

**VIRTUS LENDING L.L.C.**

**Independent Auditor's Report and  
Financial Statements for the year  
ended December 31, 2025  
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, 2025, 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, 2025, 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.




## Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

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, 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**  
BDO Kosova L.L.C.  
audit, accounting and financial advisory  
Prishtina, Kosova

Burim Cena,  
Engagement Partner

BDO Kosova L.L.C.  
Prishtina, Kosovo

April 14, 2026

# VIRTUS LENDING LLC

## Financial Statements

### Statement of Profit or Loss and other Comprehensive Income for the year ended 31 December 2025

(Amounts in Euro unless otherwise stated)

	Notes	Year ended 31 December 2025	Year ended 31 December 2024
Interest income	7	2,229,866	1,383,535
Interest expense	7	(586,777)	(268,906)
<b>Net interest income</b>		<b>1,643,089</b>	<b>1,114,629</b>
Fee and commission income	8	39,139	14,483
Fee and commission expense	8	(74,376)	(13,412)
<b>Net fee and commission income</b>		<b>(35,237)</b>	<b>1,071</b>
<b>Operating income</b>		<b>1,607,852</b>	<b>1,115,700</b>
Credit loss expense on financial leases and loan to clients	5	(60,082)	(87,727)
Credit loss expense on other financial assets		(863)	(2,601)
Personnel expenses	9	(424,601)	(403,655)
Other expenses	10	(754,279)	(404,973)
Other income	11	50,354	32,367
<b>Profit before income tax</b>		<b>418,381</b>	<b>249,111</b>
Income tax	12	(45,903)	-
Deferred tax expenses	12	-	(12,003)
<b>Profit for the year</b>		<b>372,478</b>	<b>237,108</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>372,478</b>	<b>237,108</b>

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 2025

(Amounts in Euro unless otherwise stated)

	Notes	As at 31 December 2025	As at 31 December 2024
<b>Assets</b>			
Cash and cash equivalents	13	125,295	22,895
Financial leases	14	6,394,750	4,997,456
Loans to clients	14	5,380,583	2,783,473
Other cash loans given	18	281,789	224,294
Property, equipment & RoU Assets	15	425,502	71,875
Intangible assets	16	112,484	167,067
Other assets	17	1,295,584	200,084
<b>Total assets</b>		<b>14,015,987</b>	<b>8,467,144</b>
<b>Liabilities</b>			
Borrowings	19	11,871,678	7,166,806
Other liabilities	20	548,467	226,974
<b>Total liabilities</b>		<b>12,420,145</b>	<b>7,393,780</b>
<b>Equity</b>			
Share capital	21	950,000	800,000
Retained earnings		273,364	36,256
Profit for the year		372,478	237,108
<b>Total equity</b>		<b>1,595,842</b>	<b>1,073,364</b>
<b>Total liabilities and equity</b>		<b>14,015,987</b>	<b>8,467,144</b>

These financial statements have been approved by the Board of Directors of Virtus Lending LLC on April 14, 2026 and signed on its behalf by:

  
Hekuran Dajaku  
Chief Executive Officer

  
Ardi Halili  
Chief Financial and Operating Officer

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

## VIRTUS LENDING LLC

### Financial Statements

#### Statement of Changes in Equity for the year ended 31 December 2025

*(Amounts in Euro unless otherwise stated)*

	Shareholders' capital	Retained earnings	Total
<b>At 01 January 2024</b>	<b>800,000</b>	<b>36,256</b>	<b>836,256</b>
Profit for the year	-	237,108	237,108
Other comprehensive income	-	-	-
<b>At 31 December 2024</b>	<b>800,000</b>	<b>273,364</b>	<b>1,073,364</b>
<b>At 01 January 2025</b>	<b>800,000</b>	<b>273,364</b>	<b>1,073,364</b>
Additional paid capital	150,000	-	150,000
Profit for the year	-	372,478	372,478
Other comprehensive income	-	-	-
<b>At 31 December 2025</b>	<b>950,000</b>	<b>645,842</b>	<b>1,595,842</b>

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 2025

(Amounts in Euro, unless otherwise stated)

	Notes	Year ended 31 December 2025	Year ended 31 December 2024
<b>Profit before tax</b>		<b>418,381</b>	<b>249,111</b>
<i>Adjusted for:</i>			
Depreciation	15	93,109	57,735
Amortization	16	54,583	54,804
Deferred revenues		(119)	(111,896)
Assets disposal		8,835	(11,801)
Impairment loss on financial leases and loans to clients	5	60,082	87,727
Impairment loss on other financial assets		863	2,601
Interest income		(2,229,866)	(1,383,535)
Interest expenses		586,777	268,906
<b>Operating loss before changes in working capital</b>		<b>(1,007,355)</b>	<b>(786,348)</b>
Lease and other receivables		(5,088,913)	(3,314,192)
Accruals and other liabilities		275,591	(492,950)
Interest received		2,165,378	1,342,443
<b>Cash used in operating activities</b>		<b>(3,655,299)</b>	<b>(3,251,047)</b>
<b>Investing activities</b>			
Purchase of intangible assets	16	-	(1,440)
Purchase of property plant and equipment	15	(455,572)	(39,018)
<b>Cash used in investing activities</b>		<b>(455,572)</b>	<b>(40,458)</b>
<b>Financing activities</b>			
Paid in capital		150,000	-
Borrowings received	18	5,778,492	4,753,289
Borrowings repaid	18	(1,073,620)	(1,326,894)
Repayment of lease liability		(74,769)	(22,835)
Interest paid		(566,832)	(223,754)
<b>Cash generated from financing activities</b>		<b>4,213,271</b>	<b>3,179,806</b>
<b>Net change in cash and cash equivalents</b>		<b>102,400</b>	<b>(111,699)</b>
Cash and cash equivalents at the beginning		22,895	134,594
<b>Cash and cash equivalents at the year end</b>	13	<b>125,295</b>	<b>22,895</b>

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

# **VIRTUS LENDING LLC**

## **Notes to the financial statements for year ended 31 December 2025**

*(Amounts in Euro, unless otherwise stated)*

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### **1. REPORTING ENTITY**

Virtus Lending LLC (“the Company”) is a Limited Liability Company incorporated in the Republic of Kosovo on November 11<sup>th</sup> of 2017. The address of its registered Head Office is Ukshin Hoti Str, 10000 Prishtina, Republic of Kosovo.

In accordance with the Central Bank of Kosovo (“CBK”) regulations, the Company obtained a license for leasing activities on 29 March 2019 and commenced operations on 15 June 2019. Moreover, on 20<sup>th</sup> of June 2022 the company obtained the lending license from CBK. The Company operates as a lending Company for individuals and private customers within Kosovo.

### **2. BASIS OF PREPARATION**

#### **2.1 Statement of compliance**

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB) and its interpretations adopted by the International Accounting Standards Board (IASB).

#### **2.2 Basis of preparation**

The financial statements are prepared on a historical cost basis except for the recognition of financial instruments measured at fair value, and for inventory which is accounted at the lower of cost and net realizable value.

#### **2.3 Functional and presentation currency**

Company’s presentation and functional currency is euro (EUR) as it is the currency of the primary economic environment in which the Company operates.

#### **2.4 Use of estimates and judgments**

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are described in note 3.

#### **2.5 Going concern assumption**

The Company’s financial statements have been prepared on a going concern basis, which assumes that the Company will continue with its operations for the foreseeable future.

The accompanying financial statements do not reflect possible adjustments and reclassifications of the assets and liabilities which would be required in case the Company would not be able to continue with its business activities as a going concern.

## **VIRTUS LENDING LLC**

### **Notes to the financial statements for year ended 31 December 2025**

*(Amounts in Euro, unless otherwise stated)*

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## **2. BASIS OF PREPARATION (CONTINUED)**

### **2.6. Adoption of new and revised International Financial Reporting Standard**

#### **2.6.1 Standards, amendments and interpretations that are already effective**

During the current year, the Company has applied a number of amendments to International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) that are mandatorily effective for accounting periods beginning on or after 1 January 2025.

- Lack of Exchangeability (Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates).
- Uncertainties in Financial Statements – Amendments to Illustrative Examples on IFRS 7 Financial Instruments: Disclosures, IFRS 18 Presentation and Disclosure in Financial Statements, IAS 1 Presentation of Financial Statements, IAS 8 Basis of Preparation of Financial Statements, IAS 36 Impairment of Assets and IAS 37 Provisions, Contingent Liabilities and Contingent Assets

*The amendments listed above did not have any impact on the amounts recognized in prior periods and are not expected to have a material impact on the current or future periods.*

#### **2.6.2 Standards, amendments and interpretation issued but not yet effective**

New and amended standards and interpretations that have been issued but are not yet effective as at the date of issuance of the financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, where applicable, when they become effective.

The following amendments are not effective for the period beginning on 1 January 2025:

- Amendments to the classification and measurement of financial instruments (Amendments to IFRS 9 Financial Instruments);
- Contracts referencing nature-dependent electricity (Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures);
- Annual Improvements to IFRS Accounting Standards – Volume 11;
- IFRS 18 Presentation and Disclosure in Financial Statements;
- IFRS 19 Subsidiaries without Public Accountability: Disclosures.

*These standards, amendments or interpretations are not expected to have a material impact on the Company in the current or future reporting periods or on foreseeable future transactions.*

## **VIRTUS LENDING LLC**

### **Notes to the financial statements for year ended 31 December 2025**

*(Amounts in Euro, unless otherwise stated)*

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## **2. BASIS OF PREPARATION (CONTINUED)**

### **2.7 Material accounting policies**

#### **2.7.1 Licenses and other intangible assets**

Intangible non-current assets are initially stated at cost and amortized over their estimated useful lives on a straight-line basis. The carrying values of intangible assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. Losses from impairment are recognized where the carrying value of intangible non-current assets exceeds their recoverable amount. Software and other intangible assets acquired by the Company is stated at cost less accumulated amortization and accumulated impairment losses. Subsequent expenditure on these intangible assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred. Amortization is recognized in profit or loss on a straight-line basis over the estimated useful life of the software, from the date that it is available for use. The estimated useful life of software and other intangible assets is 7 years.

The recoverable amount of an asset is the higher of fair value less costs to sell and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the assets.

#### **2.7.2 Property and equipment**

Equipment is stated at cost less accumulated depreciation and any impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset. Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Computers	5 years
Furniture	5 years
Vehicles	5 years
Leasehold improvements	shorter of the lease term and their useful lives
Other equipment	5 years

When parts of an item of property or equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment. Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

The carrying values of equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount. The recoverable amount of equipment is the higher of an asset's net selling price and its value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Impairment losses are recognized in the statement of comprehensive income in the impairment expense caption. An item of equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the statement of comprehensive income in the year the item is derecognized.

## **VIRTUS LENDING LLC**

### **Notes to the financial statements for year ended 31 December 2025**

*(Amounts in Euro, unless otherwise stated)*

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## **2. BASIS OF PREPARATION (CONTINUED)**

### **2.7 Material accounting policies (continued)**

#### **2.7.3 Financial Assets**

##### *Financial instruments – initial recognition*

Leases are recognized when funds are transferred to the customers' accounts. Other assets are recognized on the date when Company enters into the contract giving rise to the financial instruments.

##### *Initial measurement of financial instruments*

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments, as described further in the accounting policies. Financial instruments are initially measured at their fair value, except in the case of financial assets and financial liabilities recorded at FVPL, transaction costs are added to, or subtracted from, this amount. Other receivables are measured at the transaction price.

##### *Classification of financial assets*

The Company only measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

##### *Business model assessment*

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective - the risks that affect the performance of the business model (and the financial assets held within that business model) and the way those risks are managed. The expected frequency, value and timing of sales are also important aspects of the Company's assessment. The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realized in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

The assessed business model is with the intention to hold financial assets in order to collect contractual cash flows.

##### *SPPI test*

As a second step of its classification process the Company assesses the contractual terms of the financial assets to identify whether they meet the SPPI test. 'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortization of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. The Company has performed the SPPI assessment and assessed its financial assets to be compliant with SPPI criteria.

## **VIRTUS LENDING LLC**

### **Notes to the financial statements for year ended 31 December 2025**

*(Amounts in Euro, unless otherwise stated)*

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## **2. BASIS OF PREPARATION (CONTINUED)**

### **2.7 Material accounting policies (continued)**

#### **2.7.4 Reclassification of financial instruments**

The Company does not reclassify its financial assets subsequent to their initial. Financial liabilities are never reclassified. The Company did not reclassify any of its financial assets or liabilities in 2025 and 2024.

Derecognition provisions below apply to all financial assets measured at amortized cost.

#### *Derecognition due to substantial modification of terms and conditions*

The Company derecognizes finance lease receivable when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new lease, with the difference recognized as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognized loans are classified as Stage 1 for ECL measurement purposes, unless the new financial asset is deemed to be purchased or originated credit impaired (POCI).

When assessing whether or not to derecognize a financial asset, the Company evaluates whether the cash flows of the modified asset are substantially different, and the following qualitative factors are considered:

- Change in currency of the loan
- Change in counterparty
- If the modification is such that the instrument would no longer meet the SPPI criterion
- Whether legal obligations have been extinguished.

Furthermore, for financial lease receivables the Company specifically considers the purpose of the modification for increase in lease term. It is evaluated whether modification was entered into for commercial reasons upon customer initiative or for credit restructuring reasons. Management has performed analysis of the changes being made due to business reasons and evaluated that changes due to business reasons result in substantial modification of terms and conditions. This is in line with the objective of this modification that is to originate a new asset with substantially different terms. If the DPD (days past due) of the counterparty immediately prior the modification is less than 5 DPDs and the characteristics of financial asset are substantially modified (e.g. on average financial asset term increases for several years substantially changing the term structure of the asset), the respective modification is considered to occur for a commercial reasons and results in derecognition of the initial lease/loan receivable.

#### *Derecognition other than for substantial modification*

A financial asset or finance lease receivable (or, where applicable, a part of a financial asset or finance lease receivable or part of a group of similar financial assets or finance lease receivables) is derecognized when the rights to receive cash flows from the financial asset or finance lease receivable have expired. The Company also derecognizes the financial asset or finance lease receivable if it has both transferred the financial asset or finance lease receivable and the transfer qualifies for derecognition.

The Company has transferred the financial asset or finance lease receivable if the Company has transferred its contractual rights to receive cash flows from the financial asset or finance lease receivable.

The Company has transferred the asset if, and only if, either:

- The Company has transferred its contractual rights to receive cash flows from the asset or
- It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement.

## **VIRTUS LENDING LLC**

### **Notes to the financial statements for year ended 31 December 2025**

*(Amounts in Euro, unless otherwise stated)*

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## **2. BASIS OF PREPARATION (CONTINUED)**

### **2.7 Material accounting policies (continued)**

#### **2.7.4 Reclassification of financial instruments (continued)**

Pass-through arrangements are transactions when Company retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:

- Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances by the entity with the right of full recovery of the amount lent plus accrued interest at market rates;
- Company cannot sell or pledge the original asset other than as security to the eventual recipients for the obligation to pay them cash flows;
- Company has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents during the short settlement period from the collection date to the date of required remittance to the eventual recipients, and interest earned on such investments is passed to the eventual recipients.

A transfer only qualifies for derecognition if either:

- The Company has transferred substantially all the risks and rewards of the asset, or
- The Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

#### **2.7.5 Overview of the expected credit loss principles**

The Company recognizes the expected credit losses for all loans and other debt financial assets not held at FVPL and finance lease receivables, in this section all referred to as 'financial instruments.

If there has been no significant increase in credit risk since origination, the ECL allowance is based on the 12 months' expected credit loss (12mECL) as outlined below. If there has been significant increase in credit risk since initial recognition, the ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL). The Company's policies for determining if there has been a significant increase in credit risk are set out below.

The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Both LTECLs and 12mECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

The Company performs an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

## VIRTUS LENDING LLC

### Notes to the financial statements for year ended 31 December 2025

(Amounts in Euro, unless otherwise stated)

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## 2. BASIS OF PREPARATION (CONTINUED)

### 2.7 Material accounting policies (continued)

#### 2.7.5 Overview of the expected credit loss principles (continued)

*Impairment of finance lease receivables and loans and advances to customers*

##### Defining credit rating

Company's core business assets – financial lease receivables – are of retail nature, therefore are grouped per categories and products for a collective ECL calculation that is predominantly based on DPD. The Company analyzes its portfolio of finance lease receivables and loans and advances to customers by segregating receivables in categories according to each receivable's days past due metrics and presence of underlying collateral.

The Company continuously monitors all assets subject to ECLs. In order to determine whether an instrument or a portfolio of instruments is subject to 12mECL or LTECL, the Company assesses whether there has been a significant increase in credit risk since initial recognition. When estimating ECLs on a collective basis for a group of similar assets, the Company applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition across the portfolios within the country based on product type – lease or loan product.

The Company segregates finance lease receivables and loans and advances to customers in the following categories:

Finance lease receivables (lease):

- 1) Not past due
- 2) Days past due up to 30 days
- 3) Days past due 31 up to 34 days
- 4) Days past due over 35 days
- 5) unsecured (general definition: days past due over 90 or collateral is not available, i.e. lost or sold).

Based on the above process, the Company groups its leases into Stage 1, Stage 2, and Stage 3, as described below:

- Stage 1: When loans/leases are first recognized, the Company recognizes an allowance based on 12mECLs. The Company considers leases that are current or with DPD up to 30 as Stage 1. A healing period of 1 month is applied before an exposure previously classified as Stage 2 can be transferred to Stage 1 and such an exposure must meet the general Stage 1 DPD criteria above. Exposures are classified out of Stage 1 if they no longer meet the criteria above.

## VIRTUS LENDING LLC

### Notes to the financial statements for year ended 31 December 2025

(Amounts in Euro, unless otherwise stated)

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## 2. BASIS OF PREPARATION (CONTINUED)

### 2.7 Material accounting policies (continued)

#### 2.7.5 Overview of the expected credit loss principles (continued)

- Stage 2: When a lease has shown a significant increase in credit risk since origination, the Company recognizes an allowance for the LTECLs. The Company generally considers leases that have a status of 31-34 DPD to be Stage 2 loans. Exposures remain in Stage 2 for a healing period of 1 month, even if they otherwise would meet Stage 1 criteria above during this period.

- Stage 3: Leases considered credit-impaired and at default. The Company recognizes an allowance for the LTECLs.

The Company considers a finance lease agreement defaulted and therefore Stage 3 in all cases when the borrower becomes 35 DPD on its contractual payments or the lease agreement is terminated.

Exposures remain in Stage 3 for a healing period of 2 months, even if they otherwise would meet Stage 2 criteria above during this period.

#### *The calculation of ECLs*

The Company calculates ECLs based on probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to the Company in accordance with the contract and the cash flows that the Company expects to receive.

Key elements of the model are, as follows:

- PD The Probability of Default is an estimate of the likelihood of default over a 12 month or lifetime horizon (time horizon depends on ECL type - i.e. 12mECL or LTECL). The Default distribution vector (DDV) is the estimate of the time to default, more specifically it provides distribution of PD over the course of a 12 month or lifetime horizon.

- EAD The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments, whether scheduled by contract or otherwise.

- LGD The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the cash flows due at the moment of default and those that the lender would expect to receive, including from the realization of any collateral and deducting expenses related to cash collections or collateral realization processes. It is usually expressed as a percentage of the defaulted balance.

Lifetime period is estimated as average remaining contractual term of respective portfolio. The Company employs multiplication model across all Stages for the ECL calculation:

$$ECL = EAD * PD * LGD * [DDV]$$

Given that DDV is a multidimensional vector (12 or 13 dimensions) it is aggregated into one value before multiplication - [DDV]. DDV aggregated value is obtained as follows:

- each value of the DDV is multiplied with discount factor;
- discount factor is calculated in a regular way (e.g. NPV formula), where discount is calculated on EIR of the portfolio and number of periods corresponds to the dimension of the respective DDV value;
- [DDV] is the sum of all respective multiplications of DDV values with respective discount factors.

## **VIRTUS LENDING LLC**

### **Notes to the financial statements for year ended 31 December 2025**

*(Amounts in Euro, unless otherwise stated)*

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## **2. BASIS OF PREPARATION (CONTINUED)**

### **2.7 Material accounting policies (continued)**

#### **2.7.5 Overview of the expected credit loss principles (continued)**

- Stage 1: The 12mECL is calculated. The Company calculates the 12mECL allowance using 12 months PDs and DDV over the 12-month horizon. These 12-month default probabilities are applied to an estimated EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR using DDV, in this way incorporating time to default into model.

- Stage 2: When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. The mechanics are like those explained above, but PDs and DDV are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR using DDV.

- Stage 3: For loans considered credit-impaired, the Company recognizes the LTECLs for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

#### **2.8.6 Impairment of financial assets other than loans and advances**

Financial assets where the Company calculates ECL on an individual basis or collective basis are:

- Other receivables from customers/contract assets
- Trade receivables
- Cash and cash equivalents

##### *Impairment of other receivables from customers/contract assets (Trade receivables)*

During the course of business, the Company may have other type of claims against its leasing customers. In such cases the ECL methodology of the related lease receivable is mirrored and the ECL mirrors the impairment of the lease receivable. For other receivables and contract assets that are not related to lease portfolio receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The ECL recorded is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. For claims against its leasing customers the Company mirrors the staging applied to the underlying lease exposure.

##### *Impairment of cash and cash equivalents*

For cash and cash equivalents default is considered as soon as balances are not cleared beyond conventional banking settlement timeline, ie., a few days.

Therefore, transition is straight from Stage 1 to Stage 3 given the low number of days that it would take the exposure to reach Stage 3 classification, meaning default. For cash and cash equivalents no Stage 2 is applied given that any past due days would result in default.

##### *Initial recognition and measurement*

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings.

## **VIRTUS LENDING LLC**

### **Notes to the financial statements for year ended 31 December 2025**

*(Amounts in Euro, unless otherwise stated)*

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## **2. BASIS OF PREPARATION (CONTINUED)**

### **2.7 Material accounting policies (continued)**

#### **2.7.6 Impairment of financial assets other than loans and advances (continued)**

##### *Subsequent measurement*

The measurement of financial liabilities depends on their classification, as described below:

- Financial liabilities at fair value through the statement of comprehensive income

Financial liabilities at fair value through the statement of comprehensive income include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through the statement of comprehensive income.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognized in the statement of comprehensive income. Financial liabilities designated upon initial recognition at fair value through the statement of comprehensive income are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Company has not designated any financial liability as at fair value through statement of comprehensive income.

##### *Loans and borrowings*

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in the statement of comprehensive income when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of comprehensive income. This category generally applies to interest-bearing loans and borrowings.

##### *Modification of financial liabilities*

For financial liabilities, the Company considers a modification substantial based on qualitative factors and if it results in a difference between the adjusted discounted present value and the original carrying amount of the financial liability of, or greater than, ten percent. If the modification is substantial, then a derecognition gain or loss is recorded on derecognition. If the modification does not result in cash flows that are substantially different the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Company records a modification gain or loss.

##### *Derecognition*

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of comprehensive income. The Company considers a modification substantial based on qualitative factors and if it results in a difference between the adjusted discounted present value and the original carrying amount of the financial liability of, or greater than, ten percent.

#### **2.7.7 Offsetting**

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously. Income and expenses are presented on a net basis only when permitted under IFRS.

## **VIRTUS LENDING LLC**

### **Notes to the financial statements for year ended 31 December 2025**

*(Amounts in Euro, unless otherwise stated)*

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## **2. BASIS OF PREPARATION (CONTINUED)**

### **2.7 Material accounting policies (continued)**

#### **2.7.8 Finance lease – Company as lessor**

Accounting principles under IFRS 16 from a lessor perspective remains substantially unchanged from IAS 17. Whilst financial lease receivables that represent financial instruments and to which IAS 17 or IFRS 16 applies are within the scope of IAS 32 and IFRS 7, they are only within the scope of IFRS 9 to the extent that they are (1) subject to the derecognition provisions, (2) 'expected credit loss' requirements and (3) the relevant provisions that apply to derivatives embedded within leases.

Company is engaged in financial lease transactions by selling vehicles to its customers through financial lease contracts. Company also engages in financing of vehicles already owned by the customers. Under such leaseback transactions the Company purchases the underlying asset and the leases it back to the same customer. Vehicle serves as a collateral to secure all leases. In order to assess whether such leaseback transactions are to classified as finance leases, the Company applies the same indicators of a lease classification, as for finance leases.

At inception of a contract, the Company assesses whether the contract is, or contains, a lease. The inception of the lease is the earlier of the date of the lease agreement and the date of commitment by the parties to the principal provisions of the lease. As of this date:

- a lease is classified as a finance lease; and
- the amounts to be recognized at the commencement of the lease term are determined.

The commencement of the lease is the date from which the lessee is entitled to exercise its right to use the leased asset. It is the date of initial recognition of the lease (i.e. the recognition of the assets, liabilities, income or expenses resulting from the lease, as appropriate).

A lease is classified as a finance lease at the inception of the lease if it transfers substantially all the risks and rewards incidental to ownership. The inception of the lease is the earlier of the date of the lease agreement and the date of commitment by the parties to the principal provisions of the lease. As of this date:

- the lease transfers ownership of the asset to the lessee by the end of the lease term;
- the lessee has the option to purchase the asset at a price which is expected to be sufficiently lower than fair value at the date the option becomes exercisable that, at the inception of the lease, it is reasonably certain that the option will be exercised;
- the lease term is for the major part of the economic life of the asset, even if title is not transferred;
- at the inception of the lease, the present value of the minimum lease payments amounts to at least substantially all of the fair value of the leased asset;
- the lease assets are of a specialized nature such that only the lessee can use them without major modifications being made.

Further indicators that individually or in combination would also lead to a lease being classified as a finance lease are:

- the lessee can cancel the lease, the lessor's losses associated with the cancellation are borne by the lessee;
- gains or losses from the fluctuation in the fair value of the residual accrue to the lessee;
- the lessee has the ability to continue the lease for a secondary period at a rent that is substantially lower than market rent.

## **VIRTUS LENDING LLC**

### **Notes to the financial statements for year ended 31 December 2025**

*(Amounts in Euro, unless otherwise stated)*

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## **2. BASIS OF PREPARATION (CONTINUED)**

### **2.7 Material accounting policies (continued)**

#### **2.7.8 Finance lease – Company as lessor (continued)**

##### *Initial measurement*

At lease commencement, the Company accounts for a finance lease, as follows:

- derecognizes the carrying amount of the underlying asset;
- recognizes the net investment in the lease; and
- recognizes, in profit or loss, any selling profit or selling loss.

Upon commencement of finance lease, the Company records the net investment in leases, which consists of the sum of the minimum lease term payments, and gross investment in lease less the unearned finance lease income. The difference between the gross investment and its present value is recorded as unearned finance lease income. Initial direct costs, such as client commissions and commissions paid by the Company to car dealers, are included in the initial measurement of the lease receivables. The calculations are done using effective interest method.

Prepayments and other payments received from customers are recorded in statement of financial position upon receipt and settled against respective client's finance lease receivables agreement at the moment of issuing next monthly invoice according to the agreement schedule. If a sale and leaseback transaction results in a finance lease, any excess of sales proceeds over the carrying amount is deferred and amortized over the lease term. Prepayments received from customers are presented in financial statements separately as part of liabilities due to uncertainty of how they will be utilized. Prepayments received from customers are recorded in statement of financial position upon receipt and settled against respective client's finance lease receivables.

##### *Subsequent measurement*

Finance lease income consists of the amortization of unearned finance lease income. Finance lease income is recognized based on a pattern reflecting a constant periodic rate of return on the net investment according to effective interest rate in respect of the finance lease. Company applies the lease payments relating to the period against the gross investment in the lease to reduce both the principal and the unearned finance income. The Company recognizes income from variable payments that are not included in the net investment in the lease (e.g. performance based variable payments, such as penalties or debt collection income) separately in the period in which the income is earned. After lease commencement, the net investment in a lease is not remeasured unless the lease is modified and the modified lease is not accounted for as a separate contract or the lease term is revised when there is a change in the non-cancellable period of the lease. Company applies derecognition and impairment requirements in IFRS 9 to the net investment in the lease.

#### **2.7.9 Operating lease – Company as lessee (IFRS 16)**

##### *Lease liability*

##### *Initial recognition*

At the commencement date of the lease the Company measures the lease liability at the present value of the lease payments that are not paid at that date in accordance with lease term. Lease payments included in the measurement of the lease liability comprise:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

## **VIRTUS LENDING LLC**

### **Notes to the financial statements for year ended 31 December 2025**

*(Amounts in Euro, unless otherwise stated)*

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## **2. BASIS OF PREPARATION (CONTINUED)**

### **2.7 Material accounting policies (continued)**

#### **2.7.9 Operating lease – Company as lessee (IFRS 16) (continued)**

##### *Lease liability (continued)*

- amounts expected to be payable by the Company under residual value guarantees;
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising an option to terminate the lease.

The Company has elected for all classes of underlying assets not to separate non-lease components from lease components in lease payments. Instead, Company accounts for each lease component and any associated non-lease components as a single lease component. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses the incremental borrowing rate.

Lease term is the non-cancellable period for which the Company has the right to use an underlying asset, together with both:

- (a) Periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and
- (b) Periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option.

At the commencement date, the Company assesses whether it is reasonably certain to exercise an option to extend the lease or to purchase the underlying asset, or not to exercise an option to terminate the lease.

##### *Subsequent measurement*

After the commencement date, the Company measures the lease liability by:

- increasing the carrying amount to reflect interest on the lease liability;
- reducing the carrying amount to reflect the lease payments made; and
- remeasuring the carrying amount to reflect any reassessment or lease modifications specified, or to reflect revised in-substance fixed lease payments.

##### *Right-of-use assets*

###### *Initial recognition*

At the commencement date of the lease, the Company recognizes right-of-use asset at cost. The cost of a right-of-use asset comprises:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Company; and
- an estimate of costs to be incurred by the Company in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are to produce inventories
- less any lease incentives received.

###### *Subsequent measurement*

Company measures the right-of-use asset at cost, less any accumulated depreciation and accumulated impairment losses; and adjusted for the remeasurement of the lease liability.

## **VIRTUS LENDING LLC**

### **Notes to the financial statements for year ended 31 December 2025**

*(Amounts in Euro, unless otherwise stated)*

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## **2. BASIS OF PREPARATION (CONTINUED)**

### **2.7 Material accounting policies (continued)**

#### **2.7.9 Operating lease – Company as lessee (IFRS 16) (continued)**

##### *Subsequent measurement (continued)*

Depreciation of the right-of-use asset is recognized on a straight-line basis in profit or loss. If the lease transfers ownership of the underlying asset to the Company by the end of the lease term or if the cost of the right-of-use asset reflects that the Company will exercise a purchase option, the Company depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset in accordance with Company's policy of similar owned assets. Otherwise, the right-of-use asset is depreciated from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

##### *Initial recognition exemptions applied*

As a recognition exemption the Company elects not to apply the recognition requirements of right-of-use asset and lease liability to:

- (a) Short term leases – for all classes of underlying assets; and
- (b) Leases of low-value assets – on a lease-by-lease basis.

For leases qualifying as short-term leases and/or leases of low-value assets, the Company does not recognize a lease liability or right-of-use asset. The Company recognizes the lease payments associated with those leases as an expense on either a straight-line basis over the lease term.

##### (a) Short term leases

A short-term lease is a lease that, at the commencement date, has a lease term of 3 months or less. A lease that contains a purchase option is not a short-term lease. This lease exemption is applied for all classes of underlying assets.

##### (b) Leases of low-value assets

The Company defines a low-value asset as one that:

- 1) has a value, when new of 5,000 EUR or less. Company assesses the value of an underlying asset based on the value of the asset when it is new, regardless of the age of the asset being leased.
- 2) the Company can benefit from use of the assets on its own, or together with, other resources that are readily available to the Company; and
- 3) the underlying asset is not dependent on, or highly interrelated with, other assets.

#### **2.7.10 Inventories**

Inventories are valued at the lower of cost and net realizable value. Net realizable value represents the estimated selling price for inventories in the ordinary course of business less estimated selling expenses. Inventories could contain only vehicles which are purchased for the sole purpose of selling them to customers. Value of inventories shall be measured on a stock item by item basis. Write-off of each individual stock item shall be performed on sale of respective individual stock item.

#### **2.7.11 Cash and cash equivalents**

Cash comprises cash at bank and on hand with an original maturity of less than three months.

## **VIRTUS LENDING LLC**

### **Notes to the financial statements for year ended 31 December 2025**

*(Amounts in Euro, unless otherwise stated)*

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## **2. BASIS OF PREPARATION (CONTINUED)**

### **2.7 Material accounting policies (continued)**

#### **2.7.12 Financial liabilities**

##### *Initial recognition and measurement*

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings.

##### *Subsequent measurement*

The measurement of financial liabilities depends on their classification, as described below:

##### - Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognized in the statement of profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IAS 39 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

##### - Financial liabilities at amortized cost

This is the category most relevant to the Company. After initial recognition, interest-bearing borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss. This category generally applies to interest-bearing borrowings.

##### *Derecognition*

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

#### **2.7.13 Vacation pay reserve**

Vacation pay reserve is calculated and booked in monthly basis.

#### **2.7.14 Provisions**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of provisions to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Statement of profit or loss net of any reimbursement.

## **VIRTUS LENDING LLC**

### **Notes to the financial statements for year ended 31 December 2025**

*(Amounts in Euro, unless otherwise stated)*

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#### **2. BASIS OF PREPARATION (CONTINUED)**

##### **2.7 Material accounting policies (continued)**

###### **2.7.14 Provisions (continued)**

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a borrowing cost.

###### **2.7.15 Accruals and deferrals**

Accruals and deferrals are recorded to recognize revenues and costs as they are earned or incurred.

###### **2.7.16 Contingencies**

Contingent liabilities are not recognized in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

###### **2.7.17 Income and expenses**

Expenses are recognized as incurred. Expenses are recognized net of the amount of value added tax. In certain situations, value added tax incurred on a service received or calculated in accordance with legislation requirements is not recoverable in full from the taxation authority. In such cases value added tax is recognized as part of the related expense item as applicable. The same principles are applied if value added tax is not recoverable on acquisition an asset.

###### *The effective interest rate method*

Under IFRS 9 for all financial instruments measured at amortized cost interest income or expense is recorded at the effective interest rate, which is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the net carrying amount of the financial asset or financial liability. The calculation takes into account all contractual terms of the financial instrument and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the effective interest rate, but not future credit losses.

When a financial asset becomes credit-impaired and is regarded as 'Stage 3', the Company calculates interest income by applying the EIR to the net amortized cost of the financial asset. If the financial asset cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

###### *Income from cession of bad debt*

Gain or loss from sale of doubtful financial lease receivables and loans and advances to customers is presented on net basis under "Net loss from de-recognition of financial assets measured at amortized cost". Gains or losses arising on cession deals are recognized in the statement of comprehensive income at transaction date as the difference between the proceeds received and the carrying amount of derecognized lease receivables assigned through cession agreements.

## **VIRTUS LENDING LLC**

### **Notes to the financial statements for year ended 31 December 2025**

*(Amounts in Euro, unless otherwise stated)*

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## **2. BASIS OF PREPARATION (CONTINUED)**

### **2.7 Material accounting policies (continued)**

#### **2.7.18 Fee and commission income and expenses**

Income from debt collection activities and penalties is recognized in at the moment when the likelihood of consideration being settled for such services is high, therefore income is recognized only when actual payment for provided services is actually received. Income from penalties arise in case customers breach the contractual terms of financial lease receivables and loans and advances to customers agreements, such as exceeding the payment date. In those situations, Company is entitled to charge the customers in accordance with the agreement terms. The Company recognizes income from penalties at the moment of cash receipt as likelihood and timing of settlement is uncertain. In case customers does not settle the penalty amount, the Company is entitled to enforce repossession of the collateral.

Debt collection activities revenue typically arises when customers delay the payments due. As a lessor, the Company has protective rights in the lease agreements with customers that require the customers to safeguard and maintain the condition of the vehicle, as it serves as a collateral to the lease. Company's revenue encompasses a compensation of internal and external costs incurred by the Company in relation to debt management, legal fees as well as repossession of vehicle in case of lease agreement termination and are recharged to the customers in accordance with the agreement terms. Debt collection income is recognized on net (agent) basis as it these amounts are recharged to the customers in accordance with agreement terms and Company does not control these services before they are transferred to a customer. The performance obligation is satisfied when respective service has been provided.

#### **2.7.19 Contract balances**

##### *Contract assets*

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration.

At 31 December the Company did not have any contract assets in its statement of financial position.

##### *Trade receivables*

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Trade receivables are non-interest bearing and are generally on terms of 30 to 120 days.

##### *Contract liabilities*

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract. At 31 December the Company had no contract liabilities in its statement of financial position.

## **VIRTUS LENDING LLC**

### **Notes to the financial statements for year ended 31 December 2025**

*(Amounts in Euro, unless otherwise stated)*

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## **2. BASIS OF PREPARATION (CONTINUED)**

### **2.7 Material accounting policies (continued)**

#### **2.7.20 Income tax**

The Company applies International Financial Reporting Standards as its statutory accounting framework. Accordingly, the application of International Financial Reporting Standards provides the basis for the underlying records when an entity is subject to corporate tax. However, at the date of release of these financial statements there are limited amendments to the existing income tax law and respective guidelines on the tax on profit calculation which might offer guidance following the introduction of the International Financial Reporting Standard as a statutory framework. Management believes that the tax on profit provision is appropriate, and any future tax audit will have not a significant effect on Company's financial position.

#### **2.7.21 Deferred tax**

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it becomes probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Current and deferred taxes are recognised as income tax benefits or expenses in the income statement.

#### **2.7.22 Related parties**

The parties are considered related when one party has a possibility to control the other one or has significant influence over the other party in making financial and operating decisions. Related parties of the Company are shareholders who could control or who have significant influence over the Company in accepting operating business decisions, key management personnel of the Company including members of Supervisory body – Audit committee and close family members of any above-mentioned persons, as well as entities over which those persons have a control or significant influence, including subsidiaries and associates.

#### **2.7.23 Subsequent events**

Post-period-end events that provide additional information about the Company's position at the statement of financial position date (adjusting events) are reflected in the financial statements. Post-period-end events that are not adjusting events are disclosed in the notes when material.

## **3. MATERIAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS**

The preparation of the financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses, and disclosure of contingencies. The significant areas of estimation used in the preparation of the financial statements relate to capitalization of development costs, depreciation and amortization, fair value measurement of repossessed collaterals, and impairment evaluation. Although these estimates are based on the management's best knowledge of current events and actions, the actual results may ultimately differ from those estimates.

## VIRTUS LENDING LLC

### Notes to the financial statements for year ended 31 December 2025

(Amounts in Euro, unless otherwise stated)

#### 3. MATERIAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

##### 3.1 Impairment of financial assets

The measurement of impairment losses under IFRS 9 across all categories of financial assets in scope requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. The Company's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include Probability of Default and Loss Given Default, judgment is applied also when determining significant increase in credit risk.

##### *The Probability of Default (PD)*

The Probability of Default is an estimate of the likelihood of default over a given time horizon. In order to estimate PDs, the Company utilises Markov chains methodology. This methodology employs statistical analysis of historical transitions between delinquency buckets to estimate the probability that loan will eventually end up in default state which is set as absorbing state. Calculations are applied at product level (leasing vs loans products). Exposures are grouped into buckets of days past due (DPD) loans/leases.

##### *Forward-looking information (applicable from 1 January 2019)*

In 2020 the Company used accumulated experience and improved the model by including corrective variables into the model (variables, which eliminate impact, which is not explained by macro variables, but rather by changes in business processes), as well as by reconsidering modelling approach itself.

Input variables:

- Inflation;
- GDP growth;
- Unemployment;
- Flag of significant underwriting changes in the observation window (corrective);
- Flag of significant regulatory environment changes in the observation window (corrective);
- PD in previous periods (corrective).

##### *Weighted approach*

Applying forecasted values of macro variables as per macro-outlook the Company obtained expected PD scenario. Using optimistic and pessimistic values of macro variables (assumptions on pessimistic/optimistic values depend on the sign with which variables enter the model, e.g. GDP change has positive sign in the model for matured countries, thus bigger value increases PD, this implies that pessimistic assumption on the value is bigger than optimistic (however bigger GDP growth indicates better macro situation)) in the macro model, 2 additional outputs: optimistic and pessimistic were produced. Weighted scenario was obtained using vector of weights = (20% - optimistic, 20% - pessimistic, 60% - expected). Weighted scenario is used to reflect forward looking information (macro information) impact on impairment. The table below illustrates weighted scenario macro PDs as at 31 December 2025.

Country	PD	PD macro model
KS	4.75%	4.81%

## VIRTUS LENDING LLC

### Notes to the financial statements for year ended 31 December 2025

(Amounts in Euro, unless otherwise stated)

#### 3. MATERIAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

##### 3.1 Impairment of financial assets (continued)

The table below shows optimistic and pessimistic macro variables assumptions for matured countries as at 31 December 2025.

Country	Macro development	GDP growth YoY	Unemployment rate	Inflation YoY
KS	Optimistic	4.20%	9.20%	3.00%
KS	Pessimistic*	2.70%	13.50%	4.50%

\*<https://www.imf.org/en/Countries/KOS>

\*<https://tradingeconomics.com/kosovo/forecast>

As any statistical model Hierarchical Bayes model builds relationship between input variables and modelled variable based on statistical correlation. This means that not always optimism or pessimism of input variables (namely macro variables) will concur with modelled variable pessimistic or optimistic value. E.g. increase in GDP growth is obviously sign of positive macro development, however higher GDP growth increases the PD rate in matured countries models, as both variables are negatively correlated in the modelling sample. Overall, the model demonstrated good stability. The model is also sensitive to severe changes in input variables and will react adequately on catastrophic scenarios.

##### *The Default distribution vector (DDV)*

The default distribution vector provides distribution of PD over the course of a 12 month or lifetime horizon. It is calculated from historical data samples of all defaulted loans.

##### *Loss Given Default*

Company closely follows recoveries from defaulted finance lease receivables and revises LGD rates every month for portfolios based on actual recoveries received. The sample used for LGD calculation consists of all the finance lease receivables that have been defaulted historically. If termination of the contract happens before default state is reached, then loan is considered defaulted (early default) and it is considered in LGD sample. Subsequent recoveries on such loans are monitored on a monthly basis. Recoveries from regular collections process, car sales, cessions and legal process are followed.

##### *Exposure at default (EAD) modelling*

Exposure at default is modelled by adjusting the unpaid balance of lease and loan receivables as at the reporting date by expected future repayments during the next 12 months. As of 31 December 2024, it is applied for Stage 1 exposures only. This is performed based on contractual repayment schedules, adjusted for historical prepayment rate observed. Historical prepayment patterns are assumed to be a reliable estimate for future prepayment activity.

##### 3.2 Determination of the FVLCTS of repossessed assets

Determination of the FVLCTS for repossessed vehicles is performed on an individual basis at the moment of the repossession. Management estimate is based on available data from historical sales transactions for such assets in previous reporting periods.

## **VIRTUS LENDING LLC**

### **Notes to the financial statements for year ended 31 December 2025**

*(Amounts in Euro, unless otherwise stated)*

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#### **3. MATERIAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)**

##### **3.2 Determination of the FVLCTS of repossessed assets (continued)**

Company also considers factors such as historical actual average loss (if any) from the previous years. Management considers whether also events after the reporting year indicate a decline in the sales prices of such assets.

##### **3.3 Lease term determination under IFRS 16 (Company as a lessee)**

IFRS 16 requires that in determining the lease term and assessing the length of the non-cancellable period of a lease, an entity shall apply the definition of a contract in accordance with IFRS 15 and determine the period for which the contract is enforceable. In assessment of lease term determination, the Company considers the enforceable rights and obligations of both parties. If both the lessee and the lessor can terminate the contract without more than an insignificant penalty at any time at or after the end of the non-cancellable term, then there are no enforceable rights and obligations beyond the non-cancellable term. For lease agreements without a fixed term and agreements that are “rolled over” on monthly basis until either party gives notice the Company considers that it does have enforceable rights and obligations under such agreements, therefore a reasonable estimate of the lease term assessment is made.

In considering the Company’s options to extend or not to terminate the lease the Company evaluates what are the rights of the Company and the lessor under such options. The Company considers whether options included in the lease agreements (1) give a unilateral right for one party (i.e. Company) and (2) creates an obligation to comply for the other party (i.e. lessor). If neither party in the contract has an obligation, then Company assessment is that no options are to be considered in the context of lease term assessment. In such situations the lease term would not exceed the non-cancellable contractual term. In determining the lease term, the Company has assessed the penalties under the lease agreements as well as economic incentives to prolong the lease agreements such as the underlying asset being strategic.

##### **3.4 Lease liability incremental borrowing rate determination under IFRS 16 (Company as a lessee)**

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company’s incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. For the year ended 31 December 2025 the Company used 6.1% incremental borrowing rate.

The Company has used market rates as its incremental borrowing rate. The Company considers market rates used as an appropriate measure for incremental borrowing rates as they correctly reflect the ability to finance a specific asset purchase.

##### **3.5 Inventories net realizable value and allowances**

Management evaluates the net realizable value of inventories based upon the expected sales prices and selling costs per various product groups and assesses the physical condition of inventories during the annual stock count. If the net realizable value of inventories is lower than the cost of inventories, an allowance is recorded. At the end of each reporting year inventories are reviewed for any indications of damages or slow-moving inventories. In cases when damaged or slow-moving inventories are identified allowances are recognized.

## **VIRTUS LENDING LLC**

### **Notes to the financial statements for year ended 31 December 2025**

*(Amounts in Euro, unless otherwise stated)*

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#### **4. FINANCIAL RISK MANAGEMENT**

##### **a) Introduction and overview**

Company has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risks

This note presents information about Company's exposure to each of the above risks, objectives, policies and processes for measuring and managing risk.

##### ***Risk management framework***

The Management Board has overall responsibility for the establishment and oversight and control of Company's risk management framework.

The risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

##### **b) Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's financial lease. For risk management reporting purposes, the Company considers all elements of credit risk exposure (such as individual obligor default risk, country and sector risk).

The Company takes on exposure to credit risk which is the risk that a counterparty will be unable to pay amounts in full when due. The Company structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower and to geographical and industry segments. Such risks are monitored on a revolving basis and subject to a monthly or more frequent review. Limits on the level of credit risk by borrower are approved by the Board of Directors.

Exposure to credit risk is managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and principal repayment obligations and by changing these lending limits, where appropriate. Exposure to credit risk is also managed, in part, by obtaining collateral and corporate and personal guarantees.

The Company's maximum exposure to credit risk is primarily reflected in the carrying amounts of financial assets on the statement of financial position. The impact of possible netting of assets and liabilities to reduce potential credit exposure is not significant. The Company holds collateral as security for the credit risk. The assets financed through finance lease are placed as collateral for the Company. The only type of collateral are vehicles sold through finance lease.

## VIRTUS LENDING LLC

### Notes to the financial statements for year ended 31 December 2025

(Amounts in Euro, unless otherwise stated)

#### 4. FINANCIAL RISK MANAGEMENT (CONTINUED)

##### b) Credit risk (continued)

Classification of various types of financial lease include:

- Impaired financial lease
- Impaired financial leases for which the Company determines that it is probable that it will be unable to collect all principal and interest due according to the contractual terms of the lease / securities agreement(s).

##### Financial lease with renegotiated terms/conditions

Financial lease with renegotiated terms are leases that have been restructured due to deterioration in the borrower's financial position and where the Company has made concessions that it would not otherwise consider. Once the financial lease is restructured it remains in this category independent of satisfactory performance after restructuring. However, as of 31 December, there are no cases of restructured leases.

##### Expected Credit Loss

The Company establishes a reserve for expected credit losses that represents its estimate of expected losses in its financial lease portfolio.

The tables below set out information about the credit quality of financial assets and the allowance for impairment/loss recognized by the Company against those assets.

##### Financial Leases

	2025	2024
<b>Maximum exposure to credit risk</b>		
Gross amount	6,491,903	5,183,260
Fees received upon loan disbursement	(60,063)	(63,687)
Fees paid upon loan disbursement	9,222	9,426
Allowance for impairment	(46,312)	(131,543)
<b>Net carrying amount</b>	<b>6,394,750</b>	<b>4,997,456</b>

##### Loan to clients

	2025	2024
<b>Maximum exposure to credit risk</b>		
Gross amount	5,730,388	2,967,661
Fees received upon loan disbursement	(47,508)	(27,204)
Allowance for impairment	(302,297)	(156,984)
<b>Net carrying amount</b>	<b>5,380,583</b>	<b>2,783,473</b>

## VIRTUS LENDING LLC

### Notes to the financial statements for year ended 31 December 2025

(Amounts in Euro, unless otherwise stated)

#### 4. FINANCIAL RISK MANAGEMENT (CONTINUED)

##### b) Credit risk (continued)

###### Collateral held and other credit enhancements

Set out below is an analysis of collateral and credit enhancement obtained during the years:

2025

Asset Type	Financial Leases	Fair value of collateral
Vehicles	6,491,903	6,491,903
<b>Total</b>	<b>6,491,903</b>	<b>6,491,903</b>

2024

Asset Type	Financial Leases	Fair value of collateral
Vehicles	5,183,260	5,183,260
<b>Total</b>	<b>5,183,260</b>	<b>5,183,260</b>

Set out below is an analysis of financial assets past due, but not impaired, and impaired assets:

By Asset Type	2025				Fair value of the collateral
	Total gross carrying amount	Stage 1	Stage 2	Stage 3	
Vehicles	6,491,903	5,159,079	1,088,454	244,370	6,491,903
<b>Total Financial Leases</b>	<b>6,491,903</b>	<b>5,159,079</b>	<b>1,088,454</b>	<b>244,370</b>	<b>6,491,903</b>

By Asset Type	2024				Fair value of the collateral
	Total gross carrying amount	Stage 1	Stage 2	Stage 3	
Vehicles	5,183,260	4,198,736	744,755	239,769	5,183,260
<b>Total Financial Leases</b>	<b>5,183,260</b>	<b>4,198,736</b>	<b>744,755</b>	<b>239,769</b>	<b>5,183,260</b>

##### c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations from its financial liabilities.

###### Management of liquidity risk

Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, without incurring unacceptable losses or risking damage to its reputation.

###### Exposure to liquidity risk

The key measures used by the Company for managing liquidity risk are the calculation of liquidity ratios and the evaluation of liquidity gaps for specific periods.

Maturity gaps for each major currency are calculated and analysed by the Management on annual basis. The tables below show an analysis of Company's financial assets and liabilities as of 31 December 2025 and 31 December 2024 according to their remaining contractual maturity

## VIRTUS LENDING LLC

Notes to the financial statements for year ended 31 December 2025

(Amounts in Euro, unless otherwise stated)

### 4. FINANCIAL RISK MANAGEMENT (CONTINUED)

#### c) Liquidity risk (continued)

##### *Residual contractual maturities of financial assets and liabilities*

31-Dec-25	1-12 months	2-5 years	Over 5 years	Total
<b>Financial assets</b>				
Cash and cash equivalents	125,295	-	-	125,295
Financial lease (gross value)	1,436,811	4,070,586	984,506	6,491,903
Loan to clients (gross value)	3,535,019	2,165,391	29,978	5,730,388
<b>Total</b>	<b>5,097,125</b>	<b>6,235,977</b>	<b>1,014,484</b>	<b>12,347,586</b>
<b>Financial liabilities</b>				
Borrowings	10,577,856	1,098,586	195,236	11,871,678
Other liabilities	525,397	-	-	525,397
<b>Total</b>	<b>11,103,253</b>	<b>1,098,586</b>	<b>195,236</b>	<b>12,397,075</b>
<b>Liquidity risk as at 31 December 2025</b>				
<b>Net gap position at 31 December 2025</b>	<b>(6,006,128)</b>	<b>5,137,391</b>	<b>819,248</b>	<b>(49,489)</b>

The Management Board reviews the liquidity situation of the Company frequently and makes appropriate recommendations.

## VIRTUS LENDING LLC

Notes to the financial statements for year ended 31 December 2025

(Amounts in Euro, unless otherwise stated)

### 4. FINANCIAL RISK MANAGEMENT (CONTINUED)

#### c) Liquidity risk (continued)

*Residual contractual maturities of financial assets and liabilities (continued)*

31-Dec-24	1-12 months	2-5 years	Over 5 years	Total
<b>Financial assets</b>				
Cash and cash equivalents	22,895	-	-	22,895
Financial lease (gross value)	1,407,549	3,424,101	351,610	5,183,260
Loan to clients (gross value)	1,818,523	1,126,734	22,404	2,967,661
<b>Total</b>	<b>3,248,967</b>	<b>4,550,835</b>	<b>374,014</b>	<b>8,173,816</b>
<b>Financial liabilities</b>				
Borrowings	4,679,785	2,487,021	-	7,166,806
Other liabilities	203,785	-	-	203,785
<b>Total</b>	<b>4,883,570</b>	<b>2,487,021</b>	<b>-</b>	<b>7,370,591</b>
<b>Liquidity risk as at 31 December 2024</b>				
<b>Net gap position at 31 December 2024</b>	<b>(1,634,603)</b>	<b>2,063,814</b>	<b>374,014</b>	<b>803,225</b>

## VIRTUS LENDING LLC

### Notes to the financial statements for year ended 31 December 2025

(Amounts in Euro, unless otherwise stated)

#### 4. FINANCIAL RISK MANAGEMENT (CONTINUED)

##### d) Market risk

##### *Exposure to Interest Rate Risk*

Market risk is the risk that changes in market prices, such as interest rates will affect Company's profit and loss or the value of its holdings of financial instruments. A summary of the Company's interest rate gap position including the next interest re-pricing date as of 31 December 2025 and 2024 are as follows:

31-Dec-25	1-12 Months	2-5 years	Over 5 years	Total
<b>Financial assets</b>				
Cash and cash equivalents	125,295	-	-	125,295
Financial lease (net amount)	1,415,334	4,009,740	969,676	6,394,750
Loan to clients (net value)	3,319,171	2,033,173	28,239	5,380,583
<b>Total assets</b>	<b>4,859,800</b>	<b>6,042,913</b>	<b>997,915</b>	<b>11,900,628</b>
<b>Financial liabilities</b>				
Borrowings	10,577,856	1,098,586	195,236	11,871,678
Other liabilities	525,397	-	-	525,397
<b>Total liabilities</b>	<b>11,103,253</b>	<b>1,098,586</b>	<b>195,236</b>	<b>12,397,075</b>
<b>GAP as at 31 December 2025</b>	<b>(6,243,453)</b>	<b>4,944,327</b>	<b>802,679</b>	<b>(496,447)</b>

## VIRTUS LENDING LLC

Notes to the financial statements for year ended 31 December 2025

(Amounts in Euro, unless otherwise stated)

### 4. FINANCIAL RISK MANAGEMENT (CONTINUED)

#### d) Market risk (continued)

##### Exposure to Interest Rate Risk (continued)

31-Dec-24	1-12 Months	2-5 years	Over 5 years	Total
<b>Financial assets</b>				
Cash and cash equivalents	22,895	-	-	22,895
Financial lease (net amount)	1,357,093	3,301,357	339,006	4,997,456
Loan to clients (net value)	1,705,657	1,056,803	21,013	2,783,473
<b>Total assets</b>	<b>3,085,645</b>	<b>4,358,160</b>	<b>360,019</b>	<b>7,803,824</b>
<b>Financial liabilities</b>				
Borrowings	4,679,785	2,487,021	-	7,166,806
Other liabilities	203,785	-	-	203,785
<b>Total liabilities</b>	<b>4,883,570</b>	<b>2,487,021</b>	<b>-</b>	<b>7,370,591</b>
<b>GAP as at 31 December 2024</b>	<b>(1,797,925)</b>	<b>1,871,139</b>	<b>360,019</b>	<b>433,233</b>

#### e) Capital management

Risk-weighted assets and off balance-sheet items are determined according to specified requirements that seek to reflect the varying levels of risk attached to assets and off balance-sheet exposures.

As per regulation on the registration of Non-Bank Financial Institutions ("NBFI") the minimum amount of capital required for registration and maintenance of NBFI is based on product nature offered by NBFI. In addition, the total capital in relation to the total NBFI assets should not be less than 10% (ten percent). As at 31 December 2025, the total capital in relation to the total assets amounts to 11.39% (2024: 12.68%).

As at 31 December 2025, the Company is in compliance with the minimum capital requirements by the regulator.

## VIRTUS LENDING LLC

### Notes to the financial statements for year ended 31 December 2025

(Amounts in Euro, unless otherwise stated)

#### 5. CREDIT LOSS EXPENSE ON FINANCE LEASES AND LOAN TO CLIENTS

The table below shows the ECL charges on financial instruments for the year 2025 recorded in the income statement:

Credit loss expense 2025	Stage 1	Stage 2	Stage 3	Total
Financial Leases	994	(268)	(85,957)	(85,231)
Loan to clients	11,342	15,351	118,620	145,313
<b>Total impairment loss</b>	<b>12,336</b>	<b>15,083</b>	<b>32,663</b>	<b>60,082</b>

Credit loss expense 2024	Stage 1	Stage 2	Stage 3	Total
Financial Leases	(2,684)	968	14,867	13,151
Loan to clients	24,995	5,711	43,870	74,576
<b>Total impairment loss</b>	<b>22,311</b>	<b>6,679</b>	<b>58,737</b>	<b>87,727</b>

As at 31 December 2025, portfolio impairment balance was increased thus resulting in impairment expense.

#### 6. FAIR VALUE DISCLOSURES

Fair value estimates are based on existing financial instruments in the statement of financial position without attempting to estimate the value of anticipated future business and the value of assets and liabilities not considered financial instruments.

*Financial leases and Loan to clients* - are net of allowances for impairment. The portfolio has an estimated fair value approximately equal to its carrying amount due to either their short-term nature or underlying interest rates, which approximate market rates.

Cash and cash equivalents and other liabilities are short term and their fair value approximates their carrying amount.

The fair value of borrowings which are governed by separate terms and that the market has other financial instruments with similar characteristics approximates their carrying value.

The fair value is determined for disclosure purposes.

	Total carrying amount (net)	Fair value
<b>31-Dec-25</b>		
Cash and cash equivalents	125,295	125,295
Financial lease	6,394,750	6,394,750
Loan to clients	5,380,583	5,380,583
Borrowings	11,871,678	11,871,678
Other liabilities	525,397	525,397
<b>31-Dec-24</b>		
Cash and cash equivalents	22,895	22,895
Financial lease	4,997,456	4,997,456
Loan to clients	2,783,473	2,783,473
Borrowings	7,166,806	7,166,806
Other liabilities	203,785	203,785

## VIRTUS LENDING LLC

### Notes to the financial statements for year ended 31 December 2025

(Amounts in Euro, unless otherwise stated)

#### 7. INTEREST INCOME AND INTEREST EXPENSE AT EFFECTIVE INTEREST

	Year ended 31 December 2025	Year ended 31 December 2024
Individuals -Finance Lease	560,742	518,544
Legal entities - Finance lease	575,323	344,512
Individuals - Loans to clients	1,006,108	496,127
Legal entities - Loans to clients	87,693	24,352
<b>Total interest income</b>	<b>2,229,866</b>	<b>1,383,535</b>
Interest expense for borrowed funds	(568,682)	(268,200)
Other interest expense	(18,095)	(706)
<b>Total interest expense</b>	<b>(586,777)</b>	<b>(268,906)</b>
<b>Net interest income</b>	<b>1,643,089</b>	<b>1,114,629</b>

#### 8. FEE AND COMMISSION INCOME AND EXPENSE

	Year ended 31 December 2025	Year ended 31 December 2024
Fee and commission income	39,139	14,483
<b>Total fee and commission income</b>	<b>39,139</b>	<b>14,483</b>
Fee and commission expense	(74,376)	(13,412)
<b>Total fee and commission expense</b>	<b>(74,376)</b>	<b>(13,412)</b>
<b>Net fee and commission income</b>	<b>(35,237)</b>	<b>1,071</b>

#### 9. PERSONNEL EXPENSES

	Year ended 31 December 2025	Year ended 31 December 2024
Salaries and wages	397,039	336,876
Salary taxes	20,218	19,222
Health insurance	7,344	6,840
Performance bonus	-	40,717
<b>Total</b>	<b>424,601</b>	<b>403,655</b>

## VIRTUS LENDING LLC

### Notes to the financial statements for year ended 31 December 2025

(Amounts in Euro, unless otherwise stated)

#### 10. OTHER EXPENSES

	Year ended 31 December 2025	Year ended 31 December 2024
Depreciation and amortization	147,692	112,539
Other small administrative expenses	76,072	27,250
Exposures write off (Note 14) *	111,884	2,628
IT maintenance	92,930	73,943
Advertising, marketing, and PR	87,280	39,764
Professional, legal & consulting	43,775	31,067
Car maintenance	38,064	5,756
Communication	32,560	17,517
Staff related expenses	31,499	12,328
GPS maintenance	27,419	24,006
WHT expense	26,896	6,249
Debt collection expenses	24,654	24,372
Utilities and other office related expense	10,892	11,735
Cafeteria	3,745	4,768
Impairment of repossessed cars	(1,083)	11,051
<b>Total</b>	<b>754,279</b>	<b>404,973</b>

As at 31 December 2025, impairment balance of repossessed cars decreased compared to the balance on 31 December 2024 this resulting on positive effect on PL.

\*During the year management decided to write off a batch of old leasing exposures.

#### 11. OTHER INCOME

	Year ended 31 December 2025	Year ended 31 December 2024
Other income from financing activity	40,480	17,465
Other income	9,874	14,902
<b>Total</b>	<b>50,354</b>	<b>32,367</b>

#### 12. INCOME TAX EXPENSE

	Year ended 31 December 2025	Year ended 31 December 2024
Current tax charge	45,903	-
Deferred tax	-	(12,003)
<b>Income tax expense for the year</b>	<b>45,903</b>	<b>(12,003)</b>

During the year 2024 the deferred tax was reduced due to the lower expenses of the operational services fee that were not invoiced on the reporting date compared to the year 2023.

The accruals of these expenses of 2023 have been released in 2024.

Deferred tax is risen due to operational service fee expenses not invoiced as at reporting date. Accrued liabilities on those expenses not invoiced are not recognized as deductible expenses as per tax legislation in force. Invoices related to accrued part of these expenses will be received in 2024.

The income tax rate applicable to the Company's income is 10 per cent. The reconciliation between the expected and the actual taxation charge is provided below.

## VIRTUS LENDING LLC

### Notes to the financial statements for year ended 31 December 2025

(Amounts in Euro, unless otherwise stated)

#### 12. INCOME TAX EXPENSE (CONTINUED)

	Year ended 31 December 2025	Year ended 31 December 2024
Profit before tax	418,381	237,108
<b>Tax calculated at 10%</b>	<b>41,838</b>	<b>23,711</b>
Tax effect on non-taxable revenues	1,197	2,028
Tax effect on non-Deductible Expense	1,294	(11,285)
Tax effect on IFRS 16	2,744	300
Tax effect on carried loss forward	(1,170)	(15,924)
<b>Current tax charge</b>	<b>45,903</b>	<b>-</b>

The movements in tax liability are presented as follows:

	Year ended 31 December 2025	Year ended 31 December 2024
Liability at the beginning	500	500
Additions during the year	39,903	2,000
Payments during the year	(21,500)	(2,000)
<b>Liability at the end</b>	<b>18,903</b>	<b>500</b>

The movements in deferred tax assets are presented as follows:

	Year ended 31 December 2025
<b>Deferred tax asset as at 1 January 2024</b>	<b>12,003</b>
Movement of deferred tax	(12,003)
<b>Deferred tax asset as at 31 December 2024</b>	<b>-</b>
Movement of deferred tax	-
<b>Deferred tax asset as at 31 December 2025</b>	<b>-</b>

## VIRTUS LENDING LLC

### Notes to the financial statements for year ended 31 December 2025

(Amounts in Euro, unless otherwise stated)

#### 13. CASH AND CASH EQUIVALENTS

	As at 31 December 2025	As at 31 December 2024
Cash at banks	125,456	22,930
Expected credit loss	(161)	(35)
<b>Total</b>	<b>125,295</b>	<b>22,895</b>

Cash at Bank is held with Banka Kombëtare Tregtare SHA, Banka për Biznes SHA, Banka Ekonomike, Credins Bank, Vllësa Co, Paysera and Swinto Sha.

The table below shows the credit quality and the maximum exposure to credit risk, based on the Company's internal credit rating system and year end stage classification. The amounts presented are gross of impairments allowances and all balances are performing.

Internal Rating Grade	2025			Total
	Stage 1	Stage 2	Stage 3	
Excellent	125,295	-	-	125,295
Strong	-	-	-	-
Good	-	-	-	-
Satisfactory	-	-	-	-
Substandard	-	-	-	-
Credit Impaired	-	-	-	-
Unrated	-	-	-	-
<b>Total</b>	<b>125,295</b>	<b>-</b>	<b>-</b>	<b>125,295</b>

Internal Rating Grade	2024			Total
	Stage 1	Stage 2	Stage 3	
Excellent	22,895	-	-	22,895
Strong	-	-	-	-
Good	-	-	-	-
Satisfactory	-	-	-	-
Substandard	-	-	-	-
Credit Impaired	-	-	-	-
Unrated	-	-	-	-
<b>Total</b>	<b>22,895</b>	<b>-</b>	<b>-</b>	<b>22,895</b>

## VIRTUS LENDING LLC

Notes to the financial statements for year ended 31 December 2025

(Amounts in Euro, unless otherwise stated)

### 13. CASH AND CASH EQUIVALENTS (CONTINUED)

An analysis of changes in the corresponding of Gross carrying amount and ECLs is, as follow:

	Gross carrying amount		ECL		Total
	Stage 2, 3 and POCI		Stage 2, 3 and POCI		
	Stage 1	Stage 1	Stage 1	Stage 1	
	12-month ECL	Lifetime ECL	12-month ECL	Lifetime ECL	
<b>As at 1 January 2024</b>	<b>134,798</b>	-	<b>(204)</b>	-	<b>134,594</b>
All transfers	-	-	-	-	-
Derecognitions other than write-offs	-	-	-	-	-
Repayments and change in cash flow	(111,868)	-	-	-	(111,868)
New financial assets originated or purchased	-	-	169	-	169
Write-offs	-	-	-	-	-
Foreign currency effect and other movements	-	-	-	-	-
<b>Net change in profit and loss</b>	-	-	<b>169</b>	-	<b>169</b>
<b>As at 31 December 2024</b>	<b>22,930</b>	-	<b>(35)</b>	-	<b>22,895</b>
All transfers	-	-	-	-	-
Derecognitions other than write-offs	-	-	-	-	-
Repayments and change in cash flow	-	-	(126)	-	(126)
New financial assets originated or purchased	102,526	-	-	-	102,526
Write-offs	-	-	-	-	-
Foreign currency effect and other movements	-	-	-	-	-
<b>Net change in profit and loss</b>	-	-	<b>(126)</b>	-	<b>(126)</b>
<b>As at 31 December 2025</b>	<b>125,456</b>	-	<b>(161)</b>	-	<b>125,295</b>

## VIRTUS LENDING LLC

### Notes to the financial statements for year ended 31 December 2025

(Amounts in Euro, unless otherwise stated)

#### 14. FINANCIAL LEASE AND LOAN TO CLIENTS

The table below presents the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system and year-end stage classification. The amounts presented are gross of impairment allowances.

Finance lease receivables	2025			Total	2024
	Stage 1	Stage 2	Stage 3		Total
Not past due	4,505,798	214,642	-	4,720,440	3,753,897
1-30	653,281	862,885	-	1,516,166	1,179,684
31-34	-	10,927	-	10,927	9,910
>35	-	-	244,370	244,370	239,769
<b>Total Gross</b>	<b>5,159,079</b>	<b>1,088,454</b>	<b>244,370</b>	<b>6,491,903</b>	<b>5,183,260</b>

Loan to clients	2025			Total	2024
	Stage 1	Stage 2	Stage 3		Total
Not past due	4,489,792	-	-	4,489,792	1,535,155
1-30	686,897	-	-	686,897	1,145,533
31-34	-	14,932	-	14,932	30,227
>35	-	100,331	438,436	538,767	256,746
<b>Total Gross</b>	<b>5,176,689</b>	<b>115,263</b>	<b>438,436</b>	<b>5,730,388</b>	<b>2,967,661</b>

An analysis of changes in the gross carrying amount and the corresponding ECL allowances in relation to finance lease and loan receivables are, as follows:

Finance lease receivables	EUR	%	EUR	%
	31.12.2025	31.12.2025	31.12.2024	31.12.2024
Stage 1	5,159,079	79%	4,198,736	81%
Stage 2	1,088,454	17%	744,755	14%
Stage 3	244,370	4%	239,769	5%
<b>Total Gross</b>	<b>6,491,903</b>	<b>100%</b>	<b>5,183,260</b>	<b>100%</b>

Loan to clients	EUR	%	EUR	%
	31.12.2025	31.12.2025	31.12.2024	31.12.2024
Stage 1	5,176,689	90%	2,680,688	90%
Stage 2	115,263	2%	99,932	3%
Stage 3	438,436	8%	187,041	6%
<b>Total Gross</b>	<b>5,730,388</b>	<b>100%</b>	<b>2,967,661</b>	<b>100%</b>

## VIRTUS LENDING LLC

Notes to the financial statements for year ended 31 December 2025

(Amounts in Euro, unless otherwise stated)

### 14. FINANCIAL LEASE AND LOAN TO CLIENTS (CONTINUED)

	Minimum lease payments EUR 31.12.2025	Changes during the period EUR	Minimum lease payments EUR 31.12.2024
<b>Finance lease receivables</b>			
Stage 1	5,159,079	960,343	4,198,736
Stage 2	1,088,454	343,699	744,755
Stage 3	244,370	4,601	239,769
<b>Total Gross</b>	<b>6,491,903</b>	<b>1,308,643</b>	<b>5,183,260</b>

	Minimum payments EUR 31.12.2025	Changes during the period EUR	Minimum payments EUR 31.12.2024
<b>Loan to clients</b>			
Stage 1	5,176,689	2,496,001	2,680,688
Stage 2	115,263	15,331	99,932
Stage 3	438,436	251,395	187,041
<b>Total Gross</b>	<b>5,730,388</b>	<b>2,762,727</b>	<b>2,967,661</b>

	Impairment allowance EUR		Impairment allowance EUR	
	EUR	%	EUR	%
<b>Impairment allowance on finance lease receivables</b>	<b>31.12.2025</b>	<b>31.12.2025</b>	<b>31.12.2024</b>	<b>31.12.2024</b>
Stage 1	11,186	24%	10,191	8%
Stage 2	13,592	29%	13,860	11%
Stage 3	21,535	46%	107,492	82%
<b>Total allowance</b>	<b>46,313</b>	<b>100%</b>	<b>131,543</b>	<b>100%</b>

	Impairment allowance EUR		Impairment allowance EUR	
	EUR	%	EUR	%
<b>Impairment allowance on loans receivables</b>	<b>31.12.2025</b>	<b>31.12.2025</b>	<b>31.12.2024</b>	<b>31.12.2024</b>
Stage 1	43,188	14%	31,846	20%
Stage 2	22,477	7%	7,126	5%
Stage 3	236,632	78%	118,012	75%
<b>Total allowance</b>	<b>302,297</b>	<b>100%</b>	<b>156,984</b>	<b>100%</b>

## VIRTUS LENDING LLC

Notes to the financial statements for year ended 31 December 2025

(Amounts in Euro, unless otherwise stated)

### 14. FINANCIAL LEASE AND LOAN TO CLIENTS (CONTINUED)

	Impairment allowance EUR	Changes during the period EUR	Impairment allowance EUR
	31.12.2025		31.12.2024
<b>Finance lease receivables</b>			
Stage 1	11,186	994	10,191
Stage 2	13,592	(268)	13,860
Stage 3	21,535	(85,956)	107,492
<b>Total allowance</b>	<b>46,313</b>	<b>(85,230)</b>	<b>131,543</b>

	Impairment allowance EUR	Changes during the period EUR	Impairment allowance EUR
	31.12.2025		31.12.2024
<b>Loans receivables</b>			
Stage 1	43,188	11,342	31,846
Stage 2	22,477	15,351	7,126
Stage 3	236,632	118,620	118,012
<b>Total allowance</b>	<b>302,297</b>	<b>145,313</b>	<b>156,984</b>

	Minimum lease payments EUR	Present value of minimum lease payments EUR	Minimum lease payments EUR	Present value of minimum lease payments EUR
	31.12.2025	31.12.2025	31.12.2024	31.12.2024
<b>Finance lease receivables</b>				
Up to one year	2,347,757	1,436,811	2,067,997	1,407,549
Years 2 through 5 combined	5,718,163	4,070,586	4,761,280	3,424,101
More than 5 years	1,112,071	984,506	404,670	351,610
<b>Total Gross</b>	<b>9,177,991</b>	<b>6,491,903</b>	<b>7,233,947</b>	<b>5,183,260</b>

	Minimum payments EUR	Present value of minimum payments EUR	Minimum payments EUR	Present value of minimum payments EUR
	31.12.2025	31.12.2025	31.12.2024	31.12.2024
<b>Loans to clients receivables</b>				
Up to one year	4,092,460	3,535,019	2,125,071	1,818,523
Years 2 through 5 combined	2,565,084	2,165,391	1,326,055	1,126,734
More than 5 years	42,993	29,978	24,311	22,404
<b>Total Gross</b>	<b>6,700,537</b>	<b>5,730,388</b>	<b>3,475,437</b>	<b>2,967,661</b>

**VIRTUS LENDING LLC****Notes to the financial statements for year ended 31 December 2025***(Amounts in Euro, unless otherwise stated)***14. FINANCIAL LEASES AND LOAN TO CLIENTS (CONTINUED)**

	31.12.2025	31.12.2024
	EUR	EUR
<b>Unearned lease finance income</b>		
Up to one year	910,946	660,448
Years 2 through 5 combined	1,647,577	1,337,180
More than 5 years	127,565	53,060
<b>Total Gross</b>	<b>2,686,088</b>	<b>2,050,688</b>

	31.12.2025	31.12.2024
	EUR	EUR
<b>Unearned loan income</b>		
Up to one year	557,441	306,548
Years 2 through 5 combined	399,693	199,321
More than 5 years	13,015	1,908
<b>Total Gross</b>	<b>970,149</b>	<b>507,776</b>

	31.12.2025	31.12.2024
	EUR	EUR
<b>Finance lease receivables</b>		
Finance lease receivables	6,401,038	5,110,376
Accrued interest	90,865	72,884
<b>Total Gross</b>	<b>6,491,903</b>	<b>5,183,260</b>

	31.12.2025	31.12.2024
	EUR	EUR
<b>Loans to clients receivables</b>		
Loan to clients receivables	5,602,640	2,910,573
Accrued interest	127,748	57,088
<b>Total Gross</b>	<b>5,730,388</b>	<b>2,967,661</b>

	31.12.2025	31.12.2024
	EUR	EUR
<b>Movement in impairment allowance – Finance lease</b>		
Impairment allowance as at 01 January	131,543	118,393
Net impairment movement during the year	(85,230)	13,150
<b>Impairment allowance as at 31 December</b>	<b>46,313</b>	<b>131,543</b>

**VIRTUS LENDING LLC****Notes to the financial statements for year ended 31 December 2025***(Amounts in Euro, unless otherwise stated)***14. FINANCIAL LEASES AND LOAN TO CLIENTS (CONTINUED)**

	<b>31.12.2025</b>	<b>31.12.2024</b>
	<b>EUR</b>	<b>EUR</b>
<b>Movement in impairment allowance -Loans to clients</b>		
Impairment allowance as at 01 January	156,984	82,408
Net impairment movement during the year	145,313	74,576
<b>Impairment allowance as at 31 December</b>	<b>302,297</b>	<b>156,984</b>

	<b>Current</b>	<b>Current</b>
	<b>31.12.2025</b>	<b>31.12.2024</b>
	<b>EUR</b>	<b>EUR</b>
<b>Finance lease receivables, net</b>		
Finance lease receivables	6,401,038	5,110,376
Accrued interest	90,866	72,884
Fees paid and received upon lease disbursement	(50,841)	(54,261)
Impairment allowance	(46,313)	(131,543)
	<b>6,394,750</b>	<b>4,997,456</b>

	<b>Current</b>	<b>Current</b>
	<b>31.12.2025</b>	<b>31.12.2024</b>
	<b>EUR</b>	<b>EUR</b>
<b>Loans to clients receivables, net</b>		
Finance lease receivables	5,602,640	2,910,573
Accrued interest	127,748	57,088
Fees paid and received upon lease disbursement	(47,508)	(27,204)
Impairment allowance	(302,297)	(156,984)
	<b>5,380,583</b>	<b>2,783,473</b>

## VIRTUS LENDING LLC

Notes to the financial statements for year ended 31 December 2025

(Amounts in Euro, unless otherwise stated)

### 14. FINANCIAL LEASES AND LOAN TO CLIENTS (CONTINUED)

Changes on carrying gross amount of Finance Lease (amortized costs)

Carrying value as of 01 January 2025

New assets originated

Repayments

Transfer to stage 1 (from 2 and 3)

Transfer to stage 2 (from 1 and 3)

Transfer to stage 3 (from 1 and 2)

Write offs (Note 10)

Carrying value as of 31 December 2025

	Stage 1	Stage 2	Stage 3	Total
Carrying value as of 01 January 2025	4,198,736	744,755	239,769	5,183,260
New assets originated	3,838,378	477,360	140,572	4,456,310
Repayments	(2,478,603)	(382,479)	(174,700)	(3,035,782)
Transfer to stage 1 (from 2 and 3)	77,858	(77,779)	(79)	-
Transfer to stage 2 (from 1 and 3)	(382,509)	388,134	(5,625)	-
Transfer to stage 3 (from 1 and 2)	(94,781)	(61,537)	156,318	-
Write offs (Note 10)	-	-	(111,884)	(111,884)
Carrying value as of 31 December 2025	5,159,079	1,088,454	244,371	6,491,903

Changes on carrying gross amount of Finance Lease (amortized costs)

Carrying value as of 01 January 2024

New assets originated

Repayments

Transfer to stage 1 (from 2 and 3)

Transfer to stage 2 (from 1 and 3)

Transfer to stage 3 (from 1 and 2)

Write offs (Note 10)

Carrying value as of 31 December 2024

	Stage 1	Stage 2	Stage 3	Total
Carrying value as of 01 January 2024	3,096,305	361,567	207,180	3,665,052
New assets originated	2,759,645	295,143	51,545	3,106,333
Repayments	(1,139,904)	(370,625)	(74,971)	(1,585,500)
Transfer to stage 1 (from 2 and 3)	12,739	(12,555)	(184)	-
Transfer to stage 2 (from 1 and 3)	(435,421)	471,225	(35,804)	-
Transfer to stage 3 (from 1 and 2)	(94,628)	-	94,628	-
Write offs (Note 10)	-	-	(2,625)	(2,625)
Carrying value as of 31 December 2024	4,198,736	744,755	239,769	5,183,260

## VIRTUS LENDING LLC

Notes to the financial statements for year ended 31 December 2025

(Amounts in Euro, unless otherwise stated)

### 14. FINANCIAL LEASES AND LOAN TO CLIENTS (CONTINUED)

#### Changes in impairment (ECL) for Finance Lease

##### Carrying value as of 01 January 2025

	Stage 1	Stage 2	Stage 3	Total
New assets originated	10,192	13,860	107,491	131,543
Repayments	9,317	8,885	50,329	68,531
	(5,374)	(4,759)	(16,334)	(26,467)
	968	(968)	-	-
Transfer to stage 1 (from 2 and 3)	(829)	1,355	(526)	-
Transfer to stage 2 (from 1 and 3)	(8,856)	(5,750)	14,606	-
Transfer to stage 3 (from 1 and 2)	-	-	(111,884)	(111,884)
Write offs	-	-	(22,148)	(15,410)
Change on risk parameters	5,768	969	-	-
<b>Carrying value as of 31 December 2025</b>	<b>11,186</b>	<b>13,592</b>	<b>21,535</b>	<b>46,313</b>

#### Changes in impairment (ECL) for Finance Lease

##### Carrying value as of 01 January 2024

	Stage 1	Stage 2	Stage 3	Total
New assets originated	12,876	12,892	92,625	118,393
Repayments	9,749	11,015	40,965	61,729
	(2,767)	(6,905)	(24,391)	(34,063)
	20	(20)	-	-
Transfer to stage 1 (from 2 and 3)	(7,863)	8,545	(682)	-
Transfer to stage 2 (from 1 and 3)	(10,932)	-	10,932	-
Transfer to stage 3 (from 1 and 2)	-	-	(2,625)	(2,625)
Write offs	-	-	(9,333)	(11,890)
Change on risk parameters	9,110	(11,667)	-	-
<b>Carrying value as of 31 December 2024</b>	<b>10,193</b>	<b>13,860</b>	<b>107,491</b>	<b>131,545</b>

## VIRTUS LENDING LLC

Notes to the financial statements for year ended 31 December 2025

(Amounts in Euro, unless otherwise stated)

### 14. FINANCIAL LEASES AND LOAN TO CLIENTS (CONTINUED)

#### Changes on carrying gross amount of Loan product (amortized costs)

##### Carrying value as of 01 January 2025

	Stage 1	Stage 2	Stage 3	Total
New assets originated	2,680,688	99,932	187,041	2,967,661
Repayments	6,930,650	108,700	122,900	7,162,250
	(4,261,664)	(101,204)	(36,655)	(4,399,523)
Transfer to stage 1 (from 2 and 3)	1,262	(1,260)	(2)	-
Transfer to stage 2 (from 1 and 3)	(22,829)	22,829	-	-
Transfer to stage 3 (from 1 and 2)	(151,417)	(13,734)	165,151	-
Write offs (Note 10)	-	-	-	-
<b>Carrying value as of 31 December 2025</b>	<b>5,176,690</b>	<b>115,263</b>	<b>438,435</b>	<b>5,730,388</b>

#### Changes on carrying gross amount of Loan product (amortized costs)

##### Carrying value as of 01 January 2024

	Stage 1	Stage 2	Stage 3	Total
New assets originated	1,206,918	69,436	150,725	1,427,079
Repayments	3,822,230	33,850	42,001	3,898,081
	(2,272,073)	(22,281)	(63,142)	(2,357,496)
Transfer to stage 1 (from 2 and 3)	-	-	-	-
Transfer to stage 2 (from 1 and 3)	(36,143)	42,807	(6,664)	-
Transfer to stage 3 (from 1 and 2)	(40,244)	(23,880)	64,124	-
Write offs (Note 10)	-	-	(3)	(3)
<b>Carrying value as of 31 December 2024</b>	<b>2,680,688</b>	<b>99,932</b>	<b>187,041</b>	<b>2,967,661</b>

## VIRTUS LENDING LLC

Notes to the financial statements for year ended 31 December 2025

(Amounts in Euro, unless otherwise stated)

### 14. FINANCIAL LEASES AND LOAN TO CLIENTS (CONTINUED)

#### Changes in impairment (ECL) for Loan product

##### Carrying value as of 01 January 2025

	Stage 1	Stage 2	Stage 3	Total
New assets originated	31,846	7,126	118,012	156,984
Repayments	57,821	21,198	67,873	146,892
	(35,554)	(19,736)	(20,189)	(75,479)
Transfer to stage 1 (from 2 and 3)	246	(246)	-	-
Transfer to stage 2 (from 1 and 3)	(190)	190	-	-
Transfer to stage 3 (from 1 and 2)	(1,263)	(2,678)	3,941	-
Write offs	-	-	(3)	(3)
Change on risk parameters	(9,717)	16,623	66,997	73,903
<b>Carrying value as of 31 December 2025</b>	<b>43,189</b>	<b>22,477</b>	<b>236,631</b>	<b>302,297</b>

#### Changes in impairment (ECL) for Loan product

##### Carrying value as of 01 January 2024

	Stage 1	Stage 2	Stage 3	Total
New assets originated	6,852	1,415	74,141	82,408
Repayments	29,184	6,346	38,279	73,809
	(17,348)	(4,177)	(57,546)	(79,071)
Transfer to stage 1 (from 2 and 3)	-	-	-	-
Transfer to stage 2 (from 1 and 3)	(276)	6,349	(6,073)	-
Transfer to stage 3 (from 1 and 2)	(307)	(4,477)	4,784	-
Write offs	-	-	(3)	(3)
Change on risk parameters	13,741	1,670	64,430	79,841
<b>Carrying value as of 31 December 2024</b>	<b>31,846</b>	<b>7,126</b>	<b>118,012</b>	<b>156,984</b>

## VIRTUS LENDING LLC

Notes to the financial statements for year ended 31 December 2025

(Amounts in Euro, unless otherwise stated)

### 15. PROPERTY, EQUIPMENT & RoU ASSETS

	Vehicles	Office and other equipment	IT equipment	Right of use Assets	Leasehold improvements	Total
<b>Historical cost</b>						
At 1 January 2024	43,644	28,242	24,698	109,171	15,826	221,581
Additions	-	33,419	2,865	-	2,734	39,018
Disposals	-	(17,619)	(51)	(109,171)	(1,902)	(128,743)
<b>At 31 December 2024</b>	<b>43,644</b>	<b>44,042</b>	<b>27,512</b>	<b>-</b>	<b>16,658</b>	<b>131,856</b>
Additions	103,288	15,702	11,905	321,362	3,314	455,571
Disposals	(27,119)	-	-	-	-	(27,119)
<b>At 31 December 2025</b>	<b>119,813</b>	<b>59,744</b>	<b>39,417</b>	<b>321,362</b>	<b>19,972</b>	<b>560,308</b>
<b>Accumulated depreciation</b>						
At 1 January 2024	12,728	13,958	15,658	87,897	12,549	142,790
Charge for the year	8,661	5,209	3,491	37,665	2,709	57,735
Disposals	-	(13,643)	(51)	(125,562)	(1,288)	(140,544)
<b>At 31 December 2024</b>	<b>21,389</b>	<b>5,524</b>	<b>19,098</b>	<b>-</b>	<b>13,970</b>	<b>59,981</b>
Charge for the year	13,132	10,023	4,555	64,272	1,128	93,109
Disposals	(18,284)	-	-	-	-	(18,284)
<b>At 31 December 2025</b>	<b>16,237</b>	<b>15,547</b>	<b>23,653</b>	<b>64,272</b>	<b>15,098</b>	<b>134,807</b>
<b>Balance at 31 December 2024</b>	<b>22,255</b>	<b>38,518</b>	<b>8,414</b>	<b>-</b>	<b>2,688</b>	<b>71,875</b>
<b>Balance at 31 December 2025</b>	<b>103,576</b>	<b>44,197</b>	<b>15,764</b>	<b>257,090</b>	<b>4,874</b>	<b>425,502</b>

As at 31 December 2025 and 2024 there are no property and equipment encumbered or pledged to secure Company's liabilities.

Vehicles disposals during the year of 2025 consist on the sale of two vehicles.

All the disposals during the year of 2024 consist on the sale of assets due to the relocation of new Head Office.

As at 31 December 2025, Right of Use assets consist in Head Office rent only.

## VIRTUS LENDING LLC

### Notes to the financial statements for year ended 31 December 2025

(Amounts in Euro, unless otherwise stated)

#### 16. INTANGIBLE ASSETS

	Software	Licences	Other Intangible Assets	Total
<b>Historical cost</b>				
At 1 January 2024	350,447	6,780	24,494	381,721
Additions during the year	-	1,440	-	1,440
<b>At 31 December 2024</b>	<b>350,447</b>	<b>8,220</b>	<b>24,494</b>	<b>383,161</b>
Additions for the year	-	-	-	-
<b>At 31 December 2025</b>	<b>350,447</b>	<b>8,220</b>	<b>24,494</b>	<b>383,161</b>
<b>Accumulated amortization</b>				
At 1 January 2024	150,453	648	10,189	161,290
Charge for the year	50,208	1,087	3,509	54,804
<b>At 31 December 2024</b>	<b>200,661</b>	<b>1,735</b>	<b>13,698</b>	<b>216,094</b>
Charge for the year	49,929	1,165	3,489	54,583
<b>At 31 December 2025</b>	<b>250,590</b>	<b>2,900</b>	<b>17,187</b>	<b>270,677</b>
<b>Carrying amount</b>				
<b>At 31 December 2024</b>	<b>149,786</b>	<b>6,485</b>	<b>10,796</b>	<b>167,067</b>
<b>At 31 December 2025</b>	<b>99,857</b>	<b>5,320</b>	<b>7,307</b>	<b>112,484</b>

The Company during the year of 2024 and 2023 purchased the Microsoft Dynamics Business Central licence. As at 31 December 2025 and 2024 there are no intangible assets encumbered or pledged to secure Company's liabilities.

## VIRTUS LENDING LLC

### Notes to the financial statements for year ended 31 December 2025

(Amounts in Euro, unless otherwise stated)

#### 17. OTHER ASSETS

	As at 31 December 2025	As at 31 December 2024
Prepayments	739,068	-
Other assets	176,176	60,623
Input VAT	229,373	74,583
Repossessed cars	90,544	64,878
Getincome settlement receivable	60,423	-
<b>Total</b>	<b>1,295,584</b>	<b>200,084</b>

As at 31 December 2025 there were 8 (2024:6) repossessed cars from terminated lease agreements. The movement on cost and impairment of repossessed cars is presented in the table below:

	31-Dec-25	Changes during the period	31-Dec-24
Repossessed cars – cost	101,856	24,583	77,273
Impairment of repossessed cars	(11,312)	1,083	(12,395)
<b>Total</b>	<b>90,544</b>	<b>25,666</b>	<b>64,878</b>

#### 18. OTHER CASH LOANS GIVEN

	As at 31 December 2025	As at 31 December 2024
<b>Other cash loans given</b>		
Unpaid principal amount	266,000	226,000
Accrued Interest	19,295	1,065
<b>Total</b>	<b>285,295</b>	<b>227,065</b>
Expected credit loss	(3,506)	(2,771)
<b>Other cash loans given</b>	<b>281,789</b>	<b>224,294</b>

## VIRTUS LENDING LLC

### Notes to the financial statements for year ended 31 December 2025

(Amounts in Euro, unless otherwise stated)

#### 19. BORROWINGS

	2025			2024				
	Face Amount	Borrowing Interest rate	Borrowings	Accrued Interest	Total	Borrowings	Accrued Interest	Total
Banka Ekonomike Loan	2,000,000	6.00%	1,095,932	4,500	1,100,432	1,951,218	-	1,951,218
Banka Ekonomike Loan	400,000	8.00%	400,000	-	400,000	400,000	-	400,000
Banka Ekonomike OVD	3,000,000	1.50%	3,000,000	-	3,000,000	1,216,267	-	1,216,267
Banka Për Biznes OVD	100,000	7.60%	88,099	-	88,099	80,188	-	80,188
Banka Kombëtare Tregtare	3,500,000	5.50%	3,465,995	11,080	3,477,075	3,383,330	-	3,383,330
Swinto Sha	150,000	7.00%	-	2,653	2,653	135,000	803	135,803
BKT Credit Card	20,000	0.00%	20,000	-	20,000	-	-	-
Banka Për Biznes Loan	200,000	7.00%	195,236	-	195,236	-	-	-
Getincome	3,588,183	12.00%	3,588,183	-	3,588,183	-	-	-
	<b>12,958,183</b>	-	<b>11,853,445</b>	<b>18,233</b>	<b>11,871,678</b>	<b>7,166,003</b>	<b>803</b>	<b>7,166,806</b>

During the year 2025, the Company entered into borrowings agreements with Banka Kombetare Tregtare in total amount of EUR 20K (Credit Card) on August 1<sup>st</sup>), Banka per Biznes in amount of EUR 200K on October 28<sup>th</sup>, and Getincome EUR 3.6M on March 6<sup>th</sup>.

During the year 2024, the Company entered into borrowings agreements with Banka Ekonomike in total amount of EUR 5.4M (out of which: EUR 2M on October 21<sup>st</sup>, EUR 400K on August 23<sup>rd</sup>, and EUR 3M (OVD) on October 21<sup>st</sup>), and Swinto Sha in amount of EUR 150K on November 1<sup>st</sup>.

The borrowings with BpB bears an interest rate of 7.0% annually and is repayable within three years. Loan with Getincome bears an interest rate of 12.0%.

The borrowings with BEK bears an interest rate of 6.0% and 8.0% annually and is repayable within three and two years. Overdraft with BEK bears an interest rate of 1.50%. The borrowing with Swinto SHA shall be repaid in whole or in separate amounts of money by not later than 31<sup>st</sup> of October 2027(31.10.2027).

At 31 December 2025 and 2024 the Company is in compliance and there is no breach of covenants from its lenders.

## VIRTUS LENDING LLC

### Notes to the financial statements for year ended 31 December 2025

(Amounts in Euro, unless otherwise stated)

#### 20. OTHER LIABILITIES

Other liabilities are comprised of the following:

	As at 31 December 2025	As at 31 December 2024
Rent lease liability according to IFRS 16	264,688	-
Accounts payable	124,975	86,114
Liabilities for the purchased cars	77,826	93,326
Taxes payable	34,227	16,476
Other liabilities	23,681	7,870
Accrued liabilities	23,070	23,188
<b>Total other liabilities</b>	<b>548,467</b>	<b>226,974</b>

The following table presents the maturity analysis – contractual undiscounted cash flows of the lease liability:

	2025	2024
Less than one year	60,242	-
Two to five years	204,446	-
<b>Total undiscounted lease liabilities at 31 December</b>	<b>-</b>	<b>-</b>
<b>Lease liabilities included in Note 17 as at 31 December</b>	<b>264,688</b>	<b>-</b>

The company has moved to new offices as on 1<sup>st</sup> of January 2025.

#### 21. SHARE CAPITAL

The registered and paid in share capital of the Company is EUR 950,000 with a nominal value of each share 1 EUR.

The shareholding structure as at 31 December 2025 and 31 December 2024 was as follows:

	2025	In %	2024	In %
Virtus Invesco Partners L.L.C.	950,000	100%	800,000	100%
<b>Total</b>	<b>950,000</b>	<b>100%</b>	<b>800,000</b>	<b>100%</b>

During 2025, shareholders contributed additional capital amounting to EUR 150,000.

## VIRTUS LENDING LLC

### Notes to the financial statements for year ended 31 December 2025

(Amounts in Euro, unless otherwise stated)

#### 22. RELATED PARTY TRANSACTIONS

During 2025, Virtus Lending L.L.C. entered into the following related party transactions with Virtus Invesco Partners LLC, Virtus Lending SHA (known as Mogo Albania SHA) and Swinto Sha.

A summary of related party balances and transactions is as follows:

	31 December 2025	31 December 2024
<b>Assets at the end of the year</b>	<b>285,295</b>	<b>227,065</b>
Long Term Loans to Related Parties Virtus Invesco Partners L.L.C.	266,000	226,000
Interest accrued Virtus Invesco Partners L.L.C.	19,295	1,065
<b>Liabilities at end of year</b>	<b>2,653</b>	<b>135,804</b>
Borrowings from Swinto Sha	-	135,000
Interest accrued Swinto Sha	2,653	804
Accounts payable Virtus Invesco Partners L.L.C.	-	39,014
Interest expense from borrowings from Related Parties	(1,850)	(44,445)
Interest income from borrowings to Related Parties	25,839	1,065

The total remuneration to the Company's key management personnel, included in personnel expenses for the year ended 31 December 2025 is EUR 141,273 (2024: EUR 151,930).

#### 23. COMMITMENTS AND CONTINGENT LIABILITIES

##### LITIGATION AND CLAIMS

As of 31 December 2025, and 2024, there are no outstanding litigations or claims.

##### Tax commitments

The Company was not subject of tax inspection from the authorities during the year 2025 and 2024. There is no tax commitment foreseen as at 31 December 2025.

##### Lease commitments

The Company leases premises for its Head Office located in Prishtina. The future commitments for the years ended 31 December 2025 and 2024 are as follows:

	31 December 2025	31 December 2024
Not later than 1 year	60,242	-
<b>Total</b>	<b>60,242</b>	<b>-</b>

#### 24. SUBSEQUENT EVENTS

There are no significant events after the reporting date that may require adjustment or disclosure in the financial statements.