

VIRTUS LENDING L.L.C.

**Independent Auditor's Report and
Financial Statements for the year
ended 31 December 2023 prepared
in accordance with International
Financial Reporting Standards
(IFRSs)**

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Management of Virtus Lending L.L.C.

Opinion

We have audited the financial statements of Virtus Lending L.L.C (the Company), which comprise the statement of financial position as at December 31, 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023, and its financial performance and its cash flows for the year ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Organization in accordance with the International Ethics Standards Board for Accountant's International Code of Ethics for Professional Accountant's (including International Independence Standards, IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRSs) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding of the company, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.


BDO Kosova L.L.C.
audit, tax, and financial advisory
Burim Cena,
Engagement Partner

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March 22, 2024

VIRTUS LENDING LLC

Financial Statements

Statement of Comprehensive Income for the year ended 31 December 2023

(Amounts in Euro unless otherwise stated)

	Notes	Year ended 31 December 2023	Year ended 31 December 2022
Interest income	7	825,182	350,923
Interest expense	7	(146,853)	(40,161)
Net interest income		678,329	310,762
Fee and commission income	8	12,757	9,504
Fee and commission expense	8	(11,261)	(3,709)
Net fee and commission income		1,496	5,795
Operating income		679,825	316,557
Credit loss expense on financial leases and loan to clients	5	(84,266)	(26,566)
Credit loss expense on other financial assets		(125)	2,332
Personnel expenses	9	(299,154)	(256,601)
Other expenses	10	(284,670)	(394,916)
Other income	11	19,219	20,780
Profit/(loss) before income tax		30,829	(338,414)
Income tax	12	-	-
Deferred tax expenses	12	(424)	(1,923)
Profit/(loss) for the year		30,405	(340,337)
Other comprehensive income		-	-
Total comprehensive income for the year		30,405	(340,337)

The notes on pages 7 to 55 are an integral part of these financial statements.

VIRTUS LENDING LLC


Financial Statements

Statement of Financial Position as at 31 December 2023

(Amounts in Euro unless otherwise stated)

	Notes	As at 31 December 2023	As at 31 December 2022
Assets			
Cash and cash equivalents	13	134,594	55,192
Finance leases	14	3,484,402	1,673,359
Loans to clients	14	1,328,443	34,892
Property, equipment & RoU Assets	15	78,791	129,278
Intangible assets	16	220,431	267,902
Other assets	17	60,763	37,959
Deferred tax assets	12	12,003	12,427
Total assets		5,319,427	2,211,009
Liabilities			
Borrowings	18	3,740,413	818,143
Other liabilities	19	742,258	577,238
Current income tax		500	9,777
Total liabilities		4,483,171	1,405,158
Equity			
Share capital	20	800,000	800,000
Retained earnings		5,851	346,188
Profit/(Loss) for the year		30,405	(340,337)
Total equity		836,256	805,851
Total liabilities and equity		5,319,427	2,211,009

These financial statements have been approved by the Board of Directors of Virtus Lending LLC on March 22, 2024 and signed on its behalf by:


Hekuran Dajaku
Chief Executive Officer




Ardi Halili
Chief Financial and Operating Officer

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VIRTUS LENDING LLC

Financial Statements

Statement of Changes in Equity for the year ended 31 December 2023

(Amounts in Euro unless otherwise stated)

	Shareholders' capital	Retained earnings	Total
At 01 January 2022	800,000	346,188	1,146,188
Loss for the year	-	(340,337)	(340,337)
Other comprehensive income	-	-	-
At 31 December 2022	800,000	5,851	805,851
At 01 January 2023	800,000	5,851	805,851
Profit for the year	-	30,405	30,405
Other comprehensive income	-	-	-
At 31 December 2023	800,000	36,256	836,256

The notes on pages 7 to 55 are an integral part of these financial statements.

VIRTUS LENDING LLC
Financial Statements
Statement of Cash Flows for the year ended 31 December 2023
(Amounts in Euro, unless otherwise stated)

		Year ended 31 December 2023	Year ended 31 December 2022
Profit/(loss) before tax	Notes	30,829	(338,414)
<i>Adjusted for:</i>			
Depreciation	15	60,082	56,507
Amortization	16	54,251	53,803
Deferred revenues		(13,564)	(12,309)
Assets disposal		1,283	17,053
Impairment loss on financial leases and loans to clients	5	84,266	26,566
Impairment loss on other financial assets		125	(2,332)
Interest income		(825,182)	(350,923)
Interest expenses		146,853	40,161
Operating loss before changes in working capital		(461,057)	(509,888)
Lease and other receivables		(3,190,736)	(358,437)
Accruals and other liabilities		193,081	243,100
		(2,997,655)	(115,337)
Interest received		776,622	381,665
Cash used in operating activities		(2,682,090)	(243,560)
Investing activities			
Purchase of intangible assets	16	(6,780)	-
Purchase of property plant and equipment	15	(10,879)	(50,930)
Cash used in investing activities		(17,659)	(50,930)
Financing activities			
Borrowings received	18	3,190,552	756,728
Borrowings repaid	18	(268,283)	(458,523)
Repayment of lease liability		(37,337)	(35,168)
Interest paid		(105,781)	(959)
Cash generated from financing activities		2,779,151	262,078
Net change in cash and cash equivalents		79,402	(32,412)
Cash and cash equivalents at the beginning		55,192	87,604
Cash and cash equivalents at the year end	13	134,594	55,192

The notes on pages 7 to 55 are an integral part of these financial statements.