

**Report**

**Q3**  
**2024**

## At a Glance

### Q3 2024 HIGHLIGHTS AND RELATED SUBSEQUENT EVENTS

- On 9 August 2024 Luxembourg court approved the reorganization plan of PlusPlus Capital Financial S.a.r.l after massive support to the plan received in bondholders voting.
- The process in Estonian court was delayed, no ruling before 4 October.
- On 4 October Estonian court rejected reorganization plan and appointed temporary trustee.
- PlusPlus has appealed both rulings in circuit court.
- Approximately 70 per cent of PlusPlus Capital's shares acquired by investors supported by Belgian company PlusPlus Europe B.V.

### KEY FIGURES

All figures in EUR million

	2024 Q3*	2024 9M*	2023 12M*
Incoming payments from clients (cash collection)	3.7	12.1	19.1
Cash EBITDA	1.5	4.7	4.5
Operating revenue	4.5	10.4	-16.3
Operating expenses	2.3	7.7	15.1
Financial expenses	0.0	0.0	17.7
Net profit	15.8	16.3	-32.7
Expected remaining collections (ERC)	163.3	163.3	169.1
Total assets	96.6	96.6	94.4
Net debt	61.5	61.5	59.9
Equity	27.1	27.1	10.8
Equity ratio	28.1%	28.1%	11.4%
Net debt/Cash EBITDA (Net leverage) LTM	8.4	8.4	13.2
Net debt/ERC (Net LTV), period end	37.7%	37.7%	35.4%

\* preliminary data (unaudited)

## Statement of the Management

Dear investors and readers

In the third quarter of 2024 PlusPlus continued its efforts directed towards approval and implementation of the restructuring plans in Estonian parent company and fundraising subsidiary in Luxembourg.

In July, voting of Eurobond holders in Luxembourg supported restructuring plan with overwhelming majority. With 90% turnout in the middle of the summer, approximately 94% of voters supported the plan by choosing one of the three options, either 35% payback in first order, 50% recovery as next priority, or 100% recovery in a longer period.

Based on massive support of the creditors, Luxembourg court on 9 August 2024 approved the reorganization plan subject to approval of mother company's plan in Estonia.

In the meantime, PlusPlus reorganization effort encountered a setback in Estonia. Even though almost 95 per cent of the creditors had supported the plan, the court delayed the process for almost 4 months, instead of the mid-June deadline imposed by law the ruling was issued on October 4th, and unexpectedly, despite the support of absolute majority of creditors reorganization plan was rejected. Moreover, the court also appointed a temporary trustee to evaluate the company's possible bankruptcy situation.

PlusPlus has appealed both rulings in circuit court and is confident in having enough proof that both rulings have been made by mistake and the reorganization plan will eventually be approved.

Although technically in the beginning of the fourth quarter, on 3 October 2024, one day before court ruling sale of shares of PlusPlus Capital took place. A company backed and financed by Belgian company PlusPlus Europe B.V. acquired approximately 70 per cent of the company's shares. Addition of a new Investor allows to maintain an optimistic view on the future. As part of the acquisition, new investors have already committed to inject 6 million euro to support reorganization plan in Luxembourg.

In terms of operations, collection results remained below expectations. In the meantime, the group exercised a massive cost-cutting program in June/July. As a result, operating expenses in Q3 as compared with the first half of the year were reduced by 19 per cent.

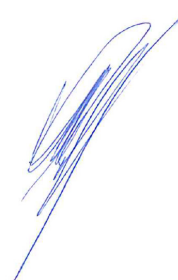
Efficiency can be contributed primarily to cutting labor and general & administrative expenses.

In the 4th quarter, PlusPlus will focus on its effort to approve the reorganization plan and continue with streamlining production. We have been willing to start payments according to the reorganization plan since midsummer, and investors have not received their payments only due to resistance by Estonian court.

Yours Sincerely

Peeter Piho

CEO



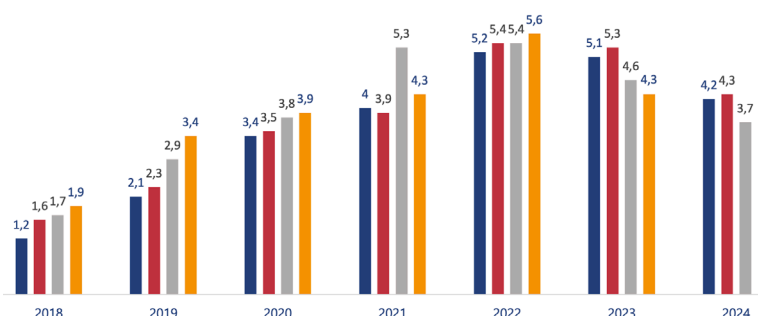


# Operations

## INCOMING PAYMENTS

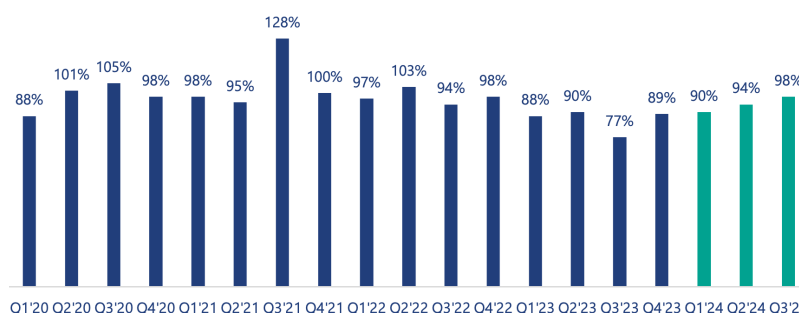
In 9M '24, PlusPlus Group's incoming payments from portfolio clients (collections) decreased by 17.7% y-o-y to EUR 12.1 million. This includes incoming payments from Fresh Finance credit portfolios in 9M '24 that amounted to EUR 0.6 million.

### Incoming payments from clients by quarters (EURm)



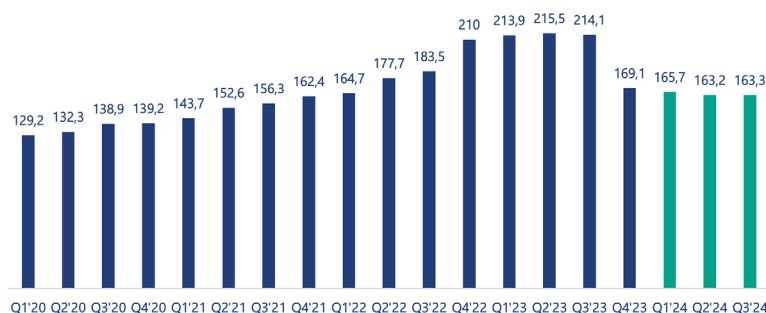
Across different countries, incoming payments in 9M '24 compared to 9M '23 from NPL operations decreased in Estonia by 19.1%, in Latvia by 16.1%, in Lithuania by 12.1% and in Finland by 15.7%, while in Fresh Finance credit portfolios the collections decreased by 38.2%. The previous is mainly due to almost non-existing purchasing volume due to ongoing reorganization processes causing shortage of working capital to invest into main activity. As compared with budget, Q3 2024 incoming payments were slightly behind the expectations (98.2% of budget).

### Quarterly Collection vs. forecast



NPL expected remaining collections (ERC) at the end of September '24 amounted to EUR 163.3 million, of which EUR 6.0 million (3.7% of total) in Finland, EUR 57.3 million (35.1% of total) in Estonia, EUR 48.0 million (29.4% of total) in Latvia, and EUR 52.0 (31.8% of total) million in Lithuania. Expected remaining collections from Fresh Finance portfolios amount to EUR 1.3 million or 0.8% of all collections from NPL and FFG activities totaling EUR 164.5 million.

## ERC balance as at end of quarter

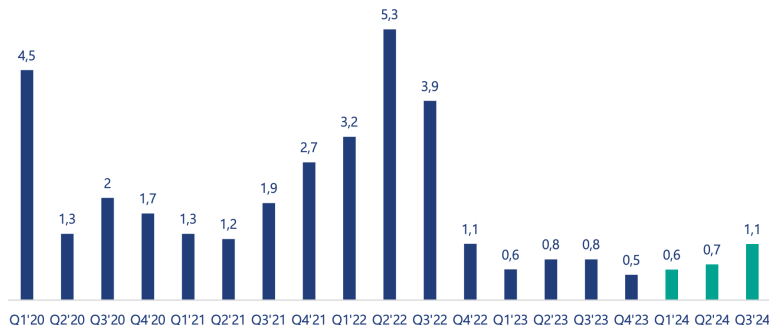


The expected annual incoming NPL repayments of EUR 163.3 million are expected to be received over the next 180 months. By comparison, the total claim balance as of 30 September 2024 was around EUR 289.1 million (including principal, interest, penalties, and service fee claims) while the purchased nominal (only principal claim) amounted to EUR 273.7 million and total active claims amounted to EUR 242.2 million.

## PORTFOLIO INVESTMENTS

Since H2 2022, due to restricted access to funding, PlusPlus Capital has been rather passive in purchasing market even though many attractive opportunities have been available. In 9M '24, in total 65 new portfolios for EUR 2.5 million were acquired.

### Quarterly portfolio acquisitions (EURm)



## Earnings, financial and asset position

### OPERATING REVENUES

In 9M '24, operating revenues amounted to EUR 10.4 million (9M '23: EUR 11.3 million).

### OPERATING EXPENSES

Operating and administrative expenses, including salaries, in 9M '24, amounted to EUR 7.7 million (9M '23: EUR 4.4 million). In 9M '23 the Group capitalized EUR 2.5 million in operating expenses, in 9M '24 the Group did not capitalize operating expenses, which explains the difference of operating expenses in income statement. 9M '24 expenses included one-off redundancy cost borne as part of extensive cost-cutting program. In combination with legal costs, the total impact of one-off expenses driven by streamlining of the company were EUR 0.8 million.

Operating expenses essentially comprise restructuring expenses and general operating expenses. Restructuring expenses are recognized as operating expenses as adding value is generated through restructuring claims.

### OPERATING RESULT

Adjusted EBITDA amounted to EUR 3.0 million in 9M '24 (9M '23: EUR 6.8 million). The adjusted EBITDA margin in 9M '24 stood at 28.8% (9M '23: 60.2%).

Cash EBITDA amounted to EUR 4.7 million in 9M '24 (9M '23: EUR 10.2 million). The change is attributable to 9M '24 y-o-y incoming payments decrease by EUR 2.6 million and termination of capitalization of costs by EUR 2.5 million.

### NET FINANCIAL ITEMS

Financial expenses decreased to EUR 0.0 million (9M '23: 10.8 million).

### NET PROFIT

Net profit amounted to EUR 16.3 million in 9M '24 (9M '23 net loss: EUR -0.4 million). Out of the EUR 16.3 million, EUR 13.6 million relates to the approval of PlusPlus Luxembourg reorganization plan and remaining EUR 2.7 million is the result of regular business activities of the PPC group.

### CASH FLOW AND FINANCING

Cash flow from operating activities in 9M '24 amounted to EUR 2.9 million (9M '23: EUR 3.4 million). Portfolio investments in 9M '24 stood at EUR 2.4 million (9M '23: 2.2 million). Total net cash inflow in

9M '24 amounted to EUR 2.6 million (9M '23: outflow -0.5 million).

### ASSETS

As of 30 September 2024, total assets compared with the situation as at year end of 2023 increased approximately by EUR 2.2 million.

### EQUITY

As of 30 September 2024, equity increased by 150.9% to EUR 27.1 million (31 December '23: EUR 10.8 million), attributable to FY '23 loss in the amount of EUR 32.7 million. The corresponding equity ratio of 28.1% (31 December '23: 11.4%) reflects the Group's capitalization level.

### LIABILITIES

The amount of outstanding debt to loan and bond investors as of 30 September 2024 increased by EUR 4.1 million compared to the end of 2023 mainly due to reorganisation approval related adjustments in PlusPlus Capital Financial S.a.r.l

These adjustments also comprise deduction of interest payable, which mainly affects the decrease of trade and other payables by EUR 18.2 million compared to the year-end 2023.

## Balance Sheet

All figures in EUR thousand

	2024 9M	2024 6M	2023 12M
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	1 511	1 687	1 717
Intangible assets	1 930	2 104	1 978
Acquired debt receivable portfolios	75 081	75 649	73 547
Trade and other receivables	459	559	766
<b>Total non-current assets</b>	<b>78 982</b>	<b>79 999</b>	<b>78 008</b>
<b>Current assets</b>			
Acquired debt receivable portfolios	13 576	13 633	14 212
Trade and other receivables	1 206	1 827	1 931
Cash and cash equivalents	2 853	2 078	276
<b>Total non-current assets</b>	<b>17 635</b>	<b>17 539</b>	<b>16 420</b>
<b>TOTAL ASSETS</b>	<b>96 617</b>	<b>97 537</b>	<b>94 427</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	17 109	17 109	17 109
Share premium	8 409	8 409	8 409
Legal reserve	1 720	1 720	1 720
Retained earnings	-125	-13 146	-16 433
<b>Total equity</b>	<b>27 112</b>	<b>14 092</b>	<b>10 804</b>
<b>Non-current liabilities</b>			
Interest-bearing loans and liabilities	52 149	47 971	47 971
<b>Total non-current liabilities</b>	<b>52 149</b>	<b>47 971</b>	<b>47 971</b>
<b>Current liabilities</b>			
Trade and other payables	5 166	23 294	23 412
Interest-bearing liabilities	12 190	12 181	12 241
<b>Total current liabilities</b>	<b>17 356</b>	<b>35 475</b>	<b>35 652</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>96 617</b>	<b>97 537</b>	<b>94 427</b>

## Income Statement

All figures in EUR thousand

	2024 Q3	2024 9M	2023 12M
Operating revenue	4 500	10 364	-16 302
Other income	6	26	41
<b>Total operating revenue</b>	<b>4 506</b>	<b>10 390</b>	<b>-16 261</b>
Operating expenses	995	3 589	7 586
Personnel expenses	1 115	3 725	5 473
Depreciation and amortization	144	287	565
Other expenses	54	82	1 494
<b>Total operating expense</b>	<b>2 308</b>	<b>7 683</b>	<b>15 118</b>
<b>Operating profit</b>	<b>2 198</b>	<b>2 707</b>	<b>-31 379</b>
Financial income*	13 636	13 636	16 400
Financial expenses	18	35	17 706
<b>Profit before tax</b>	<b>15 816</b>	<b>16 308</b>	<b>-32 685</b>
Income tax	0	0	-5
<b>Net profit for the period</b>	<b>15 816</b>	<b>16 308</b>	<b>-32 690</b>

\* Financial income for 9M 2024 comprises adjustments in PlusPlus Capital Financial S.a.r.l according to restructuring plan approved by Luxembourg's court. Please note that these amounts do not represent the operating revenues for the reportable period.



## Cash Flow Statement

All figures in EUR thousand

	2024 Q3	2024 9M	2023 12M
<b>Cash flow from operating activities</b>			
Profit before income tax	15 816	16 308	-32 685
<b>Adjustments for non-cash items:</b>			
Depreciation and amortization	144	287	565
<b>Changes in working capital:</b>			
Change in trade and other receivables	-2 501	139	4 724
Change in trade and other payables	-27 610	-27 475	-806
Change in acquired debt receivable portfolios	626	-897	32 235
Change in loans and advances to customers	716	898	1 719
<b>Other adjustments:</b>			
Interest expenses	18	35	17 283
Other financial income and expenses	13 636	13 636	16 345
<b>Net cash flow from operating activities</b>	<b>809</b>	<b>2 861</b>	<b>4 814</b>
<b>Cash flow from investing activities</b>			
Acquisition of tangible and intangible assets	-5	-5	-155
<b>Net cash flow from investing activities</b>	<b>-5</b>	<b>-5</b>	<b>-155</b>
<b>Cash flow from financing activities</b>			
Loans received and bonds issued	1	1	2
Repayments of loans and bonds issued	-20	-73	-2 569
Repayments of financial lease liabilities	-3	-16	-12
Paid-in equity contribution	0	0	0
Paid dividend	0	0	0
Income tax paid	0	0	0
Interests paid on loans and borrowings	-6	-189	-2 578
Interest paid on financial lease liabilities	-1	-2	-3
<b>Net cash flow from financing activities</b>	<b>-29</b>	<b>-279</b>	<b>-5 161</b>
<b>Cash and cash equivalent at beginning of period</b>	<b>2 078</b>	<b>276</b>	<b>779</b>
Change in cash and cash equivalents	775	2 577	-502
<b>Cash and cash equivalent at end of period</b>	<b>2 853</b>	<b>2 853</b>	<b>276</b>

## Statement of changes in equity

All figures in EUR thousand

	Share capital	Share premium	Legal reserve	Retained earnings	Total
<b>As of 1. Jan 2023</b>	<b>17 109</b>	<b>8 409</b>	<b>1 100</b>	<b>16 876</b>	<b>43 494</b>
Increase of legal reserve	0	0	620	-620	0
<b>Total transactions with owners</b>	<b>0</b>	<b>0</b>	<b>620</b>	<b>-620</b>	<b>0</b>
Net profit for the period	0	0	0	-32 690	-32 690
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-32 690</b>	<b>-32 690</b>
<b>As of 30. Dec 2023</b>	<b>17 109</b>	<b>8 409</b>	<b>1 720</b>	<b>-16 434</b>	<b>10 804</b>
<b>As of 1. Jan 2024</b>	<b>17 109</b>	<b>8 409</b>	<b>1 720</b>	<b>-16 434</b>	<b>10 804</b>
Increase of legal reserve	0	0	0	0	0
<b>Total transactions with owners</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Net profit for the period	0	0	0	16 308	16 308
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>16 308</b>	<b>16 308</b>
<b>As of 30. Sept 2024</b>	<b>17 109</b>	<b>8 409</b>	<b>1 720</b>	<b>-126</b>	<b>27 112</b>

## Glossary

### AMORTIZED COST

Accounting methodology, where financial assets are recognized at their acquisition cost adjusted by discounts or premiums minus their principal repayments

### CASH EBITDA

Cash and cash equivalents generated within the relevant period minus the consolidated operating expenses for the Group

### CLAIM

Legal right to receive payments from debtor based on agreed-upon contractual relationship

### EBITDA

Operating profit plus depreciation and amortization, non-recurring costs and exceptional items, and portfolio fair value adjustments (where applicable)

### ERC

Estimated remaining collections

### FORWARD-FLOW (PORTFOLIO)

Commitment for periodical acquisition of receivables portfolios with pre-agreed specific terms

### GMM

Gross money multiple, which is calculated as total collections divided by purchase price of a portfolio (see also MOIC)

### IFRS

International financial reporting standards

### INVESTED CAPITAL

Purchase cost of an acquired debt portfolio

### IRR

Internal rate of return

### ISCR

Interest service coverage ratio, which is the ratio of Cash EBITDA to net finance charges

### MOIC

Multiple of invested capital, which is calculated as gross return divided by investment (see also GMM)

### NET DEBT

Interest-bearing debts less cash

### LTV

Loan to value, calculated as outstanding loan balance divided by value of relevant assets

### NPL

Non-performing loans

### ONE-OFF (PORTFOLIO)

Single commitment for acquisition of a debt receivable portfolio

### OPEX

Operating expenses (direct, administrative and payroll expense)

### PORTFOLIO

A set of claims acquired in one transaction

### REPLACEMENT COST

Investment amount needed to maintain ERC at the level of the beginning of the period

### SPECIAL (PORTFOLIO)

A one-off commitment for acquisition of a receivable portfolio originating from irregular circumstances

### STANDARD (PORTFOLIO)

Forward-flow and regular one-off portfolios

### TENDER

Sales process of portfolios, usually arranged as an auction

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## About PlusPlus Capital

PlusPlus is a pan-Baltic and Finnish technology-driven receivables management company with offices in Tallinn, Riga, Vilnius, and Helsinki. The Company acquires overdue loans and other non-performing exposures from financial institutions and non-financial sector merchants. With its core competence in handling claims against private individuals, PlusPlus prefers diversified portfolios balanced by geography, portfolio type, and other metrics.

Since its inception in 2010, PlusPlus has bought over 120 thousand claims with nominal value of approximately EUR 267 million as of 31. December 2023. The Company offers its clients affordable recovery solutions and aims to avoid litigious scenarios. In doing so, PlusPlus pursues win-win solutions that allow sellers to focus on their core business, provide affordable solutions for borrowers, and ensure adequate returns for investors.

PlusPlus is a transparent and socially responsible company set to assist people in resolving problems connected with their insufficient solvency. The ambition of PlusPlus is to increase its market share and further strengthen its position as a leading player in its regional market.

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