

APS

APS CREDIT FUND SICAV

APS FUND

OCTOBER 2022

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Communication: Please direct all communications to: Petr Valenta

APS Investments S.á.r.l. member of APS Group

Email: petr.valenta@aps-holding.com

APS

- 1 INTRODUCTION TO APS
- 2 INVESTMENT OPPORTUNITY – RHAPSODY I & RHAPSODY II
- 3 CURRENT MARKET

APS

ALTERNATIVE ASSET MANAGEMENT FIRM

APS RECOVERY

Leading Distressed Asset
Management Platform

Top choice for many
institutional investors in
Alternative Investment
Space

APS INVESTMENTS

A European Alternative
Investment Firm

Bringing together teamwork,
experience, thorough
investment process and
state-of-the-art
infrastructure.

APS REAL ESTATE

A European focused Real
Estate Investment and Asset
Management Business

APS

**MARKET
LEADER**

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Headquartered in Luxembourg,
APS is the leading NPL investment specialist in the CEE and SEE regions

EUR
10.3 bn

of acquired debts

500

professionals

15

European countries

18

years of market leadership

20%+

IRR track record last 15 years

APS

PARTNERS AND REGIONAL COVERAGE

ATTESTOR CAPITAL



Bank of America



APOLLO

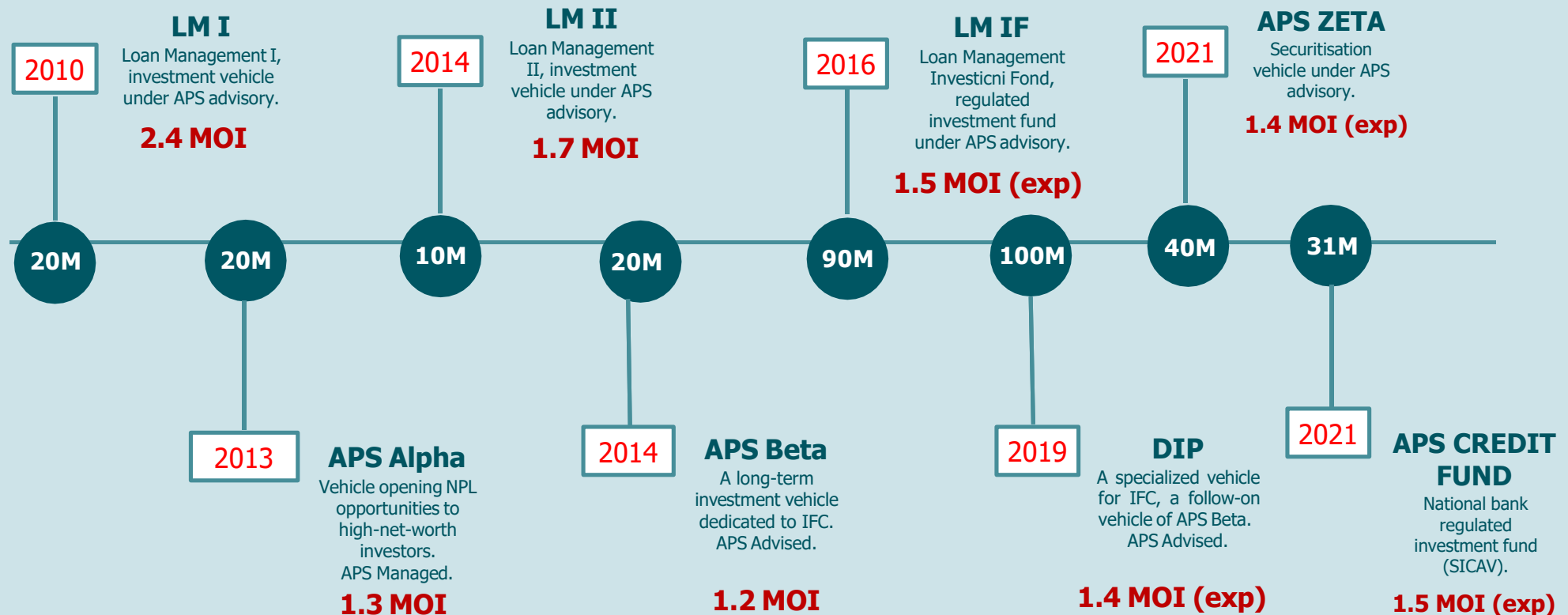


- active coverage
- seat of APSI
- expansion target

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DELIVERING TO INVESTORS (IN EUR)

MANAGED OR ADVISED INVESTMENT VEHICLES



APS

HIGHLY EXPERIENCED TEAM

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TEAM OF 40+ EXPERTS IN ORIGINATION, VALUATIONS, RISK



Martin Machoň
Chairman of APS BoD,
CEO, APS Group

20 years' distressed debt experience. Involved in all phases of the APS development since its founding in 2004. Sole shareholder of APS since 2015. Previously he acted at Lucent Technologies and Société Générale.



Petr Kohout
CFO, APS Group

Petr has more than 25 years of experience in financial services industry both in the Czech Republic and internationally. He spent 12 years in Société Générale Group and acted also as a CEO of its consumer finance subsidiary in Vietnam. Prior to joining APS, he acted as a Group CFO of Homecredit, the largest POS financing provider in the world and worked also for PriceWaterhouseCoopers and ING.



Roman Šedivý
Asset Management
CEO, APS Recovery

Roman has been working in APS for more than 7 years: initially as the Head of Recovery in APS CZ&SK, later in Business Development establishing new APS Recovery subsidiaries and since 2020 he took over also the responsibility for the teams covering 'Under 5' investment projects, HR, Reporting and Business systems. He graduated from University of Economics in Prague and prior to working at APS, Roman had worked for a competitor.



Viktor Tóth
Investments
CIO, APS Investments

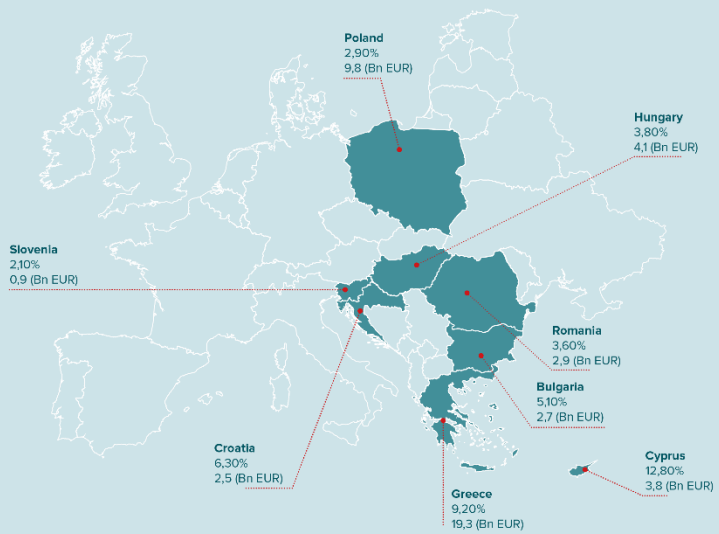
Viktor with his team is managing acquisitions across all the markets where APS is active or expanding and has experience with the wide spectrum of distressed assets. Before joining APS, Viktor was working for more than seven years in private equity. Viktor served as the Head of Fund Administration at Munich Private Equity Partners, before that Viktor was working with Swiss Re Private Equity Partners.

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INVESTMENT OPPORTUNITY

High levels of NPLs



Source: European Central Bank, June 2022

Bank NPL ratios (selected countries)

Bank NPL volumes (EUR)

Hungary	3,8%	4.1 bn
Poland	2.9%	9.8 bn
Romania	3.6%	2.9 bn
Slovenia	2.1%	0.9 bn
Croatia	6.3%	2.5 bn
Bulgaria	5.1%	2.7 bn
Greece	9.2%	19.3 bn
Cyprus	12.8%	3.8 bn

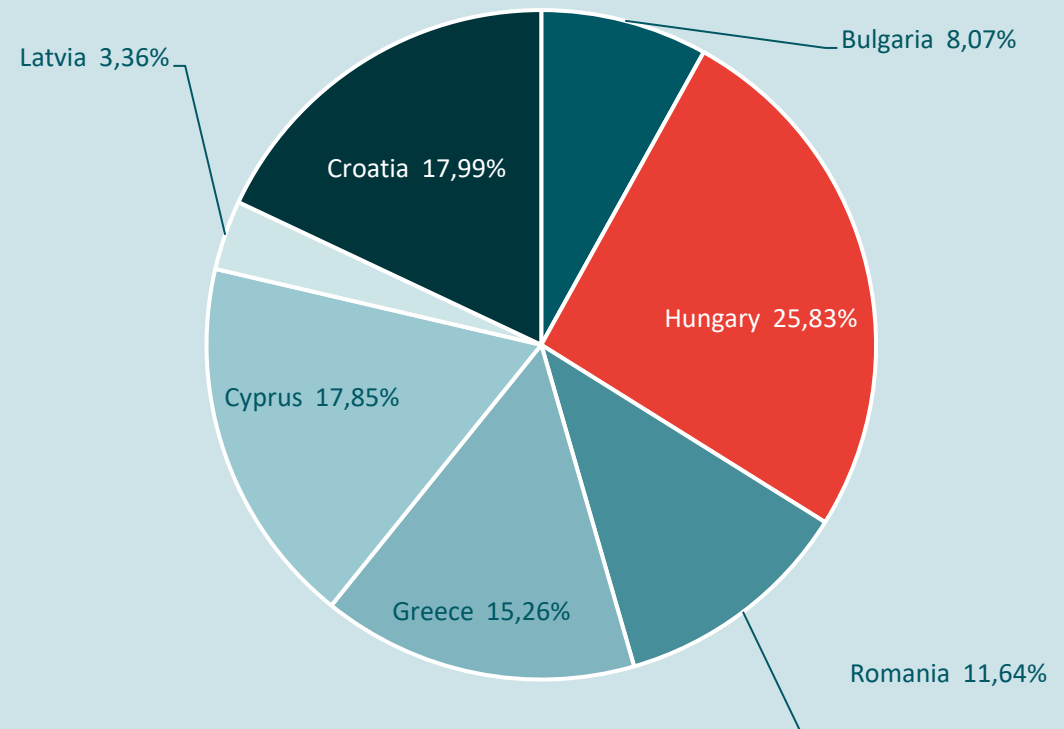
FUND RHAPSODY I – INVESTMENT COUNTRIES

Fund RHAPSODY I – investment by countries:

Fund Rhapsody I invested until now EUR 20.4 million in following countries:

- Bulgaria – 8.07%
- Hungary – 25.83%
- Romania – 11.64%
- Greece – 15.26%
- Cyprus – 17.85%
- Latvia – 3.36%
- Croatia – 17.99%

Investment by countries

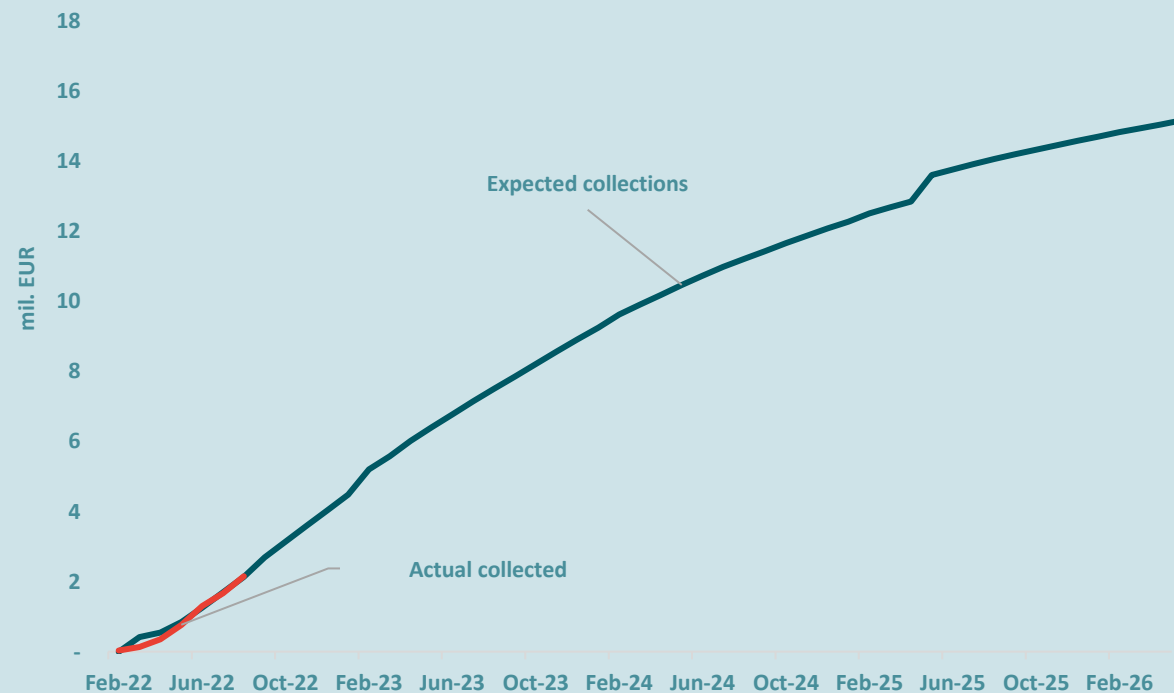


FUND RHAPSODY I – PERFORMANCE GRAPH

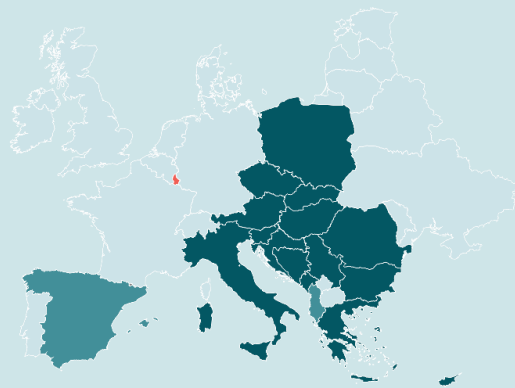
Fund Rhapsody I – Performance graph:

Fund Rhapsody is currently slightly above expected performance, collecting 105% of expected funds in Q1 and Q2 2022

Performance graph – Rhapsody



TARGET TERMS – FUND RHAPSODY II

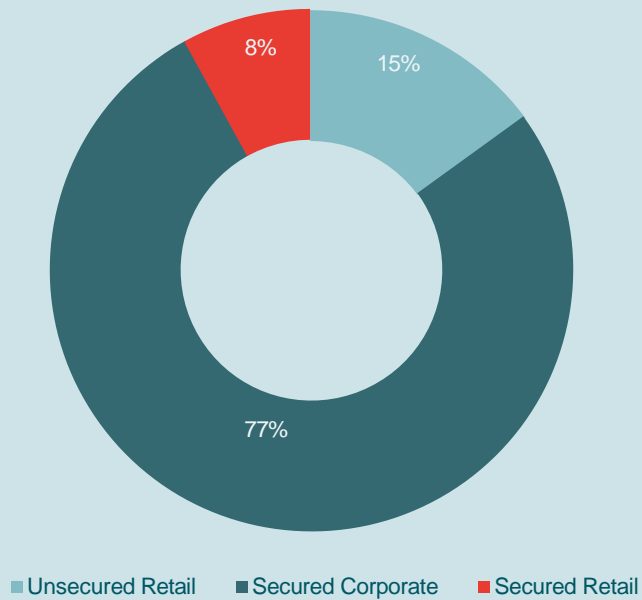


- Active fund coverage
- Opportunistic target
- Seat of APSI

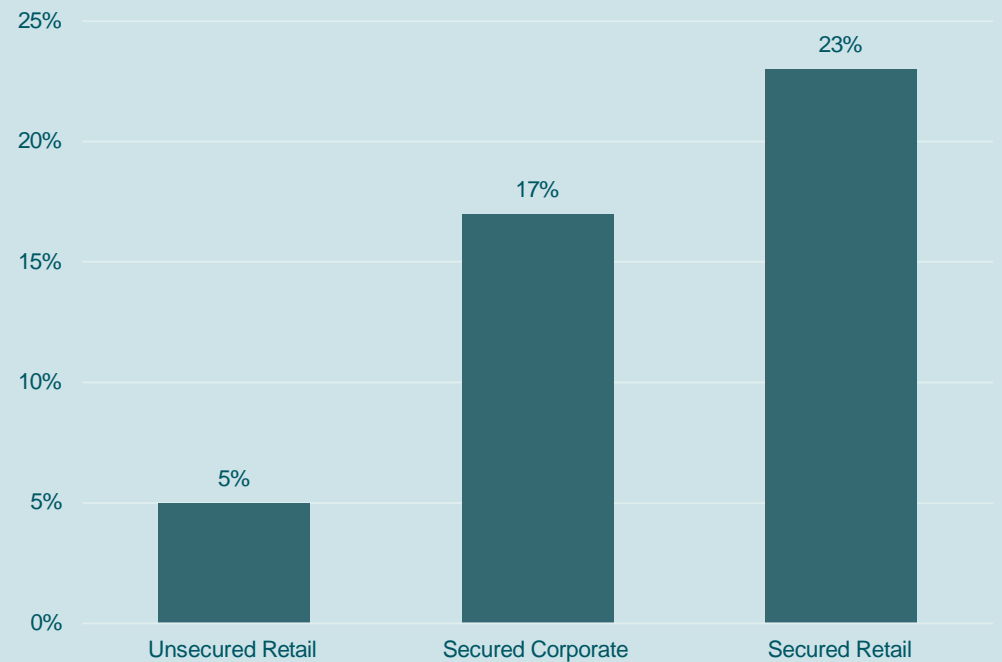
Target Size	EUR 25M
Target expected Return and Multiple	15+% IRR (net of fees), expected multiple 1.5
Investment Period	3 years after the end of capital raising
Hold Period	3 years plus 2 one-year extensions
Expected number of transactions	8 - 12
FMF and Carry	1.8% FMF, Carry 20%
Key Risk Limits	<ul style="list-style-type: none"> • Max 50% of fund within a single country, • Max 35% of fund in a single transaction

STRATEGY: PORTFOLIO COMPOSITION

What we buy



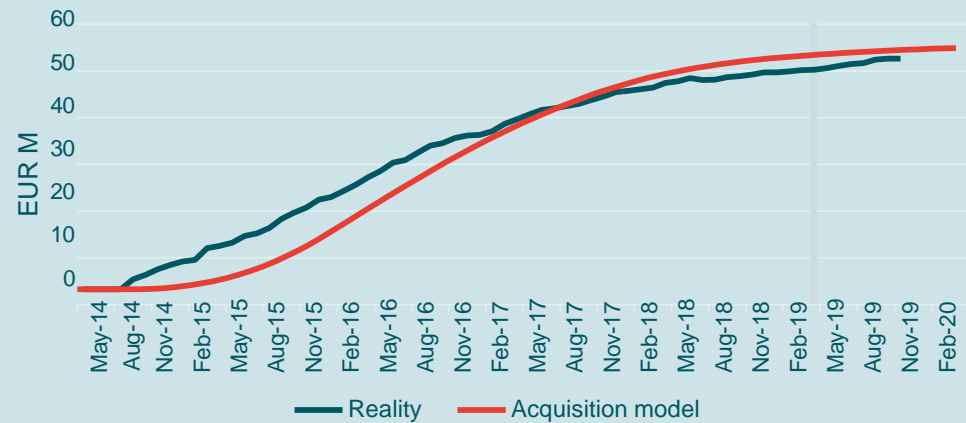
How much we buy for



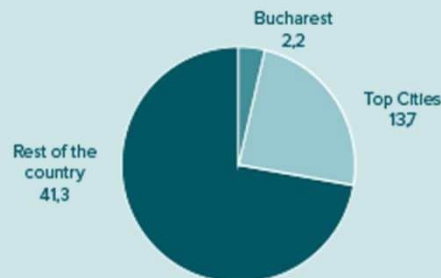
CASE STUDY: PROJECT X

Investment overview	
Investment year	2014
Investment amount	EUR 32.2 M
Seller	BCR (Austrian banking group)
Country	Romania
Portfolio type	Secured
Estimated final IRR	20.3%
Estimated final Multiple	1.51
Actual results	
Net Cash Flow	EUR 43.4 M
IRR	19.0%
Net Cash Flow remaining	EUR 4.3 M

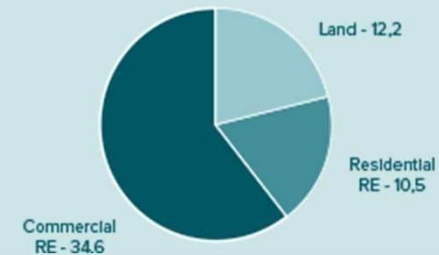
Gross Collections Reality & F-cast vs. Acquisition Model
as of Nov. 2019



Collateral expected recovery value by location (EUR M)



Collateral expected recovery value by type (EUR M)

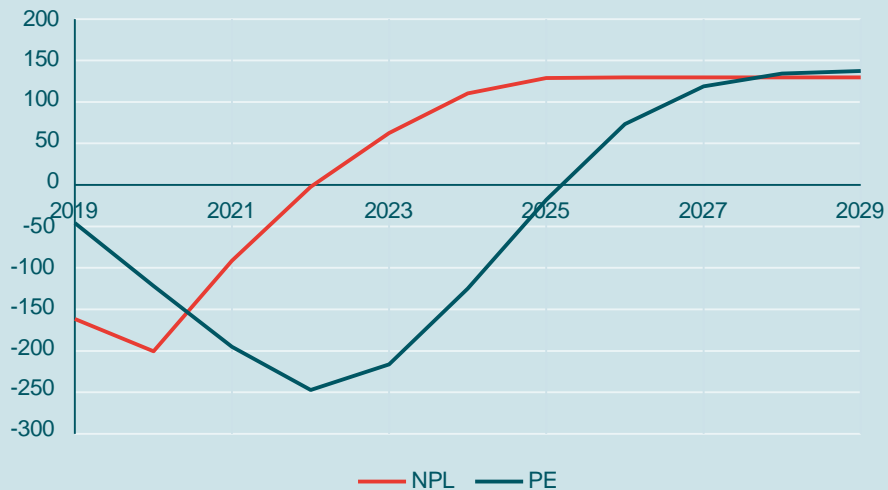


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ATTRACTIVE INVESTMENT SEGMENT

Illustration: Total Cumulative CF NPL v. PE (EUR M)



- Shorter life cycle of NPL
- Faster break even for NPL
- NPL higher IRR (fast delivery)
- Similar multiples
- Shorter investment period of NPL
- Substantial distributions start early for NPL

Typical Returns of Alternative Strategies



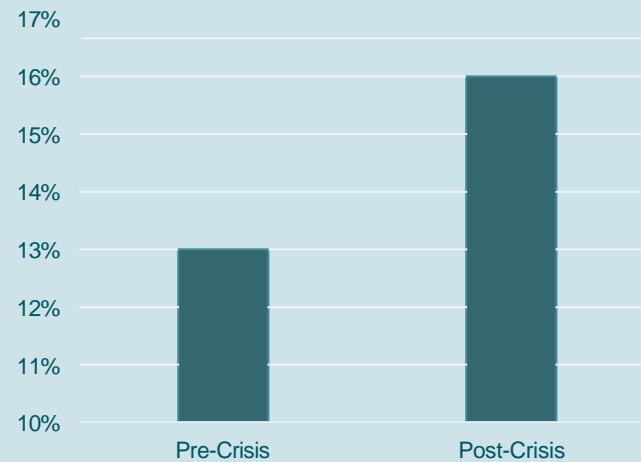
CRISIS IMPACT

NEW PORTFOLIOS

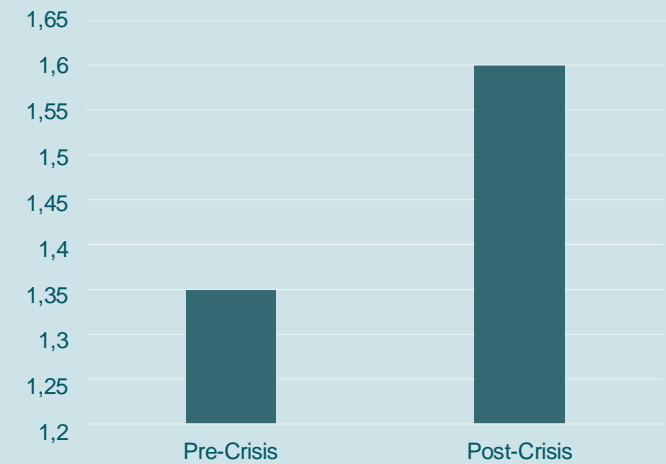
Volume Increase



Expected Net Unlevered IRR



Expected Net Unlevered MOI



FIT FOR CURRENT MARKET?

New Alternative

Niche + Complementary

- Most of funds target RE or PE opportunities
- Hard to find meaningful alternative

Downside protection

- Diversification across assets, countries, value sectors
- Stable income profile at portfolio level

Counter cyclical

Defensive Investment strategy

- Opportunity to buy
- Supply increases, prices decrease

Start today in 15 countries

- There is a business built over 16 years
- Safely launch, no operational hiccups

Strong Returns

Better returns than RE/PE

- Better returns than RE even PE
- No need to wait a decade for return of principal

Regular cash stream with yield characteristics

- NPL portfolios start generating cash flows immediately
- Regularity of cash flow delivers yield like profile

Diversified Risk

Immediate Safe Entry

Steady Cash Stream

APS

THANK YOU

APS Holding S.A.

info@aps-holding.com

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