

Nexia Albania

Transparency Report

For the year ended 31 December 2024

January 2025

Nexia Albania

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A message from leadership

To our clients and stakeholders

At Nexia we are dedicated to support our clients on their path to growth. When you choose Nexia, you get a more responsive, more personal and Partner-Led service.

Nexia Albania is an independent member of Nexia International.

''When you choose Nexia, you get a more responsive, more personal, partner-led service, across the world"

We are proud to be leading one of the largest accounting firms in Albania and worldwide.

In 2025, we will remain focused on making a difference in audit quality and innovation and infrastructure, because that will shape the future of our profession.

The ability to maintain high quality while adapting to the virtual work environment enforced trust to our people and clients. We will continue to invest in our people through learning and development.

This Transparency Report for 2024 is published in accordance with Law on Auditing requirements, for audit companies performing audits of financial statements of public interest entities in Albania.

The Transparency Report for 2024 discloses information about our company with regards to the legal structure and shareholders, the network to which the company belongs, its governance, the internal quality control system that it follows, the external monitoring on behalf of The Institute of the Authorized Chartered Accountants of Albania (IEKA) and the Public Oversight Board (POB) in Albania, the public-interest entities to which it has carried out statutory audits, the financial information relating to its financial condition and finally, the basis of remunerating its statutory auditors.

It is an outstanding and unique privilege to lead Nexia Albania as we continue our journey dedicated to enhancing the value of our services and the audit profession.

Sincerely,

Elton Haxhi

CEO



Orjana Kalaja

CEO



Nexia Albania

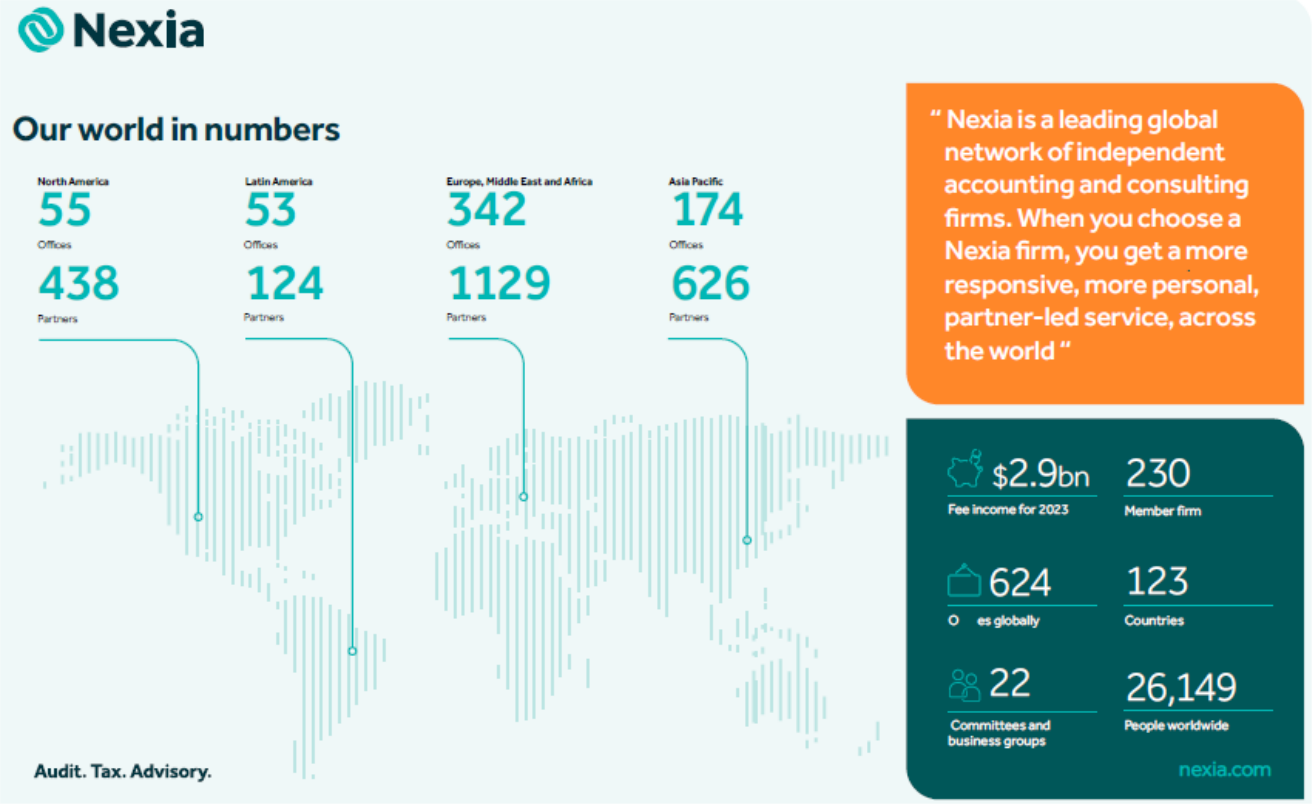
About Nexia International Network

Nexia International is a leading, global network of independent accounting and consulting firms, providing a comprehensive portfolio of audit, accountancy, tax and advisory services.

Nexia works with its member firms leveraging strength across the network and enabling the delivery of global solutions by member firms to their clients.

Nexia's continued success is what lies at the heart of the network: international knowledge, proven experience and enduring relationships. This is reflected in Nexia's brand promise 'Closer to you'. When you choose a Nexia member firm, you get a more responsive, more personal, partner-led service wherever you are in the world.

Nexia facts: Organizational and financial growth 2022	• 2024 fee income: USD2.9bn • 626 offices • 1,129 partners and principals • 26,149 total staff • 230 firms • 123+ countries



Corporate Ownership and Governance Structure

Legal structure

Nexia AL shpk. (trading as Nexia Albania) was incorporated as a limited liability company on May 2009. With our founders coming from long experience with other accounting firms in Albania and abroad the firm achieved significant growth and recognition as one of the best accounting firms in Albania. It is a registered audit firm with the Institute of Authorized Chartered Accountants of Albania (IEKA, registration No.166, Dated 30.07.2009).

The rights of member firms to use the NEXIA name and marks are contained within agreements with Nexia International. Member firms are locally owned and managed.

The Statutory Auditors of the Company are: Mrs. Orjana Kalaja and Mr. Elton Haxhi, registered with IEKA public auditor's register.

Registered address

The Company's registered address is: Str. Margarita Tutulani, Viridario 1, 2-nd floor, Tirana, Albania.

Company's shareholders

The ownership structure of the Company, its management bodies and other details are publicly available in the National Business Center (QKB). The owners of the company are: Mrs. Orjana Kalaja and Western Balkan Alliance shpk. with 51% and 49% of the quotas respectively. The administrators of the company are Mrs. Orjana Kalaja and Mr. Elton Haxhi.

The company has a subsidiary Nexia AL Consulting shpk., providing tax, accounting, and other business advisory services.

Internal Quality Control System

Description of the internal quality control system

Our Company provides audit services to the highest standard with compliance with the International Standards on Auditing and the IESBA Code of Ethics underpinned by implementation of ISQM requirements.

Our company has designed a Regulation for the Quality Control System which contains the principles and procedures that have been determined and applied by our audit staff for the performance of the audit work undertaken and are analyzed as follows:

Application of IESBA Code of Ethics

- Integrity
- Independence and objectivity
- Professional adequacy and consciousness
- Confidentiality
- Adequate documentation of all the elements of the company's internal control system
- Continuous supervision and updating of the quality control policies and procedures
- Development of a system of internal values
- Application of standards

Audit Clients' acceptance and continuance

Before accepting any new audit engagement or deciding for the continuance of an existing engagement the following procedures are applied:

- Examining of the credibility of the audited entity and more specifically:
  - The reputation and identity of the members of its management
  - The nature of its activities
  - The non-existence of independence issues
  - Any other related information e.g. unfavorable bank data, violations that were made known, legal arguments etc.

- Ensuring that there is in place the required organization and manpower for the execution of the assigned work and more specifically:
  - The existence of adequate professionals with the required specialization
  - The possibility of completing the audit within the time limits
  - The necessity of using third parties with specialized skills.

- The Managing Partner examines case by case if the acceptance or retention of a specific audit affects the company's independence.

INTERNAL QUALITY CONTROL SYSTEM (CONTINUED)

Administration of human resources

Our company applies rules and procedures which provide reasonable assurance that it has capable professionals with professional adequacy and commitment to apply the ethical and independence rules. The company's rules and procedures cover issues related to the staff that it employs such as:

- Recruitment
- Progress assessment
- Professional development – Promotions
- Staff remuneration
- Programming the required staff number
- Professional training and experience.

Performance of audit work

The company's Management ensures that the regular audits are carried out in accordance with the International Standards on Auditing and the rules of professional ethics in force. The procedures followed are:

- Assigning every audit undertaken to an audit team with appropriate experience and specialization.
- Advising the participating staff of the nature and scope of the engagement.
- Guiding and supervising by experienced colleagues.
- Supervising procedures of the work under execution.
- Documenting the supervision.
- Updating the procedures and standards applied.

EXTERNAL QUALITY CONTROLS

The firm has been subject to the following quality assurance reviews:

Nexia International

The latest internal review was performed in July 2020 by Nexia International in accordance with the Nexia International Regulation for the Quality Control Review, and the conclusions were discussed with the management of Nexia Albania, and agreed actions were concluded on the improvement points raised in the report. No findings were identified from the quality control of our firm, and the overall Grading was 1 with no recommendations.

The Institute of the Authorized Chartered Accountants of Albania

The firm is subject to external review by The Institute of the Authorized Chartered Accountants of Albania (IEKA). The firm was last subject to external review in October 2014, and the conclusions were that the Company is in compliance with all material aspects of the quality requirements for the auditing services rendered in the application of the procedures as defined by the professional standards on Auditing for the quality of the auditing services rendered.

Public Oversight Board

We have been subject to Public Oversight Board (POB) quality control in December 2019 for the audits of the years ended 2017 and 2018. The subject of the quality review was focused into two pillars:

- the quality review of the firm;
- the quality review of specific audit engagements selected for review from year 2017 and 2018.

The POB recommendations were discussed and improvement actions were agreed for follow up in September 2020. All recommendations were fulfilled and updated actions were submitted to POB in September 2020.

Further follow-ups on the implemented actions have been performed by POB quality control in June 2022 fir the audits of the year ended 2020.

Based on the follow and quality control performed no further actions have been recommended to be implemented.

PIE AUDITS & FINANCIAL INFORMATION

Revenues

The revenue analysis for the year ended 31 December 2023 is as follows:

Services	Revenues in ALL '000	% of total
Statutory Audit Services for Public Interest Entities	10,867	38%
Statutory Audit Services for other Entities	7,842	27%
Other Assurance and Other Services	10,256	35%
Total	**28,965**	**100%**

Insurance cover

Our company has a professional indemnity insurance cover in accordance with the statutory requirements.

Remuneration of statutory auditors

The partners' compensation system is based on the reward system adopted by Nexia AL. It is designed to reflect individual partner's responsibilities and experience, their role in the management of the professional practice as a whole, as well as local market conditions.

The amount of the performance profit related component awarded at the conclusion of the financial year depends on the partner's performance and is subject to availability of distributable profits.

Public-interest entities audit clients

During the year 2024, Nexia Albania carried out audits for the year ended 31 December 2023 of the following public-interest entities:

1. Alb - Star shpk
2. Albsig Invest sha
3. Albsig Jete sha
4. Albsig sha
5. Sicred sha
6. Axpo sha
7. Iute Credit Albania sha
8. LC Waikiki Retail AL shpk
9. Top channel
10. Yildirim Energy Europe Albania
11. Yura Corporation Albania shpk
12. Kukes International Airport
13. Energy Finance Team
14. Operatori i Shperndarjes se Energjise Elektrike GROUP
15. Eurotech Cement
16. Kastrati Aviation Holding

INDEPENDENCE & CONTINUOUS EDUCATION

Independence

Independence practices and rotation

Our company's practices are designed so that our professionals comply with the independence practices concerning specific audit engagements, in accordance with the independence standards of the International Ethics Standards Board of Accountants of the International Federation of Accountants (IESBA) and of the Institute of the Certified Chartered Accountants (IEKA) of Albania.

Furthermore, we follow strictly the rotation rules as required by the local regulations in Albania with regards to audits of banks, non-banks, and insurance clients.

All partners and staff when involved in an audit team and starting individual work under an engagement of a specific client shall complete a declaration stating whether he/she has knowledge of any circumstances that could compromise the independence with regard to this client.

Education

Continuing education of statutory auditors

Our strategic objective is to attract talented professionals. We are proud for our people and we are doing whatever is necessary for their progress.

Our audit professionals obtain internal trainings at least once a year. Furthermore, based on the experience level our staff is strongly encouraged and supported to obtain membership in ACCA and IEKA.

Professional development occurs through coaching and experiences our professionals receive on the job. Coaching helps to transform knowledge and experience into practice. Experienced professionals are expected to coach and develop less experienced personnel to create a continual learning environment.

In addition to the above, all registered auditors in Nexia AL maintain their qualification through continuous education and training courses, organized internally or by the IEKA and ACCA.

Nexia AL shpk.

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