

# Legal Balance

---

Activity report  
2026 Q1

---



# 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, Latvia and Poland 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 ~ 175.6 mln. €



Managed client cases more than 83 000



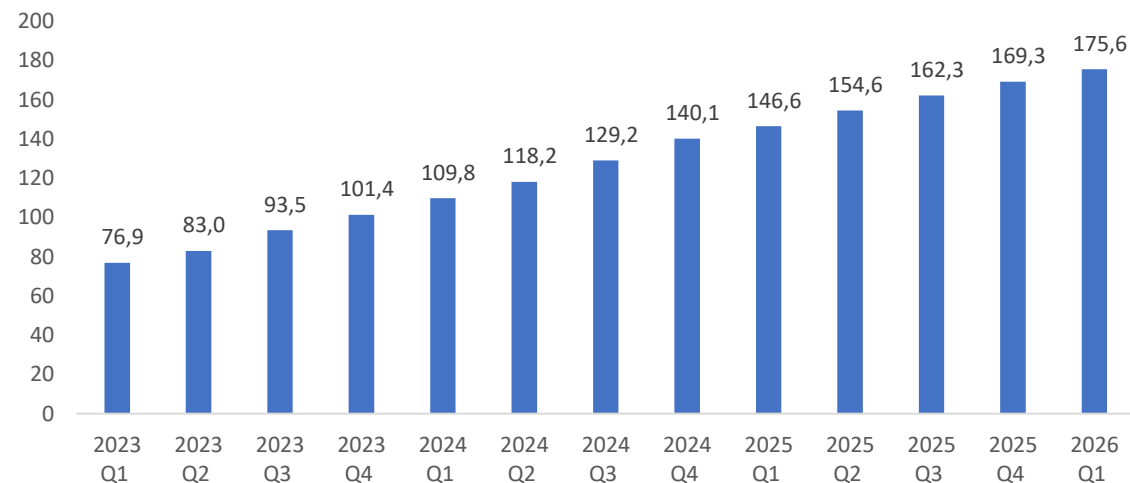
In 2026 Q1 company invested ~ 4.0 mln. € into debt purchase



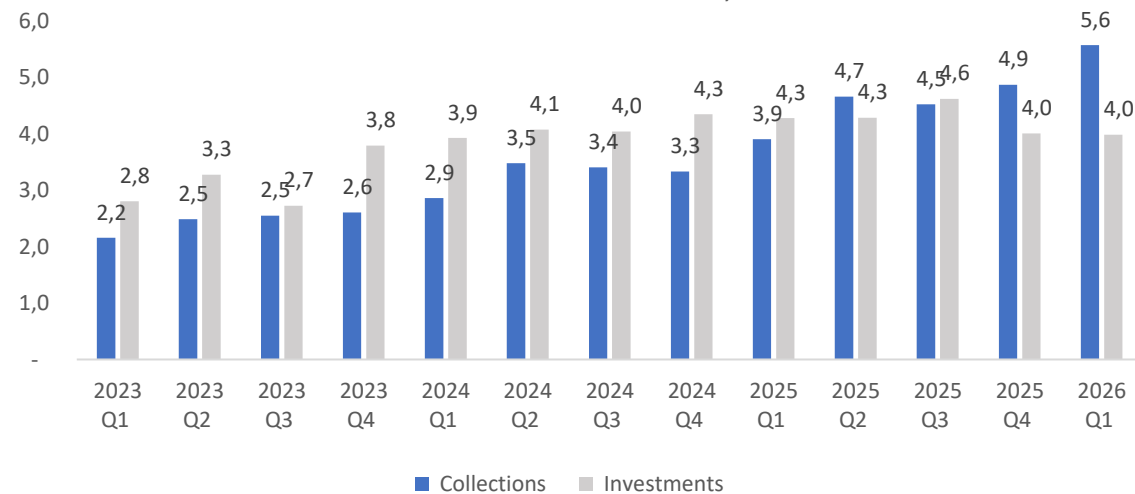
In 2026 Q1 recovered ~ 5.6 mln. € from purchased debts

Acquisition year	Purchase price	Collection until 2026 Q1	Gross Cash-on-cash multiple	Forecasted recoveries	Cash-on-cash multiple
2016	367 663	1 703 228	4,63	48 044	4,76
2017	2 121 442	6 278 854	2,96	465 236	3,18
2018	1 997 177	4 167 828	2,09	593 904	2,38
2019	3 688 742	6 347 490	1,72	1 272 035	2,07
2020	4 518 939	7 479 966	1,66	3 506 186	2,43
2021	4 807 431	7 029 354	1,46	3 400 090	2,17
2022	7 625 672	9 840 270	1,29	9 501 533	2,54
2023	12 627 242	11 419 431	0,90	18 011 543	2,33
2024	16 393 821	11 129 880	0,68	31 284 428	2,59
2025	17 190 160	4 202 160	0,24	37 043 874	2,40
2026 Q1	3 983 117	159 227	0,04	9 583 627	2,45
<b>TOTAL</b>	<b>75 321 406</b>	<b>69 757 688</b>	<b>0,93</b>	<b>114 710 500</b>	<b>2,45</b>

Accumulated debt portfolio, mEUR



Collections and investments, mEUR



# Client debts (servicing)



Managed client debt portfolio ~ 61.4 mln. €



Managed client cases more than 45 000

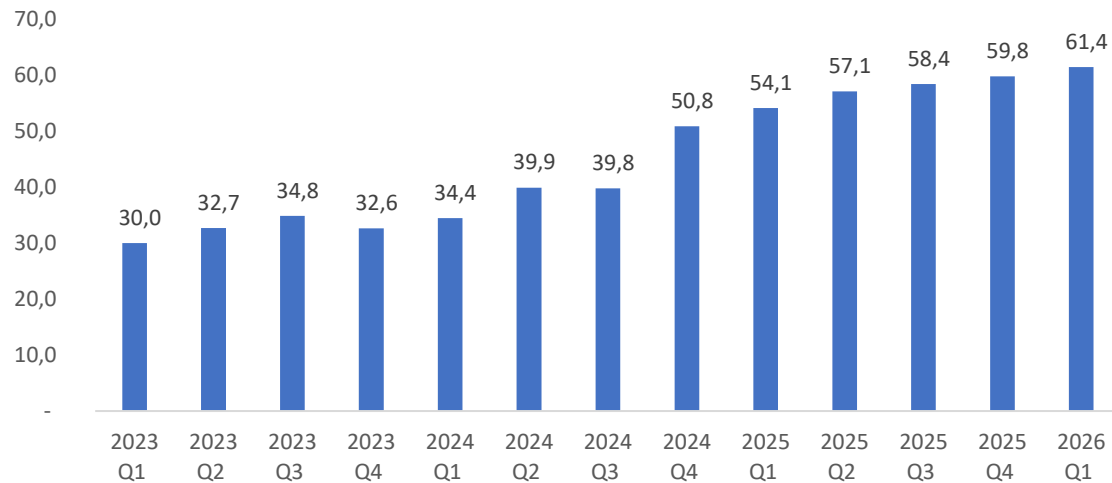


In 2026 Q1 company received ~ 8.0 mln. € of new client cases

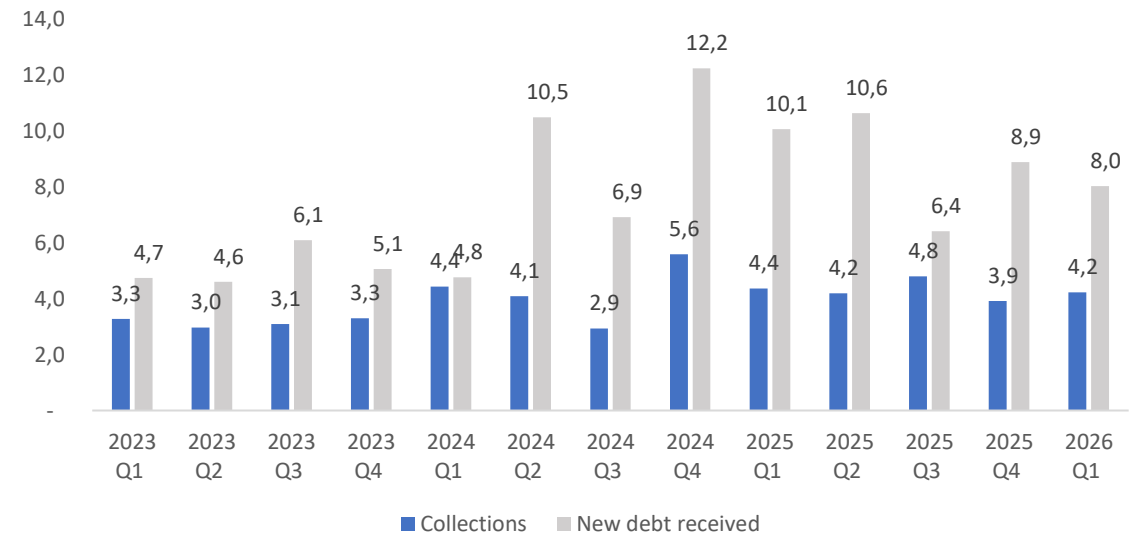


In 2026 Q1 company recovered ~ 4.2 mln. € from administered client debts

Servicing portfolio, mEUR



Collections and new debt transfers, mEUR



# eSkolos platform



Managed eSkolos debt portfolio **more than 45.2 mln. €**



Number of cases **more than 18 000**

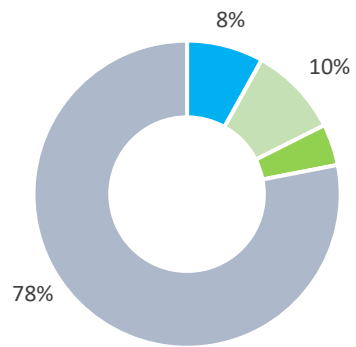


In 2026 Q1 company acquired **~ 2.1 mln. €** nominal value debts through eSkolos platform

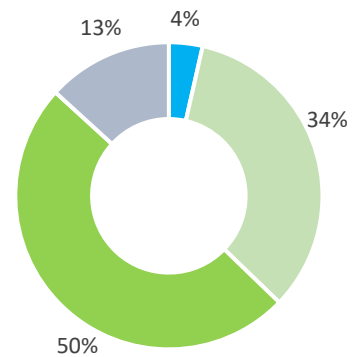


In 2026 Q1 5 company recovered **~ 0.5 mln. €** from eSkolos platform debts

% purchased debts, EUR

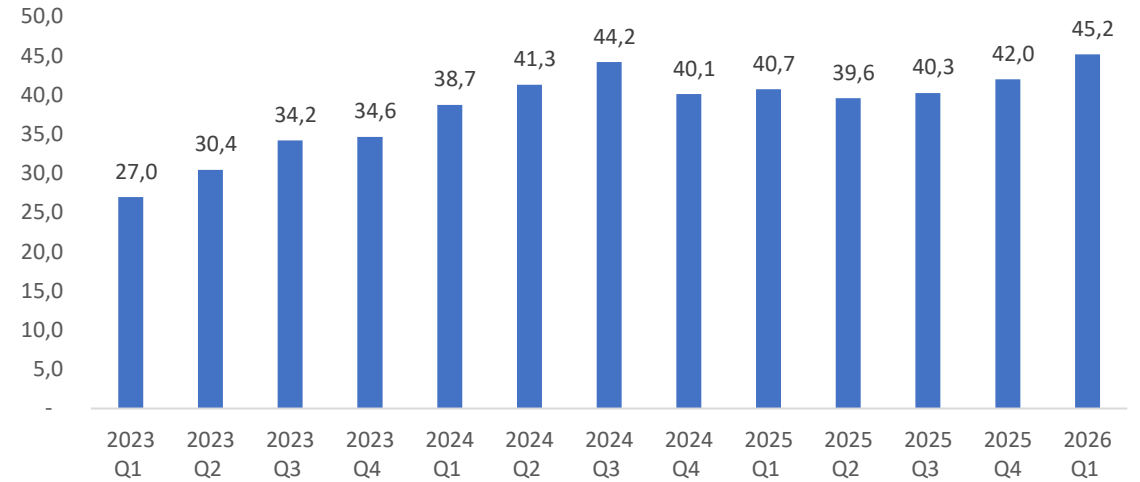


% success fee debts, EUR

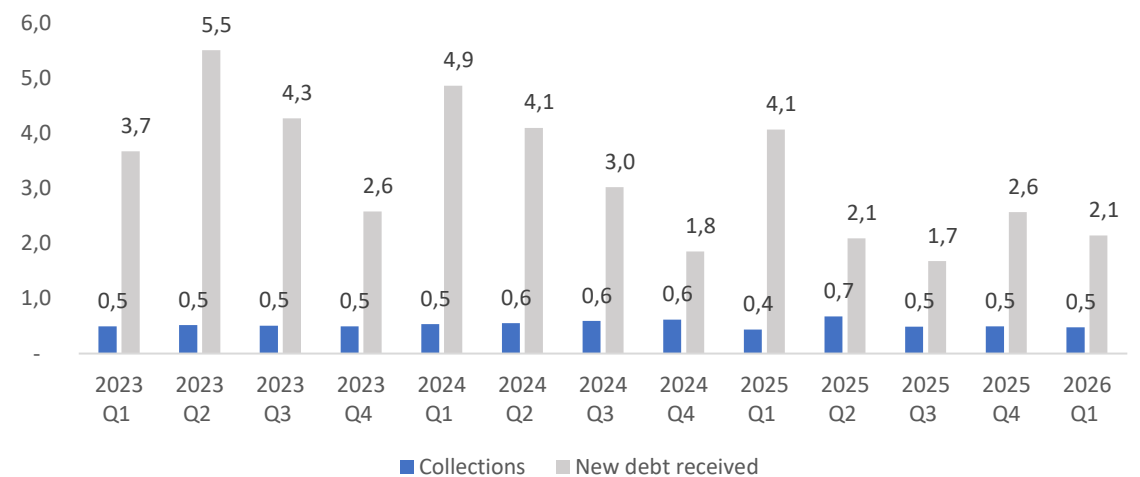


■ Salary dispute 
 ■ Goods and services 
 ■ Administrative breach 
 ■ Loan

Debts managed through eskolos.It platform, mEUR



Collections and obtained new cases, mEUR

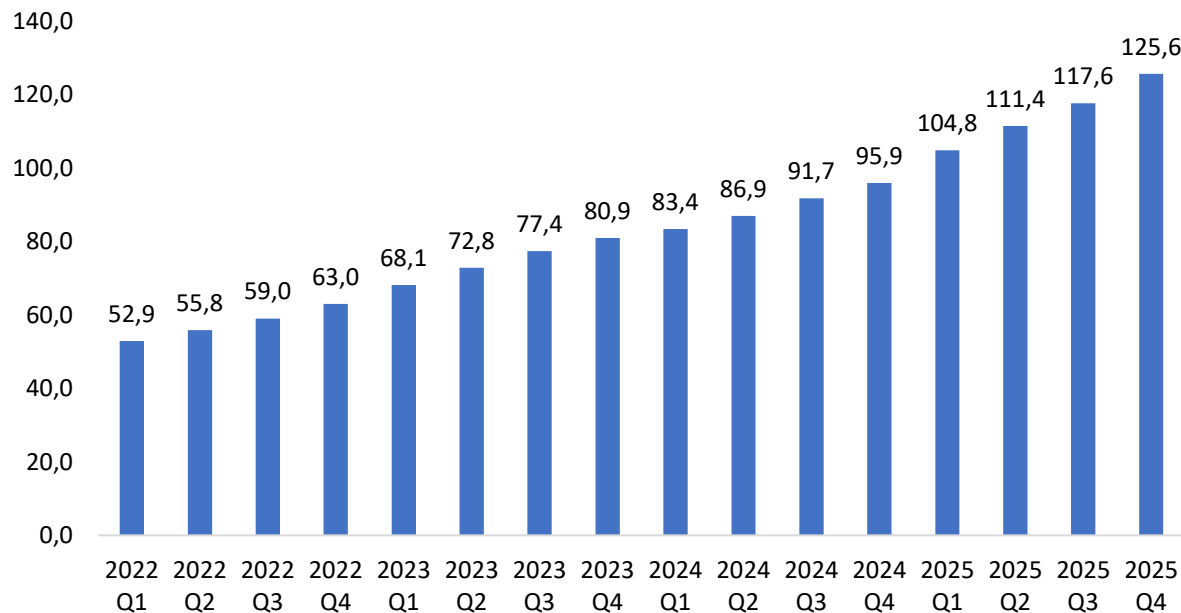


# Business environment

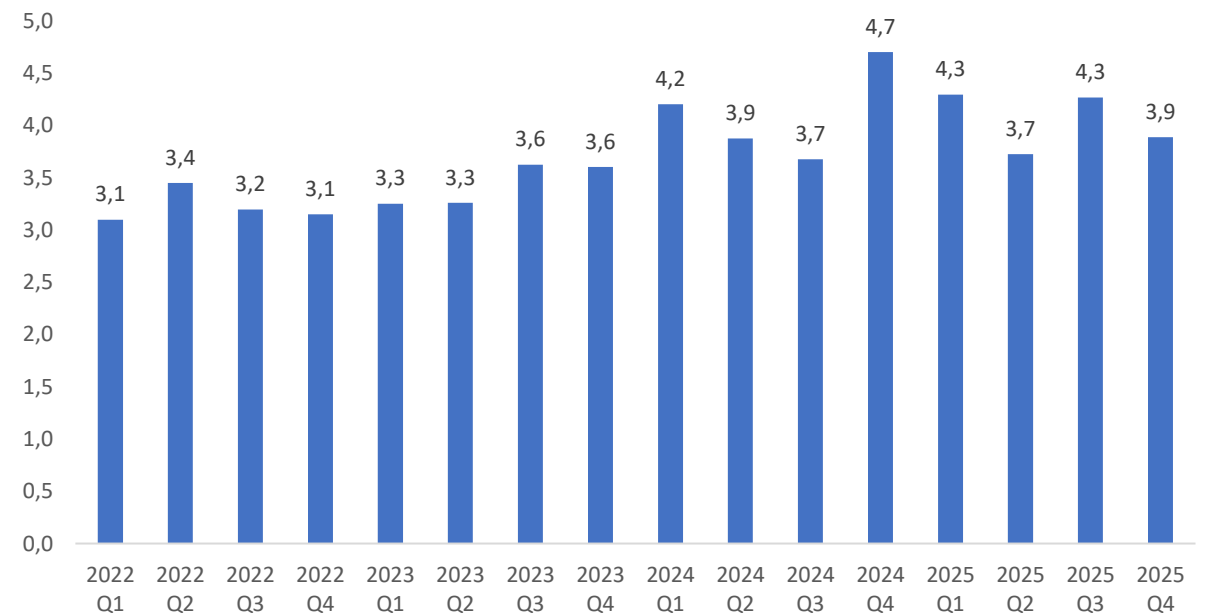
According to the data of the Bank of Lithuania, the amount of overdue consumer credits >90 days in 2025 amounted to 125.6 mEUR (+31% YoY). Due to limited resources, financial institutions very often hand over insolvent clients to debt collection specialists for administration, and at a later stage to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

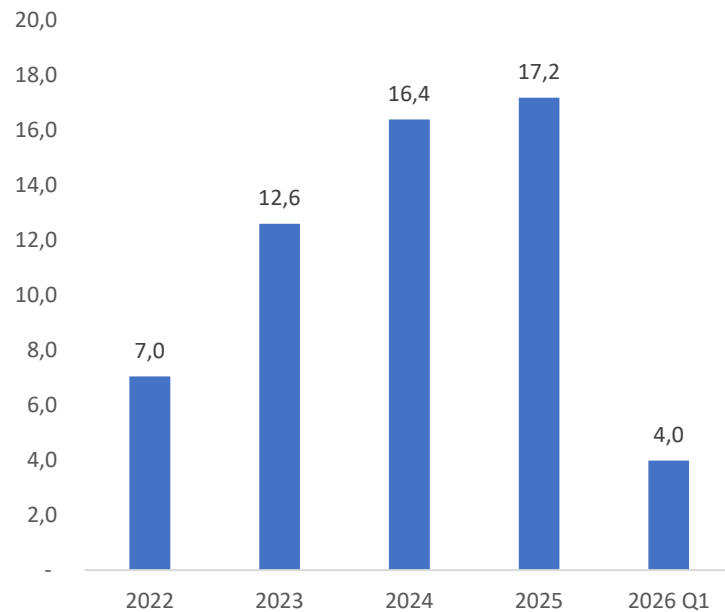


# Profitability and investments (LT)

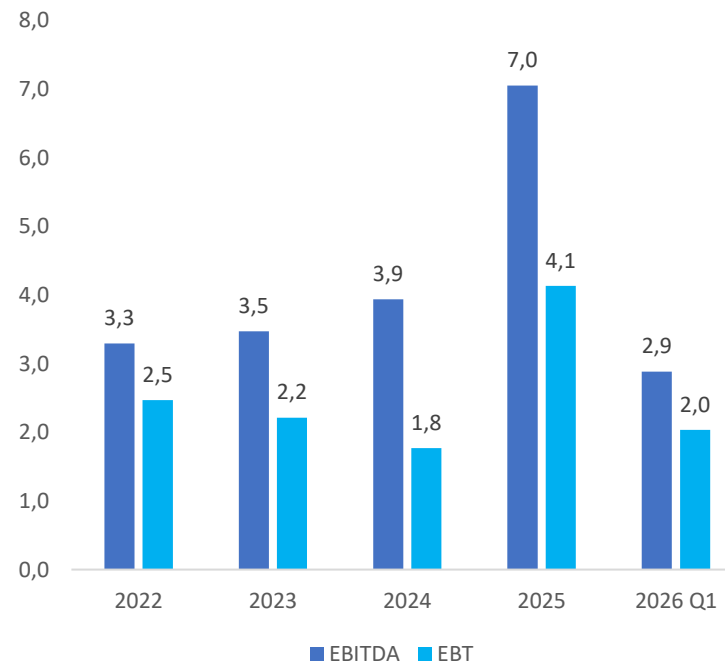
The largest share in the company's income structure (>80%) is the income from purchased debts.

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.

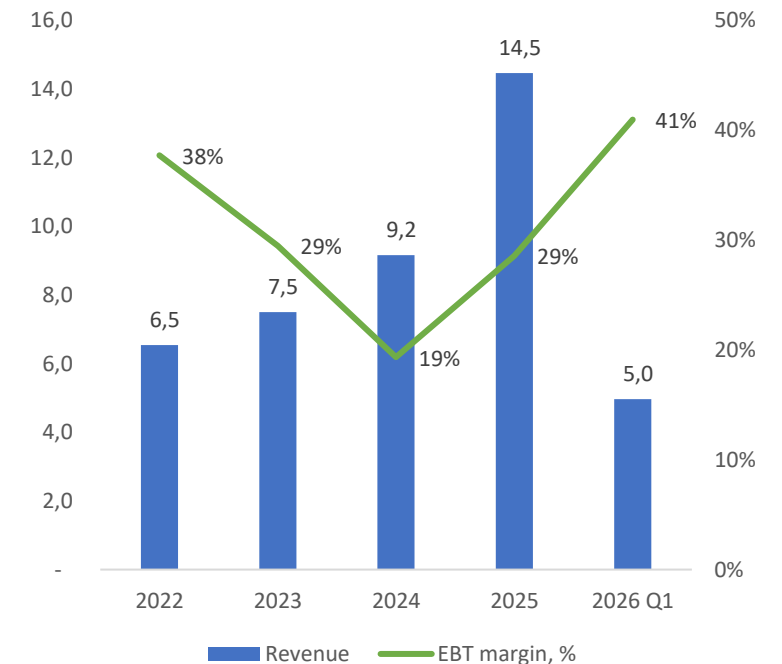
Investments in NPL, mEUR



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	2022	2023	2024	2025	2026 Q1*
<b>Revenue</b>	<b>6 542</b>	<b>7 503</b>	<b>9 156</b>	<b>14 466</b>	<b>4 966</b>
<i>Annual change</i>	58.6%	14.7%	22.0%	58.0%	
Cost of sales	997	1 064	1 482	2 853	903
<i>Annual change</i>	99.6%	6.7%	39.2%	92.5%	
<b>Gross profit</b>	<b>5 544</b>	<b>6 439</b>	<b>7 674</b>	<b>11 613</b>	<b>4 063</b>
<i>Annual change</i>	52.9%	16.1%	19.2%	51.3%	
<i>Gross profit margin</i>	84.8%	85.8%	83.8%	80.3%	
Operating expenses	2 250	2 970	3 740	4 564	1 178
<b>EBITDA</b>	<b>3 293</b>	<b>3 468</b>	<b>3 935</b>	<b>7 067</b>	<b>2 885</b>
<i>EBITDA margin</i>	50.4%	46.2%	43.0%	48.7%	58.1%
Depreciation (amortisation)	10	2	136	239	95
<b>EBIT</b>	<b>3 283</b>	<b>3 467</b>	<b>3 799</b>	<b>6 810</b>	<b>2 791</b>
<i>EBIT margin</i>	50.2%	46.2%	41.5%	47.1%	56.2%
Interest expenses	816	1 256	2 028	2 679	756
<b>EBT</b>	<b>2 467</b>	<b>2 211</b>	<b>1 770</b>	<b>4 131</b>	<b>2 034</b>
<i>EBT margin</i>	37.7%	29.5%	19.3%	28.6%	41.0%

\*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	2022	2023	2024	2025	2026 Q1*
Intangible assets	244	430	560	826	842
Tangible assets	4	28	78	65	62
Financial assets	12 908	18 865	27 434	34 662	27 769
<b>NON-CURRENT ASSETS</b>	<b>13 158</b>	<b>19 322</b>	<b>28 073</b>	<b>35 553</b>	<b>28 672</b>
Inventories	67	32	36	23	30
Receivables	6 443	9 580	12 491	17 460	28 110
Other	25	27	40	30	26
Cash and cash equivalents	949	821	2 139	753	2 254
<b>CURRENT ASSETS</b>	<b>7 459</b>	<b>10 460</b>	<b>14 706</b>	<b>18 272</b>	<b>30 420</b>
<b>TOTAL ASSETS</b>	<b>20 642</b>	<b>29 782</b>	<b>42 778</b>	<b>53 825</b>	<b>59 092</b>
<b>EQUITY</b>	<b>5 812</b>	<b>7 805</b>	<b>9 159</b>	<b>13 039</b>	<b>15 066</b>
Non-current part of financial debts	10 986	15 078	23 375	30 569	31 459
Other	498	617	849	1 154	1 154
<b>NON-CURRENT AMOUNTS PAYABLE AND LIABILITIES</b>	<b>11 484</b>	<b>15 695</b>	<b>24 225</b>	<b>31 723</b>	<b>32 613</b>
Current part of financial debts	2 155	4 393	6 701	6 057	7 447
Trade amounts payable	242	404	622	394	568
Other	949	1 484	2 071	2 613	3 398
<b>CURRENT AMOUNTS PAYABLE AND LIABILITIES</b>	<b>3 346</b>	<b>6 282</b>	<b>9 394</b>	<b>9 063</b>	<b>11 413</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>20 642</b>	<b>29 782</b>	<b>42 778</b>	<b>53 825</b>	<b>59 092</b>

\*unaudited numbers