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# BEST GROUP

## PRESENTATION OF THE FINANCIAL RESULTS FOR Q1 2022

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Gdynia, 30 May 2022

## Summary of Q1 2022

### Key events in BEST Capital Group (BEST CG) in Q1 2022

- increase in repayments under claim portfolios
- increase in revenues and profits
- issue of W3 series bonds with a nominal value of PLN 10.5 million,
- Russia's aggression against Ukraine – BEST's involvement in support for Ukraine

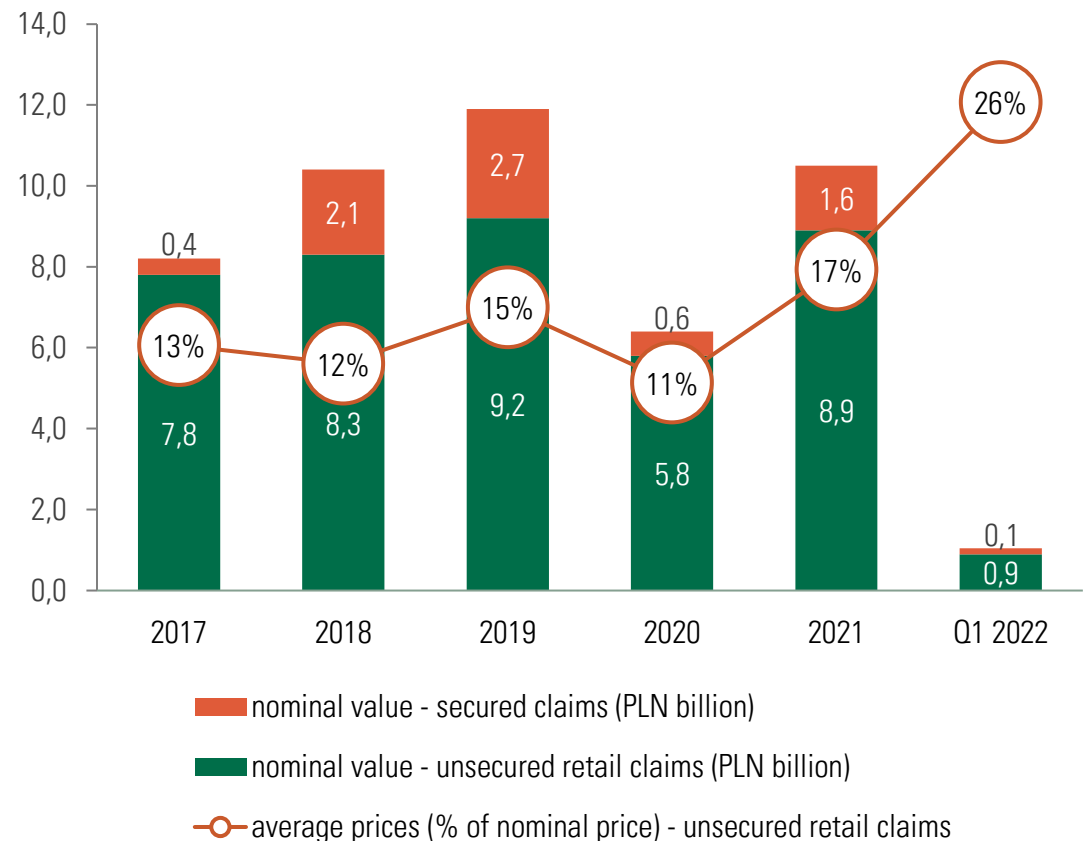
Key financial and operational parameters	Q1 2022	Q1 2021	Movement
▪ repayment of claims from managed portfolios, including:	PLN 104.0 million	PLN 97.8 million	6%
▪ due to BEST Capital Group	PLN 92.1 million	PLN 86.9 million	6%
▪ operating revenues	PLN 82.5 million	PLN 76.7 million	8%
▪ Cash EBITDA	PLN 56,9 million	PLN 54,7 million	4%

## NON-PERFORMING CLAIM MARKET IN POLAND



## Poland – non-performing claim market

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



### Market situation in Q1 2022:

- low supply at the beginning of the year, expected to increase in subsequent quarters
- increased demand on the non-performing claim market
- continued increase in claim portfolio prices

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

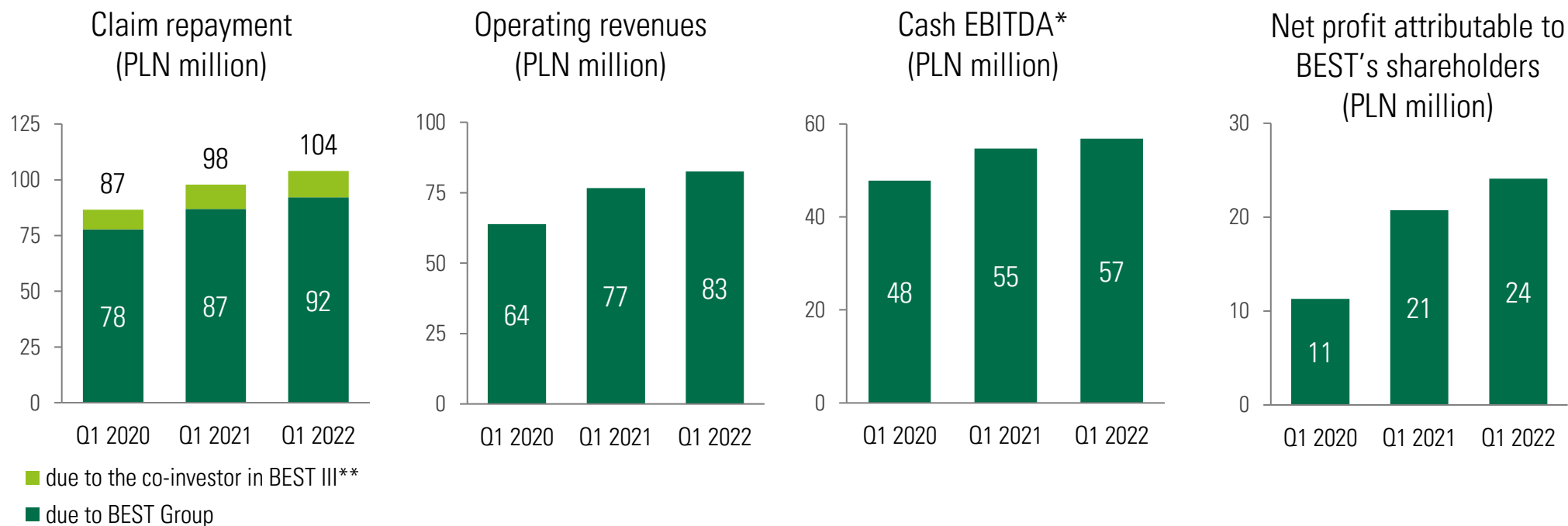
## Poland – non-performing claim market



# PRESENTATION OF THE FINANCIAL RESULTS FOR Q1 2022



## Increase in claim repayment and financial performance



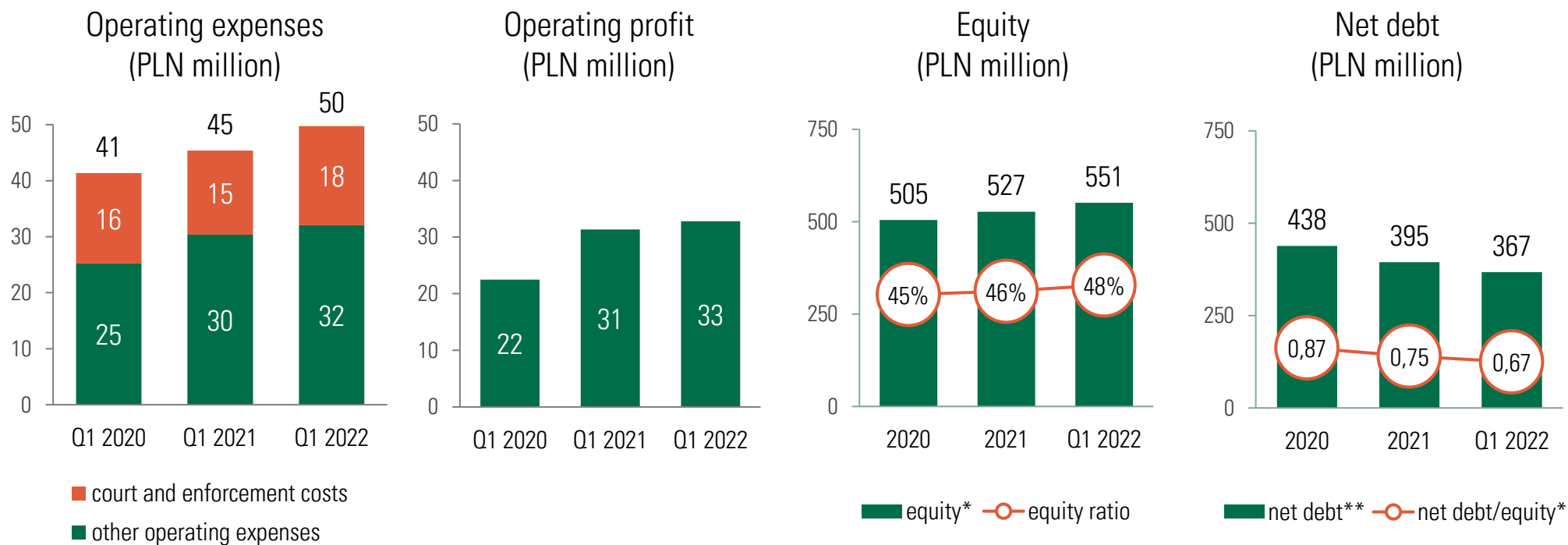
**6%**  
 Increase in repayment of claims due to Best CG (YOY)

**8%**  
 operating revenue increase (YOY)

**4%**  
 Increase in cash EBITDA (YOY)

**16%**  
 increase of net profit attributable to BEST Shareholders (YOY)

## Strong balance sheet structure, low debt



**18%**  
increase in costs  
court and enforcement costs  
(YOY)

**40%**  
operating  
margin  
(Q1 2022)

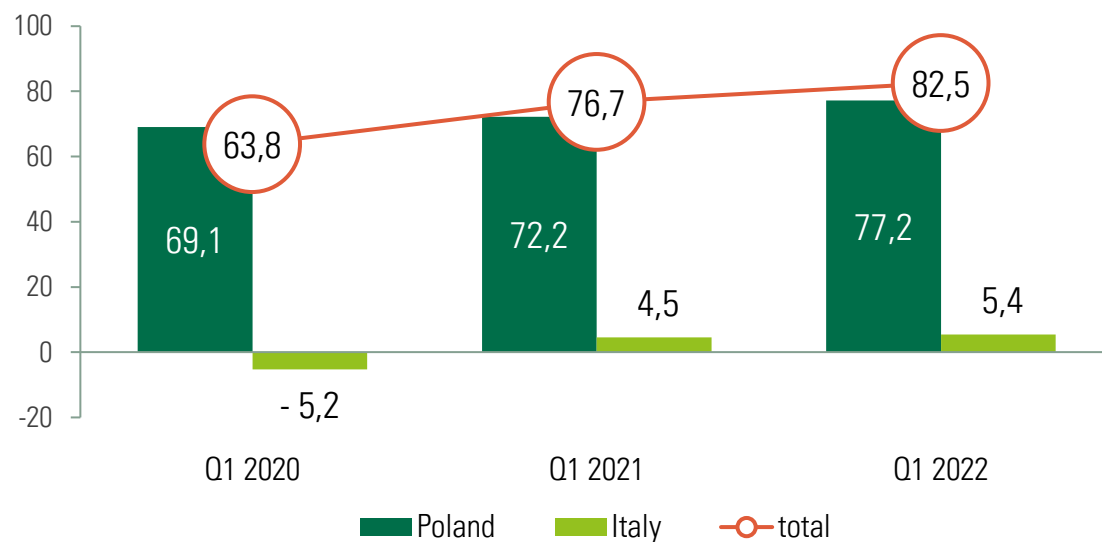
**5%**  
increase in  
equity  
(q/q)

**0.67**  
low net debt to equity ratio  
(31.03.2022)



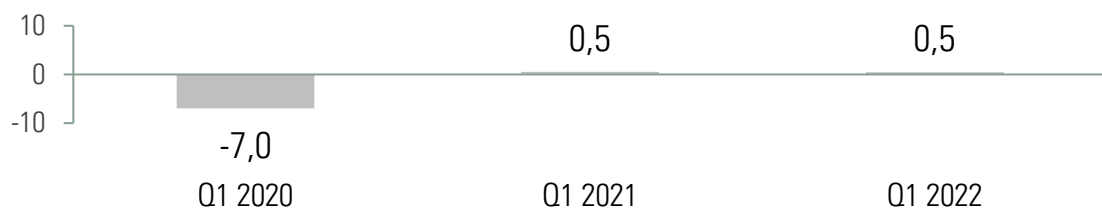
## Revenue growth due to continued high debt repayments

operating revenues by market (PLN million)



- increase in revenue in Q1 2022 by 8% YOY, mainly due to debt repayments higher than expected
- 7% share in revenues from the Italian market

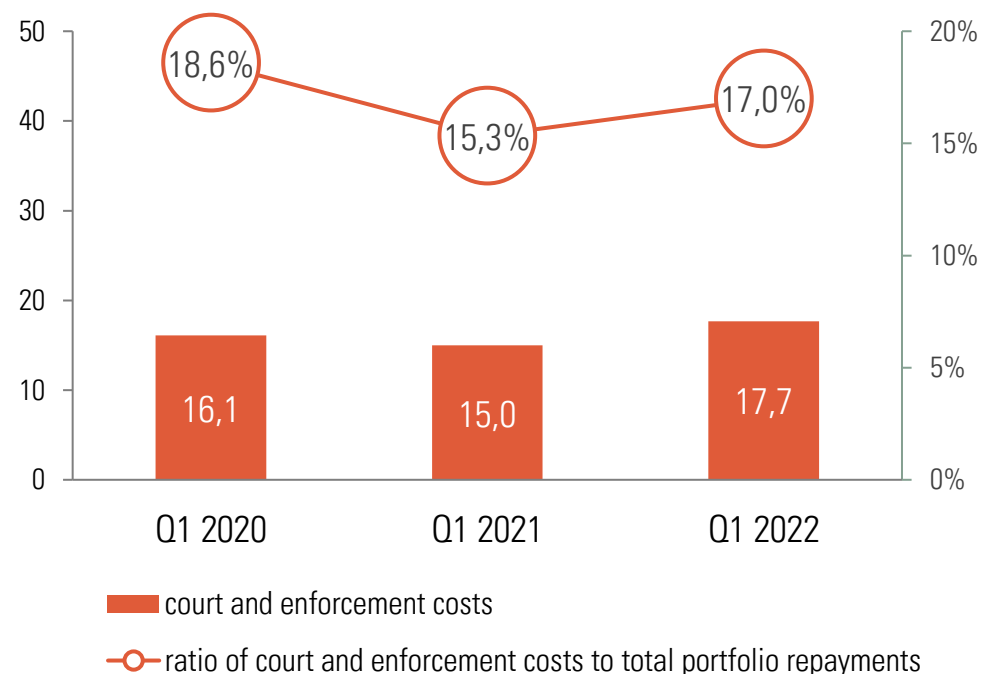
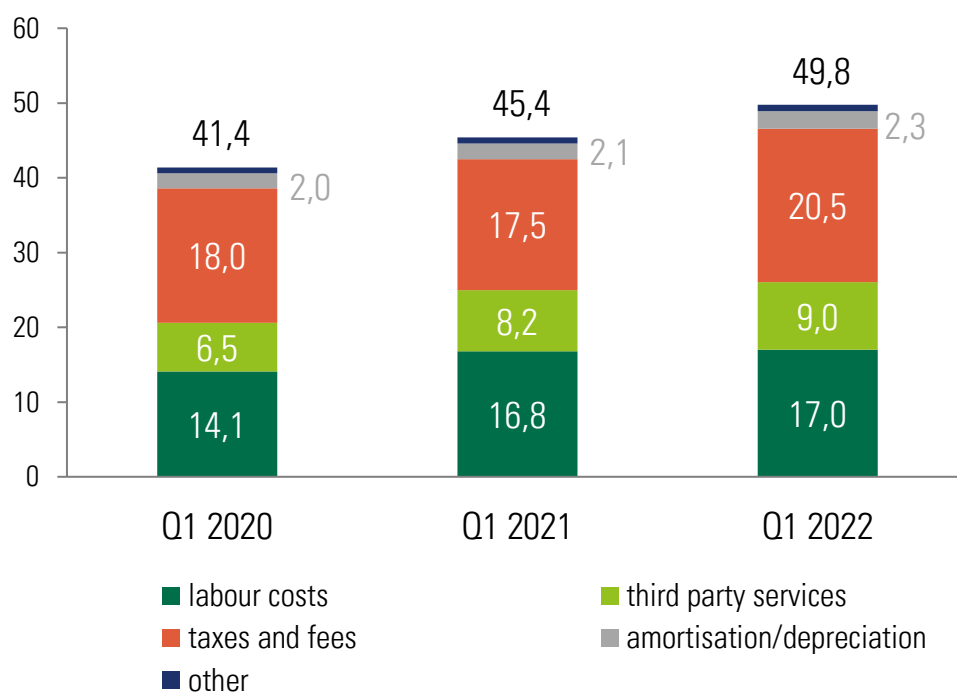
portfolio revaluation result;  
effect on operating revenues (PLN million)



- neutral balance of portfolio revaluations in Q1 2022

## Increase in court and enforcement costs

operating expenses (PLN million)



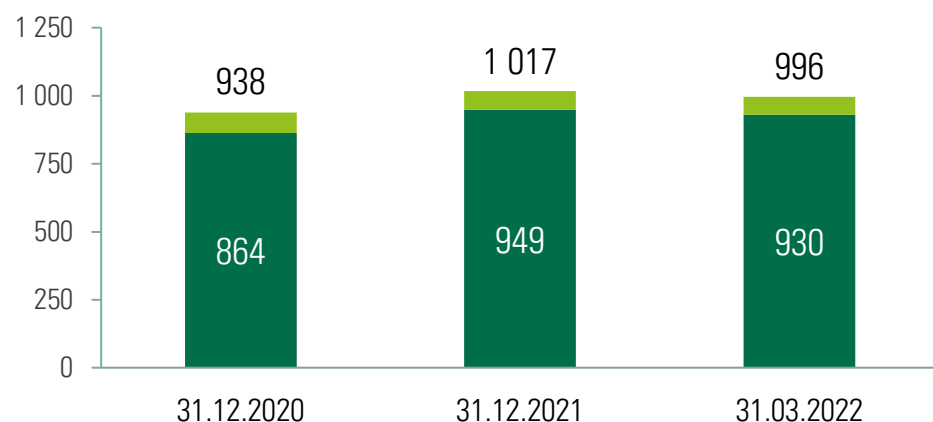
- court and enforcement costs (included under taxes and fees in the left chart) increased by 18% YOY in Q1 2021
- increase in legal and enforcement costs determined the 10% year-on-year increase in total operating costs

## Financial results

(PLN million)	Q1 2022	Q1 2021	change YOY	2021	2020	change YOY
<b>operating revenues, including:</b>	<b>82.5</b>	<b>76.7</b>	<b>8%</b>	<b>339.1</b>	<b>295.1</b>	<b>15%</b>
revenue from claims acquired	82.2	76.5	7%	321.1	290.3	11%
<i>interest calculated using the effective interest rate method</i>	<i>62.9</i>	<i>60.5</i>	<i>4%</i>	<i>235.3</i>	<i>247.6</i>	<i>-5%</i>
<i>deviations from actual payments</i>	<i>18.9</i>	<i>15.5</i>	<i>22%</i>	<i>69.4</i>	<i>40.3</i>	<i>72%</i>
<i>revaluation result</i>	<i>0.5</i>	<i>0.5</i>	<i>(11%)</i>	<i>16.3</i>	<i>2.5</i>	<i>&gt;100%</i>
share in the profit/(loss) of Kredyt Inkaso	-	-	-	8.6	0.4	>100%
<b>operating expenses, including:</b>	<b>49.8</b>	<b>45.4</b>	<b>10%</b>	<b>262.3</b>	<b>207.8</b>	<b>26%</b>
court and enforcement costs	17.7	15.0	18%	72.4	54.4	33%
write-down on investment in Kredyt Inkaso	-	-	-	64.2	45.5	41%
<b>operating profit</b>	<b>32.8</b>	<b>31.3</b>	<b>5%</b>	<b>76.7</b>	<b>87.3</b>	<b>(12%)</b>
net financial expenses, including:	9.5	9.9	(4%)	43.9	44.9	(2%)
interest on financial liabilities	6.3	4.7	33%	17.5	27.5	(36%)
valuation of obligations to the co-investor in BEST III	2.8	4.7	(39%)	22.6	20.0	13%
<b>net profit, including:</b>	<b>24.3</b>	<b>20.8</b>	<b>17%</b>	<b>28.0</b>	<b>34.8</b>	<b>(19%)</b>
attributable to BEST's shareholders	24.1	20.7	16%	27.4	34.3	(20%)

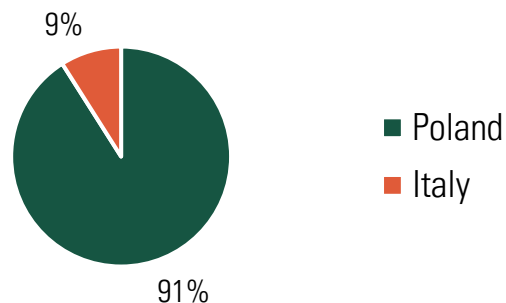
## Claim portfolios are the biggest item of assets

carrying value of portfolios  
(PLN million)

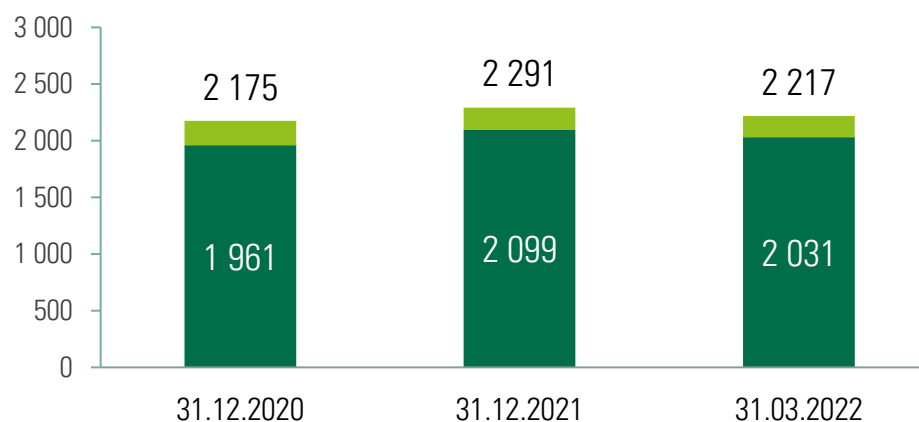


■ due to BEST Capital Group  
■ due to the co-investor in BEST III\*

geographic structure of claims managed  
(31.03.2022)

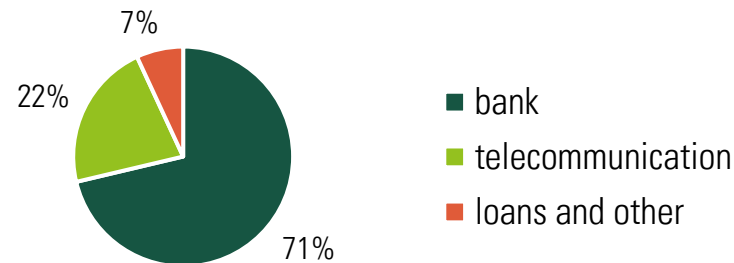


Nominal estimated remaining repayments (ERC) (PLN million)

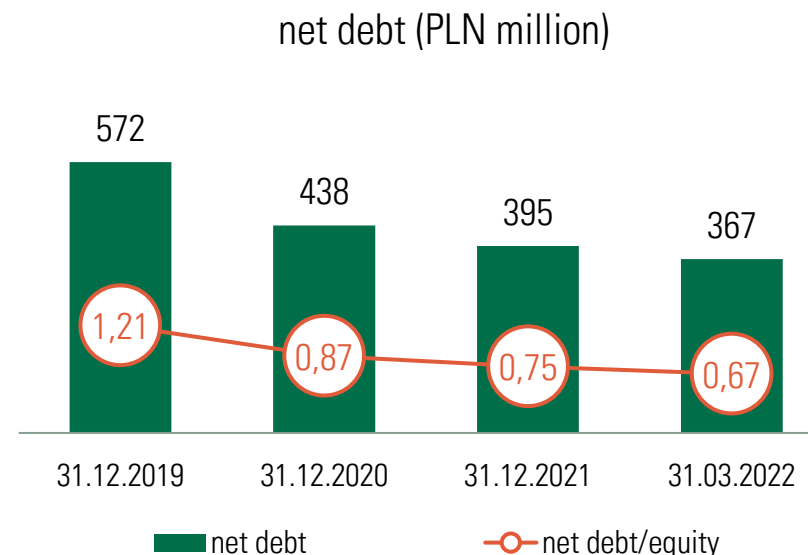
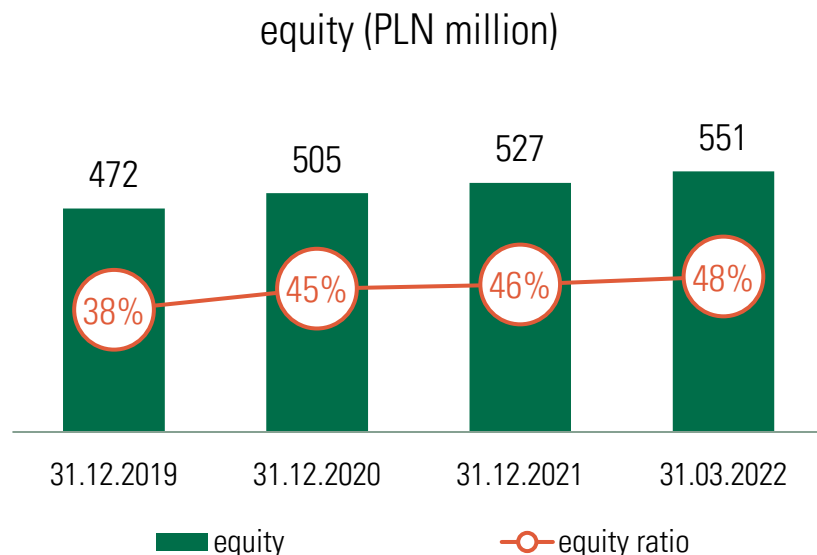


■ due to BEST Capital Group  
■ due to the co-investor in BEST III\*

structure of claims managed by segments  
(31.03.2022)



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



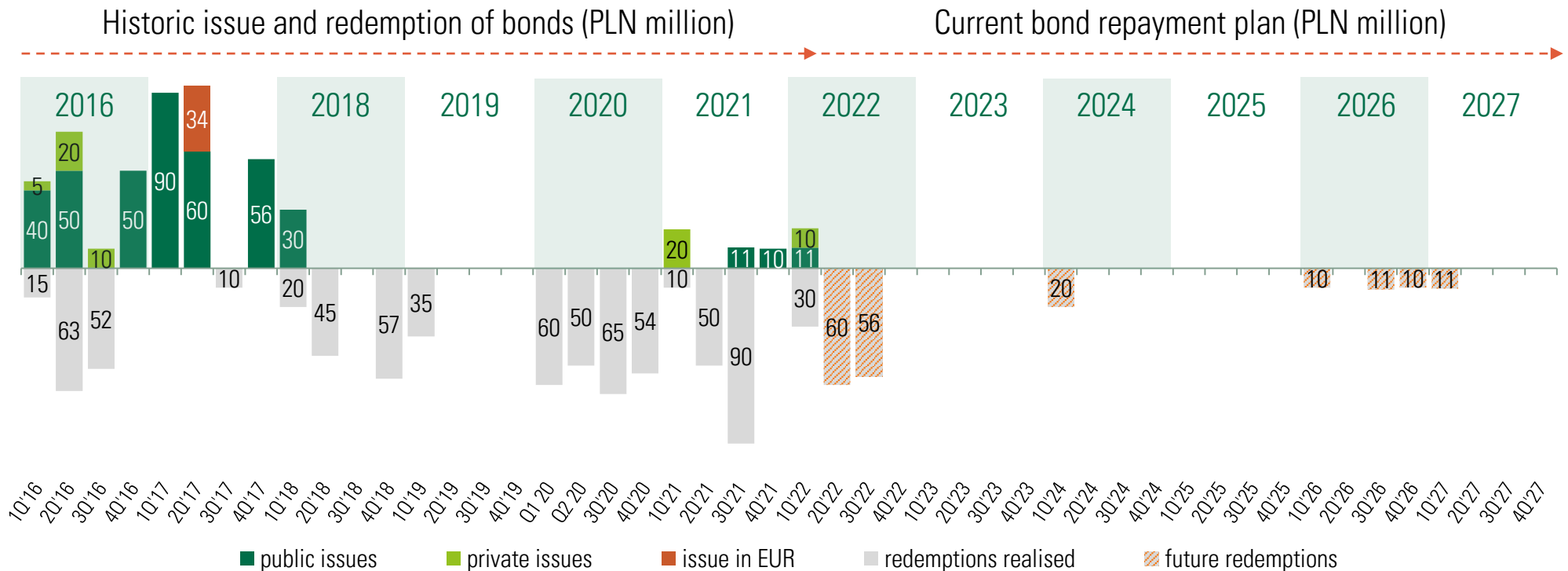
- systematic growth of equity
- further decrease in the main debt ratio (net debt/equity); the allowed maximum level of this ratio specified in the terms of bond issue is 2.50

- financial liabilities of BEST CG as of 31.03.2022:
  - PLN 176 million - bonds
  - PLN 205 million - bank loans
  - PLN 20 million - borrowings from the management board
  - PLN 20 million - lease and rental
- cash as of 31.03.2022
  - PLN 59 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**, out of which **PLN 927 million** has been already 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

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# BEST GROUP



## SUMMARY

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HIGH CLAIM REPAYMENTS

GROWING REVENUES  
AND PROFITS

GOOD  
FINANCIAL EDUCATION

FURTHER IMPROVEMENT  
OF EFFECTIVENESS OF  
OPERATIONS

SELECTIVE PORTFOLIO  
INVESTMENT PLANS

ANOTHER PROSPECTUS IN  
PREPARATION

# Thank you

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# ANNEXES



## Annex – cash EBITDA

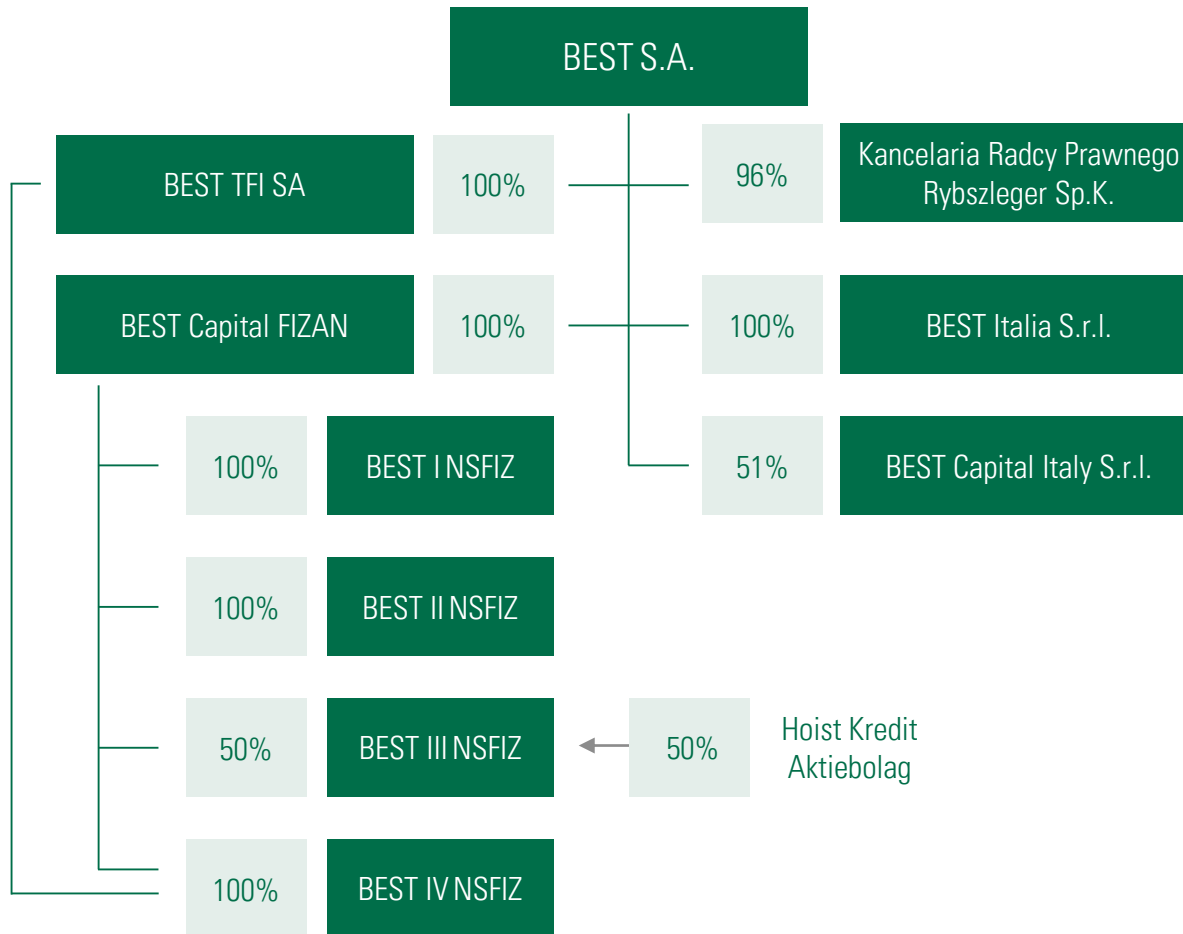
(PLN million)	Q1 2022	Q1 2021	change YOY	2021	2020	change YOY
<b>BEST</b>						
repayment of claims	104.0	97.8	6%	398.6	365.3	9%
other revenues	0.3	0.2	29%	18.0	4.8	275%
OPEX (excluding amortisation/depreciation)	(47.4)	43.3	9%	(253.7)	(199.7)	27%
Cash EBITDA (including Kredyt Inkaso)	56.9	54.7	4%	162.9	170.4	(4%)
change in the value of investment in Kredyt Inkaso	-	-	-	(55.6)	(45.1)	23%
Cash EBITDA*	56.9	54.7	4%	218.5	215.5	1%

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

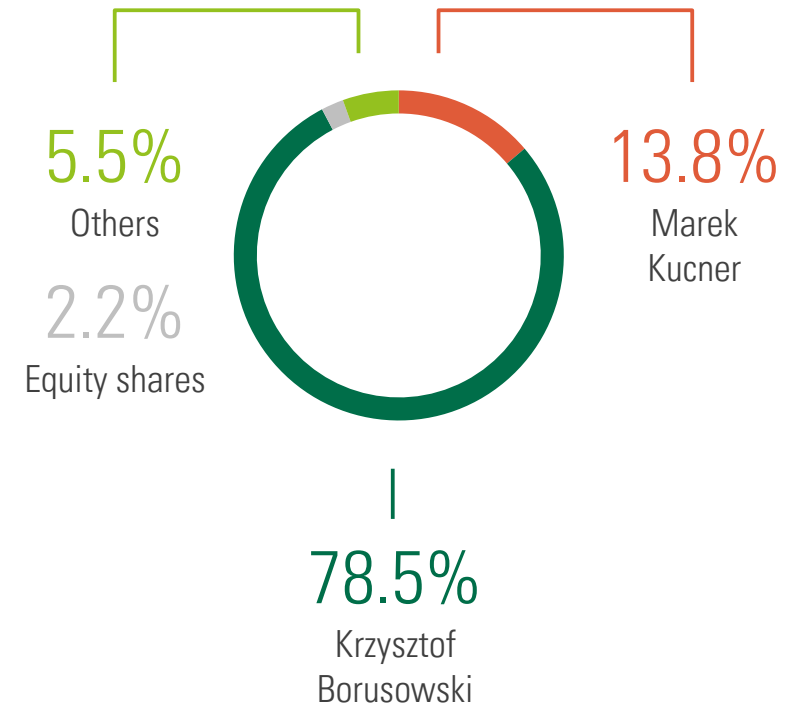
## Annex – statement of financial position

(PLN million)	31.03.2022	31.12.2021	31.12.2020
<b>assets, including:</b>	<b>1,143.9</b>	<b>1,151.6</b>	<b>1,134.9</b>
cash and cash equivalents	59.4	47.3	65.6
claims acquired	996.4	1,017.1	938.4
investments in associates	-	-	51.4
investment real property	32.0	32.0	23.5
<b>liabilities, including:</b>	<b>1,143.9</b>	<b>1,151.6</b>	<b>1,134.9</b>
financial liabilities	426.8	442.3	504.0
obligations to the co-investor in BEST III	60.9	66.4	75.5
equity	551.2	527.1	505.1
<b>net debt</b>	<b>367.4</b>	<b>395.0</b>	<b>437.5</b>
<b>net debt/equity</b>	<b>0.67</b>	<b>0.75</b>	<b>0.87%</b>

## Annex – structure of BEST CG



Shareholding of BEST SA\*  
(share in the Issuer's share capital  
as of 31.03.2022)



\* The chart shows the shareholding structure prior to the Company's buyback of 357,000 own shares, settled on 28 April 2022