



GRUPA BEST

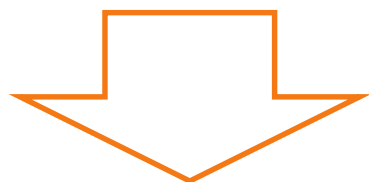
PRESENTATION OF 1H 2018 FINANCIAL RESULTS

Warszawa, 11 września 2018 roku

Poland – NPL market

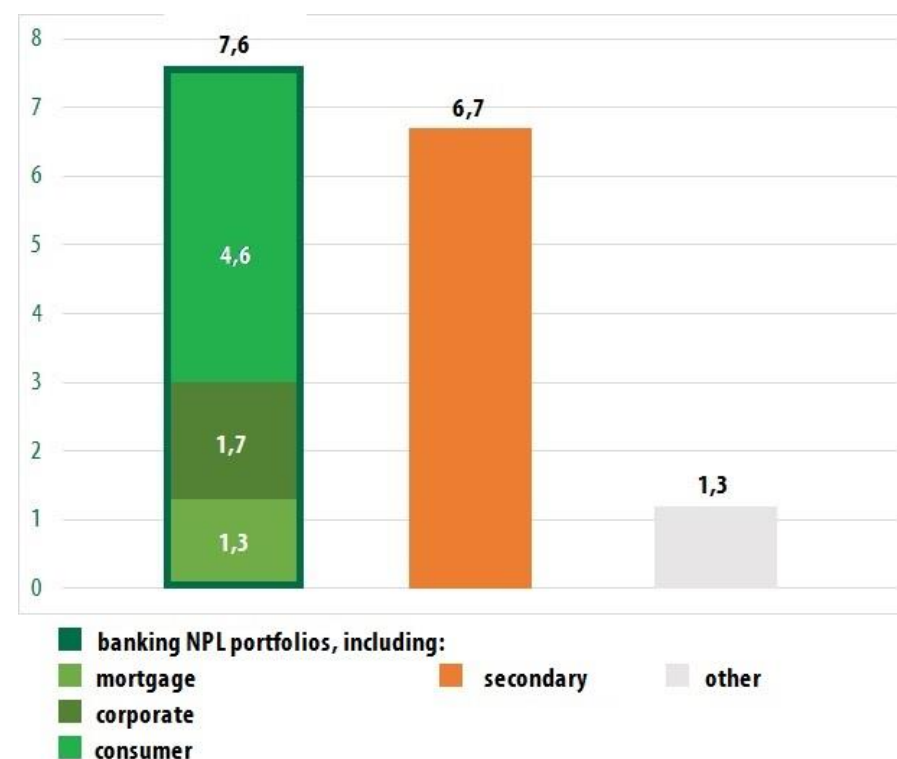
SUPPLY IN 2018

- forecasted stable supply on the primary banking NPL market (retail excluding mortgage) of approximately PLN 8-10bn
- expected mortgage portfolios of PLN 2-3bn until the end of 2018
- expected corporate debt portfolios of PLN 2,5-3bn until the end of 2018
- potential increase of supply on the secondary market to PLN 20-25bn
- possible temporary restrictions on access to financing
- limited investment activity of the player that had a strong impact on the prices of debt portfolios

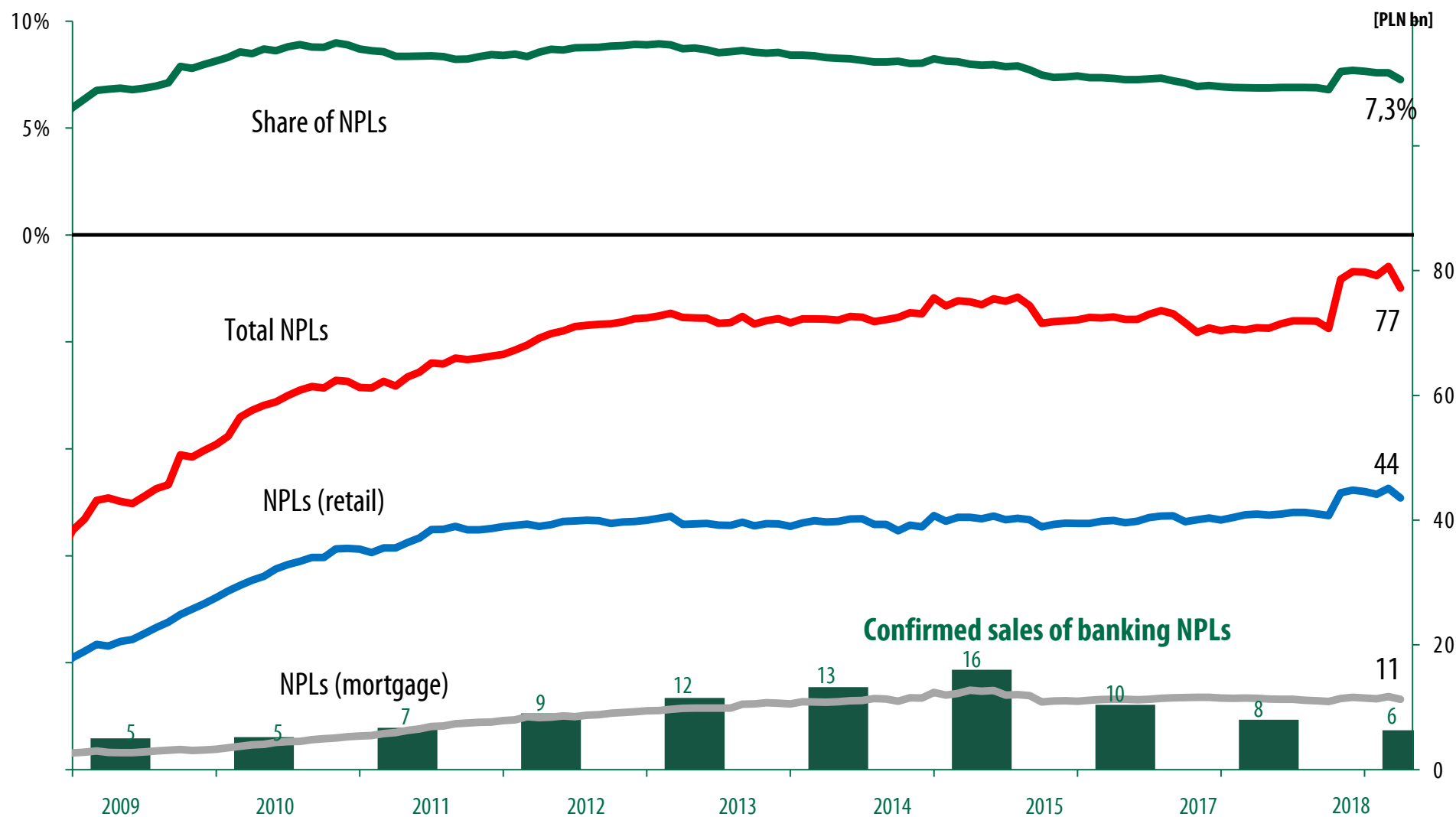


we expect a further decrease of debt prices

Estimated nominal value of transaction on the debt portfolio market in 1H 2018 (PLN bn)



Poland – banking sector non-performing loans



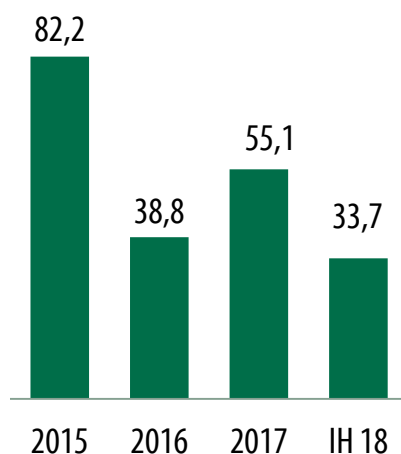
Summary

Key events on the market and at BEST Group	1H'18	1H'17						
<ul style="list-style-type: none"> Consequences for the market caused by GetBack's situation new debt prescription regulation in force normalisation of the situation on the secondary debt portfolio market 								
<ul style="list-style-type: none"> rapidly growing recoveries attributable to BEST 	PLN 127,3 m (+17% y/y)	PLN 109,2m (+25% y/y)						
<ul style="list-style-type: none"> activity in the debt market: <table border="0" style="margin-left: 20px;"> <tr> <td style="padding-right: 20px;">bond issues</td> <td>PLN 30,0m (T2 – pub. offering)</td> <td>PLN 150,0m (R2, R3, R4 – pub. offering)</td> </tr> <tr> <td style="padding-right: 20px;">bond redemptions</td> <td>PLN 65,0m</td> <td>-</td> </tr> </table> 	bond issues	PLN 30,0m (T2 – pub. offering)	PLN 150,0m (R2, R3, R4 – pub. offering)	bond redemptions	PLN 65,0m	-		
bond issues	PLN 30,0m (T2 – pub. offering)	PLN 150,0m (R2, R3, R4 – pub. offering)						
bond redemptions	PLN 65,0m	-						
Financial performance figures	1H'18	1H'17						
<ul style="list-style-type: none"> operating income 	PLN 110,8m (+21% y/y)	PLN 91,8m (-21% y/y)						
<ul style="list-style-type: none"> net profit 	PLN 33,7m (+11% y/y)	PLN 30,3m (-31% y/y)						
<ul style="list-style-type: none"> adjusted cash EBITDA (excluding KI's contribution)* 	PLN 77,3m (+12% y/y)	PLN 69,1m (+15% y/y)						

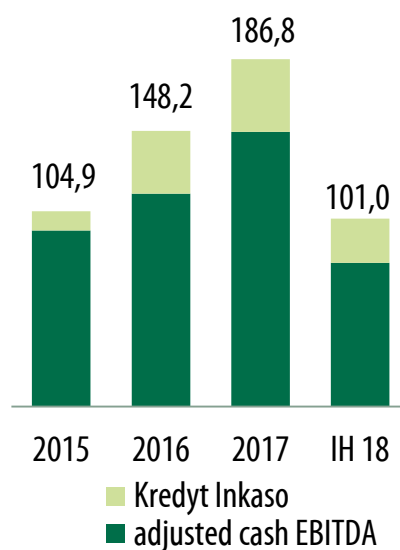
* in conformity with the calculation presented on slide 12

Strong business growth and excellent financial performance

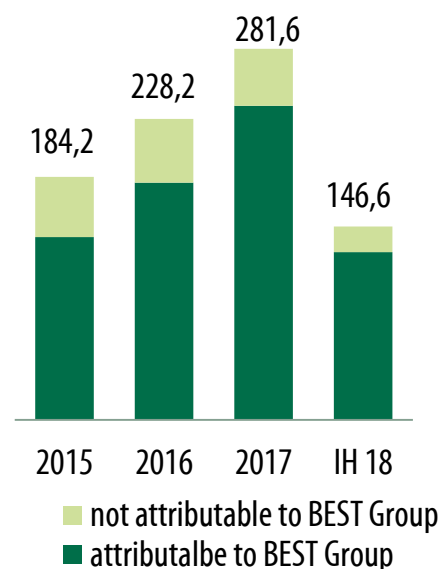
Net profit (PLNm)



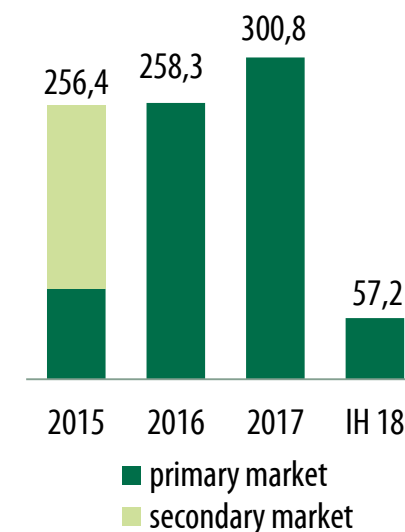
Full cash EBITDA* (PLNm)



Recoveries (PLNm)



Investments in debt portfolios (PLNm)



MARKET CAPITALISATION

PLN 700m

(as at 10 September 2018)
EPS: 2,54

FAIR VALUE OF PORTFOLIOS

PLN 1bn

(as at 30 June 2018)

RECOVERIES FOR THE LAST FIVE YEARS

PLN 1bn

(owned and third-party accounts, until 31 March 2018)

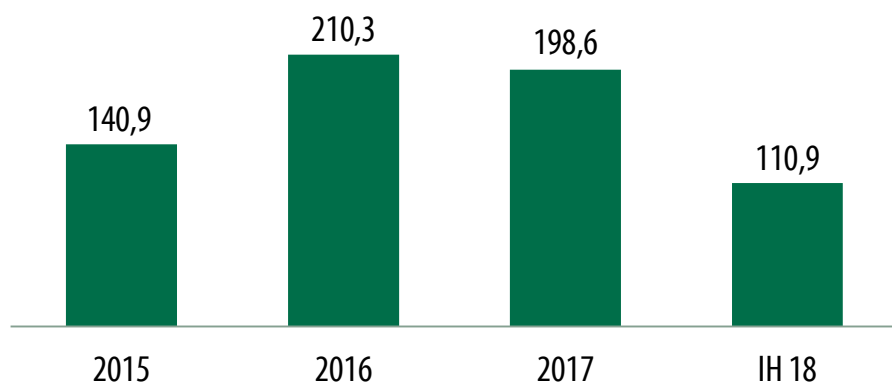
INVESTMENTS IN THE LAST FIVE YEARS

PLN 1bn

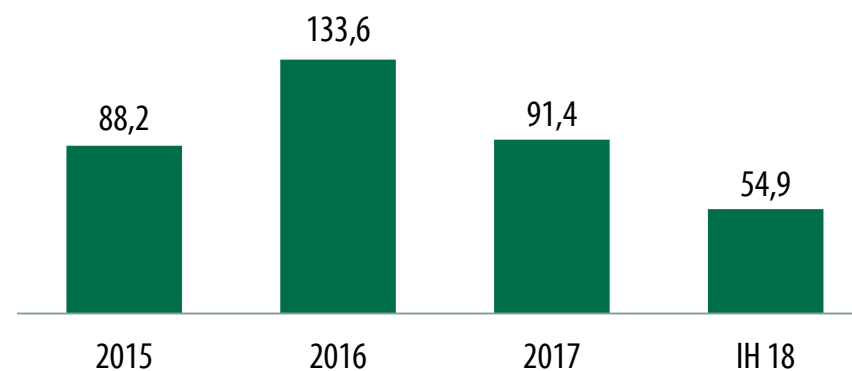
(until 30 June 2018)

Key business metrics

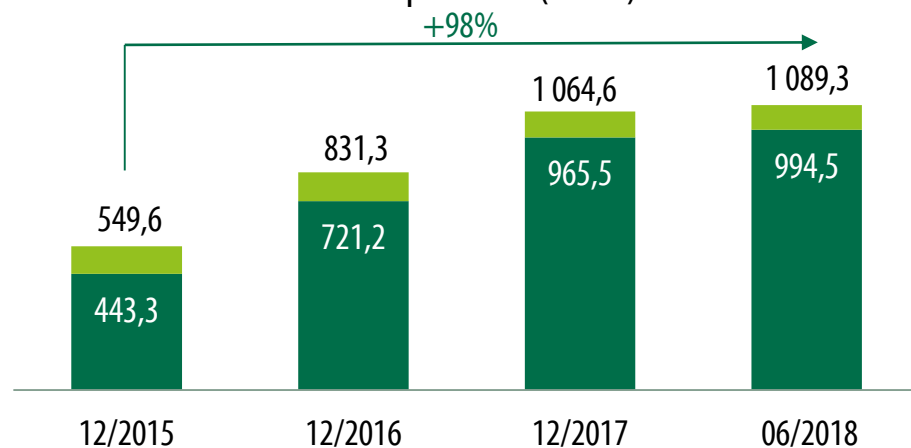
operating income (PLNm)



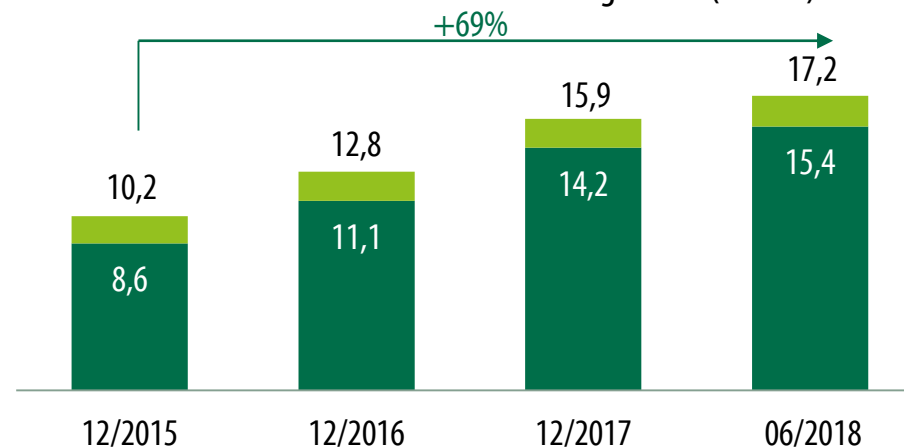
operating profit (PLNm)



fair value of portfolios (PLNm)



nominal value of debts under management (PLNbn)

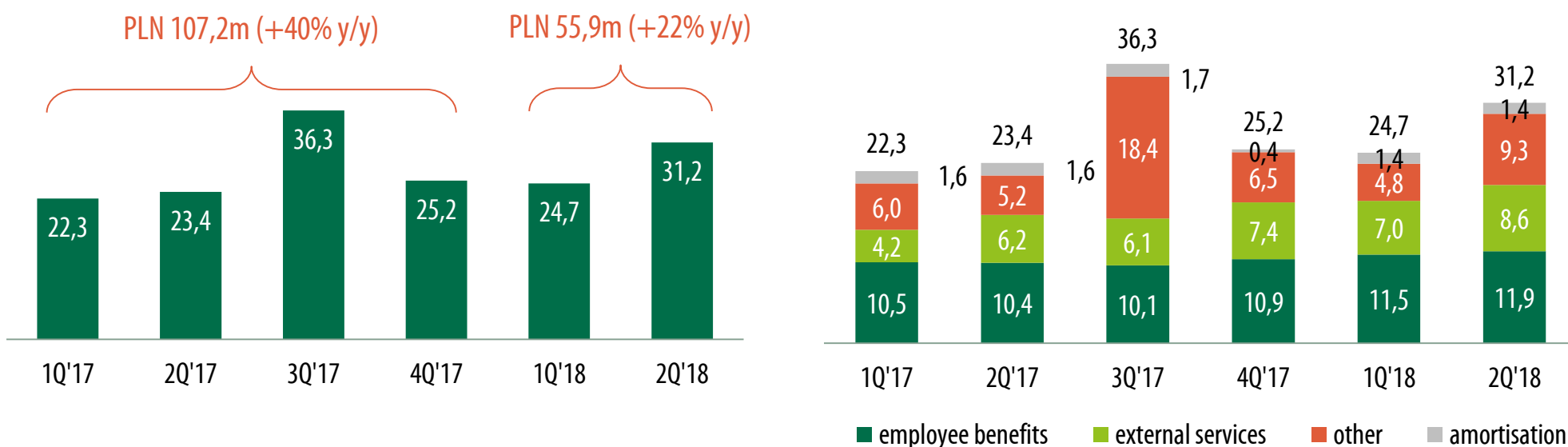


■ attributable to the BEST Group ■ not attributable to the BEST Group

■ attributable to the BEST Group ■ not attributable to the BEST Group

Cost discipline

operating costs (PLN m)



- despite a lower increase in costs than in 2017 we are still working on improving the cost discipline
- in 2Q 2018, we incurred significant costs related to planned entry into force of new bailiff and enforcement costs regulations
- in 1H 2018 we incurred expenditures amounting to approx. PLN 3,5m on the development of operations in Italy (external services)

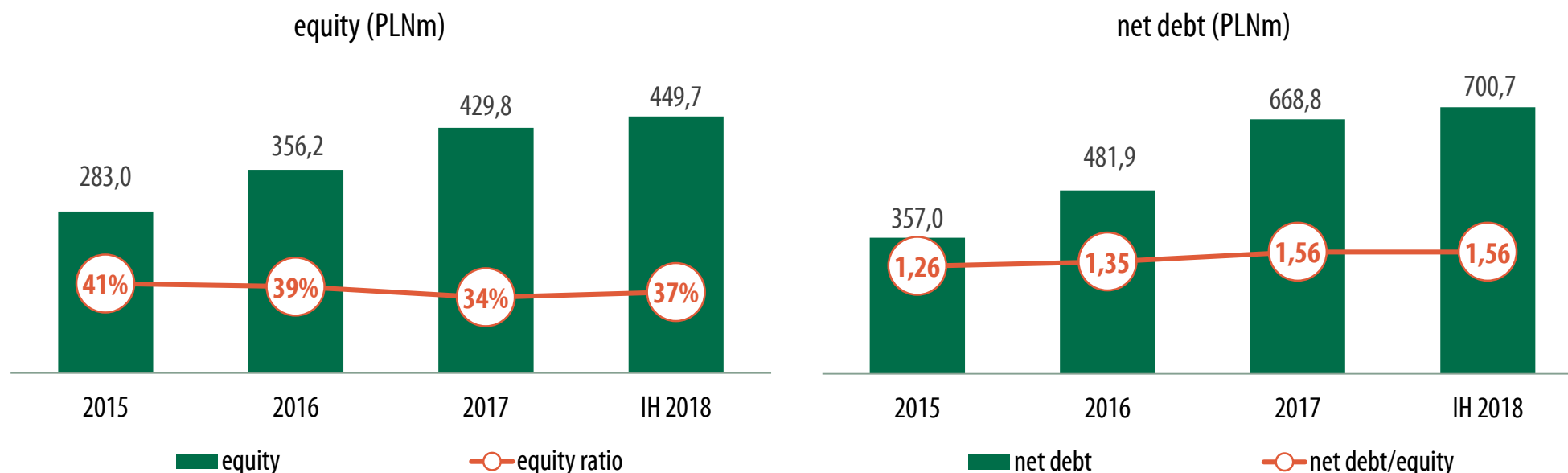
Financial performance figures

(PLNm)	2Q'18	1Q'18	q/q change	1H'18	1H'17	y/y change
operating income	56,0	54,8	2%	110,9	91,8	21%
income from debt portfolios (BEST I, BEST II, BEST IV, BCI)	42,5	46,8	-9%	89,3	68,7	30%
recoveries	55,5	52,4	6%	107,9	86,7	24%
portfolio amortisation	(8,9)	(8,3)	7%	(17,2)	(18,4)	-7%
change in estimation parameters	(4,2)	2,7	-254%	(1,5)	0,4	-480%
investments (BEST III, KI)	9,6	4,1	135%	13,7	14,7	-7%
other income	4,0	3,9	2%	7,9	8,4	-6%
operating expenses	31,2	24,7	26%	56,0	45,8	22%
EBIT	24,8	30,1	-18%	54,9	46,1	19%
net finance costs	8,4	9,8	-14%	18,2	15,7	16%
net profit (loss)	14,0	19,7	-29%	33,7	30,3	11%
adjusted cash EBITDA*	37,0	40,2	-8%	77,3	69,1	12%

- growth in income from debt portfolios(+30% y/y) based on a growth in recoveries at the Group's own funds (+24% y/y)
- high cash EBITDA (+12% in 1H'18 and +29% in 2017 y/y) – generated as a result of investments in recent quarters and a focus on the Group's operating efficiency
- other income associated with BEST III (debt portfolio and fund management) and other services

* in conformity with the calculation presented on slide 12

Stable financing structure

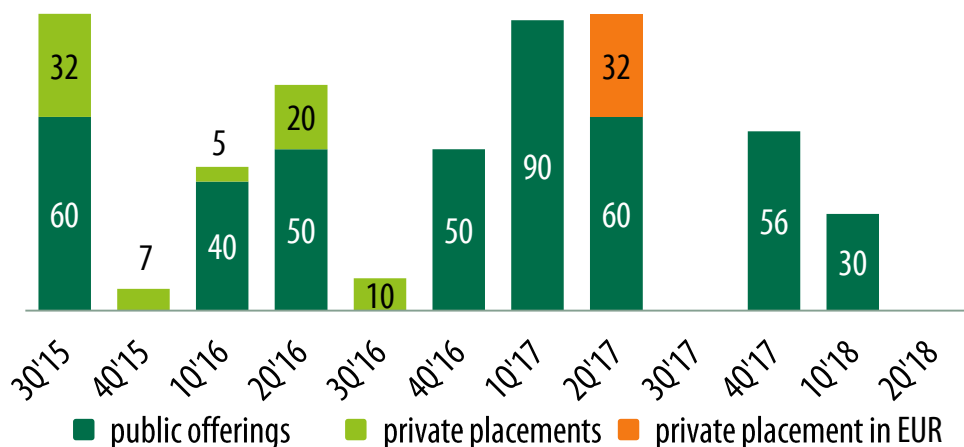


- steadily growing equity – effect of the profit reinvestment policy
- stable level of the main debt ratio (net debt/equity)

- the Group's debt financing as at 30.06.2018:
 609,9 mln zł - bonds
 133,5 mln zł - bank borrowings (total facilities available – PLN 168m)

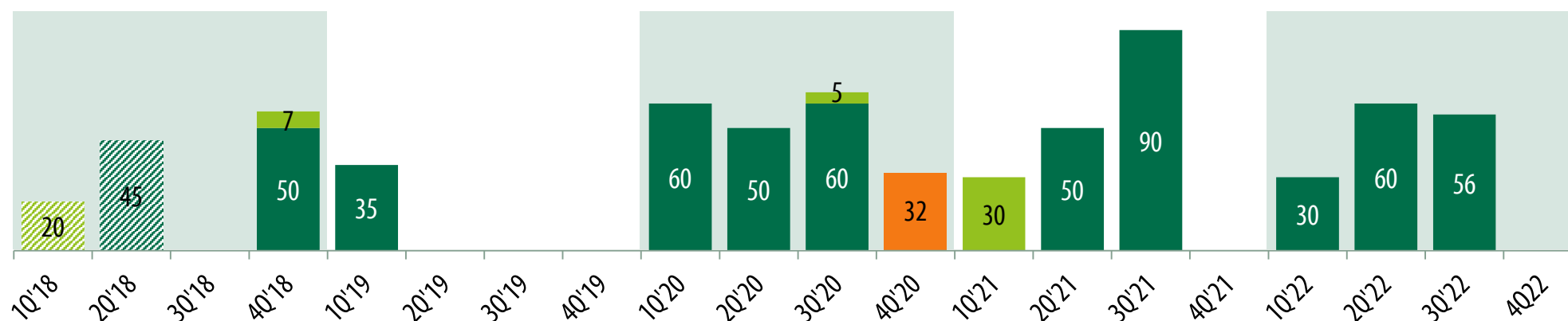
Bond issues as an important element of group's financing

bond issues (PLNm)



- in 2018 PLN 30m of bonds issued in public offerings and redemption of PLN 65m worth of bonds
- visible decrease of interest in bonds and an increase of financing costs
- favorable bond maturity structure – moderate redemptions in 2018 and 2019, with more significant repayments starting from 2020

bond redemption schedule (PLNm)



Thank you

BEST Investor Profile – to receive key personalized information on the BEST Group directly to your e-mail address, please register at www.best.com.pl in the For Investors -> BEST Investor Profile section.



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Appendix – cash EBITDA

(PLNm)	1H'18	1H'17	y/y change	2017	2016	y/y change
BEST (BEST I, BEST II i BEST IV, BCI)	62,6	52,5	19%	115,5	79,8	45%
<i>BEST interest</i>	<i>100,00%</i>	<i>100,00%</i>		<i>100,00%</i>	<i>100,00%</i>	-
recoveries	107,9	86,7	24%	195,1	131,7	48%
other income	7,9	8,4	(6%)	22,4	20,6	9%
OPEX (excluding D&A)	(53,1)	(42,6)	25%	(102,0)	(72,5)	41%
BEST III	14,6	16,6	(12%)	32,2	34,6	(7%)
<i>BEST interest</i>	<i>50,00%</i>	<i>50,00%</i>		<i>50,00%</i>	<i>50,00%</i>	-
cash EBITDA	29,3	33,2	(12%)	64,4	69,4	(7%)
recoveries	38,7	44,9	(14%)	86,5	96,5	(10%)
other income	0,0	0,0	0%	0,0	1,5	(100%)
OPEX	(9,5)	(11,7)	(19%)	(22,1)	(28,6)	(23%)
adjusted cash EBITDA	77,3	69,1	12%	147,7	114,4	29%
Kredyt Inkaso*	23,7	18,0	32%	39,2	33,8	16%
<i>BEST interest</i>	<i>33,14%</i>	<i>32,99%</i>		<i>33,04%</i>	<i>32,99%</i>	-
cash EBITDA	71,7	54,5	32%	118,7	102,5	16%
recoveries	109,2	82,8	32%	173,9	147,3	18%
other income	7,0	21,1	(67%)	30,9	37,6	(18%)
OPEX (excluding D&A)**	(44,5)	(49,4)	(10%)	(86,1)	(82,4)	5%
full cash EBITDA	101,0	87,1	16%	186,9	148,2	26%

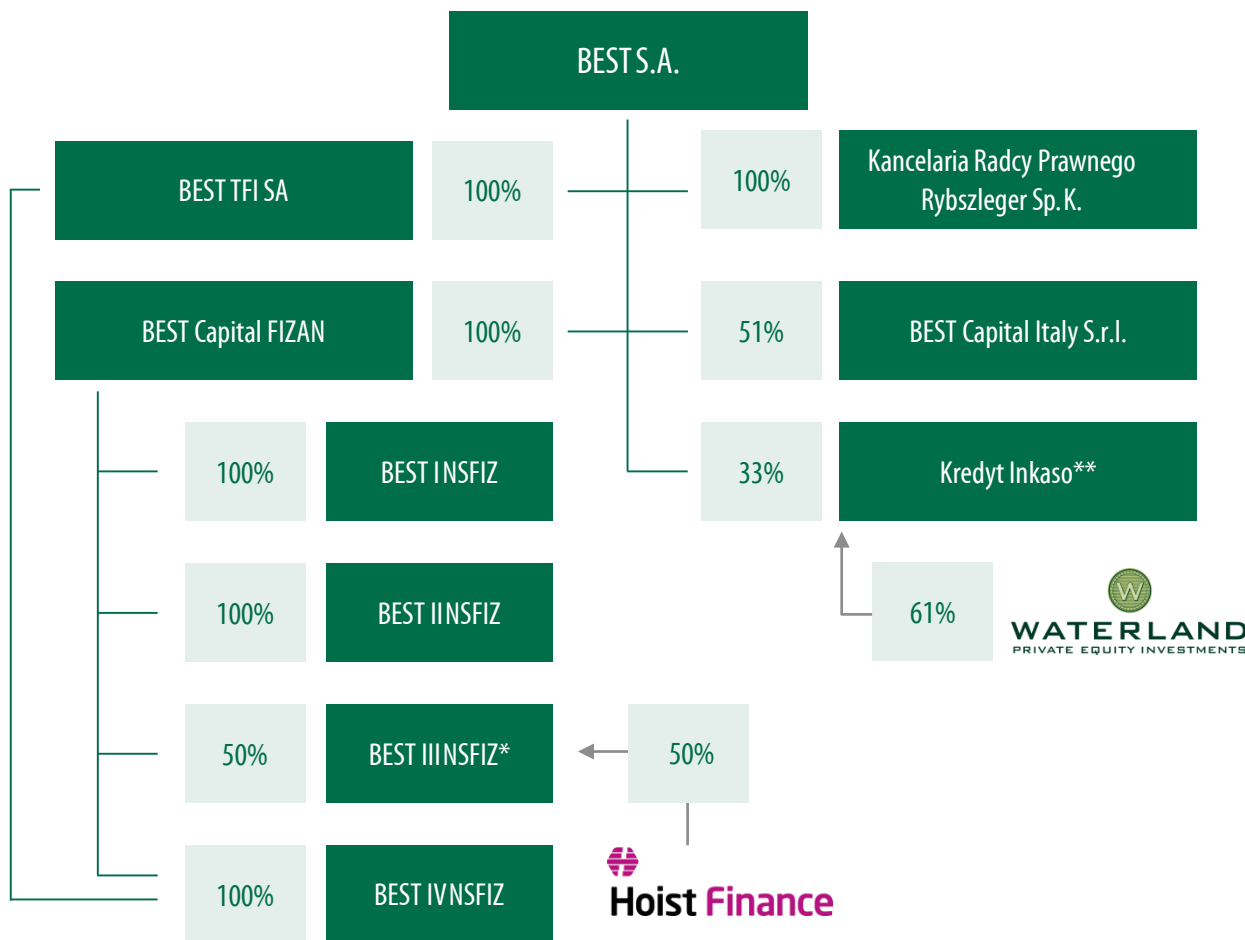
* The differences between the level of cash EBITDA presented in this table and in BEST's consolidated financial reports are attributable to the availability of financial information of Kredyt Inkaso as at the date of publication of the reports. In this presentation, financial information of Kredyt Inkaso has been accounted for in the periods to which it relates.

** Operating expenses plus income tax and profit attributable to non-controlling interests.

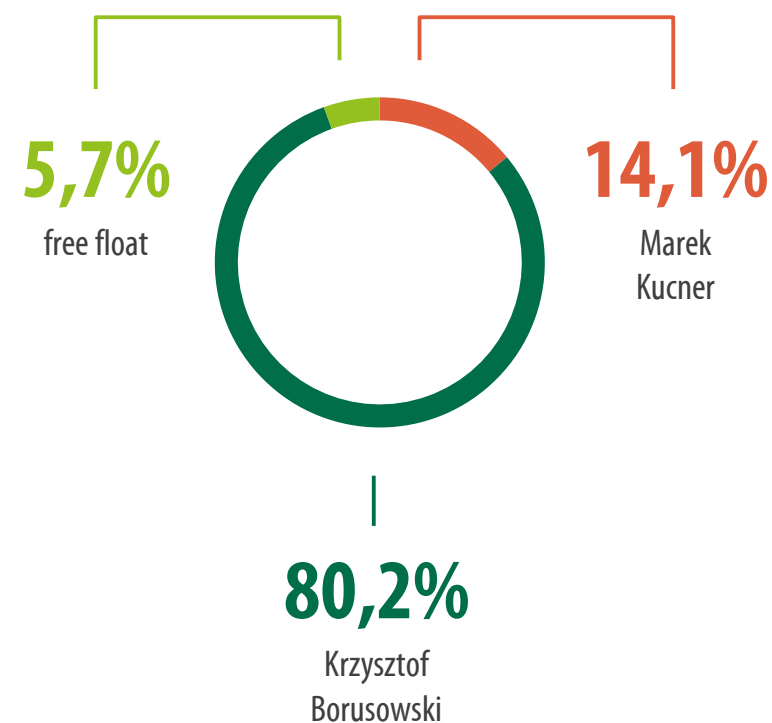
Appendix – consolidated statement of financial position

(PLNm)	31.03.2017	30.06.2017	30.09.2017	31.12.2017	31.03.2018	30.06.2018
assets, including:	1047,3	1123,5	1146,7	1245,9	1258,6	1218,7
cash and cash equivalents	105,3	117,6	76,8	91,2	121,8	43,3
purchased debt	675,5	741,9	790,7	866,5	853,3	899,7
investments in jointly controlled entities	108,6	106,6	104,5	101,0	97,4	96,2
investments in associates	106,7	107,4	107,3	109,0	109,0	105,1
investment property	7,6	7,6	7,6	14,3	14,3	14,3
equity and liabilities, including:	1047,3	1123,5	1146,7	1245,9	1258,6	1218,7
financial liabilities	581,3	698,8	708,8	760,0	799,2	744,0
equity	363,0	405,1	421,4	429,8	442,8	449,7
net debt	476,0	581,2	632,0	668,8	677,4	700,7
net debt/equity	1,3	1,4	1,5	1,6	1,5	1,6

Appendix – structure of the BEST Group



BEST S.A. shareholder structure
(% of share capital held)



* jointly controlled entity ** associate