

PLUSPLUS CAPITAL

Interim Report

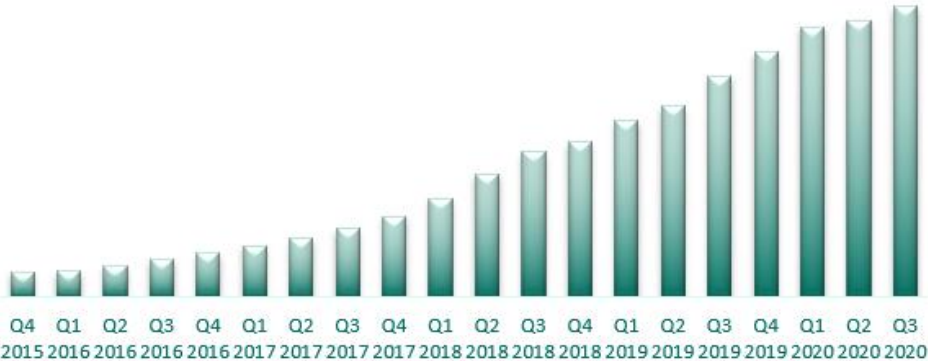
Q3 2020

30.10.2020

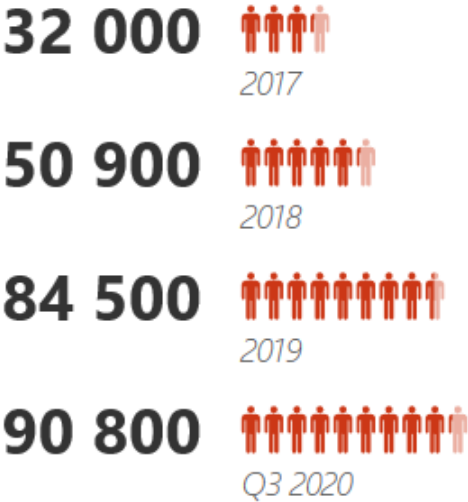
Q3 2020

PlusPlus Capital key numbers

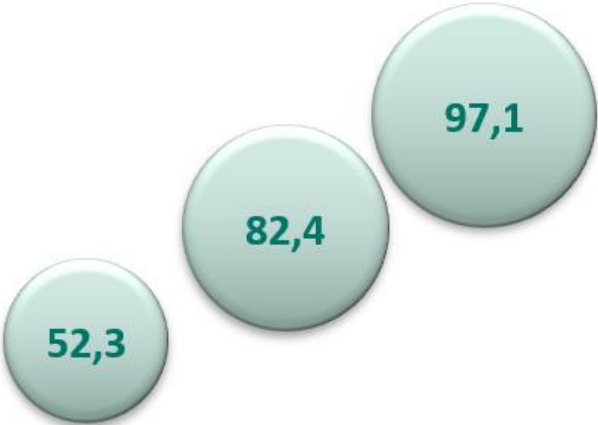
ERC as at end Q3 2020 was 138.9 mEUR
Quarter-end ERC 2015-2020



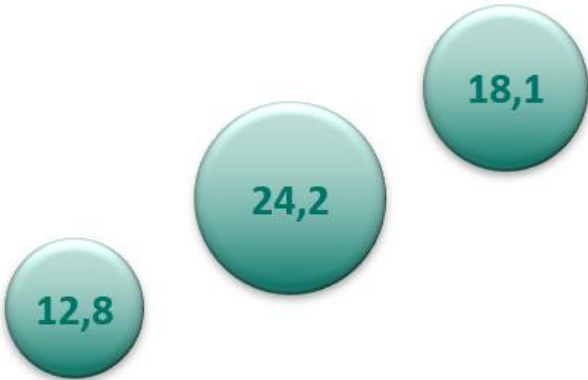
90.8 thousand claims as at end Q3 2020



Total assets 2018, 2019, Q3 2020, mEUR



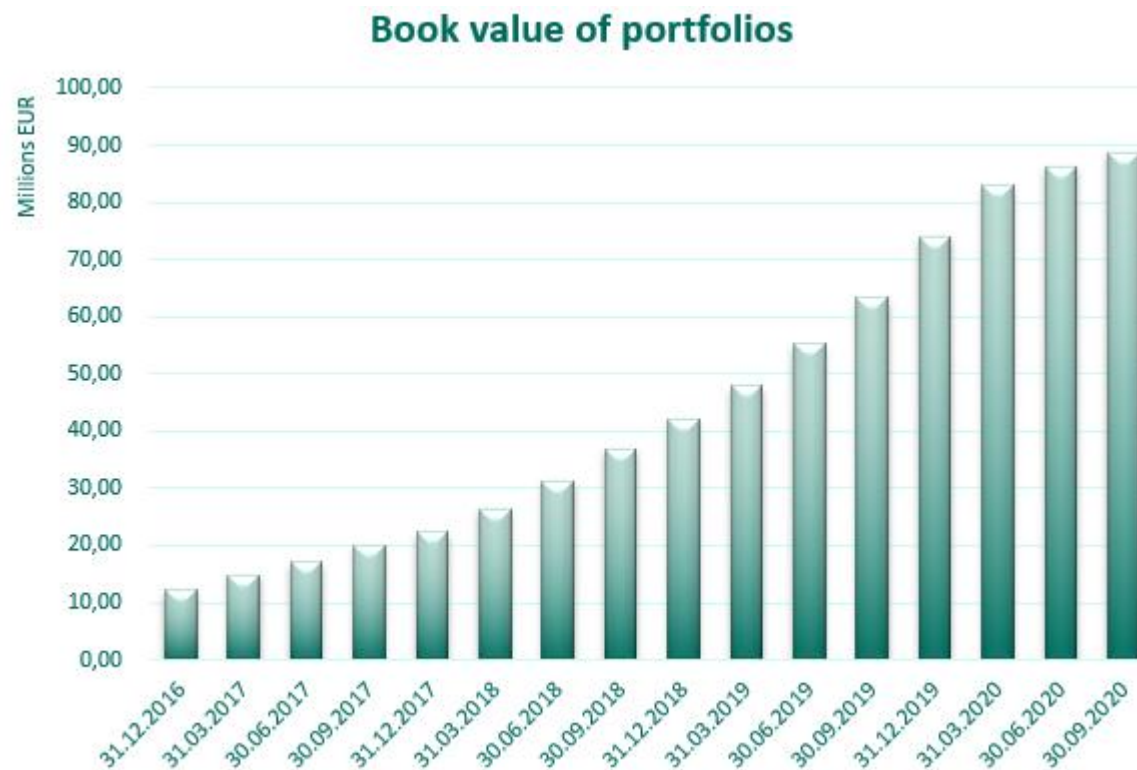
Total revenue 2018, 2019, 9M 2020, mEUR



A person wearing a blue jacket, a blue cap, and a yellow backpack is climbing a tall, silver sailboat mast. The mast is surrounded by numerous ropes and rigging lines. The background is a clear, light blue sky. The text "ACTIVITY REPORT FOR 3rd QUARTER 2020" is overlaid in white, bold, sans-serif font across the center of the image.

ACTIVITY REPORT FOR 3rd QUARTER 2020

Slowdown in purchasing activities



In Q3 2020, as also previous quarter, PlusPlus significantly slowed down its' purchasing activities in order to reduce risks and maintain liquidity.

Over the three months from July to September, 13 portfolios were purchased in Estonia, 6 in Latvia and 8 in Lithuania.

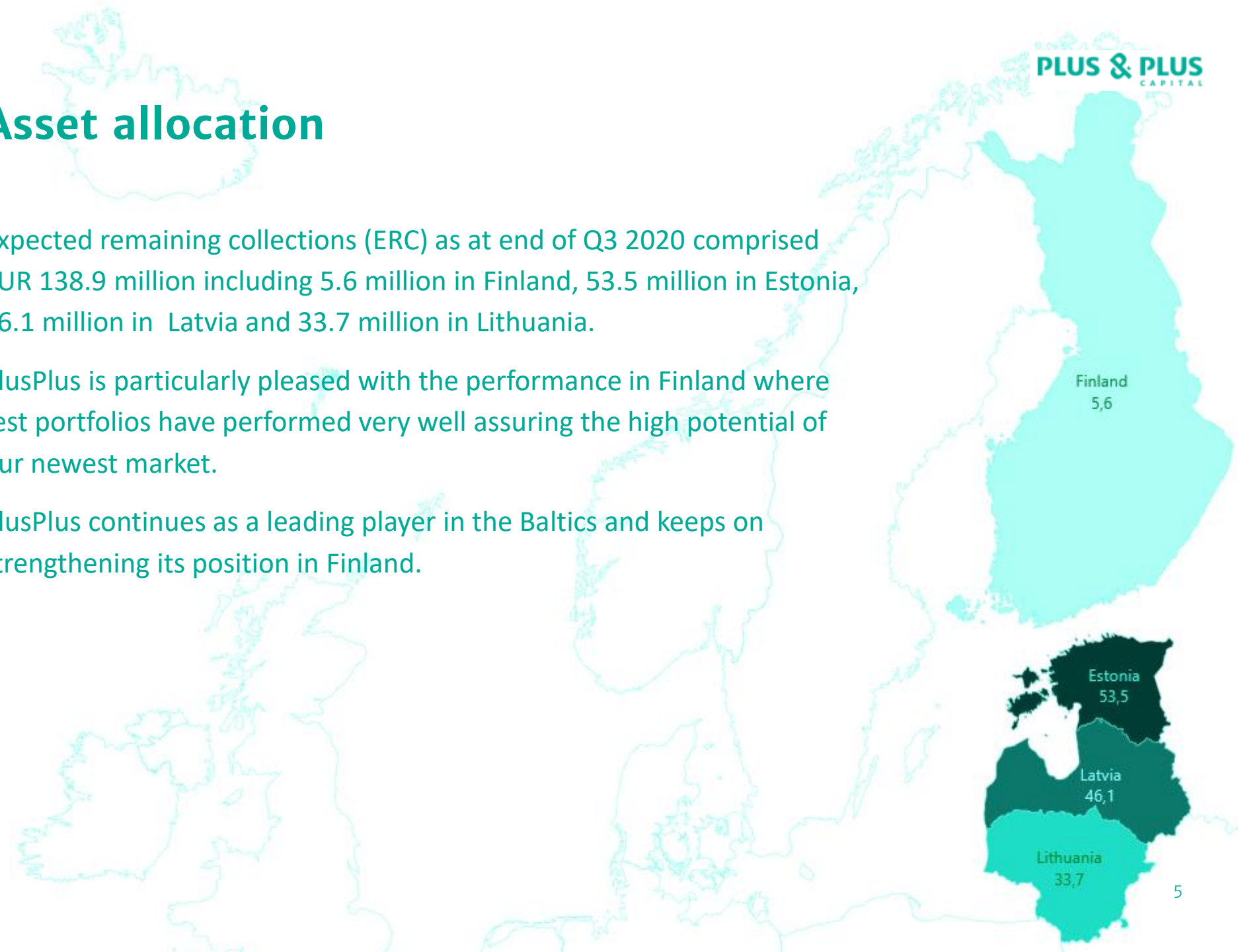
Total book value of portfolios amounted to 88.7 mEUR as at September 30st, 2020.

Asset allocation

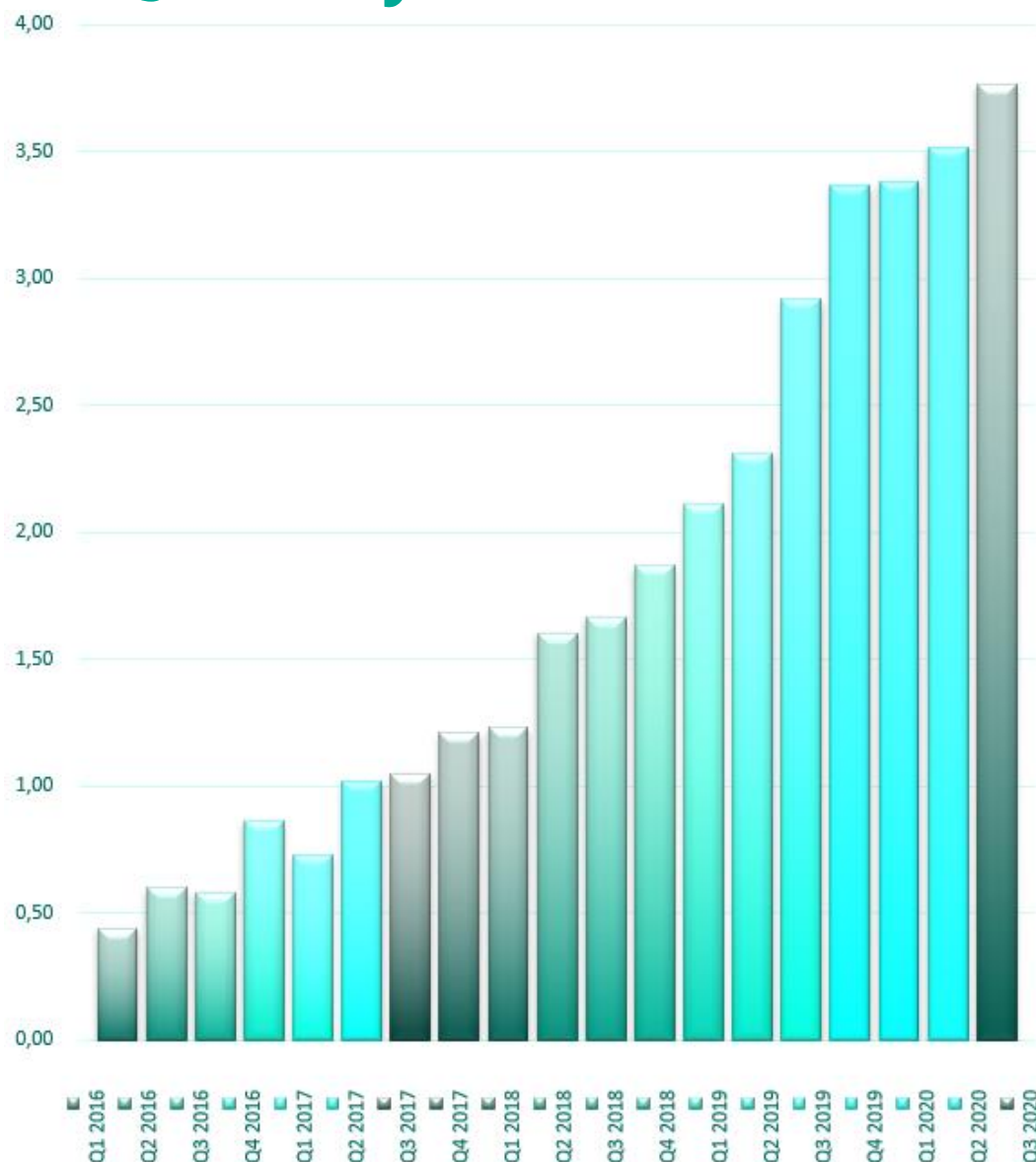
Expected remaining collections (ERC) as at end of Q3 2020 comprised EUR 138.9 million including 5.6 million in Finland, 53.5 million in Estonia, 46.1 million in Latvia and 33.7 million in Lithuania.

PlusPlus is particularly pleased with the performance in Finland where test portfolios have performed very well assuring the high potential of our newest market.

PlusPlus continues as a leading player in the Baltics and keeps on strengthening its position in Finland.



Quarterly collections 2016 – 2020



In third quarter 2020, PPC collected 3.76 million EUR representing a 7% growth compared with Q2 and 11% compared with Q1 in 2020.

Previous record month were outperformed in each of the three months July, August and September in a row.

As at end of September, yearly collection comprised 10.65 million euro, only a fraction of per cent less than a 10.7-million-euro full year result in 2019. Last twelve month's collection amounts to 14 million euro.

In a forward-looking perspective, October was another record-breaking collection month proving good work done by PPC operational team in all four countries.

Operations and activities in Q3 2020

Third quarter 2020 saw relief from the first wave of COVID-19 in Europe. In most macroeconomic categories the negative effect of the virus remained weaker than expected. Gloomy predictions expecting a double digit GDP plunge and unemployment surge did not come true. Instead, economies recovered after the shock in March through May across Europe. As a result, NPL portfolio management industry as financial sector generally performed rather well.

PPC clientele demonstrated its strength as company's collection figures were on record level across the quarter.

NPL market activity was rather slow in Q3 amid vacation period after depressive COVID-affected spring. Several portfolio sellers and also buyers were apprehensive due to low visibility.

In September, PlusPlus cautiously started to re-engage into purchasing activities after 5 months of very modest activity level. Over the remaining part of the year we will carefully monitor market developments and tap viable purchasing opportunities.

PPC is also focusing on its capital base and will prioritise completion of funding transactions over the next number of months.

A photograph of a harbor filled with numerous sailboats. In the foreground, a sailboat is moving towards the viewer, with a person visible on its mast. To the right, another sailboat has several people on deck. The background shows a shoreline with trees and a building. The text "FINANCIAL INFORMATION FOR 3rd QUARTER 2020" is overlaid in the center in a bold, teal font.

FINANCIAL INFORMATION FOR 3rd QUARTER 2020

Balance sheet statement for Q3 2020 and comparable info

PlusPlus Capital Group consolidated financial statements (EUR): Balance sheet	30.09.2020*	30.06.2020*	31.12.2019	30.06.2020
ASSETS				
Non-current assets				
Property, plant and equipment	1 791 459	1 816 473	1 897 444	2 073 209
Intangible assets	1 514 973	1 465 365	895 161	740 780
Investments	0	0	213 093	0
Acquired debt receivable portfolios	72 102 514	69 282 615	58 478 967	45 192 931
Trade and other receivables	2 667 163	2 944 617	2 718 539	904 897
Total non-current assets	78 076 109	75 509 070	64 203 204	48 911 817
Current assets				
Acquired debt receivable portfolios	16 612 665	17 016 154	15 554 488	10 139 139
Trade and other receivables	1 464 539	1 876 640	1 941 293	1 292 540
Cash and cash equivalents	953 477	711 560	706 899	920 248
Total current assets	19 030 681	19 604 354	18 202 680	12 351 927
TOTAL ASSETS	97 106 790	95 113 424	82 405 884	61 263 744
EQUITY AND LIABILITIES				
Share capital	5 000 000	5 000 000	1 000 000	1 000 000
Statutory legal reserve	500 000	500 000	100 000	100 000
Subordinated convertible loans	1 342 318	1 342 318	1 342 318	1 357 399
Retained earnings	18 155 666	17 490 331	17 659 216	11 062 797
TOTAL EQUITY	24 997 984	24 332 649	20 101 534	13 520 196
Non-current liabilities				
Subordinated convertible loans	5 764 817	5 678 470	5 530 337	5 421 476
Interest-bearing loans and borrowings	28 293 530	25 884 394	28 187 685	30 435 279
Total non-current liabilities	34 058 347	31 562 864	33 718 022	35 856 755
Current liabilities				
Trade and other payables	1 669 154	1 988 387	1 263 015	1 439 097
Interest-bearing loans and borrowings	36 381 305	37 229 524	27 323 313	10 447 696
Total current liabilities	38 050 459	39 217 911	28 586 328	11 886 793
TOTAL EQUITY AND LIABILITIES	97 106 790	95 113 424	82 405 884	61 263 744

*Preliminary data as at 30.09.2020 (unaudited)

Profit&loss statement for Q3 2020 and comparable info

PlusPlus Capital Group consolidated financial statements (EUR): Profit & loss	Q3 2020*	9M 2020*	2019	9M 2019
Operating revenue	4 530 097	18 060 607	24 191 893	15 193 554
Other revenue	0	0	3 337	9 270
Operating expenses	772 393	2 600 647	3 834 241	2 679 378
Salary expense	1 010 806	3 091 658	3 725 340	2 533 339
Depreciation and amortisation	125 037	361 311	408 485	306 938
Other expenses	182	182	2 329	4 693
Operating profit	2 621 679	12 006 809	16 224 835	9 678 476
Finance income	3 854	11 479	773	166 124
Finance expense	1 944 600	6 456 549	6 790 700	4 420 467
Profit before income tax	680 933	5 561 739	9 434 908	5 424 133
Income tax	0	59 593	25 912	25 000
Net profit	680 933	5 502 146	9 408 996	5 399 133
Total comprehensive income	680 933	5 502 146	9 408 996	5 399 133

*Preliminary data as at 30.09.2020 (unaudited)

Cash flow statement for Q3 2020 and comparable info

PlusPlus Capital Group consolidated financial statements (EUR): Cash flows	Q3 2020*	9M 2020*	2019	9M 2019
Cash flows from operating activities				
Profit before income tax	680 933	5 561 739	9 434 908	5 424 133
Adjustments for non-cash items:				
Depreciation and amortisation	125 037	361 311	408 485	306 938
Other adjustments	0	4 731	0	0
Changes in working capital:				
Change in trade and other receivables	693 409	854 834	-183 676	-3 176 284
Change in trade and other payables	-429 902	-1 150 424	-992 894	421 595
Change in acquired debt receivable portfolios and loan portfolios	-2 416 410	-15 549 081	-35 618 626	-20 877 396
Other adjustments:				
Interest expense	1 944 592	6 462 696	6 790 523	4 286 006
Other financial income and expense	-3 854	-11 513	-238	-41 405
Interests income	8	16	284	255
Net cash generated from operating activities	593 813	-3 465 691	-20 161 234	-13 656 158
Cash flows from investing activities				
Acquisition of tangible and intangible assets	-150 132	-396 875	-538 212	-865 986
Acquisition of other investments	0	0	-205 387	0
Net cash used in investing activities	-150 132	-396 875	-743 599	-865 986
Cash flows from financing activities				
Loans received and bonds issued	1 970 200	10 765 900	26 763 600	18 224 752
Repayments of loans received and bonds issued	-354 451	-1 363 812	-6 977 868	-6 078 435
Repayments of financial lease liabilities	-11 531	-34 364	-43 431	-32 623
Proceeds from subordinated loans	0	0	305 000	305 000
Profit distributions	0	-250 000	-100 000	0
Income tax paid	0	-59 593	-25 912	0
Interests paid	-1 805 982	-4 948 987	-4 813 122	-2 906 221
Net cash used in financing activities	-201 764	4 109 144	15 108 267	9 512 473
Net increase in cash and cash equivalents	241 917	246 578	-5 796 566	-5 009 671
Cash and cash equivalents at the beginning of the period	711 560	706 899	6 503 465	6 503 465
Cash and cash equivalents at the end of the period	953 477	953 477	706 899	1 493 794

*Preliminary data as at 30.09.2020 (unaudited)

Declaration of the management board

The financial and other additional information published in the Interim Report of PlusPlus Capital group for the third 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 July to September 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, 30 October 2020

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