CONTENTS **Page**

Letter to the Management	1
Report of Factual Findings	3
Section I. Financial Information subject to Audit	3
Section II. Procedures Performed and Factual Findings	3
II.1. General procedures	5
II.2. Procedures to verify conformity of Expenditure with the Budget and Analytical Review	9
Section III. Report of the Auditor's Assignment	9
Section IV. Results of Activities	12

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ALKONT AUDIT FIRM

PRIVATE AND CONFIDENTIAL

To the management of Public Association "Nord Press Club" Balti, Republic of Moldova

Subject: Financial Statements of the Project activities for the period January - December 2025

LETTER TO THE MANAGEMENT

According to the agreement no. 0726 NGO dated 06.07.2026, the audit firm "Alkont" L.L.C. performed the audit of financial statements of the Public Association "Nord Press Club" which comprise the balance sheet as at December 31, 2025, the income and expenditure statement of charges in sources of funding for the year that ended, and notes to the financial statements, including a summary of significant accounting policy.

The purpose of this letter is to draw your attention to several findings depicted by us throughout the audit. The respective issues are presented further on the pages of the attached report. Our objective while drawing up this report is to use the gathered by us information during an audit in order to make certain comments and suggestions useful for you. However, please note that the primary objective of our verification is to express an opinion on financial statements, and therefore we do not aim at a specific testing of the internal control system. Thus, this verification should not be relied upon to detect all material misstatements and shortcomings that may exist. In addition, this report is not to be considered as an attestation opinion, neither shall it diminish or exempt you of responsibility to settle an adequate internal control system.

This report is a part of our continued dialogue between the Association "Nord Press Club" (further NPC) and us have been intended solely for use in the management of the Projects, NPC and donors.

For this reason, it is our consideration that the given report shall not be made available to third parties, and in case if third parties shall obtain a copy of the report without our written prior consent, we shall not be held liable for their relying on it.

We also note that the NPC's Management is responsible for the design and implementation of a proper internal control system. As part of the internal control system, we have analyzed the control environment by looking at the following areas:

- Managing bank accounts;
- Accounting records and systems;
- Managing procurement of goods, works and services;

We would like to point to your attention some observations, which might have been more detailed NPC, if we had performed a detailed NPC internal control assessment.

Standards and Ethics

Our engagement was undertaken in accordance with:

- The International Standard on Auditing (with the application of ISA 800 "Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks" and ISA 805 "Audits of Single Financial Statements and Special Elements, Accounts or Items of a Financial Statement";
- The Code of Ethics for Professional Accountants issued by the IFAC.

Sources of Information

The Report sets out information provided to us by you in response to specific questions or as obtained and extracted from your accounts and records.

Use of Information-

This information is intended solely for the purpose set forth above under the objective.

This letter is prepared solely for your own confidential use and solely for the purpose of submission by you to the donor in connection with the Agreement.

This management letter may not be relied upon for any other purpose, nor may it be distributed to any other parties.

This letter relates only to the Report specified above, and does not extend to other financial statements.

This information is intended solely for the management of NPC and donors while Audit Firm Alkont is not responsible before the third parties that could use this information for any purposes.

Auditor Alla Kulikovskaia

August 25, 2026

REPORT OF FACTUAL FINDINGS

Reason for the audit

The audit was foreseen in the 2025 Annual Audit Plan and was performed on the basis of Contracts and Specific Contract Terms with donors.

I. Financial Information subject to Audit

The financial information subject to audit includes balance sheet data, income, and expenses stated in the financial statements of projects and other statutory activities for the period from January 1, 2025 to December 31, 2025.

- Statutory documents regulating activities.
- Balance sheet indicators: Long-term asset, Current assets, Equity and Liabilities.
- Financial indicators for statutory activities: Receipt of targeted financing fund, Expenditures of targeted funding, other receipts and expenditures.
- Financial reporting for donor projects and financial reporting to local regulatory authorities.
- Agreements, contracts, acts, bank documentation, invoices, and other primary original financial documents

II. Procedures Performed and Factual Findings

We have performed specific procedures for expenditure verification of the of the NPC activities under the projects in 2025.

These procedures include:

- General Procedures
- Procedures to Verify Conformity of Expenditure with Budget and Analytical Review

Within this expenditure verification, we have applied the rules of expenditure selection and the principles and criteria for verification coverage under NPC Project activities.

The total revenue verified by us - 100% and total expenditure verified by us amounts to MDL 3 820 867 and is summarized in the table below.

The overall Expenditure Coverage Ratio is 50%.

No	Program Activities	Revenues			Expenses		
		Reported	Verified	%%	Reported	Verified	%%
1	Building young people's resilience to disinformation	289 670	289 670	100%	404 317	315 367	78%
2	Building Resilirnce : Through Innovation and Collaboration (BRIC)	1 300 664	1 300 664	100%	1 087 414	543 707	50%

3	Building young people's resilience to disinformation	499 203	499 203	100%	355 179	248 625	70%
4	Breaking Barries: Story Centred Journalism Against Discrimination and devision	220 027	220 027	100%	219 757	182 399	83%
5	Developing online informative content for young people in the Republic of Moldova	195 820	195 820	100%	195 820	176 238	90%
6	Beyond Differences: Strengthening Social Ties through Media	555 379	555 379	100%	553 447	The project was audited by FORVIS MAZARS AUDIT Firm	0%
7	Equal, Roles, Shared Responsabilities:ECO-GENDER in Moldova	387 358	387 358	100%	386 175	The project was audited by FORVIS MAZARS AUDIT Firm	0%
8	TV Nord for Better Transparency in Local Decision-Making	19 250	19 250	100%	83 924	83 924	100%
9	Democraty in Motion : election and political Trajectory	353 616	353 616	100%	435 310	174 124	40%
10	Supporting Independent Media and Reliable Information in Moldova	19 871	19 871	100%	48 524	41 245	85%
11	Resilins an Flexibility the pillars of team building	19 065	19 065	100%	48 192	40 963	85%
12	ProElect - Promote accountability in Electoral processes in EaP through increased patricipation and capacity of civic actors	263 417	263 417	100%	254 551	170 549	67%
13	Supporting Independent Media and Reliable Information in Moldova	107 698	107 698	100%	107 698	101 236	94%
14	Supporting Independent Media and Reliable Information in Moldova	88 523	88 523	100%	-	-	0%
15	TV NORT in The Northern Region 2.0	1 214 299	1 214 299	100%	950 158	437 073	46%
16	TV NORT in The Northern Region 2.0	12 197	12 197	100%		-	0%
17	PROJECT IFPIM ref. 259	1 746 694	1 746 694	100%	390 930	390 930	100%
18	Rapid intervention fund: independent press - national priority	351 753	351 753	100%	390 513	312 410	80%
19	Mentorship programm: Qurium Media Foundation	78 553	78 553	100%	78 553	-	0%
20	Strengthening the capabilities of the regional TV NORD News Portal	625 188	625 188	100%	548 027	257 573	47%
21	Subgrant SGR IN MD1724 - FD 118	14 419	14 419	100%	240 906	The project has been interrupted.	0%
22	Financial resilience in the digital age		-		147 268	The project has been interrupted.	0%

23	Transparency and Integrity through effective information	368 100	368 100	100%	272 416	The project has been interrupted.	34%
24	Promoting EU investments through information	15 385	15 385	100%	63 718	63 718	100%
25	Quality water for life and health	94 400	94 400	100%	94 400	94 400	100%
26	Donation for Transportation	15 000	15 000	100%	15 000	15 000	100%
27	Donation 500 EUR for Copyright contract	9 915	9 915	100%	9 915	9 915	100%
28	Media for inclusion the realities of Young people with hearing impairments	84 000	84 000	100%	30 001	30 001	100%
29	Strategy for sustainability. Local media - a viable model.	131 369	131 369	100%	131 369	131 369	100%
30	Strategy for sustainability. Local media - a viable model	152 000	152 000	100%	37 893	The project was audited by Moldauditing Audit firm	0%
		9 232 833	9 232 833	100%	7 581 375	3 820 767	50%

We have verified the selected expenditure as shown in the above summary table (see Financial Report Annex 1), and for each selected item, we have carried out the verification procedures specified under points II and III of this report for the expenditure verification. We report our factual findings resulting from these procedures below.

II.1 General Procedures

Terms and Conditions of the Grant Agreement

We have obtained an understanding of the terms and conditions of NPC Project Agreements in accordance with the donor requirements for audit.

The main purpose of the audit control was to determine the reliability of financial statements and compliance of economic and financial operations carried out by NPC with the conditions stipulated by the donors on implementation of the Projects and standard acts of the Republic of Moldova.

Primary documents and accounts of the organization were verified and analyzed within the audit, including the control of:

- Targeted financing received for project purposes;
- Primary documents for application of donated funds and their record in accounting books;
- Record of expenditure according to budget items;
- Operations that imply relations with tax authorities of the Republic of Moldova.

The control was performed in compliance with the Law on Accounting, International Auditing Standards, and National Fiscal Rules.

The control was performed sections of the financial statement based on the detailed and selective methods.

Objects of audit control	Audit Findings
II.1.1 Anti-Corruption Policy Fighting corruption is a main principle in the cooperation with foreign donors. Partners receiving funds from NPC are required to implement measures in order to prevent, discourage and detect all illegal and inappropriate methods of project management or other forms of grant utilisation. The Anti-Corruption Policy of the NPC is approved by NPC management and posted on the organization's website	As a result of our audit, no situations were identified that would cast doubt on the legal management of the financial means for project activity.
II.1.2 Internal control The NPC allowed controlling the entire process of financial transactions within the activity: from the approval and selection of service providers to the control over the provision of services. This is confirmed by the presence of acts on the inventory operations, control over their use. The work of the staff was also controlled. Working time was calculated, and acts on delivery of works and services were drawn up. For the procurements NPC applies the National Accounting Standards, which comply with the requirements stipulated in the Agreement with donors.	In general, the auditors confirm the adequacy of the internal control system for the audited financial situation.
II.1.3 Financial Report for the reporting period 2025 The audit examined the reports for donators for the period of January – December 2025.	The report for the reporting period is based on the actual data from accounting books. The auditors have compared the data presented in the report with the primary documents and entries in accounting books. The auditors also compared data from previous reports for the 2024 period. As a result, financial data do not contradict

	the reported amounts of income and expenses for previous reporting periods.
II.1.4 Rules for Accounting and Record Keeping. Significant Accounting Policies The financial statements of the NPC are drawn up in accordance with the National Accounting Standards for adopted in accordance with the requirements of local authorities regarding the particularities of accounting in the non-commercial organisations. The amounts in financial statements are expressed in MDL and reporting to donors in EUR, USD and GBP. The main principle used in accounting is the principle of assessment according to the initial value	At drawing the financial statements, the cash-basis method is used, which means that expenditure related to the use of targeted financing is recognized in accounting books at the moment of their paid and occurrence. In NPC, the moment of occurrence of a financial transaction and payment either coincides or takes a short period of time. Therefore, receivables and payables are not significant (with the exception of targeted financing) for the balance sheet.
II.1.5 Revenue The funds disbursed to NPC in relation to the annual activities were confirmed by the donors NPC, and the auditors agreed these amounts to the figures included in the Beneficiary's Financial Report.	Upon the review of compliance with contractual terms and conditions, criteria for accuracy, recording, completeness and Financial Report disclosure, we have audited the proper calculation of the project income to the NPC funds. All receipts are fully accounted for in accounting and reflected in reports in accordance with the agreement (see Financial Report Annex1).
II.1.6 Cash and bank accounts The NPC generally operates only via bank accounts and do not use petty cash. The Accountant prepares the payment documents, uploads the files to the online banking system for approval and registers financial transactions in the accounts. For payments, the NPC is using e-Banking. The Director and accountant are the persons authorized to sign payment orders or bank transfers. We examined the bank account and bank office card used especially and exclusively for the monetary transactions of NPC. We examine all incoming project disbursement transactions, including	Financial transactions with cash are carried out in full compliance with the rules for accounting for cash on bank accounts and local legislation. The balances at the beginning and end of the reporting periods correspond to bank statements and accounting registers in the accounting department. All receipts and expenses of targeted funding were reflected in the accounting registers in full, at the official exchange rate on the day they were received and correspond to the Financial Statement for

especially accuracy and completeness of records and evidence of exchange transactions from EUR, USD and GBP into national currency (MDL). Specifically, the cash expenditures reconciled with the supporting documents, the location and timing of occurrence, as well as payment registration.	reporting period 2025.
II.1.7. Managing Procurement of Goods, Works and Services During our audit procedures and performed tests we were guided by the instructions set out in the donor agreement for projects. We have identified that: - Cash payment is accepted only based on supporting documents. This condition is properly fulfilled by the organization; - All the source documents at the basis of accounting records are filled out in compliance with the legislation in force and have supporting signatures, tax codes, and stamps; - The received tangible assets have been registered based on payment documents and tax invoices according to the amounts indicated in the supporting documents; - Expenses have been reflected in accounting based on retirement records of tangible assets, in compliance with project budget items; - Consumables agree with the inventory documents as of the corresponding date.	For the period from January to December 2025, NPC had procured goods and services. Asset costs correspond to the local prices for similar products and services. The organization processes major procurements of goods and services based on contracts with suppliers. The auditors have not revealed any cases of staff covering personal expenses or making other payments not stipulated in the budget.
II.1.8 Responsible persons We check whether the person(s) with the authority to manage the bank account is the same or is included in the number of persons officially authorized to represent the activities of NPC. During the audited period, the executive director Viorica Bugulean, who signed all contracts and agreements with individuals and legal entities, is the officially authorized representative of the activities of the NPC. The banking is done by the executive director Viorica Bugulean, and the accountant, Ana Schiopu.	This information is consistent with official NPC documents, as well as orders and appointments.

II.2 Procedures to verify conformity of Expenditure with the Budget and Analytical Review

Objects of audit control	Audit Findings
II.2.1 Budget of the Project Expenditure The budget of projects was approved by donors' NPC for the period 2025 and is drawn up in EUR, USD or GBP and corresponds to the approved one in accordance with the agreements with donors. The expenses in the annual financial reports amount of MDL 9,232,833, which corresponds to the accounting data.	The budget presented in the financial reports of the projects is identical to that specified in the agreement with the NPC donors. The Project financial statements include a comparison between approved budget and actual costs for each budget line for the reporting period. As a result of the project expenditure control, the auditors have not revealed any unauthorized deviations from budget items, adopted by donors; - Deviations from the budget line in the amount of +-10% were agreed with the donors and explained to the auditor.
II.2.2 Project accounting We examine the various project bookkeeping accounts with their supporting documents of receipts and payments in the national currency and was verify whether a clear distinction has been maintained between amounts actually paid out at the point of time when the accounting period ends and payments not yet effected but to be recognized as expenditures for the same period on the basis of the obligations incurred.	It should be noted that all payments for the project costs were made on the basis of submitted invoices, contracts and fiscal invoices. The time difference between receiving invoices and paying is not significant, so there are no unpaid invoices in the project reports.

III. Report of the auditor's assignment follows auditing contract 0726-NGO on July 06, 2026 and TOR for Financial audit concluded between Public Association "Nord press Club" and Audit firm "Alkont" L.L.C.

We provide evidence of the sufficiency of the number of audited financial documents and calculations to support the declared costs of actives and liabilities of financial statements, and costs of the project expenditure, based on materiality and risk.

Within this verification, we have applied the rules of expenditure selection and the principles and criteria for verification coverage under Nord press Club activity.

Financial objects	Reported	Verified	Verified
	MDL	MDL	%%
Tangible Fixed Assets	439 245	335 400	76%
Inventory	305 560	138 332	45%
Receivables	962 251	927 375	96%
Cash	3 399 409	3 399 409	100%
Liabilities	3 251 355	3 213 701	99%
Annual financial statement:			
Revenues (cash inflows)	7 624 617	7 624 617	100%
Expenses (cash outflows), including:	7 005 029	3 572 565	51%
Personnel (salaries and taxes)	1 646 708	1 317 366	80%
Social Insurance	478 689	382 951	80%
Copyright contracts	2 056 823	1 028 412	50%
Transportation: Fuel and lubricants	634 422	234 736	37%
Rental services	366 460	109 860	30%
Project materials	291 777	101 000	35%
Communication	62 712	21 000	33%
Video materials, publications	298 265	95 000	32%
Services	459 760	159 311	35%
Office expenses	277 254	58 000	21%
Other expenses	432 159	64 929	15%
Total amounts	**22 987 466**	**19 211 399**	**84%**

The total amount of NPC financial objects audited by us is 84%.

We have verified the selected amounts as shown in the above summary table, and for each selected item, we have carried out the verification procedures specified under points II and III of this report for the audit verification.

III.1. Correspondence of the NPC Financial Report with the accounting records and reporting principles.

- During the audit, the correctness of the presentation of the entries in the financial statements and their correspondence to the entries in the Balance Sheet for the year ended 31.12.2025 was verified. As a result of the procedures performed, we found:
- The financial report presented by NPC is prepared according to the requirements of the Law on Accounting and Methodical Indications of the Ministry of Finance of RM. Also, reports on targeted funds were compiled based on instructions from donors and funding organizations. It is important to note that the accrual accounting method is used when drafting financial statements, which is acceptable for this type of CPD's financial report to local authorities. Cash method is used to report on targeted financing to donor organizations;
- The correspondence of the economic facts records in the accounting records with the Accounting Policy was verified;

- Accounting entries were compared with primary documents as tax invoices, acts of completion of works and services;
- The expenses incurred were disclosed in the reports on the use of financial means;
- The costs incurred are recorded based on sufficient supporting documents to be considered eligible.

III.2. Compliance with internal policies and procedures in the procurement process of goods and services:

- Following the examination of the procedures and documents related to the procurement process – supplier contracts, it was found that the procurement procedures are applied according to the NPC procurement policy which does not contradict local legislation;
- The procurement procedure for goods and services presents the stages and manner of conducting the procurement, the designation procedure, and the special provisions related to the some particularities of the procurement process in order to ensure an efficient and transparent process;
- Procurement procedures were conducted following internal regulations and policies, in accordance with the principles of the NPC procurement process.

III.3. Use of financial means, including debited salary costs, according to destination, frequency of payment of project salary costs, and quantification of time worked:

- Project budgets are met, all expenses incurred are disclosed in the donation reports, and no payments have been made for purposes stated in the donation reports. No deficiencies were found in the audit of payroll expenses by comparing the payroll payments of employees simultaneously employed on different projects with the actual time worked for each project (Basis - timesheets for each individual project and for all projects);
- We have to mention that social and health insurance contributions have been correct. The tax and salary contribution calculation function is automated and performed by accounting software. Payroll software testing has not revealed significant deviations from salary records and tax legislation. The auditors believe that costs of staff and other specialists assigned to projects have been calculated based on the salary agreed in the project budgets.

III.4. We examine the propriety of project accounting records and their conformity with the project agreements in all their parts, as well as with relevant local regulations:

- NPC keeps project accounting records in accordance with the project agreement and approved budgets for all of their items. Accounting is consistent with the local tax law and accounting practices in NGOs.

IV. Results of Activities

Having performed the audit procedures, we can state with a sufficient degree of certainty that project financial statements correspond to the accounting data and supporting source documents:

- At drawing the financial statements, the accrual accounting method is used for reporting for local authorities, and for reports to donation organization cash method which is acceptable for this type of NGO;
- The financial report includes a comparison between the actual costs of activities and budgeted costs for every budget item as approved by NPC. Project expenses correspond to budget items;
- All the money transfers were made on the basis of received invoices, and all the essential expenses incurred on the basis and agree with the conditions of the agreements with the related organizations and annexes to those agreements;
- The salary costs were debited to the projects, and were verified by supporting documentation. Direct costs of personnel agree with gross salaries (including social and health insurance) and with the tax reporting;
- The auditor did not identify expenses without supporting documents;
- Organization complies with tax laws as part of project activities;
- The NPC complies with the procurement conditions specified in the Agreements with donors;
- Accounting books correspond with cash flow in bank accounts;
- Tangible assets procured from the targeted financing sources exist and are owned by the NPC Association;
- All the operations in the accounting books are reflected as of the period of the actual occurrence;
- The received funds are registered in accounting books in the total volume.

Auditor Alla Kulikovskaia

The report was read by:

Executive Director Viorica Bigulean

Accountant Ana Schiopu

Chisinau, August 25, 2026