

REPORT OF THE AUDIT COMMITTEE OF THE YEAR 2023**1. Summary for the Management**

In my capacity as Chairman of the Audit Committee of the Company, I hereby present the summary Report of the Committee for the financial year 2023 (01.01.2023 - 31.12.2023), in order to demonstrate the relevant actions and Committee's essential contribution toward the Company's compliance with the provisions of current legislative and regulatory framework in an environment characterized by intense and multilevel challenges as well as uncertainties.

The Audit Committee constitutes an Independent Committee and is consisted of one (1) Independent Non-executive Member of the Board of Directors of the Company and two (2) non-members - third parties.

The current Audit Committee was elected by the Extraordinary General Meeting of Shareholders on February 11th, 2021, as the Committee was reconstituted into a body following the resignation of the member Mr. Konstantinos Gianniris and his replacement by the new member Ms. Sophia Manesi. Following the replacement of Mr. Konstantinos Gianniris by the Annual Ordinary General Meeting of the Company's Shareholders on May 24th, 2023 and the appointment of Ms. Sophia Manesi as new member for the remainder of the term, the Audit Committee during its meeting on May 25th, 2023 was constituted in a body as follows:

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

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

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

(b) They do not have any dependency relationship with the Company itself or persons related to the Company. The dependency relationship is specified in particular in the provisions of article 9 par. 1 and 2 of Law 4706/2020.

Furthermore, the criterion of sufficient knowledge and experience in the fields of auditing or accounting is demonstrably fulfilled both in the person of Mr. Georgios Samothrakis and in the person of Mr. Konstantinos Kotsilinis, both of whom are former Chartered Auditors - Accountants with a very broad background in terms of scientific knowledge and with rich professional experience as well as prior professional service. The above decisively and substantially contribute to the greater efficiency of the Audit Committee and assist in the implementation of its duties in the most appropriate manner with the aim of strengthening the dynamics as well as the value of the Company. Finally Ms. Sophia Manesi, possessing many years of experience in Internal Auditing, can make a substantial contribution to the Audit Committee so that the latter can carry out its work in the most effective manner and be able to provide substantial solutions and guidance facilitating at the same time the economic growth of the Company, while fulfilling all of its legal obligations.

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

Furthermore, with regard to the Committee's actions during the previous year there is respective analysis in the following paragraphs:

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

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

During the year 2023, the Audit Committee convened sixteen (16) times with all its members present at all meetings and with the internal auditors, the independent Chartered Auditors - Accountants and the Head of the Regulatory Compliance and Risk Management Unit informing the Committee on matters related to their duties. In the majority of meetings, and following a relevant invitation made by the Committee, key executives in charge of the administration and management of the various corporate affairs and activities were also present.

The relevant minutes were kept for all meetings of the Committee that took place in year 2023, while during these meetings the Committee mainly examined the following issues according to the analysis presented in the next paragraphs:

3. External Audit / Financial Information Procedure.

The Audit Committee was mainly concerned with the following:

- The preparation process of financial information and the assessment of the financial statements of the Company in terms of their accuracy, completeness and consistency. In particular, it was found that the financial statements were in accordance with their legally binding content and framework of preparation. At the same time, the compliance with the respective publicity rules was verified, as well as the ability of investors and other users to have immediate, smooth and uninterrupted access to the financial information.
- The announcements concerning the financial performance of the Company and the careful examination of the main parts of financial statements that contain significant judgments and estimates by the Management.
- The provision of additional non-audit services to the Company by the audit firm to which the Chartered Auditor- Accountant belongs. The selection and determination of the terms of collaboration and the remuneration of the Chartered Auditor- Accountant, through a relevant proposal presented at the Ordinary General Meeting of the Company as well as the selection criteria that should be applied and ultimately be fulfilled (provision of high quality services, fair, reasonable and competitive remuneration, etc.).
- The assurance of the state of independence of the Chartered Auditor- Accountant, of the objectivity and efficiency of the audit process, based on the relevant professional and regulatory requirements. In the above context, the Chartered Auditor- Accountant was summoned by the Audit Committee and joined its meetings four (4) times and more specifically on January 10th, April 11th, September 15th and December 11th, 2023. During the above meetings, the Chartered Auditor- Accountant confirmed the independence and absence of any external direction or directive or recommendation in the performance of duties. Furthermore, monitoring and ensuring the completeness, objectivity and effectiveness of the audit by the Chartered Auditor- Accountant constitutes a key priority of the Committee.

- The process of carrying out the mandatory audit of the separate and consolidated financial statements of the Group and the Company for the year 2022, as well as the content of the main and the supplementary report submitted by the regular auditor.
- The review of the separate and consolidated financial statements of the Group and the Company for the first half of 2023, the first quarter of 2023 and the 9-month period of 2023, as well as the Company's key operating and financial figures, which were publicly released for the respective periods.
- The performance of a procedure for the selection of a new Audit Firm, in application of article 42 of Law 4449/2017, i.e. the mandatory change of the existing Chartered Auditors- Accountants starting from the financial year 2024 and the drafting of a relevant proposal to the Board of Directors for their appointment.

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

Risk: Violation of Controls and Rules by the Management

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

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

Risk: Revenue Recognition (in € 000)

Group – Consolidated Financial Statements	2023	2022
Turnover – continued activities	€ 345,373	€ 394,382

Income recognition

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

Significant risks

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

Audit approach

- Substantial audit procedures to detect material errors or verification at the end of the period to ensure that the risks and rewards of the transaction related to income from sales to third parties have been properly recognized and in the appropriate financial year.

Audit results / conclusion

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

Other areas of audit emphasis

Risk	Significant / increased / standard risk	Risk identification factor	Audit approach
Impairment of participations in subsidiaries	Increased	The Management initially examines whether there are indications of impairment in order to proceed with an impairment test of its equity	Examination of any evidence for impairment identified by the Management and substantive procedures to confirm the value of equity holdings in subsidiaries and

		<p>holdings. This particular process is complex, requires judgment and is based on a number of significant assumptions and estimates by Management. The procedures include a review of the assumptions used, the calculations made and an examination of the reasonableness of Management's estimates.</p>	<p>related companies in the Financial Statements of 31.12.2023. No material errors were found during the audit.</p>
<p>Impairment of non-financial assets (Don & Low)</p>	<p>Increased</p>	<p>The Management initially examines whether there are indications of impairment in relation to non-financial assets in order to proceed with an impairment test. This particular process is complex, requires judgment and is based on a number of significant assumptions and estimates by Management. The procedures include a review of the assumptions used, the calculations made and an examination of the rationality of Management's estimates.</p>	<p>Examination of any evidence for impairment identified by the Management and substantive procedures to confirm the value of the tangible fixed assets in the Financial Statements of 31.12.2023. No significant errors were identified during the audit.</p>
<p>Provisions for employee benefits (Don & Low)</p>	<p>Increased</p>	<p>The provisions for employee benefits may be overstated or understated – since it is an area where significant judgment is required.</p>	<p>Substantive audit procedures to examine the rationality of estimates and assumptions used by Management. No material errors were found during the audit.</p>
<p>Goodwill Impairment</p>	<p>Increased</p>	<p>The Management initially examines whether there are indications of impairment in order to proceed with a goodwill impairment test. This particular process is</p>	<p>Examination of any evidence for impairment identified by the Management and substantive procedures to confirm the balance of the Goodwill item of the Financial Statements as of 31.12.2023. No</p>

		<p>complex, requires judgment and is based on a number of significant assumptions and estimates by Management. The procedures include a review of the assumptions used, the calculations made and an examination of the reasonableness of Management's estimates.</p>	<p>material errors were found during the audit.</p>
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Conclusion: No significant deviations were detected in the above-mentioned areas of audit emphasis.

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

The Audit Committee also dealt with the following:

- The supervision of the Company's internal audits and monitoring the effectiveness of the Company's internal control and risk management systems to ensure that the main risks (such as risk of fluctuations in raw material prices, credit risk, liquidity risk, foreign exchange risk, interest rate risk, capital adequacy risk, etc.) are properly identified, addressed and disclosed.
- Ensuring the independence of the Internal Audit Unit, monitoring its smooth operation in accordance with international standards for the professional implementation of internal control procedures, but also in line with the current legal and regulatory framework (indicatively Law 4706/2020, as currently in force).
- Informing the Audit Committee, regarding the work of the Internal Audit Unit and its audit reports, the evaluation of the work, the adequacy as well as the efficiency of the unit as well as of the Head of Internal Audit.
- The submission of the audit reports from the Internal Audit Unit to the Board of Directors.
- The information provided to the Board of Directors of the Company regarding the areas that the Audit Committee, during the exercise of its duties, considers that there are essential issues and the monitoring of the response of the Management on the above issues.
- Defining and reviewing the operating regulation of the Internal Audit Unit of the Company.
- The identification of possible cases of conflict of interest during the Company's transactions with related parties or any unusual transactions that have not taken place under normal market practices and the submission of the relevant reports to the Board of Directors.

- Ensuring the existence of the required procedures, according to which the Company's personnel will be able, in confidentiality, to express their concerns about possible illegalities and irregularities in matters of financial information or other issues related to the operation of the Company, which they should then be properly investigated and addressed.

It is noted that the Audit Committee fully complying with the key points, clarifications and recommendations as well as the Questions and Answers (Q&As) of the documents with protocol number 784/20.03.2023 of the Department of Listed Companies of the Hellenic Capital Markets Commission underlines that both the main and the supplementary report submitted by the regular Chartered Auditor-Accountant does not include any of the following:

- o Important issues regarding financial information and reporting, and
- o Weaknesses on the level of the internal control system with regard to the auditor's supplementary report to the Audit Committee.

Additionally, as already mentioned in the above paragraphs, the Audit Committee during the fiscal year of 2023:

- o Was informed of all the findings resulting from the reports compiled by the Internal Audit Unit,
- o Submitted specific proposals in relation to the above reports and findings either to the Internal Audit Unit or to the Company's Board of Directors, and in all cases there was a corresponding response to all issues that emerged.

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

In the context of implementation of Law 4706/2020, the supervision of the Regulatory Compliance and Risk Management Unit was included in the responsibilities of the Audit Committee, and therefore the Audit Committee mainly dealt with the following:

- Monitoring the level of compliance with corporate governance and specific governance practices such as data protection, cyber security and information security.
- Ensuring that there were no cases of conflict of interest in the Company's transactions with related parties. Provision of an update to the Board of Directors about the specific issue.
- Monitoring the process and the implementation of the risk assessment exercise on the level of the Company and its subsidiaries. The respective exercise was submitted to the Audit Committee.

- The completion of the assessment process of the Internal Audit System of the Company and its significant subsidiaries by an independent evaluator with a reporting date as of 31.12.2022 and with a reporting period from the entry into force of article 14 of Law 4706/2020 (17/7/21), as well as the content of the main and supplementary report submitted by the independent evaluator.
- The monitoring of the process and the implementation of assessment of the Company's Corporate Governance System with a reporting date as of 31.12.2023 and with a reporting period from the entry into force of article 14 of Law 4706/2020 (17/7/21), as conducted by the Secretary of the Board of Directors along with the assistance of the Regulatory Compliance & Risk Management Unit.
- Ensuring that there are structures and procedures, according to which the Company's personnel will be able, in confidence, to express concerns about potential illegalities and irregularities in matters of financial information or about other issues related to the operation of the business (Whistleblowing). Also ensuring the performance of effective and independent investigation of such matters and their appropriate handling.
- Informing the Board of Directors about the issues arising from the work carried out on the above areas.

6. Sustainable Development Policy

Thrace Plastics Group has put into effect from the year 2021 an official Sustainable Development Policy, while, at the same time, it has adopted and is following a 5-year Strategic Plan for Sustainable Development based on the following axes, each of which is broken down into specific actions and goals:

- Reduction of greenhouse gas emissions in all production processes;
- Improving the environmental impact of products;
- Implementation of circular economy related projects;
- Improving social aspects concerning the stakeholders;
- Ensuring responsible corporate governance;
- Awareness and certification of activities.

These axes correspond to the pillars of society, environment and corporate governance and include the principles of sustainable development upon which the Group's approach is based.

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

Especially in recent years, the transition from the model of linear economy to the one of circular economy has been a great challenge for the Group, as it creates opportunities for further growth and development. Fully in line with the European strategy on plastics, the Group has taken initiatives to enter into the era of circular economy with the aim of reducing its environmental footprint. In this context, the Group constantly adapts its business model in order to reduce its carbon footprint and focus on the development of innovative products and services, applying the principles of the circular economy.

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

7. Summary of Items and Performance of Mission

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

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

Georgios Samothrakis

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

8. Appendix - Summary of the items of the agenda of the Audit Committee per meeting

Summary of the Audit Committee Meetings

of Thrace Plastics Group for the Financial Year 2023		
Date of Meeting	Items of the Meeting's Agenda	Participation
10/1/2023	1. Validation of minutes of previous meeting. 2. Update from PWC on the course of the external audit of the Group's companies	Quorum
13/1/2023	1. Validation of the minutes of the previous meeting. 2. Update from DELOITTE on the evaluation of the Group's Internal Audit Unit	Quorum
18/1/2023	1. Validation of the minutes of the previous meeting. 2. Approval of a Memorandum submitted to the Board of Directors for the selection of new external auditors	Quorum
24/2/2023	1. Validation of minutes of previous meeting. 2. Overview of the compliance audit report in the areas indicated by the provisions of Law 4706/2020 and the Capital Market Commission's decision 1/891 "Evaluation of the Internal Control System". 3. Overview of the annual update on the company's Risk Management. 4. Review of the Report of the Regulatory Compliance and Risk Management, and Internal Audit Units by the Audit Committee. 5. Presentation of the proposed Annual Program of the Regulatory Compliance and Risk Management Unit. 6. Quarterly report of the Audit Committee to the BOD	Quorum
13/3/2023	1. Validation of minutes of the previous meeting. 2. Presentation by PWC of "Thrace Group L4706 Status Update" - 2nd deliverable of the project "Evaluation of the Internal Control System - Law 4706/2020". 3. Approval of the Internal Audit Unit's work plan for the audit year 2023.	Quorum
24/3/2023	1. Validation of minutes of the previous meeting. 2. Presentation by PWC of "Thrace Group L4706 Readiness assessment" - Final deliverable of the project "Assessment of Internal Control System - Law 4706/2020".	Quorum

11/4/2023	<p>1. Validation of Minutes of the Previous Meeting.</p> <p>2. Presentation by PwC about the regular audit and conclusions.</p> <p>3. Discussion on the drafts of the Financial Statements and the Reports of the Chartered Auditors- Accountants.</p> <p>46.Quarterly report of the Audit Committee to the BOD</p>	Quorum
21/4/2023	<p>1. Validation of Minutes of Previous Meeting.</p> <p>2. Approval of Annual Financial Report 1.1.2022 – 31.12.2022 and Validation of Audit Committee Memorandum to the Board of Directors.</p> <p>3. Approval of the management report of the Board of Directors and discharge of the Regular Auditor with regard to any liability for the closing financial year 2022 (01.01.2022-31.12.2022).</p> <p>4. Proposal for the Election of an Auditing Company from the Public Registry for the mandatory audit of the annual and semi-annual Financial Statements of the current financial year 2023 (01.01.2023-31.12.2023) and determination of its remuneration.</p> <p>5. Validation of the Audit Committee's Activity Report for the financial year 2022.</p> <p>6. Validation of the Memorandum of the Audit Committee submitted to the Board of Directors</p>	Quorum
2/5/2023	Re-constitution of the Audit Committee as a body and election of its Chairman in accordance with the provisions of article 44 of Law 4449/2017, as applicable after its amendment by Law 4706/2020, following the replacement of a member of this Committee.	Quorum
16/5/2023	<p>1. Validation of minutes of previous meeting.</p> <p>2. Approval of the financial statements for the period ending on 31 March 2023 and of the relevant memorandum of the Audit Committee submitted to the Board of Directors.</p> <p>3. Providing information to a new Member of the Committee about the basic characteristics of the Group's business operations and the departments supervised by the Audit Committee.</p>	Quorum
20/6/2023	<p>1. Validation of minutes of previous meeting.</p> <p>2. Review of the Whistleblowing Policy and Procedure.</p> <p>3.Quarterly report of the Audit Committee to the BOD</p>	Quorum

15/9/2023	<ol style="list-style-type: none"> 1. Validation of minutes of previous meeting. 2. Provision of an update to external auditors for the 2023 semi-annual financial statements. 3. Approval of the semi-annual financial statements of the year 2023 and the relevant memorandum of the Audit Committee submitted to the Board of Directors. 	Quorum
24/10/2023	<ol style="list-style-type: none"> 1. Validation of minutes of previous meeting. 2. Providing information to the Audit Committee regarding the subject of the evaluation of Corporate Governance System. <p>3. Quarterly report of the Audit Committee to the BOD</p>	Quorum
15/11/2023	<ol style="list-style-type: none"> 1. Validation of minutes of previous meeting. 2. Approval of the financial statements for the period ending on 30 September 2023 and of the relevant memorandum of the Audit Committee submitted to the Board of Directors. 	Quorum
29/11/2023	<ol style="list-style-type: none"> 1. Validation of minutes of previous meeting. 2. Progress of the work of the Internal Audit Unit based on the annual plan and the extraordinary projects. 3. Presentation of internal audits that have been recently assigned and have not been presented to the Audit Committee. 4. Presentation of the progress of corrective actions with regard to the audit findings relating to past audit reports. 5. Update on the completion by the Internal Audit Unit of the project titled "General Group Policies Renewal". 6. Update on the completion by the Internal Audit Unit of the project of Renewal of the Customized Analytical Procedures of the Greek Companies: i. Thrace NG & Thrace Polyfilms & Thrace Eurobent, ii. Thrace Plastics Pack, iii. Thrace Holding. 7. Instruction in English for approval of travel expenses of the MDs/GMs of subsidiary companies. 8. Progress of corrective actions resulting from Deloitte's Extended External Quality Assessment completed in January 2023. 9. Discussion about the existing audit areas of the Internal Control Unit and the need for identifying new areas of audit in the future (including 	Quorum

	<p>information on how and to what extent the issues related to: a. quality control, b. fire safety, c. safety/health/environment are being dealt with, up until today).</p> <p>10. Work progress of the Regulatory Compliance & Risk Management Unit.</p> <p>11. Discussion about the upcoming Evaluation of the Corporate Governance System.</p> <p>12. Other Matters.</p>	
<p>11/12/2023</p>	<p>1. Validation of minutes of previous meeting.</p> <p>2. Update from PWC on the course of the external audit in relation to the Financial Statements of the Group's companies.</p>	<p>Quorum</p>