

BEST GROUP

PRESENTATION OF FINANCIAL
RESULTS FOR Q1 2024

Gdynia, 04/06/2024



BEST GROUP IN Q1 2024 KEY INFORMATION

SUMMARY



Key events in BEST Capital Group (BEST CG) in Q1 2024

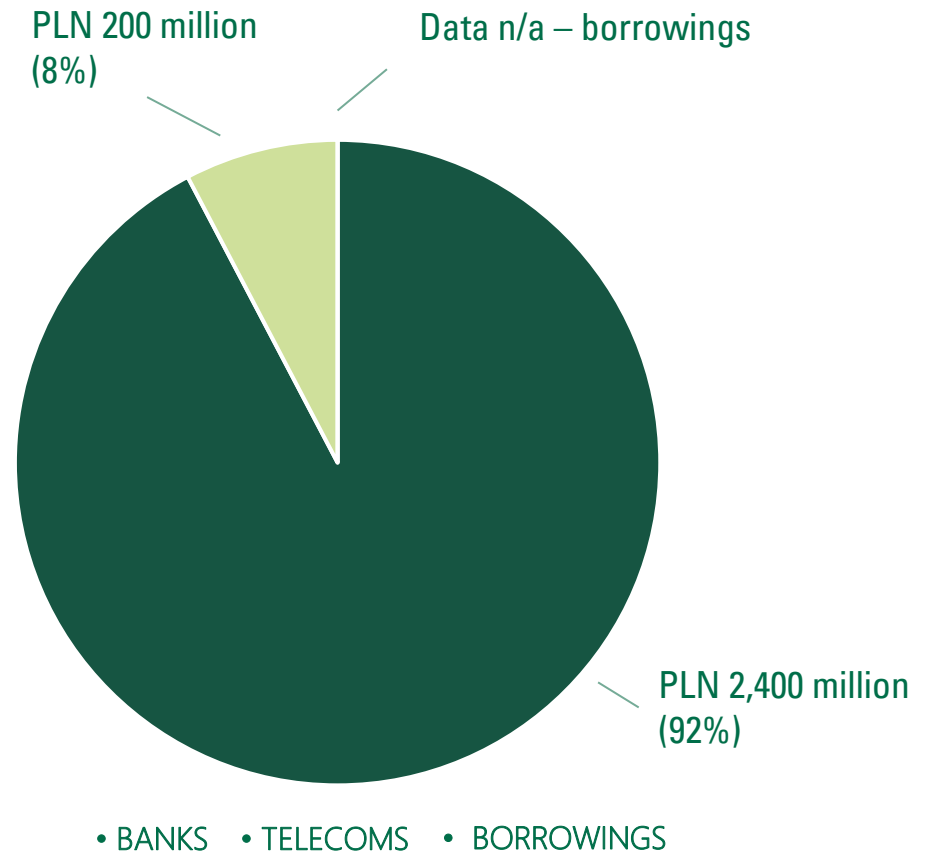
- Increasing claim repayments
- Dynamic cash EBITDA growth – higher recoveries with stable operating expenses
- Over 50 million worth of investments in claim portfolios (of which over 40 million in Italy)
- Expansion of cooperation with banks
- Bond issue of PLN 70 million to date (institutional investors)
- Preparation for a bond issue prospectus

Key financial and operating figures	Q1 2024	Q1 2023	Change
▪ repayment of claims from managed portfolios, including:	PLN 112.0 million	PLN 101.1 million	11%
▪ due to BEST Capital Group	PLN 112.0 million	PLN 90.9 million	23%
▪ operating expenses	PLN 54.7 million	PLN 56.0 million	(2%)
▪ Cash EBITDA	PLN 60.7 million	PLN 47.7 million	27%

NON-PERFORMING DEBT MARKET IN POLAND

Market situation in Q1 2024:

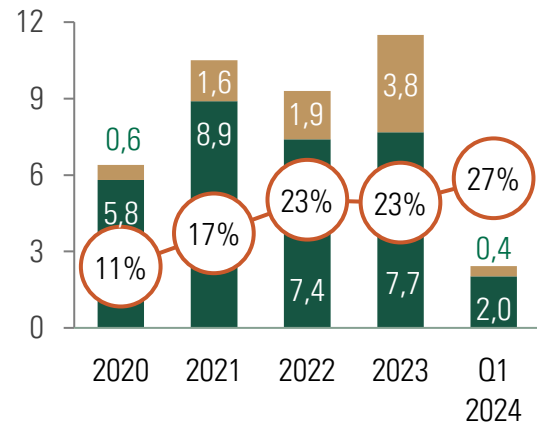
- demand still strong despite high borrowing costs
- claim portfolio prices stabilised at a relatively high level
- portfolios sold still of a good quality



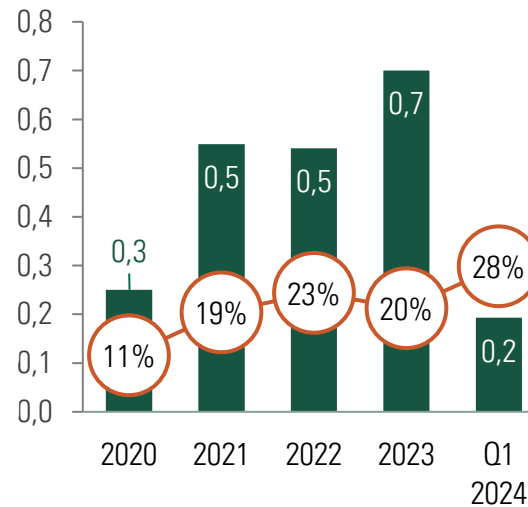
POLAND – NON-PERFORMING DEBT MARKET

BANKS (in billions)

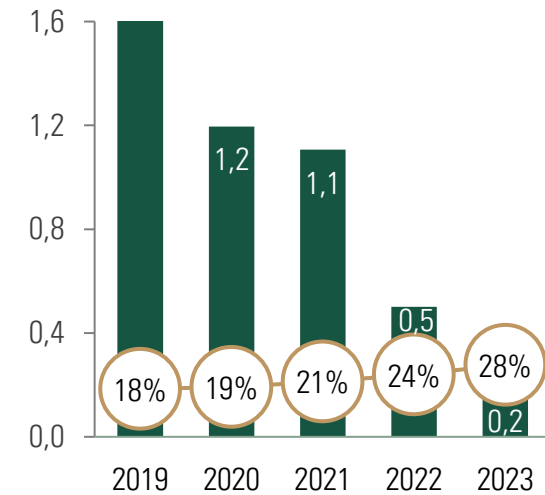
(retail and mortgage-backed portfolios,
primary market)



TELECOMS (in billions)



BORROWINGS (in billions)

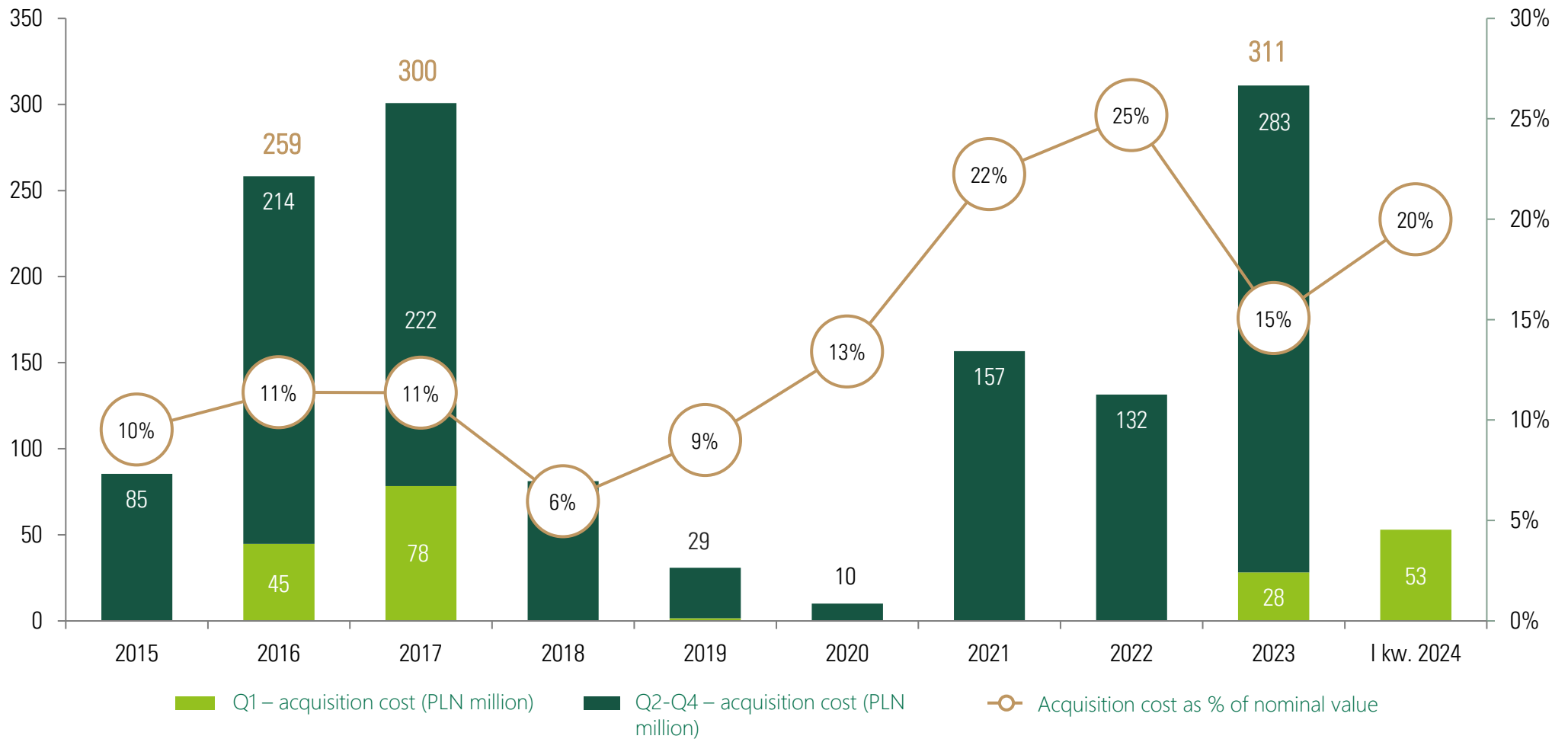


Q1 data n/a

Nominal value – secured claims (PLN billion)
 Nominal value – unsecured claims (PLN billion)

Average prices (% of nominal price)

INVESTMENTS IN CLAIM PORTFOLIOS



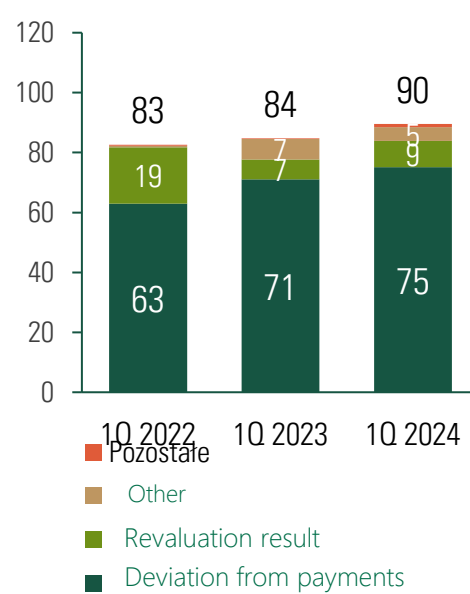
OPERATING AND FINANCIAL RESULTS OF BEST CG

Q1 2024 AT A GLANCE

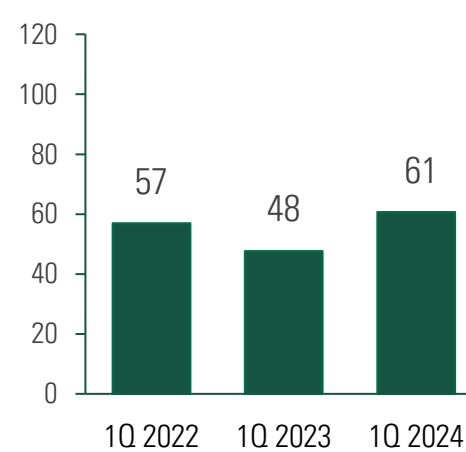
Claim repayments
(PLN million)



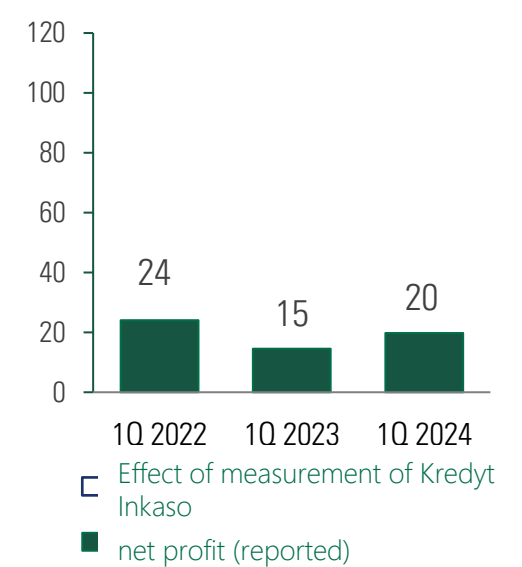
Operating revenues
(PLN million)



Cash EBITDA
(PLN million)



Net profit attributable to
BEST shareholders
(PLN million)



Rising repayments due to, among other things, increased scale of operations

1

Stable revenue growth

2

27% increase in cash EBITDA (year-on-year)

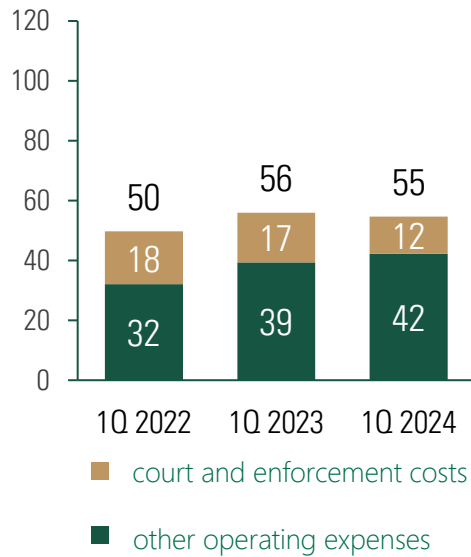
3

High cost of money affecting net result

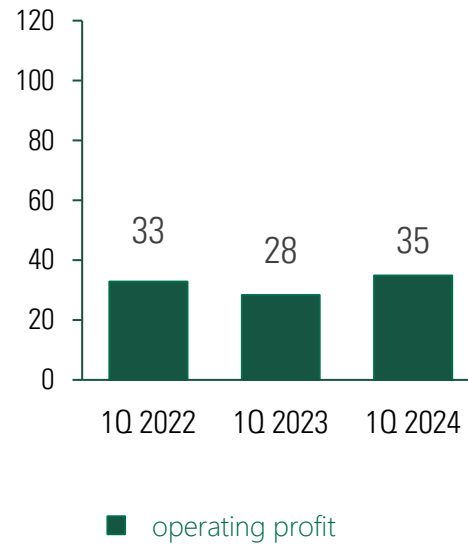
4

OPERATING EFFICIENCY

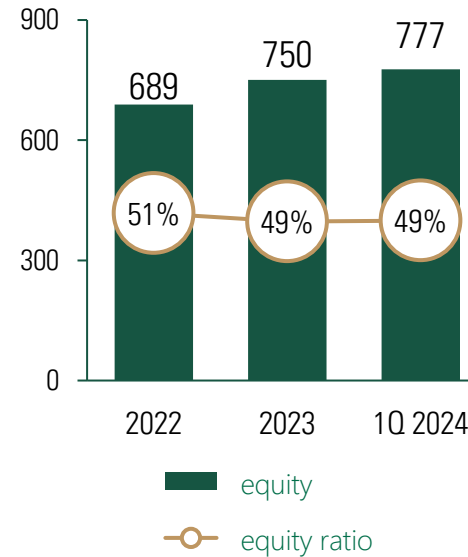
Operating expenses
(PLN million)



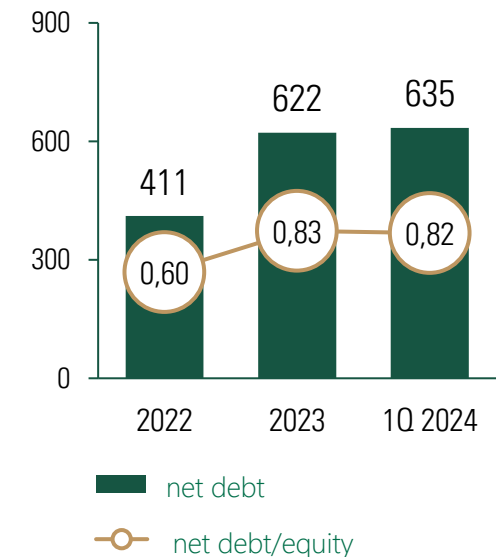
Operating profit
(PLN million)



Equity
(PLN million)



Net debt
(PLN million)



Stabilised operating expenses

1

39% operating margin (2023)

2

Steady increase in equity

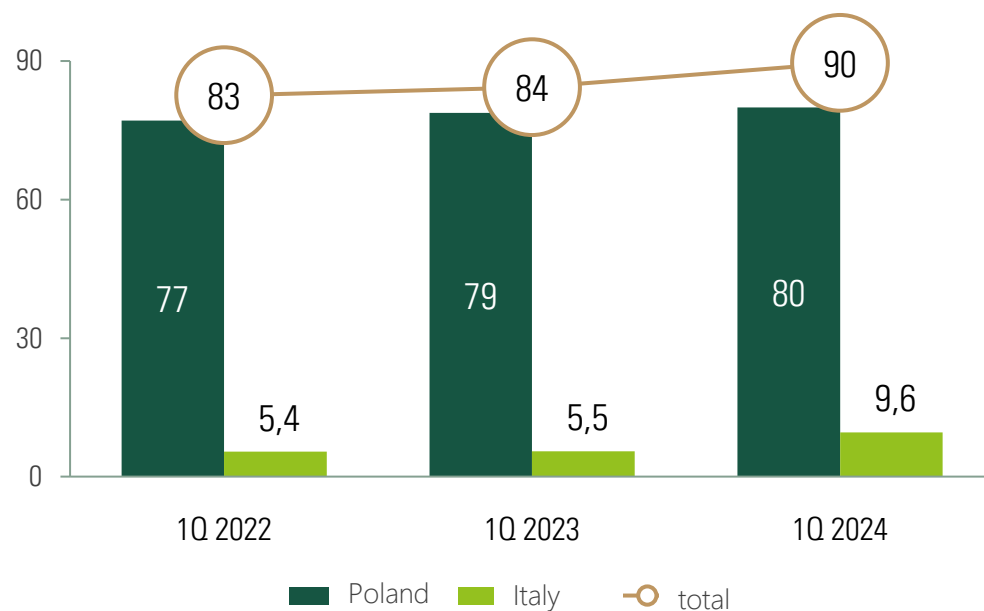
3

Stable net debt

4

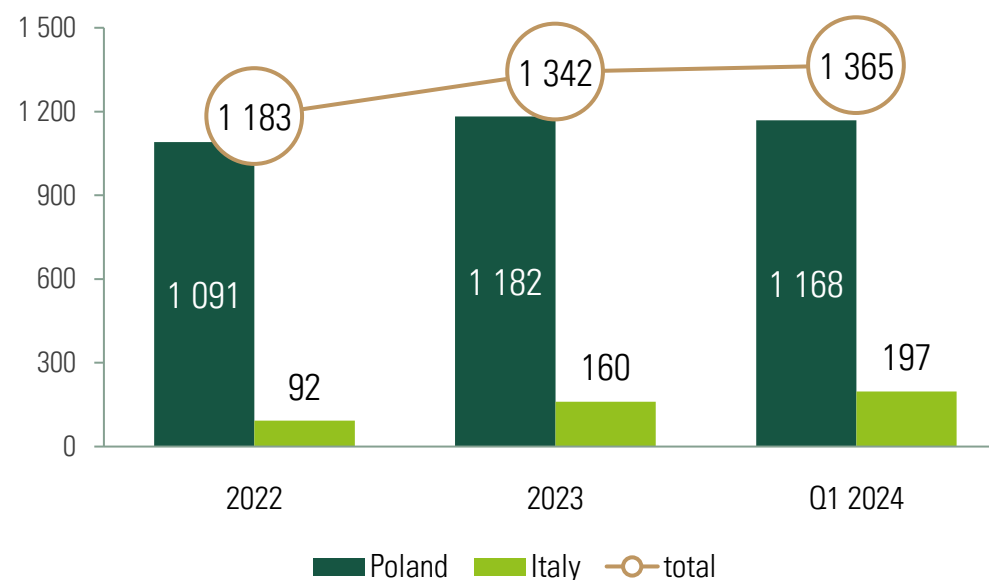
TWO MARKETS – POLAND AND ITALY

Operating revenues by market (PLN million)



- Stable recurring revenues from the Polish market
- Dynamic revenue growth on the Italian market

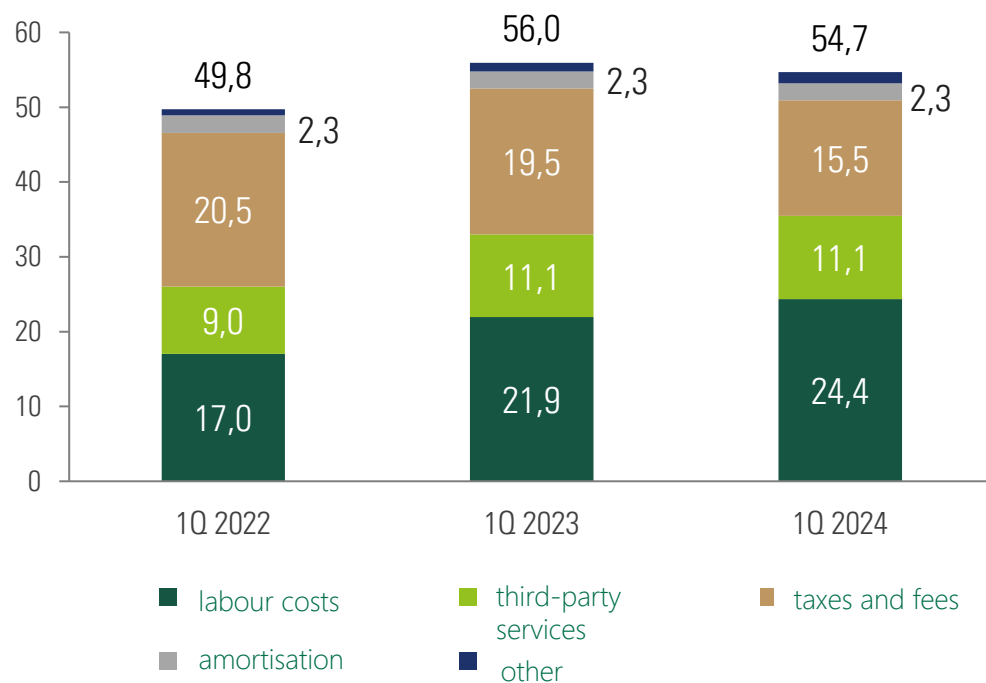
Value of portfolios by market (PLN million)



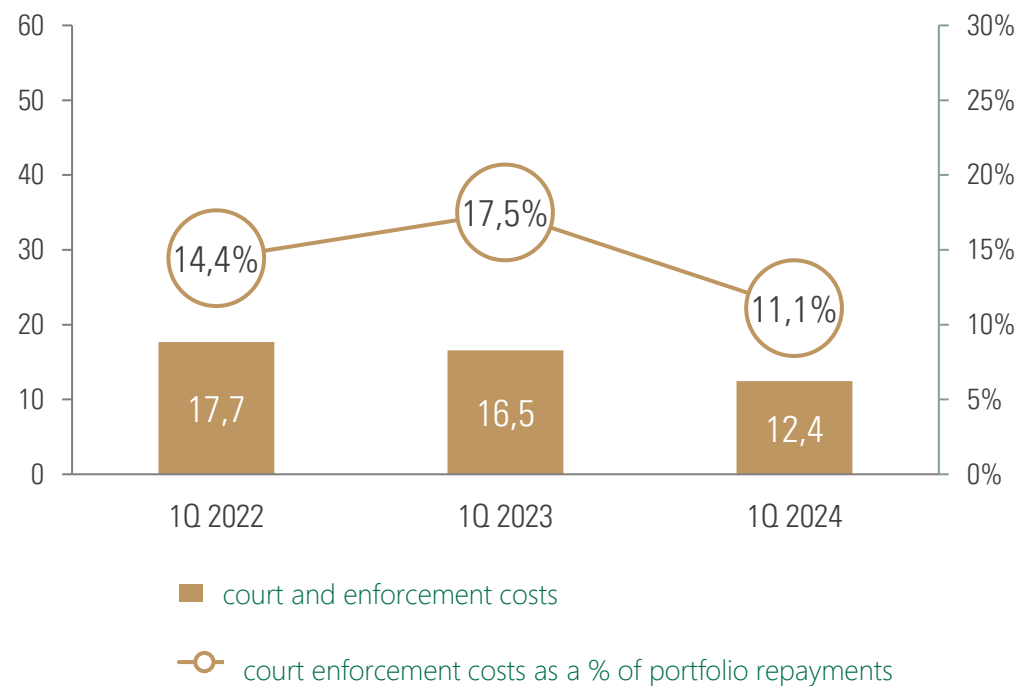
- Slight decrease in value of the Polish portfolio
- 23% increase in value of Italian claims

OPERATING EXPENSES

Segmentation of operating expenses (PLN million)



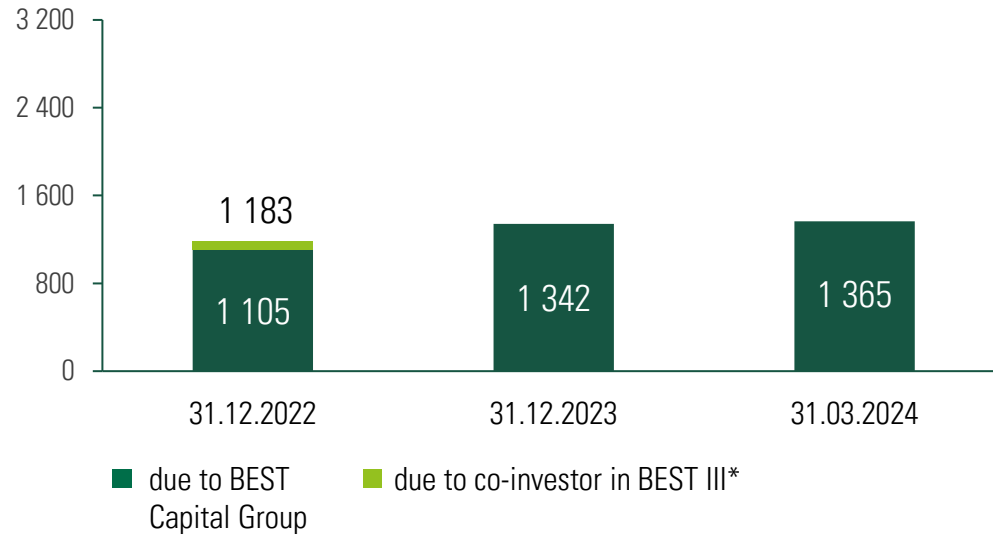
Court and enforcement costs (PLN million)



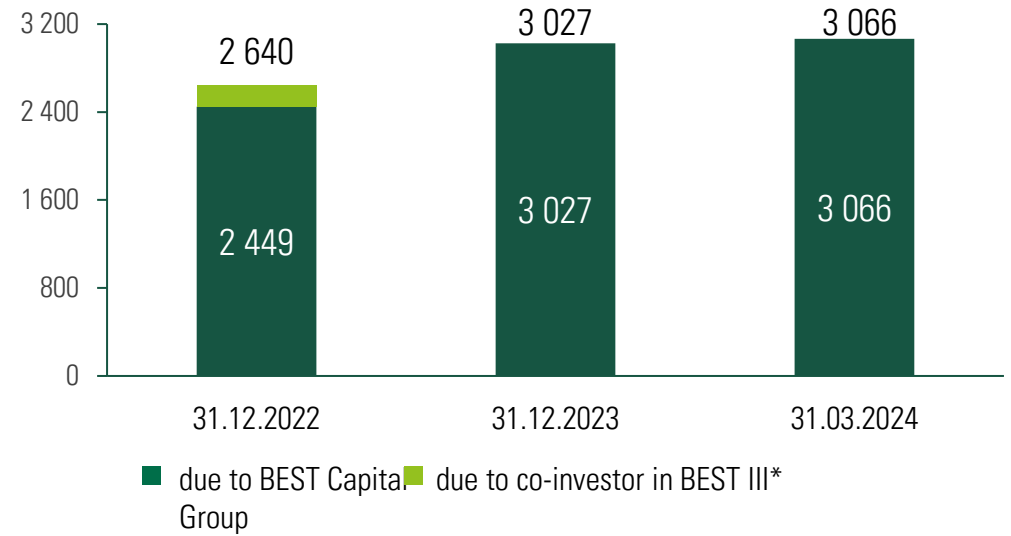
- Court and enforcement costs down by 25% (year-on-year)
- Lower dynamics of personnel cost growth

ASSET STRUCTURE

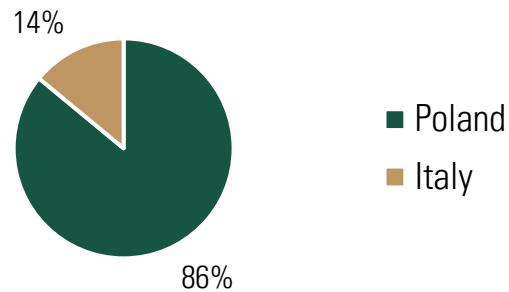
Carrying value of portfolios (PLN million)



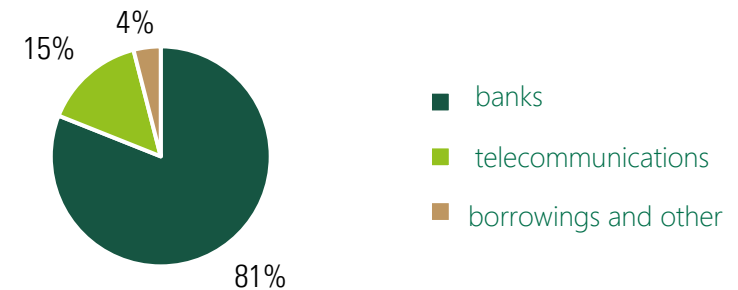
Nominal estimated remaining collections (ERC) (PLN million)



Geographic structure of claims managed (31/03/2024)



Structure of claims managed by segment (31/03/2024)

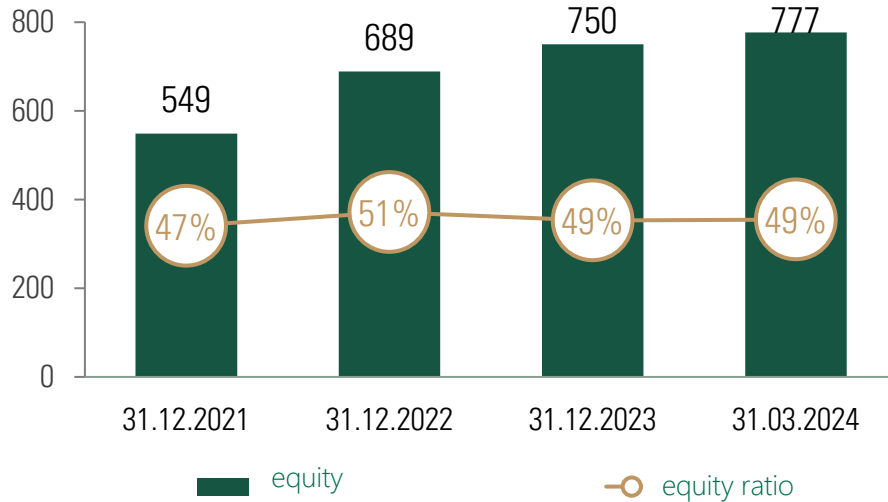


Claims are measured using the amortised cost method (also referred to as the adjusted price of acquisition method). Following initial recognition, the acquisition price of a portfolio is increased by the amount of interest accrued and decreased by the amount of repayments made.

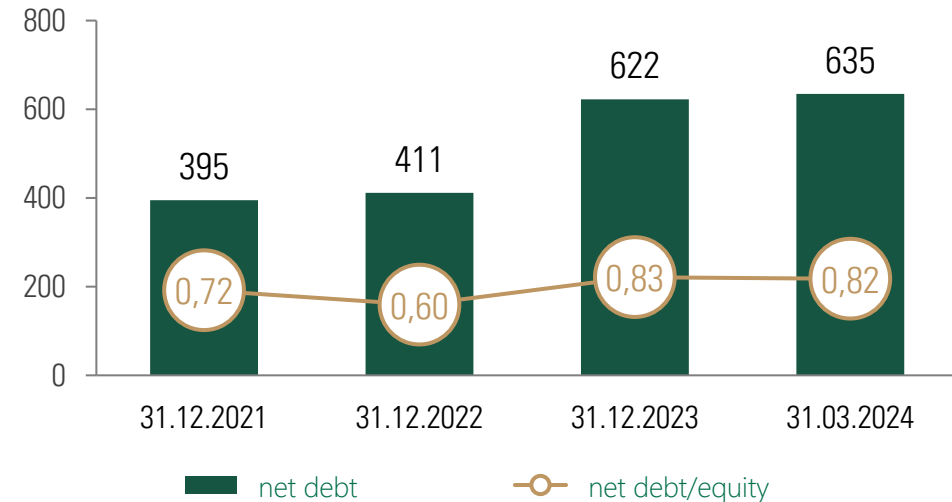
*BEST CG's shareholding in BEST III NSFIZ is 50% according to the structure on slide 22

GROUP'S EQUITY AND LIABILITIES

Equity (PLN million)



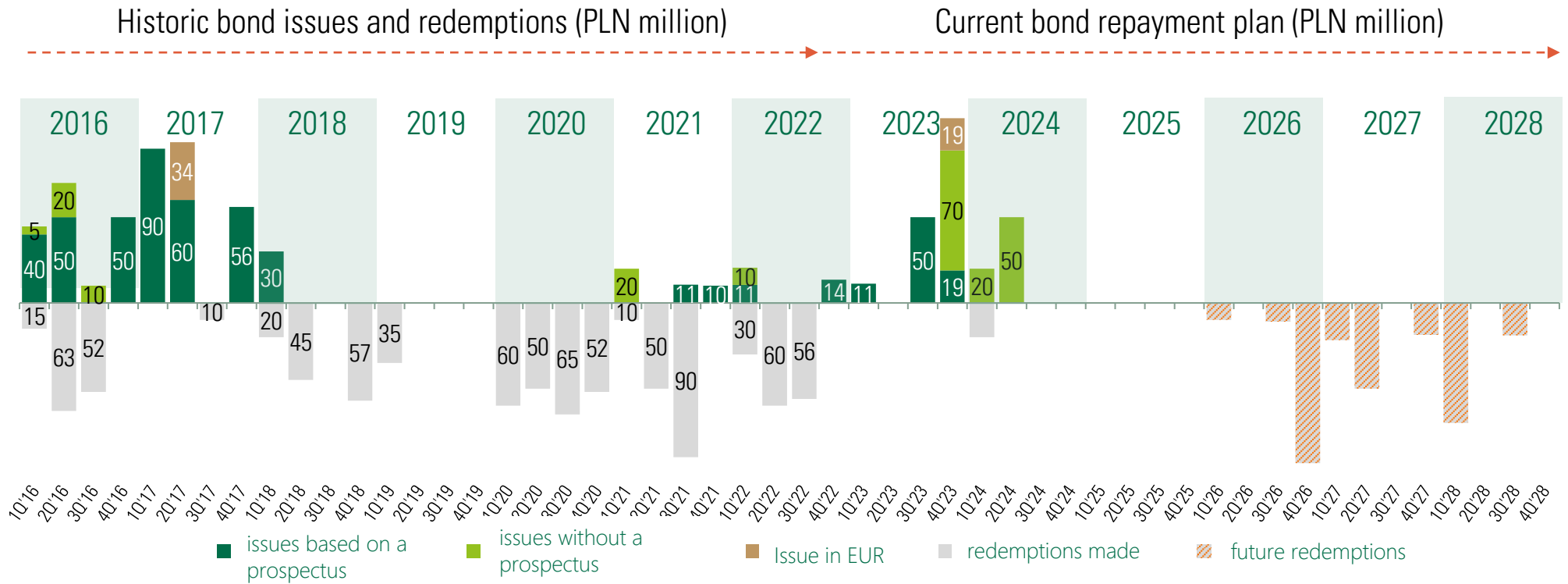
Net debt (PLN million)



- Continued increase in equity
- Stable net debt/equity and equity ratios

- BEST CG's financial liabilities as of 31/03/2024:
 - PLN 241 million - bonds
 - PLN 423 million - bank loans
 - PLN 20 million - borrowings from the management board
 - PLN 21 million - leases and rentals
- Cash as of 31/03/2024:
 - PLN 72 million - cash

BEST GROUP ON THE BOND MARKET



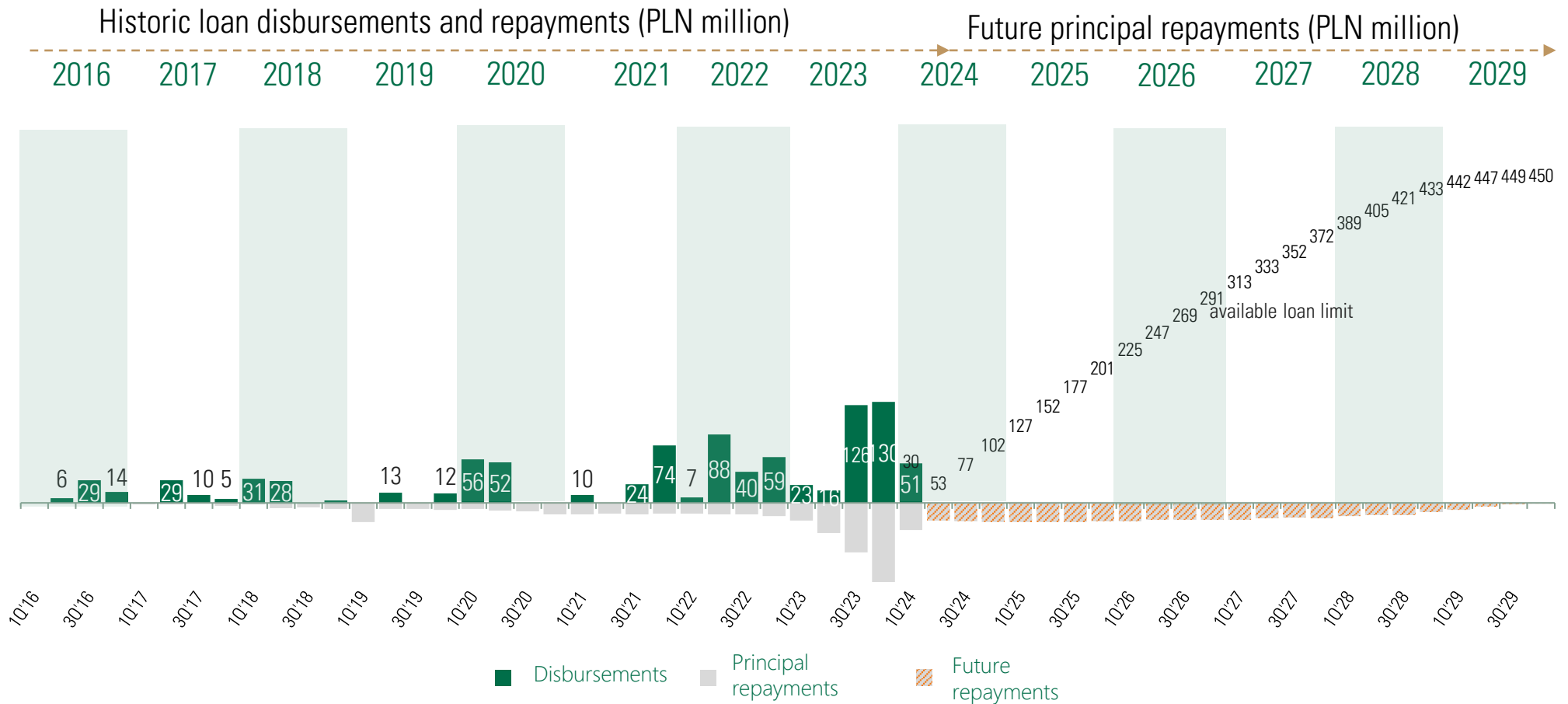
Since 2010, BEST CG has issued bonds with a total nominal value of **PLN 1,356 million**, of which **PLN 1,063 million** has been redeemed

Return to the institutional investor market

Open programme of bond issues without a prospectus of up to PLN 300 million

Work underway on the next prospectus

BEST GROUP – LOAN FINANCING



Since 2016, BEST CG has incurred loan liabilities with a total nominal value of **PLN 936 million**, of which **PLN 516 million** has been repaid

BEST GROUP – GROWTH DIRECTIONS

INVESTMENTS IN PORTFOLIOS

1

- Investment level as in 2023
- Growing share of the Italian market
- Increased efficiency

DIGITAL TRANSFORMATION

2

- Flexible architecture
- Process automation
- Data security and quality

GROWTH ON THE ITALIAN MARKET

3

- People
- Processes
- Technology

BEST GROUP IN Q1 2024 – SUMMARY

GROWING RECOVERIES
AND CASH EBITDA (Q1 2024)

1

STABILISED OPERATING
EXPENSES

2

CONSISTENT WORK ON
GROWING THE BUSINESS

3

STRONG FINANCIAL
FOUNDATIONS

4

DIVERSIFIED SOURCES OF
EXTERNAL FINANCING

5

ONGOING DIGITAL
TRANSFORMATION

6

30
LAT

BEST

SPÓŁKA AKCYJNA

THANK YOU

BEST S.A.
ul. Łużycka 8A,
81-537 Gdynia

www.best.com.pl

ATTACHMENTS

CASH EBITDA



(PLN million)	Q1 2024	Q1 2023	change YOY	2023	2022	change YOY
BEST						
repayment of claims	112.0	101.1	11%	414.3	419.6	(1%)
other revenues	1.1	0.3	>100%	15.8	1.2	>100%
OPEX (excluding amortisation/depreciation)	(52.4)	(53.7)	(5%)	(209.9)	(220.4)	(5%)
Cash EBITDA*	60.7	47.7	27%	220.2	200.3	10%

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

STATEMENT OF FINANCIAL POSITION

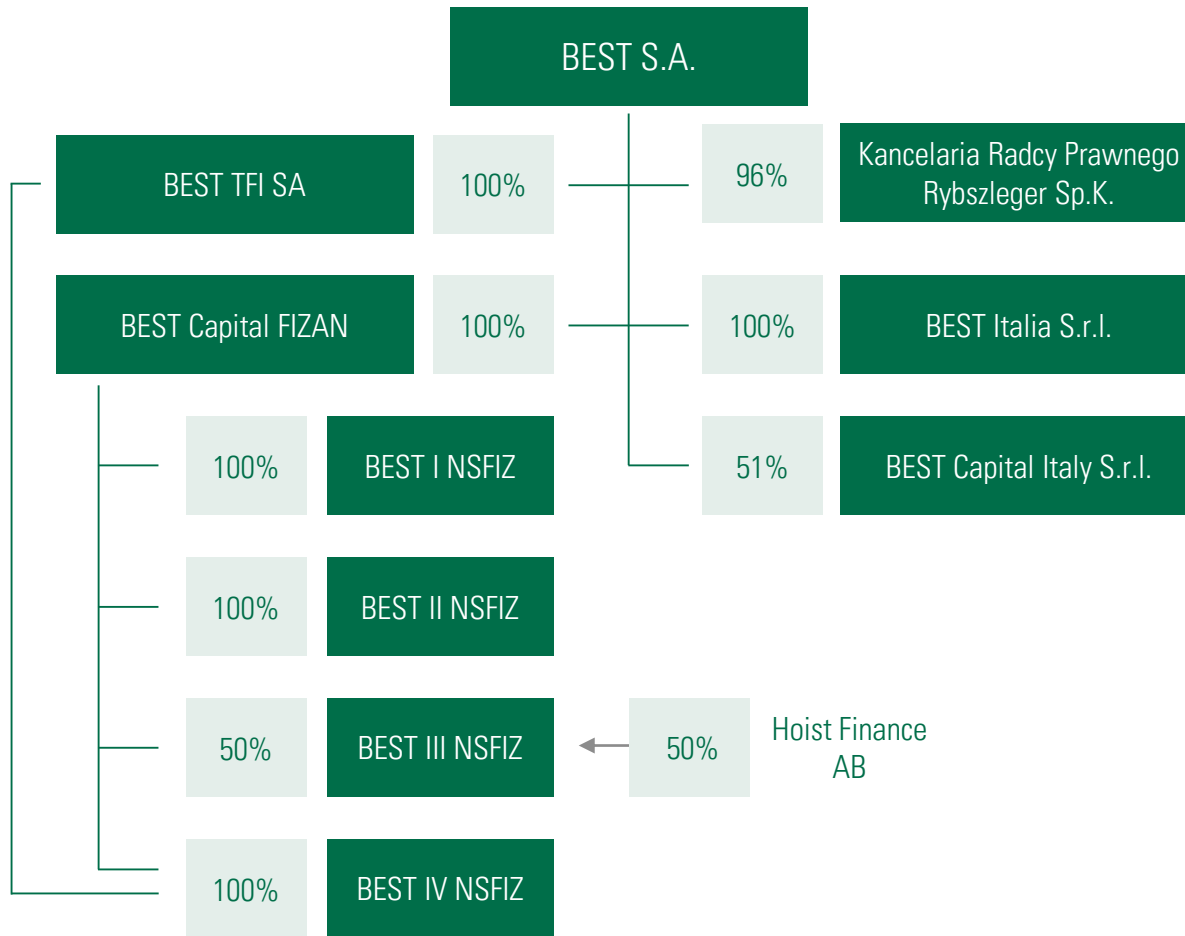


(PLN million)	31/03/2024	31/12/2023	31/12/2022
assets, including:	1,590.7	1,545.1	1,349.3
cash and cash equivalents	71.9	64.8	52.2
claims acquired	1,365.0	1,342.4	1,183.2
equity investments	46.6	39.9	27.6
investment real property	40.7	40.2	32.4
equity and liabilities, including:	1,590.7	1,545.1	1,349.3
financial liabilities	706.5	687.2	463.6
liabilities towards co-investor in BEST III	-	-	71.3
equity	776.8	750.0	689.0
net debt	634.6	622.3	411.4
net debt/equity	0.82	0.83	0.60

FINANCIAL RESULTS

(PLN million)	Q1 2024	Q1 2023	change YOY
operating revenues , including:	89,591	84,297	6%
revenue from claims acquired	88,499	84,028	5%
<i>interest calculated using the effective interest rate method</i>	75,125	71,052	6%
<i>deviations from actual payments</i>	8,799	6,174	43%
<i>revaluation result</i>	4,575	6,802	(33%)
operating expenses , including:	54,690	55,964	(2%)
court and enforcement costs	12,430	16,547	(25%)
operating profit	34,901	28,333	23%
net financial expenses, including:	17,596	12,927	36%
interest on financial liabilities	16,734	11,564	45%
measurement of liabilities towards participants of consolidated funds	-	4,095	-
net profit , of which:	19,842	14,691	35%
attributable to BEST's shareholders	19,707	14,571	35%

BEST CG STRUCTURE



Shareholding of BEST S.A.
(share in share capital
as of 04/06/2024)

