



BEST GROUP

PRESENTATION OF FINANCIAL RESULTS FOR 2022

Gdynia, 5 April 2023

Summary

Key events in BEST Capital Group (BEST CG) in 2022

- growing repayments under claims portfolios
- lower cash EBITDA, related to, inter alia, higher operating costs
- purchase of claims portfolios with a nominal value of PLN 522 million for PLN 132 million (including PLN 74 million in Q4 2022)
- redemption of bonds with a value of PLN 146 million
- financing: bonds worth PLN 45 million / credit limits up to a total of PLN 400 million
- profit sharing with Shareholders through the repurchase of own shares for PLN 10 million

Key financial and operational parameters	2022	2021	Movement
▪ repayment of claims from managed portfolios, including:	PLN 419.6 million	PLN 398.6 million	5%
▪ due to BEST Capital Group	PLN 372.2 million	PLN 351.0 million	6%
▪ operating revenues	PLN 453.6 million	PLN 339.1 million	34%
▪ Cash EBITDA	PLN 200.3 million	PLN 218.5 million	(8%)

NON-PERFORMING CLAIM MARKET IN POLAND

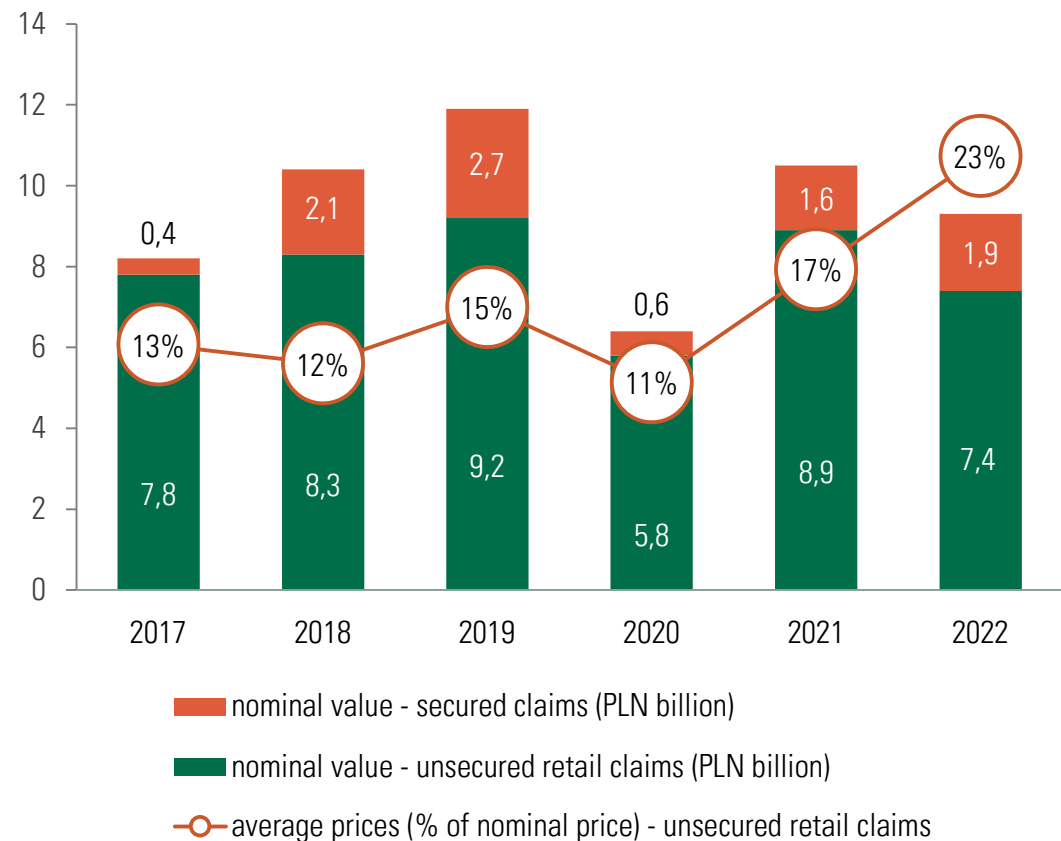


Poland – non-performing claim market

Market situation in 2022:

- supply of unsecured bank claims portfolios similar to previous years
- demand remaining high
- the market has matured, investors are rationalising their strategy (on a Polish and European scale)
- possible stabilisation of claims portfolio prices
- maintaining the quality of the portfolios sold
- gradual increase in the share of consumer insolvency claims in supply

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

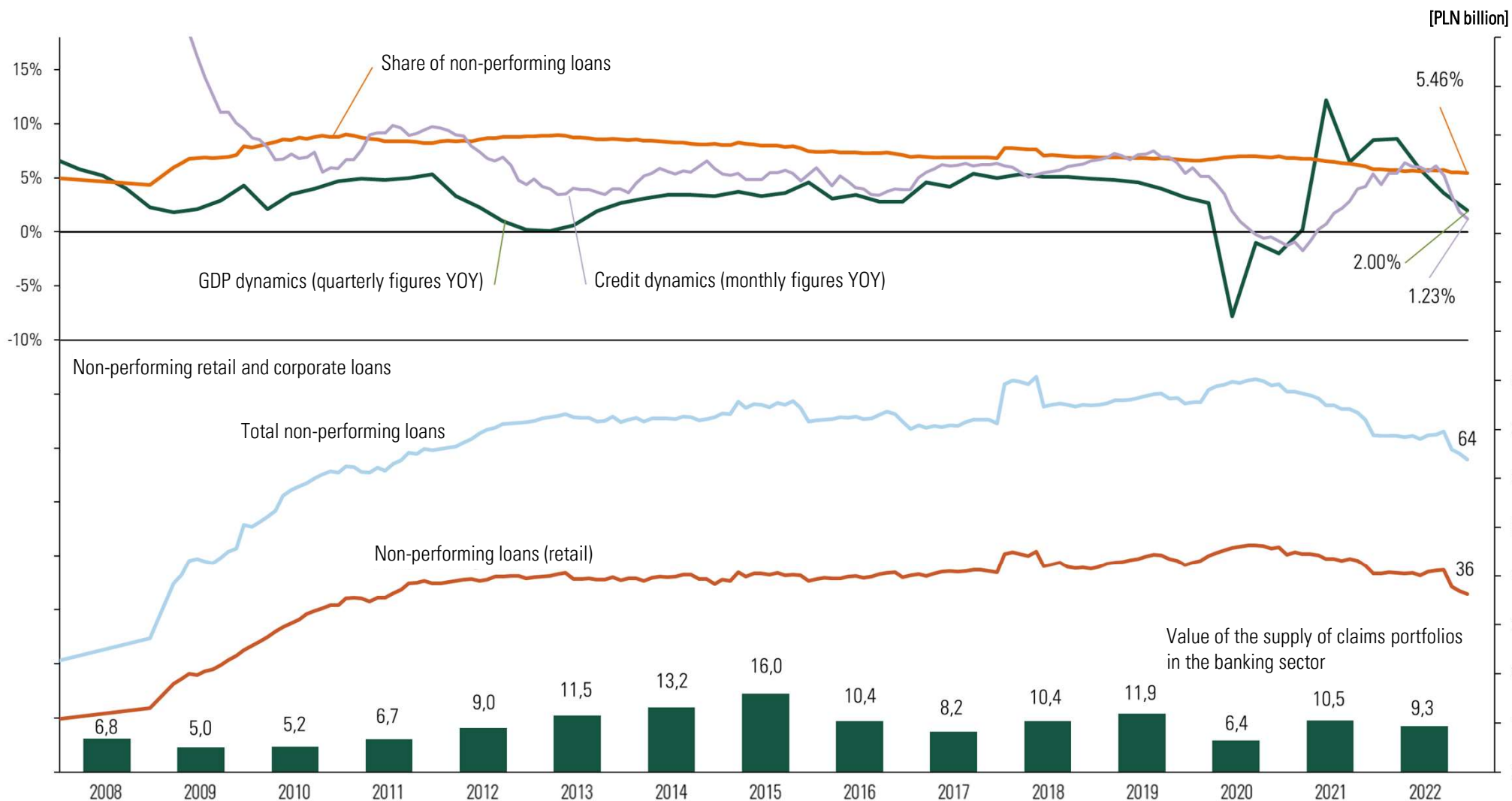


Source: the Company's own compilation based on market data

BEST GROUP



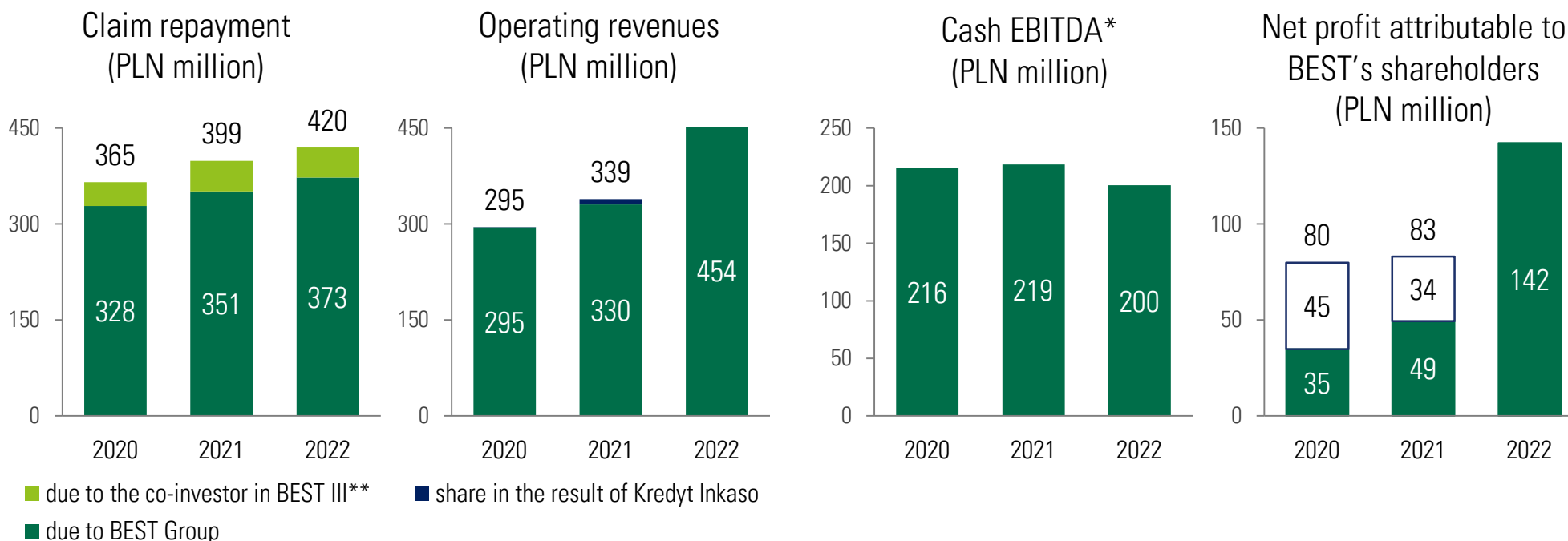
Poland – non-performing claim market



OPERATING AND FINANCIAL RESULTS OF BEST CAPITAL GROUP



Increase in claim repayment and financial performance



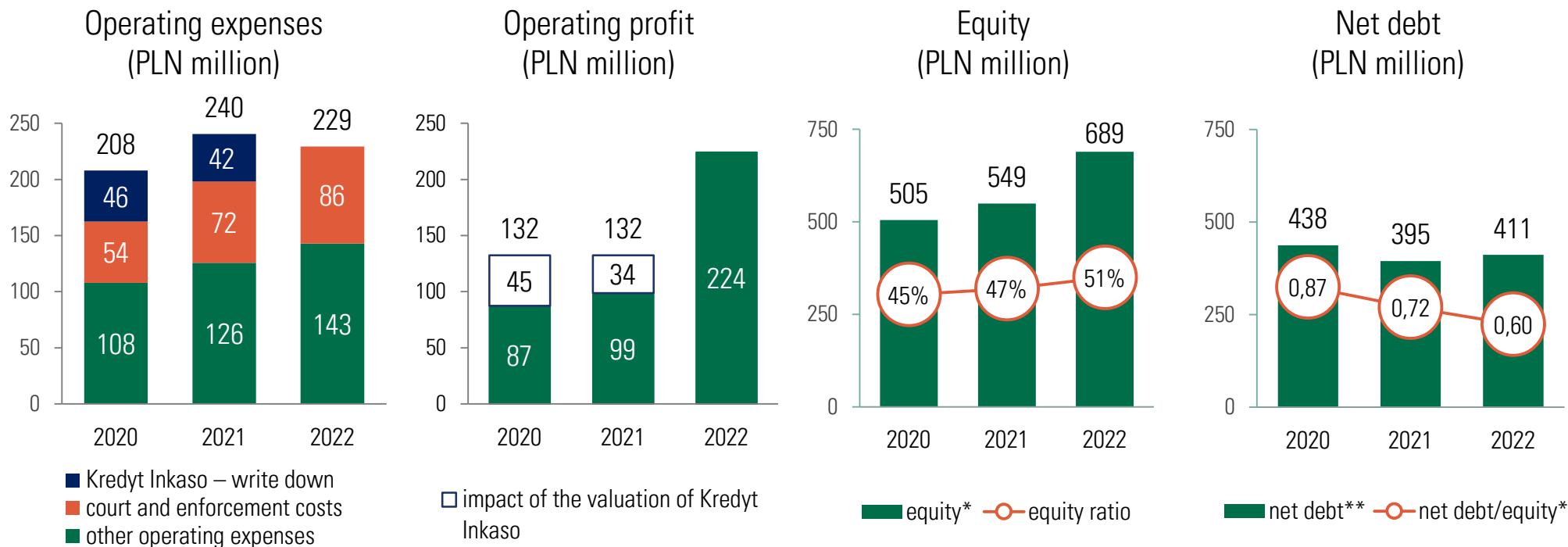
6%
Increase in repayment of claims due to Best Capital Group (YOY)

37%
increase in operating revenues (YOY)

Profitability under pressure from a challenging economic situation

Extraordinary increase in net profit attributable to BEST Shareholders (YOY)

Strong balance sheet structure, low debt



Increase in recurring operating costs

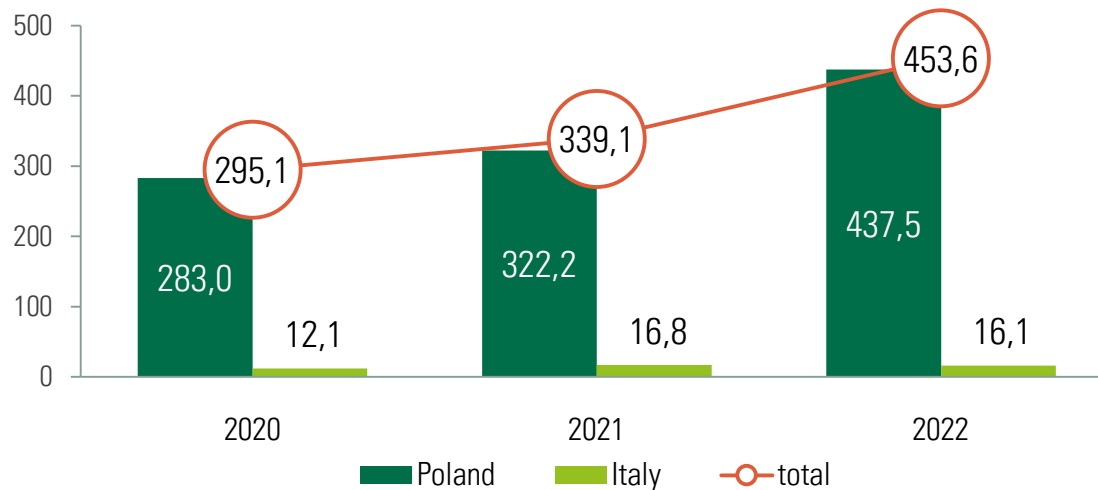
Record operating profit (effect of, inter alia, revaluation of portfolios)

25% increase in equity (2022)

0.6 the lowest net debt ratio since 2014 (31 December 2022)

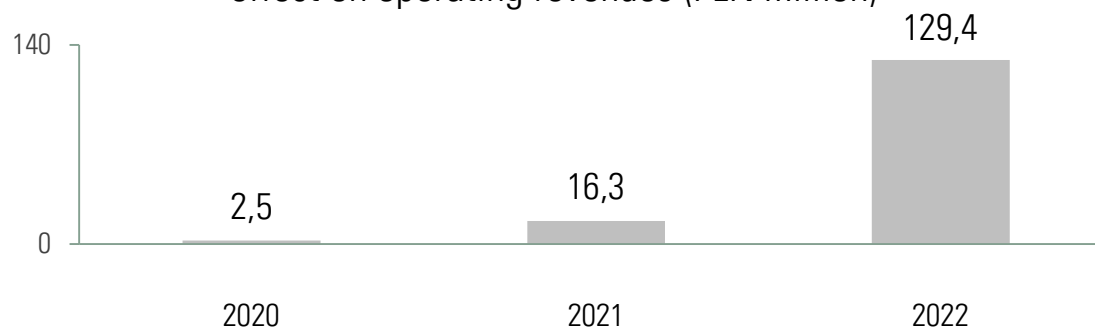
Positive revaluation of portfolios due to repayments higher than forecasted

Operating revenues by market (PLN million)



- 34% increase in revenues in 2022
- Stabilisation of revenues from the Italian market

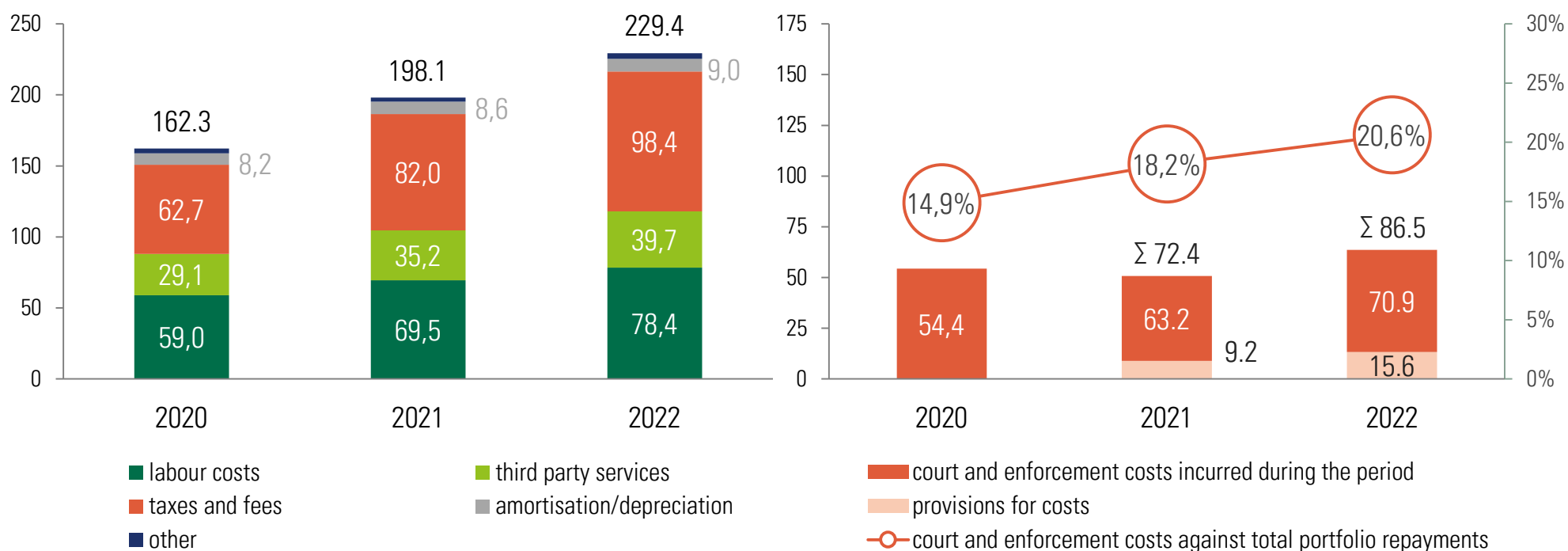
Portfolio revaluation result;
effect on operating revenues (PLN million)



- PLN 129.4 million of revenue from revaluation of portfolios - effect of repayments significantly higher than expected in recent periods
- Between 2020 and 2022, positive deviations in repayment volumes from the plan amounted to PLN 169.4 million

Increase in salaries, provisions increase enforcement and court costs

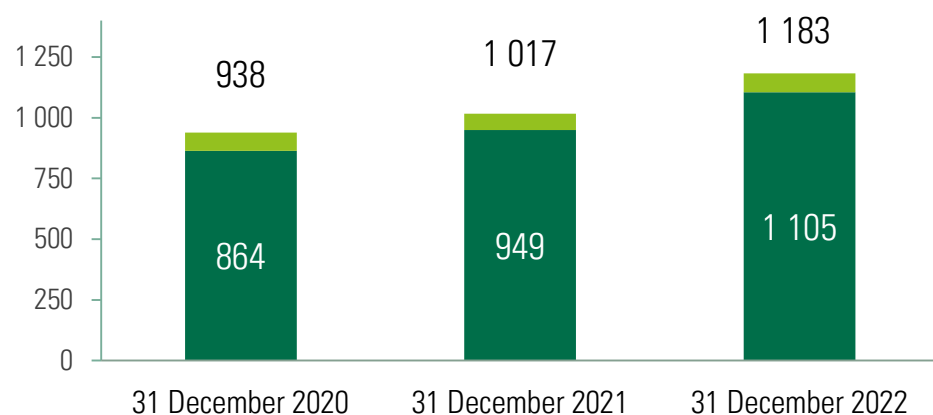
Operating expenses (PLN million)*



- 13% increase in the payroll budget, related to increases in staff and salaries, and the introduction of an incentive scheme
- PLN 16 million provisions for write-offs of unsuccessful enforcement procedures included in court and enforcement costs in 2022

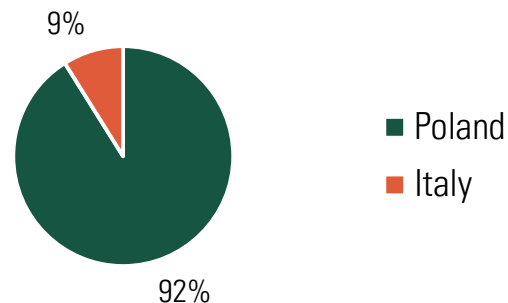
Claim portfolios are the biggest item of assets

carrying value of portfolios
(PLN million)

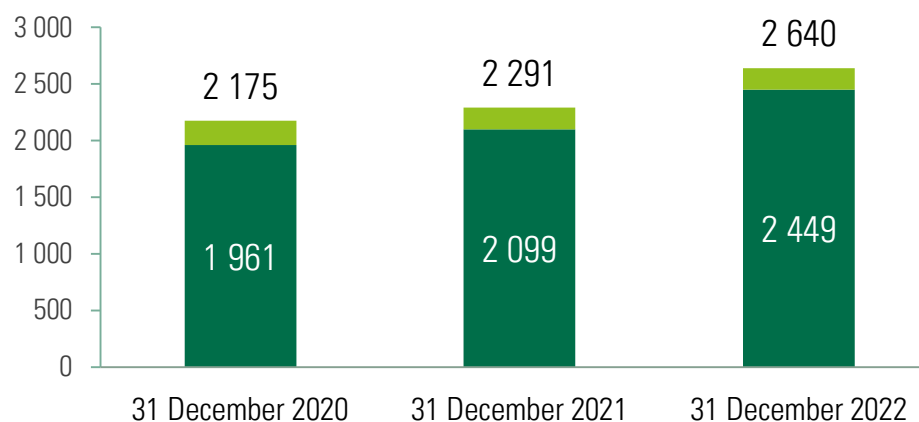


■ due to BEST Capital Group
■ due to the co-investor in BEST III*

geographic structure of claims managed
(31 December 2022)

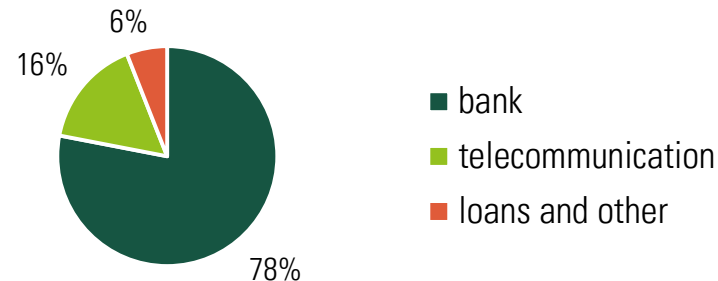


Nominal estimated remaining repayments (ERC) (PLN million)

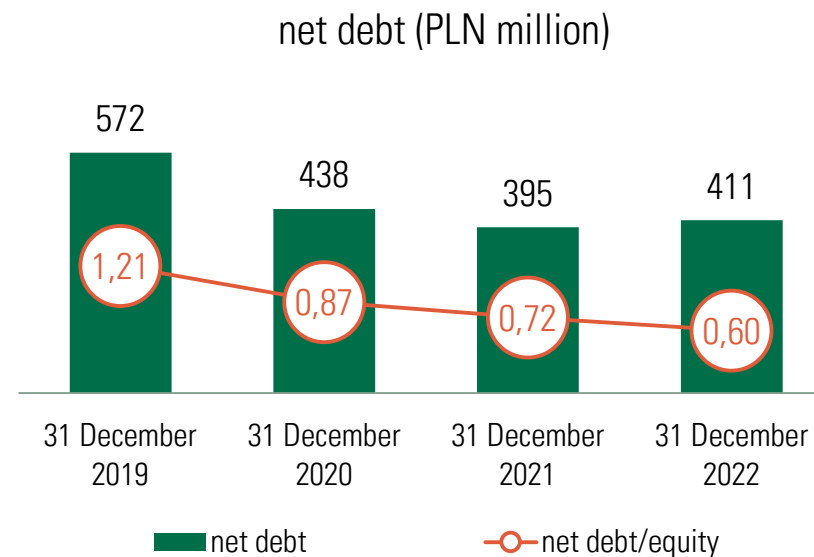
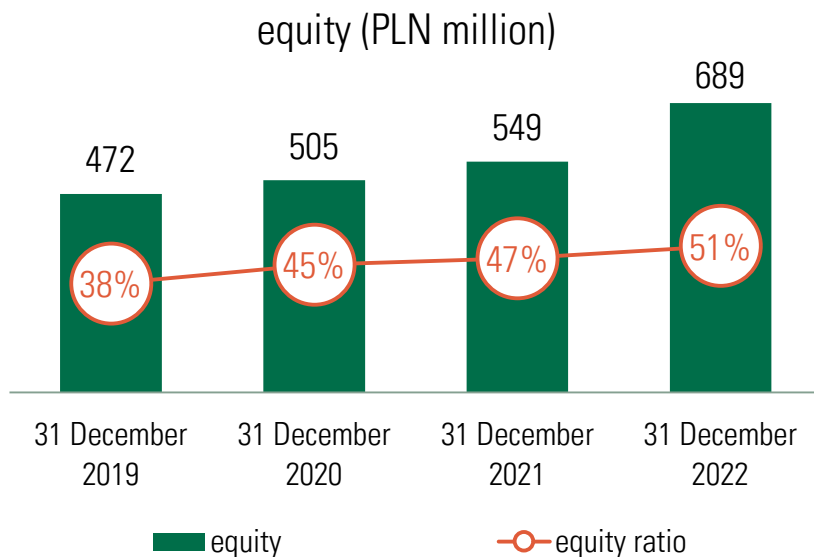


■ due to BEST Capital Group
■ due to the co-investor in BEST III*

structure of claims managed by segments
(31 December 2022)



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

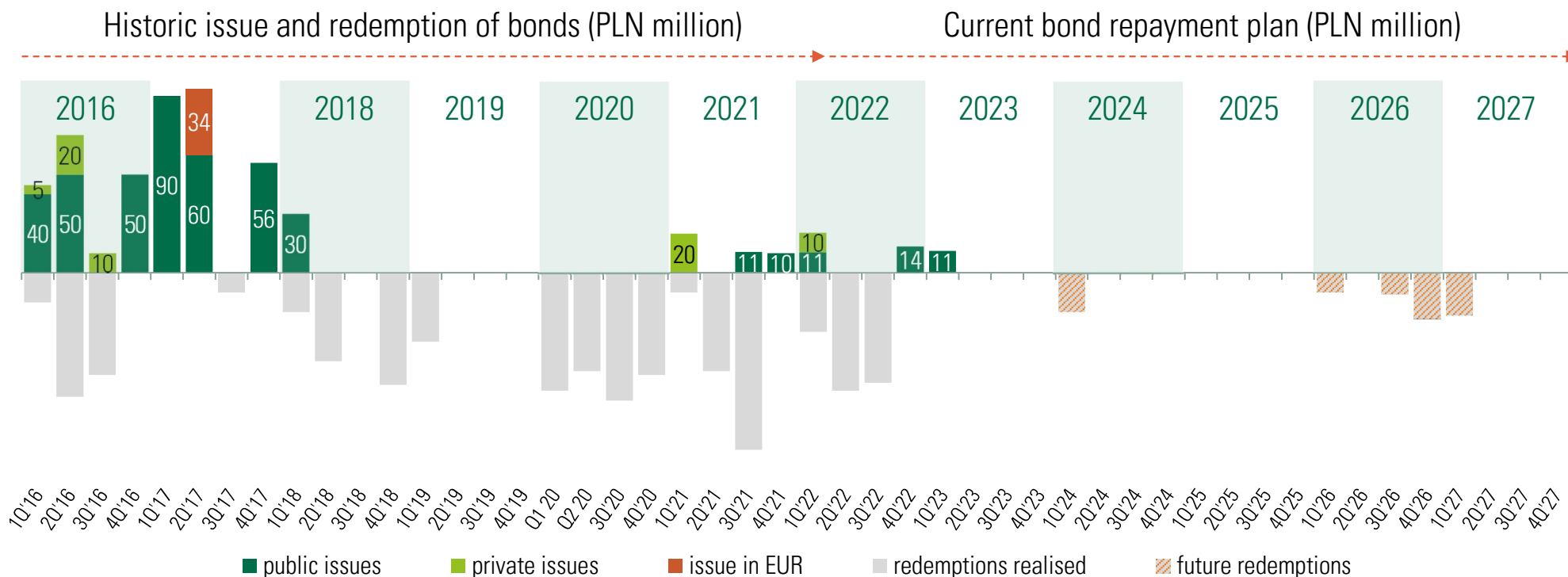


- dynamic growth of equity
- further decrease in the main debt ratio (net debt/equity);
- financial liabilities of BEST Capital Group as of 31 December 2022:
 - PLN 74 million - bonds
 - PLN 347 million - bank loans
 - PLN 20 million - borrowings from the management board
 - PLN 19 million - lease and rental
- cash as of 31 December 2022
 - PLN 52 million - cash

BEST GROUP



BEST is a long-standing participant in the bond market



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

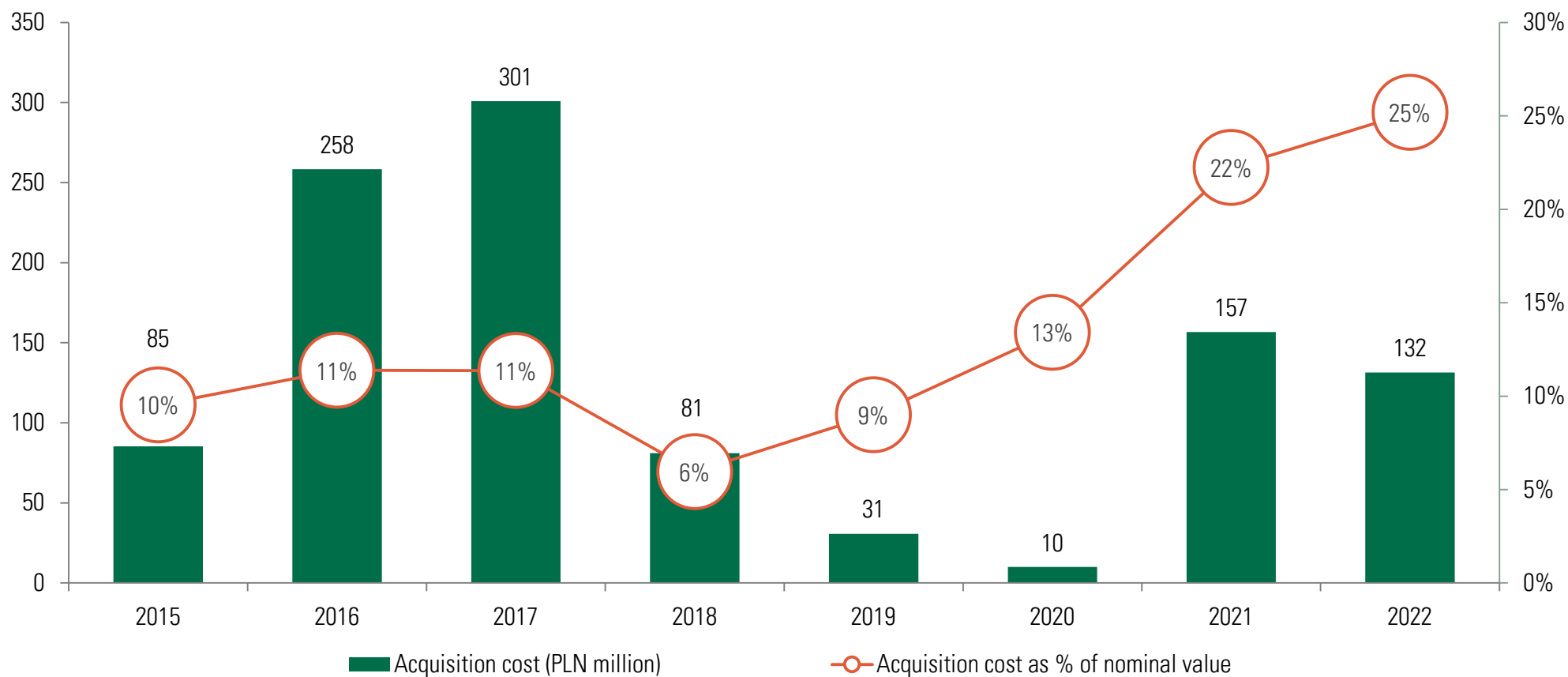
Further potential to increase debt for new investments

Redemptions mainly from proceeds of current operations

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

Active participation in purchases of claims portfolios

Investments in claim portfolios (PLN million)



BEST GROUP



SUMMARY

HIGH CLAIM REPAYMENTS

HIGH REVENUES
AND PROFITS

MARGINS UNDER
MACROECONOMIC PRESSURES

STRONG
BALANCE SHEET

INVESTMENTS IN PORTFOLIOS
IN POLAND AND ITALY

OPERATIONAL
TRANSFORMATION IN
PROGRESS

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

ANNEXES



Annex – statement of financial position

(PLN million)	31 December 2022	31 December 2021	31 December 2020
assets, including:	1,349.3	1,173.6	1,134.9
cash and cash equivalents	52.2	47.3	65.6
claims acquired	1,183.2	1,017.1	938.4
investments in associates	-	-	51.4
capital investments	27.6	21.9	-
investment real property	32.4	32.0	23.5
liabilities, including:	1,349.3	1,173.6	1,134.9
financial liabilities	463.6	442.3	504.0
obligations to the co-investor in BEST III	71.3	66.4	75.5
equity	689.0	549.1	505.1
	-	-	
net debt	411.4	395.0	437.5
net debt/equity	0.60	0.72	0.87%

Annex – financial results

(PLN million)	2022	2021	change YOY
operating revenues, including:	453.6	339.1	34%
revenue from claims acquired	452.4	321.1	41%
<i>interest calculated using the effective interest rate method</i>	263.4	235.3	12%
<i>deviations from actual payments</i>	59.6	69.4	(14%)
<i>revaluation result</i>	129.4	16.3	>100%
share in the profit/(loss) of Kredyt Inkaso	-	8.6	
operating expenses, including:	229.4	240.4	(5%)
court and enforcement costs	86.5	72.4	19%
write-down on investment in Kredyt Inkaso	-	42.3	
operating profit	224.2	98.7	>100%
net financial expenses, including:	68.8	44.0	56%
interest on financial liabilities	36.0	17.5	>100%
valuation of obligations to the co-investor in BEST III	34.9	22.6	54%
net profit, including:	143.0	50.0	>100%
attributable to BEST's shareholders	142.3	49.3	>100%

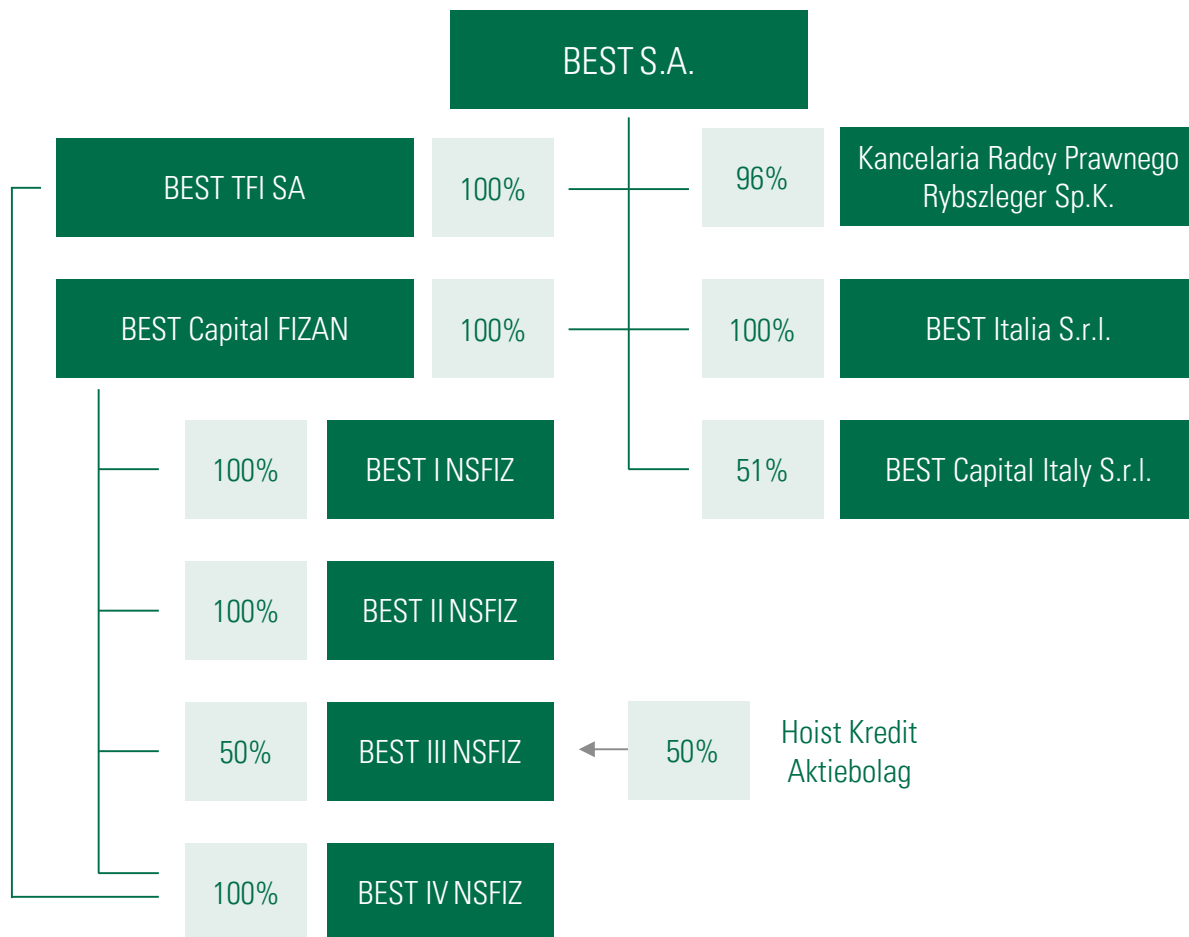
*excluding the write-down of Kredyt Inkaso and the result on interest held in Kredyt Inkaso

Annex – cash EBITDA

(PLN million)	2022	2021	2020
BEST			
repayment of claims	419.6	398.6	365.3
other revenues	1.2	18.0	4.8
OPEX (excluding amortisation/depreciation)	(220.4)	(231.8)	(199.7)
Cash EBITDA (including result on Kredyt Inkaso)	200.3	184.8	170.4
change in the value of investment in Kredyt Inkaso	-	(33.7)	(45.1)
Cash EBITDA*	200.3	218.5	215.5

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

Annex – structure of BEST Capital Group



Shareholding of BEST SA
(share in the Issuer's share capital
as of 31 December 2022)

