



AUDIT COMMITTEE ACTIVITY REPORT FOR YEAR 2020

Ladies & Gentlemen Shareholders,

Under my capacity as Chairman of the Company's Audit Committee, I would like to briefly present the Committee's Activity Report, for the closing year of 2020 (01.01.2020-31.12.2020), in order to demonstrate its contribution and assistance in the compliance of the Company with the provisions of the current legislative and regulatory framework.

I. Purpose

The primary purpose and main concern of the Audit Committee is the support and assistance of the Board of Directors in the exercise of its duties regarding financial information, internal audit, regulatory compliance and corporate risk management.

II. Composition - Rules of Operation

The Company, fully complying with the requirements and provisions of Law 4449/2017 (Government Gazette A'7 / 24.01.2017), during the annual Ordinary General Meeting of its shareholders of June 21 2019 decided, inter alia, the election of a new four-member Audit Committee, consisting of three (3) independent non-executive members of the Board of Directors and one (1) non-executive. The Commission consists of the following members:

- a) Ioannis Apostolakos, independent - non-executive member of the Board.
- b) Petros Iakovou, independent non-executive member of the Board, Chairman of the Audit Committee
- c) Theofilos Mehteridis, non-executive member of the Board.
- d) Apostolos Petalas, independent - non-executive member of the Board.

The term of the Audit Committee coincides with the term of the current Board of Directors of the Company, ending in this case on June 21, 2022 or until the date of convening the Ordinary General Meeting of the year 2022.

The members of the Audit Committee meet the criteria set by article 4 of law 3016/2002 and article 44 of law 4449/2017, namely:

(a) do not hold shares in excess of 0.5% of the Company's share capital

And

(b) do not maintain any relationship of dependence with the Company or persons related to it, as it (dependency relationship) is specified in particular in the provisions of the above article 4 of Law 3016/2002.

The members of the Audit Committee are proven to have sufficient knowledge in the field in which the Company operates, as they have been participating in its management for a sufficient period of time, having acquired, as a result, deep knowledge of the organization, management and operation of the Company, while from the above members, Mr. Ioannis Apostolakos and Mr. Apostolos Petalas have sufficient knowledge in matters of auditing and accounting, a fact which ensures the smooth and efficient organization and operation of the Committee as much as possible.

The Audit Committee has Rules of Operation, as amended and approved on 22/12/2020. The regulation is posted on the company's website <https://ir.ascompany.gr/en/home-2/>.

III. Meetings - frequency of attendance

During the fiscal year 2020 (01.01.2020-31.12.2020) the Audit Committee concluded seven (7) times. These meetings were always attended by all members of the Committee. The frequency and the schedule of the meetings are decided by the Chairman of the Audit Committee. Depending on the subject matter of the meetings and as the case may be, the Certified Auditors-Accountants, the Internal Auditor as well as the Executives of the Company who are in charge of the administration and management of the corporate affairs, cases and activities are invited to provide necessary information and clarifications.

IV. Activity of the Committee

In particular, with regard to the Committee's activities during the year that ended on the 31st of December 2020:

A. Financial information process

The Audit Committee was mainly concerned with:

- The process and schedule of compiling financial information on behalf of the Management. For this purpose, it held meetings with the competent executives of the Financial Management of the Company, which are in charge of the preparation of the Financial Reports (Annual and A' Semester).

- The briefing by the Certified Auditor/Accountant on the annual mandatory control program prior to its application. The meeting took place on 22.12.2020. For this purpose, it evaluated the mandatory audit program and was assured that the most important areas of control will be covered, taking into account the main areas of business and financial risk of the Company.
- The monitoring, evaluation and examination of the process of compiling financial information, i.e. the procedures and work flows and analysis of financial information as well as other disclosed information (stock market announcements, press releases, etc.). Specifically, it was found that the financial statements reasonably present the financial position of the company and the group, their financial performance and their cash flows for the year that ended in accordance with International Financial Reporting Standards (IFRS), as these have been adopted by the European Union. The observance of these standards was also verified for the possibility of direct, unhindered and uninterrupted access to them, which confirms their validity.
- The examination of the most important issues and risks that may have an impact on the Company's financial statements. Specifically, consider:
 - The effects of the pandemic on the financial results of the company and the measures taken by the company.
 - The risk of exchange rates related to the sales and purchases of the Company and its Subsidiaries in foreign currency.
 - The Risk of fluctuations in commodity market prices and dependence on the supply of these goods from the Chinese market.
 - Credit and liquidity risk in the event that customers or clients do not meet their contractual obligations mainly due to the effects of the Covid-19 pandemic.
 - Monitoring and analysis of risks and information systems security management systems

B. Internal control and risk management systems procedures

The Audit Committee was mainly concerned with:

- Monitoring, examining and evaluating the adequacy and effectiveness of all the Company's policies, procedures and safeguards regarding the internal control system, in order to ensure that the main risks (credit risk, liquidity risk, interest rate risk, risk from macroeconomic conditions, etc.), are identified, dealt with and published appropriately and thoroughly.
- Monitoring and evaluating the internal control unit. To this end, the Committee monitored and inspected the proper functioning of the internal control unit in accordance with professional standards and the current legal and regulatory framework, while assessing its work, adequacy and effectiveness, without affecting in any way its independence.

- Evaluating the annual control program of the internal control unit. Within the framework of this competence, the Audit Committee approved on 12/02/2020 the annual internal audit program and on 9/4/2020 the amended internal audit program. It also held meetings with the head of the internal audit unit in order to evaluate and discuss its suggestions and to confirm its independence after the completion of each audit.

Specifically, at the beginning of 2020, the Audit Committee had regular communications and meetings with the internal auditor Ms. Fotini Vogiatzis. Ms. Vogiatzis was relieved of her duties on 19.05.2020, due to non-renewal of her contract with the Company, replaced by Ms. Sultana Stroikou, who took over her new duties, following a relevant suggestion of the Committee and the 20.05.2020 decision of the Board of the company.

During the fiscal year 2020, a total of eight (8) audited items were inspected at a rate of 100% of the total audited items, without, however, noting anything substantial. The seven (7) audit items concerned the parent company and one (1) the Romanian subsidiary.

The Committee received from Ms. Vogiatzis the audit report of the first quarter and from Ms. Stroikou the reports of the second, third and fourth quarters, which it discussed in its meetings and informed the Board of the Company, as recorded in the relevant minutes of the Board.

C. External control

The Audit Committee was mainly concerned with:

- The confirmation of the independence, impartiality, objectivity and integrity of the Regular Auditor, as well as the effectiveness of the audit process, based on the relevant professional standards and regulatory requirements. In this context, the Regular Auditor was summoned by the Committee, before which he confirmed his independence and the absence of any external direction or instruction or recommendation in the execution of his duties.
- The process of carrying out the statutory audit of the Company and the consolidated financial statements of the Company (annual and semester), as well as the content of the main and the supplementary report submitted by the Regular Auditor. In this context, the Committee confirmed that the audit of the financial statements is carried out in accordance with the applicable legal framework, i.e. in accordance with International Standards on Auditing (IFRS) and the rules of conduct imposed by the Audit Company.
- The selection of the Audit Company "KPMG Certified Auditors SA" for the mandatory audit of the financial statements of the company and the Group, as well as for the issuance of a tax certificate. In this context, based on the positive experience of the previous two years and the relevant offer received, the Committee decided on 21.5.2020 to propose to the General Meeting the assignment of the audit of the year 2020 to the above Audit Company.
- The provision to the Company of any additional services by the Audit Company to which the Regular Auditor belongs. In this context, he confirmed that the additional benefits provided

to the company by "KPMG Certified Auditors SA" concerned authorized auditing and non-auditing services.

To monitor the above, within 2020 there were several telephone contacts and electronic communications via email, between the Audit Committee members and K.P.M.G.

The following teleconference meetings were also held:

- Within 2020, on 9.04.2020, on 24.9.2020 and on 22.12.2020
- Within 2021, on 16.4.2021 in view of the publication of their Report and the results of 2020.

In general, the Committee's cooperation with the auditors is considered to be very positive.

D. Sustainable Development

The Company does not have a registered sustainable development policy, since, based on its characteristics, it is not obliged by law. However, it is committed to regulatory compliance and business ethics, ensuring the health and safety of employees, customers and visitors, creating and delivering immediate economic value to shareholders, creating jobs, creating safe products, responsible communication policy with its customers and consumers. The Company actively and responsibly provides targeted social action & support of human rights and the avoidance of any discrimination at work. The Company strives to actively invest in the education / development of its employees and executives.

It is noted, finally, for reasons of completeness of this Report that during the year 2020 (01.01.2020-31.12.2020), the Audit Committee had full and unhindered access to all the information that was necessary and needed for the performance of its duties, while the Company's Management provided it with the necessary infrastructure and facilities for the effective execution of its work.

As Members of the Audit Committee, we are convinced that our Committee has performed its duties in full accordance with the provisions of current legislation, contributing to the promotion of corporate governance and the overall work of the Board, safeguarding the Company's shareholder interest

In conclusion, I would like to thank the respective Company's executives and its internal auditor for the support they have provided to us throughout the aforementioned period. My thanks as well to the Members of the Audit Committee, Mr. I. Apostolakos, Mr. T. Mehteridis and Mr. A. Petalas, for their impeccable cooperation.

Yours sincerely

The Chairman of the Audit Committee

Petros Iakovou