

# Legal Balance

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Activity report  
2025 Q3

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# Board of directors

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**Evaldas Remeikis**

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A business manager with a diverse business experience, he is board member at various companies. Among his most interesting and most significant career achievements is his participation in the creation of successful companies that operate in the technology and finance industry and investments in startup companies



**Vaidotas Pupalaigis**

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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**

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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



**Jūratė Stanišauskienė**

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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 experience 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 summary

A photograph of two men in business suits sitting at a white table. The man on the left is leaning forward, looking at a document on the table. The man on the right is also looking at the document, holding a pen. The document appears to have a bar chart on it. The background is bright and out of focus.

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

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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

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# Purchased debts



Managed purchased debt portfolio **above 162.3 mln. €**



Managed debt cases **> 73 000**



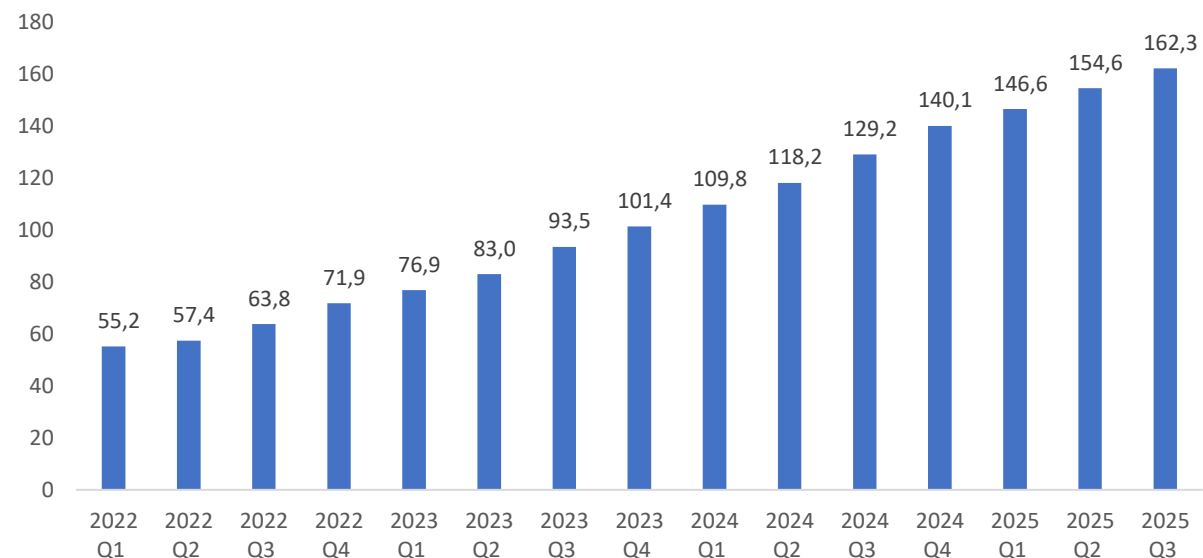
In 2025 Q3 company invested more than **12.4 mln. €** into debt purchase



In 2025 Q3 recovered more than **13.1 mln. €** from purchased debts

Acquisition year	Purchase price	Recoveries until 2025 Q3	Gross Cash-on-cash multiple	Forecasted recoveries	Cash-on-cash multiple
2016	367 663	1 667 301	4.53	68 201	4.72
2017	2 121 442	6 162 684	2.90	577 682	3.18
2018	1 997 177	4 021 675	2.01	673 805	2.35
2019	3 688 742	6 094 173	1.65	1 490 536	2.06
2020	4 518 939	7 117 610	1.58	4 023 322	2.47
2021	4 807 431	6 651 446	1.38	4 028 923	2.22
2022	7 625 671	8 792 311	1.15	10 632 139	2.55
2023	12 627 241	9 245 531	0.73	20 002 013	2.32
2024	16 495 394	6 461 808	0.39	36 050 593	2.58
2025 Q3	12 945 143	1 683 221	0.13	28 925 477	2.36
<b>TOTAL</b>	<b>67 194 844</b>	<b>57 897 764</b>	<b>0.86</b>	<b>106 472 697</b>	<b>2.45</b>

Accumulated debt portfolio, mEUR



Recoveries and Investments, mEUR



# Client debts (servicing)



Managed client debt portfolio **more than 58 mln. €**



Managed client cases **more than 40 000**

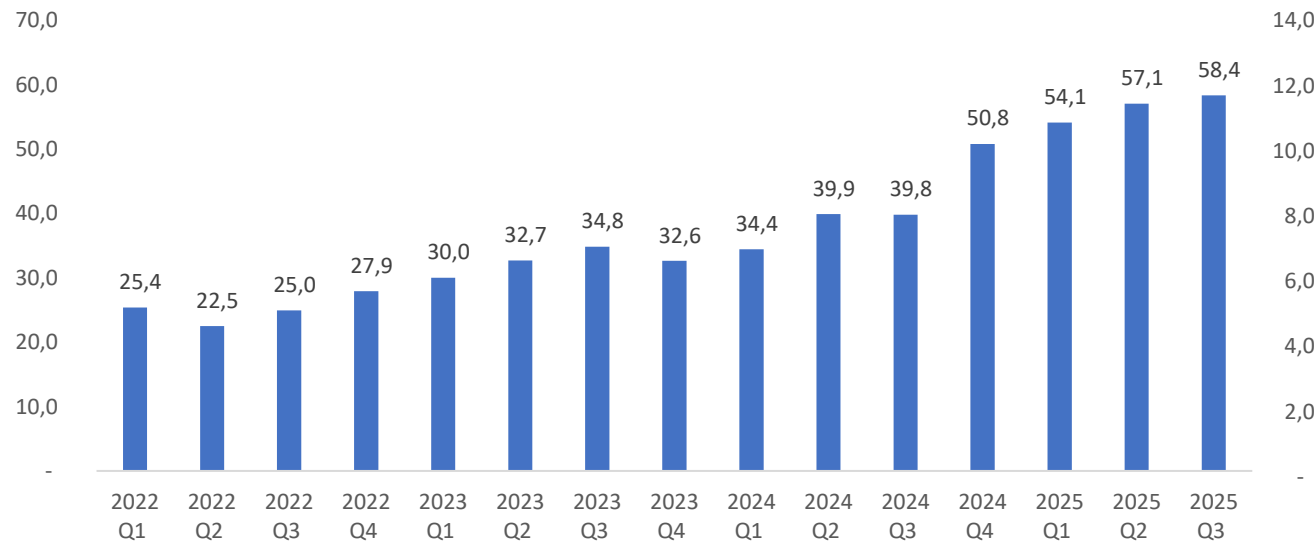


In 2025 Q3 company received **more than 27 mln. €** of new client cases

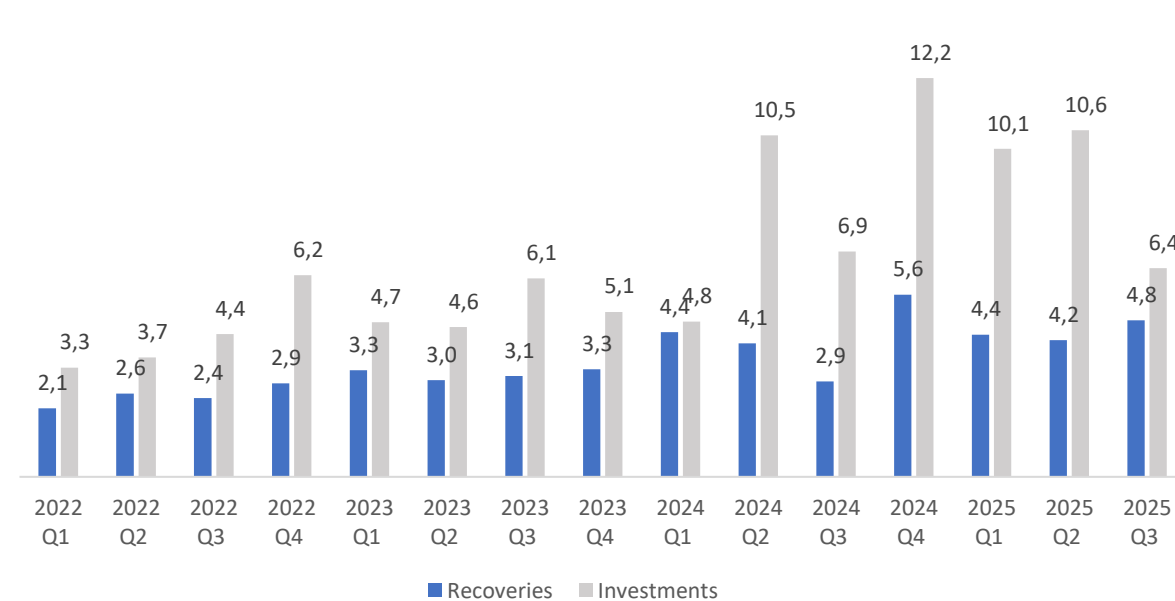


In 2025 Q3 company recovered **more than 13.4 mln. €** from administered client debts

Servicing portfolio, mEUR



Recoveries and new debt transfers, mEUR



# eSkolos platform



Managed eSkolos debt portfolio **more than 40 mln. €**



Number of cases **more than 10 000**

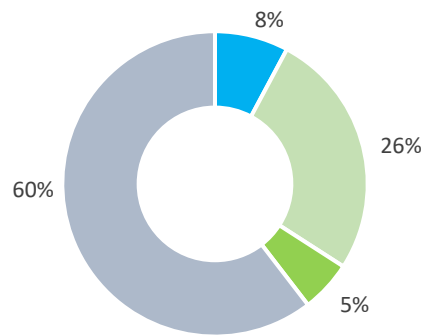


In 2025 Q3 company acquired **~ 7.8 mln. €** nominal value debts through eSkolos platform

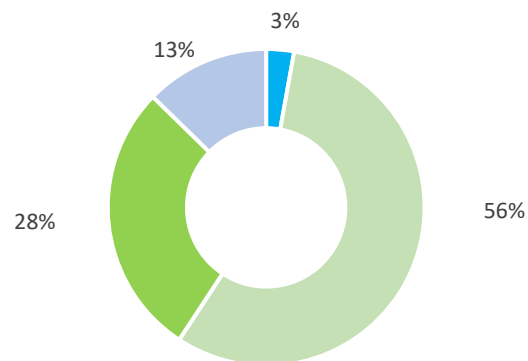


In 2025 Q3 company recovered **~ 1.6 mln. €** from eSkolos platform debts

% purchased debts, EUR

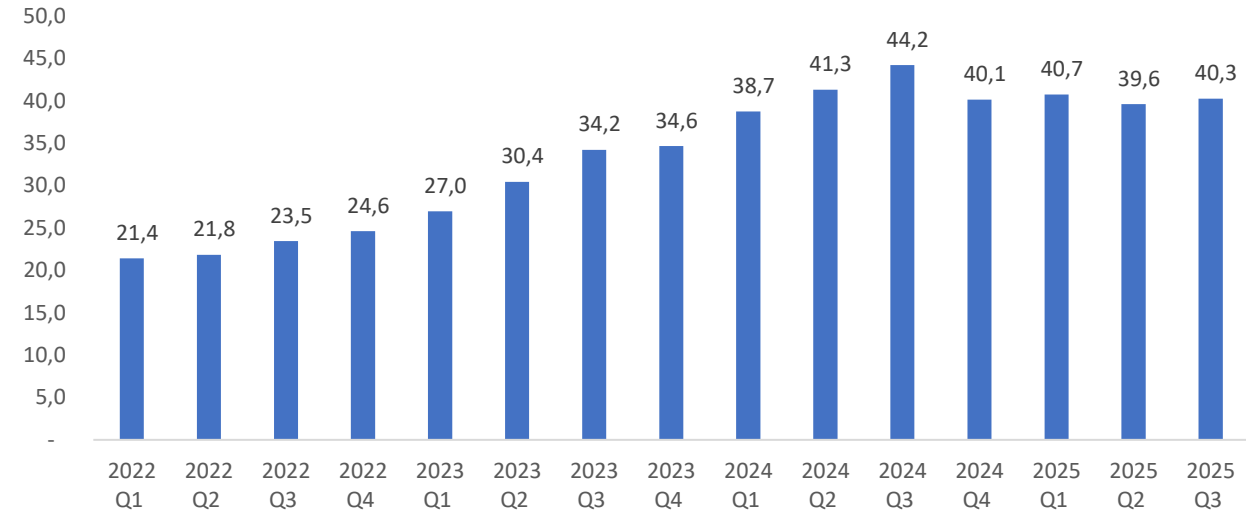


% success fee debts, EUR

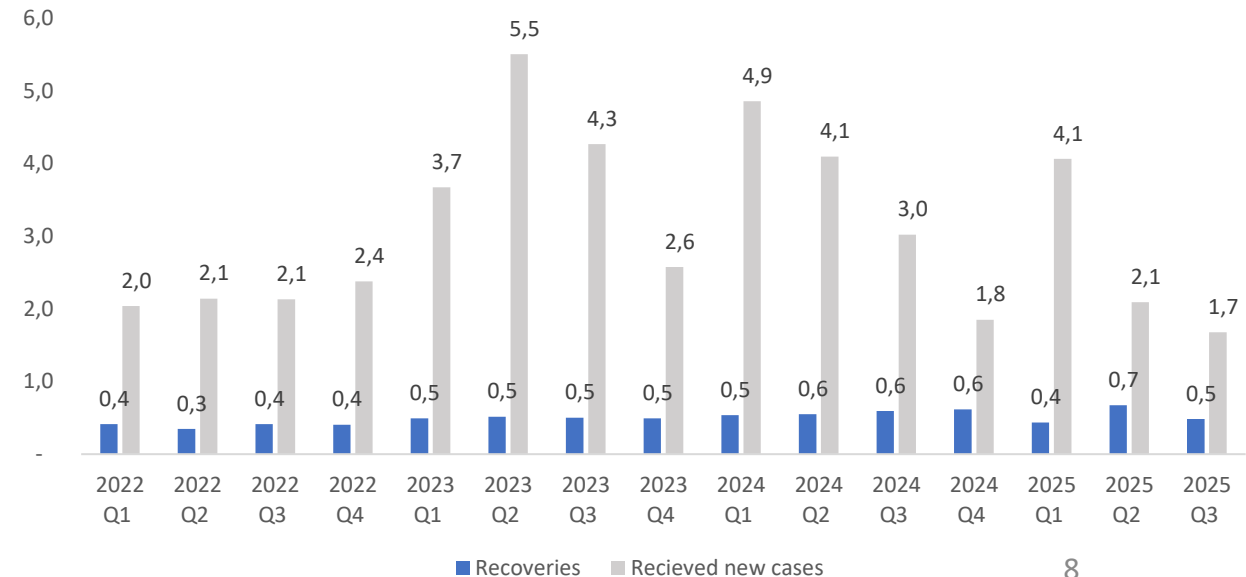


■ Salary dispute ■ Goods and services ■ Administrative breach ■ Loan

Debts managed through eskolos.it platform, mEUR



Recoveries and obtained new cases, mEUR

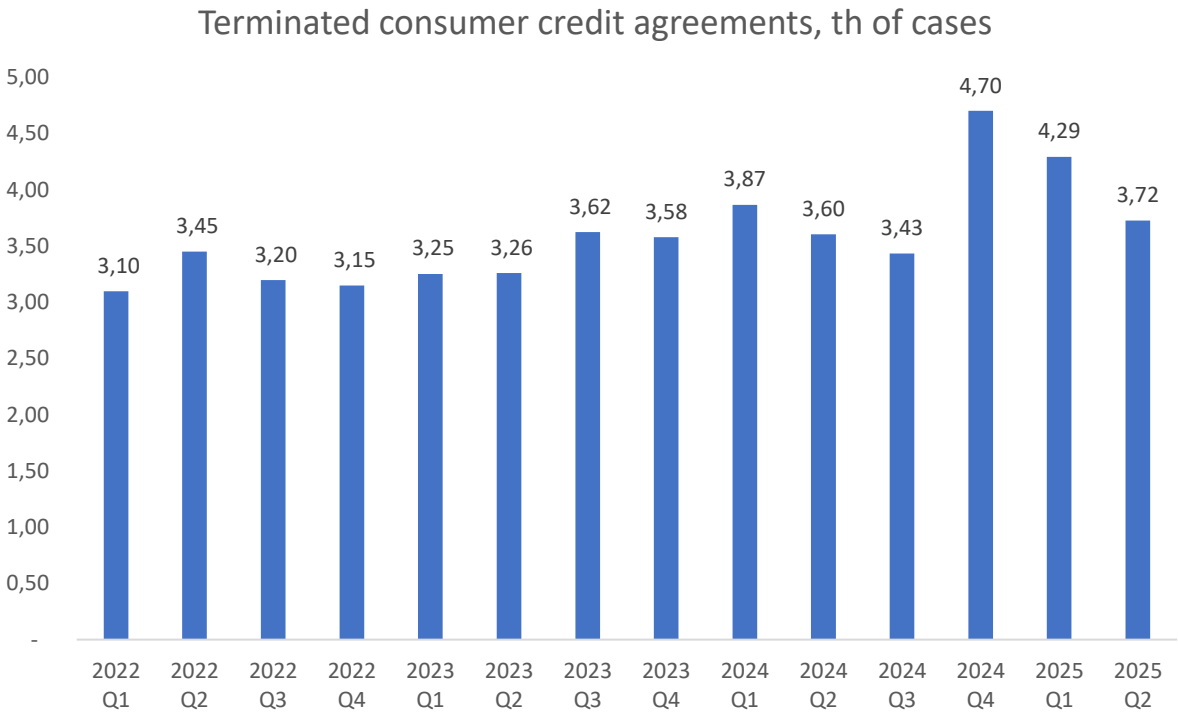
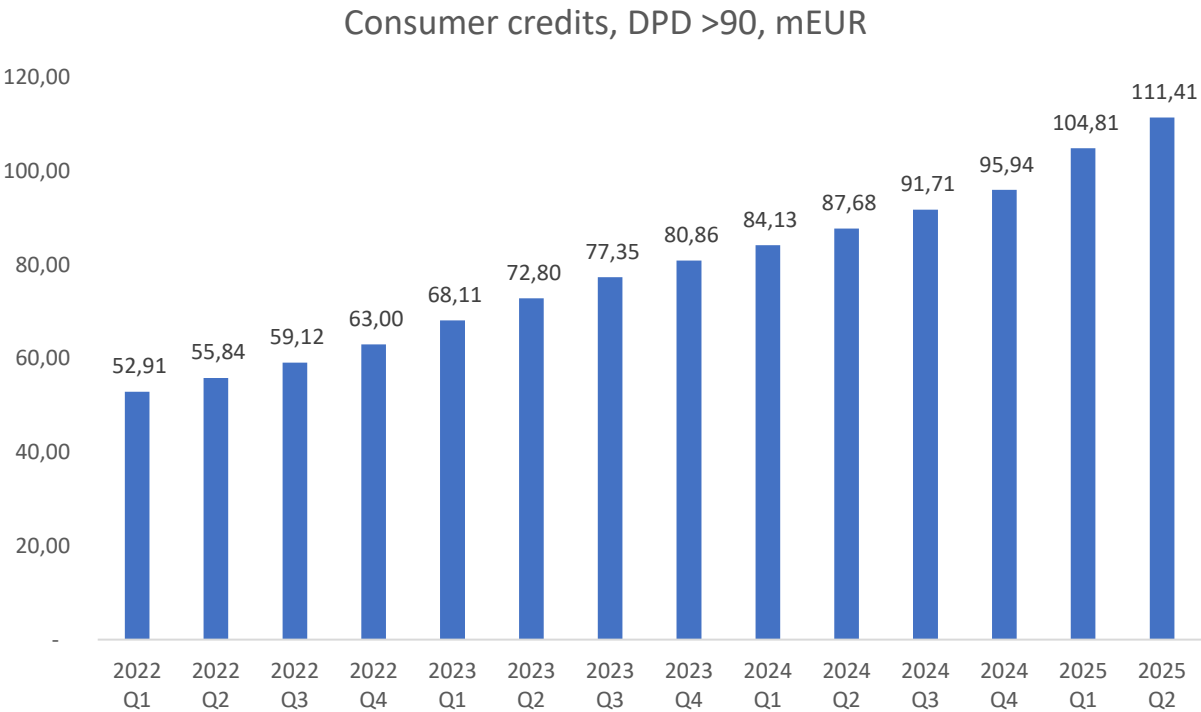




# Business environment

According to the data of the Bank of Lithuania, the amount of overdue consumer credits >90 days in H1 2025 amounted to 111,41 mEUR (+27% 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.

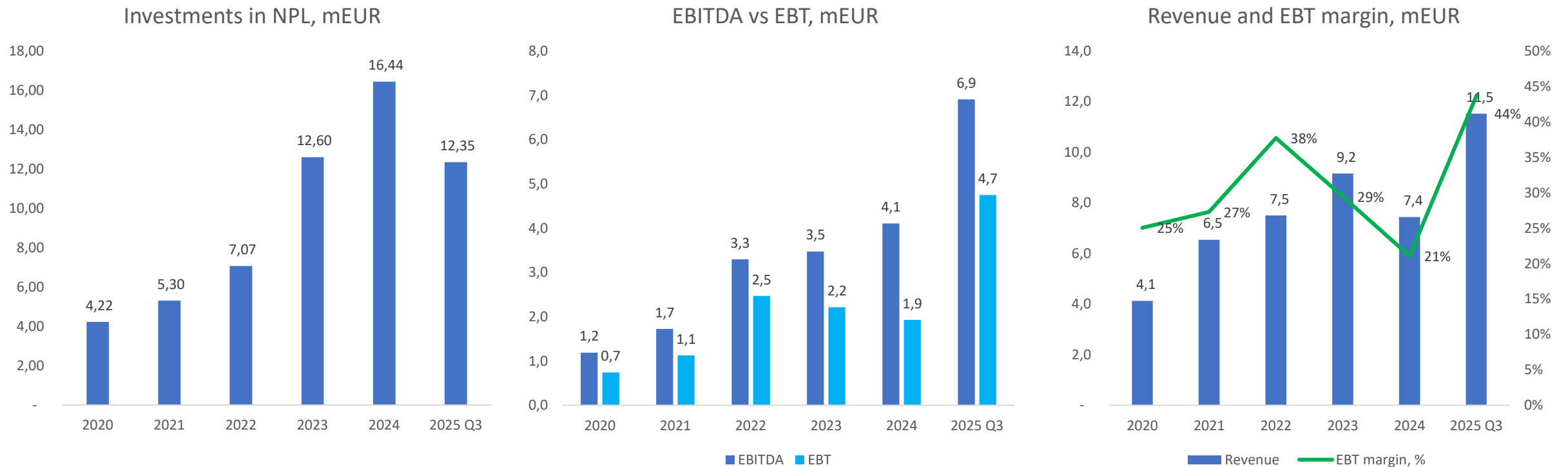
The difficult inflationary environment and high interest rates are likely to further increase the number of customers who will find it increasingly difficult to meet their financial obligations. The company expects to be able to expand its customer base and increase investments during this period.



# 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.



# 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 2025 was influenced by the improved situation in capital markets (decrease in Euribor) and generally better collection results.

Profit loss statement, th Eur	2020	2021	2022	2023	2024	2025 Q3*
<b>Revenue</b>	<b>2 947</b>	<b>4 125</b>	<b>6 542</b>	<b>7 503</b>	<b>9 156</b>	<b>11 527</b>
<i>Annual change</i>	-	40.0%	58.6%	14.7%	22.0%	
Cost of sales	501	499	997	1 064	1 323	1 413
<i>Annual change</i>	-	-0.4%	99.6%	6.7%	24.3%	
<b>Gross profit</b>	<b>2 445</b>	<b>3 625</b>	<b>5 544</b>	<b>6 438</b>	<b>7 833</b>	<b>10 114</b>
<i>Annual change</i>	-	48.3%	52.9%	16.1%	21.7%	
<i>Gross profit margin</i>	83%	87.9%	84.8%	85.8%	85.5%	87.7%
Operating expenses	1 258	1 902	2 250	2 965	3 727	3 209
<b>EBITDA</b>	<b>1 187</b>	<b>1 722</b>	<b>3 293</b>	<b>3 473</b>	<b>4 106</b>	<b>6 905</b>
<i>EBITDA margin</i>	40.3%	41.8%	50.4%	46.3%	44.8%	59.9%
Depreciation (amortisation)	24	18	10	2	141	179
<b>EBIT</b>	<b>1 162</b>	<b>1 704</b>	<b>3 283</b>	<b>3 472</b>	<b>3 965</b>	<b>6 726</b>
<i>EBIT margin</i>	39.5%	41.3%	50.2%	46.3%	43.3%	58.3%
Interest expenses	424	577	816	1 260	2 036	1 980
<b>EBT</b>	<b>738</b>	<b>1 126</b>	<b>2 467</b>	<b>2 211</b>	<b>1 929</b>	<b>4 746</b>
<i>EBT margin</i>	25.1%	27.3%	37.7%	29.5%	21.1%	41.2%

\*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	2020	2021	2022	2023	2024	2025 Q3*
Intangible assets	14	3	244	430	560	746
Tangible assets	18	12	4	28	78	68
Financial assets	6 904	8 827	12 908	18 865	27 434	23 872
<b>NON-CURRENT ASSETS</b>	<b>6 936</b>	<b>8 842</b>	<b>13 158</b>	<b>19 322</b>	<b>28 073</b>	<b>24 686</b>
Inventories	150	67	67	32	36	44
Receivables	3 235	4 805	6 443	9 580	12 491	26 109
Other	12	5	25	27	40	20
Cash and cash equivalents	537	470	949	821	2 139	799
<b>CURRENT ASSETS</b>	<b>3 934</b>	<b>5 344</b>	<b>7 459</b>	<b>10 460</b>	<b>14 706</b>	<b>26 971</b>
<b>TOTAL ASSETS</b>	<b>10 870</b>	<b>14 190</b>	<b>20 642</b>	<b>29 782</b>	<b>42 778</b>	<b>51 657</b>
<b>EQUITY</b>	<b>3 265</b>	<b>3 489</b>	<b>5 812</b>	<b>7 805</b>	<b>9 492</b>	<b>14 235</b>
Non-current part of financial debts	5 538	6 843	10 986	15 078	23 042	24 304
Other	201	43	498	617	849	849
<b>NON-CURRENT AMOUNTS PAYABLE AND LIABILITIES</b>	<b>5 739</b>	<b>6 886</b>	<b>11 484</b>	<b>15 695</b>	<b>23 891</b>	<b>25 153</b>
Current part of financial debts	1 388	1 984	2 155	4 393	6 701	9 014
Trade amounts payable	258	603	242	404	622	292
Other	186	1 228	949	1 484	2 071	2 962
<b>CURRENT AMOUNTS PAYABLE AND LIABILITIES</b>	<b>1 832</b>	<b>3 815</b>	<b>3 346</b>	<b>6 282</b>	<b>9 394</b>	<b>12 269</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>10 870</b>	<b>14 190</b>	<b>20 642</b>	<b>29 782</b>	<b>42 778</b>	<b>51 657</b>

\*unaudited numbers