

# Legal Balance

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Investment teaser  
2025 Q1

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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

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**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

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



# Purchased debts



Managed purchased debt portfolio **above 146 mln. €**



Managed debt cases **> 70 000**



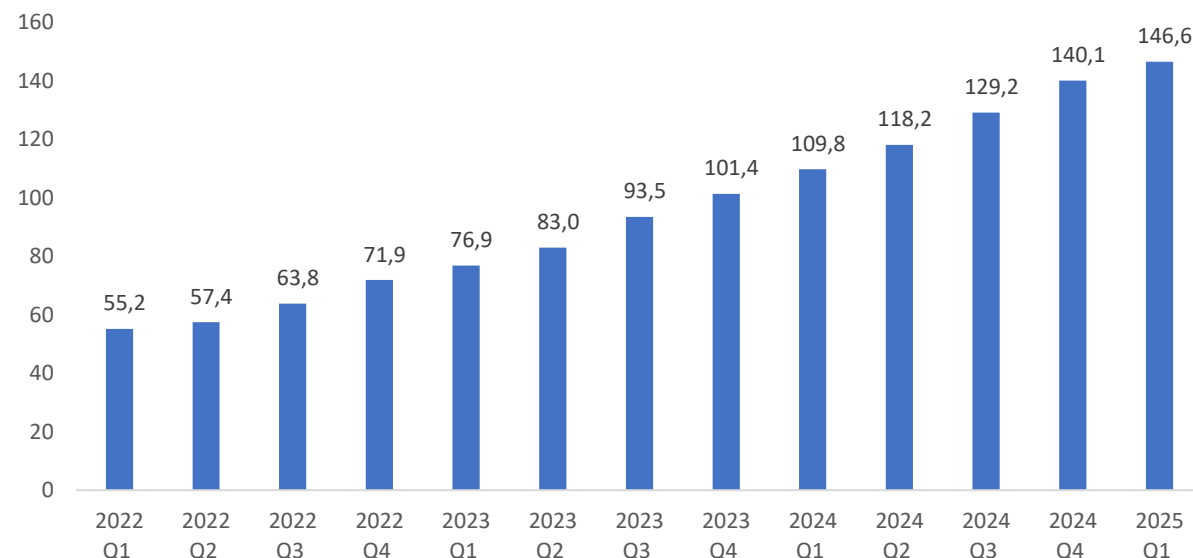
In 2025 Q1 company invested more than **4.2 mln. €** into debt purchase



In 2025 Q1 recovered more than **3.9 mln. €** from purchased debts

Acquisition year	Purchase price	Recoveries until 2025 Q1	Gross Cash-on-cash multiple	Forecasted recoveries	Cash-on-cash multiple
2016	367 663	1 638 133	4.46	90 906	4.70
2017	2 121 442	6 030 606	2.84	713 891	3.18
2018	1 997 177	3 863 491	1.93	793 060	2.33
2019	3 688 742	5 777 252	1.57	1 720 725	2.03
2020	4 518 939	6 758 963	1.50	4 443 677	2.48
2021	4 807 431	6 181 089	1.29	4 577 880	2.24
2022	7 625 671	7 657 128	1.00	12 059 835	2.59
2023	12 632 241	6 829 035	0.54	22 013 531	2.28
2024	16 495 394	3 791 125	0.23	37 755 010	2.52
2025 Q1	4 209 291	230 492	0.05	10 066 156	2.45
<b>TOTAL</b>	<b>58 094 992</b>	<b>48 757 318</b>	<b>0.83</b>	<b>94 234 677</b>	<b>2.45</b>

Accumulated debt portfolio, mEUR



Recoveries and Investments, mEUR



# Client debts (servicing)



Managed client debt portfolio **more than 54 mln. €**



Managed client cases **more than 20 000**

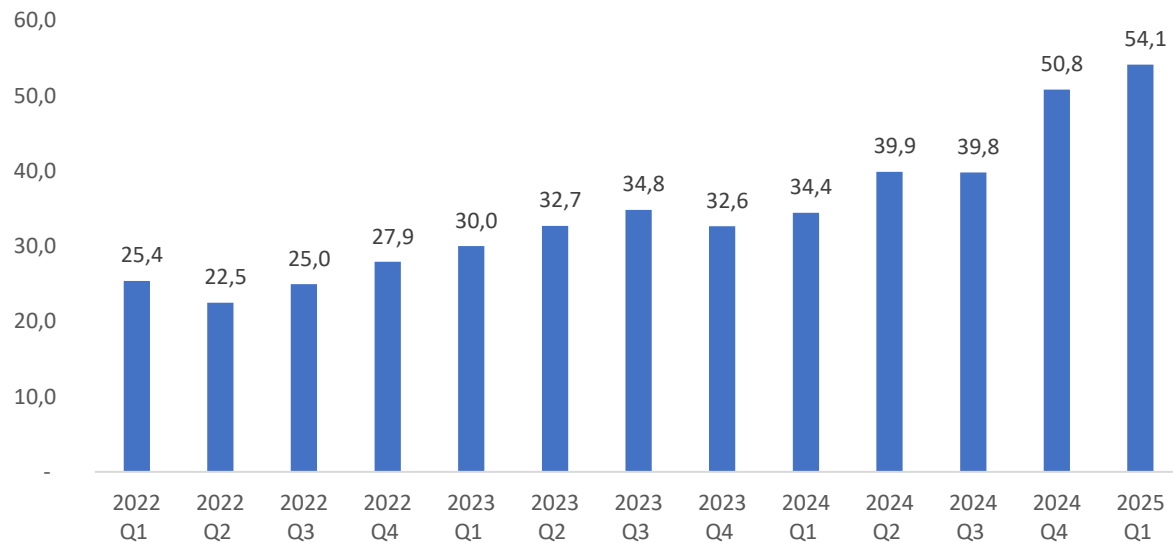


In 2025 Q1 company received **more than 10 mln. €** of new client cases

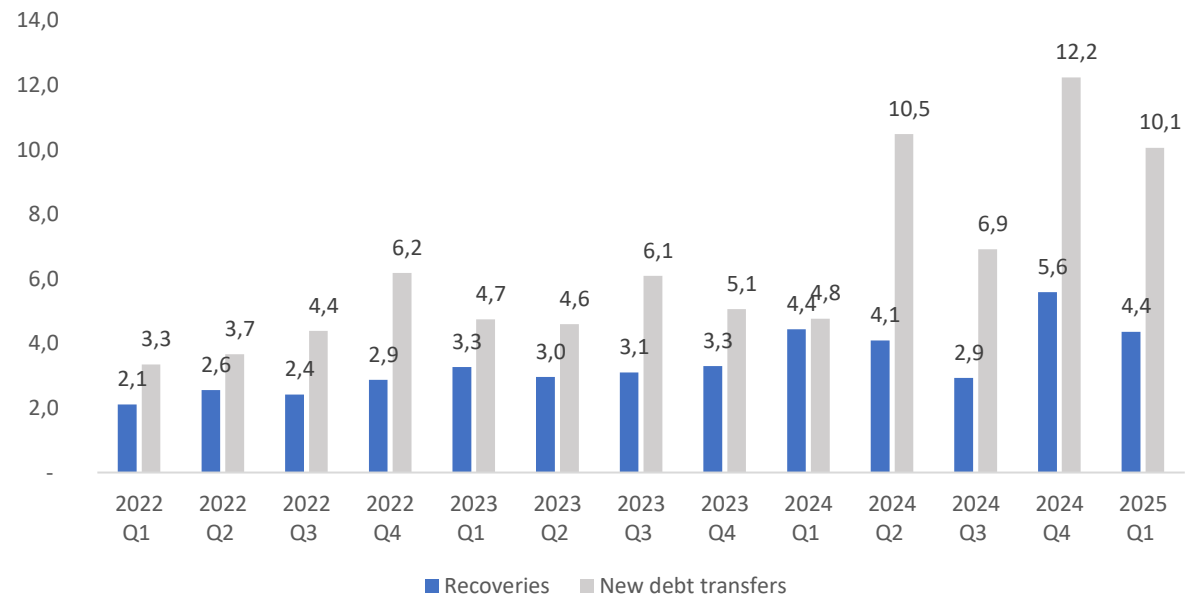


In 2025 Q1 company recovered **more than 4.3 mln. €** from administered client debts

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**

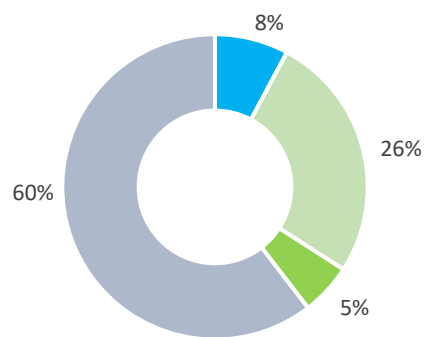


In 2025 Q1 company acquired **~ 4 mln. €** nominal value debts through eSkolos platform

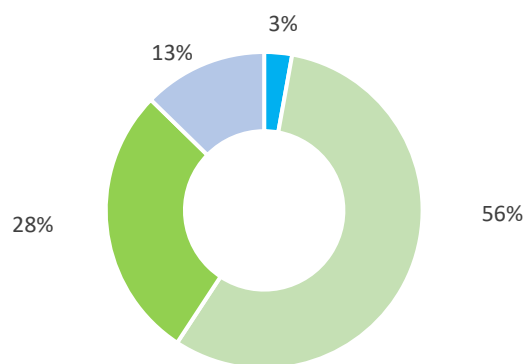


In 2025 Q1 company recovered **~ 0.4 mln. €** from eSkolos platform debts

% purchased debts, EUR

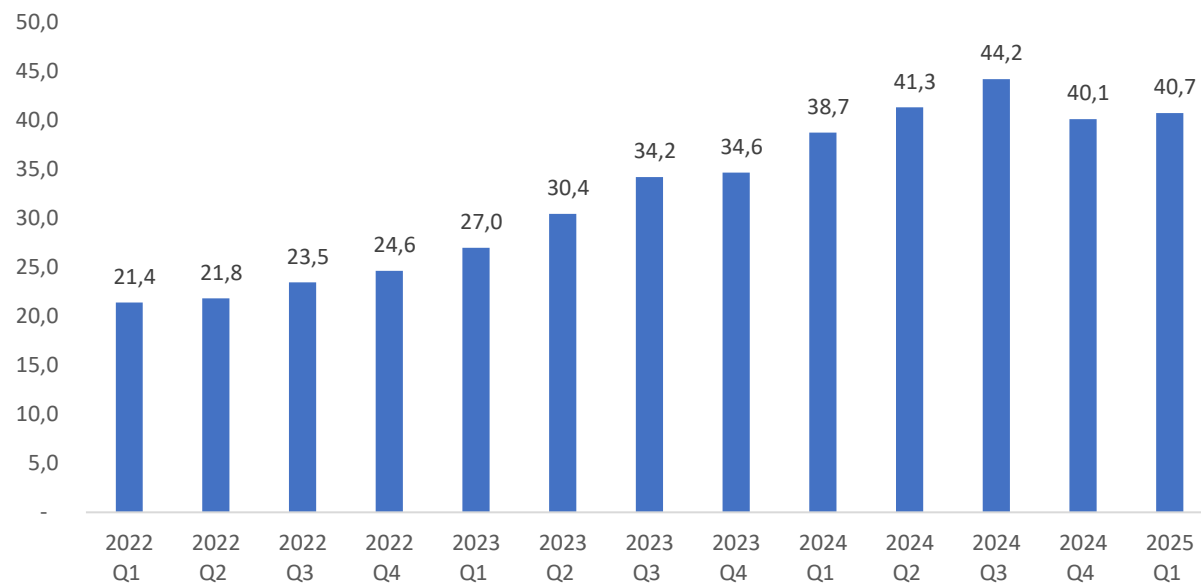


% success fee debts, EUR

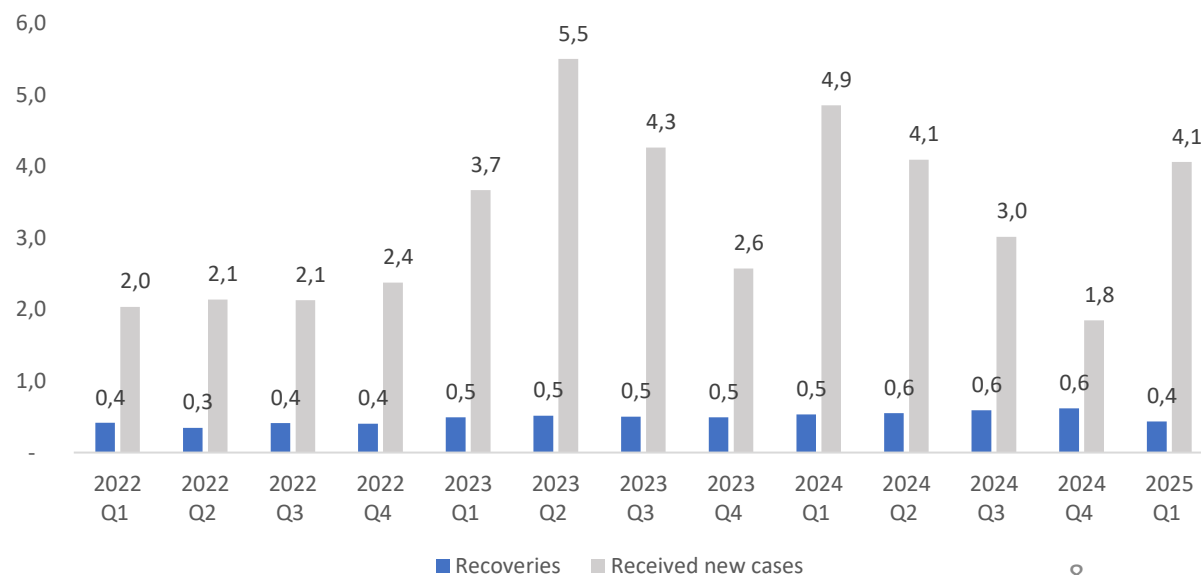


■ Salary dispute 
 ■ Goods and services 
 ■ Administrative breach 
 ■ Loan

Debts managed through eskolos.It platform, mEUR



Recoveries and obtained new cases, mEUR



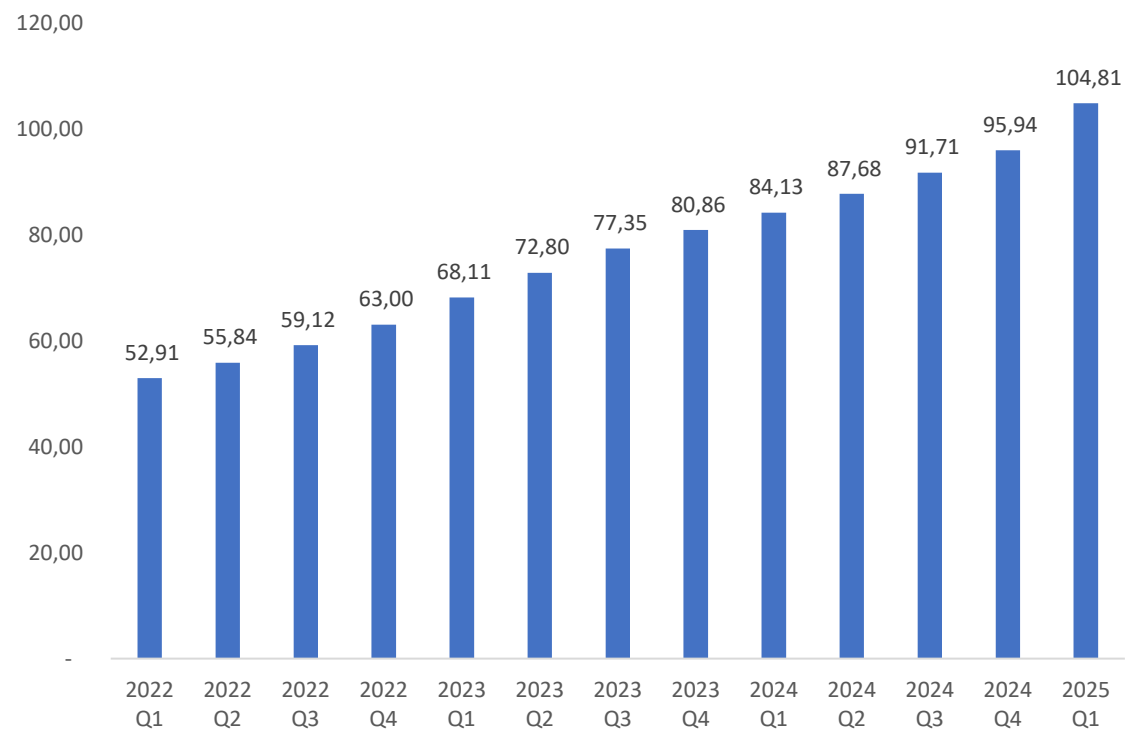


# Business environment

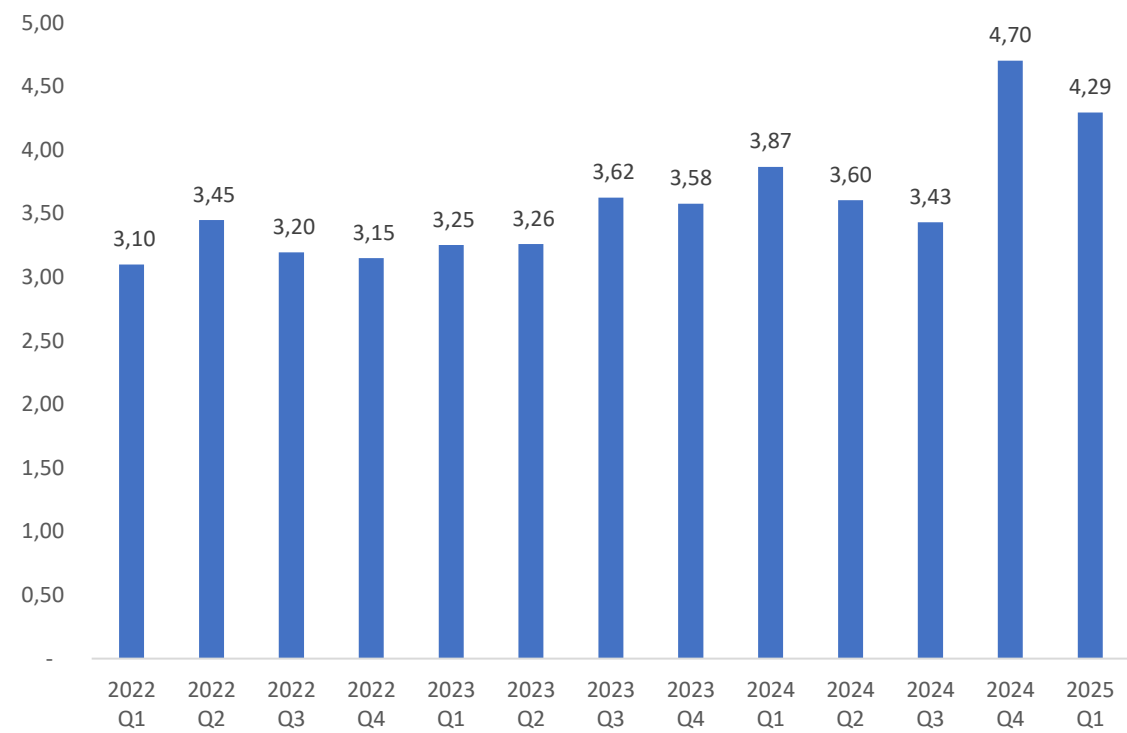
According to the data of the Bank of Lithuania, the amount of overdue consumer credits >90 days in Q1 2025 amounted to 104,81 mEUR (+24% YoY). Due to limited resources, financial institutions very often hand over insolvent clients to debt collection specialists for administration, and at a later stage 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.

Consumer credits, DPD >90, mEUR



Terminated consumer credit agreements, th of cases

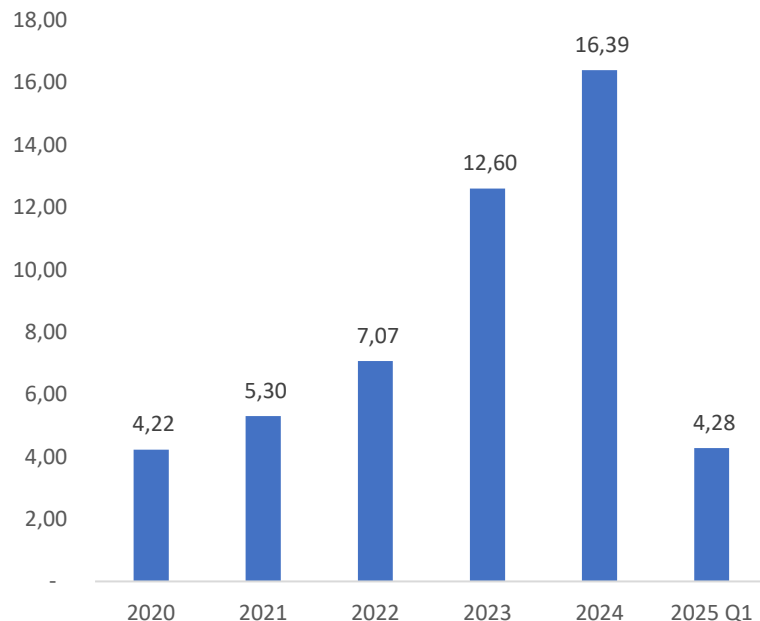


# Profitability and investments (LT)

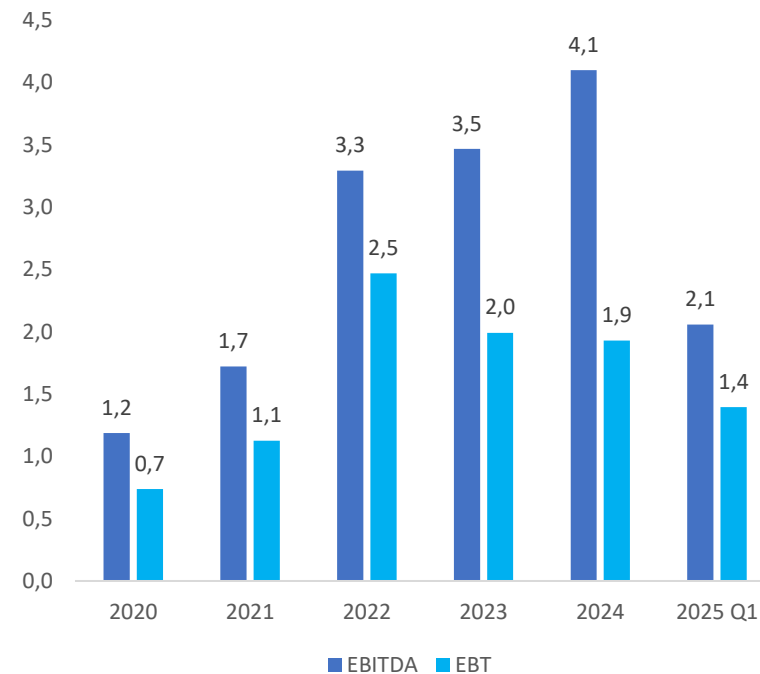
The largest share in the company's income structure (>80%) is the income from purchased debts.

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

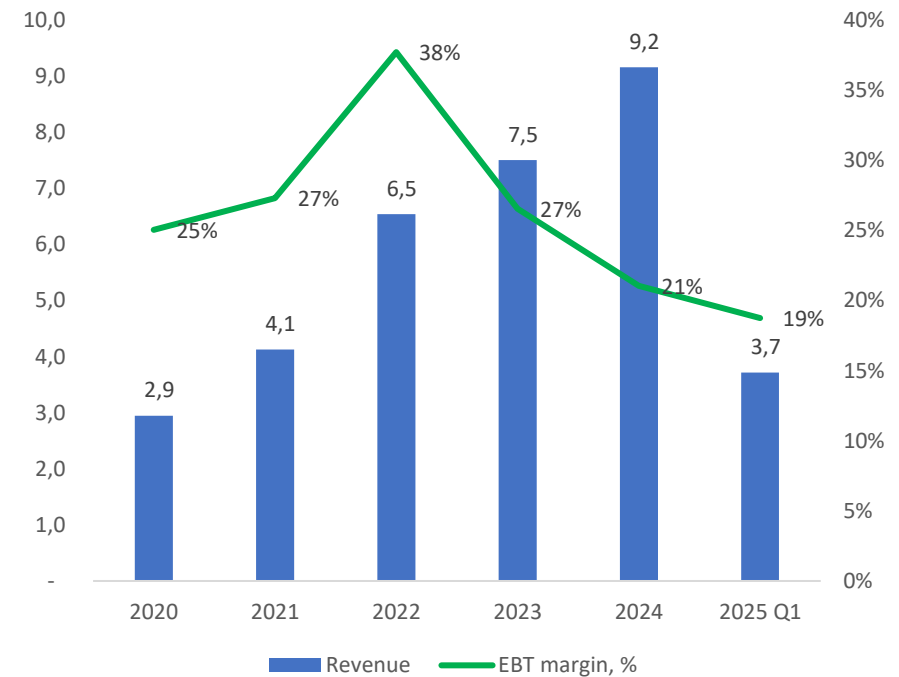
Investments in NPL, mEUR



EBITDA vs EBT, mEUR



Revenue and EBT margin, mEUR



# Financials (Profit-loss)

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

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

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

Higher profitability in 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 Q1*
<b>Revenue</b>	<b>2 947</b>	<b>4 125</b>	<b>6 542</b>	<b>7 503</b>	<b>9 156</b>	<b>3 718</b>
<i>Annual change</i>	-	40.0%	58.6%	14.7%	22.0%	
Cost of sales	501	499	997	1 064	1 323	751
<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>2 966</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%	79.8%
Operating expenses	1 258	1 902	2 250	2 965	3 727	909
<b>EBITDA</b>	<b>1 187</b>	<b>1 722</b>	<b>3 293</b>	<b>3 473</b>	<b>4 106</b>	<b>2 057</b>
<i>EBITDA margin</i>	40.3%	41.8%	50.4%	46.3%	44.8%	55.3%
Depreciation (amortisation)	24	18	10	2	141	34
<b>EBIT</b>	<b>1 162</b>	<b>1 704</b>	<b>3 283</b>	<b>3 472</b>	<b>3 965</b>	<b>2 023</b>
<i>EBIT margin</i>	39.5%	41.3%	50.2%	46.3%	43.3%	54.4%
Interest expenses	424	577	816	1 260	2 036	629
<b>EBT</b>	<b>738</b>	<b>1 126</b>	<b>2 467</b>	<b>2 211</b>	<b>1 929</b>	<b>1 394</b>
<i>EBT margin</i>	25.1%	27.3%	37.7%	29.5%	21.1%	37.5%

\*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 Q1*
Intangible assets	14	3	244	430	560	616
Tangible assets	18	12	4	28	78	75
Financial assets	6 904	8 827	12 908	18 865	27 434	20 988
<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>21 688</b>
Inventories	150	67	67	32	36	32
Receivables	3 235	4 805	6 443	9 580	12 491	22 746
Other	12	5	25	27	40	47
Cash and cash equivalents	537	470	949	821	2 139	1 149
<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>23 975</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>45 663</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>10 964</b>
Non-current part of financial debts	5 538	6 843	10 986	15 078	23 042	23 532
Other	201	43	498	617	849	827
<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>24 358</b>
Current part of financial debts	1 388	1 984	2 155	4 393	6 701	6 778
Trade amounts payable	258	603	242	404	622	484
Other	186	1 228	949	1 484	2 071	3 079
<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>10 340</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>45 663</b>

\*unaudited numbers