

PLUS & PLUS

PlusPlus Capital AS

Interim Report

Q1 2017

ACTIVITY REPORT FOR 1st QUARTER 2017

Across first quarter 2017, PlusPlus continuously pursued expansion policy purchasing record breaking 12 portfolios. Total assets more than doubled over the last 12 months and stand at 16.9 million euro at the end of the quarter.

Compared with the 1st quarter results in 2016, group's revenue increased 3.8 times, operating profit 4.1 times and net profit 8.4 times.

Upon auditors' recommendation, the group changed its model for recognition of allowances (estimated future cost of collection). From 2017, allowances are recognised as assets with negative sign, contrary to previous practice to show them as liabilities. The change has no impact on group's owner's equity, total assets have decreased by approximately 12 per cent as compared with previous methodology.

During the quarter, PlusPlus attracted approximately 2.5 million euro from bond investors. In April, after the end of the quarter, the company also registered a 2 million euro tranche of the 8 million euro bond issue maturing in October, 2019. As a result, PlusPlus has achieved sufficient liquidity to continue considering all reasonable investment opportunities in the region.

PlusPlus aims at building balanced portfolio of claims of different characteristics and pricing. For this reason, the company continues purchasing according to its long-term contracts and actively participate both regular and extraordinary auctions.

Supply side has remained strong and we expect the market remain active in foreseeable future. For the rest of the year, the company has located a number of upcoming investment opportunities and is set to participate in at least 10 auctions.

In order to strengthen its capital base, PlusPlus is planning to increase its equity by issuing new shares to financial or strategic investors. In strategic terms, the company seeks growth capital to facilitate further growth by increasing purchasing volumes in the market. Management and shareholders aim at making decision regarding the equity partner and terms of the deal over the next few months and closing the transaction by the end of 2017.

In order to adapt to growing volumes, strengthening the team is a priority. Latvian and Lithuanian teams have hired several capable people in addition to previous team already and a number of new management team members will start working in May.

In conclusion, PlusPlus is working in line with projections and remains committed to its strategy to increase market share, grow equity value and secure safe and fruitful investment environment for the bond investors.

DECLARATION OF THE MANAGEMENT BOARD

The financial and other additional information published in the Interim Report for the first quarter 2017 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 December 2016 are not audited.



Mirje Trumsi
AS PlusPlus Capital, Member of the Management Board
Tallinn, 30.04.2017

FINANCIAL REPORT

Consolidated balance sheet (unaudited), EUR

	31.03.2017	31.12.2016	31.03.2016
Assets			
Short-term assets			
Cash	747 169	642 626	86 062
Claims and prepayments	3 135 760	3 687 405	2 278 694
Total short-term assets	3 882 929	4 330 031	2 364 756
Fixed assets			
Claims and prepayments	12 005 801	9 057 030	5 648 419
Tangible assets	981 506	275 545	74 677
Total fixed assets	13 032 016	9 362 486	5 723 096
Total assets	16 914 945	13 692 517	8 087 852
Liabilities and equity			
Liabilities			
Short-term liabilities			
Interest bearing liabilities	3 894 483	3 694 350	1 947 453
Accounts payable	478 688	341 774	365 675
Total short-term liabilities	4 373 171	4 036 124	2 313 128
Long-term liabilities			
Interest bearing liabilities	7 282 915	4 712 724	2 465 989
Total long-term liabilities	7 282 915	4 712 724	2 465 989
Total liabilities	11 656 086	8 748 848	4 779 117
Equity			
Share capital	63 912	63 912	63 912
Retained earnings	4 879 757	3 207 503	3 207 503
Profit for the current year	315 190	1 672 254	37 320
Total equity	5 258 859	4 943 669	3 308 735
Total liabilities and equity	16 914 945	13 692 517	8 087 852

Consolidated income statement (unaudited), EUR

	2017 Q1		2016		2016 Q1	
Net revenue	1 550 643		5 253 936		408 497	
Other income	43 248		143 855		51 128	
Total income	1 593 891		5 397 791		459 625	
Cost of goods sold	-	376 542	-	1 501 106	-	121 832
Operating expenses	-	303 884	-	796 174	-	93 270
Personnel expenses	-	222 645	-	499 307	-	74 969
Depreciation	-	12 175	-	31 143	-	5 288
Operating profit		678 645		2 570 061		164 266
Financial expenses	-	363 455	-	897 807	-	126 946
Profit before taxes		315 190		1 672 254		37 320
Net income		315 190		1 672 254		37 320

Consolidated statement of cash flows (unaudited), EUR

	2017 Q1	2016	2016 Q1
Cash flows from operating activities			
Profit (loss)	678 645	2 570 061	164 266
Adjustments			
Depreciation and impairment loss (reversal)	12 175	31 143	5 288
Total adjustments	12 175	31 143	5 288
Changes in receivables and prepayments	- 2 487 786	- 5 730 927	- 157 681
Changes in payables and prepayments	94 297	31 918	- 274 495
Total cash flows from operating activities	- 1 702 669	- 3 097 805	- 262 622
Cash flows from investing activities			
Purchase of investment property	- 717 987	- 238 078	- 3 000
Purchase of intangible asstes	- 16 836	- 29 911	-
Other cash payments to acquire subsidiaries	-	- 2 500	-
Total cash flows from investing activities	- 734 823	- 270 489	- 3 000
Cash flows from financing activities			
Loans received	3 476 000	7 107 100	750 000
Repayments of loans received	- 703 701	- 2 280 877	- 310 825
Proceeds from finance lease	- 7 271	- 35 381	- 6 011
Interest paid	- 222 233	- 801 168	- 133 126
Other cash outflows from financing activities	- 760	- 30 400	-
Total cash flows from financing activities	2 542 035	3 959 274	300 038
Total cash flows	104 543	590 980	34 416
Cash and cash equivalents at beginning of period	642 626	51 646	51 646
Change in cash and cash equivalents	104 543	590 980	34 416
Cash and cash equivalents at end of period	747 169	642 626	86 062

PlusPlus Capital AS
 Tartu mnt 83
 10151 Tallinn, Estonia
 Phone +372 51 44 664
 E-mail mirje@plusplus.ee