

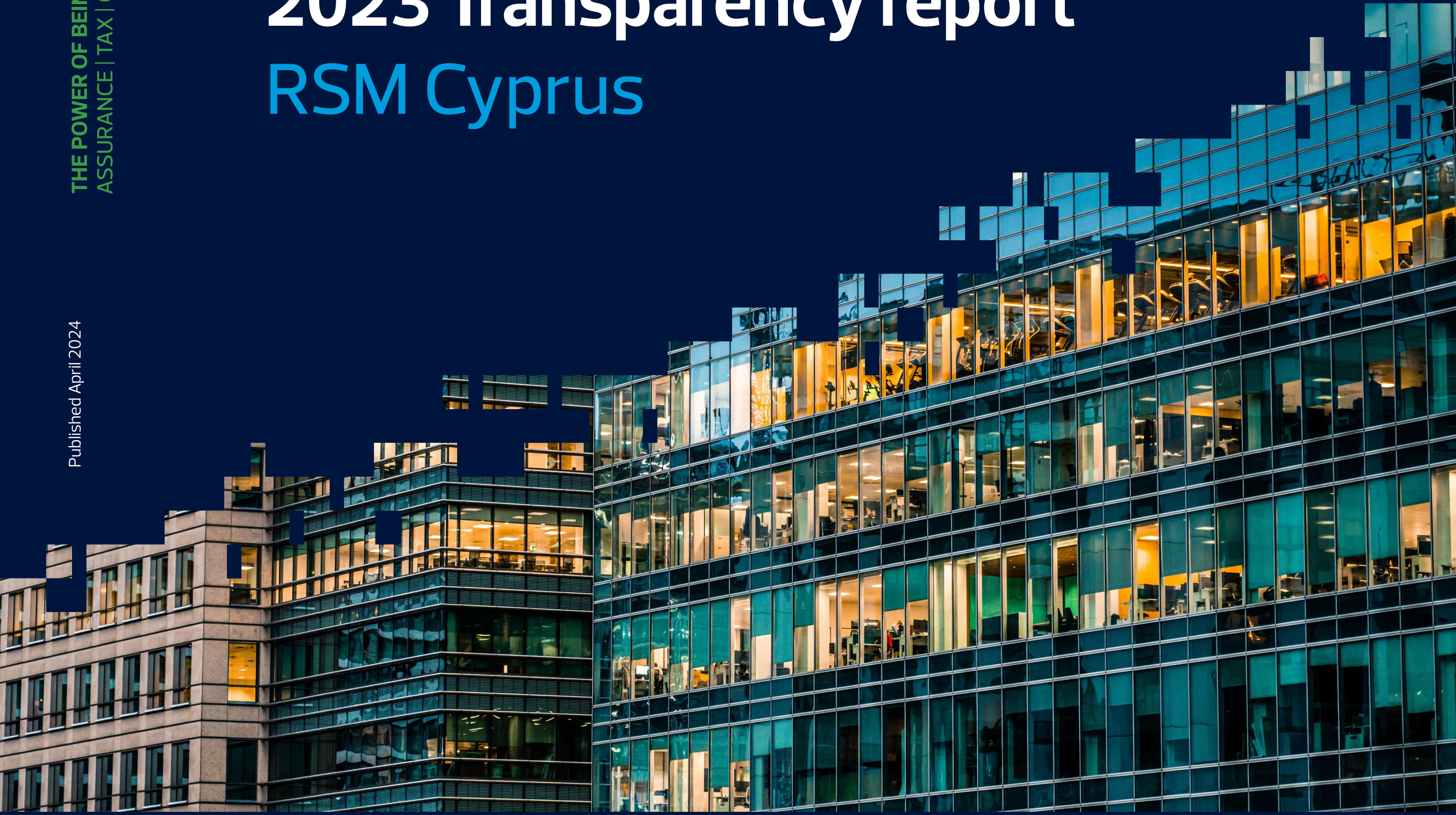
THE POWER OF BEING UNDERSTOOD
ASSURANCE | TAX | CONSULTING



2023 Transparency report

RSM Cyprus

Published April 2024



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Foreword

A Message from the CEO



George Themistocleous
CEO | Managing Partner
RSM Cyprus Ltd

To our esteemed clients and stakeholders,

Welcome to the RSM Cyprus Ltd Transparency Report for 2023

Through this Report, we have the opportunity to communicate with clients, our people and stakeholders, our view for the past year and how we remained committed towards our responsibilities.

On behalf of my partners at RSM Cyprus, I would like to welcome you to our firm's 2023 Transparency Report.

During the last year, RSM Cyprus, as part of RSM International Network, has committed itself to the 2030 Global Strategy – Taking Charge of Change. As we entered into the new business era, mainly driven by digitalisation, technology, innovation and focus on sustainability, our Firm, as part of a highly collaborative network, has embraced this challenge to contribute in meeting RSM's 2030 Global Strategy.

The impact of the pandemic, the war in Ukraine, followed by the energy crisis, increased interest rates and rising costs, as well as other geopolitical incidents, have set 2023 yet another year of global economic turbulence.

As the global economy was shaking, and continues to do so, it was definite that Cyprus would also be affected. At these times, it is imperative to understand that people and society need to rely on business professionals who are transparent and are characterised by integrity and trustworthiness. In a period during which sanctions were applied to Russia in an unprecedented manner, we remained focused in our business strategy and collaboration with our clients was uninterrupted.

Remaining committed to our values, and driven by our local and global strategy, our Firm achieved remarkable targets during the past year.

We have been accredited for another year as a Great Place to Work, we have been certified with ISO/IEC 27001:2013 as a reflection of our commitment to data protection and security standards, as well as we have continued to operate RSM NextGen Leadership initiative, through sharing our knowledge, expertise and experience with university students. Apart from these, we were also very honoured to participate in social and environmental initiatives.

Among others, our people had the opportunity to visit the School of the Deaf and participate in activities with students, as well as experiencing their daily life. In addition, as part of our commitment towards a more sustainable environment, our Firm supported the project "You Reforest Cyprus: We Plan to Save the Climate" of the Green Shield organization.

Despite the challenges we faced in the last year, our focus on investing in our people and in our client relationships, had contributed to a significant revenue increase in comparison to 2022. As the economic uncertainty keeps looming, challenges remain, however we are dedicated to our strategy and our vision towards RSM Network strategic objectives for 2030.

Introduction from the Head of Audit



Nicolas Agathocleous
Head of Audit | Partner
RSM Cyprus Ltd

Our Firm's audit function is at the core of our strategy. As auditors, we recognise our absolute dedication to the audit principles that are governing our profession. We remain committed to providing high quality audits with professionalism and driven by unravelling ethical standards, as we aim to instil confidence and trust to our clients and the community.

Despite the challenges faced in the last year, our commitment to provide robust audit and assurance services to our clients is our driving force to restore the confidence in the economy. Embedding in our culture the value of integrity and with the hard work of our audit specialists, we managed yet another year to report increased revenues in our audit services.

Continuing from 2022 and the implementation of the International Standard on Quality Management (ISQM 1), our Quality Management team devotes time in monitoring and further developing it where necessary, in order to maintain a robust Quality Management System and remain compliant.

Our people, our Power

We are mindful of the major challenges and pressures of the audit profession, thus we are striving to train, lead, encourage and develop our people to take charge of the opportunities arising. While full support and experience is passed on to our people with the purpose of delivering seamless services and accurate deliverables, we also recognise that equality and fairness play a pivotal role in our Firm's development.

Cutting edge technology

Alongside the unravelling support to our people, in an era where the digitalization, innovation and data utilization play a significant role to our people's development, and we recognize the value that is being provided to our clients through our ability to provide greater insight. We continue investing in the tools we deploy, as well as train our talent to fully utilise these and ultimately provide greater experience to our clients.

Maintaining excellence and accountability

We remain committed to our values and focused on enhancing our quality of audit practices, as well as maintaining our Independence as auditors. Our System of Quality Management is at the centre of our strategy and evaluation processes to sustain our commitment to excellent results. We believe in trust and confidence to deliver high quality audit services for now, and for the years to come. Our Firm embraces best practise and we are firm to work alongside our regulator to build resilience to the profession and safeguard the public interest.

Thank you for reading this 2023 Transparency Report and we hope that you find this useful and insightful.

We deliver understanding that is unmatched and confidence that builds.

Our values

Every decision we make is guided by our values. They are the foundation of everything we do.

Respect and uncompromising integrity

We do the right thing, ensuring our actions speak louder than our words.

Succeeding together

We embrace inclusivity and individuality, and collaborate effectively to build strong relationships based on deep understanding.

Excellence in all we do

We continuously focus on quality, and strive to be the best in all we do, as individuals and collectively.

Impactful innovation

We welcome change and put insight and technology to work, making a real difference for our clients and our people.

Acting responsibly

We build a better future by demonstrating a responsibility to our people, clients, communities and planet.

It is our strong, collaborative approach that differentiates us.

We will strive to truly understand you, your strategies and your aspirations and endeavour to be considered the professional of choice to your business. By sharing the ideas and insights of our most senior professionals, we bring our expert local and global knowledge and resources to your environment, so you feel understood and empowered to move forward with confidence.

We exist to instill confidence in a world of change.

RSM Cyprus

RSM Cyprus offices are fully in compliance with the global Network requirements with proven track record of successful internal and external monitoring visits. We have offices in Limassol (HQ), Paphos and Nicosia with more than 60 employees, 7 Partners and Directors. We pride ourselves in our people-oriented approach, the diversity embedded in our culture and the great quality of service provided to our clients.

Through the years we had, and still have representatives in different committees of the Institute of Certified Public Accountants of Cyprus (ICPAC) at positions where we can influence the decisions taken for the profession in the country. The offices in Cyprus are awarded with several awards and accreditations.

Combining professionalism with a personal touch towards our clients, we provide services to a demanding clientele ranging from retail and wholesale clients, to hotels and resorts, professional service providers, shipping groups, Cyprus investment firms, listed public interest entities, and international multinational groups of companies.

Helping you navigate what's in your way, so you can lead the way.



Awards and Accreditations of RSM Cyprus

- ISO/IEC 27001:2013 Certified
- Great Place to Work Certified
- ICAEW Authorised training employer
- ACCA Approved Employer – trainee development, platinum
- ACCA Approved Employer – professional development



Organisational structure

Our Services

RSM Cyprus Ltd

RSM Cyprus People
Services Ltd

HR advisory
services

- Services
- Audit
- Tax & VAT
- Advisory
- Accounting
- Insolvency

Legal structure, ownership and governance

Legal structure and ownership

RSM Cyprus Limited, is a limited liability private company, incorporated in Cyprus with registration number HE365119. The Company's registered office is at 131 Gladstonos street, Kermia Court, 3032 Limassol, Cyprus.

The Company, through a partnership, is wholly owned by qualified accountants, professional practitioners, members of the Institute of Certified Public Accountants of Cyprus (ICPAC), who are working within the firm.

As at 31 December 2023, the firm is led by a total of 6 Partners and serves its clients through 6 Departments. Servicing the clients is supported by 4 different functions.

Subsidiary undertaking

The Company controls a subsidiary, RSM Cyprus People Services Limited, which during the year had no significant activities. The principal activity of the subsidiary is the provision of professional services in the area of Human Resource Advisory.

The Board of Directors is responsible for all aspects of the management and governance of the firm. They meet at least once a month and on an ad-hoc basis as deemed necessary, having an agenda of matters for consideration such as strategy, financial management, human resources and operating performance.

As at 31 December 2023, there are six Members of the Board of Directors.

The Members of the Board and the Chairman were active throughout the year ended 31 December 2023, with the exception of Mr Andreas Agathocleous who was appointed as a member of the Board on 1 November 2023. The chairman of the Board is Mr George Themistocleous.

Partner remuneration policy

Partners remuneration is based on both financial and non-financial key performance indicators. The elements of a partner's overall remuneration are split into the below categories:

- The privileged role one holds, i.e.. Managing Partner, Member of the Board of Directors, Departmental or Functional Head;
- Performance evaluation, where performance encompasses both contribution to the Firm's performance, and assessment of upward or peer evaluation;
- Audit Quality inspection results assessment and grading;
- Equity share owned.



George Themistocleous
Managing Partner, CEO



Nicolas Agathocleous
Partner & Board Member



Nicos M. Mouzouris
Partner & Board Member

Management Board



Marios P. Charalambides
Partner & Board Member



Iacovos Themistocleous
MLCO, Tax Senior Manager, Board Member



Andreas Agathocleous
Accounting, VAT Director, Board Member

Partners
George Themistocleous
Nicolas Agathocleous
Nicos Mouzouris
Marios Charalambides
Melina Menelaou
Sotiris Anastasiou

RSM Network

RSM Cyprus is a member firm of the RSM International, the 6th largest global network of independent assurance, tax and consulting firms.

The RSM network connects member firms through common methods and processes, including universally agreed and applied quality standards.

This connection provides comfort to RSM member firm partners and their clients that the quality of service and advice to referred clients will be to a consistently high standard, everywhere in the world.

Legal structure and ownership

RSM International Limited is a company limited by guarantee and is incorporated in England and Wales (company number 4040598). Its registered office is at 50, Cannon Street, London, EC4N 6JJ.

RSM International Limited does not itself provide professional services to clients but acts as a member services organisation. Client services are delivered by the independent member firms of RSM International. Member firms are not members of an international partnership or legal partners with each other. There is no common ownership between these firms or ownership of them by RSM International Limited.

The brand and trademark RSM and other intellectual property rights used by members of the network are owned by RSM International Association, an association governed by article 60 et seq of the Civil Code of Switzerland whose seat is in Zug. While the brand name is used by the member firms internationally, each member is an independent professional services firm and a separate legal entity, practicing in its own right. No single member is responsible for the services or actions of another.

Many RSM member firms are among the top seven in their respective countries and possess some of the best professional resources and experience available.

The member firms have a broad client base, from large listed and international companies to smaller, owner-managed businesses in the public and private sectors.

In addition to traditional assurance services, RSM possesses significant resources and experience in tax, transaction support, risk advisory, and corporate recovery and insolvency.

The GEO reports directly to the CEO, and provides leadership and support to each Member Firm aiming to drive growth of the Network as a whole.

As part of its responsibilities, the GEO undertakes the maintenance and growth of the geographical reach of the Network, controls the financial health of RSM, manages and delivers the Global Inspection Programmes for Member Firms and oversees the compliance with the Network's ethics and independence policies. RSM Orb, is the audit methodology developed and maintained by the GEO which is followed universally through the RSM Network.

RSM is organised into six regions (Africa, Asia Pacific, Europe, Latin America and the Caribbean, Middle East and Northern Africa (MENA), North America). This facilitates regional cross-border collaboration and the sharing of information and best practices across Members.

The delivery of services within and across the RSM's regions is enhanced by Leadership Groups, Service Groups, Centres of Excellence and Sector Groups.

RSM 2030 Global Strategy



Management, governance and leadership

The RSM International Limited is governed by the RSM International Board of Directors. The RSM International Board of Directors is responsible to create, approve and oversee the implementation of the Network's strategy, to oversight membership requirements, including approving admissions and terminations of members, oversight ethical and independence requirements and adherence to international quality standards, approve Network's budgets and operational plans.

The overall responsibility of leading the execution of the Network's strategy lies with the Global Chief Executive Officer (CEO). The CEO is appointed and is accountable to the RSM International Board while she heads the RSM Global Executive Office (GEO) which is based in London.

Membership of the Forum of Firms

RSM International is a member of the Forum of Firms, an association of international networks of accounting firms that perform transnational audits. RSM is active in fully supporting the objective of the Forum of Firms, which is to promote consistent and high-quality standards of financial reporting and auditing practices worldwide and to support convergence of national audit and standards with the International Standards on Auditing. Marion Hannon, RSM's Global Leader for Quality & Risk, currently represents RSM as a member of the Forum of Firm's Transnational Auditors Committee.

Member firms' expectations

To ensure that all members are offering consistently high standards of services throughout the regions, there are certain benchmarks that aim to align each individual member's visions and strategy to the Network's ones. Everyone is encouraged to maintain their own personality, relevant to the local culture, while serving the needs of the Network and its clients with the highest level of quality.

RSM member firms adopt and align with certain policies and procedures, as a requirement of membership, while they can also implement their own additional ones. The common policies and procedures include:

- RSM Quality Assurance and Risk Containment
- RSM Orb Audit Methodology
- RSM Ethics and Independence Policies
- RSM Member Firm Inspection Programme Policies and Guidelines
- RSM Anti-bribery and Corruption Policies and Procedures
- RSM IT and Data Security Privacy Policies

To ensure trust over the information security management system internationally, RSM recognised the ISO 27001 information security standard. Member firms globally are working towards achieving the ISO 27001 certification to formally being able to demonstrate the confidentiality, availability and integrity of all client and employee data.

Funding

The cost of coordinating the RSM International network is funded by the member firms. Each year the International Board of Directors approves the budget for the coming year. Substantially all budgeted income is derived from annual membership fees paid by member firms. The fees for member firms are calculated in accordance with an approved funding formula that takes into account a number of factors including the member firm revenues and their level of net referral fees.

Further, through the 'contributed hours' model operated by the Network, Member Firms, depending on their size, are expected to offer certain number of hours each year for the benefit of the Global Network, beyond their region. Sharing knowledge and expertise through producing articles, undertaking inspections, delivering trainings or other, helps the visibility of individuals involved and their member firms, as well as international collaboration and alignment throughout.

**Empowering you
for the future.**

International board of directors

RSM International is an organisation with the infrastructure and resources needed to establish common standards and quality assurance programmes, as well as to facilitate effective management of transnational work by its member firms.

Governance of RSM International is comprised of representatives of member firms who form the International Board of Directors. Members of the Board, which currently comprises of 11 Directors, are elected in accordance with the provisions set out in the Articles of Association. The Directors elect a Chairperson and appoint a Chief Executive Officer.

The Board sets the international strategy of RSM International and acts in the interest of the network as a whole. As at 31 December 2023, the Chair of the International Board of Directors was Joe Adams from RSM USA.

Ernest John Nedder has been selected by the RSM International Board to lead the Network as CEO from 1 June 2024. He will substitute Jean Stephens who leads the Global Executive Office in London. The responsibilities of the Global CEO include the implementation of short and long-term organisational strategies for the growth and development of the network.

RSM International's commitment to quality

Quality is the absolute cornerstone for RSM International and as such every member firm is required to meet a number of obligations in relation to quality.

To ensure consistent practices and standards amongst member firms, RSM International has developed a number of global methodologies, policies and practices which are compliant with International Standards (where applicable).

These have been developed by specialists and leaders at member firms and the Global Executive Office, under the oversight of the RSM Transnational Assurance Services Executive Committee.

Every member firm is required to conduct an internal inspection over the quality of services delivered and compliance with network policies and procedures as well as their own incremental policies and procedures each year.

RSM International organises global observations of these inspections on a cyclical basis, at least every three years.

If a firm's annual inspection or the cyclical global observations highlight significant non-compliance, a follow-up review is scheduled to check progress on issues raised. Significant non-compliance can result in a number of sanctions being imposed on the firm, including up to termination of the firm's membership in RSM International.

Carolina

One of the RSM team



A top-ranked Global Network

RSM Network consists of Members and Correspondents in over 120 countries, with over 820 offices and more than 64,000 employees. RSM delivered 16% growth globally in 2023, with double-digit growth across all regions and with global revenues over US\$ 9.4bn.

Global reach, local presence

As a multinational business, you need a client service team that can deliver a consistent and high-quality service everywhere you operate. All RSM Member firms are driven by **common policies, methodologies and procedures** to provide high quality professional services both in their domestic market and in serving the international professional service needs of their client base.

RSM is organised into six regions. This regional structure facilitates cross border collaboration and includes Regional Councils and Regional Leaders, who are supported by Regional Coordinators.

The delivery of services within and across RSM's regions is enhanced by Leadership Groups, Service Groups, Centres of Excellence, and Sector Groups.

People

Our Network is worth the value of its people. We emphasize on recruiting the best, educating and training them, as well as retaining our best talent. All employees not only tick the box of their Continuous Professional Development but also get the most relevant, modern and insightful skills and knowledge they would need.

Revenue growth 2023 (Global)

Of 16%* to **\$9.4bn****

*2022 global fee income \$8.088bn

**Revenue growth percentage calculated using constant currency conversions

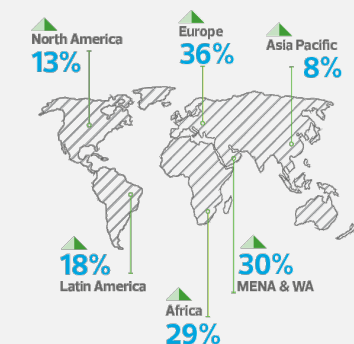
Information Security

RSM International and all RSM Member Firms consider strong data and information security to be paramount in ensuring that client and employee data is always safekept and protected. RSM Internationally has adopted the **internationally recognised ISO27001** information security standard and the member firms are working towards achieving that.

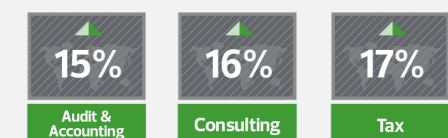
Digital upskilling and technological innovation

Innovation is all about curiosity and change. RSM fosters a culture of innovation and challenging the status-quo through our experiential technology centres, digital upskilling programs, ideation events and strategic business relationships. **Embracing innovative ideas and increasing the technological means** available, enables efficiencies and transformation in the services and products offered, while gaining a competitive advantage in the market and reducing costs to keep our fee charges at competitive levels.

Growth by region



Service line growth



Quality Assurance

Audit quality is the backbone of everything we do. It is what our clients, regulators and stakeholders are looking for to confidently base their decisions and strategies on our trusted deliverables. It is what helps us build our clientele, and retain our reputation. We proudly take a firm stand that our global audit methodology incorporates such policies and procedures that ensure quality from the client acceptance stage all the way to the submission of the deliverables to the end users.

The maintenance and enhancement of audit quality, is our firm's primary objective, promoting an internal culture of quality. We are committed on professional and decisive leadership, IT capability and investment, effective training and personal development.

We are devoted to deliver services of the highest quality, emphasising on creating and maintaining our clients' trust and transparency.

In RSM Cyprus we aim to attain the highest standard of professional conduct through:

- Our internal system of quality management
- Our personnel's capabilities, providing them continuous training

Our System of Quality Management

Our system of quality management comprises of policies, procedures and practises to meet the requirements of the RSM Quality Assurance Risk Containment Policies ("QARC").

As from 15 December 2022, the International Standard of Quality Management 1 ("ISQM 1"): Quality Management for Firms that perform audits or reviews of financial statements, or other assurance or related services engagements, the International Standard of Quality Management 2 ("ISQM 2"): Engagement Quality Reviews and the ISA220 (Revised): Quality Management for an audit of financial statements, issued by the International Auditing and Assurance Standards Board, are effective.

RSM Cyprus has designed and implemented a system of quality management is developed based on a set of quality objectives, which have quality risks assigned to them as well as a planned response/ action to eliminate the probability of occurrence. The quality objectives are identified per component of the ISQM1 as below:

1. Governance and leadership
2. Relevant ethical requirements
3. Acceptance and continuance of client relationships and specific engagements assessment
4. Engagement performance
5. Resources
6. Information and communication
7. Monitoring and remediation process

RSM Cyprus offices adheres to the Network monitoring and inspection procedures with a proven track record of successful external, Network or internal inspection visits.

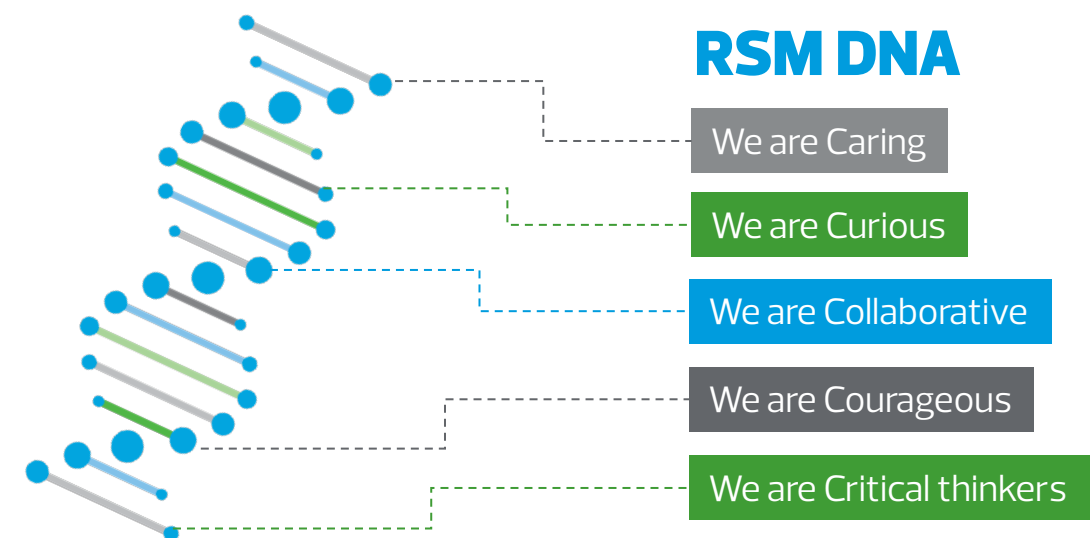
Our annual evaluation conclusion as of December 2023 was that the System of Quality Management provides reasonable assurance that the objectives of the System of Quality Management are being achieved.

Leadership and governance

Our culture from the top

Inevitably when addressing the forest you need to consider the soil, the air and the water that would nurture the trees to grow and produce benefits. Following this logic, one cannot expect quality outcome to engagements if the culture, the values and the leadership of the organisation is weak and not supporting and promoting this to the rest.

It is embedded in our culture that leadership is responsible and accountable for quality. Their actions and behaviours develop commitment to quality throughout the organisation. The core characteristics that define how we interact between us and with our clients is summarised in the RSM DNA:



Our leaders deliver the RSM experience by living the values and culture of the organisation. They lead by example and they invest to achieve growth without compromising quality by first considering whether it is suitable to accept a new client, whether the human resources or technical and technological capabilities exist or need to be acquired through recruitment or other.

Assumption of responsibility

Each and every employee of the Firm, as well as all Partners and Directors are subject to formal feedback and appraisals. They are all evaluated against their own role and responsibilities and their contributions towards the strategic goals of the Firm. The Partners and Directors are accountable against the results of any internal or external inspections and their demonstrated behaviours.

Ethics and independence

RSM Cyprus maintains strict independence and ethics policies and procedures that adhere to the provisions of the **IESBA Code of Ethics, EU Regulation 537/2014** and Network requirements.

Engagement partners are required to follow a process to ensure the Firm's independence is established before a client engagement is accepted. They must obtain and document such information about the prospective engagement and services to be provided, to enable them evaluate theirs', their team's and the firm's independence.

- On an annual basis each member of staff signs the "Fit and proper form" which is a personal declaration of independence.
- An Independence register is maintained which lists all independence threats identified which cannot be appropriately mitigated and thus cannot proceed with accepting or continuing a client.
- The Audit Engagement Partner that has acted for a client for a certain period of time is rotated to avoid any familiarity threats. For listed entities, our policies mandate the compulsory rotation of a key audit partner(s) when a period of seven years is elapsed from the date of the first engagement undertaken for the client. A cooling-off period of three years is subsequently applied for that audit partner to be re-engaged with audit work of the client.
- Non-audit fees are monitored to ensure compliance with benchmarks based on regulations, policies and procedures.

- All the information needs to be specifically documented in every client and audit file and reviewed by the Partner in charge prior to his appointment and for every subsequent year, who assumes the responsibility for the assessment performed.

The RSM Ethics and Independence Policies require partners, directors and employees to immediately notify the Partner responsible for Ethics and Independence, when circumstances or relationships are identified that could create a threat to independence. Consultation will then take place to determine the appropriate course of action, in accordance with the Firm's consultation policies.

Monitoring of audit independence requirements occurs on three levels – individual, client/ engagement and Firm.

At the individual level, compliance is monitored through the annual independence confirmation process. Partners and professional employees are required to annually complete an independence compliance questionnaire confirming that they:

- Have read the RSM Ethics and Independence policies
- Understand their applicability to their activities
- Are, and have been during the previous year, in compliance with those policies.

Such confirmations are also extended to include understanding and compliance to RSM Quality Assurance and Risk Containment Policies and Procedures, RSM Assurance Services Training and CPD Policies and RSM Anti Bribery and Corruption Policies and Guidelines.

Any qualifications to such confirmation are fully explained in writing and corrective action is taken as appropriate. Annual declarations are tested for accuracy and completeness.

At the engagement level, the engagement leader is responsible for monitoring the independence of the engagement team as well as the provision of other services.

At the Firm level, the Partner responsible for Ethics and Independence monitors compliance with all aspects of the Ethics and Independence policies. In addition, the Firm monitors compliance with all RSM quality policies, including independence, through its internal monitoring and inspection programme.

RSM Cyprus is required to report annually to the RSM Global Executive Office, that the Firm has adopted the minimum policies and procedures set forth in the quality assurance policies, which include reference to the Ethics and Independence policies.

RSM InTrust is our newly integrated global independence and conflicts of interest tracking solution is now live and has replaced our older Global Relationship Tracker system. It is an independence solution that empowers our teams and clients to move forward with confidence.

The software enhances our global independence through an integrated entity management system which receives information from the international RSM Network, applies filtering and establishes possible risks that are assessed through human interaction between the Member Firms involved. This enables timely and informed data-driven decisions that are required in an ever-changing and increasingly demanding regulatory environment where clients require, more than ever before, transparency proven independence and trustworthy reports that can base their decisions on them.

RSM InTrust

An independence solution that empowers our teams and clients to move forward with confidence.



Enhancing our global independence, through integrated entity management.



Enabling timely and informed data-driven decisions.



Meeting ever changing regulatory and client requirements through intelligent technology and automated processes.

Acceptance and continuance of client relationship

It is the Firm's policy to accept engagements only with those clients who fit the RSM key acceptance criteria. Such criteria include client integrity, independence, understanding of the client's needs and service requirements, and the Firm's capabilities, in terms of both resources and expertise, to perform the work required by the client and to render the necessary reports to a high standard. This evaluation and re-evaluation are documented and signed by the engagement partner. The level of approvals required to accept a client depends on a risk assessment process. Clients assessed as higher risk require additional approvals.

It is the Firm's policy to obtain such information as this is considered necessary in the circumstances before accepting an engagement with a new client, when deciding whether to continue an existing engagement, and when considering acceptance of a new engagement with an existing client.

If a potential conflict of interest is identified during the consideration of accepting an engagement from a new or existing client, the firm determines whether it is appropriate to accept the engagement based on whether appropriate safeguards can be implemented to mitigate the risk.

Where issues have been identified and the firm decides to accept or continue the client relationship, the engagement partner records how the issues were resolved, and any safeguards put in place to mitigate the risk.

During the client acceptance process, the prospective engagement partner, or lead assignment partner, also assesses the level of risk attached to the engagement and determines whether special staffing, supervision and review requirements apply.

A second partner is assigned to concur with a conclusion to accept any engagement or a client relationship that meets certain risk profiles.

Our People

At RSM, we focus on our strategies through ensuring the maximisation of the potential of our workforce. The right mixture of skills, knowledge and expertise is maintained in each different department or function at any given time. This is a commitment made by the Management who proactively creates budgets for the upcoming years and assesses the needs for the proper operation of the business, projecting on anticipated growth, turnover, advancements, retirements and others.

Individuals who are recruited and hired have integrity, motivation and right attitude for the profession. They have adequate educational backgrounds, and qualifications which are appropriate for the positions for which they are hired. The stages of recruitment include application by form or resume, interview, verification of references, background checks, offer and acceptance of employment.

Performance evaluations and advancements

The performance of each professional is continuously evaluated by individuals who are most familiar with the individual's work and attitude. Each member of staff is periodically (and at least annually) formally advised of their progress towards their objectives, and their strengths and weaknesses by means of an evaluation meeting with an appropriate manager and/ or partner /director.

The following year's development plan is prepared, discussed and approved for each individual. The results are recorded in an internal file system, so that they are monitored over an extended period of time.

Advancement decisions are based on performance evaluations to ensure that those promoted have the

qualifications necessary for fulfilment of the responsibilities they will be called upon to assume, and have the necessary commitment to, and understanding of, the firm's ethical requirements and quality assurance and risk containment policies.

Learning and development

Retaining talent in the Firm is a key strategic goal for our company. To achieve this we always aim to provide numerous opportunities to continuously develop personally and professionally.

Our people are continuously developed, it is anyway, part of our DNA to be curious and courageous to even enter into new lines of services or serve clients from industries we never worked before as individuals, when our colleagues can share insights and knowledge.

All staff attend a compulsory annual technical training programme relevant to their service line and CPD level. Attendance records are maintained.

Each new employee has a mentor who is a more senior member of staff and offers the opportunity to the newcomers to easily adapt and live the culture of the organisation, provides on-the-job training and serves as a guide to the Firm's local and global resources.

The Firm's career development plan (CDP) specifies relevant subject knowledge, competencies and training for each of these career levels. This includes both technical knowledge and behaviours. The competency framework forms the basis of the performance appraisal process and is an integral part of assessing the progress and capability of all staff.

As per RSM's internal CPD Policy, each partner, director and qualified professional employee must complete a minimum of 120 hours for a period of three years, with a minimum of 30 hours of structured CPDs per year or a minimum of 90 hours for a period of three years. This is already covering the local CPD requirements of the Institute of Certified Public Accountants of Cyprus (ICPAC).

Continuing Professional Development (CPD)

Personnel are required to complete an annual confirmation that CPD requirements have been met.

Our training curriculum is annually built up and updated on an ad-hoc basis. It includes classroom or virtual trainings offered locally or internationally. These trainings are designed to support the personnel, to be up to date with the latest updates on their field and reminded about the things that should be always embedded in their work.

As a member of the RSM network, the Firm is required to create and maintain training and CPD programmes that provide partners, directors and professional employees with adequate training and training updates (covering changes to underlying rules and standards) in at least the following areas:

- Audit Methodology and International Standards on Auditing (ISA)
- Ethics and Independence policies
- International Financial Reporting Standards (IFRS)
- Relevant taxation laws which affect the determination of amounts and disclosures in the audited financial statements
- IT applications used by professional employees in the context of the financial statements audit Industry or product specific knowledge and understanding
- Anti-Money Laundering internal policies and procedures.

Approved Employer – Professional Development status

RSM Cyprus, is an approved employer from both the Institute of Chartered Accountants in England and Wales (ICAEW) and the Association of Chartered Certified Accountants (ACCA). In addition, our firm is awarded with the status of "Approved Employer – Professional Development". Through the above we are providing our staff proper training, thereby enabling them to acquire the necessary technical skills they need to pursue a career in the provision of professional services.

RSM Campus

Is our online learning centre provided to all Member Firms by RSM International. It includes trainings and courses regarding different service lines, legal and compliance matters, specifics on understanding RSM and living the RSM DNA and values to become a first choice advisor, and other soft skills trainings. This is freely accessible by all our staff at any time and each one can make his own decisions to what courses he would like to attend.



Engagement performance

RSM's audit policies and procedures are designed to ensure that our audit engagements comply with relevant regulatory requirements and professional standards.

The engagement leader has the overall responsibility for the direction, supervision and performance of the engagement in compliance with applicable professional standards, regulatory and legal requirements and for ensuring an appropriate audit report is issued.

Specific responsibilities to ensure quality control are:

- Ensuring engagement team's compliance with ethical and independence requirements
- Ensuring appropriate acceptance and continuance procedures are performed and documented
- Ensuring engagement team has appropriate competence and experience
- Ensuring an engagement quality control reviewer (EQCR) is assigned where required
- Ensuring appropriate consultations take place, and the documentation thereof
- Reviewing work performed to ensure it is compliant with applicable professional standards, regulatory and legal requirements and that such work supports the conclusions reached
- Ensuring report or other deliverables are in accordance with the terms of the engagement and any specific policies applying to the type of engagement
- Considering whether any deficiencies arising from the monitoring and inspection process have any effect on the engagement.



Resources

RSM Orb – Our Common, Global Methodology

RSM's Optimal Risk-Based solution and is the RSM global methodology fully adopted by RSM Cyprus. Having globally accepted and implemented methodologies addresses the needs of our current and prospective clients that desire consistent delivery and quality of services from their global service providers.

It is the product of carefully considered, multi-year project which utilises the International Standards on Auditing as its foundation supplemented with application guidance specific to the RSM audit approach, practice aids and Cyprus additions to ensure that we comply with all national regulator requirements.

Whilst the methodology has a robust framework, it provides sufficient flexibility to adapt to developments in artificial intelligence, data analytics and regulatory changes and we have embraced this opportunity to drive further improvements to audit quality and audit efficiency.

RSM Orb includes requirements for engagement quality control reviews and mandatory consultations with a member firm's Head of Audit (or their designee), Head of Ethics and Independence (or their designee), or another suitably qualified partner, as appropriate.



RSM Orb complies with the requirements of the following:

- International Standards on Quality Control issued by the International Auditing and Assurance Standards Board (IAASB)
- International Standards on Auditing issued by the IAASB
- International Auditing Practice Statements issued by the IAASB
- RSM Quality Assurance and Risk Containment Policies

Our audit documentation software is built to provide the user an improved flow of our audit process, to aid navigation and ease the review process.

Centres of Excellence

Our Centres of Excellence ensure we are at the forefront of international best practice. They focus in particular on building and developing capabilities and improving quality of services internationally.

Technology-led engagement

Top-notch technologies are used which are available within the network for data analysis, communication, project management and presentation of results.

RSM Luca

RSM Luca is our dynamic digital audit ecosystem, enabling us to deliver compelling human insights powered by technology.

Integrating sophisticated technologies and efficient processes, RSM Luca deepens client understanding and forward-thinking insights, ensuring impactful and continual innovation.

Combined with our middle market and industry knowledge, RSM Luca empowers our talented people to deliver modern, digital, high-quality, tailored audits, that bring clarity and instill confidence in a world of change.

RSM Luca – Delivering human insights powered by technology

Empowers your business

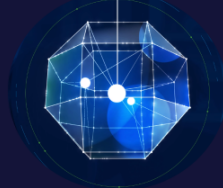
- RSM Luca increases audit efficiency and effectiveness, enabling human-led, forward-thinking analysis, data-driven insights and high-quality audits.
- RSM Luca allows our teams to be more impactful as we work together, so that you can make more confident business decisions.

Facilitates delivery of modern, digital, agile and tailored audits that bring clarity to your unique environment

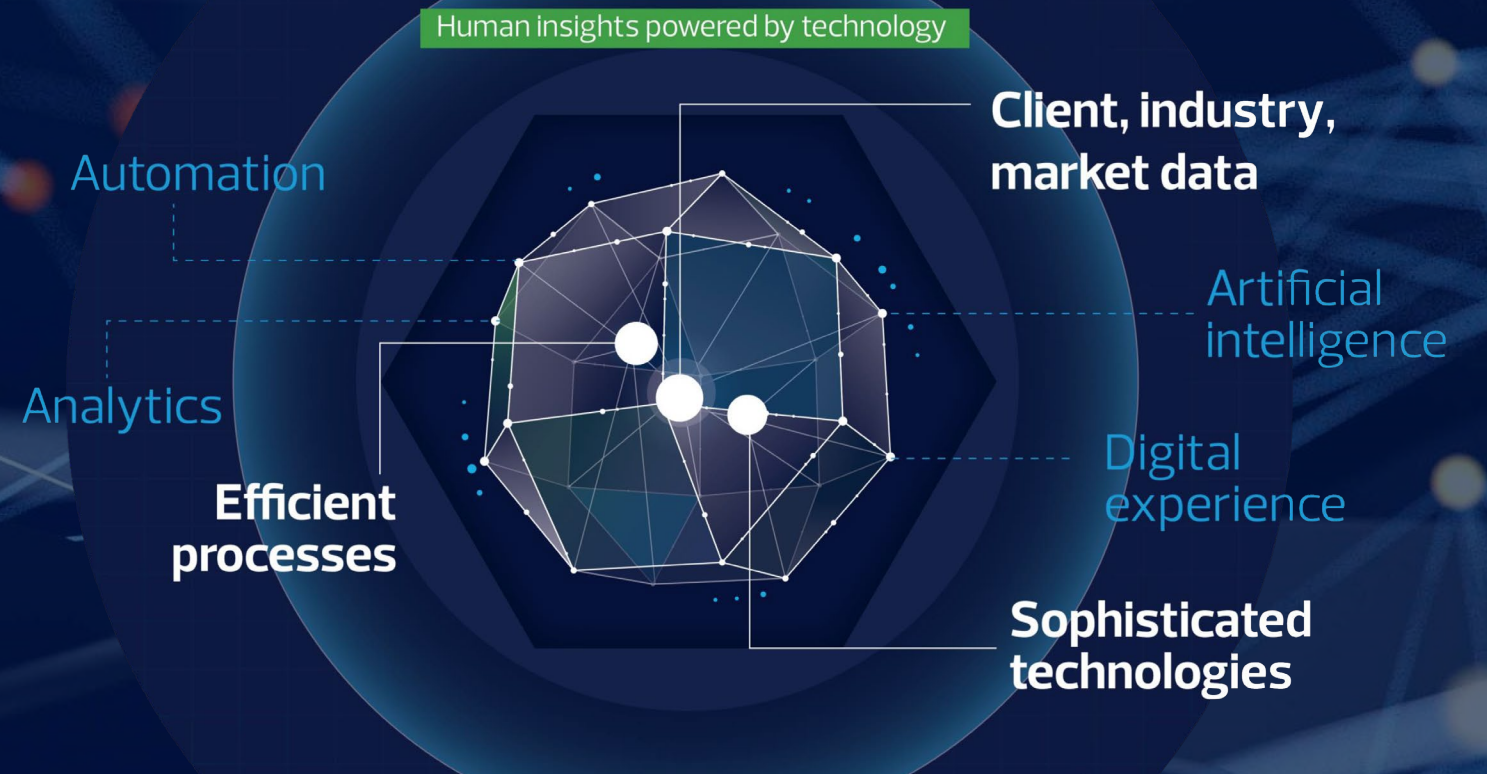
- RSM Luca accelerates how we discover, validate and analyse your unique data with agility, so we can better connect increasingly complex information.
- As we combine knowledge of your business with our technical, middle market and industry perspectives, RSM Luca helps us generate deeper insights that enable our teams to provide you with a personalised audit experience.

Simplifies and enriches your audit experience, and enables innovation

- RSM Luca is continually evolving as we explore new and innovative ways to improve efficiency and deepen insight.
- RSM Luca allows us to evolve and improve your audit experience to meet your changing needs and expectations, keeping us at the forefront of global assurance delivery.



RSM Luca – Our dynamic digital audit ecosystem





Consultation

RSM professionals are expected to seek assistance from persons possessing specialised knowledge and expertise whenever they encounter situations where they lack sufficient knowledge and experience and in certain specific situations prescribed by RSM policy. The engagement partner is responsible for ensuring that the issue on which consultation was sought and the results of the consultation – including the decisions taken, the basis thereof and how those decisions were implemented – are fully documented and agreed with the person(s) consulted.

There are policies and procedures for dealing with and resolving differences of opinions within the engagement team, with those consulted and when applicable, between the engagement partner, engagement quality reviewer and or other.

Information security

Information security, confidentiality and data protection is a top priority for the Network and the member firms. All partners and employees follow the principle of confidentiality, the provisions of the General Data Protection Regulation (“GDPR”), and other relevant legal requirements.

RSM has developed a model based on information management via a secured information system, as well as internal and regular trainings of employees that allow us to maintain a high level of compliance.

RSM Cyprus worked intensively towards achieving the ISO 27001:2013, Information Security certification throughout the year 2022, and is successfully certified as such since the beginning of 2023.

This provides an additional comfort to the people dealing with the firm that their information is maintained using strict standards of security requirements that aim in minimising data leakage, improper information handling or human errors.

Monitoring

As a member firm of the RSM network, the firm is required to establish a monitoring process designed to provide it with reasonable assurance that the policies and procedures relating to the system of quality management over its assurance practice are adequate, relevant, operating effectively, aligned with RSM expectations and all applicable professional and regulatory requirements.

In accordance with RSM Quality Assurance & Risk Containment (QARC) Policies, all member firms are required to establish appropriate monitoring and/or inspection procedures applicable to each of their respective professional service lines. As a minimum, such procedures shall monitor compliance with the general quality management policies and procedures contained in those policies within each service line – including compliance with RSM Ethics & Independence Policies. Such procedures shall also be designed to meet any additional requirements set out in the RSM QARC Policies, where firms provide Assurance Services, Tax Services or Risk Advisory Services.

Furthermore, in accordance with their membership agreements with RSM, each member firm agrees to conduct an annual programme of quality monitoring and inspection in compliance with the RSM Policies and Guidelines for a Member Firm Inspection Programme.

RSM policies require a partner to be specifically assigned as the partner responsible for the Member Firm's Annual Inspection Programme. That person is required to communicate deficiencies noted as a result of the inspection process to the engagement leaders and relevant personnel and to outline remedial action to remedy the deficiencies noted.

Supervision and review

The level of supervision and review varies with the type of engagement and composition of each team.

Each service line is responsible for determining specific review requirements for services they provide.

As a minimum, our review requirements ensure that work has been properly carried out, concluded upon and documented, producing quality results. In addition, the review is designed to ensure that there is an appropriately supported basis for the opinions or conclusions expressed in deliverables.

RSM policy requires engagement quality control reviews to be conducted for any engagement or a client relationship in specific circumstances which indicate an engagement or client to be of higher-than-normal risk. This includes engagements of listed entities and other public interest entities.

The purpose of an engagement quality review is to provide the firm with additional assurance, in high risk situations, that adequate work has been performed and that supporting evidence obtained was properly evaluated to support the report or other deliverable prior to their release.

It provides an objective evaluation of the significant judgements made by the engagement team, the conclusions reached in formulating the report or other deliverable and the compliance with applicable professional standards, regulatory and legal requirements.

An engagement quality reviewer (EQR) is required to be an independent partner or director, or other

suitably qualified person or team, who is not engaged in the performance of the engagement or the provision of other services to the client entity or group of entities.

They are required to have the necessary authority, technical competence and industry sector experience to perform an independent review of the quality of the particular engagement or service provided to the client entity or group of entities to which they have been assigned.

RSM globally coordinated inspections are conducted by independent qualified partners and senior personnel of other member firms under the direction of the Global Quality & Risk Leader.

Firms are also required to put in place their own monitoring programmes to gauge:

- the extent of the firm's alignment with RSM policies and procedures;
- the firm's adherence to local/ national professional standards and applicable local/national legal and regulatory requirements; and
- the compliance with all requirements established by the International Federation of Accountants (IFAC) standard-setting boards.

Quality Assurance Director

She is responsible for the design and implementation of the system of quality management of the firm which is aligned with the requirements set by the latest regulations and practices.

She plans the internal monitoring and annual review cycle that covers the operations of each individual department and function of the organization and ensures the results are communicated to the Global Quality and Risk Leader of the Network, in line with their instructions.

External monitoring

When we are subject to external review, we prepare action plans for issues identified following completion of a root cause analysis. We incorporate the gradings from external reviews into partner appraisals. RSM Cyprus is subject to inspection by the following bodies:

A. RSM International

Under RSM's global inspection programme, RSM Cyprus periodically oversees and/or participates in all member firm inspection programmes on a cycle not exceeding three years. Such inspections are referred to as globally coordinated inspections. Such inspections are conducted by independent qualified partners and senior personnel of other member firms under the direction of the Executive Office personnel and the RSM Global Leader – Quality & Risk. The RSM global inspection programme is also designed to meet the membership obligations of the Forum of Firms, of which RSM is a member network.

The RSM Executive Office prepares, on behalf of the RSM Transnational Assurance Services Executive Committee (TASEC), an annual summary report based on all of the member firm inspection reports for the year. This report presents the status of quality and alignment within RSM and also includes recommendations, where appropriate, for centralised network-wide actions to be taken.

The last global inspection was carried out in 2021.

B. Institute of Certified Public Accountants of Cyprus (ICPAC)

The firm's audit practice is subject to quality control visits by the Institute of Certified Public Accountants of Cyprus (ICPAC).

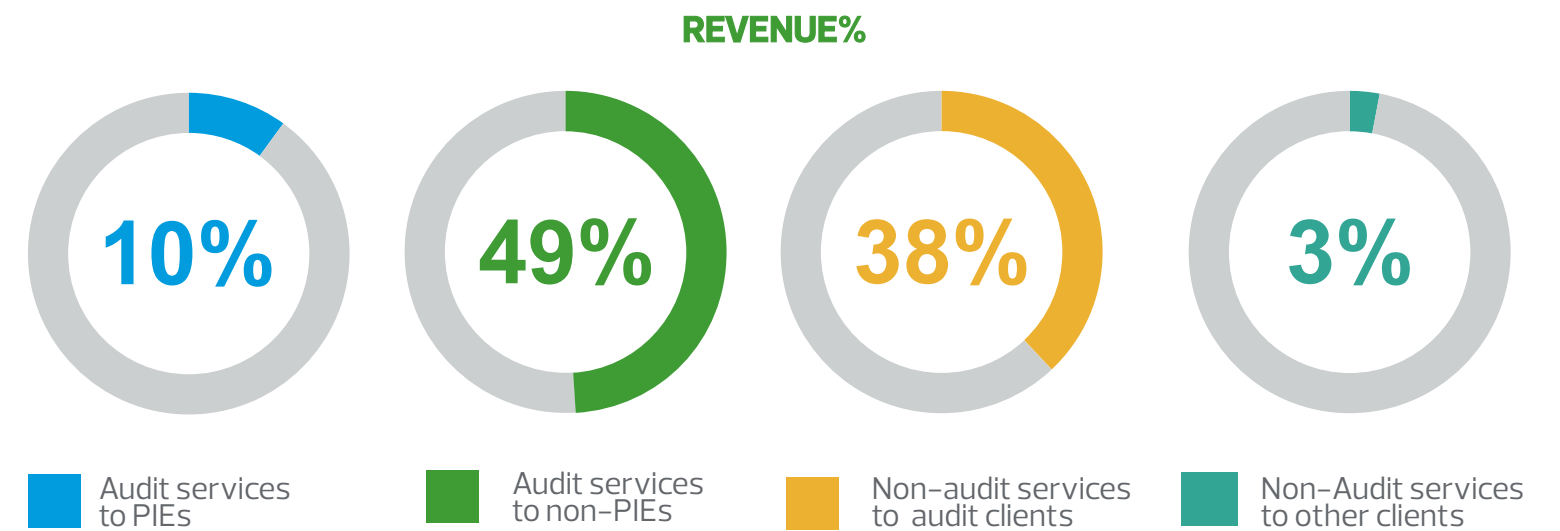
The Institute reports to the Cyprus Public Audit Oversight Board (CPAOB) which is the policy making body and regulator of the quality assurance function in the accountancy and auditing profession in Cyprus.

The last inspection was carried out in 2021.

Turnover breakdown

Turnover breakdown

The firm's turnover breakdown by service line, during the year ended 31 December 2023, was:



Services	Revenue €	Revenue %
Revenues from the statutory audit of annual and consolidated financial statements (including the audit of ESEF reporting) of Public Interest Entities and entities belonging to a group of undertakings whose parent undertaking is a Public Interest Entity.	290,750	10
Revenues from the statutory audit of annual and consolidated financial statements of other entities.	1,465,446	49
Revenues from permitted non-audit services to entities that are audited by the statutory auditor or the audit firm.	1,109,264	38
Revenues from non-audit services to other entities.	95,708	3
Total	2,961,168	100

Appendix

Public Interest Entities

During the year 2023, the Firm issued an audit opinion for Seabird Exploration plc.

RSM Network EU Entities

The table below shows all RSM Member Firms and their Related Entities that provided audit services in the European Economic Area (EEA) as at 31 December 2023. The list is based on the information provided to the RSM GEO by Member Firms about the services that each entity provides.

Please note that RSM does not have Member Firms in the following EEA countries – Estonia, Finland, Iceland, Latvia, Liechtenstein, Lithuania and Slovenia. In addition, the RSM Member Firms in the Czech Republic and Slovakia do not provide audit services themselves, but work closely with local audit firms that do provide this service. We have therefore not listed those two countries on the summary below.

- The total turnover for the period from 1 January 2023 to 31 December 2023 achieved by the EEA audit firms listed below was EUR € 1,055,375,000.
- The total audit fees earned by the EEA Firms listed below for the 12 months to 31 December 2023 was EUR € 389,835,000.

Country	Legal Name
Austria	RSM Austria Wirtschaftsprüfung GmbH
Belgium	RSM Belgium
Belgium	RSM InterAudit SRL/BV
Belgium	RSM reviseurs d'entreprises - bedrijfsrevisoren SRL/BV
Bulgaria	RSM BG Ltd.
Croatia	RSM Croatia d.o.o.
Cyprus	RSM Cyprus Limited
Denmark	RSM Danmark Statsautoriseret Revisionspartnerselskab
France	ALAIN MARTIN ET ASSOCIES
France	RSM EST
France	RSM France
France	RSM MEDITERRANEE
France	RSM OUEST
France	RSM PACA
France	RSM PARIS
France	RSM Réunion Mayotte Audit
France	RSM RHONE-ALPES
Germany	RSM Ebner Stolz GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft
Greece	RSM Greece Certified Auditors and Management Consultants SA
Hungary	RSM Hungary Könyvvizsgáló Zrt. (RSM Hungary Auditing Priv. Co. Ltd.)
Ireland	RSM Ireland Business Advisory Limited
Italy	RSM Società di Revisione e Organizzazione Contabile S.p.A.
Luxembourg	RSM Audit Luxembourg, société à responsabilité limitée
Malta	RSM Malta
Netherlands	RSM Netherlands Accountants N.V.
Netherlands	RSM Netherlands Audit B.V.
Norway	RSM Norge AS
Poland	RSM Poland Audyt Sp. z o.o.
Poland	RSM Poland Sp. z o.o.
Portugal	RSM & Associados - Sroc, Lda
Romania	RSM Romania SRL
Spain	RSM Andorra Auditors i Assessors, SL
Spain	RSM Spain Auditores, SLP
Sweden	RSM Göteborg KB
Sweden	RSM Stockholm AB
Sweden	RSM Sverige AB

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