



## Advisory Engagement Agreement

### PARTS AND CONTEXT

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**ALFRED Smart Systems (ALFRED or the Client, going forward)** a company organized and existing in accordance with the laws of Spain and holder of Spanish Tax ID number (N.I.F.) B66980087 is a end-to-end Smart Building solution with HQ in Barcelona providing plug&play technologies to gain control as well as energy efficiency by digitalizing and managing any space.

ALFRED is in a position to unblock growth through capital and deploy the teams to manage and execute to achieve a successful performance on such stage. Accompanying the Capital of ALFRED with the right Equity and/or Debt partners would make a difference on how to face this regulatory opportunity.

**IKON we trust S.L. (IKON or the Service Provider going forward)** a company organized and existing in accordance with the laws of Spain and holder of Spanish Tax ID number (N.I.F.) B56181266 is a Barcelona Based firm that works with frontier tech companies. The firm provides multiple services by adding value to the internal financial function and it works as the right hand for Founders and CEOs on defining and pursuing the financial strategy for the Company.

Our Team is led by 3 Partners with an average of 15-year experience in the Venture Backed ecosystem by leading the Finance function of multiple Companies from early to growth. Our sector-agnostic backgrounds ensure quick understanding of the business and markets where the Company operates in. This, together with an extensive network of investors at different sectors and stages help companies move to the next stage of their development and ultimately managing paths to liquidity.

## SCOPE OF WORK

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Among other services, IKON takes on the CFO role for companies from early stages to growth, builds and manages the team for the Client, sets the basis for a sustainable growth by modeling, defining and implementing processes, metrics and reporting. IKON also accompanies the Client on their fundraising processes thus preparing the model to approach different level of investors as well as the necessary information and deliverables (Business Angels, Venture Capital, Private Equity or Corporate investors). IKON could take one step further on the fundraising by managing the pipeline and granting access to equity and debt providers as well as taking part on the BoD to manage investors' expectations upon fundraising is closed.

This agreement describes how IKON will partner ALFRED to get Fundraising Advisory Services (The Services) in a month-by-month automatic renewal starting on September 1, 2023. Prior to this agreement, services have been provided under a Professional service agreement directly hold between ALFRED and Maria Fierro Massana, holder of Spanish ID card number 52309816L from September 1, 2022 to August 31, 2023.

Maria Fierro Massana will continue leading the project as **PARTNER** at IKON with a dedication of 10% of her time to assist ALFRED on the following areas:

- Defining the path for the next 3-5 years
- Building or contributing to build the Model with the VC required structure and analytics
- Definition of the best financial strategy to follow the defined path thus combining Debt and Equity Facilities.
- Manage timings to fundraising with tracking evolution of investors' funnel
- Manage data for fundraising including Data Room preparation and prior internal high level financial Due Diligence
- Manage proposals, liaise and coordinate with relevant stakeholders for round structuring and negotiation (E.g. Legal partners)
- Capital Syndication execution:
  - Introduce and manage relationships with finance providers with the goal to get several term sheets for consideration by ALFRED. Those finance providers will basically be Equity providers: Identify and approach the right equity firms that provide capital in exchange of ownership expecting to contribute and provide added value support in scaling up the company (smart money)

Based on the defined strategy and upon agreement with ALFRED the following finance providers may also be included in the scope:

- Debt providers: revenue-based debt providers, debt funds or traditional debt providers
- Hybrid providers, normally providing debt this keeping a small part of equity (kicker)

## ADVISORY FEES

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This is an on-going automatic renewal fixed fee retained services with a monthly cost of 2.500 EUR per month increased or decreased based on the applicable tax obligations.

Additionally a 0.025 EUR for every EUR raised within Series A, will be compensated as a bonus. Such bonus payment shall occur no later than seven (7) days after ALFRED receives first investment.

### Payment terms

Invoices will be generated based in mutual agreement of both parties by the 20<sup>th</sup> of the month where services have been provided and will be payable the 25<sup>th</sup> of that same month

Invoices issued in the period between September 1, 2022 and August 31, 2023 will be paid directly to Maria Fierro Massana as part of the prior professional service agreement. Invoices generated from September 1, 2023 onwards will follow payment instructions printed in them.

### Travel expenses

Reasonable, justified and necessary travel expenses will be billed to the Client when incurred. IKON will gain approval in advance for all travel and expenses above 200€ and will provide the Client with supporting documentation for any and all expenses incurred during the course of delivering the services described in this Scope of Work. IKON could use their internal reports for expenses or follow ALFRED policies and procedures.

## AMENDMENTS

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Amendments to the Service, priorities and deliverables outlined in this Agreement can be made at any time during the duration of this engagement with mutual written agreement among the involved parties.

IN WITNESS WHEREOF, the parties have caused their duly authorized representatives to execute and approve this Agreement in Barcelona as of September 1 2023

**ALFRED SMART SYSTEMS S.L.**

Signed:

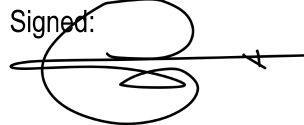
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MANUEL BERJA  
(R: B66980087)

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+02'00'

Manuel Berja  
Co-Founder and CEO

**IKON WE TRUST S.L.**

Signed:



Maria Fierro  
Partner

## TERMS AND CONDITIONS

**Performance of Services.** IKON Partner agrees to use its best efforts to perform (or cause to be performed) The Services set forth in the related Agreement according to the Scope of Work.

**Client's Obligations.** Client acknowledges that IKON's access to Client's facilities and equipment, and assistance, cooperation, and complete and accurate information and data from Client and Client's officers, agents and employees ("Cooperation") is essential to the performance of the Services, and that Advisor shall not be liable for any deficiency in performing the Services if such deficiency results from Client's failure to provide full Cooperation as required hereunder. Cooperation includes, but is not limited to, availability of the CEO and Executive Team to interface with IKON Partner during the course of the Services, and allocating and engaging additional resources as may be required to assist in performing the Services.

### **Payments. Fees.**

Client shall pay IKON the fees as set forth in The Agreement under the provision entitled "Payment Terms" in accordance with the terms and conditions set forth therein. Late payment fees may apply upon 60 days from invoice date at the average monthly rate of Euribor-1year according to the ECB.

**Term and termination:** This Agreement ("Agreement") will commence on the date of the acceptance of the proposal and will continue until final completion of the Services or termination. This Agreement may be terminated at any time by either party giving notice to the other at least thirty (30) days prior to the termination date, without compensation.

**Independent contractor:** Nothing in this Agreement shall be construed to constitute IKON Partner as an agent, employee, or representative of the Client, but shall perform the Services hereunder as an independent contractor. IKON agrees to furnish all tools and materials necessary to accomplish this contract, and shall incur all expenses associated with performance, except as expressly provided on The Agreement.

**Use of logo:** The Client authorizes IKON to use of its name and logo on locations such as IKON web site as a general list of customers and referenced in corporate and promotional materials, without prejudice to the Client's right to revoke this authorization at any time, by written notice.

**Exclusivity:** The Partner may not provide the same or similar services to an entity which is a competitor of the Client. Any entity that engages in the businesses of managing, sorting, providing traceability services and recycling of textile waste or post-consumer textiles in any country of the European Union and/or the United Kingdom, shall be considered a competitor of the Client. This

obligation shall bind The Partner for the entire duration of this Agreement and any additional two years following its expiration.

**Confidentiality:**

(a) "Confidential Information" means any proprietary information, technical data, trade secrets or know-how, including, but not limited to, research, product plans, products, services, customers, customer lists, markets, software, developments, inventions, processes, formulas, technology, designs, drawings, engineering, hardware configuration information, marketing, business plans, finances or other business information disclosed by the Client either directly or indirectly in writing, orally or by drawings or inspection of parts or equipment.

(b) IKON will not, during or following the expiry of the term of this Agreement, use the Confidential Information for any purpose whatsoever other than the performance of the Services on behalf of the Client. It is understood that said Confidential Information shall remain the sole property of the Client. IKON further agrees to take all reasonable precautions to prevent any unauthorized disclosure of such Confidential Information including, but not limited to, having each employee or subcontractor of IKON, if any, with access to any Confidential Information, execute a nondisclosure agreement containing provisions in the Client's favour identical to provisions of this Agreement. Confidential Information does not include information which (i) is known to IKON without confidentiality restrictions prior to the time of disclosure by the Client as evidenced by written records of IKON, (ii) has become publicly known and made generally available through no wrongful act of IKON or its employees and subcontractors, or (iii) has been rightfully received by IKON from a third party who is authorized to make such disclosure.

(c) IKON will indemnify the Client and hold it harmless from and against all claims, liabilities, damages and expenses, including reasonable attorneys' fees and costs of suit, arising out of or in connection with any violation or claimed violation of a third party's rights resulting in whole or in part from the Client's use of the work product of IKON under this Agreement.

(d) Upon the termination of this Agreement and upon the Client's request, IKON will (i) promptly deliver to the Client all Confidential Information, without retaining any copies, and (ii) promptly destroy analyses, studies, and other documents prepared based on the Confidential Information, without retaining copies.

(e) The Partner assumes the same confidentiality undertakings vis-à-vis the Client as IKON has assumed under the Agreement.

**Professional liability:**

(a) The total liability of IKON, its partners and employees for damages deriving from services provided under this Agreement is limited to the fees received by IKON for the specific service that give rise to the liability, unless it is finally determined that they are the result of serious negligence or wilful misconduct on the part of IKON's professional personnel.

(b) IKON will not under any circumstances accept liability for any consequential, special or incidental losses, damages or expenses of any kind whatsoever, including, without limitation, loss of profit, of opportunity costs, etc.

(c) IKON's client relationship is exclusively with the Client. Therefore, any service provided by IKON will be provided to the Client alone, and no third parties may be included without IKON express authorization.

**Warranty:** IKON warrants the Services will be performed in a professional and workmanlike manner and that none of such Services or any part of this Agreement is or will be inconsistent with any obligation it may have to others.

**Data protection:** The Client's data will be processed by IKON to manage the relationship with the Client, carry out the provision of services and comply with the legal obligations arising from this. These data will be kept for the time necessary to meet the corresponding legal responsibilities.

IKON only shares the personal data of the Client with other professionals and competent authorities or jurisdictional bodies that require it or by legal obligation and to the extent necessary to comply with the abovementioned purposes. The Client can exercise their rights of access, rectification or suppression, opposition, limitation to the data processing, and portability, in the terms provided in the data protection regulations, by writing to IKON we Trust S.L.: Diagonal 640Planta 6 08017 Barcelona, Spain. Prior proof of their identity must be provided.

**Jurisdiction:** The parties commit to resolve any dispute or controversy arising out of or relating to any interpretation, construction, performance, or breach of this Agreement by amicable means. If the parties do not reach a settlement during a reasonable period of time (and in any case a maximum of 15 business days), they will submit exclusively to the jurisdiction of the courts located in Barcelona, Spain.



IKON will manage the funnel of investors (and debt providers if considered) following the structure below either by utilizing a suggested Tool by the Client or IKONs tools (Excel, Foundersuite, Click-up, Trello among others)

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## EXHIBIT II INITIAL DUE DILIGENCE CHECK LIST

IKON will help prepare the basics for early Due Dilligence prior to Termsheet containing the following documents and/or information:

### **I Investor Deck**

### **II Management and Personnel**

- A. Organization Chart
- B. Current and projected headcount by function and location
- C. List of open positions for which company is hiring or plans to hire in the next 12 months
- D. Summary biographies of senior management
- E. Engineering Team
  - 1. Size and brief description of key personnel

### **III. Competition**

- A. Description of the competitive landscape within each market segment

### **IV. Products / Service**

- A. Detailed Description of product / service
  - 1. Key Problem Technology is solving
  - 2. Competitive Advantage of product compared to alternatives
- B. Product Roadmap
- D. Pricing
- E. Intellectual Property
  - 1. A list of all patents, registered and material unregistered trademarks, service marks and trade names and all registered copyrights and all applications for any of the foregoing.

### **V. Customer Information**

- A. Number of Current Customers
- B. List of strategic relationships
- C. Customer Acquisition Costs & LTV

### **VI. Marketing, Sales, and Distribution**

- A. Go to market strategy and implementation
  - 1. Distribution channels
  - 2. Positioning of the company and its products
  - 3. Marketing opportunities and marketing risks
- B. Principal avenues for generating new business
- C. Sales force
  - 1. Size
  - 2. Sales Cycle

### **VII. Financial Information**

- A. Financial information for the past three years
  - 1. Income statements, balance sheets, cash flows
  - 2. Planned versus actual results
- B. Financial Projections
  - 1. Financial projections for the next three fiscal years
  - 2. Major growth drivers and prospects
- C. Cap Table D. Detailed Use of Funds

## EXHIBIT III DETAILED DUE DILLIGENCE CHECKLIST

IKON will work with the team to prepare the Data Room for a complete external Due Dilligence to be shared to potential investors upon reception of Termsheets. This shall include the following:

### MANAGEMENT AND PERSONNEL

- o Organization Chart
  - o Current and projected headcount by function and location
  - o List of open positions for which company is hiring or plans to hire in the next 12 months.
  - o Summary biographies of senior management, including employment history, age, service with the Company, years in current position
  - o Executive Reference Checks
  - o Compensation arrangements
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- 1. Copies (or summaries) of key employment agreements
  - 2. Benefit plans
    - o Documentation of incentive stock plans and stock option plans
    - o Significant employee relations problems, past or present
    - o Personnel Turnover
- 
- 1. Data for the last two years
    - o All material employment and consulting agreements to which the Company is a party, and all documents representing any bonus, retirement, profit-sharing, incentive compensation, pension, change in control agreements and all other employee benefit plans or agreements of the Company, as amended to date. A list of all material transactions involving the Company and any current or former stockholder, officer, key employee or director of the Company.
    - o Non-competition, confidentiality, non-disclosure, assignment of invention and similar agreements with employees, officers, directors, or consultants of the Company. Please indicate any employees not covered by such agreements

### COMPETITION

- o Description of the competitive landscape within each market segment including:
  - 1. Market position and related strengths and weaknesses as perceived in the market place
  - 2. Basis of competition (e.g., price, service, technology, distribution)

### PRODUCT AND R&D

- o Description of each product
  - o Cost structure and profitability
  - o Product road map 1, 3, 5 year view
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- 1. Status and Timing
  - 2. Cost of Development
  - 3. Critical Technology Necessary for Implementation
  - 4. Risks
    - o Technology architecture and validation by a partner or 3rd party
  - o Description of R&D organization
- 
- 1. Strategy
  - 2. Key Personnel

### 3. Major Activities

#### o IP Ownership

1. A list of all patents, registered and material unregistered trademarks, service marks and trade names and all registered copyrights and all applications for any of the foregoing. Copies of all material royalty, technology and licensing agreements, franchises and conditional sale contracts to which the Company is a party.
2. Issued and pending
3. Open Source or 3rd party dependency

### **CUSTOMER INFORMATION**

- o Customer Reference Checks
- o Total Number of Customers
- o List of top 15 customers for the past two fiscal years and current year-to-date by application
- o List of strategic relationships
- o Revenue by customer
- o Customer pipeline and target customers
- o Brief description of any significant relationships severed within the last two years.

#### 1. Name, contact name, phone number

- o List of top 10 suppliers for the past two fiscal years and current year-to-date with contact information

#### 1. Name, contact name, phone number, purchase amounts, supplier agreements

- o All records maintained by the Company relating to customer complaints

### **MARKETING SALES AND DISTRIBUTION**

- o Strategy and implementation

1. Discussion of domestic and international distribution channels
  2. Positioning of the Company and its products
  3. Marketing opportunities/marketing risks
  4. Description of marketing programs and examples of recent marketing/product/public relations/media information on the Company
- o Principal avenues for generating new business
  - o Sales force productivity model

#### 1. Compensation

#### 2. Quota Average

#### 3. Sales Cycle

- o Any market research summaries or reports.

### **FINANCIAL INFORMATION**

- o Quarterly financial information for the past three years

1. Income statements, balance sheets, cash flows, and footnotes
  2. Planned versus actual results
  3. Breakdown of sales and gross profits by Product Type, Channel, and/or Geography
- o Quarterly Financial Projections

#### 1. Financial projections for the next three fiscal years

- a. Revenue by product type, customers, and channel
- b. Full income statements, balance sheets, cash flow statement

## 2. Major growth drivers and prospects

- o Detailed Use of Funds
- o Pricing structure
- o Explanation of projected capital expenditures, depreciation, and working capital arrangements
- o Future projected financing needs

## Cap Table

1. Current shares outstanding
  2. List of all stockholders documents with shareholdings, options, warrants, preferred shares or notes
  3. Schedule of all options, warrants, rights, and any other potentially dilutive securities with exercise prices and vesting provisions.
- o Summary of all debt instruments/bank lines with key terms and conditions
  - o Other financial information

1. Schedule of financing history for equity, warrants, and debt (date, investors, dollar investment, percentage ownership, implied valuation and current basis for each round)
2. Copies of all credit agreements, loan agreements, security agreements, mortgages, guarantees of third party obligations, lease agreements, notes, and any agreements relating to financings of the company.

## LEGAL AND RELATED MATTERS

- o Pending lawsuits against the Company

1. Detail on claimant, claimed damages, brief history, status, anticipated outcome, and name of the Company's counsel

- o Pending lawsuits initiated by Company

1. Detail on defendant, claimed damages, brief history, status, anticipated outcome, and name of Company's counsel

- o Description of environmental and employee safety issues and liabilities

1. Safety precautions

2. New regulations and their consequences

- o Summary of insurance coverage/any material exposures

- o Summary of material contracts

- o History of SEC or other regulatory agency problem, if any

- o Any and all filings and correspondence with state or federal government agencies or other authorities pertaining to compliance and regulation matters connected with the Company's business (including, without limitation, all FCC filings).

- o All consent decrees, judgments, other decrees or orders, settlement agreements and other agreements to which the Company is a party or is bound, which require or prohibit any future activities.

- o All reports, notices, or correspondence relating to any violation or infringement by the Company of government regulations or the rights of third parties, including, but not limited to, the areas of securities regulation, proprietary rights, tax, equal employment opportunity, occupational safety, and health and environmental protection, antitrust and RICO, and copies of any other material correspondence with federal or state regulatory agencies.

- o Any and all filings with state or federal government agencies or other authorities pertaining to environmental compliance and regulation as well as a description of any hazardous materials stored, manufactured, or located at any facility of the Company, either now or in the past

## CORPORATE DOCUMENTS AND MATERIAL AGREEMENTS

- o Charter documents and by-laws of the Company, as amended since the formation of the Company

- o Minutes or other records of all meetings and actions of the stockholders, board of directors and committees of the board of directors.
- o List indicating each state or jurisdiction in which the Company is qualified to do business, conducts business, or owns, leases, or licenses real property.
- o List of subsidiaries and other entities in which the Company has an equity investment.
- o All significant documents relating to any major acquisitions or dispositions by the Company or currently proposed acquisitions or dispositions.
- o All significant leases of real property and personal property to which the Company is a party, either as lessor or lessee.
- o All material contracts and instruments to which the Company is a party and which are not otherwise covered on this list