as defined by International Accounting Standard 24, are described below:

It should be noted that the reference to the particular transactions includes the following data:

a) The amount of the most significant transactions for the year 2020

b) Their unpaid balance at the end of the year (31.12.2020)

c) The nature of relation between the related party and the Company, as well as

d) Any information concerning the transactions, which is necessary for the understanding of the Company's financial position, only to the extent that these transactions are material.

| | Income |
|---|---|
| Don & Low LTD | 1,042.9 |
| Thrace Nonwovens & Geosynthetics Single Person SA | 1,366.0 |
| Thrace Polyfilms Single Person SA | 304.8 |
| Thrace Plastics Pack SA | 781.2 |
| Thrace Ipoma AD | 283.6 |
| Synthetic Holdings LTD | 161.9 |
| Thrace Synthetic Packaging LTD | 181.6 |
| Thrace Polybulk AB | 214.9 |
| Thrace Polybulk AS | 153.1 |
| Thrace Linq INC | 328.2 |
| **Total** | **4,818.2** |

| Suppliers - Liabilities | 31.12.2020 |
|---|---|
| **Thrace Plastics Pack SA** | **960** |
| **Total** | **960** |

Amounts in Euro thousand, unless stated otherwise

- The remuneration of the members of Board of Directors for the Parent Company amounted to € 2,115 in 2020 versus € 2,118 in 2019. The remuneration of the members of Board of Directors for the Group amounted to € 5,339 in 2020 versus € 5,031 in 2019 and relate to Boards of Directors of 21 companies, in which 38 people participate and also include salaries of the executive members of the Boards, other remuneration and benefits of both the executive and the non-executive members.

- The letters of guarantee issued by banks on behalf of the Company to third parties (Public, Suppliers, Customers) amount to € 834.

The Company has granted its guarantee in favor of its subsidiaries to banks for securing long-term loans. As of 31.12.2020 the outstanding amount of loans for which the Company has guaranteed amounted to € 54,255 and is analyzed as follows:

| Guarantees in favor of Subsidiaries | 2020 |
|---|---|
| Thrace Nonwovens & Geosynthetics Single Person S.A. | 22,874 |
| Thrace Greenhouses S.A. | 1,905 |
| Thrace Plastics Pack S.A. | 20,986 |
| Thrace Polyfilms Single Person SA | 8,490 |

- During the fiscal year 2020, the total fees paid to the Company's statutory external auditors amounted to € 565 for the Group and to € 75 for the Company.

- There were no changes in transactions between the Company and its related parties that could have had substantial effects on the financial position and performance of the Company during the financial year 2020.

- All transactions described above have taken place under normal market terms and contain no special or extraordinary features which in opposite case would have made compulsory the further analysis of the above per related party.

*Amounts in Euro thousand, unless stated otherwise*

# SECTION IV: Analytical Information according to Article 4 par. 7 and 8 of Law 3556/2007, as currently in effect

The Company, according to article 4 par. 7 and 8 of L. 3556/2007 is obliged to include in the present Report, analytical information regarding a series of issues, as follows:

## 1. Structure of Company's share capital

The Company's share capital on 31.12.2020 amounted to twenty eight million eight hundred sixty nine thousand, three hundred fifty eight Euros and thirty two cents (€28,869,358.32) and was divided into forty three million seven hundred forty one thousand, four hundred fifty two (43,741,452) common registered shares, with a nominal value of sixty six cents (€ 0.66) each. All Company shares are common, registered, with voting rights (with the exception of any treasury shares held by the Company), and are listed on the organized Market of the Athens Stock Exchange and specifically in the Main Market under the Chemicals – Specialized Chemicals sector. The structure and the formation of the Company's share capital are presented in detail in article 5 of the Company's Articles of Association. The Company's shares were listed on the Athens Exchange on 26 June 1995 and are being traded on this market up until today, without any interruption. From each share, all rights and obligations stipulated by the law and the Company's Articles of Association emanate. The possession of each share results automatically into the full and with no reservations acceptance of the Company's Articles of Association and the decisions that have been made by the pertinent bodies of the Company in accordance with the law and the Articles of Association. Each share provides for one (1) voting right.

## 2. Limitations to the transfer of Company shares

The transfer of Company shares takes place as stipulated by the Law and there are no limitations regarding such transfers in relation to its Articles of Association or other special agreements or other regulatory provisions.

## 3. Significant direct or indirect participations according to the definition of Law 3556/2007

With regards to significant participations in the share capital and voting rights of the Company, according to the definition of provisions of articles 9 to 11 of L. 3556/2007, Mr. Konstantinos Chalioris holds, on 31/12/2020, a percentage of 43.292% of the Company's share capital and voting rights and Mrs. Eufimia Chalioris holds, on 31/12/2020, a percentage of 20.851% of the Company's share capital and voting rights. No other physical or legal entity owned a percentage over 5% of the share capital. The data regarding the number of shares and voting rights held by individuals with a significant participation have been derived from the Shareholder Registry kept by the Company and from disclosures provided to the Company according to Law (and MAR) on behalf of its shareholders.

**4. Shares incorporating special control rights**

There are no Company shares that provide special control rights to owners.

**5. Limitations on voting rights**

According to the Company's Articles of Association, there are no limitations on voting rights.

**6. Agreements of Company shareholders**

To the knowledge of the Company there are no shareholder agreements, which result in limitations on the transfer of shares or limitations on the exercise of voting rights that emanate from its shares.

**7. Rules for appointment and replacement of Board members and the amendment of the Articles of Association, which deviate from the provisions of C.L. 4548/2018**

The rules stated by the Company's Articles of Association regarding the appointment and replacement of its Board of Directors' members and the amendment of the provisions of its Articles of Association, do not differ from those stipulated by C.L. 4548/2018 as it is in effect.

**8. Responsibility of the Board of Directors or specific Board members for the issuance of new shares or the purchase of treasury shares.**

There is no special and permanent competence of the Board of Directors or some of its members for the issuance of new shares or the purchase of treasury shares according to article 49 of law 4548/2018.The relevant power and responsibility is given to the Company's Board of Directors by virtue of a relevant decision of the General Meeting of its shareholders.

**9. Significant agreements made by the Company and put into effect, amended or terminated in case of a change in the Company's control following a tender offer.**

There are no such agreements, which are put into effect, amended or terminated, in case of a change in the Company's control following a tender offer.

**10. Significant agreements made by the Company with Board members or the Company's personnel**

There are no agreements of the Company with the members of its Board of Directors or its personnel, which provide for the payment of indemnity specifically in case of resignation or termination of employment without reasonable cause or of termination of their term or employment, due to a tender offer.

## SECTION V: Treasury Shares

The Extraordinary General Meeting of the Company's shareholders on February 2, 2017 decided, inter alia, to approve the purchase of own shares through the Athens Stock Exchange under the provisions of the pre-existing article 16 of Codified Law 2190/1920, which expired on 02-02-2019. Under the aforementioned plan, and until its expiration, the Company acquired 4,324 own shares.

The Extraordinary General Meeting of the Company's shareholders on March 19, 2019 decided, inter alia, to approve the acquisition of own shares through the Athens Stock Exchange in accordance with the provisions of article 49 of law 4548/2018 as currently in force and in particular the Meeting approved purchase within a period of twenty-four (24) months from the date of the decision, i.e. no later than 19.03.2021, of a maximum of 4,373,713 common registered shares representing 10% of the total existing voting shares of the Company at the time, as the latter held already 4,324 treasury shares, with a purchase price range per share of one Euro and fifty cents Euro (€ 1.50) up to three Euros and fifty cents Euro (€ 3.50).

The primary purpose of the plan is the accumulation of shares from the stock market and the maintenance of these as treasury shares. The Management will assess at a later time what will be the most beneficial management of these treasury shares for the benefit of the Group, always in line with the provisions of the current legislation. During the effective period of the above Plan and in execution-implementation of the above decision of the Extraordinary General Meeting of shareholders, the Company proceeded, in accordance with the provisions of Regulation (EU) 596/2014 of the European Parliament and of the Council of 16 April 2014 as well as in accordance with the Commission's Delegated Regulation (EU) 2016/1052 of 8 March 2016, with the purchase of a total of 318,364 own ordinary shares carrying voting rights, with an average purchase price of 2.4373 Euros per share, which correspond to a percentage of 0.728% of the share capital. The Company proceeded with an announcement regarding the expiration/completion of this plan concerning the purchase of own shares on March 19th, 2021.

# SECTION VI: Evolution and Performance of the Group

## 1. Group Results

### Continuing Operations

The following table depicts the course of the Group's results (from continuing operations) during the year 2020 compared to the year 2019:

| Financial of Year 2020 | | | |
|---|---|---|---|
| (CONTINUING OPERATIONS) | Year 2020 | Year 2019 | Change |
| **(amounts in thousand Euro)** | **Year 2020** | **Year 2019** | ***Change*** |
| **Turnover** | **339,722** | **298,340** | ***13.9%*** |
| ***Gross Profit*** | ***105,959*** | ***61,549*** | **72.2%** |
| **Gross Profit Margin** | **31.2%** | **20.6%** | |
| ***EBIT*** | ***53,857*** | ***15,587*** | ***245.5%*** |
| **EBIT Margin** | **15.9%** | **5.2%** | |
| ***EBITDA*** | ***72,484*** | ***30,801*** | ***135.3%*** |
| **EBITDA Margin** | **21.3%** | **10.3%** | |
| ***Adjusted EBITDA*** | ***76,559*** | ***30,983*** | *147.1%* |
| **Adjusted EBITDA Margin** | **22.5%** | **10.4%** | |
| ***EBT*** | ***52,077*** | ***11,839*** | *339.9%* |
| **EBT Margin** | **15.3%** | **4.0%** | |
| ***Total EAT*** | ***41,272*** | ***7,514*** | **449.3%** |
| ***EAT Margin*** | ***12.1%*** | ***2.5%*** | |
| ***Total EATAM*** | ***40,663*** | ***7,213*** | **463.7%** |
| ***EATAM Margin*** | ***12.0%*** | ***2.4%*** | |
| ***Earnings per Share (in euro)*** | ***0.9314*** | ***0.1649*** | **464.8%** |

***** ***Note: The alternative performance measures are presented and described analytically in the section III of the present Report***

**Turnover** **€ 339,722 (*+13.9 %*)**

Increase in the consolidated volume by 2.9% and increase in the consolidated turnover by 13.9% compared to 2019. In particular, the Packaging sector posted an increase in volumes sold by 1.83% whereas the Technical Fabrics sector recorded an increase in volumes sold of 2.66%, compared to the year 2019.

**Gross Profit** **€105,959 *(+72.2%)***

The gross profit margin settled at 31.2% compared to 20.6% in 2019.

**EBIT** **€ 53,857 *(+245.5%)***

The EBIT margin stood at 15.9% compared to 5.2% in the fiscal year 2019.

**EBITDA** **€ 72,484 (+*135.3%)***

The EBITDA margin stood at 21.3% compared to 10.3% in the fiscal year 2019.

**Adjusted EBITDA** **€ 76,559 *(+147.1%)***

The margin of Adjusted EBITDA settled at 22.5% compared to 10.4% in 2019.

Adjusted EBITDA does not include expenses of € 3,133, which relate to the operational reorganization of Don & Low LTD. This subsidiary reduced its presence in woven technical fabrics, while increasing its production capacity in non-woven technical fabrics. Also the figure does not include costs of € 162 of Thrace Non-wovens & Geosynthetics Single Person SA from the transfer of Thrace Linq INC assets to its facilities, as well as extraordinary allowance to personnel of € 780.

These costs are analyzed below:

a. Personnel indemnity costs of € 1.525 of Don & Low LTD (see note 3.8)

b. Impairment of mechanical equipment of € 1,597 of Don & Low LTD (see note 3.8)

c. Losses from sale of fixed assets of € 11 of Don & Low LTD (see note 3.8)

d. Expenditures of Thrace Non-wovens & Geosynthetics Single Person SA for the transfer of fixed assets from Thrace Linq INC to its facilities, worth € 162 (see note 3.8)

e. Extraordinary allowance to personnel of € 780 (see note 3.8)

**Earnings before Taxes** **€52,077 *(+339.9%)***

The profit margin before taxes amounted to 15.3% compared to 4.0% in the fiscal year 2019.

**Earnings after Taxes** **€41,272 *(+449.3%)***

The profit margin after taxes amounted to 12.1% compared to 2.5% in the fiscal year 2019.

**Earnings after Taxes and Minority Rights** **€ 40,663 *(+463.7%)***

The profit margin after taxes and minority interests amounted to 12.0% in 2020 compared to 2.4% in 2019.

## Total Operations

Due to the decision to permanently discontinue the production of Thrace Linq INC, which was decided in order for the Group to focus on more profitable activities, this particular activity is reported in the income statement and other comprehensive income as discontinued operations.

For the completeness of information provided, the following table presents the Group's results as a whole (from Continuing and Discontinued Operations) in 2020, in relation to the year of 2019:

| ***Financial Results of Year 2020 (CONTINUING & DISCONTINUED OPERATIONS)*** | | | |
|---|---|---|---|
| *(amounts in thousand Euro)* | ***Year 2020*** | ***Year 2019*** | *Change* |
| **Turnover** | **344,806** | **327,795** | ***5.2%*** |
| **Gross Profit** | **106,217** | **63,548** | ***67.1%*** |
| ***Gross Profit Margin*** | ***30.8%*** | ***19.4%*** | |
| **EBIT** | **50,472** | **12,102** | ***317.1%*** |
| ***EBIT Margin*** | ***14.6%*** | ***3.7%*** | |
| **EBITDA** | **69,444** | **28,745** | ***141.6%*** |
| ***EBITDA Margin*** | ***20.1%*** | ***8.8%*** | |
| **Adjusted EBITDA** | **76,559** | **30,606** | ***150.1%*** |
| ***Adjusted EBITDA Margin*** | ***22.2%*** | ***9.3%*** | |
| **EBT** | **48,767** | **8,348** | ***484.2%*** |
| ***EBT Margin*** | ***14.1%*** | ***2.5%*** | |
| **Total EAT** | **37,956** | **4,017** | ***844.9%*** |
| ***EAT Margin*** | ***11.0%*** | ***1.2%*** | |
| ***Total EATAM*** | ***37,347*** | ***3,716*** | **905.0%** |
| ***EATAM Margin*** | ***10.8%*** | ***1.1%*** | |
| ***Earnings per Share (in euro)*** | ***0.8555*** | ***0.085*** | **906.5%** |

## 2. Parent Company's Results

The Company's business objective, apart from being a holding company, relates also to the provision of support services to its subsidiaries. Specifically the Company's income is generated from the provision of administrative, operating and organizational support services, financial and tax services, IT and consulting services in the areas of marketing and sales, the preparation of financial feasibility studies, and the general provision of services and advice which ensure the proper operation of subsidiaries at all levels.

Specifically for the year 2020, the Turnover of the Company for the provision of the above services amounted to € 4,852 compared to € 4,993 in 2019, showing a decrease of 2.8%. The loss before Taxes, Financial and Investment Results amounted to € 698 in 2020 compared to a Loss of € 580 in 2019. Profit before Taxes for the year 2020 amounted to € 11,743 versus € 2,301 in 2019, posting an increase of 410.3%. Finally, Profits after taxes in 2020 amounted to € 11,190 versus € 2,266 in 2019, recording an increase of 393.8%.

## 3. Results of the Group per Business Segment

The operating segments are based on the different product category, the structure of the Group's management and the internal reporting system. Using the criteria, as defined in the standards and based on the different activities of the Group, the business activity of the Group is divided into two business segments, namely "Technical Fabrics" and "Packaging". The information about the sectors of activity which are not reported as separate ones has been collected and presented in the category "Other", which includes the agricultural sector as well as the activities of the Parent Company.

The description and financial results of the Group's operating segments are presented as follows:

**Technical Fabrics Sector**

Production and trade of technical fabrics for industrial and technical use.

**Packaging Sector**

Production and trade of packaging materials, plastic bags, and plastic boxes for the packaging of food and colors and other packaging materials for agricultural use.

**Other**

It includes the Agricultural sector and the business activity of the Parent company which apart from the investment activities, also provides Administrative – Financial – IT services to its subsidiaries.

The following table summarizes the course of the results, from continuing operations, of the business segments which the Group activates in, for the year 2020:

| Sector | Technical Fabrics | | | Packaging | | | Other | | Eliminations | | Group | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| *(Amounts in € thous.)* | 12M 2020 | 12M 2019 | % Ch. | 12M 2020 | 12M 2019 | % Ch. | 12M 2020 | 12M 2019 | 12M 2020 | 12M 2019 | 12M 2020 | 12M 2019 |
| **Turnover** | **243,103** | 211,150 | *15.1%* | **105,718** | 94,895 | *11.4%* | **4,853** | 4,993 | **-13,952** | -12,698 | **339,722** | 298,340 |
| **Gross Profit** | **74,927** | 40,736 | *83.9%* | **30,733** | 20,437 | *50.4%* | **308** | 404 | **-9** | -30 | **105,959** | 61,549 |
| **Gross Profit Margin** | ***30.8%*** | *19.3%* | | ***29.1%*** | *21.5%* | | **6.3%** | *8.1%* | - | - | ***31.2%*** | *20.6%* |
| **Total EBITDA** | **50,494** | 17,800 | *183.7%* | **22,482** | 13,279 | *69.3%* | **-412** | -264 | **-80** | -15 | **72,484** | 30,801 |
| **EBITDA Margin** | ***20.8%*** | *8.4%* | | ***21.3%*** | *14.0%* | | ***-8.5%*** | *-5.3%* | **-** | - | ***21.3%*** | *10.3%* |

During the year 2020, which was characterized by the spread of the coronavirus Covid 19 pandemic, the Group faced significantly increased demand for specific products in its existing product portfolio and particularly in the area of technical fabrics for personal protection and health applications (Personal Protective Equipment). The Group, taking advantage of the technological capabilities of its modern production lines and its know-how that is developed in technical fabrics, managed to respond to the significantly increased demand, using the existing production lines and channeling a large part of the already produced quantities towards applications in this sector, while proceeding with targeted investments, such as production lines of surgical masks and production line of technical non-woven fabrics Meltblown (as it has been already announced to the investors' community with the corporate announcements as of 04/05/2020 and 01/10/2020).

From a commercial point of view, the Group during the year developed its customer base through the available sales networks per country, based on the individual market needs of each country, through its subsidiaries and regardless of the reference segment, either by channeling the products to the retail market or entering into agreements with the authorities of the local health systems.

The result of the above efforts was to significantly change the product mix, compared to the previous year, as existing and new final products with higher profitability were promoted in the market. The total Earnings before Taxes for 2020 on Group level amounted to € 52.1 million, out of which € 22.7 million, according to Management estimates, was a consequence of the above conditions and especially due to the change of product mix; specifically € 19.5 million were allocated to the "Technical Fabrics" segment and € 3.2 million were allocated to the "Packaging" segment.

It should be noted that part of the specific investments made (such as the production line of technical non-woven fabrics meltblown), in case of a potential reduced demand for personal protection and health products in the future, will be used for other products and in order to serve alternative markets and applications.

*Amounts in Euro thousand, unless stated otherwise*

## 4. Consolidated Balance Sheet of the Group

The following table summarizes the basic financial figures of the Group's financial position as of 31.12.2020:

| *(amounts in thousand Euro)* | **31/12/2020** | **31/12/2019** | ***Change*** |
|---|---|---|---|
| Tangible Fixed Assets | 131,512 | 123,210 | *6.7%* |
| Rights-of-use assets | 13,197 | 14,972 | *-11.9%* |
| Investment Property | 113 | 113 | *0.0%* |
| Intangible Assets | 10,655 | 11,350 | *-6.1%* |
| Interests in Joint Ventures | 15,068 | 14,547 | *3.6%* |
| Other Long-term Receivables | 5,034 | 5,091 | *-1.1%* |
| Deferred Tax Assets | 588 | 833 | *-29.4%* |
| **Total Fixed Assets** | **176,167** | **170,116** | ***3.56%*** |
| Inventories | **55,338** | 59,158 | *-6.5%* |
| Income Tax Prepaid | **278** | 588 | *-52.7%* |
| Trade Receivables | **56,863** | 57,428 | *-1.0%* |
| Other Receivables | **7,211** | 7,844 | *-8.1%* |
| Fixed Assets Held for Sale | **5,478** | 6,155 | *-11.0%* |
| Cash & Cash Equivalents | **40,824** | 22,051 | *85.1%* |
| **Total Current Assets** | **165,992** | **153,224** | ***8.33%*** |
| **TOTAL ASSETS** | **342,159** | **323,340** | ***5.8%*** |
| **TOTAL EQUITY** | **174,583** | **146,349** | ***19.3%*** |
| Long-term Loans | **46,691** | 52,871 | *-11.7%* |
| Liabilities from Leases | **3,210** | 4,439 | *-27.7%* |
| Provisions for Employee Benefits | 16,012 | 15,252 | 5.0% |
| Other Long-term Liabilities | **2,358** | 2,636 | *-10.5%* |
| **Total Long-term Liabilities** | **68,271** | **75,198** | ***-9.2%*** |
| Short-term Bank Debt | **26,311** | 43,496 | *-39.5%* |
| Liabilities from Leases | **2,822** | 4,773 | *-40.9%* |
| Suppliers | **29,697** | 36,187 | *-17.9%* |
| Other Short-term Liabilities | **40,475** | 17,337 | *133.5%* |
| **Total Short-term Liabilities** | **99,305** | **101,793** | ***-2.4%*** |
| **TOTAL EQUITY & LIABILITIES** | **342,159** | **323,340** | ***5.8%*** |

**Fixed Assets** **€ 176,167 *(+3.6%)***

The increase is mainly a result of the implementation of new investments during the year.

**Current Assets** ***€ 165,992 (+8.33%)***

Inventories amounted to € 55,338 on 31.12.2020 lower by 6.5% compared to 31.12.2019.

The average inventories turnover ratio stood at 88 days compared to 87 days in 2019.

Trade Receivables amounted to € 56,863 reduced by 1.0% compared to 31.12.2019.

The average Trade Receivables Turnover ratio settled at 60 days compared to 62 days in 2019.

**Equity** **€ 174,583 *(+19.3%)***

Equity amounted to € 174,583, posting an increase of 19.3% compared to 31.12.2019.

**Provisions for Employee Benefits** **€ 16,012 *(+5.0%)***

This increase is mainly due to the reduction of the discount rate. The largest share in the actuarial deficit of the Group comes from Don & Low LTD and for this reason the details of its plan are analyzed below:

| | **31.12.2020** | **31.12.2019** |
|---|---|---|
| Present Value of Liabilities | 157,175 | 153,268 |
| Present Value of Fixed Assets | 144,383 | 140,574 |
| **Net Liability Recognized in Balance Sheet** | **12,792** | **12,694** |

The asset allocation of the plan is as follows:

| ***Asset allocation*** | **31.12.2020** | **31.12.2019** |
|---|---|---|
| Mutual Funds (Stock Market) | 17,130 | 15,615 |
| Mutual Funds (Bond Market) | 75,417 | 71,292 |
| Mutual Funds (Diversified Growth Funds) | **48,721** | 50,752 |
| Other | 3,115 | 2,915 |
| **Total** | **144,383** | **140,574** |

The assets of the plan are measured at fair value and consist of Mutual Funds of Baillie Gifford and of Legal & General Investment Management.

*Amounts in Euro thousand, unless stated otherwise*

**Net Debt** **€ 38,210 *(-54.3%)***

The Net Debt / Equity ratio stood at 0.22 compared to 0.57 on 31.12.2019, while the Net Debt / EBITDA ratio stood at 0.55, compared to 2.91 on 31.12.2019. Net debt includes amounts related to leases, which were recognized for the first time, with the application of IFRS 16, in the fiscal year 2019. These amounts, for the Group, amount to € 1,713 for 2020 and € 1,333 for 2019.

**Suppliers** **€ 29,697 *(-17.9%)***

The average Suppliers Turnover Ratio settled at 50 days versus 53 days in 2019.

## 5. Financial Ratios

Following the above analysis, some basic Financial Ratios of the Group's Total Operations are hereafter presented:

| Capital Structure Ratios | 2020 | 2019 | Explanation |
|---|---|---|---|
| Total Liabilities / Equity | 1.0 | 1.2 | Relation between Liabilities and Equity |
| Net Debt / Equity | 0.2 | 0.6 | Relation between Debt and Equity |
| Net Debt/EBITDA | 0.6 | 2.9 | Relation between Debt and Earnings before Interest, Taxes, Depreciation and Amortization |
| Fixed Assets / Total Assets | 0.5 | 0.5 | Asset Allocation between Current and Non-current Assets |
| Current Assets / Total Assets | 0.5 | 0.5 | |
| Equity / Net Fixed Assets | 1.2 | 1.1 | The level of financing of the Tangible Assets from the Equity |
| **Leverage Ratios** | **2020** | **2019** | |
| Equity / Total Assets | 0.5 | 0.5 | Relation between Equity and Total Assets |
| Interest Coverage | 16.3 | 3.0 | Debit Interest – Credit Interest Coverage from Operating Earnings (EBIT) |
| **Liquidity Ratios** | **2020** | **2019** | |
| Current Ratio | 1.7 | 1.5 | Total Current Assets / Total Short-term Liabilities |
| Acid Test Ratio | 1.1 | 0.9 | (Total Current Assets - Inventories) / Total Short-term Liabilities |
| **Profit Margins (%)** | **2020** | **2019** | |
| Gross Profit | 30.8% | 19.4% | Gross Profit/Total Turnover |
| EBITDA | 20.1% | 8.8% | EBITDA/ Total Turnover |
| Adjusted EBITDA | 22.2% | 9.3% | Adjusted EBITDA / Total Turnover |
| EBT | 14.1% | 2.5% | Earnings before Taxes/ Total Turnover |
| EATAM | 10.8% | 1.1% | Earnings after Taxes and Minorities / Total Turnover |

*Amounts in Euro thousand, unless stated otherwise*

| Receivables and Turnover (in days) total | 2020 | 2019 | |
|---|---|---|---|
| Average Customer Turnover | 60 | 62 | [(Customers 2020 + Customers 2019)/2] / Turnover 2019*365 days |
| Average Inventory Turnover | 88 | 87 | [(Inventories 2020+ Inventories 2019)/2] / Cost of Sales 2019*365 days |
| Average Suppliers Turnover | 50 | 53 | [(Suppliers 2020 + Suppliers 2019)/2] / Cost of Sales 2019*365 days |

## SECTION VII: Definition and Agreement of Alternative Performance Measures (APM)

In the context of its decision making concerning the financial, operating and strategic planning as well as the evaluation of its performance, the Group utilizes Alternative Performance Measures (APM). These indicators mainly serve the better understanding of the financial and operating results of the Group, its financial position as well as its cash flow statement. The Alternative Performance Measures (APM) should be always taken into account in line with the financial statements which have been prepared according to the International Financial Reporting Standards and in no case the APM replace the above.

**Alternative Performance Measures**

In the analysis of the developments and the performance of the Group, ratios such as the EBIT and the EBITDA are utilized.

**EBIT (The indicator of earnings before financial and investment activities as well as taxes)**

The EBIT serves the better analysis of the Group's operating results and is calculated as follows: Turnover minus Cost of Sales plus other operating income minus the total operating expenses, before the financial and investment activities. The EBIT margin (%) is calculated by dividing the EBIT by the turnover.

**EBITDA (The indicator of operating earnings before financial and investment activities as well as depreciation, amortization, impairment and taxes)**

The EBITDA serves the better analysis of the Group's operating results and is calculated as follows: Turnover minus Cost of Sales plus other operating income minus the total operating expenses before the depreciation of fixed assets, the amortization of grants and the impairments, as well as before the financial and investment activities. The EBITDA margin (%) is calculated by dividing the EBITDA by the turnover.

**Adjusted EBITDA (the adjusted figure of operating earnings before financial and investment activities, depreciation / amortization, impairments and taxes)**

The Adjusted EBITDA equals with the EBITDA after restructuring expenses, merger and acquisition expenses and other non-recurring expenses have been deducted.

Amounts in Euro thousand, unless stated otherwise

## SECTION VIII: Prospects and Outlook of the Group for the Financial Year 2021

The duration of the pandemic crisis for a period more than a year has created conditions of uncertainty in the wider macroeconomic and business environment. However the commencement as well as the accelerated evolution of vaccinations allows for optimism when it comes to the effective and definitive response to the pandemic in the future. However at this stage it is not possible to predict the precise time when the above objective will be achieved. All the above define various risk factors, which do not allow reliable estimates both for the course of the economies in the short-term but especially after the termination of the various state aid measures currently in place for those who have been financially affected by the pandemic. The Group constantly evaluates the potential risks and their impact, without being able to clearly assess the total impact that these will have on the Group's financial performance in the future.

Regarding the financial performance of the Group for the current year and according to the developments observed so far, it should be noted that the start of the year appears to be a continuation of the previous financial year, both in terms of product mix and profitability. At the same time, the emergence of shortages of basic raw materials from the beginning of the year until today, creates pressure on world markets and a rapid increase in prices of all basic raw materials.

The main concern of the Group was and remains the smooth continuation of its production activity and the business continuity in all areas of operation, in order to ensure the response to the requirements and needs of customers; a fact that to date has been achieved with absolute success. The Management of all subsidiaries within the Group make every possible effort in order to offset any negative effects caused from the conditions that have prevailed in the global marketplace, having to date achieved satisfactory results.

As a result of the above, the evolution of the Group's performance in the first quarter of 2021 remains satisfactory, both in terms of sales and profitability, despite the unfavorable macroeconomic conditions in the market. For the entire year of 2021, the uncertainty that exists in the global market place at this stage makes any prediction uncertain.

The maintenance of the sound capital structure of the Group and of the required liquidity levels, the further strengthening of its financial position in combination with the continuous monitoring of individual operating drivers, and the timely implementation of actions, wherever required, are the necessary conditions for limiting the negative impact from the conditions of the global market place and ensuring the Group's smooth business continuity. The Management of the Group continues to take all the necessary decisions and actions and is working systematically towards this direction.

## SECTION IX: Events after the Balance Sheet Date

The following paragraphs present the important events that took place after the end of the fiscal year 2020 and up to the date of preparation of this Report, events which are worth mentioning in the current Report:

### Election of new members of the Board of Directors to replace resigned Directors – Reconstitution of the Board of Directors into a body

The Board of Directors of the Company, during the meeting that took place on 18th January 2021, elected:

**(a)** Ms. Myrto Papathanou of Christos in replacement and for the remaining of the term of the resigned independent non-executive member of the Board of Directors Mr. Konstantinos Gianniris of Ioannis, and

**(b)** Ms. Spyridoula Maltezou of Andreas in replacement and for the remaining of the term of the resigned independent non-executive member of the Board of Directors Mr. Ioannis Apostolakos of George.

The above replacement and the election of the specific independent non-executive members of the Board of Directors takes place in the context of the Company's decision for its immediate, substantial and effective compliance and adaptation of its organization to the requirements and regulations of the new Law 4706/2020 (Government Gazette A' 136 / 17.07.2020) with regard to corporate governance.

More specifically, the election of the above new members of the Board of Directors, on the one hand is in line with the current regulatory framework and in particular with the provisions of the above new law, in terms of substantive criteria and conditions of independence of new members, whereas on the other hand is harmonized with the provisions of the new law on suitability, diversity and, above all, adequate representation by gender in the Board of Directors.

The election of the above new independent non-executive members of the Board of Directors was announced, in accordance with the law and the Company's Articles of Association, at the Extraordinary General Shareholders Meeting of the Company, on 11 February 2021.

Following the above, the Board of Directors of the Company was reconstituted into a body for the remaining of its term, i.e. until March 19th, 2024, as follows:

1) Konstantinos Chalioris of Stavros, Chairman of the Board of Directors (executive member).
2) Christos-Alexis Komninos of Konstantinos, Vice Chairman of the Board of Directors (non-executive member).
3) Dimitrios Malamos of Petros, Chief Executive Officer of the Company (executive member).
4) Vaseilios Zairopoulos of Stylianos, Member of the Board of Directors (non-executive member).
5) Christos Siatis of Panagiotis, Member of the Board of Directors (non-executive member).
6) Petros Fronistas of Christos, Member of the Board of Directors (independent non-executive member).

7) Myrto Papathanou of Christos, Member of the Board of Directors (independent non-executive member).

8) Spyridoula Maltezou of Andreas, Member of the Board of Directors (independent non-executive member).

9) Theodoros Kitsos of Konstantinos, Member of the Board of Directors (independent non-executive member).

10) Nikitas Glykas of Ioannis, Member of the Board of Directors (independent non-executive member).

## Decisions of the Extraordinary General Meeting of the Company's shareholders of 11th February 2021

The Extraordinary General Meeting of the Company's shareholders on 11 February 2021 took the following decisions:

**In the 1st item** of the agenda, the Meeting decided by majority, in accordance with the provisions of article 3 of Law 3016/2002, the election of the following persons:

(a) Ms. Myrto Papathanou of Christos in replacement and for the remaining of the term of the resigned independent non-executive member of the Board of Directors Mr. Konstantinos Gianniris of Ioannis, and

(b) Ms. Spyridoula Maltezou of Andreas in replacement and for the remaining of the term of the resigned independent non-executive member of the Board of Directors Mr. Ioannis Apostolakos of George,

The election of the above independent non-executive members of the Board of Directors takes place in the framework of the Company's decision for the immediate, substantial and effective compliance and adaptation of its organization to the requirements and regulations of the new Law 4706/2020 with regard to corporate governance.

Both members that were elected according to the above meet the criteria and conditions of independence of both the article 4, par. 1 of Law 3016/2002 valid until 17.07.2021, as well as of article 9 par. 1 and 2 of Law 4706/2020.

**In the 2nd item** and in the context of harmonization with the requirements, criteria and regulations of the new Law 4706/2020 with regard to corporate governance and concerning both independence and suitability, diversity and mainly the adequate representation by gender in the Board of Directors, and following a relevant proposal of the Remuneration and Nomination Committee (RNC), the Meeting approved by majority the election of a new eleven-member (11-member) Board of Directors, through the re-election of all its outgoing members, as well as the election of Mr. Georgios Samothrakis of Panagiotis as its new member.

Following the above, the Board of Directors of the Company, with a term in accordance with the provisions of article 7, par. 2 of the Articles of Association, which is extended until the expiration of the deadline within which the next Ordinary General Meeting must convene and until the relevant decision, will consist of the following members:

1) Konstantinos Chalioris of Stavros

2) Christos-Alexis Komninos of Konstantinos

3) Dimitrios Malamos of Petros

4) Vassilios Zairopoulos of Stylianos

5) Christos Siatis of Panagiotis

6) Petros Fronistas of Christos

7) Georgios Samothrakis of Panagiotis

8) Myrto Papathanou of Christos

9) Spyridoula Maltezou of Andreas

10) Theodoros Kitsos of Konstantinos

11) Nikitas Glykas of Ioannis

Simultaneously with the same majority decision, the Extraordinary General Meeting appointed as independent members of the Board of Directors of the Company, the following: 1) Georgios Samothrakis of Panagiotis, 2) Myrto Papathanou of Christos, 3) Spyridoula Maltezou of Andreas, 4) Theodoros Kitsos of Konstantinos and 5) Nikitas Glykas of Ioannis as they all meet the required by the current regulatory framework (namely article 4, par. 1 of the current until 17.07.2021 Law 3016/2002 and article 9, par. 1 and 2 of Law 4706/2020) conditions and criteria of independence.

**In the 3rd item**, the Meeting approved by majority, in accordance with the provisions of article 44 of Law 4449/2017, as in force after its amendment by the article 74 of Law 4706/2020, the election of a new Audit Committee, which constitutes an Independent Committee and consists of three (3) members, of which one (1) independent non-executive member of the Board of Directors of the Company and two (2) third parties - non-members of the Board of Directors.

Within the above framework, the following persons were elected as members of the Audit Committee:

1) Mr. Georgios Samothrakis of Panagiotis, Independent non-executive Member of the Board of Directors,

2) Mr. Konstantinos Kotsilinis of Eleftherios, third party and non-Member of the Board of Directors and

3) Mr. Konstantinos Gianniris of Ioannis, third party and non-Member of the Board of Directors.

The members of the Audit Committee as a whole have sufficient knowledge of the sector in which the Company operates, while the majority of the members of the Audit Committee and in particular Messrs. George Samothrakis of Panagiotis and Konstantinos Kotsilinis of Eleftherios, are independent of the Company, given that:

(a) They do not hold shares greater than 0.5% of the Company's share capital; and

(b) They do not have any dependency relationship with the Company or persons related to it, as this (dependency relationship) is specified in particular in the provisions of article 4 par. 1 of Law 3016/2002, which remains in force until 17.07.2021, as well as of article 9 par. 1 and 2 of Law 4706/2020.

Furthermore, the criterion of sufficient knowledge and experience in auditing or accounting is met in the person of both Mr. Georgios Samothrakis and Mr. Konstantinos Kotsilinis, and therefore each of the above members will be required to attend the meetings of the Audit Committee concerning the approval of the financial statements.

Finally, by the same majority decision, the Meeting specified the term of the Audit Committee as five years, starting on February 11, 2021 and ending on February 11, 2026.

## Formation of the newly elected Board of Directors into body

The new eleven-member (11-member) Board of Directors of the Company, elected by the Extraordinary General Meeting of Shareholders, which took place on 11 February 2021, was formed on the same day (11 February 2021) in the following body:

1) Konstantinos Chalioris of Stavros, Chairman of the Board of Directors (executive member).
2) Theodoros Kitsos of Konstantinos, Vice Chairman of the Board of Directors (independent non-executive member).
3) Dimitrios Malamos of Petros, Chief Executive Officer of the Company (executive member).
4) Vassilios Zairopoulos of Stylianos, Member of the Board of Directors (non-executive member).
5) Christos Siatis of Panagiotis, Member of the Board of Directors (non-executive member).
6) Christos-Alexis Komninos of Konstantinos, Member of the Board of Directors (non-executive member).
7) Petros Fronistas of Christos, Member of the Board of Directors (non-executive member).
8) Georgios Samothrakis of Panagiotis, Member of the Board of Directors (independent non-executive member).
9) Myrto Papathanou of Christos, Member of the Board of Directors (independent non-executive member).
10) Spyridoula Maltezou of Andreas, Member of the Board of Directors (independent non-executive member).
11) Nikitas Glykas of Ioannis, Member of the Board of Directors (independent non-executive member).

## Election of the Chairman of the Audit Committee

Following the election of a three-member Audit Committee by the Extraordinary General Meeting of Shareholders of 11 February 2021 and the appointment of the persons holding the positions of its members, the Audit Committee at the meeting of 16 February 2021 decided the election of Mr. Georgios Samothrakis of Panagiotis, Independent Non-Executive Member of the Board of Directors of the Company, as its Chairman, in accordance with the provisions of article 44, par. 1, Law 4449/2017, as in force today.

Following the above, the Audit Committee was constituted into a body as follows:

1) Georgios Samothrakis of Panagiotis, Independent Non-Executive Member of the Board of Directors, Chairman of the Audit Committee.
2) Konstantinos Kotsilinis of Eleftherios, third party - non-Member of the Board of Directors, Member of the Audit Committee.
3) Konstantinos Gianniris of Ioannis, third party - non-Member of the Board of Directors, Member of the Audit Committee.

It is noted that from the above Members of the Audit Committee, Messrs. Georgios Samothrakis of Panagiotis and Konstantinos Kotsilinis of Eleftherios, i.e. the majority of the members of the Audit Committee, meet the required by the current regulatory framework (article 4, par. 1 of the effective until 17.07.2021 Law 3016/2002 and article 9, par. 1 and 2 of Law 4706/2020) conditions and criteria of independence.

## Appointment of New Head of the Internal Audit Department

According to the decision of 12.03.2021 of its Board of Directors, Mr. Lambros Apostolopoulos was appointed as Head of the Internal Audit Department (Unit).

Mr. Apostolopoulos meets the requirements of the current legal framework (article 15 of Law 4706/2020), i.e. he is full-time and exclusively employed, has personal and functional independence, is not a member of the Board of Directors or a member with the right to vote in standing committees of the Company, has no close relations with anyone who holds one of the above capacities in the Company and has the appropriate knowledge and relevant professional experience to assume the above position.

Mr. Apostolopoulos is a graduate of the Athens University of Economics & Business and of University of Portsmouth, has a 14-year active experience in internal audit and is a certified Internal Auditor.

Mr. Apostolopoulos assumed his duties as Head of the Internal Audit Department on 17/03/2021.

## Expiration / Completion of the Stock Repurchase Plan

On 22 March 2021, the Company announced the expiration / completion of the Stock Repurchase Plan in accordance with the provisions of article 49 of Law 4548/2018, as in force, by the Extraordinary General Meeting of Shareholders of March 19th, 2019 (extensive reference to this plan is presented in Section V. of the current Report).

## Establishment of Committees of the Board of Directors

The Board of Directors of the Company during its meeting on 22nd March 2021, in the context of the proper, accurate and timely information of the investors' community, and for the purposes of a substantial, effective and appropriate compliance and harmonization of the Company with the regulations of articles 11 and 12 of Law 4706/2020 regarding the Committees of the Board of Directors, and also with the parallel adoption of best corporate governance practices, decided the following:

(a) the abolition of the existing Committee for Benefits and Promotion of Nominations (CBPN) and its replacement by the Remuneration and Nomination Committee,
(b) the establishment of the Strategy and Investment Committee,
(c) the establishment of the Environmental, Social Responsibility and Corporate Governance Committee, and finally
(d) the establishment of the Human Resources Committee

The Board of Directors during the above meeting appointed the members and set the responsibilities of these committees. Extensive reference to the above is made in Section X. Corporate Governance Statement of this Report and in particular in paragraph VI. Board of Directors and Committees.

## Distribution of Dividend for the Financial Year 2021

The Board of Directors of the Company intends to propose to the Ordinary General Meeting of Shareholders the distribution of a dividend. However, taking into account the conditions that are constantly reshaped as a result of the Covid-19 pandemic, it will reconsider its position until the time of the General Meeting.

# SECTION X: Corporate Governance Statement

The current Corporate Governance Statement is compiled according to the provisions of a. 152 of L. 4548/2018, as it is currently in effect, constitutes special section of the Annual Management Report of the Board of Directors and contains the entire information required by the law.

Specifically, the structure of the present Corporate Governance Statement (henceforth called as "Statement" or "CGS" for abbreviation purposes) is as follows:

I. Compliance Statement with the Corporate Governance Code

II. Deviations from the Corporate Governance Code and Justification of Such

III. Corporate Governance Practices applied by the Company apart from those stated by law

IV. Description of the internal control and risk management system as regards to the process for preparing financial statements

V. Information regarding the Company's audit process (information stipulated by items (c), (d), (f), (h) and (i) of paragraph 1 of article 10 of Directive 2004/25/EC)

VI. Board of Directors and Committees

VII. General Meeting and Shareholders' Rights

VIII. Non Financial Information of Law 2190/1920 as it is in effect following its amendment from law 4403/2016 (Government Gazette A' 125/7.7.2016)

## I. COMPLIANCE STATEMENT WITH CORPORATE GOVERNANCE CODE

Law 3873/2010, which incorporated the 2006/46/EC Directive of the European Union into the Greek legislation, essentially enacts the mandatory adoption of the Corporate Governance Law from companies and at the same time sets the obligation of compiling the current Statement.

The Company, in compliance with the provisions and regulations of the above law, compiled and applies its own Corporate Governance Law. The text and the content of the Code are posted and generally available to the registered website of the Company www.thracegroup.com. The present Code was prepared by the Company's own decision and aims at the constant improvement of corporate institutional framework and the broader business environment, as well as the improvement of the competitiveness of the Company as a whole. During the preparation of the present Code were taken into account all the principles of corporate governance to be followed by the Company, as required by the current legislation (L. 4548/2018 as it is currently in force, L.3016/2002, as amended and in force today, L. 4449/2017, L.3884/2010 and Law 4706/2020, under which the legal framework for corporate governance of public limited companies, whose shares or securities are listed on a regulated market in Greece, is substantially updated and reformed) as well as the proposals and the general contents of Corporate Governance Code, which was written by the Hellenic Federation of Enterprises (hereafter "SEV"), and then amended in the context of the first revision by the Hellenic Corporate Governance Council (hereafter "ESED") that was published in October, 2013.

In addition, after the implementation of Law 4706/2020, the Company started the relevant substantial preparation in a timely manner and proceeds to the systematic planning and the gradual and targeted implementation of those actions that are deemed necessary and appropriate for the full and effective compliance and harmonization with the new regulations as soon as possible.

It is noted that for reasons of completion the Corporate Governance Code (hereafter called as the "Code") which has been conducted and adopted by the Company has been approved by a relevant decision of the Board of Directors and has been submitted to the Hellenic Capital Market Commission for information to the Supervisory Authority.

## II. DEVIATIONS FROM THE CORPORATE GOVERNANCE CODE AND JUSTIFICATION OF SUCH

The Company, as noted earlier, decided to compile and apply its own Corporate Governance Law, so that a framework of corporate governance is formulated by taking into account the Company's specific operation requirements and by thus recognizing the needs emanating from the Company's organization and operation.

For this reason, deviations observed from the contents of the Code, are quite limited and in any case are not a subject of detailed analysis and certainly of justification.

## III. CORPORATE GOVERNANCE PRACTICES APPLIED BY THE COMPANY, APART FROM THOSE STIPULATED BY LAW

As regards to corporate governance issues, the Company applies without any deviations the provisions of laws 4548/2018, 3016/2002 and 4449/2017 as currently in force, which have been incorporated in its Articles of Association, its Internal Operation Regulation and in the Manual of Internal Audit which is being kept. Moreover, the Company applies its own Corporate Governance Code, which is in line with the provisions of the above regulatory framework and includes a series of additional corporate governance practices which are included in the Code's stipulations, the whole text of which has been posted on the company's website www.thracegroup.com. Finally, it is noted that the Company is in the process of full harmonization with the provisions of the new law 4706/2020 on corporate governance.

## IV. DESCRIPTION OF THE INTERNAL CONTROLS SYSTEM AND RISK MANAGEMENT SYSTEM OF THE COMPANY AND THE GROUP AS REGARDS TO THE PROCEDURE OF PREPARING FINANCIAL STATEMENTS

The Internal Control System consists of the functions established by the Group, i.e. both the parent Company and all other companies included in the consolidation, in order to ensure the protection of its assets, to identify and address the most important risks it faces or may face in the future, to ensure that the financial data on the basis of which the financial statements are prepared (separate and consolidated) are correct, true and accurate, and also to ensure that the Group respects and also applies the laws and the applicable regulatory framework, and the principles and policies adopted by the Management.

For the development of this System, the Management of the Group, has reviewed and implemented various Policies, Procedures and Regulations, which have been included in its Internal Rules of Operation. Its implementation covers the Management of Potential Risks in relation to the process of drafting Financial Statements (separate and consolidated) in the following three (3) areas:

1) Entity level controls applied by the Company and each of the other companies included in the consolidation at a parent level,

2) Financial reporting process controls implemented by both the Company and all other companies included in the consolidation during the process of drafting financial statements, separate and consolidated,

3) IT controls into the information systems applied by the Company as well as all other companies included in the integration.

Specifically:

## 1) Entity level controls

*Role and Responsibilities of the Board of Directors*: The Board of Directors decides on any action that concerns management of the Company, management of its assets and in general on anything that relates to the achievement of its objective and the promotion of its business activities.

Additionally, the Board of Directors:

- Determines the main responsibilities and the objective of each Division, so that the CEO can then assign to each Director the responsibility of allocating the above to his/her subordinates.
- Is responsible to recruit the Board of Director's Senior Members and to define their Remuneration Policy following the proposal of the Remuneration Committee.
- Is responsible to appoint the Company's External Auditors, in line with the approval of the Audit Committee, and to define their remuneration.
- Is responsible to prepare a report with detailed transactions of the Company with its related parties, which is disclosed to the regulatory authorities.
- Is responsible for the preparation of the Remuneration Report of article 112 of Law 4548/2018.

Preparation of Budget and Supervising its Implementation at the Management level: The Annual Budget, which is also a guide for the Group's financial development, is prepared on an annual basis (consolidated and also per sector/subsidiary) and is presented to the Company's Board of Directors for approval. The Statements with the actual results are issued periodically, accompanied by the condensed reports including the deviations and are discussed at the Board level.

*Internal Operation Regulation*: The Company's Internal Operation Regulation is also the manual for its Internal Control System, which amongst others includes the following:

- Guidance on handling the different operations
- Delegation of responsibilities
- Authorizations and limits of expense approvals

- Instructions for Controls on the basic sections of the Internal Control System.

The adequacy of the Internal Control System is monitored on a systematic basis by the Audit Committee through regular meetings that take place with the Internal Audit Service in the context of monitoring the Company's Annual Audit Program.

## 2) Financial reporting process controls

In order to ensure that the financial data, based on which the financial statements of both the Company and the Group, are correct, true and accurate, the Company applies specific controls that include the following:

- The records from the Company's accounting department are applied based on a specific process that requires all receipts/documents to be original, sealed with a standardized stamp and carry the respective signed approvals.
- The Company maintains a Certified Fixed Asset Registry in the Fixed Assets sub-system and applies depreciation according to the International Financial Reporting Standards and Tax Rates in effect.
- The Accounting Department carries out periodic reconciliation of balances of payroll, customers, suppliers accounts, VAT etc.
- The Group prepares the consolidated budget on an annual basis. Each subsidiary prepares the corporate budget in alignment with the objectives of the Group. These budgets shall be submitted to the Board of Directors of the Company for approval.
- Each month a detailed presentation is prepared per sector/subsidiary and on a consolidated Group level, for the financial results. This presentation is disclosed to the Company's Management.
- Companies that constitute the Group follow common accounting applications and procedures in line with the International Financial Reporting Standards (IFRS).
- At the end of each period, the accounting departments of the parent and subsidiary companies prepare their financial statements according to the International Financial Reporting Standards (IFRS).
- The Financial Services of the Group collect all the necessary data from subsidiaries and factories, consolidation entries are applied and the financial statements are prepared according to the International Financial Reporting Standards (IFRS).
- There are specific processes for the finalization of financial statements, which include deadlines for submission, responsibilities and information for the required actions.
- The financial statements are audited by external Certified Auditors Accountants whose work is monitored by the Audit Committee, which then proposes their approval by the Company's Board of Directors.

## 3) IT controls

The IT Services Division of the Group is responsible for maintaining the Group's and the Company's IT applications. This Division has established powerful IT controls, which ensure the support of the direct and also the long-term objectives of the Company and the Group as well.

All applicable procedures are described in detail by the Company's Internal Operation Regulation. It is noted that all the companies of the Group follow the Group Policies Manual and fully comply with its basic principles, rules and procedures, in order to ensure the reliable and appropriate implementation of the control of information systems of all companies within the Group. The most important of these procedures are listed below:

- **Back Up Process (in Hardware)**: According to the Operation Regulation, the IT Service develops the appropriate infrastructure and ensures that such is compatible with another company that has a respective IT system to cover each other's needs in cases of damage in the Company's and the Group's central IT system.
- **Safekeeping (Confidential) of the Company's and the Group's Computer Files**: The IT Service applies the appropriate systems that ensure the "non" leakage of the Company's and the Group's IT data.
- **Files – Software of the Central Computer**: Particular emphasis is given to the access of the space where the Central Computer is installed, in order to allow such access only by IT employees that have been authorized by Management. The access is controlled adequately. The Operation Regulation defines who can access data whose possible alteration may result in calculation changes (i.e. invoices, payroll, discounts etc.).
- **Files –Software of the Peripheral Computers**: Access to files and computer software is provided to specific individuals with the use of personal passwords.
- **Processes for Protection of the Central Computer and Peripheral Computers**: In the context of protecting the Group's IT system, and taking advantage of the latest technology available, the IT Service applies the most advanced protection techniques, such as antivirus security software, e-mail security, firewalls etc.

The Audit Committee of the Company monitors the adequacy of the Company's Internal Controls System on a continuous basis, given that:

- It has approved the Company's Internal Operation Regulation which has incorporated the appropriate Policies, Processes and Regulations that comprise the Internal Control System applied by the Company, including Group's Policies Manual, which concerns the single policies and procedures applied by the subsidiaries.
- The members of the Company's Audit Committee as well as the Members of the Board of Directors are recipients of the reports prepared by the Company's Internal Audit Department. In these reports, several sections/operations of the Company are assessed as well as the adequacy of Internal Control Systems is applied.

## V. INFORMATION REGARDING THE COMPANY'S CONTROL STATUS (INFORMATION OF ITEMS (C), (D), (F), (H) AND (I) OF PARAGRAPH 1 OF ARTICLE 10 OF DIRECTIVE 2004/25/ EC OF THE EUROPEAN PARLIAMENT AND THE COUNCIL, OF 21ST APRIL 2004)

**Significant direct or indirect participations (including indirect participations through pyramid structures or cross-participation) according to the definition of article 85 of Directive 2001/34/ EC**

As regards to significant participations in the share capital and voting rights of the Company, according to the definition of article 85 of Directive 2001/34/EC and the provisions of articles 9 up to 11 of Law 3556/2007, Mr. Konstantinos Chalioris owned a percentage of 43.292% of the Company's share capital on 31/12/2020 and Ms. Eufimia Chaliori owned a percentage of 20.851% of the Company's share capital on 31/12/2020. No other physical or legal entity owns a percentage over 5% of the Company's share capital. Data regarding the number of shares and voting rights of individuals owning significant participations, has been derived by the Shareholders' registry kept by the Company and the disclosures notified to the Company according to Law (and MAR) on behalf of its shareholders.

- **Owners of any type of titles that provide special control rights and description of such rights.**

There are no securities, including the Company's shares, that provide owners with special control rights.

- **Any kind of limitations on voting rights, such as limitations on voting rights of owners that hold a specific percentage or number of votes, the exercise deadlines for voting rights, or systems through which, with the cooperation of the company, financial entitlements that emanate from the titles are distinguished from the ownership of the titles.**

The Company's Articles of Association provides no limitations to voting rights emanating from its shares.

- **Rules governing the appointment and replacement of the Board members as well as the amendments of the Articles of Association.**

The rules included in the Company's Articles of Association, both as regards to the appointment and the replacement of Board Members and as regards to its amendments, do not differ from those stated by the L. 4548/2018 as it is in effect.

- **The authorities of Board members, specifically as regards to the ability to issue or buyback shares.**

There is no special and permanent competence of the Board of Directors or some of its members for the issuance of new shares or the purchase of treasury shares according to article 49 of law 4548/2018. The relevant power and responsibility is given to the Company's Board of Directors by virtue of a relevant decision of the General Meeting of its shareholders.

## VI. BOARD OF DIRECTORS AND COMMITTEES

### 1) Composition of the Board of Directors

According to article 7, paragraph 1 of its Articles of Association, as in force after its amendment by the Extraordinary General Meeting of Shareholders of 19 March 2019, for the purpose of harmonization with provisions of Law 4548/2018, the Company is managed by a Board of Director (hereafter "the BoD" for abbreviation purposes) which consists of seven to fifteen (7-15) members. The members of the Board of Directors are elected by the General Meeting of shareholders, may be shareholders or not and have a five-year term, which is extended until the expiration of the term within which the next Ordinary General Meeting must convene and until a relevant decision is taken, but in any case should not exceed a six-year term.

- In case of resignation, death or in any other way loss of the capacity of a Board member, the remaining members may either elect members of such in replacement of the above or may continue the management and representation of the Company without the replacement of past members, with the condition that the number of the remaining members is not less than half of the number of members during the time such events occurred. In no case, the Board members are allowed to be less than three (3).
- In case of electing a replacement, the decision for the election is subject to the disclosure requirements of article 13 of L. 4548/2018, as currently in effect, and is announced by the Board of Directors at the forthcoming General Meeting, which can replace those elected, even if the relevant issue had not been included in the daily agenda.
- The actions of the elected temporary replacement are valid even if the General Meeting does not validate his/her election or even if it has elected or not another permanent member of the Board.
- The term of the new Board member is terminated when and whenever the term of the replaced member would have been terminated.

The Extraordinary General Meeting of Shareholders of 11 February 2021 elected new eleven (11) members of the Board of Directors of the Company for a 5-year term that is until 11/02/2026, extended until the deadline for the next Ordinary General Meeting to be held and until a relevant decision is being made, consisting of the following members:

1) Konstantinos Chalioris of Stavros,
2) Theodoros Kitsos of Konstantinos,
3) Dimitrios Malamos of Petros,
4) Christos-Alexis Komninos of Konstantinos,
5) Christos Siatis of Panagiotis,
6) Vassilios Zairopoulos of Stylianos,
7) Petros Fronistas of Christos,
8) Georgios Samothrakis of Panagiotis,
9) Myrto Papathanou of Christos,
10) Spyridoula Maltezou of Andreas and
11) Nikitas Glykas of Ioannis.

Simultaneously with the above decision, the Extraordinary General Meeting of Shareholders appointed as independent members of the Board of Directors of the Company the following persons: 1) Theodoros Kitsos of Konstantinos, 2) Georgios Samothrakis of Panagiotis, 3) Myrto Papathanou of Christos, 4) Spyridoula Maltezou of Andreas and 5) Nikitas Glykas who meet in their entirety the criteria of independence set by the existing legal provisions.

The new Board of Directors was formed into body on 11 February 2021 as follows:

**The following table presents the members of the eleven-member (11-member) Board of Directors in effect:**

| *Member* | *Position in the Board* |
|---|---|
| Konstantinos Chalioris | Chairman |
| Theodoros Kitsos | Vice Chairman, Independent non-executive member |
| Dimitrios Malamos | Executive member, Chief Executive Officer |
| Christos-Alexis Komninos | Non-executive member |
| Christos Siatis | Non-executive member |
| Vassilios Zairopoulos | Non-executive member |
| Petros Fronistas | Non-executive member |
| Georgios Samothrakis | Independent non-executive member |
| Nikitas Glykas | Independent non-executive member |
| Myrto Papathanou | Independent non-executive member |
| Spyridoula Maltezou | Independent non-executive member |

From the above members, all individuals have Greek nationality except for Mr. Christos Siatis and Mr. Christos-Alexis Komninos who have Cypriot nationality.

It is noted that the composition of the new Board of Directors is fully harmonized with the requirements, the criteria and the regulations of the new law 4706/2020 on corporate governance. Extensive reference to the above is made in section IX. "Events After the Balance Sheet Date" of this Report.

## Description of the policy of diversity with regard to the administrative bodies of the Company

Given the fact the Board of Directors is the highest administrative body of the Company, which is responsible for the safeguarding of the broader corporate interests, the policy making and the growth strategy of the Company as well as for the strengthening of the long-term economic value of the Company, it is very essential for the particular body to possess, with regard to its composition, a diversity of skills, views and abilities which at the same time respond to the need to effectively attain corporate goals.

From the time of the Company's establishment and until today, the entire members of the Board of Directors fulfill all necessary conditions and have set the foundations in order to be granted with the capacity of the member of the Board of Directors. At the same time they are distinguished for their high professional skills, educational level, knowledge, capabilities, experiences and their organizational and administrative abilities, and at the same time they possess high standards of ethics and integrity of character.

The members of the board of Directors cover a broad range in terms of age combining effectively their dynamics and experience (indicatively between 41 and 77 years old). The members, in their majority, are holders of graduate and postgraduate degrees of domestic as well as international universities, have worked in high ranked positions of major companies domestically and abroad, meaning companies activating in a variety of business sectors. They have also been members of the higher managerial staff of large organizations and as a result they possess significant international experience in the corporate as well as the broader social fields and are in position to actively contribute to the growth prospects of the Group in the geographical areas in which it activates. They finally fulfill the requirements of suitability as well as the criteria with regard to the Group's effective staffing and operation.

The current composition of the Board of Directors aims undoubtedly at the best possible facilitation of corporate goals, as it increases the pool of skills, experience and vision that the Company has for its highest ranking personnel, and consequently its competitiveness, productivity and innovation.

The current 11-member Board of Directors of the Company, consists of 9 men and 2 women and was elected in the framework of the decision of the Company's Management for immediate, substantial and effective compliance and harmonization with the provisions of the new law 4706/2020 on suitability, diversity and, above all, adequate representation by gender on the Board of Directors.

The condensed CVs of the Company's Board members, are as follows:

**Konstantinos Chalioris**,
**Chairman of the Board of Directors,**
*Executive Member*

He possesses a professional experience of 40 years and has gained very good knowledge of the industry and the international market. Since 2009, he holds the position of the Chairman of the Board of Directors. By the decision of the Board of Directors as of October 14, 2020, Mr. Chalioris remained Chairman of the Board of Directors and also assumed the position of Chief Entrepreneur. The specific position, which was added to the organizational chart of the Group aims to ensure the continuation of the profitable growth of the Group in areas that fall both in the existing activities of the Group and in new beneficial activities in the future. The creation of this position and its assumption by Mr. Chalioris, who has a significant career and valuable experience in "entrepreneurship", will ensure the future development of the Group.

**Theodoros Kitsos,**
**Vice-Chairman of Board of Directors,**
*Independent Non-Executive Board Member*

He holds a BSc degree from the Economics Department of the National and Kapodistrian University of Athens and an MBA degree in finance from the Warner College of USA. He started his career in Unilever Hellas and also in companies of the Group located abroad where he worked in United Arab Emirates, Saudi Arabia and Holland. He returned to Greece in 2005 where he worked as General Manager of Human Resources and Organization at PPC (DEI) SA. In a later stage he held the position of Deputy General Manager of Human Resources at Eurobank Group. By the end of the year 2007, he returned to Unilever Group based in London undertaking the duties with regard to the global organizational planning of the Company, whereas in year 2010 he moved to Unilever Russia, Ukraine and Belarus based in Moscow where he held the position of Vice President responsible for issues of human resources and organization, implementing successfully at the same time the acquisitions and mergers of three companies active in the production and trading of consumer products. Since the summer of 2015, he worked at the headquarters of Unilever in London having assumed a plethora of duties in the areas of Finance, Law, Technology and Support Services on global level, up until 2020, when he completed his collaboration with the Company.

**Dimitrios Malamos,**
**Chief Executive Officer,**
*Executive Member*

He graduated from the Athens College in 1993. He studied in Great Britain from 1993 to 1998. He holds a BA (Hons) in Business and Financial Economics from Staffordshire University a postgraduate MBA degree from University of Kent in Canterbury. From 2000 to 2007 he worked in PricewaterhouseCoopers in the area of Management Consulting servicing companies of the private and public sector where he gained significant experience in the fields of budgeting and reporting, financial analysis and internal restructuring. During the period 2007-2009 he worked in National Bank in the Accounting & Finance division and he returned to PricewaterhouseCoopers in the area of Management Consulting. From June 2010 to March 2020 he worked at Thrace Plastics Group as a Group CFO. From March 2020, Mr. Malamos took over the duties of Deputy Group CEO, while from October of the same year he holds the position of CEO of the Company and the Group (Group CEO).

**Vassilios Zairopoulos,**
*Non-Executive Member*

He began his career in 1983 in the apparel and footwear sector. He assumed the position of Director of Design and Collection for a leading company in the kids apparel market. In a later stage he also became responsible for the planning and coordination of production. He then moved to the business development department of a large retail store chain where he also undertook the broader supervision of the retail business activity, including the store design, the order and supply process, the management of the sales team, the marketing and promotion, as well as the budgeting. He was also engaged in the areas of strategic consulting, negotiations, marketing management and financial planning, before moving to establish its own consulting firm. During the past 10 years, Mr. Zairopoulos activates as consultant, through his firm, in the areas of strategic consulting, startups, business planning, investment evaluation, international negotiations, pricing and communication. Apart from his professional activities in Greece, Mr. Zairopoulos has also collaborated with two American multinational corporations, namely Columbia Sportswear and New Balance. He received IB Diploma from UWC Atlantic College in 1979 and BSc in Management from Bath University in 1983.

**Christos Siatis,**
*Non-Executive Member*

An Associate Member of the Fellows of Chartered Accountants of England and Whales. He is a Certified Public Accountant by the Cyprus Institute of Chartered Accountants and Member of the Hellenic Association of Certified Accountants (SOEL). He began his career in 1981 at the auditing firm Kostouris – Michailidis (Grant Thornton) in Athens. In 1993 he became Managing Partner of the Greek company and in 1997 he assumed the position of Territory Senior Partner at the company that resulted from the merger of Kostouris-Michailidis and Coopers & Lybrand. In 1998 he was elected Chairman and Chief Executive Officer of the company Pricewaterhouse-Coopers in Greece. At the same time he was exercising his Management responsibilities at the above auditing firms, Mr. Siatis activated as Consultant providing advisory services to senior management of large firms.

**Petros Fronistas,**
*Non-Executive Member*

A Graduate of the Athens University of Economic and Business (AUEB) and the Early Childhood Education Academy. He worked from 1964 to 2011 at the Group of National Bank of Greece holding several management positions from 1989. Specifically from 1989 to 1993 he served as Deputy General Manager at Athens Bank (a company of the National Bank of Greece Group until its sale). During the two-year period 1993-1994 he served as Deputy Manager of the Corporate Banking Division. From 1994 to 1995 he served as General Manager of ETHNOFACT S.A., while during 1995-1998 as Head of the Overdue Receivables Division. From May 1998 until August 2002 Mr. Fronistas held the position of Corporate Banking Manager and from 2002 to 2004 he served as Management Consultant in the Corporate Credit Division. During the two-year period 2004-2005 Mr. Fronistas assumed responsibilities of Chairman of the Board of Aspis Leasing S.A., of the Aspis Bank Group, with executive responsibilities. From May 2005 to March 2009 he served as General Manager of the National Bank of Greece in Cyprus and following until February 2010 he assumed responsibilities of Deputy CEO. From February 2010 to June 2011 he served as CEO of Ethniki Leasing S.A. He also participates in the Board of Directors of the company PAEGAE SA.

**Christos-Alexis Komninos,**
*Non-Executive Member*

He was born in Constantinople. In 1971 he graduated from the Polytechnic University of Constantinople (I.T.U.) with a degree in Chemical Engineering (MSc). In 1972 he moved to Greece and was recruited to Coca-Cola TRIA EPSILON, where until 1987 he held several positions. From 1987 to 1990 he served as Chief Executive Officer of Coca-Cola Bottlers Ireland (a subsidiary of TRIA EPSILON). In 1990 he returned to Greece and in 1995 he was appointed Chief Executive Officer, a position he held until 2000. From 2000 to 2004 he was Chairman and Managing Director of PAPASTRATOS SA. After the acquisition of Papastratos by PHILIPMORRIS S.A. he participated voluntarily at the ATHENS 2004 Organizing Committee of the Olympic Games as the Head of the Organization of the Opening and Closing Ceremonies of the 28th Olympiad. From 2005 to February 2010, he held the position of Executive Vice President of SHELMANA.E. and ELMAR SA. From December 2011 until February 2014 Mr. Komninos held the position of Chairman of the Board of Directors of Hellenic Petroleum SA (ELPE). Mr. Komninos also served as Vice President of the Board of Directors and member of the Executive Committee of the Association of Enterprises and Industries (SEV), member of the Board of Directors of Chalkor SA of the VIOHALCO Group, of FINANSBANK (Turkey) and of ANADOLU EFES (Turkey). He speaks English, French, Italian and Turkish.

**Georgios Samothrakis,**

*Independent Non-Executive Board Member*

He is a graduate of the Athens University of Economics and Business (ASOEE) and Certified Public Accountant, specializes in tax issues and tax strategy of Greek and multinational companies, while has been extensively involved in regular and extraordinary audits of commercial and industrial enterprises. He began his career in 1965 at the National Bank and in 1972 moved to Coopers & Lybrand (now PwC) to set up the Tax Services department where he remained head until 2006. For a number of years he was also Chairman of the Board of PwC. He is a member of the Supervisory Board of the Body of Certified Public Accountants (SOEL) where he is actively involved in the formation of the audit and accounting institutional framework in Greece. He has been President of the Fédération des Experts Comptables Méditerranéens, President of the Hellenic Institute of Economic Management (IOD), Member of Committees of the Ministry of Economy and Finance for the implementation of IFRS in Greece, the simplification of the Greek Code of Accounting Books and Records as well as the integration of the new 8th Directive, and also Member of the Chamber of Commerce, while during the last years he has also been the Chairman of the Audit Committee of the Company.

**Myrto Papathanou**,

*Independent Non-Executive Member*

She studied Economics at the City University of London and holds a Master's Degree in Economics from the Imperial College Management School in London and an MBA from the INSEAD Business School.

She began her financial career in London, where she worked as a Fixed Income Strategist for Bank of America / Merrill Lynch and as a credit risk analyst for Dresdner Kleinwort Wasserstein.

She was a member of the Board of Directors of Think Silicon SA, while today she is member of the Board of Directors of Ferryhopper SA, Advantis Medical Imaging BV, Better Origin Ltd and Gommyr Power Networks Ltd, which are active in the fields of transport, sports technology, health technologies and renewable energy sources.

Since 2007 she has been working as a business development manager at CPI and since 2011 she has been developing her own business activity in technology and as a consultant and investor in other companies. She is the founder of Metavallon VC, while she has been the Chief Financial Officer and Head of Corporate Development at the EFA Group, which is active in Aerospace & Defense and other high-tech sectors.

She is the first investor from Greece to emerge as Kauffman Fellow (Silicon Valley), a network that selects the best investors in the world. She is on Fortune Greece's list of the 40 entrepreneurs who innovated and excelled for 2020. She received the Leader of the Year award from Linkage Greece in 2016 in recognition of its outstanding leadership ability and contribution to business and society development.

She has also worked in the non-profit space, co-founding Ethelon and seeking funding for the microcredit organization Action Finance Initiative, while as board member of the organization Women on top she has developed Microfinance programs in Kenya and Nicaragua for women's empowerment.

**Spyridoula Maltezou,**

*Independent Non-Executive Member*

She holds a degree in Chemical Engineering from the Aristotle University of Thessaloniki and a PhD in Environmental Economics from the University of the Aegean. Her doctoral dissertation was entitled "Recycling - Environmental Value".

She started her professional career in 1999 in the Region of Achaia as head of the department and special advisor on environmental issues. Then, in 2003, she worked at the Ministry of Environment as a Special Environmental Engineer, while she was a founding member of the "Unit for Alternative Management of Packaging Waste and Other Products", acquiring a specialty in Environmental Economics. During this period she was the representative of Greece in EU Legislative Committees on waste management and recycling and member of European and International Committees on the environment and sustainable development. From 2010 to 2013 she worked as an Environmental Inspector at the Ministry of Infrastructure, Transport and Networks, where she supervised major public road projects throughout Greece in terms of implementing the environmental legal framework. She has been a consultant on environmental issues and on the creation of management systems in many companies in Greece, while since 2016 she has been working as Senior Chief Inspector of the International Organization for the Certification of Registrars and Industrial Services of Lloyd's.

She has extensive experience in the control and compliance inspection of ISO standards and compliance with existing legislation (Senior Auditor) and in-depth knowledge of environmental policies and regulations as well as legislation and regulations related to environmental protection. Since February 2019, she has been working as Head of Audit of the Regulation for monitoring, reporting and verification of carbon dioxide emissions (MRV Regulation) and IMO DCS Technical Code in the international organization Lloyd's, and was member of the Professional Accreditation Program of the International Water Resources Management Alliance (AWP) of Scotland.

Her professional dedication and adaptability have provided a continuous path in the design, management, inspection and improvement of Environmental and Waste Management systems. She also deals with the Inspection of Quality, Environment and Health & Safety at work, according to the ISO certification procedures as it has been trained as a Head of Control according to the standards of the International Water Resources Management Alliance (AWP).

**Nikitas Glykas,**
*Independent Non Executive Member*

He holds a BSc degree in Physics from the University of Athens and postgraduate degrees from the Lancaster University in 1990 and Harvard University in 2006. Until the year 2005 he held the position of Peripheral Manager of Eastern Europe for MAILLIS SA. Since 2006 and until 2009, as Member of the Board of Directors and member of the senior management of SHELMAN SA, being responsible for both the Company and its affiliates, he promoted the restructuring and the broader redesign of the Group's operating procedure achieving especially positive results amid recession conditions in the timber sector. Since the year 2009 he has held various positions in HTC Group, whereas from October 2015, and assuming higher duties, he holds the position of the Head for the region of Middle East and Africa based in Dubai with direct reporting to the Group's headquarters in Taiwan. He is considered a senior executive with international experience, deep knowledge of the European markets as well as of the markets of Middle East and Africa, who manages effectively different cultures and holds records in the achievement of sales and the penetration of new and existing geographic markets. Since 2019, he has been serving a Vice Chairman of XR SPACE Co LTD based in Taiwan.

The following table presents the external professional commitments of Board members:

| Board Member | Companies outside the Group in which the Board members participate | Equity participation stake | Position |
|---|---|---|---|
| Konstantinos Chalioris | Civil non-Profit Company Stavros Chalioris | 50% | Vice-Chairman of BoD |
| | Xanthi Photovoltaic Park S.A. | 50% | Chairman & Chief Executive Officer |
| | EYTERPI S.A. | - | Chairman & Chief Executive Officer |
| | ERATO S.A. | 50% | Chairman & Chief Executive Officer |
| | THALEIA S.A. | 50% | Chairman & Chief Executive Officer |
| | KLEIO S.A. | - | Chairman & Chief Executive Officer |
| | EFNIKI NEPA | 99% | Legal Representative |
| | AVDIRA NEPA | 99% | Chairman of BoD |
| | THRACE YAGHTING S.M.P.C | 66% | Administrator |
| | THRACE LABEA S.M.P.C | 50% | - |
| Christos Alexis Komninos | T.K.K. Consultants LTD | 100% | Manager |
| Dimitrios Malamos | Dynamic Constructions – V. Zarifopoulos G.P. | - | Chairman of BoD |
| | Ioannis Filippaios S.A. | - | Board Member |
| | ZITA NEPA | 1% | Vice Chairman of BoD |
| Christos Siatis | AVAX International LTD | - | Board Member |
| | AVAX M.E. LTD | - | Board Member |
| | S-kyevo Shipping & Trading LLC | 33% | Manager |
| | C.E.T. Rivers Cyprus Ltd | - | Manager |
| | J&P AVAX S.A. | - | Board Member |
| | C.P.S. Financial Solutions Ltd | 99% | Manager |
| Vassilios Zairopoulos | V. Zairopoulos & SIA General Partnership | 90% | Manager |
| | ZITA NEPA | 99% | Chairman of BoD |
| Petros Fronistas | PAEGAE S.A. | - | Board Member |

*Amounts in Euro thousand, unless stated otherwise*

<table>
<tr><th>Board Member</th><th>Companies outside the Group in which the Board members participate</th><th>Equity participation stake</th><th>Position</th></tr>
<tr><td>Nikitas Glykas</td><td>XRSPACE Co LTD</td><td>-</td><td>Vice Chairman of BoD</td></tr>
<tr><td>Spyridoula Maltezou</td><td>SPYRIDOULA MALTEZOU SOLE PROPRIETORSHIP (Business and Administration Consulting Services)</td><td>100%</td><td></td></tr>
<tr><td rowspan="10">Myrto Papathanou</td><td>GOMMYR POWER NETWORKS LTD</td><td>30%</td><td>Board Member</td></tr>
<tr><td>GOMMYR POWER S.M.P.C.</td><td>30%</td><td>-</td></tr>
<tr><td>BANSARA TRADING LTD</td><td>30%</td><td>-</td></tr>
<tr><td>METAFOUNDER UNIT HOLDER S.M.P.C.</td><td>25%</td><td>-</td></tr>
<tr><td>KARYON AGRICULTURE S.M.P.C.</td><td>20%</td><td>-</td></tr>
<tr><td>ENTOMICS BIOSYSTEMS LTD</td><td>-</td><td>Board Member</td></tr>
<tr><td>FERRYHOPPER SA</td><td>-</td><td>Board Member</td></tr>
<tr><td>ADVANTIS HOLDING BV</td><td>-</td><td>Board Member</td></tr>
<tr><td>METAVALLON PARTNERS VC</td><td>25%</td><td>Board Member</td></tr>
<tr><td>Georgios Samothrakis</td><td>FRIGOGLASS SA</td><td>-</td><td>Audit Committee</td></tr>
</table>

## 2) Responsibilities of the Board of Directors

The Board of Directors is the administrative body that decides on any action that concerns the company's management, the management of its assets and in general anything that refers to promoting and achieving its objective.

According to the Company's Articles of Association:

- The Board of Directors is responsible for the representation, administration and unlimited management of corporate affairs. It decides on any issue that concerns the Company's management, the achievement of the company objective and the management of company assets, including the issue of common and convertible bond loans. Only decisions, which according to the provisions of Law or the Articles of Association as they are in effect following its amendment by the Extraordinary General Meeting of 19th March 2019, are subject explicitly to the responsibility of the General Meeting of shareholders, are excluded.
- The Board of Directors may appoint, for any time period and under any conditions it deems necessary each time, to exercise its representation and duties in general, fully or partially to one or more of its members or Managers or Executive advisors or other employ-

Amounts in Euro thousand, unless stated otherwise

ees of the Company or third parties or committees, defining however each time their authority and the signatories that bind the Company.

Specifically, the main responsibilities of the BoD (in the sense that the relevant decision making requires the prior approval of the BoD or, if necessary, ex post ratification by the BoD), should include

- The representation , administration and unlimited management of corporate affairs
- The decision making for each decision relating to the Company's management
- The achievement of the corporate objective and management of corporate assets including the issuance of common and exchangeable bonds. The decisions, which according to the provisions of the Law or the Articles of Association or any other valid, binding and firm agreement, are explicitly subject to the exclusive responsibility of the General Meeting of Shareholders, are excluded
- The approval of the long-term strategy and the operational objectives of the Company and the Group
- The approval of the annual budget and business plan and the decision making on major capital expenditures, acquisitions and divestments
- The selection and, when necessary, the replacement of the executive management of the Company , as well as the supervision of the plan of the succession
- The performance testing of the senior Management and the harmonization of the remuneration of the executives with the long-term interests of the Company and its shareholders
- Ensuring the reliability of the financial statements and data of the Company, the financial information systems and the data and information disclosed to public, as well as ensuring the effectiveness of internal control and risk management systems
- The vigilance regarding existing and potential conflicts of interest of the Company, on one side, and the Management, the members of the BoD or the major shareholders, on the other side, and the appropriate treatment of such conflicts. For this purpose, the BoD has adopted a transactions surveillance process.
- Ensuring the existence of an effective process of regulatory compliance of the Company
- The responsibility for decision making and monitoring of the effectiveness of the Company's management system, including the decision-making processes and the delegation of authorities and duties to other employees, and
- The formulation, dissemination and application of the basic values and principles governing the Company 's relations with all parties, whose interests are linked to those of the Company.

## 3) Operation of the Board of Directors

As regards to the operation of the Board, the Company's Articles of Association states the following:

**Formation of the Board of Directors**

- The Board of Directors, as soon as it is elected and specifically during its first meeting, elects from its members and for the entire period of its term, a Vice-Chairman and Chairman, whereas if the Chairman is absent or unable the Vice-Chairman substitutes such, and if the latter is absent or unable then the advisor that is appointed by means of a decision by the Board of Directors substitutes such.

> The Chairman of the Board of Directors presides the Board meetings, manages its activities and informs the Board of Directors on the Company's operation.

> The Board of Directors may elect one of its members as Chief Executive Officer or Executive Advisor, it may appoint responsibilities of the CEO to the Chairman or Vice-Chairman of the Board and it may elect the deputy CEO or Executive Advisor from its members.

> The responsibilities of the CEO and Executive Advisor are defined by means of a decision by the Board.

**Decision Making**

> The Board of Directors is considered to be in quorum and meets validly given that half plus one member are present or represented at the meeting. However the number of members participating in person or represented cannot be less than three (3) in any case. To calculate quorum, possible fractions are omitted.

> The decisions of the Board of Directors are made with absolute majority or the members present and represented at the meeting.

**Representation of Board Members**

A Board member that is absent may be represented by another member. Each Board member may represent only one absent member, with a written authorization.

**Minutes of the Board of Directors**

> Copies or extracts of the Board of Directors' Minutes are certified by the Chairman or his/her legal representative or by a member of the Board that has specifically been authorized for such by a decision from the Board.

> The preparation and signing of minutes by all Board members or their representative constitutes a decision by the Board of Directors, even if a meeting has not previously taken place. This arrangement applies if all the members or their representatives agree to make a majority decision in minutes without a meeting. The relevant minutes are signed by all the members.

> The signatures of the members or their representatives can be exchanged by e-mail or through electronic means.

**Remuneration of Board Members**

The members of the Board may receive remuneration for each participation in person at Board meetings, only if such is approved with a special decision by the Ordinary General Meeting.

> The members of the Board of Directors receive the fixed and variable remuneration as well as the other benefits, fees and indemnities specified in the Company's current Remuneration Policy. The fees of the members of the Board of Directors may also consist of a share in the profits of the year, in accordance with the provisions of Law 4548/2018.

> A fee or benefit granted to a member of the Board of Directors that is not regulated by law or the Statute in effect, shall be borne by the Company only if approved by a special decision of the General Meeting.

## 4) Board of Directors' Meetings

- The Board of Directors meets at the Company's headquarters whenever the Law or the Company's Articles of Association or its needs require so, convened by the Chairman or his / her deputy with an invitation to be communicated to members at least two (2) working days prior to the meeting. The Board of Directors may also meet outside the Company's registered office, but in the particular case such notice must be communicated to its members at least five (5) working days prior to the meeting.
- The Board of Directors may convene through teleconference for certain of its members or for all of them. In this case, the invitation towards Board members includes all information necessary, including technical information, for their participation in the meeting.
- The Board meetings may be presided by the Chairman or upon absence or any other hindrance by his/her substitute according to the Articles of Association.

During 2020, 26 Board meetings took place of which 25 were fully attended by all BoD members (full-quorum meetings).

## 5) Audit Committee

Fully in compliance with the provisions and stipulations of the previously effective legislation and in particular with the article 37, effective at the time, of L. 3693/2008, during the annual General Meeting of shareholders that took place on 14.04.2016, the Company elected an Audit Committee with the objective to support the Board in performing its duties as regards to the procedure of financial information, the procedures of internal control systems, the supervision of the mandatory audit of the annual and consolidated financial statements, as well as to inform the Board of Directors with regard to the review of the financial reports prior to their approval.

Under the regime of article 44 of law 4449/2017, as in force after its amendment by article 74 of law 4706/2020), and on the other hand in line with the notifications, clarifications and recommendations of the circular with protocol number 1508 / 17.07.2020 of the Listed Companies Directorate of the Hellenic Capital Market Commission, the Company is obliged, as a public interest entity, to have an Audit Committee which consists of at least three (3) members and which may comprise:

**(a)** A Board of Directors Committee consisting of its non-executive members, or

**(b)** An Independent Committee, consisting of:

**(i)** either by non-executive members of the Board of Directors and third parties, or

**(ii)** only by third parties.

Third party means any person who is not a member of the Board of Directors.

The members of the Audit Committee are appointed by the Board of Directors, when it is a Committee of the Board or by the General Meeting of Shareholders, when it is an Independent Committee and must be in their majority independent of the audited entity. This means that in a three-member Audit Committee, at least two of its members (and in any case its Chairman) must either be independent non-executive members of the Board of Directors or, in the case they are third parties, they should meet the requirements of article 4, par. 1 of Law 3016/2002 effective until 17/07/2020 and then of article 9, par. 1 and 2 conditions of independence.

The minimum required number of the present members in order to render a meeting of the Audit Committee as a valid one must be three (3), meaning that in case of a three-member Audit Committee then it is required the presence of all members at each meeting.

However even if the Audit Committee consists of more than three (3) members it is required, according to the clarifications granted pursuant to the no. 1302/28.04.2017 document of the Listed Companies Division of the Hellenic Capital Market Commission, the participation of the entire number of its members, in person, in the Committee's meetings.

At least one (1) member of the Audit Committee must possess sufficient knowledge and experience in auditing and accounting.

In any case, it is to the discretion of the Audit Committee to invite whenever it is deemed necessary key directors of the Company who are involved in the latter's corporate governance (for example Managing Director, Finance Director, head of the Internal Control Unit) to attend certain meetings or certain subjects of the daily agenda.

The Audit Committee, which now operates in accordance with the provisions of Law 4449/2017, as in force after its amendment by Law 4706/2020 has the following duties while the Board of Directors maintains full responsibility.:

<u>i) External Control (sect. a' of par. 3)</u>

The Audit Committee monitors the procedure and performance of the mandatory audit on the separate and financial statements of the Company and the Group. In this context the Committee informs the Board of Directors by submitting a relevant report for issues deriving from the mandatory audit and by explaining analytically the following:

**a)** the contribution of the mandatory audit to the quality and integrity of the financial information, meaning in the accuracy, completeness and correctness of the publicized financial information including the relevant disclosures which are approved by the Board of Directors

**b)** the role of the Audit Committee in the under (a) above mentioned procedure, meaning the recording of the actions taken by the Audit Committee during the performance of the mandatory audit.

In the context of the above information that is being granted to the Board of Directors, the Audit Committee takes into consideration the contents of the supplementary report which the Certified External Auditor prepares and submits, and which contains the results of the mandatory audit that was performed fulfilling at least the requirements of article 11 of the Regulation (EU) no. 537/2014 of the European Parliament and the Council of April 16th, 2014. The Committee:

- Is responsible for the process of selection and recall of External Auditors or audit companies and proposes through the Board towards the General Assembly (Meeting) of the shareholders the External Auditors or the auditing companies to be appointed, the terms of collaboration, as well as their remuneration (according to article 16 of Regulation (EU) No 537/2014, unless par. 8 of article 16 of Regulation (EU) No 537/2014 is being applied).

- Oversees and monitors the independence of the External Auditors or audit firms (in accordance with Articles 21, 22, 23, 26 and 27, as well as Article 6 of Regulation (EU) No 537/2014) and in particular the adequacy of the provision of non-audit services to the Company (according to article 5 of Regulation (EU) no. 537/2014).
- Monitors the process and the performance of the mandatory audit of the separate and consolidated financial statements of the Company and especially the performance of the audit, taking into account any findings and conclusions of the competent authority (according to paragraph 6 of article 26 of Regulation (EU) no. 537/2014). In this context, it informs the Board by submitting a relevant report on the issues that arose from the mandatory audit explaining in detail:

**(a)** the contribution of the statutory audit to the quality and integrity of the financial information, i.e. to the accuracy, completeness and correctness of the financial information, including the relevant disclosures which are approved by the BoD and made public,

**(b)** the role of the Committee in the (a) procedure above, i.e. reporting the actions taken by the Committee during the statutory audit process.

- It is also being informed by the External Auditor on the annual statutory audit plan before its implementation, evaluates the specific plan and ensures that the annual statutory audit will cover the most important areas of audit, taking into account the main business and financial risk areas of the Company.
- Furthermore, the Committee submits proposals on other important issues, when it deems it appropriate or imposed.

<u>ii) Procedure of financial information (sect. b' of par. 3)</u>

The Committee:

- Is informed about the process and schedule of preparation of financial information by the Management and monitors, examines and evaluates the process of preparation of financial information, i.e. the mechanisms and production systems, the flow and dissemination of financial information produced by the involved units of the company.
- The above actions include other disclosed information in any way (e.g. stock market announcements, press releases, etc.) in relation to financial information.
- Informs the Board for its findings on essential issues in its areas of responsibility, submits proposals to improve the process, if deemed appropriate, and monitors the response of the Company's Management to these findings.
- Takes into account and examines 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.

Below are indicative issues that are examined and evaluated in detail by the Audit

Committee to the extent that they are important for the Company, mentioning specific actions on them during its reporting and briefing to the Board:

- Evaluate the use of the assumption of ongoing activity.
- Significant judgments, assumptions and estimates in the preparation of the financial statements.
- Valuation of assets at fair value.
- Assessment of asset recoverability.
- Accounting for acquisitions.
- Adequacy of notifications for the significant risks faced by the Company.
- Significant transactions with related parties.
- Significant unusual transactions.

The Committee's communication with the external auditor in view of the preparation of the audit report and the latter's supplementary report to the Committee must be substantial.

In addition, the Committee reviews the financial reports (Annual and Semi-Annual) before their approval by the BoD, in order to assess their completeness and consistency in relation to the information taken into account as well as the accounting principles implemented by the Company and informs the BoD accordingly.

iii) <u>Procedures of internal control systems and risk management and internal control unit (sect. c' of par. 3)</u>

The Committee:

- Monitors, examines and assesses the adequacy and effectiveness of the entire policies, procedures and controls of the Company with regard to the internal control system as well as the quality assurance and the estimation and management of risks in relation to the financial information.
- Monitors the effectiveness of internal control systems mainly through the work of the internal control unit and the work of the External Auditor.
- Supervises the management of the main risks and uncertainties of the Company and their periodic revision. In this context, it evaluates the methods used by the Company for the identification and monitoring of risks, the treatment of the main ones through the internal control system and the internal control unit as well as their proper disclosure in the published financial information.
- Examines the conflicts of interest during the Company's transactions with related parties and submits to the Board of Directors the relevant reports.
- Examines the existence and content of those 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. The Commission must ensure that procedures are in place to effectively and independently investigate such issues, as well as to address them properly.

Regarding the operation of internal control, the Committee:

- Evaluates the staffing and organizational structure of the internal control unit and identifies any weaknesses. It also monitors and inspects the proper operation of the internal control unit in accordance with professional standards as well as the current legal and regulatory framework and evaluates the results, its adequacy and effectiveness, without however affecting its independence. If deemed appropriate, the Committee submits proposals to the Board, so that the internal control unit has the necessary means, is adequately staffed with personnel with sufficient knowledge, experience and training, there are no restrictions on its work and has the envisaged independence. Therefore, the appointment and dismissal of the head of the internal control unit is a proposal of the Audit Committee to the Board of Directors. In the same context, the Committee determines and examines the operating regulations of the Company's internal control unit.

- It is being informed on the annual or periodic audit plan of the internal control unit before its implementation and evaluates it accordingly, taking into consideration the main areas of business and financial risks as well as the results of previous audits. The Committee may decide to configure the annual or periodic internal audit plan, as well as to carry out extraordinary audits by the internal audit unit.
- As part of this briefing, the Committee reviews if the annual or periodic audit plan (in conjunction with any corresponding medium-term plans) covers the most important areas of control and financial information systems.
- Holds regular meetings with the Internal Auditors to discuss issues of their responsibility, as well as problems arising from the performance of internal audits.
- Takes knowledge of the work of the internal control unit and its reports (regular and extraordinary) and monitors the briefing of the Board about their content, in relation to the financial information of the Company.
- Reviews the disclosed information regarding the internal control and the main risks and uncertainties of the Company, in relation to the financial information.

For the results of all the above actions, the Committee informs the Board of Directors about its findings and submit proposals for the implementation of corrective actions, if deemed appropriate.

The Committee shall have unhindered and full access to the information, records and data required in the exercise of its powers and shall have the necessary resources to carry out its work in a proper and effective manner, including the use of external consultants.

The Audit Committee stores all the necessary information, including the minutes of its meetings, in which its actions and their results are recorded, regarding the implementation of its work.

The Audit Committee submits reports to the Board of Directors on its areas of responsibility and also in the areas considered, after the completion of its work, that there are essential issues in relation to the financial information provided; at the same time it monitors the response of the Management on the above issues.

The Chairman of the Committee provides information to the shareholders during the annual General Meeting about the Committee's activities on the basis of the above-mentioned responsibilities, through the submission of a relevant Report.

For the implementation of all the above, the Audit Committee is expected to hold meetings with the Management and the competent executives during the preparation of the financial reports, as well as with the External Auditor during the planning phase of the audit, during the execution and also during the phase of preparation of audit reports.

The current Audit Committee, which was elected by the Extraordinary General Meeting of Shareholders on 11 February 2021, consists of the following one (1) Independent Non-Executive Members of the Company's Board of Directors and two (2) non-members third parties, namely:

| | |
|---|---|
| Georgios Samothrakis | Independent Non-Executive Board Member |
| Konstantinos Kotsilinis | Non-Board Member – third party |
| Konstantinos Gianniris | Non-Board Member – third party |

Following the election of the above three-member Audit Committee by the Extraordinary General Meeting of shareholders of 11 February 2021 and the appointment of the persons assuming the positions of its members, the Audit Committee at its meeting of 16 February 2021 was formed into body as follows:

| | |
|---|---|
| Georgios Samothrakis | Chairman of Audit Committee |
| Konstantinos Kotsilinis | Member of Audit Committee |
| Konstantinos Gianniris | Member of Audit Committee |

For reasons of completeness, the CVs of the members of the Audit Committee are presented as follows:

> The CV of Mr. Georgios Samothrakis, Member of the Board of Directors, is presented in detail in Section VI.1 "Composition of the Board of Directors" of the current Report.

> Mr. Konstantinos Kotsilinis was born in New Zealand, studied at Victoria University of Wellington and earned a Bachelor of Commerce and Administration degree. He began his professional career in 1968 at the Coopers & Lybrand Company in Wellington, moved to the London office in 1972 and later that year to the Greek office. From 1978 to 2003 he was head of the audit department of Coopers & Lybrand / PwC Greece. In recent years he has been the Chairman of the Board of Directors of the Company. He has served on various Committees including the Supervisory Board of the European Financial Reporting Advisory Group (2002-2004) and the Accounting Harmonization Committee of UNICE (2002-2005). From 2009 to 2014, he was Vice Chairman of the Accounting Standardization and Auditing Committee of Greece (ELTE) and Chairman of the Quality Control Council (SPE). During this period he represented Greece in the relevant committees in the European Union and during the Greek Presidency he was the Chairman of the committee responsible for audit issues. He is a Member of the Board of Chartered Auditors of Greece as well as a former Member of the Institute of Chartered Auditors of New Zealand.

He is the Chairman (since 2006) of the Board of Directors and a member of the Audit Committee of the insurance company Interasco.

Amounts in Euro thousand, unless stated otherwise

From 2006 until today he is an External Advisor of the Audit Committee of the National Bank of Greece, while since 2017 he is a Member of the Audit Committee of Mytilineos SA.

Since 2004 he is a Member of the Board of Directors of "Child's Smile" and today Vice President of the Organization.

From 1991 to 2020 he was the Honorary Consul General of New Zealand in Greece, while he has been appointed Member (MNZM) and Officer (ONZM) of the Order of Merit of New Zealand by the Queen of England.

> Mr. Konstantinos Gianniris has studied Economics, Organization and Business Administration at the University of Piraeus, is a graduate of the Law School of the University of Athens and has extensive professional training. He has been the General Manager of IASO Group, Managing Director of the Euroclinic Athens Group, General Manager of SOULIS SA, Member of the Executing Committee, General Manager or High Ranking Executive (CFO, Marketing / Sales Manager, Logistics, IT Manager, Organization and Internal Audit Manager) in large companies. He is also a member of the Board (and in most cases the Chairman of Audit Committee) of the following companies: Thrace Plastics Holding SA, Eurodrip SA, Logicdis SA, Dodoni Ice Cream SA, Euroclinic of Athens SA, Euroclinic of Children SA and European Technical SA. He has founded the Business Consulting Company P.M.S. Consultants (specializing in Business Administration, Internal Audit, Corporate Governance and Business Organization). He has founded the Hellenic Institute of Internal Auditors (for a number of years he was its President) and has represented the body at International Conferences. He has founded the Association of Clinics of Greece (SEK), in which the large groups of Private Clinics participate, and where he served for a number of years as President. Mr. Gianniris has prepared dissertations on Applied Organization and Business Administration, which have been adopted in a number of Businesses, such as: Internal Regulation of Management, Organization, Operation and Internal Control System, Manual of Organization and Operation of Internal Control Unit, Budget & Audit Systems, Costing Systems etc.

From the above it is inferred that the members of the Audit Committee have proven in their entirety that they possess sufficient knowledge in the field in which the Company operates, given that:

**(a)** Mr. George Samothrakis was already a member of the Audit Committee of the Company, elected by the Extraordinary General Meeting of Shareholders as of March 19, 2019,

**(b)** Mr. Konstantinos Gianniris participated in the management of the Company for a period of more than ten (10) years. It is therefore evident that from his participation he has obtained a complete and clear picture of the organization, management and operation of the Company, about the products it produces and markets as well as the services it provides, and for the business model and the strategy it follows in general, while for a number of years he has been member of the Company's Audit Committee and finally

**(c)** Mr. Konstantinos Kotsilinis, who has never participated in the Board of Directors of the Company, knows very well -and due to his wider professional activity- the environment and the conditions in which the Company develops its business activities.

The criterion of sufficient knowledge and experience in auditing or accounting is proven to be met in the capacities of both Mr. Georgios Samothrakis and Mr. Konstantinos Kotsilinis, who are both Certified Public Accountants with extensive knowledge and rich professional experience. This is turn will contribute decisively and substantially in further strengthening the efficiency of the Audit Committee and in the implementation of its responsibilities in the best possible way, in order to strengthen the dynamics and the value of the Company.

Finally, those conditions of independence which are covered by the current regulatory framework and in particular by article 4 par. 1 of law 3016/2002, which remains in force until 17.07.2021 and article 9 par. 1 and 2 of law 4706/2020, are met in the persons of Messrs. Georgios Samothrakis and Konstantinos Kotsilinis, i.e. the majority of the members of the Audit Committee, given that the following persons:

**(a)** do not hold shares greater than 0.5% of the Company's share capital; and

**(b)** do not have any dependency relationship with the Company or persons related to the Company, according to the manner by which this dependency relationship is specified in particular in the provisions of the above legislation.

**Frequency of Meetings and Main Subjects of Meetings' Agenda**

The Committee convenes at least four (4) times a year. The Chairman of the Committee decides on the frequency and time schedule of the meetings. The external auditors are entitled to request a meeting by the Committee if they deem appropriate.

During 2020 the Committee convened seventeen (17) times and all members were present during the meetings, whereas all issues mentioned in the Internal Operation Regulation as well as in the Operation Regulation of the Audit Committee were discussed and handled, the major of which are as follows:

- Supervision and approval of the Internal Audit Unit's activities
- Monitoring of the process and the performance of the mandatory audit on the separate and consolidated financial statements of the Company and briefing of the Board of Directors about the issues related to the mandatory audit along with an analytical explanation
- Opinion on the selection of the Auditing Firm
- Ensuring the independence of the Certified External Auditors
- Monitoring the process of preparation of the published financial statements of the Group and the Company and the preparation of a relevant proposal to the Board of Directors for their approval.

## 6) Remuneration and Board Member Nominee Committee

With the adoption by the Company of its own Corporate Governance Code (according to the above mentioned), the particular Committee replaced the Recruitment – Remuneration of Executive Board Members & Senior Executives and Board Member Nominee Committee, which had been established within the year 2011 and following relevant provision in the SEV Code (which was initially adopted by the Company).

The first Committee was composed of two (2) members, while in 2018, the Board of

Directors of the Company proceeded to the election of a new three-member Remuneration and Board Member Nominee Committee.

The Board of Directors, elected by the Extraordinary General Meeting of Shareholders of 19 March 2019, appointed the Remuneration and Board Member Nominee Committee which consisted of the following three (3) Independent Non-Executive Members of the Board, namely:

| | |
|---|---|
| Theodoros Kitsos | Independent Non-Executive Member of the Board, Chairman of the Committee |
| Ioannis Apostolakos | Independent Non-Executive Member of the Board, Member of the Committee |
| Konstantinos Gianniris | Independent Non-Executive Member of the Board, Member of the Committee |

**Meetings**

The Remuneration and Board Member Nominee Committee convened ten (10) times during the year 2020.

The responsibilities of the committee in relation to the designation of the remuneration policy of the executive members of the BoD, as well as of the management executives, and the determination of the overall remuneration policy of the Company should include:

> making proposals to the BoD with regards to the remuneration of each executive Board member, including the bonus and the incentive payments based on share options award

> reviewing and making proposals to the BoD on the total annual package of variable (i.e. except for the salary) compensations in the company

> reviewing and making proposals to the BoD (and, via the BoD, to the General Meeting of shareholders, when required) on the stock option or share award programs

> making proposals on targets for variable, performance-related compensations or targets related to stock-options or share award programs

> making proposals to the BoD on any business policy related to remuneration

The responsibilities of the Committee, with regards to the nomination of the Board members, should include:

> setting selection criteria and appointment for the Board members

> periodically assessing the size and composition of the BoD and its committees, as well as the submission to it of the proposals for consideration on the member's desired profile

> reviewing-assessing the current balance of skills, knowledge and experience within the BoD, and based on this assessment, recording a clear description of the role and capabilities required for filling vacancies

> completing the process of identifying and selecting candidates

> making proposals to the BoD for the nomination of its members

The Board of Directors of the Company, which was elected by the Extraordinary General Meeting of 11 February 2021, decided at its meeting of 22 March 2021 the abolition of the existing, as per above and at the time, Remuneration and Board Member Nominee Committee and its replacement by the Remuneration and Nomination Committee.

The purpose of this Committee includes at a minimum the development and formation of all types of remuneration of executives falling within the scope of application of the Remuneration Policy provided by Article 110 of Law 4548/2018, the identification and retain of the necessary executives within the headcount of the Company, who will support the long-term successful performance of the Company, as well as in the formulation-submission of relevant proposals and suggestions on the above issues to the Board of Directors.

The operation of this Committee will ensure that both the remuneration of the above-mentioned executives and the nominations will be in line with the corporate objectives and market practices and, in any case, will be in full compliance with the current legal and regulatory framework.

At the same meeting, the Board of Directors of the Company appointed the new members of the Committee, as follows:

| | |
|---|---|
| Theodoros Kitsos | Independent Non-executive Board Member, Chairman of the Committee |
| Nikitas Glykas | Independent Non-executive Board Member, Member of the Committee |
| Vassilios Zairopoulos | Non-executive Board Member, Member of the Committee |

Also, the Board of Directors of the Company in its meeting of 22 March 2021 in its effort for optimum organization and efficient operation under the corporate governance framework, decided to establish three (3) new Committees as follows:

**Strategy and Investment Committee**

The purpose of this Committee includes at a minimum the support to the Board of Directors regarding the formulation of the business strategy and the investment plan of the Company and the Group in general, the supervision and provision of guidance to the Board of Directors during the implementation of the respective business strategy, as well as the provision of support in the formulation of revised / updated plans and in the monitoring and control of the implementation and performance of the strategic investments of the Company and the Group.

The Strategy and Investment Committee consists of three (3) members of the Board of Directors, as follows:

| | |
|---|---|
| Konstantinos Chalioris | Executive Member of the BoD, Chairman of the Committee |
| Dimitrios Malamos | Executive Member of the BoD, Member of the Committee |
| Vassilios Zairopoulos | Non-Executive Member of the BoD, Member of the Committee |

**Environmental, Social Responsibility and Corporate Governance Committee**

The purpose of this Committee is at a minimum the management, understanding and reporting to the Board of Directors on issues related to:

**(a)** the continuous improvement of the Company in relation to the development, execution and monitoring of the performance and implementation of the strategy for the ESG areas of interest;

**(b)** formulating and submitting proposals on main corporate governance guidelines, including issues related to compliance and Business Ethics;

**(c)** monitoring the Board of Directors, its Committees and the Senior Management evaluation, related to the business performance and improvement of Environmental, Social Responsibility and Corporate Governance initiatives.

The Environmental, Social Responsibility and Corporate Governance Committee consists of four (4) members of the Board of Directors, as follows:

| | |
|---|---|
| Theodoros Kitsos | Independent, Non-Executive Member of the BoD, Chairman of the Committee |
| Konstantinos Chalioris | Executive Member of the BoD, Member of the Committee |
| Dimitrios Malamos | Executive Member of the BoD, Member of the Committee |
| Spyridoula Maltezou | Independent, Non-Executive Member of the BoD, Member of the Committee |

**Human Resources Committee**

The purpose of this Committee is at a minimum to provide the required support mainly to the Chief Executive Officer in any human resources matters, managing the labor related issues and the implementation of labor laws and existing internal rules, in full compliance and harmonization with the business model, the strategy and the values of both the Company and the Group.

The Human Resources Committee consists of five (5) members of the Board of Directors as follows:

| | |
|---|---|
| Dimitrios Malamos | Executive Member of the BoD, Chairman of the Committee |
| Konstantinos Chalioris | Executive Member of the BoD, Member of the Committee |
| Theodoros Kitsos | Independent, Non-Executive Member of the BoD, Member of the Committee |
| Vassilios Zairopoulos | Non-Executive Member of the BoD, Member of the Committee |
| Christos-Alexis Komninos | Non-Executive Member of the BoD, Member of the Committee |

It is pointed out that all the above-mentioned and already formed Committees of the Board of Directors are going to proceed in the short-term with the preparation - drafting of their Operating Manuals, in accordance with the specific provisions of article 10, par. 5 of law 4706/2020.

## VII. GENERAL MEETING AND SHAREHOLDERS' RIGHTS

### 1. Authorities of General Meeting

> The General Meeting of the Company's shareholders is the highest corporate body and is entitled to decide on any issue that concerns the Company, while its decisions also bind shareholders that are not present or who disagree.

> Issues regarding invitation, convening and conducting General Meetings of shareholders, that are not particularly defined by the Company's current Articles of Association are governed by the relevant provisions of articles 116-140 of Law 4548/2018, as currently in effect

### 2. Convening the General Meeting

> The General Meeting convenes at the company's registered offices or in a district of another municipality within the prefecture of its domicile or another municipality near the domicile. The General Meeting may also convene in the district of the municipality where the domicile of the relevant organized market is located.

> Participation in voting remotely, meaning via either audiovisual or other electronic means, during the General Meeting of shareholders is permitted given the prior dispatch to shareholders of the daily agenda issues and relevant voting ballots accompanying such issues at least five (5) days prior to the General Meeting. The issues and voting ballots may be provided and submitted online through the internet. Shareholders that vote in this manner are calculated to define quorum and majority, given that the relevant ballots have been received by the company at least two (2) full days prior to the day of the General Meeting.

In this case, the Company shall take adequate measures to:

(a) be able to ensure the identity of the participant, the participation of persons who are entitled to participate in or attend the General Meeting and the security of the electronic connection,

(b) enable the participant to monitor the proceedings of the Meeting by electronic or audiovisual means and to address the Meeting, verbally or in writing during the meeting, and to vote on the items on the agenda; and

(c) ensure the ability to record accurately the participant's remote voting.

The members of the Board of Directors as well as the auditors of the Company are entitled to attend the General Meeting. The Chairman of the General Meeting may, under his/her responsibility, allow the presence of other persons who do not have shareholder status or are not shareholders' representatives in the Meeting insofar as this is not contrary to the Company's interest. These persons are not considered to be members of the General Meeting solely because they have spoken on behalf of a present shareholder or at the invitation of the President.

## 3. Representation of shareholders at the General Meeting

Shareholders that have the right to participate in the General Meeting may be represented in such by legally authorized proxies.

## 4. Chairman of the General Meeting

> The Chairman of the Board of Directors temporarily serves as chairman of the General Meeting, or if he is unable his substitute, as defined by the article 9 of the Articles of Association or if the latter is unable also, then the oldest in age from the present Members. Those appointed by the Chairman serve as temporary Secretary of the General Meeting.

> Following the reading of the final list of shareholders that have voting rights, the Meeting proceeds with electing a Chairman and a Secretary who also serves as a vote teller.

## 5. Minutes

Copies or extracts from the minutes of the General Meeting shall be ratified by the Chairman or by his / her legal substitute or by his / her replacement or by any person appointed by the Board of Directors.

## 6. Shareholders' Rights before the General Meeting

- From the date of publication of the invitation for the convening of the General Meeting or Assembly up to that day, the Company shall post on its website the following information:

(a) the invitation to convene the General Meeting,

(b) the total number of shares and voting rights that the shares incorporate at the date of the invitation, indicating also separate totals per share class,

(c) the forms to be used for voting by a representative or delegate, and, where provided for, by ballot paper and by electronic means, and

(d) the documents to be submitted to the General Meeting, a draft decision on each item of the proposed agenda and the draft resolutions proposed by the shareholders pursuant to paragraph 3 of article 141 of Law 4548/2018.

- The members of the Board of Directors and the Auditors of the Company are also entitled to attend the General Meeting.
- The Company publishes the results of voting on its website, under the responsibility of the Board of Directors, within five (5) days from the date of the General Meeting, specifying for each decision at least the number of shares for which valid votes, the proportion of the capital represented by these votes,

the total number of valid votes, and the number of votes for and against each decision and the number of abstentions.

**Right of Participation and Voting**

Each share is entitled to one (1) vote. The General Meeting is entitled to participate as shareholder in the records of the Dematerialized Securities System (DSS) managed by "HELLENIC EXCHANGES SA" (HELEX), in which the transferable securities (shares) of the Company are being kept. The status of the shareholder must be valid at the beginning of the fifth (5th) day before the date of the initial General Meeting.

Proof of shareholder status can be performed by any legal means, and, in any case, based on information received by the Company from the CSD, under the condition it provides registry services or through the participants and registered intermediaries in the CSD in any other case.

For the Repeat General Meeting the status of shareholder must exist at the beginning of the fifth (5th) day prior to the day of the General Meeting in accordance with the provisions of article 124 par. 6 of law 4548/2018, as in force today, provided that the adjourned or repeated meeting is not more than thirty (30) days from the record date. If this is not the case or if a new invitation is published in the case of the repeated General Meeting, the General Meeting is attended by the person who has the shareholder status at the beginning of the third (3rd) day before the postponed or the repeated General Meeting.

Only those that have the shareholder capacity during the respective record date is considered by the Company to have the right of participation and voting at the General Meeting (first and / or repeat meeting).

It is noted that the exercise of the above rights (participation and voting) does not require the blockage of the beneficiary's shares or any other relevant process, which limits the ability to sell or transfer shares during the time period between the record date and the date of the General Meeting.

**Minority Rights of Shareholders**

Pursuant to article 141 of Law 4548/2018, the shareholders have, inter alia, the following rights:

**(a)** At the request of shareholders, representing one twentieth (1/20) of the paid-up share capital, the Board of Directors is obliged to convene an Extraordinary General Meeting of Shareholders, appointing a meeting date, which shall not be more than forty five (45) days from the date of submission of the application to the Chairman of the Board of Directors.

The application contains the subject of the agenda. If no General Meeting is convened by the Board of Directors within twenty (20) days from service of the relevant application, the convocation shall be carried out by the applicant shareholders at the expense of the Company, by a court order issued in the interim proceedings. This decision defines the place and time of the meeting as well as the agenda. The decision is not challenged by legal means.

**(b)** With the request of shareholders that represent one twentieth (1/20) of the paid up share capital, the Board of Directors of the Company is obliged to list additional issues on the General Meeting's daily agenda, if the relevant request is received by the Board at least fifteen (15) days prior to the General Meeting. The request for the listing of additional issues on the daily agenda is accompanied by a justification or by a draft resolution for approval by the General Meeting and the revised daily agenda is published in the same manner as the previous daily agenda, at least thirteen (13) days prior to the General Meeting date and at the same time is disclosed to shareholders on the Company's website together with the justification or draft resolution submitted by the shareholders according to those stipulated by article 123, paragraph 4 of Law 4548/2018.

If these issues are not published, the requesting shareholders are entitled to request the postponement of the General Meeting and to make the publication themselves.

**(c)** Shareholders representing one twentieth (1/20) of the paid-up share capital shall have the right to submit draft decisions on issues included in the original or any revised agenda. The relevant application must reach the Board of Directors seven (7) days prior to the date of the General Meeting, the draft decisions being made available to the shareholders according to the provisions of article 123 par. 3 of law 4548/2018 six (6) at least days prior to the date of the General Meeting.

The Board of Directors is not obliged to enroll issues on the agenda or to publish or disclose them together with justifications and draft decisions submitted by the shareholders according to the above paragraphs b and c respectively if their content comes obviously contrary to law or ethics.

**(d)** At the request of a shareholder or shareholders representing one twentieth (1/20) of the paid-up share capital, the Chairman of the Meeting shall be obliged to postpone the decision of the General Assembly, either ordinary or extraordinary, for all or certain matters , setting a day for the continuation of the meeting to conclude with these matters, the one specified in the shareholders' application, but this cannot be more than twenty (20) days from the date of the postponement. The postponement of the General Meeting is a continuation of the previous one and no repetition of the publication formalities of the shareholders' invitation is required, and new shareholders cannot participate in it, subject to the relevant participation formalities.

**(e)** Following a request of any shareholder that is submitted to the Company at least five (5) full days prior to the General Meeting, the Board of Directors is obliged to provide to the General Meeting the specifically required information on the Company's affairs, to the extent that such are useful for the real assessment of the daily agenda issues. No obligation to provide information exists when the relevant information is already available on the Company's website especially in the form of questions and answers. Also, at the request of shareholders representing one twentieth (1/20) of the paid up capital, the Board of Directors is obliged to announce to the General Meeting, if tactical, the sums paid over the last two years to each member of the Board of Directors or the directors of the Company, as well as any benefit to such persons from any cause or contract between the Company and the members. In all the above cases, the Board of Directors may refuse to provide the information for substantive reason, which is recorded in the minutes. Such a reason may be, in the circumstances, the representation of the requesting shareholders in the Board of Directors in accordance with Articles 79 or 80 of Law 4548/2018. In the cases of this paragraph, the Board of Directors may respond in unison to shareholder requests with the same content.

**(f)** Following a request by shareholders that represent one tenth (1/10) of the paid up share capital, which is submitted to the Company at least five (5) full days prior to the General Meeting, the Board of Directors is obliged to provide to the General Meeting information on the development of corporate affairs and the financial position of the Company. The Board of Directors may decline the provision of such information for reasonable cause, which is stated in the minutes. Such a reason may be, according to the circumstances, the representation of the requesting shareholders in the Board of Directors in accordance with Articles 79 or 80 of Law 4548/2018 or if the relevant members of the Board of Directors have received the relevant information in a sufficient manner.

**(g)** At the request of shareholders representing one twentieth (1/20) of the paid-up share capital, the voting on a subject or issues on the agenda shall be made by open vote.

In all the cases of Article 141 of Law 4548/2018, the requesting shareholders are required to prove their shareholder status and, except in the cases of the first subparagraph of paragraph 6 and paragraph 10, the number of shares they hold in exercising their rights. Demonstration of shareholder status can be done by any legal means, however, based on information received by the Company from the CSD, under the condition it provides registry services or through the participants and registered intermediaries in the CSD in any other case.

**(h)** Shareholders of the Company, representing at least one twentieth (1/20) of the paid-up share capital, are entitled to request extraordinary audit of the Company by court which has jurisdiction in the procedure of voluntary jurisdiction. Control shall be ordered if acts that violate provisions of the Company's law or the Articles of Association or decisions of the General Meeting are suspected.

**(i)** Shareholders of the Company representing one fifth (1/5) of the paid-up share capital are entitled to request the court to audit the Company, since from the course of the company and on the basis of certain indications it is believed that the management of corporate affairs is not exercised as required by sound and prudent management. The court may consider that the representation of the requesting shareholders in the Board of Directors in accordance with Articles 79 or 80 does not justify the shareholders' request.

**(j)** Shareholders representing one twentieth (1/20) of the paid-up share capital have the right to submit in writing to the Board of Directors an application for the exercise of the Company's claim pursuant to article 103 of Law 4548/2018.

**(k)** Shareholder holding shares representing 2 percent (2/100) of the share capital may request the annulment of a decision of the General Meeting, that took place in a manner not consistent with the law or the Articles of Association, if he/she did not attend the General Meeting or opposed the decision.

**(l)** At the request of a shareholder or shareholders representing at least one third (1/3) of the paid-up capital, the Company may be dissolved by a court order if there is an important reason for doing so, which in a clear and permanent manner, proves that its continuance is impossible.

**Process for exercising voting rights through a proxy**

The shareholder participates in the Extraordinary General Meeting and votes either in person or through a proxy. Each shareholder may appoint up to three (3) proxies. Legal entities participate in the General Meeting by appointing up to three (3) persons as representatives. However, if a shareholder owns Company shares, which appear in more than one security accounts, this limitation does not obstruct the said shareholder from appointing different proxies for the shares that appear in each security account in relation to the General Meeting. A proxy that acts on behalf of more than one shareholder, can vote separately for each shareholder. A shareholder proxy must disclose to the Company, prior to the beginning of the Extraordinary General Meeting, any specific event that may be useful to shareholders in assessing the risk of the proxy serving other interests than those of the represented shareholder. There might be conflict of interests specifically when the proxy:

a) is a shareholder that exercises control on the Company or is another legal entity controlled by the shareholder,

b) is a member of the Board of Directors or generally the management of the Company or of a shareholder that exercising control on the Company, or another legal entity that is controlled by a shareholder who exercising control of the Company,

c) is an employee or Certified Public Accountant of the Company or shareholder that exercising control of the Company, or another legal entity controlled by the shareholder who exercising control of the Company,

d) is a spouse or first degree relative with one of the persons mentioned above in cases (a) through (c).

The appointment and revocation or replacement of the representative or proxy is applied in written or electronically and submitted to the Company in the same form, at least forty eight (48) hours prior to the defined date of the Extraordinary General Meeting.

The Company makes available the form it uses to appoint proxies on its website. This form is filled in and submitted signed by the shareholder to the Company's Shareholders' Department or is sent by fax to the latter at least forty eight (48) hours prior to the date of the Extraordinary General Meeting.

The beneficiary shareholder is requested to confirm the successful dispatch and receipt of the proxy form by the Company by contacting the Company during working days and hours.

## Shareholders' Rights

### Shareholders' Rights & their exercise

The Company has issued common registered shares listed on the Athens Exchange, and registered in immaterial form in the records of the Dematerialized Securities System. There are no special rights in favor of specific shareholders.

The acquisition of Company shares implies the full and without any reservation acceptance of its Articles of Association and of the legal decisions made by its relevant bodies.

Each share provides rights corresponding to the respective percentage of share capital such represents. The responsibility of shareholders is limited respectively to the nominal value of shares owned. In case of co-ownership of a share, the rights of the co-beneficiaries are exercised only by a joint representative of such. The co-beneficiaries are responsible with solidarity and entirely for fulfilling the obligations that emanate from the common share.

Each Company share incorporates all the rights and obligations defined by Law 4548/2018 as in effect and its Articles of Association, and specifically:

- The right to participate and vote in the General Meeting.
- The right to receive dividend from the Company's earnings.
- The right on the product of liquidation, or respectively the capital depreciation that corresponds to the share, given that such is decided by the General Meeting. The General Meeting of the Company's shareholders maintains all its rights during liquidation.
- The pre-emptive right in any increase of the Company's share capital that takes place by cash and through the issue of new shares, as well as the pre-emptive right in any issue of convertible bonds, given that the General Meeting that approves the increase does not decide differently.
- The right to receive a copy of the annual financial statements and reports by the Certified Public Accountants and Board of Directors of the Company.
- The rights of minority shareholders described below.

It is noted that the present Report concerns the fiscal year ended on 31st December 2020. However, due to the consistency and completeness of the information provided and the comparability of the data, the corresponding numerical elements and data of the fiscal year ending 31st December 2019 are also presented.

# SECTION XI: Non-Financial Report

## INTRODUCTION

The current Non-Financial Report (Statement) contains information on the management and performance of Thrace Group (hereinafter "the Group" or "We") in the following areas, as defined in the provisions of articles 151 and 154 of law 4548/2018 and the respective operative circulars.

- Anti-corruption and bribery issues.
- Respect of human rights.
- Supply chain issues.
- Social and labour issues.
- Environmental issues.

Furthermore, due to the current situation, the report also contains a thematic section "Impact of the COVID-19 pandemic on non-financial issues".

The Report (Statement) provides information on the business model of the Group; the due diligence policies applied by the Group companies to identify, prevent and mitigate the existing and potential adverse effects regarding the issues mentioned above; the outcomes of these policies; the Group risk and management policy for the aforementioned subjects.

The non-financial information contained in the current Report (Statement) has been composed by taking into consideration the GRI Standards, as well as the ESG Reporting Guide of the Athens Stock Exchange 2019 (https://www.athexgroup.gr/en/web/guest/esg-reporting-guide).

Please note that the current Report (Statement) refers to the year ending on December 31, 2020. For reasons of consistency, thoroughness and facilitation of data comparability, respective information for the previous year, ending December 31, 2019, is also being provided.

[ESG A-S1: Stakeholder engagement]
[A-G2: Materiality]

The 2nd Sustainable Development Report for the financial year 2019, in compliance with the GRI Standards, is published in order to communicate the strategy, programs and results of the Group concerning Sustainable Development. Within this framework, a materiality analysis was conducted in 2020, in compliance with the GRI Standards.

The consultation was realized among representatives of the Group and key stakeholder groups:

- Customers (B2B) *
- Investment Community
- Shareholders
- Employees
- Suppliers / Partners
- Business associations
- Local community and the wider society
- State and local authorities

* ***Packaging Sector***: *Dairy industry; companies producing Greek confectionary (halva); margarine, praline, coffee companies; paint producers.* ***Technical Fabrics Sector***: *Construction companies; producers of filter materials; greenhouses; distributors of geosynthetics.*

The topics that emerged from the materiality analysis are:

- Financial value creation / financial performance of the Group
- Responsible corporate governance and safeguarding of business ethics and compliance

- Safeguarding of customer health and safety
- Provision of innovative and sustainable products for the new plastics economy (circular economy)
- Evaluation of suppliers according to their social and environmental performance
- Continuous training and development of employees
- Safeguarding of employee health, safety and well-being
- Adaptation to climate change implications
- Reduction in energy consumption (non-renewable sources) and increase in energy efficiency
- Support of the local community and maintenance of participation and collaboration

More information regarding the materiality analysis can be found in the Sustainable Development Report in the website of Thrace Group at https://www.thracegroup.com/uploads_file/2021/01/21/p1esi2nfq91rsv176h1u2d1marle64.pd.

Active in
**3 business units**
Technical Fabrics
Packaging Solutions
Sustainable Agriculture

**28 different**
Production technologies*

Ability to reuse recycled material internally up to
**100%**

Sales network in
**80 countries**

Production* & distribution facilities in
**9 countries**

**2.202**
Employees*

Replacing virgin raw material with recycled plastics until 2025
**8.500 tons**

* Including joint ventures

## SUSTAINABLE DEVELOPMENT MONITORING

[ESG C-G1: Sustainability oversight]

Sustainable Development issues are discussed on a monthly basis by a dedicated group of executives from the companies of the Group and executive members of the Board of Directors, who update the rest of the Board of Directors on the specific subject. Depending on the results of the materiality analysis, the Board of Directors sets the priorities, the respective goals and timetables, and defines the monitoring process.

## BUSINESS MODEL

### Group Profile

THRACE PLASTICS S.A. was founded in 1977 in the area of Magiko in the municipality of Avdera, Xanthi. Soon after its establishment, it developed into one of the leading producers of Technical Fabrics and Packaging Solutions worldwide. Following the internal restructuring of the Group in the end of 2017, the parent company Thrace Plastics S.A. has been operating as a holding company under the name Thrace Plastics Co. S.A.

Thrace Group is a multinational group of companies, operating in the production and distribution of polypropylene products. It possesses production facilities in six countries, namely Greece, Great Britain, Ireland, Bulgaria, Romania, and the United States of America. The Group operates distribution and marketing companies in three countries, namely Norway, Sweden and Serbia. Its sales network extends to 80 countries.

Thrace Group consists of the following companies:

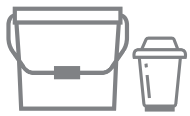
| Companies* | Headquarters |
|---|---|
| Thrace Plastics Co S.A. | Xanthi, Greece |
| Thrace Nonwovens & Geosynthetics S.A. | Xanthi, Greece |
| Thrace Polyfilms S.A. | Xanthi, Greece |
| Thrace Eurobent S.A. | Xanthi, Greece |
| Thrace Plastics Pack S.A. | Ioannina (Xanthi branch), Greece |
| Thrace Greenhouses S.A. | Xanthi, Greece |
| Thrace Synthetic Packaging Ltd. | Clara, Ireland |
| Thrace Ipoma A.D. | Sofia, Bulgaria |
| Thrace Polybulk AS | Brevik, Norway |
| Thrace Polybulk AB | Köping, Sweden |

| | |
|---|---|
| Thrace Greiner Packaging S.R.L. | Sibiu, Romania |
| Lumite Inc. | Georgia, USA |
| Don & Low LTD | Forfar, Scotland |
| Thrace Plastics Packaging DOO | Nova Pazova, Serbia |

** The companies Thrace Eurobent S.A., Thrace Greenhouses S.A., Thrace Greiner Packaging S.R.L. and Lumite Inc. are joint ventures of Thrace Group, but are included in Report in their entirety (100%), since they all apply the same sustainable development principles and values of the Group. It must be also noted that the table above includes only the companies that display an active commercial or production status*

## BUSINESS SECTORS AND PRODUCTS

Operations are divided into three main sectors:



| Technical Fabrics sector | Packaging sector | Agriculture sector |
|---|---|---|

In the financial reports, the Agricultural sector is included in the «Other» section, along with the Parent Company operations.

The Technical Fabrics and Packaging sectors cover 24 market segments in total.

The **Technical Fabrics sector** specializes in the production and trading of synthetic fabrics for industrial and technical use. It has an international focus, with 97% of its sales realized in the international market. The Technical Fabrics sector operates through seven Group subsidiaries: Thrace Nonwovens & Geosynthetics S.A. and Thrace Eurobent S.A. in Xanthi, Don & Low LTD in Scotland, Thrace Synthetic Packaging Ltd. in Ireland, Thrace Polybulk A.S. in Norway, Thrace Polybulk A.B. in Sweden and Lumite Inc. in the U.S.

The main products for this sector are:

- Geotextiles
- Insulation membranes
- Technical fabrics for agricultural & industrial use
- Groundcover fabrics, Nets, Ropes and Twines
- Medical / Hygiene Products

The **Packaging sector** focuses on the production and trading of industrial products, and is addressed to the European market, with an emphasis on Ireland and South-eastern European countries. This sector operates through six Group companies: in Greece (2 companies), Bulgaria, Romania, Ireland and Serbia, making 58% of its sales in the local market.

The main products for this sector are:

- Sacks and big bags
- Pallet film for the packaging of fertilizers, fish feed, animal feed, chemical & inert materials
- Consumer products with applications in food and chemical packaging
- Containers, Injection Buckets, Injection Cups and Thermoforming Cups
- EPS Trays, Plastic Crates

The **Agricultural sector**, on which we have been active since the beginning of 2013 through our subsidiary Thrace Greenhouses S.A., involves the production of tomatoes and cucumbers with hydroponic methods by deploying geothermal energy. It is worth noting that these facilities produce products with a low carbon footprint and constitute the largest geothermal greenhouse plants in Europe. The cultivation methods followed are sustainable and considered as best practices for the production of agricultural products.

Summary information:

***Geographical and Product Dispersion***

- Production and trading companies in 9 countries
- Sales network in 80 countries
- Products covering 24 different business areas (market segments)

***Advanced Know-how and Technological Superiority***

- 28 production technologies from processing to finishing.

***Group strategy and the circular economy model***

The strategy we have adopted over the past couple of years is in line both with the "European Strategy for Plastics in a Circular Economy" (which aims at reducing the disposal and incineration of plastics in the European Union) and the new market challenges emerging from customer demands (e.g. the production of sustainable products). Our objective is to turn these challenges into growth opportunities to achieve a sustainable competitive advantage.

Within this framework, we have adopted the circular economy principles into our production practices, from the design of the products and throughout their lifecycle.

Part of our strategy is to apply the principles of circular economy to the selection of raw materials and the design of products. Furthermore, our goal is to maximize the life cycle of our products, focusing on those that can be reused and remain in use for longer.

Addressing the call of the European Commission for a voluntary commitment to increase the use of recycled plastic, we have already committed since 2018 to replace 8,500 tons of raw material with recycled plastic by 2025. This way, we actively contribute to the fulfilment of the goal set by the European to significantly increase the amount of recycled raw material in the production of plastic products by 2025.

With regards to our production process, being an important link in the global plastics value chain, we recognize the importance of using resources efficiently. In this context, we save raw materials by reusing the waste resulting from our production process. Furthermore, we already produce and distribute products that are fully aligned with the "European Strategy for Plastics in the Circular Economy" standards, which require that all plastic packaging in the European Union should be recyclable by 2030.

In the meantime, we strive to effectively strengthen the circular economy model with practices focused on the concepts of reduction, reuse and recycling of generated waste, thus continuously reducing our environmental footprint.

Below follow some representative practices per production stage:

[ESG SS-E6: Environmental impact of packaging]

### Design

- Reduction of plastic used, by reducing the weight of our products
  - o Weight reduced by 10% in 1lt containers, by 16% in thermoforming cups and by 22% in 1lt injection buckets
- Replacement of virgin raw material with recycled raw material
  - o 30% recycled raw material in shrink film, 30% in FIBC liners, 60% in roofing membranes
- Manufacturing single material (mono-material) products
  - o Design of MDO film
- Replacement of PET sleeve labels with PP labels on thermoforming cups
- Initiative for Life Cycle Assessment (LCA) and development of Environmental Product Declaration (EPD)
- Research and development for reusable containers and cups

### Production

- Acquisition of electric forklifts and withdrawal of old diesel vehicles
- Upgrade of a small hydroelectric power station in the production plant in Ireland
- Upgrade of conventional lighting to new LED technology lamps in production units
- Lower energy consumption per kilo of product, as a result of planning, monitoring, efficiency and upgrade in equipment (≈ 7% reduction in 3 years)
- Investment in energy efficient manufacturing machines

### Distribution / Delivery

- Synergies among Group companies to optimize order deliveries and ensure maximum exploitation of payload in transportations
- Supply of raw materials from local industries (when feasible)

### Reuse

- Creation of the open-to-all "In the loop" platform to close the lifecycle of plastics in collaboration with other companies (https://www.in-the-loop.gr/)

### Collection / Recycling

- Washing of materials and storing of scrap in new sites to preserve quality
- Minimization of waste by recycling during production
- Separation and recycling of non-reusable raw materials, cardboards and wood

through licensed partners

- New process for separation and scrap collection, with special bins at 4 stations inside and outside the production unit
- Welding of paper scrap in a specially designed machine that transforms reusable cardboard into plastic

**Waste**

- Disposal of low amounts of non-hazardous waste in landfills.

[ESG A-S5: Sustainable product revenue]

It is worth mentioning that 100% of the products of the Group subsidiary Thrace Greenhouses S.A. and thus the revenues accruing from them are characterized as sustainable given their low carbon footprint and environmental benefit. This information is not available for the rest of the companies of Thrace Group.

## ANTI-CORRUPTION AND BRIBERY ISSUES

### MAIN RISKS AND THEIR MANAGEMENT

The Group acknowledges the risks of corruption or bribery that may occur throughout its value chain. Potential risks are being monitored both in internal activities and in transactions with key stakeholders, such as suppliers and customers. We recognize that corruption issues, including bribery and/or extortion, may have serious implications for the Group. These may affect the financial capital, through possible fines or sanctions, as well as the social and human capital of the Group, by affecting its relations of trust with its stakeholders. It should be noted here that the impact on social and human capital can also have a direct impact on the financial capital, due to a possible reduction in revenue as a result of those effects.

### DUE DILIGENCE AND OTHER POLICIES

[ESG C-G2: Business Ethics Policy]

The Management of the Group is committed to zero tolerance of corruption, bribery and extortion incidents and aims at preventing them throughout its activities by conducting its business with integrity, in accordance with the highest voluntary standards of ethics as well as applicable laws. Respective policies and procedures have been established within this framework, as well as mechanisms for control and compliance with standards and laws. Our goal is to strengthen and improve anti-corruption management procedures, comply with legislation and intensify controls.

More specifically, our Internal Rules of Procedure constitute the basis of the activity and organization of the Group, defining the duties of employees at all levels, as well as the policy that concerns conflicts of interests. In this context, we have assigned different employees or departments to be responsible for managing contracts, ordering, receiving goods, processing invoices, making payments, etc. It is also worth mentioning that all new employees receive a copy of the Internal Rules of Procedure upon recruitment.

Additionally, relevant policies are included:

- In the Code of Professional Ethics (sections "Conducting Transactions with Honesty", "Transparent and Legal Co-operation with Public Authorities", "Procedure-Receipt of Gifts", "Giving Gifts2).
- In the "General Policies Manual", in the paragraphs "Trade Regulations" and "Gifts and Entertainment". The "General Policies Manual" is available electronically or has been distributed to senior and middle management executives, while all other employees have been trained respectively.
- In the "Purchasing and Accounts Payable" manual, which includes policies and guidelines to prevent corruption and bribery related to purchases and accounts payable. All Group companies communicate and apply this manual at their choice of suppliers, to avoid potential incidents of conflict of interest as well as sending and accepting gifts between companies' employees, before, during and after trading of products.

To prevent corruption incidents, we operate proactively by conducting relevant updates and audits on an annual basis, through the internal audit department. The results of the audits are being communicated to the management teams of the company. To further discourage involvement in an incident of corruption and/or bribery, the Management uses disciplinary measures which ensure compliance with the internal regulations of the Group. In case an incident is detected, the Management of the Group decides upon further actions to be taken (e.g. recourse to justice, disciplinary measures etc).

Within the framework of supporting internal procedures to combat corruption and bribery while aiming at deterring immoral practices:

- At the beginning of every year, the Audit Committee approves the audit program of the Internal Audit Department, which includes the full range of transactions of Group companies (commissions, expenses, payable accounts, sales, credit audit, trade receivables, inventories and management of warehouses, cash register, banks, payroll) etc.
- The Audit Committee and the Board of Directors evaluate the implementation of Group policies and procedures on a regular basis, for further improvements.
- In compliance with Law 4449/2017, the Audit Committee has a key role in facilitating external auditors and ensuring the integrity of financial information.

## CODE OF BUSINESS CONDUCT

[ESG C-G2: Business ethics policy]

Since 2014, the Group has a Code of Business Conduct which constitutes an integral part of the Employees Handbook. The Code sets out the standards of behaviour for employees and is available to everyone via the intranet of the Group.

The core values of the Code of Business Conduct are summarized as follows:

*"All employees, as representatives of the Group, must act with honesty, respect and integrity on all matters at all times."*

The basic principles of the Code of Business Conduct, the application of which aims at preventing and/or eliminating incidents of corruption, include the following:

- Prevention of Conflict of Interests
- Accuracy and Completeness of Financial Information
- Protection of Company Assets
- Realization of all Transactions Responsibly
- Transparent and Legal Cooperation with Public Authorities
- Personal Data Protection
- Safety, Health and Environmental Protection

Risk management issues regarding corruption and bribery related to the Group's supply chain are described further down in the corresponding section.

### OUTCOMES OF THE ABOVE POLICIES AND NON-FINANCIAL PERFORMANCE INDICATORS

[GRI 205-3: Confirmed incidents of corruption and actions taken]
[ESG SS-G1: Business ethics violations]

There have been no confirmed cases of corruption or bribery during 2020. Similarly, no relevant intent and/or conduct of corruption or bribery, thus no financial damage as a result of violating the Code of Business Conduct, have come to the attention of the Group.

## RESPECT FOR HUMAN RIGHTS

### MAIN RISKS AND THEIR MANAGEMENT

The Group recognizes the risks related to human rights both in the workplace of the companies and throughout the supply chain, such as potential discrimination of employees due to their race, religion, gender, nationality, beliefs, age, etc., violation of employee and other stakeholder personal data, forced and child labour. These risks can affect the financial, human and social capital of the Group, with negative impacts on its reputation and social license to operate, while also leading to legal sanctions. The management of risks related to human right issues in relation to our supply chain are described in the corresponding section further down.

### DUE DILIGENCE AND OTHER POLICIES

[ESG C-S5: Human Rights Policy]

All people working in the Group, including managers and suppliers, must adhere to the due diligence policies of the Group regarding human rights (see following sections).

The Group is committed to zero tolerance towards harassment, any form of discrimination due to race, religion, gender, nationality, age, disability, sexual orientation, etc., as well as forced and child labour, both in the Group companies and throughout their supply chain. The companies are fully informed about human rights in their country of operation and follow any changes that may come up in the local legislation.

Group policies define and explain all the above issues, their importance, the ways to prevent them or report them in the event of incidents of non-compliance. All policies are conveyed to the management teams of the companies, which then inform employees accordingly, encouraging them to report any incident of non-compliance to the human resources manager. In case of such a report, the incident is immediately investigated and, if confirmed, the Group proceeds with disciplinary measures.

### *Protection of employees from incidents of harassment and discrimination in the workplace*

To minimize the risk of harassment and discrimination, the Group implements a series of policies and specific actions. Indicatively:

- We inform employees of their obligation to refrain from violent, threatening or abusive behaviours, as well as of the ways of recognizing cases of harassment in the workplace, in accordance with the Group Employee Manual that contains the Anti-harassment Policy.
- We have established a Code of Conduct, as well as several corporate directives and internal regulations regarding human rights.
- We train employees and managers in order to be able to identify and manage cases of harassment and discrimination in the workplace.
- We investigate harassment or discrimination cases in the workplace – reported first to the administration of the Companies and then to that of the Group – and take preventive and/or disciplinary measures if necessary. The implementation of this policy is supervised by the heads of departments in collaboration with the human resources department of each company.

### *Management of employee denouncements related to human rights*

The Group is committed to resolving complaints and treating employees in a fair and impartial manner, recognizing the risk of abuse of their rights and of the consequences that this may have to the wellbeing of employees and of the Group itself.

Although the Group companies have not yet developed a precise mechanism for reporting, processing and resolving complaints on issues of human rights by employees, they have committed to develop it in the future.

### *Safeguarding of personal data*

[ESG C-G3: Data security policy]

The Group recognizes that personal data protection is crucial and thus respects the privacy of its stakeholders and treats their personal data as strictly confidential, in compliance with the relevant legislation. This way, we seek to restrict the risk of abuse and illegal use of personal data, recognizing that such incidents may damage the operation of the Group and its people.

We strictly follow the General Data Protection Regulation 2016/679 (EU GDPR), as well as the national legislation 4624/2019, concerning the protection of individuals against the processing of their personal data and the free movement of such data. Through the compliance program, since 2018 we have been applying technical and organizational measures to comply with the requirements of the Regulation, as well as intermittent staff training and implementation audits by the subsidiaries. At Group level, the designated Data Protection Officer (DPO) supervises the implementation of best practices concerning secure information processing, distribution and retention in order to ensure data protection and privacy of individuals.

Furthermore, an insurance contract for the case of personal data loss has been established. This insurance covers data loss under certain circumstances, such as the breach of personal data (e.g. cyber extortion, telephone hacking, computer crime) and potential network interruption.

The Privacy Policy is available in the Group website at https://www.thracegroup.com/gr/el/privacy-policy/

### *Safety of facilities and protection of human rights*

In the Group, we apply safety measures in our companies so that they adhere to the international principles for human rights and the implementation of the law. For instance, the companies conduct safety risk assessments on a regular basis, which are submitted - upon request - to labour inspectors and certification bodies, confirming that the measures taken are in line with safety risk and applicable legislation.

### *Policy against forced and child labour*

Recognizing the importance of volitional work, we follow a series of procedures that fully and timely inform employees on the conditions and requirements of the workplace. We also ensure the option for an employee to leave if desired, setting notification deadlines within the reasonable timeframe stipulated by law and promptly issuing the respective documents. An indispensable condition for any employee to be hired is to be over 18 years old. Accordingly, we apply reliable procedures to confirm the age of candidates before their recruitment, by checking the birth certificates issued by the competent authorities.

## OUTCOMES OF THE ABOVE POLICIES AND NON-FINANCIAL PERFORMANCE INDICATORS

[GRI 406-1: Incidents of discrimination and corrective actions taken]

In 2020, in the Group:

- There were no incidents of harassment or discrimination based on race, religion, gender, age, disability, nationality, political beliefs, etc. to manage.
- There were no confirmed cases of human rights violations or privacy infringements

## HUMAN RIGHTS VIOLATIONS IN RELATION TO THE SAFETY OF FACILITIES

- In 2020, in the Group, there were no incidents to report on human rights violations in relation to the safety of premises.

## Supply Chain Issues

### MAIN RISKS AND THEIR MANAGEMENT

In the Group, besides the financial risks which are related to our supply chain, mainly depending on the fluctuations in raw material prices and especially polypropylene, we also recognize the non-financial risks, such as cooperating with suppliers that do not comply with international standards of sustainable development.

We specifically focus on supply chain risks that are related to human rights protection, labour issues and anti-corruption, since their implications may affect the reputation of the Group and the relations of trust with stakeholders

### DUE DILIGENCE AND OTHER POLICIES

The suppliers of Thrace Group fall into several categories according to the area of activity of each company. The main categories include:

- Suppliers of raw materials and marketable goods
- Suppliers of electric energy
- Suppliers of equipment, packaging, spare parts
- Partners providing logistical support services, logistics, outsourcing
- Partners providing consulting services, communication services and information technology.

#### *Assessment of suppliers*

[GRI 414-1: Percentage of new suppliers that were screened using social criteria]

[GRI 308-1: Percentage of new suppliers that were screened using environmental criteria]

[ESG C-S7: Supplier assessment]

The assessment and selection of suppliers is an essential business operation that ensures the best supplies possible. Recognizing this need, the Group has adopted special practices to determine if the requirements and conditions set are met by each supplier on a permanent basis.

In general, the supplier assessment process is realized using a special assessment form. According to this procedure, suppliers are required to complete this form used for their evaluation on several areas. Indicatively:

- Management systems (ISO certifications etc.)
- Production processes (product availability, environmental compliance etc.)
- Quality management (information related to quality controls etc.)
- Customer satisfaction (quality standards, product traceability etc.)
- Research and development (information on research and development departments, protection of personal data etc.)

THRACE POLYBULK, in particular, assesses 100% of its new key suppliers, with which it has concluded a cooperation within the year, for the purchase of its products not only on a basis of technical criteria, but also depending on their environmental and social profile (e.g. protection of human rights).

Regarding potential economic, social and environmental risks related to the supply chain, in 2020 Thrace Group decided upon the standard criteria that should be included in the Supplier Assessment Policy, which is expected to be finalized and adopted by all Group companies in 2021.

### *Combating of corruption in the supply chain*

The Group is aware of the risk that a business partner or supplier may be involved in corruption incidents, and thus undertakes all necessary actions, through the due diligence process, to ensure maximum transparency in new business relations. Furthermore, the Group is committed to fighting corruption in its transactions with existing suppliers and business partners.

More specifically, in 80% of our collaborations are with large multinational companies, which focus on transparency and combating of corruption and, thus, cooperation is further ensured by their rules and policies of the specific suppliers.

### *Human rights in the supply chain*

[ESG C-S5: Human rights policy]

In the Group, we have adopted policies to avoid engaging with suppliers/partners with a high risk of violating human rights. The Group is committed to constantly improve the standards concerning international human rights, as well as its interactions with suppliers or business partners.

- Thrace Polybulk evaluates its major suppliers in terms of human rights protection.
- Thrace Synthetic Packaging LTD employs a partner who regularly reviews its key suppliers and verifies the compliance of production facilities with regulations.
- Don & Low LTD evaluates its suppliers by sending a questionnaire to ensure compliance with the UK Modern Slavery Act 2015. Moreover, the questionnaire explores the organizational structure, policies and procedures for managing and controlling issues of diversity, illegal work, workplace harassment, submission of reports for noncompliance incidents (whistleblowing procedure), corruption and bribery, health and safety, and responsible supply chain by its suppliers.

In addition, all Group companies comply with the policy of the Group concerning human rights and take all necessary measures described therein.

For the time being, there are no special policies or actions to detect human rights violation in the full spectrum of the supply chain. However, the fact that most suppliers operate in the U.S. and EU countries, where strong labour laws and an increased sensitivity on human rights issues are in force, minimizes the risk for potential infringements in the supply chain.

The employees of the companies of the Group have the right and obligation to report any violations, involving cases that might lead to an increased risk for modern slavery in their supply chain, by contacting the human resources or legal department representatives of their respective companies. These reports can be made in name or anonymously in person, by telephone or via email.

The Group is in the process of establishing a Supplier Assessment Policy, in order to identify which ones may have the greatest risk of violating social standards related to labour and human rights.

### *Modern Slavery Act*

The Group has zero tolerance for violations of the UK Modern Slavery Act 2015 or the breach of terms in individual agreements with specific suppliers, as described in the Group Statement below:

## THRACE GROUP MODERN SLAVERY ACT STATEMENT

This statement is drawn in accordance with article 54 (1) of the UK Modern Slavery Act 2015 and defines the steps that Thrace Group has already taken and continues to take to prevent modern slavery or human trafficking incidents within its business and supply chain.

Thrace Group recognizes the importance of combating slavery, forced labour and human trafficking ("Modern Slavery"), a set of issues that affect communities and individuals all over the world. Thrace Group applies a zero tolerance approach to all forms of Modern Slavery within its operations and supply chain and recognizes that no sector of its business operations can be excluded.

The Group is committed to act with integrity and transparency on this sensitive matter and is aware of its responsibility to detect all risks within its business and the wider supply chain.

### Operation

Thrace Group operates in 9 countries and has established a strong presence via its sales network in 80 countries. Thrace Group is among the top producers in the sectors of:

- Technical Fabrics (geosynthetics, technical fabrics for agricultural and industrial uses etc.)
- Packaging (industrial products, mainly for sacks, pellets and palletizing films for the packaging of fertilizers, fish feeds, animal feed, chemical and inert materials etc., as well as consumer products with applications in food and chemical packaging).

The investment of Thrace Group for 2020 was 36 million euros.

### Supply Chain

Due to the diverse nature of its business, the supply chain of the Group includes suppliers with different characteristics, that vary both in terms of size and transaction levels:

- Suppliers of raw materials and products
- Suppliers of electricity

- Suppliers of equipment, packaging and spare parts
- Technical support, logistics and outsourcing partners
- Consultancy, communication and IT services partners

## Policies

The Group does not accept modern slavery under any circumstances and is committed to act in an ethical way, with integrity, in all its business dealings. This is reflected in our policies that aim at eliminating as much possible the risk of modern slavery in any part of our business operations or throughout the supply chain.

All people working for Thrace Group must adhere to its ethical Code of Conduct. A cornerstone of the latter is the protection of employees from being abused and exploited, either within Thrace Group itself or within its global supply chain. Group employees reserve the right to belong to trade unions and, at their own discretion, participate to associations and collective bargaining.

Thrace Group employees have the right and obligation to report potential violations, including circumstances that may give rise to an enhanced risk of modern slavery practices, by contacting the representatives in the Human Resources or Legal department. These reports can be made either in name or anonymously, in person, by telephone or via email.

## Due Diligence

The Group recognizes that the greatest risk for the occurrence of modern slavery incidents is within its supply chain, and for this it takes action by implementing initiatives to identify and mitigate the relevant risks. Within this framework, all Group companies are committed to comply with its human rights policy and take all necessary action to ensure its implementation.

To this end, new suppliers are subject to due diligence checks in various forms, including assessment of the most important suppliers for potential human rights violations (Thrace Polybulk) and third-party on-site inspections (Thrace Synthetic Packaging LTD).

Existing suppliers of the Group are also being regularly and systematically audited to verify their compliance with Group policies.

## Training

The Group commits to training its employees, mostly those who hold responsible positions in the procurement, finance and legal departments, so that they can promptly identify signs of modern slavery, taking corresponding action to deal with the respective risk in the supply chain.

### Effectiveness Assessment

No modern slavery incidents have been reported by the Group or public authorities and institutions relating to the Group. Nevertheless, the Group will continue to apply the current risk mitigation methods, as well as track the following performance indicators:

- Employee training level
- Actions taken to strengthen supply chain auditing
- Steps taken to audit any high-risk suppliers, to detect and mitigate modern slavery risk in the supply chain.

## OUTCOMES OF THE ABOVE POLICIES AND NON-FINANCIAL PERFORMANCE INDICATORS

The table below provides information on the Thrace Group supply chain, for the total spending of Group companies on local suppliers, based on their country of origin.

In 2020, no incidents of a UK Modern Slavery Act 2015 violation were reported to the Group or to the companies of the Group, where the latter are operating.

[GRI 102-9: Supply chain – Total number of Suppliers]*

| | 2020 | 2019 |
|---|---|---|
| Don & Low LTD | 526 | 826 |
| Thrace Nonwovens & Geosynthetics S.A. | 874 | 882 |
| Thrace Ipoma A.D. | 586 | 716 |
| Thrace Greiner Packaging S.R.L. | 409 | 409 |
| Thrace Greenhouses S.A. | 322 | 321 |
| Thrace Polyfilms S.A. | 518 | 452 |
| Lumite INC. | 413 | 394 |
| Thrace Synthetic Packaging LTD. | 272 | 300 |
| Thrace Polybulk AS & AB | 20 | 20 |

Amounts in Euro thousand, unless stated otherwise

| | | |
|---|---|---|
| Thrace Plastics Pack S.A. | 913 | 889 |
| Thrace Eurobent S.A. | 136 | 115 |
| Thrace Plastics Co S.A. | 131 | 137 |
| Thrace Plastics Packaging DOO | 95 | 101 |

* *Some of the Group companies may have other Group companies as suppliers. This information has been included in the above figures.*

[GRI 204-1: Proportion of spending on local suppliers]

| | **2020** | **2019** |
|---|---|---|
| **Estimated monetary value of total spending on suppliers (mil. €)** | | |
| Don & Low LTD | 58.0 | 57.0 |
| Thrace Nonwovens & Geosynthetics S.A. | 86.0 | 87.0 |
| Thrace Ipoma A.D. | 16.5 | 21.0 |
| Thrace Greiner Packaging S.R.L. | 12.8 | 14.9 |
| Thrace Greenhouses S.A. | 5.1 | 5.3 |
| Thrace Polyfilms S.A. | 26.0 | 20.0 |
| Lumite INC. | 15.8 | 16.7 |
| Thrace Synthetic Packaging Ltd. | 13.3 | 9.0 |
| Thrace Polybulk AS & AB | 21.4 | 23.2 |
| Thrace Plastics Pack S.A. | 51.5 | 45.9 |
| Thrace Eurobent S.A. | 5.0 | 5.4 |
| Thrace Plastics Co S.A. | 2.9 | 2.6 |
| Thrace Plastics Packaging DOO | 4.2 | 3.1 |
| **Percentage of spending on local suppliers** | | |
| Don & Low LTD | 77% | 84% |
| Thrace Nonwovens & Geosynthetics S.A. | 77% | 78% |
| Thrace Ipoma A.D. | 58% | 53% |
| Thrace Greiner Packaging S.R.L. | 26% | 22% |
| Thrace Greenhouses S.A. | 98% | 99% |
| Thrace Polyfilms S.A. | 67% | 61% |

*Amounts in Euro thousand, unless stated otherwise*

| | | |
|---|---|---|
| Lumite INC. | 66% | 73% |
| Thrace Synthetic Packaging LTD. | Non-significant percentage spent on local suppliers. The main suppliers of the company are the Group subsidiaries. | Non-significant percentage spent on local suppliers. The main suppliers of the company are the Group subsidiaries. |
| Thrace Polybulk AS & AB | 1% | 5% |
| Thrace Plastics Pack S.A. | 78.8% | 58% |
| Thrace Eurobent S.A. | 77% | 67% |
| Thrace Plastics Co S.A. | 93.2% | 87% |
| Thrace Plastics Packaging DOO | 86% | 40% |

## SOCIAL AND LABOUR ISSUES

### MAIN RISKS AND THEIR MANAGEMENT

The Group and its companies fully comply with local labour legislations, taking into account the international directives related to labour issues.

The Group recognizes the risks associated with labour and social issues, namely the right of workers to form and participate in trade unions; human resource management; health and safety in the workplace; training and education of employees; consumer safety; and development of relationships with the local community.

Regarding our products, we recognize and seek to eliminate the risk of harming human life and health by taking measures to avoid ingredients, defects or side effects that could harm and/or threaten human life and health during construction, use and/or disposal of products. Such a risk may have an impact on the financial capital, for instance with possible fines or penalties for affecting consumer health, as well as on the social capital of the Group, for instance by disrupting the relations of trust with customers and other stakeholders. The Group also recognizes the risk of affecting local communities through the activities of its companies, which may further influence its social capital regarding local employment, local human rights and local communities overall.

### LABOUR ISSUES

**Due diligence and other policies**

The Group recognizes that the value created by human capital determines high productivity, performance and the assurance of a competitive advantage. In this context, we seek to deploy – to the best of our ability – our existing personnel, its training, further staffing of its departments with new employees, as well as the safeguarding of its health and safety. Moreover, the management is committed to strengthening anti-discrimination policy measures, as mentioned above.

***Freedom to participate in trade unions and the right of collective bargaining***

The management of Thrace Group

Amounts in Euro thousand, unless stated otherwise

respects the right of employees to participate in trade unions as well as in primary, secondary and tertiary associations. The Group adheres to the Internal Labour Regulation, which have been established in collaboration with representatives of employees and have been submitted to the labour inspectorate. The Regulation further enhances the regular communication between the Management and the representatives of employees, which aims at presenting the requests of employees officially submitted in the unions, as well as discussing any other issue related to the workplace and hygiene and safety at work.

### *Anti-discrimination policy and enhancement of objective recruitment*

The recruitment of new employees is based on objective criteria, thus excluding any possibility of discrimination due to gender, age, marital status, nationality, religion, sexual orientation, political beliefs, etc.

In order to fill job vacancies, the Group first offers employees the opportunity to express their interest in the new position through the process of internal mobility of employees and if a position is not filled internally, then it proceeds by notifying the general public.

More specifically, the Group follows two alternative recruitment procedures, depending on the category of the job position. The categories are: a) production worker (blue collar worker) and b) administration employee (white collar worker).

- Recruitment for production (blue collar workers): We receive CVs of individuals interested mainly by recommendation, either directly by our employees or through the local community where each company of the Group is operating. Since 2018, vacancies are also being posted in job listing websites. For the selection of candidates, we consider the specific requirements of each job, which may include personality criteria, but also criteria of physical condition (e.g. strength, weight, etc.) to ensure the physical condition of the candidates for production-related jobs that require a high level of fitness. At the selection stage, interviews are conducted by a candidate assessment committee, which consists of at least two individuals – the plant manager of the facility and the head of the respective department – and a representative from the human resources department.
- Recruitment for administrative positions (white collar workers): The CVs of candidates are gathered through online job postings. To select suitable candidates, we consider the specific requirements for each job, which include knowledge and experience criteria as well as personality criteria. At the selection stage, the interviews are conducted by a candidate assessment committee, which consists of at least two individuals, including the head of the respective department (Line Manager), as well as an executive of the human resources department. Among candidates who successfully meet the above criteria, priority is given to existing employees who have expressed an interest in the specific position.

It is worth noting that part of the recruitment policy is the support of local communities, through our strategy to recruit candidates from the communities where Group companies are operating, as well as graduates of local educational institutions and universities, thus contributing to the retention of young people in peripheral areas.

### *Equal pay policy and equal opportunities*

[ESG A-G4: Variable pay]

The remuneration policy of the Group for the members of the Board of Directors is available on its official website at https://www.thracegroup.com/gr/el/general-meetings/#. The policy defines the existing rights of the Board members, the obligations of the Group towards them and the conditions upon which remuneration will be provided to existing and/or new members as long as it applies.

The policy reflects the existing agreements regarding the remuneration of Executive Board members. In addition, it takes into account the provisions of the company's Articles of Association, the Corporate Governance Code of the Group, as well as the Internal Rules of Procedure.

The level of fixed remuneration – salary and remuneration of the Board of Directors – is determined by the rule of fair and equal payment to the most suitable individual, considering the responsibilities, knowledge and experience required for each role. Additionally, we do not allow excessive payments and ensure that the long-term interests and the sustainable development of the Group are served, based on the following principles:

- Providing a fair and appropriate level of fixed remuneration while avoiding variable remuneration and unnecessary risk-taking, to encourage continued value creation.
- Balancing long-term and short-term incentives to ensure the focus on both long-term and short-term goals that will create value over time.
- Rewarding short-term goal achievement, which leads to value creation for the company in the long run.

### *Occupational health and safety*

One of the main business practices in our Group is to ensure the health of our employees, by setting as our main strategic goal the minimization of any probability of (a) a workplace accident and (b) manifestation of occupational diseases among our people. More specifically, our strategic goal is "not to allow for an accident to occur that can cause damage to our people and for an accident to reoccur that can cause damage to our facilities."

#### ***Adoption of a Health and Safety Policy***

The Group implements a Health and Safety Policy, which is part of the Integrated Environmental, Health and Safety Policy, aiming over the following years at:

- The training of 100% of our personnel in the facilities throughout the countries where the Group is operating.
- The elimination of 95% of the reasons that can provoke an accident, meaning the sum of those caused by the human factor as well as by the workplace.
- Operations in compliance with the applicable health and safety legislation and all relevant legislative requirements and standards.
- The application of measures for the prevention of health and safety accidents and incidents.
- The training and briefing of employ-

ees on matters of health and safety in the workplace, as well as their participation in related actions.

***Health and Safety Practices***

Indicatively, in order to achieve the goals set, the following procedures are in place:

- Realization of training sessions on health and safety issues, taking place both internally and in collaboration with external partners and the participation of employees through proposals for improvement. More specifically, in 2020, given the restrictions due to the COVID-19 pandemic, a limited number of employee training sessions on the aforementioned issues was realized and, thus, the original budget approved for 2020 was not used in its entirety. For 2021, the training on matters of health and safety will continue as planned, as long as the circumstances relating to the pandemic permit it.
- Engagement of health and safety officers in our facilities, per factory or department.
- Investment in equipment, machinery and risk assessment studies in our facilities, in order to ensure a completely safe environment. We are collaborating with specialized partners with long and proved experience on matters of safety, so that we can detect and handle risks pointed out by the experts.
- Application of a safety plan, since 2017, according to which, meetings are organized with the project teams in the facilities for the identification and handling of risks. Within this framework, project teams have been created per facility, which meet once per month, list the risks identified and handled, get informed on issues related to safety, discuss, propose and take action.
- Communication campaign to further raise awareness among our employees regarding safety issues, by placing safety messages and rules in central spots of the facilities, providing apparel with the corresponding messages, etc.
- Recording and investigation of accidents/incidents. Employees are encouraged to report any dangerous work practices or safety risks they are being faced with at work. The procedure of receiving and handling health and safety complaints by employees is treated as confidential.

Through special occupational risk assessment studies, we identify any possible risks for every working position. Some of the practices applied are the following:

- The health and safety information and procedures are at the disposal of employees in all the languages of the countries where the Group is operating.
- The responsibilities for the health and safety obligations are specified for every company by the Director of the factory, in collaboration with the Safety Technician and the Occupational Physician.
- The incidents related to health and safety (accidents/incidents, regardless of their severity) are recorded and investigated accordingly.
- Employees are encouraged to report any possible dangerous work practices or safety risks they are being faced

with at work. The procedure of receiving and handling health and safety complaints by employees is treated as confidential.

- The production processes, machinery and equipment of the Group are systematically monitored, in order to ensure that they are safe and in good condition for use during work.
- First aid kits and fire extinguishers are readily available and emergency exits are clearly marked and kept clear from obstruction.
- The workplace is maintained in a good condition consistently and continuously, in order to safeguard clean and comfortable working conditions, including the proper temperature, ventilation and lighting.

***Proper use of safety equipment***

In the Group, we ensure that all our employees are provided with the equipment necessary to realize their tasks safely and that they are well informed about the proper use of the equipment and the risks involved in their work.

Our primary concern is to provide our employees with all the necessary Personal Protective Equipment. Indicative of the Personal Protective Equipment, provided by Thrace Plastics Pack S.A., are the following:

- Safety footwear
- Earplugs
- Headphones
- Dust masks
- Fire-proof gloves
- Safety helmets
- Protective eyewear

***Continuous employee training and development***

We offer extensive vocational education and training, aiming at the development of our employees, as we are using the latest production methods which require continuous training. Therefore, we actively add value to our personnel in its interest, as well as in the interest of society in general.

The training of  employees is realized by deploying both internal resources and external consultants with extensive know-how, who are collaborating with each company of the Group separately. Though this training, the employees acquire a lot of experience, which enables them to address their job requirements.

The selection of the training sessions to be realized during a year includes the following stages:

- Assessment and identification of the needs of employees by the directors of the various departments on a yearly basis.
- Prioritization of those needs by the human resources department, in collaboration with the directors of the individual departments.
- Collaboration of the CEO with the human resources department in order to approve the realizing of the training programs based on the corresponding prioritized needs.
- Implementation of the specific training programs.

## SOCIAL ISSUES

### *Product safety and consumer & end user health and safety*

#### Food packaging

With regard to product safety and consumer health we pay special attention to the production of packaging coming into contact with food. The Group subsidiaries that are operating in the production and trade of packaging products (less than 10% of the annual product volume) are the following:

- Thrace Plastics Pack S.A., Ioannina / Xanthi, Greece
- Thrace Ipoma A.D., Bulgaria
- Thrace Greiner Packaging S.R.L., Romania
- Thrace Synthetic Packaging Ltd., Ireland
- Thrace Plastics Packaging DOO, Serbia

#### Masks

Similarly, upon the production of masks, in particular by Thrace Polyfilms S.A., our priority is to safeguard the health and safety of end users. To that end, we implement the following practices:

- Accreditation of the Company with a Quality Management System certified by ISO 13485:2016 for medical devices.
- Registration of the Company and its products in the Registry of the National Organization of Medicines (Greece) and, then, licensing for the production of medical devices.
- CE marking on the surgical masks, in compliance with Regulation (EU) 2016/425 and Regulation (EU) 2017/745 for medical devices.
- Certification of the mask and the technical fabrics by STANDARD 100 of OEKO-TEX®, Class I.
- Receipt of the COVID-Shield certification.
- Implementation of Quality Policy and COVID-Shield Policy.

In general, in order to manage this issue, all the companies of the Group are applying policies and processes to meet the commitment of the Group, which is:

- Not to manufacture or sell products that cannot be manufactured or used safely.
- To follow appropriate work and installation practices.

More specifically, we have adopted management systems based on international standards (BRC, ISO 22000, FDA and IFS) and we are applying procedures in order to maintain a Quality Management System, including:

- Annual analysis of the proportion of plastic migrating to the food product
- Microbiological analysis
- Water analysis
- Risk analysis
- Product contamination control
- Internal inspections
- Product recall procedures
- External and internal facility conditions
- Application of safety measures
- Specification of process area and prod-

uct flow and implementation of cleaning standards and procedures

- Regular equipment maintenance
- Monitored product transport and distribution
- Systematic employee training

More information is provided in the Sustainable Development Report that can be found in the website of Thrace Group at:

(https://www.thracegroup.com/uploads_file/2021/01/21/p1esi2nfq91rsv176h1u2d1marle64.pdf).

### *Product Responsibility Policy*

The products of Thrace Group reflect our vision in relation to quality, which is safeguarded through a series of procedures and best practices, such as:

1. Dissemination of a culture of quality throughout the Group, which incorporates all the personnel.
2. Establishment and maintenance of collaborations with suppliers and clients aiming at an optimized added value for the supply chain.

   Establishment and maintenance of a Quality Management System, confirming to customers that the products and services received are characterized by their proper use and standard quality (in accordance with ISO standards).
3. Investment in the latest technologies related with the sector of operations of the Group.
4. Use of statistics techniques to monitor processes and track trends

### *Main stages of the Quality Assurance Process*

Based on the Quality Management Plan, there are levels of control throughout all the stages of the production process, from receipt to loading:

➤ **Supplier and Raw Material Control:**

1. Evaluation of suppliers (based on reputation, collaboration term, certifications).
2. Supply of raw materials only by suppliers approved on the basis of the above criteria.
3. Evaluation of raw materials through trial product production and laboratory comparison with products produced using different raw materials.

➤ **Product Control:**

Control of products at all phases of production (dimensional inspection, inspection of mechanical attributes based on international standards, compliance of product with the specifications and requirements of the client).

➤ **Transport Packaging Control**:

- Packaging based on the technical specifications of the products, with a specific number and arrangement of items as well as a specific type of carton box to ensure smooth and safe delivery to the client.
- Realization, upon loading, of visual quality inspection to check the suitability of the products to be loaded.
- Application of bar code systems, which ensure the loading of approved products only.

- **Customer Satisfaction Control**:

Regular phone or face-to-face communication between executives of the sales department and clients in order to listen to their needs and optimize the services we are providing.

### *Support of local communities v*

The administration of the Group is particularly sensitive to matters related to local communities and, thus, throughout the years, it has been in contact with the residents of the areas where the Group is operating, in order to engage with them and identify the local needs and those it can address. Within this framework, through our subsidiaries, we are making donations to public benefit organizations.

### ***Social action policy***

Through a single Social Action Policy, all the companies of the Group recognize their responsibility towards the individual and society in general. The objective of the Group companies is to:

- Become the most valuable corporate entities for the communities where they are operating and growing, while maintaining the trust they have built over the years of coexistence.
- Remain sensitive to the local needs and enhance the quality of life by funding social programs and institutions.
- Collaborate with important educational institutions to promote innovation and the development of knowledge.
- Highlight and handle significant social issues related to the business practices of the Group.

### ***Stavros Chalioris Social Center***

Aiming at the enhancement of the local community of Magiko in Xanthi, the Stavros Chalioris Social Center was established with the financial support of the Group subsidiaries. The foundation, which has been operating for 11 years, has a public benefit purpose that involves activities according to the needs of the local community, such as:

- Construction of buildings in plots, acquired by the Group, for charitable purposes to be used either by the Group or by bodies of the public sector and the local authorities.
- Granting of scholarships and financial aid to young people from Magiko in Xanthi or the wider area who wish to study but are unable to cover their study expenses.
- Financial support or coverage of the cost of treatment/hospitalization for patients in need in the wider area, who are suffering from serious health issues.
- Organization of cultural events.
- Exploitation-implementation of national and European programs of social and cultural content.
- Organization of cultural, social and educational seminars addressed to the local community.
- Provision of space for the operation of a medical center offering primary healthcare.

The special circumstances that have been prevailing since March of 2020 due to the COVID-19 pandemic obliged the Social Center to change its way of operation. Thus, all the courses organized by the Social Center took place as usual until March of 2020 but, then and till the end of the academic year in June of 2020, were all canceled, apart from those that could be realized online (learning support, music lessons, educational robotics).

When classes began in September of 2020, the program had to adapt to the measures in place due to the pandemic. To that end, smaller groups were created in order to be able to keep the safety distances, preserve the health of everyone involved and prevent the spread of the disease – always in compliance with the applicable legislation and the instructions by the competent authorities – while the teaching hours had to increase in order to cover the course curriculum.

The circumstances brought forward by the pandemic forced the Social Center to interrupt some of its activities (e.g. face-to-face courses, events, excursions). However, in order to contribute to the management of this unprecedent situation, the Social Center focused on the support of health units (health centers and the hospital of Xanthi) and social institutions by providing them with equipment and donating face masks and protective gear.

## OUTCOMES OF THE AFOREMENTIONED POLITICS AND NON-FINANCIAL PERFORMANCE INDICES

### Labour issues

[GRI 102-41: Collective bargaining agreements]
[ESG C-S6: Collective bargaining agreements]

| Companies | Percentage of employees covered by collective agreements |
|---|---|
| Thrace Plastics Co S.A. | 100% |
| Thrace Nonwovens & Geosynthetics S.A. | 100% |
| Thrace Polyfilms S.A. | 100% |
| Thrace Eurobent S.A. | 100% |
| Thrace Plastics Pack S.A. | 100% |
| Thrace Greenhouses S.A. | 100% |
| Thrace Synthetic Packaging LTD. | 10% |
| Thrace Ipoma A.D. | 0% |
| Thrace Polybulk AS & AB | 0% |
| Thrace Greiner Packaging S.R.L. | 99% |
| Lumite INC | 0% |
| Don & Low Ltd | 80% |
| Thrace Plastics Packaging DOO | 0% |

The tables following below include information about the human resources of the Group.

Amounts in Euro thousand, unless stated otherwise

[GRI 102-8 – Total number of employees]

| Total number of employees by type of employment contract | | | | | | | |
|---|---|---|---|---|---|---|---|
| | Men | | Women | | Total | | |
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | Change |
| Indefinite term | **1,377** | 1,461 | **411** | 371 | **1,788** | 1,832 | **-2.4%** |
| Fixed term | **272** | 150 | **142** | 120 | **414** | 270 | **53.3%** |
| **Total** | **1,649** | 1,611 | **553** | 491 | **2,202** | 2,102 | **4.8%** |

| Total number of employees by type of employment | | | | | | | |
|---|---|---|---|---|---|---|---|
| | Men | | Women | | Total | | |
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | Change |
| Full-time employment | **1,644** | 1,607 | **526** | 474 | **2,170** | 2,081 | **4.3%** |
| Part-time employment | **5** | 4 | **27** | 17 | **32** | 21 | **52%** |
| **Total** | **1,649** | 1,611 | **553** | 491 | **2,202** | 2,102 | **4.8%** |

| | | 2020 | | | 2019 | | |
|---|---|---|---|---|---|---|---|
| **Total number of employees by geographical region** | | Men | Women | **Total** | Men | Women | **Total** |
| **Greece** | Indefinite term | 759 | 129 | 888 | 797 | 116 | 913 |
| | Fixed term | 242 | 132 | 374 | 148 | 118 | 266 |
| | Total | 1,001 | 261 | 1,262 | 945 | 234 | 1,179 |
| **USA** | Indefinite term | 105 | 46 | 151 | 113 | 48 | 161 |
| | Fixed term | 5 | 2 | 7 | 2 | 1 | 3 |
| | Total | 110 | 48 | 158 | 115 | 49 | 164 |
| **Romania** | Indefinite term | 68 | 35 | 103 | 72 | 31 | 103 |
| | Fixed term | 0 | 0 | 0 | 0 | 0 | 0 |
| | Total | 68 | 35 | 103 | 72 | 31 | 103 |
| **Norway** | Indefinite term | 8 | 6 | 14 | 8 | 6 | 14 |
| | Fixed term | 0 | 1 | 1 | 0 | 0 | 0 |
| | Total | 8 | 7 | 15 | 8 | 6 | 14 |

*Amounts in Euro thousand, unless stated otherwise*

| Total number of employees by geographical region | | 2020 Men | 2020 Women | 2020 Total | 2019 Men | 2019 Women | 2019 Total |
|---|---|---|---|---|---|---|---|
| **United Kingdom** | Indefinite term | 298 | 72 | 370 | 339 | 102 | 441 |
| | Fixed term | 25 | 5 | 30 | 0 | 0 | 0 |
| | Total | 323 | 77 | 400 | 339 | 102 | 441 |
| **Ireland** | Indefinite term | 52 | 54 | 106 | 30 | 7 | 37 |
| | Fixed term | 0 | 1 | 1 | 0 | 1 | 1 |
| | Total | 52 | 55 | 107 | 30 | 8 | 38 |
| **Serbia** | Indefinite term | 4 | 3 | 7 | 4 | 4 | 8 |
| | Fixed term | 0 | 0 | 0 | 0 | 0 | 0 |
| | Total | 4 | 3 | 7 | 4 | 4 | 8 |
| **Bulgaria** | Indefinite term | 83 | 66 | 149 | 98 | 57 | 155 |
| | Fixed term | 0 | 1 | 1 | 0 | 0 | 0 |
| | Total | 83 | 67 | 150 | 98 | 57 | 155 |
| **Total** | Indefinite term | 1,377 | 411 | 1,788 | 1,461 | 371 | 1,832 |
| | Fixed term | 272 | 142 | 414 | 150 | 120 | 270 |
| | **Total** | **1,649** | **553** | **2,202** | **1,611** | **491** | **2,102** |

[ESG C-S3: Turnover Rates]

| C-S3: Ratio of employee turnover* | 2020 | 2019 |
|---|---|---|
| Voluntary turnover | 11% | 16% |
| Involuntary turnover | 10% | 7% |

** Including the companies of the Group in Greece, USA, Romania, Norway, United Kingdom, Ireland, Serbia, Bulgaria.*

[ESG C-S1: Female employees]

[ESG C-S2: Female employees in management positions]

| C-S1: Female employees** | 2020 | 2019 |
|---|---|---|
| Percentage of women (in the Group in total) | 25.1% | 22.7% |

*Amounts in Euro thousand, unless stated otherwise*

| C-S2: Female employees in managerial positions** | 2020 | 2019 |
|---|---|---|
| Percentage of women in managerial positions | 20% | 22% |

*** Including the companies of the Group in Greece, USA, Romania, Norway, United Kingdom, Ireland, Serbia, Bulgaria.*

| | 2020 | 2019 |
|---|---|---|
| Percentage of women in the Board of Directors | 0% | 0% |

*The Board Group, in its meeting realized in January, 19 of 2021, decided to replace two of its independent members that quit, Mr. I. Apostolakou and Mr. K. Gianniri, with Ms. Spyridoula Maltezou and Ms. Myrto Papathanou, within the framework of harmonization with the new regulatory framework in place regarding corporate governance and specifically the adequate representation per gender in the Board of Directors. The aforementioned replacement was announced in the Extraordinary General Meeting of shareholders in February, 11 of 2021, which decided the appointment of the temporary advisors as independent non-executive members of the Board of Directors.*

[GRI 405-2: Ratio of basic salary and remuneration of women to men]
[ESG A-S3: Gender pay gap]

| A-S3: Basic salary of women/men | 2020 | 2019 |
|---|---|---|
| Ratio index of basic wage of women/men | 0.78 | 0.77 |

## Employee training

Detailed data regarding the training of employees (e.g. average training hours per employee) will be issued in the Sustainable Development Report of Thrace Plastics for 2020.

*Amounts in Euro thousand, unless stated otherwise*

## OCCUPATIONAL HEALTH AND SAFETY

| | Lost Time Accident (LTA) | | Hours lost | | Cost of Lost Hours (€) | | Restricted Work Cases (RWC) | | Medical Treatment Cases (MTC) | | First Aid Cases (FAC) | | Near Miss Incidents (NMI) | | Employee total | | Hours Worked (thn) | | LTA+RWC+MTC | | Incident Ratio* (IR) | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Company*** | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 / 2019 |
| **Don & Low LTD** | 5 | 9 | 132 | 1,117 | 2,273 | 18,023 | 0 | 3 | 10 | 12 | 20 | 39 | 171 | 298 | 407 | 474 | 591,443 | 804,636 | 15 | 24 | 5,07 | 5,97 | 5 |
| **Thrace Greiner Packaging S.R.L.** | 1 | 0 | 24 | 4 | 134 | 52 | 0 | 0 | 0 | 0 | 1 | 1 | 339 | 122 | 104 | 105 | 195,122 | 204,517 | 1 | 0 | 1,02 | 0 | 1 |
| **Thrace Plastics Pack S.A.** | 0 | 3 | 1,517 | 740.49 | 6,593 | 3,358 | 0 | 0 | 0 | 0 | 0 | 0 | 271 | 303 | 192 | 189 | 382,076 | 379,576 | 0 | 3 | 0 | 1,58 | 0 |
| **Thrace Ipoma A.D.** | 3 | 0 | 176 | 0 | 225 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 1 | 154 | 219 | 252,642 | 355,394 | 3 | 1 | 2,37 | 0,56 | 3 |
| **Thrace Synthetic Packaging LTD** | 3 | 2 | 60 | 24 | 700 | 348 | 0 | 0 | 1 | 0 | 4 | 6 | 1 | 9 | 78 | 38 | 125,629 | 64,290 | 4 | 2 | 6,37 | 6,22 | 3 |
| **Thrace Nonwovens & Geosynthetics S.A.** | 9 | 13 | 363.91 | 974 | 1,454 | 4,465 | 0 | 0 | 8 | 4 | 2 | 8 | 1,104 | 1,828 | 539 | 520 | 1,006,911 | 969,037 | 17 | 17 | 3,38 | 3,51 | 9 |
| **Thrace Polyfilms S.A.** | 4 | 1 | 146.67 | 106.67 | 481 | 488 | 0 | 0 | 3 | 3 | 2 | 6 | 157 | 122 | 141 | 75 | 246,405 | 132,723 | 7 | 4 | 5,68 | 6,03 | 4 |
| **Thrace Group S.A. (Xanthi)** | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 78 | 81 | 80 | 71 | 145,320 | 131,364 | 0 | 0 | 0 | 0 | 0 |
| **Thrace Eurobent S.A.** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **165** | **11** | **8** | **8** | **14,708** | **12,985** | **0** | **0** | **0** | **0** | **0** |
| **Thrace Plastics Pack (Thiva)** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **17** | **0** | **7** | **0** | **9,102** | **0** | **0** | **0** | **0** | **0** | **0** |
| **Lumite INC** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **1** | **1** | **6** | **19** | **41** | **0** | **432** | **164** | **174** | **337,994** | **370,931** | **1** | **7** | **0,59** | **3,77** | **0** |
| **Total** | **25** | **28** | **2,288** | **2,966** | **11,860** | **26,734** | **0** | **4** | **23** | **26** | **48** | **101** | **2,303** | **3,207** | **1,874** | **1,873** | **3,307,352** | **3,425.453** | **48** | **58** | **24** | **28** | **25** |

** The companies Thrace Polybulk AS, Thrace Polybulk AB and Thrace Plastics Packaging DOO are not included.*

In 2020, there were no occupational diseases or fatalities to report for the whole of the Group.

The most common types of injuries are:

- Upper limb cut by a sharp surface
- Limb injury by a moving cylinder
- Shoulder injury
- Limb fracture

Moreover, Thrace Plastics Pack S.A. has been certified by OHSAS 18001:2007 (certificate number: 03016023), as well as by ISO 45001:2018 (certificate number: 20152190001675).

*Amounts in Euro thousand, unless stated otherwise*

### Product safety and consumer & end user health and safety

[GRI 416-2: Incidents of non-compliance concerning the health and safety impacts of products and services]

[ESG SS-S1: Product recalls]

In 2020, there were no incidents of non-compliance with legislation and regulations to report, in relation to the impact of products on the health and safety of consumers. Respectively, no product recalls were required by any company of the Group due to malfunctions or defects and, thus, no compensations had to be attributed.

### Social support

| Spending on the local community of Xanthi | 2020 | 2019 |
|---|---|---|
| Total spending of the Stavros Chalioris Social Center | €328,623 | €273,435 |

## ENVIRONMENTAL ISSUES

### MAJOR RISKS AND THEIR MANAGEMENT

[ESG A-E2: Climate change risks and opportunities]

In the Group, we are aware of significant potential risks that might occur due to the management of solid waste and effluents, raw materials and natural resources, and mainly due to the climate change. The latter bears risks and opportunities for the Group, its investors and stakeholders. To make the most of the business opportunities and mitigate risk deriving from climate change, we ensure the proper management of the impact that might occur. This is one of the major commitments of the Group towards the environmental regulatory framework in place, either in relation to its contribution to the efforts of the international community (e.g. the Paris Agreement on climate change, the Sustainable Development Goals set by the United Nations) or its contribution to and compliance with the derived European and national legislative framework (e.g. Green Paper, European Green Deal, National Climate Change Adaptation Strategy). Climate change and the potential risks lurking (e.g. transition risks, natural hazards) are affecting the forces of supply and demand. Natural hazards, such as extreme weather events, sea level rise and global warming, might affect the production, storage and distribution of the materials and products of the Group. The consequences of the climate change might cause significant and sudden changes to the activities and the revenues and expenses of the Group in the short term and medium term, as well as in the long term.

In particular, transition risks deriving from failure to comply with the applicable regulatory framework and the aforementioned risks might cause, at any time, a possible interruption in the operations of the Group, an increase in its operating costs for the purpose of maintenance, suspension of employment contracts for many employees, as well as effects on their health and safety.

Aiming at mitigating the aforementioned

risks and avoiding the negative socioeconomic and environmental impact, we are adapting our business model based on the principles of Circular Economy in order to reduce our carbon footprint and energy consumption by our operations and, at the same time, through a comprehensive procedure of risk assessment, make the most of the opportunities arising. Moreover, our objective is to fully comply with the applicable environmental legislation and contribute to the fulfilment of the Sustainable Development Goals, on which we have the greatest impact.

## DUE DILIGENCE AND OTHER POLICIES

[ESG SS-E1: Emission strategy]

As part of our wider effort to adapt to climate change and achieve positive financial results for the Group and for society, within the following years, we have set as our goal to develop our business strategy around the five areas mentioned below, as suggested in the proposals of the Task Force on Climate Related Financial Disclosures (TCFD) and which present potential opportunities:

- Resource efficiency
- Energy sources
- Products and services
- Markets
- Resilience

With regard to the management of greenhouse gas emissions, currently only those resulting from the agricultural sector are being calculated; however, we have set as a short-term objective to implement this practice on all the facilities of the Group.

**Environmental policy**

The companies of the Group have an Environmental Policy and relevant processes in place, under which they categorize their environmental impact. They have also appointed environmental management officers to monitor their performance through the Environmental Management System they use.

More specifically, the Group has an official business Ethics, Quality, Environment, Energy and Health and Safety policy in place. Our main objective is the constant improvement of the effectiveness of our tasks, always driven by the optimum management of the environmental consequences deriving from our operations, paying particular attention to the reduction of energy consumption and generation of greenhouse gas emissions through our activities. Our aspiration is to achieve high performance and efficiency levels in issues of environmental and energy management, as an inextricable part of the management of the Group. Through the elaboration of a system and processes, we safeguard the high requirements specified for the various tasks, such as the establishment and monitoring of corporate performance and efficiency indicators, including:

- The establishment of statistical performance analysis.
- The establishment of performance monitoring and measurement.
- The establishment of annual goals for the environment and energy and of related programs. These established objectives and goals are revised and redefined continuously, according to the performance and needs of the Group subsidiaries, while ensuring the availability of the necessary informa-

tion and means for their fulfilment.

- The continuous training of executives involved in the management and implementation of the activities of the Group subsidiaries.

### Solid waste and effluents

We comply with the legal requirements concerning the treatment, storage, transportation, recycling and disposal of waste. In this context, an environmental risk assessment study has been conducted mainly on the potential waste generated and its management, while we have taken the decision to approve environmental terms while respecting contractual obligations, such as the subscription to the electronic waste registry and the payment of the recycling fee.

The Group subsidiaries monitor the types and quantities of waste generated, including the location and method of their treatment, ensuring that the companies where the waste (hazardous and non-hazardous) ends up for final processing or disposal hold all legal documentation proving that they are authorized and certified to proceed with its treatment and recycling.

At the same time, we are applying internal procedures for the waste management, such as the evaluation of waste management suppliers and the preparation of daily, weekly and monthly reports regarding the types and quantities of waste generated, while trying to reduce the latter in the production plants of the Group.

### Use of chemicals

Our sector involves the use of a wide range of chemical substances. The management of any environmental risks that might occur by the use and storage of those chemicals is a top priority for us.

To effectively handle those hazards, we comply with the legal requirements for the management, use and storage of chemicals and other hazardous substances and we do not produce, trade or use chemicals or other hazardous substances subject to national or international prohibitions. We also inform and train our employees on the safe handling and use of those substances utilized in production and facility maintenance.

The companies of the Group have ensured that the chemicals they are using in their activities are placed on metallic bases and kept in appropriate storage rooms to avoid the contamination of the environment. Moreover, those metallic bases are equipped with collectors in their lower part, which gather any leaks of small quantities of chemicals. All the chemicals in the facilities of the Group are stored in appropriate areas with special signage, while access to these areas is allowed only to authorized individuals from approved suppliers, who are well aware of the safety regulations.

### Raw material sourcing

[ESG SS-E8: Critical materials]

A crucial part of our wider circular economy strategy is the selection of the raw materials used in the production of our products. The companies of the Group pay special attention to the assurance of the quality and safety, as well the sustainability of the natural resources upon the stage of raw material sourcing and supply. To meet this goal, they seek to assess raw materials based on criteria apart from their cost, establish and maintain long-term relationships of trust with their suppliers and incorporate in their contracts the terms for the management and prevention of risks related to product safety, as well as the environmental specifications they require. In addition, the Group subsidiaries intentionally do not use, in their production process, the 27 critical raw materials as specified by the European Committee. This means that, on purpose we do not use the specific raw materials in the shaping of the materials or ingredients which constitute our end products, so that these attribute specific features, appearance or quality to our products.

### Energy and climate change

Over the past years, the companies of the Group have proceeded with actions that aim at energy efficiency, such as:

- Replacement of energy-intensive equipment with new one that requires less energy.
- Constant monitoring of energy consumption and implementation of measures for its reduction.
- Raising awareness among employees in relation to energy efficiency issues.

With regard to the management of greenhouse gas emissions, currently only those resulting from the agricultural sector are being calculated; however, we have set as a short-term objective to implement this practice on all the facilities of the Group.

However, the reduction of our carbon footprint remains as one of the main environmental management objectives of the Group. An example of this endeavour is the latest study conducted for the assessment of the carbon footprint in the hydroponic cultivation of tomato and cucumber by the subsidiary company Thrace Greenhouses S.A. The specific study, realized in 2019, is a lifecycle analysis of the products produced and provides an assessment of the greenhouse gas emissions resulting from the production process, which play a part in climate change.

The results of the study on the carbon footprint by the production of cluster tomato and cucumber are depicted on the table below.

| 2019 – With scaling* | Cluster tomato | Cucumber | Total |
|---|---|---|---|
| Emissions (kg CO2 eq) | 408,320 | 318,143 | 726,463 |
| Production (kg) | 4,028 | 3,110 | |
| Emissions (kg CO2 eq /kg product) | 0.112 | 0.112 | |

| 2016 – With scaling* | Cluster tomato | Cucumber | Total |
|---|---|---|---|
| Emissions (kg CO2 eq) | 828,339 | 518,114 | 1,346,453 |
| Production (kg) | 2,036 | 1,510 | |
| Emissions (kg CO2 eq /kg product) | 0.407 | 0.343 | |

** The corresponding study of 2016 had been conducted on the two main varieties of each species (cluster tomato and cucumber) and the results had accrued through scaling to the total hectares of each species. In the study of 2019, the calculation with scaling was used only for the sake of comparison with the results in the study of 2016. From now on, the carbon footprint will be assessed for the sum of the varieties of each species, as well as for the species as such separately.*

Amounts in Euro thousand, unless stated otherwise

The main reason behind the low carbon footprint is the exploitation of geothermal energy, which, apart from adding a a comparative advantage to the production cost, also reflects the approach of Thrace Greenhouses regarding the management of its environmental impact. It must be noted that the heating of greenhouses in greenhouse vegetable cultivation is the most important energy factor (Campden BRI). This extremely significant factor – that in northern European countries corresponds to almost 90% of energy needs (British Standards Institution, 2012) is covered in our company by geothermal energy.

Within this framework, we decided to acquire Guarantees of Origin from Renewable Energy Sources. These guarantees of origin cover 3.075 MWh* of electric energy consumption for 2019 (01/01/2019 – 31/12/2019). The Guarantees of Origin from Renewable Energy Sources/Combined Heat and Power were used for the verification of the origin of electric power, that is fully generated by renewable energy sources. The results of our analysis are described in detail in the study of carbon footprint assessment on the hydroponic cultivation of tomato and cucumber by Thrace Greenhouses S.A., which can be found in the website of the company: http://www.thracegreenhouses.com/

* When the present report was being published, the data for 2020 was not available.

### Water

Water consumption at Group level is not a substantial issue, according to the related materiality analysis (see Thrace Group – Sustainable Development Report 2019). However, in the separate materiality analysis of Thrace Greenhouses S.A., the issue of "Improvement of water quality" proved to be substantial (see Thrace Greenhouses S.A. – Sustainable Development Report 2019).

In general, we take measures for the monitoring and reduction of total water consumption. In particular, Thrace Plastics Pack S.A. applies measures for the reduction of water consumption through:

- Use of water dispensers with automatic on/off switches
- Water for industrial use (e.g. cooling/heating) in a pipe network, as part of an integrated system of preventive maintenance for the management of any leakages
- Use of water recycling systems
- Use of signage for the proper use of water
- Monitoring of water consumption

### Emergency situations and other environmental issues

To avoid any accidents that might have a serious impact on human health and the environment, we have detailed instructions, plans, equipment and training programs in place for the prevention and management of work accidents and emergency situations. In almost all of the companies of the Group, emergency drills are realized at least once per year, thus ensuring a high level of preparedness on behalf of the employees.

Moreover, we adhere to the legal requirements for the levels of noise, odor, light nuisance and vibrations, while offering training programs to our employees for the proper handling of these parameters. The levels of noise, odor and light nuisance are monitored on a regular basis and preventive measures or even corrective action are taken in case it is demonstrated that they are exceeding the permissible limits. In particular, in the premises of the factory of Thrace Plastics Pack S.A., measurements of environmental parameters (noise, floating particles etc.) are realized on regular intervals, as these can prove harmful for the environment and health and safety.

## OUTCOMES OF THE AFOREMENTIONED POLICIES AND NON-FINANCIAL PERFORMANCE INDICATORS

**Certifications**

| CERTIFICATION | COMPANY |
|---|---|
| ISO 14001:2015 Environmental Management System (Certificate number: 0117387060638) | Thrace Plastics Pack S.A. |
| ISO 14001:2015 Environmental Management System | Thrace Greiner Packaging S.R.L. |
| ISO 14001:2015 Environmental Management System (Certificate number: 20051180000289) | Thrace Nonwovens & Geosynthetics S.A. |
| Global GAP for Proper Agricultural Practices | Thrace Greenhouses S.A. |
| ISO 50001:2018 Energy Management Systems (Certificate number: 0117314060638) | Thrace Plastics Pack S.A. |
| ISO 50001:2018 Energy Management Systems (Certificate number: 20053180000888) | Thrace Nonwovens & Geosynthetics S.A. |
| Certificate of Active Fire Protection | Thrace Plastics Pack S.A. |
| ISO 9001: 2015 Quality Management System (Certificate number: 01010018) | Thrace Nonwovens & Geosynthetics S.A. |

*Amounts in Euro thousand, unless stated otherwise*

**Materials**

[GRI 301-1 – Materials used by weight or volume]

| Total weight of materials (in tons) | | | |
|---|---|---|---|
| | 2020 | 2019 | Change |
| Polypropylene | 86,671 | 91,679 | -5% |
| PET | 0.00 | 0.00 | - |
| Polyethylene | 12,875 | 10,151 | 27% |
| Masterbatch (MB) | 3,052 | 3,413 | -11% |
| Packaging | 6,692 | 6,864 | -3% |
| PET Fiber | 0 | 643.1 | - |
| Recycled Polypropylene | 6,961 | 6,256 | 11% |
| **Total** | **116,251.0** | **119,006.1** | **-2%** |

## SOLID WASTE AND EFFLUENTS

The Group subsidiaries possess monitoring systems for the non-hazardous liquid waste (effluents) generated. In particular, in the greenhouse production process in Xanthi, although the irrigated area increased, the effluents generated decreased thanks to the recycling of geothermal water and the non-drainage of the irrigation water. The following table includes data for the quantities of waste generated in the Group, by treatment method. It must be noted that that the quantities of scrap generated within the production units are recycled in full through in the production process.

[GRI 306-2: Waste by type and disposal method]
[ESG SS-E5: Waste management]

| | Total weight of hazardous waste (in tons) | | Percentage % | | Total weight of non-hazardous waste (in tons) | | Percentage % | |
|---|---|---|---|---|---|---|---|---|
| **Waste treatment method** | **2020** | **2019** | **2020** | **2019** | **2020** | **2019** | **2020** | **2019** |
| Reuse | 0.00 | 0.00 | 0.0% | 0.0% | 6,813.08 | 7,715.15 | 61.5% | 55.6% |
| Recycling | 197.98 | 203.28 | 88.5% | 88.2% | 2,817.38 | 3,350.59 | 25.4% | 24.1% |

Amounts in Euro thousand, unless stated otherwise

| | Total weight of hazardous waste (in tons) | | Percentage % | | Total weight of non-hazardous waste (in tons) | | Percentage % | |
|---|---|---|---|---|---|---|---|---|
| Incineration (including energy recovery) | 13.77 | 12.49 | 6.1% | 5.4% | 8.86 | 225.08 | 0.1% | 1.6% |
| Disposal in landfills | 12.00 | 0.00 | 5.4% | 0.0% | 798.38 | 1,824.22 | 7.2% | 13.1% |
| Storage in premises | 0.00 | 12.00 | 0.0% | 5.2% | 638.66 | 771.98 | 5.8% | 5.6% |
| Other methods of treatment | 0.00 | 2.65 | 0.0% | 1.2% | 0.00 | 0.00 | 0.0% | 0.0% |
| **Total** | **223.75** | **230.42** | **100%** | **100%** | **11,076.36** | **13,887.02** | **100%** | **100%** |

[GRI 301-2: Recycled input materials used]

| Total weight of recycled raw materials introduced in the production proces (in tons) | | | |
|---|---|---|---|
| | **2020** | **2019** | **Change** |
| Recycled Polypropylene | 6,960.82 | 6,255.68 | 11.3% |
| Percentage of Recycled Polypropylene | 6% | 6% | 0.0% |

## ENERGY

The tables that follow show the total power consumption in the Group, as well as the power consumption per kg of production.

| Companies/Country of operation | Total kWh/Production (kg) | | |
|---|---|---|---|
| | **2020** | **2019** | **Change** |
| Total production in Greece* | 1,156 | 1,214 | -4.7% |
| Thrace Ipoma A.D. | 1,576 | 1,592 | -1.0% |
| Thrace Greiner Packaging S.R.L. | 1,358 | 1,404 | -3.3% |

* *Note: The data refers to the operations of Thrace Nonwovens & Geosynthetics S.A., Thrace Polyfilms S.A. and Thrace Plastics Pack S.A.*

*Amounts in Euro thousand, unless stated otherwise*

[GRI 302-1: Energy Consumption within the organization]

| Total energy consumption within the Group from non-renewable resources (in MJ) | | |
|---|---|---|
| **Source** | **2020** | **2019** |
| Gasoline | 22.03 | 26.7 |
| Natural gas | 81,338,215 | 93,790,669 |
| Methane | 56,221 | 88,920 |
| Liquefied Petroleum Gas (LPG) | 3,696,909 | 3,680,961 |
| Diesel | 1,047 | 1,739 |
| Pellet fuel | 4,092,002 | 2,886,332 |
| **Total** | **89,184,416.03** | **100,448,647.7** |

| Energy consumption from non-renewable resources (in MJ) | | |
|---|---|---|
| **Source** | **2020** | **2019** |
| Electric energy | 550,802,783 | 571,706,671 |
| Thermal energy | 1,674,000 | 1,548,000 |
| **Total** | **552,476,783** | **573,254,671** |

| Energy consumption from renewable resources (in MJ) | | |
|---|---|---|
| **Source** | **2020** | **2019** |
| Geothermal energy | 22,722,870 | 23,680,000 |
| **Total** | **22,722,870** | **23,680,000** |

[ESG C-E3: Energy Consumption within the organization]

| Energy consumption within the Group from renewable and non-renewable resources (%) | | |
|---|---|---|
| | **2020** | **2019** |
| Total energy consumption within the Group (MWh) | 183,611 | 193,718 |
| Percentage of electric energy consumed (%) | 83.1% | 82.2% |
| Percentage of energy consumed and deriving from renewable sources (%) | 3.4% | 3.4% |

*Amounts in Euro thousand, unless stated otherwise*

## THE EFFECTS OF THE COVID-19 PANDEMIC ON NON-FINANCIAL ISSUES

**The impact of the pandemic on the operations and business continuity of the Group**

Despite the unprecedented circumstances that prevailed in the global economy due to the pandemic, we have managed to remain unaffected, from a financial perspective, in relation to our financial results and transaction cycle; thus, we were not faced with any sort of financial risk that could negatively affect our business continuity.

**Measures taken for the minimization of the impact of the pandemic**

The administration of the Group keeps following closely and responsibly all the developments related to the pandemic crisis and implementing in full its plan to safeguard the health and safety of its employees and the smooth business continuity of the Group.

More specifically, in accordance with the guidelines and recommendations of the World Health Organization (WHO) and the local Public Health and Civil Protection organizations, the Group – from the very beginning of the outbreak of the pandemic – put into effect the following measures, that are being assessed on regular basis:

- Formation of crisis management teams, with the participation of the administrations of the Group subsidiaries and the Group, the Human Resources departments, the Occupational Physicians and the Safety Technicians.
- Provision of information to employees regarding COVID-19, the way of its transmission, the measures of prevention and protection, as well as recommendations and instructions of personal hygiene, according to the instructions of the competent authorities.
- Provision of personal protective equipment to the personnel (masks, antiseptic products, gloves).
- Realization of disinfections in the premises of the companies on a regular basis.
- Implementation of COVID-19 testing on all the employees (free of charge) and repeat testing, where necessary.
- Application of remote working for office workers, as far as reasonably possible.
- Provision of additional protection for employees who belong to vulnerable groups.
- Establishment of particular procedures and protocols for all visitors in the facilities of the companies (transporters, contractors, technicians etc.)
- Realization of personnel and administration meetings in all the companies of the Group, as well as Board meetings without physical presence, but instead via electronic and audiovisual means (e.g. teleconferences).
- Realization of General Assemblies via teleconference, as stipulated the relevant legislative framework.
- Restriction of movement throughout the facilities of all the companies and restriction on business travel.

## Charities

By recognizing the need to take effective action for the support of the health system and the socially vulnerable groups, Thrace Group, through its subsidiaries and the Stavros Chalioris Social Center and in collaboration with other bodies and organizations such as the General Hospital of Chios island and the NGO Desmos, proceeded with donations of personal protective equipment and medical equipment. For more information, check the section "Support of Local Communities".

**Xanthi, 08 April 2021**

| The Chairman of the Board of Directors | The Chief Executive Officer & Executive Member of the Board of Directors | The Non-Executive Member of the Board of Directors |
|---|---|---|
| **Konstantinos St. Chalioris** | **Dimitris P. Malamos** | **Vassilios Zairopoulos** |

[Translation from the original text in Greek]

## Independent auditor's report

## To the Shareholders of "Thrace Plastics Holding Company S.A."

### Report on the audit of the separate and consolidated financial statements

#### Our opinion

We have audited the accompanying separate and consolidated financial statements of ABC Listed Company (Company or/and Group) which comprise the separate and consolidated statement of financial position as of 31 December 2020, the separate and consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flow statements for the year then ended, and notes to the separate and consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects the separate and consolidated financial position of the Company and the Group as at 31 December 2020, their separate and consolidated financial performance and their separate and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union and comply with the statutory requirements of Law 4548/2018.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs), as they have been transposed into Greek Law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the separate and consolidated financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Independence

During our audit we remained independent of the Company and the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) that has been transposed into Greek Law, and the ethical requirements of Law 4449/2017 and of Regulation (EU) No 537/2014, that are relevant to the audit of the separate and consolidated financial statements in Greece. We have fulfilled our other ethical responsibilities in accordance with Law 4449/2017, Regulation (EU) No 537/2014 and the requirements of the IESBA Code.

We declare that the non-audit services that we have provided to the Company and its subsidiaries are in accordance with the aforementioned provisions of the applicable law and regulation and that we have not provided non-audit services that are prohibited under Article 5(1) of Regulation (EU) No 537/2014.

The non-audit services that we have provided to the Company and its subsidiaries, during the year ended as at 31 December 2020, are disclosed in note 3.31 to the separate and consolidated financial statements.

**Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate and consolidated financial statements of the current period. These matters were addressed in the context of our audit of the separate and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| *Key audit matter* | *How our audit addressed the key audit matter* |
|---|---|
| **Provisions for Employee benefits (Consolidated Financial Statements)**<br><br>In the consolidated statement of financial position is included an amount of €16,0 million related to provisions for employee benefits, of which €12.7 million are related to defined benefit plans which are funded and €3,2 million related to defined benefit plans which are not funded, as at 31 December 2020.<br><br>The future benefits are discounted at present value after deducting the fair value of the assets of the funded programs. The present value of post-employment benefit obligations is contingent on certain factors determined on the basis of an actuarial valuation prepared by an independent actuary through the use of significant assumptions.<br><br>The assumptions used to determine the net cost of post-employment benefits include, among others, the discount rate, inflation, and the average annual salary increase. Any changes in the assumptions may have a significant impact on the accounting for post-employment benefit accounting, making this item volatile, since it is significantly influenced by the change in the fair value of the assets of the funded programs.<br><br>We focused on this item due to its significant value in the consolidated financial statements and due to the estimates and assumptions used by the management.<br><br>Detailed information is provided in Notes 2.19 and 3.23 "Provisions for employee benefits" of the consolidated financial statements of the Group. | • We evaluated the Group Accounting policy for defined benefit plans.<br>• We investigated the matter by requesting from the Group's management detailed information in order to evaluate the assumptions adopted and the data used for the calculation of the provision.<br>• We performed a detailed examination and evaluation of the actuarial valuation prepared for the calculation of the provision, in order to assess that it is in line with IFRS, with an emphasis on the reasonability of the assumptions used.<br>• We critically assessed the method used and the assumptions used, as well as the hypotheses and sources of data defined by the management and used by the actuary, their cohesion and consistency compared to the previous year and we compared these assumptions with relative observable market information.<br>• We agreed on the provision for staff benefits and the relative costs included in the financial statements with the actuarial valuation.<br><br>We found that the assumptions used were within a reasonable range and confirmed the appropriateness of the disclosures in the consolidated financial statements.<br><br>We confirmed that the relevant disclosures in the consolidated financial statements are adequate.<br><br>Based on our work, no exceptions identified regarding the reasonableness of the assumptions. |

**Impairment assessment of Goodwill (Consolidated Financial Statements)**

In the consolidated statement of financial position as at 31 December 2020, the Group has goodwill of € 9.8 million as stated in note 3.15 "Intangible Assets" of the financial statements.

The Group measures goodwill at cost less accumulated impairment losses.

Goodwill is allocated on cash-generating units and an impairment test is carried out annually or more frequently if there is evidence of a possible impairment in the book value of the goodwill in relation to its recoverable value in accordance with IAS 36. Impairment is recognized directly as an expense in consolidated profit or loss and other comprehensive income and is not subsequently reversed.

Management determines recoverable value of the cash generating units as the largest amount between the value in use and its fair value, minus any related costs of disposal. The calculation of the value in use of each cash-generating unit is performed by an independent valuer and requires management's estimation of the assumptions about the future results of the above cash-generating units, such as the growth rate in perpetuity, forecasts of expected sales quantities and prices, gross margin and discount rates. These assumptions vary due to the different market conditions in the countries in which the Group operates.

We focused on this area due to the significant value of this item in the consolidated financial statements as well as the estimates and assumptions used by management in the context of performing the impairment assessment of goodwill.

Detailed information on the impairment assessment of goodwill is provided in notes 2.3.1.3 "Estimation of impairment assessment of goodwill", 2.6.1 "Goodwill", 2.6.2 "Impairment assessment of goodwill" and 3.15 "Intangible assets" of the consolidated financial statements of the Group.

Based on the impairment test performed by Management, there was no need to recognize impairment loss on goodwill for the year ended 31 December 2020.

We evaluated the overall impairment test performed by the management, including the process of reviewing and approving value in use models.

We performed audit procedures to confirm that the impairment test for goodwill is generally based on accepted policies and on reasonable assumptions. In cooperation with our colleagues with valuation expertise, we performed the following audit procedures:

- We examined the key assumptions of the Group, such as the growth rate of the cash generating units in perpetuity, projected sales volumes and prices, and gross profit margins used in the projected cash flow, comparing them with the trends of local markets and the assumptions used in previous years.
- We evaluated the reliability of the forecasts used in the projected cash flows of the Management, by comparing the actual performance against previous forecasts.
- We found that the discount rate was determined within an acceptable range, assessing the cost of capital and borrowing costs per cash-generating unit and comparing the discount rates with industry and market data.
- We examined the mathematical accuracy of the cash flow models and we agreed these with the relative investment plans. We assessed the impact on the value in use of the cash-generating units of a possible change in the key assumptions, such as growth rates, discount rates, sales volume and prices, and gross profit margins, and we found that the margin between book value and recoverable value was adequate.

Based on the procedures performed, no exceptions were identified regarding the impairment test and we found that management's assumptions and estimates were within a reasonable range. In addition, we confirmed the appropriateness of the relevant disclosures in the consolidated financial statements.

**Impairment assessment of investment in Subsidiaries (Separate Financial Statements)**

As at 31 December 2020, the Company held investments in subsidiaries amounting to €73.9 million, which are measured at cost, and adjusted when the need arises as a result of impairment.

Management examines on an annual basis whether there are indicators of impairment of investment in subsidiaries. If an investment has to be impaired, the Company calculates the amount of the impairment as the difference between the recoverable amount of the investment and its book value. Management determines recoverable value as the greater of the value in use and the fair value less costs to sell in accordance with the provisions of IAS 36. Value in use is determined by an independent valuer based on management's estimates and assumptions such as future cash flows, returns of each subsidiary company, and discounted rates applied to the projected cash flows. Moreover, these assumptions vary due to the different conditions prevailing in the markets of the countries in which the Group operates.

We focused on this area due to the significant value of investments in subsidiaries as well as the estimates and assumptions used by the management as part of the impairment test conducted for these investments.

Based on the impairment test conducted by the Management, there was no need to recognize impairment losses on investments for the year ended 31 December 2020.

We evaluated the management's assessment and resulting conclusions over the existence of impairment indicators in investments in subsidiaries.

Following the performance of the procedures used for evaluating goodwill impairment in the consolidated financial statements, we evaluated management's analysis according with which the recoverable amounts of the cash-generating units as identified in the impairment test of goodwill, were related with the corresponding investments in subsidiaries.

The procedures we performed in determining the recoverable amount of the investments in subsidiaries that had been subject to impairment testing, included those reported in the above-mentioned key audit matter "Impairment assessment of Goodwill”.

From the aforementioned audit procedures, we found that management's assumptions and estimates are within a reasonable range. In addition, we have confirmed the appropriateness of the relevant disclosures in Note. 3.27 "Participations".

**Other Information**

The members of the Board of Directors are responsible for the Other Information. The Other Information, which is included in the Annual Report in accordance with Law 3556/2007, is the Statements of Board of Directors members and the Board of Directors Report (but does not include the financial statements and our auditor’s report thereon), which we obtained prior to the date of this auditor’s report. In addition, the Company prepares on an annual basis the “Thrace Plastics Group Sustainability Report”, which is expected to be made available to us after 9 April 2021.

Our opinion on the separate and consolidated financial statements does not cover the Other Information and except to the extent otherwise explicitly stated in this section of our Report, we do not express an audit opinion or other form of assurance thereon.

In connection with our audit of the separate and consolidated financial statements, our responsibility is to read the Other Information identified above and, in doing so, consider whether the Other

Information is materially inconsistent with the separate and consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We considered whether the Board of Directors Report includes the disclosures required by Law 4548/2018 and the Corporate Governance Statement required by article 152 of Law 4548/2018 has been prepared.

Based on the work undertaken in the course of our audit, in our opinion:

- The information given in the the Board of Directors' Report for the year ended at 31 December 2020 is consistent with the separate and consolidated financial statements,
- The Board of Directors' Report has been prepared in accordance with the legal requirements of articles 150,151,153 and 154 of Law 4548/2018,
- The Corporate Governance Statement provides the information referred to items c and d of paragraph 1 of article 152 of Law 4548/2018.

In addition, in light of the knowledge and understanding of the Company and Group and their environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the Board of Directors' Report and Other Information that we obtained prior to the date of this auditor's report. We have nothing to report in this respect.

**Responsibilities of Board of Directors and those charged with governance for the separate and consolidated financial statements**

The Board of Directors is responsible for the preparation and fair presentation of the separate and consolidated financial statements in accordance with International Financial Reporting Standards, as adopted by the European Union and comply with the requirements of Law 4548/2018, and for such internal control as the Board of Directors determines is necessary to enable the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate and consolidated financial statements, the Board of Directors is responsible for assessing the Company's and Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the Company and Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's and Group's financial reporting process.

**Auditor's responsibilities for the audit of the separate and consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the separate and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate and consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate and consolidated financial statements, including the disclosures, and whether the separate and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Company and Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate and consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report.

**Report on other legal and regulatory requirements**

**1. Additional Report to the Audit Committee**

Our opinion on the accompanying separate and consolidated financial statements is consistent with our Additional Report to the Audit Committee of the Company, as per the requirements of article 11 of the EE Regulation 537/2014.

**2. Appointment**

We were first appointed as auditors of the Company by the decision of the annual general meeting of shareholders on 12 May 2010. Our appointment has been renewed annually by the decision of the annual general meeting of shareholders for a total uninterrupted period of appointment of 11 years.

9 April 2021

The Certified Auditor

PricewaterhouseCoopers SA
268 Kifissias Avenue
152 32, Halandri
SOEL Reg.No 113

Konstantinos Michalatos
SOEL Reg. No. 17701

THRACE GROUP

# THRACE PLASTICS CO S.A.

## ANNUAL FINANCIAL STATEMENTS FOR THE PERIOD 01.01.2020 – 31.12.2020

www.thracegroup.com

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# IV. ANNUAL FINANCIAL STATEMENTS (SEPARATE AND CONSOLIDATED)

**Statements**


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## STATEMENT OF INCOME AND OTHER COMPREHENSIVE INCOME

| | Note | Group 1/1 - 31/12/2020 | Group 1/1 - 31/12/2019 | Company 1/1 - 31/12/2020 | Company 1/1 - 31/12/2019 |
|---|---|---|---|---|---|
| Turnover | | **339,722** | 298,340 | **4,852** | 4,993 |
| Cost of Sales | | **(233,763)** | (236,792) | **(4,545)** | (4,589) |
| **Gross Profit/(loss) - continuing operations** | | **105,959** | 61,549 | **307** | 404 |
| Other Operating Income | 3.4 | **1,169** | 1,384 | **159** | 105 |
| Selling Expenses | 3.6 | **(30,725)** | (29,082) | **-** | - |
| Administrative Expenses | 3.6 | **(15,195)** | (14,969) | **(1,093)** | (969) |
| Research and Development Expenses | 3.6 | **(1,462)** | (1,520) | **-** | - |
| Other Operating Expenses | 3.8 | **(5,874)** | (2,444) | **(73)** | (116) |
| Other gain / (loss) | 3.5 | **(15)** | 669 | **2** | (4) |
| **Operating Profit /(loss) before interest and tax - continuing operations** | | **53,857** | 15,587 | **(698)** | (580) |
| Financial Income | 3.9 | **667** | 413 | **-** | - |
| Financial Expenses | 3.9 | **(4,223)** | (5,327) | **(316)** | (619) |
| Income from Dividends | | **-** | - | **12,757** | 3,500 |
| Profit / (loss) from companies consolidated with the Equity Method | 3.29 | **1,776** | 1,166 | **-** | - |
| Profit / (Loss) from Participations | | **-** | - | **-** | - |
| **Profit/(loss) before Tax - continuing operations** | | **52,077** | 11,839 | **11,743** | 2,301 |
| **Income Tax** | 3.11 | **(10,805)** | (4,325) | **(553)** | (35) |
| **Profit/(loss) after tax (A) - continuing operations** | | **41,272** | 7,514 | **11,190** | 2,266 |
| **Profit/(loss) after tax (A) - discontinued operations** | 3.2 | **(3,316)** | (3,497) | - | - |
| **Profit/(loss) after tax (A)** | | **37,956** | 4,017 | 11,190 | 2,266 |
| FX differences from translation of foreign Balance Sheets | | **(3,172)** | 2,206 | **-** | - |
| Actuarial profit/(loss) | | **(1,369)** | 431 | **(34)** | (27) |
| **Other comprehensive income after taxes (B) - continuing operations** | | **(4,541)** | 2,637 | **(34)** | (27) |
| FX differences from translation of foreign Balance Sheets | | **175** | 23 | - | - |
| Actuarial profit/(loss) | | **-** | - | - | - |
| **Other comprehensive income after taxes (B) - discontinued operations** | | **175** | 23 | **-** | - |
| FX differences from translation of foreign Balance Sheets | | **(2,997)** | 2,229 | - | - |
| Actuarial profit/(loss) | | **(1,369)** | 431 | (34) | (27) |
| **Other comprehensive income after taxes (B)** | | **(4,366)** | 2,660 | **(34)** | (27) |
| **Total comprehensive income after taxes (A) + (B) - continuing operations** | | **36,731** | 10,151 | **11,156** | 2,239 |
| **Total comprehensive income after taxes (A) + (B) - discontinued operations** | | **(3,141)** | (3,474) | **-** | - |
| **Total comprehensive income after taxes (A) + (B)** | | **33,590** | 6,677 | **11,156** | 2,239 |

*The accompanying notes that are presented in pages 132-228 form an integral part of the present Financial Statements*

*Amounts in Euro thousand, unless stated otherwise*

## STATEMENT OF INCOME AND OTHER COMPREHENSIVE INCOME (continues from previous page)

| | | Group | | Company | |
|---|---|---|---|---|---|
| **Continuing operations** | | **1/1 - 31/12/2020** | 1/1 - 31/12/2019 | **1/1 - 31/12/2020** | 1/1 - 31/12/2019 |
| **Profit / (loss) after tax** | | | | | |
| Attributed to: | | | | | |
| Owners of the parent | | 40,663 | 7,213 | - | - |
| Minority interest | | 609 | 301 | - | - |
| **Total comprehensive income after taxes** | | | | | |
| Attributed to: | | | | | |
| Owners of the parent | | 36,138 | 9,860 | - | - |
| Minority interest | | 593 | 291 | - | - |
| **Discontinued operations** | | | | | |
| **Profit / (loss) after tax** | | | | | |
| Attributed to: | | | | | |
| Owners of the parent | | (3,316) | (3,497) | - | - |
| Minority interest | | - | - | - | - |
| **Total comprehensive income after taxes** | | | | | |
| Attributed to: | | | | | |
| Owners of the parent | | (3,141) | (3,474) | - | - |
| Minority interest | | - | - | - | - |
| **Total Operations** | | | | | |
| **Profit / (loss) after tax** | | | | | |
| Attributed to: | | | | | |
| Owners of the parent | | 37,347 | 3,716 | - | - |
| Minority interest | | 609 | 301 | - | - |
| **Total comprehensive income after taxes** | | | | | |
| Attributed to: | | | | | |
| Owners of the parent | | 32,997 | 6,386 | - | - |
| Minority interest | | 593 | 291 | - | - |
| **Profit/(loss) allocated to shareholders per share - continuing operations** | | | | | |
| Number of shares | | 43,656 | 43,737 | | |
| Earnings/(loss) per share | 3.10 | 0.9314 | 0.1649 | | |
| **Profit/(loss) allocated to shareholders per share - discontinued operations** | | | | | |
| Number of shares | | 43,656 | 43,737 | | |
| Earnings/(loss) per share | 3.10 | (0.0760) | (0.0800) | | |
| **Profit/(loss) allocated to shareholders per share** | | | | | |
| Number of shares | | 43,656 | 43,737 | | |
| Earnings/(loss) per share | 3.10 | 0.8555 | 0.0850 | | |

*The accompanying notes that are presented in pages 132-228 form an integral part of the present Financial Statements*

*Amounts in Euro thousand, unless stated otherwise*

## STATEMENT OF FINANCIAL POSITION

| | Note | Group 31/12/2020 | Group 31/12/2019 | Company 31/12/2020 | Company 31/12/2019 |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| **Non-Current Assets** | | | | | |
| Tangible fixed assets | 3.12 | **131,512** | 123,210 | **357** | 398 |
| Rights-of-use assets | 3.13 | **13,197** | 14,972 | **55** | 176 |
| Investment property | | **113** | 113 | **-** | - |
| Intangible Assets | 3.15 | **10,655** | 11,350 | **401** | 503 |
| Participation in subsidiaries | | **-** | - | **73,858** | 73,858 |
| Participation in joint ventures | 3.29 | **15,068** | 14,547 | **3,819** | 3,819 |
| Other long term receivables | 3.16 | **5,034** | 5,091 | **1,157** | 1,168 |
| Deferred tax assets | | **588** | 833 | **166** | 708 |
| **Total non-Current Assets** | | **176,167** | 170,116 | **79,813** | 80,630 |
| **Current Assets** | | | | | |
| Inventories | 3.17 | **55,338** | 59,158 | **-** | - |
| Income tax prepaid | | **278** | 588 | **26** | 32 |
| Trade receivables | 3.18 | **56,863** | 57,428 | **12** | 2,838 |
| Other debtors | 3.18 | **7,211** | 7,844 | **194** | 4,254 |
| Fixed assets held for sale | 3.14 | **5,478** | 6,155 | **-** | - |
| Cash and Cash Equivalents | 3.19 | **40,824** | 22,051 | **163** | 505 |
| **Total Current Assets** | | **165,992** | 153,224 | **395** | 7,629 |
| **TOTAL ASSETS** | | **342,159** | 323,340 | **80,208** | 88,259 |
| **EQUITY AND LIABILITIES** | | | | | |
| **Equity** | | | | | |
| Share Capital | | **28,869** | 28,869 | **28,869** | 28,869 |
| Share premium | | **21,524** | 21,524 | **21,644** | 21,644 |
| Other reserves | | **21,158** | 24,632 | **13,550** | 14,214 |
| Retained earnings | | **99,548** | 68,353 | **12,560** | 6,016 |
| **Total Shareholders' equity** | | **171,099** | 143,378 | **76,623** | 70,743 |
| Minority Interest | | **3,484** | 2,971 | **-** | - |
| **Total Equity** | | **174,583** | 146,349 | **76,623** | 70,743 |
| **Long Term Liabilities** | | | | | |
| Long Term loans | 3.22 | **46,691** | 52,871 | **-** | 4,000 |
| Liabilities from leases | | **3,210** | 4,439 | **25** | 43 |
| Provisions for Employee Benefits | 3.23 | **16,012** | 15,252 | **238** | 215 |
| Other provisions | | **5** | 36 | **317** | 382 |
| Deferred Tax Liabilities | | **2,111** | 2,507 | **-** | - |
| Other Long Term Liabilities | | **242** | 93 | **1** | 1 |
| **Total Long Term Liabilities** | | **68,271** | 75,198 | **581** | 4,641 |
| **Short Term Liabilities** | | | | | |
| Short Term loans | 3.22 | **26,311** | 43,496 | **960** | 11,098 |
| Liabilities from leases | | **2,822** | 4,773 | **31** | 156 |
| Income Tax | | **7,383** | 1,076 | **56** | 56 |
| Suppliers | 3.25 | **29,697** | 36,187 | **531** | 297 |
| Other short-term liabilities | 3.25 | **33,092** | 16,261 | **1,426** | 1,268 |
| **Total Short Term Liabilities** | | **99,305** | 101,793 | **3,004** | 12,875 |
| **TOTAL LIABILITIES** | | **167,576** | 176,991 | **3,585** | 17,516 |
| **TOTAL EQUITY & LIABILITIES** | | **342,159** | 323,340 | **80,208** | 88,259 |

*The accompanying notes that are presented in pages 132-228 form an integral part of the present Financial Statements*

*Amounts in Euro thousand, unless stated otherwise*

# STATEMENT OF CHANGES IN EQUITY

## Group

| | Share Capital | Share Premium | Other Reserves | Treasury shares reserve | Reserve of FX differences from translation of subsidiaries | Retained earnings | Total before minority interest | Minority interest | Total |
|---|---|---|---|---|---|---|---|---|---|
| **Balance as at 01/01/2019** | **28,869** | **21,524** | **31,493** | **(10)** | **(11,189)** | **68,248** | **138,935** | **2,680** | **141,615** |
| Profit / (losses) for the period | - | - | - | - | - | 3,716 | 3,716 | 301 | 4,017 |
| Other comprehensive income | - | - | - | - | 2,235 | 435 | 2,670 | (10) | 2,660 |
| Distribution of earnings | - | - | - | - | - | - | - | - | - |
| Dividends | - | - | - | - | - | (1,943) | (1,943) | - | (1,943) |
| Other changes | - | - | 2,103 | - | - | (2,103) | - | - | - |
| Purchase of treasury shares | - | - | - | - | - | - | - | - | - |
| Changes during the period | - | - | 2,103 | - | 2,235 | 105 | 4,443 | 291 | 4,734 |
| **Balance as at 31/12/2019** | **28,869** | **21,524** | **33,596** | **(10)** | **(8,954)** | **68,353** | **143,378** | **2,971** | **146,349** |
| **Balance as at 01/01/2020** | **28,869** | **21,524** | **33,596** | **(10)** | **(8,954)** | **68,353** | **143,378** | **2,971** | **146,349** |
| Profit / (losses) for the period | - | - | - | - | - | 37,347 | 37,347 | 609 | 37,956 |
| Other comprehensive income | - | - | - | - | (2,993) | (1,357) | (4,350) | (16) | (4,366) |
| Distribution of earnings | - | - | 113 | - | - | (113) | - | - | - |
| Dividends | - | - | - | - | - | (4,500) | (4,500) | (80) | (4,580) |
| Other changes | - | - | 182 | - | - | (182) | - | - | - |
| Purchase of treasury shares | - | - | - | (776) | - | - | (776) | - | (776) |
| Changes during the period | - | - | 295 | (776) | (2,993) | 31,195 | 27,721 | 513 | 28,234 |
| **Balance as at 31/12/2020** | **28,869** | **21,524** | **33,891** | **(786)** | **(11,947)** | **99,548** | **171,099** | **3,484** | **174,583** |

*Amounts in Euro thousand, unless stated otherwise*

## STATEMENT OF CHANGES IN EQUITY (continues from previous page)

## Company

| | Share Capital | Share Premium | Other Reserves | Treasury shares reserve | Reserve of FX differences from translation of subsidiaries | Retained earnings | Total |
|---|---|---|---|---|---|---|---|
| **Balance as at 01/01/2019** | **28,869** | **21,644** | **14,207** | **(10)** | **16** | **5,720** | **70,446** |
| Profit / (losses) for the period | - | - | - | - | - | 2,266 | **2,266** |
| Other comprehensive income | - | - | - | - | - | (27) | **(27)** |
| Distribution of earnings | - | - | - | - | - | - | **-** |
| Dividends | - | - | - | - | - | (1,943) | **(1,943)** |
| Other changes | - | - | 1 | - | - | - | **1** |
| Purchase of treasury shares | - | - | - | - | - | - | **-** |
| Changes during the period | - | - | 1 | - | - | 296 | **297** |
| **Balance as at 31/12/2019** | **28,869** | **21,644** | **14,208** | **(10)** | **16** | **6,016** | **70,743** |
| **Balance as at 01/01/2020** | **28,869** | **21,644** | **14,208** | **(10)** | **16** | **6,016** | **70,743** |
| Profit / (losses) for the period | - | - | - | - | - | 11,190 | **11,190** |
| Other comprehensive income | - | - | - | - | - | (34) | **(34)** |
| Distribution of earnings | - | - | 113 | - | - | (113) | **-** |
| Dividends | - | - | - | - | - | (4,500) | **(4,500)** |
| Other changes | - | - | (1) | - | - | 1 | **-** |
| Purchase of treasury shares | - | - | - | (776) | - | - | **(776)** |
| Changes during the period | - | - | 112 | (776) | - | 6,544 | 5,880 |
| **Balance as at 31/12/2020** | **28,869** | **21,644** | **14,320** | **(786)** | **16** | **12,560** | **76,623** |

*Amounts in Euro thousand, unless stated otherwise*

## STATEMENT OF CASH FLOWS

| | Note | Group | | Company | |
|---|---|---|---|---|---|
| | | 1/1 - 31/12/2020 | 1/1 - 31/12/2019 | 1/1 - 31/12/2020 | 1/1 - 31/12/2019 |
| **Cash flows from Operating Activities** | | | | | |
| Profit before Taxes and Minority Interest - continuing operations | | **52,077** | 11,839 | **11,743** | 2,301 |
| Profit before Taxes and Minority Interest - discontinued operations | | **(3,310)** | (3,491) | **-** | - |
| *Plus / (minus) adjustments for:* | | | | | |
| Depreciation | | **18,971** | 16,642 | **285** | 317 |
| Provisions | | **2,920** | (191) | **55** | 60 |
| Subsidies | | **(57)** | - | **-** | - |
| FX differences | | **(84)** | 338 | **3** | 4 |
| (Profit)/loss from sale of fixed assets | | **518** | (749) | **(5)** | - |
| Dividends | | **-** | - | **(12,757)** | (3,500) |
| Impairment of fixed assets | | **1,597** | 1,331 | **-** | - |
| Interest and Other financial income/(expenses) | | **3,481** | 4,920 | **316** | 619 |
| (Profit) / losses from companies consolidated with the Equity method | | **(1,776)** | (1,166) | **-** | - |
| **Operating Profit before adjustments in working capital** | | **74,337** | 29,473 | **(360)** | (199) |
| (Increase)/decrease in receivables | | **(673)** | (5,256) | **6,922** | 115 |
| (Increase)/decrease in inventories | | **1,928** | 8,329 | **-** | - |
| Increase/(decrease) in liabilities (apart from banks-taxes) | | **495** | (6,051) | **276** | (344) |
| **Cash generated from Operating activities** | | **76,087** | 26,495 | **6,838** | (428) |
| Interest Paid | | **(2,925)** | (3,663) | **(380)** | (624) |
| Other financial income/(expenses) | | **(147)** | (584) | **(3)** | - |
| Taxes | | **(3,637)** | (2,580) | **(1)** | - |
| **Cash flows from operating activities (a)** | | **69,378** | 19,668 | **6,454** | (1,052) |
| **Investing Activities** | | | | | |
| Proceeds from sales of tangible and intangible assets | | **342** | 1,454 | **5** | - |
| Proceeds (partial) from transfer of property of Thrace Linq | | **9,294** | - | **-** | - |
| Interest received | | **92** | 13 | **-** | - |
| Dividends received | | **544** | 683 | **12,757** | 3,500 |
| Increase (decrease) of participations in subsidiaries | | - | (815) | **-** | (4,007) |
| Purchase of tangible and intangible assets | | **(28,190)** | (22,443) | **(10)** | (54) |
| Investment grants | | **43** | **-** | **-** | - |
| **Cash flow from investing activities (b)** | | **(17,875)** | (21,108) | **12,752** | (561) |
| **Financing activities** | | | | | |
| Proceeds from loans | | **22,669** | 31,255 | **5,960** | 1,000 |
| Purchase of treasury shares | | **(776)** | - | **(776)** | - |
| Repayment of Loans | | **(45,586)** | (24,455) | **(20,098)** | - |
| Financial leases | | **(4,354)** | (4,760) | **(154)** | (117) |
| Dividends paid | | **(4,480)** | (1,937) | **(4,480)** | (1,937) |
| **Cash flow from financing activities (c)** | | **(32,527)** | 103 | **(19,548)** | (1,054) |
| Net increase /(decrease) in Cash and Cash Equivalents | | **18,976** | **(1,337)** | **(342)** | (2,667) |
| Cash and Cash Equivalents at beginning of period | | **22,051** | 22,824 | **505** | 3,172 |
| Effect from changes in foreign exchange rates on cash reserves | | **(203)** | 564 | **-** | - |
| **Cash and Cash Equivalents at end of period** | | **40,824** | 22,051 | **163** | 505 |

*The accompanying notes that are presented in pages 132-228 form an integral part of the present Financial Statements*

*Amounts in Euro thousand, unless stated otherwise*

# 1. Information about the Group

The company THRACE PLASTICS CO S.A. as it was renamed following the approval and the alteration of its name on GEMI (hereinafter the "Company") was founded in 1977. It is based in Magiko of municipality of Avdira in Xanthi, Northern Greece, and is registered in the Public Companies (S.A.) Register under Reg. No. 11188/06/B/86/31 and in the General Commercial Register under Reg. No. 12512246000.

The main objective of the Company was altered as result of the spin-off of the business segment of production and trade of industrial packaging products of the Company and the subsequent amendment of the relevant article 3 of the Company's Articles of Association, according to the precise form that was previously announced by the Company, and in line with the clauses of article 27, paragraph 3, case d' of P.L. 2190/1920. The aim of the Company and its main objective is to participate in the capital of companies and to finance companies of any legal form, kind and objective, either listed or non-listed on organized market, as well as the provision of Administrative - Financial - IT Services to its Subsidiaries.

The Company is the parent of Group of companies (hereinafter the "Group"), which operate mainly in two sectors, the technical fabrics sector and the packaging sector.

The Company's shares are listed on the Athens Stock Exchange since June 26, 1995.

The company's shareholders, with equity stakes above 5%, as of 31.12.2020 were the following:

| | |
|---|---|
| Chalioris Konstantinos | 43.29% |
| Chaliori Eyfimia | 20.85% |

The Group maintains production and trade facilities in Greece, United Kingdom, Ireland, Sweden, Norway, Serbia, Bulgaria, U.S.A. and Romania. On 31st December 2020, the Group employed in total 1,688 employees of which 1,005 in Greece.

The structure of the Group as of 31st December 2020 was as follows:

Amounts in Euro thousand, unless stated otherwise

| Company | Registered Offices | Participation Percentage of Parent Company | Participation Percentage of Group | Consolidation Method |
|---|---|---|---|---|
| **Thrace Plastics Co S.A.** | **GREECE-Xanthi** | **Parent** | **-** | **Full** |
| **Don & Low LTD** | **SCOTLAND-Forfar** | **100.00%** | **100.00%** | **Full** |
| Don & Low Australia Pty LTD | AUSTRALIA | - | 100.00% | Full |
| **Thrace Nonwovens & Geosynthetics Single Person S.A.** | **GREECE-Xanthi** | **100.00%** | **100.00%** | **Full** |
| Saepe LTD | CYPRUS-Nicosia | - | 100.00% | Full |
| Thrace Asia | HONG KONG | - | 100.00% | Full |
| Thrace Protect S.M.P.C. | GREECE-Xanthi | - | 100.00% | Full |
| **Thrace Plastics Pack S.A.** | **GREECE-Ioannina** | **92.94%** | **92.94%** | **Full** |
| Thrace Greiner Packaging SRL | ROMANIA - Sibiou | - | 46.47% | Equity |
| Thrace Plastics Packaging D.O.O. | SERBIA-Nova Pazova | - | 92.94% | Full |
| Trierina Trading LTD | CYPRUS-Nicosia | - | 92.94% | Full |
| Thrace Ipoma A.D. | BULGARIA-Sofia | - | 92.83% | Full |
| **Synthetic Holdings LTD** | **N. IRELAND-Belfast** | **100.00%** | **100.00%** | **Full** |
| Thrace Synthetic Packaging LTD | IRELAND - Clara | - | 100.00% | Full |
| Arno LTD | IRELAND -Dublin | - | 100.00% | Full |
| Synthetic Textiles LTD | N. IRELAND-Belfast | - | 100.00% | Full |
| Thrace Polybulk A.B. | SWEDEN -Köping | - | 100.00% | Full |
| Thrace Polybulk A.S. | NORWAY-Brevik | - | 100.00% | Full |
| Lumite INC. | U.S.A. - Georgia | - | 50.00% | Equity |
| Adfirmate LTD | CYPRUS-Nicosia | - | 100.00% | Full |
| Pareen LTD | CYPRUS-Nicosia | - | 100.00% | Full |
| Thrace Linq INC. | U.S.A. - South Carolina | - | 100.00% | Full |
| **Thrace Polyfilms Single Person S.A.** | **GREECE - Xanthi** | **100.00%** | **100.00%** | **Full** |
| **Thrace Greenhouses S.A.** | **GREECE - Xanthi** | **50.91%** | **50.91%** | **Equity** |
| **Thrace Eurobent S.A.** | **GREECE - Xanthi** | **51.00%** | **51.00%** | **Equity** |

*Amounts in Euro thousand, unless stated otherwise*

# 2. Basis for the Preparation of the Financial Statements and Main Accounting Principles

## 2.1 Basis of Preparation

The present financial statements have been prepared according to the International Financial Reporting Standards (I.F.R.S.), including the International Accounting Standards (I.A.S.) and interpretations that have been issued by the International Financial Reporting Interpretations Committee (I.F.R.I.C.), as such have been adopted by the European Union until 31 December 2020. The basic accounting principles that were applied for the preparation of the financial statements for the year ended on 31 December 2020are the same as those applied for the preparation of the financial statements for the year ended on 31 December 2019 and are described in such.

When deemed necessary, the comparative data have been reclassified in order to conform to possible changes in the presentation of the data of the present year.

Differences that possibly appear between accounts in the financial statements and the respective accounts in the notes, are due to rounding.

The financial statements have been prepared according to the historic cost principle, as such is disclosed in the Company's accounting principles presented below.

Moreover, the Group's and Company's financial statements have been prepared according to the "going concern" principle taking into account all the macroeconomic and microeconomic factors and their effect on the smooth operation of the Group and the Company.

The financial statements were approved by the Board of Directors of the Company on April 08, 2021 and are subject to approval by the next General Meeting which will convene within the year 2021.

The financial statements of the Group THRACE PLASTICS Co. S.A. as well as of the parent company are posted on the internet, on the website www.thracegroup.gr.

## 2.2 New standards, amendments of standards and interpretations

Certain new standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning on 1st January 2020 or subsequent years.

### STANDARDS AND INTERPRETATIONS MANDATORY FOR THE CURRENT FINANCIAL YEAR

**IFRS 3 (Amendments) "Definition of Business Combination"**

The new definition focuses on the concept of a company's return in the form of provision of services and goods towards customers. It is in contrast with the previous definition which focused on returns in the form of dividends, lower cost or of other economic benefits towards investors and other parties. It further clarifies that in order for a complete set of activities and assets to be considered a business, it must include at least one input and a substantial process that together contribute significantly to its ability to generate output. Finally, it introduces the option of an optional examination (the concentration examination) which simplifies the assessment of whether an acquired set of activities and assets is not a business.

**IAS 1 and IAS 8 *(Amendments) "Definition of material*"**

The amendments clarify the definition of the material and how it should be used, supplementing the definition with instructions that have been provided so far in other parts of the IFRS. In addition, the clarifications accompanying the definition have been improved. Finally, the amendments ensure that the definition of the material is consistently applied to all IFRSs.

**IFRS 9, IAS 39 and IFRS 7** *(Amendments) "Interest Rate Benchmark Reform"*

The amendments change certain requirements regarding risk accounting in order to facilitate the possible effects of uncertainty caused by the change in benchmark rates. In addition, the amendments require companies to provide additional information to investors about their hedging relationships, which are directly affected by these uncertainties.

The new Standards or Interpretations did not have a significant impact on the financial statements of the Group and the Company.

Annual Improvements to IFRS Standards 2018–2020(effective for annual periods beginning on or after 1st January 2022)

The amendments set out below include changes to three IFRSs. The amendments have not yet been endorsed by the EU.

**IFRS 9 'Financial instruments'**

The amendment addresses which fees should be included in the 10% test for derecognition of financial liabilities. Costs or fees could be paid to either third parties or the lender. Under the amendment, costs or fees paid to third parties will not be included in the 10% test.

**IFRS 16 'Leases'**

The amendment removed the illustration of payments from the lessor relating to leasehold improvements in Illustrative Example 13 of the standard in order to remove any potential confusion about the treatment of lease incentives.

**IAS 41 'Agriculture'**

The amendment has removed the requirement for entities to exclude cash flows for taxation when measuring fair value under IAS 41.

## STANDARDS AND INTERPRETATIONS EFFECTIVE FOR SUBSEQUENT PERIODS

Specific new accounting standards, amendments and interpretations have entered into force for subsequent periods and have not been applied in the preparation of these consolidated and separate financial statements. The Group examines the impact of the new standards and amendments on its financial statements.

**IFRS 16 (Amendment) 'Covid-19-Related Rent Concessions'** *(effective for annual periods beginning on or after 1st June 2020)*

The amendment provides lessees (but not lessors) with relief in the form of an optional exemption from assessing whether a rent concession related to COVID-19 is a lease modification. Lessees can elect to account for rent concessions in the same way as they would for changes which are not considered lease modifications.

**IFRS 4 (Amendment) 'Extension of the Temporary Exemption from Applying IFRS 9'** *(effective for annual periods beginning on or after 1st January 2021)*

The amendment changes the fixed expiry date for the temporary exemption in IFRS 4 'Insurance Contracts' from applying IFRS 9 'Financial Instruments', so that entities would be required to apply IFRS 9 for annual periods beginning on or after 1 January 2023.

**IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (Amendments) 'Interest rate benchmark reform – Phase 2'** *(effective for annual periods beginning on or after 1st January 2021)*

The amendments complement those issued in 2019 and focus on the effects on financial statements when a company replaces the old interest rate benchmark with an alternative benchmark rate as a result of the reform. More specifically, the amendments relate to how a company will account for changes in the contractual cash flows of financial instruments, how it will account for the change in its hedging relationships and the information it should disclose.

**IAS 16 (Amendment) 'Property, Plant and Equipment – Proceeds before Intended Use'** *(effective for annual periods beginning on or after 1st January 2022)*

The amendment prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also requires entities to separately disclose the amounts of proceeds and costs relating to such items produced that are not an output of the entity's ordinary activities. The amendment has not yet been endorsed by the EU.

**IAS 37 (Amendment) 'Onerous Contracts – Cost of Fulfilling a Contract'** *(effective for annual periods beginning on or after 1st January 2022)*

The amendment clarifies that 'costs to fulfill a contract' comprise the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts. The amendment also clarifies that, before a separate provision for an onerous contract is established, an entity recognizes any impairment loss that has occurred on assets used in fulfilling the contract, rather than on assets dedicated to that contract. The amendment has not yet been endorsed by the EU.

**IFRS 3 (Amendment) 'Reference to the Conceptual Framework'** *(effective for annual periods beginning on or after 1st January 2022)*

The amendment updated the standard to refer to the 2018 Conceptual Framework for Financial Reporting, in order to determine what constitutes an asset or a liability in a business combination. In addition, an exception was added for some types of liabilities and contingent liabilities acquired in a business combination. Finally, it is clarified that the acquirer should not recognize contingent assets, as defined in IAS 37, at the acquisition date. The amendment has not yet been endorsed by the EU.

**IAS 1 (Amendment) "Classification of Liabilities as Short-term or Long-term"** *(effective for annual periods beginning on or after 1 January 2023)*

The amendment clarifies that the liabilities are classified as short-term or long-term based on the rights in force at the end of the reference period. The classification is not affected by the entity's expectations or events after the reference date. In addition, the amendment clarifies the importance of the term "settlement" of a liability of IAS 1. The amendment has not yet been adopted by the European Union.

## 2.3 Significant Accounting Estimations and Judgments of the Management

The estimations and judgments of the Management of the Group are constantly assessed. They are based on historic data and expectations for future events, which are deemed as fair according to the ones in effect.

### 2.3.1 Significant Accounting Estimations and Assumptions

The preparation of Financial Statements in accordance with International Financial Reporting Standards (IFRS) requires management to make estimates and assumptions that may affect, the accounting balances of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses that have been recognized during the reported period. The use of the available information, which is based in historical data and assumptions and the implementation of subjective evaluation are necessary in order to conduct estimates. The actual future results may differ from the above estimates and these differences may affect the Financial Statements. Estimates and relative assumptions are revised constantly. The revisions in accounting estimations are recognized in the period they occur if the revision affects only the specific period or the revised period and the future periods if the revisions affect the current and the future periods.

The basic estimations and subjective judgments that refer to data, the evolution of which could affect the accounts of the Financial Statements during the next twelve months, are as follows:

#### 2.3.1.1 Provisions for expected credit losses from customers and other receivables

The Group and the Company recognize impairment losses for expected credit losses for all financial assets. Expected credit losses are based on the difference between the contractual cash flows and all cash flows that the Group (or the Company) expects to receive. The difference is discounted using an estimate of the initial effective interest rate of the financial asset. For customer receivables, the Group and the Company applied the simplified approach to the standard and calculated the expected credit losses on the basis of the expected credit losses over the lifetime of those items. For other financial assets, the expected credit losses are calculated on the basis of the losses for the next 12 months. Expected credit losses over the next 12 months are part of the expected credit losses over the life of the financial assets resulting from the probability of default of an item within 12 months of the reporting date. If there is a significant increase in credit risk from the initial recognition, the provision for impairment will be based on the expected credit losses over the life of the asset.

#### 2.3.1.2 Impairment of Participations

Management examines on an annual basis whether there are indicators of impairment of investment in subsidiaries. If an investment has to be impaired, the Company calculates the amount of the impairment as the difference between the recoverable amount of the investment and its book value. Management determines recoverable value as the greater of the value in use and the fair value less costs to sell in accordance with the provisions of IAS 36. Value in use is determined by an independent valuer based on management's estimates and assumptions such as future cash flows, returns of each subsidiary company, and discounted rates applied to the projected cash flows. Moreover, these assumptions vary due to the different conditions prevailing in the markets of the countries in which the Group operates.

#### 2.3.1.3 Estimate on Impairment of Goodwill

The Group assesses whether there is impairment of goodwill at least on an annual basis. Management identifies the recoverable amount as the greater of its value in use and its fair value less costs to sell. The calculation of the acquisition (book) value of each cash-generating unit requires an estimate by management of the assumptions about the future results of the above cash-generating units, such as growth rate in perpetuity, forecasts for projected quantities and sales prices, gross profit margin and discount rates. These assumptions vary due to different market conditions in the countries in which the Group operates.

#### 2.3.1.4 Provision for income tax

The provision for income tax according to I.A.S. 12 is calculated by estimating taxes that will be paid to the tax authorities and includes the current income tax for each financial year and a provision for additional taxes that may arise in future tax audits. Group companies are subject to different income tax laws and therefore significant management assessment is required to determine the Group's income tax income. Income tax expense may differ from these estimates as a result of future changes in tax legislation both in the countries in which the Group operates and in Greece or unforeseen consequences from the final determination of the tax liability of each use by the tax authorities. These changes may have a significant impact on the Group's and Company's financial position in the event that the final settlement of income taxes deviates from the initial amounts that have been recorded in the Group and Company financial statements. These differences will affect income tax and deferred tax provisions for the year in which the final determination is made. For more information, see note 3.11.

#### *2.3.1.5 Provisions for employee benefits*

The present value of the liabilities for post employment benefits depends on a number of factors defined on actuarial basis via the use of a significant number of assumptions. The assumptions used for the determination of the net cost (income) for post employment benefits include discount rates, rates of wage increases, mortality and disability rates, retirement ages and other factors. Any changes to these underlying assumptions may have a significant effect on the liability and the relative costs of each period.

The Group defines the appropriate discount rate in each reporting period. It is the interest rate applicable for the calculation of the present value of the estimated future payments required for the settlement of the benefit liabilities. For the estimation of the appropriate discount rate the Group takes into consideration the interest rates prevailing in high credit rating corporate bonds denominated in the currency of the benefit payments and with maturity dates similar to the ones of the respective liabilities. Due to the long-term nature of these defined benefit plans, these cases are subject to a significant degree of uncertainty. Further information is provided in note 3.23.

### 2.3.2 Significant Accounting Judgments in the Application of Accounting Principles

#### *2.3.2.1 Depreciation/amortization of tangible and intangible assets*

The Group and the Company calculate depreciation/amortization on tangible and intangible assets based on estimation of the useful life of such. The residual value and useful life of such assets are reviewed and defined at the end of each reporting period, if deemed necessary.

## 2.4 Basis of Consolidation

### 2.4.1 Subsidiaries

Subsidiaries are all companies (including those companies of special purpose) which are controlled by the Group. The Group controls a company when the Group is exposed to or has rights in variable returns from its participation in the company and has the ability to affect these returns through the power it possesses in the company. The subsidiaries are consolidated with the full consolidation method from the date at which the control is acquired by the Group and are excluded from consolidation from the date at which such control does not exist.

The mergers of companies are accounted for, from the Group based on the purchase method. The price of the acquisition is calculated as the fair value of the transferred assets, the liabilities undertaken against the former shareholders and the shares issued by the Group. The price of the acquisition includes the fair value of any asset or liability which may derive from any potential agreement about the price. The assets acquired and the liabilities along with the contingent liabilities assumed during a corporate merger are measured initially at fair value at the date of the acquisition. Depending on the acquisition case, the Group recognizes any non controlled interest in the subsidiary either at fair value or at the value of the stake of the non controlled interest in the equity of the subsidiary.

Increases of the Group's participation in subsidiaries are recognized as transactions in equity. The difference between the acquisition cost and the participation in the new equity of the subsidiary acquired, is recognized directly in the Group's equity. Profit or losses from the sale of a participation percentage that does not lead to loss of control on the subsidiary by the Group, is also recognized in the Group's equity.

The expenses related to the acquisition are recorded in the results.

If the corporate merger is gradually achieved then the fair value of the participation held by the Group in the acquired company is revalued at fair value at the acquisition date. The profit or loss which emerges from the revaluation is recognized in the results.

Any potential price that is transferred from the Group is recognized at fair value at the acquisition date. Any subsequent changes in the fair value of the potential price, which is considered as an asset or a liability, are recognized according to IAS 39 in the results. If the potential price is recorded as item of the equity, then it is not revalued until its final settlement through the equity.

Intra-company transactions, balances and non realized earnings from transactions among the companies of the Group are excluded. The non realized losses are also excluded. The accounting principles that are applied by the subsidiaries have been adjusted wherever it was deemed necessary so that they are aligned with the ones adopted by the Group.

The Company records the investments in subsidiaries in the separate financial statements at acquisition cost minus any impairment. Furthermore, the acquisition cost is adjusted so that it reflects the changes in the payable price deriving from any amendments in the potential price.

### 2.4.2 Transactions with owners of non-controlled interests

The Group treats the transactions with the owners of non-controlled interests, which do not result into loss of control, in the same manner with the transactions with the major shareholders of the Group. The difference between the price paid and the book value of the acquired interest of the subsidiary's equity is recorded in the shareholders' funds. Earnings of losses deriving from the sale to owners of non-controlled interests are also recorded in shareholders' funds

### 2.4.3 Sale of Subsidiary

When the Group ceases to possess control, the remaining percentage is measured at fair value, whereas any potential differences that derive in comparison with the current value are recorded in the results. Following, this asset is recognized as associate company, joint venture or financial asset at the above fair value. Additionally, any relevant amounts which were previously recorded in the other comprehensive income are accounted for, with the same manner that would be followed in the case of sale of these assets and liabilities, meaning that they can be transferred in the results.

### 2.4.4 Joint Arrangements

Based on IFRS 11, investments in joint arrangements are classified either as joint activities or as joint ventures and the classification depends on the contractual rights and the liabilities of each investor. The Group evaluated the nature of its investments in joint arrangements and decided that these constitute joint ventures. Joint ventures are consolidated according to the equity method.

According to the equity method, investments in joint ventures are initially recognized at the acquisition cost, which in a later stage increases or decreases via the recognition of the Group's share in the earnings or losses of the joint ventures and the changes in the other comprehensive income after the acquisition. In case the share of the Group in the losses of the joint ventures exceeds the amount of the investment (which also includes any long-term investment that essentially constitutes part of the net investment of the Group in the joint ventures), no additional losses should be recognized, unless there have been payments or there are commitments undertaken for the account of the joint ventures.

Non realized profit from transactions between the Group and the joint ventures is excluded according to the percentage of the Group's participation in the joint ventures. The non realized losses are also excluded, unless the transaction offers indications of a potential impairment of the transferred asset. The accounting principles of the joint ventures have been amended wherever it was deemed appropriate so that they are aligned with the ones adopted by the Group.

## 2.5 Fixed Tangible Assets

Tangible assets are recorded at book value, net of any grants received, less accumulated depreciation and any impairment in value. Expenses for replacement of part of fixed assets are included in the value of the asset if they can be estimated accurately and increase the future benefits of the Group from such. The repairs and maintenance of fixed assets charge the results, in the period when such are realized. The acquisition cost and the related accumulated depreciation of assets retired or sold, are removed from the accounts at the time of sale or retirement, and any gain or loss is included in the Results.

Depreciation is charged in the Results based on the straight-line method over the estimated useful life of fixed assets, however, in cases of investments where the financial benefits are not estimated to be evenly distributed throughout the useful life of the asset, the diminishing balance method is used. The estimated useful life of each category of asset is presented below:

| Category | Depreciation rate | Economic Life |
|---|---|---|
| Buildings and technical works | 2.5% - 5% | 20 - 40 years |
| Machinery and technical installations | 7% - 10% | 10 - 14 years |
| Specialized mechanical equipment | 12% - 15% | 7 - 8 years |
| Vehicles | 10% - 20% | 5 - 10 years |
| Furniture and fixture | 10% - 30% | 3 - 10 years |

Land and plots are not depreciated, however they are reviewed for impairment. Residual values and economic life of fixed assets might be adjusted if necessary at the time financial statements are prepared. Fixed assets, that have been impaired, are adjusted to reflect their recoverable value (Note 3.12). The remaining value, if not negligible, is re-estimated on an annual basis.

Tangible assets are derecognized when sold, or when no future economic benefits are expected from their use. The gains and losses arising from the sale of property, plant and equipment are determined by the difference between the sale proceeds and the net book value as shown in the books and included in the operating result.

Amounts in Euro thousand, unless stated otherwise

## 2.6 Intangible Assets

### 2.6.1 Goodwill

The acquisition of a subsidiary by the Group is accounted for based on the acquisition method. The acquisition cost of a subsidiary is the fair value of assets acquired, shares issued and liabilities assumed during the transaction date, plus possible expenses directly linked to the transaction. The individual assets, liabilities and contingent liabilities acquired in a business combination are measured during the acquisition at fair value regardless of the participation percentage. The acquisition cost above fair value of the individual assets acquired, is booked as goodwill. If the total acquisition cost is less than the fair value of the individual assets acquired, the difference is registered directly in the results.

Upon initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purposes of the impairment test, the goodwill recognized has been allocated, from the date of acquisition, to the Group's cash-generating units, which are expected to benefit from the combination. Each unit in which goodwill has been allocated represents the lowest level within the company in which goodwill is monitored for internal management purposes.

Impairment testing is performed on an annual basis or more frequently if events or changes in circumstances indicate a possible impairment. The carrying amount (book value) of goodwill is compared to the recoverable amount, which is the higher between the value-in-use and the fair value less costs to sell. Impairment is recognized directly as an expense and cannot be reversed at a later date.

### 2.6.2 Impairment of Goodwill

Goodwill is allocated on cash-generating units and an impairment test is carried out annually or more frequently if there is evidence of a possible impairment in the book value of the goodwill in relation to its recoverable value in accordance with IAS 36. Impairment is recognized directly as an expense in consolidated profit or loss and other comprehensive income and is not subsequently reversed.

Management determines recoverable value as the largest amount between the value in use and its fair value, minus any related costs of disposal. The calculation of the value in use of each cash-generating unit is performed by an independent valuer and requires management's estimation of the assumptions about the future results of the above cash-generating units, such as the growth rate in perpetuity, forecasts of expected sales quantities and prices, gross margin and discount rates. These assumptions vary due to the different market conditions in the countries in which the Group operates. For more information see note 3.15.

### 2.6.3 Other Intangible Assets

Other intangible assets mainly concern software and industrial ownership rights which refer to the utilization right of the trademark TERRA HOME that has been purchased from a third party, and of the Geothermic field that has been purchased from the Greek State. Their values are stated at acquisition cost, less the accumulated depreciation and any impairment losses. Amortization of intangible assets is registered in the Results, based on the straight-line method over the estimated useful life of assets. The following table depicts the estimated useful life of assets:

| Category | Amortization Rate | Useful Life |
|---|---|---|
| Industrial ownership rights | 20% | 5 years |
| Software | 10 - 20% | 5 - 10 years |

Subsequent expenses on the capitalized intangible assets are capitalized only when they increase the future benefits that are attributed to the specific asset. In a different case, all other expenses are recorded when they incur.

Research costs are expensed as incurred. Development costs that do not meet the recognition criteria as an asset are expensed as incurred.

## 2.7 Non Current Assets Held for Sale

The Group classifies a non-current asset (or a group of assets and liabilities) as held for sale, if its value is expected to be recovered primarily through the sale of the item and not through its continued use and the sale is considered very likely. Immediately before the initial classification of the non-current asset (or group of assets and liabilities) as held for sale, the asset (or all assets and liabilities included in the group) shall be assessed on the basis of the applicable IFRS. Non-current assets (or asset and liability groups) classified as held for sale are valued at the lowest value between their book value and their fair value reduced by direct sales costs, and any resulting impairment losses and then they are recorded in the results. Any possible increase in the fair value in a later valuation is recorded in the statement of results, but not for an amount greater than the previously recorded impairment loss. From the day on which a non-current asset (or non-current asset included in a group of assets and liabilities) is classified as held for sale, depreciation or impairment is not counted.

## 2.8 Impairments of Non-Financial Assets

With the exception of goodwill which is reviewed for impairment at least on an annual basis, the book values of other non-financial assets are reviewed for impairment when events or changes in conditions indicate that the book value may not be recoverable. When the book value of an asset exceeds its recoverable amount, the respective impairment loss is registered in the results. The recoverable amount is defined as the largest value between the net sales price and the value in use. Net sale price is the amount that can be received from the sale of an asset, in the context of an arm's length transaction in which the parties have full knowledge and voluntarily proceed, after the deduction of any additional direct cost for sale of the asset. Value in use is the present value of estimated future cash flows expected to be realized from the continuous use of an asset and from the revenue expected to result from its sale and the end of its estimated useful life. For purposes of defining impairment, the non-financial assets are grouped at the lowest level for which cash flows can be recognized separately.

## 2.9 Inventories

Inventories are stated at the lower of cost (acquisition or production) and net realizable value. Cost of final and semi final products includes all cost of purchase, cost of materials, direct labor cost, other direct expenses and proportionate general production expenses. The cost of inventories is calculated using the weighted average method. Net realizable value represents the estimated selling price in the ordinary course of business, less any selling cost.

## 2.10 Accounts Receivable - Provisions for Doubtful Receivables

Accounts receivable are initially recorded at their fair value, which is the transaction value, and are subsequently measured at amortized cost using the effective interest rate, less the expected credit losses arising from all possible default events throughout expected life of a financial instrument at each reporting date. At each financial statement date, the recoverability of the receivable accounts is estimated either per customer when there is objective evidence that the Group is unable to collect all amounts due under the contractual terms, either on historical trends, statistical data and expected future events and the relevant provision for impairment is formed. The provision formed is adjusted for impairment and is included in 'Other expenses'. Any write-offs of receivables from accounts receivable are made through the provision made.

## 2.11 Cash & cash equivalents

For purposes of preparing the Statement of Cash Flows, the category of cash & cash receivables include cash in hand, cash equivalents, such as site deposits and short-term time deposits, namely those with a maturity up to three months.

## 2.12 Foreign Exchange Translations

### 2.12.1 Operating currency and presentation currency

The data in the financial statements of the Group's companies are registered in the currency of the primary economic environment, in which each Company operates ("operating currency").

The consolidated financial statements are presented in Euro, which is the operating valuation currency and presentation currency of the parent Company.

### 2.12.2 Transactions and balances in foreign currencies

Transactions in foreign currencies are converted into the operating currency based on exchange rates effective at the date of transaction or at the date of revaluation if such case is required. Profits and losses from foreign exchange differences, arising during the settlement of such transactions and from the conversion of foreign currency denominated assets and liabilities based on the current exchange rates at the reporting date, are recorded in the results. Profits and losses from foreign exchange differences related to cash reserves and bank obligations are recorded in the statement of results, under the account "Financial income / (expenses) - Net". All other profits or losses from foreign exchange differences are recorded in the statement of results, under the account "Other profits / (losses) - Net".

### 2.12.3 Group's Companies in foreign currency

The conversion of the financial statements of the Group's companies (none of which operates with a currency belonging to a hyperinflation economy), which are recorded in a currency that is different from the one of the Group, is conducted as follows:

- The assets and liabilities for each statement of financial position are converted based on the effective exchange rates at each reporting date,
- Revenues and expenses are converted based on the average exchange rates of each period (unless the average exchange rate does not logically approach the cumulative effect of the exchange rates that were effective at the time of the transactions. In such case, revenues and expenses are converted based on the exchange rates effective at the time of the relevant transactions), and
- The extracted foreign exchange differences are recorded in other comprehensive income.

## 2.13 Acquisition of Treasury Shares

The paid price to acquire Treasury Shares, including the relevant expenses for their purchase, is presented as a deduction of Equity. Any profit or loss from the sale of Treasury Shares, net of direct transaction costs and taxes, is recognized directly in Equity, in the account "Treasury Share Reserve".

## 2.14 Dividends

Payable dividends are presented as a liability during the time when such are approved by the Annual General Meeting of Shareholders.

## 2.15 Income

### 2.15.1 Income from contracts with customers

The Parent Company provides Administrative, Financial, Accounting, IT Services to the Subsidiaries of the Group. Income from the provision of services is recognized over time in the accounting period during which the services were provided.

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 unfulfilled obligation that could affect the acceptance of the goods by the customer. The main product categories are technical fabrics (Geosynthetics and textiles for construction, garden projects, hospital and sanitary products, filter industry, automotive industry, industrial use, sports and leisure, carpet weaving, yarn and straps) and packaging products (Mega sacks, packaging film, packaging fabrics, containers, bins, cups, glasses, containers and trays, plastic boxes, bottles, bags, garbage bags, ropes and strings). The Group accepts returns only in case of defective products or products which do not generally meet the required specifications.

The asset (receivable) is recognized when there is an unconditional right for the entity to receive the price for the performed obligations of the contract to the customer. The contractual asset is recognized when the Group has fulfilled its obligations to the customer, before the customer pays or before payment becomes due. Payment is usually required between 30 and 90 days. The contractual obligation is recognized when the Group receives a price from the customer (advance payment) or when it reserves the right to a price which is unconditional (deferred income) before the performance of the obligations of the contract and the transfer of the goods or services. The contractual obligation is recognized when the obligations of the contract are fulfilled and the income is recorded in the income statement.

### 2.15.2 Government Grants - Subsidies

Government grants on tangible and intangible assets, are deducted from the book value of the asset for which they were received. The relevant income is recognized with the form of reduced depreciation amounts during the useful life of the relevant asset. Government grants that concern payroll expenses are recognized as income during the period that such relate to the respective expenses and are presented in the Income Statement in the account “Other Operating Income”.

### 2.15.3 Income from Dividends – Interim Dividends

Income from dividends is recognized in the Income Statement as income, during the date when such are approved by the Annual General Meeting of Shareholders. Interim dividends are recognized during the date such are approved by the Extraordinary General Meeting of Shareholders.

### 2.15.4 Interest Income

Interest income is recognized on an accrual basis.

## 2.16 Expenses

Expenses are recognized in the Results on an accrual basis.

## 2.17 Leases

When a contract enters into force, the Group assesses whether the contract constitutes, or involves, a lease. A contract constitutes, or involves, a lease if the contract transfers the right to control the use of a recognized asset for a specified period of time in exchange for a consideration.

### 2.17.1 Leasing Accounting from Lessee

The Group applies a unified approach to recognition and measurement for all leases (except for short-term leases and low-value leases). The Group recognizes liabilities from leases for payments and assets with a right of use that represent the right to use the underlying assets.

### 2.17.2 Right-of-use Assets

The Group recognizes the assets with the right of use on the date of commencement of the lease term (i.e. the date on which the underlying asset is available for use). Assets with the right to use are measured in cost, reduced by any cumulative depreciation and impairment losses and are adjusted based on any revaluation of the obligation from leases. The cost of the assets with the right of use consists of the amount of the obligation from recognized leases, the initial direct costs and any leases paid on the date of commencement of the lease period or earlier, minus any lease incentives received. Assets with the right of use are depreciated based on the fixed method in the shortest period of time between the duration of the lease and their useful life.

If the ownership of the leased asset is transferred to the Group at the end of the lease term or if its cost reflects the exercise of a market right, depreciation is calculated in accordance with the estimated useful life of the asset.

The Group has contracts for the lease of buildings (used as offices, warehouses), means of transport as well as other equipment used in its business activities. Lease agreements may contain lease and non-lease information. The Group has chosen not to separate the parts of the contract that are not a lease from the elements of the lease and therefore treats any element of the lease and any related parts that do not constitute a lease as a single lease. Assets with the right of use are subject to impairment test as described in the accounting policy “2.8 Impairments of Non Financial Assets”.

### 2.17.3 Liabilities from Leases

At the date of commencement of the lease, the Group calculates the obligation from leases at the present value of the leases to be paid during the lease term. Leases consist of fixed parts (including substantially fixed leases) reduced by any lease incentives, floating parts that depend on an index or interest rate and amounts expected to be paid on the basis of residual value guarantees. Leases also include the exercise price of the purchase right if it is rather certain that the Group will exercise that right and the payment clause that would allow to terminate the lease if the term of the lease reflects the exercise of the right to renounce. To discount the leases, the Group uses the incremental borrowing rate since the implied interest rate related to the leasing cannot be easily determined.

After the start date of the lease, the amount of the lease liability increases based on the interest on the liability and decreases with the payment of the lease. In addition, the book value of the obligation from leases is recalculated if there are reassessments or amendments to the lease agreement. Analysis of the Group's leases is included in Note 3.13.

### 2.17.4 The Group as Lessor

When the assets are leased in the context of leasing agreements, the present value of the leasing payments to be collected is recognized as receivable. The difference between the gross receivable amount and the present value of the claim is recognized as non-accrued financial income.

When the assets are leased in the context of leasing agreements, they are recorded in the statement of financial position according to the nature of each asset. The income generated from operating leasing agreements is recorded in the results via the straight line method over the leasing period.

## 2.18 Income Tax

Tax burden for the year relates to current and deferred taxes.

Current income taxes are payable taxes on taxed income for the year based on effective tax rates as of the balance sheet date, as well as additional income taxes relating to previous years.

Deferred taxes are tax burden/exemptions relating to current year's profit (or losses) that will be charged by the tax authorities in future years. Deferred income taxes are calculated according to tax rates effective as of the dates they will be paid, on the difference between accounting and tax base of individual assets and liabilities, provided that these differences imply time deviations, which will be erased in future.

Deferred tax receivables are recognized only to the extent they imply future taxable income, which will be offset by these deferred tax receivables. Deferred tax receivables might be lowered any time when it is not evident that such future tax relaxation will be certain.

Current and deferred tax is recorded in the Results or directly in Equity, if it relates to elements directly recognized in Equity.

The Group's companies offset deferred tax receivables with deferred tax liabilities, only if:

a) It has a legal applicable right to offset current tax receivables with current tax liabilities.

b) The deferred tax receivables and liabilities relate to income taxes imposed by the same tax authority.

## 2.19 Employee Benefits

Liabilities for defined contribution plans are fully recorded as expense in the Results at the time they incur, with fulfillment of the liability.

The net liability of the Group, relating to the defined benefit plan is estimated independently for each plan with the estimation of future benefits the employees are entitled to, based on their working years in current and previous periods. The future benefits are discounted at present value following the deductions of the fair value of the assets in the plan. The discount rate is the yield to maturity, at the balance sheet date, of the bonds that have a maturity that approaches the maturity of the liabilities. The defined benefit liability is calculated by an independent actuary, using the projected unit credit method.

When the benefits of a plan improve, the proportion of the increased benefit that refer to the past working length of the employees is recorded as expense in the Results using the straight-line method on the average fiscal years until the full recognition of the benefits. To the extent that the benefits are given instantly, the expense is recorded directly in the results.

Subsidiary companies Don& Low LTD and THRACE POLYBULK A.B have defined benefit pension plans for their personnel with the plans being self financed. The defined contribution plans of the other subsidiaries are not self-financed. These plans define a specific amount of pension that each employee will receive at the time of his retirement. The amount is a result of a series of factors such as the age, the time working for the specific employer and the level of wage.

Net liabilities of the above companies with regard to their pension plans have been calculated separately for each plan, by estimating the amount of future benefits that correspond to each employee, according to aggregate years of service. The amount is then discounted to present value in order to calculate the total liability of the plan. The fair value of the plan's assets is finally deducted from the total liability in order to calculate the net actuarial deficit or surplus of the plan at the Balance Sheet date.

The actuarial profits and losses arising from the adjustment of working years as well as the changes in the estimation of the actuarial officer have are recognized in equity through other comprehensive income during the period when such arise.

All the above calculations are being performed via an actuary study, conducted by an independent actuary, whereas for the interim periods certain estimates are being made. The estimates which are being utilized for the determination of the net cost for post-employment benefits include among other the discount rate, the inflation and the average annual salary increase. Any alterations in the assumptions affect significantly the book value of the liabilities for post-employment benefits. The discount rate that is used derives from the one of the long-term bonds with AA credit rating and with maturities similar to the liabilities of the plan. The method used for the above estimation is called the projected unit method.

The Greek companies of the Group as well as Thrace Ipoma A.D. have defined contribution schemes not self-financed.

For Greek companies, the following obligation arises under the legislation and concerns 40% of the expected allowance per employee at retirement.

In order to calculate the present value of the liability in this case, certain studies are being performed by an independent actuary who applies the same rationale applied to the funded programs.

## 2.20 Provisions

Provisions are recognized only when there is a liability, due to events that have occurred and it is likely (namely more possible than not) that there settlement will create an outflow, the amount of which can be estimated reliably. The recognition of provisions is based on the present value of capital flows that may be needed for the above liabilities to be settled. Amounts paid in order to arrange the repayment of such liabilities are deducted from the recorded provisions. The amounts are also reviewed at the periods when the Financial Statements are prepared. Provisions for any future losses should not be recognized. Compensation received from third parties and relate to the aggregate amount or part of the estimated capital flow, should be recognized on the asset side only when there is certainty for the final payment of the corresponding amount.

## 2.21 Financial Assets

### 2.21.1 Financial Assets

**Initial Measurement and Recognition**

The Group and the Company measure the financial assets initially at their fair value by adding transaction costs. The trade receivables initially are being measured / valued according to the transaction price. The financial assets with embedded derivatives are being reviewed in their entirety whenever it is examined if their cash flows are only the payment of capital (principal) and interest. According to the provisions of IFRS 9, the securities are measured at a later stage at fair value via the other comprehensive income or at fair value via the results for the year. The classification is based on two criteria: a) the business model concerning the management of financial assets and b) the conventional cash flows of the instrument, meaning if they represent "only payments of capital and interest" (SPPI criterion) against the pending balance.

**Subsequent Measurement**

After initial recognition, financial assets are classified into three categories:

- at amortized cost
- at fair value through other comprehensive income
- at fair value through profit or loss

The Group and the Company do not have assets that are valued at fair value through the other comprehensive income or assets that are valued at fair value through the results as of 31 December 2020.

Financial assets classified at amortized cost are subsequently measured using the effective interest method (EIR) and are subject to impairment testing. Profits and losses are recognized in profit or loss when the asset ceases to be recognized, modified or impaired.

**Termination of financial asset recognition**

The Group (or Company) ceases to recognize a financial asset when and only when the contractual rights expire on the cash flows of the financial asset or when it transfers the financial asset and the transfer meets the conditions for write-off.

**Reclassification of financial assets**

Reclassification of financial assets takes place in rare cases and is due to a decision of the Group (or Company) to modify the business model it applies with regard to the management of these financial assets.

**Impairment**

The Group and the Company recognize provisions for impairment with regard to the expected credit losses of all financial assets. The expected credit losses are based on the difference between contractual cash flows and all cash flows that the Group (or Company) expects to receive. The difference is discounted using an estimate of the initial real interest rate of the financial asset. With regard to the trade receivables, the Group and the Company applied the simplified approach of the standard and estimated the expected credit losses based on the anticipated losses for the entire life of these assets.

Regarding the remaining financial assets, the expected credit losses are being calculated according to the losses of the next 12 months. The expected credit losses of the following 12 months is part of the anticipated credit losses for the entire life of the financial assets, which emanates from the probability of a default in the payment of the contractual obligations within the next 12-month period starting from the reporting date. In case of a significant increase in credit risk since the initial recognition, the provision for impairment will be based on the expected credit losses of the entire life of the asset.

### 2.21.2 Financial Derivatives

The Group uses financial derivatives, mainly forward foreign exchange contracts, to hedge risks that emanate from changes in exchange rates.

Financial derivatives are measured at fair value, during the balance sheet date. The fair value of forward contracts is calculated based on the market prices of contracts with respective maturities (valuation of 1st level of IFRS 7).

## 2.22 Financial Liabilities

**Initial Recognition and subsequent measurement of financial liabilities**

All financial liabilities are initially valued at their fair value minus the transaction costs, in the case of loans and liabilities. For later measurement purposes, financial liabilities are classified as financial liabilities at amortized costs. Loans are characterized as short-term liabilities except if the Group has the final right to postpone repayment for at least 12 months after the balance sheet date. Bank overdrafts are included in short-term debt in the balance sheet and in investment activities in the statement of cash flows.

**De-recognition of Financial Liabilities**

A financial liability is written off when the commitment arising from the liability is canceled or expires. When an existing financial liability is replaced by another by the same lender but on fundamentally different terms, or the terms of an existing liability are significantly modified, this exchange or amendment is treated as de-recognition of the initial liability and recognition of a new liability. The difference in the respective book values is recognized in the statement of results.

Offsetting between financial assets and liabilities

Financial assets and liabilities are offset and the net amount is reflected in the statement of financial position only when the Group or Company has this legal right and intends to offset them on a net basis or to claim the asset and settle the liability at the same time. The legal right should not depend on future events and should be enforceable in the normal course of business and in the event of a breach, insolvency or bankruptcy of the company or counterparty.

## 2.23 Suppliers and Other Creditors

Suppliers and other liabilities are initially recognized at fair value and subsequently measured according to amortized cost, while the effective interest rate method is used. Liabilities are classified as short-term if payment is expected in less than one year. If not, then such are included in long-term liabilities.

## 2.24 Equity

The share capital includes common shares of the Company. The difference between the nominal value of shares and their issue price is registered in the "Share Premium" account. Direct expenses for the issue of shares, are presented after the deduction of the relevant income tax and reduce the issue proceeds, namely as a deduction from the share premium. During the purchase of treasury shares, the amount paid, including the relevant expenses is recorded as deduction from the shareholders' equity. No profit or loss is recognized in the statement of comprehensive income from the purchase, sale, issuance or cancellation of treasury shares. Expenses which are realized for the issuance of shares are recorded after the deduction of the relevant income tax, as deduction from the product of the issue.

# 3. Notes on the Financial Statements

## 3.1 Evolution and Performance of the Group

The following table depicts the course of the Group's results during the period ended 31/12/2020, from continuing operations:

| Financial Results of Year 2020 (CONTINUING OPERATIONS) | | | |
|---|---|---|---|
| *(amounts in thousand Euro)* | ***Year 2020*** | ***Year 2019*** | *Change* |
| **Turnover** | **339,722** | **298,340** | ***13.9%*** |
| **Gross Profit** | **105,959** | **61,549** | ***72.2%*** |
| ***Gross Profit Margin*** | ***31.2%*** | ***20.6%*** | |
| **EBIT** | **53,857** | **15,587** | ***245.5%*** |
| ***EBIT Margin*** | ***15.9%*** | ***5.2%*** | |
| **EBITDA** | **72,484** | **30,801** | ***135.3%*** |
| ***EBITDA Margin*** | ***21.3%*** | ***10.3%*** | |
| **Adjusted EBITDA** | **76,559** | **30,983** | ***147.1%*** |
| ***Adjusted EBITDA Margin*** | ***22.5%*** | ***10.4%*** | |
| **EBT** | **52,077** | **11,839** | ***339.9%*** |
| ***EBT Margin*** | ***15.3%*** | ***4.0%*** | |
| **Total EAT** | **41,272** | **7,514** | ***449.3%*** |
| ***EAT Margin*** | ***12.1%*** | ***2.5%*** | |
| ***Total EATAM*** | ***40,663*** | ***7,213*** | **463.7%** |
| ***EATAM Margin*** | ***12.0%*** | ***2.4%*** | |
| ***Earnings per Share (in euro)*** | ***0.9314*** | ***0.1649*** | **464.8%** |

Adjusted EBITDA does not include expenses of € 3,133, which relate to the operational reorganization of Don & Low LTD. This subsidiary reduced its presence in woven technical fabrics, while increasing its production capacity in non-woven technical fabrics. Also the figure does not include costs of € 162 of Thrace Non-wovens & Geosynthetics Single Person SA from the transfer of Thrace Linq INC assets to its facilities, as well as extraordinary allowance to personnel of € 780.

These costs are analyzed below:

a. Personnel indemnity costs of € 1.525 of Don & Low LTD (see note 3.8)

b. Impairment of mechanical equipment of € 1,597 of Don & Low LTD (see note 3.8)

c. Losses from sale of fixed assets of € 11 of Don & Low LTD (see note 3.8)

d. Expenditures of Thrace Nonwovens & Geosynthetics Single Person SA for the transfer of fixed assets from Thrace Linq INC to its facilities, worth € 162 (see note 3.8)

e. Extraordinary allowance to personnel of € 780 (see note 3.8)

For the completeness of information provided, the following table presents the Group's results as a whole, from Continuing and Discontinued Operations, for the period ended 31/12/2020:

| ***Financial Results of Year 2020 (CONTINUING & DISCONTINUED OPERATIONS)*** | | | |
|---|---|---|---|
| *(amounts in thousand Euro)* | ***Year 2020*** | ***Year 2019*** | *Change* |
| **Turnover** | **344,806** | **327,795** | ***5.2%*** |
| **Gross Profit** | **106,217** | **63,548** | ***67.1%*** |
| ***Gross Profit Margin*** | ***30.8%*** | ***19.4%*** | |
| **EBIT** | **50,472** | **12,102** | ***317.1%*** |
| ***EBIT Margin*** | ***14.6%*** | ***3.7%*** | |
| **EBITDA** | **69,444** | **28,745** | ***141.6%*** |
| ***EBITDA Margin*** | ***20.1%*** | ***8.8%*** | |
| **Adjusted EBITDA** | **76,559** | **30,606** | ***150.1%*** |
| ***Adjusted EBITDA Margin*** | ***22.2%*** | ***9.3%*** | |
| **EBT** | **48,767** | **8,348** | ***484.2%*** |
| ***EBT Margin*** | ***14.1%*** | ***2.5%*** | |
| **Total EAT** | **37,956** | **4,017** | ***844.9%*** |
| ***EAT Margin*** | ***11.0%*** | ***1.2%*** | |
| ***Total EATAM*** | ***37,347*** | ***3,716*** | **905.0%** |
| ***EATAM Margin*** | ***10.8%*** | ***1.1%*** | |
| ***Earnings per Share (in euro)*** | ***0.8555*** | ***0.085*** | **906.5%** |

## 3.2 Discontinued Activities

Due to the decision to permanently discontinue the production activity of Thrace Linq INC, which was decided in order for the Group to focus on profitable business activities, this specific activity is recorded in the income statement and other comprehensive income as discontinued operations.

| *Discontinued Activities* | Thrace Linq INC | |
|---|---|---|
| **Statement of Income & Other Comprehensive Income** | **31.12.2020** | **31.12.2019** |
| Turnover | **5,084** | 29,455 |
| Cost of Sales | **(4,826)** | (27,456) |
| **Gross Profit / (Loss)** | **258** | 1,999 |
| Non-Operating Income / (Expenses) | **(3,128)** | (6,505) |
| **Earnings / (Losses) before Taxes** | **(2,870)** | (4,506) |
| Taxes | **(6)** | (6) |
| **Earnings / (Losses) after Taxes** | **(2,876)** | (4,512) |
| Intra-company Transactions | **(440)** | 1,015 |
| **Earnings / (Losses) after Taxes** | **(3,316)** | (3,497) |

| *Discontinued Activities* | Thrace Linq INC |
|---|---|
| **Cash Flows** | **31.12.2020** |
| Cash Flows from operating activities | **(4,293)** |
| Cash Flows from investment activities | **11,530** |
| Cash Flows from Financing Activities | (9,402) |
| Change in Cash and Cash Equivalents | **(2,165)** |
| **Cash Flows 31.12.2019** | **2,837** |
| Foreign Exchange Differences | **(90)** |
| **Cash Flows 31.12.2020** | **582** |

*Amounts in Euro thousand, unless stated otherwise*

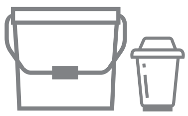
## 3.3 Segment Reporting

The Group applies I.F.R.S. 8 for monitoring its business segments. Segments are defined based on the structure of the Group's companies, provided that the Group's Management (CODM – Chief Operating Decision Maker) which is responsible to make economic decisions, monitors the financial information separately as presented by the parent Company and by each subsidiary.

The operating segments (business units) are based on the different product category, the structure of the Group's management and the internal reporting system. Using criteria, as defined in the standards and based on the different activities of the Group, the business activity of the Group is divided into two business segments, namely «Technical Fabrics» and «Packaging».

The information about the sectors of activity which are not reported as separate ones has been collected and presented in the category «Other», which includes the agricultural sector as well as the activities of the Parent Company.

The Group's operating segments are as follows:

| Technical Fabrics | Packaging | Other |
|---|---|---|
|  |  |  |
| Production and trade of technical fabrics for industrial and technical use. | Production and trade of packaging products, plastic bags, plastic boxes for packaging of food and paints and other packaging materials for agricultural use. | It includes the Agricultural sector and the business activity of the Parent company which, as already mentioned apart from the investment activities, also provides Administrative – Financial – IT services to its subsidiaries. |

During the year 2020, which was characterized by the spread of the coronavirus Covid 19 pandemic, the Group faced significantly increased demand for specific products in its existing product portfolio and particularly in the area of technical fabrics for personal protection and health applications (Personal Protective Equipment). The Group, taking advantage of the technological capabilities of its modern production lines and its know-how that is developed in technical fabrics, managed to respond to the significantly increased demand, using the existing production lines and channeling a large part of the already produced quantities towards applications in this sector, while proceeding with targeted investments, such as production lines of surgical masks and production line of technical non-woven fabrics Meltblown (as it has been already announced to the investors' community with the corporate announcements as of 04/05/2020 and 01/10/2020).

From a commercial point of view, the Group during the year developed its customer base through the available sales networks per country, based on the individual market needs of each country, through its subsidiaries and regardless of the reference segment, either by channeling the products to the retail market or entering into agreements with the authorities of the local health systems.

The result of the above efforts was to significantly change the product mix, compared to the previous year, as existing and new final products with higher profitability were promoted in the market. The total Earnings before Taxes for 2020 on Group level amounted to € 52.1 million, out of which € 22.7 million, according to Management estimates, was a consequence of the above conditions and especially due to the change of product mix; specifically € 19.5 million were allocated to the "Technical Fabrics" segment and € 3.2 million were allocated to the "Packaging" segment.

It should be noted that part of the specific investments made (such as the production line of technical non-woven fabrics meltblown), in case of a potential reduced demand for personal protection and health products in the future, will be used for other products and in order to serve alternative markets and applications.

| BALANCE SHEET OF 31.12.2020 | TECHNICAL FABRICS | PACKAGING | OTHER | INTRA-SEGMENT ELIMINATIONS | GROUP |
|---|---|---|---|---|---|
| **Total consolidated assets** | **218,642** | **113,405** | **80,529** | **(70,417)** | **342,159** |

| INCOME STATEMENT FOR THE PERIOD FROM 1.1 - 31.12.2020 | TECHNICAL FABRICS | PACKAGING | OTHER | INTRA-SEGMENT ELIMINATIONS | GROUP |
|---|---|---|---|---|---|
| Turnover | 243,103 | 105,718 | 4,853 | (13,952) | 339,722 |
| Cost of sales | (168,176) | (74,985) | (4,545) | 13,942 | (233,763) |
| **Gross profit** | **74,927** | **30,733** | **308** | **(9)** | **105,959** |
| Other operating income | 1,074 | 325 | 164 | (394) | 1,169 |
| Distribution expenses | (21,000) | (9,399) | (0) | (326) | (30,725) |
| Administrative expenses | (10,660) | (3,969) | (1,093) | 527 | (15,195) |
| Research and Development Expenses | (1,166) | (296) | - | - | (1,462) |
| Other operating expenses | (4,288) | (1,523) | (73) | 10 | (5,874) |

Amounts in Euro thousand, unless stated otherwise

| INCOME STATEMENT FOR THE PERIOD FROM 1.1 - 31.12.2020 | TECHNICAL FABRICS | PACKAGING | OTHER | INTRA-SEGMENT ELIMINATIONS | GROUP |
|---|---|---|---|---|---|
| Other Income / (Losses) | (62) | (62) | (3) | 112 | (15) |
| **Operating profit / (loss)** | **38,825** | **15,809** | **(697)** | **(80)** | **53,857** |
| Interest & related (expenses)/ income | (1,837) | (1,430) | (316) | 27 | (3,556) |
| Income from dividends | - | - | 12,757 | (12,757) | - |
| Profit / (loss) from companies consolidated with the Equity method | 712 | 919 | 145 | - | 1,776 |
| **Earnings / (losses) before tax (Continuing operations)** | **37,700** | **15,298** | **11,889** | **(12,810)** | **52,077** |
| **Earnings / (losses) before tax (Discontinued operations)** | **(3,310)** | **-** | **-** | **-** | **(3,310)** |
| **Total Earnings / (losses) before tax** | **34,390** | **15,298** | **11,889** | **(12,810)** | **48,768** |
| **Depreciation from continuing operations** | **11,669** | **6,673** | **285** | **-** | **18,627** |
| **Depreciation from discontinued operations** | **345** | **-** | **-** | **-** | **345** |
| **Total Depreciation** | **12,014** | **6,673** | **285** | **-** | **18,971** |
| **Earnings / (losses) before interest, tax, depreciation & amortization from continuing operations (EBITDA)** | **50,494** | **22,482** | **(412)** | **(80)** | **72,484** |
| **Earnings / (losses) before interest, tax, depreciation & amortization from discontinued operations (EBITDA)** | **(3,040)** | **0** | **0** | **0** | **(3,040)** |
| **Total Earnings / (losses) before interest, tax, depreciation & amortization (EBITDA)** | **47,454** | **22,482** | **(412)** | **(80)** | **69,444** |

| BALANCE SHEET OF 31.12.2019 | TECHNICAL FABRICS | PACKAGING | OTHER | INTRA-SEGMENT ELIMINATIONS | GROUP |
|---|---|---|---|---|---|
| **Total consolidated assets** | **211,121** | **103,865** | **88,441** | **(80,087)** | **323,340** |

*Amounts in Euro thousand, unless stated otherwise*

| INCOME STATEMENT FOR THE PERIOD FROM 1.1 - 31.12.2019 | TECHNICAL FABRICS | PACKAGING | OTHER | INTRA-SEGMENT ELIMINATIONS | GROUP |
|---|---|---|---|---|---|
| Turnover | 211,150 | 94,895 | 4,993 | (12,698) | 298,340 |
| Cost of sales | (170,414) | (74,457) | (4,589) | 12,668 | (236,792) |
| **Gross profit** | **40,736** | **20,437** | **404** | **(30)** | **61,549** |
| Other operating income | 1,098 | 439 | 106 | (259) | 1,384 |
| Distribution expenses | (20,903) | (7,851) | - | (328) | (29,082) |
| Administrative expenses | (10,217) | (4,368) | (970) | 586 | (14,969) |
| Research and Development Expenses | (1,292) | (229) | - | 1 | (1,520) |
| Other operating expenses | (1,465) | (877) | (117) | 15 | (2,444) |
| Other Income / (Losses) | 698 | (25) | (4) | - | 669 |
| **Operating profit / (loss)** | **8,655** | **7,527** | **(581)** | **(15)** | **15,587** |
| Interest & related (expenses)/income | (2,689) | (1,617) | (619) | 11 | (4,914) |
| Income from dividends | - | - | 3,500 | (3,500) | - |
| Profit / (loss) from companies consolidated with the Equity method | 224 | 671 | 270 | - | 1,166 |
| **Earnings / (losses) before tax (Continuing operations)** | **6,190** | **6,581** | **2,570** | **(3,503)** | **11,839** |
| **Earnings / (losses) before tax (Discontinued operations)** | **(3,491)** | **-** | **-** | **-** | **(3,491)** |
| **Total Earnings / (losses) before tax** | **2,699** | **6,581** | **2,570** | **(3,503)** | **8,348** |
| **Depreciation from continuing operations** | **9,145** | **5,752** | **317** | **-** | **15,214** |
| **Depreciation from discontinued operations** | **1,429** | **-** | **-** | **-** | **1,429** |
| **Total Depreciation** | **10,574** | **5,752** | **317** | **-** | **16,643** |
| **Earnings / (losses) before interest, tax, depreciation & amortization from continuing operations (EBITDA)** | **17,800** | **13,279** | **(264)** | **(15)** | **30,801** |
| **Earnings / (losses) before interest, tax, depreciation & amortization from discontinued operations (EBITDA)** | **(2,056)** | **-** | **-** | **-** | **(2,056)** |
| **Total Earnings / (losses) before interest, tax, depreciation & amortization (EBITDA)** | **15,744** | **13,279** | **(264)** | **(15)** | **28,745** |

*Amounts in Euro thousand, unless stated otherwise*

## 3.4 Other Operating Income

| Other Operating Income | Group | | Company | |
|---|---|---|---|---|
| | **2020** | **2019** | **2020** | **2019** |
| Grants (*) | **168** | 240 | **-** | - |
| Income from rents | **57** | 42 | **-** | - |
| Income from provision of services | **-** | - | **-** | - |
| Income from prototype materials | **46** | 22 | **-** | - |
| Reverse entry of not utilized provisions | **67** | 218 | **19** | 24 |
| Income from electric energy management programs | **482** | 712 | **-** | - |
| Other operating income | **349** | 150 | **140** | 81 |
| **Total** | **1,169** | **1,384** | **159** | **105** |

* *The amount of € 168 refers to the following grants awarded: VAT, research and development, recruitment of new graduates as well as professional training of the Group's employees.*

## 3.5 Other Gains / Losses

| Other Gains / (Losses) | Group | | Company | |
|---|---|---|---|---|
| | **2020** | **2019** | **2020** | **2019** |
| Gains / (Losses) from sale of fixed assets | **112** | 73 | **5** | - |
| Extraordinary profit / (losses) from sale of fixed assets of Don & Low LTD | **-** | 640 | **-** | - |
| Extraordinary loss from sale of fixed assets of Thrace Ipoma AD | **-** | (68) | **-** | - |
| Foreign Exchange Differences | **(127)** | 24 | **(3)** | (4) |
| **Total** | **(15)** | **669** | **2** | (4) |

*Amounts in Euro thousand, unless stated otherwise*

## 3.6 Analysis of Expenses (Production-Administrative-Distribution-Research & Development)

| Analysis of Expenses (Production-Administrative-Distribution-Research & Development) | Group | | Company | |
|---|---|---|---|---|
| | 2020 | 2019 | 2020 | 2019 |
| Payroll expenses | **53,900** | 53,027 | **2,981** | 2,824 |
| Third party fees – expenses * | **4,903** | 4,565 | **1,383** | 1,457 |
| Electric power – Natural gas | **13,256** | 14,727 | **17** | 18 |
| Repairs / Maintenance | **4,905** | 4,488 | **23** | 21 |
| Rental expenses (note 3.11) | **859** | 758 | **39** | 27 |
| Insurance expenses | **1,970** | 1,980 | **29** | 50 |
| Exhibitions / travelling expenses | **460** | 1,885 | **30** | 161 |
| IT and telecom expenses | **1,077** | 753 | **383** | 303 |
| Promotion and advertising expenses | **1,332** | 300 | **125** | 120 |
| Transfer expenses | **15,105** | 14,159 | **-** | - |
| Consumables | **4,822** | 4,546 | **2** | 3 |
| **Sundry expenses / Other provisions** | **3,985** | 3,605 | **341** | 257 |
| **Depreciation / Amortization** | **18,909** | 14,687 | **285** | 317 |
| **Total** | **125,483** | **119,480** | **5,638** | **5,558** |

* *Third party fees – expenses include fees paid to auditors, legal and advisory firms, as well as to the Board of Directors.*

The analysis of expenses per operating category, is as follows:

| Analysis of expenses | Group | | Company | |
|---|---|---|---|---|
| | 2020 | 2019 | 2020 | 2019 |
| Production | **78,101** | 73,909 | **4,545*** | 4,589* |
| Administrative | **15,195** | 14,969 | **1,093** | 969 |
| Distribution | **30,725** | 29,082 | **-** | - |
| Research and Development | **1,462** | 1,520 | **-** | - |
| **Total** | **125,483** | **119,480** | **5,638** | **5,558** |

The analysis of cost of goods sold is presented below:

*Amounts in Euro thousand, unless stated otherwise*

| Analysis of cost of goods sold | Group | | Company | |
|---|---|---|---|---|
| | 2020 | 2019 | 2020 | 2019 |
| Production expenses | **78,101** | 73,909 | **4,545*** | 4,589* |
| Cost of materials and inventory | **155,662** | 162,883 | **-** | - |
| **Total** | **233,763** | **236,792** | **4,545** | **4,589** |

** The production expenses in the Company mainly refer to expenditures of invoiced services.*

## 3.7 Payroll Expenses

Payroll expenses are as follows:

| Payroll expenses | Group | | Company | |
|---|---|---|---|---|
| | 2020 | 2019 | 2020 | 2019 |
| Wages | **44,422** | 43,621 | **2,640** | 2,504 |
| Employer contributions | **7,547** | 7,440 | **296** | 315 |
| Retirement benefits | **1,252** | 1,400 | **9** | 4 |
| **Sub Total** | **53,221** | **52,461** | **2,945** | **2,823** |
| Other Expenses | **679** | 566 | **36** | 1 |
| **Grand Total** | **53,900** | **53,027** | **2,981** | **2,824** |

The number of employed staff at the Group and Company at the end of the present financial year, was as follows:

| Number of employees | Group | | Company | |
|---|---|---|---|---|
| | 2020 | 2019 | 2020 | 2019 |
| Regular employees | **1,688** | 1,563 | **21** | 20 |

*Amounts in Euro thousand, unless stated otherwise*

## 3.8 Other Operating Expenses

| Other Operating Expenses | Group | | Company | |
|---|---|---|---|---|
| | 2020 | 2019 | 2020 | 2019 |
| Provisions for doubtful receivables | **691** | 47 | **-** | - |
| Other taxes and duties non-incorporated in operating cost | **163** | 220 | **-** | - |
| Depreciation | **68** | 526 | **-** | - |
| Staff indemnities | **341** | 412 | **66** | 101 |
| Supplies / other bank expenses | **100** | 171 | **5** | 9 |
| Expenses for the purchase of prototype materials (maquettes) | **116** | 129 | **-** | - |
| Other operating expenses | **331** | 184 | **2** | 6 |
| **Sub-Total** | **1,810** | **1,689** | **73** | **116** |
| Extraordinary and non-recurring expenses | **4,064** | 755 | **-** | - |
| **Total** | **5,874** | **2,444** | **73** | **116** |

| Analysis of extraordinary and non-recurring expenses | Group | |
|---|---|---|
| | 2020 | 2019 |
| Restructuring expenses - Thrace Ipoma AD | **-** | 206 |
| Personnel indemnities Don & Low LTD | **1,525** | 549 |
| Expenses of Thrace Non wovens & Geosynthetics Single Person SA for transferring the assets of Thrace Linq INC to its facilities | **162** | - |
| Extraordinary allowance to personnel | **780** | - |
| Impairment of fixed assets' value | **1,597** | - |
| **Total** | **4,064** | 755 |

In the context of the restructuring of the Group's participations, expenses of € 1,525 and € 1,597 arose as a result of the operational reorganization of the subsidiary Don & Low LTD. Also a loss of € 11 from fixed asset sales emerged (see note 3.5). This subsidiary reduced its presence in woven technical fabrics, while increasing its production capacity in non-woven technical fabrics. In addition, Thrace Non wovens & Geosynthetics Single Person SA incurred expenses of € 162 from the transfer of Thrace Linq INC assets to its facilities and € 780 from extraordinary allowance to the personnel.

Respectively for 2019 there were expenses of € 549 of the subsidiary Don & Low LTD and € 206 of the subsidiary Thrace Ipoma AD as a result of the operational reorganization.

*Amounts in Euro thousand, unless stated otherwise*

## 3.9 Financial income/(expenses)

### 3.9.1 Financial income

| Financial income | Group | | Company | |
|---|---|---|---|---|
| | 2020 | 2019 | 2020 | 2019 |
| Credit interest and similar income | **53** | 12 | - | - |
| Foreign exchange differences | **614** | 401 | - | - |
| **Total** | **667** | **413** | **-** | **-** |
| Income from dividends | - | - | **12,757** | 3,500 |

### 3.9.2 Financial expenses

| Financial expenses | Group | | Company | |
|---|---|---|---|---|
| | 2020 | 2019 | 2020 | 2019 |
| Debit interest and similar expenses | **(3,225)** | (4,049) | (315) | (615) |
| Foreign exchange differences | **(418)** | (556) | - | - |
| Financial result from Pension Plans | **(580)** | (722) | (1) | (4) |
| **Total** | **(4,223)** | **(5,327)** | **(316)** | **(619)** |

## 3.10 Earnings per Share (Consolidated)

Earnings after tax, per share, are calculated by dividing net earnings (after tax) allocated to shareholders, by the weighted average number of shares outstanding during the relevant financial year, after the deduction of any treasury shares held.

| Basic earnings per share (Consolidated, continuing operations) | 2020 | 2019 |
|---|---|---|
| Earnings allocated to shareholders | **40,663** | 7,213 |
| Number of shares outstanding (weighted) | **43,656** | 43,737 |
| **Basic and adjusted earnings per share (Euro in absolute terms)** | **0.9314** | 0.1649 |

Amounts in Euro thousand, unless stated otherwise

| Basic earnings per share (Consolidated, discontinued operations) | 2020 | 2019 |
|---|---|---|
| Earnings allocated to shareholders | **(3,316)** | (3,497) |
| Number of shares outstanding (weighted) | **43,656** | 43,737 |
| **Basic and adjusted earnings per share (Euro in absolute terms)** | **(0.0760)** | (0.0800) |

| Basic earnings per share (Consolidated, total operations) | 2020 | 2019 |
|---|---|---|
| Earnings allocated to shareholders | **37,347** | 3,716 |
| Number of shares outstanding (weighted) | **43,656** | 43,737 |
| **Basic and adjusted earnings per share (Euro in absolute terms)** | **0.8555** | 0.0850 |

**As of 31st December 2020, the Company held 322,688 treasury shares.**

## 3.11 Income Tax

The analysis of tax charged in the year's Results, is as follows:

| Income Tax | Group | | Company | |
|---|---|---|---|---|
| | 2020 | 2019 | 2020 | 2019 |
| Income tax | **(10,316)** | (3,960) | **-** | - |
| Tax of previous years | **(30)** | - | **-** | - |
| Income tax differences of previous years | **(3)** | 9 | **-** | - |
| Deferred tax (expense)/income | **(456)** | (374) | **(553)** | (35) |
| **Total** | **(10,805)** | **(4,325)** | **(553)** | **(35)** |

Income tax (reconciliation with the effective tax rate) is analyzed as follows:

*Amounts in Euro thousand, unless stated otherwise*

| Income Tax | Group | | Company | |
|---|---|---|---|---|
| | 2020 | 2019 | 2020 | 2019 |
| Earnings / (losses) before tax | **52,077** | 11,839 | **11,743** | 2,301 |
| Income tax rate | **24%** | 24% | **24%** | 24% |
| **Corresponding income tax** | **(12,498)** | (2,841) | **(2,818)** | (552) |
| Effect due to different tax rates of subsidiaries abroad | **1,171** | (460) | **-** | - |
| Non tax-deductible expenses | **(3,479)** | (1,169) | **(56)** | (42) |
| Tax effect on tax free reserves | **-** | - | **-** | - |
| Foreign tax not to be offset | **-** | - | **-** | - |
| Revenues not subject to tax | **3,612** | 1,142 | **3,062** | 840 |
| Tax corresponding to the net results of companies consolidated with the equity method | **426** | 280 | **-** | - |
| Income tax differences from previous years | **(49)** | (154) | **-** | - |
| Deletion of previously recognized deferred tax assets | **(549)** | - | **(549)** | - |
| Effect from tax losses for which no deferred tax asset has been recognized | **(579)** | (1,256) | **(192)** | (244) |
| Effect from offsetting tax losses from previous years with taxable earnings for the year | **1,059** | - | **-** | - |
| Income from tax-free dividends | **316** | - | **-** | - |
| Effect due to change of tax rate of companies | **(235)** | 133 | **-** | (37) |
| **Income Tax** | **(10,805)** | **(4,325)** | **(553)** | **(35)** |

From the fiscal year 2011 and onwards, the Group's Greek companies receive an "Annual Tax Certificate". The "Annual Tax Certificate" is issued from the Legal External Certified Auditor who audits the annual financial statements. Following the completion of the tax audit, the Legal External Certified Auditor grants the company with a "Tax Compliance Report" which is later submitted electronically to the Ministry Finance.

The tax audit for the year 2019 for the Group's Greek companies Thrace Plastics Co. SA, Thrace Nonwovens & Geosynthetics

*Amounts in Euro thousand, unless stated otherwise*

Single Person SA, Thrace Plastics Pack SA, Thrace Polyfilms Single Person SA, Thrace Eurobent SA,, which was conducted in accordance with the provisions of article 65a of L. 4172/2013, was completed by the audit firm "PricewaterhouseCoopers SA" and revealed no significant tax obligations apart from those recorded and depicted in the financial statements. Tax certificates were issued, with an unreserved conclusion, for each of the above companies.

For the financial year 2020, a tax audit for the above companies is already performed by PricewaterhouseCoopers SA in accordance with the provisions of article 65 of L. 4172/2013. This audit is underway and the relevant tax certificate is expected to be issued following the release of the 2020 financial statements. If until the completion of the tax audit additional tax liabilities arise, the Management of the Group assess that such will not have a substantial effect on the financial statements.

The fiscal years whose tax liabilities concerning the Group's companies active in the Greek market have not been finalized, and therefore the probability of a tax audit from the tax authorities exists, are presented in the following table:

| Company | Tax un-audited fiscal years |
|---|---:|
| Thrace Plastics CO. SA | 2015-2020 |
| Thrace Nonwovens & Geosynthetics Signle Person SA | 2015-2020 |
| Thrace Plastics Pack SA | 2015-2020 |
| Thrace Polyfilms Single Person SA | 2015-2020 |
| Thrace Protect Single Person S.M.P.C. | 2017-2020 |
| Thrace Eurobent SA | 2015-2020 |
| Thrace Greenhouses SA | 2015-2020 |

From the tax audits conducted by the tax authorities in Thrace Plastics Pack SA for the years 2007 – 2009 which was completed in 2016 and in Thrace Nonwovens & Geosynthetics Single Person SA for the year ended in 2017, the following issues were under progress:

- Thrace Plastics Pack SA had appealed to the tax courts for an amount of € 203, which had resulted from the tax audit of the years 2007-2009. The decision of the Administrative Court of Appeal No. 4222/2020 rejected the company's request. The consolidated financial statements included a relative formed provision of € 173, therefore a difference of € 30 arose which burdened the Group's results.
- The Administrative Court of Appeal, according to the Ministry no. 2826/2020 decision, accepted the appeal of the company Thrace Nonwovens & Geosynthetics Single Person SA and canceled the taxes and surcharges accrued by the tax authorities amounting to € 527 for the year 2011.

Amounts in Euro thousand, unless stated otherwise

The Company had paid the above amount and had formed a similar claim in its books, which was offset against the Company's tax liabilities. The company has formed a provision of € 330 for any future tax disputes.

- The Parent Company has formed provisions of € 56 with regard to any tax audit differences of previous fiscal years.

The following table depicts the years for which the tax liabilities of the foreign companies of the Group have not been finalized.

| Company | Tax un-audited fiscal years |
|---|---:|
| Don & Low LTD | 2018-2020 |
| Don & Low Australia LTD | 2018-2020 |
| Synthetic Holdings LTD | 2018-2020 |
| Synthetic Textiles LTD | 2016-2020 |
| Thrace Synthetic Packaging LTD | 2016-2020 |
| Thrace Polybulk A.B | 2013-2020 |
| Thrace Polybulk A.S | 2015-2020 |
| Thrace Greiner Packaging SRL. | 2015-2020 |
| Trierina Trading LTD | 2015-2020 |
| Thrace Ipoma A.D. | 2016-2020 |
| Thrace Plastics Packaging D.O.O. | 2015-2020 |
| Lumite INC | 2014-2020 |
| Thrace Linq INC | 2014-2020 |
| Adfirmate LTD | 2015-2020 |
| Pareen LTD | 2015-2020 |
| Saepe LTD | 2015-2020 |
| Thrace Asia LTD | 2012-2020 |

Amounts in Euro thousand, unless stated otherwise

## 3.12 Tangible Fixed Assets

The changes in the tangible fixed assets during the year are analyzed as follows:

| Tangible Assets | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Group 2020** | Fields – land plots | Buildings & technical works | Machinery & technical facilities | Vehicles | Furniture & other equipment | Fixed assets under construction or installation | **Total** |
| **ACQUISITION COST** | | | | | | | |
| **Acquisition cost 01.01.2020** | **3,152** | **55,709** | **286,881** | **1,468** | **9,400** | **5,829** | **362,439** |
| Additions | 395 | 1,668 | 617 | 69 | 476 | 25,796 | 29,021 |
| **Liquidations** | **-** | **-** | **(4,277)** | **(90)** | **(532)** | **-** | **(4,899)** |
| Impairments | - | - | (1,931) | - | - | - | (1,931) |
| Other changes | - | - | 5 | - | (5) | - | - |
| Transfers | - | 1,317 | 25,791 | - | 54 | (27,162) | - |
| Transfer from right-to-use assets | - | - | 1,054 | - | - | - | 1,054 |
| Foreign exchange differences | (37) | (1,015) | (6,314) | (1) | (291) | (82) | (7,740) |
| **Acquisition cost 31.12.2020** | **3,510** | **57,679** | **301,826** | **1,446** | **9,102** | **4,381** | **377,944** |
| **DEPRECIATION** | | | | | | | |
| **Cumulative depreciation 01.01.2020** | **-** | **(27,934)** | **(202,272)** | **(1,036)** | **(7,987)** | **-** | **(239,229)** |
| Depreciation for the period | - | (1,896) | (13,498) | (124) | (395) | - | (15,913) |
| Liquidations | - | 156 | 3,607 | 76 | 427 | - | 4,266 |
| Transfer to assets held for sale | - | - | - | - | - | - | - |
| Impairments | - | - | - | - | - | - | - |
| Other changes | - | - | (5) | - | 5 | - | - |
| Transfer from right-to-use assets | - | - | (641) | - | - | - | (641) |
| Foreign exchange differences | - | 619 | 4,192 | (1) | 273 | - | 5,084 |
| **Cumulative depreciation 31.12.2020** | **-** | **(29,055)** | **(208,617)** | **(1,084)** | **(7,677)** | **-** | **(246,433)** |
| **NET BOOK VALUE** | | | | | | | |
| 31.12.2019 | 3,152 | 27,775 | 84,609 | 432 | 1,413 | 5,829 | 123,210 |
| **31.12.2020** | **3,510** | **28,624** | **93,209** | **362** | **1,425** | **4,381** | **131,512** |

*Amounts in Euro thousand, unless stated otherwise*

| Tangible Assets | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Group 2019** | **Fields – land plots** | **Buildings & technical works** | **Machinery & technical facilities** | **Vehicles** | **Furniture & other equipment** | **Fixed assets under construction or installation** | **Total** |
| **ACQUISITION COST** | | | | | | | |
| **Acquisition cost 31.12.2018** | **5,016** | **58,773** | **267,033** | **3,767** | **12,045** | **26,462** | **373,096** |
| Change in accounting policy due to IFRS 16 | - | (2,761) | (28,191) | (1,083) | (40) | - | (32,075) |
| **Acquisition cost 01.01.2029** | **5,016** | **56,012** | **238,842** | **2,684** | **12,005** | **26,462** | **341,021** |
| Additions | - | 1,221 | 4,939 | 41 | 257 | 15,668 | 22,126 |
| Liquidations | - | (16) | (5,741) | (218) | (14) | - | (5,989) |
| Transfer to assets held for sale | (1,936) | (8,623) | - | - | - | - | (10,559) |
| Impairments | - | - | (1,240) | - | - | - | (1,240) |
| Other changes | - | - | 4,424 | (1,111) | (3,313) | - | - |
| Transfers | - | 3,415 | 33,914 | 19 | 76 | (37,424) | - |
| Transfer from right-to-use assets | - | 2,761 | 7,887 | - | - | - | 10,648 |
| Foreign exchange differences | 72 | 939 | 3,856 | 53 | 389 | 1,123 | 6,432 |
| **Acquisition cost 31.12.2029** | **3,152** | **55,709** | **286,881** | **1,468** | **9,400** | **5,829** | **362,439** |
| **DEPRECIATION** | | | | | | | |
| **Cumulative depreciation 31.12.2018** | **(22)** | **(29,752)** | **(194,922)** | **(2,012)** | **(10,425)** | **-** | **(237,133)** |
| Change in accounting policy due to IFRS 16 | - | 609 | 6,987 | 49 | 2 | - | 7,647 |
| **Cumulative depreciation 01.01.2019** | **(22)** | **(29,143)** | **(187,935)** | **(1,963)** | **(10,423)** | **-** | **(229,486)** |
| Depreciation for the period | - | (1,893) | (10,583) | (139) | (389) | - | (13,004) |
| Liquidations | - | 7 | 5,119 | 204 | 8 | - | 5,338 |
| Transfer to assets held for sale | 22 | 4,382 | - | - | - | - | 4,404 |
| Impairments | - | - | 65 | - | - | - | 65 |
| Other changes | - | - | (3,970) | 878 | 3,092 | - | - |
| Transfer from right-to-use assets | - | (678) | (1,606) | - | - | - | (2,284) |

*Amounts in Euro thousand, unless stated otherwise*

| Tangible Assets | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Group 2019** | **Fields – land plots** | **Buildings & technical works** | **Machinery & technical facilities** | **Vehicles** | **Furniture & other equipment** | **Fixed assets under construction or installation** | **Total** |
| Foreign exchange differences | - | (609) | (3,362) | (16) | (275) | - | (4,262) |
| **Cumulative depreciation 31.12.2019** | **-** | **(27,934)** | **(202,272)** | **(1,036)** | **(7,987)** | **-** | **(239,229)** |
| **NET BOOK VALUE** | | | | | | | |
| 31.12.2018 | 4,994 | 29,021 | 72,111 | 1,755 | 1,620 | 26,462 | 135,963 |
| **31.12.2019** | **3,152** | **27,775** | **84,609** | **432** | **1,413** | **5,829** | **123,210** |

| Tangible Assets | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Company 2020** | **Fields – land plots** | **Buildings & technical works** | **Machinery & technical facilities** | **Vehicles** | **Furniture & other equipment** | **Fixed assets under construction or installation** | **Total** |
| **ACQUISITION COST** | | | | | | | |
| **Acquisition cost 31.12.2019** | **-** | **392** | **11,154** | **226** | **1,222** | **-** | **12,994** |
| Additions | - | - | - | - | 11 | - | 11 |
| Liquidations | - | - | - | (5) | - | - | (5) |
| Disposals | - | - | - | - | - | - | - |
| Transfers | - | - | 5 | - | (5) | - | - |
| **Acquisition cost 31.12.2020** | **-** | **392** | **11,159** | **221** | **1,228** | **-** | **13,000** |
| **DEPRECIATION** | | | | | | | |
| **Cumulative depreciation 31.12.2019** | **-** | **(221)** | **(11,119)** | **(217)** | **(1,040)** | **-** | **(12,597)** |
| Depreciation for the period | - | (13) | - | (2) | (36) | - | (51) |
| Liquidations | - | - | - | 5 | - | - | 5 |
| Transfers | - | - | (5) | - | 5 | - | - |
| **Cumulative depreciation 31.12.2020** | **-** | **(234)** | **(11,124)** | **(214)** | **(1,071)** | | **(12,644)** |
| **NET BOOK VALUE** | | | | | | | |
| 31.12.2019 | - | 171 | 35 | 9 | 182 | - | 398 |
| **31.12.2020** | **-** | **158** | **35** | **7** | **157** | | **357** |

*Amounts in Euro thousand, unless stated otherwise*

| Tangible Assets | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Company 2019** | **Fields – land plots** | **Buildings & technical works** | **Machinery & technical facilities** | **Vehicles** | **Furniture & other equipment** | **Fixed assets under construction or installation** | **Total** |
| **ACQUISITION COST** | | | | | | | |
| **Acquisition cost 31.12.2018** | **-** | **392** | **11,113** | **226** | **1,213** | **-** | **12,944** |
| Additions | - | - | 41 | - | 9 | - | 50 |
| Liquidations | - | - | - | - | - | - | - |
| Disposals | - | - | - | - | - | - | - |
| Reverse entry of provision for impairment | - | - | - | - | - | - | - |
| Transfers | - | - | - | - | - | - | - |
| **Acquisition cost 31.12.2019** | **-** | **392** | **11,154** | **226** | **1,222** | **-** | **12,994** |
| **DEPRECIATION** | | | | | | | |
| **Cumulative depreciation 31.12.2018** | **-** | **(203)** | **(11,113)** | **(214)** | **(1,002)** | **-** | **(12,532)** |
| Depreciation for the period | - | (18) | (6) | (3) | (37) | - | (64) |
| Liquidations | - | - | - | - | - | - | - |
| Disposals | - | - | - | - | - | - | - |
| **Cumulative depreciation 31.12.2019** | **-** | **(221)** | **(11,119)** | **(217)** | **(1,039)** | **-** | **(12,597)** |
| **NET BOOK VALUE** | | | | | | | |
| 31.12.2018 | - | 189 | - | 12 | 211 | - | 412 |
| **31.12.2019** | **-** | **171** | **35** | **9** | **183** | **-** | **398** |

There are no liens and guarantees on the Company's tangible fixed assets, while the liens on the Group's tangible assets amount to € 5,882.

*Amounts in Euro thousand, unless stated otherwise*

## 3.13 Leases

The right-to-use assets are analyzed as follows:

| Right-of-use assets | | | | | |
|---|---|---|---|---|---|
| **Group 2020** | Buildings and technical works | Machinery equipment | Transportation means | Furniture and other equipment | Total |
| **ACQUISITION COST** | | | | | |
| **Acquisition cost 01.01.2020** | **768** | **20,490** | **2,146** | **56** | **23,460** |
| Additions | 34 | 486 | 1,081 | 6 | 1,607 |
| Reductions | (246) | (78) | (224) | - | (548) |
| Transfers | - | (1,054) | - | - | (1,054) |
| Other | - | - | - | - | - |
| Foreign exchange differences | (25) | (7) | (23) | - | (55) |
| **Acquisition cost 31.12.2020** | **531** | **19,837** | **2,980** | **62** | **23,410** |
| **DEPRECIATION** | | | | | |
| **Cumulative depreciation 01.01.2020** | **(253)** | **(7,681)** | **(541)** | **(14)** | **(8,489)** |
| Depreciation for the period | (205) | (1,956) | (542) | (12) | (2,715) |
| Reductions | 173 | 19 | 142 | - | 334 |
| Transfers | - | 641 | - | - | 641 |
| Other | - | - | - | - | - |
| Foreign exchange differences | 5 | 2 | 9 | - | 16 |
| **Cumulative depreciation 31.12.2020** | **(280)** | **(8,975)** | **(932)** | **(26)** | **(10,213)** |
| **NET BOOK VALUE** | | | | | |
| 01.01.2020 | 515 | 12,809 | 1,605 | 42 | 14,972 |
| **31.12.2020** | **251** | **10,862** | **2,049** | **36** | **13,197** |

*Amounts in Euro thousand, unless stated otherwise*

| Right-of-use assets | | | | | |
|---|---|---|---|---|---|
| **Group 2019** | **Buildings and technical works** | **Machinery equipment** | **Transportation means** | **Furniture and other equipment** | **Total** |
| **ACQUISITION COST** | | | | | |
| **Acquisition cost 01.01.2019** | **-** | **-** | **-** | **-** | **-** |
| Changes due to IFRS 16 | 1,744 | 49 | 620 | - | 2,413 |
| Reclassifications from tangible fixed assets due to IFRS 16 | 2,761 | 28,191 | 1,083 | 40 | 32,075 |
| **Acquisition cost 01.01.2019** | **4,505** | **28,240** | **1,703** | **40** | **34,488** |
| Additions | - | 136 | 492 | 16 | 644 |
| Reductions | (980) | - | (59) | - | (1,039) |
| Transfers to tangible fixed assets | (2,761) | (7,887) | - | - | (10,648) |
| Foreign exchange differences | 4 | 1 | 10 | - | 15 |
| **Acquisition cost 31.12.2019** | **768** | **20,490** | **2,146** | **56** | **23,460** |
| **DEPRECIATION** | | | | | |
| **Cumulative depreciation 01.01.2019** | **-** | **-** | **-** | **-** | **-** |
| Adjustments due to IFRS 16 | - | - | - | - | - |
| Reclassifications due to IFRS 16 | (610) | (6,987) | (49) | (1) | (7,647) |
| **Cumulative depreciation 01.01.2019** | **(610)** | **(6,987)** | **(49)** | **(1)** | **(7,647)** |
| Depreciation for the period | (370) | (2,301) | (504) | (11) | (3,186) |
| Reductions | 48 | - | 14 | - | 62 |
| Transfers to tangible fixed assets | 678 | 1,606 | - | - | 2,284 |
| Foreign exchange differences | - | - | (2) | - | (2) |
| **Cumulative depreciation 31.12.2019** | **(254)** | **(7,682)** | **(541)** | **(12)** | **(8,489)** |
| **NET BOOK VALUE** | | | | | |
| 01.01.2019 | 3,895 | 21,253 | 1,654 | 39 | 26,841 |
| **31.12.2019** | **514** | **12,808** | **1,605** | **44** | **14,972** |

*Amounts in Euro thousand, unless stated otherwise*

| Right-of-use assets | | | |
|---|---|---|---|
| **Company 2020** | **Buildings and technical works** | **Transportation means** | **Total** |
| **ACQUISITION COST** | | | |
| **Acquisition cost 01.01.2020** | **254** | **62** | **316** |
| Additions | - | 40 | 40 |
| Reductions | - | (42) | (42) |
| Transfers | - | - | - |
| Foreign exchange differences | - | - | - |
| **Acquisition cost 31.12.2020** | **254** | **60** | **314** |
| **DEPRECIATION** | | | |
| **Cumulative depreciation 01.01.2020** | **(116)** | **(24)** | **(140)** |
| Depreciation for the period | (116) | (15) | (131) |
| Reductions | **-** | **12** | **12** |
| Transfers | **-** | **-** | **-** |
| Foreign exchange differences | **-** | **-** | **-** |
| **Cumulative depreciation 31.12.2020** | **(232)** | **(27)** | **(259)** |
| **NET BOOK VALUE** | | | |
| 01.01.2020 | 138 | 38 | 176 |
| **31.12.2020** | **22** | **33** | **55** |

| Right-of-use assets | | | |
|---|---|---|---|
| **Company 2019** | **Buildings and technical works** | **Transportation means** | **Total** |
| **ACQUISITION COST** | | | |
| **Acquisition cost 01.01.2019** | **-** | **-** | **-** |
| Changes due to IFRS 16 | 254 | 62 | 316 |
| Reclassifications from tangible fixed assets due to IFRS 16 | - | - | - |
| **Acquisition cost 01.01.2019** | **254** | **62** | **316** |
| Additions | - | - | - |
| Reductions | - | - | - |

*Amounts in Euro thousand, unless stated otherwise*

| Right-of-use assets | | | |
|---|---|---|---|
| **Company 2019** | **Buildings and technical works** | **Transportation means** | **Total** |
| Transfers | - | - | - |
| Foreign exchange differences | - | - | - |
| **Acquisition cost 31.12.2019** | **254** | **62** | **316** |
| **DEPRECIATION** | | | |
| **Cumulative depreciation 01.01.2019** | **-** | **-** | **-** |
| Adjustments due to IFRS 16 | - | - | - |
| Reclassifications due to IFRS 16 | - | - | - |
| **Cumulative depreciation 01.01.2019** | - | - | - |
| Depreciation for the period | (116) | (24) | (140) |
| Reductions | - | - | - |
| Transfers | - | - | - |
| Foreign exchange differences | - | - | - |
| **Cumulative depreciation 31.12.2019** | **(116)** | **(24)** | **(140)** |
| **NET BOOK VALUE** | | | |
| 01.01.2019 | 254 | 62 | 316 |
| **31.12.2019** | **138** | **38** | **176** |

The consolidated and stand alone statements of financial position of year 2020, includes the following amounts related to lease liabilities:

| Leases from Liabilities | Group | Company |
|---|---|---|
| Short-term liabilities from leases | **2,822** | 31 |
| Long-term liabilities from leases | **3,210** | 25 |
| **Total liabilities from Leases** | **6,032** | **56** |

The above amounts include leases related to buildings, cars, clark, printers and other equipment which were first recognized with the application of IFRS 16 in the financial year 2019. These amounts for the Group amount to € 1,713 for 2020 and € 1,333 for 2019. For the Company the amounts correspond to € 56 and € 199 respectively.

Amounts in Euro thousand, unless stated otherwise

The interest from the lease liabilities of the Group and the Company amounts to € 219 (2019: € 539) and € 4 (2019: € 9) respectively.

The expenses from short-term leases of the Group amount to € 859 (2019: € 785) and are included in the cost of goods sold and the administration costs. The expenses from short-term leases of the Company amount to € 39 (2019: € 27) and are included in the management costs.

The total cash outflows of the Group and the Company for leases in 2020 amount to € 5,432 (2019: € 6,084) and € 197 (2019: € 154) respectively.

The maturity of liabilities from leases is analyzed in Note 3.33.

## 3.14 Fixed assets held for sale

This is the industrial property that housed Thrace Linq INC, located in South Carolina, USA. The management of the Group decided to sell the particular property. This property is included in the segment of technical fabrics.

The above property was transferred during the current period.

The total price consideration of the transfer amounted to USD 14.5 million. As a result of the existing agreement, Thrace Linq INC received the amount of USD 11 million, while an amount of USD 3.5 million, as well as the corresponding interest, must be repaid by the Buyer at a later time, no later than twelve months from the date of transfer of the property.

However, according to the existing agreements and its special covenants (both with the Buyer and with the Buyer's Bank involved), in case for any reason the Buyer breaches its obligation to repay the remaining amount at the agreed time horizon (up until 15/06/2021 at the latest), the company Thrace Linq INC has the right to repurchase the property (based on priority and also based on its own discretion), covering the outstanding balance of the loan (and any interest or expenses that will be due) of the buyer as it will have been formed at the time when Thrace Linq INC will exercise this right, thus permanently canceling the sale or alternatively in case this is deemed unprofitable, has the right to participate in the sale process (having as collateral the second registered mortgage).

Given the above and as the existence of the aforementioned right to repurchase the property creates conditions of uncertainty regarding the final completion of the transaction, its accounting recognition will take place when (by 15/06/2021 the latest, unless agreed otherwise) the relevant events become certain and final. The amount of USD 11 million received was recorded in the cash and cash equivalents, respectively increasing the "Other current liabilities".

## 3.15 Intangible Assets

The changes in the intangible fixed assets during the year are analyzed as follows:

| Intangible Assets | Group | | | Company | |
|---|---|---|---|---|---|
| | Concessions & industrial property rights | Company goodwill | Total | Concessions & industrial property rights | Total |
| **ACQUISITION COST** | | | | | |
| **Acquisition cost 31.12.2019** | **5,126** | **9,811** | **14,937** | **1,589** | **1,589** |
| Additions | 27 | - | 27 | - | - |
| Transfers | - | - | - | - | |
| Impairments | (1,990) | - | (1,990) | - | - |
| Foreign exchange difference | (220) | (3) | (223) | - | - |
| **Acquisition cost 31.12.2020** | **2,943** | **9,808** | **12,751** | **1,589** | **1,589** |
| **AMORTIZATION** | | | | | |
| **Cumulative amortization 31.12.2019** | **(3,587)** | **-** | **(3,587)** | **(1,086)** | **(1,086)** |
| Amortization for the period | (344) | - | (344) | (102) | (102) |
| Transfers | 1 | - | 1 | | |
| Impairments | 1,669 | - | 1,669 | - | - |
| Foreign exchange difference | 165 | - | 165 | - | - |
| **Cumulative amortization 31.12.2020** | **(2,096)** | **-** | **(2,096)** | **(1,188)** | **(1,188)** |
| **NET BOOK VALUE** | | | | | |
| 31.12.2019 | 1,539 | 9,811 | 11,350 | 503 | 503 |
| **31.12.2020** | **847** | **9,808** | **10,655** | **401** | **401** |

*Amounts in Euro thousand, unless stated otherwise*

| Intangible Assets | Group | | | Company | |
|---|---|---|---|---|---|
| | Concessions & industrial property rights | Company goodwill | Total | Concessions & industrial property rights | Total |
| **ACQUISITION COST** | | | | | |
| **Acquisition cost 31.12.2018** | **4,967** | **9,828** | **14,795** | **1,580** | **1,580** |
| Additions | 351 | - | 351 | 9 | 9 |
| Transfers | - | - | - | - | - |
| Impairments | (256) | - | (256) | - | - |
| Foreign exchange difference | 64 | (17) | 47 | - | - |
| **Acquisition cost 31.12.2019** | **5,126** | **9,811** | **14,937** | **1,589** | **1,589** |
| **AMORTIZATION** | | | | | |
| **Cumulative amortization 31.12.2018** | **(3,228)** | **-** | **(3,228)** | **(969)** | **(969)** |
| Amortization for the period | (423) | - | (423) | (117) | (117) |
| Transfers | - | - | - | - | - |
| Impairments | 99 | - | 99 | - | - |
| Foreign exchange difference | (35) | - | (35) | - | - |
| **Cumulative amortization 31.12.2019** | **(3,587)** | **-** | **(3,587)** | **(1,086)** | **(1,086)** |
| **NET BOOK VALUE** | | | | | |
| 31.12.2018 | 1,739 | 9,828 | 11,567 | 611 | 611 |
| **31.12.2019** | **1,539** | **9,811** | **11,350** | **503** | **503** |

The Group tests on annual basis the goodwill for impairment according to the Group's accounting principle (see note 2.6.2).

The goodwill which derives during the consolidation of companies which have been acquired has been allocated in the following cash flow generating units (CFGU) per subsidiary company.

*Amounts in Euro thousand, unless stated otherwise*

| Subsidiaries' Goodwill | 2020 |
|---|---|
| Don & Low LTD | 7,490 |
| Trierina Trading LTD | 798 |
| Thrace Polybulk AB | 708 |
| Thrace Polybulk AS | 730 |
| Thrace Nonwovens & Geosynthetics Single Person SA | 50 |
| Other | 32 |
| **Total** | **9,808** |

**Major Assumptions**

The recoverable value of a cash flow generating unit is determined according to the calculation of the value in use. This calculation uses provisions of cash flows before taxes, based on 5-year financial budgets, which have been approved by the Management and then extrapolated into infinity. The value in use for the cash flow generating units is being affected (in terms of sensitivity) from basic factors such as the growth rate in the infinity which has been set at 0.5%, the projections with regard to the forecasted quantities and sales prices according to the 5-year investment plan of the group, the gross profit margin and the discount rates.

The discount rates reflect the current estimations of the market for the separate risks of each cash flow generating unit. The calculation of the discount rates is based on the certain conditions in which the Group operates along with its operating segments, and is being extracted from the weighted average cost of capital (WACC). The weighted average cost of capital is based on both the debt and the equity. The cost of equity derives from the expected return required by the Group's investors for their investment. The cost of debt is based on the interest rate of the Group's loans that are being repaid. The country's risk premium is incorporated with the application of individual beta sensitivity factors. Beta sensitivity factors (or beta coefficient) are being reviewed annually according to the published market data.

The above assumptions vary depending on the different market conditions prevailing in the countries which the Group activates in. The Group uses the services of an independent valuator who utilizes the Discounted Cash Flow method and values the companies based on the future cash flows in order to determine the value in use.

The basic assumptions used are consistent with independent external sources of information, and are analyzed below per cash flow generating unit.

| Assumptions – Don & Low LTD | 2020 | 2019 |
|---|---|---|
| Discount rate, weighted average | 7.4% | 6.3% |
| Annual growth rate in revenues | 1.55% | 6% |
| Earnings before interest, taxes, depreciation and amortization (5-year), (EBITDA) excluding IFRS 16 | 22% | 4.2% - 11.5% |

Amounts in Euro thousand, unless stated otherwise

| **Assumptions – Trierina Trading LTD / Thrace Ipoma A.D.** | | |
|---|---|---|
| Discount rate, weighted average | 6.7% | 6.0% |
| Annual growth rate in revenues | 5% | 3.2% |
| Earnings before interest, taxes, depreciation and amortization (5-year), (EBITDA) excluding IFRS 16 | 19.5% – 22.6% | 12.1% – 20.3% |
| **Assumptions – Thrace Polybulk AS** | | |
| Discount rate, weighted average | 7.8% | 7.8% |
| Annual growth rate in revenues | 2.4% | 3.5% |
| Earnings before interest, taxes, depreciation and amortization (5-year), (EBITDA) excluding IFRS 16 | 10.5% - 13.7% | 10% - 13% |
| **Assumptions – Thrace Polybulk AB** | | |
| Discount rate, weighted average | 6.9% | 6.7% |
| Annual growth rate in revenues | 3.8% | 4% |
| Earnings before interest, taxes, depreciation and amortization (5-year), (EBITDA) excluding IFRS 16 | 4.4% - 6.7% | 5% |

Based on the results of the impairment audit, as of December 31, 2020, no impairment losses emerged in the book value of the goodwill of the above cash flow generating units.

On December 31, 2020, the recoverable amount for the specific cash flow generating units compared to the corresponding book values, indicates that there is a significant margin and any substantial change in the assumptions used would not result in a reduction in the book value of goodwill.

The Group analyzed the sensitivity of the recoverable amounts of each Cash Flow Generating Unit (CFGU) in relation to a rational and probable change in one of the major assumptions (as a indication it is noted the best case scenario which refers to 5% sales growth and 2% increase of gross profit, as well as the worst case scenario which refers to the corresponding opposite and unfavorable changes). As a result of the sensitivity analysis, the recoverable amount for the above cash flow generating units (CFGU) compared to their respective book value, indicates a sufficient margin

Amounts in Euro thousand, unless stated otherwise

## 3.16 Other Long-term Receivables

Due to delays observed in the collection of grants receivable from the Greek State, the Group has reclassified the previous years' grants from the Greek State from short-term to long-term receivables, while proceeding to a partial impairment. The receivables of the Group that has been recorded before the impairments, amounts to € 11,062.

The receivable was formed due to a 12% grant on the payroll cost concerning the personnel employed in Xanthi and is to be collected from OAED (Greek Manpower Employment Organization).

| Other Long-Term Receivables | Group | | Company | |
|---|---|---|---|---|
| | 2020 | 2019 | 2020 | 2019 |
| Grants receivable | **4,879** | 4,879 | **1,119** | 1,119 |
| Other accounts receivable | **155** | 212 | **38** | 49 |
| **Total** | **5,034** | **5,091** | **1,157** | **1,168** |

On July 17, 2020, the Law 4706/2020 was passed, according to which the outstanding receivables of the beneficiaries until 31.12.2015, which as mentioned above amount to € 11,062 for the Group, will be offset against existing and future claims of the State, by the entry into force of the above law.

The obligations of OAED and the Greek State are exhausted according to the provisions of article 87, par. 2 of Law 4706/2020. The companies of the Group, which raise claims against OAED, have initiated the legal and formal procedures for claiming the above amounts, however, at the time of preparation of the current Report, the required decisions of the Administrative Court of First Instance have not been issued, in accordance with the provisions of the Joint Ministerial Decision issued by the aforementioned Law.

## 3.17 Inventories

| Inventories | Group | | Company | |
|---|---|---|---|---|
| | 2020 | 2019 | 2020 | 2019 |
| Merchandise | **6,970** | 7,689 | **-** | - |
| Finished and semi-finished products | **24,353** | 32,174 | **-** | - |
| Raw & auxiliary materials | **24,259** | 19,209 | **-** | - |
| Provision for impairment of inventory * | **(1,433)** | (1,073) | **-** | - |
| Spare parts – other inventory | **1,189** | 1,159 | **-** | - |
| **Total** | **55,338** | **59,158** | **-** | - |

Amounts in Euro thousand, unless stated otherwise

| Provision for Impairment of Inventory | Group | Company |
|---|---|---|
| **Opening Balance 1.1.2019** | **1,605** | - |
| Reverse Entry of Provisions | (590) | - |
| Provision | - | - |
| Foreign Exchange Differences | 58 | - |
| **Total 31.12.2019** | **1,073** | **-** |
| Additional provisions | 565 | - |
| Reverse Entry of Provisions | (42) | - |
| Utilized provisions | (111) | - |
| Foreign Exchange Differences | (52) | - |
| **Total 31.12.2020** | **1,433** | - |

## 3.18 Trade and other receivables

### 3.18.1 Trade Receivables

| Trade Receivables | Group | | Company | |
|---|---|---|---|---|
| | 2020 | 2019 | 2020 | 2019 |
| Customers | **64,170** | 63,969 | **2,340** | 5,185 |
| Provisions for doubtful debts | **(7,307)** | (6,541) | **(2,328)** | (2,347) |
| **Total** | **56,863** | **57,428** | **12** | **2,838** |

The Group's customers included notes and checks overdue of € 8,065 for the year 2020 and € 8,507 for the year 2019 respectively.

**Classification of customer receivables**

Receivables from customers consist of the amounts due from customers from the sale of products that occur during the normal operation of the Group. In general, credit terms range from 30 to 180 days and therefore customer receivables are classified as short-term. Receivables from customers are initially recognized in the transaction amount if the Group has the unconditional right to receive the transaction price. The Group holds the receivables from customers in order to collect the contractual cash flows and therefore measures them at amortized cost using the effective interest rate method.

The dispersion of the Group's sales is deemed as satisfactory. There is no concentration of sales into a limited number of customers and therefore there is no increased risk of income loss or increased credit risk.

*Amounts in Euro thousand, unless stated otherwise*

**Fair value of receivables from customers**

Given their short-term nature, the fair value of receivables approximates book value.

Impairment of receivables from customers

For the accounting policy on impairment of receivables from customers, see note 2.10. For information on financial risk management, see note 3.33.

### 3.18.2 Other receivables

| Other receivables | Group | | Company | |
|---|---|---|---|---|
| | 2020 | 2019 | 2020 | 2019 |
| Debtors | **2,417** | 2,717 | **23** | 4,075 |
| Investment Grant Receivable | **2,193** | 2,257 | **-** | - |
| Prepaid expenses | **2,601** | 2,870 | **171** | 179 |
| Provisions for doubtful debtors | **-** | - | **-** | - |
| **Total** | **7,211** | **7,844** | **194** | **4,254** |

It concerns a grant receivable of Law 3299/2004 of the subsidiary Thrace Plastics Pack SA concerning an implemented investment.

Accrued expenses mainly concern the receivable for government subsidies, advance payments of taxes other than income tax and other prepaid expenses.

### 3.18.3 Analysis of Provisions for Doubtful Receivables and other receivables

| Analysis of Provisions for Doubtful Receivables | Group | Company |
|---|---|---|
| **Opening balance 1.1.2019** | **6,704** | **2,371** |
| Additional Provisions | 116 | - |
| Reverse Entry of Provision | (272) | - |
| Provisions utilized | (17) | (24) |
| Foreign Exchange Differences | 10 | - |
| **Total 31.12.2019** | **6,541** | **2,347** |
| | | |
| **Opening 1.1.2020** | **6,541** | **2,347** |
| Additional Provisions | 908* | - |
| Reverse Entry of Provision | (20) | - |
| Provisions utilized | (98) | (19) |
| Foreign Exchange Differences | (24) | - |
| **Total 31.12.2020** | **7,307** | **2,328** |

* An amount of € 217 concerns the company Thrace Linq INC which is included in the income statement in the discontinued operations.

*Amounts in Euro thousand, unless stated otherwise*

## 3.19 Cash & cash equivalents

| Cash & cash equivalents | Group | | Company | |
|---|---|---|---|---|
| | 2020 | 2019 | 2020 | 2019 |
| Cash in hand | **23** | 30 | **10** | 4 |
| Current and term deposits | **40,801** | 22,021 | **153** | 501 |
| **Total** | **40,824** | **22,051** | **163** | **505** |

### Credit rating of cash & cash equivalents

Approximately 33.1% of the Group's cash and cash equivalents are deposited in the Greek systemic banks within the Greek region. The Group's Management deems that there are no risks associated with the above deposits in the current period.

Following, cash & cash equivalents are categorized according to the credit rating of banks (conducted by Fitch) where the relevant deposits are placed.

| Credit rating of cash & cash equivalents | Group | | Company | |
|---|---|---|---|---|
| | 2020 | 2019 | 2020 | 2019 |
| AA- | **1,390** | 1,372 | **-** | - |
| A+ | **713** | 2,849 | **-** | - |
| A | **16,210** | 6,674 | **-** | - |
| A- | **997** | 941 | **-** | - |
| B- | **442** | - | **2** | - |
| BBB- | **60** | - | **-** | - |
| BBB+ | **1,945** | 1,270 | **-** | - |
| BBB | **-** | 45 | **-** | - |
| BB+ | **476** | 4 | **-** | - |
| CCC+ | **10,600** | 7,778 | **129** | 490 |
| CCC | **7,968** | 1,088 | **22** | 11 |
| **Total** | **40,801** | **22,021** | **153** | **501** |

*Amounts in Euro thousand, unless stated otherwise*

## 3.20 Share Capital and Share Premium Reserve

The Company's share capital accounted for 28,869,358.32 Euro (absolute number) on 31 December 2020 divided by 43,741,452 common registered shares with nominal value of 0.66 Euro per share.

## 3.21 Reserves

### 3.21.1 Statutory Reserves

In accordance with the provisions of Greek Law, the creation of a statutory reserve – by transferring to such a reserve an amount equal to 5% of the annual after tax profits realized – is mandatory until the time though the reserve reaches the 1/3 of the Company's share capital. The statutory reserve can be distributed only upon the dissolution of the Company. However it can be used to offset accumulated loss.

### 3.21.2 Tax-exempt and Other Reserves

These reserves were formed by the application of special provisions of laws for development. In case of their distribution will be taxed with the tax rate prevailing at the time of their distribution.

### 3.21.3 Foreign exchange difference reserves

These reserves are formed from the conversion of the Assets, Liabilities and Results of subsidiaries based abroad into EUR based on the exchange rate according to the accounting policies mentioned in note 2.12.3.

## 3.22 Bank Debt

The Group' s long term loans have been granted from Greek and foreign banks. The repayment time varies, according to the loan contract, while most loans are linked to Euribor plus a spread.

The Group's short term loans have been granted from Greek and foreign banks with interest rates of Euribor or Libor plus a margin. The book value of loans approaches their fair value during 31 December 2020.

Analytically, bank debt at the end of the year was as follows:

| Debt | Group | | Company | |
|---|---|---|---|---|
| | 2020 | 2019 | 2020 | 2019 |
| Long-term loans | **46,691** | 52,871 | **-** | 4,000 |
| **Total long-term loans** | **46,691** | **52,871** | | 4,000 |
| Long-term debt payable in the next year | **15,722** | 9,125 | **-** | - |
| Short-term loans | **10,589** | 34,371 | **960** | 11,098 |
| **Total short-term loans** | **26,311** | **43,496** | **960** | **11,098** |
| **Grand Total** | **73,002** | **96,367** | **960** | **15,098** |

Short-term loans include an amount of € 260 which relates to a Factoring agreement of Thrace Plastics Pack SA with ABC Factors, which has been received by the aforementioned subsidiary and corresponds to non-reinsured customers.

The maturity of loans is as follows:

| Maturity of Loans | Group | | Company | |
|---|---|---|---|---|
| | 2020 | 2019 | 2020 | 2019 |
| Up to 1 year | **26,310** | 43,496 | **960** | 11,098 |
| From 1 – 3 years | **32,797** | 29,367 | **-** | 4,000 |
| Over 3 years | **13,895** | 23,504 | **-** | - |
| **Total loans** | **73,002** | **96,367** | **960** | **15,098** |

The Company, during the current period, repaid all its bank loans whereas the remaining of the short-term loans refer to an intergroup loan. Interest rates are linked on a per case basis to either Euribor or Libor plus a margin ranging from 1.5% to 3.9%.

## 3.23 Employee Benefits

The liabilities of the Company and the Group towards its employees in providing them with certain future benefits, depending on the length of service is calculated by an actuarial study on annual basis. The accounting depiction is made on the basis of the accrued entitlement, as at the date of the Balance Sheet, that is anticipated to be paid, discounted to its present value by reference to the anticipated time of payment.

The liability for the Company and the Group, as presented in the Balance Sheet, is analyzed as follows:

| Employee Benefits | Group | | Company | |
|---|---|---|---|---|
| | 2020 | 2019 | 2020 | 2019 |
| Defined contribution plans – Not self financed | 3,283 | 2,599 | **238** | **215** |
| Defined benefit plans – Self financed | 12,729 | 12,653 | **-** | - |
| **Total provision at the end of the year** | **16,012** | **15,252** | **238** | **215** |

*Amounts in Euro thousand, unless stated otherwise*

### 3.23.1 Defined contribution plans – Not self financed

The Greek companies of the Group as well as the subsidiary Thrace Ipoma A.D. domiciled in Bulgaria participate in the following plan. With regard to the Greek companies, the following liability arises from the relevant legislation and concerns 40% of the required compensation per employee.

| Defined contribution plans – Not self financed | Group | | Company | |
|---|---|---|---|---|
| | 2020 | 2019 | 2020 | 2019 |
| **Amounts recognized in the balance sheet** | | | | |
| Present value of liabilities | 3,283 | 2,599 | 238 | 215 |
| **Net liability recognized in the balance sheet** | **3,283** | **2,599** | **238** | **215** |
| | | | | |
| **Amounts recognized in the results** | | | | |
| Cost of current employment | 100 | 93 | 8 | 5 |
| Net interest on the liability / (asset) | 20 | 40 | 2 | 3 |
| **Ordinary expense in the account of results** | **120** | **133** | **10** | **8** |
| Recognition of prior service cost | 12 | - | - | - |
| Cost of curtailment / settlements / service termination | 219 | 369 | 66 | 80 |
| Other expense / (income) | (35) | - | - | - |
| **Total expense in the account of results** | **316** | **502** | **76** | **88** |
| | | | | |
| **Change in the present value of the liability** | | | | |
| Present value of liability at the beginning of period | 2,599 | 2,268 | 215 | 195 |
| Cost of current employment | 100 | 93 | 8 | 5 |
| Interest cost | 20 | 40 | 2 | 3 |
| Benefits paid from the employer | (420) | (476) | (98) | (102) |
| Cost of curtailment / settlements / service termination | 323 | 369 | 66 | 80 |
| Other expense / (income) | | - | | - |
| Cost of prior service during the period | 12 | - | | - |
| Actuarial loss / (profit) – financial assumptions | 208 | 241 | 16 | 19 |
| Actuarial loss / (profit) – demographic assumptions | 358 | - | 33 | - |
| Actuarial loss / (profit) – evidence from the period | 83 | 64 | (4) | 15 |
| **Present value of liability at the end of period** | **3,283** | **2,599** | **238** | **215** |

*Amounts in Euro thousand, unless stated otherwise*

| Defined contribution plans – Not self financed | Group | | Company | |
|---|---|---|---|---|
| | **2020** | **2019** | **2020** | **2019** |
| **Adjustments** | | | | |
| Adjustments profit / (loss) in the liabilities due to change of assumptions | (532) | (241) | (16) | (19) |
| Empirical adjustments profit / (loss) in liabilities | (117) | (64) | (29) | (16) |
| Other | | - | | - |
| **Total actuarial profit / (loss) in the Net Worth** | **(649)** | **(305)** | **(45)** | **(35)** |
| | | | | |
| **Changes in the Net Liability recognized in Balance Sheet** | | | | |
| Net liability / receivable at the beginning of year | 2,599 | 2,268 | 215 | 195 |
| Benefits paid from the employer - Other | (420) | (476) | (98) | (102) |
| Total expense recognized in the account of results | 316 | 501 | 76 | 88 |
| Total amount recognized in the Net Worth | 649 | 306 | 45 | 34 |
| Other | 139 | - | - | - |
| **Net liability at the end of year** | **3,283** | **2,599** | **238** | **215** |
| **Cumulative amount in the Net Worth Profit / (Loss)** | **(2,063)** | **(108)** | **(313)** | **(96)** |
| | | | | |
| **Money flows** | | | | |
| Expected benefits from the plan in the following year | 59 | 52 | - | - |

The actuarial assumptions are presented in the following table.

| Actuarial Assumptions | Greek Companies | | Thrace Ipoma AD | |
|---|---|---|---|---|
| | **2020** | **2019** | **2020** | **2019** |
| Discount rate | 0.43% | 0.80% | 0.50% | 0.60% |
| Inflation | 1.30% | 1.16% | 0.90% | 3.80% |
| Average annual increase of personnel salaries | 1.30% | 1.16% | 5.00% | 5.00% |
| Duration of liabilities | 17 years | 15.6 years | 11.8 years | 12.8 years |

### 3.23.2 Defined Benefit Plans – Self financed

*Amounts in Euro thousand, unless stated otherwise*

The subsidiaries Don & Low LTD and Thrace Polybulk AS have formed Pension Plans which operate as separate legal entities in the form of trusts. Therefore the assets of the plans are not dependent to the assets of the companies.

The accounting depiction of the plans according to the revised IAS 19 is as follows:

| Defined Benefit Plans – Self financed | Group | |
|---|---|---|
| | 2020 | 2019 |
| **Amounts recognized in the balance sheet** | | |
| Present value of liabilities | 158,697 | 154,901 |
| Fair value of the plan's assets | (145,968) | (142,248) |
| **Net liability recognized in the balance sheet** | **12,729** | **12,653** |
| | | |
| **Amounts recognized in the results** | | |
| Cost of current employment | 156 | 147 |
| Net interest on the liability / (asset) | 229 | 684 |
| **Ordinary expense in the account of results** | **385** | **831** |
| Cost recognition from previous years | | - |
| Cost of curtailment / settlements / service termination | - | - |
| Other expense / (income) | 337 | - |
| Foreign exchange differences | | - |
| **Total expense in the account of results** | **722** | **831** |
| | | |
| **Change in the present value of the liability** | | |
| Present value of liability at the beginning of period | 154,901 | 137,851 |
| Cost of current employment | 151 | 142 |
| Interest cost | 2,844 | 4,112 |
| Benefits paid from the plan | (6,873) | (5,487) |
| Cost of curtailment / settlements / service termination | | - |
| Other expense / (income) | 309 | - |
| Actuarial loss / (profit) – financial assumptions | 15,061 | 12,534 |
| Actuarial loss / (profit) – demographic assumptions | 6,294 | (1,139) |
| Actuarial loss / (profit) – evidence from the period | (5,552) | (433) |
| Foreign exchange differences | (8,438) | 7,321 |
| **Present value of liability at the end of period** | **158,697** | **154,901** |
| | | |
| **Change in the value of assets** | | |
| Value of the plan's assets at the beginning of period | 142,248 | 124,651 |
| Income from interest | 2,616 | 3,451 |
| Return on assets | 14,518 | 11,847 |

*Amounts in Euro thousand, unless stated otherwise*

| Defined Benefit Plans – Self financed | Group | |
|---|---|---|
| | **2020** | **2019** |
| Employer's contributions | 1,211 | 1,106 |
| Employees' contributions | | - |
| Benefits paid from the plan | (6,873) | (5,487) |
| Foreign exchange differences | (7,752) | 6,680 |
| **Present value of assets at the end of period** | **145,968** | **142,248** |
| | | |
| **Adjustments** | | |
| Adjustments profit / (loss) in the liabilities due to change of assumptions | (15,804) | (10,961) |
| Empirical adjustments profit / (loss) in liabilities | - | - |
| Empirical adjustments profit / (loss) in assets | 14,519 | 11,847 |
| | | |
| **Total actuarial profit / (loss) in the Net Worth** | **(1,285)** | **886** |
| Cost recognition from previous years | | - |
| Foreign exchange differences | | - |
| **Total amount recognized in the Net Worth** | **(1,285)** | **886** |
| | | |
| **Asset allocation*** | | |
| Mutual Funds (Equities) | 17,239 | 15,765 |
| Mutual Funds (Bonds) | 76,430 | 72,615 |
| Diversified Growth Funds | 48,721 | 50,752 |
| Other | 3,578 | 3,116 |
| **Total** | **145,968** | **142,248** |
| | | |
| **Changes in the Net Liability recognized in Balance Sheet** | | |
| Net liability / receivable at the beginning of year | 12,653 | 13,200 |
| Contributions from the employer / Other | (1,211) | (1,134) |
| Total expense recognized in the account of results | 689 | 831 |
| Total amount recognized in the Net Worth | 1,285 | (886) |
| Foreign exchange differences | (687) | 642 |
| **Net liability / (asset) at the end of year** | **12,729** | **12,653** |
| **Cumulative amount in the Net Worth Profit / (Loss)** | **7,206** | **8,560** |
| | | |
| **Money flows** | | |
| Expected benefits from the plan in the following year | (6,896) | (6,464) |

* *The assets of the plan are measured at fair values and include mainly mutual funds of Baillie Gifford and of Legal & General Investment Management.*

*Amounts in Euro thousand, unless stated otherwise*

The category "Other" also includes the plan's cash reserves.

The actuarial assumptions are presented in the following table

| Actuarial Assumptions | Don & Low LTD | | Thrace Polybulk AS | |
|---|---|---|---|---|
| | 2020 | 2019 | 2020 | 2019 |
| Discount rate | 1.42% | 2.00% | 1.70% | 2.30% |
| Inflation | 2.91% | 2.86% | 2.00% | 1.50% |
| Average annual increase of personnel salaries | 2.91% | 2.86% | 2.00% | 2.25% |
| Duration of liabilities | 18 years | 17 years | 10 years | 11 years |

## 3.24 Deferred Taxes

### Group

The following amounts are recorded in the consolidated balance sheet, after any offsetting entries wherever it is required:

| Deferred Taxation | 2020 | 2019 |
|---|---|---|
| Deferred tax assets | 4,912 | 4,548 |
| Deferred tax liabilities | (6,435) | (6,221) |
| **Total deferred taxation** | **(1,523)** | **(1,673)** |

| A. Change of deferred tax in the results | 2020 | 2019 |
|---|---|---|
| **As at 1 January** | **(1,674)** | **(1,165)** |
| Change in the results | (456) | (374) |
| Foreign exchange differences | 48 | (23) |
| Change in statement of comprehensive income | 559 | (111) |
| **As at 31 December** | **(1,523)** | **(1,673)** |

*Amounts in Euro thousand, unless stated otherwise*

| B. Deferred tax (liabilities) | Amortization | Other | Total |
|---|---|---|---|
| **As at 1 January 2019** | **(4,966)** | **(917)** | **(5,883)** |
| Change in the results | (225) | 27 | (198) |
| Foreign exchange differences | (135) | (5) | (140) |
| Change in statement of comprehensive income | (181) | 181 | - |
| **As at 31 December 2019** | **(5,507)** | **(714)** | **(6,221)** |
| Change in the results | (432) | 18 | (414) |
| Foreign exchange differences | 165 | 35 | 200 |
| Change in statement of comprehensive income | - | - | |
| **As at 31 December 2020** | **(5,774)** | **(661)** | **(6,435)** |

| C. Deferred tax assets | Liabilities for employee benefits | Provisions | Other | Total |
|---|---|---|---|---|
| **As at 1 January 2019** | **2,871** | **1,271** | **577** | **4,719** |
| Change in the results | (100) | (50) | (25) | (175) |
| Change in the other comprehensive income | (14) | - | (98) | (112) |
| Foreign exchange differences | 109 | - | 7 | 116 |
| **As at 31 December 2019** | **2,866** | **1,221** | **461** | **4,548** |
| Change in the results | 125 | (255) | 89 | (41) |
| Change in the other comprehensive income | 560 | - | (1) | 559 |
| Foreign exchange differences | (121) | - | (32) | (153) |
| **As at 31 December 2020** | **3,430** | **966** | **516** | **4,912** |

*Amounts in Euro thousand, unless stated otherwise*

## Company

| A. Change of deferred tax in the results | 2020 | 2019 |
|---|---|---|
| **As at 1 January** | **708** | **733** |
| Change in the results | (552) | (33) |
| Change in statement of comprehensive income | 10 | 8 |
| **As at 31 December** | **166** | **708** |

| B. Deferred tax (liabilities) | Depreciation | Other | Total |
|---|---|---|---|
| **As at 1 January 2019** | **109** | **(2)** | **107** |
| Change in the results | - | - | - |
| Change in other comprehensive income | - | - | - |
| **As at 31 December 2019** | **109** | **(2)** | **107** |
| Change in the results | 2 | - | 2 |
| Change in other comprehensive income | - | - | - |
| **As at 31 December 2020** | **111** | **(2)** | **109** |

| C. Deferred tax assets | Liabilities for employee benefits | Provisions | Other | Total |
|---|---|---|---|---|
| **As at 1 January 2019** | **49** | **578** | **-** | **627** |
| Change in the results | (5) | (29) | - | (34) |
| Change in other comprehensive income | 8 | - | - | 8 |
| **As at 31 December 2019** | **52** | **549** | **-** | **601** |
| Change in the results | (6) | (549) | - | (555) |
| Change in other comprehensive income | 11 | - | - | 11 |
| **As at 31 December 2020** | **57** | **-** | **-** | **57** |

In the Statement of Financial Position, deferred tax assets and liabilities are offset per Company, while in the specific table deferred tax assets and liabilities are presented in detail. Therefore, any reconciliation is made in the change between assets and liabilities.

*Amounts in Euro thousand, unless stated otherwise*

## 3.25 Suppliers and Other Short-Term Liabilities

Suppliers and Other Short-Term Liabilities are presented analytically in the following tables:

### 3.25.1 Suppliers

| Suppliers | Group | | Company | |
|---|---|---|---|---|
| | 2020 | 2019 | 2020 | 2019 |
| Suppliers | **29,697** | 36,187 | **531** | 297 |
| **Total** | **29,697** | **36,187** | **531** | **297** |

### 3.25.2 Other Short-Term Liabilities

| Other Short-Term Liabilities | Group | | Company | |
|---|---|---|---|---|
| | 2020 | 2019 | 2020 | 2019 |
| Sundry creditors * | **12,333** | 2,943 | **4** | 60 |
| Liabilities from taxes and pensions | **6,178** | 4,717 | **402** | 387 |
| Dividends payable | **85** | 64 | **83** | 62 |
| Customer prepayments ** | **5,636** | 1,034 | **-** | - |
| Personnel salaries payable | **1,339** | 2,272 | **69** | 484 |
| Accrued expenses – Other accounts payable | **7,521** | 5,231 | **868** | 274 |
| **Total short-term liabilities** | **33,092** | **16,261** | **1,426** | **1,268** |

The fair value of the liabilities approaches the book values.

* Includes the amount of 11 million dollars that the company Thrace Linq INC received for the transfer of the property (see note 3.14).

** Customer prepayments refer to the Group's obligation to deliver products to third parties.

Customer advance payments refer to a Group's obligation to deliver products to third parties. Revenue will be recognized in the results when the order is delivered. Revenue accruing to prepaid customer advances has been recognized in the current year.

*Amounts in Euro thousand, unless stated otherwise*

## 3.26 Dividend for the Year 2020

- The Annual Ordinary General Meeting of Shareholders of 15 July 2020 approved the distribution (payment) of dividend from the earnings of the closing year 2019. Specifically, the General Meeting approved the distribution of an amount of 2,000,003.25 Euros (gross amount), or 0.045723 Euro per Company's share (gross amount), which after the incremental increase of the dividend concerning 42,727 treasury shares (held by the Company and not entitled to any dividend) amounted to 0.045723 Euro. From the above amount, the corresponding tax of 5% on the dividend was withheld, according to the article 40, paragraph 1 and article 64, paragraph 1 of Law 4172/2013 as it is currently in effect following its amendment by Law 4646/2019, and therefore the final payable amount of dividend settled at 0.0434796 Euro per share.
- The Extraordinary General Meeting of the Company's shareholders which took place on 14 December 2020, decided to distribute dividend from the profits of previous years.

In particular it was decided to distribute a total amount of 2,500,262.00 Euros (gross amount), i.e. 0.05716 Euros per share of the Company (gross amount), which following the increase corresponding to the 322,688 own (treasury) shares, which were held by the Company and were excluded from the dividend distribution, reached the level of 0.05758 Euros. From the above amount, the relevant tax of 5% was withheld based on article 40, par. 1 and article 64, par. 1 of law 4172/2013, as in force after its amendment by law 4646/2019, and therefore the final paid amount of the above dividend distribution settled at 0.054701 Euros per share.

## 3.27 Transactions with Related Parties

The Group classifies as related parties the members of the Board of Directors, the directors of the Company's divisions as well as the shareholders who own over 5% of the Company's share capital (their related parties included).

The commercial transactions of the Group with these related parties during the period 1/1/2020 – 31/12/2020 have been conducted according to market terms and in the context of the ordinary business activities.

The transactions with the Subsidiaries, Joint Ventures and Related companies according to the IFRS 24 during the period 1/1/2020 – 31/12/2020 are presented below.

| Income | 01.01 – 31.12.2020 | | 01.01 - 31.12.2019 | |
|---|---|---|---|---|
| | Group | Company | Group | Company |
| Subsidiaries | - | 4,842 | - | 4,950 |
| Joint Ventures | 5,648 | 118 | 5,709 | 97 |
| Related Companies | 11 | - | 2 | - |
| **Total** | **5,659** | **4,960** | **5,711** | **5,047** |

*Amounts in Euro thousand, unless stated otherwise*

| Expenses | 01.01 – 31.12.2020 | | 01.01 - 31.12.2019 | |
|---|---|---|---|---|
| | Group | Company | Group | Company |
| Subsidiaries | - | 76 | - | 36 |
| Joint Ventures | 335 | - | 956 | - |
| Related Companies | 1,027 | 542 | 837 | 378 |
| **Total** | **1,362** | **618** | **1,793** | **414** |

| Trade and other receivables | 31.12.2020 | | 31.12.2019 | |
|---|---|---|---|---|
| | Group | Company | Group | Company |
| Subsidiaries | - | 7 | - | 6,833 |
| Joint Ventures | **1,370** | - | **1,980** | 50 |
| Related Companies | **26** | 26 | **27** | 26 |
| **Total** | **1,396** | **33** | **2,007** | **6,909** |

| Suppliers and Other Liabilities | 31.12.2020 | | 31.12.2019 | |
|---|---|---|---|---|
| | Group | Company | Group | Company |
| Subsidiaries | - | 1,059 | - | 1,173 |
| Joint Ventures | **23** | 19 | **42** | 19 |
| Related Companies | **180** | 141 | **44** | 3 |
| **Total** | **203** | **1,219** | **86** | **1,195** |

| Long-term Liabilities | 31.12.2020 | | 31.12.2019 | |
|---|---|---|---|---|
| | Group | Company | Group | Company |
| Subsidiaries | - | 313 | - | 359 |
| Joint Ventures | - | 5 | - | 24 |
| Related Companies | - | - | - | - |
| **Total** | - | **318** | - | **383** |

In the context of the adoption of IFRS 16, the Company's liabilities to the Subsidiaries and related companies include liabilities from leases.

The liabilities from leases of the Company with the related parties are analyzed as follows:

*Amounts in Euro thousand, unless stated otherwise*

| **Company** Liabilities from leases | Initial balance 01.01.2020 | Payments of leases | New Contracts / Amendments of Contracts | Interests on Leases | Closing Balance 31.12.2020 |
|---|---|---|---|---|---|
| Subsidiaries | **5** | **(2)** | - | **-** | **3** |
| Related Companies | **157** | (140) | - | 3 | **20** |
| **Total** | **162** | **(142)** | **-** | **3** | **23** |

| **Company** Liabilities from leases | Initial balance 01.01.2019 | Payments of leases | New Contracts / Amendments of Contracts | Interests on Leases | Closing Balance 31.12.2019 |
|---|---|---|---|---|---|
| Subsidiaries | **5** | **-** | - | **-** | **5** |
| Related Companies | **250** | (100) | - | 7 | **157** |
| **Total** | **255** | **(100)** | **-** | **7** | **162** |

In addition, the depreciation charges of the Company include depreciation for assets with the right of use, relating to lease agreements with the parties concerned, amounting to € 116 (2019: € 116).

Also, the Group's liabilities to the companies of related parties include liabilities from leases.

The liabilities from leases of the Group with the related parties are analyzed as follows:

| **Group** Liabilities from leases | Initial balance 01.01.2020 | Payments of leases | New Contracts / Amendments of Contracts | Interests on Leases | Closing Balance 31.12.2020 |
|---|---|---|---|---|---|
| Related Companies | **165** | (148) | | 4 | **21** |
| **Total** | **165** | **(148)** | | **4** | **21** |

Amounts in Euro thousand, unless stated otherwise

| **Group**<br>Liabilities from leases | Initial balance 01.01.2019 | Payments of leases | New Contracts / Amendments of Contracts | Interests on Leases | Closing Balance 31.12.2019 |
|---|---|---|---|---|---|
| Related Companies | **266** | (108) | - | 7 | **165** |
| **Total** | **266** | **(108)** | **-** | **7** | **165** |

In addition, the depreciation charges of the Group include depreciation for assets with the right of use, relating to lease agreements with the parties concerned, amounting to € 123 (2019: € 123).

The Group's "subsidiaries" include all companies consolidated with "Thrace Plastics Group" via the full consolidation method. The "Joint Ventures" include those consolidated with the equity method.

The Company has granted guarantees to banks against credit lines for the account of its subsidiaries. On 31.12.2020, the unpaid amount for which the Company has guaranteed settled at € 54,255 and is analyzed as follows.

| **Guarantees for Subsidiaries** | **2020** |
|---|---|
| Thrace Nonwovens & Geosynthetics Single Person S.A. | 22,874 |
| Thrace Greenhouses SA | 1,905 |
| Thrace Plastics Pack SA | 20,986 |
| Thrace Polyfilms Single Person SA | 8,490 |
| **Total** | **54,255** |

## 3.28 Remuneration of Board of Directors

| **BoD Fees** | **Group** | | **Company** | |
|---|---|---|---|---|
| | **2020** | **2019** | **2020** | **2019** |
| BoD Fees | **5,339** | 5,031 | **2,115** | 2,118 |

The remuneration concerns the Boards of Directors of 21 companies in which 38 people participate and includes salaries of the executive members of the Boards of Directors, as well as other remuneration and benefits of both the executive and non-executive members.

*Amounts in Euro thousand, unless stated otherwise*

## 3.29 Participations

### 3.29.1 Participation in companies consolidated with the full consolidation method

The Management reviews on annual basis whether there are indications for impairment in business interests held in subsidiaries. On 31.12.2020, the Management reviewed all equity participations with regard to any evidence of impairment. At the same time it followed the procedures described in note 2.6 with regard to review for goodwill impairment and conducted a valuation and an impairment test on the subsidiary companies.

According to the valuation assessment made, there is no indication for the need of any impairment in the participations to subsidiaries as of 31.12.2020. An exception is the participation of Synthetic Holdings LTD in Thrace Linq INC and Pareen LTD with a total value of GBP 3,216. The above impairments are due to the cessation of the production activity of Thrace Linq INC. This impairment does not affect though the results of the Parent Company and the Group.

The value of the Company's participations in the subsidiaries, as of 31st December 2020, is as follows:

| Companies consolidated with the full consolidation method | 2020 | 2019 |
|---|---|---|
| Don & Low LTD | **37,495** | 37,495 |
| Thrace Plastics Pack SA | **15,507** | 15,507 |
| Thrace Nonwovens & Geosynthetics Single Person SA | **5,710** | 5,710 |
| Synthetic Holdings LTD | **11,728** | 11,728 |
| Thrace Polyfilms Single Person SA | **3,418** | 3,418 |
| **Total** | **73,858** | **73,858** |

### 3.29.2 Participation in companies consolidated with the equity method

The following table presents the companies in which the management is jointly controlled with another shareholder with the right to participate in their net assets. According to IFRS 11, the companies are consolidated according to the Equity method. The parent Company holds direct business interests of 50.91% in Thrace Greenhouses SA with a value of € 3,615 and of 51% in Thrace Eurobent SA with a value of € 204 on 31/12/2020. The company Thrace Greiner Packaging SRL is 50% owned by Thrace Plastics Pack SA whereas Lumite INC is 50% owned by Synthetic Holdings LTD.

*Amounts in Euro thousand, unless stated otherwise*

| Company | Country of Activities | Business Activity | Percentage of Group |
|---|---|---|---|
| Thrace Greiner Packaging SRL | Romania | The company activates in the production of plastic boxes for food products and paints and belongs to the packaging sector.<br>The company's shares are not listed. | **46.47%** |
| Lumite INC | United States | The company activates in the production of agricultural fabrics and belongs to the technical fabrics sector.<br>The company's shares are not listed. | **50.00%** |
| Thrace Greenhouses SA | Greece | The company activates in the production of agricultural products and belongs to the agricultural sector.<br>The company's shares are not listed. | **50.91%** |
| Thrace Eurobent SA | Greece | The company activates in the manufacturing of waterproof products via the use of Geosynthetic Clay Liner – GCL, and belongs to the technical fabrics sector.<br>The company's shares are not listed. | **51.00%** |

The change of the Group's interests in the companies that are consolidated with the equity method is analyzed as follows:

| Interests in companies consolidated with the equity method | THRACE GREINER PACKAGING SRL | THRACE GREENHOUSES SA | LUMITE INC | THRACE EUROBENT S.A. | Total |
|---|---|---|---|---|---|
| **Balance at beginning 01.01.2019** | **3,885** | **2,735** | **6,517** | **219** | **13,356** |
| Participation in profit / (losses) of joint ventures | 671 | 270 | 173 | 51 | 1,166 |
| Share capital increase | - | 815 | - | - | 815 |
| Dividends | (809) | - | - | - | (809) |
| Foreign exchange differences and other reserves | (92) | (23) | 136 | (1) | 20 |
| **Balance at end 31.12.2019** | **3,655** | **3,797** | **6,826** | **269** | **14,547** |
| **Balance at beginning 01.01.2020** | **3,655** | **3,797** | **6,826** | **269** | **14,547** |
| Participation in profit / (losses) of joint ventures | 926 | 146 | 665 | 39 | 1,776 |
| Share capital increase | - | - | - | - | - |
| Dividends | (550) | - | - | - | (550) |
| Foreign exchange differences and other reserves | (63) | (7) | (625) | (10) | (705) |
| **Balance at end 31.12.2020** | **3,968** | **3,936** | **6,866** | **298** | **15,068** |

The financial statements of the companies are presented in the following tables:

*Amounts in Euro thousand, unless stated otherwise*

| STATEMENT OF FINANCIAL POSITION | THRACE GREINER PACKAGING SRL | | THRACE GREENHOUSES SA | | LUMITE INC | | THRACE EUROBENT S.A. | |
|---|---|---|---|---|---|---|---|---|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| **% of Participation** | **46.47%** | 46.47% | **50.91%** | **50.91%** | **50%** | **50%** | **51%** | **51%** |
| **ASSETS** | | | | | | | | |
| Fixed assets | **6,413** | 7,093 | **9,749** | 10,173 | **4,326** | 5,251 | **1,429** | 60 |
| Inventories | **2,904** | 3,037 | **89** | 66 | **10,696** | 10,666 | **634** | 316 |
| Trade and other receivables | **2,933** | 3,200 | **3,342** | 3,992 | **1,951** | 2,049 | **1,059** | 675 |
| Other asset items | **-** | - | **260** | 178 | **34** | 96 | **44** | 30 |
| Cash | **2,147** | 611 | **151** | 1,199 | **2,838** | 311 | **385** | 346 |
| **LIABILITIES** | | | | | | | | |
| Bank debt | **2,779** | 3,445 | **4,866** | 6,989 | **3,776** | 2,753 | **1,404** | - |
| Other liabilities | **3,605** | 3,116 | **995** | 1,162 | **2,385** | 2,099 | **1,533** | 854 |
| **EQUITY** | **8,013** | 7,380 | **7,730** | 7,457 | **13,684** | 13,521 | **614** | 573 |

| STATEMENT OF COMPREHENSIVE INCOME | THRACE GREINER PACKAGING SRL | | THRACE GREENHOUSES SA | | LUMITE INC | | THRACE EUROBENT S.A. | |
|---|---|---|---|---|---|---|---|---|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Turnover | **17,685** | 18,584 | **8,182** | 8,393 | **24,466** | 24,423 | **5,007** | 4,360 |
| Cost of sales | **(13,125)** | (14,703) | **(6,164)** | (6,016) | **(19,048)** | (20,669) | **(4,116)** | (3,481) |
| **Gross profit** | **4,560** | 3,881 | **2,018** | 2,377 | **5,418** | 3,754 | **891** | 879 |
| Distribution expenses | **(782)** | (805) | **(1,067)** | (1,114) | **(2,138)** | (2,110) | **(656)** | (613) |
| Administrative expenses | **(1,233)** | (1,128) | **(428)** | (437) | **(1,362)** | (1,240) | **(64)** | (59) |
| Other (expenses) / income | **(240)** | (140) | **4** | (37) | **(26)** | 303 | **(14)** | (28) |
| **Operating profit / loss** | **2,305** | 1,808 | **527** | 789 | **1,892** | 707 | **157** | 179 |
| Financial result | **(88)** | (149) | **(274)** | (342) | **(106)** | (236) | **(49)** | - |

*Amounts in Euro thousand, unless stated otherwise*

| STATEMENT OF COMPREHENSIVE INCOME | THRACE GREINER PACKAGING SRL | | THRACE GREENHOUSES SA | | LUMITE INC | | THRACE EUROBENT S.A. | |
|---|---|---|---|---|---|---|---|---|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| **Profit/(loss) before Taxes** | **2,217** | 1,659 | **253** | 447 | **1,786** | 471 | **108** | 179 |
| Taxes | **(360)** | (285) | **34** | 84 | **(382)** | (118) | **(45)** | (58) |
| **Profit/(loss) after Taxes** | **1,857** | 1,374 | **287** | 531 | **1,404** | 353 | **63** | 121 |
| **Other comprehensive income** | **-** | (186) | **-** | - | **-** | 247 | **-** | (1) |
| **Total comprehensive income after taxes** | **1,857** | 1,188 | **287** | 531 | **1,404** | 600 | **63** | 120 |

## 3.30 Commitments and Contingent Liabilities

On 31 December 2020 there are no significant legal issues pending that may have a material effect in the financial position of the Companies in the Group.

The letters of guarantee issued by the banks for the account of the Company and in favor of third parties (Greek State, suppliers and customers) amount to € 834.

## 3.31 Fees of auditing firms

During the financial year 2020, the total fees of the Company's and Group's external legal auditors, are analyzed as follows:

| Fees of auditing firms | Group | | Company | |
|---|---|---|---|---|
| | 2020 | 2019 | 2020 | 2019 |
| Fees of auditing services | **388** | 385 | **63** | 55 |
| Fees for tax certificate | **150** | 151 | **12** | 11 |
| Fees for consulting services | **27** | 5 | **-** | - |
| **Total** | **565** | **541** | **75** | **66** |

*Amounts in Euro thousand, unless stated otherwise*

## 3.32 Financial Risks

The financial assets used by the Group, mainly consist of bank deposits, bank overdrafts, receivable and payable accounts and loans.

In general, the Group's activities create several financial risks. Such risks include market risk (foreign exchange risk and risk from changes and raw materials prices), credit risk, liquidity risk and interest rate risk.

### 3.32.1 Risk of Price Fluctuations of Raw Materials

The Group is exposed to fluctuations in the price of polypropylene (represents 53% of the cost of sales), which are mainly faced by a similar change in the selling price of the final product. The possibility that the increase in the price of polypropylene cannot be fully passed on to the selling price, causes unavoidably the compression of margins. For this reason, the Company accordingly adjusts, to the extent it is feasible, its inventory policy as well as its commercial policy in general. Therefore in any case, the particular risk is deemed as relatively controlled.

### 3.32.2 Credit Risks

The credit risk to which the Group and the Company are exposed is the likelihood that a counterparty will cause financial loss to the Group and the Company as a result of the breach of its contractual obligations.

The maximum credit risk to which the Group and the Company are exposed at the date of preparation of the financial statements is the book value of their financial assets. In order to address credit risk, the Group consistently applies a clear credit policy, which is monitored and evaluated on an ongoing basis so that the credit granted does not exceed the credit limit per customer. Client sales insurance policies are also concluded per customer and no tangible guarantees on the assets of clients are required.

In order to monitor credit risk, customers are grouped according to the category they belong to, their credit risk characteristics, the maturity of their receivables and any previous receivables that they have caused, taking into account future factors as well as the economic environment.

- **Impairment**

The Group and the Company, in the financial assets that are subject to the new model of expected credit losses, include receivables from customers and other financial assets.

The Group and the Company recognize provisions for impairment with regard to the expected credit losses of all financial assets. The expected credit losses are based on the difference between the contractual cash flows and the entire cash flows which the Group (or the Company) anticipates to receive. The difference is discounted by using an estimate concerning the initial effective interest rate of the financial asset. For the trade receivables, the Group and the Company applied the simplified approach of the accounting standard and calculated the expected credit losses based on the expected credit losses for the entire lifetime of these items. Regarding the remaining financial assets, the expected credit losses are being calculated according to the losses of the next 12 months. The expected credit losses of the following 12 months is part of the anticipated credit losses for the entire life of the financial assets, which emanates from the probability of a default in the payment of the contractual obligations within the next 12-month period starting from the reporting date. In case of a significant increase in credit risk since the initial recognition, the provision for impairment will be based on the expected credit losses of the entire life of the asset.

At the date of the preparation of the financial statements, impairment of receivables from customers and other financial assets was made on the basis of the above.

The following table presents an analysis of the maturity of customers at 31/12/2020.

| Maturity of Trade Receivables 31.12.2020 | Group | Company |
|---|---|---|
| 01 – 30 days | 21,197 | - |
| 31 – 90 days | 30,357 | - |
| 91 – 180 days | 5,927 | - |
| 180 days and over | 6,689 | 2,340 |
| **Subtotal** | **64,170** | **2,340** |
| Provisions for doubtful receivables | (7,307) | (2,328) |
| **Total** | **56,863** | **12** |

The above amounts are expressed in terms of days of delay in the table below.

| Analysis of due/overdue customer receivables 31.12.2020 | Group | Company |
|---|---|---|
| Timely receivables | 47,434 | - |
| Overdue receivables 1 – 30 days | 8,017 | - |
| Overdue receivables 31 – 90 days | 1,528 | - |
| Overdue receivables above 91 days | 7,191 | 2,340 |
| **Subtotal** | **64,170** | **2,340** |
| Provisions for doubtful customer receivables | (7,307) | (2,328) |
| **Total** | **56,863** | **12** |

With regard to uninsured receivables overdue more than 90 days, which the Group has classified as doubtful, relevant provisions have been made which are deemed as sufficient.

*Amounts in Euro thousand, unless stated otherwise*

Correspondingly, the amounts of maturity and past due for the financial year 2019 are presented in the following tables.

| Maturity of Trade Receivables 31.12.2019 | Group | Company |
|---|---|---|
| 01 – 30 days | 17,848 | 2 |
| 31 – 90 days | 32,584 | 3 |
| 91 – 180 days | 7,037 | 47 |
| 180 days and over | 6,500 | 5,133 |
| **Subtotal** | **63,969** | **5,185** |
| Provisions for doubtful receivables | (6,541) | (2,347) |
| **Total** | **57,428** | **2,838** |

| Analysis of due/overdue customer receivables 31.12.2019 | Group | Company |
|---|---|---|
| Timely receivables | 44,182 | 2 |
| Overdue receivables 1 – 30 days | 9,373 | 1 |
| Overdue receivables 31 – 90 days | 3,197 | 49 |
| Overdue receivables above 91 days | 7,217* | 5,133* |
| **Subtotal** | **63,969** | **5,185** |
| Provisions for doubtful customer receivables | (6,541) | (2,347) |
| **Total** | **57,428** | **2,838** |

* *From the amount of € 7,217 for the Group and € 5,133 for the Company, an amount of € 6 and an amount of € 2,780 respectively concern debts of joint ventures and subsidiaries for which no provisions have been formed.*

### 3.32.3 Liquidity risk

The monitoring of liquidity risk is focused on managing cash inflows and outflows on a constant basis, in order for the Group to have the ability to meet its cash flow obligations. The management of liquidity risk is applied by maintaining cash equivalents and approved bank credits. During the preparation date of the financial statements, there were adequate, unused bank credits, approved to the Group, which are considered sufficient to face a possible shortage of cash equivalents.

Short-term bank liabilities are renewed at their maturity, as they are part of the approved bank credits.

*Amounts in Euro thousand, unless stated otherwise*

The following table presents the liabilities according to their maturity dates.

| Group 31.12.2020 | Up to 1 month | 1-6 months | 6-12 months | 1-5 Years | Over 5 years | Total |
|---|---|---|---|---|---|---|
| Suppliers | 10,706 | 18,819 | 172 | - | - | **29,697** |
| Other short-term liabilities | 7,904 | 15,738 | 9,450 | - | - | **33,092** |
| Short-term debt | 514 | 5,395 | 20,402 | - | - | **26,311** |
| Liabilities from Leases (short-term part) | 455 | 1,394 | 973 | - | - | **2,822** |
| Long-term debt | | | | 46,691 | - | **46,691** |
| Liabilities from Leases (long-term part) | | - | - | 2,998 | 212 | **3,210** |
| Other long-term liabilities | | - | - | 208 | 34 | **242** |
| **Total 31.12.2020** | **19,579** | **41,346** | **30,997** | **49,897** | **246** | **142,065** |

| Company 31.12.2020 | Up to 1 month | 1-6 months | 6-12 months | 1-5 Years | Over 5 years | Total |
|---|---|---|---|---|---|---|
| Suppliers | 126 | 405 | - | - | - | **531** |
| Other short-term liabilities | 183 | 1,177 | 66 | - | - | **1,426** |
| Short-term debt | - | 960 | - | - | - | **960** |
| Liabilities from Leases (short-term part) | 10 | 21 | - | - | - | **31** |
| Long-term debt | - | - | - | - | - | |
| Liabilities from Leases (long-term part) | - | - | - | 25 | - | **25** |
| Other long-term liabilities | - | - | - | - | 1 | **1** |
| **Total 31.12.2020** | **319** | **2,563** | **66** | **25** | **1** | **2,974** |

*Amounts in Euro thousand, unless stated otherwise*

| Group 31.12.2019 | Up to 1 month | 1-6 months | 6-12 months | 1-5 Years | Over 5 years | Total |
|---|---|---|---|---|---|---|
| Suppliers | 17,180 | 19,007 | - | - | - | **36,187** |
| Other short-term liabilities | 8,600 | 7,097 | 564 | - | - | **16,261** |
| Short-term debt | 3,946 | 17,027 | 22,523 | - | - | **43,496** |
| Liabilities from Leases (short-term part) | 405 | 1,883 | 2,485 | - | - | **4,773** |
| Long-term debt | - | - | - | 29,367 | 23,504 | **52,871** |
| Liabilities from Leases (long-term part) | - | - | - | 3,632 | 807 | **4,439** |
| Other long-term liabilities | - | - | - | 93 | - | **93** |
| **Total 31.12.2019** | **30,131** | **45,014** | **25,572** | **33,092** | **24,311** | **158,120** |

| Company 31.12.2019 | Up to 1 month | 1-6 months | 6-12 months | 1-5 Years | Over 5 years | Total |
|---|---|---|---|---|---|---|
| Suppliers | 297 | - | - | - | - | **297** |
| Other short-term liabilities | 771 | 356 | 141 | - | - | **1,268** |
| Short-term debt | - | - | 11,098 | - | - | **11,098** |
| Liabilities from Leases (short-term part) | 31 | 59 | 66 | - | - | **156** |
| Long-term debt | - | - | - | 4,000 | - | **4,000** |
| Liabilities from Leases (long-term part) | - | - | - | 43 | - | 43 |
| Other long-term liabilities | - | - | - | 1 | - | 1 |
| **Total 31.12.2019** | **1,100** | **415** | **11,306** | **4,044** | **-** | **16,864** |

*Amounts in Euro thousand, unless stated otherwise*

### 3.32.4 Foreign exchange risk

The Group is exposed to foreign exchange risks arising from existing or expected cash flows in foreign currency and investments that have been made in foreign countries. The management of the various risks is made by the use of natural hedge instruments. In order to hedge foreign currency risk from foreign currency customer receivables, borrowing is contracted in the same currency, according to the management's judgment. Sensitivity analysis of the effect of exchange rate changes is given in the table below.

| Foreign Currency | 2020 | | | 2019 | | |
|---|---|---|---|---|---|---|
| Change of foreign currency against Euro | USD | GBP | Other | USD | GBP | Other |
| **Profit before tax** | | | | | | |
| +5% | (244) | (44) | (62) | (1,012) | (331) | (6) |
| -5% | 270 | 49 | 68 | 1,118 | 365 | 7 |
| **Equity** | | | | | | |
| +5% | 136 | 169 | (277) | (439) | 649 | (207) |
| -5% | (151) | (187) | 307 | 486 | (718) | 229 |

***Note**

- *Profit before Taxes are converted at the average exchange rates.*
- *Equity is converted at the exchange rate at the closing date of each fiscal year*

### 3.32.5 Interest rate Risk

The Group's long-term loans have been provided by Greek and foreign banks and are mainly denominated in Euro. The repayment period varies, according to the loan contract each time, while long-term loans are mainly linked to Euribor plus a margin. The Group's short-term loans have been provided by several banks, under Euribor, plus a margin and Libor plus a margin.

It is estimated that a change in the average annual interest rate by 1 percentage point, will result in a (charge) / improvement of Earnings before Tax as follows:

| Possible interest rate change | Effect on Earnings before Tax | | | |
|---|---|---|---|---|
| | Group | | Company | |
| | 2020 | 2019 | 2020 | 2019 |
| Interest rate increase 1% | **(790)** | (1,055) | **(10)** | (153) |
| Interest rate decrease 1% | **790** | 1,055 | **10** | 153 |

*Amounts in Euro thousand, unless stated otherwise*

### 3.32.6 Capital Adequacy Risk

The Group controls capital adequacy using the net debt to operating profit ratio and the net debt to equity ratio. The Group's objective in relation to capital management is to ensure the ability for its smooth operation in the future, while providing satisfactory returns to shareholders and benefits to other parties, as well as to maintain an ideal capital structure so as to ensure a low cost of capital. For this purpose, it systematically monitors working capital in order to maintain the lowest possible level of external financing.

| Capital Adequacy Risk | Group | | Company | |
|---|---|---|---|---|
| | 2020 | 2019 | 2020 | 2019 |
| Long-term debt | 46,691 | 52,871 | - | 4,000 |
| Long-term liabilities from leases | 3,210 | 4,439 | 25 | 43 |
| Short-term debt | 26,311 | 43,496 | 960 | 11,098 |
| Short-term liabilities from leases | 2,822 | 4,773 | 31 | 156 |
| **Total debt** | **79,034** | **105,579** | **1,016** | **15,297** |
| Minus cash & cash equivalents | 40,824 | 22,051 | 163 | 505 |
| **Net debt** | **38,210** | **83,528** | **853** | **14,792** |
| **EBITDA*** | **69,444** | **28,745** | **(413)** | **(263)** |
| **NET DEBT / EBITDA**** | **0.55** | **2.91** | **-** | **-** |
| **EQUITY** | **174,583** | **146,349** | **76,623** | **70,743** |
| **NET DEBT / EQUITY** | **0.22** | **0.57** | **0.01** | **0.21** |

* *Concerns Total Operations*

** *Since 2018, the Company has transformed into a Holding Company and therefore the net debt to EBITDA ratio does not reflect the actual relation between the Company's debt and its earnings. For this reason, going forward the Company will not be monitoring the particular ratio.*

The Company repaid all of its bank loans whereas the remaining part of the short-term loans concerns an intergroup loan.

*Amounts in Euro thousand, unless stated otherwise*

### Impact from BREXIT

The Group operates in the United Kingdom with its subsidiaries Don & Low LTD based in Scotland and Synthetic Holdings LTD based in Northern Ireland. The main part of the sales of Don & Low LTD, a manufacturing and trading company, are made to customers within the United Kingdom. BREXIT was completed within the year 2020, under an agreement between the United Kingdom and the European Union, and therefore the United Kingdom no longer belongs to the European Union. Given the coordinated departure, the Group as of the date of the present Report, did not face any significant risk. The Management of the Group considers that there are no substantial changes in the financial position and operation of these companies and consequently of the Group, as an impact of BREXIT.

In any case, the Management evaluates systematically and on an ongoing basis the data and conditions in order to take the necessary and appropriate measures in case there is a potential risk to the operation of these companies.

## 3.33 Significant Events

### Macroeconomic Environment and Impact of COVID-19

The spread of the COVID-19 pandemic from the beginning of 2020 until today, with repeated pandemic waves, has brought and continues to cause significant disruptions and fluctuations in global supply and demand, including Greece and other countries in which the Group operates and therefore continues to create conditions of intense uncertainty, hampering the macroeconomic environment globally and domestically. At the same time, there is still an inability to accurately estimate the timing of return of the economies to growth trajectories (especially in Europe), as well as the overall impact that the current situation will ultimately have on the national economies, when the phenomenon begins to subside.

At the given time period, on a global scale, but also in Greece, a new wave of the pandemic is in progress. Nevertheless, the start and the accelerated development of vaccinations create conditions for optimism that in a reasonable period of time, which however remains undetermined, the virus will be tackled effectively and the economies will once again return to a restart and recovery phase.

#### I. Impact of the pandemic on the operation of the Group for the entire fiscal year 2020

Despite the fact that the wide and rapid spread of the coronavirus COVID-19 from the beginning of 2020 until today has caused significant disruptions in global supply and demand, the business and financial activity as well as operation of the Group was not adversely affected during the year. On the contrary, the Group implemented an effective action plan, ensuring the necessary liquidity, expanding its customer and product portfolio and implementing targeted investments, and as a result the Group managed to improve its financial position at all levels.

the Group's customer base.

Regarding the operation of production, all production units within the Group continued to operate smoothly for the entire year 2020, without facing any operational issues from the spread of the pandemic, regarding the health and safety of the Group's employees, as a result of the particularly strict protection measures taken by the Group since the beginning of the pandemic.

From a financial point of view, the Group managed not only to deter any decrease in its revenues, but instead achieved to expand sales and profitability, as the reduced demand in some areas of activity was more than offset by the significant increase in sales in other areas. More specifically, it was observed:

- Increased demand for products related to personal protection and health and in particular for technical fabrics, used in personal protection applications.
- Generation of sales in products and activities related to personal protection, including the installation and operation of surgical mask production lines in Greece, Scotland and Ireland.
- Increased demand for products aimed at the food packaging sector.
- Reduced demand for packaging products related to tourism and catering, as a result of the limited activity in this sector, especially in Greece.
- Fluctuation of raw materials' prices worldwide at relatively lower levels.
- Maintaining and further strengthening

It is important to note, however, that in recent years, the Group has undertaken an extensive investment plan for the purchase and installation of new production lines and the adoption of new technologies, while it has also proceeded with operational restructuring, limiting or discontinuing production operations that did not contribute to expected benefits. Implementing this action plan, the Group created the appropriate basis in order to be able to respond to new market conditions, possessing the required flexibility and financial stability.

As a consequence of the above, in quantitative terms, the Group managed to increase its turnover from continuing operations. As result, sales for 2020 amounted to € 339.7 million, increased by 13.9%, compared to 2019, and Profit before Taxes (EBT) from continuing operations amounted to € 52.1 million, increased by 339.9% compared to the year 2019. It should be noted that according to Management estimates, the Earnings before Taxes on the Group level which generated from the increased demand for products within the existing portfolio used in personal protection and health applications, amounted to € 22.7 million. This development resulted into a change in the product mix compared to the previous year (see relevant reference in note 3.3 of the financial statements).

At the same time, during the fiscal year 2020 the Group incurred extraordinary expenses, which were mainly related to the measures taken to deal with the pandemic, such as increased expenses for protection measures for employees, virus detection tests, preventive disinfection costs, etc., which amounted to € 1.37 million.

It is noted, however, that the significant reduction of other categories of operating expenses, mainly related to participation in exhibitions and corporate trips, partially offset the higher expenses incurred due to the pandemic.

Regarding the liquidity levels of the Group and the transaction cycle of the subsidiaries, there was no negative effect from the adverse conditions due to the pandemic. On the contrary, for the entire fiscal year 2020, the Group achieved the significant increase of liquidity and the reduction of Net Debt by 45.3 million Euros, thus further strengthening its financial position.

At the same time, the Group increased and maintains higher levels of inventory in basic raw materials, compared to the average inventory (increase by 57% in terms of quantities on 31/12/2020 compared to the inventory level on 31/12/2019), thus ensuring its smooth production operation, at the level of supply chain, in order to be able to meet obligations towards its existing as well as prospective customers in a consistent manner.

Regarding the investment plan, in addition to the planned actions carried out, the Group for the year 2020 proceeded with extraordinary investments which can be summarized as follows:

- Extraordinary investment of € 3 million for the installation of surgical mask production lines in the production facilities in Greece, Scotland and Ireland, achieving full vertical integration in the production of surgical masks (more details are included in the relevant Corporate Announcement as of 01/10/2020).

- Extraordinary investment of € 5.1 million for the installation of mechanical equipment for the production of "Meltblown" material, which is being also used in the production of all types of masks, from surgical masks to FFP2 and FFP3 type masks. To implement the above investment, the subsidiary Don & Low reached an agreement with the state-owned Scottish Enterprise to finance percentage of 80% of the specific investment plan. The funding will be reimbursed to Scottish Enterprise within the next five years in proportion to the Company's sales during the period under consideration (more details are included in the relevant Corporate Announcement as of 04/05/2020).

From the above it is demonstrated that for the entire fiscal year 2020, the Group, despite the unprecedented conditions in the global economy due to the pandemic did not suffer any negative, from a financial point of view, impact both in its financial results and trading cycle and therefore it did not face any material financial risk that would adversely affect its business continuity.

## II. Measures taken to reduce the impact of the pandemic

The Management of the Group continues to closely monitor the developments related to the pandemic crisis and to fully implement a plan to ensure the health and safety of the personnel and the uninterrupted business continuity of the Group.

In particular, in accordance with the guidelines and recommendations of the World Health Organization (WHO) and the local Public Health and Civil Protection Organizations, the following measures were implemented:

- Establishment of sub-crisis management teams with the participation of the Managements of the subsidiaries and the Group, the Human Resources Directorates, the Occupational Physicians and the Safety Technicians.
- Informing employees about the coronavirus, the mode of transmission, the prevention and protection measures and providing recommendations and instructions for personal hygiene, in accordance with the local instructions of the competent authorities.
- Provision of personal protective equipment to the personnel (masks, antiseptics, gloves).
- Carrying out disinfections at the Company's premises on a regular basis.
- Conduct Covid-19 tests on the personnel as a whole and repeat them, as appropriate.
- Remote work for office employees to the greatest possible extent.
- Protection of employees belonging to vulnerable groups, by their immediate removal from the premises, without curtailing their salaries.
- Development of specific procedures and protocols for all visitors to the Company's facilities (carriers, contractors, technicians, etc.)
- Conducting meetings of the employees of all the Companies as well as the Management of the Group and conducting meetings of the Board of Directors without physical presence using electronic or audiovisual means (e.g. video conference).
- Conducting General Meetings by video conference, in accordance with the provisions of the relevant legislative framework.
- Restriction of movements to all facilities of the Companies and restriction of travel for business purposes.
- Continuous monitoring of liquidity, maintaining a high level of cash reserves, for safety reasons.

It should be noted that the protection measures mentioned above continue to be fully implemented in the most consistent manner and to absolute degree at the time of preparation of the present Report.

### III. Assessing the impact of the pandemic in the future

Regarding the prospects for the current year, at the time of preparation of this Report, the Management estimates that the financial figures of the Group in the first quarter will continue to demonstrate the satisfactory course of the previous year, both in terms of profitability and liquidity, in the first quarter of the year 2021 as well. The maintenance of satisfactory demand for the greatest part of the Group's product portfolio, despite any limited fluctuations in specific areas, the already expanded customer base, the enhanced liquidity as well as the constant implementation of strict safeguards are the key factors to minimize the negative effects of the current situation.

Despite the fact that the full unfolding of the new wave of pandemic and the re-imposition of restrictive measures in most countries in which the Group operates make any assessment regarding the impact of pandemic on the business activity and the financial results of the Company and the Group both precarious and uncertain, on the other hand the Group's Management estimates that based on the above neither the Group nor any of its individual activities face any threat in terms of cessation of activities (going concern). Nevertheless, the Management of the Group maintains reservations regarding the financial consequences that the development of the pandemic will cause to the economies of the countries in the next period (especially after the completion of the state aid programs for those affected) and about the manner and the intensity by which these may impact the broader activities of the Group.

## Change of Senior Executives

I. By decision of the Board of Directors of March 20th, 2020, Mr. Dimitris Malamos, Executive Member of the Board of Directors, took over the duties of Deputy CEO of the Group (Deputy Group CEO). Mr. Malamos, who has held the position of Group CFO since 2010, has many years of experience in financial analysis and internal restructuring, has demonstrated his administrative and managerial skills and at the same time has gained deep knowledge and experience about the organization, operation and business activities of the Company and the Group.

The position of Group CFO was assumed by Mr. Dimitrios Fragkou, Certified Accountant (member of ACCA), who for many years held managerial positions in a well-known auditing company and has significant and valuable expertise in providing financial, auditing and consulting services. This expertise will be further used to improve the organization, efficiency and operation of the relevant Divisions and Departments of the Company and the Group. Mr. Fragkou is a graduate of the Department of Business Administration and holds a Master's degree in Accounting and Finance from the Athens University of Economics and Business.

II. The Board of Directors of the Company, during the meeting that took place on October 14, 2020, aiming to ensure the profitable future growth of the Group, and always with the objective to create an experienced Management team and make best use of the skills of its managers, decided the following:

Mr. Dimitris Malamos, executive member of the Board of Directors, assumed the duties of Chief Executive Officer of the Company and of the Group (Group CEO).

Mr. Konstantinos Chalioris, remained Chairman of the Board of Directors of the Company and also assumed the position of Chief Entrepreneur. The specific position, which was added to the organizational chart of the Group, based on the above decision of the Board of Directors, aims to ensure the continuation of the profitable growth of the Group in areas that fall both in the existing activities of the Group and in new beneficial activities in the future. The Management of the Group believes that the creation of this position and its assumption by Mr. Chalioris, who has a significant career and valuable experience in "entrepreneurship", will ensure the future development of the Group.

## Change in the Composition of the Board of Directors

The Board of Directors of the Company, during its meeting held on 10 January 2020, accepted the resignation of Mr. Georgios Braimis, Executive Member of the Board of Directors, who left the Group. During the above meeting, the Board of Directors decided in accordance with article 8 of the Company's Articles of Association and article 82, par. 2 of Law 4548/2018 the non-immediate replacement of above member and the continuation of the management and representation of the Company by the remaining members of the Board of Directors.

## Reformation of the Board of Directors into a body as a result of the changes in relation to the organization chart of the Company

Following the modification - restructuring of the Company's Organization Chart according to the above, the assumption of the position of CEO of the Company and the Group (Group CEO) by Mr. Dimitrios Malamos as well as the assumption of the newly created position of Chief Entrepreneur by Mr. Konstantinos Chalioris, the Board of Directors of the Company was reformed into a body as follows:

1) Konstantinos Chalioris of Stavros, Chairman of the Board of Directors (executive member).
2) Christos-Alexis Komninos of Konstantinos, Vice Chairman of the Board of Directors (non-executive member).
3) Dimitrios Malamos of Petros, Chief Executive Officer of the Company (executive member).
4) Vassilios Zairopoulos of Stylianos, Member of the Board of Directors (non-executive member).
5) Christos Siatis of Panagiotis, Member of the Board of Directors (non-executive member).
6) Petros Fronistas of Christos, Member of the Board of Directors (independent non-executive member).
7) Ioannis Apostolakos of Georgios, Member of the Board of Directors (independent non-executive member).
8) Konstantinos Gianniris of Ioannis, Member of the Board of Directors (independent non-executive member).
9) Theodoros Kitsos of Konstantinos, Member of the Board of Directors (independent non-executive member).
10) Nikitas Glykas of Ioannis, Member of the Board of Directors (independent non-executive member).

## Group Restructuring

Further implementing the internal restructuring plan within the financial year 2020, the Management of the Group decided the following:

- The transfer of the production line of non-woven fabrics (needle punch) from the 100% subsidiary Thrace Linq INC which is headquartered in South Carolina, USA, to the 100% subsidiary Thrace Nonwovens & Geosynthetics Single Person SA, based in Magiko of Xanthi, Greece, in order to strengthen the production capacity of the subsidiary and thus expand its sales growth potential. The transfer of the production line started in April 2020 whereas its installation and commencement of operation took place within the fourth quarter of 2020. Following the above, the final termination of the production operations of Thrace Linq INC was approved whereas it was decided that the US geotextiles market would still be served by the Group's facilities in Europe and by Lumite Inc. in the USA, in which the Group participates with 50%.
- The liquidation of Thrace China (already completed) and its parent company Thrace Asia. The latter company operated as the sales office of Thrace Nonwovens & Geosynthetics Single Person SA in the Chinese market, with extremely limited activity in recent years, as most of the sales in the Asian market are made directly by Thrace Nonwovens & Geosynthetics Single Person SA. Therefore, the Group's Management decided to terminate the operation of this office. The parent company's, Saepe LTD, participation value in the above companies settled at € 631 and there was also an intra-group receivable of € 30. The participation and the receivable were impaired by 100%.

It is noted that this impairment charge did not affect the results of the Group but only the results of the subsidiary Saepe LTD. Also, the participation of Thrace Nonwovens & Geosynthetics Single Person SA in the company Saepe LTD amounting to € 505 and its intra-group receivable amounting to € 205 were written-off. For the same reason, the write-off did not affect the results of the Group, only the stand alone results of the subsidiary Thrace Nonwovens & Geosynthetics Single Person SA.

## Transfer of Industrial Property of Thrace Linq Inc.

The transfer of the privately owned industrial property, which housed Thrace Linq INC and is located in South Carolina, USA, took place.

The total price consideration of the transfer amounted to USD 14.5 million. As a result of the existing agreement, Thrace Linq INC received the amount of USD 11 million, while an amount of USD 3.5 million, as well as the corresponding interest, must be repaid by the Buyer at a later time, no later than twelve months from the date of transfer of the property. However, according to the existing agreements and its special covenants (both with the Buyer and with the Buyer's Bank involved), in case for any reason the Buyer breaches its obligation to repay the remaining amount at the agreed time horizon (up until 15/06/2021 at the latest), the company Thrace Linq INC has the right to repurchase the property (based on priority and also based on its own discretion), covering the outstanding balance of the loan (and any interest or expenses that will be due) of the buyer as it will have been formed at the time when Thrace Linq INC will exercise this right, thus permanently canceling the sale or alternatively in case this is deemed unprofitable, has the right to participate in the sale process (having as collateral the second registered mortgage).

Given the above and as the existence of the aforementioned right to repurchase the property creates conditions of uncertainty regarding the final completion of the transaction, its accounting recognition will take place when (by 15/06/2021 the latest, unless agreed otherwise) the relevant events become certain and final. The amount of USD 11 million received was recorded in the cash and cash equivalents, respectively increasing the "Other current liabilities".

It should be noted that the cash received (USD 11 million) was used to reduce the Group's Net Debt.

## New investment from Don & Low LTD in Meltblown fabric production line

The fully owned by 100% subsidiary Don & Low LTD, based in Forfar, Scotland, decided to invest GBP 4.5 million in the purchase and installation of mechanical equipment for the production of meltblown material. The meltblown material will be used for the production of all types of masks, from surgical masks to FFP2 and FFP3 masks. The new production line is expected to be operational in the last quarter of the year.

To implement the investment, Don & Low LTD agreed with the state-owned institution "Scottish Enterprise" to finance 80% of the investment. Funding will be returned to Scottish Enterprise within the next five years depending on the company's sales volume during that time.

## Completion of Surgical Protective Masks Investment Plan

The Company with its announcement on October 1, 2020 informed the investor community about the completion of the investments in surgical mask production lines. Specifically and based on the announcements made by the Company: The Group from April of this year until today, proceeded to extraordinary investments of 3 million Euros for the installation of production lines of type I, Type II and Type IIR surgical masks, in the Group's facilities in Xanthi, Greece, in Forfar, Scotland, and in Clara, Ireland.

The investment plan was completed with great success and in a timely manner. All production lines are now in operation, while their total capacity has been set at the level of 1.5 million masks per day. It is noted that apart from the sales generated in the Greek market, a large proportion of the production capacity is channeled to the United Kingdom and to the European Union.

The surgical masks produced are fully complied with the relevant quality standards, while the production is now performed through automated and efficient processes, thus making the overall process very competitive in financial terms, utilizing the strong technical know-how and the expertise developed.

It is noted that the investment plan included the installation of production lines for ear loops and nose wires, through which the Group has achieved a fully vertical integration of its operations. All raw materials required for surgical masks production are now produced in-house, hence strengthening the competitive advantage of the Group in this particular business activity.

## Donation of surgical masks

The Management of Thrace Plastics Group, decided to support our fellow human beings who do not have the financial means to obtain the masks necessary for their protection, donating to Social Welfare Institutions, vulnerable groups and generally social groups that need them, more than 2.5 million protective masks for the year 2020.

## Decisions of the Ordinary General Meeting of 15 July 2020

At the annual Ordinary General Meeting of 15 July 2020, among others, the shareholders:

a) approved unanimously the allocation (distribution) of the results of the financial year 2019 (01.01.2019-31.12.2019) and in particular the distribution (payment) of a total dividend of 2,000,003.25 Euros (gross amount) from the profits of the closed year 2019. Beneficiaries to the collection of the above dividend were the shareholders of the Company registered in the records of the Dematerialized Securities System (DSS) on 20 July 2020 (record date). The cut-off date of the 2019 dividend was set on 17 July 2020. The payment of the dividend started on 23rd July 2020 and was made through Piraeus Bank and in accordance with the procedure provided by the current Athens Exchange Regulation.

b) voted by a majority in favor of the Remuneration Report, which was drafted in accordance with the provisions of Article 112 of Law 4548/2018, contains a comprehensive overview of the total remuneration of the members of the Board of Directors (executive and non-executive) and explains the manner by which the Remuneration Policy of the Company for the immediately preceding financial year was implemented.

## Acceptance by the competent authority of the appeal of Thrace Nonwovens & Geosynthetics Single Person SA to the Administrative Court of Appeal for taxes charged for the year 2011

The Administrative Court of Appeal, according to its decision under no. 2826/2020, accepted the appeal of the company Thrace Nonwovens & Geosynthetics Single Person SA and canceled the accrued taxes and surcharges from the tax authorities amounting to € 527 for the year 2011. The Company had paid the above amount and had formed an equal claim in its accounting books, which was offset by the Company's tax liabilities.

## Offsetting of Claims from OAED (Greek Manpower Employment Organization) with Liabilities towards the Greek State

On July 17, 2020, the Law 4706/2020 was passed, according to which the outstanding claims of the beneficiaries until 31.12.2015 are offset by existing and future claims of the State against them, from the entry into force of the law. The obligations of OAED and the Greek State are exhausted according to the provisions of article 87 par. 2 of

Law 4706/2020. The Group has a long-term receivable from OAED amounting to € 4,879, which concerns a subsidy of 12% on the payroll costs of personnel and recruitment of new graduates in the area of Xanthi. The receivable of the Group before the impairments that have been recorded, amounts to € 11,062.

The companies of the Group, which raise claims against OAED, have initiated the legal and formal procedures for claiming the above amounts, however, at the time of preparing the current annual financial report, the required decisions of the Administrative Court of First Instance have not been issued, in accordance with the provisions of JMD that has been based on the aforementioned Law.

## Issuance of Tax Certificate for Fiscal Year 2019 According to article 65 A of law 4174/2013

Following the tax audit for the fiscal year 2019, that was carried out by the statutory external auditors in accordance with the article 65A of law 4174/2013, both to the Company and to the subsidiaries "Thrace Nonwovens & Geosynthetics Single Person SA", "Thrace-Polyfilms Single Person SA", "Thrace Plastics Pack SA", "Thrace Eurobent SA", and "Thrace Greenhouses SA", the corresponding tax certificates were issued with an unreserved conclusion.

## Decisions of the Extraordinary General Meeting of the shareholders of 14 December 2020

The Extraordinary General Meeting of the Company's shareholders which took place on 14 December 2020 decided to distribute dividend from prior years' profits and in particular it was decided to distribute a total amount of 2,500,262.00 Euros (gross amount), i.e. 0.05716 Euros per share of the Company (gross amount), which following the increase corresponding to the 322,688 own (treasury) shares, which were held by the Company and were excluded from the monetary distribution, reached the level of 0.05758 Euros. From the above amount, the relevant tax of 5% was withheld based on article 40, par. 1 and article 64, par. 1 of law 4172/2013, as in force after its amendment by law 4646/2019, and therefore the final paid amount of the above capital distribution settled at 0.054701 Euros per share.

The cut-off date of the above dividend distribution was set for Thursday 17 December 2020. Therefore, the beneficiaries of the above distribution were those shareholders registered in the files of the Dematerialized Securities System (DSS) managed by the "Hellenic Central Securities Depository SA" at the record date, i.e. on Friday 18 December 2020.

The payment of the dividend distribution started on Wednesday 23 December 2020 and was implemented through the paying Bank "PIRAEUS BANK SA".

## 3.34 Events after the Balance Sheet Date

### Election of new members of the Board of Directors to replace resigned Directors – Reconstitution of the Board of Directors into a body

The Board of Directors of the Company, during the meeting that took place on 18th January 2021, elected:

(a) Ms. Myrto Papathanou of Christos in replacement and for the remaining of the term of the resigned independent non-executive member of the Board of Directors Mr. Konstantinos Gianniris of Ioannis, and

(b) Ms. Spyridoula Maltezou of Andreas in replacement and for the remaining of the term of the resigned independent non-executive member of the Board of Directors Mr. Ioannis Apostolakos of George.

The above replacement and the election of the specific independent non-executive members of the Board of Directors takes place in the context of the Company's decision for its immediate, substantial and effective compliance and adaptation of its organization to the requirements and regulations of the new Law 4706/2020 (Government Gazette A' 136 / 17.07.2020) with regard to corporate governance.

More specifically, the election of the above new members of the Board of Directors, on the one hand is in line with the current regulatory framework and in particular with the provisions of the above new law, in terms of substantive criteria and conditions of independence of new members, whereas on the other hand is harmonized with the provisions of the new law on suitability, diversity and, above all, adequate representation by gender in the Board of Directors.

The election of the above new independent non-executive members of the Board of Directors was announced, in accordance with the law and the Company's Articles of Association, at the Extraordinary General Shareholders Meeting of the Company, on 11 February 2021.

Following the above, the Board of Directors of the Company was reconstituted into a body for the remaining of its term, i.e. until March 19th, 2024, as follows:

1) Konstantinos Chalioris of Stavros, Chairman of the Board of Directors (executive member).
2) Christos-Alexis Komninos of Konstantinos, Vice Chairman of the Board of Directors (non-executive member).
3) Dimitrios Malamos of Petros, Chief Executive Officer of the Company (executive member).
4) Vassilios Zairopoulos of Stylianos, Member of the Board of Directors (non-executive member).
5) Christos Siatis of Panagiotis, Member of the Board of Directors (non-executive member).
6) Petros Fronistas of Christos, Member of the Board of Directors (independent non-executive member).
7) Myrto Papathanou of Christos, Member of the Board of Directors (independent non-executive member).
8) Spyridoula Maltezou of Andreas, Member of the Board of Directors (independent non-executive member).
9) Theodoros Kitsos of Konstantinos, Member of the Board of Directors (independent non-executive member).
10) Nikitas Glykas of Ioannis, Member of the Board of Directors (independent non-executive member).

## Decisions of the Extraordinary General Meeting of the Company's shareholders of 11th February 2021

The Extraordinary General Meeting of the Company's shareholders on 11 February 2021 took the following decisions:

**In the 1st item** of the agenda, the Meeting decided by majority, in accordance with the provisions of article 3 of Law 3016/2002, the election of the following persons:

**(a)** Ms. Myrto Papathanou of Christos in replacement and for the remaining of the term of the resigned independent non-executive member of the Board of Directors Mr. Konstantinos Gianniris of Ioannis, and

**(b)** Ms. Spyridoula Maltezou of Andreas in replacement and for the remaining of the term of the resigned independent non-executive member of the Board of Directors Mr. Ioannis Apostolakos of George,

The election of the above independent non-executive members of the Board of Directors takes place in the framework of the Company's decision for the immediate, substantial and effective compliance and adaptation of its organization to the requirements and regulations of the new Law 4706/2020 with regard to corporate governance.

Both members that were elected according to the above meet the criteria and conditions of independence of both the article 4, par. 1 of Law 3016/2002 valid until 17.07.2021, as well as of article 9 par. 1 and 2 of Law 4706/2020.

**In the 2nd item** and in the context of harmonization with the requirements, criteria and regulations of the new Law 4706/2020 with regard to corporate governance and concerning both independence and suitability, diversity and mainly the adequate representation by gender in the Board of Directors, and following a relevant proposal of the Remuneration and Nomination Committee (RNC), the Meeting approved by majority the election of a new eleven-member (11-member) Board of Directors, through the re-election of all its outgoing members, as well as the election of Mr. Georgios Samothrakis of Panagiotis as its new member.

Following the above, the Board of Directors of the Company, with a term in accordance with the provisions of article 7, par. 2 of the Articles of Association, which is extended until the expiration of the deadline within which the next Ordinary General Meeting must convene and until the relevant decision, will consist of the following members:

1) Konstantinos Chalioris of Stavros
2) Christos-Alexis Komninos of Konstantinos
3) Dimitrios Malamos of Petros
4) Vassilios Zairopoulos of Stylianos
5) Christos Siatis of Panagiotis
6) Petros Fronistas of Christos
7) Georgios Samothrakis of Panagiotis
8) Myrto Papathanou of Christos
9) Spyridoula Maltezou of Andreas
10) Theodoros Kitsos of Konstantinos
11) Nikitas Glykas of Ioannis

Simultaneously with the same majority decision, the Extraordinary General Meeting appointed as independent members of the Board of Directors of the Company, the following: 1) Georgios Samothrakis of Panagiotis, 2) Myrto Papathanou of Christos, 3) Spyridoula Maltezou of Andreas, 4) Theodoros Kitsos of Konstantinos and 5) Nikitas Glykas of Ioannis as they all meet the required by the current regulatory framework (namely article 4, par. 1 of the current until 17.07.2021 Law 3016/2002 and article 9, par. 1 and 2 of Law 4706/2020) conditions and criteria of independence.

**In the 3rd item**, the Meeting approved by majority, in accordance with the provisions of article 44 of Law 4449/2017, as in force after its amendment by the article 74 of Law 4706/2020, the election of a new Audit Committee, which constitutes an Independent Committee and consists of three (3) members, of which one (1) independent non-executive member of the Board of Directors of the Company and two (2) third parties - non-members of the Board of Directors.

Within the above framework, the following persons were elected as members of the Audit Committee:

1) Mr. Georgios Samothrakis of Panagiotis, Independent non-executive Member of the Board of Directors,
2) Mr. Konstantinos Kotsilinis of Eleftherios, third party and non-Member of the Board of Directors and
3) Mr. Konstantinos Gianniris of Ioannis, third party and non-Member of the Board of Directors.

The members of the Audit Committee as a whole have sufficient knowledge of the sector in which the Company operates, while the majority of the members of the Audit Committee and in particular Messrs. George Samothrakis of Panagiotis and Konstantinos Kotsilinis of Eleftherios, are independent of the Company, given that:

(a) They do not hold shares greater than 0.5% of the Company's share capital; and

(b) They do not have any dependency relationship with the Company or persons related to it, as this (dependency relationship) is specified in particular in the provisions of article 4 par. 1 of Law 3016/2002, which remains in force until 17.07.2021, as well as of article 9 par. 1 and 2 of Law 4706/2020.

Furthermore, the criterion of sufficient knowledge and experience in auditing or accounting is met in the person of both Mr. Georgios Samothrakis and Mr. Konstantinos Kotsilinis, and therefore each of the above members will be required to attend the meetings of the Audit Committee concerning the approval of the financial statements.

Finally, by the same majority decision, the Meeting specified the term of the Audit Committee as five years, starting on February 11, 2021 and ending on February 11, 2026.

## Formation of the newly elected Board of Directors into body

The new eleven-member (11-member) Board of Directors of the Company, elected by the Extraordinary General Meeting of Shareholders, which took place on 11 February 2021, was formed on the same day (11 February 2021) in the following body:

1) Konstantinos Chalioris of Stavros, Chairman of the Board of Directors (executive member).
2) Theodoros Kitsos of Konstantinos, Vice Chairman of the Board of Directors (independent non-executive member).
3) Dimitrios Malamos of Petros, Chief Executive Officer of the Company (executive

member).

4) Vassilios Zairopoulos of Stylianos, Member of the Board of Directors (non-executive member).

5) Christos Siatis of Panagiotis, Member of the Board of Directors (non-executive member).

6) Christos-Alexis Komninos of Konstantinos, Member of the Board of Directors (non-executive member).

7) Petros Fronistas of Christos, Member of the Board of Directors (non-executive member).

8) Georgios Samothrakis of Panagiotis, Member of the Board of Directors (independent non-executive member).

9) Myrto Papathanou of Christos, Member of the Board of Directors (independent non-executive member).

10) Spyridoula Maltezou of Andreas, Member of the Board of Directors (independent non-executive member).

11) Nikitas Glykas of Ioannis, Member of the Board of Directors (independent non-executive member).

## Election of the Chairman of the Audit Committee

Following the election of a three-member Audit Committee by the Extraordinary General Meeting of Shareholders of 11 February 2021 and the appointment of the persons holding the positions of its members, the Audit Committee at the meeting of 16 February 2021 decided the election of Mr. Georgios Samothrakis of Panagiotis, Independent Non-Executive Member of the Board of Directors of the Company, as its Chairman, in accordance with the provisions of article 44, par. 1, Law 4449/2017, as in force today.

<u>Following the above, the Audit Committee was constituted into a body as follows:</u>

1) Georgios Samothrakis of Panagiotis, Independent Non-Executive Member of the Board of Directors, Chairman of the Audit Committee.

2) Konstantinos Kotsilinis of Eleftherios, third party - non-Member of the Board of Directors, Member of the Audit Committee.

3) Konstantinos Gianniris of Ioannis, third party - non-Member of the Board of Directors, Member of the Audit Committee.

It is noted that from the above Members of the Audit Committee, Messrs. Georgios Samothrakis of Panagiotis and Konstantinos Kotsilinis of Eleftherios, i.e. the majority of the members of the Audit Committee, meet the required by the current regulatory framework (article 4, par. 1 of the effective until 17.07.2021 Law 3016/2002 and article 9, par. 1 and 2 of Law 4706/2020) conditions and criteria of independence.

## Appointment of New Head of the Internal Audit Department

According to the decision of 12.03.2021 of its Board of Directors, Mr. Lambros Apostolopoulos was appointed as Head of the Internal Audit Department (Unit).

Mr. Apostolopoulos meets the requirements of the current legal framework (article 15 of Law 4706/2020), i.e. he is full-time and exclusively employed, has personal and functional independence, is not a member of the Board of Directors or a member with the right to vote in standing committees of the Company, has no close relations with anyone who holds one of the above capacities in the Company and has the appropriate knowledge and relevant professional experience to assume the above position.

Mr. Apostolopoulos is a graduate of the Athens University of Economics & Business and of University of Portsmouth, has a 14-year active experience in internal audit and is a certified Internal Auditor.

Mr. Apostolopoulos assumed his duties as Head of the Internal Audit Department on 17/03/2021.

## Expiration / Completion of the Stock Repurchase Plan

On 22 March 2021, the Company announced the expiration / completion of the Stock Repurchase Plan in accordance with the provisions of article 49 of Law 4548/2018, as in force, by the Extraordinary General Meeting of Shareholders of March 19th, 2019 (extensive reference to this plan is presented in Section V. of the current Report).

## Establishment of Committees of the Board of Directors

The Board of Directors of the Company during its meeting on 22nd March 2021, in the context of the proper, accurate and timely information of the investors' community, and for the purposes of a substantial, effective and appropriate compliance and harmonization of the Company with the regulations of articles 11 and 12 of Law 4706/2020 regarding the Committees of the Board of Directors, and also with the parallel adoption of best corporate governance practices, decided the following:

(a) the abolition of the existing Committee for Benefits and Promotion of Nominations (CBPN) and its replacement by the Remuneration and Nomination Committee,

(b) the establishment of the Strategy and Investment Committee,

(c) the establishment of the Environmental, Social Responsibility and Corporate Governance Committee, and finally

(d) the establishment of the Human Resources Committee

The Board of Directors during the above meeting appointed the members and set the responsibilities of these committees. Extensive reference to the above is made in Section X. Corporate Governance Statement of this Report and in particular in paragraph VI. Board of Directors and Committees.

## Distribution of Dividend for the Financial Year 2021

The Board of Directors of the Company intends to propose to the Ordinary General Meeting of Shareholders the distribution of a dividend. However, taking into account the conditions that are constantly reshaped as a result of the Covid-19 pandemic, it will reconsider its position until the time of the General Meeting.

There are no other events subsequent to the date of the Balance Sheet, which affect the financial statements of the Group.

**The Financial Statements have been prepared in accordance with the International Financial Reporting Standards as they have been adopted by the European Union, were approved by the Board of Directors on 8 April 2021 and are signed by the representatives of such.**

| The Chairman of the BoD | The Chief Executive Officer | The CFO | The Chief Accountant |
|---|---|---|---|
| KONSTANTINOS ST. CHALIORIS | DIMITRIOS P. MALAMOS | DIMITRIOS V. FRAGKOU | FOTINI K. KYRLIDOU |
| ID NO. AM 919476 | ID NO. AO 000311 | ID NO. AH 027548 | ID NO. AK 104541<br>Accountant Lic.<br>Reg. No. 34806<br>A' CLASS |

# V. ONLINE AVAILABILITY OF THE ANNUAL FINANCIAL REPORT

The Annual Financial Statements of the Company, the Audit Report of the Chartered Auditor-Accountant and the Management Report of the Board of Directors, as well as the Annual Financial Statements, the reports of the Chartered Auditor-Accountant and the Reports of the Board of Directors of the companies that are incorporated in the consolidated financial statements of "THRACE PLASTICS CO SA" are registered on the internet at www.thracegroup.gr.

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THRACE GROUP