



BEST GROUP

PRESENTATION OF FINANCIAL RESULTS FOR THE 1ST HALF OF 2021

Gdynia, 7 September 2021

Executive summary

Key events at BEST Group in 1H 2021

- High repayments of managed portfolios of claims—exceeding PLN 100m in 2Q 2021
- Growth in key financial results
- Further reduction in debt—net debt to equity ratio of 0.64
- Approval of prospectus for new bond issue programme with a nominal value of up to PLN 200m

Key financial and operating parameters	1H 2021	1H 2020	Change
▪ Repayment of claims from managed portfolios, including:	PLN 209.4m	PLN 182.5m	+15%
▪ due to BEST Group	185.1m	164.4m	+13%
▪ Operating revenue	173.2m	132.6m	+31%
▪ Cash EBITDA*	117.0m	105.9m	+10%
▪ Net profit attributable to BEST shareholders	42.2m	25.8m	+64%

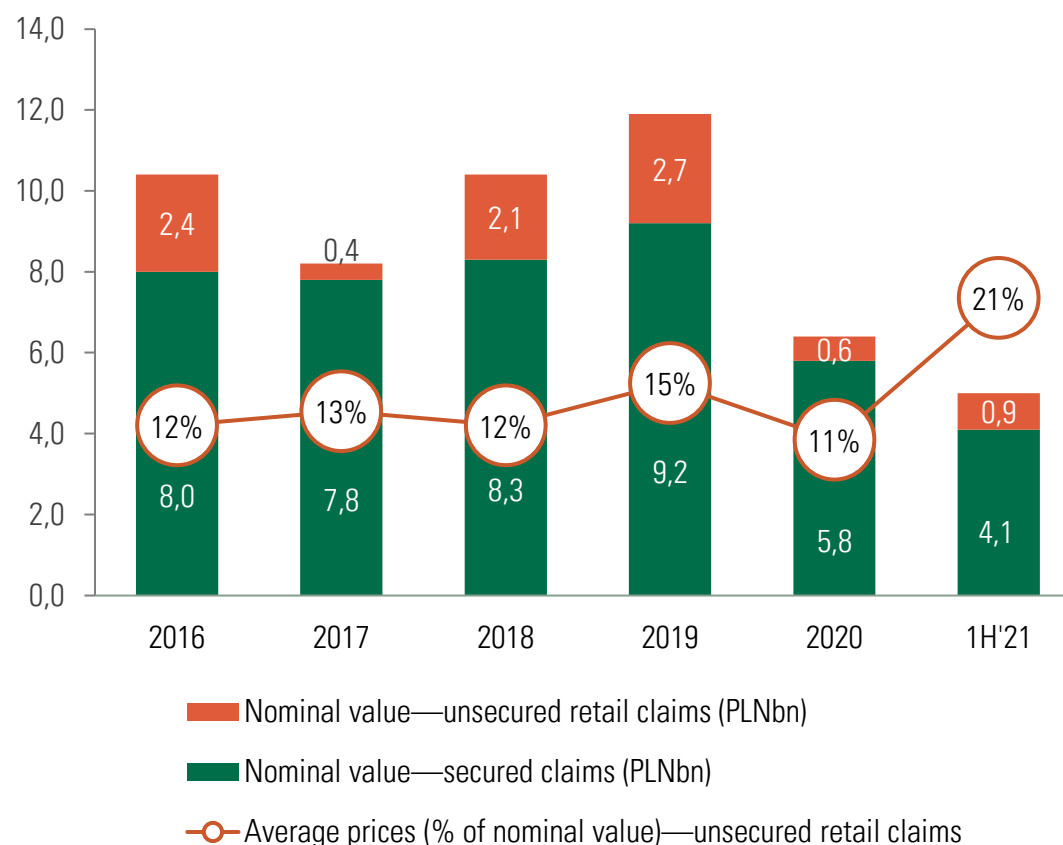
* Without the share of Kredyt Inkaso, according to calculation on slide 15 (annex)

Poland—nonperforming debt market

MARKET SITUATION IN 1H 2021:

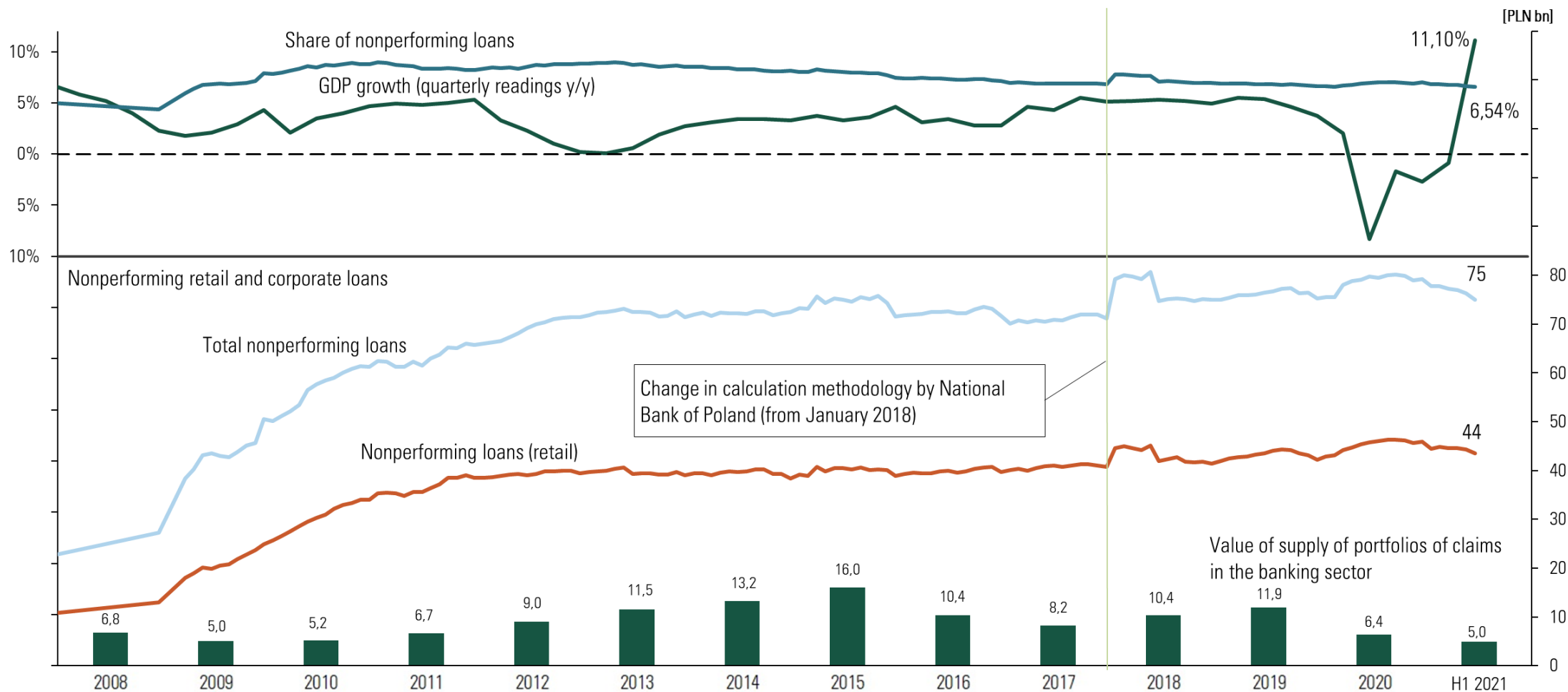
- Growth in supply of claims to level similar to analogous periods of 2016–2018
- Significant portion of supply from 2020 shifted to 2021 and later years
- Greater demand on the NPL market, including from foreign firms and funds
- Significant growth in prices of claim portfolios
- Anticipated greater share of supply of claims from SME and corporate sector
- Potential future effects of continuing high inflation: decline in real burdens of debtors, growth in supply of bank portfolios due to potential rise in interest rates

Nonperforming bank loans—supply of claim portfolios
(retail portfolios and portfolios secured by mortgages, primary market)



Source: our compilation

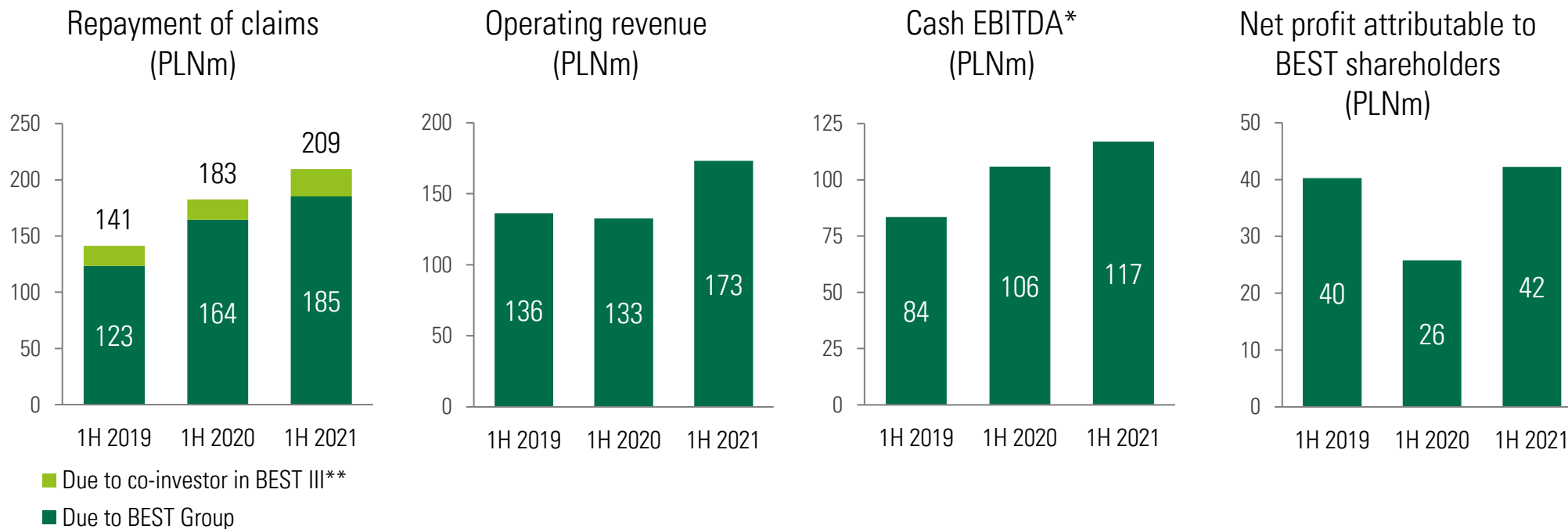
Poland—nonperforming debt market



DISCUSSION OF FINANCIAL RESULTS FOR 1H 2021



Growing repayment of claims and key financial results



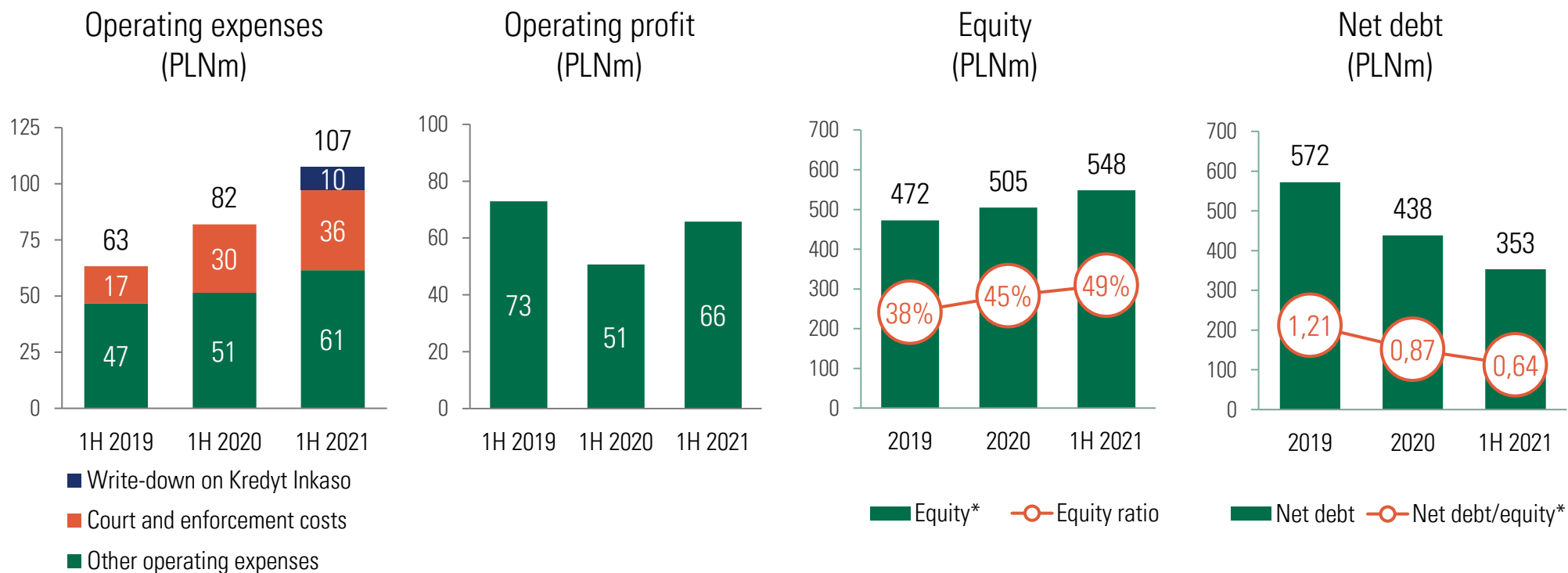
13%
 INCREASE IN REPAYMENT
 OF CLAIMS DUE TO BEST
 GROUP
 (1H 2021 y/y)

31%
 INCREASE IN OPERATING
 REVENUE
 (1H 2021 y/y)

10%
 INCREASE IN CASH
 EBITDA
 (1H 2021 y/y)

64%
 INCREASE IN NET PROFIT
 ATTRIBUTABLE TO BEST
 SHAREHOLDERS
 (1H 2021 y/y)

Operating efficiency and steady improvement in balance-sheet structure



17%
GROWTH IN COURT AND ENFORCEMENT COSTS (1H 2021 y/y)

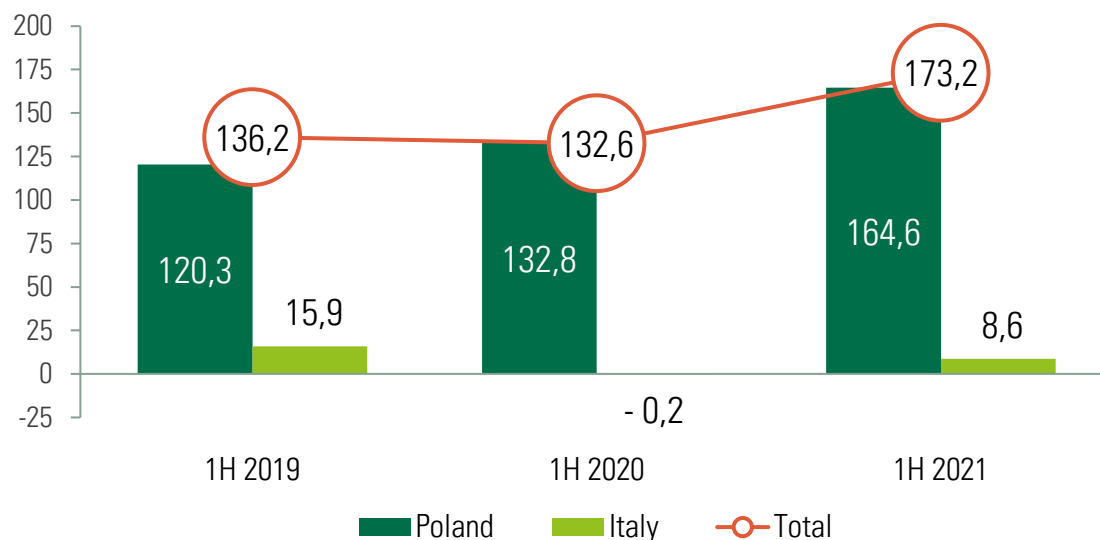
38%
OPERATING MARGIN (1H 2021)

0.64
VERY LOW DEBT RATIO (30.06.2021)

19%
DECREASE IN NET DEBT (30.06.2021 vs. 31.12.2020)

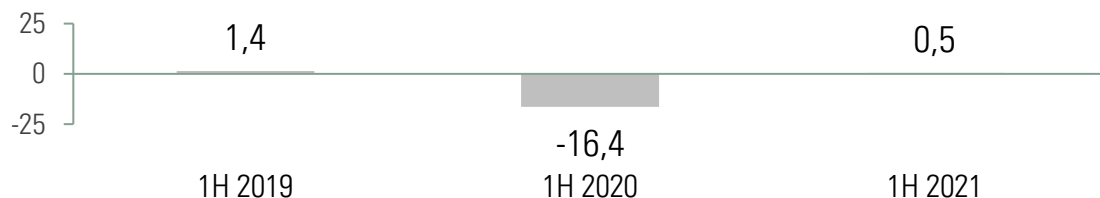
Significant growth in revenue thanks to high repayment of claims

Operating revenue by market (PLNm)



- Growth in revenue in 1H 2021 of 31% y/y, mainly thanks to higher than expected repayment of claims
- 5% of revenue from the Italian market

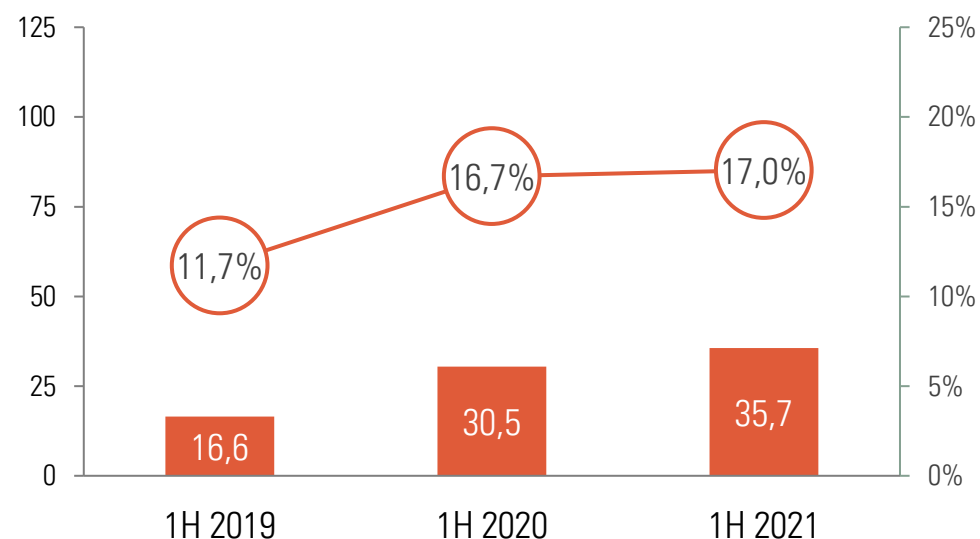
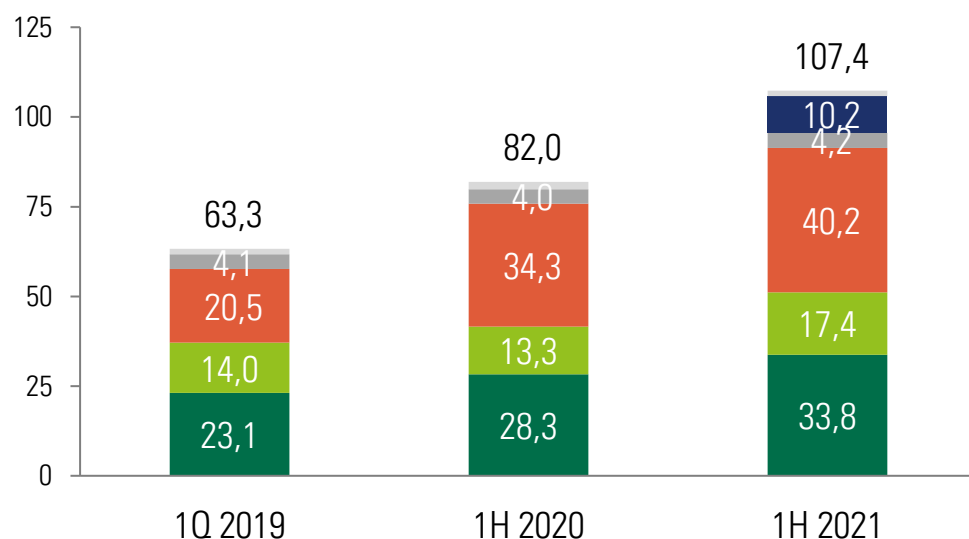
Result from revaluation of portfolios; effect on operating revenue (PLNm)



- Neutral balance of revaluations of portfolios in 1H 2021

Additional write-down for Kredyt Inkaso and further growth in court and enforcement costs

Operating expenses (PLNm)



■ Third-party services
■ Amortization
■ Other

■ Taxes and fees
■ Write-down on Kredyt Inkaso

■ Court and enforcement costs
○— Ratio of court and enforcement costs to total repayments from portfolios

- Court and enforcement costs (shown in the chart on the left under “taxes and fees”) rose in 1H 2021 by 17% y/y to PLN 35.7m
- Total operating expenses rose in 1H 2021 by 31% y/y (19% excluding revaluation write-down on investment in Kredyt Inkaso), on growth in operating revenue also of 31% y/y

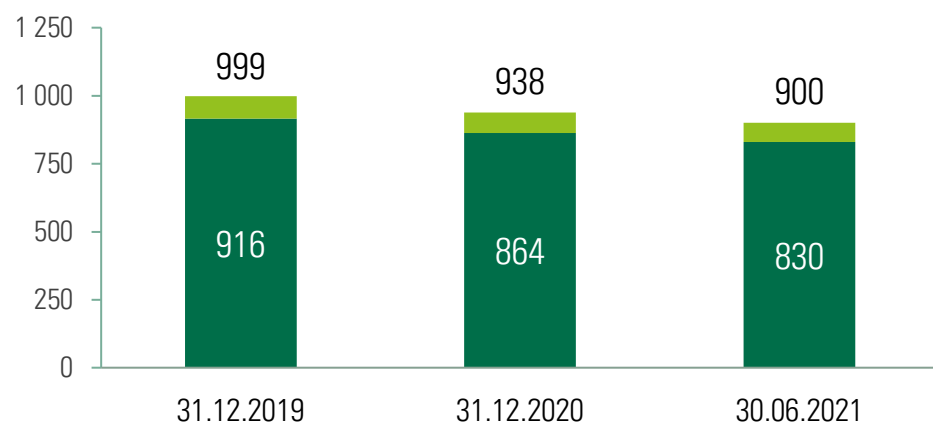
Financial results

(PLN million)	1H 2021	1H 2020	change y/y	2Q 2021	2Q 2020	change y/y
Operating revenue , including:	173.2	132.6	+31%	96.5	68.8	+40%
Revenue from acquired claims	163.5	131.3	+25%	87.0	68.1	+28%
<i>Interest using the effective interest rate method</i>	<i>119.5</i>	<i>126.9</i>	<i>(6%)</i>	<i>59.0</i>	<i>62.7</i>	<i>(6%)</i>
<i>Deviations from actual payments</i>	<i>43.5</i>	<i>20.9</i>	<i>+108%</i>	<i>28.0</i>	<i>14.7</i>	<i>+90%</i>
<i>Revaluation result</i>	<i>0.5</i>	<i>(16.4)</i>	-	<i>(0.0)</i>	<i>(9.4)</i>	-
Share in profit/(loss) of Kredyt Inkaso	9.2	-	-	9.2	-	-
Operating expenses , including:	107.4	82.0	+31%	62.0	40.6	+53%
Court and enforcement costs	35.7	30.5	+17%	20.7	14.3	+44%
Write-down in value of investment in Kredyt Inkaso	10.2	-	-	10.2	-	-
Operating profit	65.8	50.7	+30%	34.5	28.2	+22%
Net financial expenses, including:	21.6	19.4	+11%	11.7	8.5	+38%
Interest on financial obligations	8.9	12.0	(26%)	4.2	3.4	+23%
Valuation of obligations to co-investor in BEST III	11.3	9.8	+15%	6.6	4.9	+36%
Net profit , of which:	42.6	26.0	+64%	21.8	14.6	+49%
Attributable to BEST shareholders	42.2	25.8	+64%	21.5	14.5	+48%
Cash EBITDA*	117.0	105.9	+10%	62.3	58.1	+7%

- Higher repayment of claims, neutral revaluation of portfolios
- In 1H 2021, growth in operating profit of 30% y/y, and net profit attributable to BEST shareholder of 64% y/y

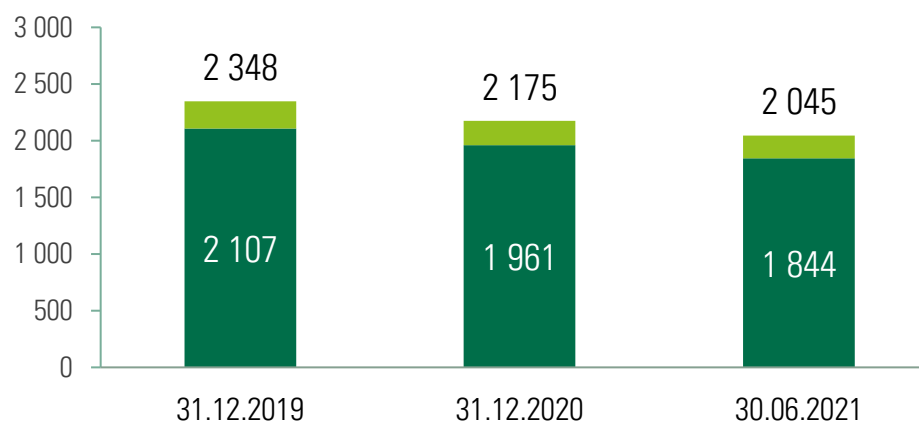
Claims portfolios are the biggest asset item

Book value of portfolios (PLNm)



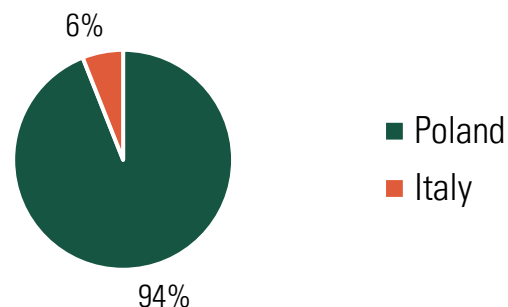
■ due to BEST Group ■ due to co-investor in BEST III

ERC—nominal estimated remaining collections (PLNm)

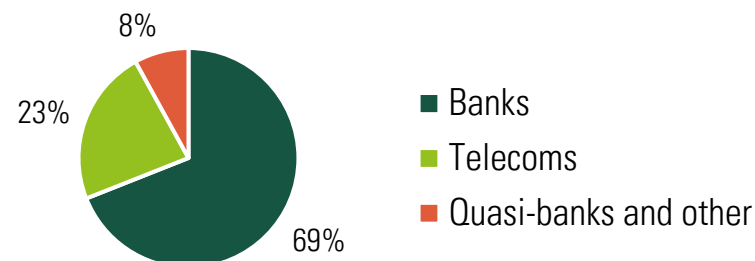


■ due to BEST Group ■ due to co-investor in BEST III

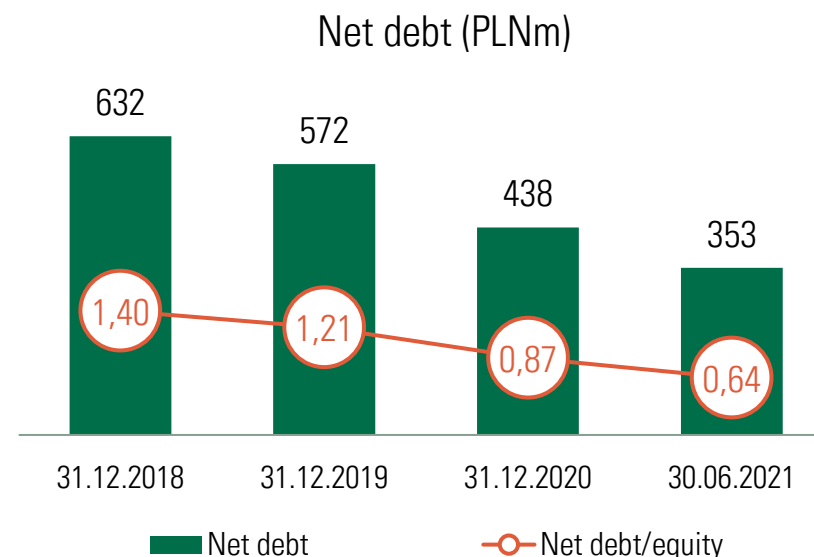
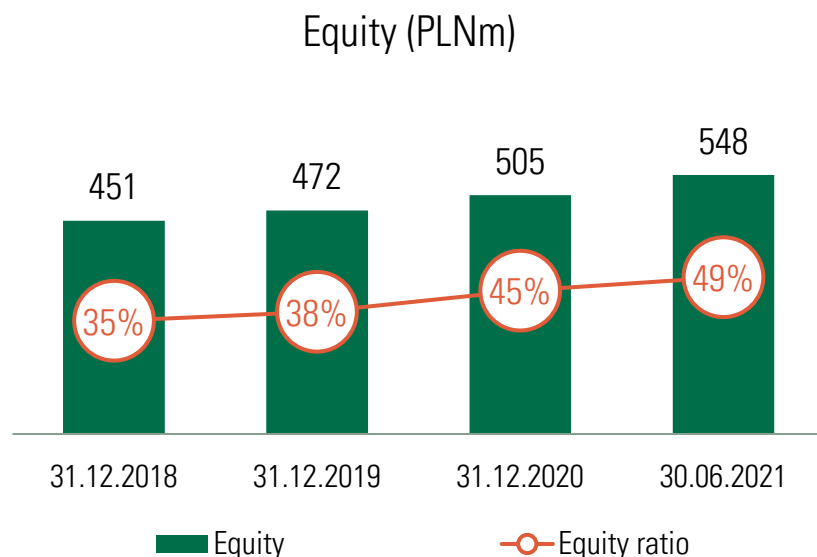
Geographical structure of managed claims



Structure of managed claims by segment

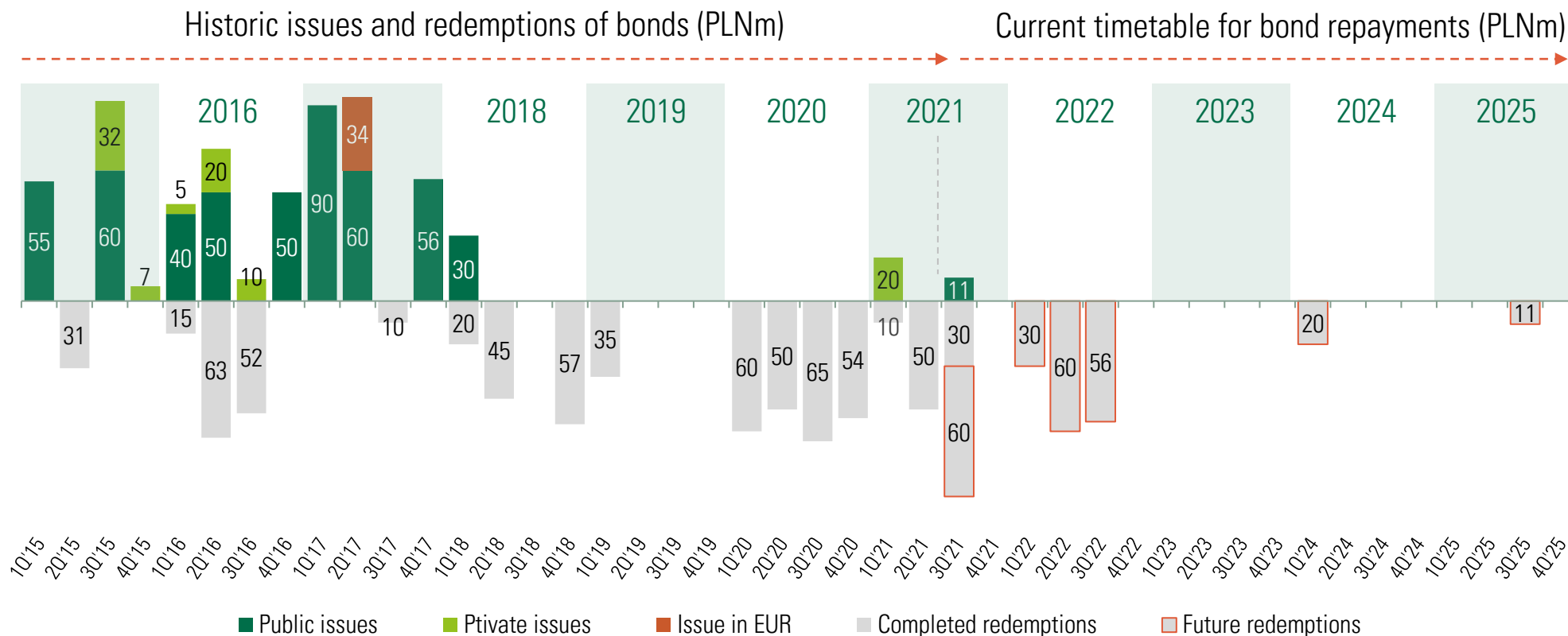


Continued improvement in balance-sheet structure



- Steady increase in equity—a result of profit reinvestment policy
- Continued decrease in main debt ratio (net debt/equity) to a very low level; the maximum permissible level of this ratio specified in the bond issue terms is 2.50
- BEST Group's financial liabilities as of 30.06.2021 (PLNm):
 - 255 - Bonds
 - 143 - Bank loans
 - 27 - Borrowings from management board
 - 21 - Leasing and rental
- Cash position as of 30.06.2021:
 - 94 - Cash

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



- Since 2010 we have issued bonds with a total nominal value of **PLN 1,075m**, of which **PLN 839m** has already been redeemed
- In 2Q 2021 the Polish Financial Supervision Authority (KNF) approved BEST's prospectus for a new bond issue programme with a total nominal value of up to **PLN 200m**
- In 3Q 2021 we have conducted a pilot bond issue worth PLN 10.7m

Thank you

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Annex—cash EBITDA

(PLN million)	1H 2021	1H 2020	change y/y	2020	2019	change y/y
BEST						
Repayment of claims	209.4	182.5	+15%	365.3	299.1	+22%
Other revenue	9.8	1.3	+666%	4.8	(9.2)	-
OPEX (excluding amortization)	(103.2)	(77.9)	+32%	(199.7)	(129.2)	+55%
Cash EBITDA (with the Kredyt Inkaso result)	116.0	105.9	+10%	170.4	160.7	+6%
Change in value of investment in Kredyt Inkaso	(1.0)	-	-	(45.1)	(12.5)	+261%
Cash EBITDA*	117.0	105.9	+10%	215.5	173.2	+24%

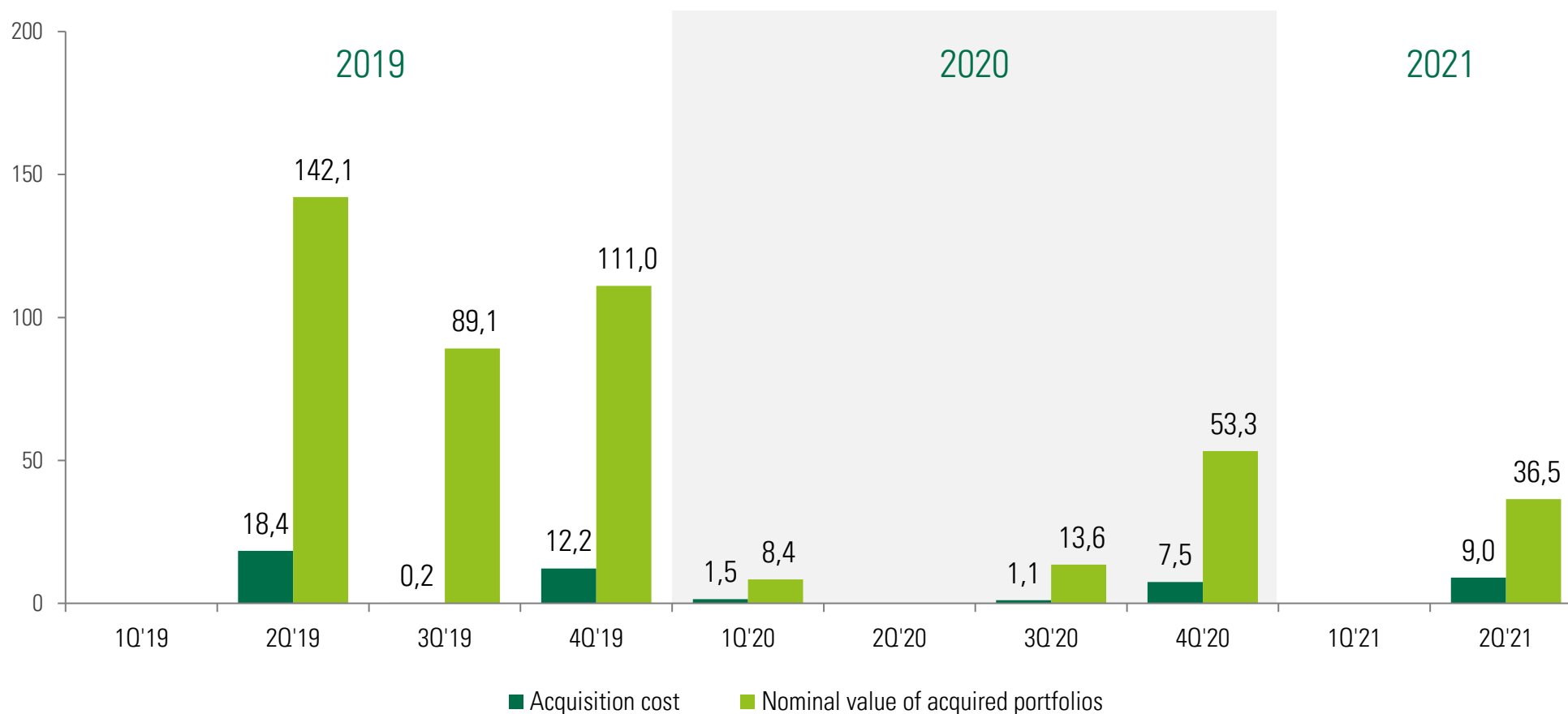
* Cash EBITDA = operating profit - revenue from acquired claims + repayment of acquired claims + amortization - change in value of investment in Kredyt Inkaso

Annex—statement of financial position

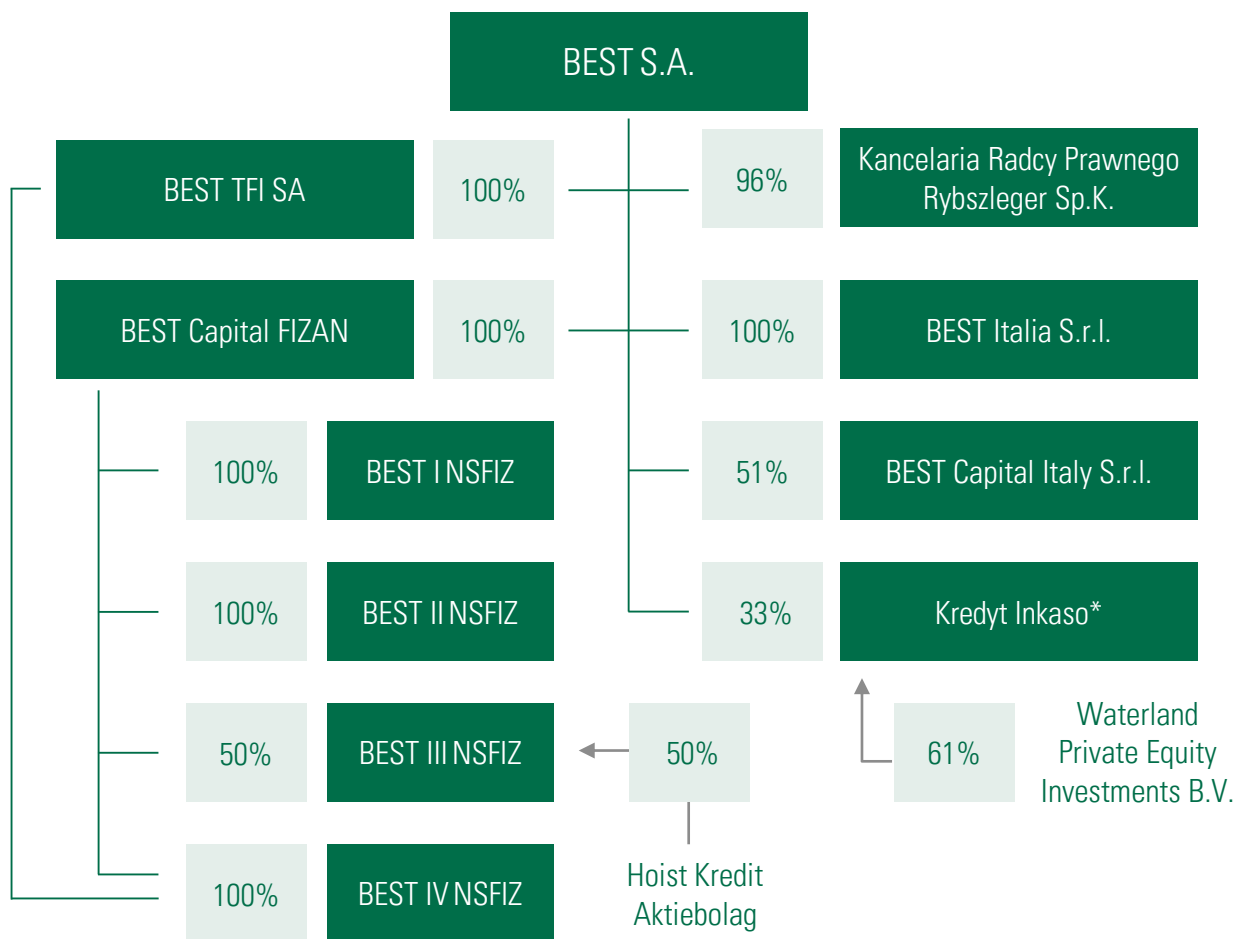
(PLN million)	30.06.2021	31.12.2020	31.12.2019*
Assets , including:	1,125.9	1,134.9	1,244.9
Cash and cash equivalents	93.6	65.6	82.0
Claims acquired	900.2	938.4	998.6
Investments in associates	51.4	51.4	98.7
Investment real property	23.6	23.5	20.6
Equity and liabilities , including:	1,125.9	1,134.9	1,244.9
Financial liabilities	446.8	504.0	654.4
Obligations to co-investor in BEST III	70.2	75.5	82.3
Equity	548.1	505.1	472.5
Net debt	353.2	438.4	572.4
Net debt/equity	0.64	0.87	1.21

Annex—investments in claim portfolios

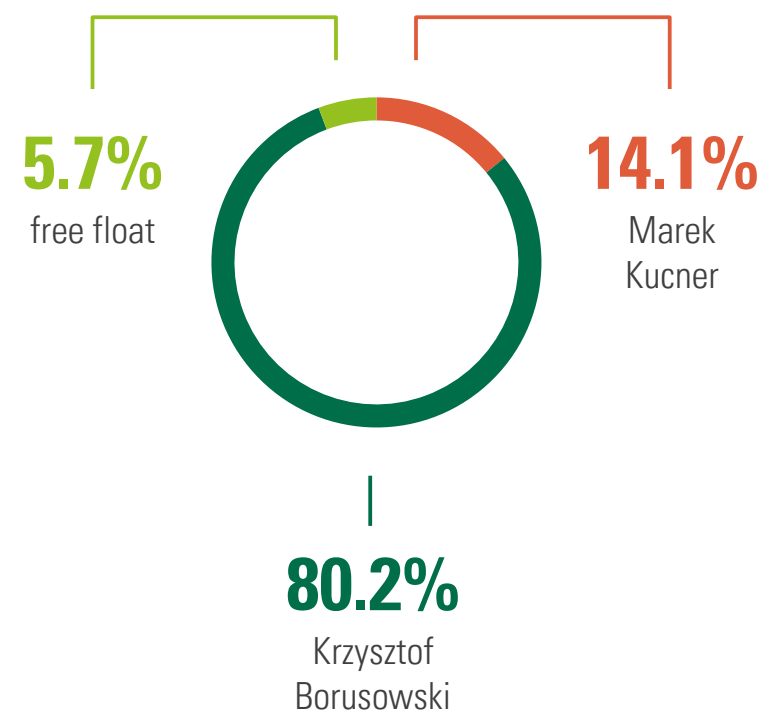
Investments in claim portfolios (PLNm)



Annex—Capital group structure



Shareholders of BEST S.A.
(percentage of share capital)



* associate