



Press release

Q1 2022



iQ
era

Create the difference



Q1 FINANCIAL HIGHLIGHTS

Q1-22 results are a continuation of 2021's positive fundamentals, giving iQera a solid base to participate in a market where offer shows a promising momentum.



Q1-22 vs Q1-21

+9% cash revenues

+10% cash EBITDA

- Positive revenue and cash EBITDA dynamics in Q1-22
- Best first quarter in iQera history



LTM Q1-22 vs LTM Q1-21

+16% cash revenues

+19% cash EBITDA

- Highest LTM Cash EBITDA and LTM revenues in the history of the Group
- Solid business performance with steady control of our cost base
- LTM Cash-EBITDA margin at 55% vs 53% LTM Q1-21



120M ERC

€609m⁽¹⁾ / -6% vs Q4-21

- Limited acquisitions in a low-volume market in Q1-22
- 6th consecutive quarter with an ERC revaluation of more than €10m
- Surge in purchasing pipeline, in France and Italy



Leverage : 3.1x

down from 3.8x end of March 2021

- Gross Debt is down to €728m, with substantial repayments to co-investors
- €134m of cash available with €50m of undrawn RCF
- Six consecutive quarter of deleveraging, from the Q3-20 peak at 4.1x

(1) including Italy

02 BUSINESS REVIEW

Revenue and cash EBITDA show favorable dynamics in Q1-22

Cash revenues reached €83m for iQera Group during Q1-22, +9% above Q1 2021.

On the back of good cost control and productivity gains, we continue to optimise our business processes amidst inflation backdrop across our core markets – with costs continuing to grow at a lower pace than our revenues.

As a consequence, Cash EBITDA increased by €3m (+10%) with a Cash EBITDA margin improving from 50% to 51%.

Solid performance on collection revenues, stability of servicing revenues

Good start of the year for collection revenues with +€8m / +17% vs Q1-21:

- ✓ Backbook collections increased by +17% vs Q1-21, fueled by the increasing contribution of our 2020 and 2021 vintages
- ✓ Frontbook contribution was limited following a quiet Q1 on the portfolio acquisition side

Debt servicing revenues remained stable over the quarter with limited inflows - with encouraging underlying dynamic though.



02

BUSINESS REVIEW

LTM performance continues on its growth trajectory

LTM cash revenues showed a robust growth of €48 million between Q1-21 and Q1-22 (+16%) with the contribution of all businesses and all regions:

- ✓ Collections increasing by 18% notably thanks to the large portfolios acquired since 2019
- ✓ Servicing business grew by +23 in Italy and +4% in France over the period despite a generally adverse context (Covid-19 and cyberattack)

LTM Cash EBITDA increased by €31 million (+19%) and margin by 2 p.p. to 55% thanks to productivity gains and strict cost control.

Limited acquisitions in a quiet quarter, but there is tangible evidence that offer is picking up significantly

Acquisitions stood at a modest €5m during a quiet Q1-22. This figure includes our second portfolio acquisition in Italy, where we continue to execute our capital deployment strategy.

Investment opportunities have significantly picked up in the last three months, and we now see a robust pipeline for the coming quarters, especially in France, with a mix of significant secured and unsecured deals coming to the market.

Quarterly backbook ERC revaluation exceeds €10m once again

Revaluations of the iQera book have been constant over the years given our conservative ERC forecast policies.

Following the peak of the Covid crisis, Q1-22 is the latest of seven consecutive quarterly ERC revaluations, six of which have exceeded €10m.

02

BUSINESS REVIEW

ERC attrition evolves in line with expectations, given limited portfolio acquisitions

Over the quarter, our strong collections (€56m), combined with limited portfolio acquisitions, led our 120M Gross ERCs to decrease by 6% or -€37m compared to the end of December 2021.

Non-attributable ERCs decreased by 13% compared to the end of December 2021 following strong co-investors debt repayment, whereas attributable ERCs only decreased by 4%.

Cash generation and liquidity position remain healthy

Portfolio investments amounted to €5m in Q1-22, stable vs Q1-21.

iQera repaid €18m to co-investors in Q1-22, including principal and interest, compared to €14m in Q1-21.

Cash flows from other investment activities mainly includes our acquisitions of tangible and intangible assets, including ~€1m this quarter related to our new premises in Italy.

Cash flows from other financing activities were mainly related to the payment of our bonds and loans interests over the period.

Overall, the Group had €184m of available liquidity as of March 31, 2022 of which €134m of cash and €50m of untapped RCF



02 BUSINESS REVIEW

Deleveraging progresses further

Our Gross Debt decreased by €17m in Q1-22 thanks to our operating cash-flow and the steady reimbursement of our co-investors' debt. At €103m, our co-investor debt now stands at its lowest point of the last 7 quarters.

Over the same period, our Net debt decreased by €12m to €594m with a limited decrease in the closing cash (-€4m).

This decrease in our Net debt, together with the growth of our LTM cash EBITDA, allows us to pursue our path of deleveraging. Leverage on Cash EBITDA is now down to 3.1x after six consecutive quarters of deleveraging.

It is worth noting that S&P recently upgraded iQera's outlook from negative to stable and affirmed a 'B+' rating for the group.



03 CSR POLICY UPDATE

4 pillars translated into 17 tangible commitments, to take immediate action and go beyond intentions



Pillar No. 1

Ethics as reference framework

- Ethics : updating of the Ethics Charter
- Compliance : updating of the Group's corpus procedure :
- Deployment of the 2022 Compliance training plan for the group :
 - ✓ Training 1 LCB-FT module 1
 - ✓ Training 2 Customers claims procedure



Pillar No. 2

Transparent, balanced and assertive governance

- CSR committees #1 2022
- Publication of our 2021 Sustainability Report
- Ecovadis Certification for iQera SAS (3 companies of the group certified by Ecovadis)
- iQera obtained its first **IMPACT ESG INDEX label** (by ChooseMyCompany) : The first CSR label for the group acquired on the basis of employees' feedback



Pillar No. 3

"Qer" : a philosophy for a unique relationship

- Publication of reviews on GoogleMyBusiness through our customers feedback system
- 2022 Communications campaign on the *Qer Philosophy* and the *Qer charter*
- Continuous monitoring of debtors satisfaction
- Conferences for our staff : Anastasia Mikova (journalist and film maker), talking about her film *Woman* & Cedric Dalmasso, professor at PSL University on Health at work

03 CSR POLICY UPDATE



Pillar No. 4

Leaving a positive mark

- The "Positive Mark Week" at iQera with daily CSR activities on all our sites
- Evaluation in progress of our scopes 1, 2 and 3 carbon footprint with our new partner GREENLY
- Development of the Oxygen program



MAIN KPIs

(Q1 - 2022)
Clients-CSA

77%

(Q1 - 2022)
Pulse Employee

N/A

(2021)
Carbon footprint
(per employee in
2021 Scope 1 and 2)

**290^{kg}
CO₂**

(Q1 - 2022)
Financially vulnerable
supported clients

1800

Gender equality index
(France - 2021)

92/100



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