

**REPORT OF THE INDEPENDENT NON-EXECUTIVE MEMBERS OF THE BOARD OF DIRECTORS
of the Company "LOULIS MILLS S.A. » ACCORDING TO ARTICLE 9 § 5 OF LAW 4706/2020,
ADDRESSED TO THE GENERAL MEETING OF SHAREHOLDERS OF 22.06.2022**

This report was jointly prepared by the independent non-executive members of the Board of Directors of "LOULIS MILLS SA", in compliance with the provision of article 9 par. 5. Law 4706/2020 and the relevant guidelines of the Hellenic Capital Market Commission and is addressed to the annual General Meeting of Shareholders of the Company of 22.06.2022.

In the context of the obligations set out in Article 7 of Law 4706/2020 for non-executive members, they

- a) monitor and examine the Company's strategy and its implementation, as well as the achievement of its objectives.
- b) ensure effective oversight of executive members, including monitoring and control of their performance; and
- c) consider and express views on proposals submitted by executive members, based on existing information.

In view of the above-mentioned and in execution of these obligations, regular meetings of the non-executive members of the Board of Directors of the Company were held, without presence of the executive members.

The purpose of these meetings was to discuss the performance of the executive members as well as the general evaluation of the Company's progress and the execution of the duties of non-executive members according to article 7 of Law 4706/2020. In these meetings, it was unanimously agreed that:

- The Board of Directors operates effectively based on the long-term interests of the Company as well as of the shareholders and stakeholders, while aiming to achieve Company's sustainability. The Board's composition is distinguished by a diversity of knowledge, skills and experience and contributes to the achievement of business goals. In particular, the composition of the Board of Directors, in our estimation, contributes to the effective corporate governance and management of corporate affairs to Company's benefit and all its shareholders and stakeholders, ensuring the implementation of the corporate strategy, while at the same time no conflicts of interest were identified between executives managers, members of the Board of Directors and shareholders, including cases of mismanagement of assets or transactions with related parties.
- The presence of the independent non-executive members is judged as constructive, aiming and ensuring in practice the application of the corporate governance rules to which the Company is subject, and the general monitoring and supervision of its business goals. The non-executive members (including independent non-executive members) effectively supervise management decisions, express opinions on executive members' proposals, and their opinions are duly taken into account by the Board of Directors and its Committees. The non-executive members of the Board of Directors unhindered communicate with the executive managers of the Company as well as the head-chiefs of the Company's departments. The non-executive members have, also, access to the necessary information in order to be able to express their opinions on the proposals submitted by the executive members.
- The executive members perform their duties effectively and within the framework of the above parameters. The actions of the executive members are in accordance with the

provisions of the Rules of Procedure, the Code of Corporate Governance and the other Regulations and Policies applied by the Company. They are governed by integrity, objectivity and professionalism, and the cooperation between them and between themselves and the non-executive members is at a very satisfactory level. They have knowledge and long experience in exercising supervision over the general functions and activities of the Company.

- The Company in the year 2021 voluntarily complies and implements the Corporate Governance Code of the NSRF (June 2021). The Company's Regulations and Policies are also consistently observed.

- Within the year 2021, the strategy, drawn up by the Company was perfect and brought the necessary elements to lead the Company to sustainable development, while the objectives were deemed duly effective and appropriate, to achieve the goals for which it was initially set. Regarding the degree of achievement of the above-mentioned, the actions decided by the management of the Company were audited, which were fully and successfully implemented. Specifically, in the implementation of its strategy, the Company managed to maintain its timeless position as the most important producer of bakery and confectionery raw materials in Greece with a fundamental commitment to quality and as one of the most technologically advanced companies, continued to create productive innovations in the domestic and international market, satisfying its traditional consumers with the timeless quality of its products. Regarding the strategic priorities set during 2019 - 2021, the objectives of strengthening the strategic priorities were achieved and in particular the following new actions were carried out for each of the 8 strategies of the Company:

1. Product Excellence.

- Creation of a new professional flour "Extra Confectionery".
- Creation of a new professional flour "Aloni".
- Creating a new professional mix of Kenfood "Panettone".

2. Focus on Customer.

- Live cooking show for consumers.
- Online baking seminars.
- Specialized training seminar (Specialized Sensory Workshop).

3. Strengthening the Team.

- Visit of the Chairman of BoD and the management team of the Company and the head-chiefs of Company's Sales & Marketing departments to the leading international food exhibition, ANUGA 2021.
- Providing covid diagnostic tests to all staff.
- Creating new jobs and promoting the employees.
- An open type webinar for energy management in the workplace.
- Participation of Company's employees in over 40 trainings, conferences and seminars, thus enhancing the training and professional development of Company's employees.

4. Functional Efficiency.

- Upgrading of the storage and distribution center in Podochori, Kavala
- Installation of new systems for automatic deposition of protective cardboard on pallets at Sourpi's factory.
- Investment in the installation of energy saving equipment.
- Obtaining the CHEP Sustainability Certificate.

5. Digitization.

- Creation of a teleworking policy.

- Distinction of the Company in the Impact Bite Awards 2021 event with the silver award in the Category of Digitization and Human Resources management.
- Staffing of the computer department for the SAP information system.

6. Enhancement of International Activity.

- Construction of a new silo installation in Sofia, Bulgaria.
- Successful participation in the Gulfood 2021 International Exhibition in Dubai, UAE.

7. New Ideas (edge thinking).

- Create an interdepartmental group (CFT) for diversity.

8. Corporate Social Responsibility.

- Obtaining the certification of the environmental management system according to the ISO 14001: 2015 standard by TUV AUSTRIA, for the Sourpi' s factory.
- Participation of employees in the 38th Authentic Marathon.
- Publication of the 6th Sustainable Development Report.
- Organization of the 6th Voluntary Blood Donation of the Company's employees, at its facilities in Keratsini and Sourpi.
- Participation in the Marketing & Sustainability conference, from the Laboratory of Organization and Business Administration of the Rural Area of the Department of Business Administration of Agricultural Products & Food, University of Patras.
- Donation of flour.
- Support to earthquake victims in the municipalities of Elassona and Tyrnavos.
- Donation to fire victims in Evia.

Therefore, there is an effective exercise of corporate governance and management of corporate affairs for the benefit of the Company, its employees and shareholders despite the problems due to the COVID-19 pandemic nationally and globally.

- In the labor sector, the Company encourages a safe and healthy work environment, without discrimination, harassment or retaliation and ensures employment relationships that promote mutual trust, constructive cooperation, two-way communication and recognition.

- In terms of regulatory compliance and corporate social responsibility, the Company has established and implements a Code of Conduct, which is posted on its website, and applies the relevant principles and rules of its Operating Regulations.

Finally, as independent non-executive members of the Board of Directors of the Company, we confirm our agreement with the content of the Management Report of the Board of Directors of the Company and the Corporate Governance Statement for the year 2021, which is an integral part of the Report of the Board of Directors and has approved by the Board of Directors on 21-4-2022. The Report of the Board of Directors has been included in the Annual Financial Report for the fiscal year ended 31.12.2021.

June 1, 2022

The independent non-executive members of the Board of Directors of the Company
«Loulis Mills S.A.»

Andreas Koutoupis

Elisavet Kapelanou -
Alexandri

Georgios Taniskidis