

First investment in Hungary

26 May 2015

Q1 Interim report (1 January – 31 March 2015)

Presenters: Gustav Hultgren, CEO, and Fredrik Olsson, CFO

DDM Holding AG (Nasdaq First North Stockholm: DDM) and DDM Treasury Sweden AB (publ) (NGM: DDM1)





















Agenda



Company overview

Financial Recap January – March 2015

Supporting slides





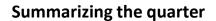
First investment in Hungary, with co-investor

- + 102% Net collections, up y-o-y
 - 4.2 EUR M. Cash EBITDA, increase 134% y-o-y
 - 4.8 EUR M. Investments in distressed asset portfolios
 - + 6% 120-month ERC, increase compared to Q4 2014



Key developments

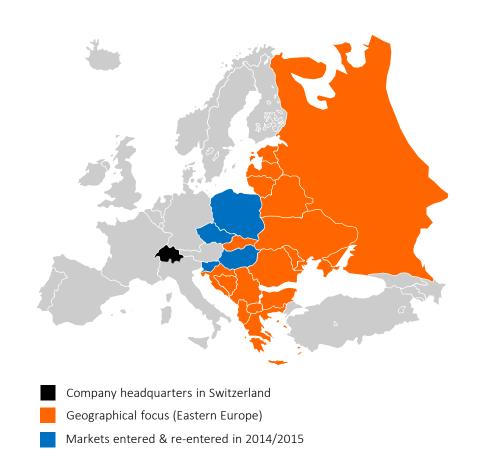
Q1 2015



- Entering the Hungarian market
 - In partnership with one of worlds largest banks
- Geographical expansion to Hungary
 - Diversification and expansion of pipeline
- Strong pipeline of investment opportunities
 - ~70 portfolios with an estimated approximate investment value (acquisition price) equivalent to EUR 1.2 billion has been identified on the market.

After the period

Initiated procedure for further growth and funding







The build-up of a leading company



2014-

Broaden the geographic scope Strengthen the relationships with collection agencies & co-investors Continued focus on the capital structure



2013-2014

Leverage on the solid platform established Shift to institutional financing and establish an efficient, long-term, capital structure First bond issue completed in H1 2013 New share issue, listed on Nasdaq First North in Q3 2014



2009-2012

Build team, process, IT system Leverage on data from initial investments Funding from family offices, hedge funds and high-net-worth individuals



2007-2008

Replicating / improving a business model from Western Europe New markets / New sellers / New agencies First investments First external funding July 2008

- Multinational investor and manager of distressed assets
- Focusing on sustainable return and relations



The business model

Knowledge and relations builds our success

Consumer and corporate assets

Distressed assets

Acquisition and collection of distressed assets

Acquisition of distressed assets

Asset management

Collection through 3 rd party

Deal sourcing: Opportunistic approach the key value driver, both for profitability and growth

Relations: Strong relationships across the region and a credible buyer.

Processes: DDM has its proprietary IT system, outsources the collection to the optimal partner and manages the collection process.

Favored partner

- Outsourcing
- Managing the transaction and process
- Scalability



Agenda



Company overview

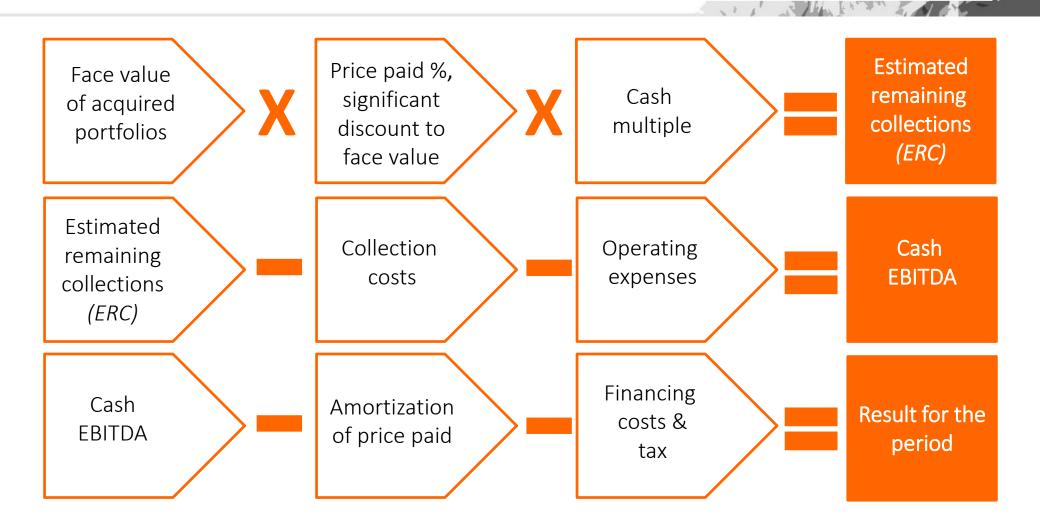
Financial Recap January – March 2015

Supporting slides



The business model

Illustrative economics





Topline

DDM Income Statement build-up Differentiating cash & non-cash items

EUR	Cash	Non-Cash
Gross collections	٧	
Commission & fees	٧	
Net collections	٧	
Operating expenses (incl personnel, SG&A etc)	٧	
Cash EBITDA	٧	
A us outling tion in outfalling		-1
Amortization portfolios		√
Revaluation of portfolios		٧
Depreciation & Amortization		√
Operating earnings /(loss), EBIT		
Financial income	٧	
Financial expense	√	
Foreign Exchange gain/(loss) unrealized		٧
Foreign Exchange gain/(loss) realized	٧	
Earnings before tax		
Taxes	٧	
Net earnings for the period		



Q1 2015 Financial Summary

EUR M	Q1 2015	Q1 2014	Change, %	Full-year 2014
Net collections	5.7	2.8	102	14.7
Cash EBITDA	4.2	1.8	134	9.9
Operating profit / (loss) – EBIT	0.8	1.5	(46)	1.8
Net result for the period	0.2	(0.4)	159	(6.3)
Cash flow from operating activities before working capital changes	2.3	n.a.	n.a.	3.8
Portfolio acquisitions	4.8	n.a.	n.a.	15.6



Balance sheets

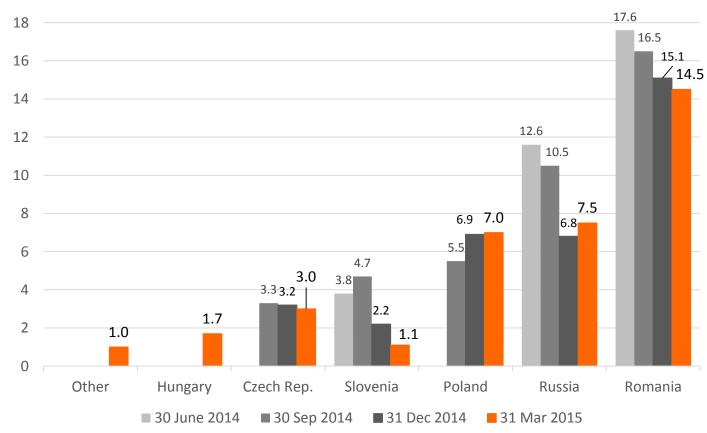
Financial Summary

EUR M	31 Mar 2015	31 Dec 2014	Change, %
Total assets	47.6	54.0	(12)
Cash	3.5	9.0	(61)
Distressed asset portfolios	35.7	34.2	4
Total liabilities and shareholders equity	47.6	54.0	(12)
Total liabilities	40.5	47.2	(14)
Total shareholder's equity	7.0	6.8	4
Net debt	34.0	28.7	19
	31 Mar 2015	31 Dec 2014	Change, %
Gross ERC 120 month	63.8	60.4	6



DDM Geographical diversification in line with plan

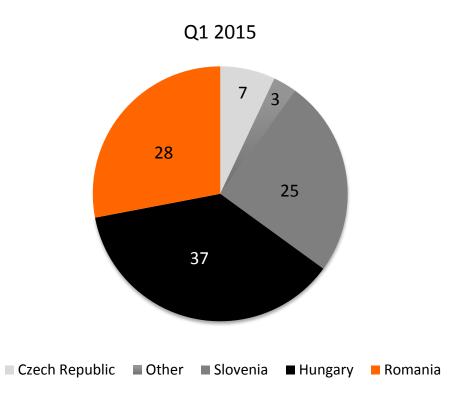
Carrying value by country, EUR M





DDM Geographical diversification

Net collections by country, %





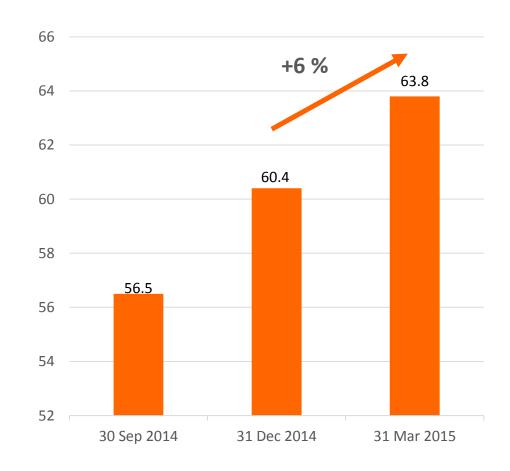
ERC | 12

120-months gross Estimated Remaining Collections

Estimated Remaining Collections (ERC)

Estimated Remaining Collections refers to the sum of all future projected cash collections from acquired portfolios.

- Primary KPI for portfolio growth
- Industry measure
- +6 % vs. Q4 2014
- Continued focus on growth



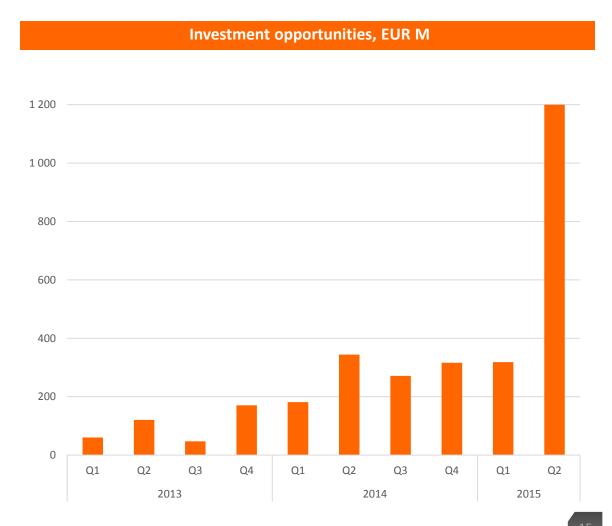


Business opportunities

Large pipeline



- Scalability effects visible
- Increased visibility and credibility
- Known transactional capability





Bond Terms & Conditions

Selected key terms and rationale

Increasing issuance capability and extend the tenor.

Maturity extension

New maturity December 2018

Covenants

Removal of cash-covenant that hinders growth; equity covenant remains unchanged at 15%

Framework size

Increase to SEK 700M to facilitate taps from current SEK 300M outstanding

Future bonds

Intercreditor Agreement introduced to facilitate new bonds from the same issuer.

Process

Initiated 18 May. Max 18 business days for voting and another 7 for close.



Q&A Thank you for your attention

Annual General Meeting to be held on 27 May 2015 Interim report expected to be published on 20 August 2015

















DDM Holding AG
Schochenmühlestrasse 4
CH-6340 Baar
Switzerland
Telephone: +41 41 766 1420
investor@ddm-group.ch

This presentation has been prepared by DDM Holding AG ("DDM") solely for information purposes only and as per the indicated date. DDM does not undertake any obligation to correct or update the information or any statements made therein. Certain statements in this presentation are forward-looking and are subject to risks and uncertainties. Nothing contained herein shall constitute any representation or warranty as to accuracy or completeness. DDM has not made any independent verification of the information obtained from third parties. Nothing in this material shall be construed as an offer or solicitation to buy or sell any security or product, or to engage in or refrain from engaging in any transaction. DDM does not accept any liability whatsoever arising from or in connection with the use of this information. Save as by prior approval in writing, this material may not be copied, transmitted or disclosed, whether in print, electronic or any other format. All rights to the material are reserved.



Agenda



Company overview

Financial Recap January – March 2015

Supporting slides



Investment curve

Illustrative example



	Y1	Y2	Y 3	Y 4	Y 5	Y6-Y10
Gross Collections (cumulative)	61	105	140	163	178	206

Gross cash multiple (120 months)
2.06x

Gross break-even (months)				
23				

- Increasing transparency for investors
- Market-driven illustration

- Composite curve
- Shows attractiveness to peers



Unique, competitive business model

allowing for opportunistic deal sourcing and optimized returns

Competitive advantages

Opportunistic deal sourcing

Key value driver in target markets

Scalability and flexibility

Outsourcing to multiple collection agencies allows scale and flexibility compared to collection in-house

Tailored collector selection

Selection of the local collector best suited to collect on a particular portfolio – rather than applying the one-size-fits-all collection approach of larger competitors with in-house collection agencies

Best-practice implementation

DDM improves agency performance through best-practice implementation and management of its selected agencies through its state-of-the-art FUSION IT system

Proprietary IT system

Tailor made for DDM / supports all DDM activities / Scalable / Language and country indifferent

Credible buyer of distressed assets

DDM has during 7 years established strong relationships with banks and financial institutions to acquire distressed assets. Recent listing on Nasdaq further strengthens credibility.

Strong team and track record

Highly experienced and committed team (50+ years); invested over EUR 100M since 2007