

THRACE PLASTICS CO S.A.

ANNUAL FINANCIAL REPORT

01/01-31/12/2021

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

General Commerce Reg. No. 12512246000

**Domicile: Magiko, Municipality of Avdira
Xanthi Greece**

**Offices: 20 Marinou Antypa Str.
174 55 Alimos, Attica Greece**

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www.thracegroup.com

 **THRACE GROUP**

Information regarding the preparation of the Annual Financial Report for the period from January 1st to December 31st 2021

The present Financial Report, which refers to the period from 1.1.2021 to 31.12.2021, 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 12th, 2022, 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.

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 2021 to December 31st 2021, were prepared in accordance with the accounting standards in effect, accurately present the Assets and Liabilities, Equity and Financial 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 2021 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 they are facing.

Xanthi, 12 April 2022

THE UNDERSIGNED:

**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. Chaliotis

Dimitris P. Malamos

Vasileios S. Zairopoulos

▶ II. ANNUAL REPORT BY THE BOARD OF DIRECTORS OF THRACE PLASTICS CO S.A. ON THE FINANCIAL STATEMENTS OF THE YEAR FROM 1-1-2021 TO 31-12-2021

INTRODUCTION

The present Annual Report by the Board of Directors (hereinafter called as "Report") refers to the fiscal year 2021 (01.01.2021 – 31.12.2021). 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 subsidiaries or affiliates. 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 2021 financial statements, the required by law data and statements in the Annual Financial Report, which concern the financial year ended on 31 December 2021.

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 2021

Below, the most significant events that took place during the fiscal year 2021 are presented:

Macroeconomic Environment and Impact of COVID-19

Global macroeconomic conditions have been affected for another year by the recurring waves of the COVID-19 pandemic, particularly in Europe, with alterations between gradual easing of restrictive measures and re-adoption of such measures within the year. Therefore, it is obvious that the evolution of the pandemic was an important determinant of the economic and business environment, creating at the same time conditions of uncertainty but also business opportunities.

At the same time, in the last months of year there has been the phenomenon of rising inflation pressures in most world econo-

mies and the constantly increasing prices on the cost base of industrial production, i.e. price increases in raw material prices, in secondary materials and packaging materials, in energy costs and transportation costs, while there is still limited evidence of a potential reversal of the above price pressures.

The above on the one hand generate challenges, which the Group already faces and will continue to face in the near future and on the other hand create conditions of uncertainty regarding the course of the economies and their growth patterns.

I. Impact of the pandemic on the operation of the Group for the financial year 2021

In this extremely difficult environment as described above and in view of the significant disruptions in global supply and demand forces, the business and economic activity as well as operation of the Group has not been adversely affected to date and the Group continues to effectively overcome the existing challenges.

Regarding the operation of production, all production units within the Group continued to operate smoothly for the entire year 2021, 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.

The fiscal year 2021 was a year of especially strong financial performance as the Group achieved a higher profitability by successfully offsetting the negative impact from the significant increase seen in raw material costs and the volatility observed in terms of market demand. More specifically, the following were observed during the year:

- Increase of demand for products in the construction sector.
- Significant demand in the infrastructure and agricultural sector.
- Significant demand for products related to personal protection and health, especially during the first months of the year, but with a significant decline

in the second half.

- Gradual increase of raw material prices, while their high levels remained throughout the year. In individual cases some additional increases were observed, depending on the type of raw material and the geographical area.
- Constantly increasing energy costs, especially during the last quarter of the year, in all countries which the Group is operating in.
- Significantly higher transportation costs with significant lack of capacity in both available ground transport and containers.
- Significantly increased cost with regard to auxiliary materials as well as and packaging materials.

In financial terms, however, the Group managed to increase its turnover from continuing operations, taking advantage of its production capacity, its ever-growing global network of customers and the business opportunities that arose. The above resulted in sales for 2021 of € 428.4 million, an increase of 26.1% compared to 2020, mainly due to increasing selling prices, Earnings before Taxes (EBT) from continuing operations of € 83.9 million, an increase of 61.1% compared to the year 2020. It should be noted that according to estimates of the Management for the year 2021, Earnings before Taxes at the Group level, related to the products of the existing portfolio used in personal protection and health applications, amounted to € 51.8 million. (see note 3.3 of the financial statements).

Regarding the liquidity levels of the Group

and the trading cycle of the subsidiaries, there was no negative impact due to the pandemic crisis. On the contrary, during the year 2021, the Group achieved the further strengthening of its liquidity, recording a Net Cash of € 9.3 million, as cash and cash equivalents exceeded its debt liabilities.

Regarding the investment plan, the implementation of the Group's already planned investments is progressing smoothly. The investment plan for 2022, exceeds €40mil. on cash basis. The investments will be made mainly at the Group's facilities in Greece, but also in other countries of activity.

It is worth mentioning that the new investment plan in its entirety, but also the existing investment actions are fully aligned with the implementation of the Group's sustainability policy, in the context of its stable, long-term, sustainable growth.

From the above it is clearly demonstrated that for the year 2021, the Group did not experience any negative, from a financial point of view, consequence both in its financial results and in its trading cycle and therefore, it did not encounter any financial risk, which would adversely affect its business continuity. On the contrary, the Group managed to achieve historically high profitability, which will be the basis of its further growth in the coming years.

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 continues to maintain in full implementation mode a plan to ensure the health and safety of its personnel as well as the smooth business continuity of the entire 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 have been implemented:

- Establishment of sub-crisis management teams with the participation of the Management teams of the subsidiaries and the Group, the Human Resources Departments, 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, preventively and as appropriate.
- Remote work for office employees to the greatest possible extent.
- Protection of employees belonging to vulnerable groups, by facilitating their immediate removal from the premises, without curtailing their remuneration.
- Development of specific procedures and protocols for all visitors to the Company's facilities (carriers, contractors, technicians, etc.)
- Conducting meetings among the employees of all Companies as well as the Management of the Group and conducting Board of Directors' meetings between the Board of Directors without physical presence and by 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.
- Adherence to the required medical protocols, in case of illness of an employee or simple contact with an infected case, in collaboration with the occupational physician.
- Continuous monitoring of liquidity and the transaction cycle of the Group companies.
- Weekly meetings among the Management of the subsidiaries and the Group, the Human Resources Department, the Occupational Physicians and the Safety Technicians in order to maintain and enrich the protection measures as well as the monitoring process of vaccinations and infections.

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 current Report.

III. Assessing the impact of the pandemic in the future and prospects of the Group

Regarding the prospects for the year 2022, the Management closely monitors the macroeconomic developments, on a global level, which are characterized by the significantly **stronger inflationary trends**, throughout the economy but also in all cost items that constitute the industrial sector's cost base, and by **the ongoing war between Russia and Ukraine**, which is substantially aggravating the economic environment. As a result of the above developments, there is a lag in demand in various sectors of the economy, combined with the presence of significantly higher prices of both raw materials as well as energy and transportation costs.

Regarding the first quarter of 2022, the Management of the Group remains optimistic for its satisfactory performance, given the difficult conditions prevailing in the current period. It is estimated that a significantly stronger profitability will be achieved, compared to the corresponding period before the pandemic, but it will settle lower than the profitability of the corresponding period of the previous year. However, the comparison with the previous year becomes extremely difficult to be substantiated, due to the extraordinary circumstances of both that period and the current one. Specifically concerning the impact of the war, it should be noted that the Group's sales volume in Russia and Ukraine for 2021 was immaterial (0.6% of sales), but it is not clear how the ongoing war conflict will affect more broadly the supply and demand conditions in the market.

Regarding the course of 2022 as a whole, the very challenging as well as volatile macroeconomic environment described above makes especially difficult the development

of any financial estimates, since the visibility for the financial results and the level of demand in the coming months remains extremely limited. However, the great effort made by the Management of the Group as well as the Management of the subsidiaries in all the countries of operation, creates conditions of reserved optimism that the Group will be able to implement its strategic plans and to maintain to a significant extent the profitability from the traditional portfolio that was formed in 2021. This will be also demonstrating that the Group has entered a new era, characterized by significantly higher profitability compared to pre-pandemic levels. It should be noted, however, that although the implementation of this plan is the fundamental goal of the Management, the extremely uncertain conditions that arise at the time of preparation of the annual report are likely to redefine the annual performance estimates made by the Management in the coming months of the year.

At the same time, the Group's Management is working in seamless manner **towards the implementation of the new strategy**, the extraordinary investment actions that have been decided, as well as the implementation of the **new annual investment plan for 2022**. As already announced, the Group's priority is the development of new products as well as the access to new markets, the emphasis on improving profitability, the further cost reduction and consequently the increase in competitiveness and the targeted increase in production capacity in both key sectors of activity. At the same time the Group implements important actions regarding recycling and the circular economy, actions that are an integral

part of the Group's strategy and will form new dynamics for the future. It is worth noting that **for the period 2020 - 2022, the total investment plan of the Group, on a cash basis, will amount to € 101 million.**

Regarding the level of liquidity of the Group, which in 2021 settled at significantly higher levels, it is estimated that it will remain at similarly high levels. However, the full implementation of the extensive investment plan, the greatest part of which will be disbursed in 2022, is mainly carried out via the utilization of own funds and therefore the Net Cash is likely to return to Net Debt. The utilization of excess liquidity for the implementation of actions that will contribute to the further long-term development and viability of the Group, is estimated to be from any perspective the most appropriate use of this capital, both in terms of sound management and in terms of required return.

The Management of the Group is confident that the overall implementation of the respective investment plans but also of the broader strategy creates conditions for the

Group to gradually enter into a new era of development, improvement of infrastructure, further expansion of activities and improvement of profit generation, compared to the pre-pandemic levels. At the same time, the strengthening of the Group's financial position is the basis for the implementation of the future investment plans, as they will be unveiled in the coming years, actions that in turn will contribute to the successful implementation of the new strategy, always within the framework of profitable sustainable development.

Despite the fact that the current conditions in the global market place create significant volatility, making any assessment regarding the impact of the pandemic on the commercial activity and the financial results of the Company and the Group uncertain, the Group's Management estimates that neither the Group nor any of its individual activities face any potential threat in terms of cessation of business activity (going concern).

IV. Climate related issues

The Company recognizes the risks and the impact that may arise in its business activity from the climate change, such as the occurrence of extreme weather events or rising temperatures, which may affect the production process and lead to significant changes in its activities as well as to abrupt changes in the Group's income and expenses in the short, medium and long term horizon. In order to mitigate the risks arising from climate change, but also to achieve positive financial results for both the Group and its broader environment, the Company adapts its business model to reduce its environmental footprint (direct

emissions, energy consumption, use of recycled material, waste management) and focus on the development of innovative products and services, applying the principles of the circular economy. Therefore, it has formulated a detailed strategic plan of specific actions, which are already being implemented. More details can be found in the non-financial information section of this report as well as in the following link:

<https://www.thracegroup.com/gr/el/sustainability/>.

V. Expected Credit Losses

There are no expected credit losses as a result of the current conditions and circumstances. In any case, according to the established policy, most of the companies' sales remain insured, while additional measures have been taken to ensure the Group car-

ries out transactions with reliable customers (credit risk assessment, credit scoring, advances, etc.). More information on credit risk can be found in Chapter 3.32.2.

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 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 condi-

tions 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 Chaliotis 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 Shiatis 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 11th 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 Shiatis 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.

The new 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) into body.

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.

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 and after a relevant proposal made by the Audit Committee, 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 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.

Establishment of Committees of the Board of Directors

The Board of Directors of the Company during its meeting on 22nd March 2021, 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.

Annual Ordinary General Meeting of the Company's shareholders

The Annual Ordinary General Meeting of the Company's shareholders, which took place on **May 21, 2021** remotely in real time via videoconference, decided the following among others:

- a) the allocation (distribution) of income for the financial year 2020 (01.01.2020-31.12.2020) and specifically the General Meeting approved the distribution (payment) of a total dividend of Euro 6,947,002.24 (gross amount) to the shareholders of the Company from the earnings of the closing financial year 2020, or 0.158820 Euros per share (gross amount), which after the increase corresponding to the 322,688 treasury shares held by the Company and which are excluded from the payment of dividend, will amount to **0.16 Euros per share (gross amount)**.

The Company's shareholders registered in the records of the Dematerialized Securities System (SAT) as of Thursday 27 May 2021 (record date), were those entitled to receive the above dividend.

Wednesday 26 May 2021 was set as the ex-dividend date according to the relevant article 5.2 of the Athens Exchange Regulation.

The payment of dividend commenced on Wednesday 2 June 2021, and was implemented through the Societe Anonyme under the name "PIRAEUS BANK S.A.", according to the procedure stipulated by the Regulation of the Athens Exchange in effect.

- b) the approval by majority of the Remuneration Report, which was prepared in accordance with the provisions of arti-

cle 112 of Law 4548/2018. The Report contains a comprehensive overview of the total remuneration of the members of the Board of Directors (executive and non-executive), and explains how the Remuneration Policy of the Company was implemented for the immediately

preceding financial year.

The decisions of the General Meeting of Shareholders are posted on the Company's website at the link <https://www.thracegroup.com/gr/el/general-meetings/>

Commencement of Share Buy-Back Plan

The Management of the Company in application of the decisions of the Annual Ordinary General Meeting of the shareholders of May 21st, 2021 and of the Board of

Directors of June 4th, 2021, announced on June 7th, 2021 the commencement of the share buy -back plan.

New investment program of € 25.5 million with an emphasis on the production facilities of Xanthi

The Board of Directors of the Company, following a relevant proposal by the Management, approved a new, extraordinary investment plan. More specifically, the Management, taking into consideration the broader market conditions as well as the strong cash position of the Group, proposed the immediate implementation of the above extraordinary investment plan, which is an additional investment compared to the current investment plan of 2021, or any other additional investment plan potentially approved at a later time.

The new investment plan is oriented towards the Sustainable & Profitable Development of the Group, with a focus on the following strategic pillars: further reduction of production costs and boost of competitiveness, improvement of profit margins, vertical integration of production processes and with parallel emphasis on the circular economy and finally, further reduction of the environmental footprint.

The individual actions of the new investment plan that will be implemented at the Group's facilities, in Xanthi, Greece, are summarized as follows:

- **investment in mechanical fiber production equipment:** fiber is a basic raw material for the production of non-woven needle punch fabrics. Needle Punch fabrics aim at a variety of applications in the sectors of infrastructure and construction, agriculture, automotive, etc.
- **investment in mechanical recycling equipment** in order to increase the recycling capacity with regard to finished products or plastic waste, both from internal production and operating processes as well as from third party sources. This action is in line with the commitment of the Group calling on the one hand for the use of more recycled raw materials and on the other hand for further reducing the environmental footprint of its final products.
- **investment concerning the installation and commissioning of photovoltaic systems** to cover part of the energy needs of the Group's production plant complex in the area of Xanthi, Greece (net metering), with a

targeted power capacity of 1.5 MW, demonstrating its commitment towards sustainable development, in the context of achieving energy savings and for further reducing the environmental footprint.

- **investment in infrastructure (land and buildings)**, which will create conditions that are conducive to efficiency gains of the production plants, but will also prepare the ground for future development of the business activity and profitability of the Group's companies.

Moreover, under the above extraordinary investment plan, the following will take place at Don & Low's facilities in Forfar, Scotland:

- **investment in mechanical laminating equipment** to increase production capacity with regard to the further processing of non-woven Spun bond fabrics, in order to achieve higher profit margins.

- **investment in mechanical recycling equipment** to increase the recycling capacity with regard to finished products or plastic waste, both from internal production and operating processes as well as from third party sources.

- **investment in infrastructure (land and buildings)**, which will create conditions that are conducive to efficiency gains of the production plant, but will also facilitate the future development of the business activity and profitability of the company.

The new investments amount in total to € 25.5 million, of which € 21.4 million concern the investments that will be implemented in the production facilities of the Group in Xanthi, Greece and € 4.1 million concern the investments in the Group's subsidiary in Scotland, whereas all are being related to the field of Technical Fabrics. The financing of this new investment plan will be carried out mainly with own funds.

Election of a new member of the Board of Directors to replace the resigned Director - Reconstitution of the Board of Directors into a body

The Board of Directors of the Company, during its meeting as of July 28th, 2021 and following the relevant proposal made by the Company's Remuneration & Nomination Committee which took place in accordance with the applicable Policy of Suitability and the procedures applied by the Company, elected:

Mr. Athanasios Dimiou of Georgios as non-executive member, in replacement for the remaining term of the resigned non-executive member of the Board of Directors Mr. Petros Fronistas of Christos.

The above replacement and the election of the specific non-executive member of

the Board of Directors will contribute to the further strengthening of the Board of Directors, in particular with the new member's many years of experience and specialized knowledge in the field of plastics and specifically in production technologies, while this replacement takes place in the context of the Company's decision for the substantial and more effective adaptation of its organization to the requirements and regulations of the new Law 4706/2020 (Government Gazette AD 136 / 17.07.2020) on corporate governance and is harmonized with the provisions of the particular law on suitability.

The election of the above new non-executive member of the Board of Directors is going to be announced, in accordance with the provisions of the law and the Company's Articles of Association, at the next General Meeting convened by the Company's shareholders.

Following the above, the Board of Directors of the Company was reconstituted into a body for the remainder of its term, i.e. until February 11th, 2026, as follows:

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. Athanasios Dimiou of Georgios, **Member of the Board of Directors (non-executive member)**.
5. Vassilios Zairopoulos of Stylianos, **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. Christos Shiatis of Panagiotis, **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)**.

Completion of the Process concerning the Sale of the Industrial Property of the fully owned, by 100%, subsidiary Thrace Linq INC.

The Management of the Company, following the relevant announcements on 24.04.2020, 18.06.2020, 28.08.2020 and 17.06.2021, in relation to the transfer –due to the respective sale by its 100% subsidiary company Thrace Linq INC.-- of the privately owned industrial property, which is located in South Carolina, U.S.A., after the final cessation of the production operation of the above subsidiary, informed the investor community on 18/08/2021 about the following: After the collection of the entire remaining part of USD 3.5 million (plus the interest due and related expenses), and the consequent abolition of any impediments associated with this particu-

lar repayment, the sale transaction with regard to the above property was completed and consequently the transfer of the property became certain and final.

It is reminded that the total consideration with regard to the above sale transaction amounted to USD 14.5 million, the greatest part of which (i.e. USD 11 million) had been collected at the time of the transfer agreement of the property (i.e. on 15/06/2020).

It is noted that as a result of the completion of the above sale transaction of the property as per above, the Group recorded an extraordinary profit for the year 2021,

amounting to USD 7.78 million (i.e. approximately EUR 6.57 million).

The finalization of sale of the property of the fully owned by 100% subsidiary Thrace Linq INC. has completed in the most beneficial way for the Group its action plan regarding the cessation of the production

activities of the specific subsidiary. At the same time, the Group continues to serve uninterruptedly the geotextile market in America from the Group's facilities in Europe and from Lumite INC., a joint venture of the Group in the U.S.A., gradually strengthening its position in the particular market as well.

Replacement of the Officer of Investor Relations and Corporate Announcements Department

The Board of Directors of the Company, with a relevant decision, has appointed Mr. Dimitrios Fragkou of Vassilios as the Officer of the Investors Relation and Corporate Announcements Department of the Company in replacement of Mrs. Ioanna Karathanasi

daughter of Paraskevas, due to the withdrawal of the latter from the Company.

Mr. Dimitrios Fragkou took over his duties as the Officer of the Investors Relation and Corporate Announcements Department on September 13, 2021.

Donation of surgical masks

Thrace Plastics Group actively supported the effort of the National Hellenic Wheelchair Basketball Team to claim the highest possible distinction and awarded 3,000 certified disposable surgical masks, cover-

ing the needs for increased protection as part of the organization of the 14th European Men's Wheelchair Basketball Championship, which was held at the Peace and Friendship Stadium from 12-18 July 2021.

Issuance of Tax Certificate of Tax Certificate for the Fiscal Year in accordance with article 65 A of Law 4174/2013

Following the special tax audit carried out for the financial year 2020 by the statutory external auditors in accordance with article 65A of Law 4174/2013, both on the Company and its subsidiaries "Thrace Nonwovens & Geosynthetics S.A.," "Thrace-

Polyfilms S.A.," "Thrace Plastics Pack S.A.," "Thrace Eurobent S.A." and "Thrace Greenhouses S.A.," the relevant tax certificates were issued with an unqualified opinion.

Interim Dividend for the Year 2021

The Board of Directors of the Company during the meeting of September 24th, 2021 approved the distribution of an interim dividend for the financial year 2021 based on the interim financial statements for the period 01.01.2021-30.06.2021.

The Interim dividend amounted in total to 4,750 thousand Euros (gross amount), i.e. 0.108592646 Euros per share of the Company. The above amount through the increase corresponding to the 504,163 treasury shares held by the Company and

which are not entitled to an interim dividend, settled at 0.109858877 Euros per share and was subject to a withholding tax of 5%, in accordance with the provisions of Law 4646/2019 (Government Gazette A' 201/12.12.2019). Therefore, the final amount paid as Interim dividend for the year 2021 amounted to 0.104365933 Euros per share. Following the above and after the approval of the financial statements for the period 01.01.2021-30.06.2021 and especially the entry, as of 6.10.2021, in the General Electronic Commercial Regis-

try (GEMI) of the relevant announcement regarding the publication of the above financial statements, the Board of Directors of the Company at its meeting of October 14, 2021, set Wednesday, December 1, 2021 as the cut-off date for the interim dividend, Thursday, December 2, 2021 as the date of determination of the beneficiaries to the above dividend (record date), and Wednesday, December 8, 2021 as the payment commencement date. The payment of the interim dividend was made through the paying Bank "PIRAEUS BANK SA".

Appointment of new Officer of Investor Relations and Corporate Announcements Department

The Board of Directors of the Company, during its meeting as of November 18, 2021, made the appointment of Ms. Evangelia (Elina) Sideri of Georgios as the Officer of the Investor Relations and Corporate Announcements Department of the Com-

pany in replacement of Mr. Dimitrios Fragkou, who had been acting under the above capacity up until November 23, 2021.

Ms. Evangelia Sideri took over her duties on November 24, 2021.

SECTION II: Main Risks and Uncertainties

The Group's activities, in general, create several business 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, mainly consist of bank deposits, bank overdrafts, receivable accounts, payable accounts and loans. The relevant risks are monitored by the financial management teams of the subsidiaries and the parent company and a network of actions to limit such risks is accordingly being formed.

● **Risk from fluctuation of prices of raw materials**

The Group is exposed to fluctuations in the price of polypropylene (represents 52% approximately 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.

● Credit Risk

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 concern-

ing 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 Trade Receivables' balances at 31.12.2021.

Maturity of Trade Receivables' balances at 31.12.2021	Group
01 – 30 days	23,443
31 – 90 days	37,175
91 – 180 days	4,980
180 days and over	6,670
Subtotal	72,268
Provisions for doubtful receivables	(7,721)
Total	64,547

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

Analysis of not past due/overdue Trade receivables at 31.12.2021	Group
Receivables not past due	53,323
Overdue receivables 1 – 30 days	9,492
Overdue receivables 31 – 90 days	2,639
Overdue receivables above 91 days	6,814
Subtotal	72,268
Provisions for doubtful receivables	(7,721)
Total	64,547

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.

Correspondingly, the amounts of maturity and past due for the financial year 2020 are presented in the following tables.

Maturity of Trade Receivables' balances 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

Analysis of not past due/overdue Trade receivables at 31.12.2020	Group
Receivables not past 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

● Liquidity Risk

Liquidity risk monitoring focuses on the management of cash inflows and outflows on a permanent basis, so that the Group has the ability to meet its cash obligations and retain the cash reserves required for its operations. Liquidity is managed by maintaining cash and approved bank credit lines. At the date of preparation of the financial statements, unused approved bank credits were available to the Group, which are considered sufficient to handle any possible shortage of cash in the future.

Short-term bank liabilities are renewed at maturity, as they are part of the approved bank credit lines.

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

Group 31.12.2021	Up to 1 month	1-6 months	6-12 months	1-5 Years	Over 5 years	Total
Suppliers	29,665	25,484	292	-	-	55,441
Other short-term liabilities	12,723	15,891	381	-	-	28,995
Short-term debt	2,601	9,118	5,674	-	-	17,393
Liabilities from leasing (short-term part)	75	330	509	-	-	914
Long-term debt	-	-	-	33,610	-	33,610
Liabilities from leasing (long-term part)	-	-	-	1,941	120	2,061
Other long-term liabilities	-	-	-	237	-	237
Total 31.12.2021	45,064	50,823	6,856	35,788	120	138,651

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

● 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 countries outside Greece. The management of the various risks is made by the use of natural hedge instruments. In order to hedge the foreign exchange risk from customers' receivables

in foreign currency, an equal amount of borrowing is agreed in the same currency according to the management's policy and judgment.

Sensitivity analysis of the effect of exchange rate changes is given in the table below:

Foreign Currency	2021			2020		
Change of foreign currency against Euro * Profit before tax	USD	GBP	Other	USD	GBP	Other
+5%	(74)	(32)	5	(244)	(44)	(62)
-5%	81	35	(6)	270	49	68
Equity						
+5%	(218)	(1.358)	(222)	136	169	(277)
-5%	241	1.500	246	(151)	(187)	307

***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 long-term loans of the Group have been granted by Greek and foreign banks and are mainly in Euro. Their repayment time varies, depending on the loan agreement and they are usually linked to Euribor plus margin. The Group's short-term loans have been granted by various banks, with

Euribor interest rate plus margin as well as Libor interest rate plus 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	
	2021	2020
Interest rate increase 1%	(540)	(790)
Interest rate decrease 1%	540	790

● 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	
	2021	2020
Long-term debt	33,610	46,691
Long-term debt from leases	2,061	3,210
Short-term debt	17,393	26,311
Short-term debt from leases	914	2,822
Total debt	53,978	79,034
Minus cash & cash equivalents	63,240	40,824
Net debt	(9,262)	38,210
EBITDA*	110,275	69,444
NET DEBT / EBITDA*	(0.08)	0.55
EQUITY	252,250	176,109
NET DEBT / EQUITY	(0.04)	0.22

* Concerns Total Operations.

It should be noted that the Company does not have any bank debt obligations, while the balance of the debt obligations reported in its Balance Sheet refers to an intragroup loan.

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 2021
- b) Their unpaid balance at the end of the year (31.12.2021)
- 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	1,518
Thrace Nonwovens & Geosynthetics Single Person SA	1,510
Thrace Polyfilms Single Person SA	351
Thrace Plastics Pack SA	921
Thrace Ipoma A.D.	291
Synthetic Holdings LTD	161
Thrace Synthetic Packaging LTD	205
Thrace Polybulk AB	220
Thrace Polybulk AS	160
Thrace Linq Inc	303
Total	5,640

Suppliers - Liabilities	31.12.2021
Don & Low LTD	1,519

The remuneration granted to the members of Board of Directors with regard to the Parent Company amounted to € 1,812 in 2021 against € 2,115 in 2020. The remuneration of the members of the Board of Directors for the Group amounted to €

4,970 in 2021 versus € 5,339 in 2020 and relate to Boards of Directors of 21 companies and to 33 people that participate in these BoDs, and also include salaries of the executive members of the Boards, other remuneration and benefits of both

the executive and the non-executive members.

- Bank guarantees issued by banks on behalf of the Company against third parties (State owned companies, 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 31.12.2021 the outstanding amount of loans for which the Company has guaranteed amounted to € 34,844 and is analyzed as follows:

Guarantees for Subsidiaries	2021
Thrace Nonwovens & Geosynthetics Single Person S.A.	14,697
Thrace Plastics Pack S.A.	15,654
Thrace Polyfilms Single Person SA	4,493

- During the financial year 2021, the total fees paid to the Company's statutory external auditors amounted to € 600 for the Group and to € 74 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 2021.
- 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.

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 31.12.2021 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 shareholdings according to the definition of Law 3556/2007

With regards to significant shareholdings 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 31/12/2021, a percentage of 43.292% of the Company's share capital and voting rights and Mrs. Eufimia Chalioris holds, on 31/12/2021, 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 shareholdings 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, which expired on 19.03.2021. Under the above plan and until its completion, the Company acquired 318,364 treasury shares, with an average purchase price of 2.4373 Euros per share, which correspond to a percentage of 0.728% of the share capital.

The Annual General Meeting of the Company's shareholders of May 21, 2021 decided to approve a share buyback program which provided for the purchase within a period of twenty-four (24) months, i.e. no later than 21.05.2023, of a maximum of 4,341,876 common registered shares, within a price range from fifty cents of Euro (0.50 €) per share (minimum) to ten Euros (10.00 €) per share (maximum).

During the execution of the above share buyback program and in execution-implementation of the above decision of the 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 as of 16 April 2014 and of the Commission's Delegated Regulation (EU) 2016/1052 as of 8 March 2016, with the purchase of a total of 218,630 common registered shares carrying voting rights, based on an average price of EUR 6.88 per share, corresponding to 0.50% of the equity.

The Company held on 31.12.2021 a total of 541,318 treasury shares which correspond to a percentage of 1.24% of the share capital.

SECTION VI: Evolution and Performance of the Group

1. Group Financial Results

Continuing Operations

The following table depicts the Group's financial results (from continuing operations) for the year 2021 compared to the year 2020:

Financial Results of Year 2021 (CONTINUING OPERATIONS)			
<i>(amounts in thousand Euro)</i>	Year 2021	Year 2020	Change %
Turnover	428,429	339,722	26.1%
Gross Profit	140,149	105,959	32.3%
Gross Profit Margin	32.7%	31.2%	
EBIT	83,913	53,857	55.8%
EBIT Margin	19.6%	15.9%	
EBITDA	103,791	72,484	43.2%
EBITDA Margin	24.2%	21.3%	
Adjusted EBITDA	105,799	76,559	38.2%
Adjusted EBITDA Margin	24.7%	22.5%	
EBT	83,920	52,077	61.1%
EBT Margin	19.6%	15.3%	
Total EAT	65,866	41,272	59.6%
EAT Margin	15.4%	12.1%	
Total EATAM	65,436	40,663	60.9%
EATAM Margin	15.3%	12.0%	
Earnings per Share (in euro)	1.5093	0.9314	62.0%

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

Turnover **€ 428,429 (+26.1 %)**

Increase in the volume of consolidated sales by 3.37% and increase in the consolidated turnover by 26.1% compared to the year 2020. In particular and in terms of sales volume, the Packaging sector posted an increase by 8.46% and the Technical Fabrics sector recorded an increase of 1.38%, compared to the year 2020.

Gross Profit **€ 140,149 (+32.3%)**

The gross profit margin settled at 32.7% compared to 31.2% in 2020.

EBIT **€ 83,913 (+55.8%)**

The EBIT margin stood at 19.6% compared to 15.9% in the financial year 2020.

EBITDA **€ 103,791 (+43.2%)**

The EBITDA margin stood at 24.2% compared to 21.3% in 2020.

Adjusted EBITDA **€ 105,799 (+38.2%)**

The Adjusted EBITDA margin reached 24.7% compared to 22.5% in 2020.

Adjusted EBITDA does not include gains from the sale of tangible assets accounting for € 763 and impairment losses of tangible assets amounting to € 1,973 which concern the operational restructuring of Don & Low LTD. This subsidiary reduced its presence in the market of woven technical fabrics, while increasing its production capacity in the non-woven technical fabrics. Also the above calculations do not include expenses of € 798 concerning extraordinary allowance to personnel.

These expenses are summarized below:

- a. Gains from the sale of assets of Don & Low LTD (see note 3.5) amounting to € 763
- b. Impairment of mechanical equipment of Don & Low LTD (see note 3.8) of € 1,973
- c. Extraordinary allowance to personnel (see note 3.8) accounting for € 798

Earnings before Taxes **€ 83,920 (+61.1%)**

The profit margin before taxes stood at 19.6% compared to 15.3% in the financial year 2020.

Earnings after Taxes **€ 65,866 (+59.6%)**

The profit margin after taxes settled at 15.4% compared to 12.1% in 2020.

Earnings after Taxes and Non Controlling Interests **€ 65,436 (+60.9%)**

The profit margin after taxes and non controlling interests reached 15.3% in 2021 compared to 12% in 2020.

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 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 financial results in total (from Continuing and Discontinued Operations) in 2021, in comparison with the year of 2020.

Financial Results of Year 2021 (CONTINUING & DISCONTINUED OPERATIONS)			
<i>(amounts in thousand Euro)</i>	Year 2021	Year 2020	Change %
Turnover	428,429	344,806	24.3%
Gross Profit	140,149	106,217	31.9%
Gross Profit Margin	32.7%	30.8%	
EBIT	90,397	50,472	79.1%
EBIT Margin	21.1%	14.6%	
EBITDA	110,275	69,444	58.8%
EBITDA Margin	25.7%	20.1%	
Adjusted EBITDA	105,799	76,559	38.2%
Adjusted EBITDA Margin	24.7%	22.2%	
EBT	90,517	48,767	85.6%
EBT Margin	21.1%	14.1%	
Total EAT	72,457	37,956	90.9%
EAT Margin	16.9%	11.0%	
Total EATAM	72,027	37,347	92.9%
EATAM Margin	16.8%	10.8%	
Earnings per Share (in euro)	1.6613	0.8555	94.2%

2. Parent Company's Financial 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 consulting services which ensure the proper operation of subsidiaries at all levels.

Specifically for the year 2021, the Turnover of the Company concerning the provision

of the above services amounted to € 5,668 against € 4,852 in 2020, posting an increase of 16.8%. The loss before Taxes, Financial and Investment Results amounted to € 839 in 2021 compared to a loss of € 698 in 2020. Earnings before taxes for the year 2021 amounted to € 14,130 compared to € 11,743 in 2020, posting an increase of 20.3%. Finally, Earnings after taxes in 2021 amounted to € 14,114 compared to € 11,190 in 2020, recording an increase of 26.1%.

3. Financial 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 paints and other packaging materials, mainly for agricultural use.

Other

It includes the Agricultural sector and the business activity of the Parent company which apart from the investing 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 used in 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 particular 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). The Group also purchased related machinery for the production of high protection masks (FFP2).

From a commercial point of view, the Group during the previous year developed its customer base, through the available sales networks per country, based on the separate needs of the respective markets in each country, through the group subsidiaries and regardless of the reference sector. The Group acted in the above manner either by channeling the products into the retail market or by entering into agreements with the respective local health systems.

Regarding the twelve-month period of 2021, the Group continued to support, in line with the market needs, the particular sector maintaining -especially during the first half of the year- an alternative product mix which resulted into the sale of products with higher profitability. However, during

the third quarter of the year, there was a significant decline in the demand for these products and an accelerated shift of the product mix towards the traditional portfolio, which continued with an even greater pace during the last quarter of the year. Earnings before Taxes from Continuing Operations at the Group level for the year 2021 amounted to € 83.9 million, of which, according to the estimates of the Management, € 51.8 million were the result of the above market conditions and especially of the respective conversion of product mix. The above figure was allocated by € 49.9

million in the Sector of “Technical Fabrics”, and by € 1.9 million in the Sector of “Packaging”.

It should be noted that part of the specific investments that were implemented (such as the Meltblown non-woven technical fabrics production line), can be used to produce products serving other sectors and applications.

The following table summarizes the course of financial results from continuing operations of the individual sectors in which the Group activated during the year 2021:

FINANCIAL RESULTS PER SEGMENT (Continuing Operations)												
Sector	Technical Fabrics			Packaging			Other		Intra-Segment Eliminations		Group	
	12M 2021	12M 2020	% Ch.	12M 2021	12M 2020	% Ch.	12M 2021	12M 2020	12M 2021	12M 2020	12M 2021	12M 2020
Turnover	318,878	243,103	31.2%	120,007	105,718	13.5%	5,668	4,853	-16,124	-13,952	428,429	339,722
Gross Profit	113,245	74,927	51.1%	26,512	30,733	-13.7%	24	308	368	-9	140,149	105,959
Gross Profit Margin	35.5%	30.8%		22.1%	29.1%		0.4%	6.3%	-	-	32.7%	31.2%
Total EBITDA	86,148	50,494	70.6%	18,265	22,482	-18.8%	-512	-412	-110	-80	103,791	72,484
EBITDA Margin	27.0%	20.8%		15.2%	21.3%		-9.0%	-8.5%	-	-	24.2%	21.3%

4. Consolidated Statement of Financial Position of the Group

The following table summarizes the basic financial figures of the Group's financial position as of 31.12.2021:

<i>(amounts in thousand Euro)</i>	31/12/2021	31/12/2020	Change %
Tangible Assets	153,848	131,512	17.0%
Rights-of-use assets	3,051	13,197	-76.9%
Investment Property	113	113	0.0%
Intangible Assets	10,539	10,655	-1.1%
Investments in Joint Ventures	18,012	15,074	19.5%
Other Long-term Receivables	5,001	5,034	-0.7%
Deferred Tax Assets	380	287	32.4%
Total Non-Current assets	190,944	175,872	8.6%
Inventories	71,835	55,338	29.8%
Income Tax Prepaid	274	278	-1.4%
Trade Receivables	64,547	56,863	13.5%
Other Receivables	14,359	7,211	99.1%
Fixed Assets Held for Sale	0	5,478	-100.0%
Cash & Cash Equivalents	63,240	40,824	54.9%
Total Current Assets	214,255	165,992	29.1%
TOTAL ASSETS	405,199	341,864	18.5%
TOTAL EQUITY	252,250	176,109	43.2%
Long-term Loans	33,610	46,691	-28.0%
Liabilities from Leases	2,061	3,210	-35.8%
Provisions for Employee Benefits	3,499	14,191	-75.3%
Other Long-term Liabilities	6,979	2,358	196.0%
Total Long-term Liabilities	46,149	66,450	-30.6%
Short-term Debt	17,393	26,311	-33.9%
Liabilities from Leases	914	2,822	-67.6%
Suppliers	55,441	29,697	86.7%
Other Short-term Liabilities	33,052	40,475	-18.3%
Total Short-term Liabilities	106,800	99,305	7.5%
TOTAL EQUITY & LIABILITIES	405,199	341,864	18.5%

Tangible Assets **€ 190,944 (+8.6%)**

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

Current Assets **€ 214,255 (+29.1%)**

The increase in current assets by 29.8% is mainly due to the increase in turnover.

Inventories amounted to € 71,835 on 31.12.2021 higher by 29.8% compared to 31.12.2020.

The Average Inventory Turnover Days however stood at 81 compared to 88 days in 2020.

The Average Trade Receivables Turnover Days stood at 52 compared to 60 days in 2020.

Equity **€ 252,250 (+43.2%)**

Equity amounted to € 252,250, posting an increase of 43.2% compared to 31.12.2020.

Provisions for Employee Benefits **€ 3,499 (-75.3%)**

This decrease 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:

	31.12.2021	31.12.2020
Present Value of Liabilities	159,705	157,175
Present Value of Tangible Assets	157,682	144,383
Net Liability Recognized in Balance Sheet	2,023	12,792

The asset allocation of the plan is as follows:

Asset allocation	31.12.2021	31.12.2020
Mutual Funds (Stock Market)	15,471	17,130
Mutual Funds (Bond Market)	79,020	75,417
Mutual Funds (Diversified Growth Funds)	52,838	48,721
Other	10,353	3,115
Total	157,682	144,383

The assets of the plan are measured at fair value and consist of Mutual Funds of Baillie Gifford, Legal & General Investment Management as well as Ninety One plc.

Net Debt **€ (9,262)**

The Net Debt / Equity ratio stood at (0.04) compared to 0.22 on 31.12.2020, while the Net Debt / EBITDA ratio stood at (0.08), compared to 0.55 on 31.12.2020.

Suppliers **€ 55,441 (86.7%)**

The average Suppliers Turnover Ratio settled at 54 days versus 50 days in 2020.

5. Financial Ratios

Following the above analysis, some basic Financial Ratios of the Group based on the Total Operations are hereafter presented.

Capital Structure Ratios	2021	2020	Explanation
Total Liabilities / Equity	0.6	0.9	Relation between Liabilities and Equity
Net Debt / Equity	(0.04)	0.22	Relation between Debt and Equity
Net Debt/EBITDA	(0.08)	0.55	Relation between Debt and Earnings before Interest, Taxes, Depreciation and Amortization
Non-Current 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 Tangible Assets	1.6	1.2	The level of financing of the Tangible Assets from the Equity
Leverage Ratios	2021	2020	Explanation
Equity / Total Assets	0.6	0.5	Relation between Equity and Total Assets
Interest Coverage	49.4	16.3	Interest Income – Interest Expense Coverage from Operating Earnings (EBIT)
Liquidity Ratios	2021	2020	Explanation
Current Ratio	2.0	1.7	Total Current Assets / Total Short-term Liabilities
Acid Test Ratio	1.3	1.1	(Total Current Assets - Inventories) / Total Short-term Liabilities

Profit Margins (%)	2021	2020	Explanation
Gross Profit	32.7%	30.8%	Gross Profit/Total Turnover
EBITDA	25.7%	20.1%	EBITDA / Total Turnover
Adjusted EBITDA	24.7%	22.2%	Adjusted EBITDA / Total Turnover
EBT	21.1%	14.1%	Earnings before Taxes/ Total Turnover
EATAM	16.8%	10.8%	Earnings after Taxes and Minorities / Total Turnover
Receivables and Turnover (in days) total	2021	2020	Explanation
Average Receivable Turnover	52	60	$[(\text{Receivables 2021} + \text{Receivables 2020})/2] / \text{Turnover 2020} * 365 \text{ days}$
Average Inventory Turnover	81	88	$[(\text{Inventories 2021} + \text{Inventories 2020})/2] / \text{Cost of Sales 2020} * 365 \text{ days}$
Average Suppliers Turnover	54	50	$[(\text{Suppliers 2021} + \text{Suppliers 2020})/2] / \text{Cost of Sales 2020} * 365 \text{ days}$

SECTION VII: Definition and Reconciliation 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 investing 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 investing activities and taxes. The EBIT margin (%) is calculated by dividing the EBIT by the total turnover.

EBITDA (The indicator of operating earnings before financial and investing 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 tangible assets, the amortization of grants and the impairments, as well as before the financial and investing activities and taxes. The EBITDA margin (%) is calculated by dividing the EBITDA by the turnover.

Adjusted EBITDA (The adjusted indicator of operating earnings before financial and investing activities as well as depreciation, amortization, impairment and taxes).

The Adjusted EBITDA is the EBITDA less any restructuring, acquisition, merger, and other non-recurring expenses

SECTION VIII: Prospects and Outlook of the Group for the Financial Year 2022

Regarding the prospects for the year 2022, the Management closely monitors the macroeconomic developments, on a global level, which are characterized by the significantly **stronger inflationary trends**, throughout the economy but also in all cost items that constitute the industrial sector's cost base, and by **the ongoing war between Russia and Ukraine**, which is substantially aggravating the economic environment. As a result of the above developments, there is a lag in demand in various sectors of the economy combined with the presence of significantly higher prices of both raw materials as well as energy and transportation costs.

Regarding the first quarter of 2022, the Management of the Group remains optimistic for its satisfactory performance, given the difficult conditions prevailing in the current period. It is estimated that a significantly stronger profitability will be achieved, compared to the corresponding period before the pandemic, but it will settle lower than the profitability of the corresponding period of the previous year. However, the comparison with the previous year becomes extremely difficult to be substantiated, due to the extraordinary circumstances of both that period and the current one. Specifically concerning the impact of the war, it should be noted that the Group's sales volume in Russia and Ukraine for 2021 was immaterial (0.6% of sales), but it is not clear how the ongoing war conflict will affect more broadly the supply and demand conditions in the market.

Regarding the course of 2022 as a whole, the very challenging as well as volatile macroeconomic environment de-

scribed above makes especially difficult the development of any financial estimates, since the visibility for the financial results and the level of demand in the coming months remains extremely limited. However, the great effort made by the Management of the Group as well as the Management of the subsidiaries in all the countries of operation, creates conditions of reserved optimism that the Group will be able to implement its strategic plans and to maintain to a significant extent the profitability from the traditional portfolio that was formed in 2021. This will be also demonstrating that the Group has entered a new era, characterized by significantly higher profitability compared to pre-pandemic levels. It should be noted, however, that although the implementation of this plan is the fundamental goal of the Management, the extremely uncertain conditions that arise at the time of preparation of the annual report are likely to redefine the annual performance estimates made by the Management in the coming months of the year.

At the same time, the Group's Management is working in seamless manner **towards the implementation of the new strategy**, the extraordinary investment actions that have been decided, as well as the implementation of the **new annual investment plan for 2022**. As already announced, the Group's priority is the development of new products as well as the access to new markets, the emphasis on improving profitability, the targeted increase in production capacity in both key sectors of activity. At the same time the Group implements important actions regarding recycling and the circular economy, actions that are an integral part

of the Group's strategy and will form new dynamics for the future. It is worth noting that **for the period 2020 - 2022, the total investment plan of the Group, on a cash basis, will amount to € 101 million.**

Regarding the level of liquidity of the Group, which in 2021 settled at significantly higher levels, it is estimated that it will remain at similarly high levels. However, the full implementation of the extensive investment plan, the greatest part of which will be disbursed in 2022, is mainly carried out via the utilization of own funds and therefore the Net Cash is likely to return to Net Debt. This is due to the fact that the utilization of excess liquidity for the implementation of actions that will contribute to the further long-term development and viability of the Group, is estimated to be the most appropriate use of this capital, both in terms of sound man-

agement and in terms of required return.

The Management of the Group is confident that the overall implementation of the respective investment plans but also of the broader strategy creates conditions for the Group to gradually enter into a new era of development, improvement of infrastructure, further expansion of activities and improvement of profit generation, compared to the pre-pandemic levels. At the same time, the strengthening of the Group's financial position is the basis for the implementation of the future investment plans, as they will be unveiled in the coming years, actions that in turn will contribute to the successful implementation of the new strategy, always within the framework of profitable sustainable development.

SECTION IX: Events after the Financial Position Date

The following paragraphs present the important events that took place after the end of the financial year 2021 and up to the date of preparation of this Report :

Direct Impact of the War Conflict on the Financial of the Group

The war outbreak after the Russian military invasion of Ukraine creates geopolitical instability with macroeconomic consequences, the extent of which cannot yet be estimated. The Group does not have significant business activities in Ukraine and in Russia, i.e. in the areas directly affected by the war. Furthermore, the overall exposure to Ukraine and Russia is minimal. Based on the financial results of 2021, sales in these two countries stood at 0.6% of the Group's total turnover. Therefore, no direct material impact is expected on the financial performance of the Group, given the non-ex-

istence of business activity in the specific area. However, the effects on the Group's activities from the negative developments in the energy sector and from the wider macroeconomic uncertainty are closely monitored and in case the crisis is prolonged and generates stronger inflationary pressures, the Group will re-evaluate and may modify its estimates accordingly.

Appointment of Risk & Compliance Manager

The Board of Directors of the Company, during its meeting of 21/02/2022, appointed Mr. Michael Psarros of George as Head of the Department (Unit) of Regulatory Com-

pliance and Risk Management. Mr. Psarros assumed the duties as Risk & Compliance Manager on 24/02/2022.

Proposed Dividend for the Year 2021

The Board of Directors of the Company at the meeting of September 24, 2021 decided to distribute an interim dividend for the financial year 2021 based on the interim financial statements for the period 01.01.2021-30.06.2021. The distribution and payment of the above dividend took place on December 8, 2021. The Board of Directors will propose the distribution of dividend to the Annual General Meeting of Shareholders, however taking into account

the conditions that are constantly changing due to Covid-19 pandemic and the Russian invasion of Ukraine, the final amount to be proposed will be decided at a later stage and in any case prior to the date of the Annual General Meeting of Shareholders.

There are no other events after the Balance Sheet date that have a significant impact on the financial statements of the Group.

SECTION X: Corporate Governance Statement

The current Corporate Governance Statement is compiled according to the provisions of a. 152 of L. 4548/2018, and a.18 of L.4706/2020 Hellenic Corporate Governance Code and the decisions of the Hellenic Capital Market Commission issued by authorization of law 4706/2020, 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 (hereinafter called as "Statement" or "CGS") is as follows:

- I. Compliance Statement with the Corporate Governance Code
- II. Deviations from the Corporate Gov-

- ernance Code and explanation 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. Sustainable Development Report
- IX. EU Taxonomy

I. COMPLIANCE STATEMENT WITH HELLENIC CORPORATE GOVERNANCE CODE

The Company applies the principles of corporate governance, as they are defined in the current legislative and regulatory framework in general. In full compliance with the provisions of article 17 of law 4706/2020 and article 4 of Decision No. 2/905/03.03.2021 of the Board of Directors of the Hellenic Capital Market Commission, the Company proceeded based on the relevant decision of the Board of Directors dated 16.07.2021 to the adoption and implementation of the Hellenic Corporate Governance Code (hereinafter called as the "Code"), which was drafted by the Hellenic Corporate Governance Council in June 2021 and is available at: <http://www.esed.org.gr/code-listed>, to which (Code) states that it is subject including the discrepancies explicitly mentioned below.

The Company, by taking the appropriate, necessary and proper decisions and measures, proceeded to its full, effective, substantial and timely compliance and harmonization with the new provisions of Law 4706/2020 (Government Gazette A136/17.07.2020), under substantially reforming and updating the regulatory framework for corporate governance, by upgrading the required organizational structures and corporate governance processes, increasing the principle of transparency and strengthening the confidence of shareholders and the investing public in general, in order for *societe anonyms* whose shares are listed on a regulated market to meet the increased demands of the modern capital market.

II. DEVIATIONS FROM THE CORPORATE GOVERNANCE CODE AND EXPLANATION OF NON COMPLIANCE

The Company, as mentioned above, taking into account in each case the particularities of its organizational structure and operation, decided to adopt and implement the Hellenic Code of Corporate Governance.

However, in relation to the specific practices and principles established by the Code, there are currently some very limited discrepancies, for which (discrepancies) an analysis and explanation of the reasons justifying them follows, as the Code is applied on the basis of the principle "Comply or explain", which requires companies that apply the Code to either comply with all of its provisions, or to explain, with explanation, the reasons for their non-compliance

with its specific special practices, while the explanation of the reasons for non-compliance should not be limited to a simple reference to the practice with which the Company does not comply, but should be justified in a specific, definite, comprehensible, substantial and convincing manner. The company will make the necessary actions in order to comply with the Code in the following years.

In particular and on the specific discrepancy:

Assessment Report of Internal Control System

In relation to risk management and the internal control system, the Corporate Governance Statement must include, inter alia, a reference to the results / findings of the Assessment Report of the Internal Control System, the risks and the consequences of any findings, the response of the Company's Management, as well as the implementation of the plans with the relevant schedules.

According to the specifics of the decision of the Board of Directors of the Hellenic Capital Market Commission with number 1/891/30.09.2020 (GG B 4556/2020), as it is valid after its amendment by the number 2/917/ 17.06.2021 (GG B 3040/2021) Decision of its Board of Directors, which determines the time, the procedure, the periodicity and any more specific issues necessary for the implementation of the Internal Control System evaluation (hereinafter called as «ICS»), as well as the characteristics that concern the persons who carry it out, the first evaluation of the ICS must be completed by 31 March 2023 with a reference date of 31 December 2022 and a reference period from the entry into force of article 14 of law 4706/2020», namely from 17 July 2021.

Following this and consequence of the postponement of the deadline for the completion of the first evaluation of the Internal Control System from 31.03.2022 to 31.03.2023, a relevant reference and report to the most important findings of the evaluation, the risks and the consequences arising from them, as well as the response of the Company's Management to them, including the relevant action plans with clear and realistic timetables, will be carried out in the Corporate Governance Statement, which will be prepared for the next fiscal year 2022.

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

As regards to corporate governance issues, the Company applies faithfully and without any deviations the provisions of laws 4548/2018, and 4449/2017 as currently in force, as well as the Hellenic Corporate Governance Code, the provisions and regulations of which it has incorporated in its Articles of Association, its Internal Operation Rulebook, in the Rules of Procedure of the Committees, in the Manual of Internal Control and in all the individual procedures and policies it has established and implements.

At the present time there are no applicable practices in addition to the provisions of the law. Moreover, the Company applies the above provisions and the Hellenic Corporate Governance Code to the rules of procedure of its committees, in other regulations, codes, procedures and policies. Finally, it is noted that the Company is fully harmonized with the provisions of the law 4706/2020 on corporate governance.

IV. DESCRIPTION OF THE INTERNAL CONTROL 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 laws and the applicable regulatory framework are applied, as well as 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 Rules, which have been included in its Internal Operation Rulebook.

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 IT systems framework.

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.
- Proposes to the General Meeting of Shareholders to appoint the Company's External Auditors, in line with the proposition 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 according with article 112 of Law 4548/2018.

Preparation of Budget and Monitoring its Implementation at the Board of Directors 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 segment/subsidiary) and is presented to the Company's Board of Directors for approval. The reports with the

actual financial results are issued periodically, accompanied by the condensed reports including the explanations of deviations and are discussed at the Board level.

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

- *Description and guidance on managing the different operations*
- *Control points in stand-alone procedures*
- *Delegation of responsibilities*
- *Authorizations and limits of expense approvals*
- *Instructions for Controls on the main 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 and the Risk and Compliance Management Department in the context of monitoring the Annual Audit Program for the Company and the Group, which is prepared based on the relevant risk assessment.

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 postings from the Company's accounting department are performed based on a specific process that re-

quires all receipts/invoices to be original, and carry the respective original signed approvals.

- The Company maintains a tangible asset register in the tangible assets sub-system and applies depreciation rules according to the International Financial Reporting Standards and Tax Rules 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 financial results presentation is prepared per segment/subsidiary and on a consolidated Group level. This presentation is submitted to the Company's Management.
- Companies that constitute the Group follow common accounting standards and procedures in line with the International Financial Reporting Standards (IFRS).
- At the end of each period, the accounting standards of the parent and subsidiary companies prepare their financial statements according to the International Financial Reporting Standards (IFRS).
- The Statutory departments of the Group collect all the necessary data from subsidiaries and plants, consolidation entries are applied and the financial statements are prepared ac-

according to the International Financial Reporting Standards (IFRS).

- There are specific financial statements closing processes, which include deadlines for submission, responsibilities allocation and update on the required actions before submission.
- The financial statements are audited by external Certified Auditors whose work is monitored by the Audit Committee, which then proposes their approval to the Company's Board of Directors.
- The departments of Internal Audit and Risk & Compliance periodically perform audits to confirm the accuracy, completeness and correctness of financial statements.

3) IT controls

The Group IT Department is responsible for supporting the Group's and the Company's IT applications. This Department has established robust IT controls framework, which ensures the support of the short-term and also the long-term objectives of the Company and the Group.

All applicable procedures are described in detail by the Company's Internal Operation Rulebook. 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 adequate 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 Rulebook, the IT Service develops the appropriate infrastructure and ensures that

such is compatible and backed by an alternative application/system to have a back-up 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 Electronic Files:** The IT Department applies the appropriate systems that ensure the "non" leakage of the Company's and the Group's IT data.
 - **Files – Software of the Central System:** Particular emphasis is given to the access of the room where the Central System is hosted, in order to allow such access only by IT authorized employees. The access is controlled adequately and at regular basis.
 - **Files –Software of the Peripheral Systems:** Access to files and system software is provided to specific individuals with the use of personal passwords.
 - **Processes for Security of the Central and Peripheral Systems:** In the context of protecting the Group's IT system, and taking advantage of the latest technology available, the IT Department applies the most advanced security practices, such as antivirus security software, e-mail security, firewalls etc.
- The Audit Committee of the Company monitors the adequacy of the Company's Internal Control System on a continuous basis, given that:
- It has approved the Company's Internal Operation Rulebook which has incorporated the appropriate Policies, Processes and Rules that comprise the Internal Control System applied by the Company, including Group's Policies Manual, which concerns the common

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 Unit and the Regulatory Compliance & Risk Management Department of the Company. In these reports, the Company and the Group's operations are assessed as well as the adequacy of Internal Control Systems applied.

Following the above, and after the annual review/revision of the Group strategy performed by the Board of Directors of the Company at the end of the closing fiscal year 2021 (01.01.2021-31.12.2021), the main business risks faced by the Company within the industry as well as the adequacy of the internal control systems in place, the Board of Directors concludes on the following:

- the corporate strategy and the business planning are implemented properly and according to the planning of the individual Divisions, in order for the Company to continue to be distinguished for the promotion of innovative products that meet the constantly evolving and most demanding needs of its customers, creating value for its people, contributing to the local community and building relationships of trust,
- The main business and financial risk areas of the Company as well as the issues that may have a significant impact on the financial statements of the Company and Group, have been reported in detail in the relevant Section of the Board of Directors Report,
- The internal audit is carried out in ac-

cordance with the current legislative and regulatory framework and the principles of the Code of Ethics and covers the main activities of the company, in order to diagnose in time any irregularities, errors, weaknesses and possible fraud that may result in misappropriation and/or loss of assets and verify the reliability of the entity's financial figures.

The Auditing Company, which is in charge of carrying out the mandatory audit of the annual and semi-annual financial statements (separate and consolidated), as well as the issuance of the tax compliance report, provided to the Company during the closing year 2021 (01.01.2021-31.12.2021) and the following non-audit services:

- (a) Remuneration Report (art. 112, L.4548/2018) for the parent company
- (b) Report on agreed upon procedures regarding "Certificate of Conformity" of "Thrace NonWovens & Geosynthetics S.A." to "EUROBANK SA", "NATIONAL BANK OF GREECE" and "ALPHA BANK" on 31.12.2020.
- (c) Execution of agreed upon procedures regarding the Procedure for Inclusion of Beneficiaries in Categories of Reduced Charges of Special Fee for Reduction of Gas Pollutant Emissions (ETMEAP), in the context of the decision of the Deputy Minister of Environment and Energy "Government Gazette with Number B' 3152-30.07.2020" for the period from 01-01-2016 to 31-12-2018.
- (d) Report on agreed upon procedures regarding the "Certificate of Conformity" of "Thrace Polyfilms SA" to "EUROBANK", "PIRAEUS BANK", "NATIONAL BANK OF GREECE" and "ALPHA BANK" on 31.12.2020.

However, the fact that the Auditing Company provided the above services (non-audit) had no effect, direct or indirect, on the independence, objectivity, integrity, reliability and effectiveness of the statutory audit, as the provision of the specific services took place from a different team of the said Auditing Company and from other persons, who have no involvement and participation in the process of con-

ducting the statutory audit of the financial statements (annual and semi-annual, corporate and consolidated) where appropriate or are implemented under adequate safeguards and rules and by nature these services cannot jeopardize their independence, which is additionally ensured by strict internal procedures and protocols applied by this Auditing Company.

V. INFORMATION REGARDING THE COMPANY'S CONTROL FRAMEWORK (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 shareholdings (including indirect shareholdings 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 on 31-12-2021 owned a percentage of 43.292% of the Company's share capital and voting rights and Mrs. Effimia Chaliori owned a percentage of 20.851% of the Company's share capital and voting rights on 31-12-2021. No other individual or legal entity owns a percentage over 5.00% of the Company's share capital and voting rights. Data regarding the number of shares and voting rights of individuals owning significant shareholding, 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 derive from the titles are distinguished from the ownership of the titles

The Company's Articles of Association provides no limitations to voting rights deriving 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 called as "the BoD") 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. The Board members are not 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 General Meeting 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. Vassilios Zairopoulos of Stylianos,
5. Christos Shiatis of Panagiotis,
6. Christos-Alexis Komninos of Konstantinos,
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 of Ioannis who meet in their entirety the criteria of independence set by the existing legal provisions (article 9, par.1 and 2 of Law 4706/2020):

- (a) do not hold directly or indirectly a percentage of voting rights greater than 0.5% of the Company's share capital; and
- (b) are free from any dependent relationship with the Company or persons affiliated with it and do not maintain any financial, business, family or other relationship, which may affect their decisions and their independent, objective and impartial judgment.

The minutes of 11.02.2021 of the Extraordinary General Meeting of the Company's shareholders regarding the election of

a new Board of Directors as well as the minutes of 11.02.2021 of the Board of Directors on its formation in a body and granting commitment and representation rights of the Company were registered in the General Commercial Register (G.E.M.I.) on 01.03.2021 with Registration Code Numbers 2491236 and 2491237 respectively, issued in relation to it with protocol number 2336381/01.03.2021 of the relevant announcement of the Ministry of Development and Investment (General Secretariat of Commerce & Consumer Protection, General Directorate of Market, Directorate of Companies, Department of Supervision of Listed SAs & Sports SA).

The Company has adopted and implements the Procedure for Ensuring Independence and Disclosure of Dependent Relationships of the Independent Non-Executive Members of the Board of Directors in accordance with the current legal framework. The purpose of this Procedure is to ensure that the Independent Non-Executive Members of the Board of Directors comply with the criteria of independence and any dependent relationships of themselves or persons who have close ties with these persons are notified to the Company.

The BoD take all necessary measures to ensure compliance with the above Independence Criteria. The BoD with the support of the Remuneration and Nomination Committee and the Department of Compliance & Risk Management reviews the fulfilment of the Independence Criteria of the Independent Non-Executive Members at least annually per financial year and before the publication of the annual Financial Report, in which it includes the relevant verification. In the event that during the audit of the fulfilment of the independence criteria or in case at any time it is ascertained that the independence criteria have ceased to

exist in the person of any Independent Non-Executive Member or this Member makes a relevant statement to the Company, the BoD takes the appropriate steps to replace him/her without delay, on the recommendation of the Remuneration and Nomination Committee.

Each Independent Non-Executive BoD Member submits to the Remuneration and Nomination Committee annually, an affirmation statement regarding the fulfilment of the criteria of independence by him/her, without however the Company being satisfied exclusively with the submission of the declaration according to the above.

The Board of Directors of the Company, after a thorough examination with the assistance of the Remuneration and Nomination Committee for the fulfilment by the independent non-executive members of the independence conditions defined by article 9 par. 1 and 2, declares and confirms that both during the fiscal year 2021 (01.01.2021-31.12.2021) and on the date approval of the present, the independent non-executive members, and in particular Messrs. Theodoros Kitsos, Georgios Samothrakis, Myrto Papathanou, Spyridoula Maltezou and Nikitas Glykas, fully meet the criteria of independence set by the current legislative and regulatory framework in general.

The Board of Directors of the Company, during its meeting of July 28, 2021 and following the relevant recommendation of the Remuneration and Nomination Committee of the Company, which took place in accordance with the applicable Suitability Policy and the procedures applied by the Company, elected Mr. Athanasios Dimiou of Georgios as a non-executive member, in replacement for the remaining term of the resigned non-executive member of the Board of Directors Mr. Petros

Fronistas of Christos.

The election of the above new non-executive member of the Board of Directors will be announced, in accordance with the provisions of the law and the Articles of Association of the Company, at the next General Meeting of the Company's shareholders.

Following the above, the Board of Directors of the Company was reconstituted into a body for the remainder of its term, namely until February 11, 2026.

The minutes of 28.07.2021 of the Board of Directors on the election of Mr. Athanasios Dimiou to replace and for the remainder of the term of the resigned member Mr. Petros Fronistas, and on re-composition in a body were registered in the General Commercial Register (G.E.M.I.) on 03.08.2021 with Registration Code 2596045, issued in relation to it with protocol number 2415279/03.08.2021 of the relevant announcement of the Ministry of Development and Investment (General Secretariat of Commerce & Consumer Protection, General Directorate of Market, Directorate of Companies, Department of Supervision of Listed SAs & Sports SA).

The following table presents the members of the eleven-member (11-member) Board of Directors in effect, as long as active BOD members during 2020 - 2021:

<i>Member</i>	<i>Position in the Board</i>	<i>Date of election/ appointment</i>	<i>Expiry of tenure</i>
Konstantinos Chaliouris	Chairman, Executive Member	11.02.2021	11.02.2026
Theodoros Kitsos	Vice Chairman, Independent non-executive member	11.02.2021	11.02.2026
Dimitrios Malamos	Chief Executive Officer, Executive member	11.02.2021	11.02.2026
Vassilios Zairopoulos	Non-executive member	11.02.2021	11.02.2026
Christos Shiatis	Non-executive member	11.02.2021	11.02.2026
Christos-Alexis Komninos	Non-executive member	11.02.2021	11.02.2026
Athanasios Dimiou	Non-executive member	28.07.2021	11.02.2026
Georgios Samothrakis	Independent non-executive member	11.02.2021	11.02.2026
Myrto Papathanou	Independent non-executive member	11.02.2021	11.02.2026
Spyridoula Maltezos	Independent non-executive member	11.02.2021	11.02.2026
Nikitas Glykas	Independent non-executive member	11.02.2021	11.02.2026
Petros Fronistas	Non-Executive member	11.02.2021	09.07.2021

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

Particularly and in accordance with the above, the Board of Directors of the Company consists of:

- 2/11 (18.18%) executive members
- 4/11 (36.36%) non-executive members
- 5/11 (45.45%) independent, non-executive members
- 2/11 (18.18%) women (fulfilling however the requirements of Article 3, of L.4706/2020, for adequate representation per gender in the Board of Directors).

It is pointed out that the composition of the new Board of Directors is fully harmonized with the requirements, criteria and regulations of the new law 4706/2020 on corporate governance.

Furthermore, the composition of the new Board of Directors of the Company fully covers the proper and effective exercise of its duties and responsibilities, reflects the size, organization and mode of operation of the Company, achieves adequate staffing of both existing and new Committees instituted to strengthen the supervisory role of the Board of Directors, and is distinguished for the diversity of knowledge, skills, qualifications and experience, elements which can contribute decisively to the promotion and achievement of business goals and plans of the Company.

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

Given the fact that 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.

The Company has a Suitability Policy for the members of the Board of Directors, which is approved by its Board of Directors and includes at least the provision of diversity criteria for the selection of the members of the Board of Directors and the Senior Executives.

The Suitability Policy, which was approved by the Annual Ordinary General Meeting of Shareholders on May 21, 2021, is posted on the Company's website www.thracegroup.com, while its scope includes the members of the Board of Directors (executive, non-executive, independent non-executive) as well as the members of the Board Committees.

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 42 and 78 years old).

The members, in their majority, are holders of graduate and postgraduate degrees of domestic as well as of 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 Senior Executives 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 presence of two women among the members of the Board of Directors covers the statutory percentage (25%) of adequate representation by gender.

The Board of Directors

Members	Gender / Age		Education	Nationality		Independence
						
11 Members	9 Men	2 Women	Specialization	9 Greek	2 Other nationality	45.45% Independent non-executive members
	42-78 years old					

The Company, in the context of the adoption of the best corporate governance practices provided by the new CCG, ensures the application of the diversity criteria included in the current and approved by the annual Ordinary General Meeting of shareholders on May 21st 2021 Suitability Policy not only among the members of its Board of Directors, but also to its senior executives.

In particular, the Human Resources Department, which aims to attract and retain the appropriate human resources and continuously increase its efficiency and effectiveness through the implementation of modern procedures, policies and practices of evaluation, recruitment, training and remuneration, ensures faithful and strict application of the diversity criteria to senior management, in order to ensure:

- (a) the avoidance of outdated and anachronistic social stereotypes in the process of assessing the specific qualifications and suitability of senior management in general; and
- (b) the integration of innovative approaches and ideas into the selection process of such executives.

The fundamental criteria of the intended diversity regarding the selection and evaluation of senior executives are as follows:

- ✓ adequate gender representation of at least 25%, to the extent and timing that this criterion is applicable; and
- ✓ the prohibition of exclusion of a candidate for senior management, due to different gender, race, color, ethnic or social origin, religion or belief, property, birth, disability, age or sexual orientation.

The main criteria for selecting the top executives employed in the Company are the adequacy of knowledge and skills, namely the satisfactory background of theoretical education and training, the appropriate professional experience, the guarantees of ethics and reputation, the integrity and objectivity, and the general skills of the candidate as well as the knowledge of the business model and the more specific principles of the Company, in order to form a diverse team of senior executives with a sufficient degree of differentiation, which will be able to take full advantage of market opportunities and effectively manage the risks.

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 other 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 re-

gard 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 of Greece 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 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).

**Vasileios 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 Shiatis,
Non-Executive Member**

An Associate Member of the Fellows of Chartered Accountants of England and Wales. 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 Thorn-

ton) 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 PricewaterhouseCoopers in Greece. At the same time he was exercising his Management responsibilities at the above auditing firms, Mr. Shiatis provided advisory services also to senior management of large firms.

**Athanasios Dimiou,
Non-Executive Member**

He graduated from the School of Chemical Engineering of the Aristotle University of Thessaloniki in 1986. From 1989 to 1996 he worked for the companies PLASTIKA MAKEDONIAS SA and AG.PETZETAKIS initially in the field of Quality Control and the development of new products and then his duties were expanded where he was transferred to the position of Technical Director and Technical Services Director. From 1996 to 1998 he assumed the position of Plant Manager in the shoe manufacturer trading company MOURIADIS SA, a company listed on the Athens Exchange, Greece, and since 1998 he worked as Plant Manager of THRA-PLAST SA which mainly produces flexible packaging products made of polyethylene (current name is Thrace Polyfilms). In 2000 he started in PLASTIKA THRAKIS SA as a Production Manager at the group's facilities in Xanthi and in 2004 he took over the duties of Plant Manager in the facilities of Magiko complex in Xanthi, a position he held until 2010. Since then he has been the Managing Director THRACE NONOWOVENS & GEOSYNTHETICS SA. At the same time he remains an active member of the Technical Chamber of Greece (TCG), and in

the past he was a member of the Hellenic Company of Business Administration and the Institute of Production Management.

**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 SHELMAN S.A. and ELMAR S.A. 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 former 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 of Greece 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 - 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 regu-

lations 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 condensed CVs of the top executives of the Company are as follows:

**Dimitris Fragkou,
Group Chief Financial Officer (CFO) &
Secretary of the Board of Directors of the
Company**

He studied Business Administration at the Athens University of Economics and Business (AUEB), from which he graduated in 2002. From 2006 to 2008, he studied Accounting and Finance (specializing in Finance), obtaining a Master's Degree from the Athens University of Economics and Business (AUEB). He is also a Certified Public Accountant, as he became a member in 2012 of the Association of Chartered Certified Accountants - ACCA. He started his professional career, for a short period of time from shipping banking, while at the end of 2003 he joined PwC. At PwC, he worked in the Consulting Division, gaining significant experience in the areas of budgeting, financial information, financial analysis, process optimization, transition to new integrated information systems, and treasury operations. In 2014 he joined the Department of Business Process Outsourcing, gaining experience in account-

ing procedures, tax compliance and financial reporting to the Authorities (statutory reporting). He has worked for a number of listed and private companies in the construction, energy, shipping and industry sectors. From March 2020, he joined Thrace Group as Chief Financial Officer.

**Ioannis Sideris,
Chief Sustainability Officer**

He is a graduate of the Athens University of Economics and Business with a specialization in Business Administration and holds a Master's degree in Information Systems Development from the London School of Economics. He has significant experience in the fields of sustainable development, environmental protection and integrated solid waste management in the context of the circular economy, as he was the CEO of the Hellenic Recycling Organization (EOAN) and for many years responsible for environmental issues (local Deputy Mayor of Environment in the Municipality of Agia Paraskevi). In the past, he has served as consultant specializing in Information Systems Management at PricewaterhouseCoopers.

**Lambros Apostolopoulos,
Head of Internal Audit Unit**

He is graduate of Varvakeio High School, graduate of the Department of Business Administration and Management of the Athens University of Economics and Business (BSc) and holds a Master's degree in Finance & Business Economics from the University of Portsmouth (MSc). He has worked for many years in large corporate groups in Greece and abroad. He has 15 years of active experience in internal audit and is a certified Internal Auditor (CIA) since 2013.

**Michael Psarros,
Risk and Compliance Manager**

He is a graduate of the Department of Mathematics of the University of Patras and holds a postgraduate degree in MSc Finance from the University of Leicester. He started his professional career, for a short period of time as an Internal Auditor in a company in the financial sector, while from May 2000 he worked in the Internal Audit Department of the Group of Companies of K. Filippou. Then in November 2005 he moved to the group Lafarge Cement / AGET IRAKLIS, where he worked in the Internal Audit Department until December 2010, when he joined Thrace Plastics Group as Internal Controller. During the 21 years of his employment in the Internal Audit Departments in the above industrial groups, he has gained extensive experience in the fields of Internal Audit, internal control systems, risk & compliance management.

From February 2022, Mr. Psarros took over the duties as Risk and Compliance Manager.

The following table shows the number of shares held by each member of the Board of Directors and each senior executive in the Company:

BoD members	Number of shares held directly	Percentage of shareholding
Konstantinos Chaliouris	18,936,558	43.3%
Theodoros Kitsos		
Christos-Alexis Komninos	25,000	0.1%
Dimitris Malamos	520	0.0%
Nikitas Glikas		
Athanasios Dimiou		
Vasileios Zairopoulos	160,023	0.4%
Spyridoula Maltezou		
Myrto Papathanou		
Georgios Samothrakis	25,000	0.1%
Christos Shiatis	60,000	0.1%

Senior Management & Members of Audit Committee	Number of shares held directly	Percentage of participation
Dimitris Fragou, Group CFO		
Ioannis Sideris	40,000	0.1%
Lambros Apostolopoulos		
Michael Psarros		
Konstantinos Kotsililnis, Member of the Audit Committee		
Konstantinos Gianniris, Member of the Audit Committee	15,000	0.0%

In the following table, there are presented the professional commitments of the Board members:

BoD Members	Companies in which the BoD members participate	Group Companies in which the BoD members participate	Equity shareholding	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	
	EVNIKI MCPY		99%	Legal Representative	
	AVDIRA MCPY		99%	Chairman of BoD	
	THRACE YAGHTING SMPC		66%	Administrator	
	THRACE LABEA SMPC		50%	-	
		THRACE NONWOVENS & GEOSYNTHETICS SA			Chairman of BoD
		DON & LOW LTD			Member of BoD
		ARNO LTD			Chairman of BoD
		THRACE PLASTICS PACK SA	4.71%		Chairman of BoD
		SYNTHETIC HOLDINGS LTD			Chairman of BoD
		THRACE SYNTHETIC PACKAGING LTD			Member of BoD
		THRACE GREEN-HOUSES SA			Chairman of BoD & Managing Director
		TRIERINA TRADING LTD			Director
		THRACE IPOMA AD			Chairman of BoD
		THRACE POLYBULK AB			Chairman of BoD
	THRACE POLYBULK AS			Chairman of BoD	
	LUMITE INC			Chairman of BoD	
	THRACE SYNTHETIC TEXTILES LTD			Director	
	THRACE POLYFILMS SA			Chairman of BoD	
Theodoros Kitsos	AMALTHEA SMPC		Minority shareholder	Member of BoD	
	COLLEGE LINK PRIVATE COMPANY		1%		
Christos Alexis Komninos	T.K.K. Consultants LTD		100%	Director	
	ELVAL - CHALCOR			Member of BoD	

BoD Members	Companies in which the BoD members participate	Group Companies in which the BoD members participate	Equity shareholding	Position
Dimitrios Malamos	DYNAMIC CONSTRUCTIONS – V. ZARIFOPOULOS S.A.		-	Chairman of BoD
	IOANNIS FILIPPAIOS S.A.		-	Member of BoD
	ZITA MCPY		1%	Vice Chairman of BoD
		THRACE ASIA LTD		Member of BoD
		THRACE GREEN-HOUSES SA		Member of BoD
		THRACE POLYBULK AS		Member of BoD
		THRACE SYNTHETIC PACKAGING LTD		Member of BoD
		THRACE IPOMA AD		Member of BoD
		THRACE NONWOVENS & GEOSYNTHETICS SA		Vice-Chairman of BoD
		THRACE PLASTICS PACK SA		Vice-Chairman of BoD
		LUMITE INC		Member of BoD
		THRACE POLYBULK AB		Member of BoD
		THRACE LINQ INC		Chairman of BoD
		THRACE POLYFILMS SA		Vice-Chairman of BoD
		THRACE EUROBENT SA		Member of BoD
Nikitas Glykas	XRSPACE Co LTD		-	Vice Chairman of BoD
	LUXURY HOUSES IN ATHENS MARIETTA SMPC		50%	
Athanasios Dimiou	AVDIRA MCPY		-	Vice-Chairman of BoD
		THRACE POLYFILMS SA		Member of BoD
		THRACE NONWOVENS & GEOSYNTHETICS SA		Managing Director & Member of BoD
Vasileios Zairopoulos		THRACE EUROBENT		Vice-Chairman of BoD
	V. ZAIROPOULOS & SIA GENERAL PARTNERSHIP		90%	Administrator
	ZITA MCPY		99%	Chairman of BoD
		DON & LOW LTD		Chairman of BoD
		SYNTHETIC HOLDINGS LTD		Director
Spyridoula Maltezou		SYNTHETIC TEXTILES LTD		Director
		THRACE EUROBENT SA		Member of BoD
Spyridoula Maltezou	SPYRIDOULA MALTEZOU SOLE PROPRIETORSHIP (Business and Administration Consulting Services)		100%	

BoD Members	Companies in which the BoD members participate	Group Companies in which the BoD members participate	Equity shareholding	Position
Myrto Papathanou	GOMMYR POWER NETWORKS LTD		30%	Member of BoD
	GOMMYR POWER SMPC		30%	-
	BANSARA TRADING LTD		30%	-
	METAFOUNDER UNIT HOLDER SMPC		25%	-
	KARYON AGRICULTURE SMPC		20%	-
	ENTOMICS BIOSYSTEMS LTD		-	Member of BoD
	FERRYHOPPER SA		-	Member of BoD
	ADVANTIS HOLDING BV		-	Member of BoD
	METAVALLON PARTNERS AEDAKES		25%	Member of BoD
Georgios Samothrakis	FRIGOGLASS SA		-	Audit Committee
Christos Shiatis	AVAX International LTD		-	Director
	C.E.T. RIVERS CYPRUS LTD		-	Director
	J&P AVAX SA		-	Member of BoD
	C.P.S. FINANCIAL SOLUTIONS LTD		99%	Director
		TRIERINA TRADING LTD		Director

It is noted that none of the members of the Board of Directors of the Company participates in the Boards of Directors of more than five (5) listed companies.

Framework for the Management of the Company's Transactions with Related Parties

The Company observes and implements a Framework for the Management of its Transactions with Related Parties, which includes the general policy that governs and the procedure that regulates its Transactions with Related Parties and which it has been adopted by a decision of the Board of Directors in compliance with its obligations arising from the applicable legislative and regulatory framework. In addition to the Framework for the Management of its Related Party Transactions, the Company has also adopted a Conflict of Interest Management Framework, which is additionally implemented.

The policies that ensure that the BoD has sufficient information to base its decisions regarding transactions between related parties including the transactions of its subsidiaries with related parties are:

1. To define the responsibilities of the Company and the roles of its Divisions in the Management of Transactions with Related Parties

In order to ensure the transparency and proper management of the Company's Transactions with its related parties, the Framework for the Management of the transactions with Related Parties describes the responsibilities of the Company and provides for a clear allocation of roles between its Divisions.

Specifically, the Company has undertaken a series of actions related to the management of transactions with Related Parties, as follows:

- submits the Framework for the Management of its Transactions with Re-

lated Parties for approval by the BoD,

- ensures the revision of the content of the Framework for the Management of its transactions with Related Party, where required,
- ensures in cooperation with the legal advisors the legality of the individual procedures
- applies the criteria mentioned in the Framework for the Management of its transactions with Related Parties and evaluates the affiliation of the transactions with Related Parties for approval by the Board, taking into account the respective legal framework governing these Transactions,
- takes into account the exceptions mentioned as well as those defined by the respective legislative framework,
- presents the information related to the transactions with Related Parties, pointing out the Company's interest for the financial advantage and the correct application of the conditions for the completion of the transaction, taking into account the respective legal and regulatory framework.

2. Define the Related Parties

As "Related Parties" are defined the related parties listed in IAS 24, as well as the legal entities controlled by those persons in accordance with IAS 27.

3. Locate the Related Parties

For the correct fulfillment of the legal and regulatory obligations of the Company and the effective implementation of the Framework for the Management of its Transactions with Related Parties, the tracing and identification of the Related Par-

ties with the Company is carried out in the following ways:

- taking into account the organizational chart of the Company and the corporate hierarchy of the Group as well as the list of investments in other entities, as they apply each time,
- receiving information from the Corporate Secretary of the BoD regarding changes of members of the Board and / or its Committees,
- requesting from the Company's executives, when assigning and performing their duties, to complete and sign a declaration form listing their immediate family members and third parties not affiliated with the Company, in which they hold or in which they exercise control or joint control, as defined in IAS 24. In this context, it is noted that it is the responsibility of each manager to immediately notify the Investor Relations & Corporate Announcements Department in the event of changes to the details of its original statement. The Investor Relations & Corporate Announcements Department updates the declaration forms at a regular basis.

4. To define the Transactions with Related Parties

As "Transaction with Related Parties" is defined as any transfer of resources, services or liabilities between Related Parties, in which the Company is the one party and its Related Party is the other, regardless of the possible price agreed, and includes any financial transaction, settlement or contract.

Indicatively, and not restrictively, such Transactions may include:

- the transfer of human resources, including their detachment,
- the signing of service contracts,
- signing receivables / debt management contracts,
- the provision of guarantees or insurances.

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 ordinary and convertible bonds. 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 Man-

agers or Executives or other employees 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 ordinary and convertible 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 sufficient and effective operation of internal control system of the Company
- 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 monitoring 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 Corporate Governance 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
- The observance of the law, the statute and the legal decisions of the general assembly. They have to manage the corporate affairs in order to promote the corporate interest, to supervise the execution of the decisions of the Board of Directors and the general assembly and to inform the other members of the Board of Directors about

the corporate affairs.

- The definition and supervision of the implementation of the corporate governance system of provisions 1 to 24 of Law 4706/2020, the monitoring and evaluation periodically every three (3) financial years for its implementation and effectiveness, taking the appropriate actions for addressing deficiencies.

3) Operation of the Board of Directors

As regards to the operation of the Board, the Company's Articles of Association and the Internal Operation Rulebook state the following:

Formation of the Board of Directors as a body

- > 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 a Chairman, whereas if the Chairman is absent or unable the Vice-Chairman substitutes such, and if the latter is absent or unable then the Director that is appointed by means of a decision by the Board of Directors substitutes such.
- > The Chairman of the Board of Directors presides over 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 Director, 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 Director from its members.

- The responsibilities of the CEO 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 (1/2) plus one (1) 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 of Directors

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 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 of Directors

- > The members of BoD 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.

Remuneration Report

The Company has established and implements a Remuneration Policy, the purpose of which is to ensure that the members of the Board of Directors and its Committees are remunerated based on its short-term and long-term business plan, in order to achieve profitable organic growth through capacity increase, geographic expansion and value capture as per the Company's strategic plan.

The current Remuneration Policy of the Company was approved by the Annual Ordinary General Meeting of shareholders of May 21, 2021 and its validity period is four (4) years and is available on the Company's

website www.thracegroup.com.

The Remuneration Report has been prepared in accordance with the provisions of Law 4548/2018, Article 112, in line with the Guidelines of March 1, 2019 of the European Commission regarding the presentation of the Remuneration Report in accordance with Directive 2007/36/EC, as has been amended by Directive (EU) 2017/828 on Shareholders' rights. Provides an overview of the remuneration model of THRACE PLASTICS CO SA, as it reflects the total remuneration of the members of the Board of Directors, explaining the way in which the Remuneration Policy of the Company was implemented for the financial year 2021.

The total remuneration paid to the members of the Board and Committees during fiscal year 2021 (01.01.2021-31.12.2021) is included in the Remuneration Report, which is available on the Company's <https://www.thracegroup.com/gr/el/corporate-governance/>

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 infor-

mation necessary, including technical information, for their participation in the meeting.

- The Board meetings are presided by the Chairman or upon absence or any other hindrance by his/her substitute according to the Articles of Association.

During the closing financial year 2021 (01.01.2021-31.12.2021), 35 Board meetings took place which were fully attended by all BoD members (full-quorum meetings).

The topics that were mainly discussed concern:

- Update by the Chief Executive Officer on issues related to COVID-19, the external environment of the operating segments, as well as on other important issues related to the Group's activity (such as price increases and price management, impact of energy costs, volume of recycled raw material, etc.)
- Presentation of period Financial Results for the Group and its subsidiaries
- Health and safety issues and strengthening of relevant measures and policies
- Update on current developments in subsidiaries
- Briefing of BoD Committees, Audit Committee and relevant propositions to the GoD
- Evaluations of BoD / Committees
- Next steps in risk management and corporate governance projects, aiming at the full compliance of the Company
- Other issues

5) Audit Committee

Fully in compliance with the provisions and stipulations of the effective legislation and in particular with the article 44, effective at the time, of L. 4449/2017, during the Extraordinary General Meeting of shareholders that took place on 11.02.2021, the Company elected a new 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 and 427/21.02.2022 documents 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 Audit and Risk & Compliance

Manager) 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 and particularly:

i) External Audit (sect. a' of par. 3)

The Audit Committee monitors the procedure and performance of the mandatory audit on the separate and consolidated 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).
- Regarding the selection of the Auditing Company, it is examined and analyzed:
 - o the scope of work
 - o the audit standard on the basis of which this work will be performed
 - o the form of the deliverable
 - o the responsibilities of the management and the auditor respectively
- It is responsible for monitoring any non-audit service to be performed by the company's external auditor.
- Taking into account 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) will approve or not the non-audit service.
- Monitors the process and the performance of the mandatory audit of the separate and consolidated financial statements of the Company and es-

pecially 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.

ii) Procedure of financial information (sect. b' of par. 3)

Within this context 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 in-

formation, 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 recoverable value.
- Accounting for acquisitions.
- Adequacy of disclosures for the significant risks faced by the Company.

- Significant transactions with related parties.
- Significant extraordinary 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) Procedures of internal control and risk management systems and audit control unit (sect. c' of par. 3)

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 audit and Risk & Compliance Department 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 audit 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 audit unit, the Committee:

- Evaluates the staffing and organizational structure of the internal audit unit and identifies any weaknesses. It also monitors and inspects the proper operation of the internal audit 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 audit 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 audit 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 audit unit.

- It is being informed on the annual or periodic audit plan of the internal audit 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 audit 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 submits proposals for the implementation of corrective ac-

tions, 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, is an Independent Committee and is consisted of the following one (1) Inde-

pendent Non-Executive Member 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 with the expiration of its term on 11 February 2026 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.

- **Georgios Samothrakis**

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.

● **Konstantinos Kotsilinis**

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 his last years of service in the Company, 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.

From 2006 until today he is an External Advisor of the Audit Committee of the National Bank of Greece, while since 2017 until 2021 was a Member of the Audit Committee of Mytilineos SA and since 2021 is an external advisor of it.

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.

● **Konstantinos Gianniris**

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 CO 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 he served as a CFO and Internal Audit Head for major companies 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 in 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. Also, Mr Gianniris is considered very capable in this field, having served for a large number of years as Director of Internal Audit and Chief Financial Officer for numerous companies from various industries.

Finally, those conditions and criteria of independence which are covered by the current regulatory framework and in particular by 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 2021 the Committee convened nine (9) times and all members were presented during the meetings, whereas all issues mentioned in the Internal Operation Rulebook as well as in the Operations Rulebook 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 Company
- 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 Nomination Committee of Board Members and Committees)

The Board of Directors of the Company for the purpose of substantial, effective and appropriate compliance and harmonization of the Company with the regulations of articles 11 and 12 of Law 4706/2020 (Government Gazette A136/17.07.20201) and with the parallel adoption of the best corporate governance practices, during its meeting of 22.03.2021 decided the abolition of the existing Committee for Benefits and Promotion of Nominations (CBPN)

and its replacement by the Remuneration and Nomination Committee.

The Committee consists of three (3) Non-Executive Board Members, while the majority of its members are Independent, in order to ensure the objectivity, independence and integrity of their judgment. The Board is responsible for the appointment and removal from office of all members of the Committee. The Committee elects its Chairman, who is an Independent Non-Executive Member and is supported by the Secretary of the Committee. The term of office of the members of the Committee is directly related to that of the BoD. In addition, the Committee submits an annual report of actions took place to the BoD.

The Committee consists of the following Non-Executive Members of the Board, namely:

Theodoros Kitsos	Independent Non-Executive Member of the BoD, Chairman of the Committee
Nikitas Glykas	Independent Non-Executive Member of the BoD, Member of the Committee
Vasileios Zairopoulos	Non-Executive Member of the BoD, Member of the Committee

The term of the above Committee expires on February 11th, 2026.

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 ensures that both the remuneration of the Executive and Non-Executive members of the BoD and the members of its Committees as well as the nominations for BoD members 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.

In terms of setting remuneration policy, the Committee's responsibilities include:

- The Committee examines, pre-approves and proposes to the Board annually, the labor issues, including the fixed salaries and benefits of the executive members of the Board as well as exit agreements.
- Based on the Group's strategic plan approved by the Board, the Committee ensures the existence of approved annual important objectives and takes care of their correct incorporation on the variable remuneration of the Executive members of the Board. At the end of the relevant period, it examines, pre-approves and proposes to the Board the results from the achievement of the objectives.
- The Committee reviews, pre-approves and proposes annually (or when a change is needed) to the BoD, the fixed salaries and benefits for the Executive members, the Non-Executive members of the BoD, the members of the BoD Committees, the Senior Executives of the Company, the Head of the Internal Audit Unit, as well as the Head of Regulatory Compliance and

Risk Management Department, taking into account the macroeconomic conditions and the relative amount of remuneration in similar companies.

- The Committee reviews the Remuneration Policy annually or more frequently, including the submission of proposals for improvement or diversification, and prepares the annual Remuneration Report in accordance with the provisions of the law.
- The Committee, as needed, undertakes and cooperates with the other committees of the Board of Directors, in order to review the non-salary contractual obligations for the Executive and Non-Executive members of the Board of Directors / members of committees.
- The Committee may claim a refund of all or part of the bonus granted, due to the need for revision for any reason of previous years financial statements or generally due to the finding of incorrect or inaccurate or incomplete financial data, used or taken into account in the calculation of its variable remuneration.
- The Committee conducts or authorizes third parties to conduct surveys or studies on matters falling within its area of responsibility.

In the responsibilities of the Committee regarding the promotion of the nominees for the BoD and Committees members, include:

- The Committee proposes to the BoD the criteria for the election of members (BoD and BoD Committees), in accordance with the requirements of the law and the respective strategy / Suitability Policy of the Company.
- The Committee is responsible for the

preparation of the Nomination process for members of the Board of Directors / Committees, based on predefined criteria and in accordance with the eligibility and corporate governance policies.

- The Commission evaluates candidates through interviews and references.
- The Committee proposes the selected candidates for approval by the Board.
- The Committee organizes an annual evaluation of the size, composition, the existing balance of qualifications, gender, knowledge, experience, skills and effectiveness of the Board, on the basis of which it prepares and proposes to the Board the annual "Board Adequacy Report".
- The Committee is responsible for ensuring the smooth continuity of the Board through proper succession planning.
- Controls, pre-approves and proposes recommendations to the Board regarding the personal and professional development and succession of the Executive Board members in order to ensure that the Company remains competent and long-term competitive.
- The Committee advises the CEO in the process of nominating the Company's Executives, which he/she considers important. The final decision to fill the above positions belongs exclusively to the CEO.
- The Commission conducts or authorizes third parties to conduct investigations or studies on matters falling within its area of responsibility.

The Remuneration and Nominations Committee of BoD Members and Committees convened 13 times during the year 2021

(01.01.2021-31.12.2021) in the presence of all its members. The topics that were mainly discussed were:

- Defining the most specific performance criteria for the 2021 short-term incentive program
- The examination of its Operation Rulebook
- The approval of the remuneration for the year 2021
- The need to modify the Remuneration Policy
- The evaluation of the BoD suitability, the preparation of the Adequacy Report for the BoD and the submission of a relevant proposal about the company to which the evaluation of the Board of Directors will be assigned
- The preparation of the Suitability Policy of the members of the Board of Directors and Committees
- Educational needs of Board members and proposal for Board training in Sustainability issues
- Group CEO and Chief Entrepreneur contracts
- Replacement of a BoD member

Furthermore, the Board of Directors of the Company at its meeting of March 22, 2021, in order to optimally organize and operate the most efficient framework of corporate governance, decided the establishment of new Committees as follows:

7) Other Committees

Strategy and Investment Committee

The purpose of this consists in providing assistance to the Board of Directors with regard to the development of the operational strategy, the formulation of the investment plan of the Company and of the

Group in general, as well as supervising and providing guidance to the Board of Directors 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 responsibilities of the Committee include:

- ◆ Discusses the communication of the Management to third parties and the investors community, in terms of the strategy and the investment plan of 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 |
| Vasileios Zairopoulos | Non-Executive Member of the BoD, Member of the Committee |
- ◆ Develops and proposes to the BoD the long-term strategy of the Group and suggests the necessary adjustments in the short and medium term
 - ◆ Studies and pre-approves the strategic plans of the companies, ensures that they are in line with the Group's strategy and makes recommendations to the Board.
 - ◆ Reviews and suggests to the BoD for the investment plans and the individual investments of the companies
 - ◆ Reviews possible acquisitions, mergers, divestments and Joint Ventures and makes proposals to the Board respectively
 - ◆ Reviews the progress and results of all actions related to the implementation of the strategy and the progress of investment plans, and informs the Board.
 - ◆ Monitors closely international trends, best practices and market data, in order to adapt the strategy of the Group and the Companies and informs the respectively the BoD
 - ◆ Recognizes timely risks and opportunities and prepares proposals to the BoD for the necessary actions, including the framework that ensures their funding.
- The Committee convened 14 times during the fiscal year 2021 in the presence of all its members.
- The topics that were mainly discussed concern the strategies of the subsidiaries and strategies for new investments.
- Environmental, Social Responsibility and Corporate Governance [ESG] Committee**
- The purpose of this Committee is the:
- (a) review, pre-approval and recommendation to the Board of Directors on environmental, social and business sustainability issues through strategy development, management of issues and performance monitoring; and
 - (b) formulation of proposals regarding the Corporate Governance and in general the monitoring of the operation of the Board of Directors, the Committees, as well as the Management of the Company.

The responsibilities of the Committee include:

- ◆ Monitors that the policies, strategies and goals of Sustainability are fully harmonized with the primary purpose, vision and values of the Company, as well as the Laws and the general regulatory framework so as to ensure full compliance, thus ensuring long-term sustainable performance.
- ◆ Monitors closely the development and implementation of the Sustainable Development goals that have been set, based on the materiality analysis, which includes the important, relevant and critical areas that the Company highlights as priorities and proposes improvements to the Management and then in BoD, where deemed necessary.
- ◆ Monitors the progress and results of all issues of Sustainable Development with the aim of regularly informing the BoD.
- ◆ Closely monitors international trends and best practices in order to regularly inform the BoD.
- ◆ Recognizes timely risks and opportunities and prepares proposals to the BoD for the necessary actions including the framework that ensures the financing of the Company.
- ◆ Reviews and pre-approves the annual sustainability statements and reports, including the Non-Financial Reporting as well as other disclosures, submitting relevant proposals to the BoD for approval.
- ◆ Highlights Corporate Governance issues that need improvement or proposes new issues for discussion and takes initiatives for cooperation with

other BoD Committees or the Management of the Company, monitoring their resolution.

- ◆ Acts on behalf of the BoD and cooperates with the Management of the Company ensuring the prestige and the reputation of the Company in relation to all the issues of its Sustainable Development and its public profile.

Operational Framework

Environment: Impacts of the Company's footprint on soil, air, water resources and climate change in general from the use of raw materials, finished products, technology, industrial units, transport, etc.

Society: Impact of the Company's strategies in relation to: (1) lifelong learning and development of employees, (2) improvement of employee well-being including their Health and Safety, (3) monitoring of living standards of employees, (4) corporate culture, philosophy and related commitments on diversity, difference and inclusion criteria, (5) wage justice, (6) child / forced labor policy, (7) tax compliance, (8) human rights, (9) support of local communities, (10) workplace environment, (11) product safety during their production and use, etc.

Corporate Governance: Implications of the Company's public commitments and Announcements, governance practices including code of conduct issues, compliance with the legal framework, ensuring implementation of the regulation on personal data, information security and cyber security, best practices of operation segment, investors and stakeholders perspective, size and composition of the Board of Directors, regularity of meetings, approval process of commitments, external collabo-

rations, approval of the Board of Directors for transactions between related parties, operation of BoD Committees, annual evaluation of BoD and Committees etc.

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

The Committee met 8 times during the year 2021. The topics that were mainly discussed concern:

- Discussion to promote and enhance the company in the ESG area through eco-label, financing of sustainable investments, training seminars, development of a platform for ESG registration of information and data, creation of ESG index
- Sustainable Development Policy
- Materiality Report
- Sustainable Development Report 2020
- Discussion on the CDP Declaration
- Discussion on Sustainability vision / mission
- Discussion on Sustainable Development Policy

- Information on the project on Corporate Governance
- Discussion on the Corporate Governance Code.
- Discussion on the training of the Board in the context of Sustainable Development.
- Sustainable Development Strategy

It is pointed out that all the above Committees of the Board of Directors have drafted – composed their Rulebooks.

The Board of Directors of the Company, at its meeting on March 24, 2022, decided to change the responsibilities and duties of the ESG Committee, as the responsibilities related to regulatory compliance were integrated into the Audit Committee tasks and therefore it was decided to rename the ESG Committee, to Sustainability Committee.

Human Resources Committee

The particular committee consists of (5) five BoD members 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
Vaisileios Zairopoulos	Non-Executive member of the BoD, Member of the Committee
Christos Alexis Komninos	Non-Executive member of the BoD, Member of the 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 said Committee was not active during the year as the exercise of its responsibilities and duties in general was carried out on the one hand by the Human Resources Department, and on the other hand by the Risk & Compliance Department, which aims at the full and continuous compliance of the Company with the current regulatory framework, and therefore of the labor legislation, and the existence of a complete picture for the degree of this goal achievement.

Furthermore, the inactivity of the above Committee is due to the fact that it was deemed absolutely meaningful and imperative to facilitate the exclusive and uninterrupted engagement of its members with both their duties as members of the Board of Directors of the Company, as well as with their essential responsibilities and obligations arising from any parallel participation in the mandatory Committees according to the current regulatory framework. The role of those committees was in fact upgraded and strengthened as a result of the implementation of Law 4706/2020.

However, during the closing year, the Human Resources Committee proceeded with the preparation of the necessary organizational structure and took a series of preparatory actions in order to ensure the effective, substantial and appropriate organization and operation of the HR func-

tion in the in the immediate future.

Pursuant to its relevant decision of 24.03.2022, the Board of Directors of the Company decided to change the organizational role of the above Committee and to place it directly under the Chief Executive Officer, in order to ensure the most effective support and assistance in the latter's daily work. The Committee's new composition will be decided by the CEO at a later time.

8) Evaluation of BoD and Committees

The Company implements an Evaluation Policy of the Board of Directors and Committees. The scope of the Policy includes the executive, non-executive, independent non-executive members of the Board of Directors of the Company, as well as the non-members of the Board of Directors (third parties) who are members of its Committees.

The criteria of suitability and reliability of the Board members are defined in law 4706/2020, the decisions issued under its authority, as well as the Suitability Policy of the Company, which has been approved and implemented by the Company. The Company Suitability Policy is posted on the company's website www.thracegroup.com.

Procedure for Periodic Evaluation of Board Members

Individuals falling within the scope of the Suitability Policy are evaluated on an ongoing basis for their ability to perform their duties adequately and effectively and to safeguard the interests of the Company and other stakeholders in order to achieve sound and prudent management of the Company by fit and proper persons.

The members of the Board and its Committees are evaluated:

- On a collective basis, which takes into account the overall operation of the Board and its Committees and
- On an individual basis regarding the assessment of each member contribution to the successful operation of the Board.

The periodic evaluation of the BoD members and its Committees is held on an annual basis within the first quarter of each year, unless otherwise decided by the Remuneration & Nomination Committee and concerns the period of 12 months of the previous year.

Self-evaluation of the overall performance of the BoD and its Committees

The self-evaluation of the overall performance of the BoD and its Committees is carried out taking into account the purposes, responsibilities, their operation based on the Articles of Association, the Regulations and the legislative and regulatory framework. Also, during the overall evaluation, the composition, the diversity and the effective cooperation of the members of the Board of Directors for the fulfillment of their duties are taken into account. It is conducted on the basis of questionnaires which are approved by the Remuneration & Nomination Committee and are completed by the members of the Board of Directors and the Committees. Members should answer all the questions on the questionnaires.

The Remuneration & Nomination Committee decides on the initiation of the self-evaluation process and decides whether it is deemed appropriate for the annual eval-

uation to be carried out internally or with the assistance of an independent external consultant.

Individual Evaluation of BoD Members and its Committees

The individual evaluation of the members of the Board concerns the performance of each member on an individual basis and the assessment of his/her contribution to the effective operation and overall performance of the Board.

Each member of the Board is evaluated by the Chairman or the Vice-Chairman and all the other members of the Board of Directors, regarding the fulfillment of the role and the more specific tasks assigned to him/her, as defined in the Rulebook of the Board of Directors and its Committees, in the Internal Regulations of the Company, in the Corporate Governance Code as well as in law 4706/2020.

During the individual evaluation, the status of the member is taken into account (executive, non-executive, independent non executive), the participation in special Committees, the assumption of special responsibilities / projects, the time dedicated during the fulfillment of his / her duties, the behavior as well as the utilization of theoretical knowledge and professional experience possessed.

The evaluation is carried out on the basis of questionnaires that are completed for each member, while in addition, in the context of the individual evaluation, the Chairman or Vice-Chairman may meet individually with the members, if this is deemed appropriate or necessary.

In case a low score is identified or there are suggestions for improvement for specific members, the Chairman and/or the Vice Chairman of the Board are informed so as

to consider the possibility of an individual meeting of the Chairman and / or the Vice-Chairman with the member of the Board for their update, the discussion of the individual points that have been recorded and the definition of the actions that are deemed appropriate to follow. Regarding the evaluation of the Chairman, a corresponding update is made, if necessary,

to the Chairman of the Remuneration & Nomination Committee. During the relevant briefing of the Chairman of the Board, the anonymity of the members who made the evaluation is ensured and in no case are their details disclosed to the Chairman of the Board or to the Remuneration & Nomination Committee.

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 disclosure to shareholders of the meeting 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 Chairman.

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,
 - (e) 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 Societe Anonyme with the name "Greek Central Securities Depository SA" (GCSD) or the one identified as such based on the relevant date through the registered mediators or other intermediaries in accordance with the provisions of the legislation (law 4569/2018, law 4706/2020 and Regulation (EU) 2018/1212) as well as the Regulation of Operation of the Greek Central Securities Depository SA (Government Gazette B 1007/16.03.2021).

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 Repeated 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 agenda, if the relevant re-

quest 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 agenda is published in the same manner as the previous 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 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 ordinary, 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 mem-

bers. 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.

- (I) 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 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 Investor Relations Department or is sent by fax to the latter at least forty eight (48) hours prior to the date of the 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.

VIII. Sustainable Development Policy

At the core of the Sustainable Development Policy, the Company has as a vision to be the most valuable partner for its customers and suppliers and at the same time to systematically increase its share value, always taking care of the well-being of all its people. In this context, the Company seeks the implementation of practices to promote Sustainable Development and is committed through its policies to the respect for the human factor, society and the environment, in order to remain a reliable social partner.

The Company's approach for Sustainable Development approach is based on six pillars:

- (1) We operate with respect for the environment,

- (2) We contribute to the Circular Economy and the Economy of New Plastics,
- (3) We create value for our people,
- (4) We contribute to the local community,
- (5) We operate with transparency and integrity,
- (6) We ensure business continuity and optimal financial performance.

The main risks and their management, the Company's performance and its commitments under the 17 Sustainable Development Goals are described in detail in the annual Sustainable Development Reports and in the Non-Financial Reports. The re-

ording and communication of all the above issues to the interested parties is in line with international and national standards and indicators, aiming at reliable and transparent information.

The monitoring of Sustainable Development Policy implementation is the responsibility of the Sustainability Committee at the level of the Board of Directors, while at the administrative level, is the responsibility of the Team and the Director of Sustainable Development. In this context, the Internal Audit Unit can assist through periodic audits.

The Sustainable Development Policy is approved by the 16.07.2021 decision of the Board of Directors, is reviewed on an annual basis and is available on the corporate Website.

The Sustainable Development Policy:

- Commits the Company and all its subsidiaries and covers all the activities of the Company in Greece and abroad, including all operations carried out by the Company or its subsidiaries.
- Applies to all members of the Board of Directors, senior executives, employees of the Company and its subsidiaries, and in general all persons employed in the Company or its subsidiaries either under an employment contract or through another contractual relationship.
- Disclosed to third parties providing services to the Company (supply chain) or acting on its behalf or in cooperation with it (value chain), including partners and suppliers and any other persons with whom the Company cooperates under outsourcing contracts or other agreements.

Corporate Governance

Through the established corporate governance system, the Company manages the administration and control issues, monitors the compliance with the current legislation and the legal framework and monitors the practices of managing shareholders' related issues.

This system is framed by the Corporate Governance Code applied by the Company. Regarding corporate governance, the Company has set up a Sustainability Committee where members of the Board of Directors participate, while the Audit Committee has a critical role in corporate governance. At a managerial level, a Sustainable Development Team has been appointed, which includes executives from various departments of the Company as well as representatives of the Subsidiaries and which supports the Company's Management in the implementation of its strategy for sustainable development. The Team is coordinated by the Chief Sustainability Officer.

Fight against Corruption and Bribery

The Company is committed to zero tolerance in matters of corruption, bribery and extortion and aims to prevent such phenomena, conducting its business with integrity, in accordance with the highest standards of ethics and applying applicable laws. The Company has established the Code of Business Conduct, which defines the standards of conduct required of all employees and includes basic principles, the observance of which aims to prevent and/or eliminate corruption.

Respect for Human Rights

The Company and all those who represent, cooperate and / or are employed in it must comply with the Code of Business Conduct applied by the Company and everything mentioned in it regarding the respect of human rights. The Company is committed to zero tolerance, in terms of harassment in the workplace, in any form of discrimination due to race, religion, gender, nationality, age, disability, sexual orientation, etc., in cases of forced and child labor both within the Company, as well as in subsidiaries.

Ethics and deontology of Suppliers

The Company recognizes the necessity of applying the principles of ethics and deontology, to which it is committed, in its supply chain as well. In this context, there is a continuous effort to evaluate suppliers and their partners, in accordance with their social and environmental commitments and performance, thus ensuring the risk of deviation from good social and environmental standards, which include issues of labor practices and human rights, as well as the fight against corruption. At the same time, the Company has fully integrated the Law on Modern Slavery of the United Kingdom of 2015 and shows zero tolerance in relation to any violation.

Social responsibility

The Company seeks, through its business activities, to achieve high performance, so as to produce and distribute directly or indirectly economic value to the society in which it operates, with particular emphasis on:

- To strengthen the economies of the countries in which it operates, through the cash flows it creates to

stakeholders and in particular tax payments, payments to suppliers, payroll payments to employees, dividends to shareholders and investments in local communities.

- The needs of citizens and societies that frame the Company and are affected by its activities.
- In employment, through the direct and indirect creation and/or maintenance of jobs throughout the value chain of the Company.

Quality, Safety and Customer Service

The Company prioritizes the quality of its products and the safety of its customers and has established a Product Liability Policy. The Company complies with the respective national laws and adopts international norms, safety rules, best practices and standards, regarding the design and production of products in all its facilities, monitoring and eliminating any unfortunate effects on the health and safety of customers and end users.

Labor issues

The Company recognizes the value created by human capital and considers it crucial for the good quality of its products, high productivity and the achievement of its competitive advantage. Investing in its people is a priority, encouraging lifelong learning, collaboration, initiative and personal achievement. In order to ensure a responsible working environment of well-being, the Company has established the Code of Business Conduct, various company directives, internal regulations and policies related to human and labor rights, health, safety and well-being of human resources, evolution and development of its potential and zero tolerance of harass-

ment, all forms of discrimination, forced and child labor. The priority is to minimize the possibility of causing an accident at work or illness and that is why the implementation of the Safety, Health and Environment Policy has been developed and systematically monitored.

Social contribution

The Company has established a unified Social Action Policy, through which all subsidiaries recognize their responsibility to people and society. The Sustainable Development Team is in constant collaboration with executives of the subsidiaries, in order to plan, coordinate and implement, jointly, social actions and initiatives for public benefit purposes. In order to make a practical contribution to the local community, the "Stavros Chalioris Social Center" has been established, which is a prominent example for the Company, with actions and activities of educational, cultural, recreational and social content.

Environmental Responsibility

The Company has an Environmental Policy always guided by the improvement of the environmental impacts resulting from its operation, with particular commitment to the application of the circular economy principles, responsible waste management, reduction of energy consumption and reduction of greenhouse gas emissions related to its activities.

Circular economy

The plastics industry faces a variety of challenges and opportunities. For this reason, the Company has adopted the principles of the circular economy from the supply

of raw materials and product design, incorporating practices based on the principles of reduction, reuse and recycling, up to the entire life cycle of its products. The adoption of a new, innovative, cyclical economic model constitutes a very important initiative of the Company, recognizing its contribution to the efficient use of resources, as an important link in the global plastic value chain.

Climate change

The Company recognizes the risks and impacts that may arise in its business activity due to climate change, such as the occurrence of extreme weather events or rising temperatures, which may affect the production process and bring about significant changes in its activities and abrupt changes in its revenues and expenses in the short, medium and long term. In order to mitigate the risks arising from climate change, but also to achieve positive financial results for itself and its operating environment, the Company adapts its business model to reduce its environmental footprint (direct emissions, energy consumption, use of recycled material, waste management) and focus on the development of innovative products and services, applying the principles of the circular economy.

Essential non-financial issues

Thrace Group proceeded to the publication of the 3rd Sustainable Development Report for the financial year 2020, according to the GRI Standards and the ESG Information Disclosure Guide of the Athens Stock Exchange, in order to communicate the Group's strategy, programs and results in the field of Sustainable Development. The Group focuses on issues related to the

creation of economic, social and environmental benefits throughout its value chain and to all stakeholders. In this context, it proceeds again, in 2021, to the recognition of the economic, social and environmental aspects of its activities and then proceeded to prioritize the essential issues of Sustainable Development related to its business model, based on the methodology of the internationally valid reference model GRI.

The consultation was realized among representatives of the Group of the following key stakeholder groups: Shareholders, Board of Directors, Employees, Clients (B2B), Suppliers/Partners, State and local authorities, Non-Profit Organization, Media, Business Associations, Investment Community.

The topics that emerged from the materiality analysis as material are:

- Reduction of greenhouse gas emissions
- Provision of innovative and sustainable products within the context of circular economy
- Reduction of waste and maximization of the possibilities of new treatment and recycling
- Financial value creation / financial performance of the Group
- Safeguarding of quality, health and safety of customers
- Creation and safeguarding of employment
- Safeguarding of employee health, safety and well-being
- Defending human rights at work
- Responsible corporate governance and safeguarding of business ethics and compliance

- Ensuring business continuity and preparedness in emergencies

Standards for the publication of non-financial information

The Report for the year 2020 is the 3rd Sustainable Development Report of the Group and includes its approach and performance on the essential issues of Sustainable Development, with the ultimate goal of informing stakeholders about its economic, social and environmental impacts. It has been prepared in accordance with the recognized and internationally valid reference standard GRI (Global Reporting Initiative): Core Selection, the UN Sustainable Development Goals and the ESG 2019 Information Disclosure Guide of the Athens Stock Exchange, in compliance with selected key, advanced and industry indicators.

It is noted that the present Report concerns the fiscal year ended on 31st December 2021. 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 2020 are also presented.

SECTION XI: Non-Financial Report

INTRODUCTION

The current Non-Financial Report (Statement) constitutes part of the Statement of the Board of Directors and contains information on all the activities of Thrace Group (hereinafter “the Group”) in the following areas, as defined in section 7 “Non-Financial Report (Statement) of the circular 62784/2017 in accordance with the provisions of law 4403/2016:

- Anti-corruption and bribery issues.
- Respect of human rights.
- Supply chain issues.
- Social and labor issues.
- Environmental issues/Climate change.

Furthermore, the present report also includes the thematic section “Impact of the COVID-19 pandemic on non-financial issues” as well as the “Classification Report” in accordance with the Classification Regulation 2020/852 / EU.

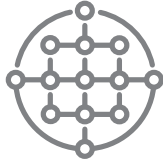
Each of the above aspects is analyzed in three axes:

- Main risks and their management
- Due diligence and other policies
- Outcomes of the above policies and non-financial performance indicators

The content of present Non-financial Report (Statement) has been composed by taking into consideration the GRI Standards, the SASB Standards as well as the renewed ESG Reporting Guide of the Athens Stock Exchange 2022.

The current Report (Statement) refers to the year ending December 31, 2021. For reasons of consistency, completeness of provided data and for comparability purposes, respective information for the previous year, ending December 31, 2019 and 2020, is also provided.

Business Model



The Group consists of

14 companies

worldwide



28 different

production technologies



Products in

25 market segments



Use of recycled raw material*:

11,443 MT



Activity in

3 sectors

(Technical Fabrics,
Packaging Solutions,
Agricultural sector)



Group headcount:

2,201

employees (Including
joint ventures)



Processing more than

110,000 MT

of PP/PE per year



Sales network in

80 countries

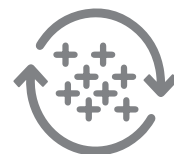
around the world



Activity in

9 countries

with production,
commercial and
distribution companies



Replacement of virgin
raw material with
recycled plastic by
2025:

8,500 MT

* Recycled raw materials originate from both the production process residues and from external sources.

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, Scotland, Ireland, Bulgaria, Romania, and the United States of America. The Group operates distribution and commercial 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 Greenhouse 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 present 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



Technical Fabrics sector

The **Technical Fabrics sector** specializes in the production and trading of synthetic fabrics for industrial and technical use. It operates through 6 subsidiaries of the Group, having an international focus.

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. In particular it operates through 6 subsidiaries of the Group.

Hydroponic Greenhouses using Geothermal energy

Operating since 2013, with respect towards the environment and the customer, in Thrace Greenhouses S.A. 185 acres of pure and delicious vegetables using geothermal (renewable source of energy) and almost zero carbon footprint are cultivated. The company possesses the largest hydroponic greenhouses in S.E. Europe and the only ones in the world that are heated exclusively by geothermal energy.

Awards

- Thrace Group was awarded for the 11th consecutive year in the institution of True Leaders organized by the company ICAP.
- In the section "Innovation and New Technologies", in the category "Smart Factory" the company Thrace Pack won a Bronze distinction, at the Manu-

facturing Excellence Awards 2021.

- Thrace Group was distinguished with an Extroversion Award at the Growth Awards ceremony organized by Eurobank and Grant Thornton, on October 8, 2021.

Distinctions

As part of the Group's environmental policy, in 2021, the companies Thrace Plastics Pack and Thrace Greiner Packaging received a Silver Medal in the evaluation by EcoVadis, while the company Thrace Polybulk received Eco-Lighthouse certification for sustainable environmental practices.

Certifications

The companies apply certified Systems, according to international standards. The systems include actions and measures to protect the environment and ensure the proper use of the energy consumed.

CERTIFICATIONS
ISO 14001:2015 Environmental Management System
Global GAP for the implementation of good agricultural practices
ISO 50001:2018 Energy Management Systems
ISO 9001:2015 Quality Management System
Recyclclass for the recyclability of plastic packaging
OK Recycled BY TUV Austria for the recyclability of plastic packaging

In addition, in 2020 an Environmental Product Declaration (EPD) was issued based on the life cycle analysis for the following 4 product of Thrace Greenhouses:

- Tomato “beef”
- Tomato bunch
- Cucumber
- Mini cucumber

Our approach to Sustainable Development

[ATHEX ESG C-S1: Participation of interested parties, C-G3: Substantial issues]

In Thrace Group, the establishment of a dialogue with the stakeholders is of great importance, as it helps the Group to operate more effectively, comprehend the market circumstances and mitigate any risks. The Group recognizes stakeholders as anyone significantly affected by its activities and vice versa. Within this framework, it maps the stakeholder groups, recognizing their needs and expectations, which it prioritizes and takes into account in formulating the strategy and setting appropriate goals, which it reviews on an annual basis, while at the same time it monitors and improves the methods of consultation with them. Furthermore, their needs and expectations are communicated by the Sustainability Committee to the Board of Directors and the relative decisions are taken (see Monitoring of Sustainable Development). More information regarding the type of communication/consultation or/and frequency of communication with the stakeholders is available in the Sustainable Development Report in the website of the Thrace Group.

Thrace Group proceeded to the publication of the 3rd Sustainable Development Report for the financial year 2020, according to the GRI Standards and the ESG Information Disclosure Guide of the Athens Stock Exchange, in order to communicate the Group’s strategy, programs and results in the field of Sustainable Development.

The Group focuses on issues related to the creation of economic, social and environmental benefits throughout the value

chain and to all its stakeholders. In this context, it proceeded, in 2021, to the recognition of the economic, social and environmental aspects of its activities and the prioritization of the essential Sustainable Development issues related to its business model, based on the methodology of the internationally valid GRI Standards.

The consultation was realized among representatives of the Group of the following key stakeholder groups, with whom they maintain a relationship and communication, in the context of their work:

- Shareholders
- Board of directors
- Employees
- Clients (B2B)
- Suppliers/Partners
- State and local authorities
- Non-Profit Organizations
- Media
- Business Associations
- Investment Community

The topics that emerged from the materiality analysis as “material” are:

- Reduction of greenhouse gas emissions
- Provision of innovative and sustainable products within the context of circular economy
- Reduction of waste and maximization of the possibilities of new treatment and recycling

- Creation of financial value and financial performance of the Group
- Ensuring the quality, health and safety of customers
- Creating and securing employment
- Ensuring the health, safety and well-being of employees
- Defending human rights at work
- Responsible corporate governance and assurance of business ethics and compliance
- Ensuring business continuity and preparedness in emergencies

In the Sustainable Development Report 2020 which is available at the Group's website (https://www.thracegroup.com/uploads_file/2021/10/19/p1fibm3bn-b14rd1cin1n2rrfhmd5.pdf) all the steps of the materiality analysis procedure are outlined. (i.e. identification of recognized issues, changes related to the previous materiality analysis, policies or procedures applied and / or actions taken to manage the material issues, etc.).

[ATHEX ESG C-G4 Sustainability Policy]

The Group establishes, maintains and implements basic principles related to the pillars of society, the environment and the economy and it has developed a Sustainable Development Policy regarding the management of social, environmental and corporate governance issues. The Sustainable Development Department aims to implement actions and initiatives that promote sustainable development and create value for the stakeholders, the market and society, in accordance with the Sustainable Development Strategic Plan, established by the Group. The strategic plan is based on the following strategic objectives, in accordance with the relevant Policy, each of which is analyzed in specific

actions and activities and is bounded by specific targets.

- Reduce greenhouse gas emissions in all processes
- Improve product environmental impact
- Implement circular economy projects
- Improve the social aspects affecting all stakeholders
- Ensure a responsible corporate governance.
- Build awareness and obtain appropriate certificates and disclosures

The Group participates in the new ATHEX ESG index of the Athens Stock Exchange, which monitors the stock market performance of listed companies adopting and promoting their environmental, social and corporate governance (ESG) practices.

In addition, in 2021, in the context of strengthening the business culture in ESG issues, the Group developed a complete sustainable development manual for employees, designed exclusively for each company (Sustainability Handbook), which is an information guide for sustainable management of economic, social and environmental issues. The manual introduces the reader to the basic concepts of sustainable development, analyzes the current legal framework, refers to recycling processes and greenhouse gas emissions at the plant, presents the life cycle assessment of some products, refers to the environmentally targeted platform "In the Loop" and presents the certifications and evaluations that have been finalized. The manual is tailor-made to each company of the Group and is addressed mainly to the administrative level, to the technical managers of the facilities and to the sales managers, but it is also available to all the employees of the companies through an internal digital platform.

Monitoring of Sustainable Development

[ATHEX ESG C-G2: Monitoring of sustainable development]

The primary purpose of the Sustainability Committee is to consider, promote and report periodically to Thrace Group Board of Directors (Board) on matters relating to the continuous improvement of the Company's ESG strategy development, management and performance.

The Sustainability Committee meets at least four times a year (regular meetings), or more regularly (extraordinary meetings) when necessary. The matters of sustainable development are discussed by the Sustainability Committee (which consists of executive and non-executive members of the Board), in accordance with the information received by the Committee from the Sustainable Development

Department and in particular through the Director, who acts as a secretary, so that, priorities and plans can be specified and the related goals and timelines can be set, along with the monitoring of their progress towards their implementation. The Sustainability Committee then conveys the issues to the rest of the members of the Board of Directors (all the members of the BoD have opinion on ESG issues).

In addition, in the context of strengthening the capability of the members of the Board as to the management of ESG issues that are related to corporate strategy, an ESG Executive Seminar was organized and was attended by all members of the Board.

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 af-

fect 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 decline in revenue as a result of those effects.

Due diligence and other policies

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 and communicated within this

framework, as well as mechanisms for control and compliance with standards and laws. Primary goal is to strengthen and improve anti-corruption management procedures, comply with legislation and intensify controls.

Additionally, relevant policies are included:

- In the Code of Ethics and Conduct.

- In the “General Policies Manual”, which is available electronically or has been distributed to senior and middle management executives, while all other employees have been trained respectively.

To prevent corruption incidents, the Group operates 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 safeguard the operation of the Group in accordance with the internal regulations.

Code of Ethics and Conduct

[ATHEX ESG C-G5: Business Ethics Policy]

The firm commitment of the Group is to conduct its business activity with integrity, taking into account the precautionary principle, in accordance with the highest ethical standards and applying the applicable laws. The Code of Ethics and Conduct, defines the standards of conduct required by the employees of the Group companies and is valid in each country where Thrace Group operates. The central theme of the Code of Ethics and Conduct can be summarized as follows: All employees, as representatives of the Group, must act with honesty, respect and integrity in all matters at all times. The basic Principles of the Code are:

- Observance of the Laws and the Social Rules
- Prevention of Conflict of Interests
- Accuracy and Completeness of Financial Information
- Protection of Company Assets

In case an incident is detected, the Management of the Group is informed and decides upon further actions to be taken.

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

- The Audit Committee has been established and has been entrusted with selecting and supervising the external auditors and notifying the results of the statutory audit to the Company's BoD, monitoring the financial reporting process and the internal audit and risk management systems, as well as supervising the Internal Audit and Risk and Compliance Units.

- Realization of all Transactions Responsibly
- Transparent and Legal Cooperation with Public Authorities
- Personal Data Protection
- Safety, Health and Environmental Protection
- Continuous Evolution of Employees' capabilities

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

Outcomes of the above policies and non-financial performance indicators

[GRI 205-3: Confirmed incidents of corruption and actions taken]

[ATHEX ESG A-G2: Business ethics violations]

There have been no confirmed cases of corruption or bribery during 2021. Similarly, no relevant intent and/or conduct of corruption or bribery, thus no financial damage as

a result of violating the Code of Ethics and 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 labor.

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 below.

Due diligence and other policies

[ATHEX ESG C-S6: Human rights policy]

All people working in the Group, as well as its suppliers, must adhere to the due diligence policies of the Group regarding human rights. The Group through the Code of Ethics and Conduct is committed to zero tolerance for harassment in the workplace, for all forms of discrimination on grounds of race, religion, gender, nationality, age, disability, sexual orientation, etc. both at the parent company and its subsidiaries, as well as in their supply chain. The Group strives as much as possible to ensure that other cooperating parties are governed by the same principles.

The Group is committed to resolving complaints and treating its employees in a fair and impartial manner, recognizing the risk of abuse of their rights and the con-

sequences that this may have on the well-being of its employees.

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

The Group, although it does not have a separate Human Rights Policy, implements a series of actions to minimize the risk of harassment and incidents of discrimination and general human rights violations. The following are indicative:

- Informs for all Policies in effect, the companies Top Management, which then inform the employees respectively.
- Informs the employees through the Internal Labor Regulations.

- Has adopted the Code of Ethics and Conduct, various corporate directives and internal regulations related to human rights.
- Urges employees to report to their supervisor or human resources department any case that may come to their notice and is contrary to the Code of Ethics and Conduct and other Group Policies.
- Investigates all complaints of harassment or discrimination in the workplace made through the reference lines to the local Management and then to the Management of the Group and takes the appropriate preventive and / or disciplinary measures, under the supervision of the heads of departments in cooperation with the human resources department of each company. In addition, in 2021 the Group developed a system for submitting anonymous or named reports by employees (whistleblowing mechanism platform) that will be activated in the first months of 2022, through which employees can report offending behaviors and situations, which are then investigated by the Group.

Safety of facilities and protection of human rights

In the Group, safety measures are applied to its facilities 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 labor inspectors and certification bodies, confirming that the measures taken are in line with safety risk and applicable legislation.

Commitment against forced and child labor

The Group through the Code of Ethics and Conduct is committed to zero tolerance for forced labor and child labor both at the parent company and its subsidiaries, as well as in their supply chain.

Safeguarding of personal data

[ATHEX ESG C-G6: 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.

It strictly follows 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. Since 2018, technical and organizational measures are applied in order to comply with the requirements of the Regulation, audits for its application by subsidiaries and periodic training of employees. At Group level, a Data Protection Officer has been appointed.

Furthermore, an insurance contract for the case of personal data loss has been established.

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

Outcomes of the above policies and non-financial performance indicators

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

In 2021, in the Group:

- There were no incidents of discrimination based on race, religion, gender, age, disability, nationality, political beliefs, etc. including incidents of harassment and/or total human rights violations, in all the activities and facilities of the Group.
- There were no confirmed cases of privacy infringements .

Supply Chain Issues

Main risks and their management

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

More particularly, the Group focuses on supply chain risks that are related to human rights protection, labor 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

[ATHEX ESG C-S8: Supplier assessment]

The assessment and selection of suppliers is an essential business operation to achieve a responsible supply chain. Having recognized this need, the Group has adopted special practices to determine if a supplier meets the requirements and conditions set in their cooperation with each other.

The supplier assessment process is realized using a special assessment form, that has been developed by certain companies of the Group and through which the suppliers are required to complete this form in order to be assessed on several areas such as:

- Management systems possessed (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.)

The categories of the Group's suppliers vary depending on the company and 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, transportation, logistics, outsourcing
- Partners providing consulting services, telecommunication services and information technology.

The group is in the phase of defining the process, through which suppliers are required to respect the official Code of Ethics and Conduct and to state that they follow similar principles and which are analyzed in the following key issues:

- Work
- Environmental
- Health and safety
- Ethics
- Human rights.

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, approximately 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

[ATHEX ESG C-S6: Human rights policy]

The Group has adopted policies to avoid engaging with suppliers/partners with a high

risk of violating human rights. The Group is committed and promotes constant improvement of the standards concerning international human rights in its interactions with suppliers or business partners. All Group companies comply with the policy of the Group concerning human rights.

No actions have been assumed for the detecting of 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 labor legislation is applied and the states are particularly sensitivity on human rights issues, ensures at a certain extent the minimization of the risk for potential infringements in the supply chain of the Group.

The employees of the companies of the Group have the right and obligation to report any violations (through whistleblowing mechanism) involving cases that might lead to an increased risk for modern slavery in their supply chain.

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. 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. The Group recognizes the importance of combating slavery, forced labor and human trafficking ("Modern Slavery"), a set of issues with continually growing interest that affect communities and individuals all over the world. The Group applies a zero tolerance approach to all forms of Modern Slavery within its operations and

supply chain, to the extent in which it can be identified, 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.



Outcomes of the above policies and non-financial performance indicators

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

In 2021, 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]*

Total number of Suppliers	2021	2020	2019
Don & Low LTD	534	526	826
Thrace Nonwovens & Geosynthetics S.A.	999	874	882
Thrace Ipoma A.D.	549	586	716
Thrace Greiner Packaging S.R.L.	380	409	409
Thrace Greenhouses S.A.	294	322	321
Thrace Polyfilms S.A.	525	518	452
Lumite INC	436	413	394
Thrace Synthetic Packaging LTD	319	272	300
Thrace Polybulk AS & AB	20	20	20
Thrace Plastic Pack S.A.	992	913	889
Thrace Eurobent S.A.	120	136	115
Thrace Plastics Co S.A.	175	131	137
Thrace Plastics Packaging DOO	105	95	101

* Companies of the Group have as suppliers companies of the Group respectively and they have been included in the above figures.

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

	2021	2020	2019
Estimated monetary value of total spending on suppliers (mil.€)			
Don & Low LTD	61.9	58.0	57.0
Thrace Nonwovens & Geosynthetics S.A.	113.5	86.0	87.0
Thrace Ipoma A.D.	24.8	16.5	21.0
Thrace Greiner Packaging S.R.L.	17.3	12.8	14.9
Thrace Greenhouses S.A.	4.9	5.1	5.3
Thrace Polyfilms S.A.	30.4	26.0	20.0
Lumite INC	24.8	15.8	16.7
Thrace Synthetic Packaging LTD	14.2	13.3	9.0
Thrace Polybulk AS & AB	19.0	21.4	23.2
Thrace Plastics Pack S.A.	63.5	51.5	45.9
Thrace Eurobent S.A.	6.8	5.0	5.4
Thrace Plastics Co S.A.	3.9	2.9	2.6
Thrace Plastics Packaging DOO	4.7	4.2	3.1
Percentage of spending on local suppliers			
Don & Low LTD	64%	77%	84%
Thrace Nonwovens & Geosynthetics S.A.	78%	77%	78%
Thrace Ipoma A.D.	55%	58%	53%
Thrace Greiner Packaging S.R.L.	25%	26%	22%
Thrace Greenhouses S.A.	99%	98%	99%
Thrace Polyfilms S.A.	66%	67%	61%
Lumite INC	65%	66%	73%
Thrace Synthetic Packaging LTD	Non-significant percentage spent on local suppliers. The main suppliers of the company are the Group subsidiaries.		
Thrace Polybulk AS & AB	3%	1%	5%
Thrace Plastic Pack S.A.	81%	79%	72%
Thrace Eurobent A.B.E.E.	49%	59%	67%
Thrace Plastics Co S.A.	94%	93%	87%
Thrace Plastics Packaging DOO	23%	22%	24%

Social and Labor Issues

Main risks and their management

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

The Group recognizes the risks associated with labor 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 its products, it recognizes and seeks 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 of the Group, 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 influence and the opportunities, which could affect local communities through the activities of its companies, which may affect its social capital with potential impact on local employment, as well as in the field of local human rights for the residents of the area or local communities overall.

Labor issues

Due diligence and other policies

The Group recognizes the value created by human capital and considers it crucial for the high productivity, performance and the assurance of a competitive advantage. In this context, it seeks to deploy – to the best of its ability – of its 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 promotes with various ways the strengthening of policy measures against discrimination, as mentioned above.

the Internal Labor Regulation, which have been established in collaboration with representatives of employees and have been submitted to the labor 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 health and safety at work.

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

The Group management respects the right of employees to participate in trade unions as well as in primary, secondary and tertiary associations. The Group adheres to

Recruitment process

For the recruitment of new employees the Group 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 employees that it intends to recruit and into which it participates a particular assessment committee of the candidates in order to secure the transparency of the procedure. The categories are: a) production worker (blue collar worker) and b) administration employee (white collar worker).

It is worth noting that part of the recruitment strategy is the support of local communities, through the recruitment of 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

[ATHEX ESG A-G4: Variable pay]

The Group applies a remuneration policy for the members of the Board of Directors, which 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 the members as long as it applies.

Within the Group the level of fixed remuneration 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.

It also ensured that the Group does not make excessively payments, while always ensuring the long-term interests and the sustainable development of the Group, 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.
- Providing incentives to ensure the focus on corporate goals that will create value over time.
- Rewarding short-term goal achievement, which leads to value creation for the Company in the long run.

The Remuneration Policy that includes information for the variable payments, as well as the methodologies, assumptions and tools utilized in the calculations are available in the website of the Group.

The Group has a Payroll and Personnel Management Policy in order to define a structured management framework of human resources and of all its parameters for the Group companies, through the establishment and observance of common principles and rules harmonized with the general strategy and culture of the Group.

More specifically, it is sought:

- The harmonization of remuneration with the annual budget of the company, as approved by the Top Management of the Group.
- The optimal management and utilization of the company's employees and all its parameters, such as the control of recruitments, internal movements, the planning of the annual leave, etc.
- The personal development of all that is supported through an effective sys-

tem of professional training and evaluation of the employees of the Group companies.

- The connection of professional development and the salaries that employees receive with their personal performance.

Health, safety and well-being of employees

Basic business practice of the Group is to ensure the health of our employees, by setting as strategic goal the minimization of any probability of a workplace accident as well as the manifestation of occupational diseases among its people.

As part of good practice in health and safety, in 2021 the company Thrace Plastics Pack won an award at the Health & Safety Awards held at the Stavros Niarchos Foundation.

Adoption of Health, Safety and Environmental Policy

The Group implements a Health, Safety and Environmental Policy, within the context of ISO standard 45001:2018 for health and safety in the workplace which covers all the employees of the Group and its subsidiaries and has the following aims:

- The training of 100% of the personnel in the facilities throughout the countries where the Group is operating in Health and Safety issues in the workplace, with particular emphasis on introductory staff training, which includes guidelines for safe work.
- Assessment and prioritization of occupational hazards in the workplace and definition of relevant corrective/preventive actions in order to eliminate the identified hazards and minimize

the probability of causing an accident or incident

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

Health and Safety Practices

In order to achieve the goals set by the Group, the following procedures are indicative:

- Realization of training sessions on health and safety issues, taking place both internally in the Group and in collaboration with external partners. More specifically, for 2021, given the restrictions due to the COVID-19 pandemic, a limited number of employee training sessions were realized.
- Engagement of health and safety officers in the facilities, per plant or department.
- Investment in equipment, machinery and risk assessment studies in the facilities of the Group, in order to ensure a safe environment. It collaborates with specialized partners with long and proved experience on matters of safety, for the detection and handling of risks.
- 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 and take relative actions.

- Communication campaign to further raise awareness among the 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 where the 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. Occupational hazards have been identified, assessed and prioritized and the relevant corrective / preventive actions have been defined in order to eliminate the identified hazards and minimize the chances of causing an accident or incident.

Through special occupational risk assessment studies (ORAS), there are identified 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 and in a completely understandable way.
- The responsibilities for the health and safety obligations are specified for every company by the Director of the plant, 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 while 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

The Group ensures that all its 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.

Primary concern of the Group is to provide to its 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

The Group offers extensive vocational education and training, aiming at the devel-

opment of its employees, as it utilizes the latest production methods which require continuous training. Therefore, it actively adds value to its 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. Through this training, the employees acquire a lot of experience, which enables them to address their job requirements.

Social issues

The main priority of the Group is to offer complete and innovative solutions that are adapted to the needs and requirements of its customers, in the safest and most sustainable way.

Product safety and consumer & end user health and safety

ATHEX ESG SS-S1:Product quality and safety

The products of Thrace Group reflect its

vision in relation to the quality and safety of the customer. To achieve this, the Group complies with the relevant national laws and adopts international guidelines, safety rules, best practices and industry standards, regarding the production and design of products in all its facilities, taking into account any impacts of its products in the health and safety of customers, consumers and end users.

Food packaging

Special attention is paid to the production of packaging coming into contact with food, due to the increased risk for the health and safety of the consumer. The Group companies that are operating in the production and/or trade of packaging products are the following:

- Thrace Plastics Pack S.A., Ioannina / Xanthi,
- Thrace Ipoma A.D., Bulgaria
- Thrace Greiner Packaging S.R.L., Romania

- Thrace Synthetic Packaging Ltd., Ireland
- Thrace Plastics Packaging DOO, Serbia

Regarding the treatment and management of this critical issue, for public health, all the companies of the Group apply policies and procedures, which meet the commitment of the Group which consists of:

- In the non-manufacture and non-sale of products that cannot be used safely.
- In the adoption of appropriate work practices and maintenance of facilities.

The Group has adopted management systems based on international standards (BRC, ISO 22000, FDA and IFS) and implements procedures for maintaining a Quality Management System, including:

- Annual analysis of the percentage of plastic that migrates to food.
- Microbiological analysis.
- Water analysis.
- Risk analysis.
- Contamination of the product.
- Carrying out internal inspections.
- Product recall procedures.
- Internal and external conditions of the facilities.
- Implementation of security measures.
- Clear definition of the process area and product flow and application of standards and cleaning procedures.
- Regular maintenance of equipment.
- Controlled movement and distribution of products.
- Systematic training of employees.

Masks

Similarly, upon the production of masks, in particular by Thrace Polyfilms, the Group focuses particularly to the safeguard of end users health and safety. To that end, the practices realized are the following:

- 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 OE-KO-TEX®, Class I.
- Certification of the Company with COVID-Shield certification.
- Implementation of Quality Policy and COVID-Shield Policy.

Product Responsibility Policy

Implementation of a series of procedures and best practices, such as:

- Dissemination of a culture of quality throughout the Group, which incorporates all the personnel.
- 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).
- Investment in the latest technologies related with the sector of operations of the Group.
- 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 (cost, availability, certifications). At this stage criteria are possession of certifications for environmental management system and energy management system (ISO 14001, ISO 50001) and the supply of raw materials that are recyclable (film, pallets and others). A requirement of the Group companies is the submission by the supplier of Safety Data Sheets for all raw materials, in order to receive guarantees for the supply, use and storage.
2. Supply of raw materials only from 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).

➤ **Control of Transport Packaging:**

- 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 provided.

Support of local communities

The Group seeks to be informed about the needs of citizens and the societies where it operates. Through these channels, it receives relevant requests for support of social programs. It then evaluates them, prioritizes them and proceeds to the design and implementation of programs and actions, with criteria to meet the real and important needs of each local community, but also those that are more in line with the Group's Sustainable Development strategy, the number of beneficiaries, as well as the

nature of its activities.

Applying a single approach, all of our companies recognize their responsibility towards people and society as a whole. The goal of the Group companies is to:

- Stand out as the most valuable corporate entities for the communities where they are operating and growing, while maintaining the trust they have built over all those years of their co-existence.

- Remain sensitive to the local needs and enhance the quality of life by funding social programmes and institutions.
- Collaborate with important educational institutions to promote innovation and the development of knowledge.
- Bring out and handle significant social issues related to the business practices of the Group.

Stavros Chalioris Social Center

The Social Centre “Stavros Chalioris” is a civil non-profit company situated in the local community of Magiko in the municipality of Avdera in the region of Xanthi, which has been operating since 2010. It is named after the late Stavros Chalioris, founder and chairman of Thrace Group, who envisioned its creation. The purpose of the operation of the Social Centre is to actively contribute to the local community through educational, cultural, recreational and social activities, addressed to both children and adults. At the same time, the Social Centre organizes:

- Events, celebrations and excursions of educational and recreational character for its members. Movie screenings for children
- Cultural, social and educational day-seminars in collaboration with local bodies and scientific partners.

The actions of the Social Centre include:

- Granting of scholarships and financial aid to young people living in 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.

Moreover, a medical centre is operating in the premises of the Social Centre, offering primary healthcare services to the inhabitants of the wider area. At the same time, the Centre hosts the meetings of the Open Care Centre for the Elderly of Magiko. Due to the special circumstances that prevailed due to the pandemic, the Social Centre focused on the support of health units (health centres and the hospital of Xanthi) and social institutions by providing them with equipment and by donating face masks and protective uniforms. Finally, the current impact of climate change globally demands for actions that the Social Centre will launch in 2022, aiming at raising awareness among the local communities and children regarding ecology and the use of renewable sources of energy.

Donations

Moreover, our subsidiary Thrace Greenhouses, driven by the motto “Nothing goes to waste”, is developing initiatives to reduce food waste. Since 2020, the company has been collaborating with the non-profit organization “Boroume”, thus actively supporting food charities throughout Greece. Based on the estimations of the network “Saving & Offering Food”, the foodstuffs offered in total, up to now, correspond to 15,290 food portions. Moreover, the company supports

the employees of the companies of Thrace Group through the distribution of foodstuffs (www.thracegreenhouses.com/gr/el/aeiforos-anaptiksi/).

Outcomes of the above policies and non-financial performance indices

Labor issues

[GRI 102-41: Collective bargaining agreements]

[ATHEX ESG C-S7: 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	0%
Thrace Polybulk 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.

[GRI 102-8 – Total number of employees]

Total number of employees by type of employment contract										
	2021			2020			2019			Change (2021 vs 2020)
	Men	Women	Total	Men	Women	Total	Men	Women	Total	
Indefinite term	1,450	359	1,809	1,377	411	1,788	1,461	371	1,832	1%
Fixed term	224	168	392	272	142	414	150	120	270	-5%
Total	1,674	527	2,201	1,649	553	2,202	1,611	491	2,102	0%

Total number of employees by type of employment										
	2021			2020			2019			Change (2021 vs 2020)
	Men	Women	Total	Men	Women	Total	Men	Women	Total	
Full-time employment	1,670	514	2,184	1,644	526	2,170	1,607	474	2,081	1%
Part-time employment	4	13	17	5	27	32	4	17	21	-47%
Total	1,674	527	2,201	1,649	553	2,202	1,611	491	2,102	0%

Total number of employees by geographical area		2021			2020			2019		
		Men	Women	Total	Men	Women	Total	Men	Women	Total
Greece	Indefinite term	853	112	965	759	129	888	797	116	913
	Fixed term	219	160	379	242	132	374	148	118	266
	Total	1,072	272	1,344	1,001	261	1,262	945	234	1,179
USA	Indefinite term	108	49	157	105	46	151	113	48	161
	Fixed term	2	5	7	5	2	7	2	1	3
	Total	110	54	164	110	48	158	115	49	164
Romania	Indefinite term	63	33	96	68	35	103	72	31	103
	Fixed term	0	0	0	0	0	0	0	0	0
	Total	63	33	96	68	35	103	72	31	103
Norway	Indefinite term	6	7	13	8	6	14	8	6	14
	Fixed term	0	1	1	0	1	1	0	0	0
	Total	6	8	14	8	7	15	8	6	14
United Kingdom	Indefinite term	294	69	363	298	72	370	339	102	441
	Fixed term	2	1	3	25	5	30	0	0	0
	Total	296	70	366	323	77	400	339	102	441
Ireland	Indefinite term	33	14	47	52	54	106	30	7	37
	Fixed term	1	1	2	0	1	1	0	1	1
	Total	34	15	49	52	55	107	30	8	38
Serbia	Indefinite term	5	3	8	4	3	7	4	4	8
	Fixed term	0	0	0	0	0	0	0	0	0
	Total	5	3	8	4	3	7	4	4	8
Bulgaria	Indefinite term	88	72	160	83	66	149	98	57	155
	Fixed term	0	0	0	0	1	1	0	0	0
	Total	88	72	160	83	67	150	98	57	155
Total	Indefinite term	1,450	359	1,809	1,377	411	1,788	1,461	371	1,832
	Fixed term	224	168	392	272	142	414	150	120	270
	Total	1,674	527	2,201	1,649	553	2,202	1,611	491	2,102

[ATHEX ESG C-S4: Employee turnover]

C-S4: Employee turnover*	2021	2020	2019
Voluntary turnover index	11%	11%	16%
Involuntary turnover index	10%	10%	7%

* (The indices refer to the rate at which the employees leave the company). Including the companies of the Group in Greece, USA, Romania, Norway, United Kingdom, Ireland, Serbia, and Bulgaria.

[ATHEX ESG C-S2: Female employees]

[ATHEX ESG C-S3: Female employees in management positions]

C-S2: Female employees **	2021	2020	2019
Percentage of women (in the Group in total)	23.9%	25.1%	22.7%

C-S3: Female employees in managerial positions **	2021	2020	2019
Percentage of women in managerial positions	18%	20%	22%

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

	2021	2020	2019
Percentage of women in the Board of Directors*	18%	0%	0%

* fulfilling however the requirements of Article 3, of L.4706/2020, for adequate representation per gender in the Board of Directors

Data on the basic wage and salary ratio between women and men will be available in the 2021 Sustainable Development Report, which will be published within the year.

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 Group for 2021.

Occupational Health and Safety

[GRI 403-9: Work-related injuries]

Injuries at work*	Direct Labour			Indirect Labour		
	2021	2020	2019	2021	2020	2019
Number of fatalities due to injury	0	0	0	0	0	0
Degree of fatality due to injury**	0	0	0	0	0	0
Number of severe injuries (excluding fatalities)	0	0	1	0	0	0
Degree of severe injuries (excluding fatalities)***	0	0	0.05	0	0	0
Number of confirmed injuries	49	33	45	4	0	2
Degree of confirmed injuries****	2.67	1.77	2.34	10.5	0	7.8
Number of days lost due to injury	708	398	369	0	0	0
Injury Severity Score	38.6	21.3	19.2	-	-	-

* Data for the years 2019 and 2020 have been updated based on the latest available data for all companies

** Degree of fatalities as a result of Injury = Number of deaths as a result of injury / Working hours * 200,000

*** Degree of severe injuries (excluding deaths) = Number of significant injuries (excluding deaths) / Working hours * 200,000

**** Degree of confirmed injuries = Number of confirmed injuries / Working hours * 200,000

[GRI 403-10 – Work-related ill health]

Occupational diseases	Direct labour			Indirect labour		
	2021	2020	2019	2021	2020	2019
Number of fatalities due to disease	0	0	0	0	0	0
Number of confirmed diseases	0	0	0	0	0	0

In 2021, there were no illnesses related to employment 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 ISO 45001:2018 (certificate number: 20152190001675).

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]

[ATHEX ESG SS-S1: Quality and safety of products]

In 2021, 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	2021	2020	2019
Total spending of the Stavros Chalioris Social Center	€380,017	€328,623	€273,435

Environmental issues/ Climate change

Main risks and their management

[ATHEX ESG A-E2: Climate change risks and opportunities¹]

In order to mitigate the risks and avoid the negative socio-economic and environmental effects, taking into account that the climate-related risks are inherently more complex and long-term than most business risks, the Group adapts its business model based on the principles of the circular economy and mitigating the effects of climate change. This practice aims to reduce the carbon footprint and energy consumption of its activities and at the same time, identifies the risks that may have a significant economic impact through an integrated risk assessment process in accordance with the environmental management system according to ISO 14001: 2015.

The Group has recognized the following categories of risks related to Climate Change and may cause significant or extreme economic impacts:

- The risks related to the climate with possible financial consequences for the Group, include the stigmatization of the plastics sector, as well as the continuous and rapid change in consumer preferences. The Group has recognized medium-term transition risks associated with changes in
- consumer preferences and the global trend towards the use of environmentally friendlier products due to climate change and invests in research and development moving towards a more circular economy and providing solutions to minimize the environmental footprint in the packaging sector.
- The risks associated with the changes in the regulatory framework for waste management and recycling mechanisms as well as technical restrictions on the management of waste collected for recycling, account for another transition risk. In both the legislative and the operational part, the risks of changing the habits, can turn into an opportunity for the Group to lead in new markets of innovative, alternative reusable, new ecologically designed products. The role of certification bodies in the plastics sector will be crucial, as they are called upon to contribute to the updating, control and implementation of the new criteria for innovative plastic products, adding value to them.
- The transition to a circular economy presents short-term risks of adapting the production process and developing products and solutions. Potential

1 More information on the full coverage of the index will be published in the Sustainable Development Report 2021

risks are monitored both in internal activities (R&D, production process) and in transactions with key stakeholders, such as suppliers and customers. The Group applies the following practices for a sustainable production process:

- Reuse of the scrap resulting from the production process.
 - Collection of waste and their promotion to recycling companies.
 - Supply of recycled raw material, either directly from customers (closed loop system) or from certified recyclers.
- Legal requirements for the treatment, storage, transport, recycling and disposal of waste generated also present short-term risks. In this context, the Group has assessed the environmental risk regarding the potential waste generated and their management, and respects the contractual obligations, such as the registration in the electronic waste register and the payment of the recycling fee. The Group's subsidiaries monitor the types and quantities of waste generated, including their location and method of treatment, ensuring that companies where the waste (hazardous or not) ends up for final treatment or disposal have all the legal documents proving that they have been licensed and certified to proceed with their processing and recycling.

The transition to a low-carbon business model creates opportunities for efficiency, innovation and growth that extend beyond high-carbon industries, such as manufacturing. The Group has recognized the following opportunities and acts for their implementation:

- The Group recognizes the great opportunity offered in the short term by the principles of the circular economy model. Therefore, through special actions, it aims to strengthen the model in practice. More specifically, it uses and develops 28 different production technologies, designs reusable products with less weight, 100% recyclable, as well as products from recycled raw materials. In addition, investing in closed recycling systems for the production - from waste - of new products is another great opportunity. Thus, the Group has developed a platform that aims to strengthen cooperation between value chain operators and create value through the recycling of plastic waste.
- If all processes are optimized effectively, the Group can achieve its maximum efficiency by minimizing costs and maximizing its capabilities. Recognizing the short-term opportunities that arise through the optimal use of resources to ensure the best possible results, the Group performs various projects such as zero pellet loss, energy efficiency and zero waste and reuses whatever is used or results from its production (pallets, generated waste, etc.).
- The use of recycled raw materials is a priority of the Group as evidenced by its voluntary commitment to the European Union to replace 8,500 tons of plastic material with recycled by 2025.
- The Group seeks continuous improvement of its processes efficiency, always guided by the optimal management of the environmental impacts resulting from its operation, with particular emphasis on reducing en-

ergy consumption and the creation of greenhouse gases associated with its activities. In recent years, this is a great opportunity for a parallel reduction of production costs, as the companies of the Group have taken actions aimed at reducing energy consumption (non-renewable sources) and increasing energy efficiency, such as:

- Lower energy consumption per kilo of product, due to design, monitoring, performance and equipment upgrade.

- Investments in energy efficient production machines.
- Upgrade of conventional lighting to new LED technology lamps in production units.
- Purchase of electric forklift trucks and withdrawal of old diesel vehicles.
- Raising awareness on energy efficiency issues to the employees.

Due diligence and other policies

[ATHEX ESG SS-E1: Emission strategy]

The Group has an Environmental Policy, always guided by the improvement of the environmental impacts resulting from its operation, with particular commitment to the application of the circular economy principles, responsible waste management, reduction of energy consumption and reduction of greenhouse gas emissions related to its activities.

The Group develops its business strategy in combination with the recommendations of the international initiative “Task Force on Climate-Related Financial Disclosures (TCFD)”, while participating in the

international initiative CDP (Carbon Disclosure Project), so as the way that it manages the impact that its activities have in the environment and climate change to be evaluated.

The companies of the Group follow specific procedures, based on which they categorize their environmental performance while they have appointed responsible personnel for the environmental management in order to monitor their performance through the Environmental Management System.

Moreover, they apply certified Systems, according to the international standards which include actions and measures for the protection of the environment and ensuring the proper use of the energy consumed.

Circular economy

The EU Strategy for plastics in the context of the circular economy lays the foundations for a new plastics economy, within which the design and production of plas-



tic products fully respect the utilization of more sustainable resources and the needs for the prioritization of waste management (reduction, reuse and recycling). This way, innovation is further promoted, while pollution by plastic waste is limited. The strategy also contributes to the fulfilment of the goal for a contemporary economy characterized by low carbon emissions and efficient use of resources and energy. Thrace Group, fully meets this strategy by turning the challenges of modern times into opportunities for growth, aspiring to foster a sustainable competitive advantage. Within this framework, it has adopted the principles of the circular economy throughout the life cycle of its products.

Raw material sourcing

[ATHEX ESG SS-E7: Critical materials]

- Ensuring quality, safety and sustainability in the use of natural resources during the stage of selection and supply of their raw materials.
- Evaluation of raw materials based on additional criteria, in addition to costs, so that the Group consolidates and maintains long-term relationships of trust with its suppliers and incorporates in the contracts terms for the management and prevention of risks related to product safety, as well as the required environmental specifications.
- The Group companies do not intentionally use, during their production process, the 27 critical raw materials for which there is a high risk of supply chain problems, as they are recognized by the European Committee.

[ATHEX ESG SS-E5: Environmental impact of packaging]

Design

- Reduction of plastic use, through the reduction of the products weight
- Eco-friendly reusable solutions
- Replacement of raw material with recycled raw material.
- Production of products from a single material
- Life Cycle Assessment (LCA) and development of Environmental Product Declarations (EPD) according to international standards.
- Research and development for reusable products.

Production

- Saving raw materials through the reuse of internal waste
- In accordance with the European Strategy that requires all plastic packaging that will circulate in the European Union by 2030 to be recyclable, the Group already produces and distributes worldwide, products that meet these conditions
- Lower energy consumption per kilo of product produced due to planning, monitoring, efficiency and equipment upgrade
- Investing in more effective and energy efficient production machines

Distribution / Transportation

- Carrying out synergies between the Group companies for the optimization of itineraries and the maximum utilization of the payload for the transports

- Supply of raw materials from industries located in the same geographical area, as a matter of priority, when possible.

Reuse

Design and production of products with the aim of maximizing their life cycle, so that they can be reused and usable for a long time.

Collection

Proper separation, collection using suitable bins and storage of our production residues in appropriate temporary storage stations, with the aim of their optimal utilization.

Recycling

- Actively responding to the European Commission's call for voluntary commitment to increase the use of recycled plastic, the Group committed to replace 8,500 tons of raw material with recycled plastic by 2025.
- Enhancing the reliability of traceability and evaluation of the recyclability of plastic packaging through the methodological approach of Recyclclass and TUV OK certification.
- Separation and recycling of non-reusable raw materials, through licensed partners.

Rejection

Continuous reduction of non-hazardous waste dumping in landfills, through the separation at source.

Solid waste and effluents

The Group complies 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 a decision of approval has been taken for 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 recycling. Within this context the Group implements internal procedures for waste management, such as the evaluation of waste management companies, the preparation of daily, weekly and monthly reports on the types and quantities of waste generated, while efforts are made to reduce them in its facilities (such as the separation at source).

The Group ensures that the companies to which the waste ends up (hazardous and not) for final processing or disposal, have in force the legal operating documents, from which the right to transport and manage the waste they receive is clearly derived. The relevant recycling certificates are also obtained.

Use of chemicals

Due to the Group's operation sector a wide range of chemical substances is utilized. The management of any environmental risks that might occur by the use and storage of those chemicals is a top priority for the Group.

To effectively handle those hazards, the Group complies with the legal require-

ments 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. It also informs and trains its employees on the safe handling and use of those substances utilized in production and facility maintenance.

All 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.

Climate change

[ATHEX ESG SS-E1: Emission strategy]

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.

The Group recognizes the importance of recording the emissions of greenhouse gases and that is why it started recording them in 2020 (initially in the companies

with the greatest impact), in order to then take action to reduce them. The modernization of machinery, the use of renewable energy sources, the continuous effort to increase the percentage of recycled material, and the proper management of waste, constitute key pillars of its approach.

Water

Water consumption at Group level is not a substantial issue, according to the related materiality analysis (see Thrace Group – Sustainable Development Report 2020). 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, the Group assumes 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

The Group complies with the legal requirements for the levels of noise, odor, light nuisance and vibrations, as well as for

emergency and evacuation plans, while offering training programs to its employees for the proper handling of these parameters. These issues are monitored on a regular basis and preventive measures or even corrective actions are taken in case it is demonstrated that they are exceeding

the permissible limits. In particular, in the premises of the Group, 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 above policies and non-financial performance indicators

Materials

[GRI 301-1 – Materials used by weight or volume]

The purpose of the monitoring framework is to measure the progress being made towards the circular economy in terms of the supply of raw materials in relation to recyclable raw materials.

Total weight of materials (in tons)				
	2021	2020*	2019	Change (2021 vs 2020)
Polypropylene	90,365	89,060	89,760	1%
Polyethylene	10,830	12,898	10,151	-16%
Masterbatch (MB)	2,040	3,154	3,413	-35%
Packaging	6,690	6,692	6,864	0%
PET Fiber	0	0	643.1	0%
Total	109,925	111,804	110,831	-2%

* 2020 figures have been updated based on the latest available data

[GRI 301-2: Recycled materials utilized]

	2021	2020*	2019	Change (2021 vs 2020)
Recycled raw material **	11,443	6,783	6,256	69%
Percentage of recycled raw material	10%	6%	6%	

* 2020 figures have been updated based on the latest available data

** Recycled raw materials imported into the production process originate from both the production process residues and from external sources.

Solid waste

Regarding the management of solid waste, the following table includes data for the quantities of waste generated in the Group, by treatment method. It must be noted that the quantities of scrap generated within the production units are recycled in full through the production process.

[GRI 306-2: Waste by type and disposal method]

[ATHEX ESG A-E3: Waste management]

Waste treatment method	Total weight of hazardous waste (in tons)			Percentage %			Total weight of non-hazardous waste (in tons)			Percentage %		
	2021	2020	2019	2021	2020	2019	2021	2020*	2019	2021	2020	2019
Recycling	177.15	197.98	203.28	83%	88%	93%	2,201.77	2,817.38	3,350.59	51%	53%	62%
Recovery (including energy recovery)	18.92	0.00	0.00	9%	0%	0%	362.39	8.86	225.08	8%	0%	4%
Incineration	16.13	13.77	12.49	8%	6%	6%	0	0	0	0%	0%	0%
Disposal in landfills	0.00	12.00	0.00	0%	5%	0%	1,794.97	2,480.29	1,824.22	41%	47%	34%
Other methods of treatment	0.56	0.00	2.65	0%	0%	1%	0	0	0	0%	0%	0%
Total	212.76	223.75	218.42	100%	100%	100%	4,359.13	5,306.53	5,399.89	100%	100%	100%

* The data for 2020 have been updated based on the latest available data for all companies

Data on the quantities of waste by type and method of disposal will be available in the Sustainable Development Report 2021.

Platform IN THE LOOP



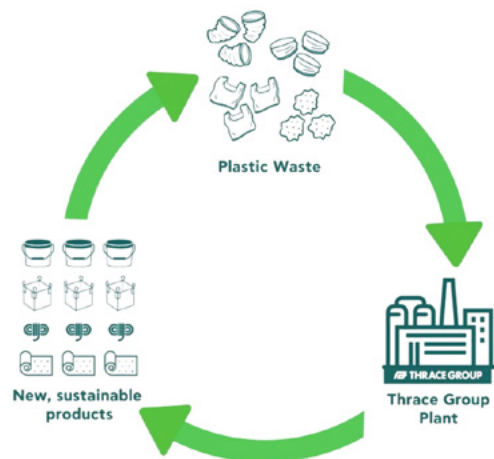
Having incorporated the capabilities of the circular economy in its business strategy, the Group has created the IN THE LOOP platform, which aims at upcycling used plastic for the creation of new sustainable products.

What it is:

- An environmentally-driven platform, which aims at creating value by upcycling plastic waste
- It connects companies, brands, public bodies, environmental organizations and consumers

What it does:

- Design specialized closed/controlled loop recycling systems.
- Enhances collaboration between value chain stakeholders.
- Proves that recycling is feasible, desirable & profitable.
- Provides the opportunity to produce new plastic products from plastic waste
- Raises awareness about plastic waste upcycling
- Promotes and certifies the profile of the companies and bodies that participate



The result:

- Reduces plastic waste
- Reduces carbon footprint.
- Preserves natural resources.
- Becomes action the transition to circular economy

Energy

[GRI 302-1: Energy Consumption within the organization]

[ATHEX ESG C-E3: Energy consumption and production]

	2021	2020	2019
Energy consumption within the Group per type and source of energy (MJ)			
Non-renewable resources			
Electric energy			
Electric energy (total)	553,745,488	550,802,783	571,706,671
Thermal energy			
District heating (total)	1,627,056	1,674,000	1,548,000
Fuel			
Gasoline	936	756*	27
Natural gas	134,296,621	81,338,215	93,790,669
Methane	242,388	56,221	88,920
Liquefied Petroleum Gas (LPG)	3,995,167	3,696,909	3,680,961
Diesel	736	1,047	1,739
Heating pellets	1,963,026	4,092,002	2,886,332
Total	140,498,874	89,185,150*	100,448,648
Renewable sources			
Geothermal energy (total produced energy)	25,311,968	22,722,870	23,680,000
Total (MJ)	721,183,386	664,384,803*	697,383,319
Total (MWh)	200,329	184,551	193,718

Energy consumption within the Group per type and source of energy (%)			
Total energy consumed within the organization from non-renewable resources (%)	96.5%	96.6%	96.6%
Total energy consumed within the organization from renewable energy resources (%)	3.5%	3.4%	3.4%
Total	100%	100%	100%
Electric energy consumption (%)	76.8%	82.9%	82.0%
Thermal energy consumption (%)	0.2%	0.3%	0.2%
Fuel consumption (%)	19.5%	13.4%	14.4%
Geothermal energy consumption (%)	3.5%	3.4%	3.4%
Total	100%	100%	100%

Energy intensity of the Group (MJ/kg production)			
Companies/Country of operation			
Total operation in Greece (Thrace Nonwovens & Geosynthetics S.A., Thrace Polyfilms S.A. & Thrace Plastics Pack S.A.)	4.13	4.18	4.36
Don & Low Ltd	6.30	5.98	5.54
Thrace Ipoma A.D.	4.64	5.69	5.40
Thrace Greiner Packaging S.R.L.	4.70	4.90	5.04

* A review was carried out on the method of calculating electricity consumption for the year 2020

Direct and indirect emissions

[GRI: 305-1 Direct (Scope 1) emissions, 305-2 Indirect (Scope 2) emissions, 305-3 Other indirect (Scope 3) emissions]

[ATHEX ESG: C-E1 Direct emissions (Scope 1), C-E2 Indirect emissions (Scope 2), A-E1 Indirect emissions (Scope 3)]

Since 2020, the Group has recorded direct and indirect emissions through internationally recognized initiatives and standards, such as EPD (Environmental Product Declaration), CDP (Carbon Disclosure Project) and TCFD (Task Force on Climate-Related Financial Disclosures). The Group now participates in the international organization CDP (Carbon Disclosure Project), in order to evaluate the way it manages the impact of its activities on the

environment and climate change. Following this initiative, it proceeded to record the carbon footprint of the three most significant subsidiaries. In 2021, the same procedure for recording direct and indirect emissions was followed. The following are the tables with the data collected and certified according to ISO 14064-3, where tCO₂e refers to the total greenhouse gas emissions in tons of CO₂ equivalent.

Don & Low*	2020	2019
Direct emissions (Scope 1) tCO₂e		
Natural gas	914	1,358
LPG production machinery	150	156
LPG vehicles	-	-
Diesel of production machinery	-	-
Diesel of vehicles	16	57
Total	1,080	1,571
Indirect emissions (Scope 2) tCO₂e		
Electric energy	7,813	10,051
Total	7,813	10,051
Indirect emissions (Scope 3) tCO₂e		

Don & Low*	2020	2019
Waste	37	46
PP material recycled and non-recycled	58,047	66,251
Water	10	28
Total	58,094	66,325

Thrace Nonwovens & Geosynthetics*	2020	2019
Direct emissions (Scope 1) tCO₂e		
Natural gas	3,398	3,421
LPG production machinery	116	131
LPG vehicles	-	-
Diesel of production machinery	357	278
Diesel of vehicles	33	26
Total	3,904	3,856
Indirect emission (Scope 2) tCO₂e		
Electric energy	33,106	29,635
Total	33,106	29,635
Indirect emissions (Scope 3) tCO₂e		
Waste	20	14
PP material recycled and non-recycled	133,737	122,683
Water	8	9
Total	133,765	122,706

Thrace Pack *	2020	2019
Direct emissions (Scope 1) tCO₂e		
Natural gas	-	-
LPG production machinery	150	113
LPG vehicles	34	25
Diesel of production machinery	-	-
Diesel of vehicles	1	1
Total	185	139
Indirect emissions (Scope 2) tCO₂e		
Electric energy	16,658	14,735
Total	16,658	14,735
Indirect emissions (Scope 3) tCO₂e		

ThrAce Pack *	2020	2019
Waste	11	8
PP material recycled and non-recycled	53,639	47,630
Water	7	9
Total	53,657	47,647

* Both the emissions (direct and indirect) and the intensity of the emissions for 2021 will be published in the Sustainable Development Report 2021 of the Group.

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 as well as in 2021, the Group has managed to remain unaffected by any negative, from financial perspective, impact in relation to its financial results and transaction cycle; and therefore it did not face any risk of financial nature that could negatively affect its business continuity.

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 manage-

ment teams with the participation of the Management teams of the subsidiaries and the Group, the Human Resources Departments, 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 appropriate.
- Remote work for office employees to the greatest possible extent.
- Protection of employees belonging to vulnerable groups, by facilitating their immediate removal from the premises, without curtailing their remuneration.
- Development of specific procedures and protocols for all visitors to the Company's facilities (carriers, contrac-

tors, technicians, etc.)

- Conducting meetings among the employees of all Companies as well as the Management of the Group and conducting Board of Directors' meetings without physical presence and by 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.
- Adherence to the required medical protocols, in case of illness of an employee or simple contact with an infected case, in collaboration with the occupational physician.
- Continuous monitoring of liquidity and the transaction cycle of the Group companies.
- Weekly meetings among the Management of the subsidiaries and the Group, the Human Resources Depart-

ment, the Occupational Physicians and the Safety Technicians in order to maintain and enrich the protection measures as well as the monitoring process of vaccinations and infections

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.

Charities

By recognizing the need to take effective actions 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".

EU TAXONOMY REGULATION

[ATHEX ESG A-S1 Sustainable economic activity]

The EU Taxonomy Regulation is one of the tools established under the European Green Deal, which aims at achieving the European Union's climate neutrality by 2050. The Regulation establishes the criteria for determining whether an economic activity is environmentally sustainable, in order to determine the extent to which an investment is indeed environmentally sustainable. The Regulation creates a common language, which can be used by investors when investing in projects and economic activities, which have a significant positive impact on the climate and the environment.

Taxonomy Regulation 2020/852 / EU

Taxonomy Regulation 2020/852 / EU is supplemented by the delegated Regulation 2021/2178 / EU as well as the delegated Regulation 2021/2139 / EU.

In order for an economic activity to be characterized as environmentally sustainable, it must:

- contribute substantially to at least one of the following six environmental objectives:
 1. *Climate change mitigation*
 2. *Climate change adaptation*

3. Sustainable use and protection of water and marine resources
4. Transition to a circular economy
5. Pollution prevention and control
6. Protection and restoration of biodiversity and ecosystems

- does not significantly harm any of the other five environmental objectives,
- is exercised in accordance with the minimum safeguards in relation to the OECD Guidelines for Multinational Enterprises and the United Nations Guidelines for Business and Human Rights, including the principles and rights determined in the eight fundamental conventions set out in Declaration of the International Labor Organization on Fundamental Principles and Labor Rights, and the International Charter of Human Rights,
- complies with the technical control criteria established by the European Commission.

Delegated Regulation 2021/2139 / EU, adopted on 4 June 2021, sets out the technical control criteria for determining the conditions under which an economic activity is considered to contribute significantly to the first two environmental objectives: **climate change mitigation** and **climate change adaptation**. This Regulation also sets out the conditions for determining whether this economic activity does not significantly affect any of the other environmental objectives.

Compliance with Regulation 2020/852 / EU - Methodology and accounting policy

Article 8 (1) of Regulation 2020/852 / EU provides that companies required to publish non-financial information (according

to Directive 2013/34 / EU) should disclose additional information on how and to what extent their activities are linked to environmentally sustainable economic activities, as defined by this Regulation.

More specifically, on the basis of the delegated Regulation 2021/2178 / EU (Article 10, paragraph 2) for the disclosures to be made in the year 2022 and concerning the financial year 2021 (without the obligation of comparative information for 2020), it arises, for non-financial corporations, the obligation to disclose the percentage of eligible and ineligible economic activities for classification purposes, in relation to the following key performance indicators (KPI):

- ♦ Turnover,
- ♦ Capital expenditure ("CapEx"), and
- ♦ Operating costs ("OpEx"),

on total turnover, capital and operating expenses.

For the disclosures that will take place in the year 2023 and will concern the financial year 2022, the obligations will be increased, as the companies will have to disclose -among other things- if their eligible economic activities are aligned with technical criteria of the Regulation.

Towards this direction, in 2022 where 2021 is the reference year, Thrace Plastics Group proceeded to the determination of its eligible economic activities, based on the Classification Regulation, and in particular with regard to the 2 environmental objectives, i.e. the objectives of mitigation and adjustment in climate change. As part of this process, the Group publishes in this section the key performance indicators (KPIs) associated with its eligible economic activities for the financial year 2021.

Eligible economic activities

The eligible economic activities of Thrace Plastics Group for the financial year 2021 include:

- 3.6 Manufacturing of other low carbon technologies. Specifically:
 - o Production of technical fabrics of low carbon emissions by the Group.

In addition to the above economic activity, which generates income for the Group, capital and operating expenses were incurred from the acquisitions / additions, from the following economic activity eligible in relation to the classification:

- 7.6. Installation, maintenance and repair of renewable energy technologies
Specifically:
 - o Installation and operation of a photovoltaic power plant for cogeneration with energy netting (net metering) of installed capacity of 1.5 MW, in order to meet part of the energy needs of the Group's factory in the area of Xanthi, Greece, in the context of achieving the objectives of the Group for energy savings and further reduction of its environmental footprint.

Accounting policy for the determination of key performance indicators (KPIs)

Thrace Plastics Group prepares its financial statements in accordance with the International Financial Reporting Standards (IFRS), including International Accounting Standards (IAS) and interpretations, issued by the Interpretations Committee of International Financial Reporting Standards. For more information, you can refer to the Annual Financial Report 01/01-31/12/2021 of the Group which is available on its web-

site and specifically in the section "Framework for the preparation of Financial Statements and Basic Accounting Principles".

Turnover

The percentage of turnover is calculated as the part of the net turnover that derived from products in the "technical fabrics" sector and linked to the eligible economic activity "3.6 Manufacturing of other low carbon technologies" via the following calculation: the classified economic activity (numerator) is divided by the net turnover (denominator). Turnover covers income as recorded in the financial statements and which has been prepared in accordance with the International Financial Reporting Standards (IFRS). Turnover does not include any intra-group transactions.

Capital Expenditure (CapEx)

The percentage of capital expenditure related to eligible economic activities has been calculated as described below.

Numerator

The numerator is equal to the capital expenditures associated with any of the following:

- With assets or processes related to the taxonomy-based eligible economic activity "3.6 Manufacturing of other low carbon technologies" and in particular with the production of low carbon products belonging to the "technical textiles" sector. As capital expenditures are accounted for by operating area (factory) and not by product category, capital expenditures related to the specific economic activity have been calculated based on the sales volume of the specific products,

in relation to the total sales volume of the specific operating areas.

- With the acquisitions / additions related to the taxonomy-based eligible economic activity "7.6 Installation, maintenance and repair of renewable energy technologies" that lead to reductions in greenhouse gas emissions due to the operation of the Group.

Denominator

The denominator covers the additions to tangible and intangible assets by operating area, during the financial year 2021, before depreciation and any revaluations, including those resulting from adjustments and impairments and excluding changes in fair value.

Operating costs (OpEx)

The percentage of operating expenses related to eligible economic activities has been calculated as described below.

Numerator

The numerator is equal to the portion of the operating costs associated with any of the following:

- With assets or processes related to the taxonomy-based eligible economic activity "3.6 Manufacturing of other low carbon technologies", and in particular with the production of low carbon products belonging to the "technical fabrics" sector. As operating costs are accounted for by operating area rather than by product category, operating costs related to the product category (low carbon technical fabrics) are calculated based on the sales volume of the products in relation to the total volume sales of the specific operating areas.

- With the acquisitions / additions related to the taxonomy-based eligible economic activity "7.6 Installation, maintenance and repair of renewable energy technologies" that lead to reductions in greenhouse gas emissions due to the operation of the Group.

Denominator

The denominator includes the direct non-capitalized costs related to research and development, as well as other direct costs related to maintenance and repair, which are necessary to ensure the continuous and efficient operation of these assets.

The following table summarizes the percentages of eligible economic activities, in terms of the total performance figures of the Group, as discussed in detail above.

	KPI	KPI	KPI
Financial activities of Thrace Plastics Group (consolidated results)	% Turnover	% CapEx	% OpEx
Eligible economic activities	35.90%	43.94%	47.20%
3.6 Manufacturing of other low carbon technologies	35.90%	42.14%	47.20%
7.6. Installation, maintenance and repair of renewable energy technologies	0.00%	1.80%	0.00%
Ineligible economic activities	64.10%	56.06%	52.80%
Total	100%	100%	100%

Xanthi, 12 April 2022

**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 "Thrace Plastics Holding Company S.A." Listed Company (Company or/and Group) which comprise the separate and consolidated statement of financial position as of 31 December 2021, 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 2021, 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.

3.1 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 2021, are disclosed in the note 3.31 of 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 year ended 31 December 2021. 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)

In the consolidated statement of financial position is included an amount of €3.5 million related to provisions for employee benefits, of which €1.9 million relate to defined benefit plans which are funded and €1.6 million relate to defined benefit plans which are not funded, as at 31 December 2021.

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.

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.

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.

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.
- 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.
- 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.
- 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.
- We agreed on the provision for staff benefits and the relative costs included in the financial statements with the actuarial valuation.

We found that the assumptions used were within a reasonable range and confirmed the appropriateness of the disclosures in the consolidated financial statements.

We confirmed that the relevant disclosures in the consolidated financial statements are adequate.

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 2021, 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 2021.

Impairment assessment of investment in Subsidiaries (Separate Financial Statements)

As at 31 December 2021, the Company held investments in subsidiaries amounting to €73.9 million, which are measured at cost, and

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.

We evaluated the management's assessment and resulting conclusions over the existence

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 2021.

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 14 April 2022.

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 Board of Directors' Report for the year ended at 31 December 2021 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,

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. 3.29 "Participations".

- 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 the 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 year ended 31 December 2021 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, as per article 11 of Regulation (EU) 537/2014 required, Additional Report to the Audit Committee of the Company.

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 12 years.

3. Operating Regulation

The Company has an Operating Regulation in accordance with the content provided by the provisions of article 14 of Law 4706/2020.

4. Assurance Report on the European Single Electronic Format

We have examined the digital files of Thrace Plastics Holding Company S.A." (hereinafter referred to as the "Company and / or Group"), which were compiled in accordance with the European Single Electronic Format (ESEF) defined by the Commission Delegated Regulation (EU) 2019/815, as amended by Regulation (EU) 2020/1989 (hereinafter "ESEF Regulation"), and which include the separate and consolidated financial statements of the Company and the Group for the year ended December 31, 2021, in XHTML format 213800J1QD8BIB2ICW19-2021-12-31-el, as well as the provided XBRL file 213800J1QD8BIB2ICW19-2021-12-31-el with the appropriate marking up, on the aforementioned consolidated financial statements.

Regulatory framework

The digital files of the European Single Electronic Format are compiled in accordance with ESEF Regulation and 2020 / C 379/01 Interpretative Communication of the European Commission of 10 November 2020, as provided by Law 3556/2007 and the relevant announcements of the Hellenic Capital Market Commission and the Athens Stock Exchange (hereinafter "ESEF Regulatory Framework").

In summary, this Framework includes the following requirements:

- All annual financial reports should be prepared in XHTML format.
- For consolidated financial statements in accordance with International Financial Reporting Standards, the financial information stated in the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the Statement of Cash Flows should be marked-up with XBRL 'tags', according to the ESEF Taxonomy, as in force. The

technical specifications for ESEF, including the relevant classification, are set out in the ESEF Regulatory Technical Standards.

The requirements set out in the current ESEF Regulatory Framework are suitable criteria for formulating a reasonable assurance conclusion.

Responsibilities of the management and those charged with governance

The management is responsible for the preparation and submission of the separate and consolidated financial statements of the Company and the Group, for the year ended December 31, 2021, in accordance with the requirements set by the ESEF Regulatory Framework, as well as for those internal controls that management determines as necessary, to enable the compilation of digital files free of material error due to either fraud or error.

Auditor's responsibilities

Our responsibility is to plan and carry out this assurance work, in accordance with no. 214/4 / 11.02.2022 Decision of the Board of Directors of the Hellenic Accounting and Auditing Standards Oversight Board (HAASOB) and the "Guidelines in relation to the work and the assurance report of the Certified Public Accountants on the European Single Electronic Format (ESEF) of issuers with securities listed on a regulated market in Greece" as issued by the Board of Certified Auditors on 14/02/2022 (hereinafter "ESEF Guidelines"), providing reasonable assurance that the separate and consolidated financial statements of the Company and the Group prepared by the management in accordance with ESEF comply in all material respects with the current ESEF Regulatory Framework.

Our work was carried out in accordance with the Code of Ethics for Professional Accountants of the International Ethics Standard Board for Accountants (IESBA Code), which has been transposed into Greek Law and in addition we have fulfilled the ethical responsibilities of independence, according to Law 4449/2017 and the Regulation (EU) 537/2014.

The assurance work we conducted is limited to the procedures provided by the ESEF Guidelines and was carried out in accordance with International Standard on Assurance Engagements 3000, "Assurance Engagements other than Audits or Reviews of Historical Financial Information". Reasonable assurance is a high level of assurance, but it is not a guarantee that this work will always detect a material misstatement regarding non-compliance with the requirements of the ESEF Regulation.

Conclusion

Based on the procedures performed and the evidence obtained, we conclude that the separate and consolidated financial statements of the Company and the Group for the year ended December 31, 2021, in XHTML file format 213800J1QD8BIB2ICW19-2021-12-31-el, as well as the provided XBRL file 213800J1QD8BIB2ICW19-2021-12-31-el with the appropriate marking up, on the aforementioned consolidated financial statements have been prepared, in all material respects, in accordance with the requirements of the ESEF Regulatory Framework.

14 April 2022

The Certified Auditor



PricewaterhouseCoopers SA
268 Kifissias Avenue
152 32, Halandri
SOEL Reg.No 113

Konstantinos Michalatos
SOEL Reg. No. 17701



THRACE PLASTICS CO S.A.

**ANNUAL FINANCIAL
STATEMENTS**

FOR THE PERIOD

01.01.2021 – 31.12.2021

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▶ IV. ANNUAL FINANCIAL STATEMENTS (SEPARATE AND CONSOLIDATED)

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STATEMENT OF INCOME AND OTHER COMPREHENSIVE INCOME

	Note	Group		Company	
		1/1 - 31/12/2021	1/1 - 31/12/2020	1/1 - 31/12/2021	1/1 - 31/12/2020
Turnover		428,429	339,722	5,668	4,852
Cost of Sales		(288,280)	(233,763)	(5,644)	(4,545)
Gross Profit/(loss) - continuing operations		140,149	105,959	24	307
Other Operating Income	3.4	1,613	1,169	168	159
Selling and Distribution Expenses		(35,891)	(30,725)	-	-
Administrative Expenses		(16,742)	(15,195)	(930)	(1,093)
Research and Development Expenses		(1,822)	(1,462)	-	-
Other Operating Expenses	3.8	(4,594)	(5,874)	(99)	(73)
Other gain / (losses)	3.5	1,200	(15)	(2)	2
Operating Profit /(loss) before interest and tax - continuing operations		83,913	53,857	(839)	(698)
Financial Income	3.9	965	667	-	-
Financial Expenses	3.9	(3,728)	(4,223)	(37)	(316)
Income from Dividends		-	-	15,006	12,757
Profit / (loss) from companies consolidated with the Equity Method	3.29	2,770	1,776	-	-
Profit/(loss) before Tax - continuing operations		83,920	52,077	14,130	11,743
Income Tax	3.11	(18,054)	(10,805)	(16)	(553)
Profit/(loss) after tax (A) - continuing operations		65,866	41,272	14,114	11,190
Profit/(loss) after tax (A) - discontinued operations	3.2	6,591	(3,316)	-	-
Profit/(loss) after tax (A)		72,457	37,956	14,114	11,190
FX differences from translation of foreign Balance Sheets		4,348	(3,172)	-	-
Actuarial profit/(loss)		7,887	(1,369)	6	(34)
Other comprehensive income after taxes (B) - continuing operations		12,235	(4,541)	6	(34)
FX differences from translation of foreign Balance Sheets		95	175	-	-
Actuarial profit/(loss)		-	-	-	-
Other comprehensive income after taxes (B) - discontinued operations		95	175	-	-
FX differences from translation of foreign Balance Sheets		4,443	(2,997)	-	-
Actuarial profit/(loss)		7,887	(1,369)	6	(34)
Other comprehensive income after taxes (B)		12,330	(4,366)	6	(34)
Total comprehensive income after taxes (A) + (B) - continuing operations		78,101	36,731	14,120	11,156
Total comprehensive income after taxes (A) + (B) - discontinued operations		6,686	(3,141)	-	-
Total comprehensive income after taxes (A) + (B)		84,787	33,590	14,120	11,156

The accompanying notes that are presented in pages 158-260 form an integral part of the present Financial Statements

Amounts in thousand Euro, unless stated otherwise

STATEMENT OF INCOME AND OTHER COMPREHENSIVE INCOME (continues from previous page)

	Group		Company	
	1/1 - 31/12/2021	1/1 - 31/12/2020	1/1 - 31/12/2021	1/1 - 31/12/2020
Continuing operations				
Profit / (loss) after tax				
<u>Attributed to:</u>				
Owners of the parent	65,436	40,663	-	-
Non controlling interest	430	609	-	-
Total comprehensive income / (loss) after taxes				
<u>Attributed to:</u>				
Owners of the parent	77,678	36,138	-	-
Non controlling interest	423	593	-	-
Discontinued operations				
Profit / (loss) after tax				
<u>Attributed to:</u>				
Owners of the parent	6,591	(3,316)	-	-
Non controlling interest	-	-	-	-
Total comprehensive income / (loss) after taxes				
<u>Attributed to:</u>				
Owners of the parent	6,686	(3,141)	-	-
Non controlling interest	-	-	-	-
Total Operations				
Profit / (loss) after tax				
<u>Attributed to:</u>				
Owners of the parent	72,027	37,347	-	-
Non controlling interest	430	609	-	-
Total comprehensive income / (loss) after taxes				
<u>Attributed to:</u>				
Owners of the parent	84,364	32,997	-	-
Non controlling interest	423	593	-	-
Profit/(loss) allocated to shareholders per share - continuing operations				
Number of shares		43,356		43,656
Earnings/(loss) per share	3.10	1.5093		0.9314
Profit/(loss) allocated to shareholders per share - discontinued operations				
Number of shares		43,356		43,656
Earnings/(loss) per share	3.10	0.1520		(0.0760)
Profit/(loss) allocated to shareholders per share				
Number of shares		43,356		43,656
Earnings/(loss) per share	3.10	1.6613		0.8555

The accompanying notes that are presented in pages 158-260 form an integral part of the present Financial Statements

Amounts in thousand Euro, unless stated otherwise

STATEMENT OF FINANCIAL POSITION

	Note	Group		Company	
		31/12/2021	31/12/2020	31/12/2021	31/12/2020
ASSETS					
Non-Current Assets					
Tangible assets	3.12	153,848	131,512	327	357
Rights-of-use assets	3.13	3,051	13,197	344	55
Investment property		113	113	-	-
Intangible Assets	3.15	10,539	10,655	262	401
Investments in subsidiaries	3.29	-	-	73,858	73,858
Investments in joint ventures	3.29	18,012	15,074	3,819	3,819
Other long term receivables	3.16	5,001	5,034	1,156	1,157
Deferred tax assets		380	287	113	130
Total non-Current Assets		190,944	175,872	79,879	79,777
Current Assets					
Inventories	3.17	71,835	55,338	-	-
Income tax prepaid		274	278	25	26
Trade receivables	3.18	64,547	56,863	309	12
Other debtors	3.18	14,359	7,211	7,003	194
Fixed assets held for sale	3.14	-	5,478	-	-
Cash and Cash Equivalents	3.19	63,240	40,824	137	163
Total Current Assets		214,255	165,992	7,474	395
TOTAL ASSETS		405,199	341,864	87,353	80,172
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		23,496	21,158	12,605	13,550
Retained earnings		174,631	101,074	19,297	12,684
Total Shareholders' equity		248,520	172,625	82,415	76,747
Non controlling interest		3,730	3,484	-	-
Total Equity		252,250	176,109	82,415	76,747
Long Term Liabilities					
Long Term Debt	3.22	33,610	46,691	-	-
Liabilities from leases	3.13	2,061	3,210	208	25
Provisions for Employee Benefits	3.23	3,499	14,191	79	78
Other provisions		-	5	284	317
Deferred Tax Liabilities		6,742	2,111	-	-
Other Long Term Liabilities		237	242	1	1
Total Long Term Liabilities		46,149	66,450	572	421
Short Term Liabilities					
Short Term Debt	3.22	17,393	26,311	1,519	960
Liabilities from leases	3.13	914	2,822	139	31
Income Tax		4,057	7,383	56	56
Suppliers	3.25	55,441	29,697	1,046	531
Other short-term liabilities	3.25	28,995	33,092	1,606	1,426
Total Short Term Liabilities		106,800	99,305	4,366	3,004
TOTAL LIABILITIES		152,949	165,755	4,938	3,425
TOTAL EQUITY & LIABILITIES		405,199	341,864	87,353	80,172

The accompanying notes that are presented in pages 158-260 form an integral part of the present Financial Statements

Amounts in thousand Euro, unless stated otherwise

STATEMENT OF CHANGES IN EQUITY

Group

	Share Capital	Share Premium	Other Reserves	Treasury shares reserves	FX translation reserves	Retained earnings	Total before non controlling interest	Non controlling interest	Total
Balance as at 01/01/2020	28,869	21,524	33,596	(10)	(8,954)	68,353	143,378	2,971	146,349
Change in accounting policy (note 2.25)	-	-	-	-	-	1,526	1,526	-	1,526
Balance as at 01/01/2020	28,869	21,524	33,596	(10)	(8,954)	69,879	144,904	2,971	147,875
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)	101,074	172,625	3,484	176,109
Balance as at 31/12/2020	28,869	21,524	33,891	(786)	(11,947)	101,074	172,625	3,484	176,109
Profit / (losses) for the period	-	-	-	-	-	72,027	72,027	430	72,457
Other comprehensive income	-	-	-	-	4,448	7,889	12,337	(7)	12,330
Distribution of earnings	-	-	1,601	-	-	(1,601)	-	-	-
Dividends	-	-	-	-	-	(6,947)	(6,947)	(176)	(7,123)
Transfers	-	-	(2,206)	-	-	2,206	-	-	-
Other changes	-	-	-	-	-	(17)	(17)	(1)	(18)
Purchase of treasury shares	-	-	-	(1,505)	-	-	(1,505)	-	(1,505)
Changes during the period	-	-	(605)	(1,505)	4,448	73,557	75,895	246	76,141
Balance as at 31/12/2021	28,869	21,524	33,286	(2,291)	(7,499)	174,631	248,520	3,730	252,250

The accompanying notes that are presented in pages 158-260 form an integral part of the present Financial Statements

Amounts in thousand Euro, unless stated otherwise

STATEMENT OF CHANGES IN EQUITY (continues from previous page)

Company

	Share Capital	Share Premium	Other Reserves	Treasury shares reserves	FX translation reserves	Retained earnings	Total
Balance as at 01/01/2020	28,869	21,644	14,208	(10)	16	6,016	70,743
Change in accounting policy (note 2.25)	-	-	-	-	-	124	124
Balance as at 01/01/2020	28,869	21,644	14,208	(10)	16	6,140	70,867
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	12,684	76,747
Balance as at 31/12/2020	28,869	21,644	14,320	(786)	16	12,684	76,747
Profit / (losses) for the period	-	-	-	-	-	14,114	14,114
Other comprehensive income	-	-	-	-	-	6	6
Distribution of earnings	-	-	560	-	-	(560)	-
Dividends	-	-	-	-	-	(6,947)	(6,947)
Other changes	-	-	-	-	-	-	-
Purchase of treasury shares	-	-	-	(1,505)	-	-	(1,505)
Changes during the period	-	-	560	(1,505)	-	6,613	5,668
Balance as at 31/12/2021	28,869	21,644	14,880	(2,291)	16	19,297	82,415

The accompanying notes that are presented in pages 158-260 form an integral part of the present Financial Statements

Amounts in thousand Euro, unless stated otherwise

STATEMENT OF CASH FLOWS

	Group		Company	
	1/1 - 31/12/2021	1/1 - 31/12/2020	1/1 - 31/12/2021	1/1 - 31/12/2020
Cash flows from Operating Activities				
Profit before Taxes and Non controlling interest - continuing operations	83,920	52,077	14,130	11,743
Profit before Taxes and Non controlling interest - discontinued operations	6,597	(3,310)	-	-
<i>Plus / (minus) adjustments for:</i>				
Depreciation	19,878	18,971	327	285
Provisions	2,208	2,920	93	55
Grants	(148)	(57)	-	-
FX differences	(195)	(84)	2	3
(Gain)/loss from sale of fixed assets	(7,426)	518	-	(5)
Dividends received	-	-	(15,006)	(12,757)
Impairments of fixed assets	2,457	1,597	-	-
Interest & similar expenses / (income)	2,651	3,481	37	316
(Profit) / loss from companies consolidated with the Equity method	(2,770)	(1,776)	-	-
Operating Profit before adjustments in working capital	107,172	74,337	(417)	(360)
(Increase)/decrease in receivables	(9,547)	(673)	(1,329)	6,922
(Increase)/decrease in inventories	(15,653)	1,928	-	-
Increase/(decrease) in liabilities (apart from banks-taxes)	24,770	495	322	276
Cash generated from Operating activities	106,742	76,087	(1,424)	6,838
Interest Paid	(1,781)	(2,925)	-	(380)
Other financial income/(expenses)	(424)	(147)	(6)	(3)
Taxes paid	(17,458)	(3,637)	(1)	(1)
Cash flows from operating activities (a)	87,079	69,378	(1,431)	6,454
Investing Activities				
Proceeds from sales of tangible and intangible assets	1,429	342	-	5
Partial collection of the consideration paid for the transfer of Thrace Linq property	3,004	9,294	-	-
Interest received	66	92	-	-
Dividends received	660	544	14,007	12,757
Purchase of tangible and intangible assets	(30,306)	(28,190)	(22)	(10)
Investment grants	148	43	-	-
Cash flow from investing activities (b)	(24,999)	(17,875)	13,985	12,752
Financing activities				
Proceeds from loans	21,074	22,669	1,500	5,960
Purchase of treasury shares	(1,505)	(776)	(1,505)	(776)
Repayment of loans	(44,926)	(45,586)	(960)	(20,098)
Financial leases	(4,206)	(4,354)	(158)	(154)
Dividends paid	(11,632)	(4,480)	(11,457)	(4,480)
Cash flow from financing activities (c)	(41,195)	(32,527)	(12,580)	(19,548)
Net increase /(decrease) in Cash and Cash Equivalents	20,885	18,976	(26)	(342)
Cash and Cash Equivalents at beginning of period	40,824	22,051	163	505
Effect from changes in foreign exchange rates on cash reserves	1,531	(203)	-	-
Cash and Cash Equivalents at end of period	63,240	40,824	137	163

The accompanying notes that are presented in pages 158-260 form an integral part of the present Financial Statements

Amounts in thousand Euro, 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 share 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 a 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 31.12.2021 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.

The Group, including its joint ventures, employed a total of 2,068 employees as of December 31, 2021, of which 1,212 were employed in Greece.

The structure of the Group as of 31st December 2021 was as follows:

Company	Registered Offices	Ownership Percentage of Parent Company	Ownership 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 - Sibiu	-	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

▶ 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 2021. The basic accounting principles that were applied for the preparation of the financial statements for the year ended on 31 December 2021 are the same as those applied for the preparation of the financial statements for the year ended on 31 December 2020 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 princi-

ple, 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 the significant profitability of the Group and the Company and all macroeconomic and microeconomic factors as well as their impact 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 12, 2022 and are subject to approval by the next General Meeting which will convene within the year 2022.

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 to standards and interpretations

Certain new standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning on or after 1 January 2021.

STANDARDS AND INTERPRETATIONS EFFECTIVE FOR THE CURRENT FINANCIAL YEAR

(IFRS 16 (Amendment) 'Covid-19-Related Rent Concessions'

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'

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'

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 19 "Allocation of Service Periods in accordance with International Accounting Standard (IAS) 19" (Decision of the Interpretations Committee)

The IFRS Interpretations Committee issued in May 2021 the final decision on the agenda entitled "Allocation of benefits in periods of service in accordance with International Accounting Standard (IAS) 19", which includes explanatory material on how to distribute benefits in periods service on a specific defined benefit plan proportional to that defined in article 8 of Law 3198/1955 regarding the provision of compensation due to retirement (the "Plan of Fixed Benefits of Labor Law").

Based on the above Decision, the way in which the basic principles of IAS 19 were applied in Greece in the past in this regard is being differentiated, and consequently, according to what is defined in the "IASB Due Process Handbook (par. 8.6)" entities that prepare their financial statements in accordance with IFRS are required to amend their accounting policies accordingly.

The amended standards did not have a significant impact on the financial statements of the Group and the Company, while the impact on the financial statements from the implementation of the Decision of the Interpretations Committee is analyzed in note 3.23.1.

STANDARDS AND INTERPRETATIONS EFFECTIVE FOR SUBSEQUENT PERIODS

IFRS 16 (Amendment) 'Covid-19-Related Rent Concessions – Extension in the Application Period' *(effective for annual periods beginning on or after 1 April 2021)*

The amendment extends the application period of the practical expedient in relation to rent concessions by one year to cover rental concessions that reduce leases due only on or before 30 June 2022. The amendment has not yet been endorsed by the EU.

IAS 16 (Amendment) 'Property, Plant and Equipment – Proceeds before Intended Use' *(effective for annual periods beginning on or after 1 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.

IAS 37 (Amendment) 'Onerous Contracts – Cost of Fulfilling a Contract' *(effective for annual periods beginning on or after 1 January 2022)*

The amendment clarifies that 'costs to fulfil 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.

IFRS 3 (Amendment) 'Reference to the Conceptual Framework' *(effective for annual periods beginning on or after 1 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.

IAS 1 (Amendment) 'Classification of liabilities as current or non-current' *(effective for annual periods beginning on or after 1 January 2023)*

The amendment clarifies that liabilities are classified as either current or non-current depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date. The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability. The amendment has not yet been endorsed by the EU.

IAS 1 (Amendments) 'Presentation of Financial Statements' and IFRS Practice Statement 2 'Disclosure of Accounting policies' *(effective for annual periods beginning on or after 1 January 2023)*

The amendments require companies to disclose their material accounting policy information and provide guidance on how to apply the concept of materiality to accounting policy disclosures. The amendments have not yet been endorsed by the EU.

IAS 8 (Amendments) 'Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates' *(effective for annual periods beginning on or after 1 January 2023)*

The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates. The amendments have not yet been endorsed by the EU.

IAS 12 (Amendments) 'Deferred tax related to Assets and Liabilities arising from a Single Transaction' *(effective for annual periods beginning on or after 1 January 2023)*

The amendments require companies to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. This will typically apply to transactions such as leases for the lessee and decommissioning obligations. The amendments have not yet been endorsed by the EU.

IFRS 17 (Amendment) "Initial Application of IFRS 17 and IFRS 9 - Comparative Information" *(effective for annual periods beginning on or after 1 January 2023)*

The amendment is a transition option related to comparative information on financial assets presented in the initial application of IFRS 17. The amendment is intended to assist entities in avoiding temporary accounting discrepancies between financial assets and insurance contractual liabilities. Therefore it improves the usefulness of comparative information for users of financial statements. The amendment has not yet been adopted by the European Union.

Annual Improvements to IFRS Standards 2018–2020 *(effective for annual periods beginning on or after 1 January 2022)*

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.

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 Estimates and Assumptions

The preparation of the Financial Statements in accordance with International Financial Reporting Standards (IFRS) requires the management to make estimates and assumptions that may affect the accounting balances of assets and liabilities, the required disclosure of contingent assets and liabilities at the date of preparation of the Financial Statements, as well as the amounts of income and expenses recognized during the financial year. 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 in the revised period and the future periods if the revisions affect the current and the future periods.

The key estimates and judgments that refer to elements and data whose development could affect the items 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 Investment in Subsidiaries

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 accord-

ance 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 unfore-

seen 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 residu-

al 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 financial 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 financial 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 financial 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 or 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 financial results. Following, this asset is recognized as associate company, joint venture or financial asset at the above fair value. Addi-

tionally, 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 financial 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 of-

fers 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 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 tangible 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 tangible assets charge the financial 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 financial Results.

Depreciation is charged in the financial Results based on the straight-line method over the estimated useful life of tangible 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 tangible assets might be adjusted if necessary at the time financial statements are prepared. Tangible 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.

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 financial 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 financial 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 TERRAHOME 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 recorded in the financial 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 val-

ued 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 financial results. Any possible increase in the fair value in a later valuation is recorded in the statement of comprehensive income, 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, no depreciation or impairment is recorded.

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 financial 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 pro-

duction 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 evi-

dence that the Group is unable to collect all amounts due under the contractual terms, either on historical trends, statistical data and anticipated 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 equivalents 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 financial results. Profits and losses from foreign exchange differences related to cash reserves and bank obligations are recorded in the statement of comprehensive income, under the account "Financial income / (expenses) - Net". All other profits or losses from foreign exchange differences are recorded in the statement of comprehensive income, 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 (Big bags, 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 becomes due after 30 to 90 days. The contractual obligation is recognized when the Group receives a payment from the customer (advance payment) or when it acquires an unconditional right to a cash amount (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 at the date where such are distributed or approved by a 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 financial 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 at 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 financial 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 tax-

able 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 financial 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

2.19.1 Short-term liabilities

Liabilities for wages and salaries that are expected to be fully settled within 12 months from the end of the period in which the employees provide the relevant service are recognized for the services of the employees until the end of the reporting period and are measured at the amounts expected to be paid during the settlement of obligations. Liabilities are presented in the statement of financial position in the other liabilities.

2.19.2 Liabilities after the exit from service

The Group has an obligation in a defined benefit plan that determines the amount of retirement benefit that an employee will receive upon retirement, which depends on more than one factor such as age, years of service and compensation.

The liability recorded in the statement of financial position for the defined benefit plan is the present value of the defined benefit obligation at the reporting date less the fair value of the plan's assets. The commitment of the defined benefit is calculated annually by an independent actuary using the method of the projected credit unit. The present value of the defined benefit obligation is calculated by discounting the expected future cash outflows using interest rates of high quality corporate bonds denominated in Euro and having a term approaching the maturity of the relevant retirement obligation.

The cost of current employment in the defined benefit plan is recognized in the income statement and reflects the increase in the defined benefit obligation arising from the employment of employees during the year.

Changes in the present value of the defined benefit obligation arising from modifications or reductions in the plan are recognized immediately in the financial results as prior service cost.

The financial cost is calculated by applying the discount rate to the balance of the defined benefit obligation. This cost is included in the income statement on employee benefits.

Actuarial gains and losses arising from empirical adjustments and from changes in actuarial assumptions are recognized in other comprehensive income in the year in which they arise. They are also included in the financial results carried forward in the statement of changes in equity and in the statement of financial position.

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.

Group subsidiaries Don & Low LTD and THRACE POLYBULK A.S have in place defined benefit plans for their employees which are financed.

The Greek companies of the Group as well as Thrace Ipoma A.D. have defined contribution schemes not self-financed.

2.19.3 Benefits following termination of employment

Termination benefits become payable when employment ends before the normal retirement date or when the employee accepts voluntary retirement in exchange for these benefits. The Group records these benefits no earlier than the following dates: a) when the Group can no longer withdraw the offer for these benefits and b) when the Group recognizes restructur-

ing costs that are part of the application of IAS 37 which includes the payment of termination benefits. In case of an offer for voluntary retirement, the termination benefits are calculated according to the number of employees who are expected to accept the offer. Termination benefits which are due 12 months after the reporting date are discounted.

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 this settlement will create an outflow, the amount of which can be estimated reliably. The recognition of provisions is based on the present value of cash 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 cash 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 com-

prehensive income or at fair value via the financial 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 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 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 investing 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 financial 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.

2.25 Change in Accounting Policy

The IFRS Interpretations Committee issued in May 2021 the final decision on the agenda entitled "Distribution of benefits in periods of service in accordance with International Accounting Standard (IAS) 19", which includes explanatory material on how to distribute benefits in periods of service on a specific defined benefit plan proportional to that defined in article 8 of L.3198 / 1955 regarding the provision of compensation due to retirement (the "Program of Fixed Benefits of Labor Law").

Based on the above Decision, there should be an alteration in the way in which the basic principles of IAS 19 were applied in Greece in the past in this regard. Consequently, according to what is defined in the "IASB Due Process Handbook (par. 8.6)", the economic entities that prepare their financial statements in accordance with IFRS are required to amend their accounting policies in relation to the above.

Until the issuance of the daily agenda's decision, for the Greek subsidiaries, the Group applied IAS 19 distributing the benefits defined by the article 8 of L.3198 / 1955, L.2112 / 1920, and its amendment by Law 4093/2012 in the period from the recruitment until the date of retirement of the employees.

The application of this final Decision to the attached financial statements, has brought as requirement the distribution of benefits in the last sixteen (16) years until the date

of retirement of employees following the scale of Law 4093/2012.

In this context, the application of the above Final Decision has been treated as a change in accounting policy, applying the change retroactively from the beginning of the first comparative period, in accordance with paragraphs 19 to 22 of IAS 8.

The impact of the implementation of the Final Decision for each specific item on the Income Statement and Other Comprehensive Income, as well as in the Statement of Financial Position is analyzed as follows:

	Group		
	31-12-2020	IAS 19 Adjustments	31-12-2020
ASSETS			
Non-Current Assets			
Tangible assets	131,512		131,512
Rights-of-use assets	13,197		13,197
Investment property	113		113
Intangible Assets Investments	10,655		10,655
in subsidiaries Investments in			0
joint ventures Other long	15,068	6	15,074
term receivables Deferred tax	5,034		5,034
assets	588	-301	287
Total non-Current Assets	176,167	-295	175,872
Current Assets			
Inventories	55,338		55,338
Income tax prepaid	278		278
Trade receivables	56,863		56,863
Other debtors	7,211		7,211
Fixed assets held for sale	5,478		5,478
Cash and Cash Equivalents	40,824		40,824
Total Current Assets TOTAL	165,992	0	165,992
ASSETS	342,159	-295	341,864
EQUITY AND LIABILITIES			
Equity			
Share Capital	28,869		28,869
Share premium	21,524		21,524
Other reserves	21,158		21,158
Retained earnings	99,548	1,526	101,074
Total Shareholders' equity	171,099	1,526	172,625
Non controlling interest	3,484		3,484
Total Equity	174,583	1,526	176,109
Long Term Liabilities			
Long Term Debt	46,691		46,691
Liabilities from leases	3,210		3,210
Provisions for Employee Benefits	16,012	-1,821	14,191
Other provisions	5		5
Deferred Tax Liabilities	2,111		2,111
Other Long Term Liabilities	242		242
Total Long Term Liabilities	68,271	-1,821	66,450
Short Term Liabilities			
Short Term Debt	26,311		26,311
Liabilities from leases	2,822		2,822
Income Tax	7,383		7,383
Suppliers	29,697		29,697
Other short-term liabilities	33,092		33,092
Total Short Term Liabilities	99,305	0	99,305
TOTAL LIABILITIES	167,576	-1,821	165,755
TOTAL EQUITY & LIABILITIES	342,159	-295	341,864

	Company		
	31-12-2020	IAS 19 Adjustments	31-12-2020
ASSETS			
<u>Non-Current Assets</u>			
Tangible fixed assets	357		357
Rights-of-use assets	55		55
Investment property	0		0
Intangible Assets	401		401
Investments in subsidiaries	73,858		73,858
Investments in joint ventures	3,819		3,819
Other long term receivables	1,157		1,157
Deferred tax assets	166	-36	130
Total non-Current Assets	79,813	-36	79,777
<u>Current Assets</u>			
Inventories	0		0
Income tax prepaid	26		26
Trade receivables	12		12
Other debtors	194		194
Fixed assets held for sale	0		0
Cash and Cash Equivalents	163		163
Total Current Assets	395	0	395
TOTAL ASSETS	80,208	-36	80,172
<u>EQUITY AND LIABILITIES</u>			
<u>Equity</u>			
Share Capital	28,869		28,869
Share premium	21,644		21,644
Other reserves	13,550		13,550
Retained earnings	12,560	124	12,684
Total Shareholders' equity	76,623	124	76,747
Non controlling interest	0		0
Total Equity	76,623	124	76,747
<u>Long Term Liabilities</u>			
Long Term Debt	0		0
Liabilities from leases	25		25
Provisions for Employee Benefits	238	-160	78
Other provisions	317		317
Deferred Tax Liabilities	0		0
Other Long Term Liabilities	1		1
Total Long Term Liabilities	581	-160	421
<u>Short Term Liabilities</u>			
Short Term Debt	960		960
Liabilities from leases	31		31
Income Tax	56		56
Suppliers	531		531
Other short-term liabilities	1,426		1,426
Total Short Term Liabilities	3,004	0	3,004
TOTAL LIABILITIES	3,585	-160	3,425
TOTAL EQUITY & LIABILITIES	80,208	-36	80,172

▶ 3. Notes on the Financial Statements

3.1 Evolution and Performance of the Group

The following table depicts the Group's financial results from continuing operations for the year ended 31/12/2021.

Financial Results of Year 2021 (CONTINUING OPERATIONS)			
<i>(amounts in thousand Euro)</i>	Year 2021	Year 2020	Change %
Turnover	428,429	339,722	26.1%
Gross Profit	140,149	105,959	32.3%
Gross Profit Margin	32.7%	31.2%	
EBIT	83,913	53,857	55.8%
EBIT Margin	19.6%	15.9%	
EBITDA	103,791	72,484	43.2%
EBITDA Margin	24.2%	21.3%	
Adjusted EBITDA	105,799	76,559	38.2%
Adjusted EBITDA Margin	24.7%	22.5%	
EBT	83,920	52,077	61.1%
EBT Margin	19.6%	15.3%	
Total EAT	65,866	41,272	59.6%
EAT Margin	15.4%	12.1%	
Total EATAM	65,436	40,663	60.9%
EATAM Margin	15.3%	12.0%	
Earnings per Share (in euro)	1.5093	0.9314	62.0%

Adjusted EBITDA does not include gains from the sale of tangible assets accounting for € 763 and impairment losses of tangible assets amounting to € 1,973 which concern the operational restructuring of Don & Low LTD. This subsidiary reduced its presence in the market of woven technical fabrics, while increasing its production capacity in the non-woven technical fabrics. Also the above calculations do not include expenses of € 798 concerning extraordinary allowance to personnel.

These expenses are summarized below:

a. Gains from the sale of assets of Don

& Low LTD (see note 3.5) amounting to € 763

b. Impairment of mechanical equipment of Don & Low LTD (see note 3.8) of € 1,973

c. Extraordinary allowance to personnel (see note 3.8) accounting for € 798

For the completeness of information provided, the following table presents the Group's financial results in total, both from Continuing and Discontinued Operations, for the period ended 31/12/2021:

Financial Results of Year 2021 (CONTINUING & DISCONTINUED OPERATIONS)			
<i>(amounts in thousand Euro)</i>	Year 2021	Year 2020	Change %
Turnover	428,429	344,806	24.3%
Gross Profit	140,149	106,217	31.9%
Gross Profit Margin	32.7%	30.8%	
EBIT	90,397	50,472	79.1%
EBIT Margin	21.1%	14.6%	
EBITDA	110,275	69,444	58.8%
EBITDA Margin	25.7%	20.1%	
Adjusted EBITDA	105,799	76,559	38.2%
Adjusted EBITDA Margin	24.7%	22.2%	
EBT	90,517	48,767	85.6%
EBT Margin	21.1%	14.1%	
Total EAT	72,457	37,956	90.9%
EAT Margin	16.9%	11.0%	
Total EATAM	72,027	37,347	92.9%
EATAM Margin	16.8%	10.8%	
Earnings per Share (in euro)	1.6613	0.8555	94.2%

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 com-

prehensive income as discontinued operations. More information regarding the completion of the transfer of the property of Thrace Linq INC is included in Section 3.14 "Fixed Assets Held for Sale".

Discontinued Operations	Thrace Linq INC	
	31.12.2021	31.12.2020
Statement of Income & Other Comprehensive Income		
Turnover	-	5,084
Cost of Sales	-	(4,826)
Gross Profit / (Loss)	-	258
Non-Operating Income / (Expenses)	6,294	(3,128)
Earnings / (Losses) before Taxes	6,294	(2,870)
Taxes	(6)	(6)
Earnings / (Losses) after Taxes	6,288	(2,876)
Intra-group Transactions	303	(440)
Earnings / (Losses) after Taxes	6,591	(3,316)

Discontinued Operations	Thrace Linq INC
	31.12.2021
Cash Flows	
Cash Flows from operating activities	(290)
Cash Flows from investing activities	3,004
Cash Flows from Financing Activities	-
Change in Cash and Cash Equivalents	2,714
Cash from previous Year	582
Foreign Exchange Differences	168
Cash Flows at the end of Year	3,464

3.3 Segment Reporting

The Group applies IFRS 8 to monitor its business activities by sector. The areas of activity of the Group have been defined based on the legal structure and the business activities of the Group. The Group Management, being responsible for making financial decisions, monitors the financial information separately as presented by the parent company and by each of its subsidiaries.

The operating segments (business units) are structured 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 financial reporting standards and based on the Group's different activities, the Group's business activity is divided into two sectors, namely the "Technical Fabrics" and the "Packaging" sector.

The information related to the business activities that do not comprise separate segments for reporting purposes, have been aggregated and depicted in the category "Other", which includes the agricultural sector and the activities of the Parent Company:

The operating segments (business units) of the Group are as follows:

Technical Fabrics	Packaging	Other
 <p data-bbox="368 1301 644 1440">Production and trade of technical fabrics for industrial and technical use.</p>	 <p data-bbox="715 1301 991 1592">Production and trade of packaging products, plastic bags, plastic boxes for packaging of food and paints and other packaging materials for agricultural use.</p>	 <p data-bbox="1058 1301 1334 1664">It includes the Agricultural sector and the business activity of the Parent company which apart from the investing activities provides also Administrative – Financial – IT services to its subsidiaries.</p>

During the year 2020, which was characterized by the spread of the Covid-19 coronavirus pandemic, the Group faced significantly increased demand for specific products of its existing product portfolio and specifically for technical fabrics used in personal protection and health applica-

tions (Personal Protective Equipment). The Group, taking advantage of the technological capabilities of its modern production lines and the know-how it has developed in technical fabrics, managed to meet the significantly increased demand, using the existing production lines and channeling

a large part of the already produced volumes towards applications in this sector. At the same time the Group proceeded with targeted investments, such as the surgical mask production lines and the Meltblown non-woven fabric production line (as it has been already announced to the investor community via the corporate announcements of 04/05/2020 and 01/10/2020). The Group also proceeded with the purchase of machinery for the production of high protection masks (FFP2).

From a commercial point of view, the Group during the previous year developed its customer base, through the available sales networks per country, based on the separate needs of the respective markets in each country, through the group subsidiaries and regardless of the reference sector. The Group acted in the above manner either by channeling the products into the retail market or by entering into agreements with the respective local health systems.

Regarding the twelve-month period of 2021, the Group continued to support, in line with the market needs, the particular sector maintaining -especially during the first half of the year- an alternative product mix which resulted into the sale of prod-

ucts with higher profitability. However, during the third quarter of the year, there was a significant decline in the demand for these products and an accelerated shift of the product mix towards the traditional portfolio, which continued with an even greater pace during the last quarter of the year. Earnings before Taxes from Continuing Operations at the Group level for the year 2021 amounted to € 83.9 million, of which, according to the estimates of the Management, € 51.8 million were the result of the above market conditions and especially of the respective conversion of product mix. The above figure was allocated by € 49.9 million in the Sector of "Technical Fabrics", and by € 1.9 million in the Sector of "Packaging".

It should be noted that part of the specific investments that were implemented (such as the Meltblown non-woven technical fabrics production line), can be used to produce products serving other sectors and applications.

BALANCE SHEET OF 31.12.2021	TECHNICAL FABRICS	PACKAGING	OTHER	INTRA-SEGMENT ELIMINATIONS	GROUP
Total consolidated assets	269,145	120,606	88,026	(72,578)	405,199

INCOME STATEMENT FOR THE PERIOD 01.01 - 31.12.2021	TECHNICAL FABRICS	PACKAGING	OTHER	INTRA-SEGMENT ELIMINATIONS	GROUP
Turnover	318,878	120,007	5,668	(16,124)	428,429
Cost of sales	(205,633)	(93,495)	(5,644)	16,492	(288,280)
Gross profit	113,245	26,512	24	368	140,149
Other operating income	1,355	459	166	(367)	1,613
Distribution expenses	(25,855)	(9,611)	-	(425)	(35,891)
Administrative expenses	(12,099)	(4,027)	(930)	314	(16,742)
Research and Development Expenses	(1,483)	(339)	-	-	(1,822)
Other operating expenses	(3,351)	(1,144)	(99)	-	(4,594)
Other Income / (Losses)	1,124	76	-	-	1,200
Operating profit / (loss)	72,936	11,926	(839)	(110)	83,913
Interest & Other related (expenses)/income	(1,811)	(959)	(38)	45	(2,763)
Income from dividends	-	-	15,007	(15,007)	-
Profit / (loss) from companies consolidated with the Equity method	1,311	1,125	334	-	2,770
Earnings / (losses) before tax (Continuing operations)	72,436	12,092	14,464	(15,072)	83,920
Earnings / (losses) before tax (Discontinued operations)	6,597	-	-	-	6,597
Total Earnings / (losses) before tax	79,033	12,092	14,464	(15,072)	90,517
Depreciation from continuing operations	13,212	6,339	327	-	19,878
Depreciation from discontinued operations	-	-	-	-	-
Total Depreciation	13,212	6,339	327	-	19,878
Earnings / (losses) before interest, tax, depreciation & amortization from continuing operations (EBITDA)	86,148	18,265	(512)	(110)	103,791
Earnings / (losses) before interest, tax, depreciation & amortization from discontinued operations (EBITDA)	6,484	-	-	-	6,484
Total Earnings / (losses) before interest, tax, depreciation & amortization (EBITDA)	92,632	18,265	(512)	(110)	110,275

BALANCE SHEET AS OF 31.12.2020	TECHNICAL FABRICS	PACKAGING	OTHER	INTRA-SEGMENT ELIMINATIONS	GROUP
Total consolidated assets	218,425	113,363	80,493	(70,417)	341,864

INCOME STATEMENT FOR THE PERIOD 01.01 - 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)	-	(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)
Other Income / (Losses)	(62)	(62)	(3)	112	(15)
Operating profit / (loss)	38,825	15,809	(697)	(80)	53,857
Interest & Other 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)	-	-	-	(3,040)
Total Earnings / (losses) before interest, tax, depreciation & amortization (EBITDA)	47,454	22,482	(412)	(80)	69,444

3.4 Other Operating Income

Other Operating Income	Group		Company	
	2021	2020	2021	2020
Grants (*)	378	168	-	-
Income from rents	45	57	-	-
Income from provision of services	131	-	-	-
Income from prototype materials	37	46	-	-
Reverse entry of not utilized provisions	32	67	11	19
Income from energy management programs	426	482	-	-
Other operating income	564	349	157	140
Total	1,613	1,169	168	159

* The amount of € 378 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	
	2021	2020	2021	2020
Gains / (Losses) from sale of tangible assets	98	123	(2)	5
Extraordinary profit / (losses) from sale of tangible assets of Don & Low LTD	763	(11)	-	-
Foreign Exchange Differences	339	(127)	-	(3)
Total	1,200	(15)	(2)	2

3.6 Analysis of Expenses (Production-Administrative-Sales & Distribution-Research & Development)

Analysis of Expenses (Production-Administrative- Sales & Distribution-Research & Development)	Group		Company	
	2021	2020	2021	2020
Payroll expenses	58,544	53,900	3,148	2,981
Third party fees – expenses *	5,707	4,903	1,742	1,383
Electric power – Natural gas	17,046	13,256	18	17
Repairs / Maintenance	6,436	4,905	18	23
Rental expenses	929	859	29	39
Insurance expenses	2,632	1,970	53	29
Exhibitions / travelling expenses	699	460	86	30
IT and telecom expenses	1,302	1,077	631	383
Promotion and advertising expenses	660	1,332	176	125
Transportation expenses	20,003	15,105	-	-
Consumables	5,783	4,822	2	2
Sundry expenses / Other provisions	4,149	3,985	344	341
Depreciation / Amortization	19,805	18,909	327	285
Total	143,695	125,483	6,574	5,638

* 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	
	2021	2020	2021	2020
Production	89,240	78,101	5,644*	4,545*
Administrative	16,742	15,195	930	1,093
Sales & Distribution	35,891	30,725	-	-
Research and Development	1,822	1,462	-	-
Total	143,695	125,483	6,574	5,638

The analysis of cost of goods sold is presented below:

Analysis of cost of goods sold	Group		Company	
	2021	2020	2021	2020
Production expenses	89,240	78,101	5,644*	4,545*
Cost of materials and inventory	199,040	155,662	-	-
Total	288,280	233,763	5,644	4,545

* The production expenses in the Company mainly refer to invoiced services offered.

3.7 Payroll Expenses

Payroll expenses are as follows:

Payroll expenses	Group		Company	
	2021	2020	2021	2020
Salaries & Wages	48,629	44,422	2,767	2,640
Employer's contributions	7,859	7,547	344	296
Retirement benefits	1,466	1,252	8	9
Total	57,954	53,221	3,119	2,945
Other Expenses	590	679	29	36
Grand Total	58,544	53,900	3,148	2,981

The number of employed staff at the Group and Company at the end of the financial year (without including the joint ventures), was as follows:

Number of employees	Group		Company	
	2021	2020	2021	2020
Full time employees – wage based employees	1,662	1,688	25	21

3.8 Other Operating Expenses

Other Operating Expenses	Group		Company	
	2021	2020	2021	2020
Provisions for doubtful receivables	442	691	-	-
Other taxes and duties non-incorporated in operating cost	221	163	-	-
Depreciation	73	68	-	-
Staff indemnities	397	341	92	66
Supplies / other bank expenses	166	100	7	5
Expenses for the purchase of prototype materials (maquettes)	84	116	-	-
Other operating expenses	440	331	-	2
Sub-Total	1,823	1,810	99	73
Extraordinary and non-recurring expenses	2,771	4,064	-	-
Total	4,594	5,874	99	73

Analysis of extraordinary and non-recurring expenses	Group	
	2021	2020
Restructuring expenses - Don & Low LTD	-	1,525
Expenses of Thrace Nonwovens & Geosynthetics Single Person SA for transferring the assets of Thrace Linq INC into its facilities	-	162
Extraordinary allowance to personnel	798	780
Impairment of tangible assets' value	1,973	1,597
Total	2,771	4,064

In the context of the restructuring of the Group's participations, expenses of € 1,973 arose as a result of the operational reorganization of the subsidiary Don & Low LTD. Also a profit of € 763 from tangible 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, there was an expense of € 798 from extraordinary

allowance to the personnel.

Respectively for the year 2020, there were expenses of € 3,122 of the subsidiary Don & Low LTD and of € 162 of the subsidiary Thrace Nonwovens & Geosynthetics Single Person SA for the transfer of tangible assets from Thrace Linq INC to its premises. In addition, there had been expenses of € 780 concerning extraordinary allowance to personnel.

3.9 Financial income/(expenses)

3.9.1 Financial income

Financial income	Group		Company	
	2021	2020	2021	2020
Credit interest and similar income	106	53	-	-
Foreign exchange differences	859	614	-	-
Total	965	667	-	-
Income from dividends	-	-	15,006	12,757

3.9.2 Financial expenses

Financial expenses	Group		Company	
	2021	2020	2021	2020
Interest expense and other similar expenses	(2,049)	(3,225)	(37)	(315)
Foreign exchange differences	(1,208)	(418)	-	-
Financial result from Pension Plans	(471)	(580)	-	(1)
Total	(3,728)	(4,223)	(37)	(316)

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)	2021	2020
Earnings allocated to shareholders	65,436	40,663
Number of shares outstanding (weighted)	43,356	43,656
Basic and adjusted earnings per share (Euro in absolute terms)	1.5093	0.9314

Basic earnings per share (Consolidated, discontinued operations)	2021	2020
Earnings allocated to shareholders	6,591	(3,316)
Number of shares outstanding (weighted)	43,356	43,656
Basic and adjusted earnings per share (Euro in absolute terms)	0.1520	(0.0760)

Basic earnings per share (Consolidated, total operations)	2021	2020
Earnings allocated to shareholders	72,027	37,347
Number of shares outstanding (weighted)	43,356	43,656
Basic and adjusted earnings per share (Euro in absolute terms)	1.6613	0.8555

As of 31st December 2021, the Company held 541,318 treasury shares.

3.11 Income Tax

The analysis of tax charged in the year's financial results, is as follows:

Income Tax	Group		Company	
	2021	2020	2021	2020
Income tax	(15,826)	(10,316)	-	-
Tax of previous years	(12)	(30)	-	-
Income tax differences of previous years	-	(3)	-	-
Deferred tax (expense)/income	(2,216)	(456)	(16)	(553)
Total	(18,054)	(10,805)	(16)	(553)

The income tax for the period is calculated based on the domestically applicable tax rates. Deferred taxes are calculated on temporary differences using the applicable tax rate in the countries where the Group's companies operate.

The effective tax rate of the Group differs significantly from the nominal tax rate, as there are tax losses in the companies of

the Group for which no deferred tax asset is recognized as well as significant non tax deductible expenses.

According to Law 4799/2021, the income tax rate of legal entities in Greece was reduced from 24% to 22% from the year 2021 onwards.

The income tax (reconciliation of the actual tax rate) is as follows:

Income Tax	Group		Company	
	2021	2020	2021	2020
Earnings / (losses) before tax	83,920	52,077	14,130	11,743
Income tax rate	22%	24%	22%	24%
Corresponding income tax	(18,462)	(12,498)	(3,109)	(2,818)
Effect due to different tax rates of subsidiaries abroad	1,902	1,171	-	-
Non tax-deductible expenses	(672)	(1,099)	(89)	(56)
Revenues not subject to tax	512	1,974	3,301	3,062
Income tax differences from previous years	(27)	(49)	-	-
Deletion of previously recognized deferred tax assets	-	(549)	-	(549)
Effect from tax losses for which no deferred tax asset has been recognized	(159)	(579)	(105)	(192)
Effect from offsetting tax losses from previous years with taxable earnings for the year	-	1,059	-	-
Effect due to change of tax rate of companies	(1,147)	(235)	(14)	-
Income Tax	(18,054)	(10,805)	(16)	(553)

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 of Finance. (In the above detailed table, reclassification for detailed 2020 figures has taken place for presentation purposes).

The tax audit for the year 2020 for the Group's Greek companies Thrace Plastics Co. SA, Thrace Nonwovens & Geosynthetics 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 material tax obligations apart from those recorded and depicted in the financial statements. Tax certificates were issued, with an unqualified opinion, for each of the above companies.

For the financial year 2021, 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 2021 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 material effect on the financial statements.

The unaudited tax fiscal years, in which the tax liabilities 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	2016-2021
Thrace Nonwovens & Geosynthetics Single Person SA	2016-2021
Thrace Plastics Pack SA	2016-2021
Thrace Polyfilms Single Person SA	2016-2021

Company	Tax un-audited fiscal years
Thrace Protect Single Person S.M.P.C.	2017-2021
Thrace Eurobent SA	2016-2021
Thrace Greenhouses SA	2016-2021

The following table depicts the unaudited tax fiscal years for which the tax liabilities have not been finalized for the Companies outside Greece.

Company	Tax un-audited fiscal years
Don & Low LTD	2018-2021
Don & Low Australia LTD	2018-2021
Synthetic Holdings LTD	2018-2021
Synthetic Textiles LTD	2016-2021
Thrace Synthetic Packaging LTD	2016-2021
Thrace Polybulk A.B	2013-2021
Thrace Polybulk A.S	2015-2021
Thrace Greiner Packaging SRL.	2016-2021
Trierina Trading LTD	2016-2021
Thrace Ipoma A.D.	2017-2021
Thrace Plastics Packaging D.O.O.	2016-2021
Lumite INC	2015-2021
Thrace Linq INC	2015-2021
Adfirmate LTD	2016-2021
Pareen LTD	2016-2021
Saepe LTD	2016-2021
Thrace Asia LTD	2012-2021

3.12 Tangible Assets

The changes in the tangible assets during the year are analyzed as follows:

Tangible Assets							
Group 2021	Fields – land plots	Buildings & technical works	Machinery & technical facilities	Transportation means	Furniture & other equipment	Tangible assets under construction or installation	Total
ACQUISITION COST							
Acquisition cost 01.01.2021	3,510	57,679	301,826	1,446	9,102	4,381	377,944
Additions	655	2,318	5,429	49	506	21,322	30,279
Disposals	-	-	(6,875)	(89)	(21)	-	(6,985)
Impairments	-	-	(2,456)	-	-	-	(2,456)
Transfers	-	2,110	8,932	5	95	(11,142)	-
Transfer from right-of- use assets	-	-	19,351	-	-	-	19,351
Foreign exchange differences	47	1,273	7,617	-	301	27	9,265
Acquisition cost 31.12.2021	4,212	63,380	333,824	1,411	9,983	14,588	427,398
DEPRECIATION							
Accumulated depreciation 01.01.2021	-	(29,055)	(208,617)	(1,084)	(7,677)	-	(246,433)
Depreciation for the period	-	(1,740)	(16,081)	(120)	(386)	-	(18,327)
Disposals	-	-	6,143	85	18	-	6,246
Transfer from right-of- use assets	-	-	(9,288)	(4)	-	-	(9,292)
Foreign exchange differences	-	(793)	(4,656)	-	(295)	-	(5,744)
Accumulated depreciation 31.12.2021	-	(31,588)	(232,499)	(1,123)	(8,340)	-	(273,550)
NET BOOK VALUE							
31.12.2020	3,510	28,624	93,209	362	1,425	4,381	131,512
31.12.2021	4,212	31,792	101,325	288	1,643	14,588	153,848

Tangible Assets							
Group 2020	Fields – land plots	Buildings & technical works	Machinery & technical facilities	Transportation means	Furniture & other equipment	Tangible 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
Disposals	-	-	(4,277)	(90)	(532)	-	(4,899)
Impairments	-	-	(1,931)	-	-	-	(1,931)
Transfers	-	-	5	-	(5)	-	-
Transfer from right-of- use assets	-	1,317	25,791	-	54	(27,162)	-
Foreign exchange differ-ences	-	-	1,054	-	-	-	1,054
Liquidations	(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							
Accumulated 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)
Disposals	-	156	3,607	76	427	-	4,266
Other changes	-	-	(5)	-	5	-	-
Transfer from right-of- use assets	-	-	(641)	-	-	-	(641)
Foreign exchange differ-ences	-	619	4,192	(1)	273	-	5,084
Accumulated 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

Tangible Assets							
Company 2021	Fields – land plots	Buildings & technical works	Machinery & technical facilities	Transportation means	Furniture & other equipment	Tangible assets under construction or installation	Total
ACQUISITION COST							
Acquisition cost 01.01.2021	-	392	11,159	221	1,228	-	13,000
Additions	-	-	-	-	22	-	22
Disposals	-	-	-	-	-	-	-
Retirements	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Acquisition cost 31.12.2021	-	392	11,159	221	1,250	-	13,022
DEPRECIATION							
Accumulated depreciation 01.01.2021	-	(234)	(11,124)	(214)	(1,071)	-	(12,644)
Depreciation for the period	-	(13)	-	(2)	(37)	-	(51)
Disposals	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Accumulated depreciation 31.12.2021	-	(247)	(11,124)	(216)	(1,108)	-	(12,695)
NET BOOK VALUE							
31.12.2020	-	158	35	7	157	-	357
31.12.2021	-	145	35	5	142	-	327

Tangible Assets							
Company 2020	Fields – land plots	Buildings & technical works	Machinery & technical facilities	Transportation means	Furniture & other equipment	Tangible assets under construction or installation	Total
ACQUISITION COST							
Acquisition cost 01.01.2020	-	392	11,154	226	1,222	-	12,994
Additions	-	-	-	-	11	-	11
Disposals	-	-	-	(5)	-	-	(5)
Retirements	-	-	-	-	-	-	-
Transfers	-	-	5	-	(5)	-	-
Acquisition cost 31.12.2020	-	392	11,159	221	1,228	-	13,000
DEPRECIATION							
Accumulated depreciation 01.01.2020	-	(221)	(11,119)	(217)	(1,040)	-	(12,597)
Depreciation for the period	-	(13)	-	(2)	(36)	-	(51)
Disposals	-	-	-	5	-	-	5
Transfers	-	-	(5)	-	5	-	-
Accumulated 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

There are no liens and guarantees on the Company's tangible assets, while the liens on the Group's tangible assets amount to € 5,460.

3.13 Leases

The right-of-use assets are analyzed as follows:

Right-of-use assets					
Group 2021	Buildings and technical works	Machinery equipment	Transportation means	Furniture and other equipment	Total
ACQUISITION COST					
Acquisition cost 01.01.2021	531	19,837	2,980	62	23,410
Additions	724	-	408	4	1,136
Derecognition	-	-	(181)	(4)	(185)
Transfers to tangible assets	-	(19,351)	-	-	(19,351)
Foreign exchange differences	11	-	35	-	46
Acquisition cost 31.12.2021	1,266	486	3,242	62	5,056
DEPRECIATION					
Accumulated depreciation 01.01.2021	(280)	(8,975)	(932)	(26)	(10,213)
Depreciation for the period	(213)	(357)	(625)	(13)	(1,208)
Derecognition	-	-	137	4	141
Transfers to tangible assets	-	9,288	4	-	9,292
Foreign exchange differences	(3)	-	(15)	-	(18)
Accumulated depreciation 31.12.2021	(496)	(44)	(1,431)	(35)	(2,006)
NET BOOK VALUE					
01.01.2020	251	10,862	2,049	36	13,197
31.12.2021	770	442	1,811	27	3,050

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
Derecognition	(246)	(78)	(224)	-	(548)
Transfers	-	(1,054)	-	-	(1,054)
Foreign exchange differences	(25)	(7)	(23)	-	(55)
Acquisition cost 31.12.2020	531	19,837	2,980	62	23,410
DEPRECIATION					
Accumulated depreciation 01.01.2020	(253)	(7,681)	(541)	(14)	(8,489)
Depreciation for the period	(205)	(1,956)	(542)	(12)	(2,715)
Derecognition	173	19	142	-	334
Transfers	-	641	-	-	641
Foreign exchange differences	5	2	9	-	16
Accumulated 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

Right-of-use assets			
Company 2021	Buildings and technical works	Transportation means	Total
ACQUISITION COST			
Acquisition cost 01.01.2021	254	60	314
Additions	368	57	425
Derecognition	-	-	-
Transfers	-	-	-
Acquisition 31.12.2021	622	117	739
DEPRECIATION			
Accumulated depreciation 01.01.2021	(232)	(27)	(259)
Depreciation for the period	(114)	(22)	(136)
Derecognition	-	-	-
Transfers	-	-	-
Accumulated depreciation 31.12.2021	(346)	(49)	(395)
NET BOOK VALUE			
01.01.2021	22	33	55
31.12.2021	276	68	344

Right-of-use assets			
Company 2020	Buildings and technical works	Transportation means	Total
ACQUISITION COST			
Acquisition 01.01.2020	254	62	316
Additions	-	40	40
Derecognition	-	(42)	(42)
Transfers	-	-	-
Acquisition 31.12.2020	254	60	314

Right-of-use assets			
Company 2020	Buildings and technical works	Transportation means	Total
DEPRECIATION			
Accumulated depreciation 01.01.2020	(116)	(24)	(140)
Depreciation for the period	(116)	(15)	(131)
Derecognition	-	12	12
Transfers	-	-	-
Accumulated depreciation 31.12.2020	(232)	(27)	(259)
NET BOOK VALUE			
01.01.2020	138	38	176
31.12.2020	22	33	55

The consolidated and standalone statements of financial position of year 2021, includes the following amounts related to lease liabilities:

Leases from Liabilities	Group	Company
Short-term liabilities from leases	914	139
Long-term liabilities from leases	2,061	208
Total liabilities from Leases	2,975	347

The above amounts include leases related to buildings, cars, clark, printers and other equipment which were initially recognized with the application of IFRS 16 in the financial year 2019.

These figures for the Group amount to € 2,034 for 2021 and € 1,713 for 2020. For the Company the amounts settled at € 347 and € 56 respectively.

The interest expense related to lease liabilities of the Group and the Company amounts to € 108 (2020: € 219) and € 14 (2020: € 4) respectively.

The expenses related to short-term leases

of the Group amount to € 929 (2020: € 859) and are included in the cost of goods sold and the administration and sales & distribution expenses. The expenses related to short-term leases of the Company amount to € 29 (2020: € 39) and are included in the administration costs.

The total cash outflows of the Group and the Company for leases in 2021 amount to € 5,243 (2020: € 5,432) and € 158 (2020: € 154) respectively.

The maturity of liabilities from leases is analyzed in Note 3.32.

3.14 Fixed assets held for sale

It refers to the industrial I 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.

During the previous year, the transfer of the above property was completed.

The total price consideration of the sale 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 along with the corresponding interest would have to be paid by the Buyer within the year 2021.

However, according to the existing agreements and its special covenants (both with the Buyer and with the Bank involved), in case for any reason the Buyer had to breach its obligation to repay the remaining amount at the initially agreed time horizon (up until 15/06/2021 at the latest), the company Thrace Linq INC would have 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 would be due) of the buyer as it would have been formed at the time when Thrace Linq INC would exercise this right, thus permanently canceling the sale or alternatively in case such would have been deemed unprofitable, the company would have the right to participate in the property's liquidation process (having as collateral the second registered mortgage). Before deadline expiration, the parties mutually agreed to extend the agreement duration for two months, i.e. repayment of the outstanding amount until 15/08/2021 the latest.

On August 18, 2021, the company issued a corporate announcement informing the investor community that after the on time collection of the entire remaining part of the consideration of USD 3.5 million (plus interest due and expenses) and the consequent cancellation of any reservations related to this repayment, the process of selling the property was completed and consequently the above transfer became certain and final.

It should be noted that as a result of the completion of the sale of the property, the Group recorded a capital gain of USD 7.78 million (i.e. EUR 6.57 million).

The final sale of the property of the fully owned by 100% subsidiary Thrace Linq INC. completes in the most beneficial manner for the Group the respective action plan, concerning the cessation of the production activity of the particular subsidiary. At the same time, the Group continues to smoothly serve the geotextile market in America from the Group's own facilities in Europe as well as from Lumite INC., which is a joint venture of the Group in the USA, thus strengthening on a gradual basis its position in this market as well.

3.15 Intangible Assets

The changes in the intangible 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 31.12.2020	2,943	9,808	12,751	1,589	1,589
Additions	141	-	141	-	-
Transfers	-	-	-	-	-
Impairments	-	-	-	-	-
Foreign exchange difference	45	7	52	-	-
Acquisition cost 31.12.2021	3,129	9,815	12,944	1,589	1,589
AMORTIZATION					
Accumulated amortization 31.12.2020	(2,096)	-	(2,096)	(1,188)	(1,188)
Amortization for the period	(342)	-	(342)	(139)	(139)
Transfers	57	-	57	-	-
Impairments	-	-	-	-	-
Foreign exchange difference	(24)	-	(24)	-	-
Accumulated amortization 31.12.2021	(2,405)	-	(2,405)	(1,327)	(1,327)
NET BOOK VALUE					
31.12.2020	847	9,808	10,655	401	401
31.12.2021	724	9,815	10,539	262	262

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	-	-	-	-	-

Intangible Assets	Group			Company	
	Concessions & industrial property rights	Company goodwill	Total	Concessions & industrial property rights	Total
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					
Accumulated 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	-	-
Accumulated 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

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.

Subsidiaries' Goodwill	2021
Don & Low LTD	7,490
Trierina Trading LTD	798
Thrace Polybulk AB	680
Thrace Polybulk AS	765

Subsidiaries' Goodwill	2021
Thrace Nonwovens & Geosynthetics Single Person SA	50
Other	32
Total	9,815

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

perpetuity. 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 to perpetuity 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 invest-

tors 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	2021	2020
Discount rate, weighted average	6.9%	7.4%
Annual growth rate in revenues	5.3%	1.55%
Earnings before interest, taxes, depreciation and amortization (5-year)	20%	22%
Assumptions – Trierina Trading LTD / Thrace Ipoma A.D.		
Discount rate, weighted average	5.7%	6.7%
Annual growth rate in revenues	7.5%	5%
Earnings before interest, taxes, depreciation and amortization (5-year)	13% – 16%	19.5% – 22.6%
Assumptions – Thrace Polybulk AS		
Discount rate, weighted average	8.0%	7.8%
Annual growth rate in revenues	9.3%	2.4%
Earnings before interest, taxes, depreciation and amortization (5-year)	9.6% - 14%	10.5% - 13.7%

Assumptions – Thrace Polybulk AB		
Discount rate, weighted average	6.8%	6.9%
Annual growth rate in revenues	10.3%	3.8%
Earnings before interest, taxes, depreciation and amortization (5-year)	3.2% - 10.6%	4.4% - 6.7%

Based on the results of the impairment test, as of December 31, 2021, no impairment losses emerged in the book value of the goodwill of the above cash flow generating units.

On December 31, 2021, 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 an impairment 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 an 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.

3.16 Other Long-Term Receivables

Due to delays observed in the collection of grants receivable from the Greek State, the Group has reclassified this item in the previous years from short-term to long-term receivables, while proceeding to a partial impairment, and therefore the current outstanding balance of the receivable at period end is €4,879. The total receivables of

the Group that have been recorded before the impairments, amount 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	
	2021	2020	2021	2020
Grants receivable	4,879	4,879	1,119	1,119
Other accounts receivable	122	155	37	38
Total	5,001	5,034	1,156	1,157

On July 17, 2020, the Law 4706/2020 was voted, 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 (Greek Manpower Employment Organization) and the Greek State are exhausted according to the provi-

sions of article 87, par. 2 of Law 4706/2020. The companies of the Group have implemented the procedures provided by Law 4706/2020, in accordance with the issued circulars of OAED, in order to certify the correctness of the claimed amounts by comparing the already submitted statements. At the time of preparation of the current report, the process of receivables offsetting has not been initiated for all engaged companies and therefore the respective process remains in progress.

3.17 Inventories

Inventories	Group		Company	
	2021	2020	2021	2020
Merchandise	8,684	6,970	-	-
Finished and semi-finished products	29,163	24,353	-	-
Raw & auxiliary materials	34,687	24,259	-	-
Provision for impairment of inventory *	(1,852)	(1,433)	-	-
Spare parts – other inventory	1,153	1,189	-	-
Total	71,835	55,338	-	-

Provision for Impairment of Inventory	Group	Company
Opening Balance 1.1.2020	1,073	-
Additional provisions	565	-
Reverse Entry of Provisions	(42)	-
Utilized provisions	(111)	-
Foreign Exchange Differences	(52)	-
Total 31.12.2020	1,433	-
Additional provisions	356	-
Reverse Entry of Provisions	-	-
Utilized provisions	-	-
Foreign Exchange Differences	63	-
Total 31.12.2021	1,852	-

3.18 Trade and other receivables

3.18.1 Trade Receivables

Trade Receivables	Group		Company	
	2021	2020	2021	2020
Customers	72,268	64,170	2,626	2,340
Provisions for doubtful debts	(7,721)	(7,307)	(2,317)	(2,328)
Total	64,547	56,863	309	12

The Group's customers balance included notes and checks overdue of € 8,070 for the year 2021 and of € 8,065 for the year 2020.

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 trade 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.

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 3.32.

3.18.2 Other receivables

Other receivables	Group		Company	
	2021	2020	2021	2020
Debtors	3,438	2,417	1,066	23
Investment Grant Receivable	2,353	2,193	-	-
Prepaid expenses	3,818	2,601	187	171
Interim dividend - Dividends	4,750	-	5,750	-
Total	14,359	7,211	7,003	194

The above grant 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 grants, 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 1.1.2020	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
Opening balance 1.1.2021	7,307	2,328
Additional Provisions	456	-
Reverse Entry of Provision	(70)	-
Provisions utilized	(11)	(11)
Foreign Exchange Differences	39	-
Total 31.12.2021	7,721	2,317

* An amount of € 217 concerns the company Thrace Linq INC which is included in the income statement in the discontinued operations.

3.19 Cash & cash equivalents

Cash & cash equivalents	Group		Company	
	2021	2020	2021	2020
Cash in hand	20	23	5	10
Current and time deposits	63,220	40,801	132	153
Total	63,240	40,824	137	163

Credit rating of cash & cash equivalents

Approximately 13% 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	
	2021	2020	2021	2020
AA-	91	1,390	-	-
A+	3,521	713	-	-
A	45,315	16,210	-	-
A-	478	997	-	-
B-	2,909	442	53	2
BBB-	-	60	-	-
BBB+	2,540	1,945	-	-
B	3,306	-	21	-
B+	5,060	-	58	-
BB+	-	476	-	-
CCC+	-	10,600	-	129
CCC	-	7,968	-	22
Total	63,220	40,801	132	153

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 2021 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 losses.

3.21.2 Tax-exempt and Other Reserves

These reserves were formed by the application of special provisions of tax laws for special incentive laws. In case of their dis-

tribution, they 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 net income 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.

with interest rates of Euribor or Libor plus a margin. The book value of loans approaches their fair value during 31 December 2021.

The Group's short term loans have been granted from Greek and foreign banks

Analytically, bank debt at the end of the year was as follows:

Debt	Group		Company	
	2021	2020	2021	2020
Long-term loans	33,610	46,691	-	-
Total long-term loans	33,610	46,691	-	-
Short term portion of long term debt	8,519	15,722	-	-
Short-term loans	8,874	10,589	1,519	960
Total short-term loans	17,393	26,311	1,519	960
Grand Total	51,003	73,002	1,519	960

Short-term loans include an amount of € 1,396 which relates to a Factoring arrangement 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	
	2021	2020	2021	2020
Up to 1 year	17,393	26,310	1,519	960
From 1 – 3 years	29,479	32,797	-	-
Over 3 years	4,131	13,895	-	-
Total loans	51,003	73,002	1,519	960

It should be noted that the Company does not have any bank debt obligations, while the balance of the debt obligations reported in its Balance Sheet refers to an

intragroup loan.

Interest rates are linked on a case by case basis with a Euribor or Libor index plus a margin ranging from 1.25% to 3.5%.

3.23 Employees 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 treatment is made on the basis of the accrued entitlement, as at the Balance

Sheet date, 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:

Employees Benefits	Group		Company	
	2021	2020	2021	2020
Defined contribution plans – Not self financed	1,599	1,462	79	78
Defined benefit plans – Self financed	1,900	12,729	-	-
Total provision at the end of the year	3,499	14,191	79	78

3.23.1 Defined contribution plans – Not self-financed

The IFRS Interpretations Committee issued in May 2021 the final decision on the agenda entitled "Distribution of benefits in periods of service in accordance with International Accounting Standard (IAS) 19", which includes explanatory material on how to distribute benefits in periods of service on a specific defined benefit plan proportional to that defined in article 8 of

L.3198 / 1955 regarding the provision of compensation due to retirement (the "Program of Fixed Benefits of Labor Law").

Based on the above Decision, there should be an alteration in the way in which the basic principles of IAS 19 were applied in Greece in the past in this regard. Consequently, according to what is defined

in the "IASB Due Process Handbook (par. 8.6)", the economic entities that prepare their financial statements in accordance with IFRS are required to amend their accounting policies in relation to the above.

Until the issuance of the decision, for the Greek subsidiaries, the Group applied IAS 19 distributing the benefits defined by the article 8 of L.3198 / 1955, L. 2112/1920, and its amendment by Law 4093/2012 in the period from the recruitment until the date of retirement of the employees.

The application of this final Decision to the attached financial statements, has brought as requirement the distribution of benefits

defined in the last sixteen (16) years until the date of retirement of employees following the scale of Law 4093/2012.

In this context, the application of the above Final Decision has been treated as a change in accounting policy, applying the change retroactively from the beginning of the first comparative period, in accordance with paragraphs 19 to 22 of IAS 8.

The Greek companies of the Group as well as the subsidiary Thrace Ipoma A.D. domiciled in Bulgaria participate in the following plan.

Defined contribution plans – Not self-financed	Group		Company	
	2021	2020	2021	2020
Amounts recognized in the balance sheet				
Present value of liabilities	1,599	1,462	79	78
Net liability recognized in the balance sheet	1,599	1,462	79	78
Amounts recognized in the financial results				
Cost of current employment	164	100	12	8
Net interest on the liability / (asset)	6	20	-	2
Ordinary expense in the account of financial results	170	120	12	10
Recognition of prior service cost	(22)	12	-	-
Cost of curtailment / settlements / service termination	386	219	88	66
Other expense / (income)	-	(35)	-	-
Total expense in the account of financial results	534	316	100	76
Change in the present value of the liability				
Present value of liability at the beginning of period	1,462	2,599	78	215
Change in accounting policy (note 2.25)	-	(1,821)	-	(160)
Present value of liability at the beginning of period	1,462	778	78	55
Cost of current employment	164	100	12	8

Defined contribution plans – Not self-financed	Group		Company	
	2021	2020	2021	2020
Interest cost	6	20	-	2
Benefits paid from the employer	(480)	(420)	(92)	(98)
Cost of curtailment / settlements / service termination	386	323	88	66
Other expense / (income)	-	-	-	-
Cost of prior service during the period	59	12	-	-
Actuarial loss / (profit) – financial assumptions	(11)	208	3	16
Actuarial loss / (profit) – demographic assumptions	18	358	-	33
Actuarial loss / (profit) – evidence from the period	(5)	83	(10)	(4)
Present value of liability at the end of period	1,599	1,462	79	78
Adjustments				
Adjustments profit / (loss) in the liabilities due to change of assumptions	(88)	(532)	(3)	(16)
Empirical adjustments profit / (loss) in liabilities	5	(117)	10	(29)
Other	-	-	-	-
Total actuarial profit / (loss) in the Net Worth	(83)	(649)	7	(45)
Changes in the Net Liability recognized in Balance Sheet				
Net liability / receivable at the beginning of year	1,462	2,599	78	215
Change in accounting policy (note 2.25)	-	(1,821)	-	(160)
Net liability / receivable at the beginning of year	1,462	778	78	55
Benefits paid from the employer - Other	(480)	(420)	(92)	(98)
Total expense recognized in the account of financial results	534	316	100	76
Total amount recognized in the Net Worth	83	649	(7)	45
Other	-	139	-	-
Net liability at the end of year	1,599	1,462	79	78
Cumulative amount in the Net Worth Profit / (Loss)	12	(649)	7	(45)

Defined contribution plans – Not self-financed	Group		Company	
	2021	2020	2021	2020
Money flows				
Expected benefits from the plan in the following year	86	59	-	-

The actuarial assumptions are presented in the following table.

Actuarial Assumptions	Greek Companies		Thrace Ipoma AD	
	2021	2020	2021	2020
Discount rate	0.50%	0.43%	0.60%	0.50%
Inflation	2.03%	1.30%	7.80%	0.90%
Average annual increase of personnel salaries	2.03%	1.30%	5.00%	5.00%
Duration of liabilities	6.7 years	17 years	10.5 years	11.8 years

3.23.2 Defined Benefit Plans – Self financed

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	
	2021	2020
Amounts recognized in the balance sheet		
Present value of liabilities	160,955	158,697
Fair value of the plan's assets	(159,055)	(145,968)
Net liability recognized in the balance sheet	1,900	12,729
Amounts recognized in the financial results		
Cost of current employment	186	156
Net interest on the liability / (asset)	120	229
Ordinary expense in the account of financial results	306	385
Cost recognition from previous years		
Cost of curtailment / settlements / service termination	-	-
Other expense / (income)	349	337
Foreign exchange differences		
Total expense in the account of financial results	655	722

Defined Benefit Plans – Self financed	Group	
	2021	2020
Change in the present value of the liability		
Present value of liability at the beginning of period	158,697	154,901
Cost of current employment	166	151
Interest cost	2,237	2,844
Benefits paid from the plan	(5,583)	(6,873)
Cost of curtailment / settlements / service termination	(121)	-
Other expense / (income)	(18)	309
Actuarial loss / (profit) – financial assumptions	(3,490)	15,061
Actuarial loss / (profit) – demographic assumptions	(349)	6,294
Actuarial loss / (profit) – evidence from the period	(1,441)	(5,552)
Foreign exchange differences	10,857	(8,438)
Present value of liability at the end of period	160,955	158,697
Change in the value of assets		
Value of the plan's assets at the beginning of period	145,968	142,248
Income from interest	2,117	2,616
Return on assets	4,703	14,518
Employer's contributions	1,971	1,211
Employees' contributions		
Benefits paid from the plan	(5,933)	(6,873)
Foreign exchange differences	10,229	(7,752)
Present value of assets at the end of period	159,055	145,968
Adjustments		
Adjustments profit / (loss) in the liabilities due to change of assumptions	5,280	(15,804)
Empirical adjustments profit / (loss) in liabilities	-	-
Empirical adjustments profit / (loss) in assets	4,823	14,519
Total actuarial profit / (loss) in the Net Worth	10,103	(1,285)
Cost recognition from previous years		
Foreign exchange differences		
Total amount recognized in the Net Worth	10,103	(1,285)
Asset allocation*		
Mutual Funds (Equities)	15,640	17,239
Mutual Funds (Bonds)	79,893	76,430
Diversified Growth Funds	52,839	48,721

Defined Benefit Plans – Self financed	Group	
	2021	2020
Other	10,683	3,578
Total	159,055	145,968
Changes in the Net Liability recognized in Balance Sheet		
Net liability / (receivable) at the beginning of year	12,729	12,653
Contributions from the employer / Other	(2,009)	(1,211)
Total expense recognized in the account of financial results	655	689
Total amount recognized in the Net Worth	(10,103)	1,285
Foreign exchange differences	628	(687)
Net liability / (asset) at the end of year	1,900	12,729
Cumulative amount in the Net Worth Profit / (Loss)	18,148	7,206
Money flows		
Expected benefits from the plan in the following year	(4,760)	(6,896)

* The assets of the plan are measured at fair values and include mainly mutual funds of Baillie Gifford, of Legal & General Investment Management as well as of Ninety One plc.

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	
	2021	2020	2021	2020
Discount rate	1.84%	1.42%	1.70%	1.70%
Inflation	3.37%	2.91%	2.00%	2.00%
Average annual increase of personnel salaries	3.37%	2.91%	2.00%	2.00%
Duration of liabilities	18 years	18 years	10 years	10 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	2021	2020
Deferred tax assets	2,261	4,612
Deferred tax liabilities	(8,623)	(6,435)
Total deferred taxation	(6,362)	(1,824)

A. Change of deferred tax in the financial results	2021	2020
As at 1 January	(1,824)	(1,674)
Change in accounting policy (note 2.25)	-	(301)
As at 1 January Adjusted	(1,824)	(1,975)
Change in the financial results	(2,216)	(456)
Foreign exchange differences	(176)	48
Change in statement of comprehensive income	(2,146)	559
As at 31 December	(6,362)	(1,824)

B. Deferred tax (liabilities)	Amortization	Other	Total
As at 1 January 2020	(5,507)	(714)	(6,221)
Change in the financial 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)
Change in the financial results	(1,858)	(5)	(1,863)
Foreign exchange differences	(292)	(33)	(325)
Change in statement of comprehensive income	-	-	-
As at 31 December 2021	(7,924)	(699)	(8,623)

C. Deferred tax assets	Liabilities for employee benefits	Provisions	Other	Total
As at 1 January 2020	2,866	1,221	461	4,548
Change in accounting policy (note 2.25)	(301)	-	-	(301)
As at 1 January Adjusted	2,565	1,221	461	4,247
Change in the financial 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	3,129	966	516	4,612
Change in the financial results	(249)	(86)	(18)	(353)
Change in the other comprehensive income	(2,146)	-	-	(2,146)
Foreign exchange differences	122	-	27	149
As at 31 December 2021	856	880	525	2,261

Company

A. Change of deferred tax in the financial results	2021	2020
As at 1 January	130	708
Change in accounting policy (note 2.25)	-	(36)
As at 1 January Adjusted	130	672
Change in the financial results	(16)	(552)
Change in statement of comprehensive income	(1)	10
As at 31 December	113	130

B. Deferred tax (liabilities)	Depreciation	Other	Total
As at 1 January 2020	109	(2)	107
Change in the financial results	2	-	2
Change in other comprehensive income	-	-	-
As at 31 December 2020	111	(2)	109
Change in the financial results	(14)	-	(14)
Change in other comprehensive income	-	-	-
As at 31 December 2021	97	(2)	95

C. Deferred tax assets	Liabilities for employee benefits	Provisions	Other	Total
As at 1 January 2020	52	549	-	601
Change in accounting policy (note 2.25)	(36)	-	-	(36)
As at 1 January Adjusted	16	549	-	565
Change in the financial results	(6)	(549)	-	(555)
Change in other comprehensive income	11	-	-	11
As at 31 December 2020	21	-	-	21
Change in the financial results	(2)	-	-	(2)
Change in other comprehensive income	(1)	-	-	(1)
As at 31 December 2021	18	-	-	18

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.

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	
	2021	2020	2021	2020
Suppliers	55,441	29,697	1,046	531
Total	55,441	29,697	1,046	531

3.25.2 Other Short-Term Liabilities

Other Short-Term Liabilities	Group		Company	
	2021	2020	2021	2020
Sundry creditors *	4,531	12,333	16	4
Liabilities from taxes and pensions	4,993	6,178	426	402
Dividends payable	107	85	102	83
Customer prepayments **	7,794	5,636	-	-
Personnel salaries payable	1,216	1,339	65	69
Accrued expenses – Other accounts payable	10,354	7,521	997	868
Total short-term liabilities	28,995	33,092	1,606	1,426

The fair value of the liabilities approaches the book value.

* The financial year 2020 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.

Revenues will be recognized in the financial results upon delivery of the order. Revenue corresponding to previous year's customer advances has been recognized in the current year.

3.26 Dividend

3.26.1 Dividend for the Year 2020

The Annual Ordinary General Meeting of Shareholders of 21 May 2021 approved the distribution (payment) of dividend from the earnings of the closing year 2020. Specifically, the General Meeting approved the distribution of an amount of 6,947,002.24 Euros (gross amount), or 0.158820 Euro per Company's share (gross amount), which after the incremental increase of the dividend concerning 322,688 treasury shares (held

by the Company and not entitled to any dividend) amounted to 0.16 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 0.152 Euro per share.

3.26.2 Interim dividend for the year 2021

The Board of Directors of the Company during the meeting of September 24th, 2021 approved the distribution of an interim dividend for the financial year 2021 based on the interim financial statements for the period 01.01.2021-30.06.2021. The interim dividend amounted in total to 4,750 thousand Euros (gross amount), i.e. 0.108592646 Euros per share of the Company. The above amount through the increase corresponding to the 504,163 treasury shares held by the Company and which are not entitled to an interim dividend, settled at 0.109858877 Euros per share and was subject to a withholding tax of 5%, in accordance with the provisions of Law 4646/2019 (Government Gazette A' 201/12.12.2019). Therefore, the final amount paid as interim dividend for the year 2021 amounted to 0.104365933 Euros per share. Following the above and after the approval of the financial statements for the period 01.01.2021-30.06.2021 and especially the registration, as of 6.10.2021,

in the General Electronic Commercial Registry (GEMI) of the relevant announcement regarding the publication of the above financial statements, the Board of Directors of the Company at its meeting of October 14, 2021, set Wednesday, December 1, 2021 as the cut-off date for the interim dividend, Thursday, December 2, 2021 as the date of determination of the beneficiaries to the above dividend (record date), and Wednesday, December 8, 2021 as the payment commencement date. The payment of the interim dividend was made through the paying Bank "PIRAEUS BANK SA".

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

01.01.2021 – 31.12.2021 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 01.01.2021 – 31.12.2021 are presented below.

Income	Group		Company	
	01.01 – 31.12.2021	01.01 - 31.12.2020	01.01 – 31.12.2021	01.01 - 31.12.2020
Subsidiaries	-	-	5,664	4,842
Joint Ventures	5,917	5,648	119	118
Affiliated Companies	13	11	-	-
Total	5,930	5,659	5,783	4,960

Expenses	Group		Company	
	01.01 – 31.12.2021	01.01 - 31.12.2020	01.01 – 31.12.2021	01.01 - 31.12.2020
Subsidiaries	-	-	84	76
Joint Ventures	486	335	-	-
Affiliated Companies	800	1,027	403	542
Total	1,286	1,362	487	618

Trade and other receivables	Group		Company	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Subsidiaries	-	-	1,297	7
Joint Ventures	1,195	1,370	7	-
Affiliated Companies	38	26	26	26
Total	1,233	1,396	1,330	33

Suppliers and Other Liabilities	Group		Company	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Subsidiaries	-	-	1,678	1,059
Joint Ventures	48	23	5	19
Affiliated Companies	92	180	69	141
Total	140	203	1,752	1,219

Long-term Liabilities	Group		Company	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Subsidiaries	-	-	284	313
Joint Ventures	-	-	-	5
Affiliated Companies	-	-	-	-
Total	-	-	284	318

In the context of the adoption of IFRS 16, the Company's liabilities to Subsidiaries and Affiliated companies include lease liabilities.

The Company's lease liabilities with related parties are analyzed as follows:

Company					
Liabilities from leases	Initial balance 01.01.2021	Payments of leases	New Contracts / Amendments of Contracts	Interests on Leases	Closing Balance 31.12.2021
Subsidiaries	3	(1)	-	-	2
Affiliated Companies	20	(120)	367	9	277
Total	23	(121)	367	9	279

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
Affiliated Companies	157	(140)	-	3	20
Total	162	(142)	-	3	23

In addition, the depreciation of the Company includes depreciation for assets with the right of use, relating to lease agreements with related parties, amounting to € 115 (2020: € 116).

Also, the Group's liabilities to affiliated companies include lease liabilities which are analyzed as follows:

Group					
Liabilities from leases	Initial balance 01.01.2021	Payments of leases	New Contracts / Amendments of Contracts	Interests on Leases	Closing Balance 31.12.2021
Affiliated Companies	21	(186)	708	16	559
Total	21	(186)	708	16	559

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
Affiliated Companies	165	(148)	-	4	21
Total	165	(148)	-	4	21

In addition, the depreciation of the Group includes depreciation for assets with the right to use, relating to lease agreements with related parties, amounting to € 182 (2020: € 123).

The Group's "subsidiaries" include all companies consolidated under "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 long-term loans of its subsidiaries. On 31st December 2021, the outstanding amount for which the Company had provided guarantee settled at € 34,844 and is analyzed as follows.

Guarantees for Subsidiaries	2021
ThraceNonwovens&Geosynthetics Single Person S.A.	14,697
Thrace Plastics Pack SA	15,654
Thrace Polyfilms Single Person SA	4,493
Total	34,844

3.28 Remuneration of Board of Directors

BoD Fees	Group		Company	
	2021	2020	2021	2020
BoD Fees	4,970	5,339	1,812	2,115

The remuneration concerns the Boards of Directors of 21 companies in which 33 members participate and include salaries of the executive members of the Boards

of Directors, other remuneration and benefits of both the executive and the non-executive directors.

3.29 Investments

3.29.1 Investments 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 31.12.2021, the Management reviewed all equity investments 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 at the same time evaluated whether there is an indica-

tion of a need for impairment of participations in subsidiaries.

Based on the evaluation of the Management, there is no indication of a need for impairment of investments in subsidiaries as of 31.12.2021.

The value of the Company's investments in the subsidiaries, as of 31st December 2021, is as follows:

Companies consolidated with the full consolidation method	2021	2020
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 Investments 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. The companies are consolidated according to the Equity method in line with the provisions of IFRS 11. The parent Company holds direct business interest 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 as at 31/12/2021. The company Thrace Greiner Packaging SRL is 50% owned by Thrace Plastics Pack SA whereas Lumite INC. is 50% owned by Synthetic Holdings LTD.

Company	Country of Activities	Business Activity	Percentage of Shareholding
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. 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. 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. 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. The company's shares are not listed.	51.00%

The change of the Group's Investments in the companies that are consolidated with the equity method is analyzed as follows:

Investment in companies consolidated with the equity method	THRACE GREINER PACKAGING SRL	THRACE GREENHOUSES SA	LUMITE INC	THRACE EUROBENT SA	Total
Balance at beginning 01.01.2020	3,655	3,797	6,826	269	14,547
Gain / (losses) from 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
Balance at beginning 01.01.2021	3,968	3,936	6,866	298	15,068
Gain / (losses) from joint ventures	1,141	333	1,253	43	2,770

Investment in companies consolidated with the equity method	THRACE GREINER PACKAGING SRL	THRACE GREENHOUSES SA	LUMITE INC	THRACE EUROBENT SA	Total
Share capital increase	-	-	-	-	-
Dividends	(401)	-	-	-	(401)
Foreign exchange differences and other reserves	(64)	16	617	6	575
Balance at end 31.12.2021	4,644	4,285	8,736	347	18,012

The financial statements of the companies are presented in the following tables:

STATEMENT OF FINANCIAL POSITION	THRACE GREINER PACKAGING SRL		THRACE GREENHOUSES SA		LUMITE INC		THRACE EUROBENT SA	
	2021	2020	2021	2020	2021	2020	2021	2020
% of Shareholding	46.47%	46.47%	50.91%	50.91%	50%	50%	51%	51%
ASSETS								
Tangible assets	5,791	6,413	9,163	9,749	4,264	4,326	1,066	1,429
Inventories	4,139	2,904	181	89	12,555	10,696	931	634
Trade and other receivables	3,390	2,933	1,386	3,342	2,886	1,951	169	1,059
Other asset items	-	-	374	260	8	34	85	44
Cash	2,739	2,147	110	151	4,181	2,838	948	385
LIABILITIES								
Bank debt	2,684	2,779	1,731	4,866	2,345	3,776	1,035	1,404
Other liabilities	4,027	3,605	1,065	995	4,135	2,385	1,436	1,533
EQUITY	9,349	8,013	8,417	7,730	17,415	13,684	728	614

STATEMENT OF COMPREHENSIVE INCOME	THRACE GREINER PACKAGING SRL		THRACE GREENHOUSES SA		LUMITE INC		THRACE EUROBENT SA	
	2021	2020	2021	2020	2021	2020	2021	2020
Turnover	21,099	17,685	8,111	8,182	31,059	24,466	6,218	5,007
Cost of sales	(16,102)	(13,125)	(6,104)	(6,164)	(26,296)	(19,048)	(5,241)	(4,116)
Gross profit	4,997	4,560	2,007	2,018	4,763	5,418	977	891
Distribution expenses	(778)	(782)	(748)	(1,067)	(2,228)	(2,138)	(685)	(656)
Administrative expenses	(1,185)	(1,233)	(506)	(428)	(1,193)	(1,362)	(70)	(64)
Other (expenses) / income	(276)	(240)	93	4	1,491	(26)	(42)	(14)
Operating profit / loss	2,758	2,305	846	527	2,833	1,892	180	157
Financial result	(53)	(88)	(147)	(274)	(90)	(106)	(40)	(49)
Profit/(loss) before Taxes	2,705	2,217	699	253	2,743	1,786	140	108
Taxes	(438)	(360)	(45)	34	(264)	(382)	(64)	(45)
Profit/(loss) after Taxes	2,267	1,857	654	287	2,479	1,404	76	63

3.30 Commitments and Contingent Liabilities

On 31st December 2021 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 2021, the total fees of the Company's and Group's external auditors, are analyzed as follows:

Fees of auditing firms	Group		Company	
	2021	2020	2021	2020
Fees of auditing services	419	388	63	63
Fees for tax certificate	153	150	11	12
Fees for non-audit services	28	27	-	-
Total	600	565	74	75

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 in 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 52% 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 fi-

ancial 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 31/12/2021.

Maturity of Trade Receivables' Balances 31.12.2021	Group	Company
01 – 30 days	23,443	304
31 – 90 days	37,175	-
91 – 180 days	4,980	-
180 days and over	6,670	2,322
Subtotal	72,268	2,626
Provisions for doubtful receivables	(7,721)	(2,317)
Total	64,547	309

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

Analysis of not past due/overdue trade receivables 31.12.2021	Group	Company
Receivables not past due	53,323	297
Overdue receivables 1 – 30 days	9,492	7
Overdue receivables 31 – 90 days	2,639	-
Overdue receivables above 91 days	6,814	2,322
Subtotal	72,268	2,626
Provisions for doubtful customer receivables	(7,721)	(2,317)
Total	64,547	309

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.

Correspondingly, the amounts of maturity and past due for the financial year 2020 are presented in the following tables.

Maturity of Trade Receivables' Balances 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

Analysis of not past due/overdue trade receivables 31.12.2020	Group	Company
Receivables not past due	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

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.

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

Group 31.12.2021	Up to 1 month	1-6 months	6-12 months	1-5 Years	Over 5 years	Total
Suppliers	29,665	25,484	292	-	-	55,441
Other short-term liabilities	12,723	15,891	381	-	-	28,995
Short-term debt	2,601	9,118	5,674	-	-	17,393
Liabilities from Leases (short-term part)	75	330	509	-	-	914
Long-term debt	-	-	-	33,610	-	33,610
Liabilities from Leases (long-term part)	-	-	-	1,941	120	2,061
Other long-term liabilities	-	-	-	237	-	237
Total 31.12.2021	45,064	50,823	6,856	35,788	120	138,651

Company 31.12.2021	Up to 1 month	1-6 months	6-12 months	1-5 Years	Over 5 years	Total
Suppliers	520	526	-	-	-	1,046
Other short-term liabilities	178	1,331	97	-	-	1,606
Short-term debt	-	1,519	-	-	-	1,519
Liabilities from Leases (short-term part)	11	58	70	-	-	139
Long-term debt	-	-	-	-	-	-
Liabilities from Leases (long-term part)	-	-	-	208	-	208
Other long-term liabilities	-	-	-	-	1	1
Total 31.12.2021	709	3,434	167	208	1	4,519

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

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	2021			2020		
	USD	GBP	Other	USD	GBP	Other
Change of foreign currency against Euro*						
Profit before tax						
+5%	(74)	(32)	5	(244)	(44)	(62)
-5%	81	35	(6)	270	49	68
Equity						
+5%	(218)	(1.358)	(222)	136	169	(277)
-5%	241	1.500	246	(151)	(187)	307

*** 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	
	2021	2020	2021	2020
Interest rate increase 1%	(540)	(790)	(16)	(10)
Interest rate decrease 1%	540	790	16	10

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	
	2021	2020	2021	2020
Long-term debt	33,610	46,691	-	-
Long-term liabilities from leases	2,061	3,210	208	25
Short-term debt	17,393	26,311	1,519	960
Short-term liabilities from leases	914	2,822	139	31
Total debt	53,978	79,034	1,866	1,016
Minus cash & cash equivalents	63,240	40,824	137	163
Net debt	(9,262)	38,210	1,729	853

Capital Adequacy Risk	Group		Company	
	2021	2020	2021	2020
EBITDA*	110,275	69,444	(512)	(413)
NET DEBT / EBITDA**	(0,08)	0,55	-	-
EQUITY	252,250	176,109	82,415	76,747
NET DEBT / EQUITY	(0.04)	0.22	0.02	0.01

* 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.

It should be noted that the Company does not have any bank debt obligations, while the balance of the debt obligations reported in its Balance Sheet refers to an intragroup loan.

3.33 Significant Events

Macroeconomic Environment and Impact of COVID-19

Global macroeconomic conditions have been affected for another year by the recurring waves of the COVID-19 pandemic, particularly in Europe, with alterations between gradual easing of restrictive measures and re-adoption of such measures within the year. Therefore, it is obvious that the evolution of the pandemic was an important determinant of the economic and business environment, creating at the same time conditions of uncertainty but also business opportunities.

At the same time, in the last months of year there has been the phenomenon of rising inflation pressures in most world econo-

mies and the constantly increasing prices on the cost base of industrial production, i.e. price increases in raw material prices, in secondary materials and packaging materials, in energy costs and transportation costs, while there is still limited evidence of a potential reversal of the above price pressures.

The above on the one hand generate challenges, which the Group already faces and will continue to face in the near future and on the other hand create conditions of uncertainty regarding the course of the economies and their growth patterns.

I. Impact of the pandemic on the operation of the Group for the financial year 2021

In this extremely difficult environment as described above and in view of the significant disruptions in global supply and demand forces, the business and economic

activity as well as operation of the Group has not been adversely affected to date and the Group continues to effectively overcome the existing challenges.

Regarding the operation of production, all production units within the Group continued to operate smoothly for the entire year 2021, 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.

The fiscal year 2021 was a year of especially strong financial performance as the Group achieved a higher profitability by successfully offsetting the negative impact from the significant increase seen in raw material costs and the volatility observed in terms of market demand. More specifically, the following were observed during the year:

- Increase of demand for products in the construction sector.
- Significant demand in the infrastructure and agricultural sector. ;
- Significant demand for products related to personal protection and health, especially during the first months of the year, but with a significant decline in the second half.
- Gradual increase of raw material prices, while their high levels remained throughout the year. In individual cases some additional increases were observed, depending on the type of raw material and the geographical area.
- Constantly increasing energy costs, especially during the last quarter of the year, in all countries which the Group is operating in.
- Significantly higher transportation costs with significant lack of capacity in both available ground transport and containers.
- Significantly increased cost with re-

gard to auxiliary materials as well as and packaging materials.

In financial terms, however, the Group managed to increase its turnover from continuing operations, taking advantage of its production capacity, its ever-growing global network of customers and the business opportunities that arose. The above resulted in sales for 2021 of € 428.4 million, an increase of 26.1% compared to 2020, mainly due to increasing selling prices, Earnings before Taxes (EBT) from continuing operations of € 83.9 million, an increase of 61.1% compared to the year 2020. It should be noted that according to estimates of the Management for the year 2021, Earnings before Taxes at the Group level, related to the products of the existing portfolio used in personal protection and health applications, amounted to € 51.8 million. (see note 3.3 of the financial statements).

Regarding the liquidity levels of the Group and the trading cycle of the subsidiaries, there was no negative impact due to the pandemic crisis. On the contrary, during the year 2021, the Group achieved the further strengthening of its liquidity, recording a Net Cash of € 9.3 million, as cash and cash equivalents exceeded its debt liabilities.

Regarding the investment plan, the implementation of the Group's already planned investments is progressing smoothly. The investment plan for 2022, exceeds €40mil. on cash basis. The investments will be made mainly at the Group's facilities in Greece, but also in other countries of activity.

It is worth mentioning that the new investment plan in its entirety, but also the existing investment actions are fully aligned with the implementation of the Group's

sustainability policy, in the context of its stable, long-term, sustainable growth.

From the above it is clearly demonstrated that for the year 2021, the Group did not experience any negative, from a financial point of view, consequence both in its financial results and in its trading cycle and therefore, it did not encounter any finan-

cial risk, which would adversely affect its business continuity. On the contrary, the Group managed to achieve historically high profitability, which will be the basis of its further growth in the coming years.

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 continues to maintain in full implementation mode a plan to ensure the health and safety of its personnel as well as the smooth business continuity of the entire 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 have been implemented:

- Establishment of sub-crisis management teams with the participation of the Management teams of the subsidiaries and the Group, the Human Resources Departments, 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, preventively and as appropriate.
- Remote work for office employees to the greatest possible extent.
- Protection of employees belonging to vulnerable groups, by facilitating their immediate removal from the premises, without curtailing their remuneration.
- Development of specific procedures and protocols for all visitors to the Company's facilities (carriers, contractors, technicians, etc.)
- Conducting meetings among the employees of all Companies as well as the Management of the Group and conducting Board of Directors' meetings between the Board of Directors without physical presence and by 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.
- Adherence to the required medical protocols, in case of illness of an employee or simple contact with an infected case, in collaboration with the occupational physician.

- Continuous monitoring of liquidity and the transaction cycle of the Group companies.
 - Weekly meetings among the Management of the subsidiaries and the Group, the Human Resources Department, the Occupational Physicians and the Safety Technicians in order to maintain and enrich the protection measures as well as the monitoring process of vaccinations and infections.
- 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 current Report.

III. Assessing the impact of the pandemic in the future and prospects of the Group

Regarding the prospects for the year 2022, the Management closely monitors the macroeconomic developments, on a global level, which are characterized by the significantly **stronger inflationary trends**, throughout the economy but also in all cost items that constitute the industrial sector's cost base, and by **the ongoing war between Russia and Ukraine**, which is substantially aggravating the economic environment. As a result of the above developments, there is a lag in demand in various sectors of the economy, combined with the presence of significantly higher prices of both raw materials as well as energy and transportation costs.

Regarding the first quarter of 2022, the Management of the Group remains optimistic for its satisfactory performance, given the difficult conditions prevailing in the current period. It is estimated that a significantly stronger profitability will be achieved, compared to the corresponding period before the pandemic, but it will settle lower than the profitability of the corresponding period of the previous year. However, the comparison with the previous year becomes extremely difficult to be substantiated, due to the extraordinary circumstances of both that period and the current one. Specifically concerning the impact of the war, it should be noted that

the Group's sales volume in Russia and Ukraine for 2021 was immaterial (0.6% of sales), but it is not clear how the ongoing war conflict will affect more broadly the supply and demand conditions in the market.

Regarding the course of 2022 as a whole, the very challenging as well as volatile macroeconomic environment described above makes especially difficult the development of any financial estimates, since the visibility for the financial results and the level of demand in the coming months remains extremely limited. However, the great effort made by the Management of the Group as well as the Management of the subsidiaries in all the countries of operation, creates conditions of reserved optimism that the Group will be able to implement its strategic plans and to maintain to a significant extent the profitability from the traditional portfolio that was formed in 2021. This will be also demonstrating that the Group has entered a new era, characterized by significantly higher profitability compared to pre-pandemic levels. It should be noted, however, that although the implementation of this plan is the fundamental goal of the Management, the extremely uncertain conditions that arise at the time of preparation of the annual report are likely to redefine the an-

nual performance estimates made by the Management in the coming months of the year.

At the same time, the Group's Management is working in seamless manner **towards the implementation of the new strategy**, the extraordinary investment actions that have been decided, as well as the implementation of the **new annual investment plan for 2022**. As already announced, the Group's priority is the development of new products as well as the access to new markets, the emphasis on improving profitability, the further cost reduction and consequently the increase in competitiveness and the targeted increase in production capacity in both key sectors of activity. At the same time the Group implements important actions regarding recycling and the circular economy, actions that are an integral part of the Group's strategy and will form new dynamics for the future. It is worth noting that **for the period 2020 - 2022, the total investment plan of the Group, on a cash basis, will amount to € 101 million**.

Regarding the level of liquidity of the Group, which in 2021 settled at significantly higher levels, it is estimated that it will remain at similarly high levels. However, the full implementation of the extensive investment plan, the greatest part of which will be disbursed in 2022, is mainly carried out via the utilization of own funds and therefore the Net Cash is likely to return to Net Debt. The utilization of excess liquidity for the implementation of actions that will contribute to the further long-term development and viability of the Group, is estimated to be from any perspective the most appropriate use of this capital, both in terms of sound manage-

ment and in terms of required return.

The Management of the Group is confident that the overall implementation of the respective investment plans but also of the broader strategy creates conditions for the Group to gradually enter into a new era of development, improvement of infrastructure, further expansion of activities and improvement of profit generation, compared to the pre-pandemic levels. At the same time, the strengthening of the Group's financial position is the basis for the implementation of the future investment plans, as they will be unveiled in the coming years, actions that in turn will contribute to the successful implementation of the new strategy, always within the framework of profitable sustainable development.

Despite the fact that the current conditions in the global market place create significant volatility, making any assessment regarding the impact of the pandemic on the commercial activity and the financial results of the Company and the Group uncertain, the Group's Management estimates that neither the Group nor any of its individual activities face any potential threat in terms of cessation of business activity (going concern).

IV. Climate related issues

The Company recognizes the risks and the impact that may arise in its business activity from the climate change, such as the occurrence of extreme weather events or rising temperatures, which may affect the production process and lead to significant changes in its activities as well as to abrupt changes in the Group's income and expenses in the short, medium and long term horizon. In order to mitigate the risks arising from climate change, but also to achieve positive financial results for both the Group and its broader environment, the Company adapts its business model to

reduce its environmental footprint (direct emissions, energy consumption, use of recycled material, waste management) and focus on the development of innovative products and services, applying the principles of the circular economy. Therefore, it has formulated a detailed strategic plan of specific actions, which are already being implemented. More details can be found in the non-financial information section of this report as well as in the following link:

<https://www.thracegroup.com/gr/el/sustainability/>.

V. Expected Credit Losses

There are no expected credit losses as a result of the current conditions and circumstances. In any case, according to the established policy, most of the companies' sales remain insured, while additional measures

have been taken to ensure the Group carries out transactions with reliable customers (credit risk assessment, credit scoring, advances, etc.). More information on credit risk can be found in Chapter 3.32.2.

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 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 condi-

tions 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 Shiatis 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 11th 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 immedi-

ate, 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 Shiatis 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.

The new 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) into body.

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 Panagio-

tis, 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.

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 and after a relevant proposal made by the Audit Committee, 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 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.

Establishment of Committees of the Board of Directors

The Board of Directors of the Company during its meeting on 22nd March 2021, 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.

Annual Ordinary General Meeting of the Company's shareholders

The Annual Ordinary General Meeting of the Company's shareholders, which took place on **May 21, 2021** remotely in real time via videoconference, decided the following among others:

a) the allocation (distribution) of income for the financial year 2020 (01.01.2020-31.12.2020) and specifically the General Meeting approved the distribution (payment) of a total dividend of Euro

6,947,002.24 (gross amount) to the shareholders of the Company from the earnings of the closing financial year 2020, or 0.158820 Euros per share (gross amount), which after the increase corresponding to the 322,688 treasury shares held by the Company and which are excluded from the payment of dividend, will amount to **0.16 Euros per share (gross amount)**.

The Company's shareholders registered in the records of the Dematerialized Securities System (SAT) as of Thursday 27 May 2021 (record date), were those entitled to receive the above dividend.

Wednesday 26 May 2021 was set as the ex-dividend date according to the relevant article 5.2 of the Athens Exchange Regulation.

The payment of dividend commenced on Wednesday 2 June 2021, and was

implemented through the Societe Anonyme under the name "PIRAEUS BANK S.A.", according to the procedure stipulated by the Regulation of the Athens Exchange in effect.

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

The decisions of the General Meeting of Shareholders are posted on the Company's website at the link <https://www.thracegroup.com/gr/el/general-meetings/>

Commencement of Share Buy-Back Plan

The Management of the Company in application of the decisions of the Annual Ordinary General Meeting of the shareholders of May 21st, 2021 and of the Board of

Directors of June 4th, 2021, announced on June 7th, 2021 the commencement of the share buy-back plan.

New investment program of € 25.5 million with an emphasis on the production facilities of Xanthi

The Board of Directors of the Company, following a relevant proposal by the Management, approved a new, extraordinary investment plan. More specifically, the Management, taking into consideration the broader market conditions as well as the strong cash position of the Group, proposed the immediate implementation of the above extraordinary investment plan, which is an additional investment compared to the current investment plan of 2021, or any other additional investment

plan potentially approved at a later time.

The new investment plan is oriented towards the Sustainable & Profitable Development of the Group, with a focus on the following strategic pillars: further reduction of production costs and boost of competitiveness, improvement of profit margins, vertical integration of production processes and with parallel emphasis on the circular economy and finally, further reduction of the environmental footprint.

The individual actions of the new investment plan that will be implemented at the Group's facilities, in Xanthi, Greece, are summarized as follows:

- **investment in mechanical fiber production equipment:** fiber is a basic raw material for the production of non-woven needle punch fabrics. Needle Punch fabrics aim at a variety of applications in the sectors of infrastructure and construction, agriculture, automotive, etc.
- **investment in mechanical recycling equipment** in order to increase the recycling capacity with regard to finished products or plastic waste, both from internal production and operating processes as well as from third party sources. This action is in line with the commitment of the Group calling on the one hand for the use of more recycled raw materials and on the other hand for further reducing the environmental footprint of its final products.
- **investment concerning the installation and commissioning of photovoltaic systems** to cover part of the energy needs of the Group's production plant complex in the area of Xanthi, Greece (net metering), with a targeted power capacity of 1.5 MW, demonstrating its commitment towards sustainable development, in the context of achieving energy savings and for further reducing the environmental footprint.
- **investment in infrastructure (land and buildings),** which will create conditions that are conducive to efficiency gains of the production plants, but will also prepare the ground for future development of the business activity and

profitability of the Group's companies.

Moreover, under the above extraordinary investment plan, the following will take place at Don & Low's facilities in Forfar, Scotland:

- **investment in mechanical laminating equipment** to increase production capacity with regard to the further processing of non-woven Spun bond fabrics, in order to achieve higher profit margins.
- **investment in mechanical recycling equipment** to increase the recycling capacity with regard to finished products or plastic waste, both from internal production and operating processes as well as from third party sources.
- **investment in infrastructure (land and buildings),** which will create conditions that are conducive to efficiency gains of the production plant, but will also facilitate the future development of the business activity and profitability of the company.

The new investments amount in total to € 25.5 million, of which € 21.4 million concern the investments that will be implemented in the production facilities of the Group in Xanthi, Greece and € 4.1 million concern the investments in the Group's subsidiary in Scotland, whereas all are being related to the field of Technical Fabrics. The financing of this new investment plan will be carried out mainly with own funds.

Election of a new member of the Board of Directors to replace the resigned Director - Reconstitution of the Board of Directors into a body

The Board of Directors of the Company, during its meeting as of July 28th, 2021 and following the relevant proposal made by the Company's Remuneration & Nomination Committee which took place in accordance with the applicable Policy of Suitability and the procedures applied by the Company, elected:

Mr. Athanasios Dimiou of Georgios as non-executive member, in replacement for the remaining term of the resigned non-executive member of the Board of Directors Mr. Petros Fronistas of Christos.

The above replacement and the election of the specific non-executive member of the Board of Directors will contribute to the further strengthening of the Board of Directors, in particular with the new member's many years of experience and specialized knowledge in the field of plastics and specifically in production technologies, while this replacement takes place in the context of the Company's decision for the substantial and more effective adaptation of its organization to the requirements and regulations of the new Law 4706/2020 (Government Gazette AD 136 / 17.07.2020) on corporate governance and is harmonized with the provisions of the particular law on suitability.

The election of the above new non-executive member of the Board of Directors is going to be announced, in accordance with the provisions of the law and the Company's Articles of Association, at the next General Meeting convened by the Company's shareholders.

Following the above, the Board of Directors of the Company was reconstituted into a body for the remainder of its term,

i.e. until February 11th, 2026, as follows:

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. Athanasios Dimiou of Georgios, **Member of the Board of Directors (non-executive member)**.
5. Vassilios Zairopoulos of Stylianos, **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. Christos Shiatis of Panagiotis, **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)**.

Completion of the Process concerning the Sale of the Industrial Property of the fully owned, by 100%, subsidiary Thrace Linq INC.

The Management of the Company, following the relevant announcements on 24.04.2020, 18.06.2020, 28.08.2020 and 17.06.2021, in relation to the transfer –due to the respective sale by its 100% subsidiary company Thrace Linq INC.-- of the privately owned industrial property, which is located in South Carolina, U.S.A., after the final cessation of the production operation of the above subsidiary, informed the investor community on 18/08/2021 about the following: After the collection of the entire remaining part of USD 3.5 million (plus the interest due and related expenses), and the consequent abolition of any impediments associated with this particular repayment, the sale transaction with regard to the above property was completed and consequently the transfer of the property became certain and final.

It is reminded that the total consideration with regard to the above sale transaction amounted to USD 14.5 million, the great-

est part of which (i.e. USD 11 million) had been collected at the time of the transfer agreement of the property (i.e. on 15/06/2020).

It is noted that as a result of the completion of the above sale transaction of the property as per above, the Group recorded an extraordinary profit for the year 2021, amounting to USD 7.78 million (i.e. approximately EUR 6.57 million).

The finalization of sale of the property of the fully owned by 100% subsidiary Thrace Linq INC. has completed in the most beneficial way for the Group its action plan regarding the cessation of the production activities of the specific subsidiary. At the same time, the Group continues to serve uninterruptedly the geotextile market in America from the Group's facilities in Europe and from Lumite INC., a joint venture of the Group in the U.S.A., gradually strengthening its position in the particular market as well.

Replacement of the Officer of Investor Relations and Corporate Announcements Department

The Board of Directors of the Company, with a relevant decision, has appointed Mr. Dimitrios Fragkou of Vassilios as the Officer of the Investors Relation and Corporate Announcements Department of the Company in replacement of Mrs. Ioanna Karathanasi

daughter of Paraskevas, due to the withdrawal of the latter from the Company.

Mr. Dimitrios Fragkou took over his duties as the Officer of the Investors Relation and Corporate Announcements Department on September 13, 2021.

Donation of surgical masks

Thrace Plastics Group actively supported the effort of the National Hellenic Wheelchair Basketball Team to claim the highest possible distinction and awarded 3,000 certified disposable surgical masks, cover-

ing the needs for increased protection as part of the organization of the 14th European Men's Wheelchair Basketball Championship, which was held at the Peace and Friendship Stadium from 12-18 July 2021.

Issuance of Tax Certificate of Tax Certificate for the Fiscal Year in accordance with article 65 A of Law 4174/2013

Following the special tax audit carried out for the financial year 2020 by the statutory external auditors in accordance with article 65A of Law 4174/2013, both on the Company and its subsidiaries "Thrace Nonwovens & Geosynthetics S.A.," "Thrace-

Polyfilms S.A.," "Thrace Plastics Pack S.A.," "Thrace Eurobent S.A." and "Thrace Greenhouses S.A.," the relevant tax certificates were issued with an unqualified opinion.

Interim Dividend for the Year 2021

The Board of Directors of the Company during the meeting of September 24th, 2021 approved the distribution of an interim dividend for the financial year 2021 based on the interim financial statements for the period 01.01.2021-30.06.2021. The Interim dividend amounted in total to 4,750 thousand Euros (gross amount), i.e. 0.108592646 Euros per share of the Company. The above amount through the increase corresponding to the 504,163 treasury shares held by the Company and which are not entitled to an interim dividend, settled at 0.109858877 Euros per share and was subject to a withholding tax of 5%, in accordance with the provisions of Law 4646/2019 (Government Gazette A' 201/12.12.2019). Therefore, the final amount paid as Interim dividend for the

year 2021 amounted to 0.104365933 Euros per share. Following the above and after the approval of the financial statements for the period 01.01.2021-30.06.2021 and especially the entry, as of 6.10.2021, in the General Electronic Commercial Registry (GEMI) of the relevant announcement regarding the publication of the above financial statements, the Board of Directors of the Company at its meeting of October 14, 2021, set Wednesday, December 1, 2021 as the cut-off date for the interim dividend, Thursday, December 2, 2021 as the date of determination of the beneficiaries to the above dividend (record date), and Wednesday, December 8, 2021 as the payment commencement date. The payment of the interim dividend was made through the paying Bank "PIRAEUS BANK SA".

Appointment of new Officer of Investor Relations and Corporate Announcements Department

The Board of Directors of the Company, during its meeting as of November 18, 2021, made the appointment of Ms. Evangelia (Elina) Sideri of Georgios as the Officer of the Investor Relations and Corporate Announcements Department of the Company in replacement of Mr. Dimitrios Frag-

kou, who had been acting under the above capacity up until November 23, 2021.

Ms. Evangelia Sideri took over her duties on November 24, 2021.

3.34 Events after the Financial Position Date

Direct Impact of the War Conflict on the Financial of the Group

The war outbreak after the Russian military invasion of Ukraine creates geopolitical instability with macroeconomic consequences, the extent of which cannot yet be estimated. The Group does not have significant business activities in Ukraine and in Russia, i.e. in the areas directly affected by the war. Furthermore, the overall exposure to Ukraine and Russia is minimal. Based on the financial results of 2021, sales in these two countries stood at 0.6% of the Group's total turnover. Therefore, no direct

material impact is expected on the financial performance of the Group, given the non-existence of business activity in the specific area. However, the effects on the Group's activities from the negative developments in the energy sector and from the wider macroeconomic uncertainty are closely monitored and in case the crisis is prolonged and generates stronger inflationary pressures, the Group will re-evaluate and may modify its estimates accordingly.

Appointment of Risk & Compliance Manager

The Board of Directors of the Company, during its meeting of 21/02/2022, appointed Mr. Michael Psarros of George as Head of the Department (Unit) of Regula-

tory Compliance and Risk Management. Mr. Psarros assumed the duties as Risk & Compliance Manager on 24/02/2022.

Proposed Dividend for the Year 2021

The Board of Directors of the Company at the meeting of September 24, 2021 decided to distribute an interim dividend for the financial year 2021 based on the interim financial statements for the period 01.01.2021-30.06.2021. The distribution and payment of the above dividend took place on December 8, 2021. The Board of Directors will propose the distribution of dividend to the Annual General Meeting of Shareholders, however taking into ac-

count the conditions that are constantly changing due to Covid-19 pandemic and the Russian invasion of Ukraine, the final amount to be proposed will be decided at a later stage and in any case prior to the date of the Annual General Meeting of Shareholders.

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 International Financial Reporting Standards as adopted by the European Union, were approved by the Board of Directors on 12 April 2022 and are signed by the representatives of such.

The Chairman of the BoD	The Chief Executive Officer	The Chief Financial Officer	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 Accountant Lic. Reg. No. 34806 A' CLASS



ONLINE AVAILABILITY OF THE INTERIM 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.

General Commerce Reg. No. 12512246000

**Domicile: Magiko, Municipality of Avdira,
Xanthi Greece**

Offices: 20 Marinou Antypa Str.

17455 Alimos, Attica Greece

www.thracegroup.com

 **THRACE GROUP**