Legal Balance

Activity report
2026 H1

Board of directors

Evaldas Remeikis

A business manager with a diverse business experience, he is board member at various companies. Among his most interesting and most signifi- cant career achievements is his partic- ipation in the creation of successful companies that operate in the tech- nology and finance industry and investments in startup companies

Vaidotas Pupalaigis

An expert in customer relationship management, backed up by 15+ years experience as a private banker. Excels at understanding needs and offering optimal solutions that best suit customer needs in coordination with their financial background, objectives and goals

Arminas Sinkevičius

Active business professional who plays a crucial part in various businesses and is an owner of many companies adding the fact that he is an active member of boards in those companies

Juratė Stanišauskienė

Strategy and corporate management expert and professional board member. Has more than 15 years of top-level management, strategy formulation and implementation experience both in Lithuania and Europe.

Management team

Marius Šlepetis

Managing director of the company with more than 8 years of experience in debt collection industry. Since 2018 is also the head of Lithuanian credit management companies‘ association.

Šarūnas Šimkus

Company‘s Chief Operations Officer with more than 5 years expierence in debt collection. He has a background in law.

Nerdas Sangavičius

Chief financial officer with a vast experience in finance sector. Previously Nerdas worked at Big4 and provided audit services to the largest banking groups, investment and pension funds, state-owned enterprises. Main focus on FSI industry.

Julija Žiūkaitė

Head of legal department of the company, has a master degree in law. She also takes part in Lithuanian credit management companies‘ association.

Executive sumary

Legal Balance is a company operating in Lithuania and Latvia working as a receivables management company specializing in collection and purchasing of non-performing private consumer debt portfolios.

Our clients are major telecommunications companies, banks, sports clubs and finance companies.
We are a preferred partner of EOS Global Collection network.

Our personnel is a team of passionate, ambitious and professional individuals. We manage to achieve outstanding results. We do not work with clients, we work for their interests and goals they want to achieve.

Investments into debt purchase

Debt portfolios are purchased for 10 – 70 % of the debt amount through auctions organised by sellers usually operating in financial, telecommunications and utilities sector. Acquisition price is determined through modeling projections of portfolio using historical data and benchmark portfolios. Cashflows projections are made 15 years into the future, acceptable investment project **IRR threshold – 20%.**

Shareholders actively participate in the business, with the goal of keeping equity ratio no less than **20%.**

Our partners

TELE2 · Luminor · TFBank · BnP Finance

unlokk · gf bankas · inbank · esto

Swedbank · Artea Lizingas · 4FINANCE · bitė

HOLM · AvaFin · IPF digital

Purchased debts

Managed purchased debt portfolio above 251 mln. €

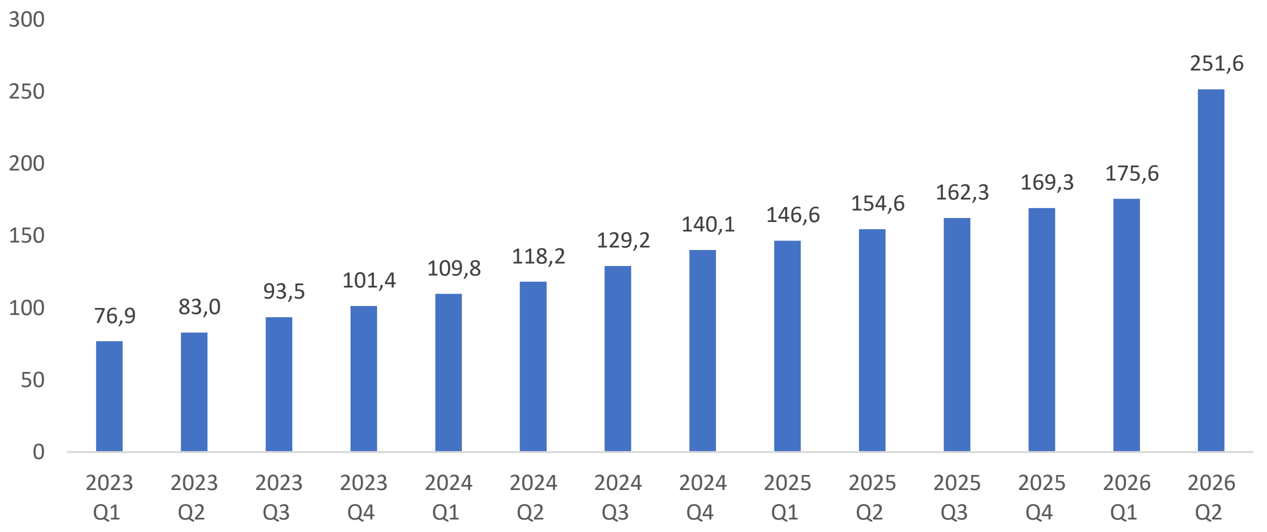
Managed debt cases > 73 000

In 2026 H1 company invested more than 13.7 mln. € into debt purchase

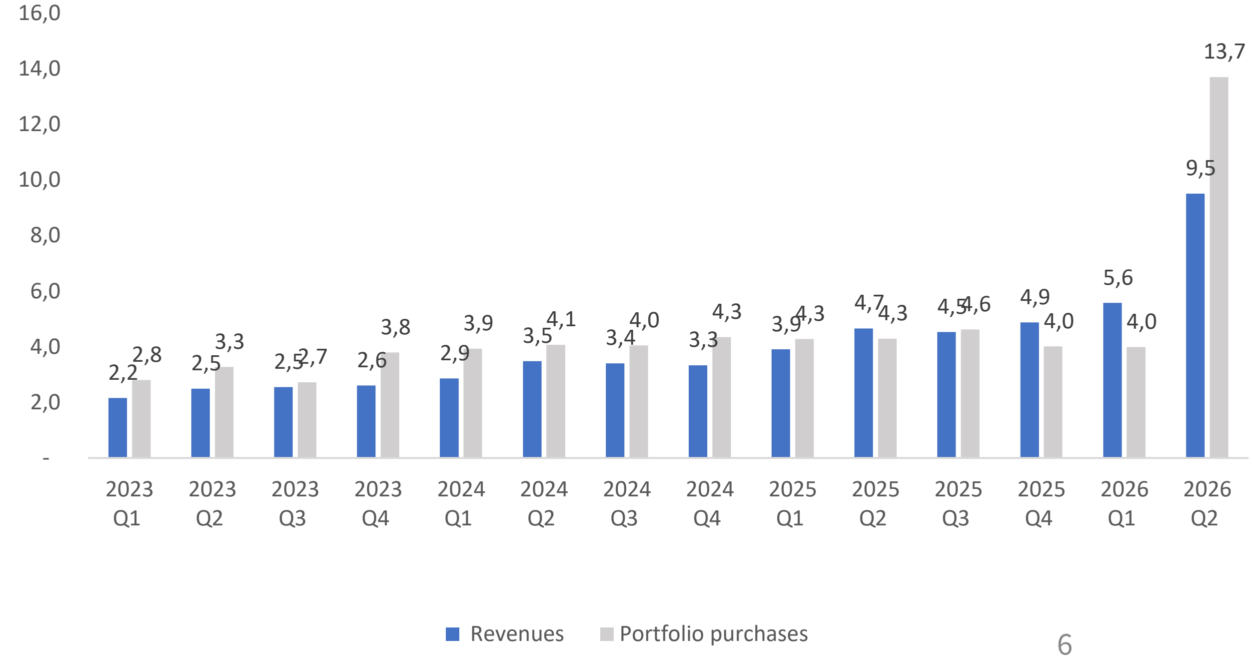
In 2026 H1 recovered more than 9.5 mln. € from purchased debts

Acquisition year	Purchase price	Recoveries until 2026 H1	Gross Cash-on-cash multiple	Forecasted recoveries	Cash-on-cash multiple
2016	367 663	1 720 794	4.68	40 974	4.79
2017	2 121 442	6 408 643	3.02	413 604	3.22
2018	1 997 177	4 364 270	2.19	546 280	2.46
2019	3 688 742	6 709 083	1.82	1 177 058	2.14
2020	4 518 939	7 954 226	1.76	3 307 161	2.49
2021	4 807 431	7 411 879	1.54	3 154 699	2.20
2022	7 625 671	10 812 528	1.42	8 864 599	2.58
2023	12 632 424	13 230 843	1.05	17 111 597	2.40
2024	16 495 394	12 416 352	0.75	30 707 850	2.61
2025	17 096 546	5 897 824	0.34	35 038 592	2.39
2026 H1	17 674 388	1 098 681	0.06	43 886 576	2.55
TOTAL	89 020 636	78 022 123	0.88	144 248 991	2.50

Accumulated debt portfolio, mEUR



Recoveries and Investments, mEUR



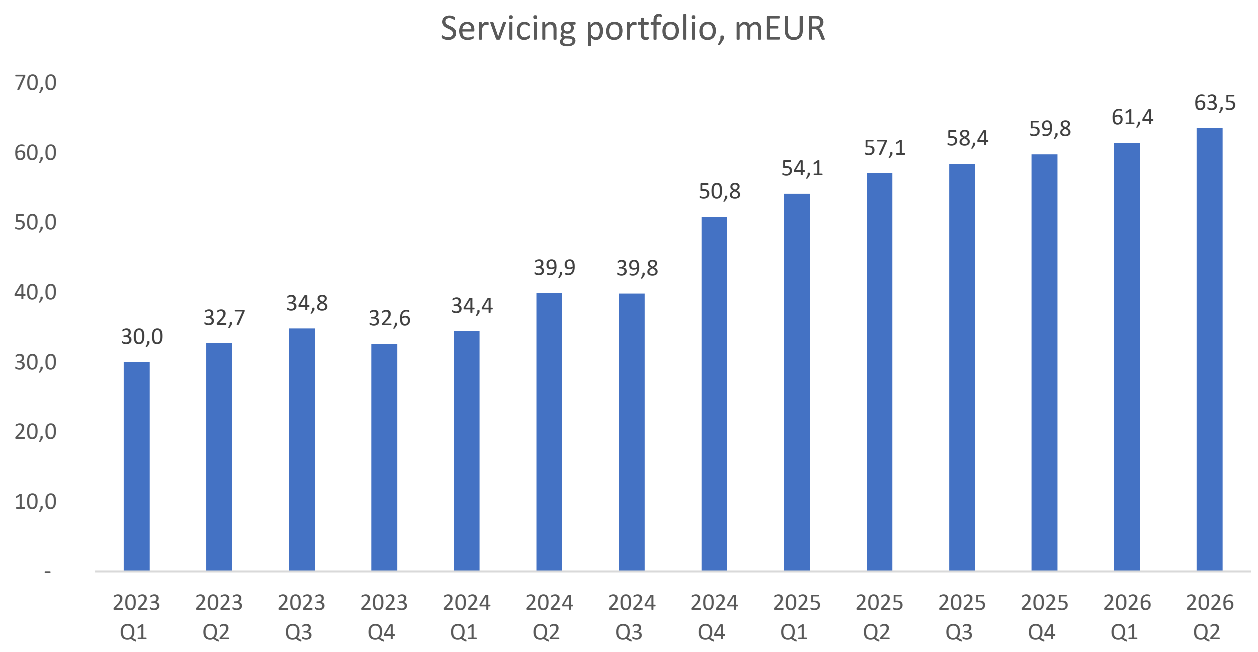
Client debts (servicing)

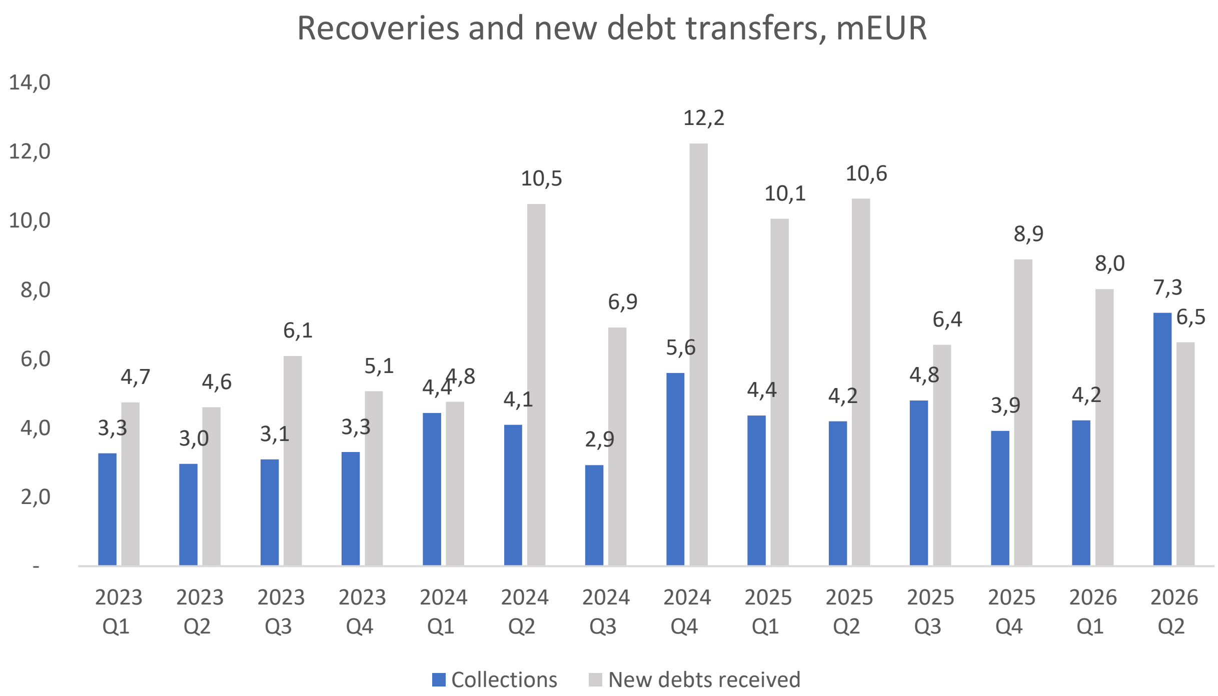
Managed client debt portfolio more than 63.5 mln. €

Managed client cases more than 40 000

In 2026 H1 received more than 14.5 mln. € of new client cases

In 2026 H1 company recovered more than 11.6 mln. € from administered client debts





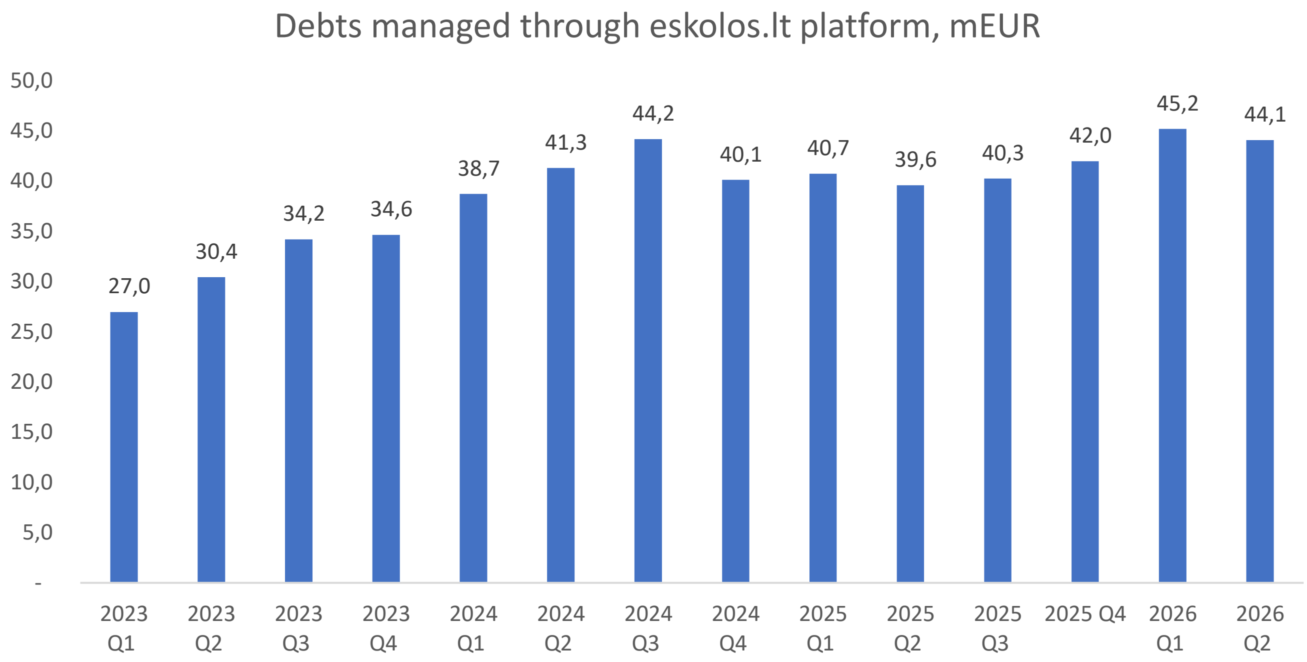
eSkolos platform

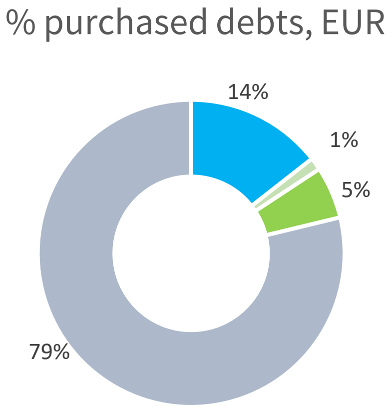
Managed eSkolos debt portfolio more than 44 mln. €

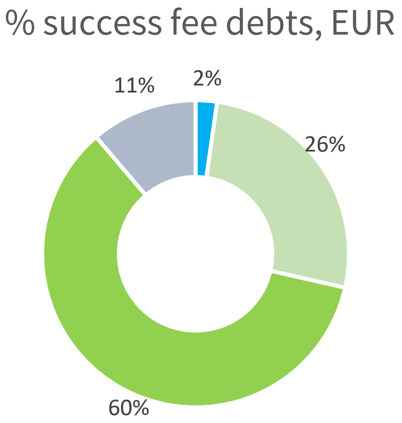
Number of cases more than 10 000

In 2026 H1 company acquired ~ 4 mln. € nominal value debts through eSkolos platform

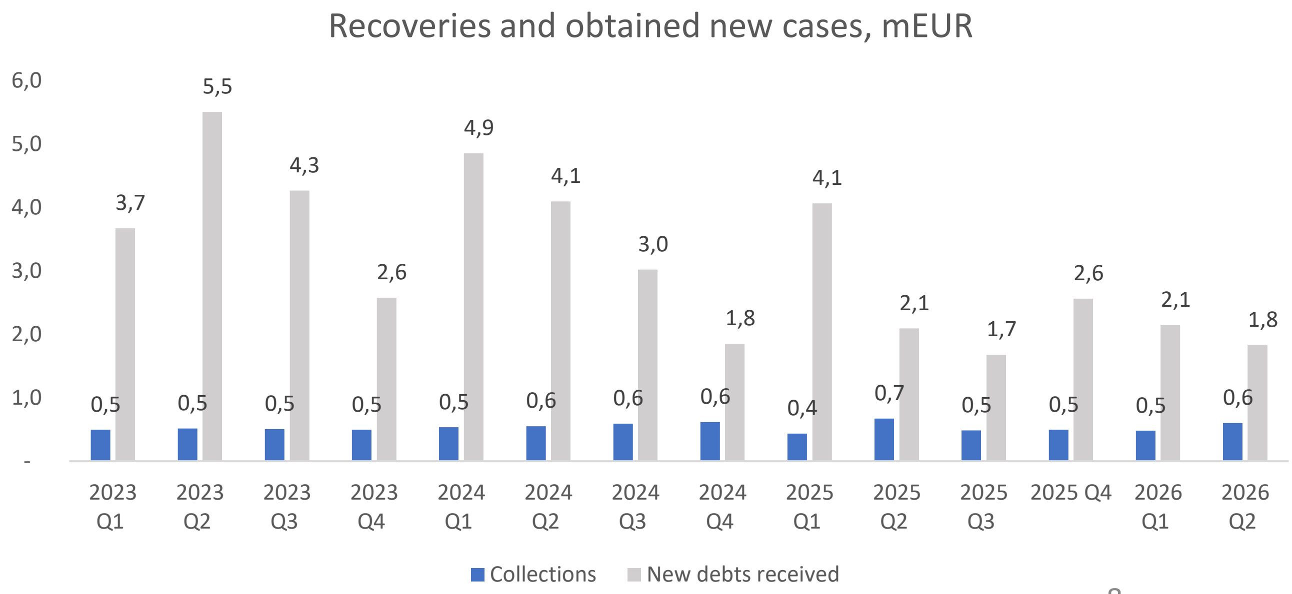
In 2026 H2 company recovered ~ 1 mln. € from eSkolos platform debts





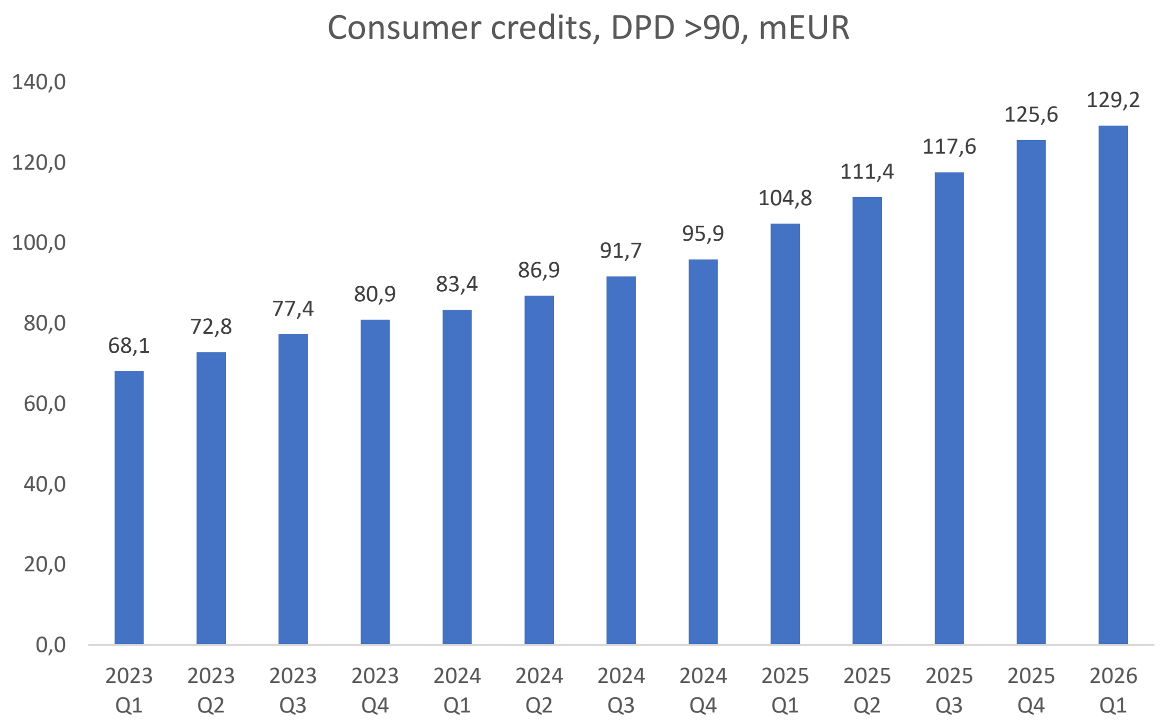


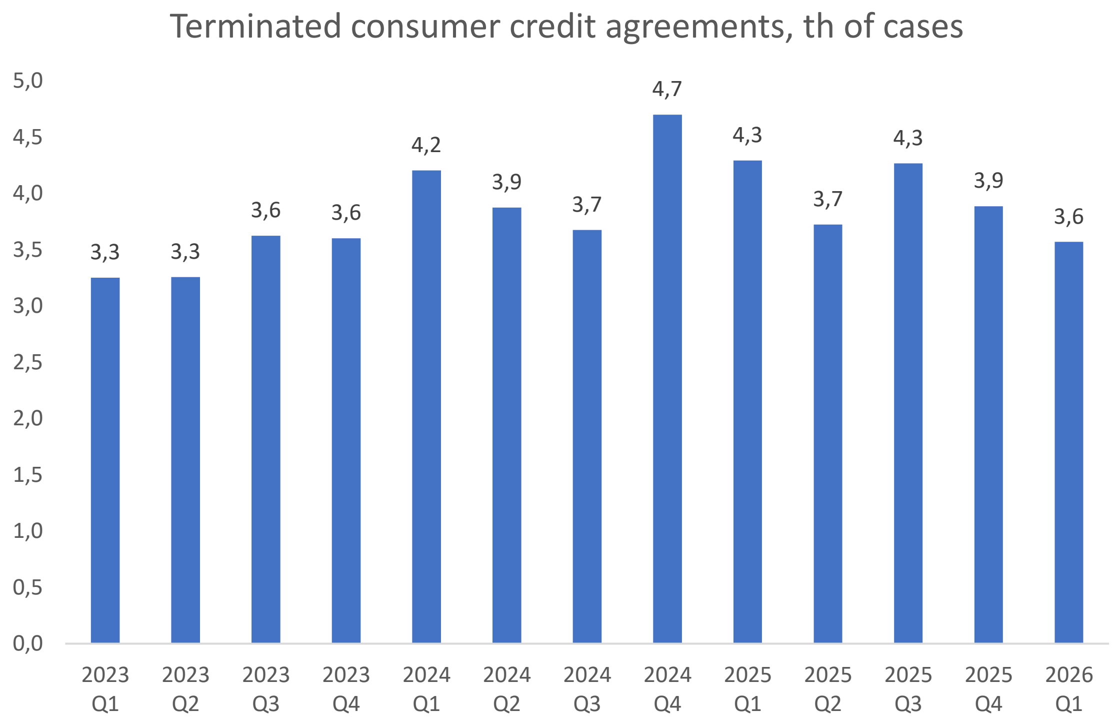
Salary dispute Goods and services Administrative breach Loan



Business environment

According to the data of the Bank of Lithuania, the amount of overdue consumer credits >90 days in H2 2026 amounted to 129,2 mEUR (+23% YoY). Due to limited resources, financial institutions very often hand over insolvent clients to debt collection specialists for administration, and at a later stage to get rid of NPLs by selling them with discount to such companies as Legal Balance.



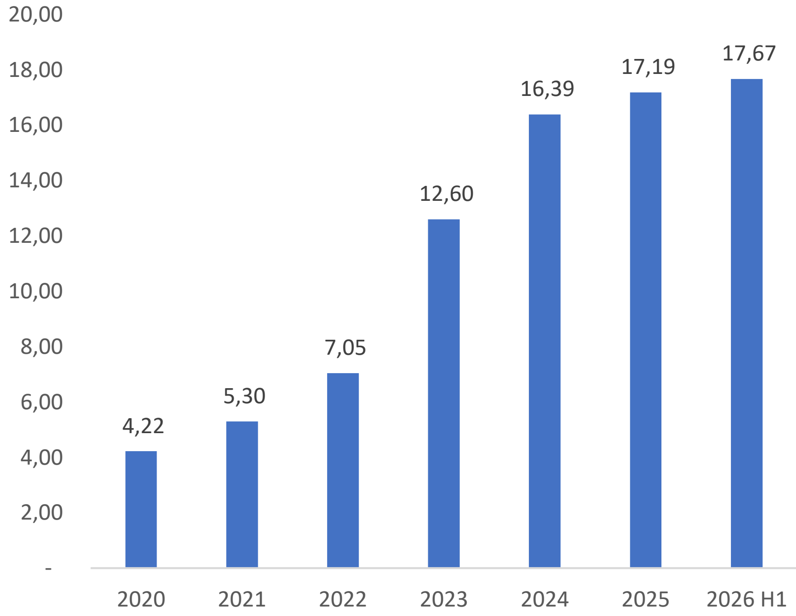


Profitability and investments (LT)

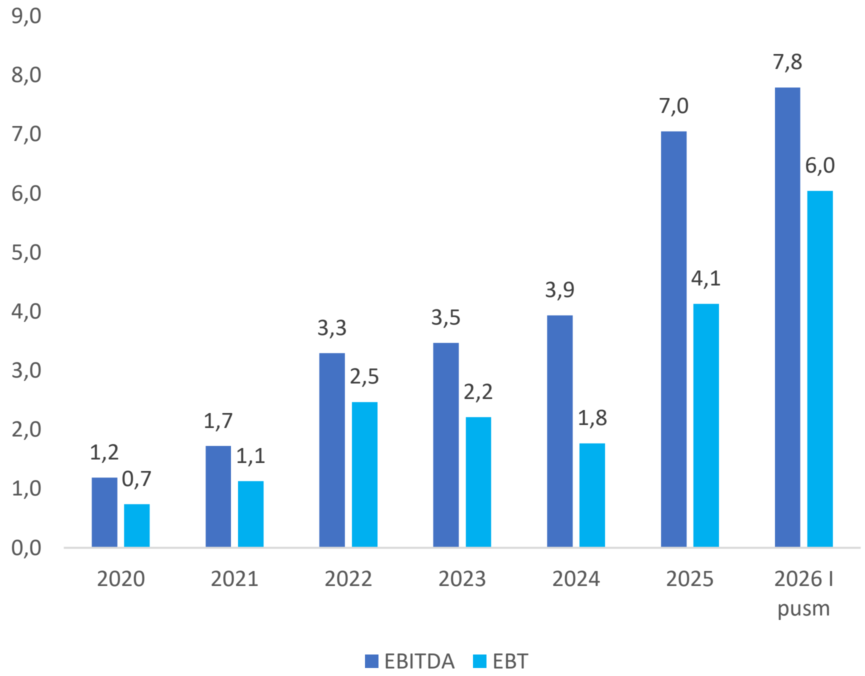
The largest share in the company's income structure (>80%) is the income from purchased debts.

The growth of investments in bad debts and the growing portfolio of managed debts continuously leads to better company results. The company collects significantly more receivables from borrowers than planned, which directly affects higher EBITDA and pre-tax profit numbers.

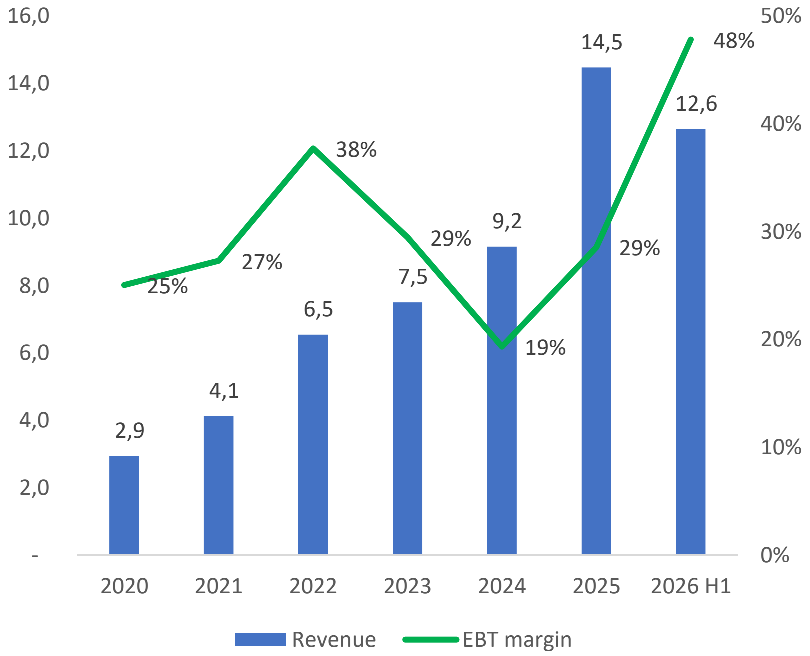
Investments in NPL, mEUR



EBITDA vs EBT, mEUR



Revenue and EBT margin, mEUR



Financials (Profit-loss)

The company's income growth was driven mainly by investments in NPL portfolios and the expanding number of clients for servicing.

Cost of sales includes legal and enforcement costs, which increase as the amount of claims under management increases.

EBITDA and EBIT figures are growing. This is due to increased collection efficiency and better overall cash collection compared to forecasts.

Higher profitability in 2026 was influenced by 2nd pillar pension reform in Lithuania, which resulted in significantly higher collection volumes.

Profit loss statement, th Eur	2021	2022	2023	2024	2025	2026 H1*
Revenue	**4 125**	**6 542**	**7 503**	**9 156**	**14 466**	**12 639**
Annual change	*40.0%*	*58.6%*	*14.7%*	*22.0%*	*58.0%*	
Cost of sales	499	997	1 064	1 323	2 853	2 197
Annual change	*-0.4%*	*99.6%*	*6.7%*	*24.3%*	*92. 5%*	
Gross profit	**3 625**	**5 544**	**6 438**	**7 833**	**11 613**	**10 442**
Annual change	*48.3%*	*52.9%*	*16.1%*	*21.7%*	*51.3%*	
Gross profit margin	*87.9%*	*84.8%*	*85.8%*	*85.5%*	*80.3%*	*82.6%*
Operating expenses	1 902	2 250	2 965	3 727	4 564	2 649
EBITDA	**1 722**	**3 293**	**3 473**	**4 106**	**7 049**	**7 793**
EBITDA margin	*41.8%*	*50.4%*	*46.3%*	*44.8%*	*48.7%*	*61.7%*
Depreciation (amortisation)	18	10	2	141	239	205
EBIT	**1 704**	**3 283**	**3 472**	**3 965**	**6 810**	**7 588**
EBIT margin	*41.3%*	*50.2%*	*46.3%*	*43.3%*	*47.1%*	*60.0%*
Interest expenses	577	816	1 260	2 036	2 679	1 545
EBT	**1 126**	**2 467**	**2 211**	**1 929**	**4 131**	**6 042**
EBT margin	*27.3%*	*37.7%*	*29.5%*	*21.1%*	*28.6%*	*47.8%*

*unaudited numbers

Financials (Balance sheet)

The largest part of the company's assets consists of purchased debt portfolios, which are accounted for using the amortized cost and effective interest rate method.

In order to maintain an optimal capital structure, the company invests in debt by consistently borrowing in the form of bonds. The company aims to maintain an equity ratio of at least 20%

Company's other liabilities include mainly amounts due to sellers of debt portfolios.

Balance sheet, th Eur	2021	2022	2023	2024	2025	2026 H1*
Intangible assets	3	244	430	560	826	793
Tangible assets	12	4	28	78	65	61
Financial assets	8 827	12 908	18 865	27 434	34 662	27 211
NON-CURRENT ASSETS	**8 842**	**13 158**	**19 322**	**28 073**	**35 553**	**28 064**
Inventories	67	67	32	36	23	49
Receivables	4 805	6 443	9 580	12 491	17 460	38 053
Other	5	25	27	40	30	28
Cash and cash equivalents	470	949	821	2 139	758	7 942
CURRENT ASSETS	**5 344**	**7 459**	**10 460**	**14 706**	**18 272**	**46 072**
TOTAL ASSETS	**14 190**	**20 642**	**29 782**	**42 778**	**53 825**	**74 137**
EQUITY	**3 489**	**5 812**	**7 805**	**9 492**	**13 039**	**18 857**
Non-current part of financial debts	6 843	10 986	15 078	23 042	30 569	34 421
Other	43	498	617	849	1 154	1 154
NON-CURRENT AMOUNTS PAYABLE AND LIABILITIES	**6 886**	**11 484**	**15 695**	**23 891**	**31 723**	**35 574**
Current part of financial debts	1 984	2 155	4 393	6 701	6 057	8 226
Trade amounts payable	603	242	404	622	394	8 970
Other	1 228	949	1 484	2 071	2 613	2 509
CURRENT AMOUNTS PAYABLE AND LIABILITIES	**3 815**	**3 346**	**6 282**	**9 394**	**9 063**	**19 705**
TOTAL EQUITY AND LIABILITIES	**14 190**	**20 642**	**29 782**	**42 778**	**53 825**	**74 137**

*unaudited numbers