

# Consumer debt collection experts

Corporate presentation of FAST FINANCE S.A.

I Q2017



## About the company

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# FAST FINANCE in brief



The company is cream of the corp in the consumer debts collection sector



The company manages a NPL portfolio with a nominal value in excess of PLN 500m



99% – share of consumer NPL\* in the company's portfolio  
90% – share of NPL purchased from the banking sector

## Securitisation Fund

FAST FINANCE manages a Non-Standard Closed-End Securitisation Investment Fund



The company's shares have been quoted on the official market of the Warsaw Stock Exchange since 2010



The company has issued bonds with a total value in excess of PLN 140m

**1.** The company has been operating on the polish growing receivables management market in the consumer debts collection sector

**2.** The good quality of the debt portfolios guarantees stability of results, legal security and resistance to economic fluctuations

**3.** The stable Management Board controls the Company's capital hence its entire profit has been for many years allocated to the reserve fund

**4.** Managing of Non-Standard Closed-End Securitisation Investment Fund (NSFIZ)\*

**5.** Due to its position and reputation, the company has access to key NPLs competitive auctions

**6.** NPL portfolio consisting in 99% of consumer debts with a low average value along with time-proven valuation methods translate into a safe and predictable business

**7.** The company's organisational resources are scalable

**8.** The highly effective ERP system, scrupulous process design and integrated recruitment and training practices foster the business model

# Securitization fund

Managing of Non-Standard Closed-End Securitisation Investment Fund

Established in 2011

Bidding in tenders organised by key partners who offer access only to securitisation funds

Benefits: deferred taxation (the fund's results are not consolidated)

Plans: the company is going to take advantage of its skills to create and manage separate funds for selected investors

About the company

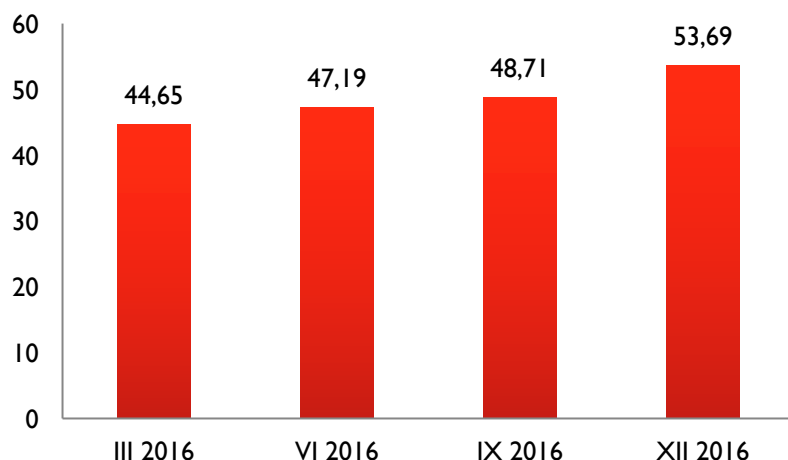
**Market**

Financial highlights

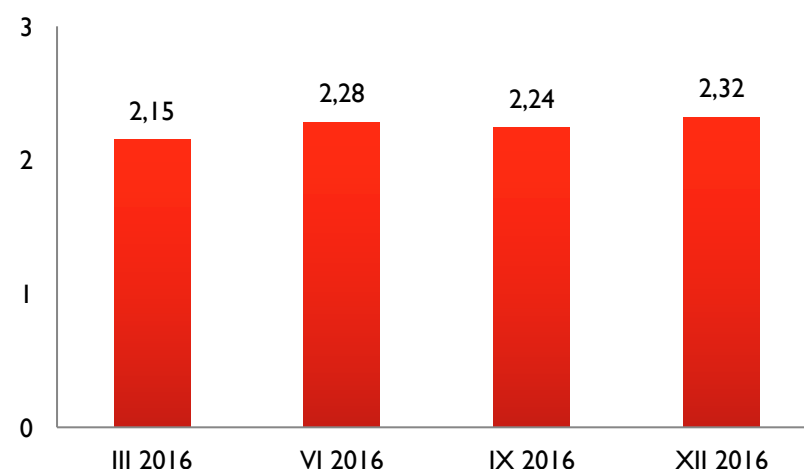
Appendixes

# Poles' indebtedness\*

Total amount of overdue commitments (PLN, billion)



Number of bad payers (millions)

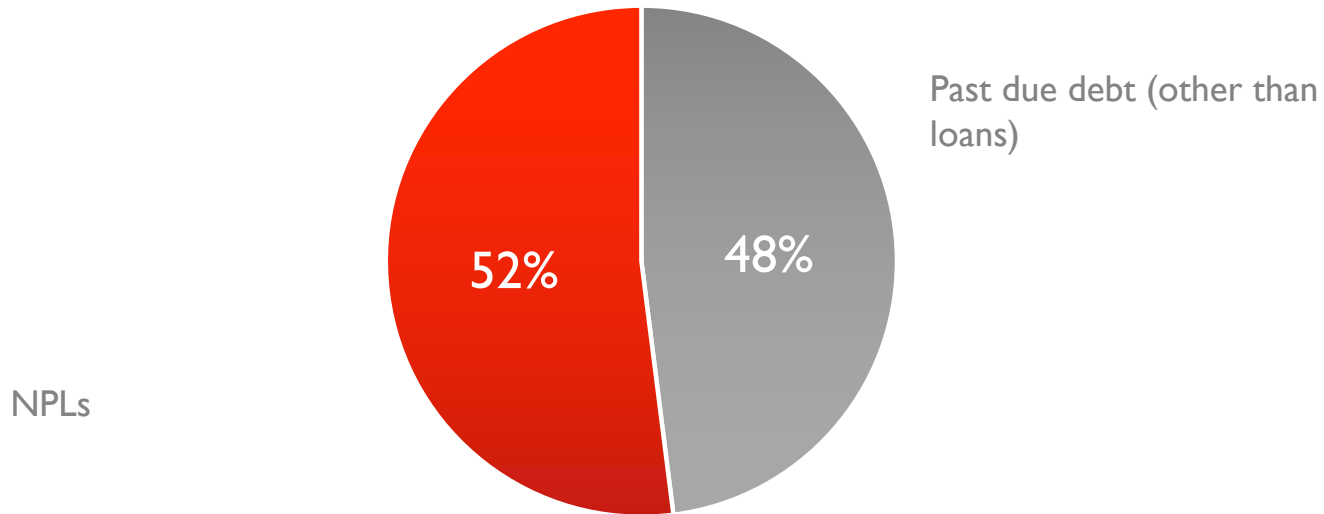


For the last couple of years, the amount of debt of individuals and the number of persons with past due payments have been on the rise. In December 2016 **2.3 m** people were in arrears with their payments. According to recent data, total amount of overdue commitments is **PLN 53,7 bn**.



# Market size\*

Share of past due liabilities under loans and other (XII 2016)

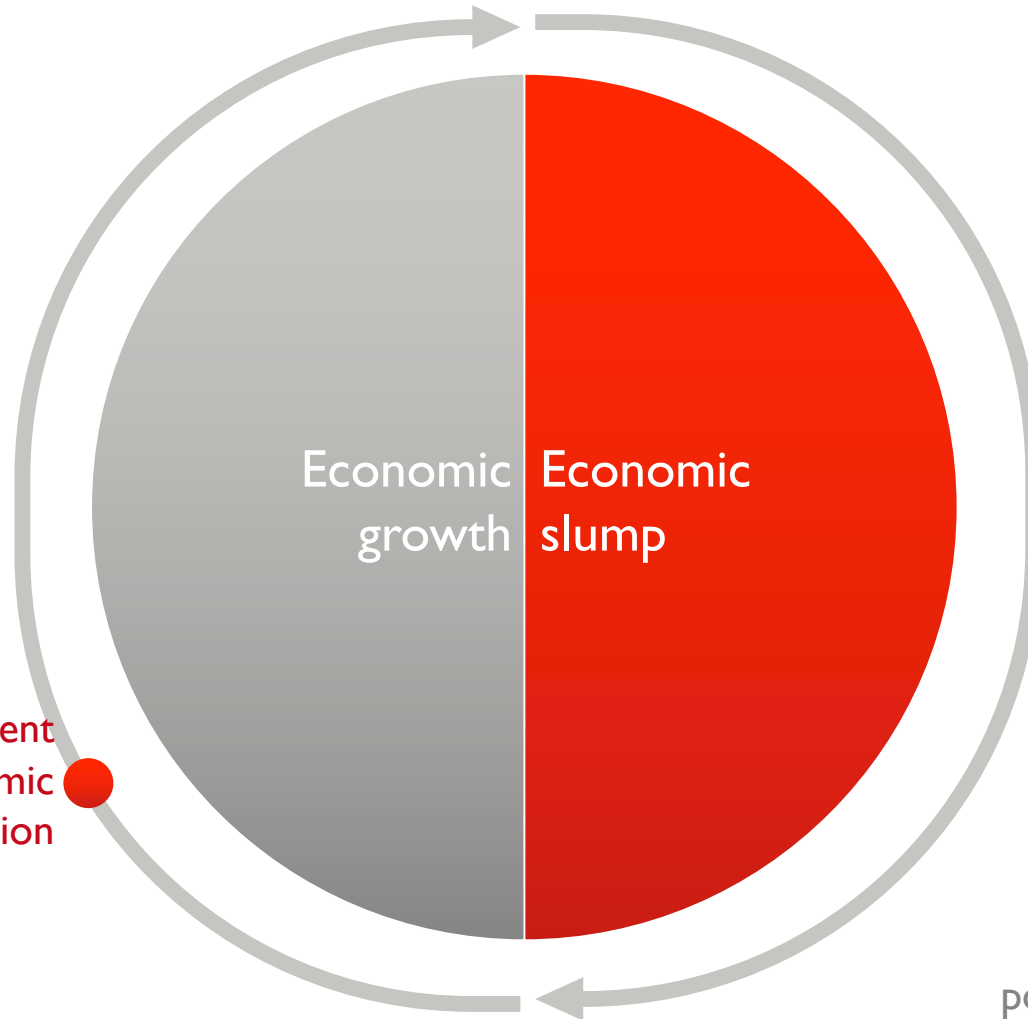


Debts to banks amount to **PLN 27.8 bn**, while liabilities towards consumer service providers (telecommunication, gas, water and maintenance payments) equate to **PLN 25.9 bn**.

# Our business model is safe

During economic growth the financial situation of debtors improves

During an economic slump the financial situation of debtors deteriorates and the volume of NPL accounts grows

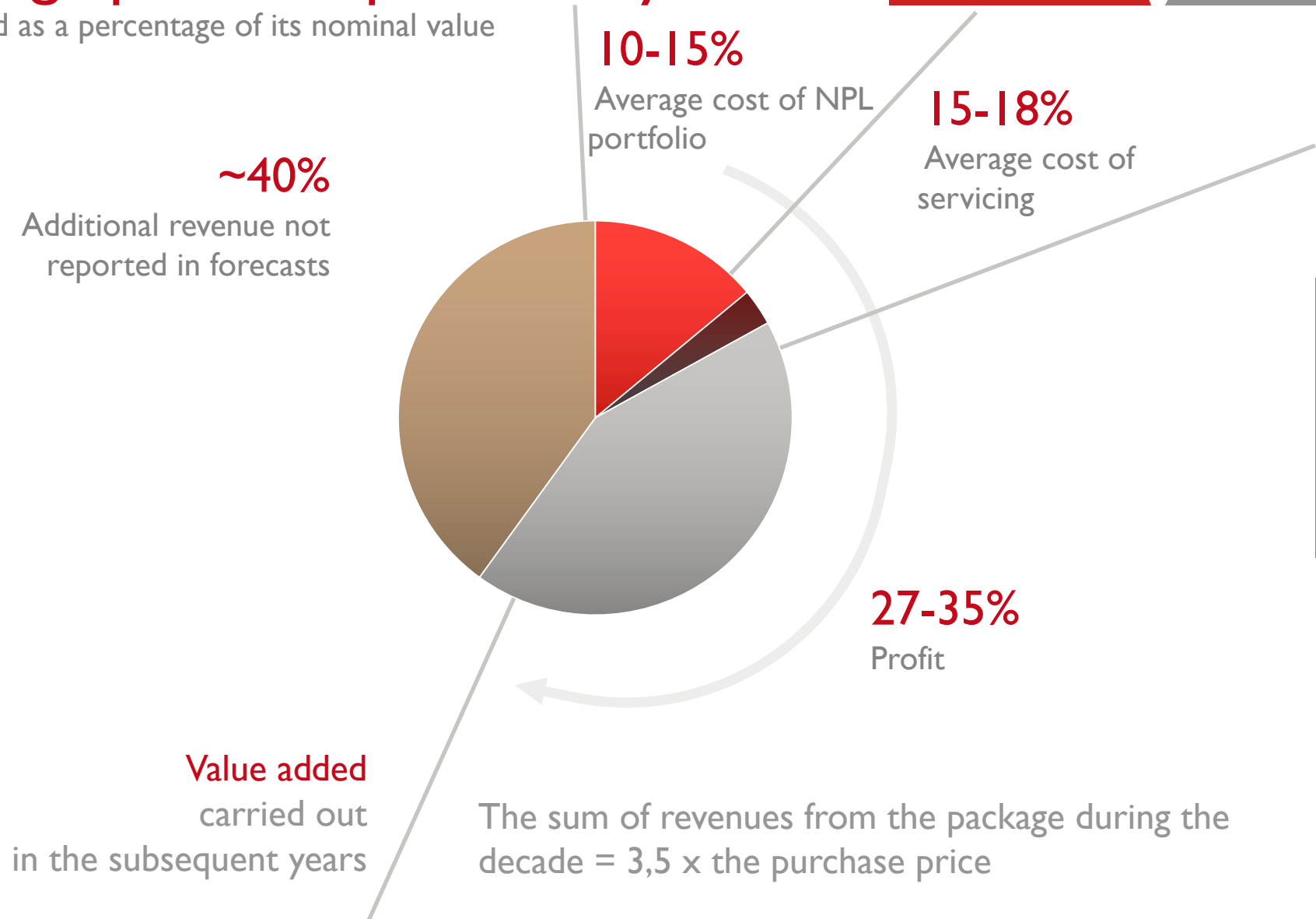


NPL recovery rates improve

The supply of debt portfolios is on the rise

# Average portfolio profitability

expressed as a percentage of its nominal value



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# Key accounting policy rules

The company books its actual revenues.

The cost of purchase of NPL portfolios is accounted for over time proportionally to the revenues.

All the NPL are revalued every quarter (reporting period).

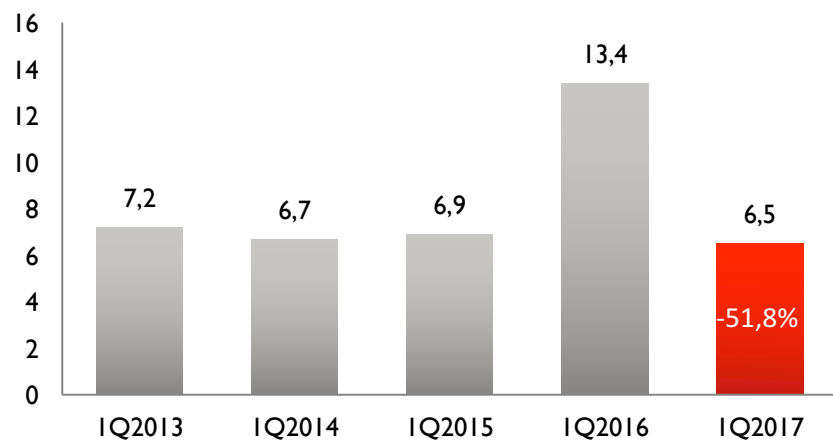
Revaluations are posted to the balance sheet and not to the P&L. Similarly, depreciation of NPL portfolios is reflected in the balance sheet.

The purchased NPL portfolios, along with the negotiated payment schedules, are posted both under receivables and under long-term provisions.

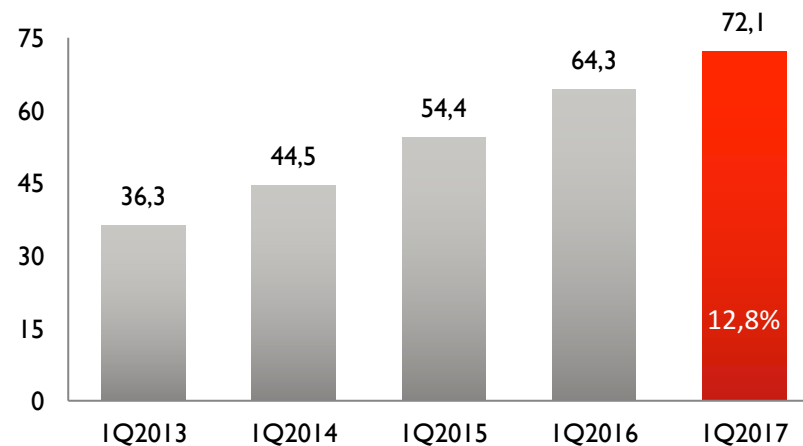
As a result of the above presentation method, the Company shows a relatively high ratio of total liabilities to equity. The actual amount of financial liabilities under bonds issued, leases, amounts due to suppliers and other liabilities is much lower.

# Financial highlights\*

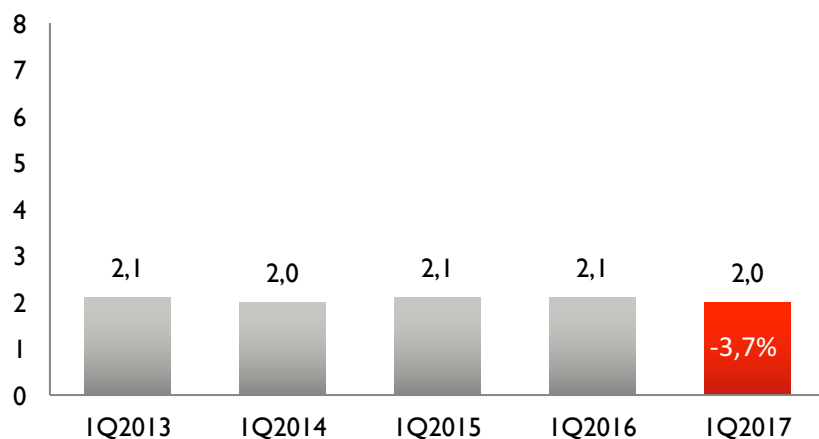
## Sales revenues (millions PLN)



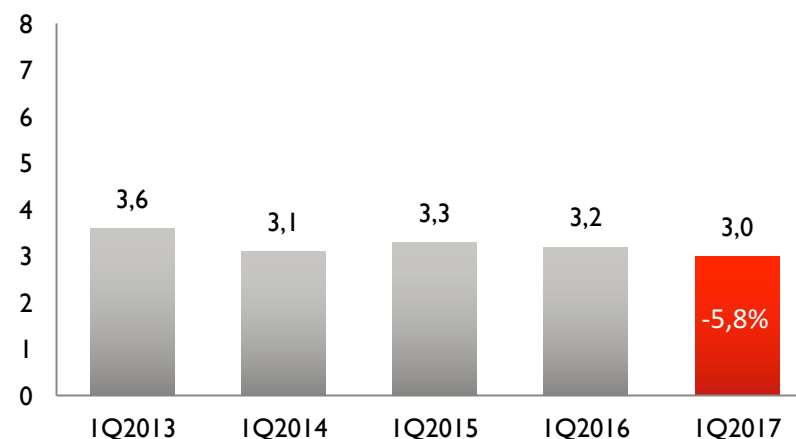
## Equity (millions PLN)



## Net profit (millions PLN)



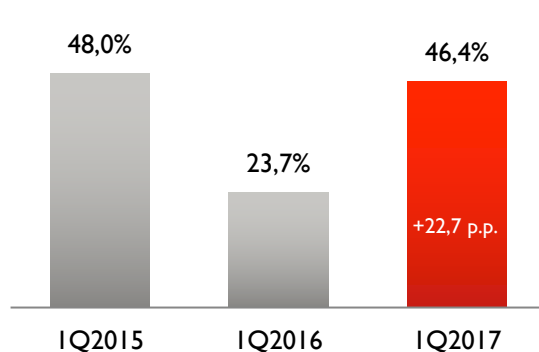
## Operating profit (millions PLN)



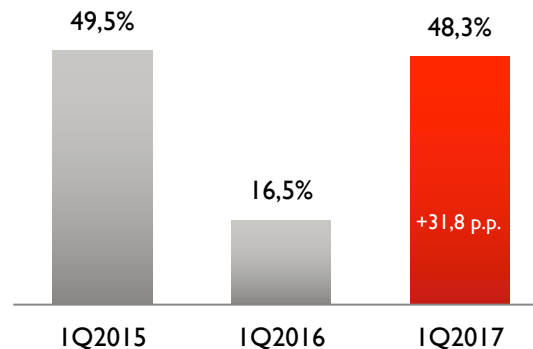
\* Material presents consolidated data for the periods: IQ2016 and IQ2017 and separate data for the rest of periods.

# Financial ratios\*

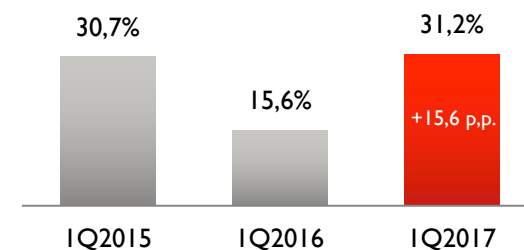
## Profitability of sales



## EBITDA profitability



## Net profitability



### Selected financial ratios

Operating profitability [%]
Net profit margin [%]
EBITDA [%]
Return on equity (ROE) <sup>1</sup> [%]
Return on assets (ROA) <sup>2</sup> [%]
P/E
P/BV

IH2015	IH2016	3Q2015	3Q2016	R2015	R2016
47,4%	50,8%	50,8%	50,8%	46,0%	31,8%
30,8%	31,3%	28,0%	32,3%	24,4%	20,3%
48,8%	52,6%	52,0%	52,7%	47,0%	33,0%
7,9%	6,4%	11,1%	9,1%	17,3%	12,2%
1,5%	1,8%	2,8%	2,8%	4,1%	3,5%
8,0	8,8	2,2	8,4	1,5	5,4
0,6	0,6	0,2	0,8	0,2	0,6

IQ2016	IQ2017
23,7%	46,4%
15,6%	31,2%
16,5%	48,3%
3,3%	2,8%
0,9%	0,9%
10,8	20,5
0,3	0,6

### Debt/equity ratio

Financial ratio for the remaining series (not exceeding 2.5)
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IH2015	IH2016	3Q2015	3Q2016	R2015	R2016
0,9	0,58	0,87	0,59	0,65	0,46

IQ2016	IQ2017
0,7	0,43

\*Material presents separate data for periods: IQ2015, IH2015, 3Q2015, R2015 and consolidated for the rest of periods.

<sup>1</sup>For the half – year and annual periods, rate is calculated as a quotient of net profit and average annual financial equity capital.

<sup>2</sup>For the half – year and annual periods, rate is calculated as a quotient of net profit and average total assets.

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# Appendix I

## Consolidated financial results IQ2017\*

# Profit and loss account

## Profit and loss account

1Q2016

2Q2016

3Q2016

R 2016

1Q 2017

'000 PLN

### Continued operations

Revenues from receivables transfer agreements	6 426	6 343	5 905	24 301	5 851
Debt collection revenues	37	39	39	162	38
Revenues from the sale of goods and materials	12	-	-	12	-
Profit from sale of receivables	6 389	-	-	13 366	141
Other revenues	571	-	-	2 095	446
Costs of sold receivables	6 083	-	-	(12 752)	41
Debt acquisition costs	(628)	(975)	(452)	(2 240)	(480)
Value of sold goods	-	-	-	(13)	-
<b>Profit (loss) on sales</b>	<b>6 724</b>	<b>5 407</b>	<b>5 604</b>	<b>24 929</b>	<b>5 955</b>
Sales costs	(13)	-	-	-	-
Administrative expenses	(3 397)	(2 340)	(2 690)	(12 020)	(2 697)
<b>Profit (loss) on sales</b>	<b>3 314</b>	<b>3 080</b>	<b>2 914</b>	<b>12 909</b>	<b>3 258</b>
Other operating revenue	127	731	704	829	225
Other operating expenses	252	(308)	(539)	(1 040)	480
<b>Operating profit (loss)</b>	<b>3 189</b>	<b>3 503</b>	<b>3 079</b>	<b>12 697</b>	<b>3 003</b>
Finance income	989	1 399	1 582	6 057	1 486
Finance costs	1 579	(2 392)	(2 032)	(7 727)	1 803
<b>Profit (loss) before taxation</b>	<b>2 599</b>	<b>2 510</b>	<b>2 629</b>	<b>11 028</b>	<b>2 686</b>
Income tax	502	481	554	2 937	666
<b>Net profit (loss)</b>	<b>2 097</b>	<b>2 029</b>	<b>2 075</b>	<b>8 091</b>	<b>2 020</b>

# Assets

## Assets

'000 PLN

### Fixed assets

Tangible fixed assets
Deferred income tax assets
Other financial assets
Other assets
<b>Total fixed assets</b>

### Current assets

Inventory
Trade and other receivables
Other financial assets
Current tax assets
Other assets
Cash and cash equivalents
<b>Current assets</b>
<b>Total assets</b>

	2016-03-31	2016-06-30	2016-09-30	2016-12-31	2017-03-31
Tangible fixed assets	1 413	1 352	1 244	1 120	997
Deferred income tax assets	522	494	499	459	306
Other financial assets	54 700	13 943	14 353	19 250	4 174
Other assets	1 006	862	721	596	2 046
<b>Total fixed assets</b>	<b>57 641</b>	<b>16 651</b>	<b>16 817</b>	<b>21 425</b>	<b>7 523</b>
Inventory	4	36	4	4	4
Trade and other receivables	171 709	159 012	153 091	151 088	164 078
Other financial assets	4 216	46 834	48 089	49 134	50 388
Current tax assets	-	-	-	177	-
Other assets	3 720	1 141	3 229	594	948
Cash and cash equivalents	1 050	7 279	167	5 224	356
<b>Current assets</b>	<b>180 699</b>	<b>214 302</b>	<b>204 580</b>	<b>206 221</b>	<b>215 774</b>
<b>Total assets</b>	<b>238 340</b>	<b>230 953</b>	<b>221 397</b>	<b>227 646</b>	<b>223 297</b>

# Liabilities and shareholders' equity

## Liabilities and shareholders' equity

2016-03-31

2016-06-30

2016-09-30

2016-12-31

2017-03-31

'000 PLN

### Equity

Share capital	1 000	1 000	1 000	1 000	1 000
Reserve capital	51 329	61 230	61 230	61 230	61 230
Retained profit	9 901	-	-	(245)	7 847
Equity attributable to owners	2 097	4 126	6 201	8 091	2 020
<b>Total shareholders' equity</b>	<b>64 327</b>	<b>66 356</b>	<b>68 431</b>	<b>70 076</b>	<b>72 097</b>
<b>Long-term liabilities</b>					
Long-term loans and bank credit lines	15 279	14 713	13 607	12 101	25 282
Other financial liabilities	799	687	600	510	419
Deferred income tax assets/provision	2 537	2 797	3 043	4 164	3 506
Deferred income	96 820	93 857	72 853	93 527	95 952
<b>Total non-current liabilities</b>	<b>115 435</b>	<b>112 054</b>	<b>90 103</b>	<b>110 303</b>	<b>125 159</b>
<b>Current liabilities</b>					
Trade and other payables	949	959	889	962	821
Short-term loans and bank credit lines	29 784	29 174	26 169	24 635	5 510
Other financial liabilities	384	468	455	442	429
Current tax liabilities	1 558	1 455	668	525	1 732
Short-term provisions	1 064	755	594	568	370
Deferred income	21 736	18 066	30 067	18 722	16 541
Other liabilities	3 103	1 666	4 021	1 412	638
<b>Total current liabilities</b>	<b>58 578</b>	<b>52 543</b>	<b>62 863</b>	<b>47 267</b>	<b>26 041</b>
<b>Total liabilities</b>	<b>174 013</b>	<b>164 597</b>	<b>152 966</b>	<b>157 569</b>	<b>151 200</b>
<b>Total liabilities and shareholders' equity</b>	<b>238 340</b>	<b>230 953</b>	<b>221 397</b>	<b>227 646</b>	<b>223 297</b>

# Cash flow statement

## Cash flow statement

'000 PLN

### Cash flows from operating activities

Profit for the year
Total adjustments
Depreciation
Interest and share in profits (dividends)
Profit (loss) from investing activities
Change in provisions
Change in inventory
Change in receivables
Change in current liabilities, excluding financial liabilities
Change in prepayments and accrued income
Other adjustments
<b>Net cash flows from operating activity</b>

### Cash flows from investing activities

Acquisition of fixed tangible assets
Disposal of fixed tangible assets
Acquisition of financial assets available for sale
Disposal of financial assets available for sale
Loans advanced
Repayments of loans advanced
Interest received
<b>Net cash flows from investing activities</b>

	2016-03-31	2016-06-30	2016-09-30	2016-12-31	2017-03-31
2 097	4 126	6 201	8 091	2 020	
(14 627)	3 763	996	12 906	(14 604)	
117	232	355	478	123	
602	2 020	2 987	3 431	58	
-	(410)	(845)	(1 640)	-	
575	526	612	1 706	(856)	
13	(18)	13	13	-	
(4 536)	7 030	12 951	14 805	(10 368)	
(186)	(516)	983	(1 725)	(2 150)	
(1 218)	(5 100)	(16 055)	(3 925)	(1 411)	
6	(1)	(5)	(238)	-	
<b>(2 530)</b>	<b>7 889</b>	<b>7 197</b>	<b>20 997</b>	<b>(12 584)</b>	
(638)	(149)	(1 491)	(1 548)	(278)	
-	51	51	241	-	
-	(1 030)	-	-	-	
-	-	-	-	15 173	
-	-	-	(3 950)	-	
-	-	-	-	-	
-	-	-	0,5	1	
<b>(638)</b>	<b>(1 128)</b>	<b>(1 440)</b>	<b>(5 256)</b>	<b>14 896</b>	

# Cash flow statement

## Rachunek przepływów pieniężnych

'000 PLN

### Cash flows from financing activities

	2016-03-31	2016-06-30	2016-09-30	2016-12-31	2017-03-31
Proceeds from the issue of debt securities	-	11 530	13 444	13 444	20 147
Redemption of debt securities	(2 364)	(14 769)	(20 300)	(24 022)	(25 248)
Proceeds from loans and credits payable	364	1 170	1 231	4 417	-
Repayment of credits and loans	(1 970)	(2 901)	(3 652)	(6 050)	(551)
Payments under finance lease agreements	(99)	(194)	(289)	(391)	(104)
Interest paid	(1 073)	(2 223)	(6 003)	(7 903)	(1 424)
Other cash inflows	1	-	175	327	-
Other financial expenditure	(514)	(1 899)	-	(145)	-
<b>Net cash flows from financing activities</b>	<b>(5 655)</b>	<b>(9 286)</b>	<b>(15 394)</b>	<b>(20 322)</b>	<b>(7 180)</b>
<b>Total net cash flows</b>	<b>(8 823)</b>	<b>(2 525)</b>	<b>(9 637)</b>	<b>(4 581)</b>	<b>(4 868)</b>
<b>Cash at the beginning of the period</b>	<b>9 873</b>	<b>9 804</b>	<b>9 804</b>	<b>9 804</b>	<b>5 224</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>1 050</b>	<b>7 279</b>	<b>167</b>	<b>5 224</b>	<b>356</b>

# Appendix 2

## Corporate information

# History

Establishment of FAST FINANCE Sp. z o.o.	2004
Transformation into a joint stock company, raising of PLN 5m, debut on the NewConnect market	2008
Debut on the WSE, bonds issue program with a value of PLN 30m, adoption of the Financial Market Code of Best Practice	2010
Bonds debut on the Catalyst market, setting up of the securitization fund	2011
Reverse split of shares (4:1), 10th Anniversary of FAST FINANCE	2014
The total value of the bonds issued significantly exceeded PLN 100m	2015
Net debt to equity amounted to: 0,46 – the lowest level in the history of the company	2016
Beginning of implementation of a new model of cooperation with a foreign investor	2017



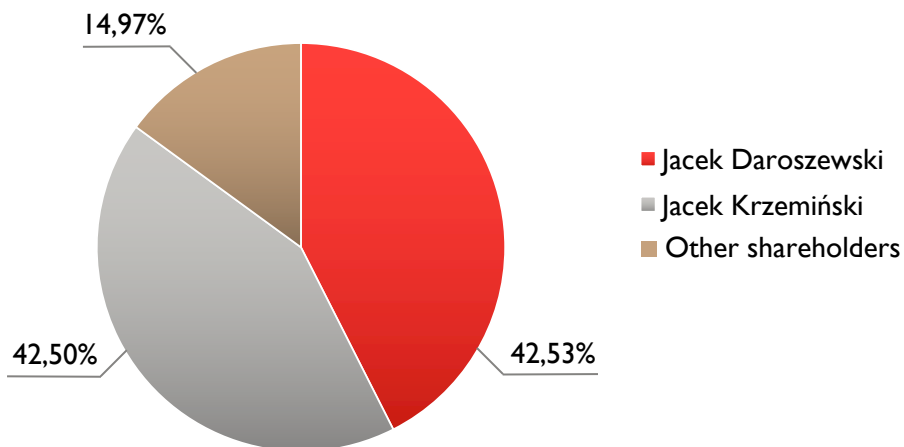
# Shareholders

Shares (FFI ticker)	Nominal Value	Market	Number of shares	Share in share capital	Number of votes	Share in total vote
A series	0,04	not quoted	11 250 000	45%	22 500 000	62,06%
B series	0,04	WSE	10 000 000	40%	10 000 000	27,58%
C series	0,04	WSE	3 750 000	15%	3 750 000	10,34%
<b>Total</b>			<b>25 000 000</b>	<b>100%</b>	<b>36 250 000</b>	<b>100%</b>

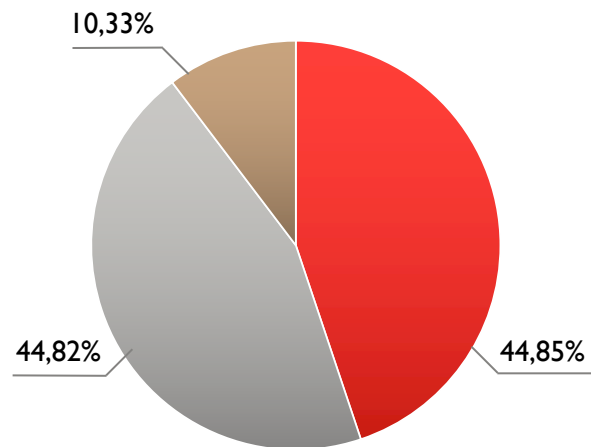
Number of shares: 25m  
 Number of votes: 36.25m

As multiple voting shares, series A shares have not been introduced to trading

Share in the share capital



Share in total vote



# Governing bodies

## Management Board

**Jacek Daroszewski**  
CEO

Graduate of the Wrocław University of Technology, Faculty of Mechanical Engineering where he earned his M.Sc. Since 2004 co-owner and CEO of FAST FINANCE. Since September 2009 co-owner and President of the Management Board of J&J Financial Advisors Sp. z o.o.

**Jacek Krzemiński**  
Vice President of the Management Board

Graduate of the Secondary School of Mechanical Engineering in Wrocław. Has a proven track record in managing Polish and international companies. Since 2004 co-owner and Vice President of the Management Board of FAST FINANCE. Since September 2009 co-owner and Vice President of the Management Board of J&J Financial Advisors Sp. z o.o .

## Supervisory Board

**Andrzej Kiełczewski**  
Chairman of the Supervisory Board

**Hildegarda Kaufeld**  
Member of the Supervisory Board

**Grzegorz Kawczak**  
Member of the Supervisory Board

**Marek Ochota**  
Member of the Supervisory Board

**Dorota Stempniak**  
Member of the Supervisory Board

# Bond issues\*

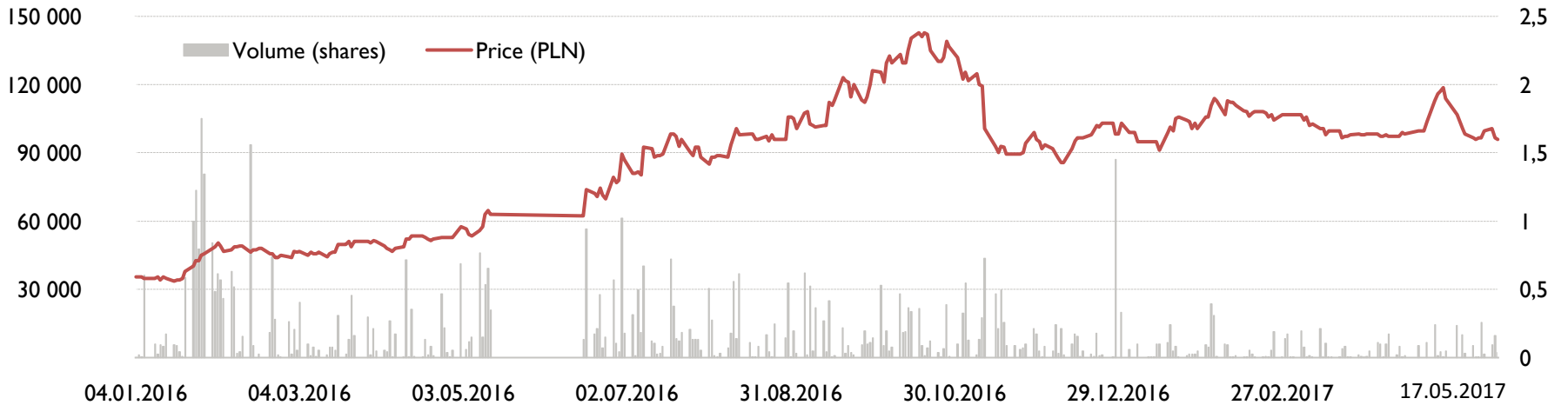
More than **PLN 140m**  
raised from corporate bond issues

Bonds	Nominal value	Code	Market	Number	Yield	Issue size	Issue date	Redemption date
L series	10 000	n/a	private issue	626	10,0 p.p.	6 260 000	2015-11-06	2018-11-06
M series	1 000	FFI0121	Catalyst	9 319	10,5 p.p.	9 319 000	2016-01-14	2021-01-15
P series	1 000	n/a	private issue	11 377	10,0 p.p.	11 370 000	2017-01-16	2020-01-17
R series	1 000	n/a	private issue	2 270	NBP lombard rate (*4)	2 270 000	2017-02-06	2019-02-06

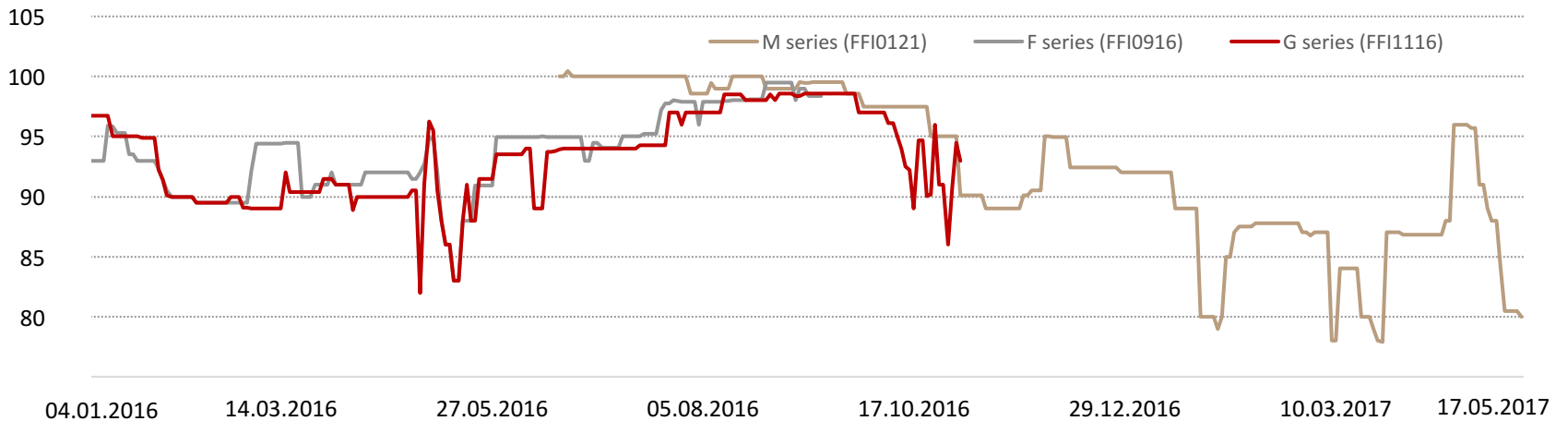
\* The list does not include information for series of bonds redeemed by the Company

# Share and bond prices

Turnover ('000 Shares)



Rate bonds (%)



## Materials for investors

FAST FINANCE regularly updates materials for investors: fact sheets, presentations, spreadsheets

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## Meetings with investors

FAST FINANCE participates in investor events;  
in 2016 FAST FINANCE met with German investors during conference in Frankfurt am Main

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