

Legal Balance

Activity report
2025 Q2



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



Jūratė 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

A man in a blue suit is looking down at a document on a table. The document features a bar chart with orange bars. Another person's hands are visible in the foreground, holding a pen over the document. 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 154.6 mln. €**



Managed debt cases – **> 30 000**



In 2025 H1 company invested more than **8.6 mln. €** into debt purchase

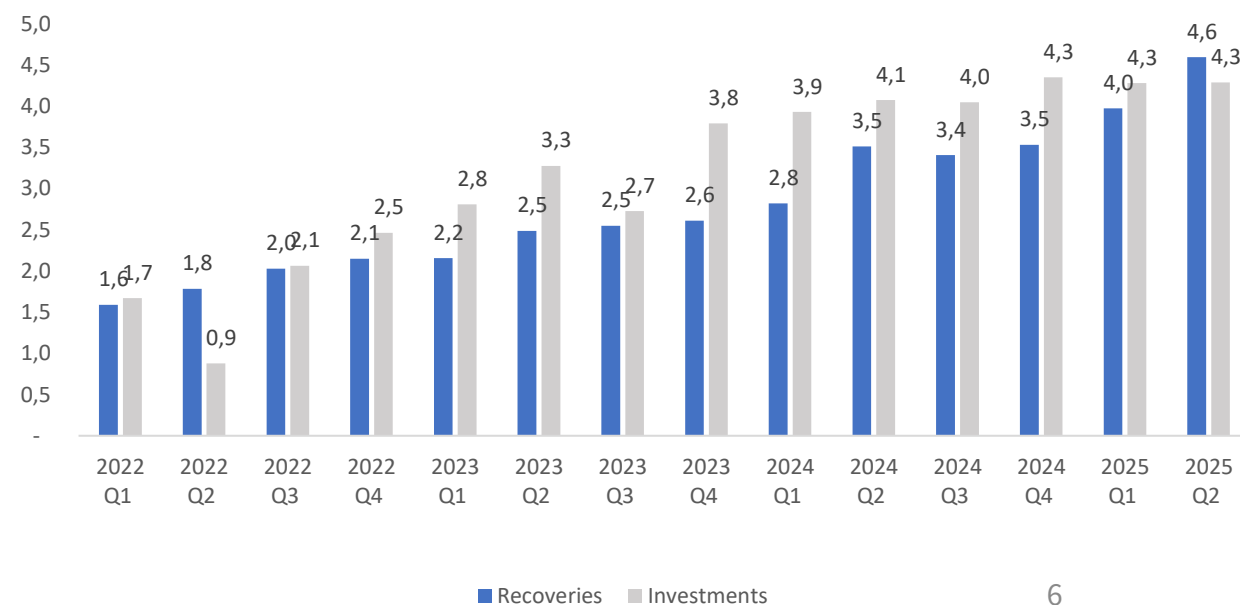


In 2025 H1 recovered more than **8.6 mln. €** from purchased debts

Accumulated debt portfolio, mEUR



Recoveries and Investments, mEUR



Acquisition year	Purchase price	Recoveries until 2025 H1	Gross Cash-on-cash multiple	Forecasted recoveries	Cash-on-cash multiple
2016	367 663	1 652 921	4.50	79 554	4.71
2017	2 121 442	6 091 708	2.87	638 496	3.17
2018	1 997 177	3 945 054	1.98	732 874	2.34
2019	3 688 742	5 983 796	1.62	1 602 921	2.06
2020	4 518 939	6 971 850	1.54	4 227 702	2.48
2021	4 807 431	6 428 579	1.34	4 302 747	2.23
2022	7 625 671	8 300 063	1.09	11 848 859	2.64
2023	12 632 424	8 143 421	0.64	20 331 131	2.25
2024	16 495 394	5 048 270	0.31	37 182 225	2.56
2025 H1	8 539 440	791 883	0.09	19 223 243	2.35
TOTAL	62 794 141	53 357 545	0.85	100 179 751	2.45

Client debts (servicing)



Managed client debt portfolio **more than 57 mln. €**



Managed client cases– **more than 20 000**

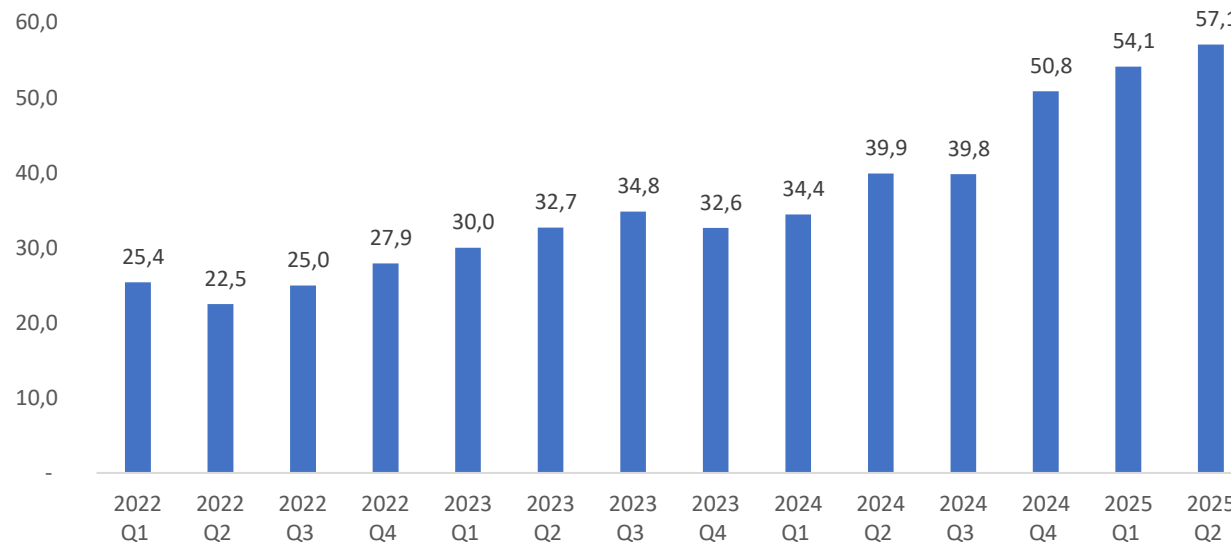


In 2025 H1 company received **more than 20 mln. €** of new client cases

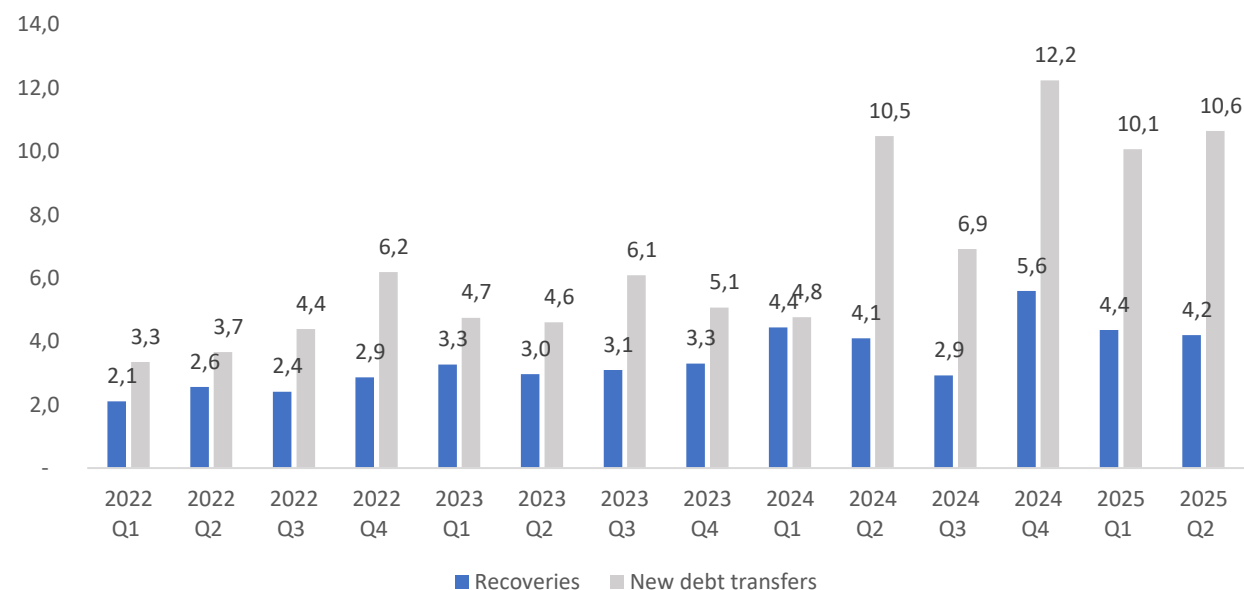


In 2025 H1 company recovered **more than 8.6 mln. €** from administered client debts

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**

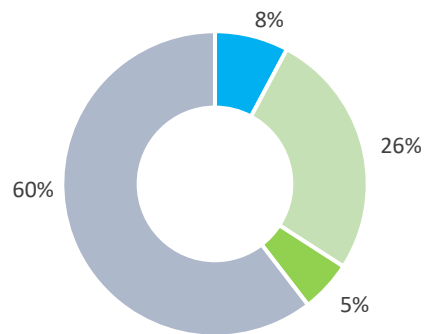


In 2025 H1 company acquired **~ 6 mln. €** nominal value debts through eSkolos platform

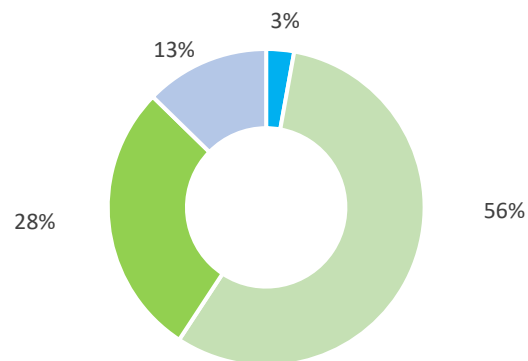


In 2025 H1 company recovered **~ 1.1 mln. €** from eSkolos platform debts

% purchased debts, EUR

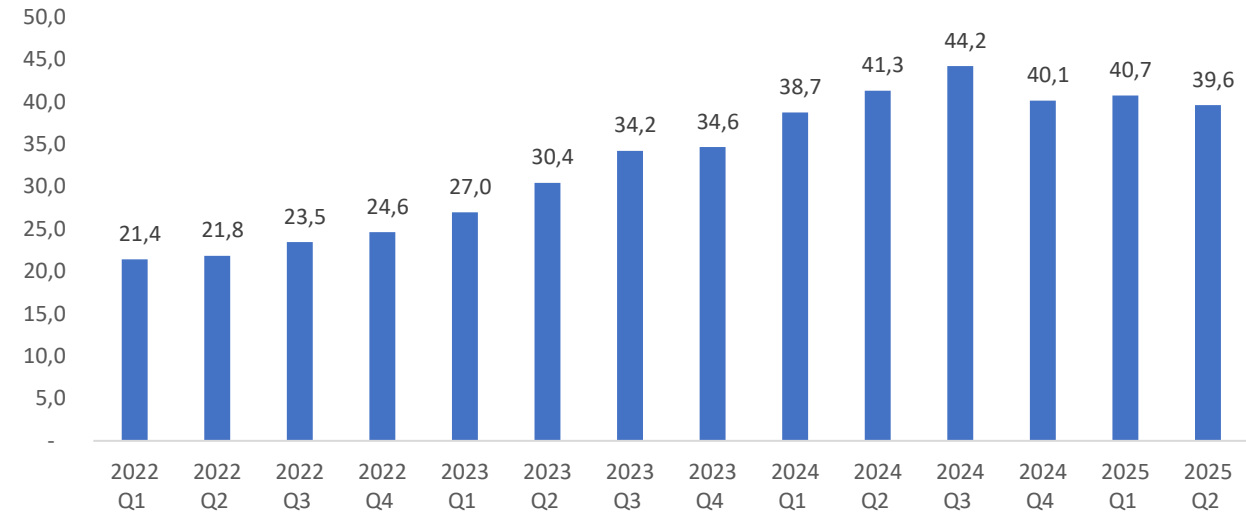


% success fee debts, EUR

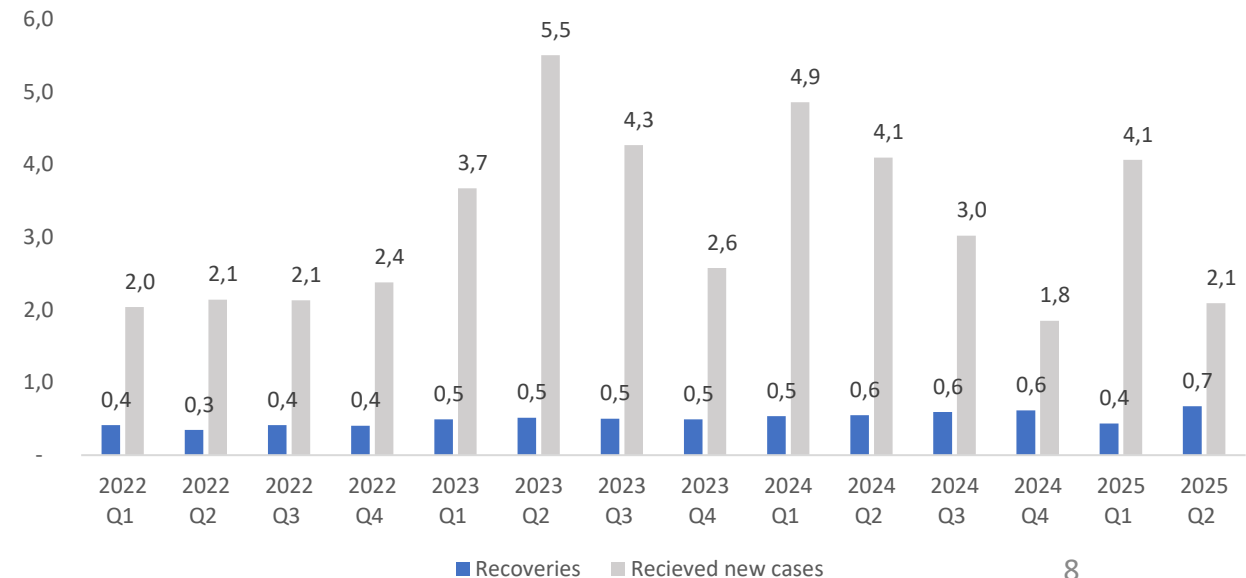


■ Salary dispute ■ Goods and services ■ Administrative breach ■ Loan

Debts managed through eskolos.It platform, mEUR



Recoveries and obtained new cases, mEUR

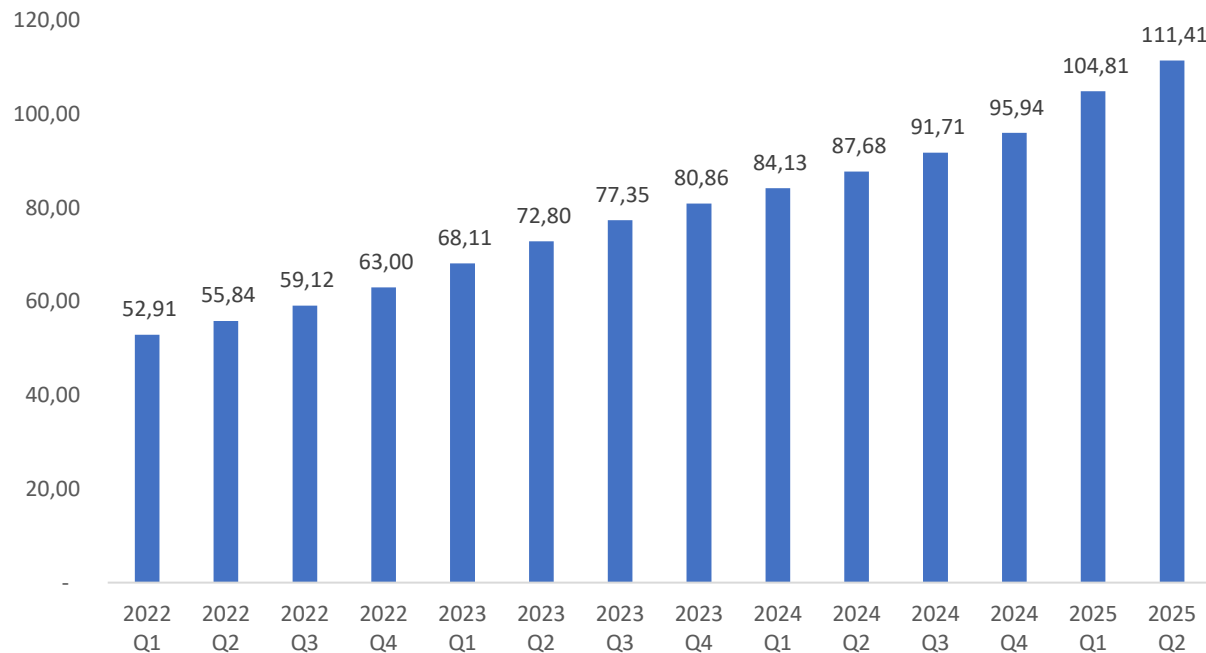


Business environment

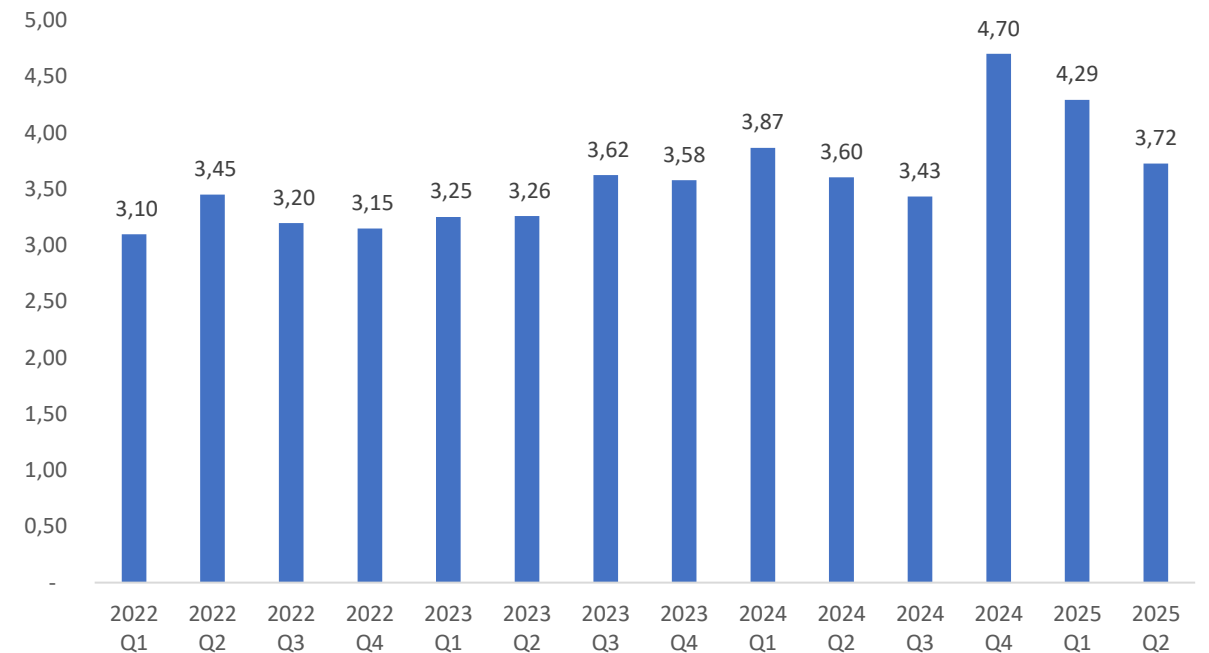
According to the data of the Bank of Lithuania, the amount of overdue consumer credits >90 days in H1 2025 amounted to 111,41 mEUR (+27% YoY). Due to limited resources, financial institutions very often hand over insolvent clients to debt collection specialists for administration, and at a later stage 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.

Consumer credits, DPD >90, mEUR



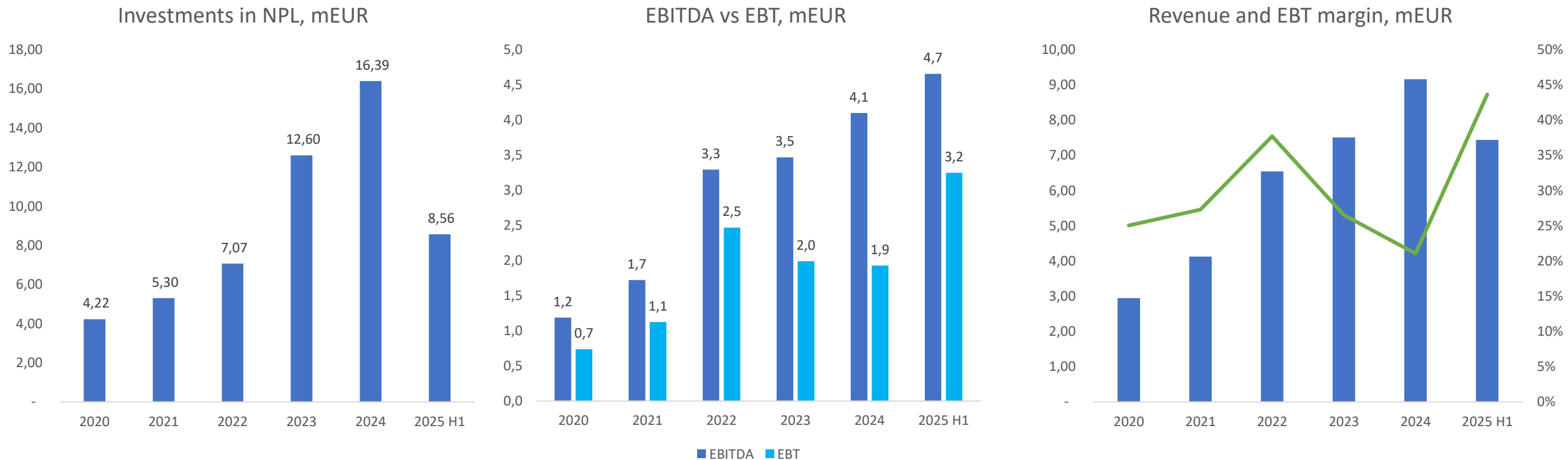
Terminated consumer credit agreements, th of cases



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.



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 H1*
Revenue	2 947	4 125	6 542	7 503	9 156	7 439
<i>Annual change</i>	-	40.0%	58.6%	14.7%	22.0%	
Cost of sales	501	499	997	1 064	1 323	989
<i>Annual change</i>	-	-0.4%	99.6%	6.7%	24.3%	
Gross profit	2 445	3 625	5 544	6 438	7 832	6 450
<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%	86.7%
Operating expenses	1 258	1 902	2 250	2 972	3 733	1 796
EBITDA	1 187	1 722	3 293	3 466	4 099	4 645
<i>EBITDA margin</i>	40.3%	41.8%	50.4%	46.2%	44.8%	62.6%
Depreciation (amortisation)	24	18	10	1	135	122
EBIT	1 162	1 704	3 283	2 210	3 964	4 532
<i>EBIT margin</i>	39.5%	41.3%	50.2%	29.5%	43.3%	60.9%
Interest expenses	424	577	816	1 255	2 036	1 286
EBT	738	1 126	2 467	1 991	1 928	3 246
<i>EBT margin</i>	25.1%	27.3%	37.7%	26.5%	21.1%	43.6%

*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 H1*
Intangible assets	14	3	244	430	560	679
Tangible assets	18	12	4	27	78	71
Financial assets	6 904	8 827	12 908	18 864	27 434	23 900
NON-CURRENT ASSETS	6 936	8 842	13 158	19 321	28 072	24 650
Inventories	150	67	67	31	36	22
Receivables	3 235	4 805	6 443	9 580	12 490	22 312
Other	12	5	25	27	40	23
Cash and cash equivalents	537	470	949	822	2 139	1 540
CURRENT ASSETS	3 934	5 344	7 459	10 460	14 705	23 897
TOTAL ASSETS	10 870	14 190	20 642	29 781	42 778	48 547
EQUITY	3 265	3 489	5 812	7 805	9 492	12 735
Non-current part of financial debts	5 538	6 843	10 986	15 067	23 042	23 625
Other	201	43	498	627	849	849
NON-CURRENT AMOUNTS PAYABLE AND LIABILITIES	5 739	6 886	11 484	15 695	23 891	24 474
Current part of financial debts	1 388	1 984	2 155	4 393	6 701	8 906
Trade amounts payable	258	603	242	404	586	349
Other	186	1 228	949	1 484	2 108	2 083
CURRENT AMOUNTS PAYABLE AND LIABILITIES	1 832	3 815	3 346	6 281	9 395	11 338
TOTAL EQUITY AND LIABILITIES	10 870	14 190	20 642	29 781	42 778	48 547

*unaudited numbers