

PLUS  PLUS

# PlusPlus Capital AS

Interim Report  
Q3 2016

**ACTIVITY REPORT FOR 3<sup>rd</sup> QUARTER 2016**

Last month of the third quarter saw unprecedented hike in investors' interest in PlusPlus Capital's bonds. The boost was predictable and in line with improving results the company has delivered and overall market upturn after traditionally slow summer period. As of end of September, virtually the whole 4 million euro issue (3,992 bonds out of 4,000) has been sold to investors, while significant investors' demand has remained unsatisfied. Accrued interest as of 30 September was 21.31 euro per bond and total due to bondholders 4,077,070 euros.

PlusPlus remained continually active on the market and acquired four banking sector portfolios comprising more than 800 individual claims. Total investment in Q3 exceeded 1 million euros – slightly more than a half of the amount from Lithuanian and the rest from Estonian institutions.

Total assets of the company increased to 13.6 million euros, posting a 67% growth since the beginning of the year. After the successful completion of the bond issue, PlusPlus can – for the first time in history – enjoy abundant liquidity with a 1.2 million euro cash balance. Liquidity buffer in turn provides the opportunity to continue actively participating in auctions in order to acquire new portfolios.

As of the end of September 2016, PlusPlus had earned more than 1.7 million euros of operating profit and over 1.2 million euros of net profit, including 1 million and 830 thousand in the 3<sup>rd</sup> quarter respectively. Over the 9 months of 2016, the company has safely beaten 2015 full year results in terms of both operating profit (2015: 1.1 m euros) and net profit (470 thousand euros).

Total collection for 9 months is 1.6 million euros, which already exceeds the 2015 full year result. It is worth mentioning that as large part of portfolios have been acquired recently and only 358 thousand euros have been collected from the 2016 acquisitions, we can observe that collection from older portfolios has also improved on a year-on-year basis.

In October, the company has already acquired new portfolios and is set to stay active. In operational terms, we continue to put main effort on efficient restructuring of acquired claims. In end of October PlusPlus issued short-term unsecured bonds in amount of 3 million euros, 870 thousand of which has been placed to investors to date. In November, the company plans to raise additional funds through new secured 3-year bond issue.

To date PlusPlus is confident to stand its' claim to become the leading player in the Baltics.

**DECLARATION OF THE MANAGEMENT BOARD**

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



**Mirje Trumsi**

AS PlusPlus Capital, Member of the Management Board

Tallinn, 28.10.2016

## FINANCIAL REPORT

## Consolidated balance sheet (unaudited), EUR

	30.09.2016	30.06.2016	31.03.2016	31.12.2015
<b>Assets</b>				
<b>Short-term assets</b>				
Cash	1 258 626	270 430	86 062	51 646
Claims and prepayments	1 431 237	1 897 774	2 557 695	2 345 087
<b>Total short-term assets</b>	<b>2 689 863</b>	<b>2 168 204</b>	<b>2 643 757</b>	<b>2 396 733</b>
<b>Fixed assets</b>				
Claims and prepayments	10 842 100	8 140 332	6 268 133	5 675 921
Tangible assets	67 827	69 233	74 677	76 713
Intangible assets	-	-	-	252
<b>Total fixed assets</b>	<b>10 909 927</b>	<b>8 209 565</b>	<b>6 342 810</b>	<b>5 752 886</b>
<b>Total assets</b>	<b>13 599 790</b>	<b>10 377 769</b>	<b>8 986 567</b>	<b>8 149 619</b>
<b>Liabilities and equity</b>				
<b>Liabilities</b>				
<b>Short-term liabilities</b>				
Interest bearing liabilities	1 543 838	2 262 238	1 947 453	2 433 090
Accounts payable	257 917	287 380	365 675	402 721
Short-term allowances	266 666	330 780	279 001	338 463
<b>Total short-term liabilities</b>	<b>2 068 421</b>	<b>2 880 398</b>	<b>2 592 129</b>	<b>3 174 274</b>
<b>Long-term liabilities</b>				
Interest bearing liabilities	5 897 366	2 971 366	2 465 989	1 144 560
Long-term allowances	1 125 896	848 100	619 714	559 370
<b>Total long-term liabilities</b>	<b>7 023 262</b>	<b>3 819 466</b>	<b>3 085 703</b>	<b>1 703 930</b>
<b>Total liabilities</b>	<b>9 091 683</b>	<b>6 699 864</b>	<b>5 677 832</b>	<b>4 878 204</b>
<b>Equity</b>				
Share capital	63 912	63 912	63 912	63 912
Retained earnings	3 207 503	3 207 503	3 207 503	2 736 606
Profit for the current year	1 236 692	406 490	37 320	470 897
<b>Total equity</b>	<b>4 508 107</b>	<b>3 677 905</b>	<b>3 308 735</b>	<b>3 271 415</b>
<b>Total liabilities and equity</b>	<b>13 599 790</b>	<b>10 377 769</b>	<b>8 986 567</b>	<b>8 149 619</b>

## Consolidated income statement (unaudited), EUR

	2016 Q3		2016 Q2		2016 Q1		2015	
Net revenue	1 704 342		1 469 074		408 497		1 689 930	
Other income	20 607		52 184		51 128		389 269	
<b>Total income</b>	<b>1 724 949</b>		<b>1 521 258</b>		<b>459 625</b>		<b>2 079 199</b>	
Cost of goods sold	- 362 033	-	598 166	-	121 832	-	449 991	
Operating expenses	- 243 705	-	214 336	-	93 270	-	249 884	
Personnel expenses	- 104 861	-	107 573	-	74 969	-	241 284	
Depreciation	- 7 353	-	9 944	-	5 288	-	36 066	
<b>Operating profit</b>	<b>1 006 997</b>		<b>591 239</b>		<b>164 266</b>		<b>1 101 974</b>	
Financial expenses	- 176 795	-	222 069	-	126 946	-	631 077	
Profit before taxes	830 202		369 170		37 320		470 897	
<b>Net income</b>	<b>830 202</b>		<b>369 170</b>		<b>37 320</b>		<b>470 897</b>	

## Consolidated statement of cash flows (unaudited), EUR

	2016 Q3	2016 Q2	2016 Q1	2015
<b>Cash flows from operating activities</b>				
Profit (loss)	1 006 997	591 239	164 266	1 101 974
Adjustments				
Depreciation and impairment loss (reversal)	7 353	9 944	5 288	36 066
Total adjustments	7 353	9 944	5 288	36 066
Changes in receivables and prepayments	- 2 234 585	- 1 209 674	- 793 870	- 1 245 316
Changes in payables and prepayments	136 399	- 190 513	361 694	- 256 214
Interest received				26
<b>Total cash flows from operating activities</b>	<b>- 1 083 836</b>	<b>- 799 004</b>	<b>- 262 622</b>	<b>- 363 464</b>
<b>Cash flows from investing activities</b>				
Purchase of investment property	- 6 000	- 4 500	- 3 000	- 13 500
Other cash receipts from sales of other financial investments				2 846
<b>Total cash flows from investing activities</b>	<b>- 6 000</b>	<b>- 4 500</b>	<b>- 3 000</b>	<b>- 10 654</b>
<b>Cash flows from financing activities</b>				
Loans received	2 926 000	1 766 000	750 000	2 200 000
Repayments of loans received	- 713 722	- 537 303	- 310 825	- 1 267 637
Proceeds from finance lease	- 1 253	- 11 031	- 6 011	- 23 893
Interest paid	- 132 993	- 219 294	- 133 126	- 407 203
Other cash outflows from financing activities		- 10 500		- 154 674
<b>Total cash flows from financing activities</b>	<b>2 078 032</b>	<b>987 872</b>	<b>300 038</b>	<b>346 593</b>
	-			
<b>Total cash flows</b>	<b>988 196</b>	<b>184 368</b>	<b>34 416</b>	<b>- 27 525</b>
Cash and cash equivalents at beginning of period	270 430	86 062	51 646	79 171
Change in cash and cash equivalents	988 196	184 368	34 416	- 27 525
Cash and cash equivalents at end of period	1 258 626	270 430	86 062	51 646

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