



BEST GROUP

PRESENTATION OF FINANCIAL DATA FOR THE FIRST HALF OF 2019

Warsaw, 18 September 2019

Management summary

Key events at BEST Capital Group and on the debt management market

- implementing Payhelp - an online B2B/B2C platform for recovering money from unpaid invoices
- launching proprietary debt collection operations on the Italian market
- further debt reduction, net debt/equity ratio reduced to 1.06
- reducing investments in new debt portfolios due to the peak phase of the business cycle
- the demand for corporate bonds of debt collection companies is gradually increasing once more
- preparing for additional legal changes, in particular, amendments to the Code of Civil Procedure

Financial and operational results	1H'19	1H'18
▪ operational income	PLN 136.2 million (+23% YOY)	PLN 110.9 million (+21% YOY)
▪ repayment of claims due to the Group:	PLN 123.5 million (-3% YOY)	PLN 127.3 million (+17% YOY)
▪ net profit, including:	PLN 50.4 mln (+49% YOY)	PLN 33.7 mln (+11% YOY)
▪ attributable to BEST Shareholders	PLN 40.5 mln (+21% YOY)	PLN 33.5 mln (+12% YOY)
▪ Adjusted cash EBITDA (excluding Kredyt Inkaso)*	PLN 83.5 mln (+8% YOY)	PLN 77.3 mln (+12% YOY)

* based on the calculation on slide 17

Poland - the non-performing debt market

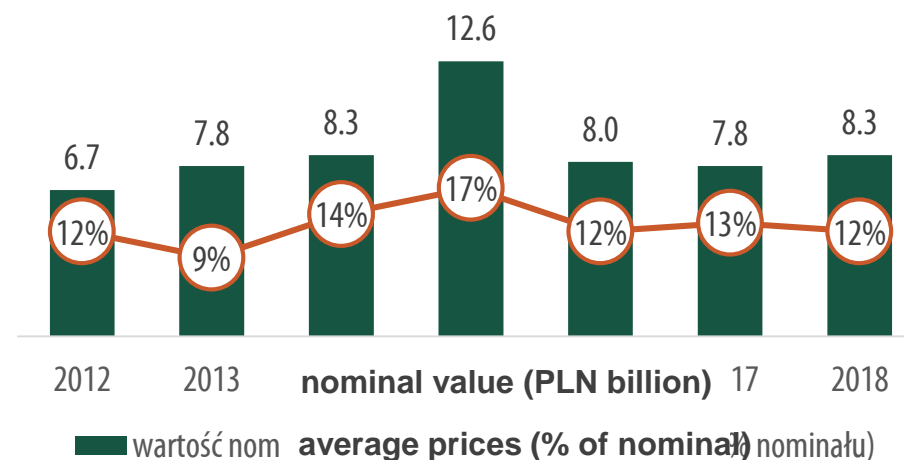
SUPPLY IN 1H'19 YEAR

- **PLN 7.3 billion**— estimated supply on the primary bank NPL market (retail, excluding mortgages)
- **PLN 1.3 billion**— estimated mortgage portfolio supply
- **PLN 1 billion**— estimated corporate portfolio supply

MARKET CONDITIONS IN 1H'19

- a significant increase in the supply of bank claims
- an increase in the percentage of “fresh” claims
- persistent imbalance between supply and demand – more unresolved tenders
- first successful instances of debt collection company bond issues, mainly targeted at institutional investors

Bank NPL – primary market transactions in the 2012-2018 period
(retail portfolios, excluding mortgages and corporate portfolios)



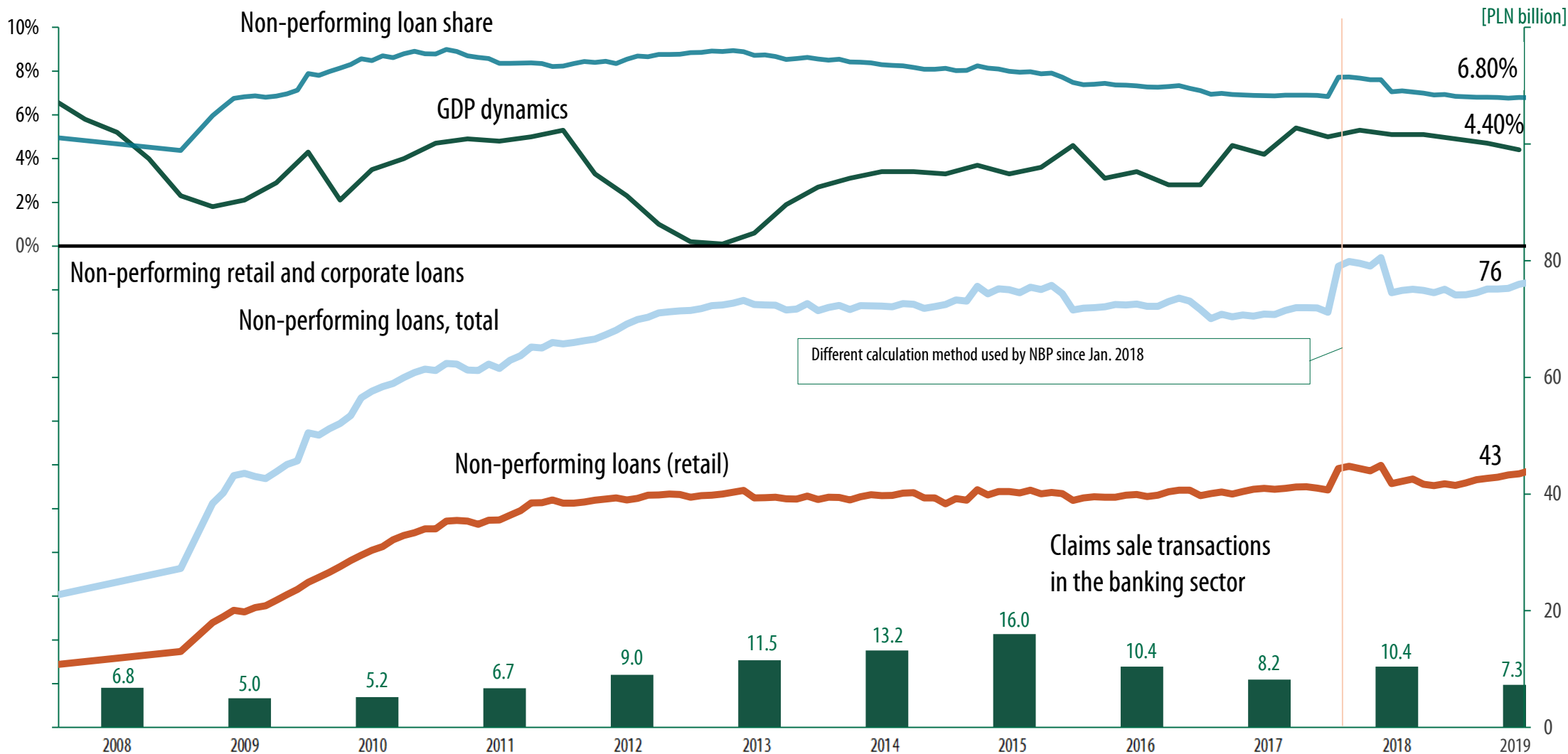
Nominal value of transactions on NPL in 2018:

PLN 10,4 billion bank: retail+mortgages

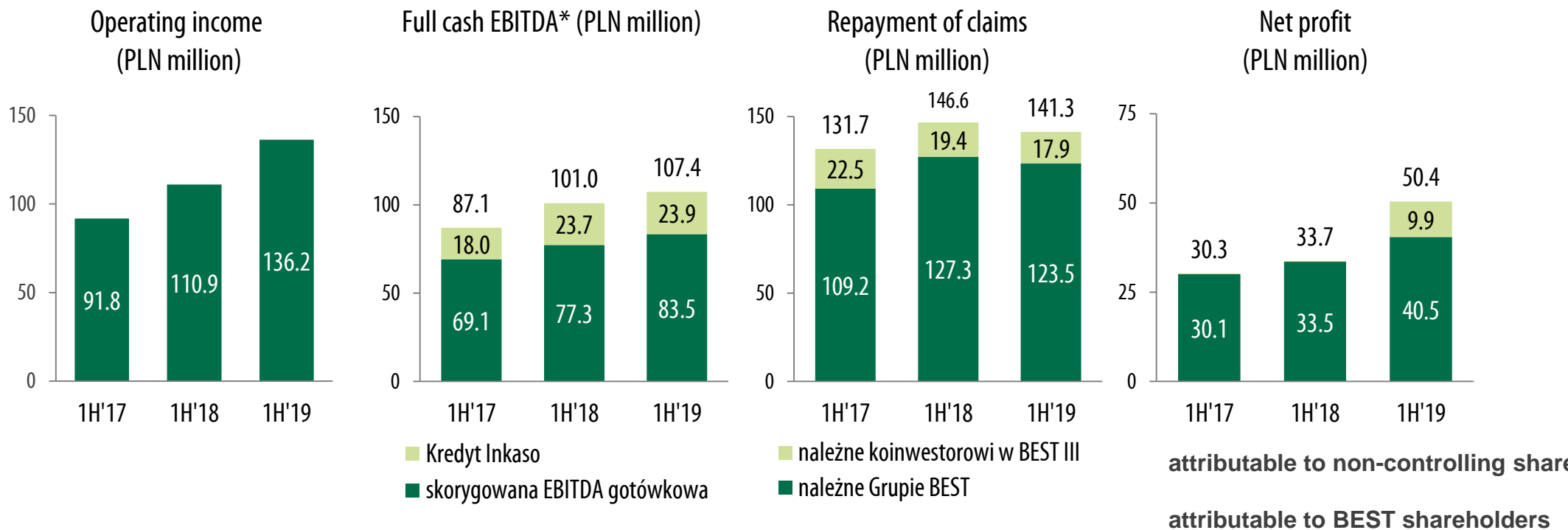
PLN 4,0 billion bank: corporations

PLN 3.2 billion secondary market (miscellaneous portfolios)

Poland - the non-performing debt market



Business development and improvement of financial results



23%
REVENUE INCREASE
(1H'19 YOY)

PLN 539 million
CAPITALISATION
(30 June 2019)

> PLN 1 billion
PORTFOLIO BOOK VALUE
(30 June 2019)

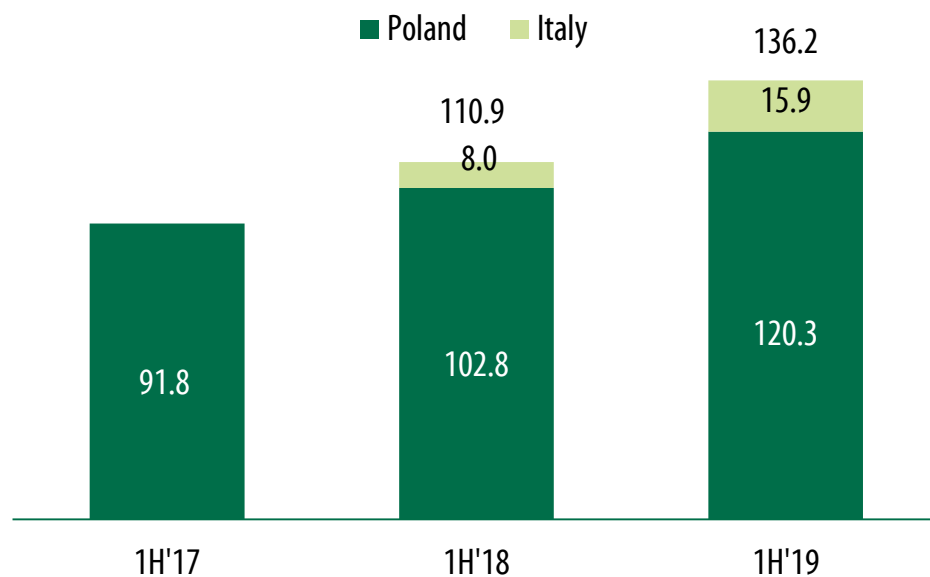
37%
NET PROFIT MARGIN
(1H'19)

SUMMARY OF THE RESULTS IN THE FIRST HALF OF 2019



Primary business parameters

operating income by markets (PLN million)



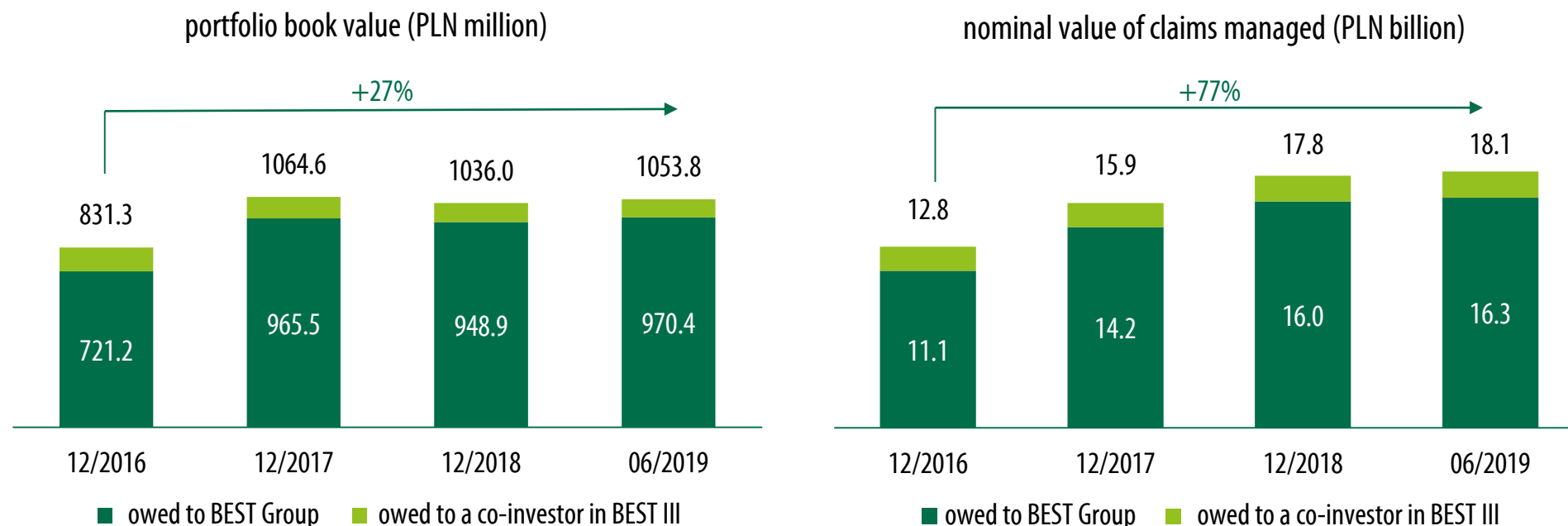
operating revenue (PLN million)



- geographical diversification has had a positive effect, the Italian market already generates 12% of revenue

- further financial result improvement despite a significant reduction in new portfolio investments
- the current turning point on the non-performing claim market is being used to increase operational efficiency and improve results

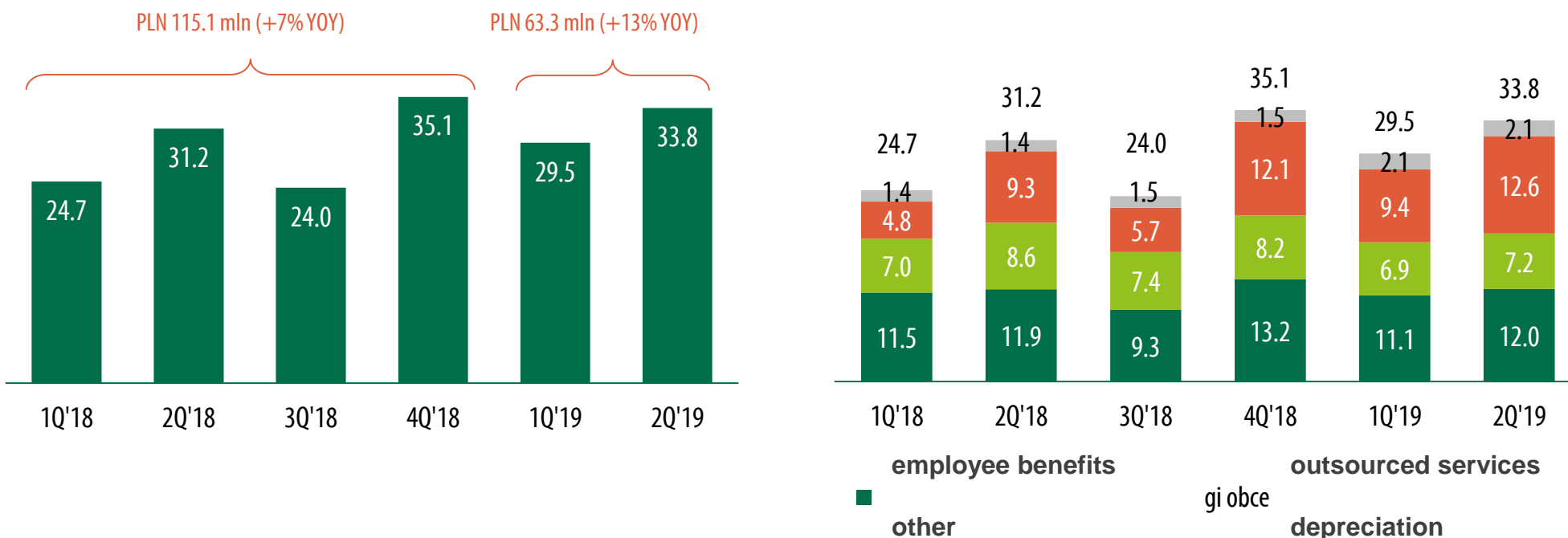
Primary business parameters



- significant reduction of investments in new debt portfolios due to the peak phase of the business cycle (in 1H'19, only one portfolio with a nominal value of PLN 142 million was acquired)
- starting from 2018, claims are valued using the amortised cost method*
- about 70% of the portfolio are bank claims, about 20% telecoms, and about 10% are para-bank claims
- the expected repayment rate (ERC) from current portfolios is over PLN 2.5 billion

Cost discipline

Operating expenses (PLN million)



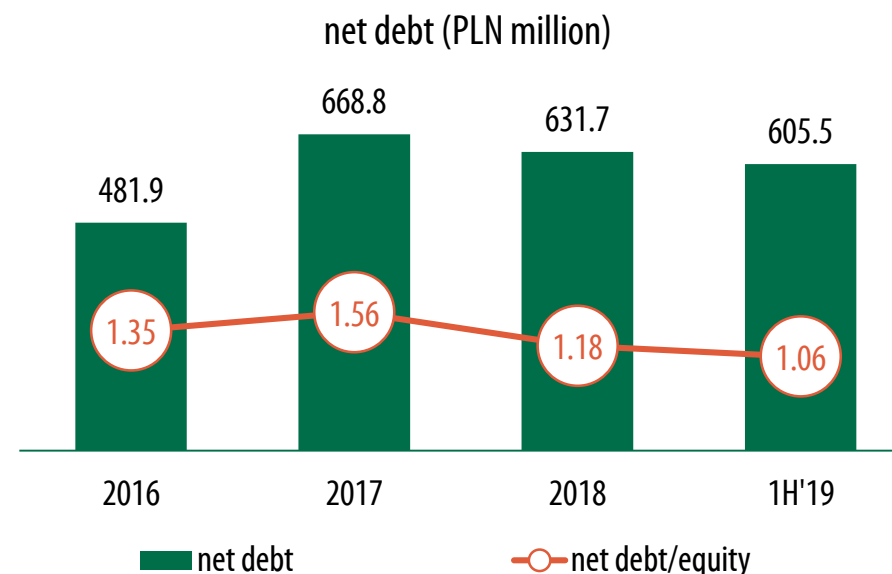
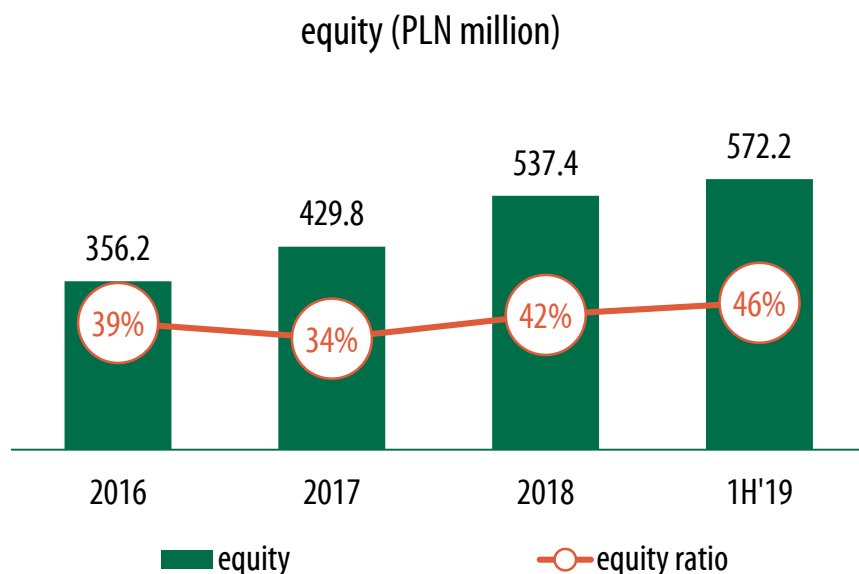
- in 1H'19 (similarly to 4Q'19), the Group incurred significant court and enforcement expenses, included in the "other" section. These expenses are related to securing assets, which should make it possible to obtain higher income from claims; in H1'19 court and enforcement fees amounted to PLN 16.6 million (+85% YOY)
- in 1H'19, operating costs, excluding court and enforcement fees, decreased by 1% YOY due to improved cost discipline in all areas of activity

Financial results

(PLN million)	2Q'19	2Q'18	YOY change	1H'19	1H'18	YOY change
operating revenue , including:	71.5	56.0	28%	136.2	110.9	23%
revenue from purchased claims,	77.7	42.5	83%	142.2	89.3	59%
<i>repayments</i>	74.4	55.5	34%	141.3	107.9	31%
<i>revaluation of debts</i>	3.7	(4.2)	-	1.4	(1.5)	-
profit/(loss) from shareholdings in Kredyt Inkaso	(6.9)	3.4	-	(6.9)	3.4	-
profit from shareholdings in BEST III	-	6.2	-	-	10.3	-
revenue from managing BEST III	-	3.7	-	-	7.4	-
operating costs	33.8	31.2	8%	63.3	56.0	13%
Operating profit (EBIT)	37.7	24.8	52%	72.9	54.9	33%
net financial expenses	9.9	8.5	17%	19.1	18.2	4%
net result , including:	25.2	14.0	79%	50.4	33.7	49%
attributable to BEST Shareholders	20.0	13.9	44%	40.5	33.5	21%
Adjusted cash EBITDA	43.7	37.0	18%	83.5	77.3	8%

- in 1H'19, the number of repayments in own funds increased by 31% YOY
- cost discipline: operating cost YOY increase rate significantly lower than the revenue increase rate
- a clear increase in operating profit and net profit as well as a further increase in regard to cash EBITDA, despite very limited investments in new portfolios

Improved balance structure



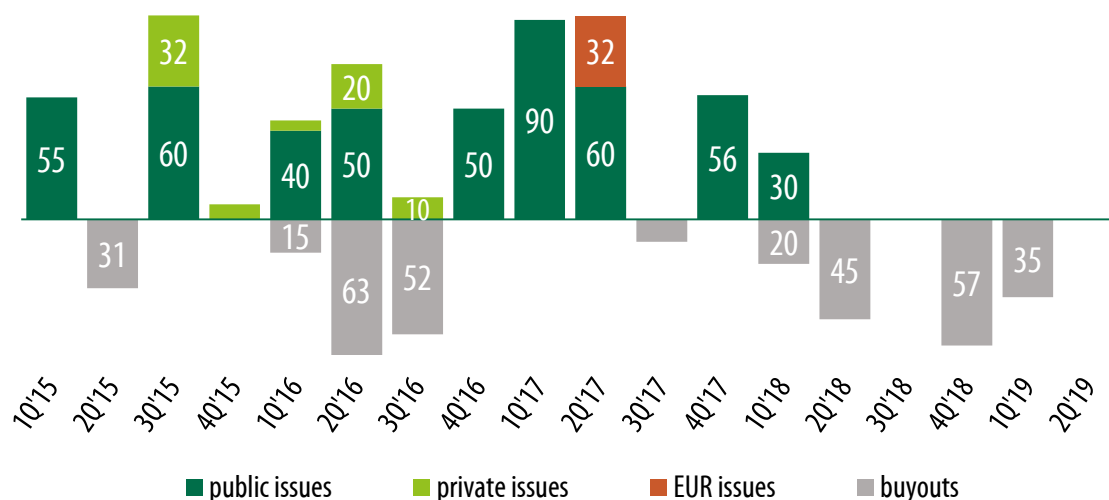
- a steady equity increase caused by the profit reinvestment policy
- further decrease of the primary debt ratio (net debt/equity), down to a very low level

- The Group's debt financing status as of 30.06.2019:

PLN 519.4 million	- issued bonds
PLN 103.0 million	- bank loans (total loan limit: PLN 250 million)
PLN 27.0 million	- loans from the board
PLN 10.4 million	- lease

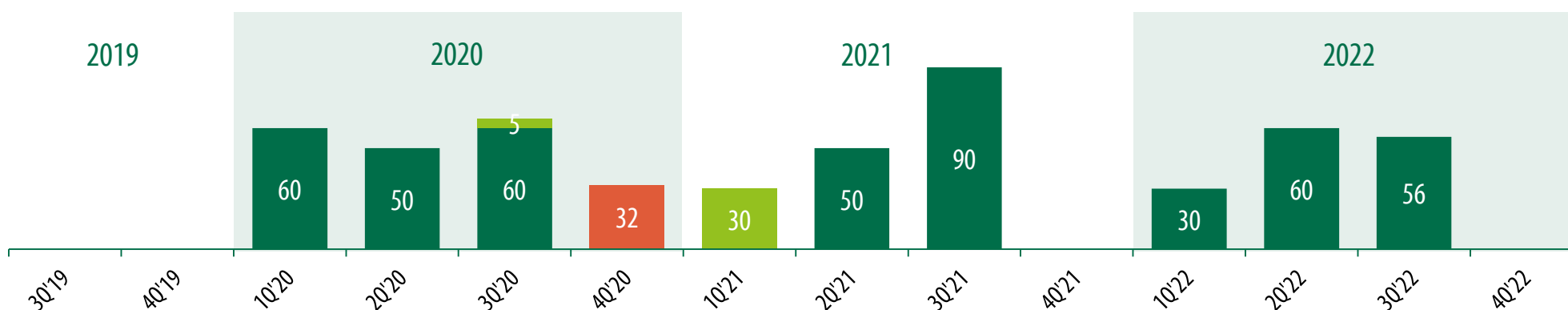
Bonds are an important element used in financing the Group's operations

Bond issuance (PLN million)



- over the past 12 months, we purchased bonds with a total value of PLN 92 million
- further buyouts no earlier than in Q1'20
- the total limit of serviced loans granted to us is PLN 250 million

Bond repayment schedule (PLN million)



OPERATIONAL SUMMARY



BEST GROUP



Payhelp - an online tool for recovering money from unpaid invoices



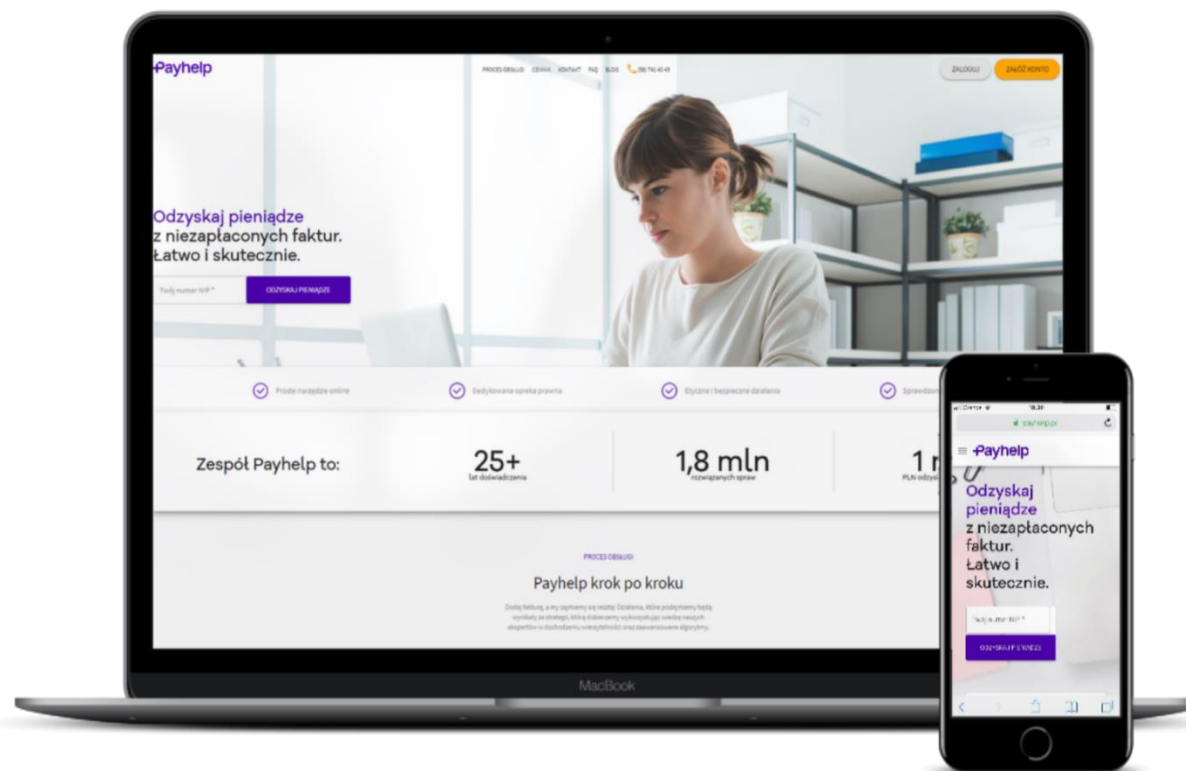
Building a new, profitable business area

The first such comprehensive online service on the market



A simple-to-use tool (for B2B, B2C)

Payhelp



Business development in Italy – summary



- claims on the Italian market are acquired by a company that has been established specifically for that purpose and which is managed by a licensed entity
- until the end of 2018 all services related to claims in Italy were carried out by local managers only
- at the end of 2018, we established a proprietary operating company (BEST Italia), which so far has taken over 65% of the nominal value of portfolios from the former service providers; we are steadily strengthening the company's team responsible for this area
- by the end of 2019, BEST Italia will collect no less than 95% of the claims managed by us on the Italian market nominally

Thank you

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Appendix – cash EBITDA

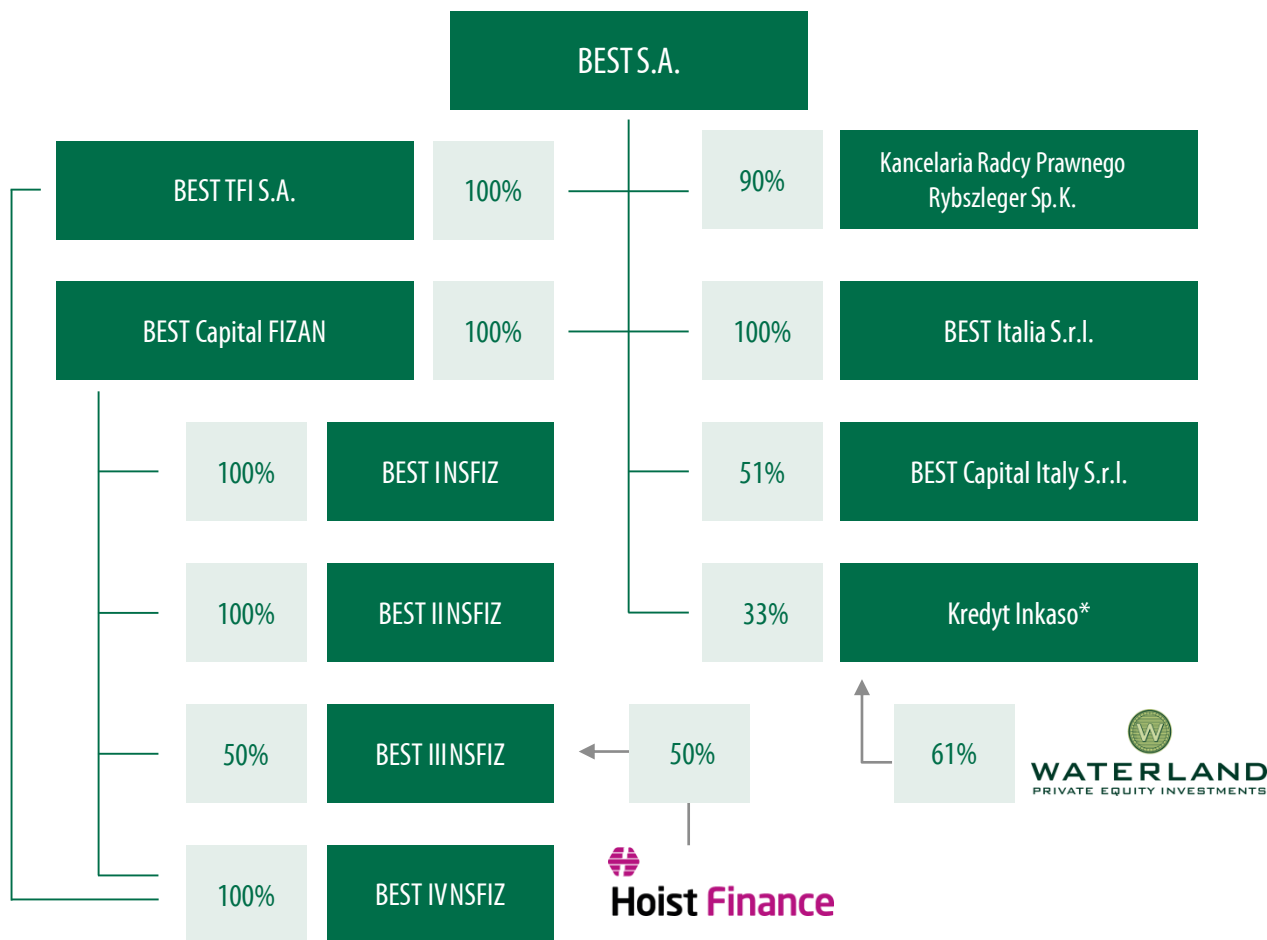
(PLN million)	2Q 2019	2Q 2018	Yoy change	1H 2019	1H 2018	YOY change
BEST	43.7	29.7	47%	83.5	62.6	33%
<i>BEST's share</i>						
repayments of claims	74.4	55.5	34%	141.3	107.9	31%
other revenue	1.1	4.0	(72%)	1.3	7.9	(83%)
OPEX (excluding depreciation/amortisation)	(31.7)	(29.8)	6%	(59.2)	(53.1)	11%
BEST III*	0.0	7.4	(100%)	0.0	14.6	(100%)
<i>BEST's share</i>	<i>50.00%</i>	<i>50.00%</i>		<i>50.00%</i>	<i>50.00%</i>	
Cash EBITDA	0.0	14.8	(100%)	0.0	29.3	(100%)
repayments of claims	0.0	19.5	(100%)	0.0	38.7	(100%)
other revenue	0.0	0.0	-	0.0	0.0	(100%)
OPEX	0.0	(4.8)	(100%)	0.0	(9.5)	(100%)
Adjusted cash EBITDA	43.7	37.0	18%	83.5	77.3	8%
Kredyt Inkaso**	13.5	13.8	-2%	23.9	23.7	1%
<i>BEST's share</i>	<i>33.14%</i>	<i>33.14%</i>		<i>33.14%</i>	<i>33.14%</i>	
Cash EBITDA	40.7	41.7	(2%)	72.2	71.7	1%
repayment of claims	63.3	57.0	11%	124.6	109.2	14%
other revenue	2.5	4.5	(45%)	7.3	7.0	4%
OPEX (excluding depreciation/amortisation)**	(25.1)	(19.8)	26%	(59.7)	(44.5)	34%
full cash EBITDA	57.2	50.8	13%	107.4	101.0	6%

*BEST III EBITDA up until 31.08.2018; **The differences between the amounts of cash EBITDA in the table and the consolidated periodic reports of BEST result from the availability of the financial data of Kredyt Inkaso as of the report publication date. In the presentation, the financial data of Kredyt Inkaso is presented according to the period to which it pertains.

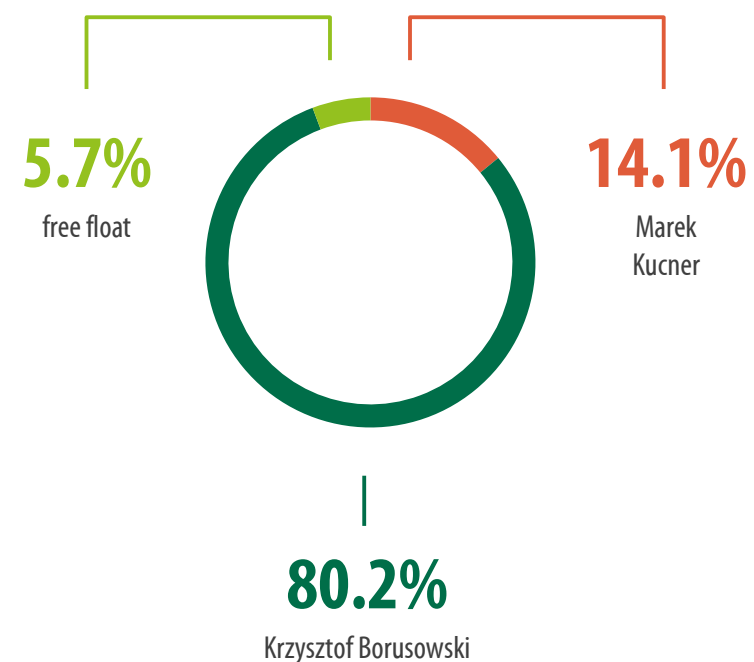
Appendix – financial situation report

(PLN million)	30.06.2018	30.09.2018	31.12.2018	31.03.2019	30.06.2019
assets, including:	1 218.7	1 349.4	1 283.3	1 254.1	1 278.9
cash and cash equivalents	43.3	101.6	72.0	39.6	54.3
claims acquired	899.7	1 070.2	1 036.0	1 033.6	1 053.8
investments in jointly controlled entities	96.2	-	-	-	-
investments in associates	105.1	105.1	111.2	111.2	101.3
investment properties	14.3	18.8	18.8	18.8	19.3
equity and liabilities, including:	1 218.7	1 349.4	1 283.3	1 254.1	1 278.9
financial liabilities	744.0	765.7	703.6	655.2	659.9
equity	449.7	557.8	537.4	556.2	572.2
net debt	700.7	664.2	631.7	615.5	605.5
net debt/equity	1.6	1.2	1.2	1.1	1.1

Composition of the Capital Group



BEST S.A. shareholder structure
(percentage of shares of the overall share capital)



* associate