



BEST GROUP

PRESENTATION OF GROUP'S FINANCIAL RESULTS FOR H1 2023

GDYNIA, 13 SEPTEMBER 2023

Half year summary 2023

Key events at BEST Capital Group (BEST CG) in H1 2023

- increase in debt portfolios repayments
- return to revenue balance after significant portfolio revaluation
- stable EBITDA level despite challenging macroeconomic conditions
- purchase of debt portfolios with a nominal value of PLN 256 million for nearly PLN 35 million

Main financial and operational parameters	(H1 2023)	(H1 2022)	Change
▪ repayment of claims from managed portfolios, including:	222.3	217.7	2%
▪ due to BEST Capital Group	201.2	192.8	4%
▪ operating revenues	179.4	284.4	(37%)
▪ Cash EBITDA	117.7	119.4	(1%)

NON-PERFORMING DEBT MARKET IN POLAND



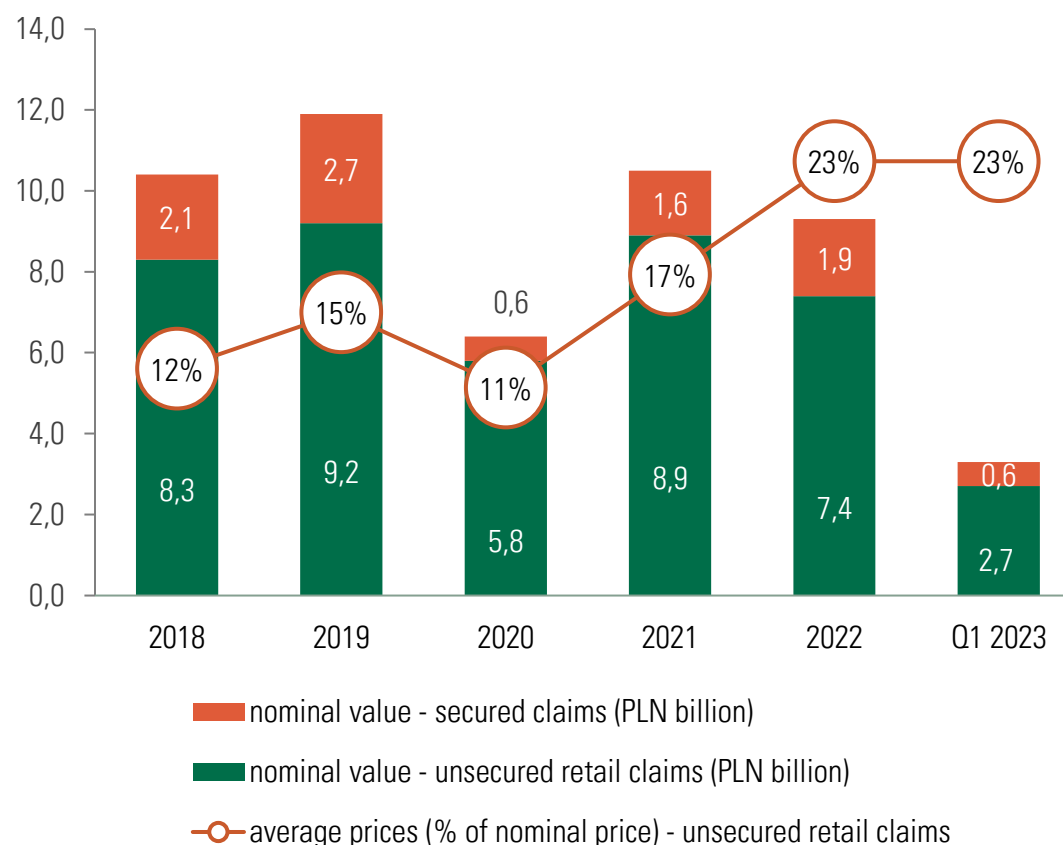
POLAND—NON-PERFORMING DEBT MARKET

To update

Market situation in Q1 2023:

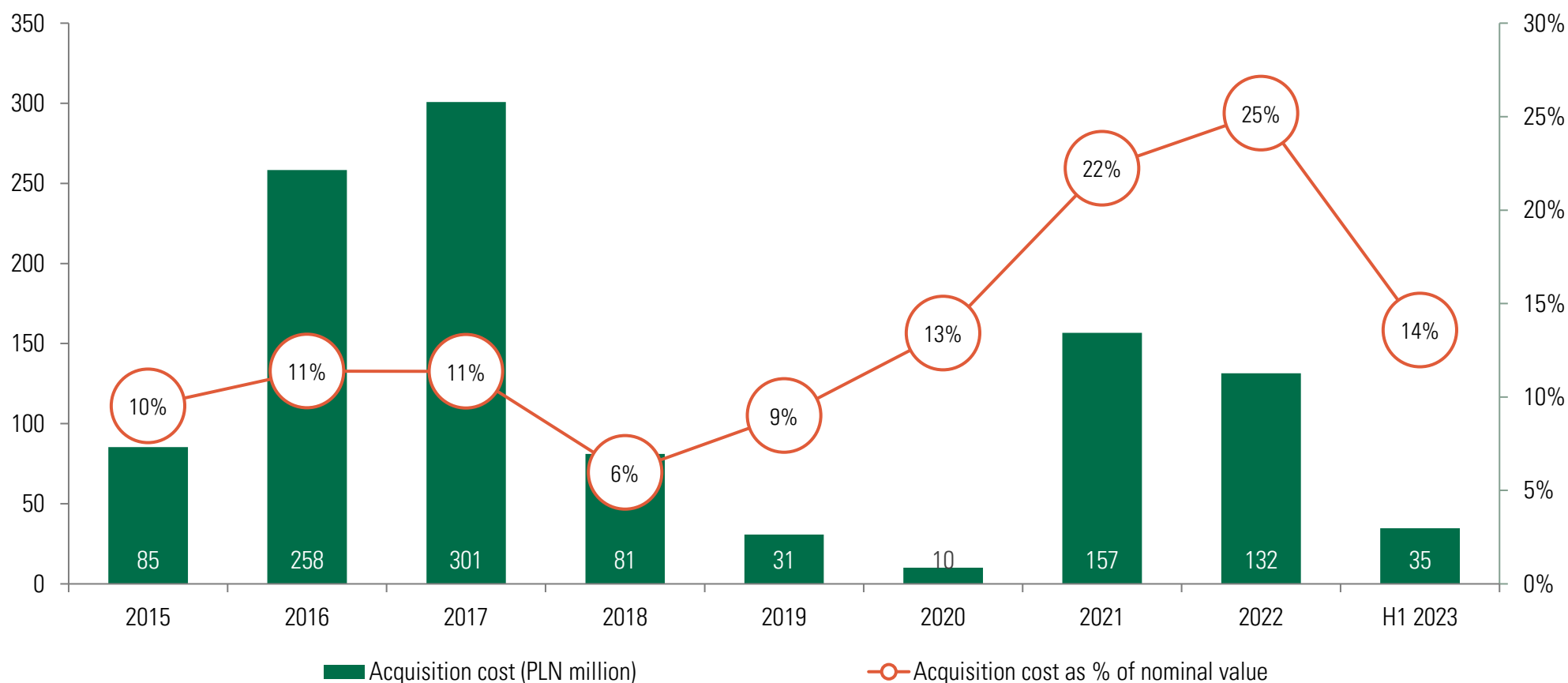
- increase in the supply of retail and mortgage-backed bank debt portfolios (by PLN 2.3 billion compared to Q1 2022)
- sustained high demand
- stabilisation of debt portfolio prices at a relatively high level
- maintenance of good quality of sold portfolios

NPL Bank—supply of debt portfolios
(retail and mortgage-backed portfolios, primary market)



Active participation in debt portfolios purchases

Investments in debt portfolios (PLN million)

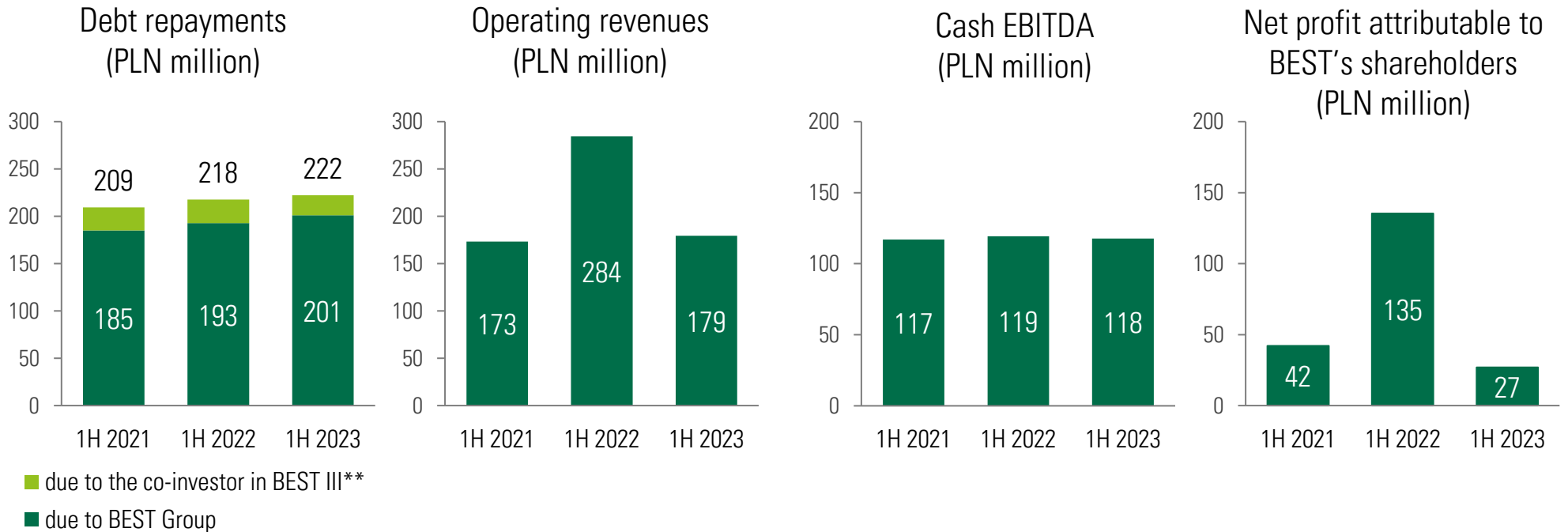


Source: Issuer's prospectus, periodic reports, and current reports

OPERATIONAL AND FINANCIAL RESULTS OF BEST CAPITAL GROUP



Stable values as a result of the investment gap



Stable level of repayments from managed debt portfolios

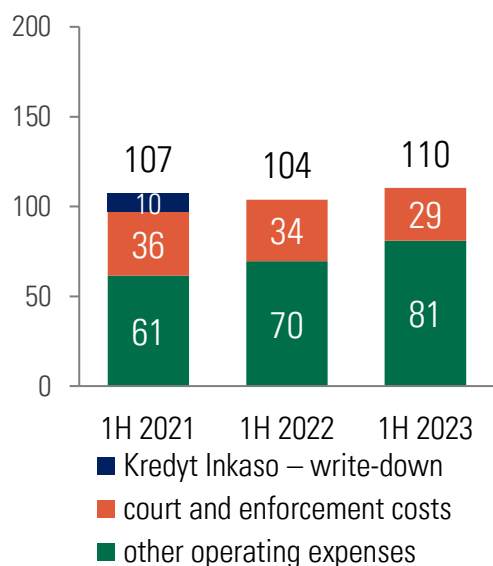
Stable recurring operating revenue

Cost pressure limits profitability

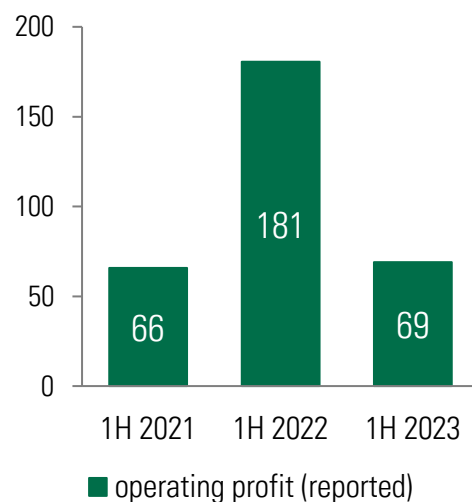
High interest rates increase financing costs

Growing capital, low debt

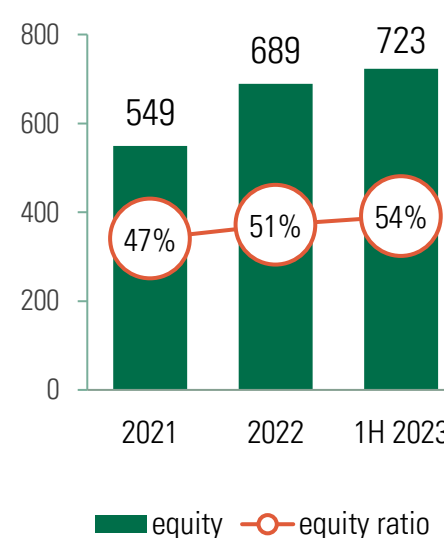
Operating expenses
(PLN million)



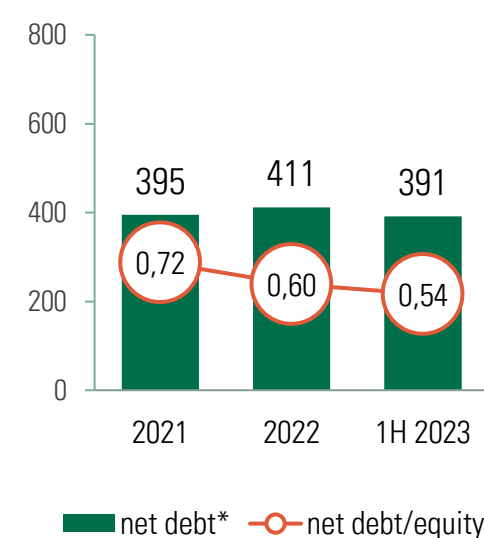
Operating profit
(PLN million)



Equity capital
(PLN million)



Net debt
(PLN million)



Increase in operating costs

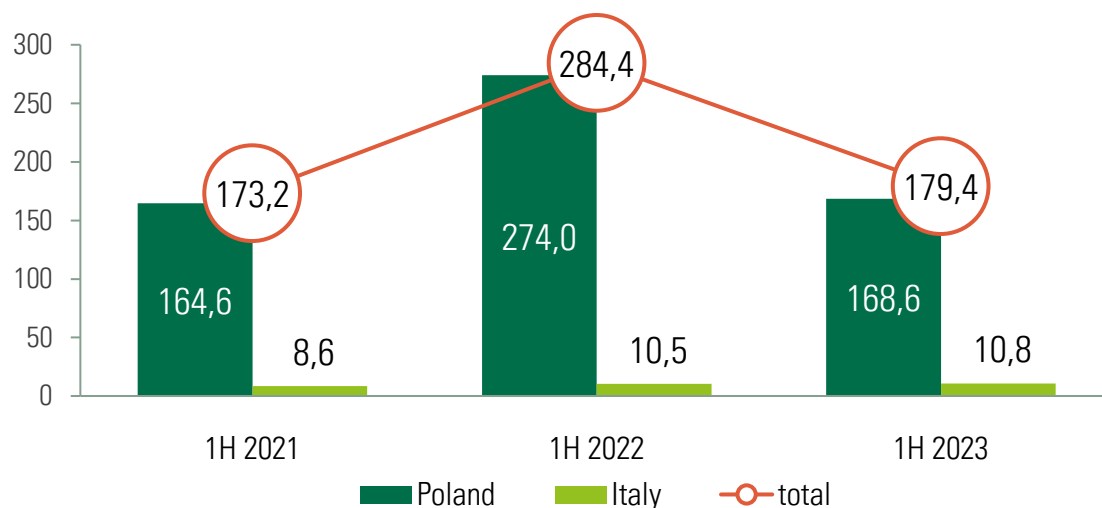
39%
operating margin
(1H 2023)

Consistent increase in equity capital

0.54
net debt ratio at its lowest since 2014
(30.06.2023)

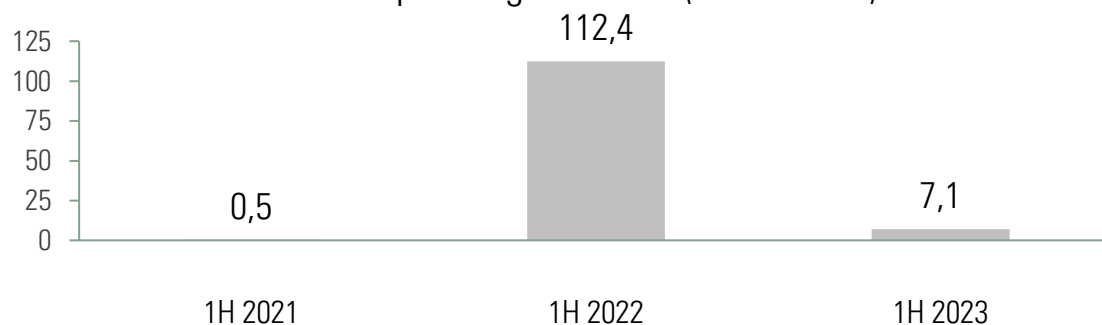
Stable recurring revenue, minimal portfolio revaluation

Operating revenues by market (PLN million)



- Decline in nominal revenues in Poland
- Consistent work to increase the scale of operations in Italy

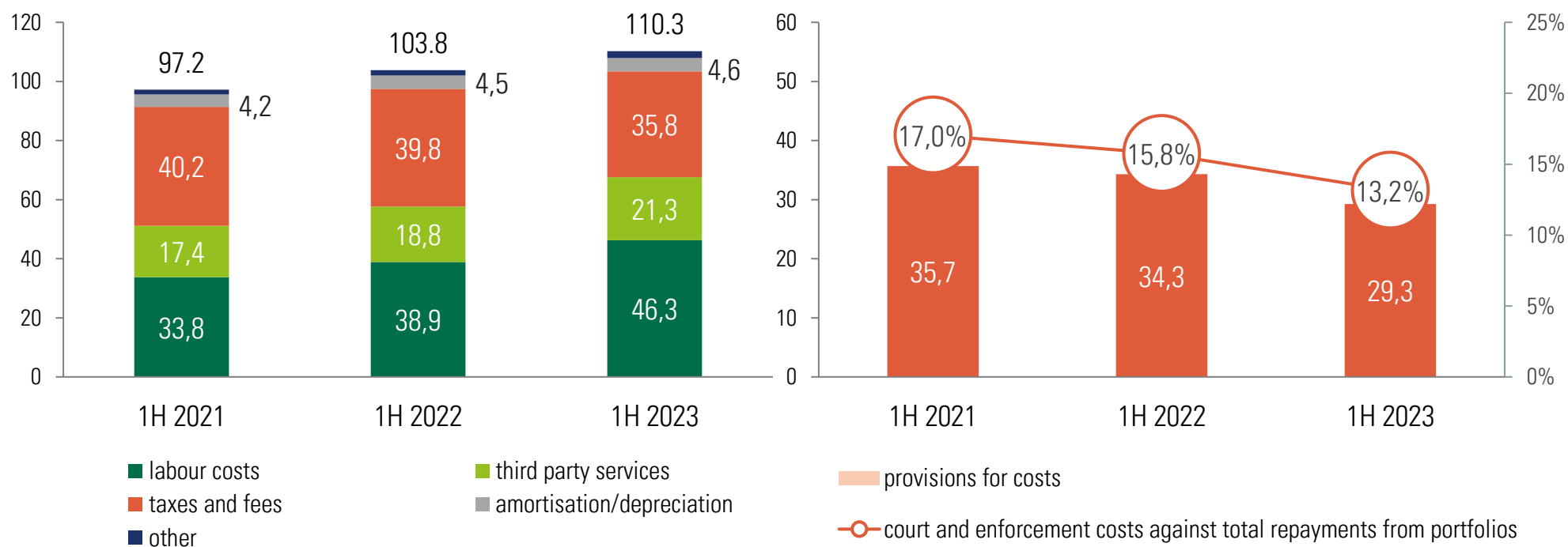
Portfolio revaluation result;
effect on operating revenues (PLN million)



- 7.1 million of income from portfolios revaluation due to ongoing addition of repayment deviations from the plan

Ongoing costs control despite macroeconomic pressure

Operating expenses (PLN million)*



- A one-off minimum wage increase from January 2023 for the whole year
- Equalisation of remuneration level for other Employees
- An increase in third-party service costs, related to IT projects, among other things

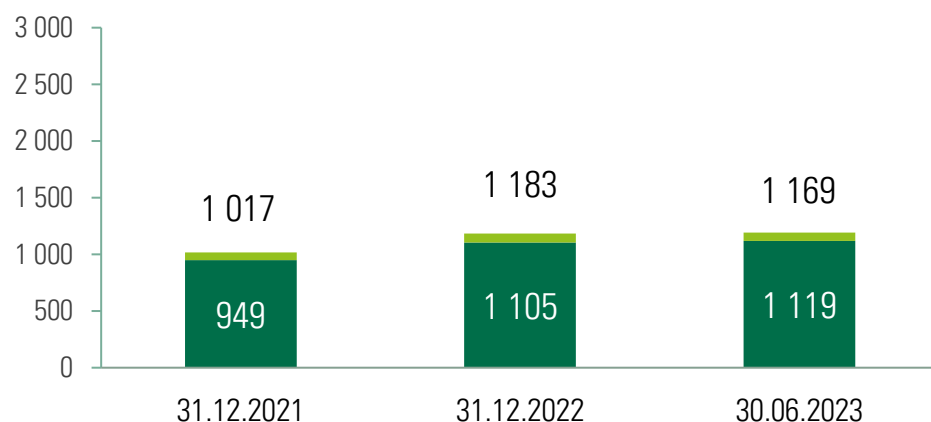
BEST GROUP

Debt portfolios as the main component of assets

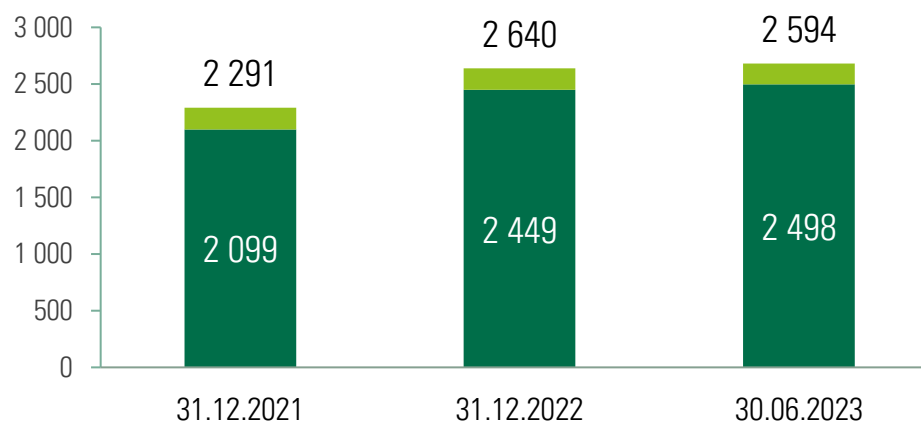


To update—BEST/co-investor division

carrying value of portfolios
(PLN million)

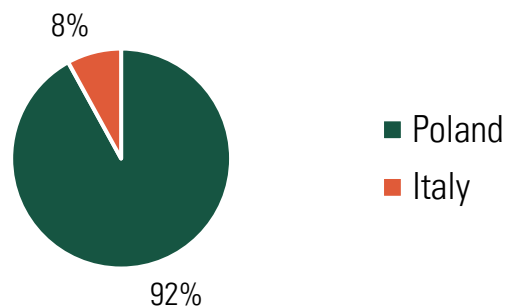


Nominal value of estimated future repayments (ERC) (PLN million)



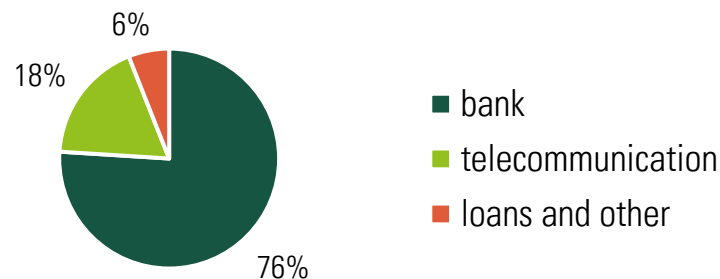
- due to BEST Capital Group
- due to the co-investor in BEST III*

geographic structure of claims managed
(30.06.2023)

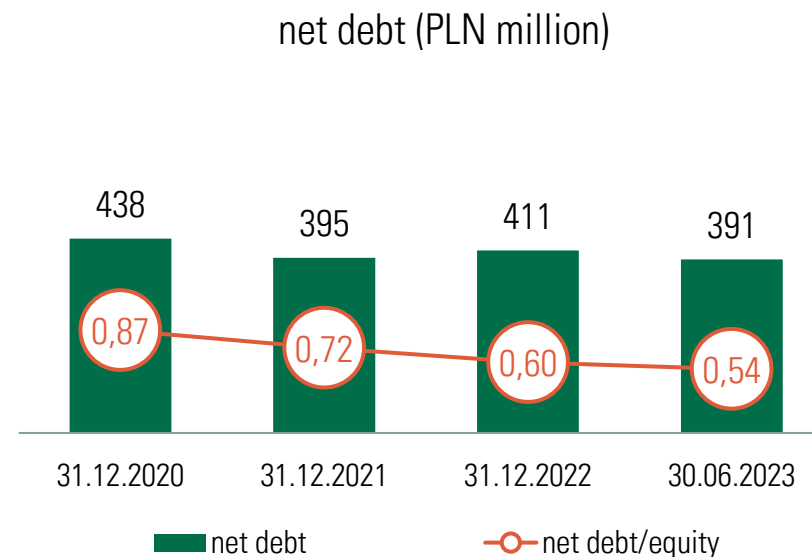
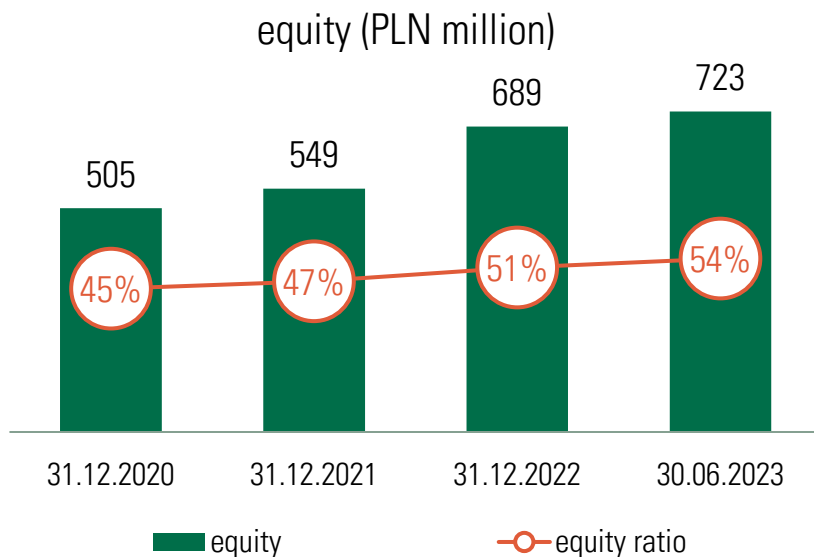


- due to BEST Capital Group
- due to the co-investor in BEST III*

structure of claims managed by segments
(30.06.2023)



Strong balance sheet, strong potential for further investment in debt portfolios



- growth of equity
- further decrease in the main debt ratio (net debt/equity);

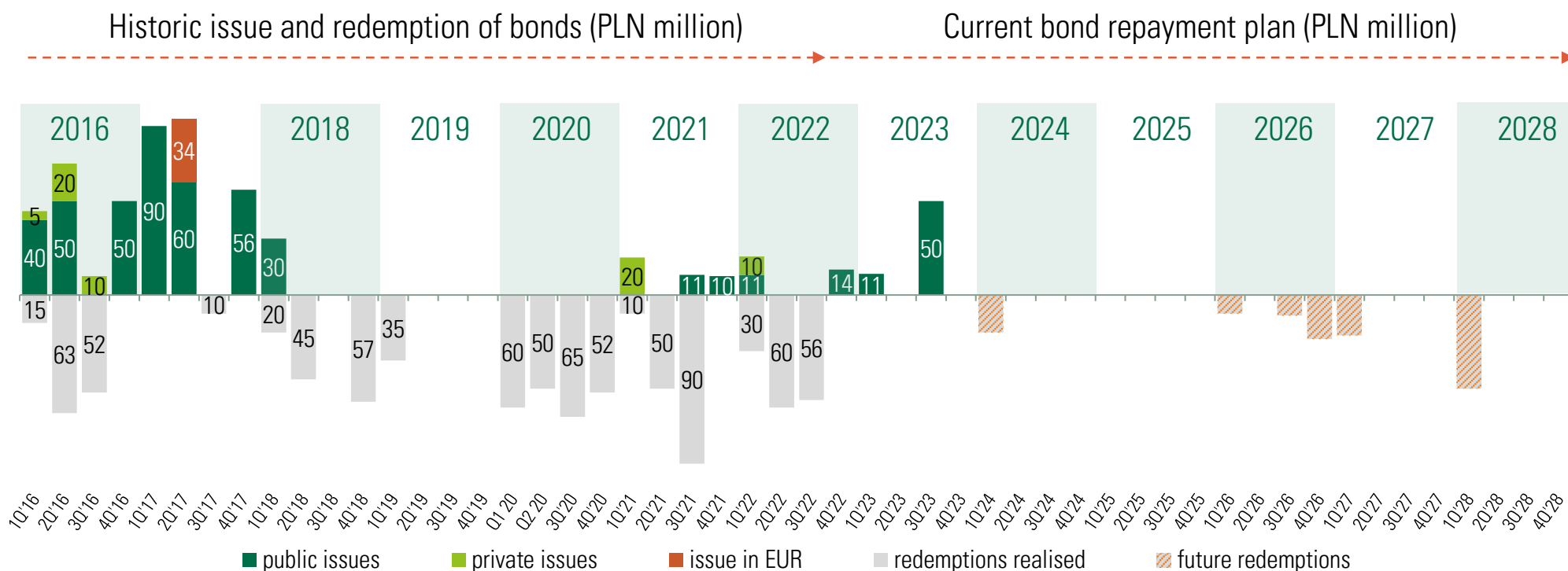
- financial liabilities of BEST CG as of 30 March 2023:

- PLN 85 million - bonds
- PLN 323 million - bank loans
- PLN 20 million - loans from the management board

- cash balance as of 30 March 2023:

- PLN 18 million - lease and rental
- PLN 57 million - cash

BEST is a long-standing participant in the bond market



Since 2010, BEST CG has issued bonds with a total nominal value of **PLN 1.179 million**, of which **PLN 1.043 million** have been redeemed

Further potential to increase debt for new investments

Redemptions mainly from proceeds of current operations

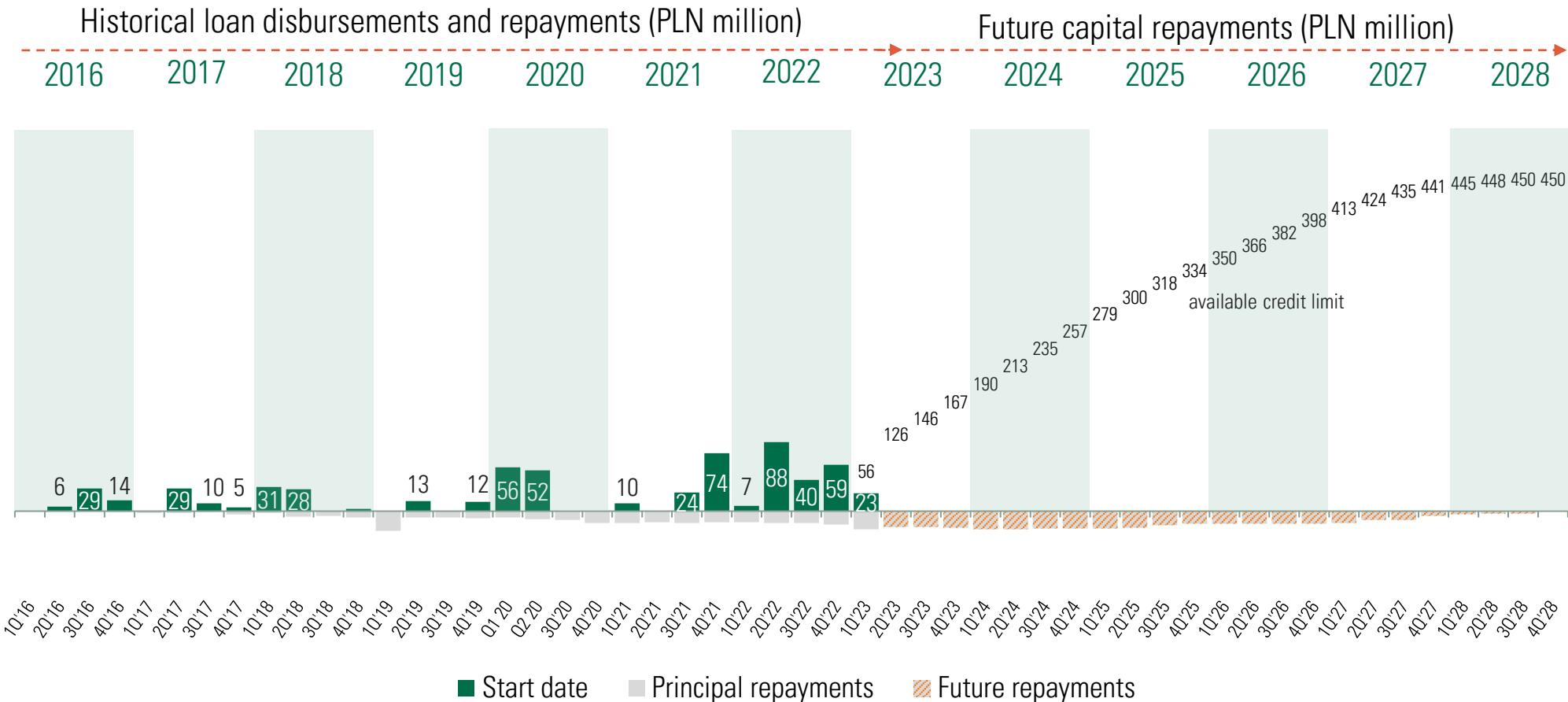
Open bond issuance programme with a nominal value of up to PLN 505 million

BEST GROUP

To update



Long-standing, fruitful collaboration with banks in financing CG BEST



Since 2016, BEST CG has initiated credit commitments with a total nominal value of **PLN 613 million**, of which **PLN 269 million** has been repaid

STRONG BALANCE SHEET

DIVERSIFICATION OF
SOURCES OF FINANCING

TECHNOLOGICAL
TRANSFORMATION

STABLE REPAYMENTS
FROM DEBT PORTFOLIOS WITH
A CLOSED PORTFOLIO

PROFITABILITY
IN THE FACE OF
MACROECONOMIC
CHALLENGES

PORTFOLIO PURCHASES
IN POLAND AND ITALY

Dziękujemy

Media contact:

MakMedia Group

Błażej Dowgielski

e-mail: b.dowgielski@makmedia.pl

tel. +48 692 823 744

Michał Makarczyk

e-mail: m.makarczyk@makmedia.pl

tel. +48 602 280 858



BEST S.A.

ul. Łużycka 8A
81-537 Gdynia

tel. 58 769 92 99

fax 58 769 92 26

best@best.com.pl

www.best.com.pl

Follow the profile of BEST Group on Twitter:

twitter.com/BEST_Grupa

APPENDICES



Annex – cash EBITDA

(PLN million)	2Q 2023	2Q 2022	change YOY	1H 2023	1H 2022	change YOY
BEST						
repayment of claims	121.2	113.7	7%	222.8	217.7	2%
other revenues	0.4	0.7	-44%	0.6	0.9	(31%)
OPEX (without depreciation)	52.0	51.9	0%	105.7	99.3	6%
Cash EBITDA*	69.5	62.5	11%	117.7	119.4	(1%)

* Cash EBITDA = operating profit—revenues from acquired debts + repayments of acquired debts + depreciation

Annex – statement of financial position

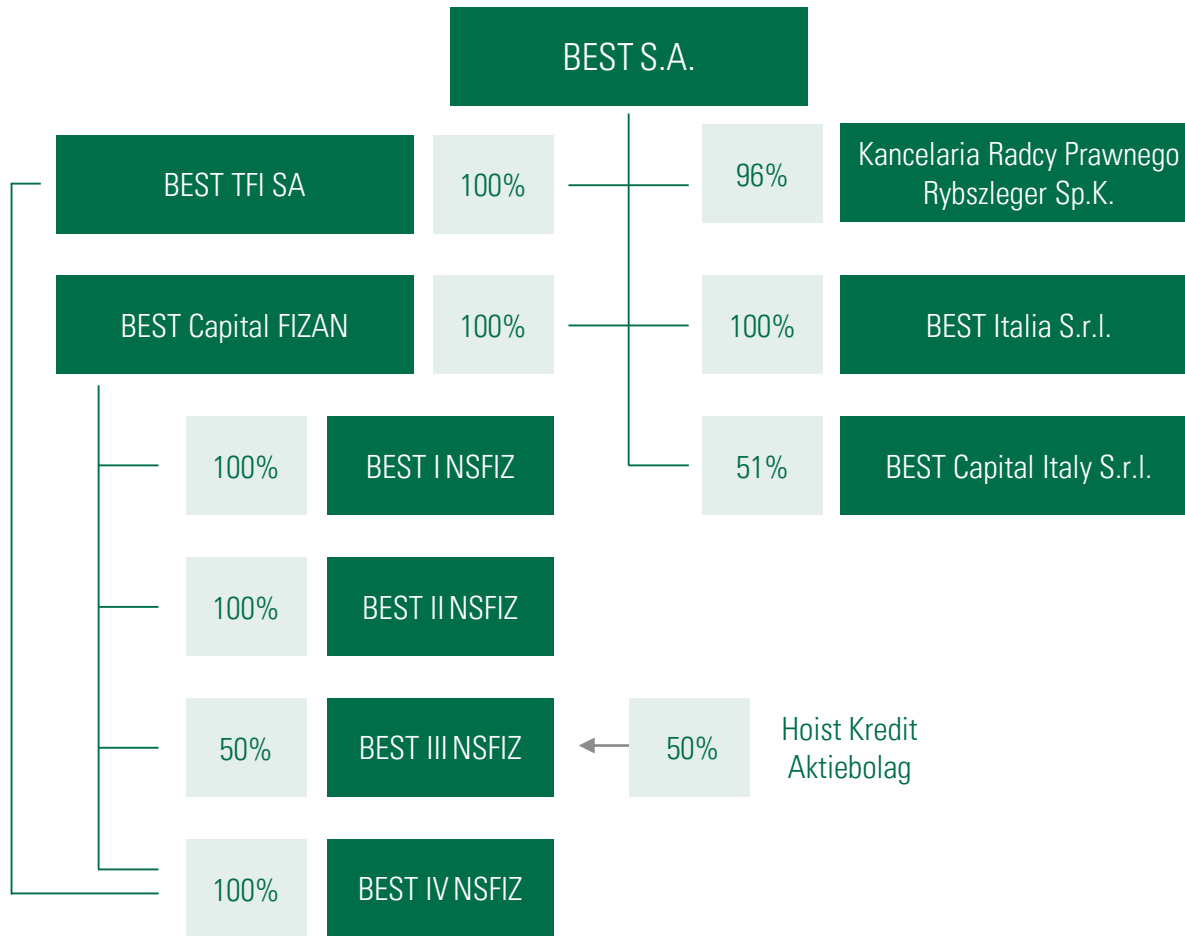
(PLN million)	30.06.2023	31.12.2022	31.12.2021
assets, including:	1 344.3	1 349.3	1 173.6
cash and cash equivalents	56.8	52.2	47.3
claims acquired	1 169.1	1 183.2	1 017.1
Capital investments	32.9	27.6	21.9
investment property	31.9	32.4	32.0
liabilities, including:	1 344.3	1 349.3	1 173.6
financial liabilities	448.0	463.6	442.3
liabilities towards the co-investor in BEST III	68.1	71.3	66.4
equity	723.2	689.0	549.1
net debt	391.2	411.4	395.0
net debt/equity	0.54	0.60	0.72

Appendix – financial results

(PLN million)	1H 2023	1H 2022	change YOY
Operating revenues, including:	179 402	284 423	(37%)
revenue from claims acquired	178 766	283 500	(37%)
<i>interest calculated using the effective interest rate method</i>	142 394	124 685	14%
<i>deviations from actual payments</i>	29 299	46 380	(37%)
<i>revaluation result</i>	7 073	112 435	(94%)
operating expenses, including:	110 293	103 822	6%
court and enforcement costs	16 547	17 683	(6%)
operating profit	69 109	180 601	(62%)
net financial expenses, including:	36 885	38 192	(3%)
interest on financial liabilities	22 675	14 711	54%
valuation of liabilities towards the co-investor in BEST III	9 597	20 271	(53%)
net profit, including:	27 182	135 801	(80%)
attributable to BEST's shareholders	26 942	135 416	(80%)

*excluding the write-down of and the result on interest held in Kredyt Inkaso

Appendix – structure of BEST CG



Shareholding of BEST SA
(share in the Issuer's share capital as of 30 March 2023)

