

Impact Group

- **Impact Developer & Contractor SA**
- **Bergamont Developments SRL**
- **Bergamont Developments Phase II SRL**
- **RCTI Company SRL**

Audit services proposal

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Bucharest
13 July 2024

Introduction

05 June 2024

To: The Board of Directors of Impact Group

Dear All,

We are pleased to have been asked to submit a proposal to become the auditors for Impact Developer & Contractor SA, an ambitious player in Romania and therefore an important client for KPMG Audit SRL. We hope that we will develop a strong working relationship.

While our core role is to provide you with assurance that your numbers are not materially misstated, we also believe that the key to a successful relationship is open, honest communication, as well as proactivity on our part in bringing good practice and innovative solutions for you.

We will provide services to high professional standards, as demonstrated by our strong track record of client satisfaction from previous engagements and our reputation on the market.

This opportunity is of significant importance for us as a firm. I want to convey my personal commitment to ensure that the Group will have our full support.

Kind regards,

Bogdan Vlad
*Partner,
Audit & Assurance*



Bogdan Vlad

Partner,
Audit & Assurance
KPMG in Romania





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Why KPMG

Why KPMG?

The right team

Our team is a hands-on, compact and close-knit one. We have proven experience in auditing companies in your sector.

Bogdan Vlad is an experienced auditor who has integrity and stands by his views. We have selected a team of senior auditors and specialists who understand your industry, and are equally committed to delivering the highest standard of service to you.

Bogdan Vlad and Carmen Scripcariu have considerable experience in auditing companies from the real estate sector

Both Bogdan and Carmen know what needs to be done in delivering an effective audit, and they are familiar with the risks and challenges inherent to the real estate sector and listed entities.

Empowered partners

We are committed to carrying out audit in the most efficient manner through the use of technology and adherence to deadlines.

Our partners are empowered to reach judgements/opinions on accounting and reporting matters. So, you get responses quickly that are accurate and tailored to your circumstances.

An audit approach that focuses on the key risks

Traditionally, we think of audits looking backwards over past performance. While this will remain fundamental in determining our opinion, at the heart of our approach is our focus on your future business challenges and the risks that they pose.

An evolving audit

Due to our over 29 years of experience on the Romanian market, we are pleased to offer you an evolving audit, based on our methodology that includes IT-based tools and applications that make us leaders within the audit industry. Through our work, we have created a guiding principle of constantly evolving ourselves and our methods within KPMG.

Our employees live and work in accordance with our brand promise: **Embrace change.**

Quality

Avoidance of perceived or real conflicts of interest. Strong governance models to ensure that sensitive information and knowledge is secured.

Our Relationships and The Way We Work

Culture fit represents how the audit firm will work with Impact Group as a priority client. We have top people, delivering top quality audits in terms of client service and opinions. We often hear our clients say that our approach is unique and different.

Qualifications

KPMG Audit SRL has more than 32 authorized financial auditors. The electronic public register of financial auditors and audit firms can be accessed from [here](#). For the audit firm KPMG Audit SRL, the latest audit quality assurance inspection conducted by the Authority for Public Oversight of the Statutory Audit Activity (ASPAAS) was finalized in April 2022, and the inspection report issued by ASPAAS states that, following the inspection performed, no issues were identified. The most recent audit quality assurance inspection carried out by the Romanian Chamber of Financial Auditors (CAFR) was finalized in September 2023 and the audit firm KPMG Audit SRL received an „A” rating.

Ability to effect a smooth transition

The key to a successful auditor transition is having a knowledgeable transition team ready to hit the ground running. We have that. Starting from the top, we are confident that our current knowledge of the Group and the real estate sector will translate directly into a smooth transition, a short learning curve and the rapid deployment of a value added audit.



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KPMG in Romania and Moldova

KPMG in Romania and Moldova



We are a leading player on the Romanian and Moldovan markets and our international network enables us to draw on experience from other countries too.

- Our firm has operated on the Romanian market since 1994.
- We are part of a network of over 265,000 professionals in 143 countries.



We have

22 partners, including expatriates from Switzerland, France and Israel.

- We are one of the most important providers of professional services on the Romanian market.
- We have a multilingual team, including English, Spanish, French and German speakers.



Our services

KPMG provides **audit, taxation, consulting and legal services** to both local and international companies and government departments.

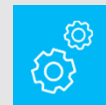


We have a thorough understanding of local markets.

KPMG offers its customers the benefits of a combination of **internationally acquired skills, methods & know-how.**



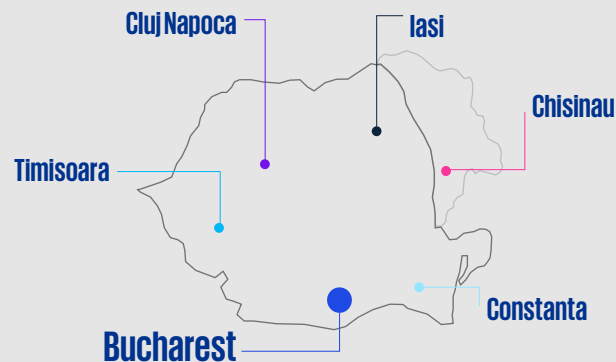
Our offices in Romania and the Republic of Moldova have **extensive experience** in providing a full range of business consulting services to local private and public sector clients, including foreign investors.



Our customers

Our clients from Romania and Moldova include large multinational groups, major companies, among them some of the largest banks, and public institutions.

We have over **1000 professionals** employed across our **6 offices**, including in our main headquarters in **Bucharest.**



KPMG values

Our Values guide our behaviors day-to-day, informing how we act, the decisions we make, and how we work with each other, our clients, companies that we audit and all our stakeholders. Our values are:

Integrity

We do what is right

Excellence

We never stop learning and improving

Courage

We think and act boldly

Together

We respect each other and draw strength from our differences

For Better

We do what matters



3

Transition

Transition

Your concerns



Revisiting key judgments

particularly those relating to key accounting judgments.



Taking up management's time

and causing disruption of the client's activity.



Misunderstanding the work

required and failing to meet deadlines.

Our plan



We know how to do transition

Our process is designed so that there is minimal disruption to your business.

We will achieve this through:

- Transition meetings with predecessor auditors;
- Debriefing meetings with you after transition meetings;
- Regular feedback meetings/calls with your team;
- Early engagement, interim audit work and regular feedback checks.

Locally we have transitioned over

400

public and private companies' audits in the past 5 years



We are well prepared for a smooth transition. We understand that changing auditors is a significant decision. Our experience is that the transition is also a unique opportunity for development and innovation.

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Our approach to your audit

Our approach to your Audit

Use of IT-based tools

**The world is speeding up.
Change is increasingly
unexpected.
Businesses are
becoming more complex.
Audit is evolving.**

Most of the data in the world today has been created in the last two years. Being able to trust information in this world of uncertainty is challenging, so a KPMG audit opinion has never been more valuable. It's the reason we exist. It's the reason why we're integrating more and more analytics and technology into our audits to enhance the quality, insight and breadth of our work.

In a world with exponentially more data points, our ability to interrogate and interpret is essential. That's why we believe [people] + [machine] is much stronger than people or machines working alone.

We believe human interaction in an audit is and will continue to be vital and those interactions will be enhanced through the information now at our finger tips.

Harnessing [people] + [machine] means we bring more perspectives to our clients - a dynamic way of looking at risk, insights into behaviors to help spot fraud and confidence that systems are producing bias-free results. It means we can have richer conversations in boardrooms, with management, and with stakeholders more broadly. It means companies can have better information to make better decisions. It means we are the architects of trusted information.



Introducing KPMG Clara

- KPMG Clara is the technology that supports our people in delivering the audit
- KPMG Clara helps us interrogate and interpret what the information is saying. To stay more informed. To do a more rigorous analysis of data and see business issues more clearly



How?

- KPMG Clara integrates all our tools and technology in one place, which simplifies the audit experience
- KPMG Clara delivers a consistent approach all around the world
- KPMG Clara gives visibility into the audit and therefore transparency and reassurance over processes
- KPMG Clara gives us the information to make more informed decisions

Our approach to your Audit

The right approach

Delivering an audit is more than putting an opinion on your desk

While our foremost goal is delivering a high-quality audit, we have designed an approach to bring you more - because a static, outdated audit model no longer gets the job done. You need an audit to go beyond the everyday and evolve with you, continuously throughout the year. Our Dynamic Audit, powered by our KPMG Clara smart audit platform, digs deeper into the data, revealing more about the business and its risks.

What this all means for us is better audit evidence, resulting in a higher-quality audit. What it means for you is the possibility for new insights into your business. All of this adds up to a better experience.

Here is what Dynamic Audit can bring you:

- We focus our audit on the most important areas using the advanced ledger analysis capabilities of the KPMG Clara platform;
- It offers a centralized way of exchanging information and working that will make your audit more consistent, more accurate, and easier to control;
- It offers access to our smart audit collaboration platform, KPMG Clara for Clients.

Process and technology are not the solutions, rather the enablers. Like you, we strive for continuous refinement and improvement in how we carry out our audit to help deliver optimal client experience.

KPMG Clara

Why: KPMG Clara is at the core of the audit transformation journey. Built on Microsoft Cloud technology, the platform enables audit professionals to carry out engagements consistently, in line with professional standards and within a strong system of quality controls.

What: KPMG Clara, our smart audit platform.

How: KPMG Clara will bring data and analytics and an innovative audit workflow together, keeping our audit delivery smooth and global.

KPMG Clara for Clients

To ensure that you are involved in every step of the audit, management and the Audit Committee will have access to **KPMG Clara for Clients (KCFC)** [see here](#). KCFC is our secure audit platform and through which we coordinate, plan, execute and manage the audit. KCFC supports close collaboration between our audit team and your finance team, including exchange of information and access to the real time reporting you need in one central location, reducing the impact on your people of coordinating and overseeing the audit. It ensures smooth audit process and the ability to efficiently track issues with a single click.

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Scope of work and proposed fees

Scope of work

- An audit of the **annual consolidated financial statements** of Impact Developer & Contractor SA (referred as the Company) as of and for the years ending 31 December 2024, 31 December 2025 and 31 December 2026, prepared in accordance with the Order of Ministry of Public Finance no. 2844/2016 for the approval of Accounting Regulations conforming to International Financial Reporting Standards, as further amended (“Order no. 2844/2016”) and issuance of an audit report on whether the financial statements give a true and fair view of the consolidated financial position of the Company as at 31 December 2024, 31 December 2025 and 31 December 2026 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the requirements of Order no. 2844/2016;
- Reporting, in accordance with articles 20 and 34 paragraph (2) of the Accounting Regulations conforming to International Financial Reporting Standards, as approved by Order no. 2844/2016 (“Accounting Regulations approved by Order no. 2844/2016”) on the administrators’ report prepared by the administrators of the Company as of and for the year ended 31 December 2024, 31 December 2025 and 31 December 2026 in accordance with the articles 15-19 of the Accounting Regulations approved by Order no. 2844/2016;
- Performing a reasonable assurance engagement on compliance of the consolidated financial statements and of the separate financial statements, as included in the annual report, with the requirements of the Commission Delegated Regulation (EU) 2018/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format (the “RTS on **ESEF**”) and reporting as part as our independent auditor’s report on whether the consolidated financial statements comply, in all material respects, with the requirements of the RTS on ESEF;
- An audit of the **annual separate financial statements** of the Company as of and for the years ending 31 December 2024, 31 December 2025 and 31 December 2026, prepared in accordance with the Order of Ministry of Public Finance no. 2844/2016 for the approval of Accounting Regulations conforming to International Financial Reporting Standards, as further amended (“Order no. 2844/2016”) and issuance of an audit report on whether the financial statements give a true and fair view of the unconsolidated financial position of the Company as at 31 December 2024, 31 December 2025 and 31 December 2026 and of its unconsolidated financial performance and its unconsolidated cash flows for the year then ended in accordance with the requirements of Order no. 2844/2016;
- Reporting in accordance with article 35 paragraph (2) of the Accounting Regulations approved by Order no. 2844/2016 on the consolidated administrators’ report prepared by the administrators of the Company as of and for the year ended 31 December 2024, 31 December 2025 and 31 December 2026, in accordance with the articles 26-28 of the Accounting Regulations approved by Order no. 2844/2016;
- Issuance of the **Additional report to the audit committee**, in accordance with the requirements of the Article 11 of the Regulation (EU) no. 537/2014 of the European Parliament and of the Council on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC, in Romanian language;

Scope of work (cont.)

- Issuance of a letter to the management of the Company ("**Management Letter**") that will include (i) matters identified during the audit of the financial statements, that have significant financial impact and are related to internal control and management systems, as well as (ii) recommendations made for remediation of the identified deficiencies. Our audit work is designed to enable us to form an opinion on the financial statements of the Company, as a whole, and it should not be relied upon to disclose all deficiencies that may exist in relation to internal accounting controls, nor to disclose errors that are not material in relation to those financial statements. The above-mentioned Management Letter may not refer to all deficiencies and errors existing within the Company;
- Reading the **Remuneration Report** prepared by the Company in accordance with the requirements of article 107 of the Law no. 24/2017 regarding the issuers of financial instruments and market operations, republished, as further amended ("Law no. 24/2017") in order to determine whether it presents, in all material respects, the information required by article 107, paragraphs (1) and (2) of the Law no. 24/2017;
- Issuance of an **assurance** report on the reporting schedule prepared by the Company with respect to **related parties transactions** (two reports per year);
- **Issuance of Consent Letters.**
- An **audit of the annual financial statements of Bergamont Developments Phase II SRL, Bergamont Developments SRL and RCTI Company SRL** as of and for the years ending 31 December 2024, 31 December 2025 and 31 December 2026, prepared in accordance with the Order of Ministry of Public Finance no. 1802/2014 for approval of Accounting Regulations regarding the annual separate financial statements and annual consolidated financial statements, as further amended ("Order no. 1802/2014") (referred to as "financial statements") and issuance of an audit report on whether the financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, 31 December 2025 and 31 December 2026 and of its financial performance and its cash flows for the year then ended, in accordance with the requirements of Order no. 1802/2014;
- Reporting, in accordance with article 563, paragraph 4 of the Accounting Regulations regarding annual separate financial statements and annual consolidated financial statements, as approved by Order no. 1802/2014 ("Accounting Regulations approved by Order 1802/2014") on the administrators' report prepared by the administrators of Bergamont Developments Phase II SRL, Bergamont Developments SRL and RCTI Company SRL as of and for the year ended 31 December 2024, 31 December 2025 and 31 December 2026, in accordance with articles 489 – 492 of the Accounting Regulations approved by Order no. 1802/2014;
- Issuance of an **assurance report** on the Company's **ESG Report** for the years ending 31 December 2025 and 31 December 2026;

Our proposed fees

We know what it takes to deliver a quality audit, and our proposed fee does not compromise on either quality or client service. We have scoped the level of work required based on what you have told us and on our wider experience with similar companies.

Clear, transparent and competitive fee

We believe in being very open in the way we work with clients, and our approach to fees is no different. In offering Impact Group a cost-effective audit of the highest possible quality, KPMG's fees will be completely transparent with no hidden charges. Our goal is to be competitive without sacrificing quality and to provide genuine value for money, which is a tougher benchmark than merely competing on price.

We will ensure that senior staff will be highly engaged in all major activities, including significant participation of Partners to ensure prompt clarification of any issues that may arise and a smoother audit process.

Should we anticipate that the time required for the assignment might significantly exceed our estimate due to us encountering significant delays in the receipt of documentation or due to unforeseen problems arising, we will inform management at the earliest opportunity. Any overruns will be billed on the basis of an average hourly rate of EUR ____ (or RON equivalent).

Payment deadlines

We expect to submit our invoices as follows: ____% on the signing date; ____% at the start of year end audit work; ____% upon delivery of the signed report. Invoices will be issued in accordance with the provisions of tax legislation and are due for payment ____ days from the date of issue.

A penalty of ____% will be charged for each day of delay to invoice payments.

Transition and first year audit additional costs

Delivering a smooth transition will require our team to spend time on the transition process. Moreover, the first year audit requires additional effort to understand the business and document processes.

This includes meetings with your incumbent auditor and time spent on work paper reviews, setting up our audit files, meetings with management and relevant finance and operational teams to get an understanding of processes, as well as updating the risk assessment and planned audit procedures.

Based on our experience with audit rotations in the past, in general we estimate the additional costs of the first year audit will be more than ____% of the base of the audit fee. KPMG will absorb these costs as we consider this an investment in our long-term relationship with Impact Group and therefore these costs have been partially included in the fee proposal presented in the table on the next pages.

Out of pocket expenses and tech fees

In addition, costs of outlays are billed for reimbursement. Outlays will include both directly incurred costs (e.g. travel and accommodation) and an amount equal to 3% of the value of the fee to cover costs for the following: our IT infrastructure and hosting capability; data management, data protection and cybersecurity solutions; function-specific licenses; administrative support costs; costs for retaining documents due to statutory retention periods; telecommunications expenses and related costs. Fees exclude VAT or equivalent taxes.

Our proposed fees (cont.)

Scope of work	YE 2024 (€)	YE 2025 (€)	YE 2026 (€)
Total audit fee for IMPACT individual and consolidated FS and audit of subsidiaries	180,400	196,000	210,000

**)The above fees are exclusive of VAT.*



Our proposed fees (cont.)

Audit contract additional fee considerations

Fees will be reviewed annually to reflect the following impacts:

- Scope, controls system and/or perimeter changes
- Significant changes in the Group's activity
- Indexation mechanism for recurring engagements linked to inflation or increase in salaries index

Other Fee considerations:

- Fees include the deliverables for the entities described in the scope of work only
- Fees are based on client teams collaborating in the preparatory work as well as the availability of key personnel at the requested time during field work
- Fees are based on the client's IT systems and teams contributing to the deployment of Audit tools
- Any transition costs and other investments assumed by the auditor are subject to the contract not being terminated early
- For those specific audit areas for which scope and audit effort cannot be reliably estimated at the outset (e.g. M&As, going concern, system migration), the applicable fee will be agreed closer to the occurrence

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Disclaimers & assumptions

Disclaimers and assumptions



This proposal is made by KPMG Audit SRL, a Romanian limited liability company and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.



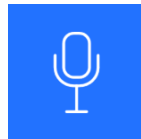
This proposal is in all respects subject to the negotiation, agreement, and signing of a specific engagement letter or contract.



The Management of the Company is solely responsible and fully liable for providing to us the relevant information for the purposes of performing the Services and bears full responsibility and liability for the representations given to us for the purposes of performing the Services.



Provision of the services included in this proposal is subject to satisfactory completion of our mandatory client acceptance and other risk management procedures including identification of any possible conflicts of interest which would preclude us from performing these services.



KPMG International provides no client services. No member firm has any authority to obligate or bind KPMG International or any other member firm towards third parties, nor does KPMG International have any such authority to obligate or bind any member firm.



The issuance of our reports and adherence to the timetable are conditional on the receipt of the required information and documentation, access to personnel, appropriate response to questions in due time, receipt of signed representation letters, receipt of signed and properly approved financial statements and payment of fees.



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The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

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