

**UAB Legal Balance**

**CONSOLIDATED FINANCIAL STATEMENTS**

**for the year ended 31 December 2023**

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**INDEPENDENT AUDITOR'S REPORT**

TO THE SHAREHOLDERS OF UAB LEGAL BALANCE

**Report on the Audit of the Consolidated Financial Statements****Opinion**

We have audited the consolidated financial statements of the UAB Legal Balance and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December, 2023 and the consolidated profit (loss) statement, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December, 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Lithuanian Financial Reporting Standards.

**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 Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the requirements of the Law on Audit of Financial Statements of the Republic of Lithuania that are relevant to audit in the Republic of Lithuania, and we have fulfilled our other ethical responsibilities in accordance with the Law on Audit of Financial Statements of the Republic of Lithuania and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Other matters**

The consolidated financial statements of the Group for the year ended December 31, 2022, were audited by another auditor, who expressed an unqualified opinion on those statements on July 07, 2023.

**Other information**

The other information comprises the information included in the Group's annual report, but does not include the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon, except as specified below.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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**Grant Thornton Baltic UAB**

**Vilnius** | Upės g. 21 | 08128 Vilnius | Lietuva | T +370 52 127 856 | El.p. info@lt.gt.com  
**Kaunas** | Jonavos g. 60C | 44192 Kaunas | Lietuva | T +370 37 422 500 | El.p. kaunas@lt.gt.com  
**Klaipėda** | Taikos pr. 52c / Agluonos g. 1-1403 | 91184 Klaipėda | Lietuva | T +370 46 411 248 | El.p. klaipeda@lt.gt.com

In addition, our responsibility is to consider whether information included in the Group's annual report for the financial year for which the consolidated financial statements are prepared is consistent with the consolidated financial statements and whether annual report has been prepared in compliance with applicable legal requirements. Based on the work carried out in the course of audit of consolidated financial statements, in our opinion, in all material respects:

- The information given in the Group's annual report for the financial year for which the consolidated financial statements are prepared is consistent with the consolidated financial statements; and
- The Group's annual report has been prepared in accordance with the requirements of the Law on Consolidated Financial Reporting by Groups of Undertakings of the Republic of Lithuania.

### **Responsibilities of management and those charged with governance for the consolidated financial statements**

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

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a 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 Group or to cease operations, or has no realistic alternative but to do so.

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

### **Auditor's responsibilities for the audit of the consolidated financial statements**

#### **Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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 for 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 Group'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 and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We shall 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.

Arvydas Ziziliauskas<sup>1</sup>  
Auditor  
License No 000467

July 11, 2024

Jonavos st. 60C, Kaunas  
Grant Thornton Baltic UAB  
Audit company's license No 001513

*\*This is an unofficial translation into English of the Statutory Auditors' report and consolidated Financial statements issued in the Lithuanian language. The consolidated financial statements of UAB Legal Balance originally issued in the Lithuanian language have been audited.*

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<sup>1</sup> An electronic document is signed with an electronic signature, has the same legal force as a signed written document and is a permissible means of proof. Only the independent auditor's report is signed with the electronic signature of the auditor.

# UAB Legal Balance

Company code 302528679, address: Žalgirio st. 90, Vilnius.

Data is stored at the State Enterprise Centre of Registers.

## Consolidated Financial Statements for the Year Ended 31 December 2023

(All amounts are in euros (EUR) unless otherwise stated)

### CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2023

	ASSETS	Note	Current reporting period	Previous reporting period (corrected, note 16)
A.	NON-CURRENT ASSETS		19,321,897	13,158,000
1.	INTANGIBLE ASSETS	3.1.	429,791	244,527
1.1.	Development works		-	-
1.2.	Goodwill		-	-
1.3.	Software		429,791	244,527
1.4.	Concessions, patents, licenses, trademarks and similar rights		-	-
1.5.	Other intangible assets		-	-
1.6.	Prepayments made		-	-
2.	PROPERTY, PLANT AND EQUIPMENT	3.2.	27,595	4,600
2.1.	Land		10,906	-
2.2.	Buildings and structures		-	-
2.3.	Machinery and equipment		-	-
2.4.	Vehicles		-	-
2.5.	Other equipment, fittings and tools		16,689	4,600
2.6.	Investment property		-	-
2.6.1.	Land		-	-
2.6.2.	Buildings		-	-
2.7.	Prepayments made and property, plant and equipment construction (production) in progress		-	-
3.	FINANCIAL ASSETS	3.3.	18,864,511	12,908,873
3.1.	Shares of Group companies		-	-
3.2.	Loans to group companies		-	-
3.3.	Receivables from group companies		-	-
3.4.	Shares in associates		-	153,107
3.5.	Loans to associates		-	-
3.6.	Receivables from associates		-	-
3.7.	Non-current investments		-	-
3.8.	Non-current receivables		18,864,511	12,755,766
3.9.	Other financial assets		-	-
4.	OTHER NON-CURRENT ASSETS		-	-
4.1.	Deferred tax asset		-	-
4.2.	Biological assets		-	-
4.3.	Other assets		-	-

**UAB Legal Balance**

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**Consolidated Financial Statements for the Year Ended 31 December 2023**

(All amounts are in euros (EUR) unless otherwise stated)

	ASSETS	Note	Current reporting period	Previous reporting period (corrected, note 16)
B.	CURRENT ASSETS		10,432,841	7,459,467
1.	INVENTORIES		31,556	67,165
1.1.	Raw materials, consumables and components		17	111
1.2.	Unfinished goods and work-in-progress		-	-
1.3.	Finished goods		-	-
1.4.	Goods for resale		-	-
1.5.	Biological assets		-	-
1.6.	Property, plant and equipment held for sale		-	-
1.7.	Prepayments made		31,539	67,054
2.	RECEIVABLES WITHIN ONE YEAR	3.5.	9,580,119	6,443,015
2.1.	Trade receivables		149,411	118,856
2.2.	Receivables from group companies		-	-
2.3.	Receivables from associates		-	9,939
2.4.	Other receivables		9,430,708	6,314,220
3.	CURRENT INVESTMENTS		-	-
3.1.	Shares of Group companies		-	-
3.2.	Other investments		-	-
4.	CASH AND CASH EQUIVALENTS	3.6.	821,166	949,287
C.	DEFERRED EXPENSES AND ACCRUED INCOME		26,974	25,184
	TOTAL ASSETS:		29,781,712	20,642,651

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## Consolidated Financial Statements for the Year Ended 31 December 2023

(All amounts are in euros (EUR) unless otherwise stated)

	EQUITY AND LIABILITIES	Note	Current reporting period	Previous reporting period (corrected, note 16)
D.	EQUITY		7,804,920	5,812,303
1.	CAPITAL	3.7.	790,423	790,423
1.1.	Issued (subscribed) or main capital		900,003	900,003
1.2.	Subscribed unpaid issued capital (-)		-	-
1.3.	Own shares, member shares (-)		(109,580)	(109,580)
2.	SHARE PREMIUM		-	-
3.	REVALUATION RESERVE		-	-
4.	RESERVES	3.7.	199,580	199,580
4.1.	Legal reserve or reserve capital		90,000	90,000
4.2.	For acquisitions of own shares		109,580	109,580
4.3.	Other reserves		-	-
5.	RETAINED EARNINGS (LOSS)	3.7.	6,814,917	4,822,300
5.1.	Current year profit (loss)		1,992,617	2,230,766
5.2.	Profit (loss) for previous years		4,822,300	2,591,534
6.	EFFECT OF FOREIGN EXCHANGE		-	-
7.	NON-CONTROLLING INTEREST		-	-
E.	GRANTS AND SUBSIDIES		-	-
F.	PROVISIONS		617,432	472,562
1.	Provision for pensions and similar liabilities		-	-
2.	Provisions for taxation	3.4.	617,432	472,562
3.	Other provisions		-	-
G.	PAYABLES AND LIABILITIES		21,345,168	14,330,905
1.	PAYABLES AFTER ONE YEAR AND NON-CURRENT LIABILITIES	3.8.	15,077,686	11,013,289
1.1.	Borrowings		15,067,933	10,986,856
1.2.	Payables to credit institutions		-	-
1.3.	Prepayments received		-	-
1.4.	Trade payables		-	-
1.5.	Payables under bills and cheques		-	-
1.6.	Payables to group companies		-	-
1.7.	Payables to associates		-	-
1.8.	Other payables and non-current liabilities		9,753	26,433
2.	PAYABLES WITHIN ONE YEAR AND CURRENT LIABILITIES	3.9.	6,267,482	3,317,616
2.1.	Borrowings		4,393,302	2,155,344
2.2.	Payables to credit institutions		-	-
2.3.	Prepayments received		33,401	57,556
2.4.	Trade payables		370,969	182,479
2.5.	Payables under bills and cheques		-	-
2.6.	Payables to group companies		-	-
2.7.	Payables to associates		6,600	39
2.8.	Income tax liabilities		40	187
2.9.	Employment-related liabilities		350,767	298,967
2.10.	Other payables and current liabilities		1,112,403	623,044
H.	ACCRUED EXPENSES AND DEFERRED INCOME		14,192	26,881
	TOTAL EQUITY AND LIABILITIES:		29,781,712	20,642,651

Director

Marius Šlepetis

Person responsible for accounting

Sigitas Ertmanas

Director of UAB Finance United

11 July 2024



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**Consolidated Financial Statements for the Year Ended 31 December 2023**

(All amounts are in euros (EUR) unless otherwise stated)

**CONSOLIDATED PROFIT (LOSS) STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023**

No	Items	Note	Current reporting period	Previous reporting Period (corrected, note 16)
I.	Net turnover	3.10.	7,503,032	6,624,264
II.	Cost of sales	3.11.	(1,064,236)	(997,476)
III.	Fair value adjustments of the biological assets		-	-
IV.	Gross profit		6,438,796	5,626,788
V.	Selling expenses	3.11.	(205,799)	(223,073)
VI.	General and administrative expenses	3.11.	(2,778,794)	(1,976,032)
VII.	Other operating results	3.10., 3.11.	12,573	20,297
VIII.	Income from investments in the shares of parent, subsidiaries and associated entities		-	-
IX.	Income from other long-term investments and Loans		-	-
X.	Other interest and similar income	3.12.	4,978	374
XI.	Impairment of the financial assets and short-term Investments		-	-
XII.	Interest and other similar expenses	3.12.	(1,260,491)	(829,716)
XIII.	PROFIT (LOSS) BEFORE TAX		2,211,263	2,618,638
XIV.	Income tax	3.13.	(218,646)	(387,872)
XV.	PROFIT (LOSS) BEFORE NON-CONTROLLING INTERESTS		1,992,617	2,230,766
XVI.	NON-CONTROLLING INTEREST		-	-
XVII.	NET PROFIT (LOSS)		1,992,617	2,230,766

Director

Marius Šlepetis

Person responsible for accounting  
Director of UAB Finance United

Sigitas Ertmanas

11 July 2024

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## Consolidated Financial Statements for the Year Ended 31 December 2023

(All amounts are in euros (EUR) unless otherwise stated)

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

	Paid issued or main capital	Share premium	Own shares (-)	Revaluation reserve		Legal reserves		Other reserves	Retained earnings (loss)	Effect of foreign exchange	Non-controlling interest	Total
				Property, plant and equipment	Financial assets	Legal reserve or reserve capital	For acquisitions of own shares					
1 Balance as at 31 December 2021	900,003	-	(109,580)	-	-	53,506	109,580	-	2,535,851	-	-	3,489,360
2 Result of changes in accounting policy	-	-	-	-	-	-	-	-	-	-	-	-
3 Result of correction of material errors	-	-	-	-	-	-	-	-	92,177	-	-	92,177
4 Restated balance as at 31 December 2021	900,003	-	(109,580)	-	-	53,506	109,580	-	2,628,028	-	-	3,581,537
5 Increase (decrease) in value of property, plant and equipment	-	-	-	-	-	-	-	-	-	-	-	-
6 Increase (decrease) in value of effective hedging instrument	-	-	-	-	-	-	-	-	-	-	-	-
7 Acquisition (sale) of own shares	-	-	-	-	-	-	-	-	-	-	-	-
8 Profit (loss) not recognized in the statement of profit (loss)	-	-	-	-	-	-	-	-	-	-	-	-
9 Net profit (loss) for a reporting period	-	-	-	-	-	-	-	-	2,230,766	-	-	2,230,766
10 Dividends	-	-	-	-	-	-	-	-	-	-	-	-
11 Other payments	-	-	-	-	-	-	-	-	-	-	-	-
12 Reserves established	-	-	-	-	-	36,494	-	-	(36,494)	-	-	-
13 Reserves used	-	-	-	-	-	-	-	-	-	-	-	-
14 Increase (decrease) in issued capital or members' contributions (repayment of member shares)	-	-	-	-	-	-	-	-	-	-	-	-
15 Contributions to cover losses	-	-	-	-	-	-	-	-	-	-	-	-
16 Effect of foreign exchange	-	-	-	-	-	-	-	-	-	-	-	-
17 Increase (decrease) of non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-
18 Balance as at 31 December 2022	900,003	-	(109,580)	-	-	90,000	109,580	-	4,822,300	-	-	5,812,303

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## Consolidated Financial Statements for the Year Ended 31 December 2023

(All amounts are in euros (EUR) unless otherwise stated)

		Paid issued or main capital	Share premium	Own shares (–)	Revaluation reserve		Legal reserves		Other reserves	Retained earnings (loss)	Effect of foreign exchange	Non- controlling interest	Total
					Property, plant and equipment	Financial assets	Property, plant and equipment	Financial assets					
18	<b>Balance as at 31 December 2022</b>	<b>900,003</b>	<b>-</b>	<b>(109,580)</b>	<b>-</b>	<b>-</b>	<b>90,000</b>	<b>109,580</b>	<b>-</b>	<b>4,822,300</b>	<b>-</b>	<b>-</b>	<b>5,812,303</b>
19	Increase (decrease) in value of property, plant and equipment	-	-	-	-	-	-	-	-	-	-	-	-
20	Increase (decrease) in value of effective hedging instrument	-	-	-	-	-	-	-	-	-	-	-	-
21	Acquisition (sale) of own shares	-	-	-	-	-	-	-	-	-	-	-	-
22	Profit (loss) not recognized in the statement of profit (loss)	-	-	-	-	-	-	-	-	-	-	-	-
23	Net profit (loss) for a reporting period	-	-	-	-	-	-	-	-	1,992,617	-	-	1,992,617
24	Dividends	-	-	-	-	-	-	-	-	-	-	-	-
25	Other payments	-	-	-	-	-	-	-	-	-	-	-	-
26	Reserves established	-	-	-	-	-	-	-	-	-	-	-	-
27	Reserves used	-	-	-	-	-	-	-	-	-	-	-	-
28	Increase (decrease) in issued capital or members' contributions (repayment of member shares)	-	-	-	-	-	-	-	-	-	-	-	-
29	Contributions to cover losses	-	-	-	-	-	-	-	-	-	-	-	-
30	Effect of foreign exchange	-	-	-	-	-	-	-	-	-	-	-	-
31	Increase (decrease) of non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-
32	<b>Balance as at 31 December 2023</b>	<b>900,003</b>	<b>-</b>	<b>(109,580)</b>	<b>-</b>	<b>-</b>	<b>90,000</b>	<b>109,580</b>	<b>-</b>	<b>6,814,917</b>	<b>-</b>	<b>-</b>	<b>7,804,920</b>

Director

Marius Šlepetis

Person responsible for accounting Director of UAB Finance United  
11 July 2024

Sigitas Ertmanas

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## Consolidated Financial Statements for the Year Ended 31 December 2023

(All amounts are in euros (EUR) unless otherwise stated)

### CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023

No	Items	Note	Current reporting period	Previous reporting period (corrected, note 16)
1.	Operating activities			
1.1.	Net profit (loss)		1,992,617	2,230,766
1.2.	Non-controlling interest		-	-
1.3.	Depreciation and amortization expenses		1,716	10,293
1.4.	Elimination of results of disposal of property, plant and equipment and intangible assets		-	(11,231)
1.5.	Elimination of financial and investing activities	3.12.	1,255,513	829,342
1.6.	Elimination of results other non-cash activities		-	-
1.7.	Decrease (increase) in receivables from group companies and associates		-	-
1.8.	(Increase) decrease in other receivables after one year		(6,108,745)	(4,080,967)
1.9.	(Increase) decrease in deferred tax asset		-	-
1.10.	(Increase) decrease in inventories, except for prepayments made		93	328
1.11.	(Increase) decrease in prepayments made		35,515	485
1.12.	(Increase) decrease in trade receivables		(17,757)	(121,882)
1.13.	(Increase) decrease in receivables from group companies and associates		(3,496)	11,096
1.14.	(Increase) decrease in other receivables		(3,116,489)	(1,526,564)
1.15.	Decrease (increase) in current investments		-	-
1.16.	(Increase) decrease in deferred expenses and accrued income		(1,790)	(20,886)
1.17.	Increase (decrease) in provisions		144,870	207,895
1.18.	Increase (decrease) in non-current trade payables and prepayments received		(16,680)	(16,680)
1.19.	Increase (decrease) in payables under bills of exchange and vouchers after one year		-	-
1.20.	Increase (decrease) in non-current payables to group companies and associates		-	-
1.21.	Increase (decrease) in current trade payables and prepayments received		159,730	(411,483)
1.22.	Increase (decrease) in payables under bills of exchange and vouchers within one year		-	-
1.23.	Increase (decrease) in current payables to group companies and associates		9,716	(7,702)
1.24.	Increase (decrease) in income tax liabilities		(147)	(32,186)
1.25.	Increase (decrease) in employment-related liabilities		51,800	83,816
1.26.	Increase (decrease) in other payables and liabilities		489,362	(26,117)
1.27.	Increase (decrease) in accrued expenses and deferred income		(12,695)	17,794
	<b>Net cash flows from operating activities</b>		<b>(5,136,866)</b>	<b>(2,863,883)</b>

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## Consolidated Financial Statements for the Year Ended 31 December 2023

(All amounts are in euros (EUR) unless otherwise stated)

No	Items	Note	Current reporting period	Previous reporting period (corrected, note 16)
2.	Investing activities			
2.1.	Acquisition of non-current assets (except for investments)		(208,521)	(154,370)
2.2.	Disposals of non-current assets (except for investments)		-	12,726
2.3.	Acquisition of non-current investments, other than investments in parent		-	-
2.4.	Disposal of non-current investments, other than investments in parent		153,107	-
2.5.	Acquisition of investments in subsidiaries		-	-
2.6.	Disposal of investments in subsidiaries		-	-
2.7.	Loans granted		(432,588)	-
2.8.	Loan repayments received		-	-
2.9.	Dividends and interest received		25,941	2,933
2.10.	Increases in other cash flows from investing activities		-	-
2.11.	Decrease in other cash flows from investing activities		-	-
	<b>Net cash flows used in investing activities</b>		<b>(462,061)</b>	<b>(138,711)</b>
3.	Financing activities		-	-
3.1.	Cash flows related to shareholders of the Company		-	-
3.1.1.	Shares issued		-	-
3.1.2.	Shareholders' contribution to cover losses		-	-
3.1.3.	Acquisition of own shares		-	-
3.1.4.	Dividends paid		-	-
3.2.	Cash flows related to other financing sources		5,470,889	3,481,531
3.2.1.	Increase in financial borrowings		8,982,210	6,524,009
3.2.1.1.	Loans received		2,732,210	1,074,009
3.2.1.2.	Bonds issued		6,250,000	5,450,000
3.2.2.	Decrease in financial borrowings		(3,502,096)	(3,021,564)
3.2.2.1.	Loans repaid		(716,690)	(457,653)
3.2.2.2.	Bonds acquired		(1,550,000)	(1,800,000)
3.2.2.3.	Interest paid		(1,234,675)	(762,219)
3.2.2.4.	Finance lease payments		(731)	(1,692)
3.2.3.	Increase in other liabilities of the Company		-	17
3.2.4.	Decrease in other liabilities of the Company		-	-
3.2.5.	Increase in cash flows from other financing activities		-	-
3.2.6.	Decrease in cash flows from other financing activities		(9,225)	(20,931)
	<b>Cash flows from/used in financing activities</b>		<b>5,470,889</b>	<b>3,481,531</b>
4.	Foreign exchange effect on the balance of cash and cash equivalents		(85)	(10)
5.	<b>Net increase (decrease) in cash flows</b>		<b>(128,123)</b>	<b>478,927</b>
6.	<b>Cash and cash equivalents at the beginning of the period</b>		<b>949,287</b>	<b>470,360</b>
7.	<b>Cash and cash equivalents at the end of the period</b>	3.6.	<b>821,164</b>	<b>949,287</b>

Director

Marius Šlepetis

Person responsible for accounting  
Director of UAB Finance United

Sigitas Ertmanas

11 July 2024

## UAB Legal Balance

Company code 302528679, address: Žalgirio st. 90, Vilnius.

Data is stored at the State Enterprise Centre of Registers.

### Consolidated Financial Statements for the Year Ended 31 December 2023

(All amounts are in euros (EUR) unless otherwise stated)

## NOTES TO THE FINANCIAL STATEMENTS

### 1. GENERAL

#### 1.1. Company details

The parent company UAB Legal Balance (hereinafter the "Company"), company code 302528679, is registered with the Center of Registers on 15 July 2010. The Company is headquartered at Žalgirio st. 90, Vilnius.

The issued capital of UAB Legal Balance amounts to EUR 900,003 and is divided into 310,346 ordinary registered shares with a nominal value of EUR 2.90 each. As at 31 December 2023, the Company's structure of shareholders was as follows: UAB ERA CAPITAL (47%); a Lithuanian citizen (5%); Grigory Gurevich, a Bulgarian citizen (45%). The Company had acquired 3% of its own shares.

The main activities of UAB Legal Balance are legal services, debt recovery and debt portfolio management.

As at 31 December 2023 and 2022, UAB Legal Balance had acquired 10,344 own shares with a nominal value of EUR 29,998 (acquisition cost was EUR 109,580). These shares accounted for 3.3% of the Company's issued capital.

#### Information on own shares

Own shares	Number (units)	Nominal value (EUR)	Shareholding (%)
All shares acquired and held	10,344	2,90	3,33
Acquired during the reporting period	-	-	-
Disposed during the reporting period	-	-	-

UAB Legal Balance does not have any affiliates and/or representative offices.

#### 1.2. Information about the Group and changes to it

The group of companies UAB Legal Balance is formed of (by establishing) the following companies:

- SIA Legal Balance (100%) on 16/02/2018
- UAB Legal Balance Invest (100%) on 12/07/2022

Legal form	Name	Registered office (address)	Main operating activities
SIA	Legal Balance	Bērzaunes iela 1, Rīga, LV-1039	Legal services, debt recovery and debt portfolio management.
UAB	Legal balance invest	Žalgirio st. 90-100, Vilnius	Legal services, debt recovery and debt portfolio management.

## UAB Legal Balance

Company code 302528679, address: Žalgirio st. 90, Vilnius.

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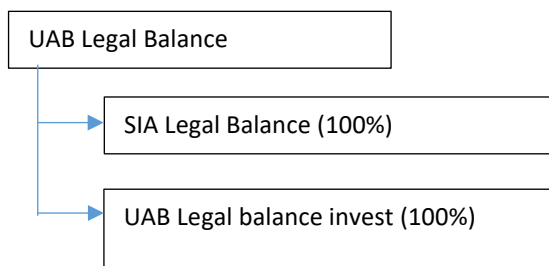
### Consolidated Financial Statements for the Year Ended 31 December 2023

(All amounts are in euros (EUR) unless otherwise stated)

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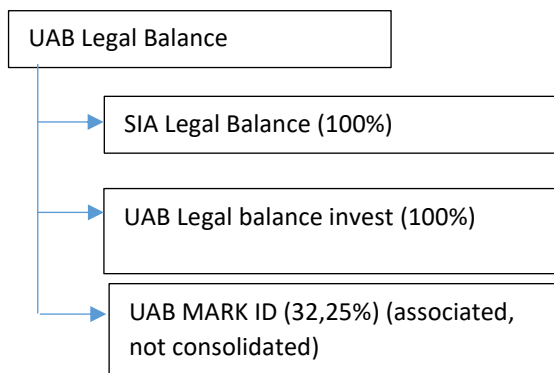
At the end of the previous reporting period, UAB Legal Balance held 32.25% shares in UAB MARK ID. The main activity of this Group company is provision of electronic signature service. UAB Legal Balance has no control over this Group company, therefore it is considered an associated company and excluded from consolidation. During the period, UAB Legal Balance sold all its shares in UAB MARK ID.

The Group's structure as at 31 December 2023:



As at 31 December 2023 and 2022, the Group had 63 and 57 employees, respectively.

The Group's structure as at 31 December 2022:



The Group's management approved these financial statements on 4 July 2024. The shareholder of the Company have the right to either approve these financial statements or not approve them and require the management to prepare a new set of financial statements.

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### Consolidated Financial Statements for the Year Ended 31 December 2023

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## 2. ACCOUNTING POLICY

The consolidated financial statements of UAB Legal Balance are prepared in accordance with the Lithuanian legislation on accounting and financial reporting, including consolidated financial reporting, and Lithuanian Financial Reporting Standards, effective as at 31 December 2023.

For the purpose of the accounting policy provided below, the Group means the parent company UAB Legal Balance and each of its subsidiaries whose financial statements are consolidated, unless stated otherwise.

When managing the accounting and preparing the financial statements, the Group follows general principles of accounting: going concern, periodicity, consistency, monetary unit, accrual, comparability, caution and neutrality, and substance over form.

Financial statements were prepared in accordance with the principles of accrual and going concern. In accordance with the principle of accrual, the impact of transactions and other events is acknowledged only when it occurs, is registered in accounting records and presented in the financial reports for the periods of time with which it is related. Furthermore, the financial statements were prepared based on the assumption that the Group has no intentions or need to liquidate itself or significantly reduce the scope of its activities.

### (a) Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance, which is controlled by the Group expecting to obtain direct and/or indirect economic benefits from the use of such asset for a period of more than one year, and the acquisition (production) cost of which is not less than EUR 1,500.

Intangible assets are recorded at acquisition (production) cost. The acquisition cost of intangible assets comprises the amount of money paid or payable when acquiring assets including customs duties and other non-refundable taxes. Other direct costs of preparing an asset for its intended use are included in the acquisition cost of the asset. Renewal and development expenses of intangible assets which are incurred after the acquisition or production are recognized in the reporting period in which they have been incurred.

In the balance sheet intangible assets are presented at their net book value, i.e. the acquisition (production) cost less accumulated amortization and impairment and plus the impairment reversal.

The amortization of intangible assets is calculated by applying a directly proportional (linear) method for the whole period of useful life:

Computer software	3 years
Other intangible fixed assets	4 years

### (b) Property, plant and equipment

Property, plant and equipment of the Group is an asset that provides direct and/or indirect economic benefit when used for more than one year and which acquisition (production) cost is not less than EUR 1,500, while the risks related to the property, plant and equipment are transferred to the Group.

Property, plant and equipment is recorded at the acquisition (production) cost, which includes the amount of money paid or payable when acquiring these assets, arrival costs, non-refundable taxes, design, mounting installation and other costs associated with the acquisition and preparation of these assets. The initial cost of property, plant and equipment excludes non-refundable value added tax. It is recognized in operating expenses in the period in which the assets were acquired.



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Reconstruction and repair work of property, plant and equipment are recognized as expenses in the period when they were incurred.

Property, plant and equipment disclosed in the financial statements is measured at the actual acquisition (production) cost of the asset less accumulated depreciation and impairment, plus impairment reversals.

Depreciation of property, plant and equipment in the Group is calculated on straight-line basis. Different ratios of depreciation are approved for different groups of property, plant and equipment:

Group of assets	Average useful life (in years)
Vehicles	6 -10
Other fixtures, fittings, tools and equipment	3 - 6

Depreciation begins from the first day of the following month after which the item of property, plant and equipment is brought into operation. Depreciation is terminated from the first day of the following month after which it is written-off, disposed or transferred in any other way. The depreciable value of the asset is the acquisition/production cost of the asset minus its residual value, which equals EUR 1 for all items of property, plant and equipment.

Lease is classified as a financial lease if it transfers substantially all the risks and rewards incident to ownership. The accounting of leased assets does not differ from the accounting of own assets. Interest and other borrowing related costs are recognized as finance expense in the period in which they are incurred.

A gain or loss on disposal of property, plant and equipment is calculated by comparing the income received with the carrying amount of the asset. The result of the transaction is recognized in the statement of profit or loss under other operating income and costs.

Fully depreciated assets that are no longer used by the Group are written off. The items of property, plant and equipment no longer used in the Group's activities and held for sale are accounted for in inventories.

The Group carries out physical count of property, plant and equipment at the end of each reporting year. The carrying amount of each item of property, plant and equipment is reviewed for impairment. If any indication of impairment exists, the recoverable amount of the asset is estimated. The recoverable amount is the greater of the net realizable value and the value in use. An impairment loss is the amount by which the carrying amount of an asset exceeds its recoverable amount. An impairment loss is recognized in the statement of profit or loss.

#### (c) Investments in subsidiaries and associates, and basis of consolidation

The consolidated financial statements include the financial statements of UAB Legal Balance and its controlled companies (hereinafter the "Group"), except for companies which are considered not material in respect of the Group of companies and based on the management's decision, are excluded from consolidation.

Subsidiaries are companies controlled by the parent company. Control exists when the Parent has the power to govern the financial and operating policies of an entity so as to obtain economic benefits from its activities.

In assessing control, potential voting rights that currently are exercisable are considered. A company is generally considered to be controlled when the Group owns, either directly or indirectly, more than 50% shareholding with voting rights in the company and/or is able to govern the financial and operating policies of the company to

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### Consolidated Financial Statements for the Year Ended 31 December 2023

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benefit from its activities. The equity and net income attributable to the minority shareholders' interests are recorded separately in the consolidated balance sheet and consolidated statement of profit (loss).

The financial statements of the Group companies are prepared for the same date, using consistent accounting policies. Subsidiaries are fully consolidated from the date of acquisition, it being the date on which the Group effectively obtains control and continue to be consolidated up to the date when such control ceases. All intercompany transactions, balances and unrealized gains and losses on transactions among the Group companies are eliminated.

In the Group's financial statements, investments in subsidiaries whose accounts are immaterial and are not consolidated are carried at cost.

In the Group's financial statements, the investment into associates should be accounted for applying the equity method. Having assessed that the results of the associate are immaterial and that the Group does not have a material effect on the associate, the Group did not apply the equity method in the consolidated financial statements and accounted for the investment in associate at cost according to LFRS 15.

Assessment of investments in associates and subsidiaries is performed when there are indications that the assets may be impaired or the impairment losses recognized in prior years no longer exist.

#### (d) Financial assets

Financial assets include cash and cash equivalents, receivables, loans granted and investments available for sale.

Financial assets are recorded when the Group receives or obtains a contractual right to receive cash or any other financial assets. Receivables are measured at amortized cost using the effective interest rate method, net of allowance for recognized impairment loss. The effective interest rate is set at inception and not adjusted at later dates. At each balance sheet date, the management reviews the debt portfolios acquired to determine whether changes in cash flow forecasts are likely. Updated cash flow forecasts are discounted at the original effective interest rate. Any gain or loss from changes in cash flow forecasts is recorded in the statement of profit or loss under sales revenue as gain or loss on revaluation of assets.

The effective interest rate method is a method of calculating the amortized cost of a financial asset and liability of allocating interest income over the relevant period. The effective interest rate exactly discounts estimated future cash flows (including any fees paid or received that are an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability or through the relevant shorter period to net carrying amount on initial recognition.

Available-for sale investments are investments acquired by the Group for the purpose of selling or generating a profit from short-term fluctuations in price. At the time of acquisition, available-for-sale investments are recognized at the acquisition cost and subsequently, at each reporting date, they are measured at fair value.

When it is probable that the Group will not be able to recover the receivables, the impairment loss is recognized, which is determined as the difference between the carrying amount of assets and the present value of future cash flows discounted using the effective interest rate.

#### (e) Inventories

Inventories in the financial statements are measured at the lower of acquisition (production) cost and net realizable value. Cost is determined by the first-in, first-out (FIFO) method. The cost of inventories comprises purchase price, which is adjusted with write-offs amounts and discounts received, related taxes, dues, inventory

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transportation, preparation for use and other costs directly attributable to the acquisition of inventories. Net realizable value is the selling price in the ordinary course of business, less the costs of completion and estimated selling expenses.

An impairment loss on inventories is recognized as operating expense, and the reversal of impairment loss is accounted for as deduction from operating expenses for the period.

#### (f) Receivables

Purchased receivables claims are initially recognized at cost, and subsequently measured at amortized cost using the effective interest rate method.

Other receivables are initially recorded at cost. Other receivables are subsequently carried at cost less impairment.

An assignment of receivables/debts (non-recourse factoring) is considered as a sale of debts, and debts are written off immediately. If the debt assignment does not involve the transfer risk, and the assignee may refuse the transaction, the transaction is registered as a loan secured by a collateral.

#### (g) Impairment

Receivables for legal services provided (sales based on VAT invoices) that are past due for more than 90 days are subject to impairment of 50% of the outstanding receivables. Debts that are past due for more than one year are subject to impairment of 100%.

At each balance sheet date, the management reviews the debt portfolios acquired to determine whether changes in cash flow forecasts are likely. Updated cash flow forecasts are discounted at the original effective interest rate. Any gain or loss from changes in cash flow forecasts is recorded in the statement of profit or loss under sales revenue as gain or loss on revaluation of assets. The revaluation of an assets is treated symmetrically, i.e. both the increase and decrease in expected future cash flows affect the carrying amount of the portfolio. This implies that certain portfolios may be measured at an amount that is higher than their cost.

An impairment loss is recognized (on individual basis) on debts acquired through eskolos.lt platform when no payment (or a debt recovered up to 3%) is received within last 12 months before the reporting date. The recognition of impairment losses (and their amount) depends on the age of the debt (the period from the debt acquisition date). The amount of the impairment is determined using a rate that is calculated on the basis of the expected temporal distribution of income from debts purchased. A decrease in the carrying amount of an asset and expenses are recognized.

Receivables from eskolos.lt which have been purchased more than five years ago and for which an impairment loss has been recognized, and the status of which is 'doubtful', 'deceased', 'bankrupt', 'irrecoverable' are written off as bad debts.

#### (h) Cash and cash equivalents

Cash includes cash on hand and cash at banks. Cash equivalents are liquid investments that can be easily converted into a known amount of money. Such investments normally mature in less than three months and are subject to insignificant risk of change in value.

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(i) Deferred expenses

Deferred expenses arise when the Group pays in the current and prior periods for services of a continuing nature to be provided in future periods and the amounts are proportionally recognized as costs in the future reporting periods when incurred.

(j) Equity and reserves

The Group's equity consists of the share of the issued capital paid up by the parent company, share premium, the Group's legal reserve, reserve for acquisition of own shares, revaluation reserve and retained earnings/loss.

Ordinary shares are accounted for at their nominal value. The amount received over and above the nominal value of the issued share capital is the share premium. Costs attributable to the issue of new shares are accounted for as a deduction from share premium. Gain or loss is not recognized on the purchase, sale, issue, or cancellation of own shares.

In accordance with the Law on Companies of the Republic of Lithuania, the legal reserve must make up 1/10 of the value of the issued capital. The Group's deductions to this reserve must not be less than 1/20 of the net profit of the reporting financial year until the amount of the legal reserve reaches the prescribed amount. The amount above the threshold of legal reserve may be distributed when distributing the Company's profit. The legal reserve, used to cover the losses of the Group, must be redrafted.

During the reporting and previous periods, profit earned but not yet distributed or uncovered losses are presented in the caption of retained earnings (loss).

Profit distribution is recognized when the Group's shareholders adopt a decision to distribute the profit, i.e. on the date of the general meeting of shareholders, no matter when it was earned.

(k) Financial liabilities

Financial liabilities are recorded in the accounting, when the Company assumes the obligation to pay in cash or to settle financial liabilities using other financial assets. Payables for goods and services received are stated at acquisition cost, i.e. the value of assets or services received. Loans are initially recognized at cost and subsequently carried at amortized cost.

Financial liabilities include amounts payable for goods and services received, loans and finance lease liabilities, and bonds.

Current liabilities are liabilities which are due for settlement within one year from the balance sheet date.

(l) Sales revenue

Revenue is recognized on the basis of the accrual principle of accounting, i.e. it is registered when it is earned, irrespective of when the cash is received. Revenue is measured at the fair value of the consideration received or receivable for the sale of goods or services.

Success fee and other sales revenue is recognized on an accrual basis. The amount of revenue is estimated at fair value, taking into account discounts granted, expected returns and write-downs of services rendered. Revenue from sales of services is recognized when services are sold and a reliable estimate of the amount of revenue can be made.

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Interest income from loan portfolios is recognized on accrual basis in the statement of profit or loss using the effective interest method. If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk the adjustment (difference between the adjusted cash flows discounted at the original effective interest rate and the amortized cost of the corresponding financial asset) is booked as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase in income or reduction in operating expenses, respectively.

Revenue from rendering of services, which are provided for longer than one reporting period in accordance with the existing contract, is allocated on a proportionate basis to those periods when such services have been rendered.

Other operating income includes gains from disposal of non-current assets used, as well as other income not related to the typical activities of the Group, but received from third parties, with the exception of finance income and extraordinary earnings.

Finance income is the positive result of change in the exchange rate, interest received, fines and penalties paid by buyers, dividends received, reversal of impairment of investment value.

#### (m) Expenses

Expenses are recognized in accordance with accrual and matching principles during the reporting period when related income is earned notwithstanding the period when money was spent. Expenses that are not related to earnings during the reporting period, but are intended to generate earnings in future periods, are accounted for and recorded in the financial statements as assets.

Cost of sales refers to the costs incurred by the Group during the reporting period, related to services and debt portfolio management activities during the reporting period. This item only includes the part of the costs related to the services sold during the reporting period and debt portfolio management activities. Stamp duty, debt portfolio-related legal costs, bailiff's enforcement fees and similar costs are recognized under cost of sales.

General and administrative expenses represent the costs incurred over the reporting period in connection with the typical activities of the Group, and which create conditions for income in the reporting period, but independent of the quantity of services sold. These expenses are recognized, accounted for and presented in the financial statements during the reporting period when they were incurred.

The Company recognizes lease payments under a lease agreement as an operating expense.

Operating costs of an asset under a lease contract are recognized as operating expense of a lessee, unless reimbursed by a lessor. Reconstruction or repair costs are charged by the Group to expense in the period incurred, unless reimbursed by a lessor. If the reconstruction or repair costs qualify for recognition as property, plant and equipment in the same period incurred, these costs are recorded in accordance with the provisions of Lithuanian Financial Reporting Standard 12, Property, Plant and Equipment, and these accounting policies, and are recognized as an expense over the lease term or the expected useful life, whichever is shorter.

If a lessor agrees to reimburse for the value of the reconstruction or repair carried out or to reduce lease payments, the Group accounts for the repair costs as receivable.

Insurance costs for leased assets are recognized as an expense over the insurance contract period, unless reimbursed by a lessor. The insurance expense recognized is reduced if reimbursed by the lessor.

The owner of the leased asset depreciates the asset and recognizes depreciation as expenses.

Other operating expenses include loss of sales of used non-current assets, as well as other expenses that are not related to the typical activities of the Group but incurred to earn income.

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Finance costs are the negative result of the change in the exchange rate, the fines and default interest paid, interest and liability charges related to financial debts, and the impairment of investments.

#### (n) Income tax and deferred income tax

In 2023 and 2022, the parent company's profit was taxable at a rate of 15% in accordance with the Lithuanian regulatory legislation on taxation.

Tax losses can be carried forward for an indefinite period, except for the losses incurred as a result of disposal of securities and/or derivatives. Such carrying forward is disrupted if the Group does not continue its activities due to reasons which do not depend on the entity itself. The losses from disposal of securities and/or derivatives can be carried forward for five consecutive years and only be used to reduce the taxable income earned from the transactions of the same nature. Starting from 1 January 2014, the tax loss carry-forward that is deducted cannot exceed 70% of the current financial year taxable profit.

The profit for 2023 and 2022 of the subsidiary SIA Legal Balance is taxed at the time when the decision for profit distribution is adopted. The income tax rate is 20%, calculated as 20/80 from the amount of the profit distribution. The Company also calculates and pays income tax on notional profit distribution (20/80 from the calculated taxable base), including taxable items such as non-business expenses, accrued bad debts and loans to related parties, as defined by laws. Income tax on notional profit distribution is recognized in profit or loss in the year when incurred.

Deferred income tax is recognized using the balance sheet liability method for all deductible temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognized for taxable temporary differences, except where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination or reorganization of companies by merger and, at the time of the transaction, affects neither accounting profit nor taxable profit (taxable losses).

#### (o) Foreign currencies

All currency items in the balance sheet are estimated in the euros using the exchange rate prevailing at the balance sheet date. The value of assets acquired in foreign currencies in the balance sheet is evaluated in euro using the exchange rate at the time of acquisition. Transactions in foreign currencies are translated to euros at the exchange rate on the transaction day. Differences resulting from the settlement of amounts recorded in foreign currencies at different exchange rates are recognized as gain or loss of the reporting period.

#### (p) Use of estimates in the preparation of financial statements

When preparing financial statements, management needs to make certain assumptions and estimates that have an impact on the amount of assets, liability, income and costs presented, as well as disclosure of uncertainties.

The 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 if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Future events may change assumptions used for performance of estimates. The result of changes in estimates shall be accounted for in financial statements as they occur.

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#### Determining and reviewing future cash flows from debt portfolios

Future cash flows from debt portfolios acquired, assessed collectively for potential impairment and profitability, are estimated by taking into account the expected cash flows from these assets based on historical data for debt portfolios with similar credit risk characteristics. Expected cash flows estimated on the basis of historical results are adjusted on the basis of current data to reflect the effects of current conditions that did not affect the period on which the historical cash flow experience is based and to remove the effects of the conditions in the historical period that are not relevant to the future contractual cash flows.

Estimates of changes in future cash flows should reflect, and be directionally consistent with, changes in related observable data from period to period (such as level, nature of debts, recoverability or other factors that are indicative of expected cash flows). The Group regularly review the methodology and assumptions used for estimating future cash flows to reduce any differences between estimates and actual cash flows.

#### (q) Error correction and reclassifications

The Group assigns an error to be a material misstatement when it makes more than 5% profit in the reporting period.

If the information presented for the reporting period is otherwise classified, the comparative amounts are also reclassified for comparability purposes.

#### (r) Contingent liabilities and assets

Contingent liabilities are future liabilities that may arise from past events and which can be confirmed or denied by uncontrolled uncertain future events of the Group or existing liabilities arising from past events. They are not reflected on the Company's balance sheet since their amount cannot be measured reliably and/or possibility of an outflow of resources embodying economic benefits is remote. They are disclosed in the notes to the financial statements.

Contingent assets – assets that, due to uncontrolled events of the Group, may be owned by the Group in the future and provide economic benefits to it. Information on expected assets is disclosed in the notes to the financial statements, if material.

#### (s) Share based payments

Employees whose professional activity and/or decisions can have a significant impact on the Group's performance may be rewarded with share-based payments. The fair value of share-based awards granted to employees is measured at the date both parties agree on all conditions. Expenses are recognized in profit or loss under payroll and related expenses over the estimated period, with corresponding amount recognized in the balance sheet under other equity.

Liabilities to settle contracts with equity instruments are recognized as share-based payments. For the purposes of accounting of share-based awards granted to employees, the Group recognizes share-based payments recognizes in profit or loss as payroll and other related expenses, with corresponding amount recognized in the balance sheet under equity. The amount recognized in expenses is adjusted to reflect the number of awards to employees for services and conditions (not directly dependent on the change in fair value of shares) that are expected to vest.

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**Consolidated Financial Statements for the Year Ended 31 December 2023**

(All amounts are in euros (EUR) unless otherwise stated)

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(t) Events after the reporting period

Events after the reporting period are economic events that take place during the period from the date of a balance sheet until the date when financial statements are prepared, approved by the manager of the Group and issued for authorization.

Events after the reporting period that provide additional information about the Group's position at the balance sheet date (adjusting events) are reflected in the financial statements. Events after the reporting period that are not corrective events are described in explanatory notes, if they are significant.



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**Consolidated Financial Statements for the Year Ended 31 December 2023**

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**3. NOTES****3.1. Intangible assets**

Items	Software	Other intangible assets	Total
<b>Acquisition cost</b>			
<b>As of 31 December 2021</b>	<b>91,335</b>		<b>91,335</b>
Additions		56,760	56,760
Write-offs (-)			-
Reclassifications	244,527	(56,760)	187,767
<b>As of 31 December 2022</b>	<b>335,862</b>	<b>-</b>	<b>335,862</b>
Additions	185,264		185,264
Write-offs (-)			-
Reclassifications			-
<b>As of 31 December 2023</b>	<b>521,126</b>	<b>-</b>	<b>521,126</b>
<b>Accumulated depreciation</b>			
<b>As of 31 December 2021</b>	<b>88,559</b>		<b>88,559</b>
Charge for the period	2,776		2,776
Write-offs (-)			-
Reclassifications			-
<b>As of 31 December 2022</b>	<b>91,335</b>	<b>-</b>	<b>91,335</b>
Charge for the period			-
Write-offs (-)			-
Reclassifications			-
<b>As of 31 December 2023</b>	<b>91,335</b>	<b>-</b>	<b>91,335</b>
<b>Carrying amount</b>			
<b>As of 31 December 2021</b>	<b>2,776</b>	<b>-</b>	<b>2,776</b>
<b>As of 31 December 2022</b>	<b>244,527</b>	<b>-</b>	<b>244,527</b>
<b>As of 31 December 2023</b>	<b>429,791</b>	<b>-</b>	<b>429,791</b>

At the end of the reporting period, the acquisition cost of fully amortized intangible assets still used by the Group amounted to EUR 91,335. At the end of the previous reporting period, the acquisition cost of fully amortized intangible assets still used by the Group amounted to EUR 91,335.

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**3.2. Property, plant and equipment**

Items	Land	Vehicles	Other fixtures, fittings, tools and equipment	Total
<b>Acquisition cost</b>				
<b>As of 31 December 2021</b>		26,900	17,231	44,131
Additions			2,020	2,020
Write-offs (-)		(26,900)		(26,900)
Reclassifications				-
<b>As of 31 December 2022</b>	-	-	19,251	19,251
Additions	10,906		13,805	24,711
Write-offs (-)				-
Reclassifications				-
<b>As of 31 December 2023</b>	10,906	-	33,056	43,962
<b>Accumulated depreciation</b>				
<b>As of 31 December 2021</b>		21,295	11,244	32,539
Charge for the period		4,110	3,407	7,517
Write-offs (-)		(25,405)		(25,405)
Reclassifications	-	-	-	-
<b>As of 31 December 2022</b>			14,651	14,651
Charge for the period			1,716	1,716
Write-offs (-)	-	-	-	-
Reclassifications				
<b>As of 31 December 2023</b>			16,367	16,367
<b>Carrying amount</b>				
<b>As of 31 December 2021</b>		5,605	5,987	11,592
<b>As of 31 December 2022</b>			4,600	4,600
<b>As of 31 December 2023</b>	10,906	-	16,689	27,595

At the end of current and previous reporting period, there were no fully depreciated property, plant and equipment still in use.

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**3.3. Financial assets**

Items	Current reporting period	Previous reporting period
<b>Shares in associates</b>	-	<b>153,107</b>
Shares in UAB MARK ID (32,25% at the end of previous reporting period)	-	153,107
<b>Other non-current financial assets</b>	<b>18,864,511</b>	<b>12,755,766</b>
Receivables from debtors of debts purchased	18,754,511	12,755,766
Loan to UAB Era Capital (maturity of 3 years and an interest rate of 8%)	110,000	-
<b>Total:</b>	<b>18,864,511</b>	<b>12,908,873</b>

During the previous reporting period, the Company established a subsidiary UAB Legal Balance Invest, the issued capital of which amounts to EUR 2,500 and is divided into 2,500 units of shares with the nominal value of EUR 1 each.

During the reporting period, the Company sold UAB MARK ID shares.

**3.4. Deferred tax**

Items	Current reporting period	Previous reporting period
Deferred tax asset (liability)	(617,432)	(472,562)
<b>Total:</b>	<b>(617,432)</b>	<b>(472,562)</b>

At the end of the reporting period, deferred tax asset (liability) consisted of:

Taxable and deductible temporary differences	Tax base of asset / (Liability)	Rate %	Deferred tax asset (liability)
Doubtful debts	166,345	15%	24,952
Social security on vacation accrual	1,233	15%	185
Payables under option agreements	126,176	15%	18,926
Tax losses	178,234	15%	26,735
Differences between values of debt portfolio	(4,588,201)	15%	(688,230)
<b>Total:</b>	<b>(4,116,214)</b>		<b>(617,432)</b>

At the end of the previous reporting period, deferred tax asset (liability) consisted of:

Taxable and deductible temporary differences	Tax base of asset / (liability)	Rate %	Deferred tax asset (liability)
Doubtful debts	150,871	15%	22,631
Social security on vacation accrual	976	15%	146
Payables under option agreements	74,696	15%	11,204
Differences between values of debt portfolio	(3,376,957)	15%	(506,544)
<b>Total:</b>	<b>(3,150,414)</b>		<b>(472,562)</b>

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**3.5. Current receivables**

Items	Current reporting period	Previous reporting period
Trade receivable	149,411	128,795
Loans granted and interest accrued	1,670	5,031
Receivables from debtors of debts purchased	9,395,366	6,098,700
Impairment of receivables	(168,511)	(153,037)
VAT receivable	177,546	337,508
Other receivables	24,637	26,018
<b>Total:</b>	<b>9,580,119</b>	<b>6,443,015</b>

As of 31 December 2023, part of the Group's receivables from debtors of debts purchased were pledged to secure payment of EUR 15,095,000 obligations under bond subscription agreements. As of 31 December 2023, receivables pledged totalled EUR 17,643,566.

As of 31 December 2022, part of the Group's receivables from debtors of debts purchased were pledged to secure payment of EUR 10,395,000 obligations under bond subscription agreements and payment of EUR 50,000 obligations under loan agreements. As of 31 December 2022, receivables pledged totalled EUR 14,517,529.

**3.6. Cash**

Items	Current reporting period	Previous reporting period
Cash at bank	821,166	949,287
<b>Total:</b>	<b>821,166</b>	<b>949,287</b>

**3.7. Capital**

Items	Number of shares	Amount
<b>Structure of issued capital at the end of the financial year</b>	-	-
1. By type of shares		
1.1. Ordinary shares	310,346	900,003
1.2. Preference shares		
1.3. Employees' shares		
1.4. Special shares		
1.5. Other shares		
<b>TOTAL:</b>	<b>310,346</b>	<b>900,003</b>
2. State or municipal capital		
3. Own shares held by the Company	10,344	29,998
4. Shares held by subsidiaries		

All of the shares were fully paid as at 31 December 2023 and 2022.

As of 31 December 2023, the Company had acquired 10,344 own shares with a nominal value of EUR 29,998 (acquisition cost was EUR 109,580). These shares accounted for 3.3% of the Company's issued capital. The Company did not acquire any of its own shares during the reporting period.

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## Information on own shares

Own shares	Number (units)	Nominal value (EUR)	Shareholding (%)
All shares acquired and held	10,344	2,90	3,33
Acquired during the reporting period	-	-	-
Disposed during the reporting period	-	-	-

From 31 December 2022, the Group had a legal reserve of EUR 90,000 and a reserve for acquisition of own shares of EUR 109,580. The legal reserve is established as required by the laws.

Proposed profit appropriation (not approved by the shareholders):

Items	Date	Amount
<b>Retained earnings – profit (loss)</b>	<b>As of 31 December 2022</b>	<b>4,822,300</b>
Net result of the reporting period – profit (loss)		1,992,617
<b>Distributable result – profit (loss)</b>	<b>As of 31 December 2023</b>	<b>6,814,917</b>
Shareholders' contributions to cover losses		-
Transfers from reserves		-
<b>Profit to be distributed</b>		<b>6,814,917</b>
Distribution of profit		-
- To legal reserves		-
- To other reserves		-
- Dividends		-
- Other		-
<b>Retained earnings – profit (loss)</b>		<b>6,814,917</b>

**3.8. Non-current payables**

Items	Current reporting period	Previous reporting period
Loans received (repayment term of 2-5 years and annual interest rate of 5-8%)	4,217,788	2,091,856
Bonds (maturity of 3 years and annual interest rate of 7-8%)	10,850,000	8,795,000
Lease obligations	145	-
Credit line	-	100,000
Obligations under the tax credit agreement	9,753	26,433
<b>Total:</b>	<b>15,077,686</b>	<b>11,013,289</b>

As of 31 December 2023 and 2022, part of the Group's receivables from debtors of debts purchased were pledged to secure payments under bond subscription agreements and under loan agreements (see Note 3.5).

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**3.9. Current payables**

Items	Current reporting period	Previous reporting period
Prepayments received	33,401	57,556
Trade payables	370,969	178,161
Wage obligations	86,687	70,223
Obligations under option agreements	126,176	94,885
Vacation accrual	90,742	68,064
Social security liabilities	41,284	46,386
Personal income tax liabilities	4	19,409
Income tax liabilities	40	187
Payables to creditors of debts purchased	1,096,835	532,576
Current portion of non-current borrowings (including bonds)	4,393,264	2,153,738
Interest of short-term loans	37	1,667
Payables to associates	6,600	4,357
Other payables	21,443	90,407
<b>Total:</b>	<b>6,267,482</b>	<b>3,317,616</b>

**3.10. Revenue**

Items	Current reporting period	Previous reporting period
<b>Sales revenue</b>	<b>7,503,032</b>	<b>6,624,264</b>
Services provided	448,554	531,566
Success fees	337,659	225,450
Interest income from debt portfolios	6,852,517	4,955,375
Effect of change in value of debt portfolios	(217,327)	895,197
Other sales revenue	81,629	16,676
<b>Other operating income</b>	<b>25,236</b>	<b>20,297</b>
Gain on disposal of non-current assets	-	11,231
Other operating income	25,236	9,066

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**3.11. Expenses**

Items	Current reporting period	Previous reporting period (corrected, note 16)
<b>Cost of sales</b>	<b>1,064,236</b>	<b>997,476</b>
Costs of doubtful and bad debts	9,628	5,362
Stamp duty	239,556	591,551
Bailiffs' enforcement fees	545,542	237,161
Legal costs of debt recovery	70,047	49,961
Other costs	199,463	113,441
<b>Selling expenses</b>	<b>205,799</b>	<b>223,072</b>
Advertising expenses	133,049	134,619
Other costs	72,750	88,453
<b>General and administrative expenses</b>	<b>2,778,794</b>	<b>1,976,032</b>
Wages and salaries and social security	1,676,155	1,393,314
Audit expenses	28,570	42,530
Depreciation charge	1,716	10,293
Expenses of non-deductible VAT (reversal)	3,480	(266,897)
Legal consultation expenses	286,453	209,879
Rental of premises	92,760	64,906
Administration of IT systems	56,286	30,831
Accounting services	92,797	66,075
Postal, shipping costs	52,879	34,211
Utilities	24,566	47,520
Mobile and landline communication costs	134,549	84,501
Other costs	328,583	258,869
<b>Other operating expenses</b>	<b>12,663</b>	<b>-</b>
Loss on disposal of non-current assets	12,663	-

**3.12. Financing and investing activities**

Items	Current reporting period	Previous reporting period
<b>Revenue</b>	<b>4,978</b>	<b>374</b>
Interest	4,978	374
Gain from foreign currency exchange	-	-
Other income	-	-
<b>Expenses</b>	<b>(1,260,491)</b>	<b>(829,716)</b>
Interest and other similar expenses	(1,251,133)	(808,775)
Loss from foreign currency exchange	(85)	(10)
Other costs	(9,273)	(20,931)
<b>Operating result</b>	<b>(1,255,513)</b>	<b>(829,342)</b>

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**3.13. Income tax expense**

The Group's income tax expense comprised the following:

UAB Legal balance EUR 185,116

UAB Legal balance invest EUR 32,685

Legal Balance SIA EUR 875

The income tax expense of Legal Balance SIA was calculated using the rate of 20/80. The income tax rate in Latvia is 20%.

The income tax expenses of UAB Legal Balance comprised the following:

Items	Current reporting period	Previous reporting period
Profit before tax	1,737,274	2,087,372
Income tax rate	15%	15%
Increase in profit before tax due to expenses which are considered non-deductible for income tax purposes	106,980	87,256
Decrease in profit before tax due to variances in revenue recognition for income tax purposes	871,705	1,160,093
Tax deductions for charity	-	10,000
Operating loss deducted (including losses taken over)	-	-
Reduction of taxable profits by the investment amount	185,264	-
Declared income tax payable to the State budget	118,093	150,680
Change in taxable temporary differences between tax accounting and reporting	747,900	(1,328,793)
Deferred income tax expenses (income)	112,185	199,319
Adjusted amount of profit tax returns of the previous years	(45,162)	28,235
Income tax expenses (benefit)	185,116	378,234
Effective income tax rate	11%	18%



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The income tax expenses of UAB Legal Balance invest comprised the following:

Items	Current reporting period	Previous reporting period
Profit before tax	201,878	55,176
Income tax rate	15%	15%
Increase in profit before tax due to expenses which are considered non-deductible for income tax purposes	16,094	3,244
Decrease in profit before tax due to variances in revenue recognition for income tax purposes	396,206	57,176
Tax deductions for charity	-	-
Operating loss deducted (including losses taken over)	-	-
Reduction of taxable profits by the investment amount	-	-
Declared income tax payable to the State budget	(26,735)	187
Change in taxable temporary differences between tax accounting and reporting	(217,900)	(57,176)
Deferred income tax expenses (income)	32,685	8,576
Adjusted amount of profit tax returns of the previous years	-	-
Income tax expenses (benefit)	5,950	8,763
Effective income tax rate	16%	16%

**3.14. Relations with management and other related parties**

The management of the Group comprise only the head of administration. In 2023, the head of administration was paid a salary of EUR 74,629 (in 2022: EUR 71,206). The heads of administration did not receive any other revenue, loan guarantees or payments. The Company has entered into a share purchase option agreement, whereby the head of the Company is granted an option to purchase 2.575% of the Company's shares. By the end of the previous reporting period, the right to acquire 2.55% of the Company's shares was granted, and the right to acquire an additional 0.225% of the Company's shares was granted during the reporting period. In 2023, the Company made a provision of EUR 9,085 for charges, in 2022 – EUR 20,188, and in previous periods – EUR 74,697. These liabilities were reported on the balance sheet, under employment-related liabilities.

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**3.15. Related parties**

	Income received		Acquisitions	
Related parties	Current reporting period	Previous reporting period	Current reporting period	Previous reporting period
Shareholders with significant control	1,541,027	1,497,513	111,670	-
Associates	-	499	-	1,274
Subsidiaries	-	-	-	-
Other related persons	32,282	2,636	18,367	8,699
<b>Total</b>	<b>1,573,309</b>	<b>1,500,648</b>	<b>130,037</b>	<b>9,973</b>

	Income received		Acquisitions	
Related parties	Current reporting period	Previous reporting period	Current reporting period	Previous reporting period
Shareholders with significant control	4,917	-	139,634	141,256
Associates	-	11,292	-	989
Subsidiaries	-	-	-	623
Other related persons	81,444	75,607	69,506	11,353
<b>Total</b>	<b>86,361</b>	<b>86,899</b>	<b>209,140</b>	<b>154,221</b>

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**3.16. Changes in accounting policies and correction of errors**

The company has launched the following investment projects from 2021:

- 1) "Skolų valdymo sistem v.2", which started on 02/01/2021 and finished on 31/12/2023, and was put into service on 02/01/2024. Project value: EUR 322,508.60.
- 2) „Eskolos v.2“, which started on 02/01/2021 and finished on 31/12/2023, and was put into service on 02/01/2024. Project value: EUR 21,575.03.
- 3) „Eskolos Mobile App“, which started on 15/04/2022 and finished on 04/12/2023, and was put into service on 29/12/2023. Project value: EUR 85,707.39.

Only part of the costs of the above projects have been capitalized and recorded in the intangible assets prepared for use in account. In 2022, an expense of EUR 56,760 was capitalized and is shown in the balance sheet under "Other intangible assets". According to the projects listed above, EUR 92,177 of costs incurred in 2021 and EUR 95,590 of costs incurred in 2022 were not capitalized. All these costs have been recognized as operating expenses. As the expenditure is incurred to create an asset that meets the criteria for recognition as a non-current intangible asset, the expenditure shall be capitalized. It has been decided to correct this inaccuracy retrospectively, resulting in a restatement of the comparative year's financial statements.

It was also found that the intangible assets that are constructed or in the process of being constructed meet the criteria for software and should be classified under "Software". For this reason, an adjustment is made to transfer the amount of EUR 56,760 capitalized in 2022 from Other intangible assets to Software.

Effect of the correction of the error on the Company's equity items at 1 January 2022 is shown below:

Item	1 January 2022 before adjustments, as announced earlier	Error Correction	1 January 2022 after adjustment
Equity	3,489,360	92,177	3,581,537

The change in equity is due to the following changes:

Items	Impact of error correction
Administration of IT systems expenses	92,177
<b>Total:</b>	<b>92,177</b>

Effect of the correction of the error on the Company's Statement of profit or loss data at 31 December 2022

No.	Items	Before the adjustments, as announced earlier	Error Correction	After adjustments
6.	General and administrative expenses	(2,071,622)	95,590	(1,976,032)
13.	PROFIT (LOSS) BEFORE TAX	<b>2,523,048</b>	<b>95,590</b>	<b>2,618,638</b>
15.	NET PROFIT (LOSS)	<b>2,135,176</b>	<b>95,590</b>	<b>2,230,766</b>

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Effect of the correction of the error on General and administrative expenses for 2022

Items	Before the adjustments, as announced earlier	Impact of error correction	After adjustments
Administration of IT systems	126,421	(95,590)	30,831
<b>Total:</b>	<b>2,071,622</b>	<b>(95,590)</b>	<b>1,976,032</b>

Effect of the correction of the error on the Company's balance sheet data at 31 December 2022

No.	Items	Before the adjustments, as announced earlier	Error Correction	Reclassification	After adjustments
A.	NON-CURRENT ASSETS	12,970,233	187,767		13,158,000
1.	INTANGIBLE ASSETS	56,760	187,767		244,527
1.3.	Software		187,767	56,760	244,527
1.5.	Other intangible assets	56,760		(56,760)	
	<b>TOTAL ASSETS</b>	<b>20,454,884</b>	<b>187,767</b>		<b>20,642,651</b>
D.	EQUITY	5,624,536	187,767		5,812,303
5.	RETAINED EARNINGS (LOSS)	4,634,533	187,767		4,822,300
5.1.	Current year profit (loss)	2,135,176	95,590		2,230,766
5.2.	Profit (loss) for previous years	2,499,357	92,177		2,591,534
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>20,454,884</b>	<b>187,767</b>		<b>20,642,651</b>

Effect of the correction of the error on the Company's cash flow statement data at 31 December 2022

No.	Items	Before the adjustments, as announced earlier	Error Correction	After adjustments
1.1.	Net profit (loss)	2,135,176	95,590	2,230,766
	<b>Net cash flows from operating activities</b>	<b>(2,959,473)</b>	<b>95,590</b>	<b>(2,863,883)</b>
2.1.	Acquisition of non-current assets (except for investments)	(58,780)	(95,590)	(154,370)
	<b>Net cash flows used in investing activities</b>	<b>(43,121)</b>	<b>(95,590)</b>	<b>(138,711)</b>

### **3.17. Group's rights and commitments**

The Group has not received any guarantees and warranties. The Group does not involved in any legal proceedings.

### **3.18. Contingent liabilities**

At the end of the reporting year, the Group had no contingent liabilities.

### **3.19. Events after the reporting period**

There were no adjusting events in the Group prior the date of issue of the financial statements.

Prior to the date of approval of these financial statements, the Group of companies issued bonds for a total amount of EUR 4,815,000 with maturity term of 2-3 years. Of this amount: bonds of EUR 965,000 which are due by 10/08/2026; bonds of EUR 2,000,000 which are due by 10/06/2027; bonds of EUR 1,350,000 which are due by 10/08/2027; bonds of EUR 500,000 which are due by 10/10/2027.

During 2024, until the date of preparation of the financial statements for the year 2023, the Company made contributions to increase the capital of the subsidiary SIA Legal Balance for a total amount of EUR 700,000.

In 2022, the Board of Directors of the Company decided to grant stock options to the management team in parts during the period of 3 years. In January 2024, the Group concluded second part option contracts with the management team which give employees the right to acquire shares in the company. The Company concluded first part option contracts with its management in March 2023. Under this option program, the Company will sell a total of 3.1% of its shares.

Director

Marius Šlepetis

Person responsible for accounting  
Director of UAB Finance United

Sigitas Ertmanas

11 July 2024

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**UAB Legal balance**

**ANNUAL REPORT**

**to the financial statements for the year ended 31 December 2023**

## UAB Legal Balance

Company code 302528679, address: Žalgirio st. 90, Vilnius.

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### Consolidated Financial Statements for the Year Ended 31 December 2023

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The annual report of the Group was prepared in accordance with the requirements set in the Law of the Republic of Lithuania on Financial Reporting by Undertakings and the Republic of Lithuania Law on Companies. The Group's Articles of Association do not establish other requirements for the contents of the annual report in addition to those stipulated in the Law of the Republic of Lithuania on Financial Reporting by Undertakings.

#### Primary information about the Group

The parent company UAB Legal Balance (hereinafter the "Group"), company code 302528679, is registered with the Center of Registers on 15 July 2010. The Group is headquartered at Žalgirio st. 90, Vilnius.

The group of companies UAB Legal Balance is formed by establishing the following companies:

- SIA Legal Balance (100%) on 16/02/2018
- UAB Legal Balance Invest (100%) on 12/07/2022

Legal form	Name	Registered office (address)	Main operating activities
SIA	Legal Balance	Bērzaunes iela 1, Rīga, LV-1039	Legal services, debt recovery and debt portfolio management
UAB	Legal balance invest	Žalgirio st. 90-100, Vilnius	Legal services, debt recovery and debt portfolio management

#### Description of the Group's activities and service market

The main activities of the Group are legal services, debt recovery and debt portfolio management.

#### Objective overview of the Group's financial position, performance and development

In 2023, was a record year for the Group in all the business segments:

##### Purchase of debt portfolios

During the reporting period, the Group's investments in the purchase of debt portfolios totalled EUR 12.5M, which is more by 77% than in 2022. As of 31 December 2023, the Group managed a total portfolio of purchased debts of EUR 101.3M (nominal value), of which debts recovered during the reporting period amounted to EUR 9.8M (2022: EUR 7.1M).

##### Debt management and legal services

The Group also provides debt recovery services to its clients both in Lithuania and Latvia. As of 31 December 2023, the Group managed a total client debt portfolio of EUR 34.4M (nominal value), of which debts recovered in favor of the clients amounted to EUR 12.6M.

##### Platform Eskolos.lt

The Group runs the online debt purchase and management platform eskolos.lt (atgustinaudu.lv) a platform designed for individual creditors to sell their debts at an agreed price or cooperate on a success fee basis. As of 31 December 2023, the Group managed a total portfolio of purchased debts of EUR 34.6M (nominal value), which was acquired through eskolos.lt platform.

## UAB Legal Balance

Company code 302528679, address: Žalgirio st. 90, Vilnius.

Data is stored at the State Enterprise Centre of Registers.

### Consolidated Financial Statements for the Year Ended 31 December 2023

(All amounts are in euros (EUR) unless otherwise stated)

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#### Description of key risks and uncertainties faced by the Group

##### Financial risks

When performing its activities, the Group is exposed to financial risks, including credit risk, liquidity risk, and interest rate risk. By managing these risks, the Group seeks to mitigate the effects of factors that might have an adverse effect on the Group's financial performance.

##### Credit risk

Credit risk arising from the funds held at banks is minimal because the Group's accounts have been opened only with those banks which have been assigned with high credit ratings by foreign rating agencies.

##### Liquidity risk

Liquidity risk is managed by planning the movement of cash flows of the Group. Cash flow forecasts are made to minimize liquidity risk. Short-term financing (credit lines) from both the financial institutions and the shareholders is used to manage short-term mismatches of cash flows (inflows and outflows), if necessary.

##### Interest rate risk

Interest rate risk mainly arises from short-term borrowings that might be necessary for the levelling out the working capital. The Group's activities are funded using both the share capital and borrowed funds.

##### Foreign currency risk

Purchase/sale contracts of the Group are denominated mostly in the euro, rarely in some other currencies. As a result, changes in exchange rates of foreign currencies do not have a significant impact on the Group's performance.

##### Regulatory risk

Developments in the legal environment (specific changes, requirements) are expected in the future that would affect the Group's debt collection activities. The Group continuously monitors developments in the legal framework and is ready to take the necessary action to ensure legal compliance.

#### Analysis of financial and non-financial performance

In 2023, the Group of companies earned EUR 7.5M revenue, which is 13% more than in 2022, during which the Group earned EUR 6.6M. This was mainly caused by higher investments in the purchase of debt portfolios: during the reporting period, investments amounted to EUR 12.5M, and debt recoveries totalled EUR 9.8M.

In 2023, operating expenses (cost of sales, selling and general expenses) increased by 25% compared to the previous financial year. The increase in costs directly correlates with the increase in the operating volumes: the growth of the debt portfolio managed is accompanied by the increase in number of employees, legal costs and general expenses.

In 2023, financial expenses increased by 52%, compared to the previous financial year. This was due to a new issue of bonds amounting to EUR 6.3M during the reporting period.

#### Information on environmental and personnel-related matters

The Group's activities comply with the requirements stipulated in the environmental legislation. In 2023, the Group had 63 employees (average number of employees). The Group's total wage fund for 2023 was EUR 1.70M (2022: EUR 1.4M).



## UAB Legal Balance

Company code 302528679, address: Žalgirio st. 90, Vilnius.

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### Consolidated Financial Statements for the Year Ended 31 December 2023

(All amounts are in euros (EUR) unless otherwise stated)

#### References to or additional explanations of data reported in the annual financial statements

The financial data in this Report are prepared in accordance with the Lithuanian legislation on accounting and financial reporting, including consolidated financial reporting, and Lithuanian Financial Reporting Standards, effective as of 31 December 2023.

#### Information on own shares held or acquired by the Group, the number of own shares acquired or disposed of during the reporting period, their nominal value and percentage of issued capital they represent, and information on payment for own shares, provided they are acquired or disposed of in return for a consideration

As of 31 December 2023 and 2022, UAB Legal Balance had acquired 10,344 own shares with a nominal value of EUR 29,998 (acquisition cost was EUR 109,580). These shares accounted for 3.3% of the Group's issued capital.

##### Information on own shares

Own shares	Number (units)	Nominal value (EUR)	Shareholding (%)
All shares acquired and held	10,344	2,90	3,33
Acquired during the reporting period	-	-	-
Disposed during the reporting period	-	-	-

#### Information on the Group's branches and representative offices

The Group has no branches and representative offices.

#### Significant events after the end of the reporting period

Prior to the date of approval of these financial statements, the Group of companies issued bonds for a total amount of EUR 4,815,000 with maturity term of two to three years, including: bonds of EUR 965,000 which are due by 10/08/2026; bonds of EUR 2,000,000 which are due by 10/06/2027; bonds of EUR 1,350,000 which are due by 10/08/2027; bonds of EUR 500,000 which are due by 10/10/2027.

#### Plans and forecasts of operations of the Group

The Group intends to further develop all three business segments, to grow the debt portfolios it manages and to improve recovery of debts both in favor of the Company and its customers.

#### Information about the Group's research and development activities

The Group plans to continue a sustainable development of its current activities aimed at improving profitability and efficient use of assets in a long run. No research activities are planned.

#### Financial instruments in use

The Group did not use financial or hedging instruments qualifying for hedge accounting that could affect the assessment of the Group's assets, equity, liabilities, financial position and performance.

## UAB Legal Balance

Company code 302528679, address: Žalgirio st. 90, Vilnius.

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**Information on the other executive positions held by the Group's manager, members of the Board, and members of the Supervisory Board and the most significant information on their principal workplace**

Name Surname	Position in UAB Legal Balance	Main workplace	Management positions in other companies and organizations
Marius Šlepetis	Director	UAB Legal Balance (code 302528679, address, Žalgirio st. 90, Vilnius, Lithuania), Director	SIA Legal Balance (code 40203125480, address Bērzaunes iela 1, Ryga, Latvia), Chairman of the Board
			UAB Legal balance invest (code 306113214, address Žalgirio st. 90-100, Vilnius, Lithuania), Director
			Lietuvos kreditų valdymo įmonių asociacija (code 300041555, address Žalgirio st. 90, Vilnius, Lithuania), Executive
			MB AJ prekyba (code 305914903, address V. Nagevičiaus st. 3, Vilnius, Lithuania), Director
Evaldas Remeikis	Board member	AB NEO Finance (code 303225546, address A. Vivulskio st. 7, Vilnius, Lithuania), Head of Administration	UAB ERA Capital (code 300638657, address Ulonų st. 5, Vilnius, Lithuania), Director
			UAB UCS Baltic (code 110825653, address Ulonų st. 5, Vilnius, Lithuania), Chairman of the Board
			UAB BnP Finance (code 302447985, address Ukmergės st. 126, Vilnius, Lithuania), Board member
			SIA UCS (code 40003753650, address Lokomotivės iela 34, Ryga, Latvia), Chairman of the Board
			UAB RE FACTOR (code 302721468, address Ulonų st. 5, Vilnius, Lithuania), Director
			UAB Mark ID (code 305098955, address Žygio st. 97A, Vilnius, Lithuania), Board member
Arminas Sinkevičius	Board member	MB Arboltas (code 305762242, address Vaškų st. 21, Kaunas, Lithuania), Director	UAB BnP Finance (code 302447985, address Ukmergės st. 126, Vilnius, Lithuania), Board member
			MB Liboltas (code 305914593, address Vaškų st. 21, Kaunas, Lithuania), Governor
Vaidotas Pupalaigis	Board member	UAB FPI GEROVĖS VALDYMAS (code 302445450, address Jogailos st. 3-103, Vilnius, Lithuania), Welfare manager	UAB Motus Novus (code 300564160, address Sausupio st. 15, Vilnius, Lithuania), Board member
			UAB VateX (code 305641372, address Eigulių st. 2, Vilnius, Lithuania), Board member
			UAB Atelier Investment Management (code 303335430, address Jogailos st. 3, Vilnius, Lithuania), Board member
Lina Šiumetė	Board member (until 2023-03-09)	UAB Coherent Solutions (code 305668960, address Konstitucijos pr. 29, Vilnius, Lithuania), Director	Coherent Solutions Portugal Ltd (address Rua Nova da Trindade Nr. 1 3rd Dt. 1200-301 Lisabona, Portugal), Director
			Coherent Solutions Poland Ltd (address Marszałka Józefa Piłsudskiego 69 Str., Wrocław, Poland), Board member
			Asociacija "Swedish Chamber of Commerce in Lithuania" (code 125711933, address Palangos st. 4, Vilnius, Lithuania), Vice-chairman of the board
Jūratė Stanišauskienė	Board member (from 2023-05-10)	UAB Silver Ventures (code 306618355, address Medynėlių st. 119, Kaunas, Lithuania), Director	AB Oro navigacija (code 210060460, address Balio Karvelio st. 25, Vilnius, Lithuania), Chairman of the Board
			AB Lietuvos paštas (code 121215587, address Juozo Balčikonio st. 3, Vilnius, Lithuania), Board member

Director Marius Šlepetis

11 July 2024