

PLUS  PLUS

PlusPlus Capital AS

Interim Report

Q2 2016

ACTIVITY REPORT FOR 2ST QUARTER 2016

During the second quarter, 2016 PlusPlus completed the acquisition of banking sector portfolio in Latvia with face value of 15 million euros (investment over 400 thousand euro) and invested further 300 thousand euros to buy another banking sector portfolio in Estonia. After the end of reporting period, in July the company won an auction for another Lithuanian portfolio of bank claims with face value of nearly 2 million and purchase price of 600 thousand euros.

Over the first seven months in 2016, PlusPlus Capital, largely due to better access to financing, has acquired almost as much claims (94% of that) as it did during the whole 2014 and 2015 combined. We are particularly happy that new acquisitions were made in Latvia and Lithuania to support our strategy to become a truly pan-Baltic player instead of remaining an Estonia-focused company with limited activities in other Baltic countries.

In operational terms, the team clearly focused on restructuring of claims acquired since the beginning of the year. Preliminary analysis assures that the quality of the newly acquired portfolios is excellent and confirms our balanced view on overall market development.

From financials' point of view, PlusPlus posted solely in 2nd quarter the net revenue of over 1 million euros (63% of 2015 full year result) and profit of 427 thousand euros (39% of full 2015, 76% after elimination of other income). Total assets grew from nearly 9 million in the end of 1st quarter to more than 10.3 million as of end of June.

Net collection of claims comprised 595 thousand euros in 2nd quarter, by far the best result in company's history. In aggregate, PlusPlus has collected 1,032 million euros in first 6 months 2016, almost two thirds of full year figure a year before.

In terms of the future, we maintain a moderately optimistic view on the future of the market. We foresee a number of potentially attractive auctions over the rest of the year and plan to pursue selected opportunities. However, the most important issue for the company is work with portfolios already acquired this year.

The company issued 4,000 bonds with nominal value of 1,000 euros each. As of end of June, 1666 bonds were placed with investors. Accrued interest as of 30 June was 21.31 euro per bond and total due to bondholders 1,701,502 euros.

DECLARATION OF THE MANAGEMENT BOARD

The financial and other additional information published in the Interim Report for the second 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 June 2016 are not audited.



Mirje Trumsi

AS PlusPlus Capital, Member of the Management Board
Tallinn, 29.07.2016

FINANCIAL REPORT

Consolidated balance sheet (unaudited), EUR

	30.06.2016	31.03.2016	31.12.2015
Assets			
Short-term assets			
Cash	270 430	86 062	51 646
Claims and prepayments	1 897 774	2 557 695	2 345 087
Total short-term assets	2 168 204	2 643 757	2 396 733
Fixed assets			
Claims and prepayments	8 140 332	6 268 133	5 675 921
Tangible assets	69 233	74 677	76 713
Intangible assets	-	-	252
Total fixed assets	8 209 565	6 342 810	5 752 886
Total assets	10 377 769	8 986 567	8 149 619
Liabilities and equity			
Liabilities			
Short-term liabilities			
Interest bearing liabilities	2 262 238	1 947 453	2 433 090
Accounts payable	287 380	365 675	402 721
Short-term allowances	330 780	279 001	338 463
Total short-term liabilities	2 880 398	2 592 129	3 174 274
Long-term liabilities			
Interest bearing liabilities	2 971 366	2 465 989	1 144 560
Long-term allowances	848 100	619 714	559 370
Total long-term liabilities	3 819 466	3 085 703	1 703 930
Total liabilities	6 699 864	5 677 832	4 878 204
Equity			
Share capital	63 912	63 912	63 912
Retained earnings	3 207 503	3 207 503	2 736 606
Profit for the current year	406 490	37 320	470 897
Total equity	3 677 905	3 308 735	3 271 415
Total liabilities and equity	10 377 769	8 986 567	8 149 619

Consolidated income statement (unaudited), EUR

	2016 Q2	2016 Q1	2015
Net revenue	1 469 074	408 497	1 689 930
Other income	52 184	51 128	389 269
Total income	1 521 258	459 625	2 079 199
Cost of goods sold	- 598 166	- 121 832	- 449 991
Operating expenses	- 214 336	- 93 270	- 249 884
Personnel expenses	- 107 573	- 74 969	- 241 284
Depreciation	- 9 944	- 5 288	- 36 066
Operating profit	591 239	164 266	1 101 974
Financial expenses	- 222 069	- 126 946	- 631 077
Profit before taxes	369 170	37 320	470 897
Net income	369 170	37 320	470 897

Consolidated statement of cash flows (unaudited), EUR

	2016 Q2	2016 Q1	2015
Cash flows from operating activities			
Profit (loss)	591 239	164 266	1 101 974
Adjustments			
Depreciation and impairment loss (reversal)	9 944	5 288	36 066
Total adjustments	9 944	5 288	36 066
Changes in receivables and prepayments	- 1 209 674	- 793 870	- 1 245 316
Changes in payables and prepayments	- 190 513	361 694	- 256 214
Interest received		-	26
Total cash flows from operating activities	- 799 004	- 262 622	- 363 464
Cash flows from investing activities			
Purchase of investment property	- 4 500	- 3 000	- 13 500
Other cash receipts from sales of other financial investments	-	-	2 846
Total cash flows from investing activities	- 4 500	- 3 000	- 10 654
Cash flows from financing activities			
Loans received	1 766 000	750 000	2 200 000
Repayments of loans received	- 537 303	- 310 825	- 1 267 637
Proceeds from finance lease	- 11 031	- 6 011	- 23 893
Interest paid	- 219 294	- 133 126	- 407 203
Other cash outflows from financing activities	- 10 500	-	- 154 674
Total cash flows from financing activities	987 872	300 038	346 593
Total cash flows	184 368	34 416	- 27 525
Cash and cash equivalents at beginning of period	86 062	51 646	79 171
Change in cash and cash equivalents	184 368	34 416	- 27 525
Cash and cash equivalents at end of period	270 430	86 062	51 646

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