

Interim Report

Q1
2024

Statement of Management

Dear investors and readers

We present to you an update that deviates from our standard quarterly financial report. Currently, we are undergoing reorganization processes in both Estonia and Luxembourg, the outcomes of which will significantly affect our financial metrics. In addition, we are in the process of the completion of the audit that in turn has an impact on the reports. Consequently, we have opted not to publish our regular financial figures at this time, but instead provide an overview of our primary activities.

On February 1, 2024, the Harju County Court granted Aktsiaselts PlusPlus Capital (“the Company”) permission to initiate a reorganization process. Collaborating with our reorganization advisor, Mr. Toomas Saarma, we formulated a comprehensive reorganization plan, which was presented to all creditors on March 12, 2024. Creditors were presented with three options for adopting the plan through a voting process. These options entailed varying levels of nominal reimbursement: Option A offered 30%, Option B offered 65%, and Option C offered full reimbursement. Regardless of the option chosen, all creditors are slated to begin receiving payments as per the reorganization plan. However, the payment schedule prioritizes investors who opt for Option A, followed by those who choose Option B, and finally, Option C.

The reorganization plan garnered overwhelming support from creditors, with approximately 180 investors representing principal claims totaling over 87 million euros. Approval was obtained from investors accounting for approximately 95% of all covered claims. The plan was subsequently submitted for court approval on May 2, 2024.

On March 29, 2024, our Luxembourg-based subsidiary, PlusPlus Capital Financial S.a.r.l (“PlusPlus Luxembourg”), filed for judicial reorganization. The Luxembourg District Court initiated proceedings on April 12, 2024, granting PlusPlus Luxembourg a four-month moratorium until August 12, 2024. During this period, reorganization plan will be formulated and creditors voting carried out.

Looking ahead to the next quarter, our focus is threefold. Firstly, we aim to present a reorganization plan for PlusPlus Luxembourg’s creditors and facilitate the voting process. Secondly, we are committed to enhancing our operational efficiency to navigate the prevailing negative macroeconomic sentiment and prepare for anticipated improvements in the general economic landscape, which should positively impact our results. Lastly, we are strategizing to position ourselves in the market so that upon approval of the reorganization plans, we can swiftly re-engage in portfolio acquisitions.

Yours Sincerely

Peeter Piho

CEO



Reorganization Process of Aktsiaselts PlusPlus Capital

On 1 February 2024, Harju County Court granted the petition of Aktsiaselts PlusPlus Capital („the Company“) to initiate reorganization process. By the court order, Toomas Saarma was appointed as the reorganization adviser and the deadline for the adoption of the reorganization plan was set to 26 March 2024.

The reorganization plan was presented to all the creditors on 12 March 2024. Investors were given three options to adopt the reorganization plan by means of voting:

- A. The principal claim of the creditor is reduced by 70%. The creditor is therefore entitled to receive 30% of the principal claim (**Option A**); or
- B. 50% of the principal claim of the creditor is reduced by 70% to 30% and the remaining 50% of the principal claim is not reduced (**Option B**); or
- C. The principal claim of the creditor is not reduced (**Option C**).

For all three options, the collateral claims are reduced by 100%.

The reorganization plan shall be in force until the end of 2030. Payments to creditors will be made four times a year, at latest on the last day of each quarter, except of the first payment that will be made within 15 days from approval of the plan.

Due to the complexity of the Company's reorganization plan, its numerous creditors and time-consuming technicalities of the voting process, the Company and reorganization adviser submitted an application to the court for the extension of the deadline set for the adoption of the reorganization plan upon the request of its creditors.

By the order of the Harju County Court of 26 March 2024, the deadline for the adoption of the plan was set to 26 April 2024 and the deadline for submission for court's approval to 2 May 2024.

The reorganization plan received overwhelming support from the creditors. Altogether, approximately 180 investors were covered by the reorganization plan with their claims totalling over 87 million euros and received approval from investors representing approximately 95% of all claims covered. Creditors with secured claims supported the plan to an extent of approximately 75%. Within the options proposed for the creditors and as described above, Option A was chosen by approximately 10% of all the claims, Option B by 84% and Option C by 1%.

On 2 May 2024, the Company submitted an application to the Harju County Court to approve the reorganization plan as adopted plan pursuant to § 28 (2) of the Reorganization Act.

Reorganization Process of PlusPlus Capital Financial S.a r.l

On 29 March 2024, the Luxembourg based daughter company of Aktiaselts PlusPlus Capital, PlusPlus Capital Financial S.a r.l („PlusPlus Luxembourg“), filed a petition for the judicial reorganization pursuant to the law of 7 August 2023 on the preservation of undertakings and the modernisation of the bankruptcy law.

The judicial reorganization process was opened by Luxembourg District Court on 12 April 2024. According to the court's decision, PlusPlus Luxembourg was granted a four month long moratorium, i.e a stay of proceedings until 12 August 2024, in order to draw up a reorganization plan and carry out creditors' voting.

The reorganization plan shall be provided to the Luxembourg District Court at the latest by 16 July 2024. Prior to this date, PlusPlus Luxembourg aims to collect all the votes from the creditors on the reorganization plan. The official hearing for discussions and voting has been set to 6 August 2024 unless the stay is extended.

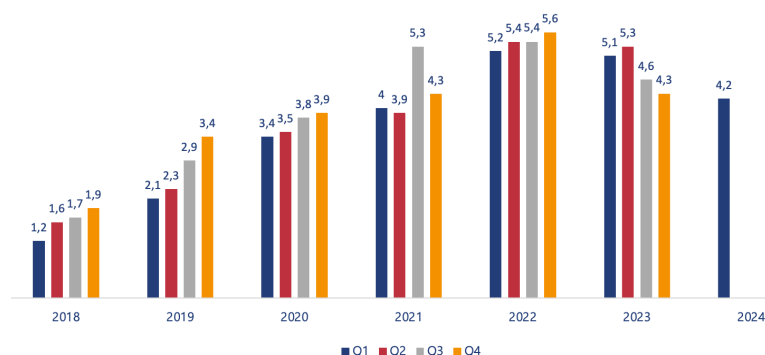
The reorganization plan of PlusPlus Luxembourg is currently being drafted and shall be circulated to all the creditors once finalized. As of the date of this current report, any objections, opinions or comments regarding the reorganization plan, its effect to creditors or comparisons with the parent company's reorganization plan are deemed to be irrelevant and unfounded since the reorganization plan is not yet ready.

Operational Numbers

INCOMING PAYMENTS

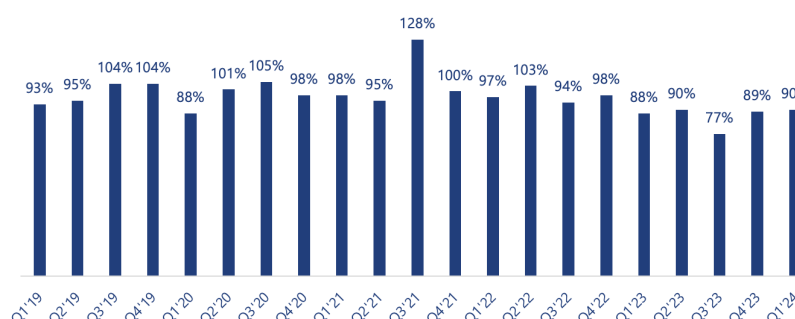
In Q1 '24, PlusPlus Group's incoming payments from portfolio clients (collections) decreased by 1.9% q-o-q to EUR 4.2 million. This includes incoming payments from Fresh Finance credit portfolios in Q1 '24 that amounted to EUR 0.2 million.

Incoming payments from clients by quarters (EURm)



Across different countries, incoming payments from NPL operations in Q1 '24 compared to Q4 '23 decreased in Estonia by 7.1%, in Lithuania by 3.6% and in Finland by 6.2%, while in Latvia incoming payments increased by 8.7%. Q1 '24 incoming payments were slightly behind the expectations (90% of forecast).

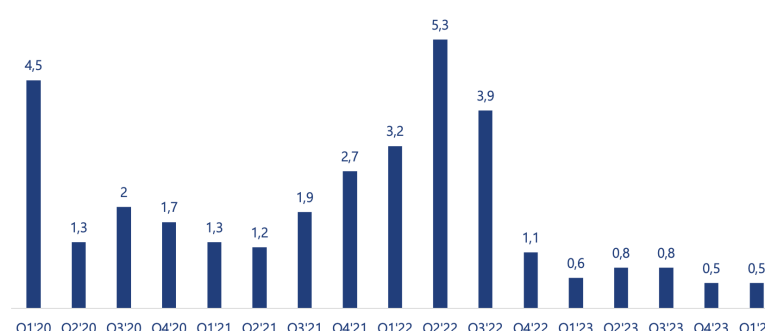
Quarterly Collection vs. forecast



PORTFOLIO INVESTMENTS

Since H2 2022, due to restricted access to funding, PlusPlus Capital has not been able reach reasonable purchasing volume, even though market conditions have been most favorable since the 2008 Financial Crisis. In Q1 '24 only approximately EUR 0.5 million was invested into new portfolio acquisition.

Quarterly portfolio acquisitions (EURm)



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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PROFESSIONAL INVESTORS ONLY – Manufacturer target market (MIFID II product governance) is eligible counterparties and professional clients only (all distribution channels). No PRIIPs key information document (KID) has been prepared as the bonds do not constitute packaged products and will be offered to eligible counterparties and professional clients only.

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.

Contact

Aktsiaselts PlusPlus Capital
Tartu mnt 83
10115 Tallinn
Estonia
www.pluspluscapital.eu