

Legal Balance

Activity report
2025 Q4



Board of directors



Evaldas Remeikis

A business manager with a diverse business experience, he is board member at various companies. Among his most interesting and most 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

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



Arminas Sinkevičius

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



Juratė Stanišauskienė

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

Management team



Marius Šlepetis

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



Šarūnas Šimkus

Company's Chief Operations Officer with more than 5 years 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



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 169.3 mln. €**



Managed client cases **more than 80 000**



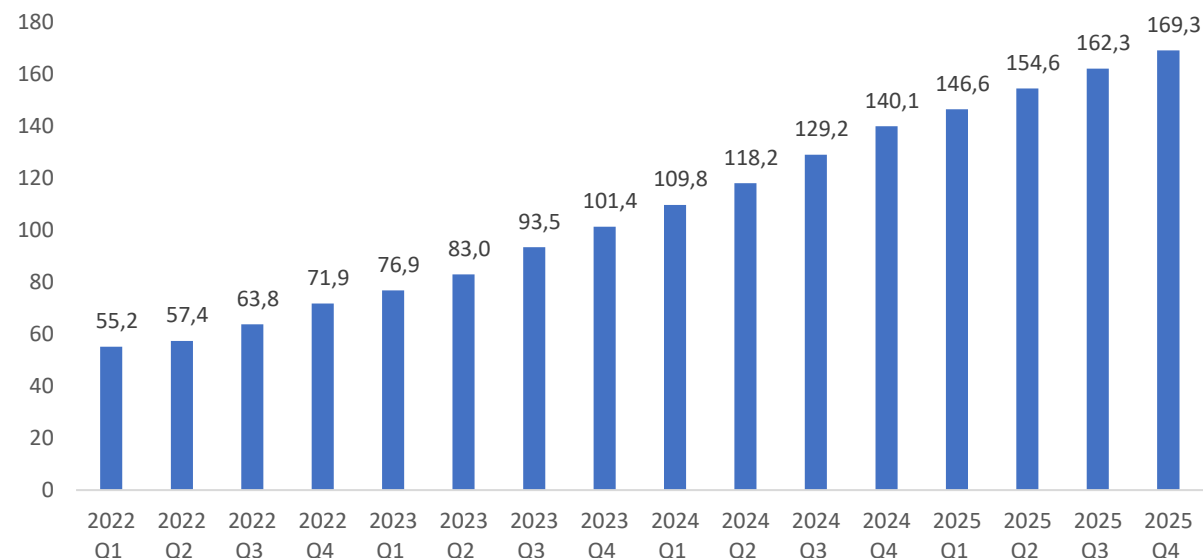
In 2025 company invested more than **17.2 mln. €** into debt purchase



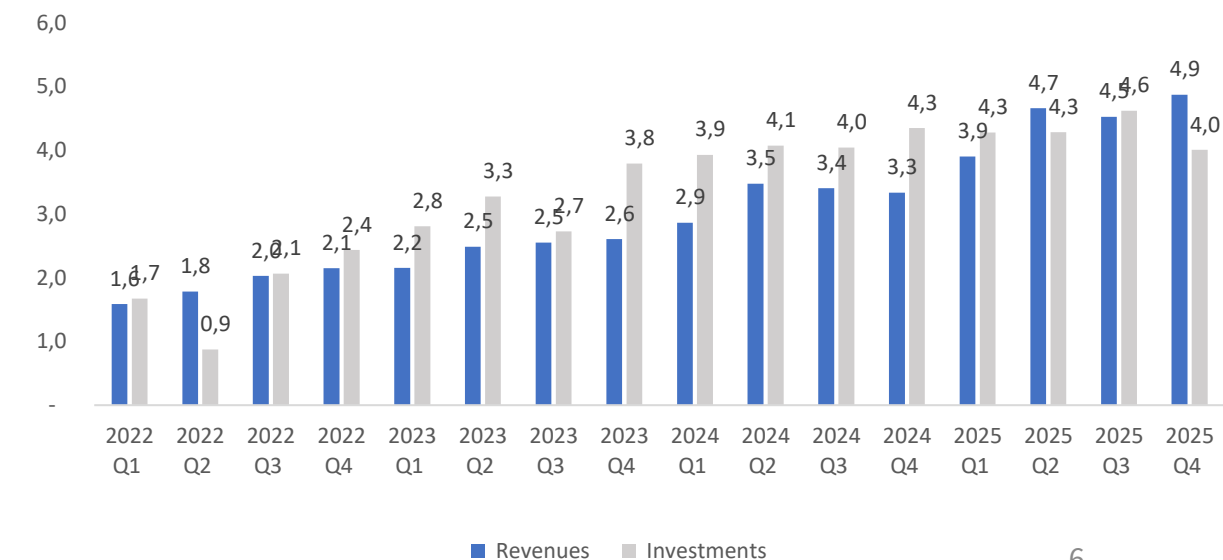
In 2025 recovered more than **18.0 mln. €** from purchased debts

Acquisition year	Purchase price	Recoveries until 2025 Q4	Gross Cash-on-cash multiple	Forecasted recoveries	Cash-on-cash multiple
2016	367 663	1 684 532	4.58	56 848	4.74
2017	2 121 442	6 225 291	2.93	516 868	3.18
2018	1 997 177	4 096 556	2.05	642 616	2.37
2019	3 688 742	6 202 758	1.68	1 367 332	2.05
2020	4 518 939	7 279 275	1.61	3 669 328	2.42
2021	4 807 431	6 831 935	1.42	3 611 172	2.17
2022	7 625 671	8 314 867	1.22	9 883 875	2.52
2023	12 627 242	10 325 096	0.82	18 668 104	2.30
2024	16 495 394	8 043 180	0.49	33 656 498	2.53
2025	17 203 968	2 887 839	0.17	39 093 029	2.44
TOTAL	71 453 670	62 891 328	0.88	111 565 670	2.44

Accumulated debt portfolio, mEUR



Recoveries and investments, mEUR



Client debts (servicing)



Managed client debt portfolio **more than 59.8 mln. €**



Managed client cases **more than 45 000**

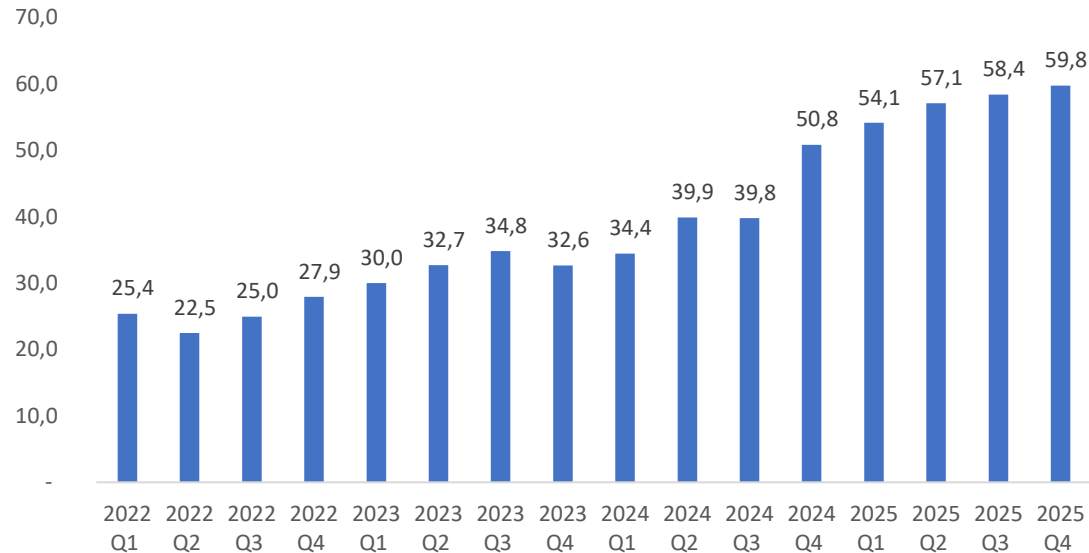


In 2025 company received **more than 36.0 mln. €** of new client cases

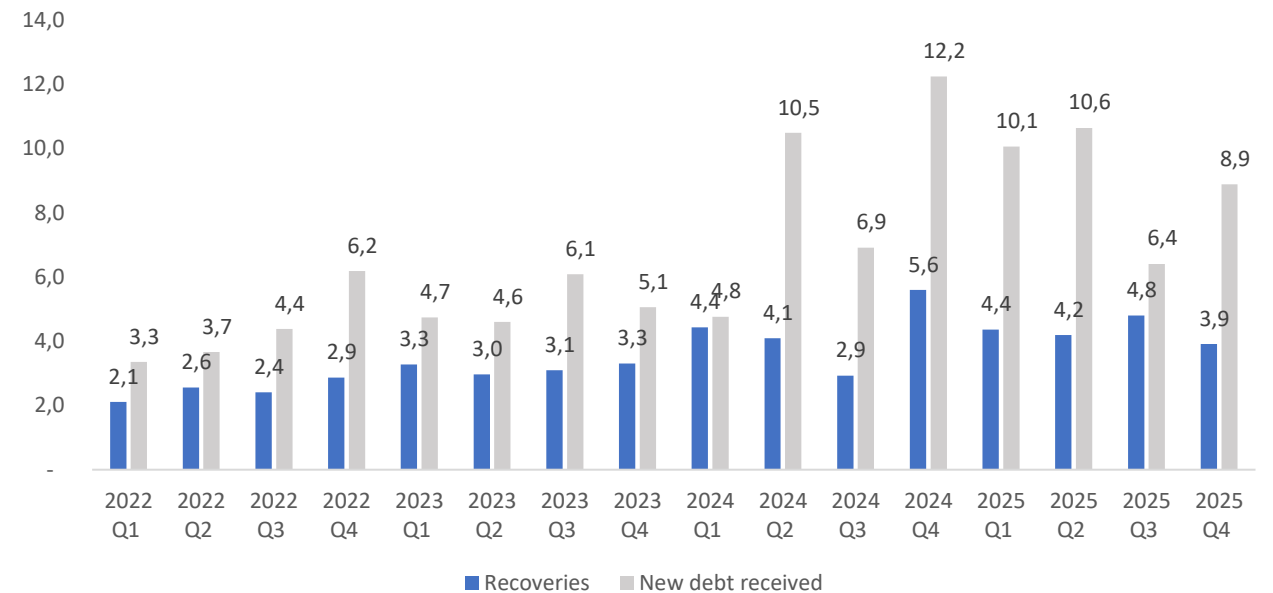


In 2025 company recovered **more than 17.2 mln. €** from administered client debts

Servicing portfolio, mEUR



Recoveries and new debt transfers, mEUR



eSkolos platform



Managed eSkolos debt portfolio **more than 42 mln. €**



Number of cases **more than 18 000**

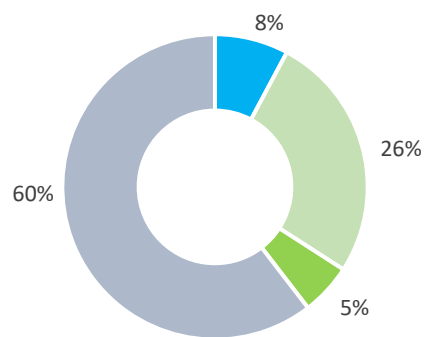


In 2025 company acquired **~ 10.4 mln. €** nominal value debts through eSkolos platform

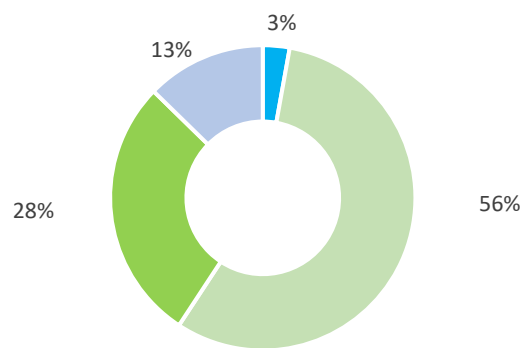


In 2025 company recovered **~ 2.1 mln. €** from eSkolos platform debts

% purchased debts, EUR

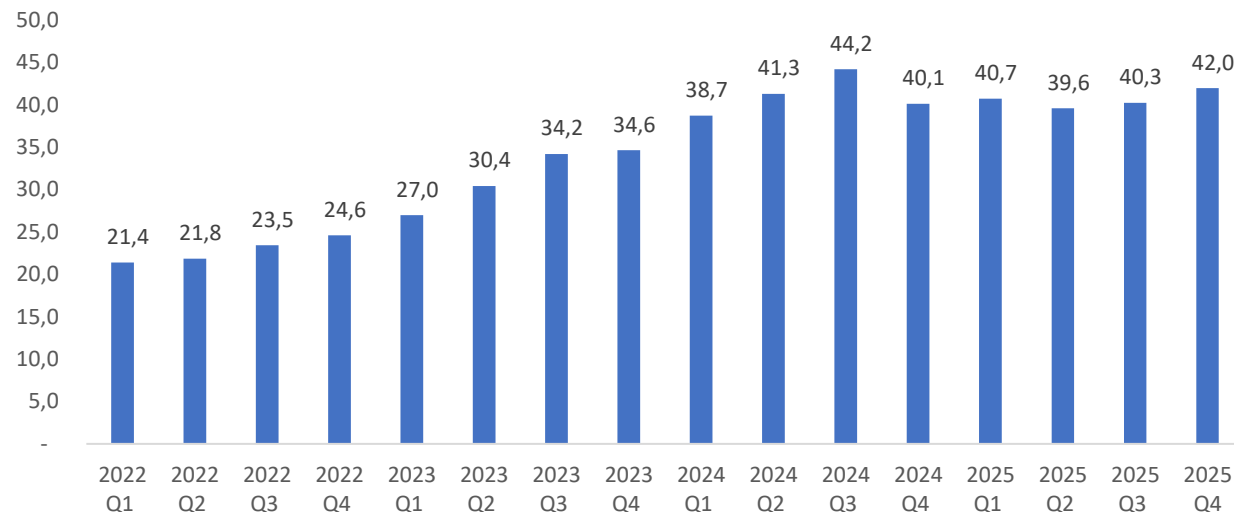


% success fee debts, EUR

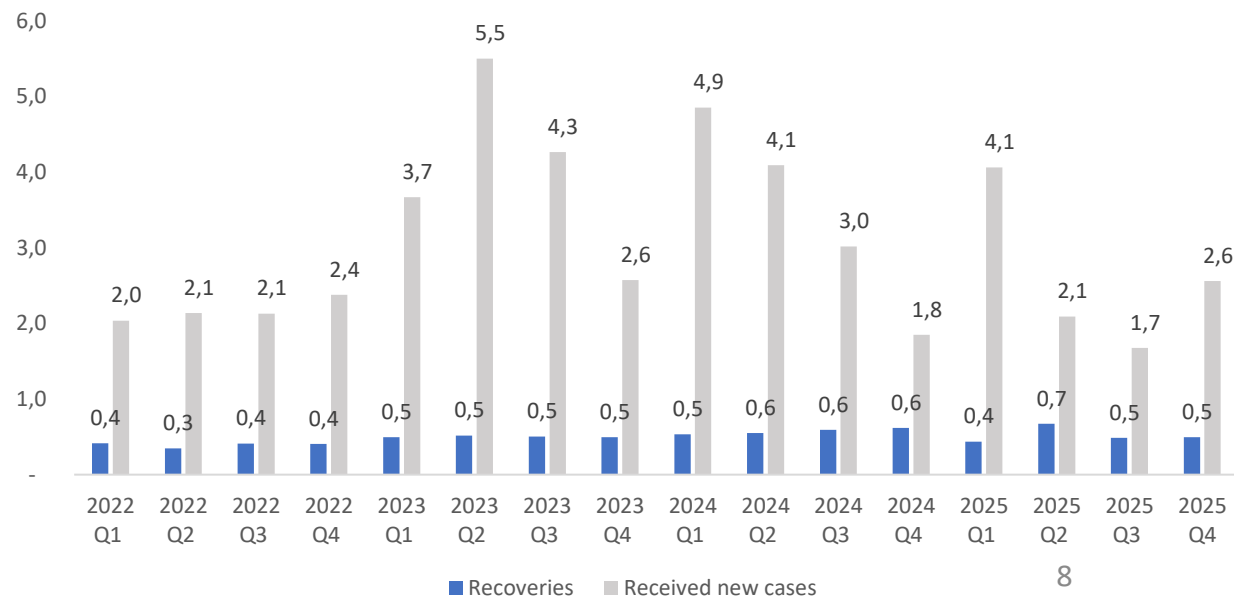


■ Salary dispute
 ■ Goods and services
 ■ Administrative breach
 ■ Loan

Debts managed through eskolos.It platform, mEUR



Recoveries and obtained new cases, mEUR

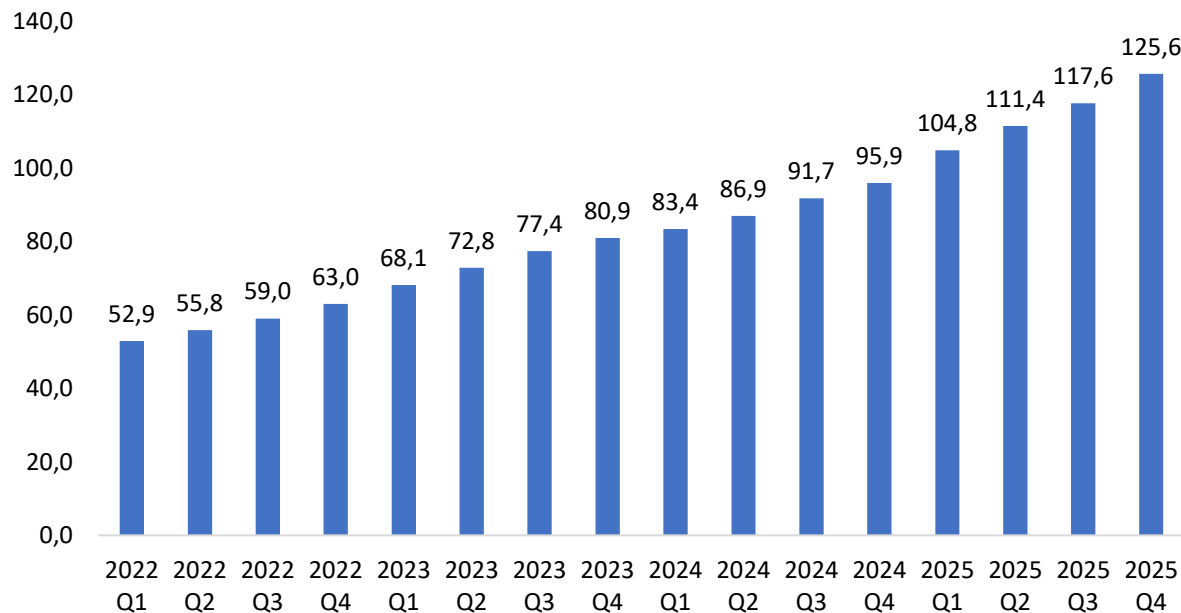


Business environment

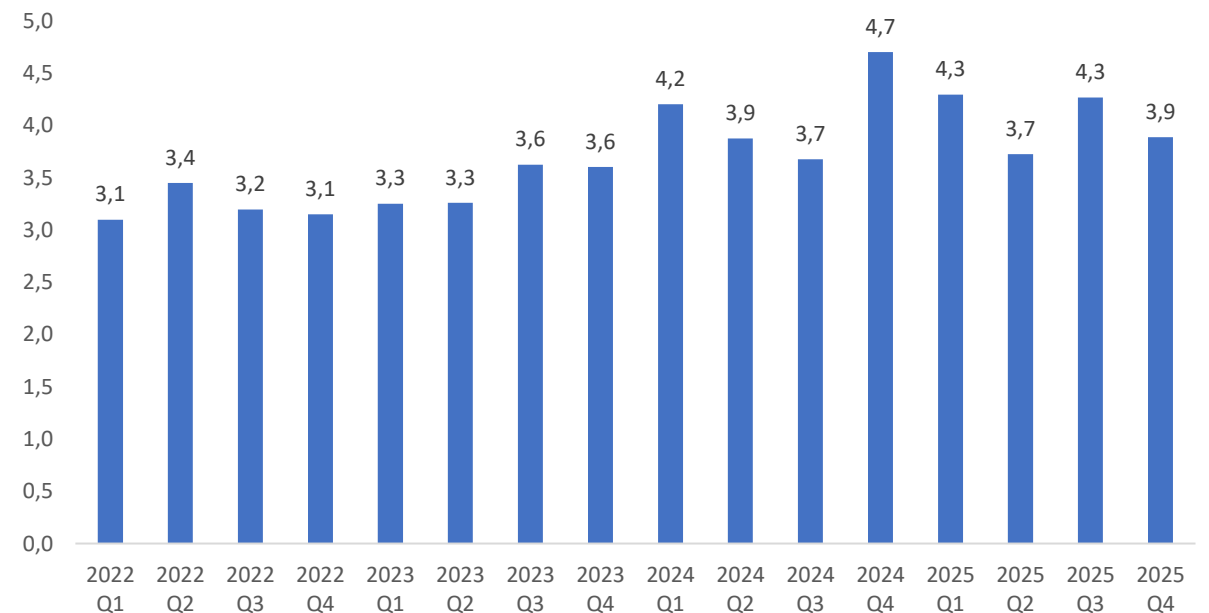
According to the data of the Bank of Lithuania, the amount of overdue consumer credits >90 days in 2025 amounted to 125.6 mEUR (+31% YoY). Due to limited resources, financial institutions very often hand over insolvent clients to debt collection specialists for administration, and at a later stage to 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

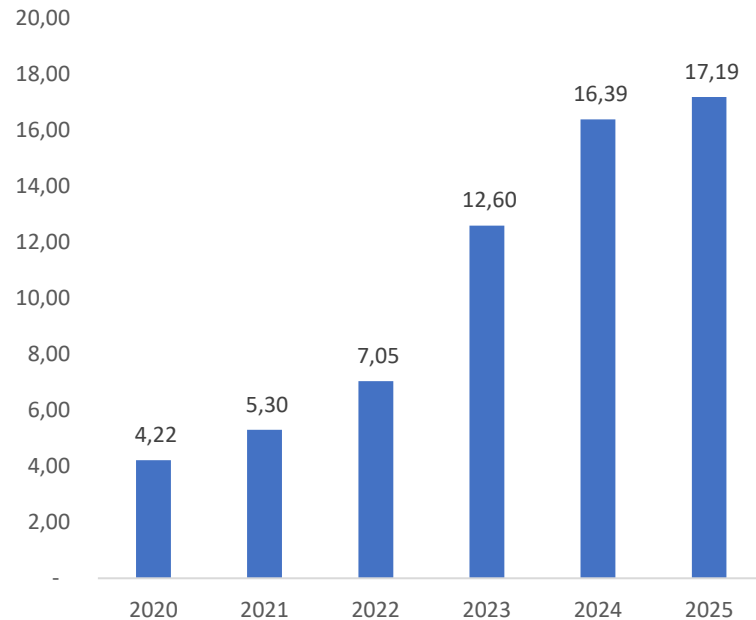


Profitability and investments (LT)

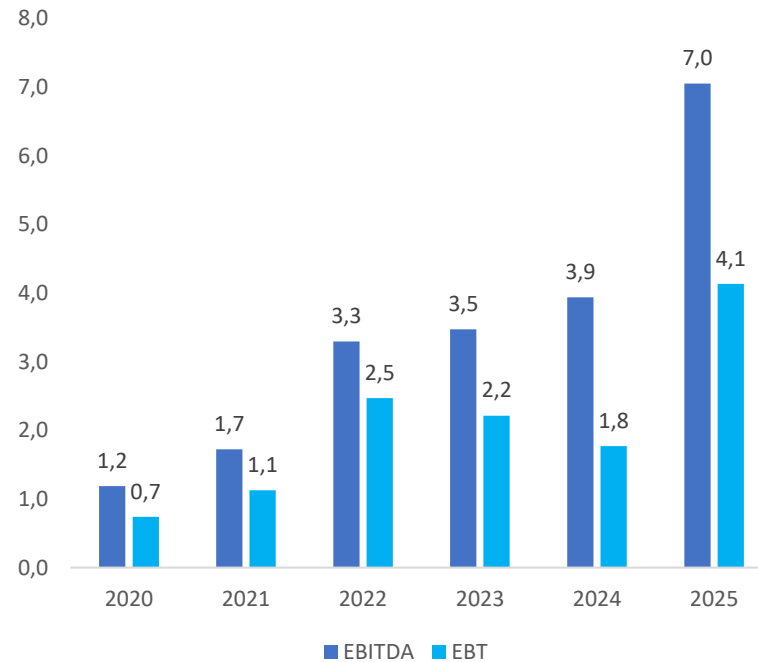
The largest share in the company's income structure (>80%) is the income from purchased debts.

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.

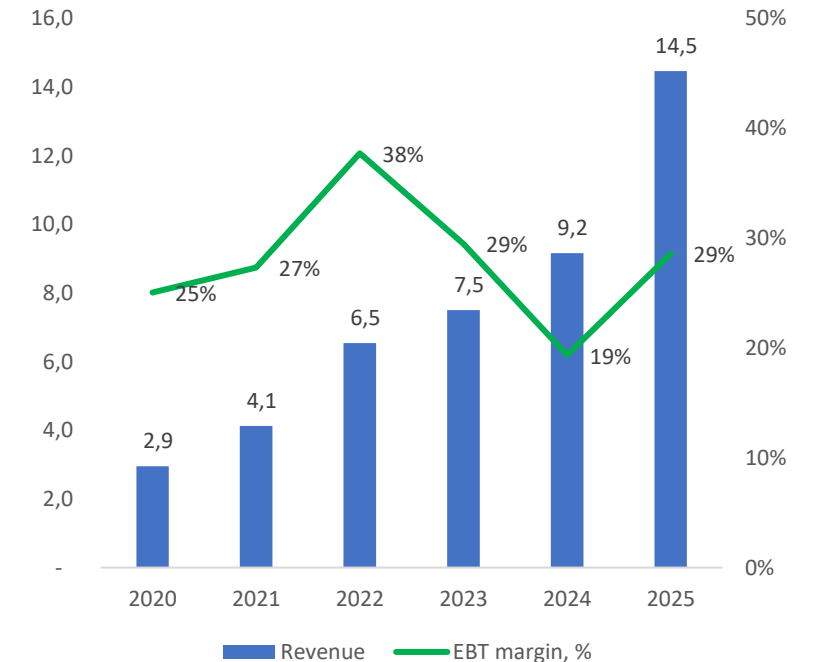
Investments in NPL, mEUR



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.

Increased profitability was mainly driven by two factors: higher recovery volumes supported by more efficient processes, and an increased level of investment.

Profit loss statement, th Eur	2020	2021	2022	2023	2024	2025
Revenue	2 947	4 125	6 542	7 503	9 156	14 466
<i>Annual change</i>	-	40.0%	58.6%	14.7%	22.0%	58.0%
Cost of sales	501	499	997	1 064	1 482	2 853
<i>Annual change</i>	-	-0.4%	99.6%	6.7%	39.2%	92.5%
Gross profit	2 445	3 625	5 544	6 439	7 674	11 613
<i>Annual change</i>	-	48.3%	52.9%	16.1%	19.2%	51.3%
<i>Gross profit margin</i>	83%	87.9%	84.8%	85.8%	83.8%	80.3%
Operating expenses	1 258	1 902	2 250	2 970	3 740	4 564
EBITDA	1 187	1 722	3 293	3 468	3 935	7 067
<i>EBITDA margin</i>	40.3%	41.8%	50.4%	46.2%	43.0%	48.7%
Depreciation (amortisation)	24	18	10	2	136	239
EBIT	1 162	1 704	3 283	3 467	3 799	6 810
<i>EBIT margin</i>	39.5%	41.3%	50.2%	46.2%	41.5%	47.1%
Interest expenses	424	577	816	1 256	2 028	2 679
EBT	738	1 126	2 467	2 211	1 770	4 131
<i>EBT margin</i>	25.1%	27.3%	37.7%	29.5%	19.3%	28.6%

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
Intangible assets	14	3	244	430	560	826
Tangible assets	18	12	4	28	78	65
Financial assets	6 904	8 827	12 908	18 865	27 434	34 662
NON-CURRENT ASSETS	6 936	8 842	13 158	19 322	28 073	35 553
Inventories	150	67	67	32	36	23
Receivables	3 235	4 805	6 443	9 580	12 491	17 460
Other	12	5	25	27	40	30
Cash and cash equivalents	537	470	949	821	2 139	753
CURRENT ASSETS	3 934	5 344	7 459	10 460	14 706	18 272
TOTAL ASSETS	10 870	14 190	20 642	29 782	42 778	53 825
EQUITY	3 265	3 489	5 812	7 805	9 159	13 039
Non-current part of financial debts	5 538	6 843	10 986	15 078	23 375	30 569
Other	201	43	498	617	849	1 154
NON-CURRENT AMOUNTS PAYABLE AND LIABILITIES	5 739	6 886	11 484	15 695	24 225	31 723
Current part of financial debts	1 388	1 984	2 155	4 393	6 701	6 057
Trade amounts payable	258	603	242	404	622	394
Other	186	1 228	949	1 484	2 071	2 613
CURRENT AMOUNTS PAYABLE AND LIABILITIES	1 832	3 815	3 346	6 282	9 394	9 063
TOTAL EQUITY AND LIABILITIES	10 870	14 190	20 642	29 782	42 778	53 825