

PLUSPLUS CAPITAL Interim Report Q2 2018

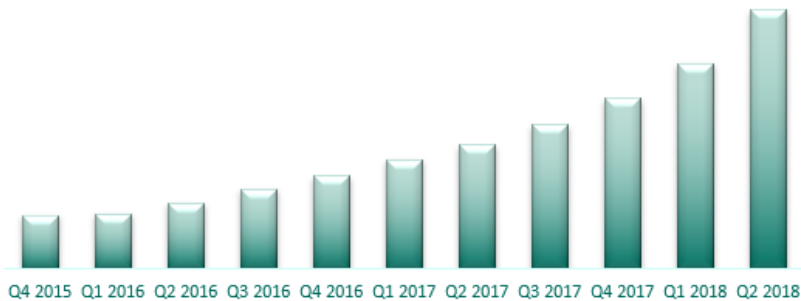
30.07.2018

Q2 2018

PlusPlus Capital key numbers

ERC as of end Q2 2018 was EUR 59 million

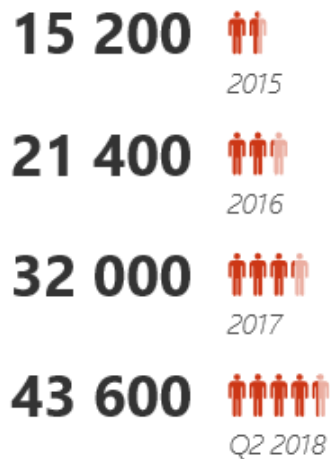
Quarter-end ERC 2015-2018



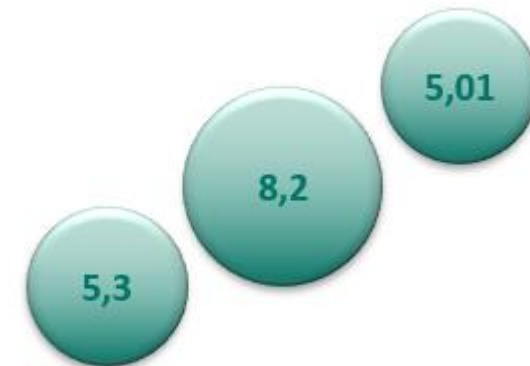
Total assets 2016, 2017, Q2 2018, mEUR



43.6 thousand claims as of end Q2 2018



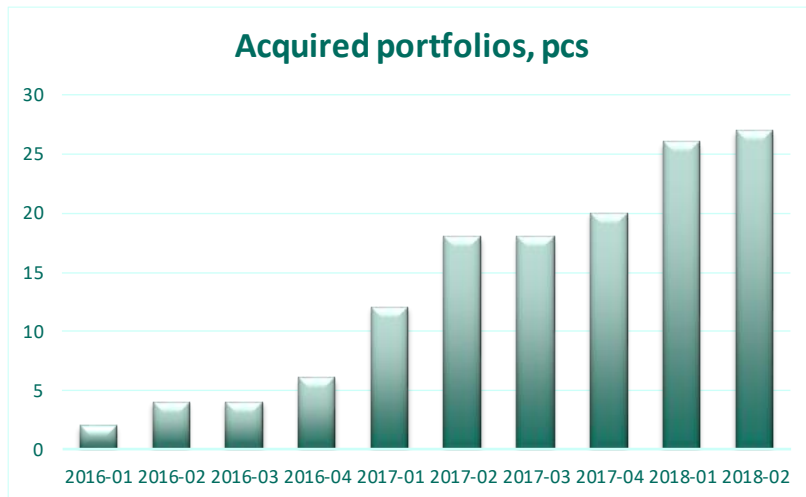
Total revenue 2016, 2017, H1 2018, mEUR



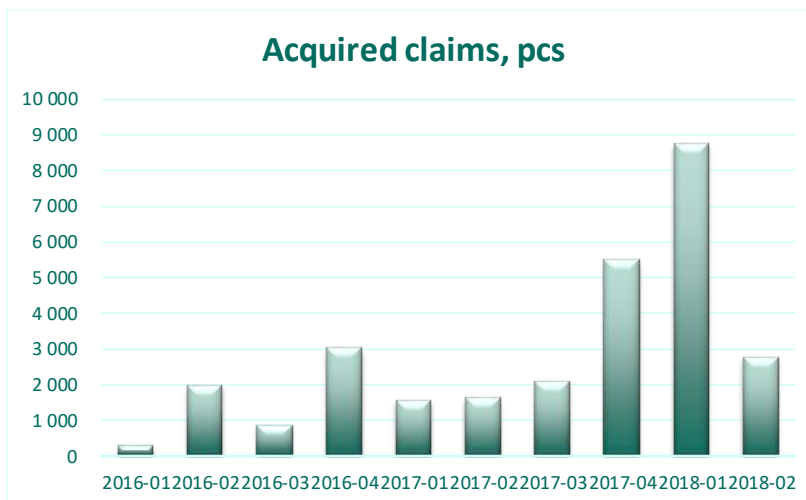
ACTIVITY REPORT FOR 2nd QUARTER 2018



Acquisition of new portfolios in Q2 2018

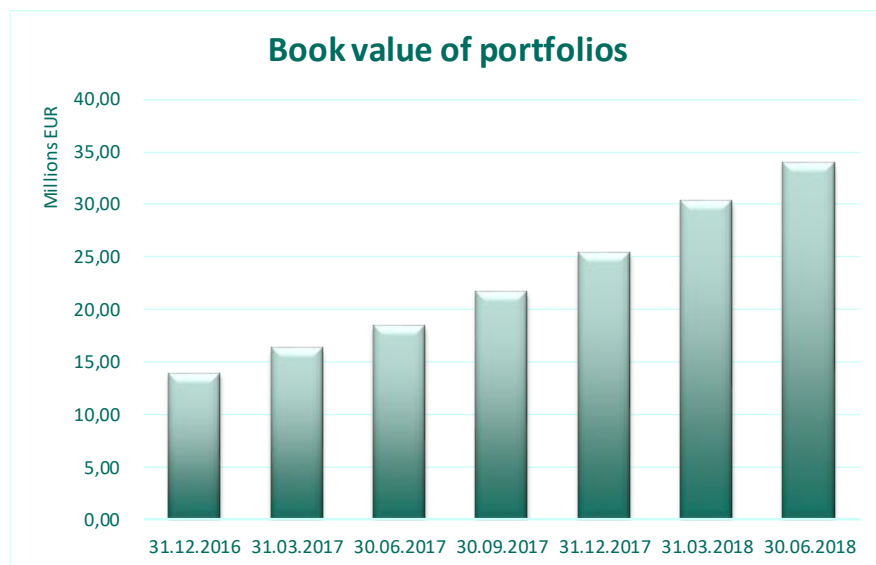


Baltic NPL market remained active in the 2nd quarter of 2018. PlusPlus Capital purchased record breaking 27 portfolios over the three-month period April to June 2018.



The number of single claims acquired in portfolios was 2.8 thousand during Q2 2018.

Investments in portfolios in Q2 2018 and book value

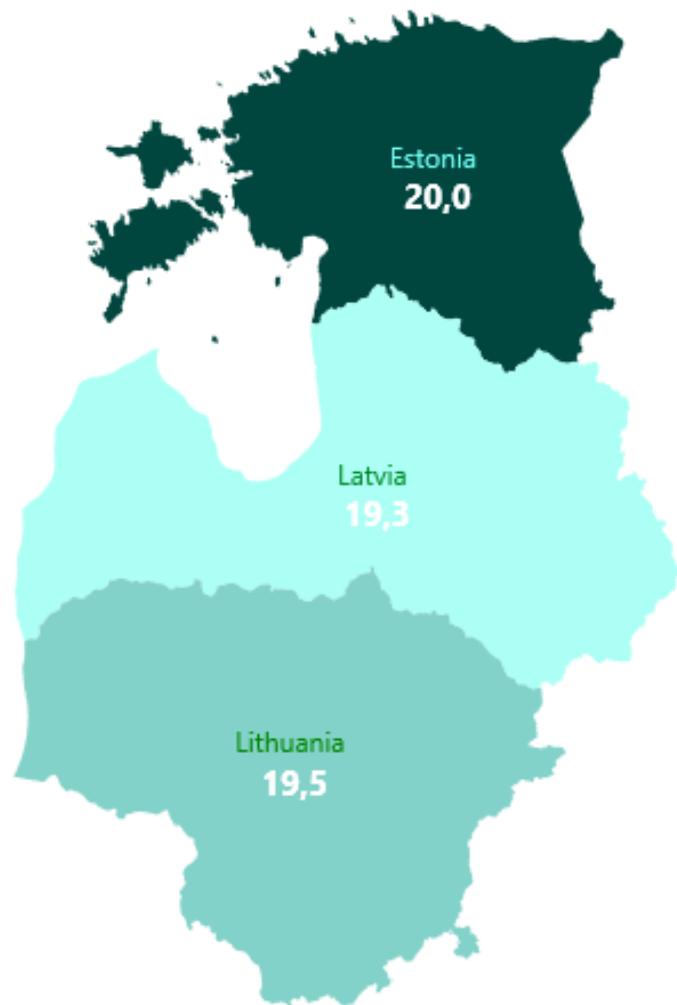


Total number 27 of portfolios purchased in Q2 2018 was in the same range in each of the countries: Estonia (8), Latvia (7) and Lithuania (12), which is in line with the company's strategic priority to be present in all three countries simultaneously.

In H1 2018 PlusPlus purchased 53 portfolios (28, 13, and 22 respectively by countries). The acquisitions of portfolios in year 2017 totalled to 68 portfolios (26, 18, and 24 respectively by countries).

3.3 million euro was invested into purchasing of new portfolios in Q2 2018 (3.4 million in Q1 2018 and 7.5 million euro in full year 2017).

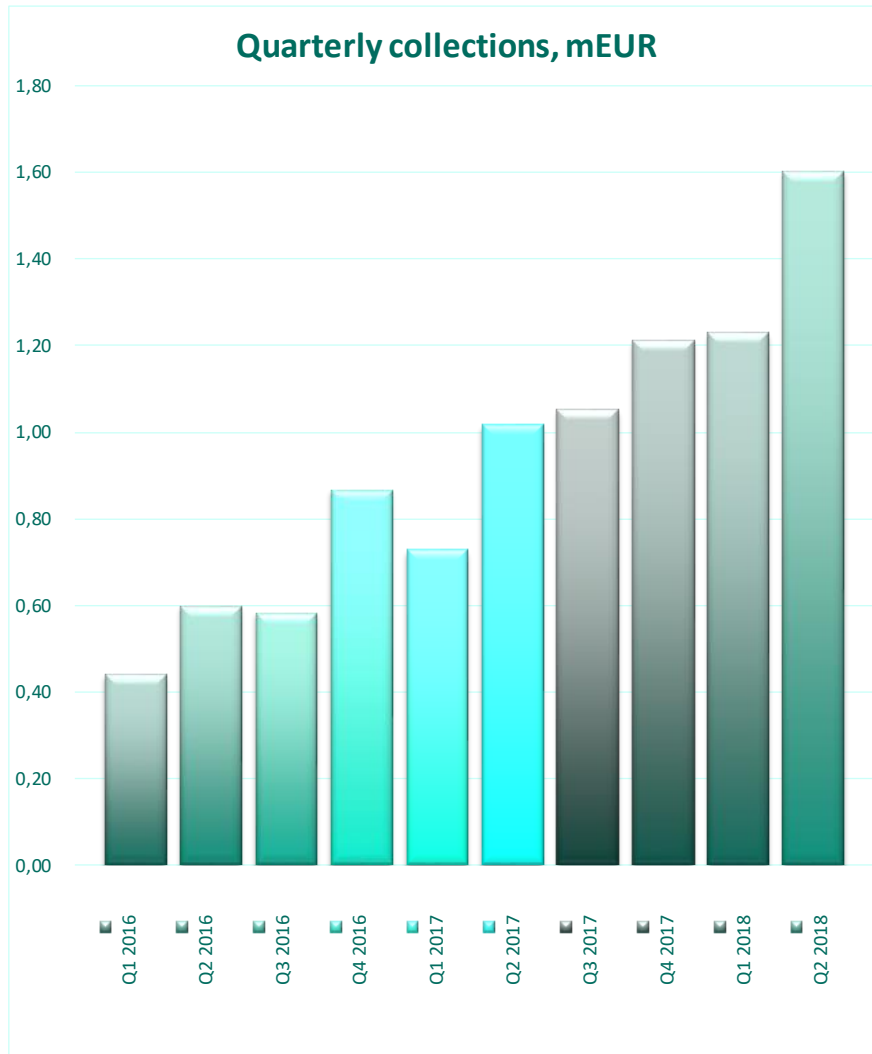
ERC at end of 2nd quarter 2018



Expected remaining collections (ERC) as at end of Q2 2018 amounted to EUR 58.7 million including 20.0 in Estonia, 19.3 in Latvia and 19.5 in Lithuania.

PPC holds equally strong market positions in all three countries – Estonia, Latvia and Lithuania.

Quarterly collections 2016 – 2018



The amount of money collected has been steadily over 1 million euro a quarter since Q2 2017. In the second quarter 2018, PlusPlus collected more than 1.6 million euro from clients (57% increase compared to Q2 2017).

LTM (last twelve months) collections by end of Q2 2018 comprised 5.1 million euro compared with 3.2 million by end of Q2 2017. Money-multiple dynamics is consistent over all vintages.

Group management expects to start seeing full-scale effects of 2017 and H1 2018 purchases on incoming cash flow from H2 2018.

Operations and activities in Q2 2018

PlusPlus has focused on developing core business and continuously strengthening group structure.

During Q2 2018 PlusPlus set new records both in the number of portfolios acquired and also in collections from acquired debt receivables portfolios.

By the end of Q2 2018 PlusPlus finalised successful negotiations with investors to raise long-term financing amounting to approximately EUR 10 million to finance new investments and strengthen liquidity position. The funds have become available since beginning of Q3 2018.

PlusPlus is dedicated to develop its organisational structure to support long-term strategy of strengthening competitiveness in growing market.

Supply side of the market remained strong. PlusPlus expects active trading on NPL-market in the Baltics to continue.

PlusPlus looks forward to further grow purchasing volumes, improve efficiency and secure it's market position in order to grow equity value and generate agreed upon returns for all its investors.

FINANCIAL INFORMATION FOR 2nd QUARTER 2018



Balance sheet statement for Q2 2018

PlusPlus Capital Group consolidated financial statements (EUR): Balance sheet	30.06.2017	31.12.2017	30.06.2018*
Cash and bank accounts	2 738 233	1 356 865	373 394
Current claims and prepayments	2 557 754	6 525 833	9 001 928
Total current assets	5 295 987	7 882 698	9 375 322
Non-current claims and prepayments	14 906 001	19 645 772	26 260 257
Tangible assets	1 195 361	1 617 202	1 604 072
Intangible assets	85 182	127 597	168 857
Total non-current assets	16 186 544	21 390 571	28 033 186
Total assets	21 482 531	29 273 268	37 408 508
Current interest bearing debentures	3 427 311	3 156 308	2 383 855
Trade payables and prepayments	769 013	613 467	615 451
Total current liabilities	4 196 324	3 769 775	2 999 306
Non-current interest bearing debentures	9 619 365	12 716 162	20 170 034
Total non-current liabilities	9 619 365	12 716 162	20 170 034
Total liabilities	13 815 689	16 485 937	23 169 340
Share capital	1 000 000	1 000 000	1 000 000
Reserve capital	100 000	100 000	100 000
Subordinated debenture	2 000 000	4 000 000	4 000 000
Retained earnings	3 839 468	5 187 058	7 687 332
Profit (loss) for the current year	727 374	2 500 274	1 451 836
Total owners' equity	7 666 842	12 787 332	14 239 168
Total liabilities and equity	21 482 531	29 273 268	37 408 508

*Preliminary data as at 30.06.2018 (unaudited)

Profit&loss statement for Q2 2018

PlusPlus Capital Group consolidated financial statements (EUR): Profit & loss	Q2 2017	2017	Q2 2018*	6M 2018*
Revenue from acquired debt portfolios	1 781 854	8 218 255	2 289 615	5 005 697
Other revenue	56 992	2 045	6 620	7 202
Total revenue	1 838 846	8 220 300	2 296 235	5 012 899
Costs for debt portfolio management	-290 244	-784 460	-319 927	-568 254
Miscellaneous operating expenses	-342 129	-1 398 312	-115 695	-481 593
Personnel expenses	-308 670	-1 406 764	-475 448	-941 663
Depreciation and amortisation	-31 113	-184 048	-48 931	-91 868
Other expenses	-287	-1 433	-10 162	-10 582
Operating profit	866 403	4 445 283	1 326 072	2 918 939
Interest expense	-454 219	-1 806 769	-722 492	-1 462 086
Other financial income and expenses	0	-138 240	-9 958	-5 017
Profit before tax	412 184	2 500 274	593 622	1 451 836
Net profit for the year	412 184	2 500 274	593 622	1 451 836

*Preliminary data for Q2 2018 (unaudited)

Cash flow statement for Q2 2018

PlusPlus Capital group consolidated financial statements (EUR): Cash flows	Q2 2017	2017	Q2 2018*	6M 2018*
Cash flows from operating activities				
Operating profit (loss)	866 403	4 445 283	1 326 072	2 918 939
Adjustments for:				
Depreciation and impairment loss (reversal)	31 113	184 048	48 931	91 868
Other adjustments	286	-2 002	-26 055	-26 358
Total adjustments	31 399	182 046	22 876	65 510
Changes in receivables and prepayments	-2 139 814	-11 785 639	-4 289 111	-9 090 580
Changes in payables and prepayments	80 188	115 548	-61 326	1 984
Interest received	0	58	10	20
Total cash flows from operating activities	-1 161 824	-7 042 704	-3 001 479	-6 104 127
Cash flows from investing activities				
Payments for property, plant and equipment	-202 302	-1 489 197	-17 728	-104 483
Payments for intangibles	-43 463	-115 413	-35 864	-58 837
Total cash flows from investing activities	-245 765	-1 604 610	-53 592	-163 320
Cash flows from financing activities				
Proceeds from borrowings	2 264 500	11 685 505	3 434 399	7 852 199
Repayments of borrowings	-456 089	-4 536 555	-602 353	-1 234 087
Repayments of finance lease	-28 219	-70 802	-5 494	-25 839
Proceeds from other equity investments	2 000 000	4 000 000	0	0
Interest paid	-380 048	-1 723 601	-604 413	-1 308 297
Other cash outflows from financing activities	-1 491	6 149	0	0
Total cash flows from financing activities	3 398 653	9 360 696	2 222 139	5 283 976
Cash at beginning of period	747 169	643 483	1 206 326	1 356 865
Change in cash	1 991 064	713 382	-832 932	-983 471
Cash at end of period	2 738 233	1 356 865	373 394	373 394

*Preliminary data for Q2 2018 (unaudited)

Declaration of the management board

The financial and other additional information published in the Interim Report of Aktsiaselts PlusPlus Capital for the second quarter 2018 is true and complete. The consolidated main financial statements give a true and fair view of the actual financial position, results of operations and cash flows of the group.

PlusPlus Capital adopted for annual accounts since financial year 2017 first time the International Financial Reporting Standards as adopted by the EU (IFRS EU). The audited consolidated annual accounts for 2017 based on the IFRS EU were published by the end of May 2018.

The consolidated financial statements accompanying the report for the period from April to June 2018 (and comparative information) are not audited as at interim reporting date. The financial information in Interim Report is prepared based on the International Financial Reporting Standards as adopted by the EU (IFRS EU).



Mirje Trumsi

Aktsiaselts PlusPlus Capital, Member of the Management Board

Tallinn, 30 July 2018

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