



BEST GROUP

PRESENTATION OF FINANCIAL RESULTS FOR 2018

Warsaw, 30 April 2019

Management summary

Key events on the market and in BEST Capital Group 2018 2017

- GetBack collapses, bond market closes
- reduction of bond issue by BEST and expansion of cooperation with banks
- acquisition of 9 claim portfolios with a nominal value of PLN 1.4 billion for PLN 81.1 million
- incorporation of a debt collection company in Italy
- acquisition of control over BEST III NSFIZ and commencement of full consolidation

▪ increase in the repayment of claims due to BEST		PLN 260.9 million (+9.5% YOY)	PLN 238.3 million (+32% YOY)
▪ activity on the bonds market:	bond issues	PLN 30.0 million (T2 – public offer)	PLN 182.0 million (PLN 150.0 million – public offer)
	bond repayments	PLN 115.0 million	-

Financial results 2018 2017

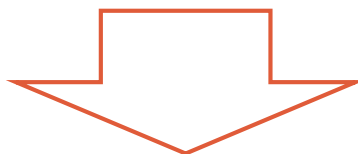
▪ operating revenues	PLN 190.2 million (-4% YOY)	PLN 198.6 million (-6% YOY)
▪ net profit	PLN 34.9 million (-37% YOY)	PLN 55.1 million (+42% YOY)
▪ adjusted cash EBITDA (without KI share)*	PLN 172.7 million (+17% YOY)	PLN 147.7 million (+29% YOY)

* based on the calculation on slide 16

Poland – non-performing debt market

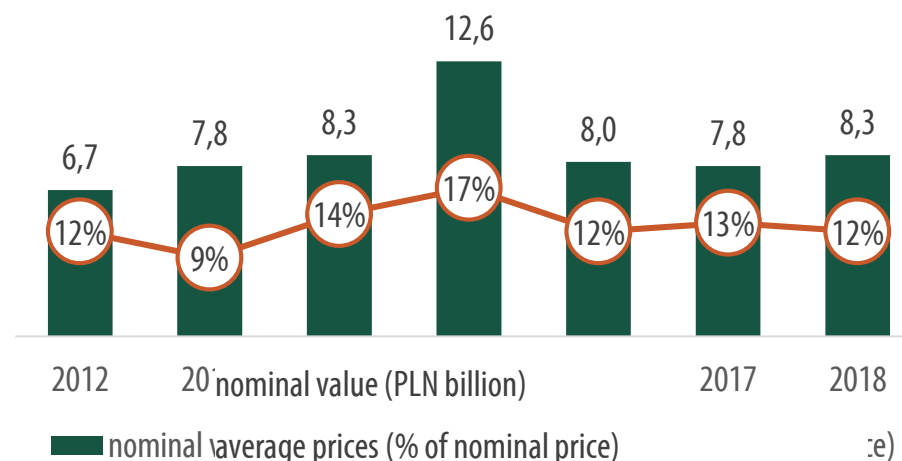
SUPPLY IN 2018

- **PLN 8.3 billion** – estimated supply of bank NPL on the primary market (retail, without mortgages)
- **PLN 2.1 billion** – estimated supply of mortgage portfolios
- **PLN 4.0 billion** – estimated supply of corporate portfolios
- development of the secondary market
- possible temporarily limited access to financing



We are expecting claim prices to return to normal

Bank NPL – primary market transactions (retail portfolios, without mortgages and corporate portfolios)



Nominal value of NPL transactions in 2018:

PLN 10.4 billion bank: retail + mortgages

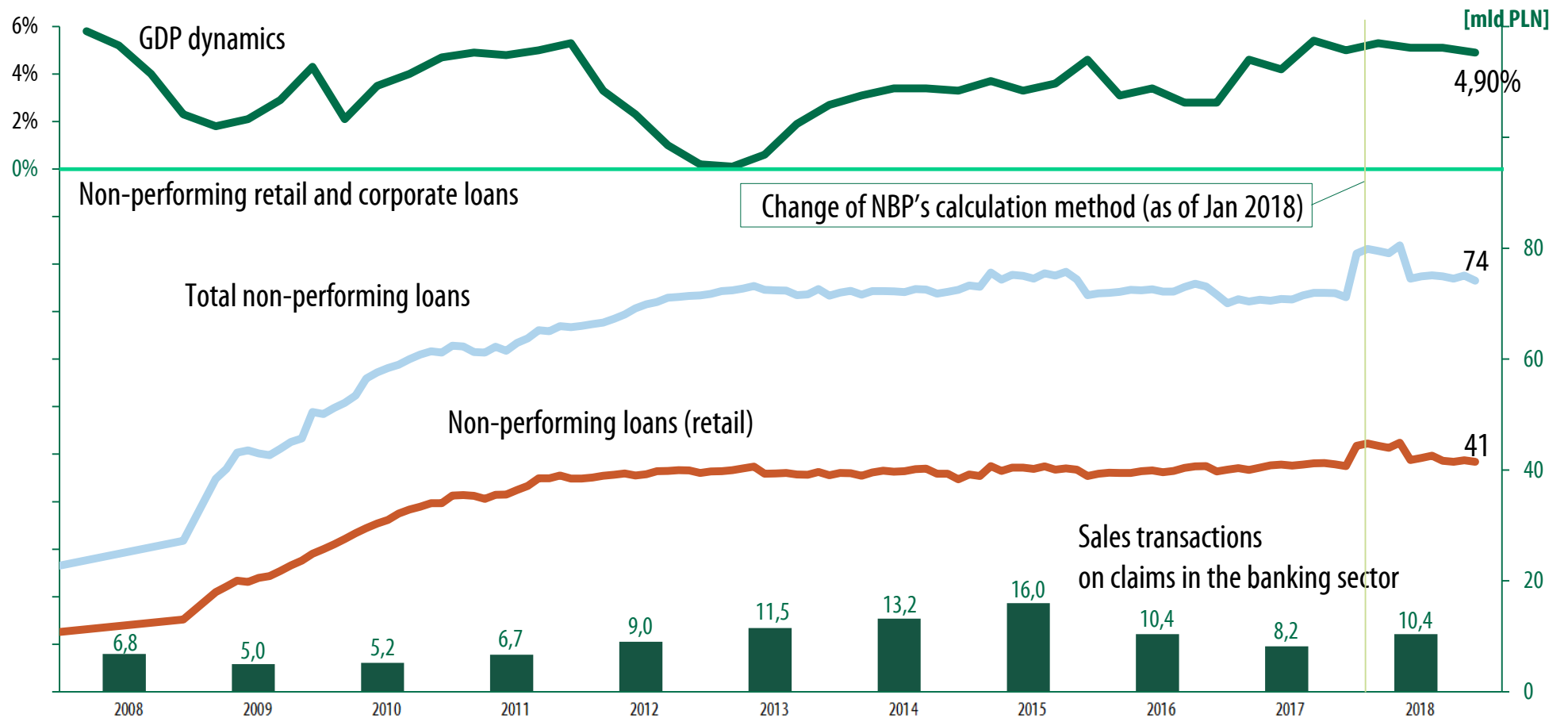
PLN 4.0 billion bank: corporations

PLN 3.2 billion secondary market (miscellaneous portfolios)

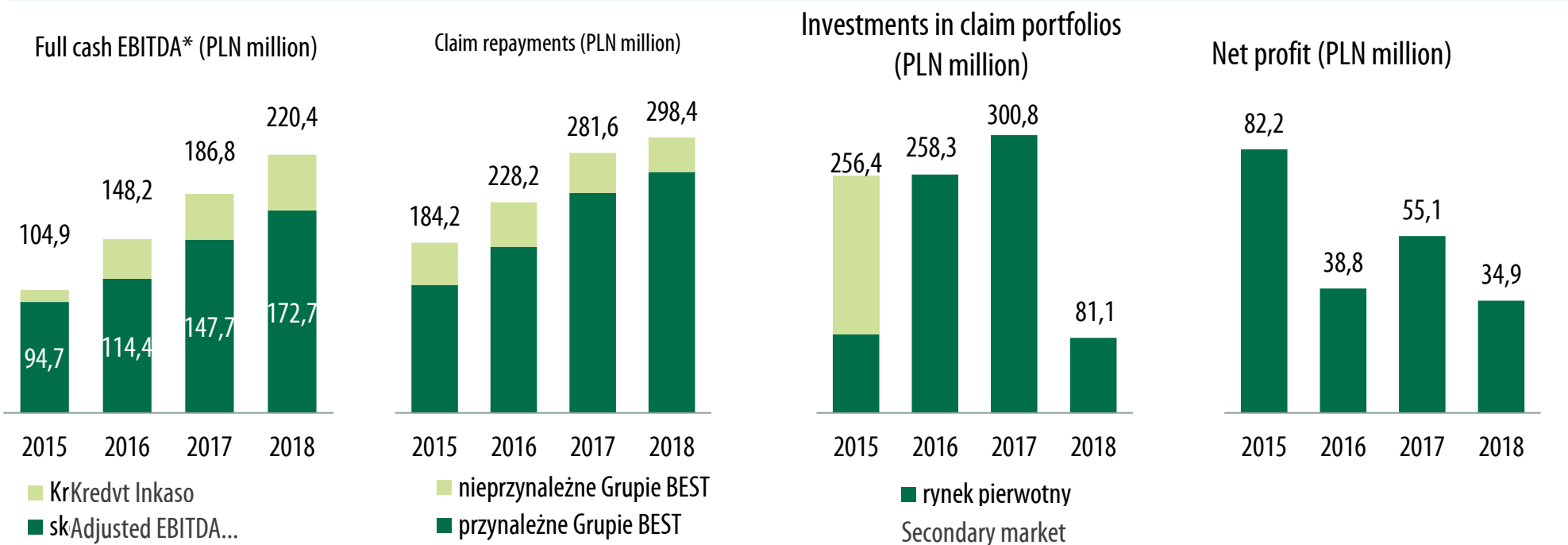
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Poland – non-performing debt market



Dynamic growth of business and financial results



BOOK VALUE OF PORTFOLIOS
PLN 1.0 billion
(31 December 2018)

REPAYMENT OF RECEIVABLES
OVER THE PAST 5 YEARS
PLN 1.1 billion
(due and managed)

INVESTMENTS
OVER THE PAST 5 YEARS
PLN 1 billion

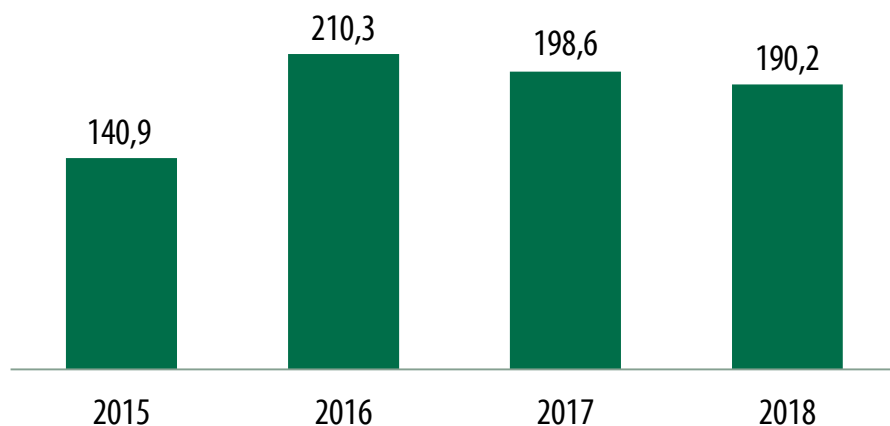
CAPITALISATION
PLN 575 million
(31 December 2018)

SUMMARY OF RESULTS FOR 2018

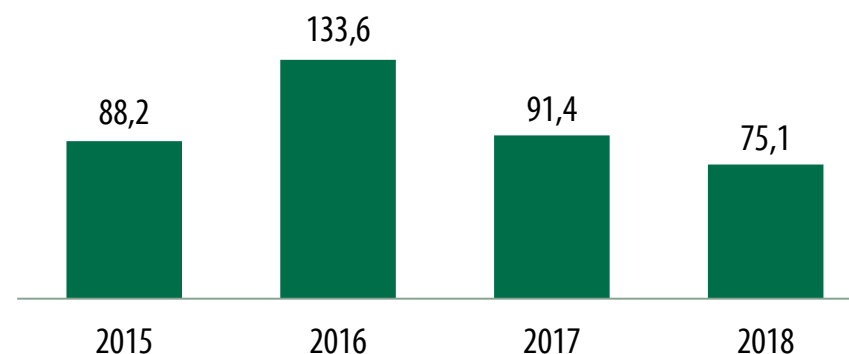


Main business parameters

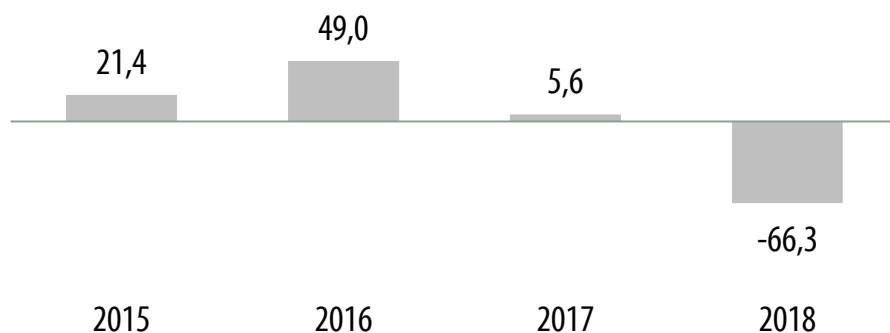
operating revenues (PLN million)



operating profit (PLN million)

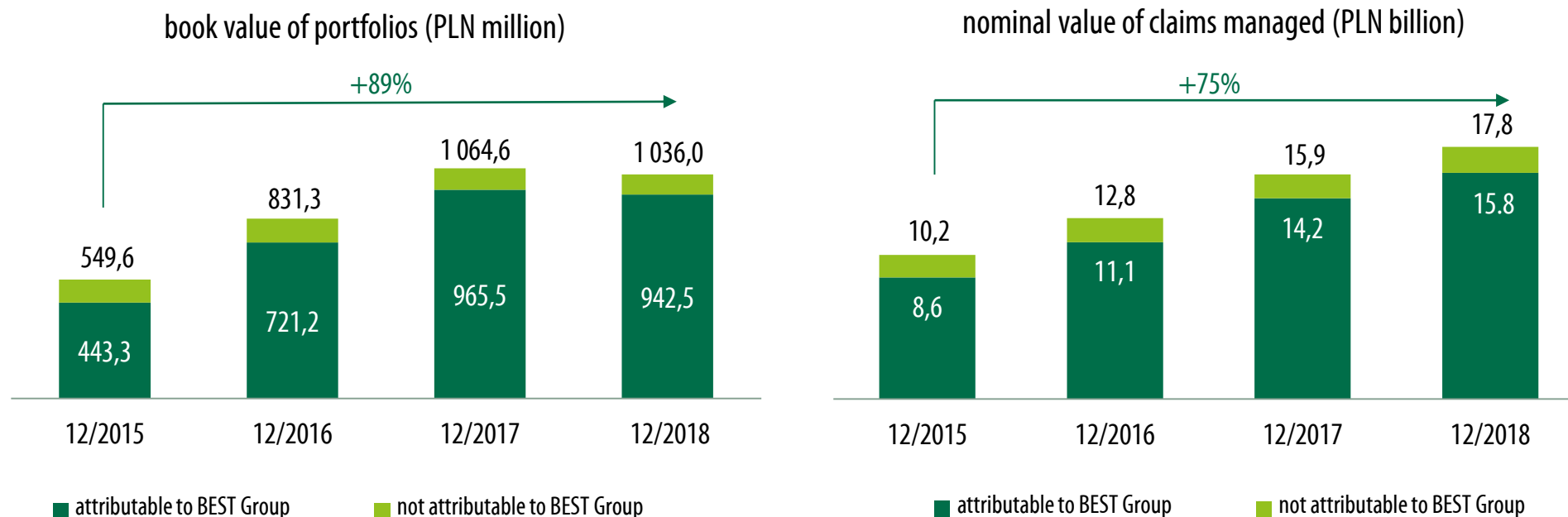


revaluation of claim portfolios without amortisation (PLN million). Effect on operating revenues



- material revaluation of claims, decreasing revenues and profits, due to, among other factors, changes in the law that are unfavourable for creditors
- limited purchases of new claims in 2018, result generated on similar portfolios as a year earlier

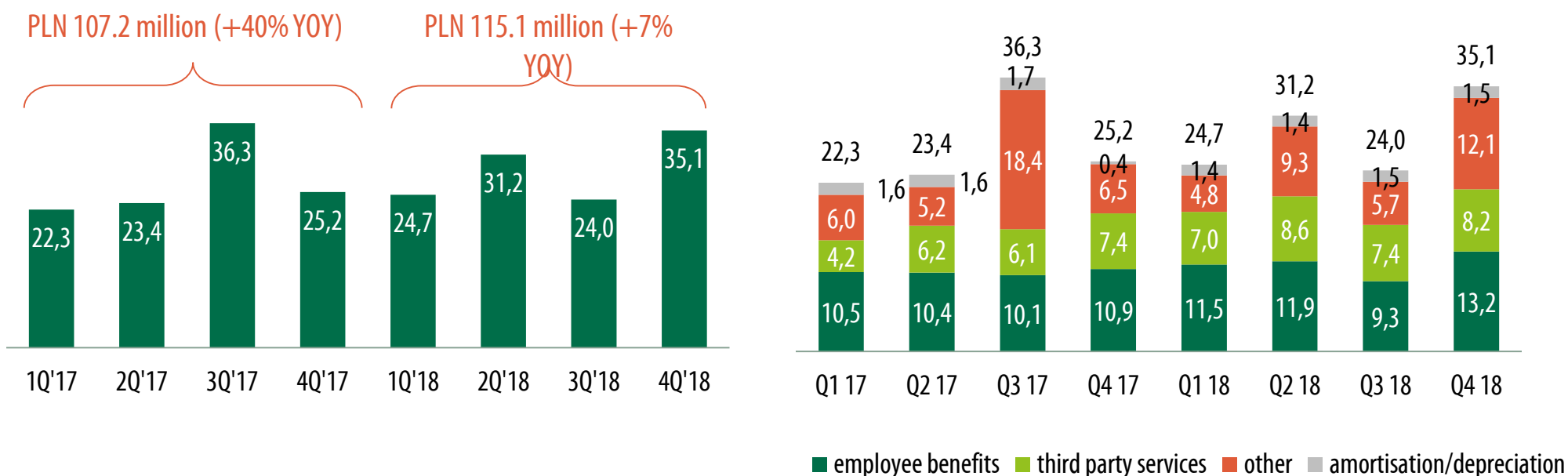
Main business parameters



- since 2018, claims measured at amortised cost*
- approx. 70% of the portfolio are bank claims, approx. 20% are telecoms, 10% are near bank claims
- estimated remaining collections (ERC) from current portfolios amount to approx. PLN 2.6 billion

Cost regime

operating expenses (PLN million)



- material costs related to securing assets as a result of frequent changes in the laws (change of limitation period, Act on Court Enforcement Officers)
- difficult situation on the labour market (market of the employee)
- in third party services, approx. PLN 5.9 million are expenditures on the development of business on the Italian market

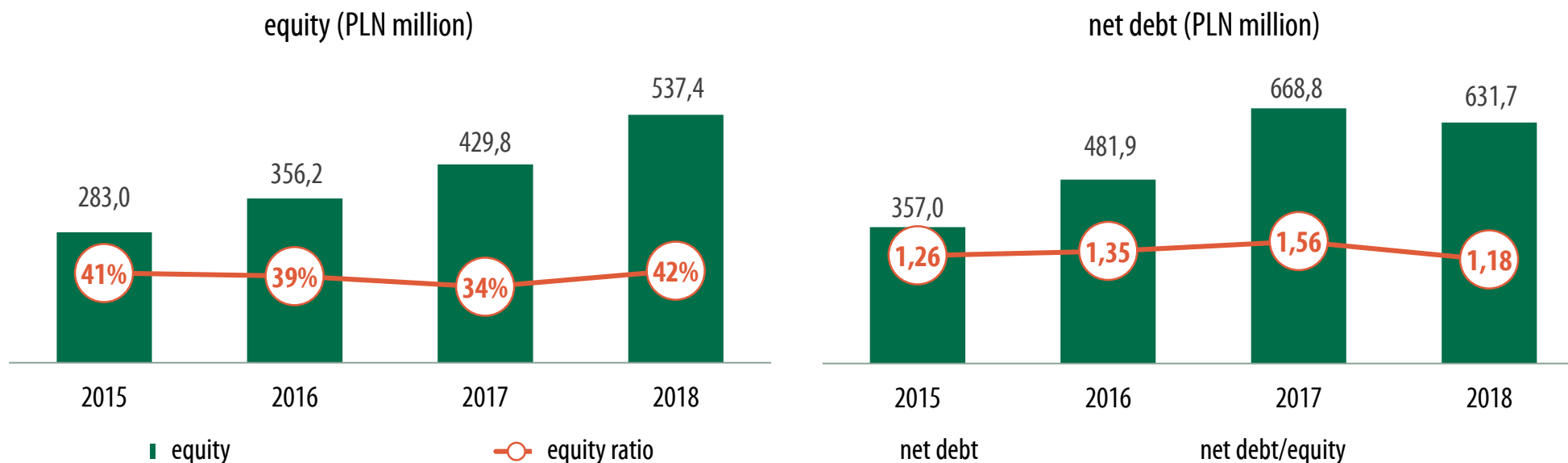
Financial results

(PLN million)	Q1-Q3 2018	Q4 18	2018	2017	change YOY
operating revenues	163.9	26.3	190.2	198.6	-4%
claim revenues	131.6	23.4	155.0	150.7	3%
repayments	176.6	70.7	247.3	195.1	27%
revaluation of claims	(45.0)	(47.3)	(92.3)	(44.4)	108%
investments (BEST III, KI)	17.1	12.4	29.5	40.4	-27%
other revenues	15.3	-9.7	5.6	7.5	-25%
operating expenses	80.0	35.1	115.1	107.2	7%
EBIT	83.9	-8.8	75.1	91.4	-18%
net financial expenses	29.9	9.5	39.4	35.3	12%
net profit/loss	49.6	-14.7	34.9	55.1	-37%
adjusted cash EBITDA	135.4	37.3	172.7	147.7	17%

- increase in repayments in own funds by 27% YOY
- revaluation of claims affected operating result and net result
- cost discipline
- increase in adjusted cash EBITDA (+17% YOY) confirms the Group's operating efficiency

* based on the calculation on slide 16

Stable financing structure

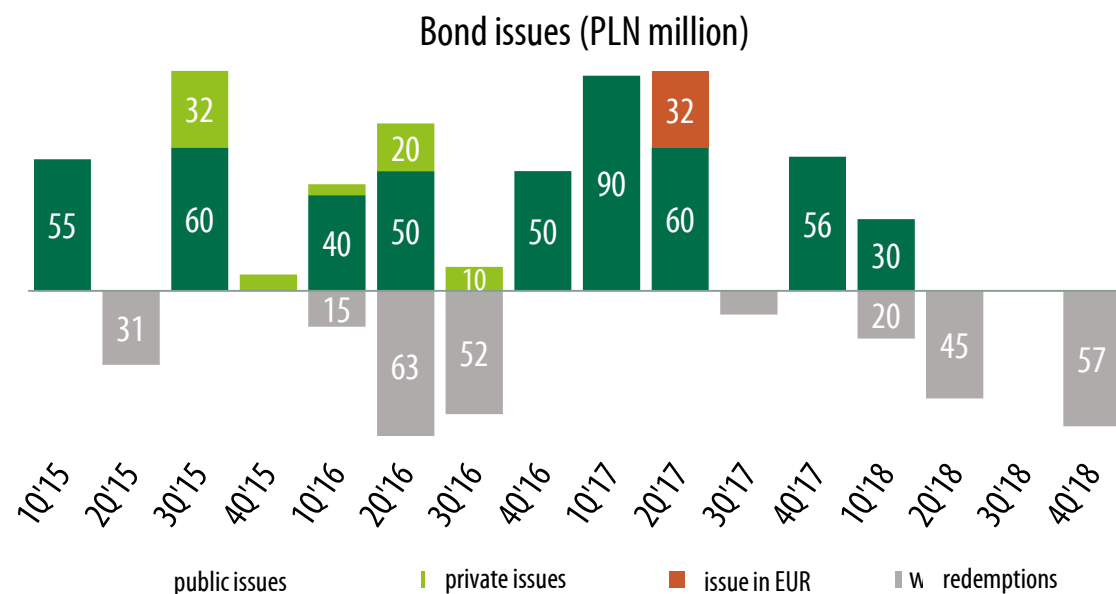


- systematic increase in equity as a result of the profit reinvestment policy
- Low level of the main debt ratio (net debt/equity)

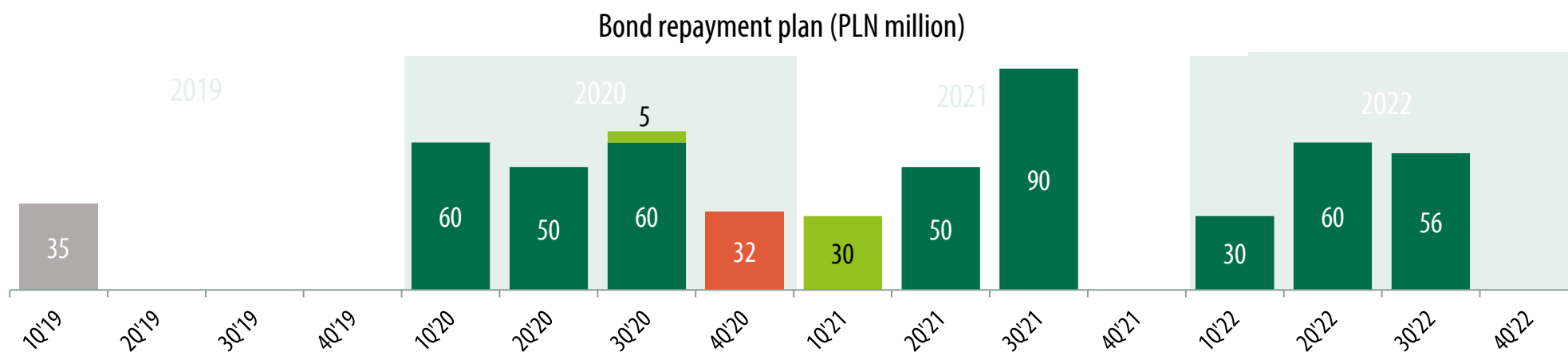
- Group borrowing as of 31/12/2018:

PLN
 553.5 million - bonds issued
 PLN
 122.6 million - bank loans (total limits: PLN 149 million)
 PLN 27.0 million - borrowings from the management board

Issue of bonds as a key element of financing the Group's business



- In 2018, we raised PLN 30 million from a public issue of bonds and redeemed bonds worth PLN 122 million
- favourable bonds maturity structure: only PLN 35 million in 2019 – already redeemed
- total granted limit of loans currently serviced: PLN 250 million



SUMMARY OF OPERATIONS



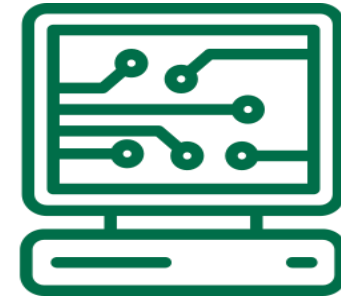
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Operations powered by technology



OPERATIONS



IT

INTELLIGENT STRATEGY

MORE EFFICIENT AND LESS EXPENSIVE OPERATIONS

BEST GROUP

Payhelp – an online tool for recovering money from unpaid invoices



Development of a new and profitable business area

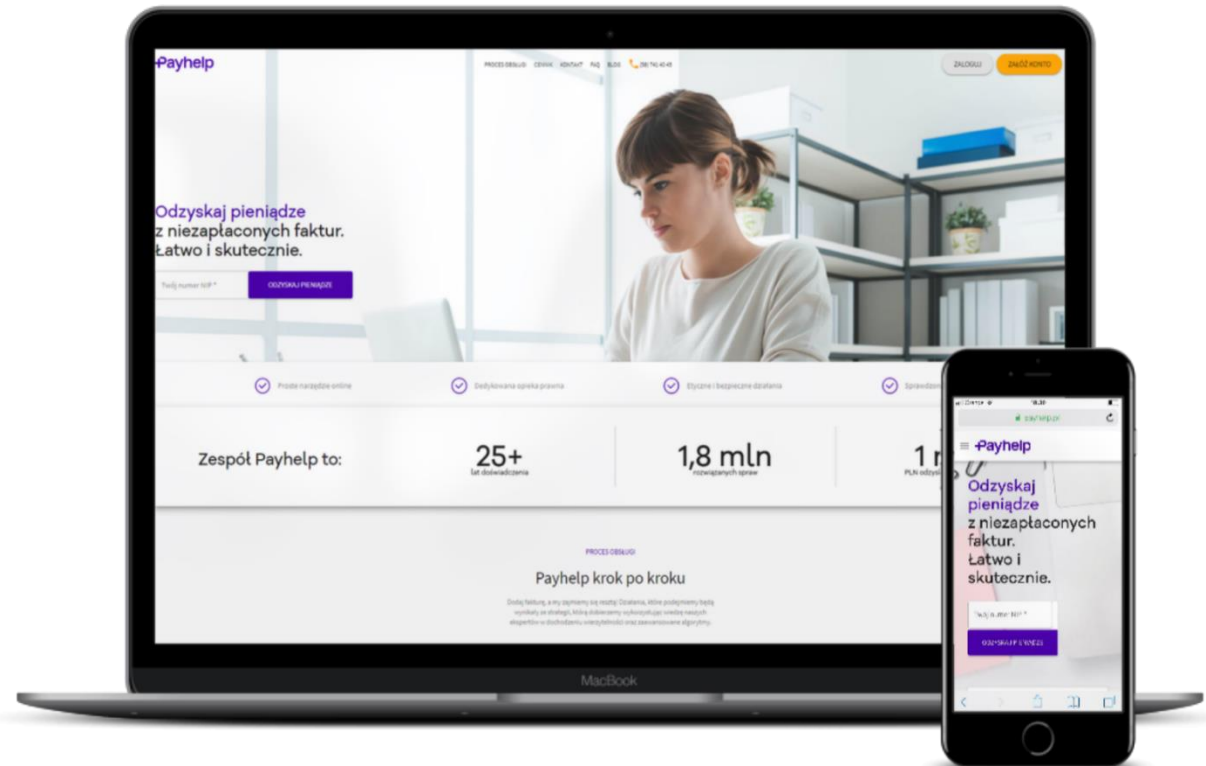
First fully online service of its kind on the market



Easy-to-use tool (for B2B and B2C)



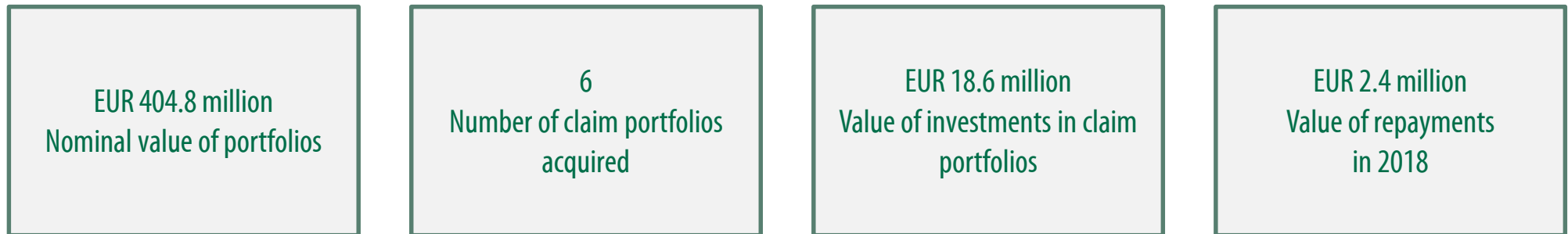
Payhelp



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Development of business in Italy – summary of 2018



- On the Italian market, claims are acquired by a company which has been established specifically for that purpose (BEST Capital Italy) and is managed by a licensed entity
- Before that, Italian claims were handled by local servicers
- At the end of 2018, we established an Italian servicing company (BEST Italia) that is gradually taking over the servicing of individual portfolios, and will eventually collect all or most of the claims on the Italian market. The company obtained the required license in early 2019.

Thank you



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BEST Investor's Profile. Receive personalised key information on BEST Group directly to your inbox.

Register at www.best.com.pl

Tab: For Investors -> BEST Investor's Profile

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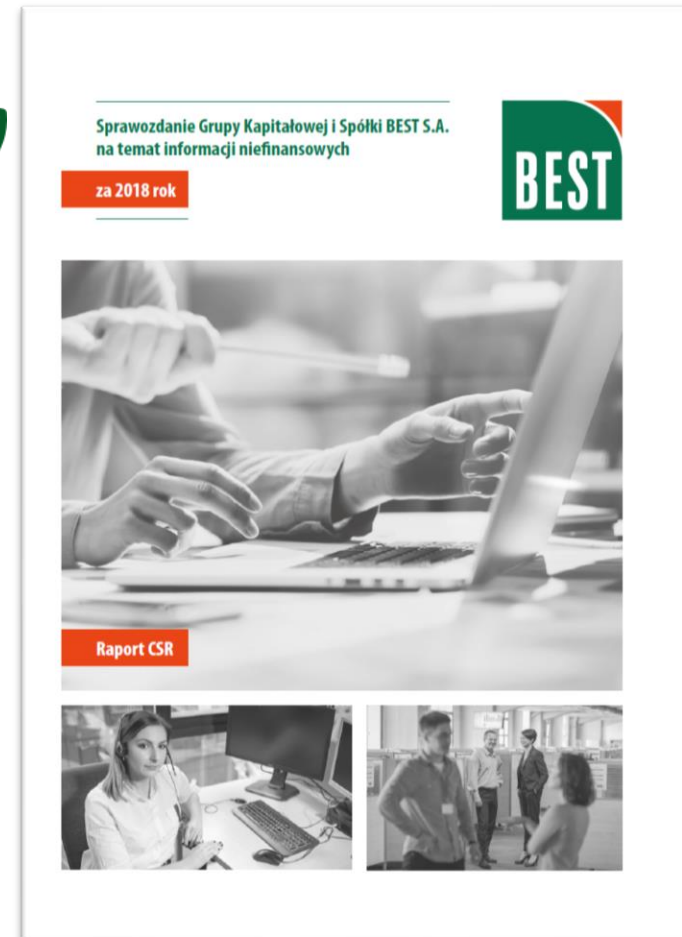
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CSR report of BEST Group

In 2018, we prepared the first report on non-financial information of BEST S.A. Capital Group and of BEST S.A., which is also the first Corporate Social Responsibility report of our organisation.

We encourage you to read the report.



Annex – cash EBITDA

(PLN million)	2018	2017	change YOY
BEST	153.5	115.5	33%
<i>BEST's share</i>	<i>100.00%</i>	<i>100.00%</i>	-
repayment of claims	247.3	195.1	27%
other revenues	15.4	22.4	-31%
OPEX (excluding amortisation/depreciation)	-109.2	-102.0	7%
BEST III*	19.2	32.2	-40%
<i>BEST's share</i>	<i>50.00%</i>	<i>50.00%</i>	-
cash EBITDA	38.4	64.4	-40%
repayment of claims	51.1	86.5	-41%
other revenues	0.0	0.0	-50%
OPEX	-12.7	-22.1	-42%
adjusted cash EBITDA	172.7	147.7	17%
Kredyt Inkaso**	47.7	39.2	22%
<i>BEST's share</i>	<i>33.14%</i>	<i>33.04%</i>	-
cash EBITDA	143.9	118.7	21%
repayment of claims	223.8	173.9	29%
other revenues	14.1	30.9	-54%
OPEX (excluding depreciation/amortisation)***	-94.0	-86.1	9%
full cash EBITDA	220.4	186.9	18%

* EBITDA due to BEST III by 31/08/2018; **The differences between the amounts of cash EBITDA in the table and in the consolidated periodic reports of BEST result from the availability of the financial data of Kredyt Inkaso as of the publication date of the reports. In the presentation, the financial data of Kredyt Inkaso is recognised in the period to which it pertains. The Q1-Q4 2018 data covers two quarters of Kredyt Inkaso; *** Operating expenses plus income tax and profit attributable to non-controlling shareholders

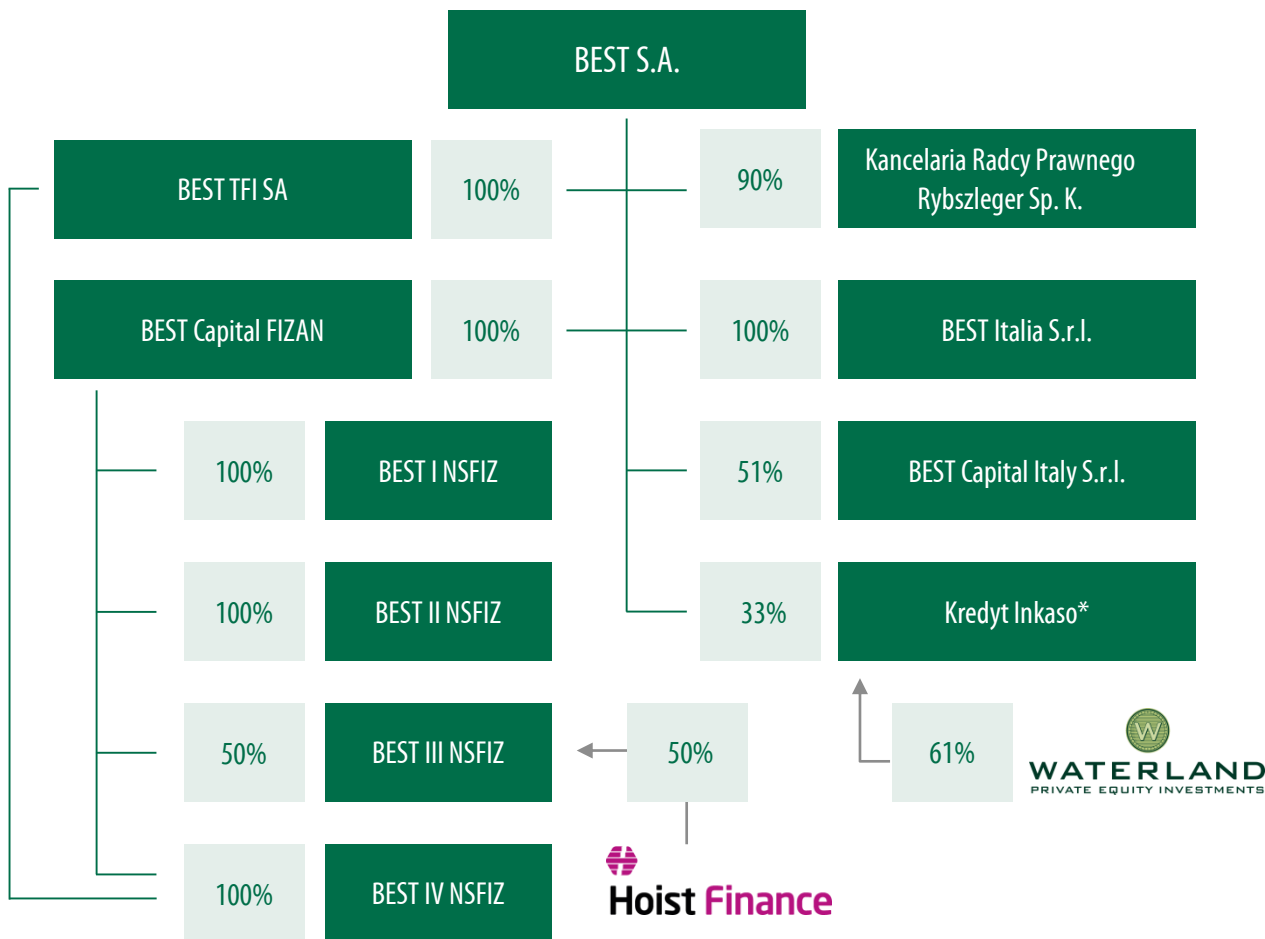
Annex – statement of financial position

(PLN million)	31/12/2017	31/03/2018	30/06/2018	30/09/2018	31/12/2018
assets, including:	1,245.9	1,258.6	1,218.7	1,349.4	1,283.3
cash and cash equivalents	91.2	121.8	43.3	101.6	72.0
claims acquired	866.5	853.3	899.7	1,070.2	1036.0
investments in jointly controlled entities	101.0	97.4	96.2	-	-
investments in associates	109.0	109.0	105.1	105.1	111.2
investment real property	14.3	14.3	14.3	18.8	18.8
equity and liabilities, including:	1,245.9	1,258.6	1,218.7	1,349.4	1,283.3
financial liabilities	760.0	799.2	744.0	765.7	703.6
equity	429.8	442.8	449.7	557.8	537.4
net debt	668.8	677.4	700.7	664.2	631.7
net debt/equity	1.6	1.5	1.6	1.2	1.2

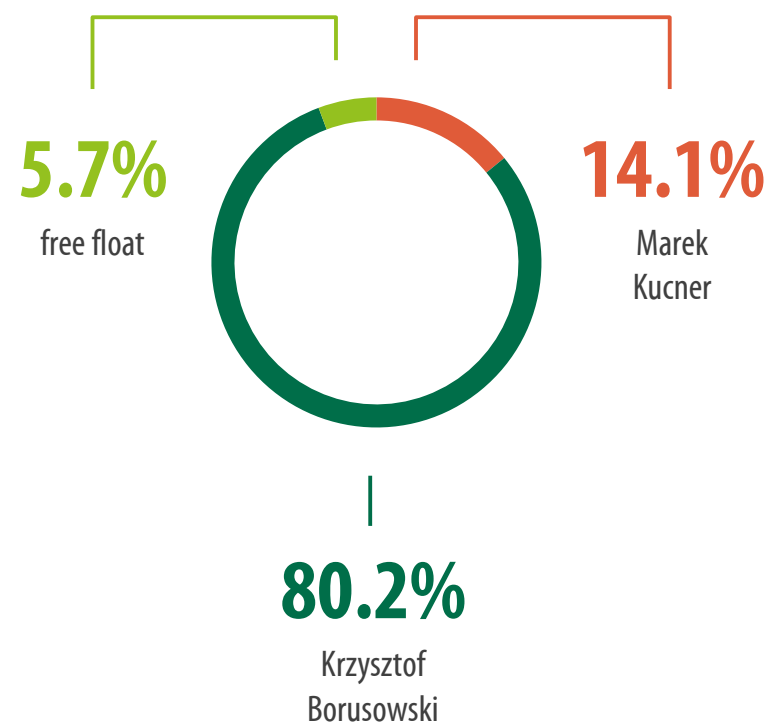
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Capital Group Structure



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



* associate