

Serres, June 18th 2021

ACTIVITY REPORT
CONTROL COMMITTEE PAPAPANAGIOTOU SA - DROMEAS
01/01/2020 - 31/12/2020
To the Annual General Assembly of Shareholders
of Papapanagiotou AVEEA - DROMEAS based in the Industrial Area of Serres

1 Introduction

In the context of article 44 of Law 4449/2017, as in force, the Audit Committee (hereinafter the "Committee") of the company under the name "Papapanagiotou SA - DROMEAS" (hereinafter "Dromeas") submits to the General Meeting of Shareholders the present information on issues related to its operation for the closing year 2020 (01.01.2020- 31.12.2020), in order to demonstrate its substantial contribution and assistance in accordance with the provisions of the current legislative and regulatory framework.

The composition of the Commission for the year 2020 was as follows:

From 1/1 / 2020-16 / 06/2020:

- Chairman: Grigorios Zarotiadis of Vassilios, independent non-executive member of the Board.
- Member: Dimitrios Petalas, non-executive member of the Board.
- Member: Athanasios Kalafatis, independent non-executive member of the Board.

The Chairman of the new Committee was re-elected by the Annual General Assembly of Shareholders of the Company on June 16, 2020 and by the decision of the Board of Directors dated 16-06-2020, by authorization given to him by the above General Meeting, to replace Dimitrios Petalas. Stylianos Petrislis was appointed and Panagiotis Panagiotakakis was appointed as a new member to replace Athanasios Kalafatis. Therefore, the composition of the Commission from 16/06/2020 to 31/12/2020 was as follows:

- Chairman: Grigorios Zarotiadis of Vassilios, independent non-executive member of the Board.
- Member: Stylianos Petrislis of Grigoriou, non-executive member of the Board.
- Member: Panagiotis Panagiotakakis of Athanasios, independent non-executive member of the Board.

The Chairman and the Members of the Committee meet the requirements set by law regarding the required knowledge and experience in accounting and auditing matters.

2. Composition of the Commission

The Audit Committee, in accordance with the provisions of art. 44 of Law 4449/2017 and the decisions of the General Assemblies, is a committee of the Board of Directors consisting of two independent, non-executive members and one non-executive.

The members of the Audit Committee meet the criteria of independence of art. 4 of Law 3016/2002 and, specifically:

1. They do not directly or indirectly hold a percentage of voting rights greater than 0.5% of the Company's share capital.
2. They do not have a dependent relationship with the Company or with persons related to it and in particular:
 - a. They do not maintain a business or other professional relationship with the company or with an affiliated company within the meaning of the most valid article 32 par. 2 of law 4308/2014, which relationship by its nature affects its business activity, when in particular it is significant supplier or customer of the company.
 - b. None of the members is the chairman of the Board. or a manager of the company, as well as does not have the above qualities or is an executive member of the board of directors in a company affiliated to the company within the meaning of the most applicable article 32 par. paid order with the company or its affiliated companies.
 - c. They have no second degree kinship nor are they the spouse of an executive member of the board of directors or a manager or shareholder who gathers the majority of the share capital of the company or a company affiliated with it within the meaning of the most valid article 32 par. 2 of law 4308/2014 .
 - d. They have not been appointed according to the old article 18 par. 3 of Codified Law no. 2190/1920 or art. 79 of Law 4548/2018.

The term of office of the Committee is six years, ending at the same time as the term of the Board. that is, on June 15, 2026.

3. Meetings and Activities of the Commission

The number of meetings of the Commission during the year is determined by the requirements for the performance of its responsibilities.

During the year 2020, the Audit Committee met seven (7) times. For the financial statements for the year 2020, it met three times with the chartered accountant of Dromeas before the publication of its financial statements, semi-annual and annual.

Regarding the operation of the Internal Control of Dromeas:

- Examined and evaluated the efficiency and effectiveness of the procedures of the Internal Control System.
- Worked with the Internal Auditor and gave the appropriate instructions for the continuation of the audit and discussed the findings and conclusions on the audit reports.
- Approved the control plan of the Internal Audit Unit for the year 2021.

Regarding the financial statements and the statutory audit, it followed the statutory audit of the annual financial statements of the financial year 2020 taking into account the findings and conclusions of the competent authority, according to par. 3 of article 44 of Law 4449/2017 and par. 6 of Article 26 of Regulation (EU) No 537/2014.

As part of this activity, three meetings were held with the designated chartered accountant. In addition, the Commission examined the usual financial risks to which the Runner may be exposed (the credit risk arising from the weakness of its customers and the liquidity risk associated with the difficulty of repaying its liabilities on time). He closely monitored the development of the current pandemic and evaluated its effects on the operating activity, the financial performance of the Company and the possible measures taken to deal with them. In carrying out its work, the Commission had full access to all the information necessary and at the same time had access to the necessary infrastructure for the effective performance of its tasks. Warm thanks to the Management, the auditors and the staff of Dromeas for the perfect and seamless cooperation.

Serres 18/06/2021

The Chairman of the Audit Committee of Papapanagiotou SA - DROMEAS

Grigoris Zarotiadis