

A scenic sunset over a lake. The sun is low on the horizon, casting a warm orange glow across the sky and reflecting on the water. The sky is filled with dark, dramatic clouds. In the foreground, there are tall reeds and two red buoys on the water. The overall mood is serene and peaceful.

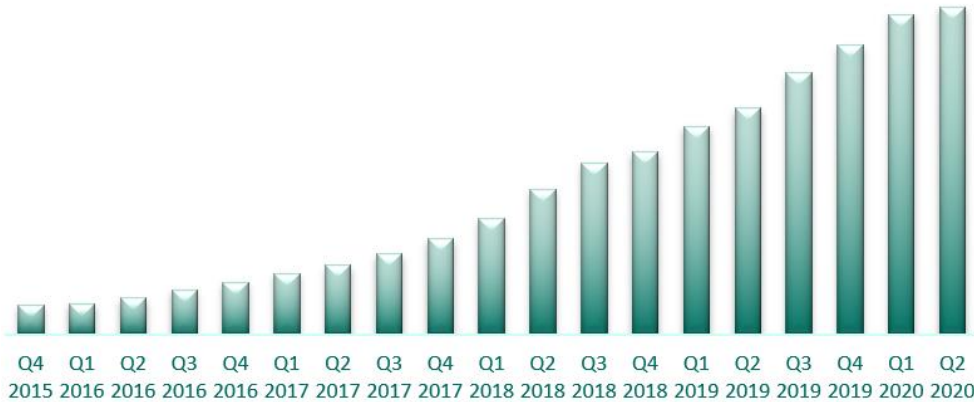
# PLUSPLUS CAPITAL Interim Report Q2 2020

31.07.2020

Q2 2020

# PlusPlus Capital key numbers

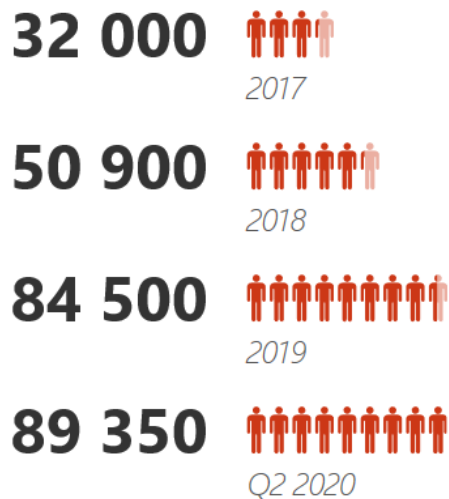
ERC as at end Q2 2020 was 132.3 mEUR



Total assets 2018, 2019, Q2 2020, mEUR



89.4 thousand claims as at end Q2 2020



Total revenue 2018, 2019, H1 2020, mEUR

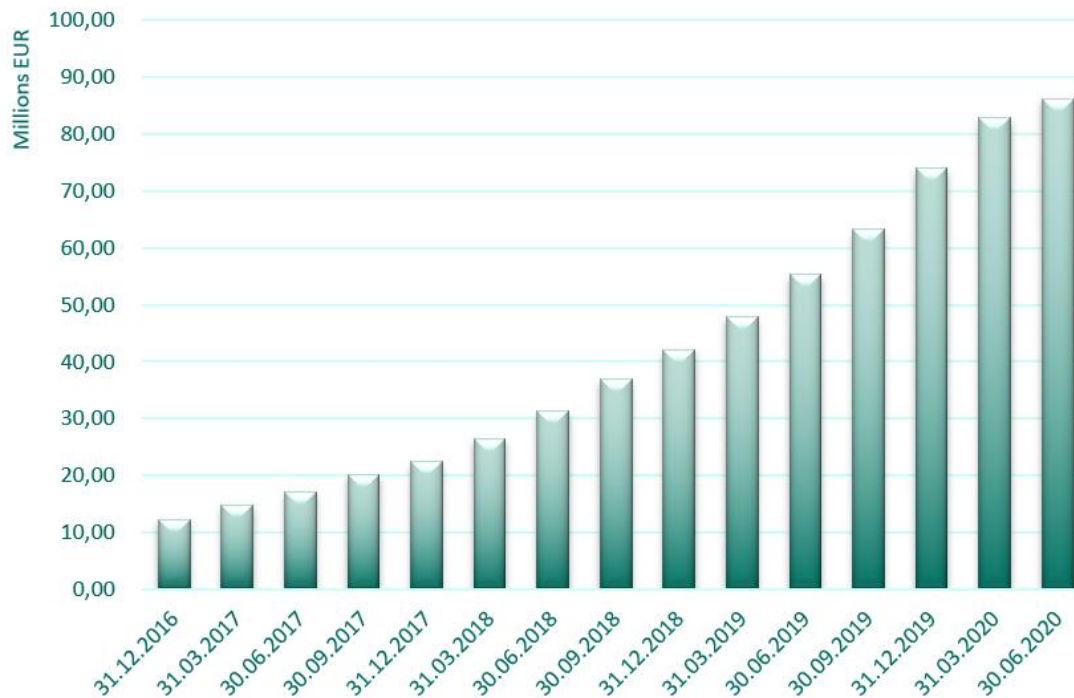


# ACTIVITY REPORT FOR 2nd QUARTER 2020



# Slowdown in purchasing activities

**Book value of portfolios**



In Q2 2020 PlusPlus significantly slowed down its' purchasing activities in order to reduce risks and maintain liquidity.

Over the three months from April to June, 11 portfolios were purchased in Estonia, 1 in Latvia and 8 in Lithuania.

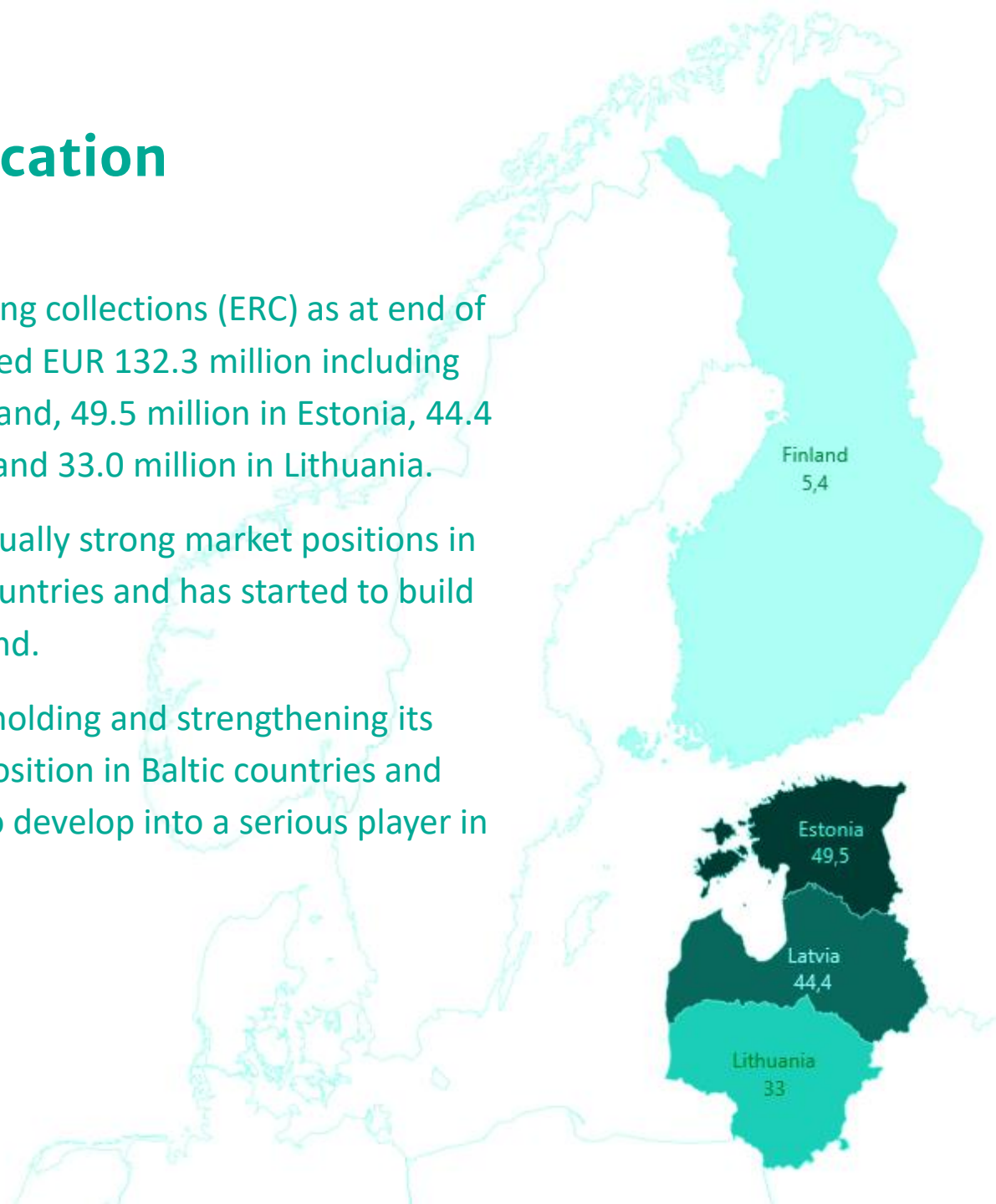
Total book value of portfolios amounted to 86.3 mEUR as at June 30<sup>st</sup>, 2020.

# Asset allocation

Expected remaining collections (ERC) as at end of Q2 2020 comprised EUR 132.3 million including 5.4 million in Finland, 49.5 million in Estonia, 44.4 million in Latvia and 33.0 million in Lithuania.

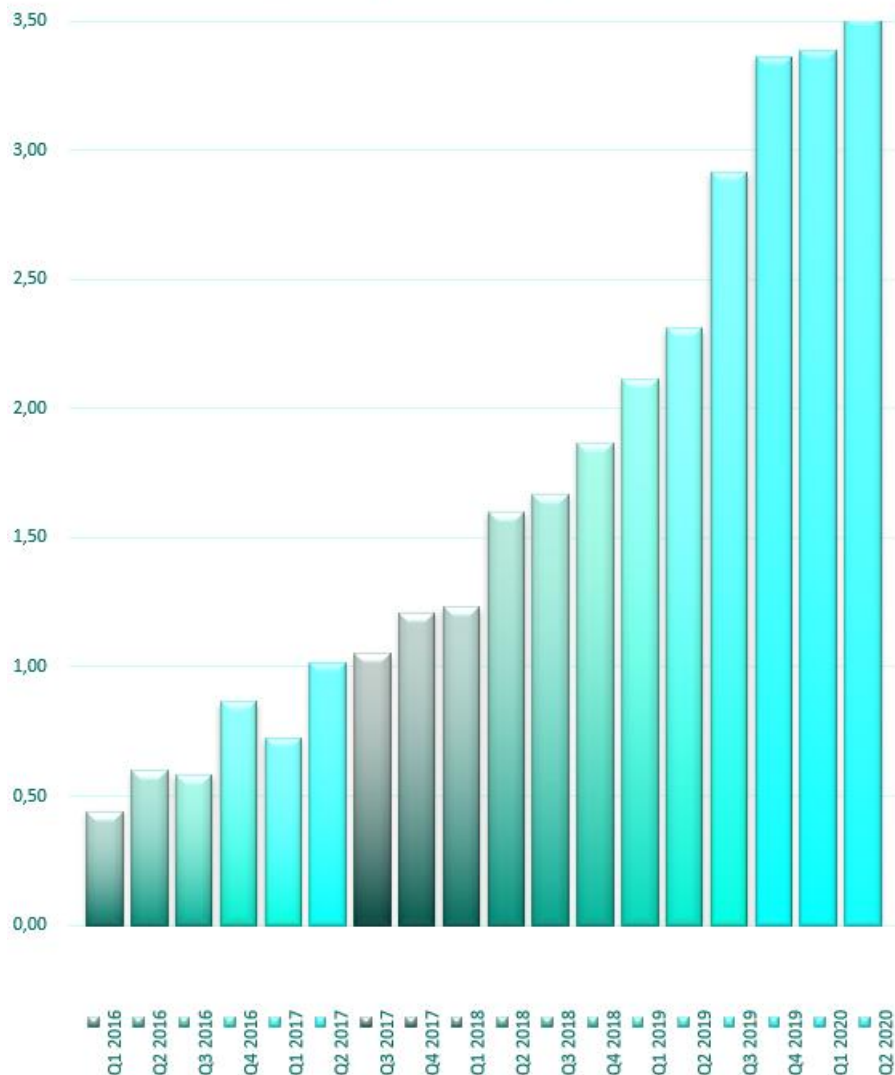
PlusPlus holds equally strong market positions in all three Baltic countries and has started to build presence in Finland.

PlusPlus aims at holding and strengthening its leading market position in Baltic countries and building a base to develop into a serious player in Finland.



# Quarterly collections 2016 – 2020

Quarterly collections, mEUR



In Q2 2020 the coronavirus effect on collection figures was weaker as expected. Incoming cash flow from portfolios remained flat across the quarter while total monthly collection varied by less than 1 per cent from March through June.

On a quarterly basis the company received all-time high of 3.5 million euro that represents 52% increase compared with Q2 2019 and a 4% growth vs. Pre-COVID Q1 2020.

LTM incoming cash flow from portfolios comprised 13.2 million representing a 65% growth compared to 8.0 million euro over the twelve months from July 2018 through June 2019.

In a forward-looking perspective PlusPlus further increased its' collection in July. However, visibility is limited and management of the company continues to carefully monitor the situation and remains prepared for different, including possibly negative scenarios in solvency of clients.

# Operations and activities in Q2 2020

In Q2 2020 the worldwide macroeconomic environment worsened significantly amid outbreak of the COVID 19 and measures taken by governments to limit its' spreading. Portfolio management business is exposed to the trend through growing unemployment, salary cuts, declining supply of portfolios and turbulence in financial markets.

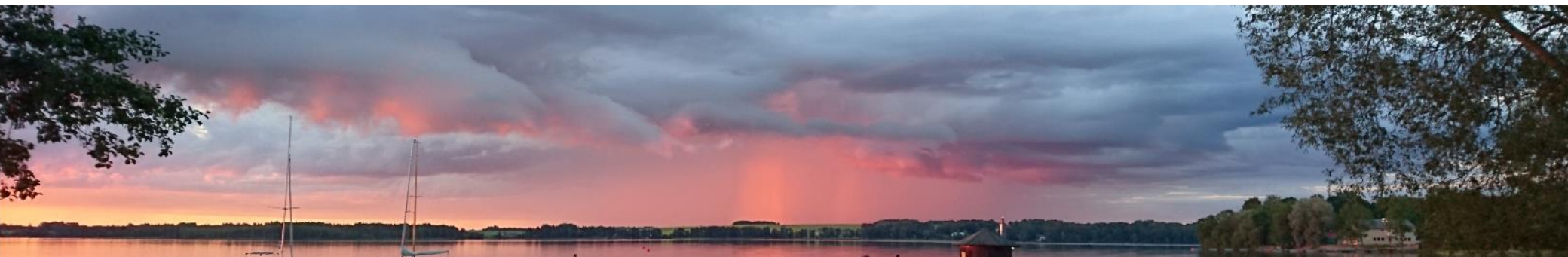
PlusPlus remained fully operational across of the crisis. Employees have been encouraged to work out of their home offices. As PlusPlus applies IT-driven digital operating model, working from distance has had no negative effect on operations.

Compared with previous periods PlusPlus reduced purchasing volumes and focused on value creation through restructuring existing portfolios. Collections have remained stable with monthly cash flow on the same level with pre-COVID months.

Even though in May and June economy started to recover, PlusPlus continues to operate on the assumptions that economic environment may further decline over the coming months and continues consolidation of existing portfolios.

In the meantime the turbulence may cause changes in the market and create attractive purchasing opportunities through growing supply and declining prices.

# FINANCIAL INFORMATION FOR 2nd QUARTER 2020





# Balance sheet statement for Q2 2020 and comparable info

PlusPlus Capital Group consolidated financial statements (EUR): Balance sheet	30.06.2020*	31.03.2020*	31.12.2019	30.06.2019	31.03.2019
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	1 816 473	1 875 305	1 897 444	2 073 209	2 096 581
Intangible assets	1 465 365	1 396 701	895 161	740 780	385 773
Investments	0	0	213 093	0	540 000
Acquired debt receivable portfolios	69 282 615	68 341 139	58 478 967	45 192 931	39 032 040
Trade and other receivables	2 944 617	2 953 870	2 718 539	904 897	194 538
<b>Total non-current assets</b>	<b>75 509 070</b>	<b>74 567 015</b>	<b>64 203 204</b>	<b>48 911 817</b>	<b>42 248 932</b>
<b>Current assets</b>					
Acquired debt receivable portfolios	17 016 154	14 541 338	15 554 488	10 139 139	8 848 510
Trade and other receivables	1 876 640	2 307 164	1 941 293	1 292 540	1 452 150
Cash and cash equivalents	711 560	800 080	706 899	920 248	1 655 837
<b>Total current assets</b>	<b>19 604 354</b>	<b>17 648 582</b>	<b>18 202 680</b>	<b>12 351 927</b>	<b>11 956 497</b>
<b>TOTAL ASSETS</b>	<b>95 113 424</b>	<b>92 215 597</b>	<b>82 405 884</b>	<b>61 263 744</b>	<b>54 205 429</b>
<b>EQUITY AND LIABILITIES</b>					
Share capital	5 000 000	1 000 000	1 000 000	1 000 000	1 000 000
Statutory legal reserve	500 000	100 000	100 000	100 000	100 000
Subordinated convertible loans	1 342 318	1 342 318	1 342 318	1 357 399	1 284 589
Retained earnings	17 490 331	21 328 303	17 659 216	11 062 797	9 483 931
<b>TOTAL EQUITY</b>	<b>24 332 649</b>	<b>23 770 621</b>	<b>20 101 534</b>	<b>13 520 196</b>	<b>11 868 520</b>
<b>Non-current liabilities</b>					
Subordinated convertible loans	5 678 470	5 607 535	5 530 337	5 421 476	5 064 319
Interest-bearing loans and borrowings	25 884 394	34 180 962	28 187 685	30 435 279	27 939 444
<b>Total non-current liabilities</b>	<b>31 562 864</b>	<b>39 788 497</b>	<b>33 718 022</b>	<b>35 856 755</b>	<b>33 003 763</b>
<b>Current liabilities</b>					
Trade and other payables	1 988 387	2 083 234	1 263 015	1 439 097	969 490
Interest-bearing loans and borrowings	37 229 524	26 573 245	27 323 313	10 447 696	8 363 656
<b>Total current liabilities</b>	<b>39 217 911</b>	<b>28 656 479</b>	<b>28 586 328</b>	<b>11 886 793</b>	<b>9 333 146</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>95 113 424</b>	<b>92 215 597</b>	<b>82 405 884</b>	<b>61 263 744</b>	<b>54 205 429</b>

\*Preliminary data as at 30.06.2020 (unaudited)

# Profit&loss statement for Q2 2020 and comparable info

PlusPlus Capital Group consolidated financial statements (EUR): Profit & loss	Q2 2020*	H1 2020*	2019	Q2 2019	H1 2019
Operating revenue	5 475 243	13 528 874	24 191 893	4 825 608	8 776 134
Other revenue	0	0	3 337	1 585	1 585
Operating expenses	834 622	1 819 560	3 834 241	778 808	1 578 081
Salary expense	1 135 330	2 077 058	3 725 340	801 105	1 539 572
Depreciation and amortisation	121 583	235 773	408 485	87 648	173 117
Other expenses	0	0	2 329	1 871	3 565
<b>Operating profit</b>	<b>3 383 708</b>	<b>9 396 483</b>	<b>16 224 835</b>	<b>3 157 761</b>	<b>5 483 384</b>
Finance income	3 811	7 659	773	15 986	161 555
Finance expense	2 265 896	4 518 104	6 790 700	1 467 873	2 805 354
<b>Profit before income tax</b>	<b>1 121 623</b>	<b>4 886 038</b>	<b>9 434 908</b>	<b>1 705 874</b>	<b>2 839 585</b>
Income tax	59 593	59 593	25 912	25 000	25 000
<b>Net profit</b>	<b>1 062 030</b>	<b>4 826 445</b>	<b>9 408 996</b>	<b>1 680 874</b>	<b>2 814 585</b>
<b>Total comprehensive income</b>	<b>1 062 030</b>	<b>4 826 445</b>	<b>9 408 996</b>	<b>1 680 874</b>	<b>2 814 585</b>

\*Preliminary data as at 30.06.2020 (unaudited)

# Cash flow statement for Q2 2020 and comparable info

PlusPlus Capital Group consolidated financial statements (EUR): Cash flows	Q2 2020*	H1 2020*	2019	Q2 2019	H1 2019
<b>Cash flows from operating activities</b>					
Profit before income tax	1 121 623	4 886 038	9 434 908	1 705 874	2 839 585
<b>Adjustments for non-cash items:</b>					
Depreciation and amortisation	121 583	235 773	408 485	87 648	173 117
Other adjustments	0	0	0	0	0
<b>Changes in working capital:</b>					
Change in trade and other receivables	-745 359	161 425	-183 676	-550 749	-1 051 338
Change in trade and other payables	1 480 422	-720 522	-992 894	469 607	591 052
Change in acquired debt receivable portfolios and loan portfolios	-3 968 305	-13 132 671	-35 618 626	-7 237 723	-12 940 743
<b>Other adjustments:</b>					
Interest expense	2 265 896	4 518 104	6 790 523	1 334 015	2 604 178
Other financial income and expense	-3 811	-7 659	-238	15 846	20 741
Interests income	7	8	284	27	27
<b>Net cash generated from operating activities</b>	<b>272 056</b>	<b>-4 059 504</b>	<b>-20 161 234</b>	<b>-4 175 455</b>	<b>-7 763 381</b>
<b>Cash flows from investing activities</b>					
Acquisition of tangible and intangible assets	-131 417	-246 743	-538 212	-511 214	-746 631
Acquisition of other investments	0	0	-205 387	0	0
<b>Net cash used in investing activities</b>	<b>-131 417</b>	<b>-246 743</b>	<b>-743 599</b>	<b>-511 214</b>	<b>-746 631</b>
<b>Cash flows from financing activities</b>					
Loans received and bonds issued	2 964 400	8 795 700	26 763 600	4 900 000	6 785 000
Repayments of loans received and bonds issued	-573 545	-1 009 361	-6 977 868	-371 854	-2 197 961
Repayments of financial lease liabilities	-11 446	-22 833	-43 431	-11 030	-21 467
Proceeds from subordinated loans	0	0	305 000	0	0
Profit distributions	-250 000	-250 000	-100 000	0	0
Income tax paid	-59 593	-59 593	-25 912	0	0
Interests paid	-2 298 975	-3 143 005	-4 813 122	-566 036	-1 638 777
<b>Net cash used in financing activities</b>	<b>-229 159</b>	<b>4 310 908</b>	<b>15 108 267</b>	<b>3 951 080</b>	<b>2 926 795</b>
<b>Net increase in cash and cash equivalents</b>	<b>-88 520</b>	<b>4 661</b>	<b>-5 796 566</b>	<b>-735 589</b>	<b>-5 583 217</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>800 080</b>	<b>706 899</b>	<b>6 503 465</b>	<b>1 655 837</b>	<b>6 503 465</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>711 560</b>	<b>711 560</b>	<b>706 899</b>	<b>920 248</b>	<b>920 248</b>

\*Preliminary data as at 30.06.2020 (unaudited)

# Declaration of the management board

The financial and other additional information published in the Interim Report of PlusPlus Capital group for the second quarter 2020 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 group has prepared its annual accounts since financial year 2017 in accordance with the International Financial Reporting Standards as adopted by the EU (IFRS EU). The consolidated annual accounts of PlusPlus Capital group for 2019 based on the IFRS EU were audited by 20 April 2020 and are published at our homepage.

The consolidated financial statements accompanying the report for the period from April to June 2020 (and other additional 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, 31 July 2020

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