

Audit Committee Annual Activity Report for 2021

1 Composition

- 1) The Audit Committee (the "Committee") has been legally established in accordance with Article 44 of Law 4449/2017 and Article 74 of Law 4706/2020. The Audit Committee for the fiscal year 2021 consisted of three members until March 5, chaired by Chariton (Haris) Kyriazis (non-member of the Board and independent within the meaning of the provisions of Law 3016/2002) and the members were Theodoros Pantalakis and Panagiotis Sofiadis, both at that time independent non-executive members of the Company's Board of Directors.

As of March 5, 2021, the Audit Committee consisted of Panagiotis Alamanos (Chairman, non-member of the Board and independent within the meaning of the provisions of Law 4706/2020) and Members Theodoros Pantalakis and Konstantinos Toumbouros both independent non-executive members of the Board of Directors of REDS as of March 5, 2021.

- 2) The operation of the Committee is governed by the applicable legal framework of Law 4706/2020 and Law 4449/2017 and the Committee Regulation.

2 Meetings

The Audit Committee held eight (8) meetings with a full quorum in 2021 for the implementation of its work and for the issues related to its responsibilities.

3 Business related to the monitoring of the statutory audit

- 1) The Audit Committee monitors performance of the statutory audit of the Company's individual and consolidated financial statements. In this context, it has held discussions with the external auditors and the financial services department, and:
 - i. It has been made aware of the independent auditors' schedule for the audit of the financial statements prior to its implementation, including risk assessment in the respective audit¹ areas and the areas of significant interest for audit purposes.

¹These at a minimum cover the issues indicatively mentioned in the Hellenic Capital Market Commission Circular

- ii. It was informed by means of interim communications between the President of the Committee and the chartered auditors, that no new important issues (Key Audit Matters) arose during the conduct of the audit work;
 - iii. It is aware of the contents of the Annual Audit Report for the year 2020, the respective Supplementary Report, as well as reports on the review of interim statements;
 - iv. It was informed, monitored and assessed any potential threats to the independence of auditors and it implemented the Policy on the Assignment of non-Audit Works to an External Auditor.
- 2) The Audit Committee carefully examined: a) the appropriateness and consistency of applied accounting policies, in particular with regard to recognition of income, accounting estimates (focusing in detail on the assumptions on which they are based and their calculation models); b) any impairment of assets and the respective disclosures; c) accounting for the recognition, measurement and presentation of financial instruments; d) accounting of leases; e) accounting for intangible assets and goodwill arising from the acquisition of subsidiaries.

The Audit Committee was also informed of the impairment tests and the assets on which they were performed, the assumptions for the recognition and measurement of provisions. In addition, it has reviewed all matters involving a significant degree of uncertainty, and the relevant disclosures in the Annex to the financial statements.

The Audit Committee has received explanations from the financial departments regarding the collection of trade and other receivables, and the adequacy of impairment provisions with regard to expected credit losses. It has also discussed and appreciates the extent to which deferred tax assets are collectable, as well as the adequacy of deferred tax liabilities duly recognised.

The Committee has requested details and duly received updates on all related party transactions and has reviewed the proper application of the provisions of Law 4548/2018. It has also examined the adequacy and appropriateness of the disclosures in the Annex to the financial statements.

- 3) Based on the works of the external auditor, the Audit Committee suggested to the BoD to approve the financial information on the year 2020 and for the first semester of 2021.
- 4) In addition, the Audit Committee has asked, in accordance with its standing request, that a statutory auditor be assigned for the purpose of obtaining issuance of a tax certificate for fiscal year 2021.
- 5) There was no reason to discuss a change of external auditor in 2021.

4 Internal Audit System, Internal Audit Division

- 1) The Audit Committee monitors the effectiveness of all the policies, procedures and safeguards of the Company. To this end, it has held regular discussions with the Management on the continuous improvement of these issues, as they emerge from the internal audit reports.
- 2) The Committee also monitors and supervises the proper functioning of the Internal Audit, in accordance with the professional standards and the applicable legal and regulatory framework, and evaluates its work, competence and efficiency, without, however, affecting its independence. It should be noted that the Audit Committee is the only body competent to evaluate the Internal Auditor.
- 3) Within 2021, the Internal Audit Division completed 4 regular audit reports in accordance with the scheduled plan for the year 2021 which were approved in the previous fiscal year. These regular audits, carried by out the Internal Audit Division, represent 100% of the audits planned for the fiscal year 2021.
- 4) The Audit Committee has approved the annual audit schedule prepared by the Internal Audit Division for fiscal year 2022, prior to its implementation, having assessed it in accordance with key business and financial risk sectors, as well as to the results of previous audits.
- 5) The Audit Committee undertook and carried out the first phase of preparation of the Company and the Group for evaluation of the Internal Audit System by an independent Evaluator, in accordance with the Company Regulation, which fully complies with Article 14 of Law 4706/2020 and Decision No 1/891/2020 of the Hellenic Capital Market Commission.
- 6) In this context, an invitation to tender was announced, with a public call for financial bids for the selection of a consultant to examine the degree of readiness of the Company and the Group in view of the forthcoming independent evaluation.
- 7) The Director of the Internal Audit Division was present at the meetings of the Committee throughout 2021.
- 8) The Committee has studied the contents of new Law 4706/2020 on Corporate Governance, in particular in relation to the new responsibilities and obligations of the Committee itself.
- 9) In cooperation with the Internal Audit Division, the Committee has approved the updating of the Operating Regulation for the department and has recommended its approval by the Board of Directors, having ensured that the changes in the new version of the Regulation are fully compatible with the provisions of Law 4706/2020. At the same time, it proceeded, through the ongoing cooperation with the Board of Directors and the executives of the Company, to take all actions as required in order to ensure that the work of the Internal Audit Division includes, among others, proposals with regard to issues concerning the unimpeded verification of the adequacy of the Company's Internal Audit System, as defined by Law 4706/2020 and the respective decisions of the Hellenic Capital Market Commission. All audit reports (reports) were discussed in the Audit Committee after relevant explanations were offered by the Internal Audit Division.

10) The Audit Committee was informed of the assessment of the main risks and uncertainties facing the Company, conducted by the Internal Audit Division, and the correlations with the outcome of the scheduled tasks carried out by external and internal auditors.

5 Cooperation with the Management

- 1) Apart from the invitation of executives to the Committee meetings, the Chairman of the Committee systematically communicates and cooperates with the REDS Group's CEO.
- 2) Throughout the year, the departments of the Group cooperated seamlessly with external and internal auditors, providing them with unimpeded full access to the information they required and generally facilitating their work.

6 COMMITTEE EVALUATION

The Audit Committee, during the year in question, evaluated the adequacy of the current Procedure Rules and made the appropriate changes.

Kifissia, 19 March 2022

THE CHAIRMAN

THE MEMBERS

Panagiotis Alamanos

Konstantinos Toumpouros

Theodoros Pantalakis