



CONSOLIDATED ANNUAL REPORT

beginning of financial year: 01.01.2016

end of the financial year: 31.12.2016

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Management report

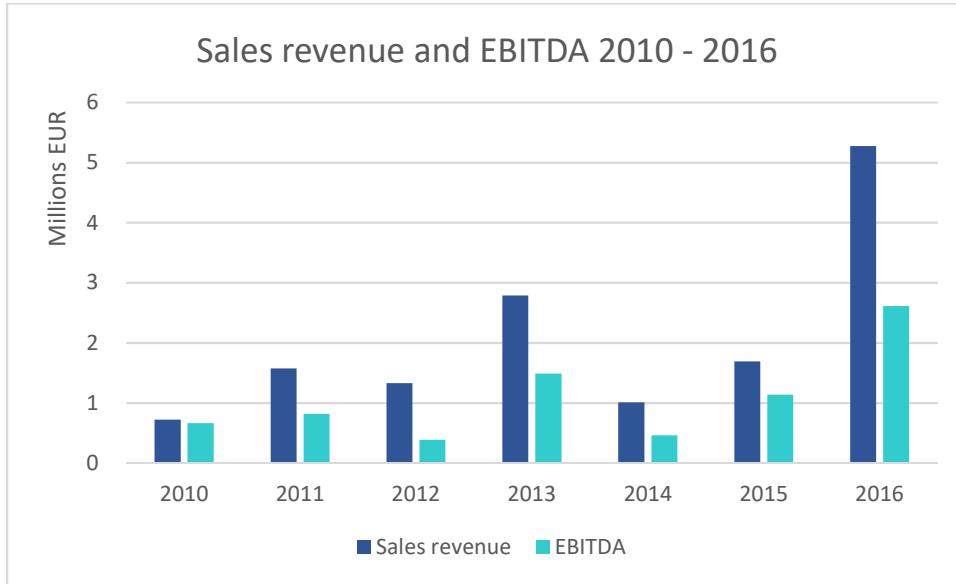
Aktsiaselts PlusPlus Capital (the entity, PlusPlus) was established 5 April 2010.

The principal activity of entities that belong to the group of Aktsiaselts PlusPlus Capital (the group) is purchasing of portfolios of overdue arrears, restructuring acquired arrears and administration of subsidiaries operating in the field of debt management in all the Baltic countries.

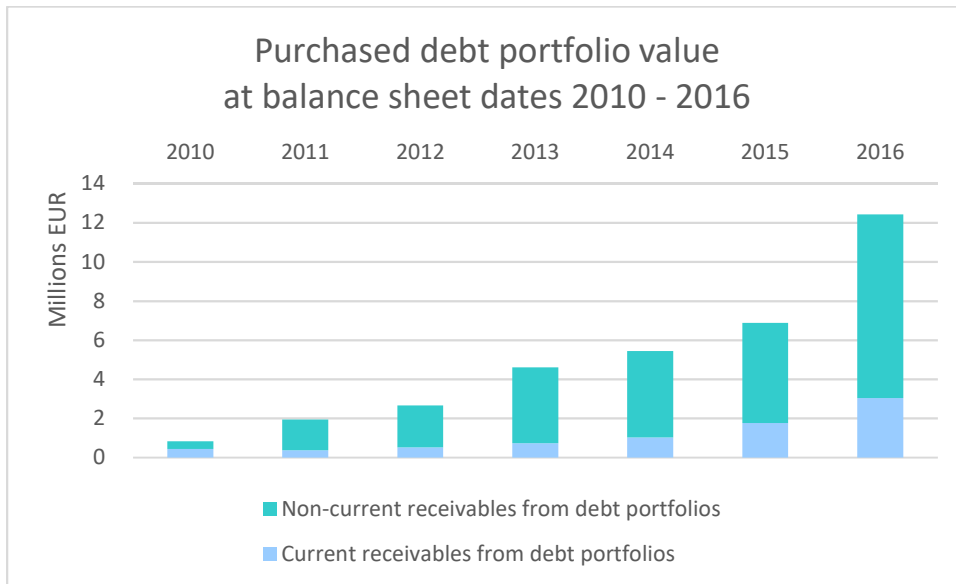
As at 31 December 2016 the group entities incorporated and branches registered abroad are as follows:

<i>Entity/Branch:</i>	<i>Country:</i>	<i>Principal activity:</i>
PlusPlus Baltic OÜ	Estonia	Debt receivable acquisition and administration
PPC Delta OÜ	Estonia	Debt receivable acquisition and administration
PPC Beeta OÜ	Estonia	Debt receivable acquisition and administration
PlusPlus Inkasso OÜ	Estonia	Debt receivable administration
VõlaKütid OÜ	Estonia	Cash collection services
PlusPlus Inkasso SIA	Latvia	Cash collection services
PlusPlus Inkasso UAB	Lithuania	Cash collection services
PlusPlus Invest OÜ	Estonia	Property investments
PlusPlus Baltic OU filiāle Latvijā	Latvia	Branch of PlusPlus Baltic OÜ, debt receivable acquisition and administration
PlusPlus Baltic OU Lietuvos filialas	Lithuania	Branch of PlusPlus Baltic OÜ, debt receivable acquisition and administration

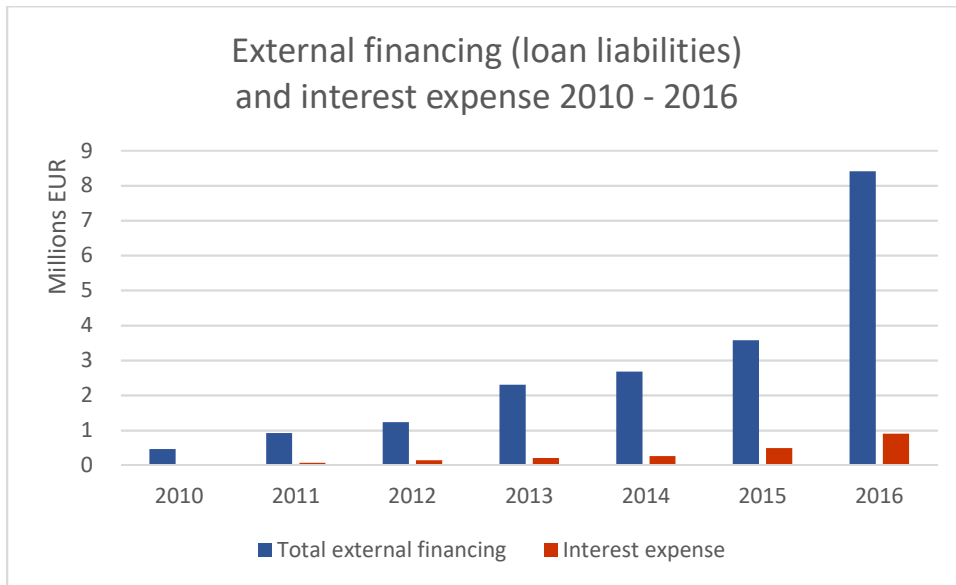
PlusPlus has made remarkable progress during its first seven years of operations in Baltic states, by participating, either directly or through its subsidiaries and branches, successfully in auction sales of receivables organised by credit institutions and telecommunications operators.



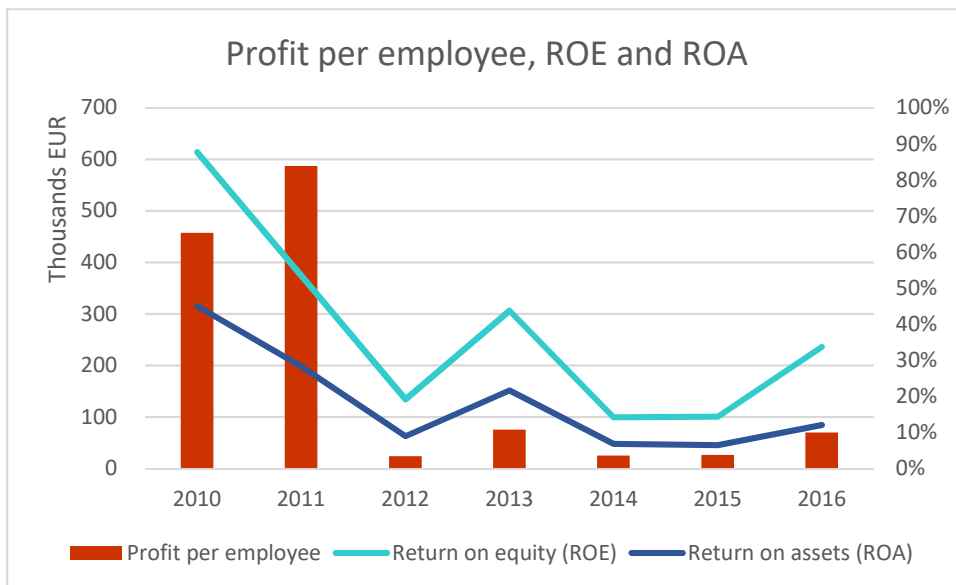
As of the end of financial year 2016, the group has purchased assets in the total principal value of EUR 46 million. The balance sheet values of purchased debt portfolios are presented on the graph below.



The activities have been financed both from the own funds of the entity as well as with the help of credit lines opened by banks.



The strategic objective of the group is to achieve a position among the three leading companies on the Baltic debt management market and to extend its activities significantly in terms of both fields of activities and geographically. In the period from 2017 to 2018, the fast growth of the group entities will continue, mostly in Latvia and Lithuania. PlusPlus has been profitable every single year since its inception. By the end of 2016 total assets of the company were EUR 14 million. It is our corporate policy to maintain owner's equity on at least 30% level of total assets.



In order to provide its professional services and implement its plans, the group makes consistent contributions to training its staff and automatization of processes and uses extensively modern IT solutions.

PLUS & PLUS

The group operates in Baltic states, which are influenced by global and especially by Eurozone trends. The macroeconomic projections of the European Central Bank highlight favourable financing conditions, low interests and modest rise in inflation, which together with employment growth and consumption increase support the stable development of economy in years 2017 to 2019. The general macroeconomic development allows the group to increase volumes of operations and expand over the region, by providing competitive services for co-operation partners and best solutions for our clients.

In long-term perspective, the group operations are affected by the cyclical evolution of economy, in short-term look the reasons for seasonality are the single large purchase transactions of debt receivable portfolios, which are concluded with different regularity.

PlusPlus follows high professional and ethical standards. Our experts have more than 15 years of experience and their work is trusted also by the biggest banks and telecommunication companies in the Baltic States. PlusPlus is trusted and responsible in relations with clients and co-operation partners. It is our honour to help our clients through amicable debt solutions and we acknowledge the social responsibility for improving the overall financial trust environment by creating respectful and trustful solutions for counterparties in deteriorated financial relationships.

During the period of preparation of the report there have not occurred any significant changes in foreign exchange rates, interest rates or stock exchange, which could affect the financial report prepared for financial year 2016. The group follows the internal regulations for financial risk management.

Financial ratios

	2016	2015
Sales revenue, EUR	5 273 567	1 689 930
Total assets, EUR	13 778 229	7 251 786
Current ratio	0.96	0.58
Equity to assets ratio, %	35%	46%

Mirje Trumsi
Member of Management Board

Karl Mitt
Member of Management Board

The annual accounts

Consolidated statement of financial position

(In Euros)

	31.12.2016	31.12.2015	Note
Assets			
Current assets			
Cash and cash equivalents	643 483	51 646	2
Receivables and prepayments	3 306 212	2 006 624	3, 4
Total current assets	3 949 695	2 058 270	
Non-current assets			
Receivables and prepayments	9 524 965	5 116 551	3
Property, plant and equipment	273 658	76 713	5
Intangible assets	29 911	252	6
Total non-current assets	9 828 534	5 193 516	
Total assets	13 778 229	7 251 786	
Liabilities and equity			
Liabilities			
Current liabilities			
Loan liabilities	3 694 350	3 170 412	8
Payables and prepayments	431 688	402 721	9
Total current liabilities	4 126 038	3 573 133	
Non-current liabilities			
Loan liabilities	4 712 724	407 238	8
Total non-current liabilities	4 712 724	407 238	
Total liabilities	8 838 762	3 980 371	
Equity			
Equity held by shareholders and partners in parent company			
Issued capital	63 912	63 912	11
Retained earnings (loss)	3 207 503	2 736 606	
Annual period profit (loss)	1 668 052	470 897	
Total equity held by shareholders and partners in parent company	4 939 467	3 271 415	
Total equity	4 939 467	3 271 415	
Total liabilities and equity	13 778 229	7 251 786	

Consolidated income statement

(In Euros)

	2016	2015	Note
Revenue	5 273 567	1 689 930	12
Other income	166 888	389 269	13
Raw materials and consumables used	-1 504 955	-449 991	14
Other operating expense	-817 259	-249 884	15
Employee expense	-504 491	-241 284	16
Depreciation and impairment loss (reversal)	-31 143	-36 066	5, 6
Other expense	-12	0	
Operating profit (loss)	2 582 595	1 101 974	
Interest expenses	-903 969	-487 613	17
Other financial income and expense	-10 574	-143 464	18
Profit (loss) before tax	1 668 052	470 897	
Annual period profit (loss)	1 668 052	470 897	
Profit (loss) from shareholders and partners in parent company	1 668 052	470 897	

Consolidated statement of cash flows

(In Euros)

	2016	2015	Note
Cash flows from operating activities			
Operating profit (loss)	2 582 595	1 101 974	
Adjustments			
Depreciation and impairment loss (reversal)	31 143	36 066	5, 6
Total adjustments	31 143	36 066	
Changes in receivables and prepayments related to operating activities	-5 687 761	-1 245 316	
Changes in payables and prepayments related to operating activities	-34 917	-256 214	
Interest received	34	26	
Total cash flows from operating activities	-3 108 906	-363 464	
Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets	-246 847	-13 500	5, 6
Other cash payments to acquire subsidiaries	-2 500	0	25
Other cash receipts from sales of other financial investments	0	2 846	
Total cash flows from investing activities	-249 347	-10 654	
Cash flows from financing activities			
Loans received	7 107 000	2 200 000	
Repayments of loans received	-2 276 449	-1 267 637	
Proceeds from finance lease	-35 381	-23 893	
Interest paid	-814 680	-407 203	
Other cash outflows from financing activities	-30 400	-154 674	
Total cash flows from financing activities	3 950 090	346 593	
Total cash flows	591 837	-27 525	
Cash and cash equivalents at beginning of period	51 646	79 171	2
Change in cash and cash equivalents	591 837	-27 525	
Cash and cash equivalents at end of period	643 483	51 646	2

Consolidated statement of changes in equity

(In Euros)

	Equity held by shareholders and partners in parent company		Total
	Issued capital	Retained earnings (loss)	
	31.12.2014	63 912	
Annual period profit (loss)	0	470 897	470 897
31.12.2015	63 912	3 207 503	3 271 415
Annual period profit (loss)	0	1 668 052	1 668 052
31.12.2016	63 912	4 875 555	4 939 467

Additional information about share capital is disclosed in Note 11.

Notes

Note 1 Accounting policies

General information

The consolidated financial statements of Aktsiaselts PlusPlus Capital for 2016 have been prepared in compliance with the accounting principles generally accepted in the Republic of Estonia. The basic requirements of the generally accepted accounting principles have been established in the Accounting Act of the Republic of Estonia and are supplemented by the guidelines issued by the Estonian Accounting Standards Board.

The consolidated financial statements have been prepared using the acquisition cost principle, unless otherwise indicated in the accounting policies below.

The consolidated financial statements have been prepared in euro.

The 2016 consolidated financial statements include financial indicators of Aktsiaselts PlusPlus Capital (parent company) and its subsidiaries PlusPlus Baltic OÜ, PPC Delta OÜ, PPC Beeta OÜ, PlusPlus Inkasso OÜ, VõlaKütid OÜ, PlusPlus Inkasso SIA, PlusPlus Inkasso UAB, and branches PlusPlus Baltic Latvian Branch and PlusPlus Baltic Lithuanian Branch (the group structure is set out in Note 25).

Changes in accounting policies or presentation of information

Additional item name	31.12.2015	Change	31.12.2015
	8 021 008	-897 833	7 123 175
	897 833	-897 833	0

Preparation of consolidated statements

The financial indicators of all subsidiaries (except for subsidiaries acquired for resale) controlled by the parent company are consolidated on a line-by-line basis in the consolidated statements. All intra-group receivables and payables, transactions between the companies of the group and the unrealized profits and losses, which have arisen as a result thereof, have been eliminated.

The accounting policies of subsidiaries have been brought into conformity with the accounting policies of the group, where necessary.

Subsidiaries

Subsidiaries are companies controlled by the parent company. A subsidiary is deemed to be controlled by the parent company if the group holds over 50% of the voting shares in the subsidiary either directly or indirectly, or is otherwise capable of controlling the operating or financial policies of the subsidiary.

The acquisition of a subsidiary is recognized by using the purchase method (except in case of business combinations under joint control which are recognized by using the adjusted purchase method).

As from the date of acquisition, the group's share in the acquired company's assets, liabilities and contingent liabilities, and the accrued goodwill are recognized in the consolidated balance sheet and the share in the revenue and expenditure of the acquired company is recognized in the consolidated income statement.

Unconsolidated statements of the parent company are presented in the notes to the consolidated statement.

Pursuant to the Accounting Act of Estonia, the primary unconsolidated statements of the consolidating entity (parent company) must be separately presented in the notes to the consolidated financial statements. The primary statements of the parent company have been prepared following the same accounting policies as applied upon the preparation of the consolidated financial statements with the exception of investments in subsidiaries and associates that have been recognized in the unconsolidated statements at the acquisition cost.

Financial assets

Securities held for trading (shares, bonds, debenture bonds, fund units, etc.) are recognized as short-term financial investments. Securities (shares, bonds, debenture bonds, fund units, etc.) that will probably not be sold within the next twelve months (except for investments in subsidiaries and associates) are recognized as long-term financial investments (other long-term shares and securities).

Short-term and long-term financial investments in shares and other equity instruments (except for such participating interests in subsidiaries and associates which are recognized using the consolidation or equity method) are recognized at the fair value if this can be reliably evaluated. The basis for the fair value is the listed market price of the financial instrument. Shares and other equity instruments whose fair value cannot be reliably evaluated are recognized at the acquisition cost (less possible write-downs if the recoverable amount of the investment has fallen below the book value).

Changes in the fair value of the financial assets acquired for trading are recognized as profit or loss in the income statement of the accounting period.

Cash and cash equivalents

Cash and cash equivalents include cash in hand recognized in the balance sheet under the cash entry and in the cash flow statement, balances of current accounts and term deposits of up to three months.

Receivables and prepayments

Trade receivables

Short-term receivables incurred by the group in the course of its daily business activities are recognized as trade receivables. Trade receivables are recognized at the adjusted acquisition cost (i.e. nominal value less repayments and any necessary write-downs).

Write-downs of receivables are recognized if there is objective proof that the amounts of all receivables will not be received according to the initial contract terms and conditions of the receivables. The circumstances that refer to possible impairment of receivables are the bankruptcy or serious financial difficulties of the debtor, and their failure to adhere to payment deadlines. Impairment of individually significant receivables (i.e. the need for a write-down) is evaluated separately in terms of each purchaser, the book value is reduced by the write-down amount of doubtful receivables and the loss from the write-down is

recognized in the income statement under other operating expenses. The receivable and its write-down are written off the balance sheet if the receivable is deemed to be uncollectible. Collection of doubtful receivables that have previously been written down is recognized as a decrease in the expenses of doubtful receivables.

Other receivables

All other receivables (accrued income, loans given, other short-term and long-term receivables) except receivables acquired for resale are recognized at the adjusted acquisition cost.

The adjusted acquisition cost of short-term receivables generally equals their nominal value (less potential write-downs), due to which short-term receivables are recognized in the balance sheet in the collectible amount. In order to calculate the adjusted acquisition cost of long-term receivables, the long-term receivables are initially registered at the fair value of the amounts to be received, considering the interest income to be gained in future periods, using the internal interest rate method. Receivables acquired for resale are recognized using the fair value method.

All other receivables are recognized consistently from the registration of the receivable until its realization at fair value. Any changes in the fair value of the receivables are recognized consistently as profit or loss in the income statement of the accounting period. Changes in the fair value of receivables acquired for trading are recognized as profit or loss in the income statement of the accounting period.

DEBT CLAIMS

Debt claims are recognized in the statements as financial assets. Debt claims are initially registered at their acquisition cost, which is the fair value paid for the claim. The initial acquisition cost includes all of the direct costs related to the acquisition of the claims. Debt claims are recognized in the balance sheet by the fair value method. Upon implementation of the fair value method, a debt claim is recognized in the balance sheet at its fair value, gains/losses on changes in the value are recognized in the income statement of the accounting period.

Upon evaluation of claims to their fair value, the probability of receipt of the claims is taken into account. Claims are evaluated to their fair value according to the evaluation procedure established by the management board of the company.

Plant, property and equipment and intangible assets

Property, plant and equipment are assets that are used in the economic activities of the company within a period of time longer than one year and the acquisition cost of which is equal to or higher than EUR 3,835. Assets with a useful life of less than one year are written off as assets of low value.

If, within the framework of a new project, such assets are acquired whose unit value is less than EUR 3,865, but the set that is formed from the units is equal to or higher than EUR 3,865, it is recognized as non-current assets.

Depreciation is calculated using the straight-line method. Depreciation rates are established separately for each item of non-current assets on the basis of its useful life. In the case of asset items of significant residual value, only the depreciable difference between the acquisition

cost and the residual value is depreciated as expenses during the useful life.

If the recoverable amount of non-current assets (i.e. the higher of the following two indicators: the fair value of the assets (less costs to sell) or the value in use of the assets) is less than its carrying amount, the items of property, plant and equipment are written down to their recoverable amount.

Recognition of property, plant and equipment stops when the asset is transferred or in the situation where no economic gains are expected from the use or sale of the asset. Gains and losses from discontinued recognition of property, plant and equipment are recognized in the income statement under other operating revenue or other operating charges.

Items of property, plant and equipment that are highly likely to be sold within the next twelve months are reclassified as non-current assets for resale.

Minimal acquisition cost 3,865

Leases

Finance lease means a lease where all significant risks and benefits related to the ownership of the asset in question are transferred to the lessee. Other lease contracts are recognized as operating leases.

Company as lessee

Finance lease is recognized in the balance sheet as an asset and liability at the fair value of the leased asset or at the present value of the minimum amount of lease payments, whichever is lower. Lease payments are divided between financial expenses (interest expenses) and reduction of the residual value of the liability. Assets leased under finance lease are depreciated in the same manner as the acquired non-current assets and their depreciation periods are equal to the shorter of the expected useful life of the assets or the lease period. Primary direct expenses incurred by the lessee directly as a result of entry into finance lease contracts are included in the acquisition cost of the leased assets.

Operating lease payments are recognized in the income statement as expenses on a straight-line basis over the lease period.

Financial liabilities

All financial liabilities (trade creditors, loans raised, accrued expenses, bonds issued and other short-term and long-term payables) are initially registered at their acquisition cost, which also includes all the expenses directly associated with the acquisition. Any subsequent recognition takes place pursuant to the adjusted acquisition cost method (except for the financial liabilities acquired for the purpose of resale and derivatives of negative fair value which are recognized at their fair value).

The adjusted acquisition cost of short-term financial liabilities is generally equal to their nominal value, due to which short-term financial liabilities are recognized in the balance sheet in the amounts subject to payment. In order to calculate the adjusted acquisition cost of long-term financial liabilities, they are initially registered at the fair value of the amounts received (less any transaction costs), considering the interest expenses to be incurred on the liabilities in future periods, using the internal interest rate method.

A financial liability is classified as short-term if its payment term is within twelve months after the balance sheet date or if the company does not have the unconditional right to postpone the payment of the obligation for more than twelve months after the balance sheet date.

Loans payable that are due within twelve months of the balance sheet date, but which are refinanced as long-term after the balance sheet date, but before the approval of the annual report, are recognized as current liabilities. Loans payable that the lender had the right to recall on the balance sheet date due to a breach of the terms and conditions provided for in the loan agreement are also recognized as current liabilities.

Provisions and contingent liabilities

The group forms provisions for those liabilities whose realization term or amount is not certain. Provisions are recognized in the balance sheet on the basis of the estimates of the management about the amount probably required for the provision and the realization time of the provision. A provision is recognized if, prior to the balance sheet date, the group has incurred liabilities arising from law or the group's activities, the realization of the provision in the form of expenditure is likely (more than 50%), and the amount of the provision can be reliably evaluated.

The expenses associated with the realization of a provision are evaluated as of the balance sheet date and the amount of the provision is evaluated again on each balance sheet date.

Revenue recognition

Revenue from purchase of accounts receivable

The principal activity of the companies of the group is purchasing debt claims. Revenue or expenses from principal activity arise(s) from the revaluation of receivables to their fair value. The fair value of a debt claim is the amount to be likely received from the debtor.

The fair value of a debt claim is found according to the evaluation procedure established by the management board of the group company. The long-term non-interest bearing portion of purchased claims has been recognized at the present value of the amounts to be received in the future.

Revenue from the sales of a service is recognized after provision of the service.

Note 2 Cash and cash equivalents

(In Euros)

	31.12.2016	31.12.2015
Cash at bank	643 030	50 375
Cash in hand	453	1 271
Total cash and cash equivalents	643 483	51 646

Note 3 Receivables and prepayments

(In Euros)

	31.12.2016	Allocation by remaining maturity		Note
		Within 12 months	1 - 5 years	
Accounts receivable	10 871	10 871		0
Accounts receivables	10 871	10 871		0
Receivables from related parties	270 930	270 930		0 19
Tax prepayments and receivables	35 740	35 740		0 4
Prepayments	52 079	52 079		0
Other paid prepayments	52 079	52 079		0
Debt receivable portfolios	13 951 075	3 342 265	10 608 810	
Debt portfolio expenses for future periods	-1 530 862	-447 017	-1 083 845	
Other receivables	41 344	41 344		0
Total receivables and prepayments	12 831 177	3 306 212	9 524 965	
	31.12.2015	Allocation by remaining maturity		Note
		Within 12 months	1 - 5 years	
Accounts receivable	7 351	7 351		0
Accounts receivables	7 351	7 351		0
Receivables from related parties	203 429	203 429		0 19
Tax prepayments and receivables	416	416		0 4
Prepayments	10 046	10 046		0
Deferred expenses	46	46		0
Other paid prepayments	10 000	10 000		0
Debt receivable portfolios	7 770 283	2 094 362	5 675 921	
Debt portfolio expenses for future periods	-897 833	-338 463	-559 370	
Other receivables	29 483	29 483		0
Total receivables and prepayments	7 123 175	2 006 624	5 116 551	

The long-term non-interest bearing portion of debt claims has been discounted at the rate of 15% a year.

For valuation of the debt portfolios management relies on previous long-term experience with administration and collection of receivables with similar features. Each balance sheet date management analyses the estimations related to the debt claims and makes corrections to the collection forecasts as needed.

Note 4 Tax prepayments and liabilities

(In Euros)

	31.12.2016		31.12.2015	
	Tax prepayments	Tax liabilities	Tax prepayments	Tax liabilities
Value added tax	0	6 273	0	2 074
Personal income tax	0	17 218	0	6 507
Fringe benefit income tax	0	954	0	2 327
Social tax	0	30 061	0	13 505
Contributions to mandatory funded pension	0	928	0	516
Unemployment insurance tax	0	881	0	651
Prepayment account balance	35 740		416	
Total tax prepayments and liabilities	35 740	56 315	416	25 580

Note 5 Property, plant and equipment

(In Euros)

						Total
	Transportation	Computers and computer systems	Machinery and equipment	Prepayments	Unfinished projects and prepayments	
31.12.2014						
Carried at cost	158 882	0	158 882	21 000	21 000	179 882
Accumulated depreciation	-86 453	0	-86 453	0	0	-86 453
Residual cost	72 429	0	72 429	21 000	21 000	93 429
Acquisitions and additions	0	0	0	13 500	13 500	13 500
Depreciation	-30 216	0	-30 216	0	0	-30 216
31.12.2015						
Carried at cost	158 882	0	158 882	34 500	34 500	193 382
Accumulated depreciation	-116 669	0	-116 669	0	0	-116 669
Residual cost	42 213	0	42 213	34 500	34 500	76 713
Acquisitions and additions	28 900	10 935	39 835	188 001	188 001	227 836
Other acquisitions and additions	28 900	10 935	39 835	188 001	188 001	227 836
Depreciation	-30 891	0	-30 891	0	0	-30 891
31.12.2016						
Carried at cost	187 782	10 935	198 717	222 501	222 501	421 218
Accumulated depreciation	-147 560	0	-147 560	0	0	-147 560
Residual cost	40 222	10 935	51 157	222 501	222 501	273 658

Note 6 Intangible assets

(In Euros)

	Total	
	Computer software	
31.12.2014		
Carried at cost	29 248	29 248
Accumulated depreciation	-23 146	-23 146
Residual cost	6 102	6 102
Depreciation	-5 850	-5 850
31.12.2015		
Carried at cost	29 248	29 248
Accumulated depreciation	-28 996	-28 996
Residual cost	252	252
Acquisitions and additions	29 911	29 911
Depreciation	-252	-252
31.12.2016		
Carried at cost	59 159	59 159
Accumulated depreciation	-29 248	-29 248
Residual cost	29 911	29 911

Note 7 Finance lease

(In Euros)

Accounting entity as lessee

	31.12.2016	Allocation by remaining maturity			Interest rate	Due date
		Within 12 months	1 - 5 years	Over 5 years		
Finance lease obligations total	61 875	43 108	18 767	0		
	31.12.2015	Allocation by remaining maturity			Interest rate	Due date
		Within 12 months	1 - 5 years	Over 5 years		
Finance lease obligations total	58 102	22 293	35 809	0		

Residual cost of leased assets		
	31.12.2016	31.12.2015
Machinery and equipment	40 222	42 213

Total	40 222	42 213
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Note 8 Loan commitments

(In Euros)

	31.12.2016	Allocation by remaining maturity			Interest rate	Due date
		Within 12 months	1 - 5 years	Over 5 years		
Current bonds						
Bonds	506 000	506 000			10%	01.10.2017
Current bonds total	506 000	506 000				
Non-current loans						
Bank loans	749 035	749 035	0	0		
Other long-term loans	1 939 064	1 339 064	600 000	0		
Non-current loans total	2 688 099	2 088 099	600 000	0		
Non-current bonds						
Bonds	5 151 100	1 057 143	4 093 957	0	12-13%	01.10.2019
Non-current bonds total	5 151 100	1 057 143	4 093 957	0		
Finance lease obligations total	61 875	43 108	18 767	0		
Loan commitments total	8 407 074	3 694 350	4 712 724	0		

	31.12.2015	Allocation by remaining maturity			Interest rate	Due date
		Within 12 months	1 - 5 years	Over 5 years		
Non-current loans						
Bank loans	1 150 756	1 150 756	0	0		
Other long-term loans	2 368 792	1 997 363	371 429	0		
Non-current loans total	3 519 548	3 148 119	371 429	0		
Finance lease obligations total	58 102	22 293	35 809	0		
Loan commitments total	3 577 650	3 170 412	407 238	0		

Carrying amount of collateral assets		
	31.12.2016	31.12.2015
Other assets	11 453 027	2 620 000
Total	11 453 027	2 620 000

Management has not disclosed loan interest rates due to the confidentiality requirements in loan agreements.

Loan liabilities are secured by a commercial pledge on assets of the group entities for EUR 2 620 thousand and by a warranty given for EUR 2 500 thousand. Additionally the loans raised by group entities are secured by a mortgage on five properties in total for EUR 1 150 thousand and by sureties of private persons related to the group entities.

The long-term bonds are secured by pledges on debt portfolios.

Note 9 Payables and prepayments

(In Euros)

	31.12.2016	Within 12 months	Note
Trade payables	115 893	115 893	
Employee payables	46 545	46 545	
Tax payables	56 315	56 315	4
Other payables	169 536	169 536	
Interest payables	169 536	169 536	
Total payables and prepayments	431 688	431 688	
	31.12.2015	Within 12 months	Note
Trade payables	141 973	141 973	
Employee payables	32 220	32 220	
Tax payables	25 580	25 580	4
Other payables	110 652	110 652	
Interest payables	110 652	110 652	
Total payables and prepayments	402 721	402 721	

Note 10 Contingent liabilities and assets

(In Euros)

	31.12.2016	31.12.2015
Contingent liabilities		
Distributable dividends	3 900 444	2 566 002
Income tax liability on distributable dividends	975 111	641 501
Total contingent liabilities	4 875 555	3 207 503

Note 11 Share capital

(In Euros)

	31.12.2016	31.12.2015
Share capital	63 912	63 912
Number of shares (pcs)	10 000	10 000
Nominal value of shares	6.39	6.39

Note 12 Net sales

(In Euros)

	2016	2015
Net sales by geographical location		
Net sales in European Union		
Total net sales in European Union	5 273 567	1 689 930
Total net sales	5 273 567	1 689 930
Net sales by operating activities		
Revenues from debt receivables	5 273 567	1 689 930
Total net sales	5 273 567	1 689 930

Note 13 Other operating income

(In Euros)

	2016	2015
Profit from correction of reserve	166 888	388 331
Other	0	938
Total other operating income	166 888	389 269

Note 14 Goods, raw materials and services

(In Euros)

	2016	2015
Debt receivable administration expenses	1 504 955	449 991
Total goods, raw materials and services	1 504 955	449 991

Note 15 Miscellaneous operating expenses

(In Euros)

	2016	2015
Leases	29 600	26 121
Miscellaneous office expenses	138 027	36 007
Travel expense	9 431	7 355
Outsourced services	607 508	118 836
Group VAT expense	32 693	30 554
Other	0	31 011
Total miscellaneous operating expenses	817 259	249 884

Note 16 Labor expense

(In Euros)

	2016	2015
Wage and salary expense	379 405	182 038
Social security taxes	125 086	59 247
Total labor expense	504 491	241 285
Average number of employees in full time equivalent units	24	18
Average number of employees by types of employment:		
Person employed under employment contract	21	15
Member of management or controlling body of legal person	4	3

Note 17 Interest expenses

(In Euros)

	2016	2015
Interest expense from bonds	-380 621	0
Interest expense from loans	-523 348	-487 613
Total interest expense	-903 969	-487 613

Note 18 Other financial income and expense

(In Euros)

	2016	2015
Interest income	20 329	20 210
Other financial income and expense	-30 903	-163 674
Total other financial income and expense	-10 574	-143 464

Note 19 Related parties

(In Euros)

Related party balances according to groups

	31.12.2016		31.12.2015	
	Receivables	Liabilities	Receivables	Liabilities
Management and higher supervisory body and individuals with material ownership interest and material influence of management and higher	96 559	150 000	75 027	290 619
Legal person with material ownership interest and material influence of management and higher	174 371	0	154 131	10 261

Purchases and sales

	2016		2015	
	Purchases	Sales	Purchases	Sales
Management and higher supervisory body and individuals with material ownership interest and material influence of management and higher	57 897	13 990	53 652	11 665

Remuneration and other significant benefits calculated for members of management and highest supervisory body	2016	2015
Remuneration	111 878	13 800

Group entities have business advance receivables against board members in total for EUR 19 953.

Group entities have loan receivable balance for EUR 110 600, interest receivable balance for EUR 63 771 and debts payable balances for EUR 10 261 with a legal person having material ownership interest.

Group entities have debt liability balances for EUR 168 780 and receivable balances for EUR 65 438 with executive management and with individuals having material ownership interest, and with legal persons with material influence of management and higher.

Group entities have purchased debt administration services for EUR 22 396 from entities related to the executive management and to the individuals having material ownership interest, and provided services for EUR 13 576.

Note 20 Events after the balance sheet date

PlusPlus Baltic OÜ merged PlusPlus Inkasso OÜ and PPC Beeta OÜ since 01.01.2017. Merger registry entry date is 20.04.2017.

As at 31 December 2016 the current liabilities of group exceeded current assets by EUR 176 343. Based on management estimations the group entities are able to fulfill their current liabilities timely, whereas agreements for refinancing of current liabilities have been concluded subsequent to balance sheet date.

Note 21 Non consolidated statement of financial position

(In Euros)

	31.12.2016	31.12.2015
Assets		
Current assets		
Cash and cash equivalents	427 569	6 383
Receivables and prepayments	2 168 137	808 931
Total current assets	2 595 706	815 314
Non-current assets		
Financial investments	15 786	13 286
Receivables and prepayments	6 899 626	2 029 600
Property, plant and equipment	92 961	76 712
Intangible assets	29 911	0
Total non-current assets	7 038 284	2 119 598
Total assets	9 633 990	2 934 912
Liabilities and equity		
Liabilities		
Current liabilities		
Loan liabilities	2 537 469	979 136
Payables and prepayments	226 507	179 647
Total current liabilities	2 763 976	1 158 783
Non-current liabilities		
Loan liabilities	4 712 724	407 238
Total non-current liabilities	4 712 724	407 238
Total liabilities	7 476 700	1 566 021
Equity		
Issued capital	63 912	63 912
Retained earnings (loss)	1 304 979	1 212 231
Annual period profit (loss)	788 399	92 748
Total equity	2 157 290	1 368 891
Total liabilities and equity	9 633 990	2 934 912

Note 22 Income statement

(In Euros)

	2016	2015
Revenue	2 458 852	613 213
Other income	0	49 121
Raw materials and consumables used	-537 714	-237 687
Other operating expense	-591 735	-104 934
Employee expense	-85 738	-9 222
Depreciation and impairment loss (reversal)	-30 652	-30 216
Total operating profit (loss)	1 213 013	280 275
Interest income	269 840	0
Interest expenses	-673 554	-125 038
Other financial income and expense	-20 900	-62 489
Profit (loss) before tax	788 399	92 748
Annual period profit (loss)	788 399	92 748

Note 23 Non consolidated statement of cash flows

(In Euros)

	2016	2015
Cash flows from operating activities		
Operating profit (loss)	1 213 013	280 275
Adjustments		
Depreciation and impairment loss (reversal)	30 652	30 216
Total adjustments	30 652	30 216
Changes in receivables and prepayments related to operating activities	-5 959 417	-769 203
Changes in payables and prepayments related to operating activities	-31 692	58 015
Interest received	27	0
Total cash flows from operating activities	-4 747 417	-400 697
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	-29 911	0
Purchase of investment property	-18 000	-13 500
Other cash payments to acquire subsidiaries	-2 500	0
Other cash receipts from sales of other financial investments	0	2 846
Total cash flows from investing activities	-50 411	-10 654
Cash flows from financing activities		
Loans received	7 107 100	1 015 000
Repayments of loans received	-1 247 172	-410 154
Proceeds from finance lease	-35 263	-23 117
Interest paid	-584 751	-84 602
Other cash outflows from financing activities	-20 900	-82 674
Total cash flows from financing activities	5 219 014	414 453
Total cash flows	421 186	3 102
Cash and cash equivalents at beginning of period	6 383	3 281
Change in cash and cash equivalents	421 186	3 102
Cash and cash equivalents at end of period	427 569	6 383

Note 24 Non consolidated statement of changes in equity

(In Euros)

			Total
	Issued capital	Retained earnings (loss)	
31.12.2014	63 912	1 212 231	1 276 143
Annual period profit (loss)	0	92 748	92 748
31.12.2015	63 912	1 304 979	1 368 891
Governing and material influence ownership interest value of financial position	0	-13 286	-13 286
Governing and material influence on the value Of holdings under the e quity method	0	1 901 097	1 901 097
Restated non consolidated equity 31.12.2015	63 912	3 192 790	3 256 702
Annual period profit (loss)	0	788 399	788 399
31.12.2016	63 912	2 093 378	2 157 290
Governing and material influence ownership interest value of financial position	0	-15 786	-15 786
Governing and material influence on the value Of holdings under the e quity method	0	4 063 404	4 063 404
Restated non consolidated equity 31.12.2016	63 912	6 140 996	6 204 908

Note 25 Shares of subsidiaries

(In Euros)

Shares of subsidiaries, general information					
Subsidiary's registry code	Name of subsidiary	Country of incorporation	Principal activity	Ownership interest (%)	
				31.12.2015	31.12.2016
	PlusPlus Baltic OÜ	Estonia	Debt receivable acquisition and administration	100	100
	PPC Beeta OÜ	Estonia	Debt receivable acquisition and administration	100	100
	PPC Delta OÜ	Estonia	Debt receivable acquisition and administration	100	100
	PlusPlus Inkasso OÜ	Estonia	Debt receivable administration	100	100
	VõlaKütid OÜ	Estonia	Cash collection services	100	100
	PlusPlus Inkasso SIA	Latvia	Cash collection services	100	100
	PlusPlus Inkasso UAB	Lithuania	Cash collection services	100	100
	PlusPlus Invest OÜ	Estonia	Property investments	0	100

Shares of subsidiaries, detailed information			
Name of subsidiary	31.12.2015	Acquisition	31.12.2016
PlusPlus Baltic OÜ	2 500	0	2 500
PPC Beeta OÜ	2 500	0	2 500
PPC Delta OÜ	2 500	0	2 500
PlusPlus Inkasso OÜ	0	0	0
VõlaKütid OÜ	0	0	0
PlusPlus Inkasso SIA	2 872	0	2 872
PlusPlus Inkasso UAB	2 914	0	2 914
PlusPlus Invest OÜ	0	2 500	2 500
Total shares of subsidiaries, at end of previous period	13 286	2 500	15 786

Acquired ownership interests			
Name of subsidiary	Acquired ownership interest %	Acquisition date	Cost of acquired ownership interest
PlusPlus Baltic OÜ	100	07.05.2012	2 500
PPC Beeta OÜ	100	26.03.2012	2 500
PPC Delta OÜ	100	30.10.2014	2 500
PlusPlus Inkasso OÜ	100	04.04.2011	80 000
VõlaKütid OÜ	100	29.06.2011	75 000
PlusPlus Inkasso SIA	100	12.11.2012	2 872
PlusPlus Inkasso UAB	100	29.08.2012	2 914
PlusPlus Invest OÜ	100	11.11.2016	2 500