

PLUS  PLUS

PlusPlus Capital AS

Interim Report

Q1 2016

ACTIVITY REPORT FOR 1st QUARTER 2016

Market of non-performing claims remained active during the first quarter, 2016. PlusPlus Capital was invited to participate in seven different tenders across the Baltic states.

During the quarter, PlusPlus Capital bought two banking sector portfolios in Estonia and Lithuania respectively with face value of approximately 600 thousand euros. At the end of March, the company won a bid for a liquidation sale of a banking portfolio in Latvia and acquired claims with aggregate nominal value of 15 million euros.

Consolidated total income of PlusPlus Capital AS was 459 thousand euros and net income 37 thousand euros. In terms of actual collection, March was the record breaking month of whole history and in April we expect further hike in payments received. Total assets grew by ten per cent since the end of 2015 and comprised nearly 9 million euros as of end of the quarter.

The outlook for the Baltic market remains positive. Traditional sellers continue with auctions in ordinary course of business. In addition to those, we expect to see a limited number of extraordinary auctions related to liquidation of certain positions by credit institutions in the second half of 2016. As outsourcing of non-core activities is still considered part of cost-saving programs implemented by banks, we anticipate the variety and quality of claims sold will continually improve.

In addition to banking sector supply, non-bank lenders' volume is increasing rapidly. As a result we believe the market will see new high-quality sellers in a one-year time horizon.

In February, PlusPlus Capital completed its first offering of long-term bonds. The bond issue was an important event supporting the aspiration to attain better access to financing in order to improve competitiveness in the market.

The company issued 4,000 bonds with nominal value of 1,000 euros each. As of end of March, 750 bonds were placed with investors. Accrued interest as of 31 March was 21.31 euro per bond and total due to bondholders 765,982.50 euro.

DECLARATION OF THE MANAGEMENT BOARD

The financial and other additional information published in the Interim Report for the first quarter 2016 is true and complete. Consolidated financial statements give a true and fair view of the actual financial position, results of operations and cash flows of the group.

Consolidated financial statements in the report for the period from January through March 2016 are not audited.



Mirje Trumsi

AS PlusPlus Capital, Member of the Management Board

Tallinn, 29.04.2016

FINANCIAL REPORT

Consolidated balance sheet (unaudited), EUR

	31.03.2016	31.12.2015
Assets		
Short-term assets		
Cash	86 062	51 646
Claims and prepayments	2 557 695	2 345 087
Total short-term assets	2 643 757	2 396 733
Fixed assets		
Claims and prepayments	6 268 133	5 675 921
Tangible assets	74 677	76 713
Intangible assets	-	252
Total fixed assets	6 342 810	5 752 886
Total assets	8 986 567	8 149 619
Liabilities and equity		
Liabilities		
Short-term liabilities		
Interest bearing liabilities	1 947 453	2 433 090
Accounts payable	365 675	402 721
Short-term allowances	279 001	338 463
Total short-term liabilities	2 592 129	3 174 274
Long-term liabilities		
Interest bearing liabilities	2 465 989	1 144 560
Long-term allowances	619 714	559 370
Total long-term liabilities	3 085 703	1 703 930
Total liabilities	5 677 832	4 878 204
Equity		
Share capital	63 912	63 912
Retained earnings	3 207 503	2 736 606
Profit for the current year	37 320	470 897
Total equity	3 308 735	3 271 415
Total liabilities and equity	8 986 567	8 149 619

Consolidated income statement (unaudited), EUR

	2016 Q1	2015
Net revenue	408 497	1 689 930
Other income	51 128	389 269
Total income	459 625	2 079 199
Cost of goods sold	- 121 832	- 449 991
Operating expenses	- 93 270	- 249 884
Personnel expenses	- 74 969	- 241 284
Depreciation	- 5 288	- 36 066
Operating profit	164 266	1 101 974
Financial expenses	- 126 946	- 631 077
Profit before taxes	37 320	470 897
Net income	37 320	470 897

Consolidated statement of cash flows (unaudited), EUR

	2016 Q1	2015
Cash flows from operating activities		
Profit (loss)	164 266	1 101 974
Adjustments		
Depreciation and impairment loss (reversal)	5 288	36 066
Total adjustments	5 288	36 066
Changes in receivables and prepayments related to operating activities	- 793 870	- 1 245 316
Changes in payables and prepayments related to operating activities	361 694	- 256 214
Interest received	-	26
Total cash flows from operating activities	- 262 622	- 363 464
Cash flows from investing activities		
Purchase of investment property	- 3 000	- 13 500
Other cash receipts from sales of other financial investments	-	2 846
Total cash flows from investing activities	- 3 000	- 10 654
Cash flows from financing activities		
Loans received	750 000	2 200 000
Repayments of loans received	- 310 825	- 1 267 637
Proceeds from finance lease	- 6 011	- 23 893
Interest paid	- 133 126	- 407 203
Other cash outflows from financing activities	-	- 154 674
Total cash flows from financing activities	300 038	346 593
Total cash flows	34 416	- 27 525
Cash and cash equivalents at beginning of period	51 646	79 171
Change in cash and cash equivalents	34 416	- 27 525
Cash and cash equivalents at end of period	86 062	51 646

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