



BEST CAPITAL GROUP

PRESENTATION OF FINANCIAL RESULTS FOR Q1 2020

Warsaw, 22 June 2020

Management summary

Key events in BEST Capital Group in Q1 2020

- record levels of repayments from managed claim portfolios despite limited investments in new portfolios
- acquisition of 1 portfolio with a nominal value of PLN 8.4 million for PLN 1.5 million
- further debt reduction – net debt to equity ratio at a very low level
- staff switched to telework in connection with the COVID-19 pandemic – process continuity and operational efficiency maintained

Financial and operating results	Q1 2020	Q1 2019	Change YoY
▪ repayment of claims from managed portfolios, including:	PLN 86.6 million	PLN 67.0 million	29%
▪ due to BEST Capital Group	PLN 77.8 million	PLN 58.4 million	33%
▪ operating revenues	PLN 63.8 million	PLN 64.7 million	(1%)
▪ adjusted cash EBITDA*	PLN 47.8 million	PLN 39.8 million	20%
▪ net profit, of which:	PLN 16.4 million	PLN 25.3 million	(35%)
▪ attributable to BEST's shareholders	PLN 12.0 million	PLN 20.5 million	(41%)

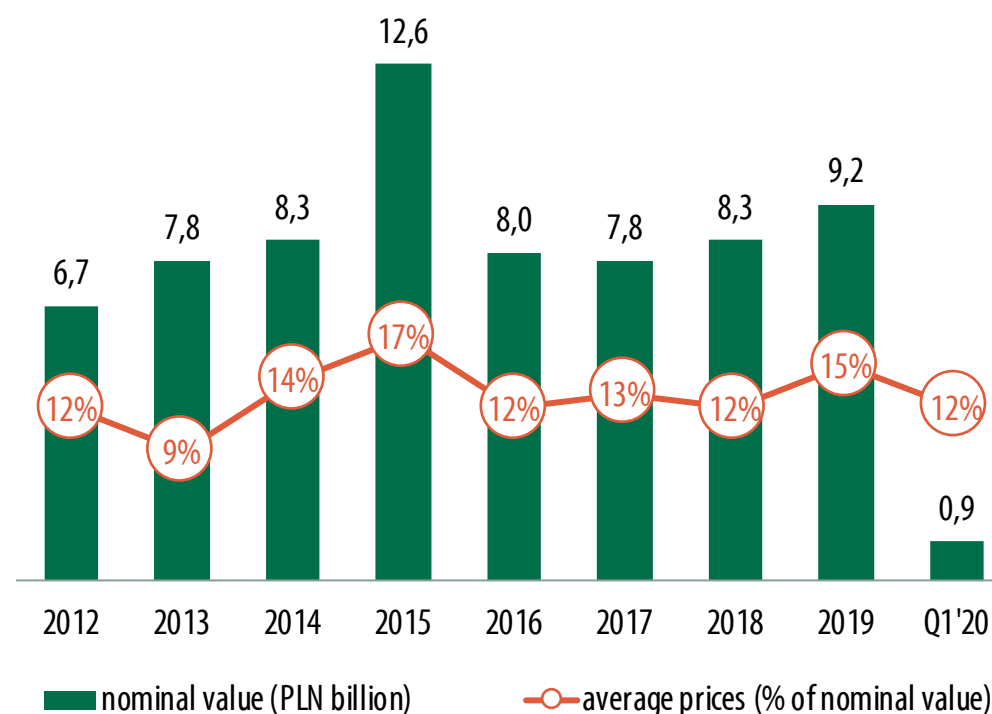
* based on the calculation on slide 16

Poland – non-performing debt market

MARKET SITUATION IN Q1 2020:

- non-performing debt market uncertainty due to the COVID-19 pandemic deepens in Q2 2020
- a major part of supply moved to subsequent quarters of 2020, some tender procedures were not completed
- worsening situation in the banking sector (decrease in ROE) – expected sale of large accumulated claim portfolios in 2021
- consultations between the demand and supply side on the evaluation of the current situation from the claim sales perspective
- potential increase in the amount of non-performing loans and the supply of claim portfolios as a result of the economic downturn

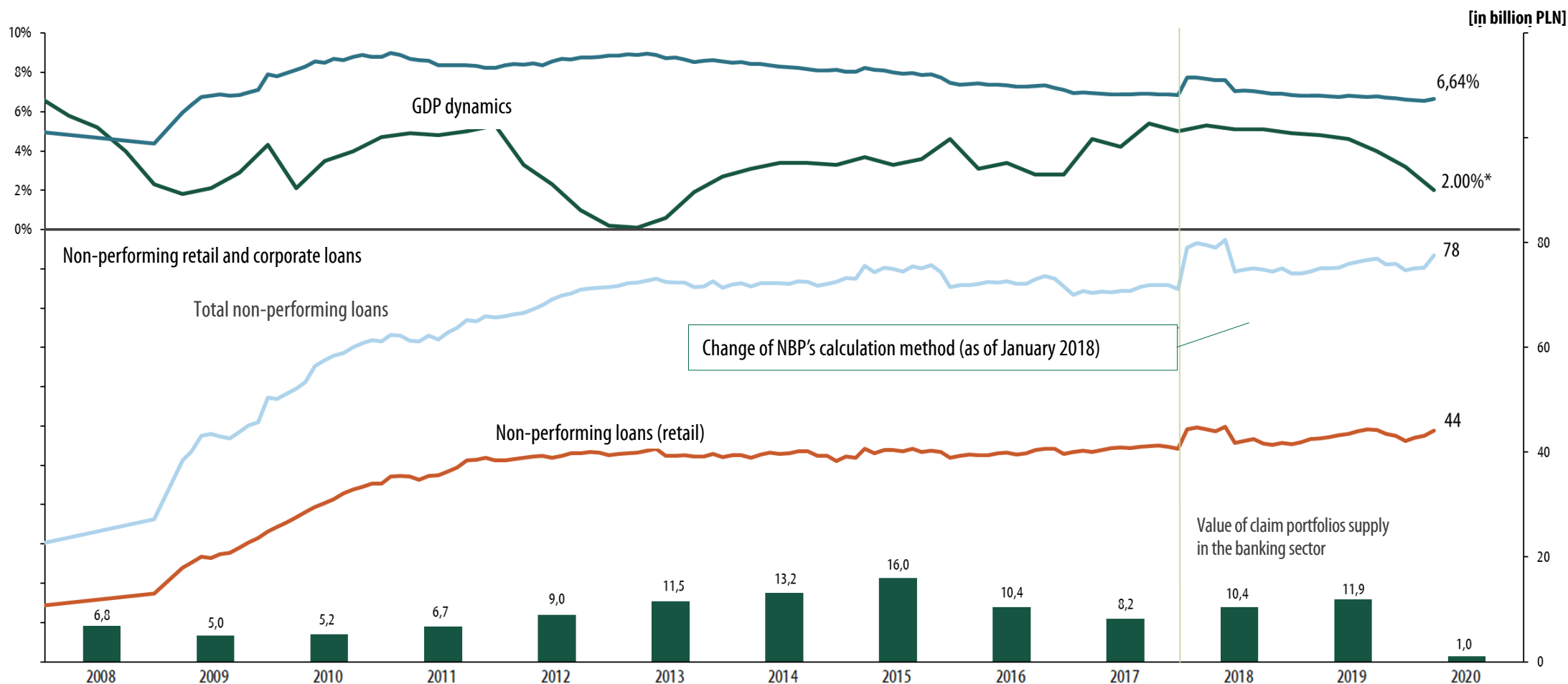
Bank NPL – supply of claim portfolios 2012 - Q1 2020
(retail portfolios, excluding mortgages and corporate portfolios)



BEST GROUP

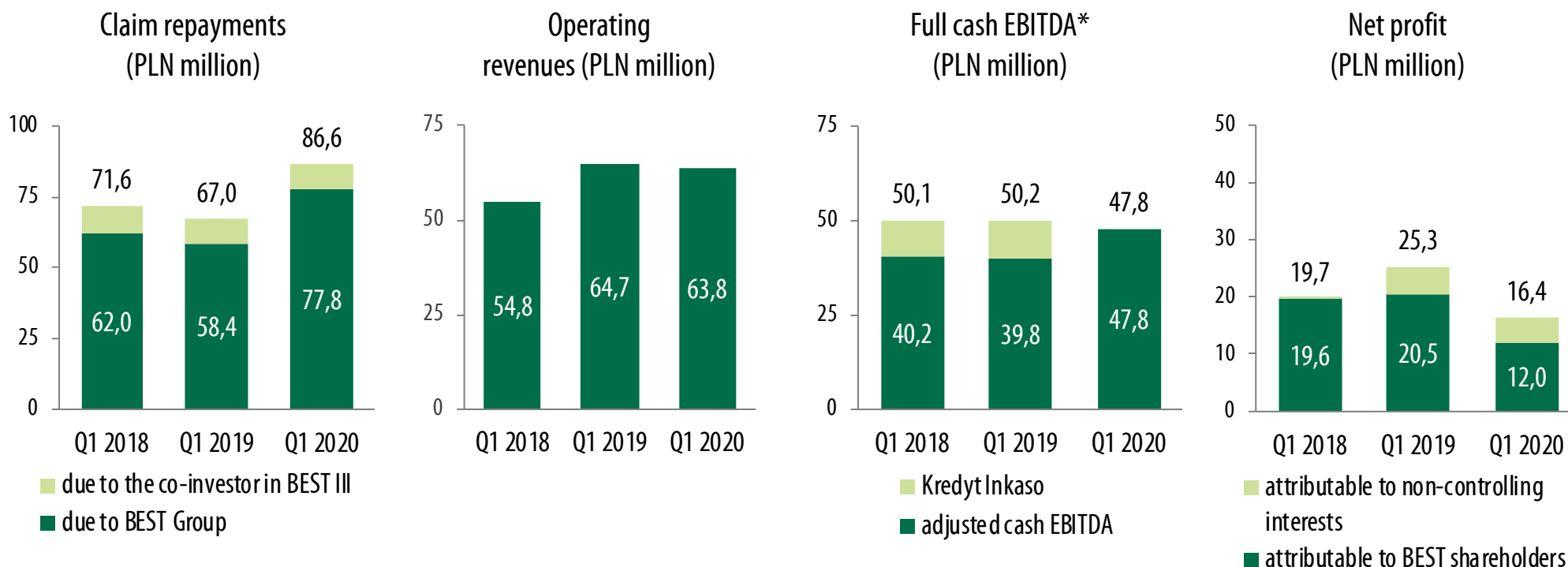


Poland – non-performing debt market



*Preliminary estimate of Statistics Poland (GUS) for Q1 2020 of 29/05/2020

Record levels of claim repayments and increase in cash EBITDA



33%

INCREASE IN REPAYMENT
OF CLAIMS DUE TO BEST CG
(Q1 2020 YOY)

PLN 2.33 billion

NOMINAL ESTIMATED
REMAINING COLLECTIONS (ERC)
(31 March 2020)

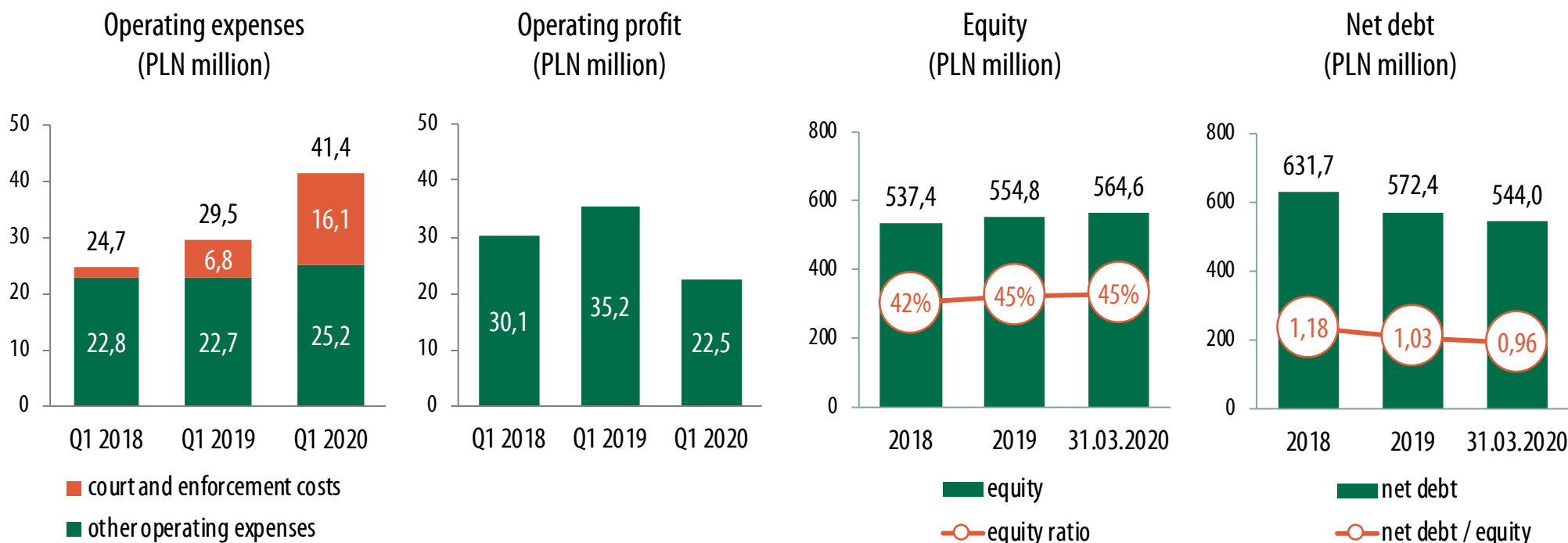
PLN 980 million

CARRYING VALUE
OF CLAIM PORTFOLIOS
(31 March 2020)

PLN (7) million

PORTFOLIO REVALUATION
RESULT
(Q1 2020)

Cost discipline and continued improvement of the balance sheet structure



>100%
INCREASE IN COURT
AND ENFORCEMENT COSTS
(Q1 2020 YOY)

35%
OPERATING
PROFITABILITY
(Q1 2020)

<1.0
LOW NET DEBT / EQUITY
RATIO
(31 March 2020)

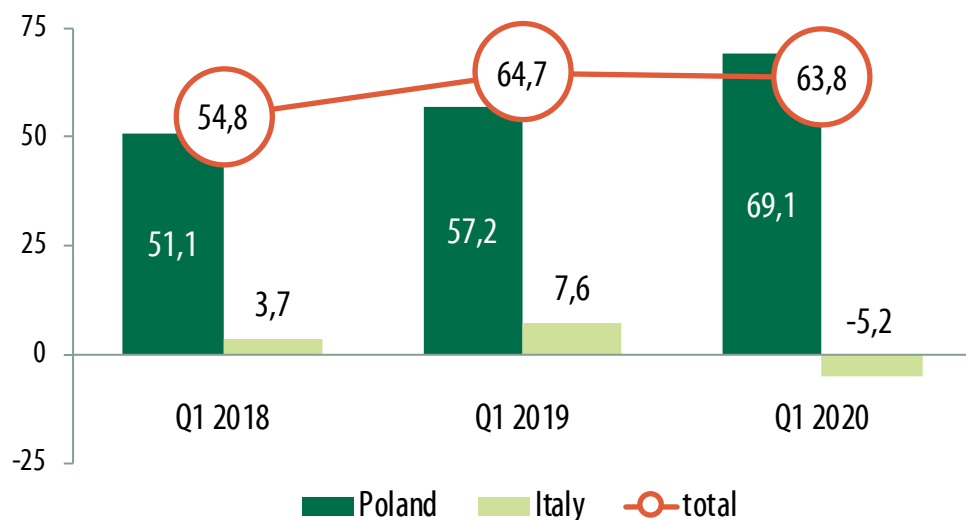
12%
DECREASE
IN NET DEBT
(31 March 2020 vs. 31 March 2019)

DISCUSSION OF FINANCIAL RESULTS FOR Q1 2020

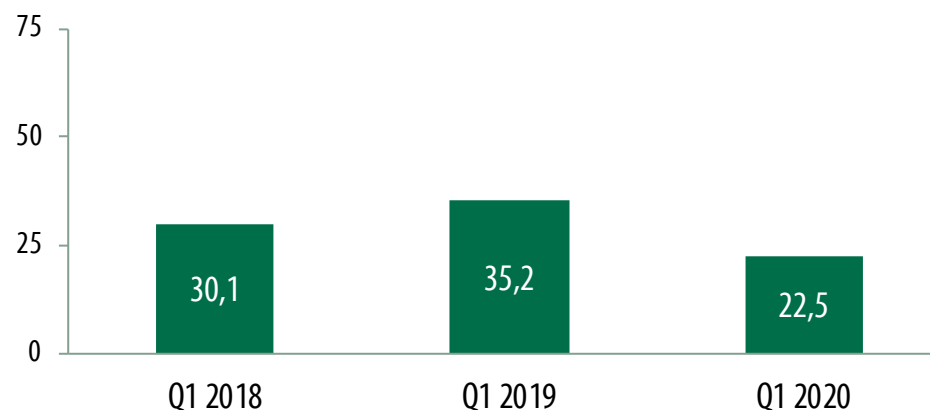


Main business parameters

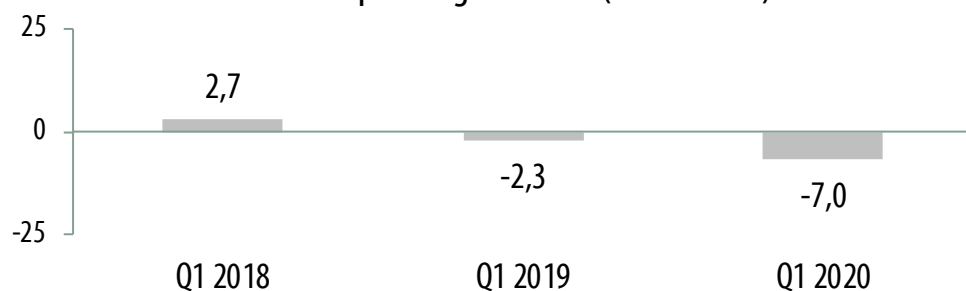
operating revenues by market (PLN million)



operating profit (PLN million)



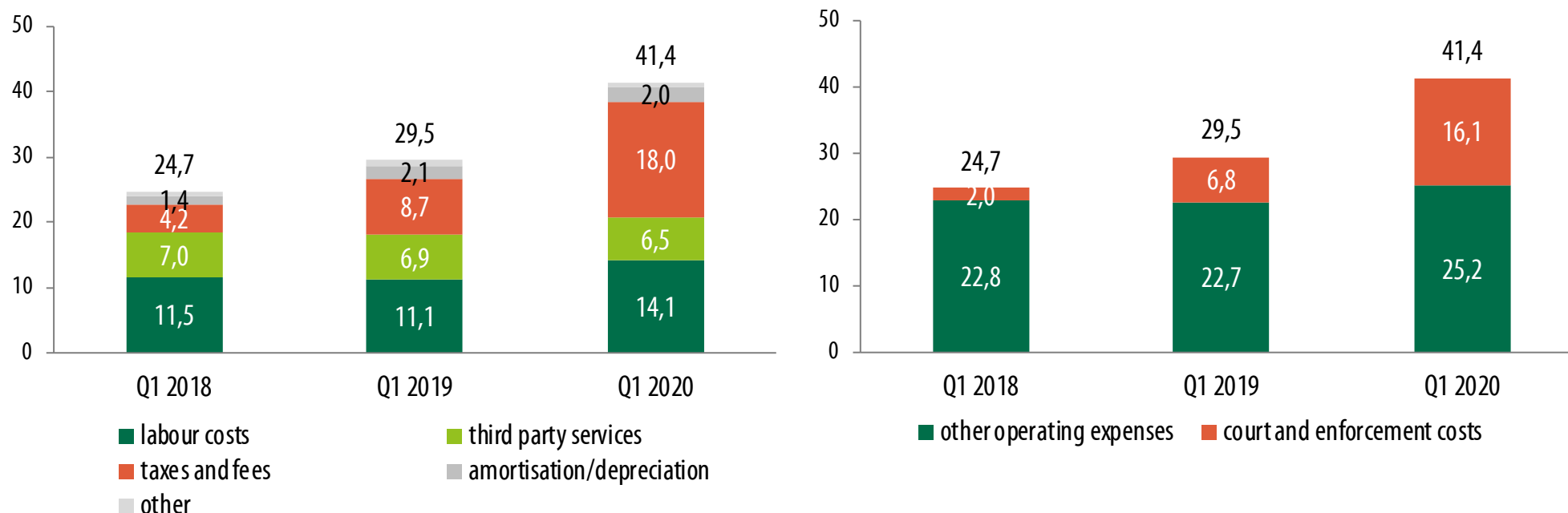
revaluation results;
effect on operating revenues (PLN million)



- limited purchases of new claims in 2019 and Q1 2020 – result generated on similar portfolios as a year earlier
- 21% increase in operating revenues from the Polish market
- the negative value of operating revenues in Italy is mainly due to the negative revaluation of claim portfolios on that market

Cost regime

operating expenses (PLN million)



- The Group incurs significant court and enforcement costs (shown in the left chart under 'taxes and fees') related to securing assets, which should generate higher revenues from claims in the future; in Q1 2020, court and enforcement costs amounted to PLN 16.1 million, up by 137% year-on-year
- operating expenses, excluding court and enforcement fees, increased in Q1 2020 by 11% YOY, mainly due to higher labour costs, including investments in new employees

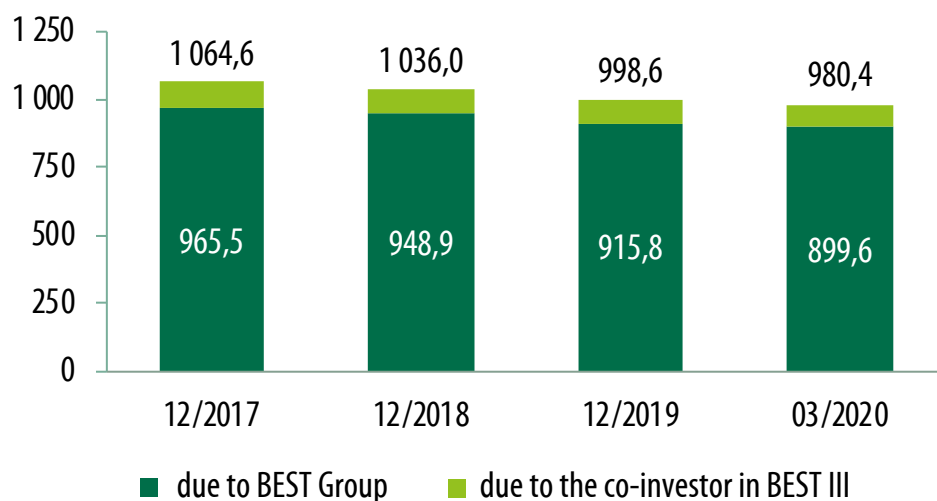
Financial results

(PLN million)	Q1 2020	Q1 2019	change YOY	2019	2018	change YOY
operating revenues, including:	63.8	64.7	(1%)	222.2	190.2	17%
claim revenues	63.2	64.5	(2%)	231.7	155.0	50%
<i>interest calculated using the effective interest rate method</i>	64.2	65.4	(2%)	266.2	224.3	19%
<i>deviations from actual payments</i>	6.1	1.4	341%	5.1	(2.9)	-
<i>revaluation result</i>	(7.0)	(2.3)	208%	(40.0)	(66.3)	(40%)
profit from share in BEST III	-	-	-	-	13.7	-
revenues from the management of BEST III	-	-	-	-	9.8	-
profit / (loss) on share in Kredyt Inkaso	-	-	-	(12.5)	6.0	-
operating expenses, including:	41.4	29.5	40%	137.5	115.1	19%
court and enforcement costs	16.1	6.8	137%	38.2	22.0	74%
operating profit (EBIT)	22.5	35.2	(36%)	84.7	75.1	13%
financial revenues and expenses	(6.0)	(9.1)	(34%)	(36.6)	(39.4)	(7%)
net profit, of which:	16.4	25.3	(35%)	43.4	34.9	24%
attributable to BEST's shareholders	12.0	20.5	(41%)	20.3	32.1	(37%)
adjusted cash EBITDA*	47.8	39.8	20%	173.2	172.7	0%

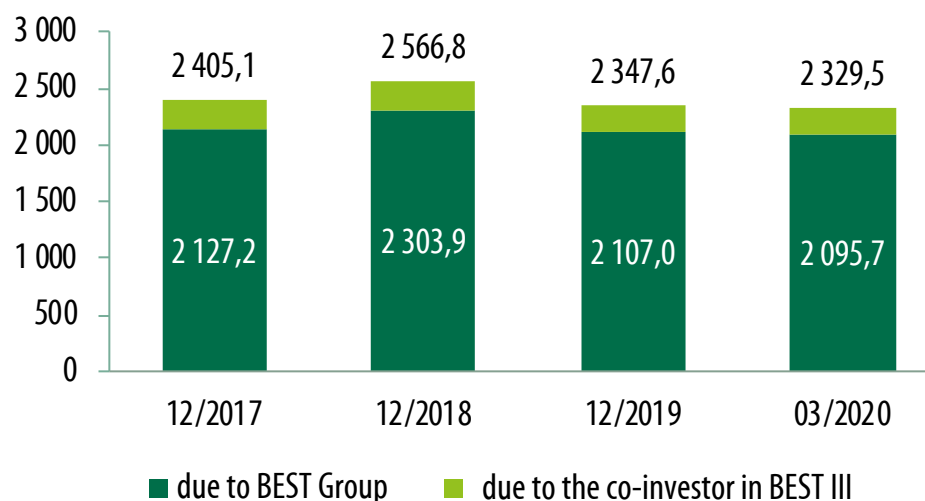
- a significant increase in operating expenses with stable operating revenues translated into a decrease in operating profit and, as a consequence, net profit

Claim portfolios are the biggest item of assets

book value of portfolios (PLN million)



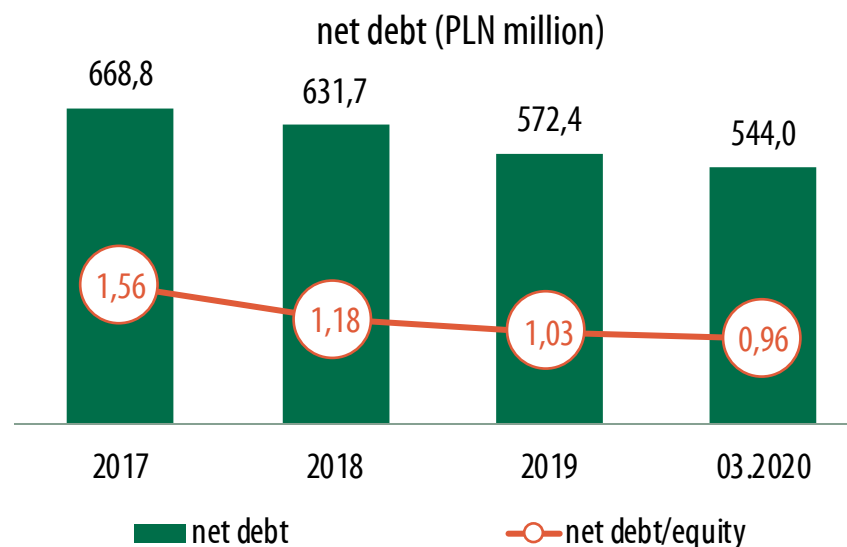
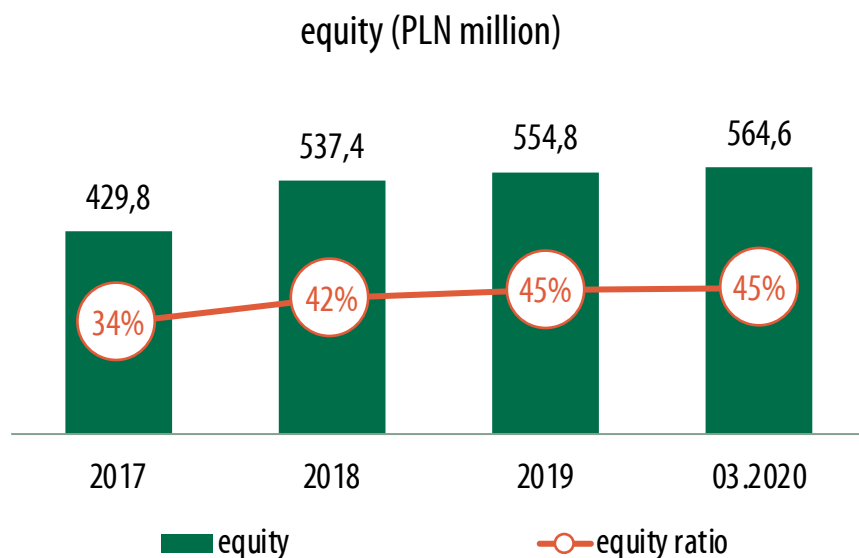
Nominal estimated remaining collections (ERC) (PLN million)



- structure of claims managed by segments:
 - 67.1% – bank
 - 24.3% – telecoms
 - 8.4% – near bank
 - 0,2% – other
- geographic structure of claims managed:
 - 94.6% – Poland
 - 5.4% – Italy

- a significant reduction in investments in new claim portfolios due to the shift of the peak of the economic cycle (in Q1 2020, only one portfolio with a nominal value of PLN 8.4 million was acquired for PLN 1.5 million)
- estimated remaining collections (ERC) from current portfolios amount to over PLN 2.3 billion

Continued improvement of the balance sheet structure



- systematic increase in equity as a result of the profit reinvestment policy
- continued decrease of the main debt ratio (net debt/equity) to a very low level

Group's financial liabilities as of 31/03/2020:

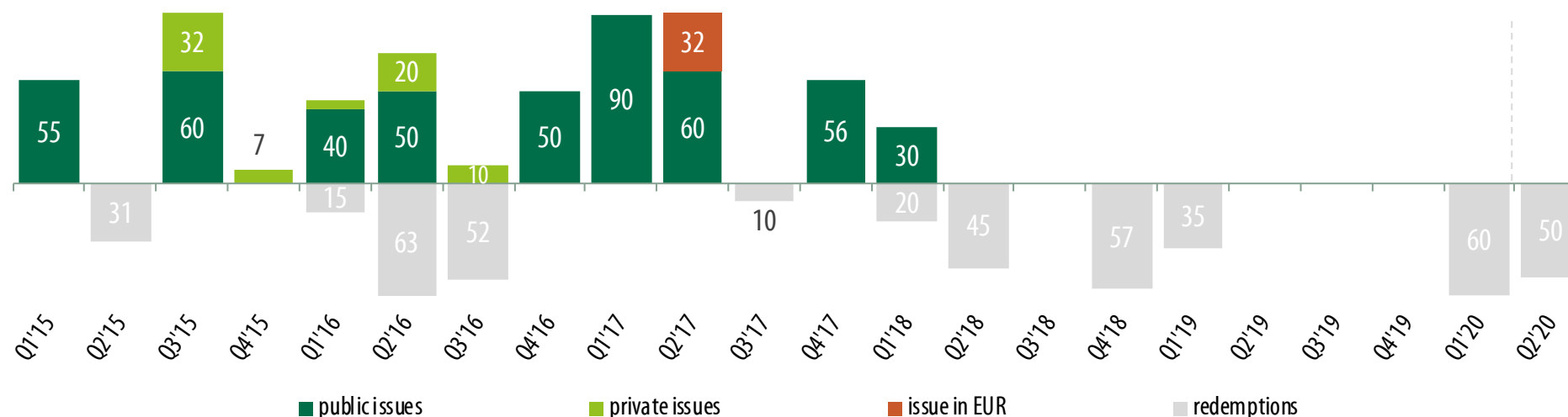
PLN 463.5 million - bonds
 PLN 144.9 million - bank loans
 PLN 27.0 million - borrowings from the management board
 PLN 10.4 million - lease and other

cash as of 31/03/2020:

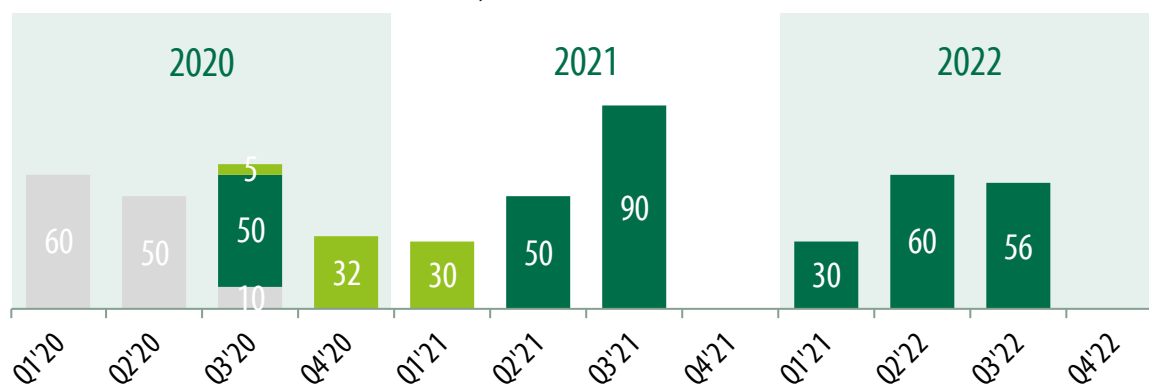
PLN 101.8 million - cash and cash equivalents

Bonds as a key element of financing the Group's business

Issue and redemption of bonds (PLN million)



Bond repayment plan (PLN million)



- in 2018-2019, we redeemed bonds with a total value of PLN 157 million
- this year, we have already redeemed bonds with a value of PLN 120 million

Events after the balance sheet date

- punctual redemption of series L3 bonds with a nominal value of PLN 50 million
- start of the redemption of own bonds for up to PLN 25 million (so far we have bought series L1 bonds with a nominal value of PLN 10 million)

Effect of COVID-19 pandemic on the business of BEST Capital Group

- no disruptions on operational level – since the day the state of epidemic was announced in Poland, we have provided telework opportunities for a large part of our team and ensured continuity of key processes;
- we have not yet observed any significant deviations in the repayment of claims; in the event that the pandemic and the resulting restrictions continue for a longer period of time, we see the following risks:
 - potential decrease in the repayment of claims, in particular in Italy, leading to a negative revaluation of the claims held
 - potential decrease of the value of our investment in Kredyt Inkaso
- **WE HELP:** In April, BEST donated PLN 600 thousand to combat the COVID-19 pandemic. The money went to hospitals in Gdynia (PLN 400 thousand) and Elbląg (PLN 100 thousand). The remaining amount (PLN 100 thousand) was donated to the local government authorities of Gdynia.

Thank you

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Annex – cash EBITDA

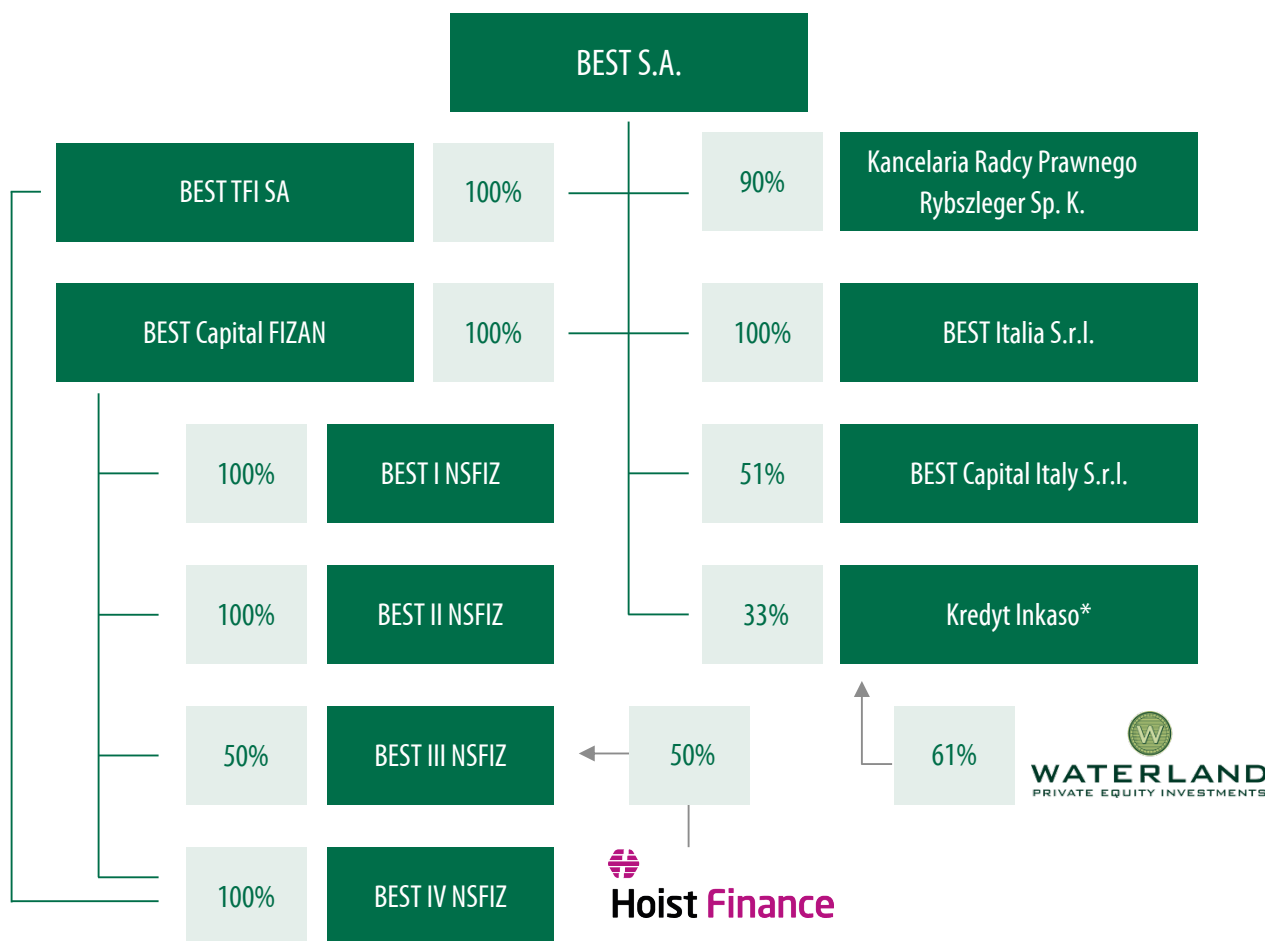
(PLN million)	Q1 2020	Q1 2019	change YOY	2019	2018	change YOY
BEST	47.8	39.8	20%	173.2	153.5	13%
repayment of claims	86.6	67.0	29%	299.1	247.3	21%
other revenues	0.6	0.2	186%	3.3	15.4	-79%
OPEX (excluding amortisation/depreciation)	(39.3)	(27.4)	43%	(129.3)	(109.2)	18%
BEST III NSFIZ	-	-	-	-	19.2	-
adjusted cash EBITDA	47.8	39.8	20%	173.2	172.7	0%
Kredyt Inkaso*	-	10.4	-	49.7	47.7	4%
<i>BEST's share</i>	<i>33.14%</i>	<i>33.14%</i>		<i>33.14%</i>	<i>33.14%</i>	
cash EBITDA	-	31.5	-	150.1	143.9	4%
repayment of claims	-	61.3	-	245.7	223.8	10%
other revenues	-	4.9	-	14.7	14.1	4%
OPEX (excluding depreciation/amortisation)**	-	(34.6)	-	(110.4)	(94.0)	17%
full cash EBITDA	47.8	50.2	-	222.9	220.4	1%

* Data of Kredyt Inkaso for Q1 2020 is not available due to different report publication dates

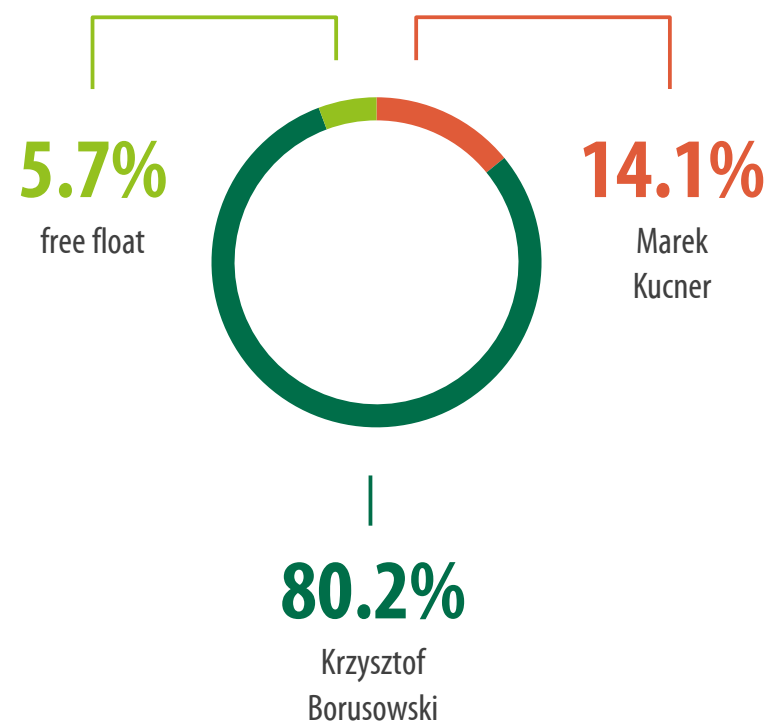
Annex – statement of financial position

(PLN million)	31/03/2020	31/12/2019	30/09/2019	30/06/2019	31/03/2019
assets, including:	1,247.7	1,244.9	1,293.9	1,278.9	1,254.1
cash and cash equivalents	101.8	82.0	75.4	54.3	39.6
claims acquired	980.4	998.6	1,050.6	1,053.8	1,033.6
investments in associates	98.7	98.7	101.3	101.3	111.2
investment real property	20.6	20.6	19.3	19.3	18.8
equity and liabilities, including:	1,247.7	1,244.9	1,293.9	1,278.9	1,254.1
financial liabilities	645.8	654.4	652.2	659.9	655.2
equity	564.6	554.8	593.1	572.2	556.2
net debt	544.0	572.4	576.9	605.5	615.5
net debt/equity	0.96	1.03	0.97	1.06	1.11

Capital Group Structure



Shareholding of BEST S.A.
(share in share capital)



* associate