



BEST GROUP

PRESENTATION OF FINANCIAL RESULTS FOR H1 2022

Gdynia, 7 September 2022

Summary of H1 2022

Key events in BEST Capital Group (BEST CG) in H1 2022

- increasing repayments under claim portfolios, significant overruns of expected recoveries
- purchase of claim portfolios with a nominal value of PLN 167.5 million for PLN 46.3 million
- significant revaluation of claim portfolios – by over PLN 112 million
- bond issues of PLN 20.5 million, debt redemption of PLN 89.5 million
- buy-back of own shares worth PLN 10 million

Key financial and operational parameters	H1 2022	H1 2021	Movement
<ul style="list-style-type: none"> ▪ repayment of claims from managed portfolios, including: <ul style="list-style-type: none"> ▪ due to BEST Capital Group 	PLN 217.7 million	PLN 209.4 million	4%
<ul style="list-style-type: none"> ▪ operating revenues 	PLN 284.4 million	PLN 173.2 million	64%
<ul style="list-style-type: none"> ▪ Cash EBITDA 	PLN 119.4 million	PLN 117.0 million	2%

NON-PERFORMING CLAIM MARKET IN POLAND

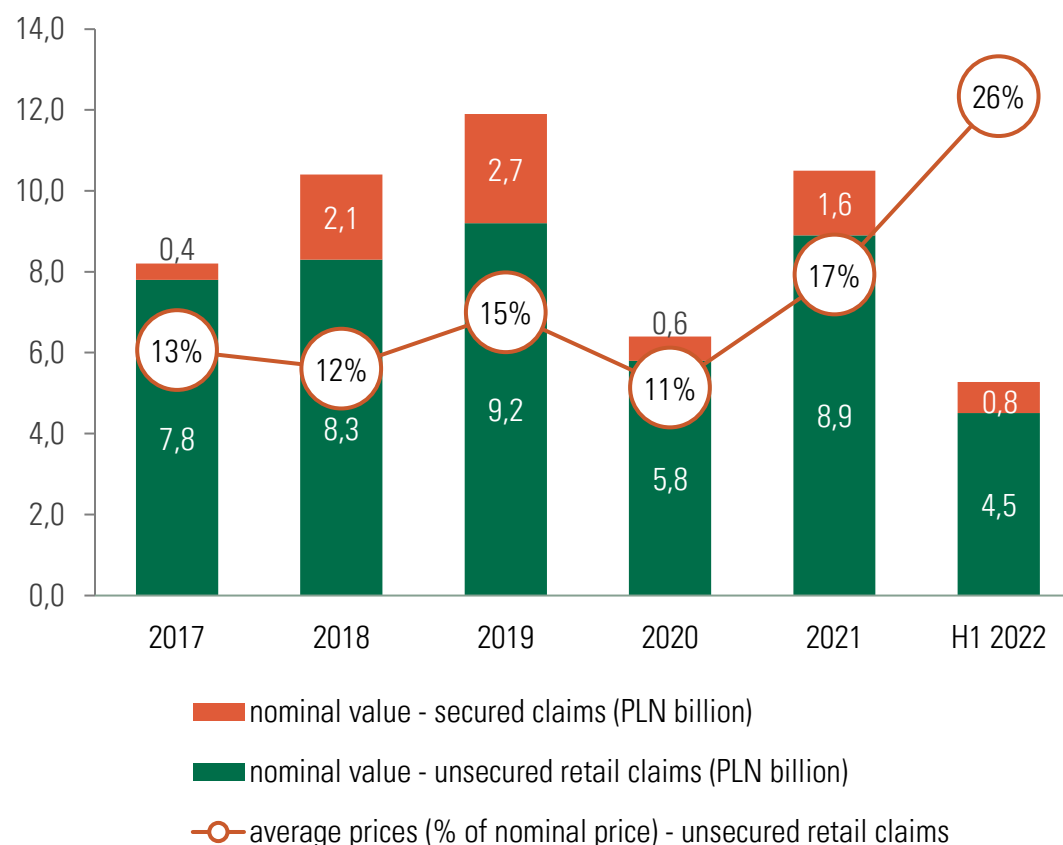


Poland – non-performing claim market

Market situation in H1 2022:

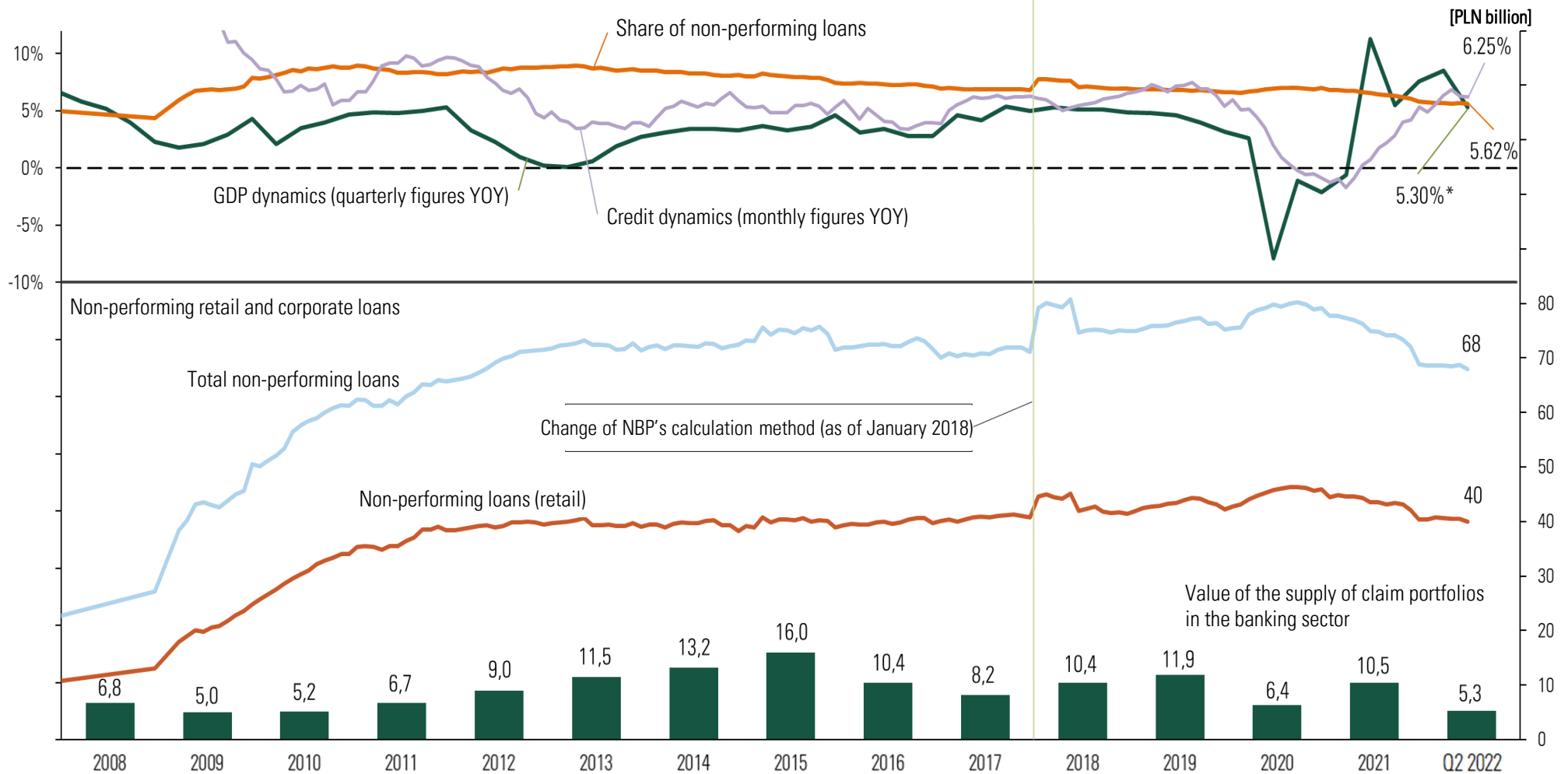
- supply of bank claim portfolios comparable to the supply of the corresponding period of 2021.
- demand remaining high
- high portfolio prices resulting, inter alia, from better claim quality
- anticipated stabilisation of portfolio price levels
- stagflationary trends in the economy

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



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

Poland – non-performing claim market

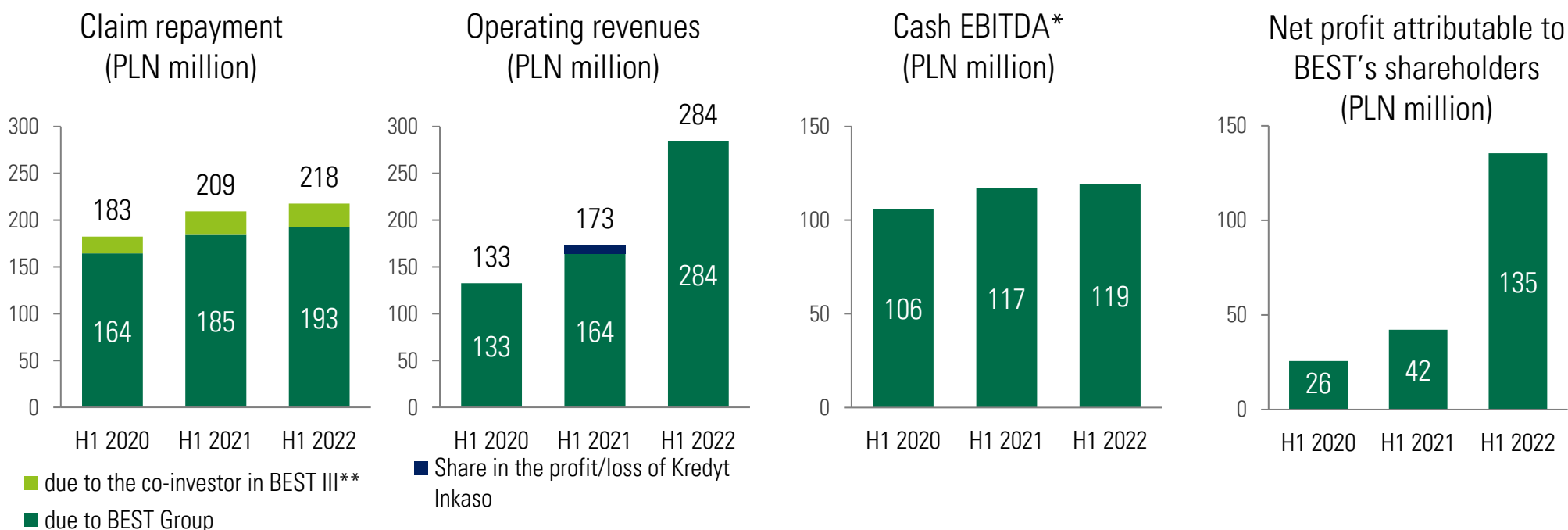


*Quick estimate of GDP for Q2 2022 (Central Statistical Office, 16 August 2022)

DISCUSSION OF THE FINANCIAL RESULTS FOR H1 2022



Increase in claim repayment and financial performance



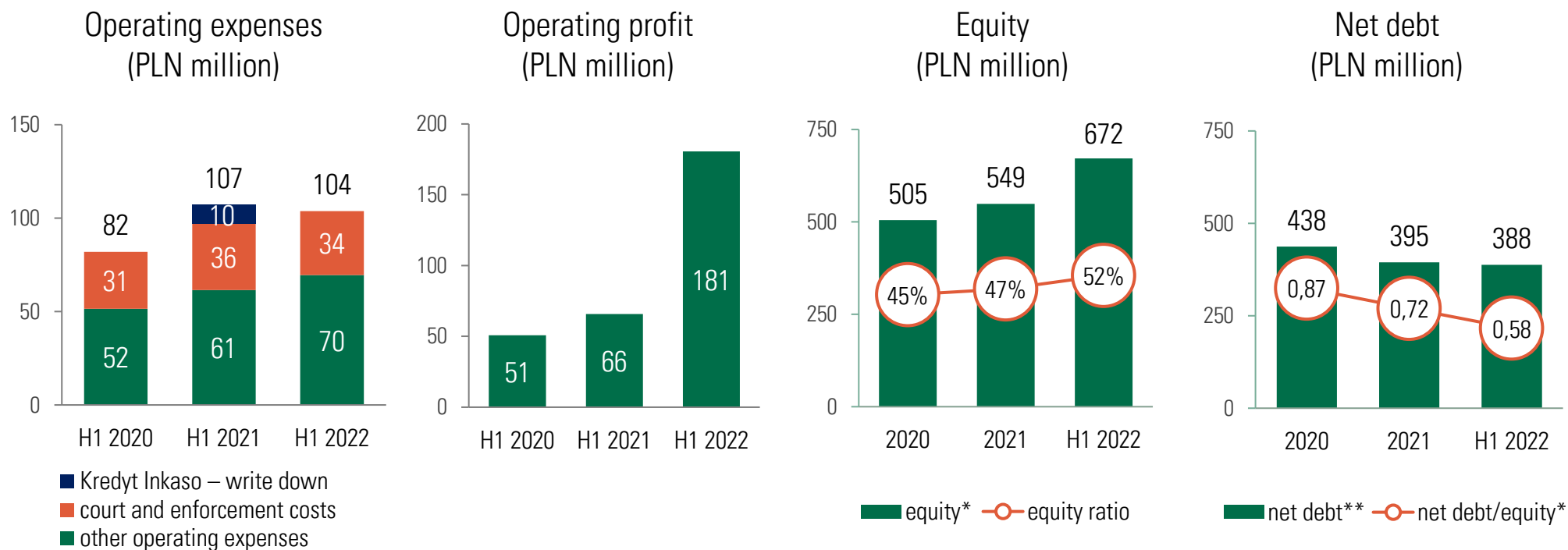
4%
Increase in repayment of claims due to Best CG (YOY)

64%
operating revenue increase (YOY)

2%
Increase in cash EBITDA (YOY)

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

Strong balance sheet structure, low debt



4%
decrease in
court and enforcement costs
(YOY)

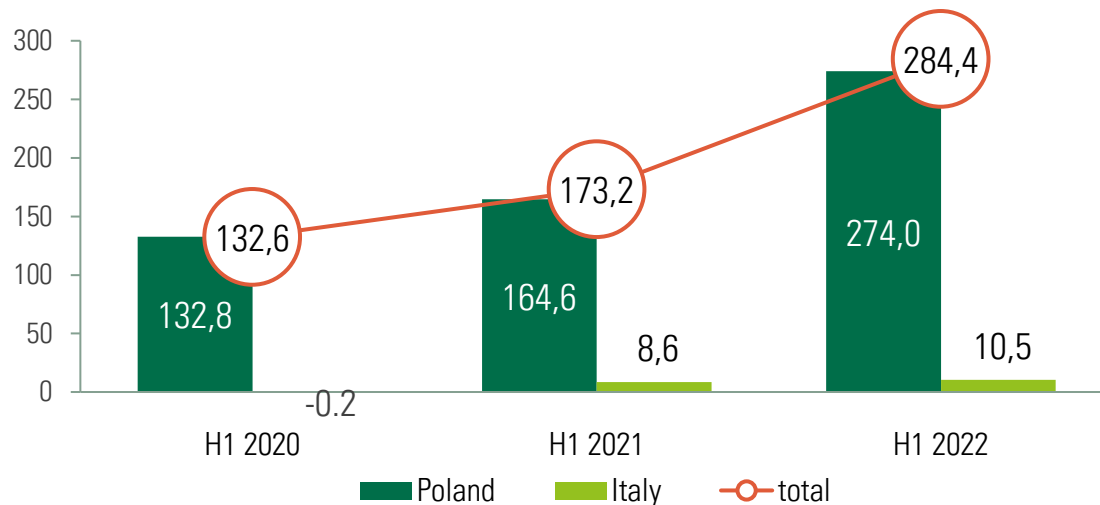
64%
operating
margin
(1H 2022)

22%
increase in
equity
(H/H)

0.58
low net debt to equity ratio
(30.06.2022)

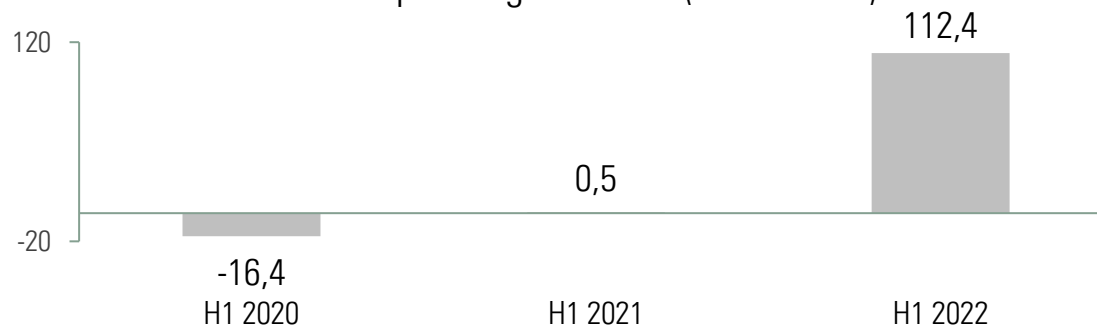
Positive revaluation of portfolios due to repayments higher than forecasted

Operating revenues by market (PLN million)



- 64% increase in revenues in H1 2022
- increase in revenues from the Italian market

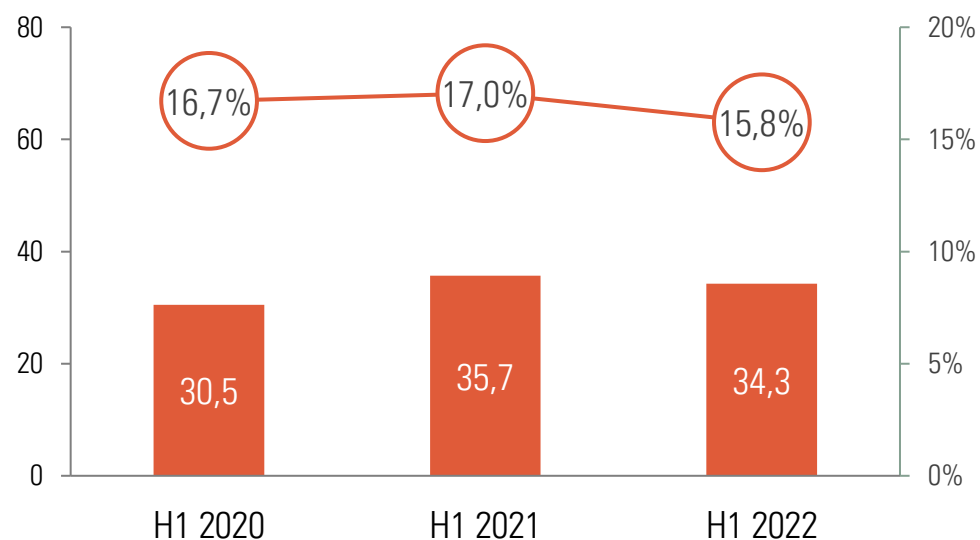
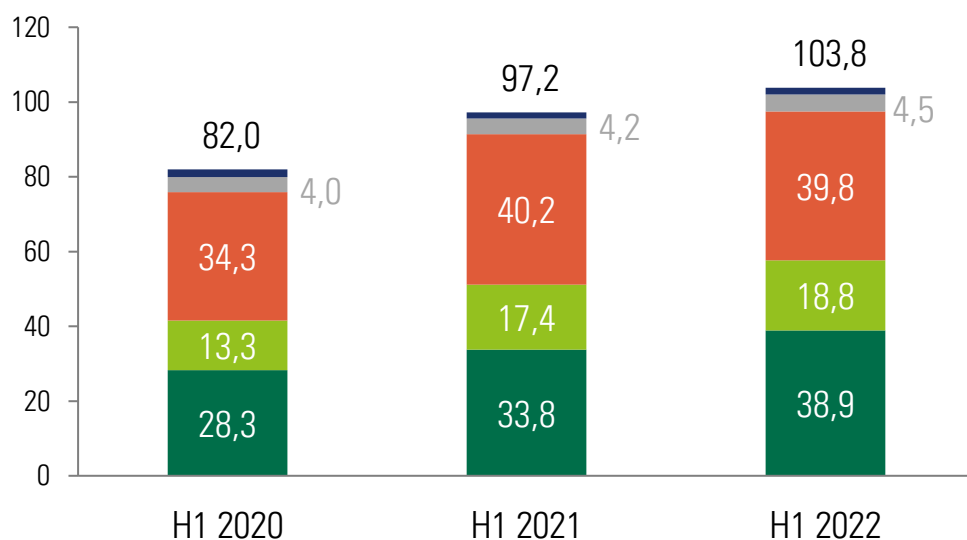
Portfolio revaluation result;
effect on operating revenues (PLN million)



- PLN 112.4 million of revenue from revaluation of portfolios - effect of repayments significantly higher than expected in recent periods

Increase in personnel costs, stabilisation of enforcement and court costs

Operating expenses (PLN million)*



■ labour costs
■ taxes and fees
■ other
■ third party services
■ amortisation/depreciation

■ court and enforcement costs
○ ratio of court and enforcement costs to total portfolio repayments

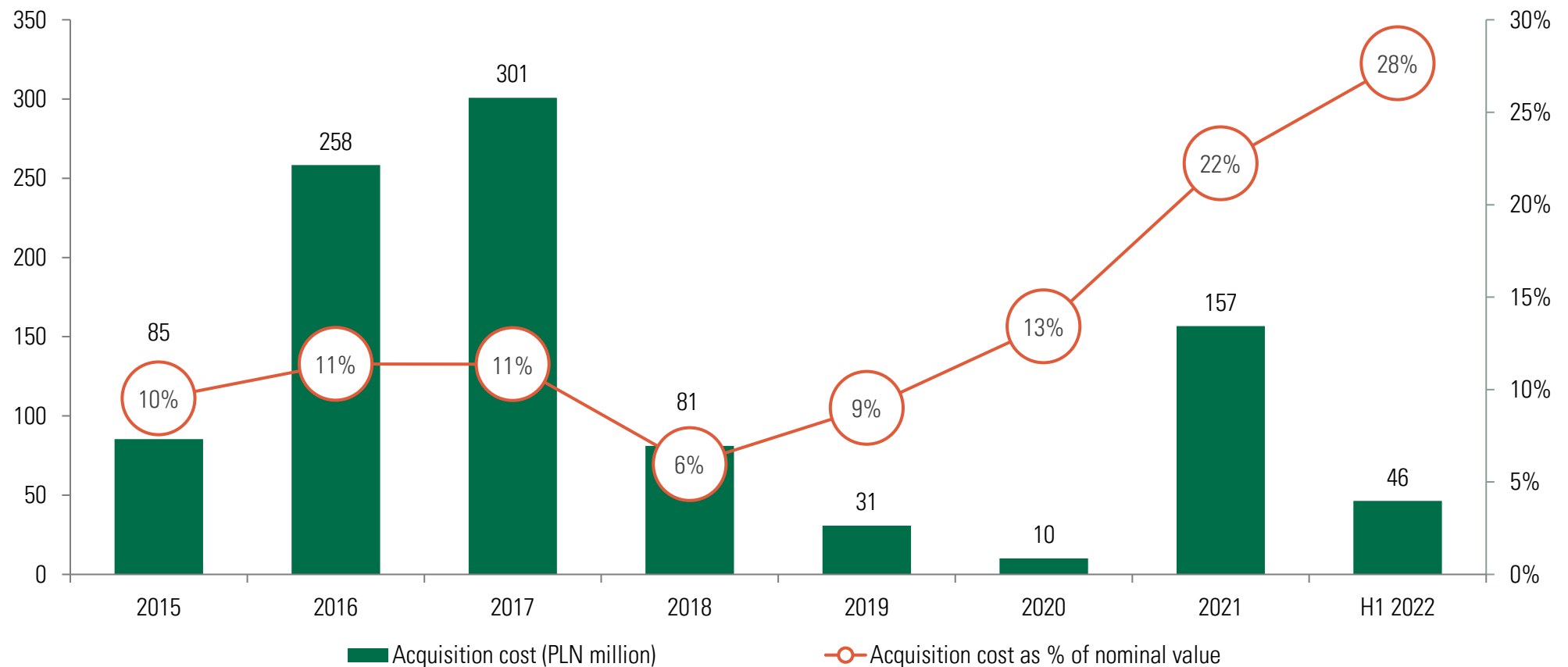
- 15% increase in personnel costs, generating an increase in operating costs
- court and enforcement costs (included under taxes and fees in the left chart) decreased by 4% YOY in 1H 2022

Financial results

(PLN million)	H1 2022	H1 2021	change YOY
operating revenues , including:	284.4	173.2	64%
revenue from claims acquired	284.4	164.0	73%
<i>interest calculated using the effective interest rate method</i>	<i>124.7</i>	<i>119.5</i>	<i>4%</i>
<i>deviations from actual payments</i>	<i>46.4</i>	<i>43.5</i>	<i>7%</i>
<i>revaluation result</i>	<i>112.4</i>	<i>0.5</i>	<i>>100%</i>
share in the profit/(loss) of Kredyt Inkaso	-	9.2	-
operating expenses , including:	103.8	107.4	(3%)
court and enforcement costs	34.3	35.7	(4%)
write-down on investment in Kredyt Inkaso	-	10.2	-
operating profit	180.6	65.8	174%
net financial expenses, including:	36.8	21.6	70%
interest on financial liabilities	14.7	8.9	65%
valuation of obligations to the co-investor in BEST III	20.3	11.3	80%
net profit , including:	135.8	42.6	219%
attributable to BEST's shareholders	135.4	42.2	221%

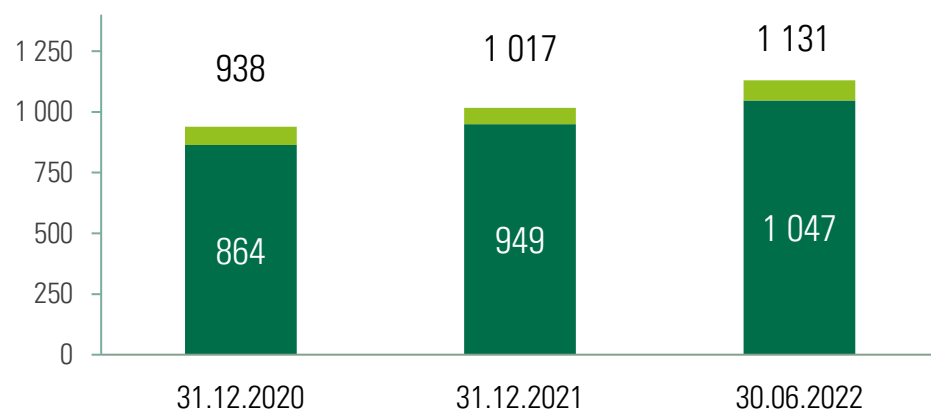
Increasing selective purchases of claim portfolios

Investments in claim portfolios (PLN million)



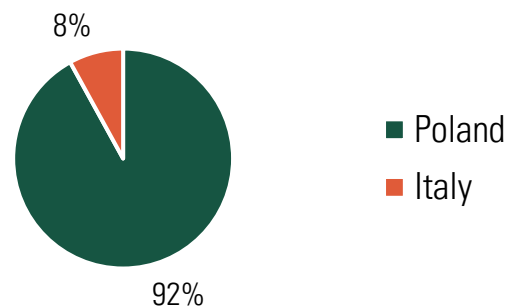
Claim portfolios are the biggest item of assets

carrying value of portfolios
(PLN million)

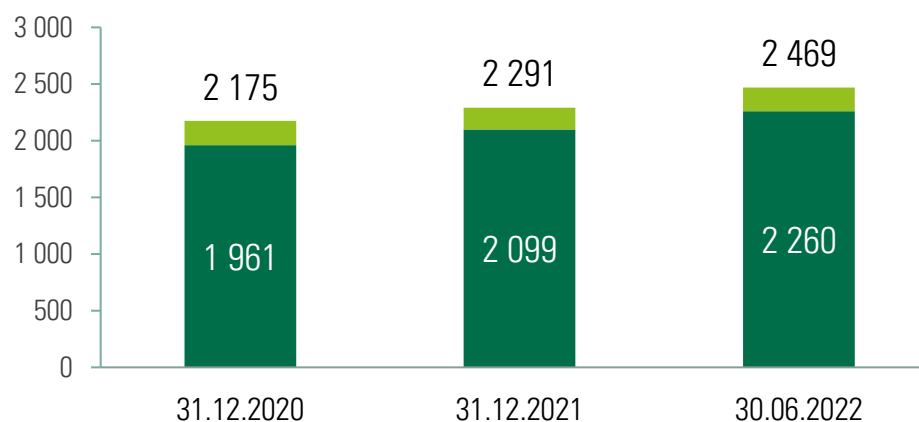


■ due to BEST Capital Group
■ due to the co-investor in BEST III*

geographic structure of claims managed
(30.06.2022)

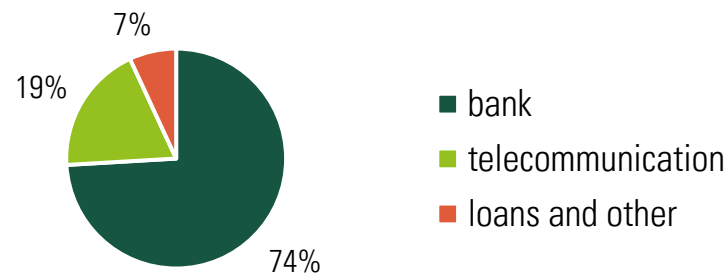


Nominal estimated remaining repayments (ERC) (PLN million)

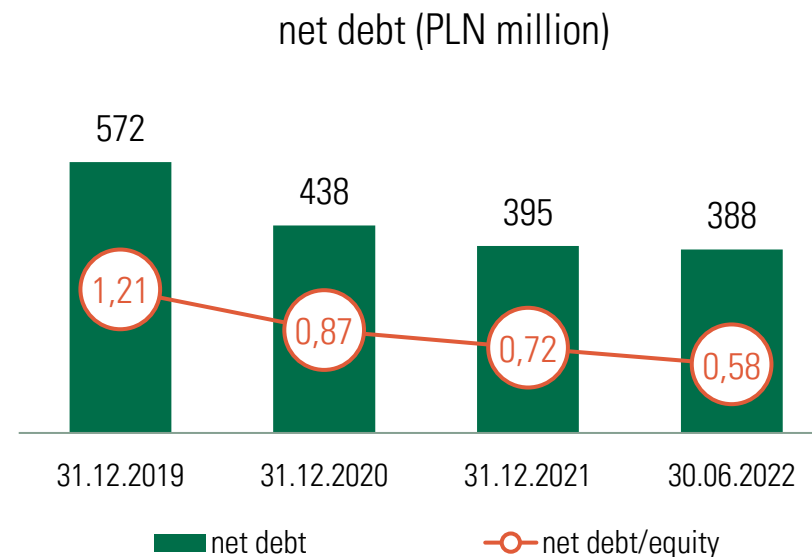
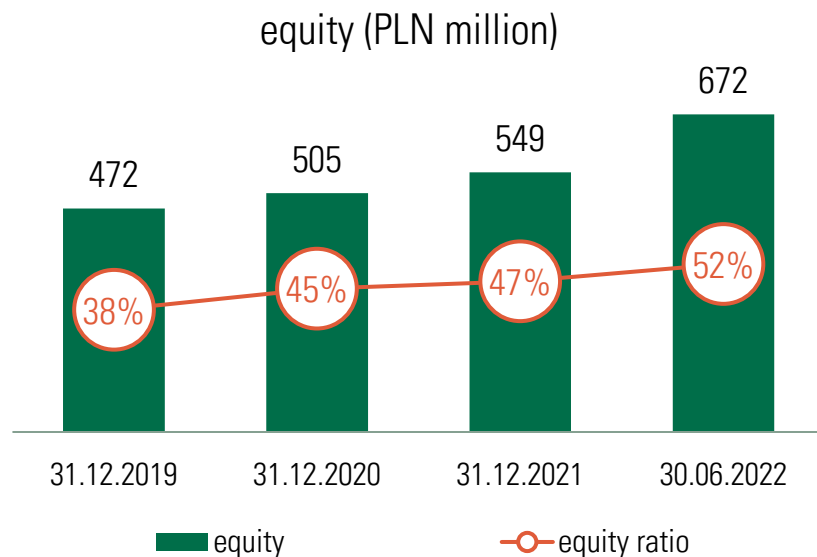


■ due to BEST Capital Group
■ due to the co-investor in BEST III*

structure of claims managed by segments
(30.06.2022)



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

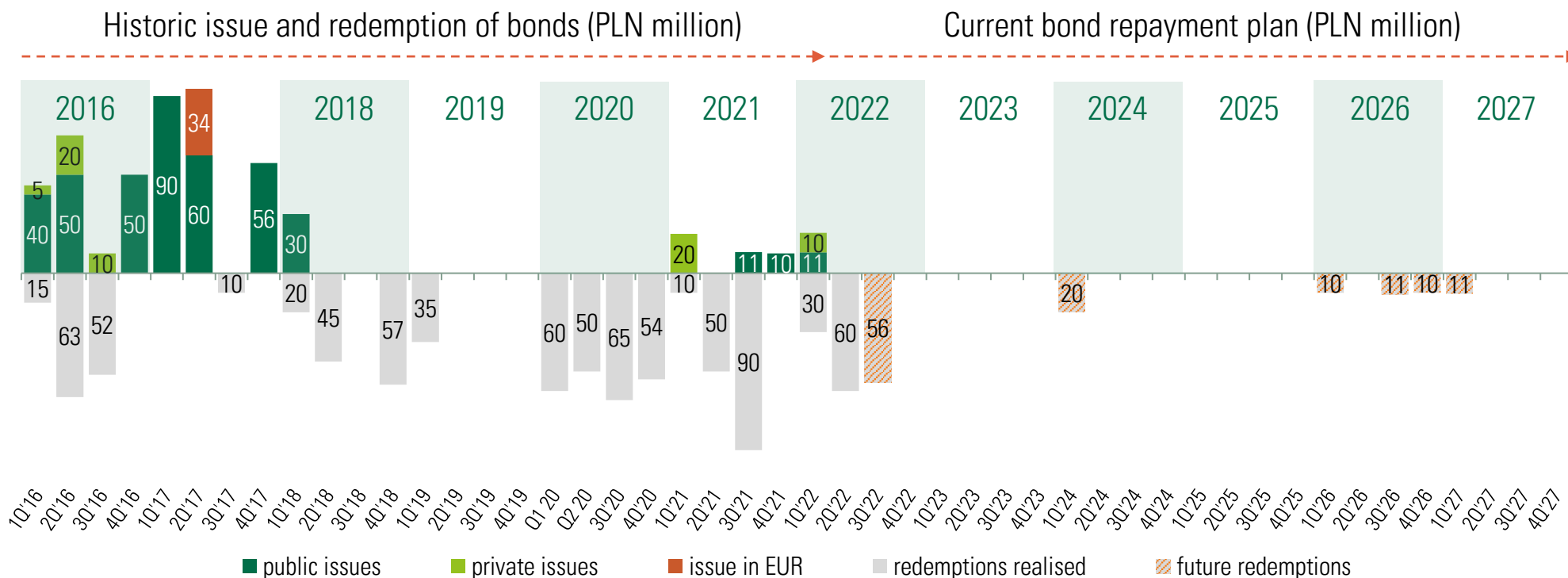


- dynamic growth of equity
- further decrease in the main debt ratio (net debt/equity);
- financial liabilities of BEST CG as of 30.06.2022:
 - PLN 117 million - bonds
 - PLN 279 million - bank loans
 - PLN 20 million - borrowings from the management board
 - PLN 20 million - lease and rental
- cash as of 30/06/2022
 - PLN 55 million - cash

BEST GROUP



BEST is a long-standing participant in the bond market



Since 2010, BEST CG has issued bonds with a total nominal value of **PLN 1,104 million**, including **PLN 987 million** has already been redeemed

Further potential to increase debt for new investments

Redemptions mainly from proceeds of current operations

Establishment of a public bonds issue programme worth PLN 250 million

BEST GROUP



SUMMARY

HIGH REPAYMENTS OF CLAIMS

HIGH REVENUES
AND PROFITS

GOOD
FINANCIAL EDUCATION

FURTHER IMPROVEMENT
OF EFFECTIVENESS OF
OPERATIONS

LOW DEBT LEVEL,
SIGNIFICANT POTENTIAL FOR
GROWTH IN SCALE OF
OPERATIONS

PUBLIC ISSUE OF BONDS AS
ONE OF THE PREFERRED
SOURCES OF FINANCING

Thank you

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ANNEXES



Annex – cash EBITDA

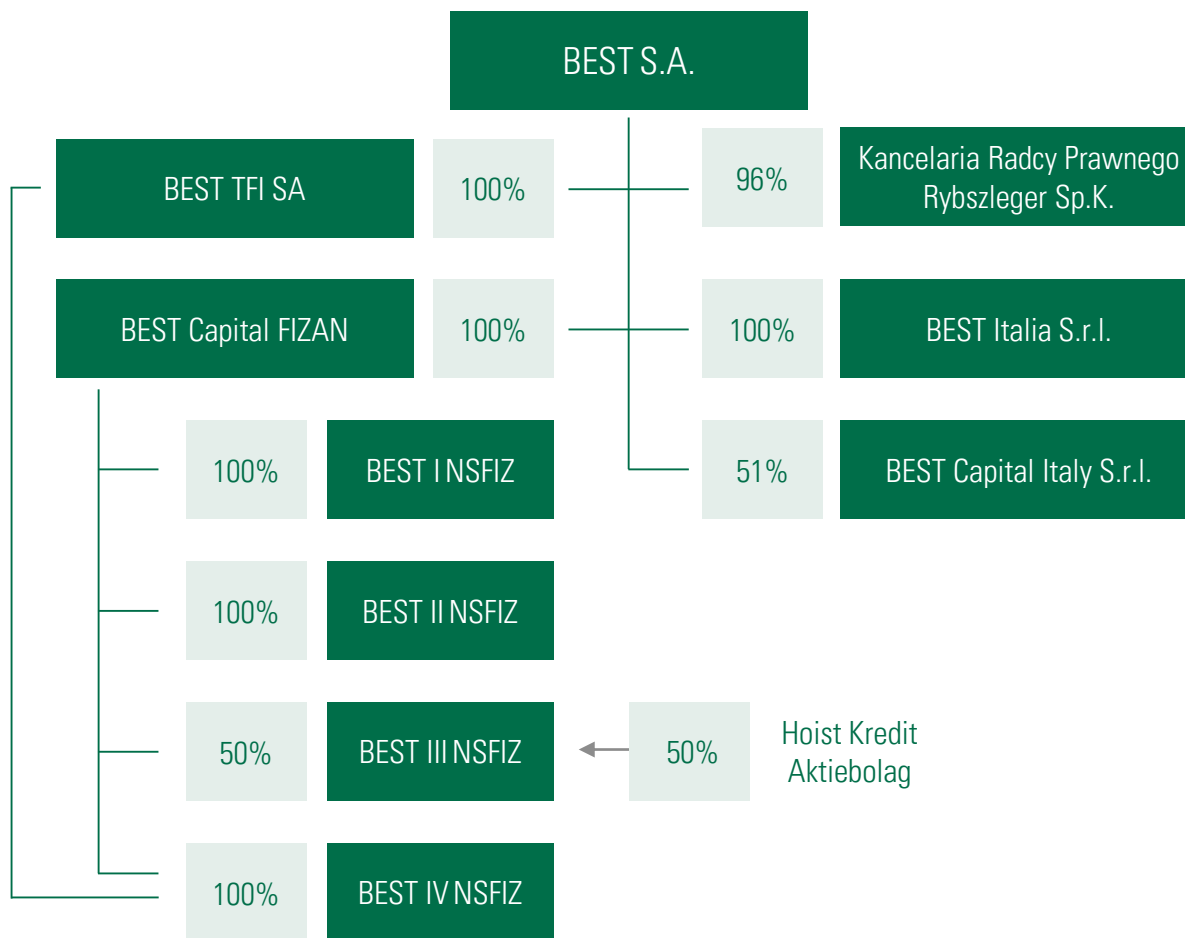
(PLN million)	2Q 2022	2Q 2021	change YOY	H1 2022	H1 2021	change YOY
BEST						
repayment of claims	113.7	111.6	2%	217.7	209.4	9%
other revenues	0.7	0.3	>100%	0.9	0.5	73%
OPEX (excluding amortisation/depreciation)	(51.9)	(49.7)	5%	(99.3)	(92.9)	7%
Cash EBITDA	62.5	62.3	0%	119.4	117.0	2%

* Cash EBITDA = operating profit – revenues from purchased claims + repayments of purchased claims + amortisation/depreciation.

Annex – statement of financial position

(PLN million)	30.06.2022	31.12.2021	31.12.2020
assets, including:	1,290.5	1,173.6	1,134.9
cash and cash equivalents	54.6	47.3	65.6
claims acquired	1,130.7	1,017.1	938.4
investments in associates	-	-	51.4
capital investments	17.3	21.9	-
investment real property	32.3	32.0	23.5
liabilities, including:	1,290.5	1,173.6	1,134.9
financial liabilities	442.6	442.3	504.0
obligations to the co-investor in BEST III	69.2	66.4	75.5
equity	671.9	548.9	505.1
net debt	387.7	395.0	437.5
net debt/equity	0.58	0.72	0.87%

Annex – structure of BEST CG



Shareholding of BEST SA*
(share in the Issuer's share capital
as of 30.06.2022)

