



BEST GROUP

PRESENTATION OF THE FINANCIAL RESULTS FOR Q1 2023

Gdynia, 15 April 2023

Summary of Q1 2023

Key events in BEST Capital Group (BEST CG) in Q1 2023

- stabilisation of revenues and repayments from debt portfolios
- profitability under the pressure of macroeconomic conditions
- purchase of claim portfolios with a nominal value of PLN 233 million for PLN 28 million

Key financial and operational parameters	Q1 2023	Q1 2022	Change
▪ repayment of claims from managed portfolios, including:	PLN 101.1 million	PLN 104.0 million	(3%)
▪ due to BEST Capital Group	PLN 91.4 million	PLN 92.1 million	(1%)
▪ operating revenues	PLN 84.3 million	PLN 82.5 million	2%
▪ Cash EBITDA	PLN 47.7 million	PLN 56.9 million	(16%)

NON-PERFORMING CLAIM MARKET IN POLAND

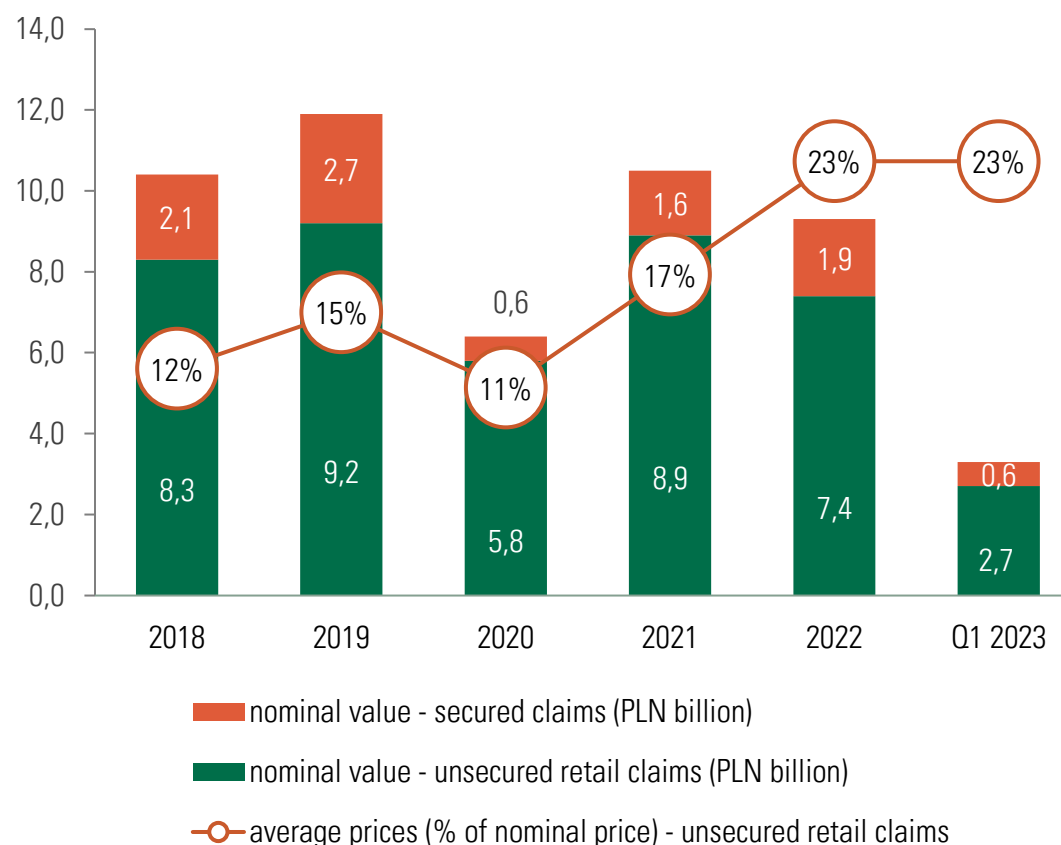


POLAND – NON-PERFORMING CLAIM MARKET

Market situation in Q1 2023:

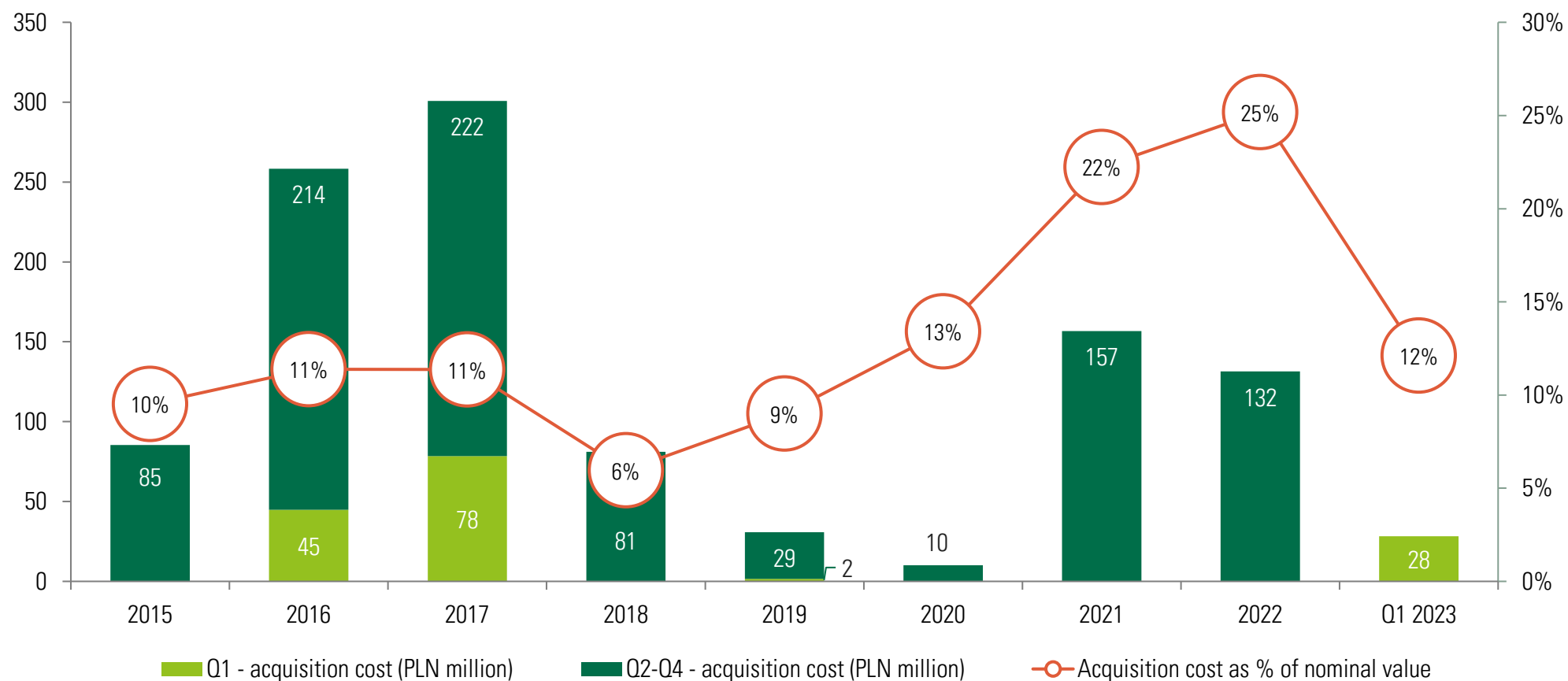
- an increase in the supply of bank retail and mortgage-backed debt portfolios (by PLN 2.3 billion compared to Q1 2022)
- demand remaining high
- stabilisation of debt portfolio prices at relatively high levels
- maintaining good quality of sold portfolios

Bank NPL – supply of claim portfolios
(retail and mortgage-backed portfolios, primary market)



Active participation in purchases of debt portfolios

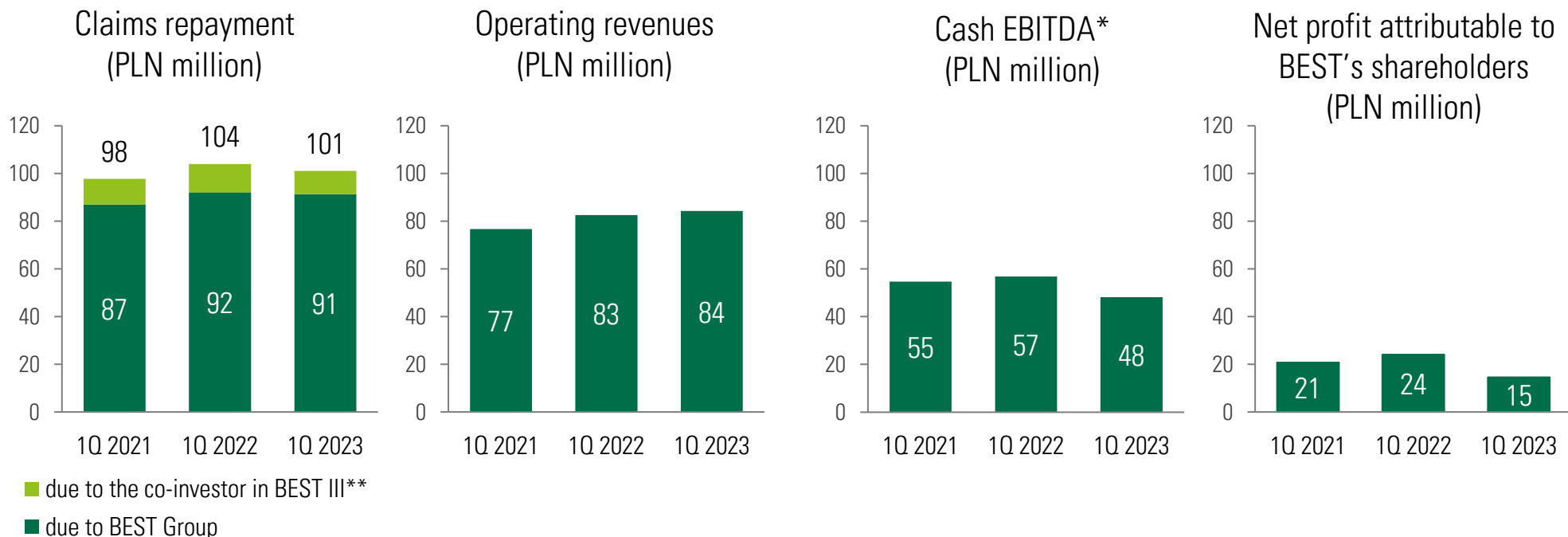
Investments in claim portfolios (PLN million)



OPERATIONAL AND FINANCIAL RESULTS OF BEST CAPITAL GROUP



Stable repayments, profitability under pressure from the economic situation



Stable repayments due to BEST Group

Increase in operating revenues

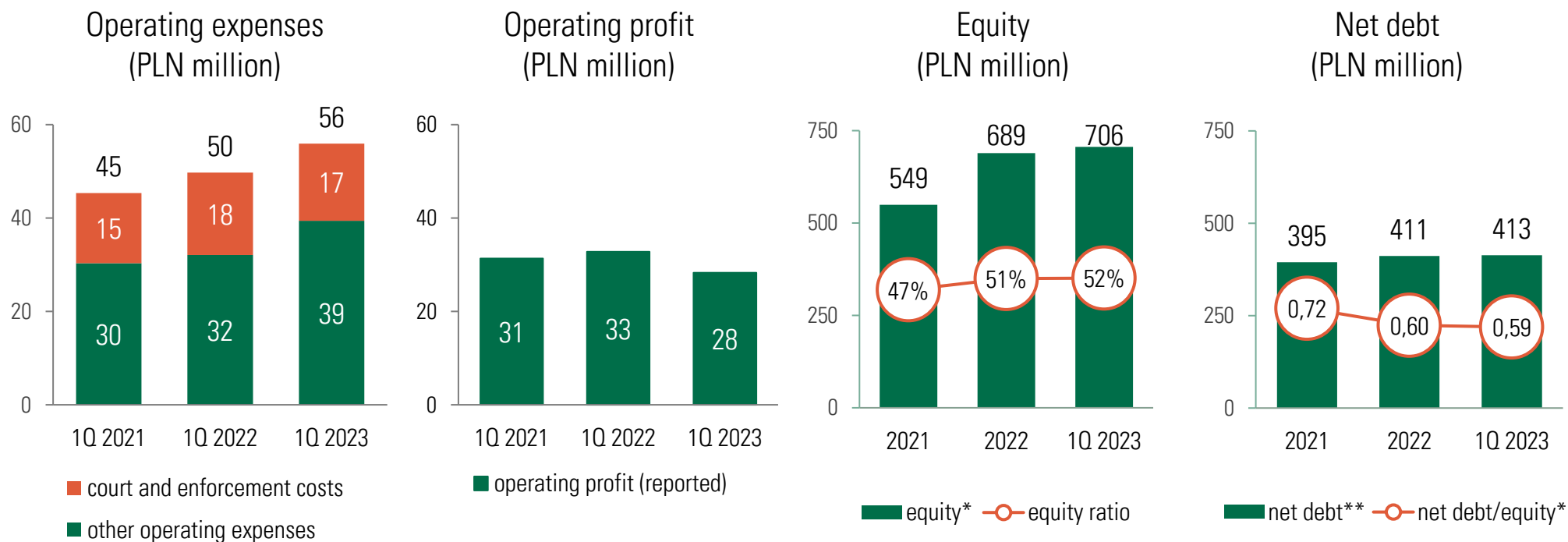
Cost pressure limits profitability

High interest rates increase financing costs

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Growing capital, low debt



Increase in operating costs

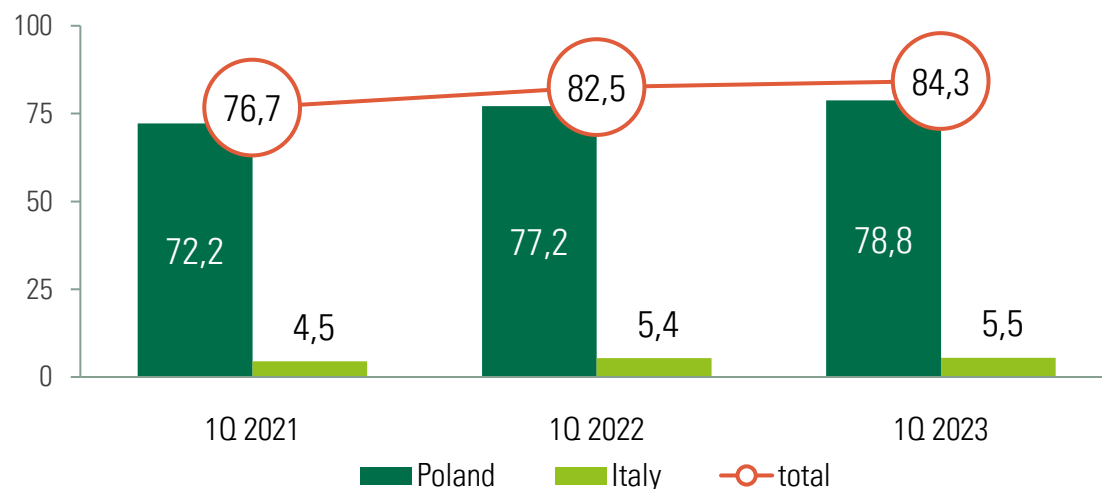
34%
operating margin (1Q 2023)

Consistent increase in equity

0.59
the lowest net debt ratio since 2014 (31 March 2023)

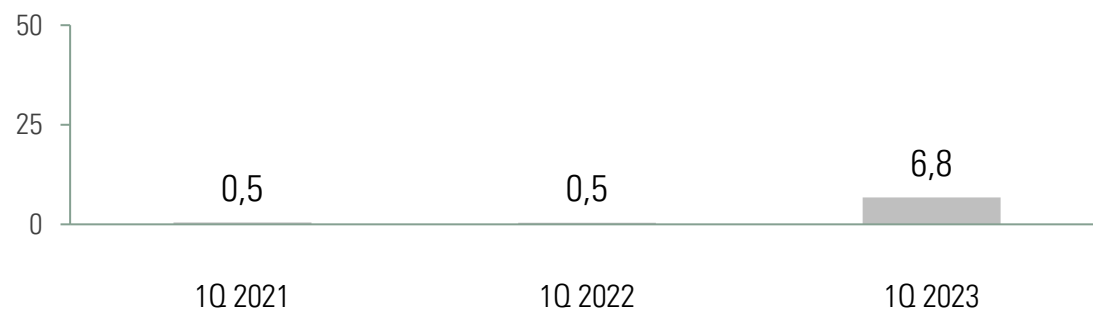
Increase in revenues, positive revaluation of portfolios

Operating revenues by market (PLN million)



- Stable revenue growth in Poland
- Consistent work to increase the scale of operations in Italy

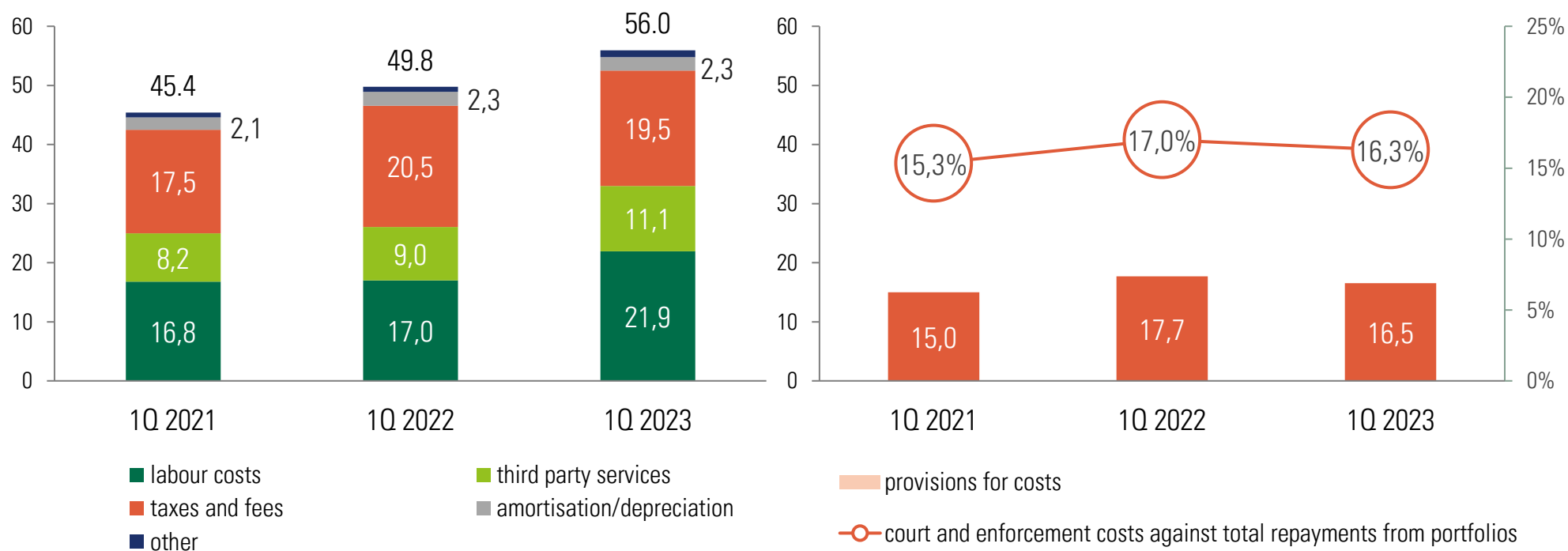
Portfolio revaluation result;
effect on operating revenues (PLN million)



- 6.8 million from revaluation of portfolios due to continued addition of repayment deviations from the plan

Increase in the payroll budget and external costs

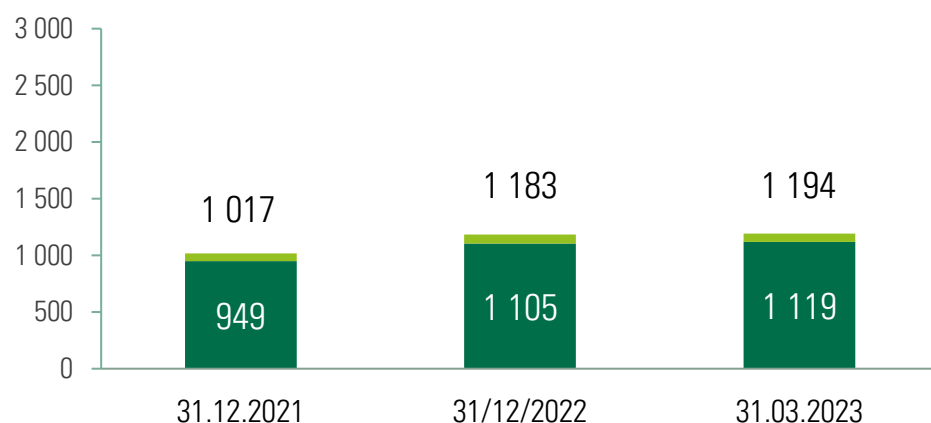
Operating expenses (PLN million)*



- Significant increases since April 2022
- A one-off minimum wage increase from January 2023 for the whole year
- An increase in third-party service costs, related to IT projects, among other things

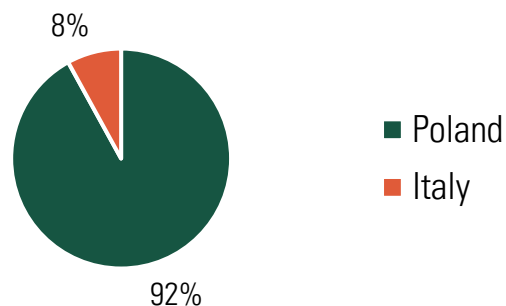
Claim portfolios are the biggest item of assets

carrying value of portfolios
(PLN million)

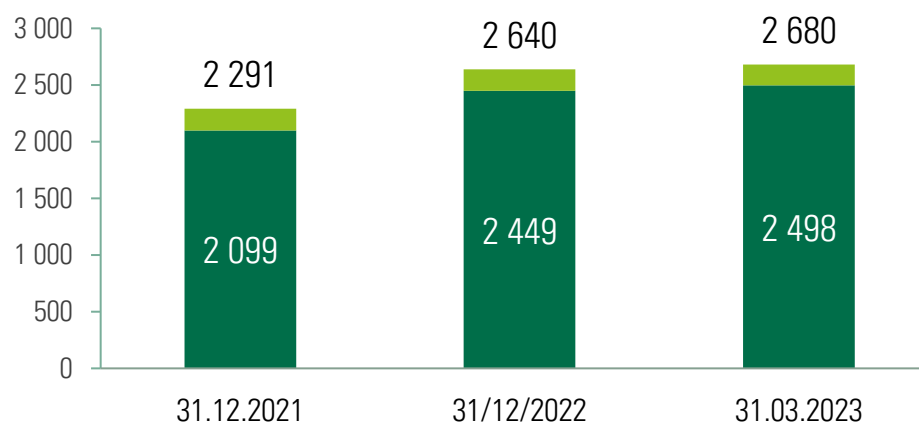


■ due to BEST Capital Group
■ due to the co-investor in BEST III*

geographic structure of claims managed
(31 March 2023)

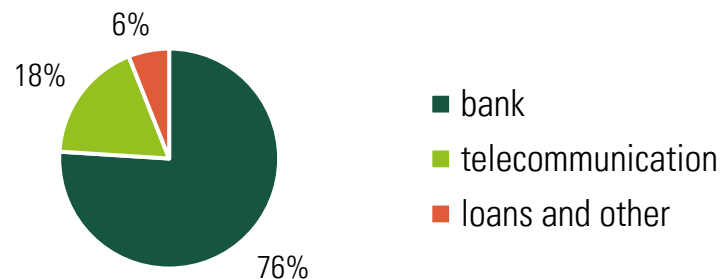


Nominal estimated remaining repayments (ERC) (PLN million)

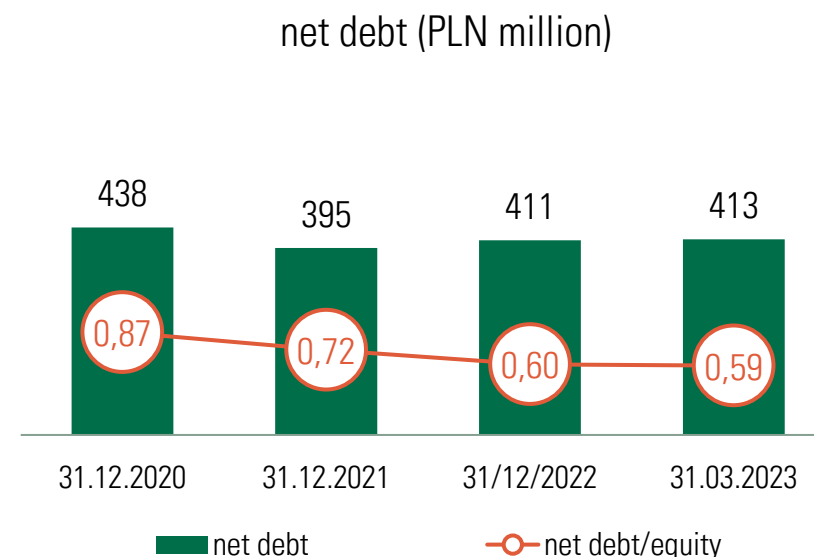
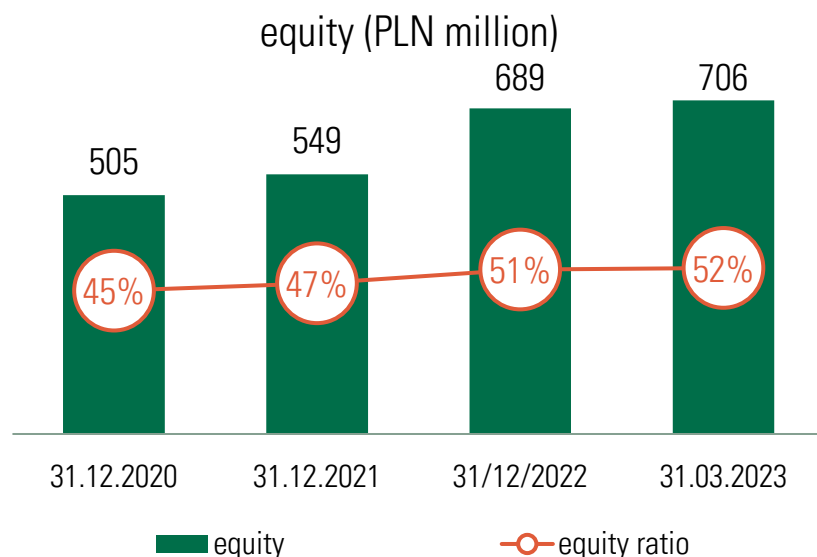


■ due to BEST Capital Group
■ due to the co-investor in BEST III*

structure of claims managed by segments
(31 March 2023)



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

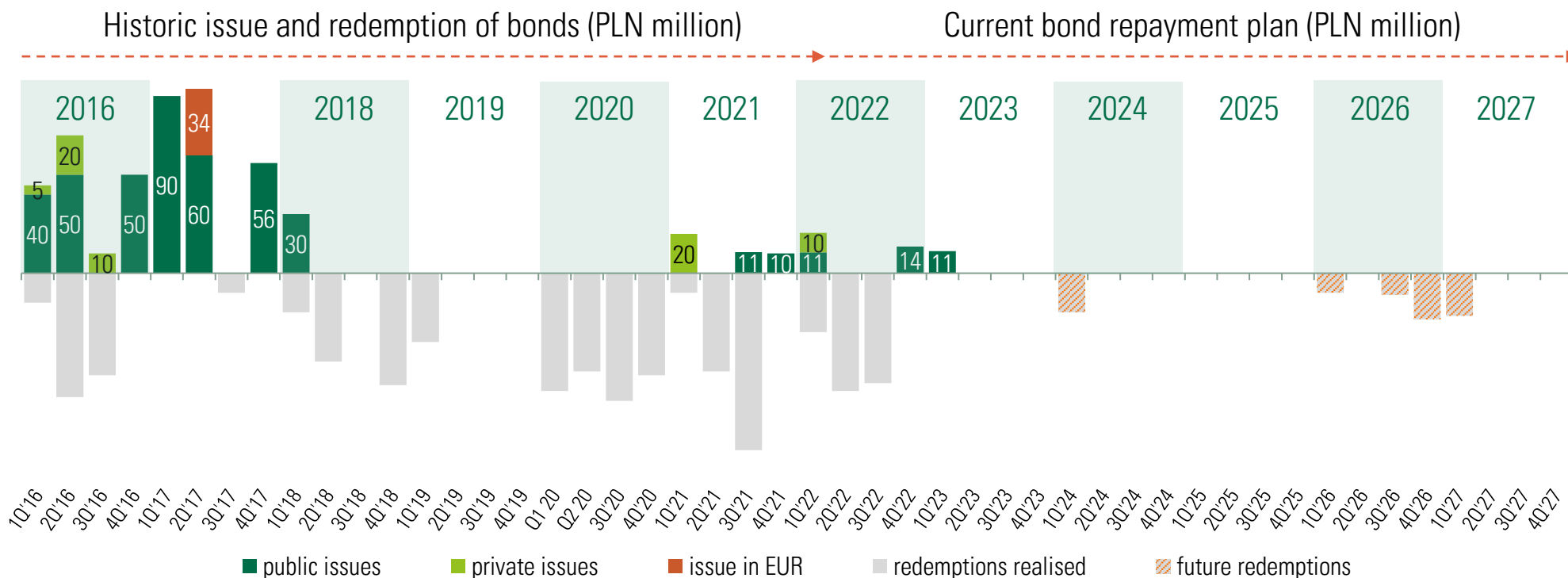


- growth of equity
- further decrease in the main debt ratio (net debt/equity);
- financial liabilities of BEST CG as of 31 March 2023:
 - PLN 85 million - bonds
 - PLN 346 million - bank loans
 - PLN 20 million - borrowings from the management board
 - PLN 20 million - lease and rental
- cash as of 31 March 2023
 - PLN 60 million - cash

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BEST is a long-standing participant in the bond market



Since 2010, BEST CG has issued bonds with a total nominal value of **PLN 1.129 million**, out of which **PLN 1.043 million** has been redeemed

Further potential to increase debt for new investments

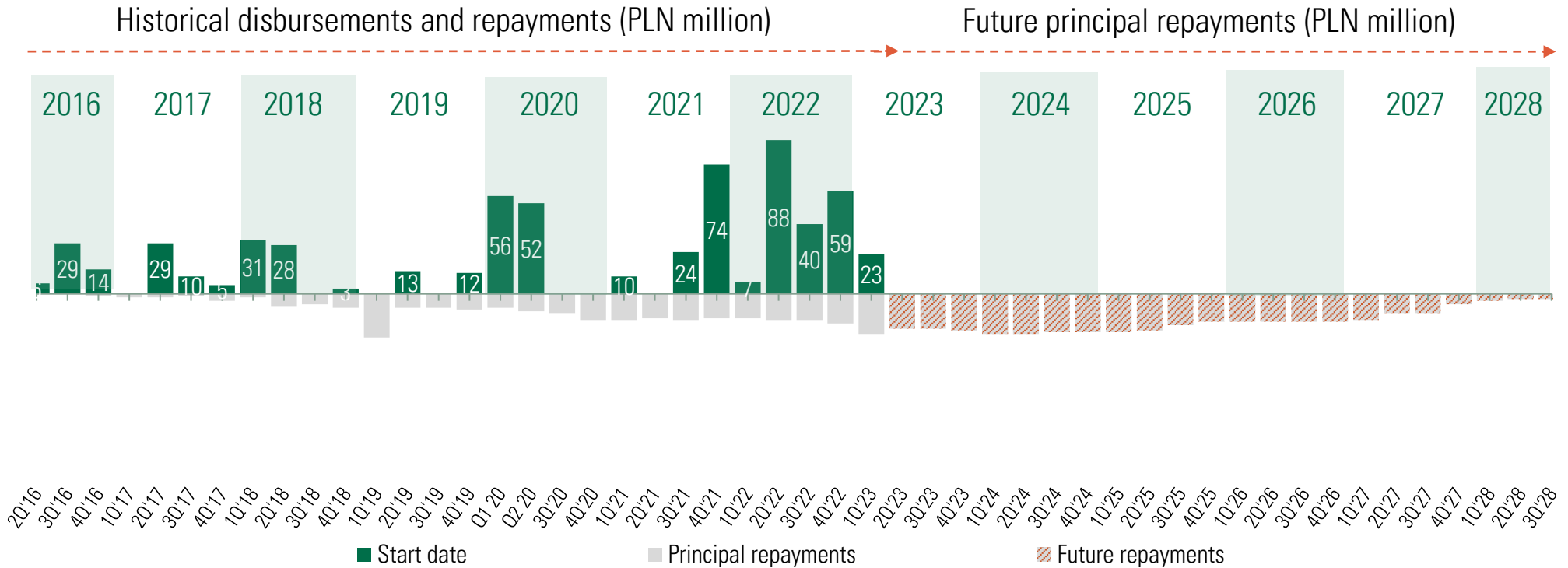
Redemptions mainly from proceeds of current operations

Open bond issue programme with a nominal value of up to PLN 250 million.

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Bank loans in the BEST Capital Group



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

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SUMMARY

CONSISTENT
SOLID REPAYMENTS
FROM CLAIM PORTFOLIOS

PROFITABILITY
UNDER THE PRESSURE OF THE
MACROECONOMIC SITUATION

PORTFOLIO PURCHASES
IN POLAND AND ITALY

STRONG BALANCE SHEET

DIVERSIFICATION OF
SOURCES OF FINANCING

TECHNOLOGICAL
TRANSFORMATION

Thank you

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ANNEXES



Annex – cash EBITDA

(PLN million)	1Q 2023	1Q 2022	change YOY	2022	2021	change YOY
BEST						
repayment of claims	101.1	104.0	(3%)	419.6	398.6	5%
other revenues	0.3	0.3	0%	1.2	18.0	(93%)
OPEX (excluding amortisation/depreciation)	(53.7)	(47.4)	13%	(220.4)	(231.8)	(5%)
Cash EBITDA (including Kredyt Inkaso)	47.7	56.9	(16%)	200.3	184.8	8%
change in the value of investment in Kredyt Inkaso	-	-		-	(33.7)	-
Cash EBITDA*	47.7	56.9	(16%)	200.3	218.5	(8%)

* Cash EBITDA = operating profit – revenues from purchased claims + repayments of purchased claims + amortisation/depreciation - change in the value of investment in Kredyt Inkaso.

Annex – statement of financial position

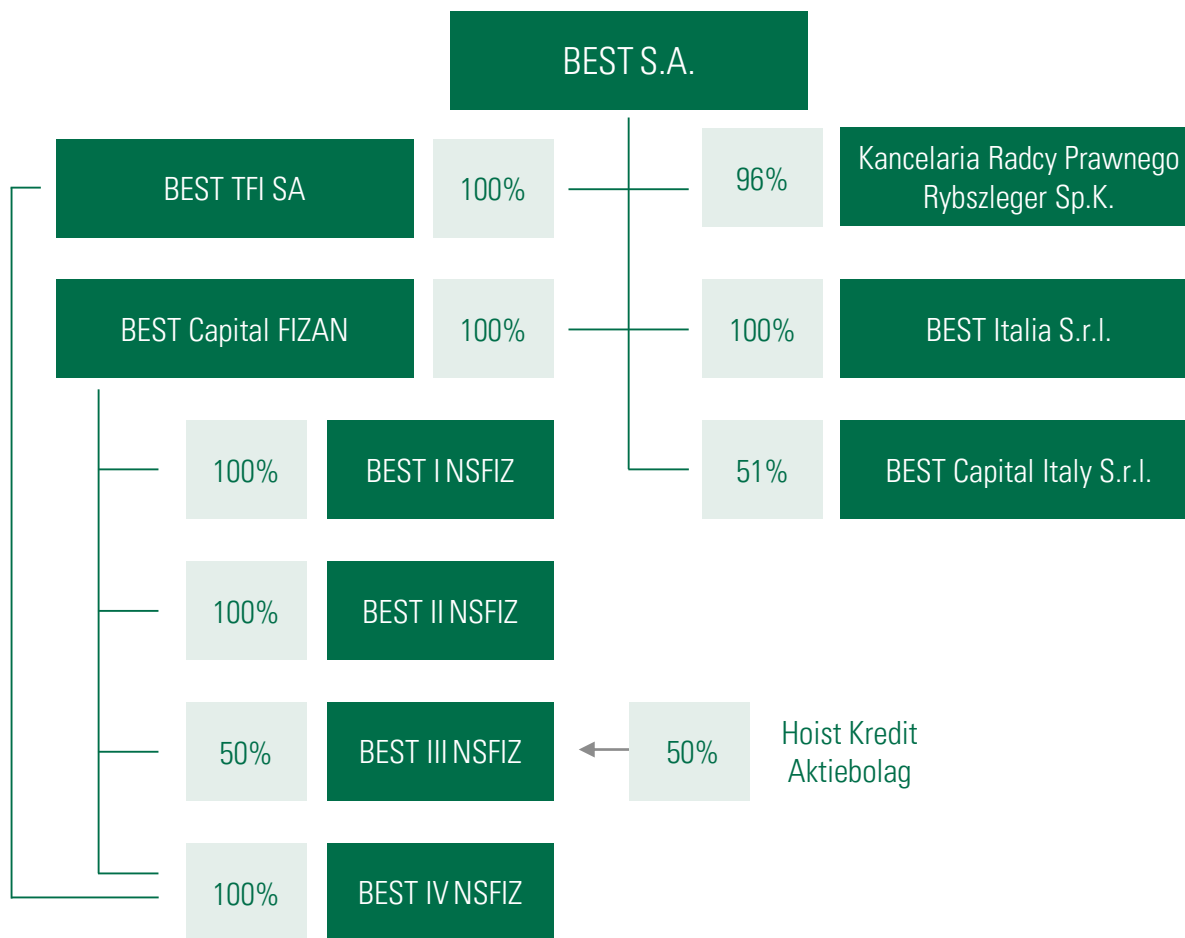
(PLN million)	31.03.2023	31/12/2022	31.12.2021
assets, including:	1,369.9	1,349.3	1,173.6
cash and cash equivalents	59.7	52.2	47.3
claims acquired	1,194	1,183.2	1,017.1
investments in associates	-	-	-
Capital investments	29.6	27.6	21.9
investment real property	31.9	32.4	32.0
liabilities, including:	1,369.9	1,349.3	1,173.6
financial liabilities	473.1	463.6	442.3
liabilities towards the co-investor in BEST III	70.0	71.3	66.4
equity	705.8	689.0	549.1
	-	-	-
net debt	413.4	411.4	395.0
net debt/equity	0.59	0.60	0.72

Annex – financial results

(PLN million)	1Q 2023	1Q 2022	change YOY
Operating revenues , including:	84,297	82,546	2%
revenue from claims acquired	84,028	82,277	2%
<i>interest calculated using the effective interest rate method</i>	71,052	62,923	13%
<i>deviations from actual payments</i>	6,174	18,887	(67%).
<i>revaluation result</i>	6,802	467	>(100%)
share in the profit/(loss) of Kredyt Inkaso	-	-	
operating expenses , including:	55,964	49,752	12%
court and enforcement costs	16,547	17,683	6
write-down on investment in Kredyt Inkaso	-	-	
operating profit	28,333	32,794	(14%)
net financial expenses, including:	12,927	9,467	37%
interest on financial liabilities	11,564	6,271	84%
valuation of liabilities towards the co-investor in BEST III	4,095	2,840	44%
net profit , including:	14,691	24,327	(40%).
attributable to BEST's shareholders	14,571	24,102	(40%).

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

Annex – structure of BEST CG



Shareholding of BEST SA
(share in the Issuer's share capital as of 31 March 2023)

