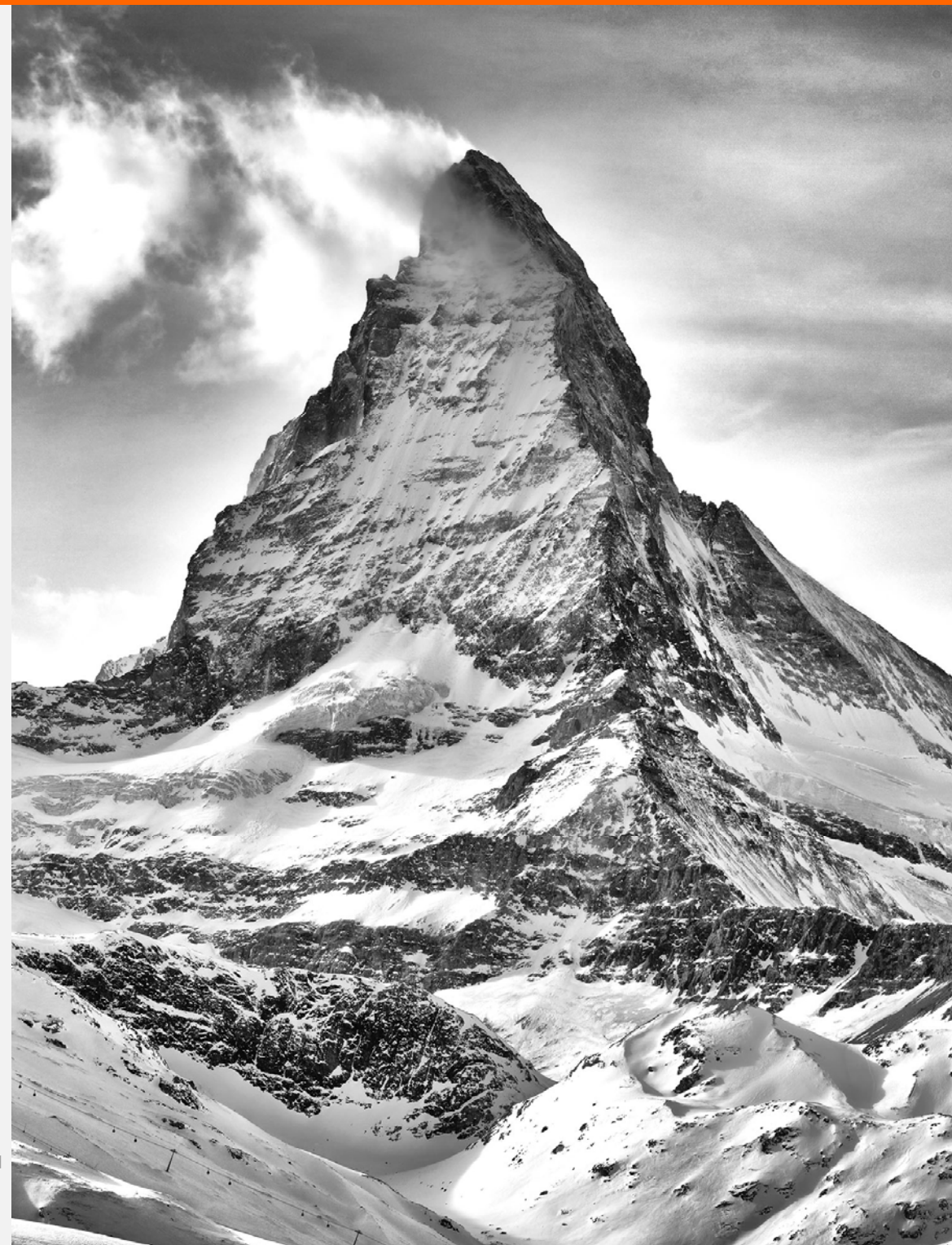




Q3 and YTD September 2018 report

8 November 2018

Presenters: Henrik Wennerholm, CEO, and
Fredrik Olsson, CFO



AGENDA

1. Key developments

2. Financials January - September 2018

3. Summary



Key developments: Q3 2018

Summarizing the quarter

- Record net collections of EUR 16.8M (Q3 2017: EUR 6.6M)
 - Driven by collections in Greece, the Czech Republic and the Balkans from the portfolios acquired in H2 2017 and Q1 2018
- Cash EBITDA increased significantly to EUR 14.7M (Q3 2017: EUR 5.1M) thanks to record net collections
- Adjusted net profit of EUR 0.3M in Q3 2018
 - Portfolio revaluation and impairments EUR 1.7M
 - Non-recurring items of EUR 0.8M
- New management and Henrik Wennerholm appointed as Chief Executive Officer on 12 July 2018
- Operational and business model review
 - Strategic shift from being an investor in unsecured consumer portfolios to become a specialized investor in corporate and consumer secured portfolios
 - Ongoing strengthening of senior management team
- Successfully reached an agreement to refinance EUR 10M senior secured bonds by way of issuing EUR 12M senior secured bonds at a significantly lower cost of funding



■ Company headquarters in Switzerland

■ Invested markets

Key developments since the end of the quarter

Since the end of the quarter

- Additional investment in the Balkans of approximately EUR 6M following regulatory approval
- Buy-out of co-investor in Hungary
- Refinanced the EUR 10M senior secured bonds maturing on November 6, 2018 by way of issuing EUR 12M senior secured bonds. The bonds carry an interest rate of 7% per annum for the first six months and can be prolonged at 8% per annum for another six months

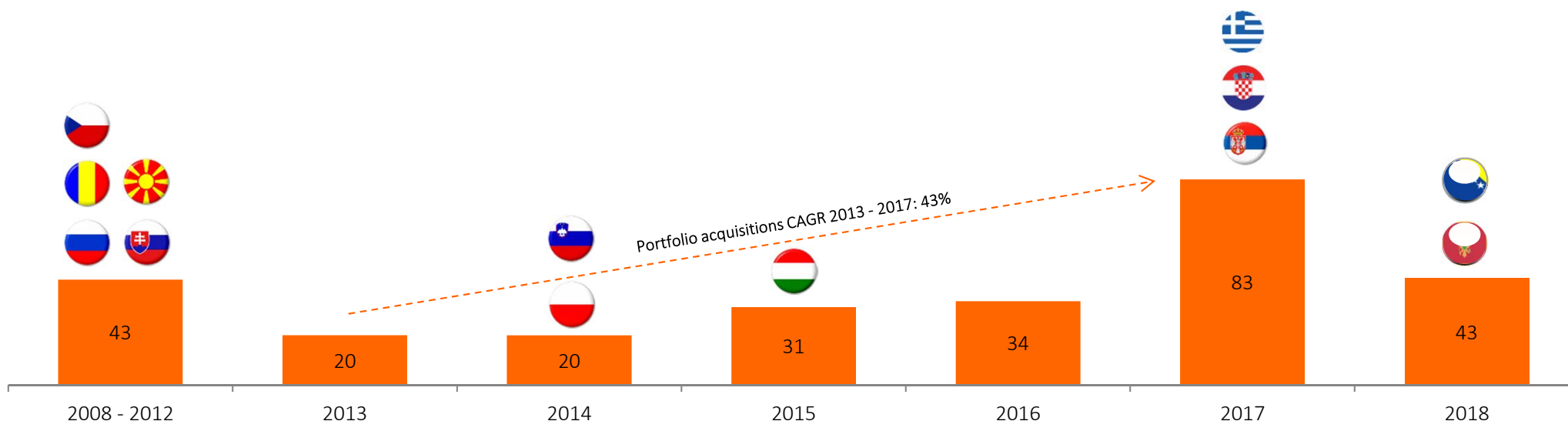


■ Company headquarters in Switzerland

■ Invested markets

Future investment guidance removed

Historic investment volumes
EUR M



Start up and build up phases

2007: DDM founded
2008: First external funding and initial investments made in Russia
2009-2012: Build up of team, processes and IT system FUSION
 DDM headcount from 3 to 10+ people, acquired 50 portfolios
2009: Entered Romania, Czech Republic and Slovakia
2010: Entered Macedonia

Scale up phase

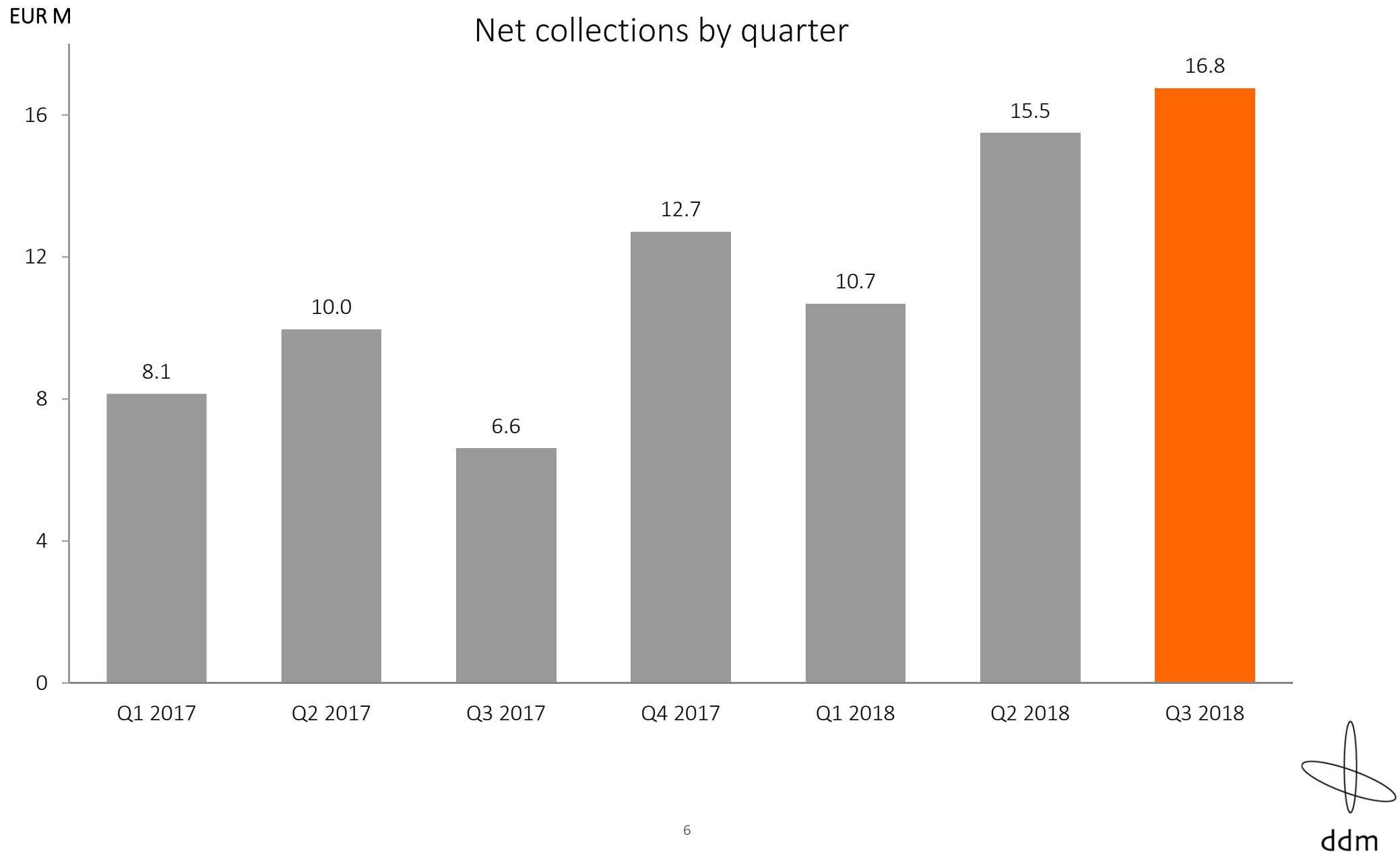
2013: First bond issue of SEK 300m
 Starts co-investment discussions with a leading global financial institution
2014: IPO on Nasdaq OMX First North
 Entered Poland and Slovenia

Growth (target pipeline)

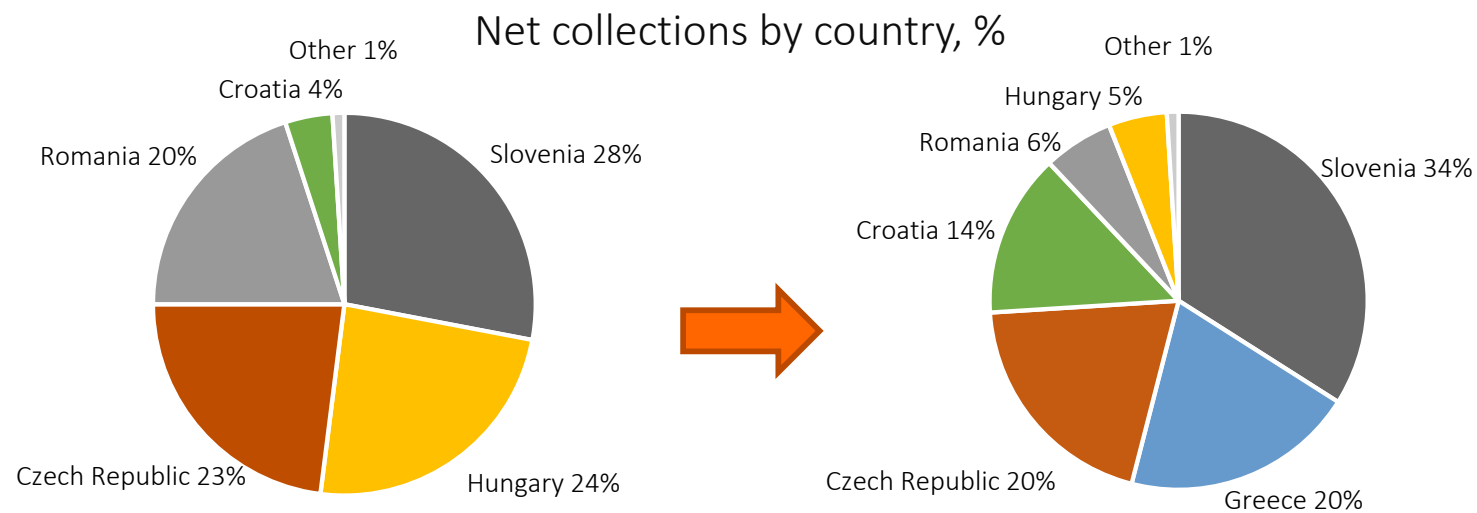
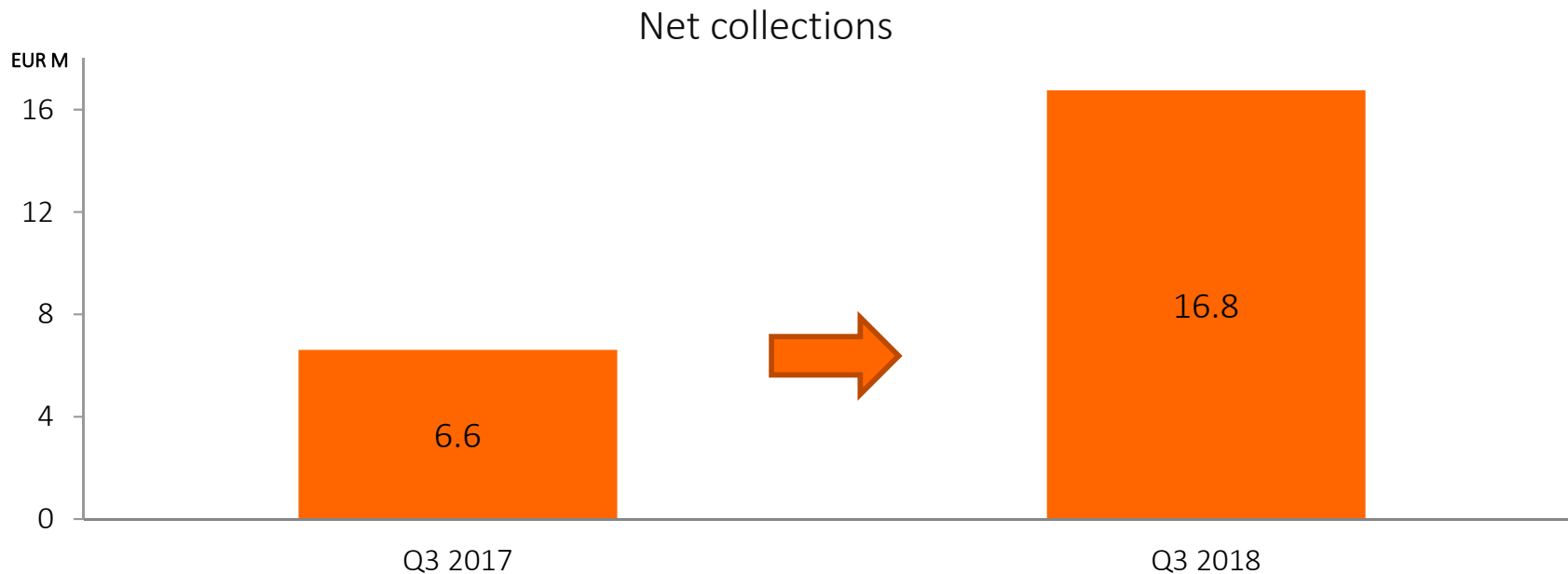
2015: Entered Hungary with two landmark transactions
2016 July: Share capital increase of EUR ~ 7m and first EUR bond of EUR 11m issued. Landmark transaction in Slovenia
2017 Financing activities: Refinanced existing debt with EUR 50m bond at 9.5% in January, completed share issue of EUR ~ 11m in March, completed EUR 35m tap issue of outstanding bond at 101.50 corresponding to a yield of ~ 9% in April. EUR 17m RCF signed in September, EUR 10m bridge financing completed in November and EUR 50m of senior secured bonds at 8% issued in December, within a total framework of EUR 160m
2017 Investing activities: Acquired two portfolios in Croatia in June, transaction in Greece in July, acquired portfolios in the Czech Republic from a repetitive seller in January and September. Transaction with a partner in Greece in November. Entered Serbia in December
2018 Financing activities: Refinanced EUR 10m of senior secured bonds in September lowering the cost of funding
2018 Investing activities: Significant investment in the Balkans in March. Entered Bosnia & Herzegovina and Montenegro
Roadmap: Capitalize on strong market opportunities in SCEE and continued focus on funding growth and lowering cost of capital

Note: Country flags represent when DDM first entered the respective market

Record net collections from portfolios continuing to increase significantly

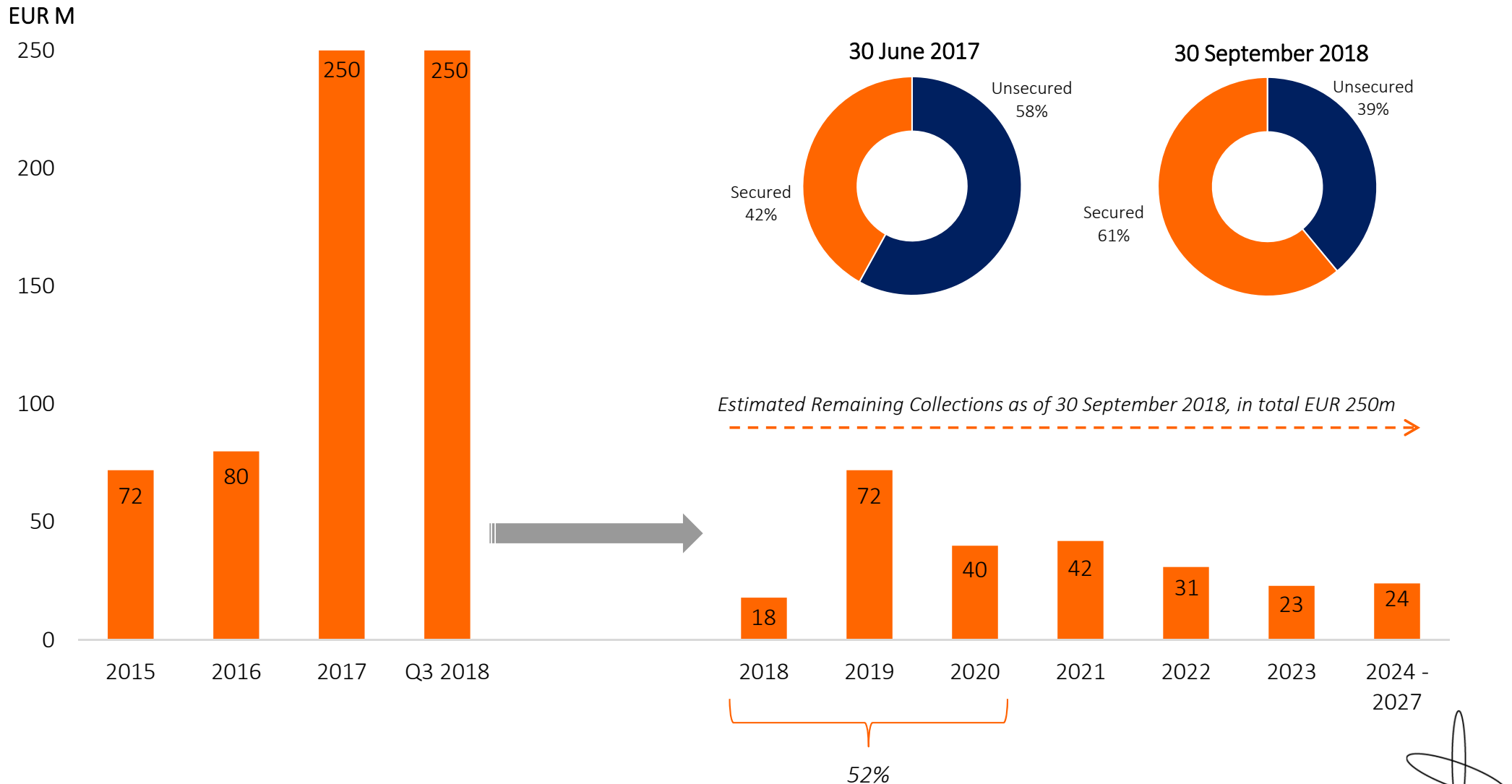


Collections are becoming increasingly diversified



ERC development shows the growth potential

Historic 120-months gross ERC and projected future collection on existing portfolios, 30 September 2018



AGENDA

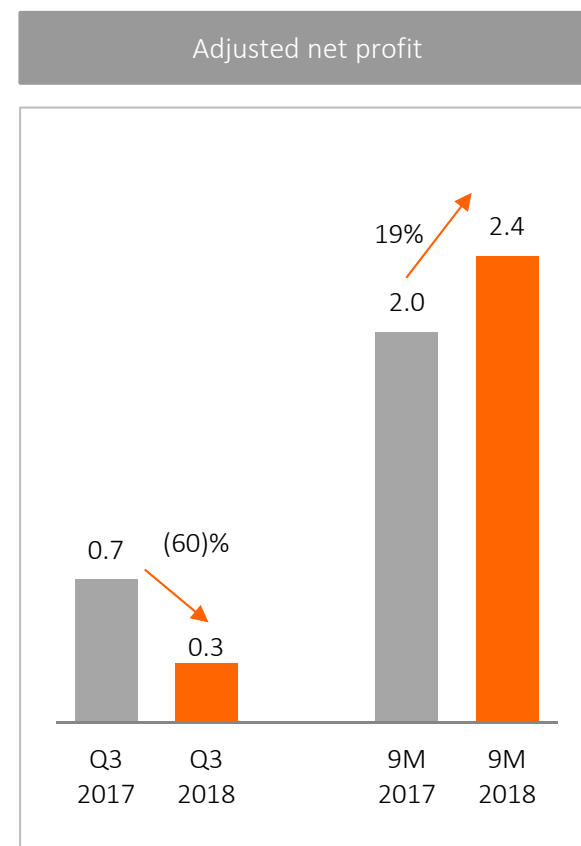
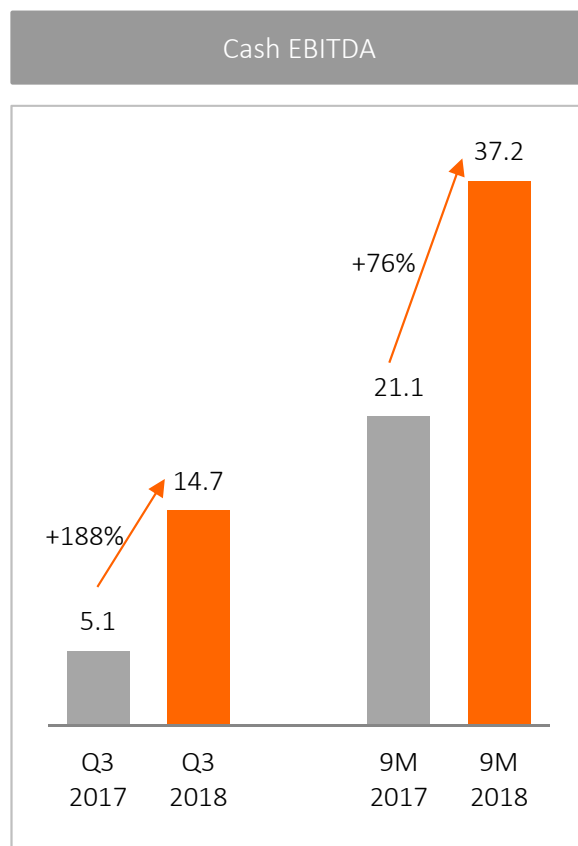
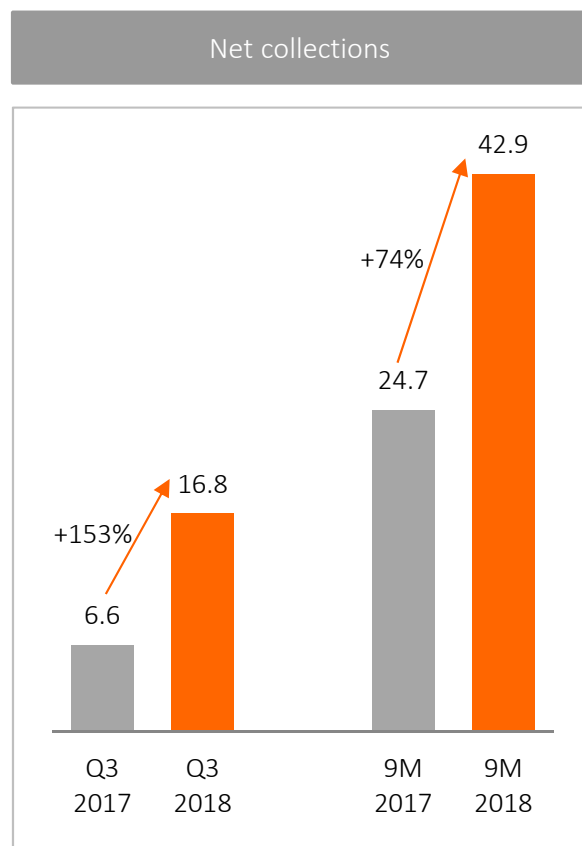
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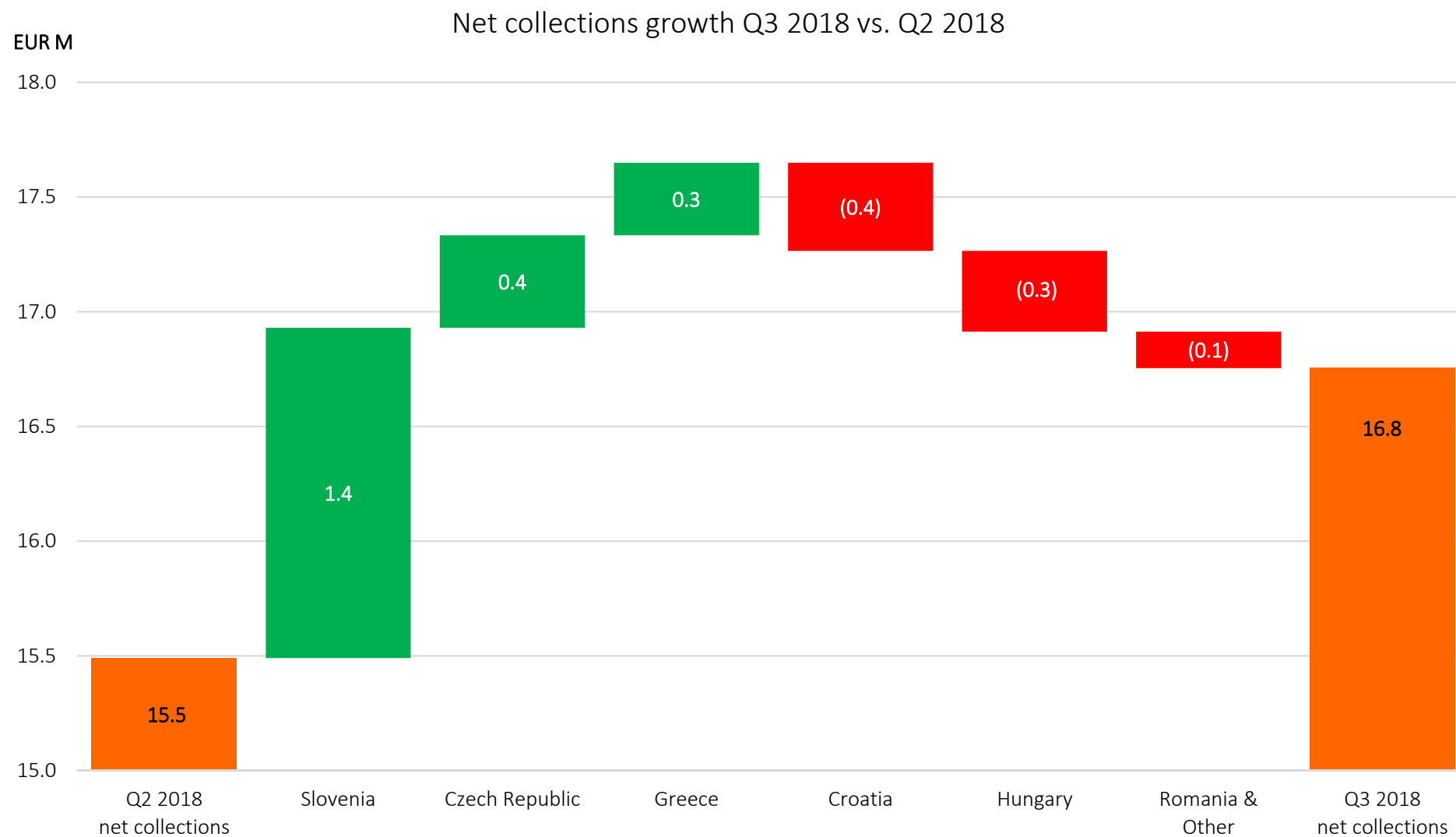


Record collections offset by portfolio adjustments

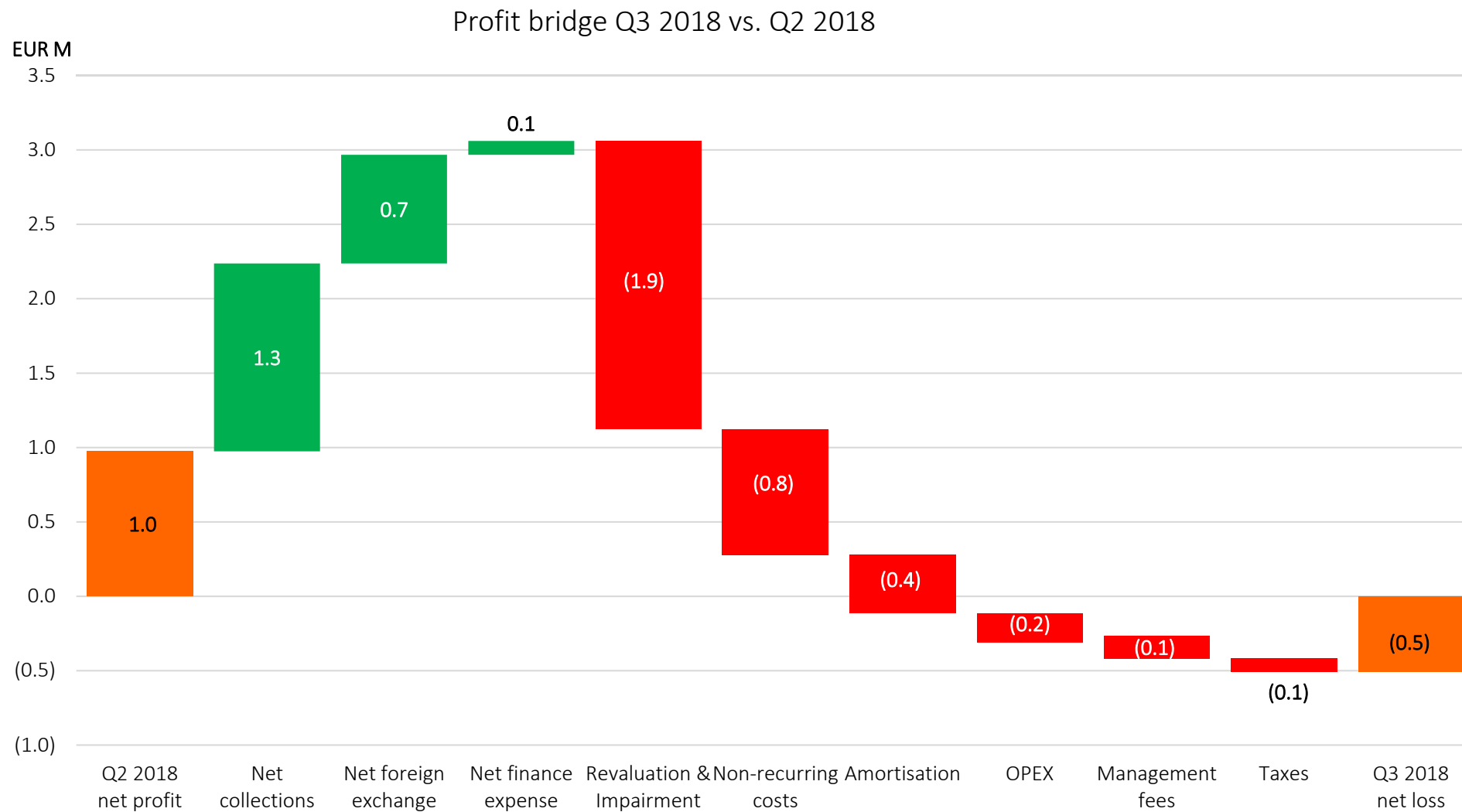


Note: All figures are in EURm.

Net collections continue to increase

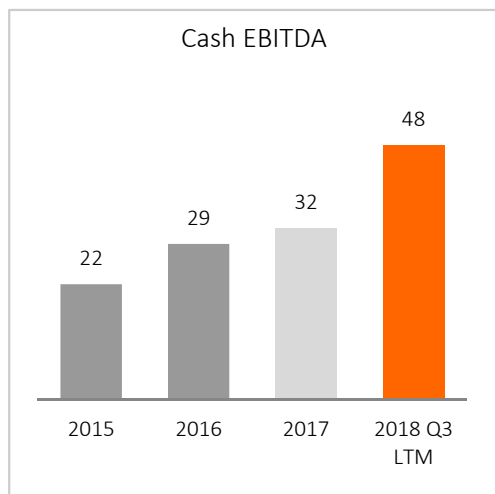


Profit bridge net collections offset by revaluation and impairment

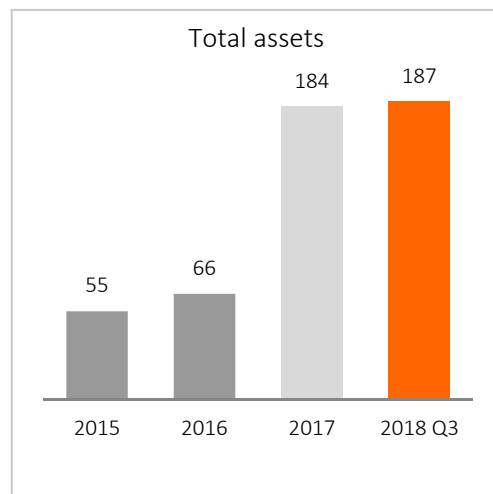


Our Financial KPIs show our solid development

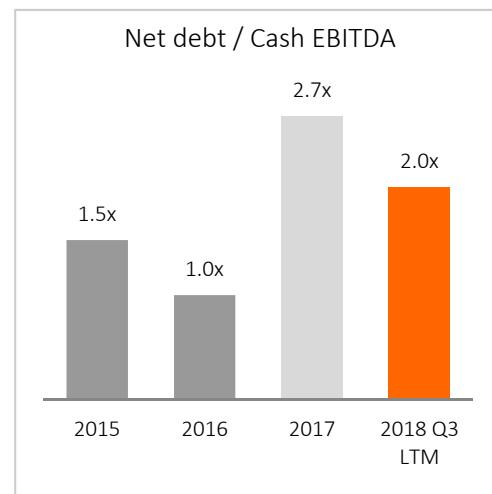
Profitability



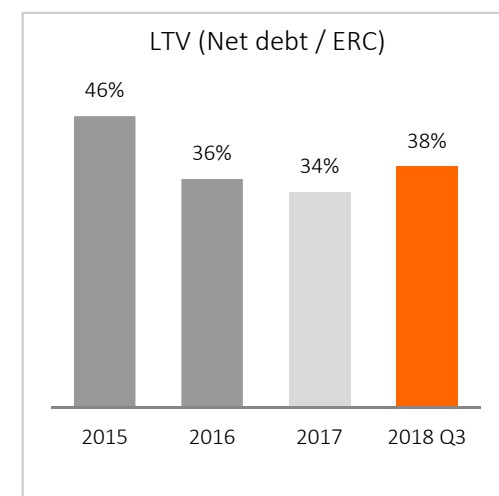
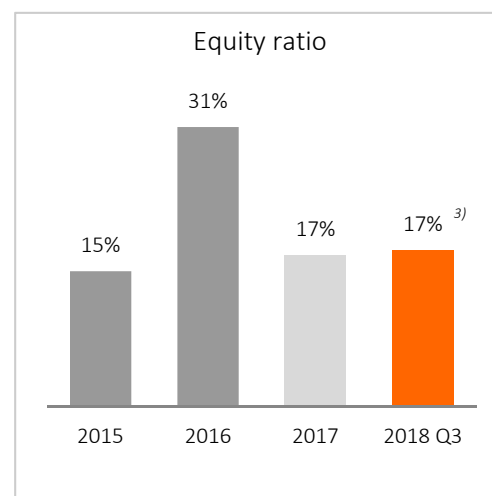
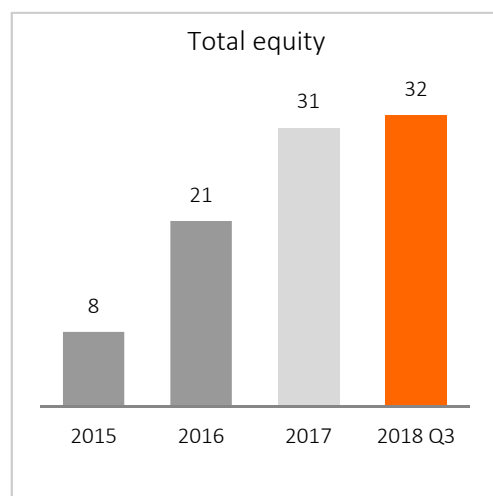
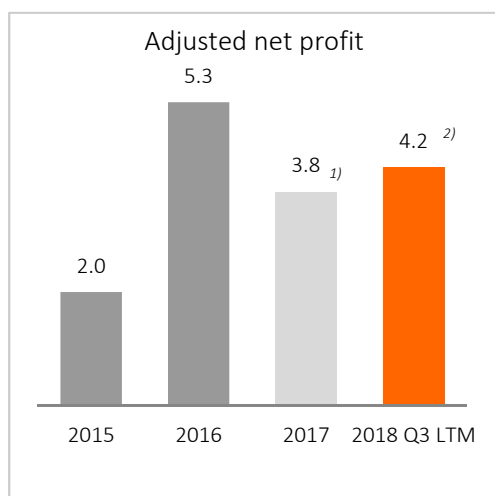
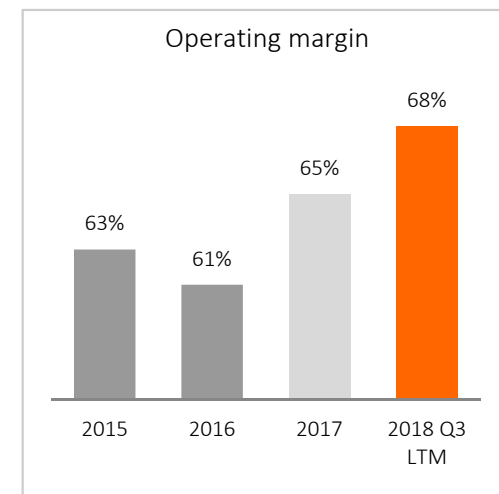
Balance sheet



Leverage



Efficiency



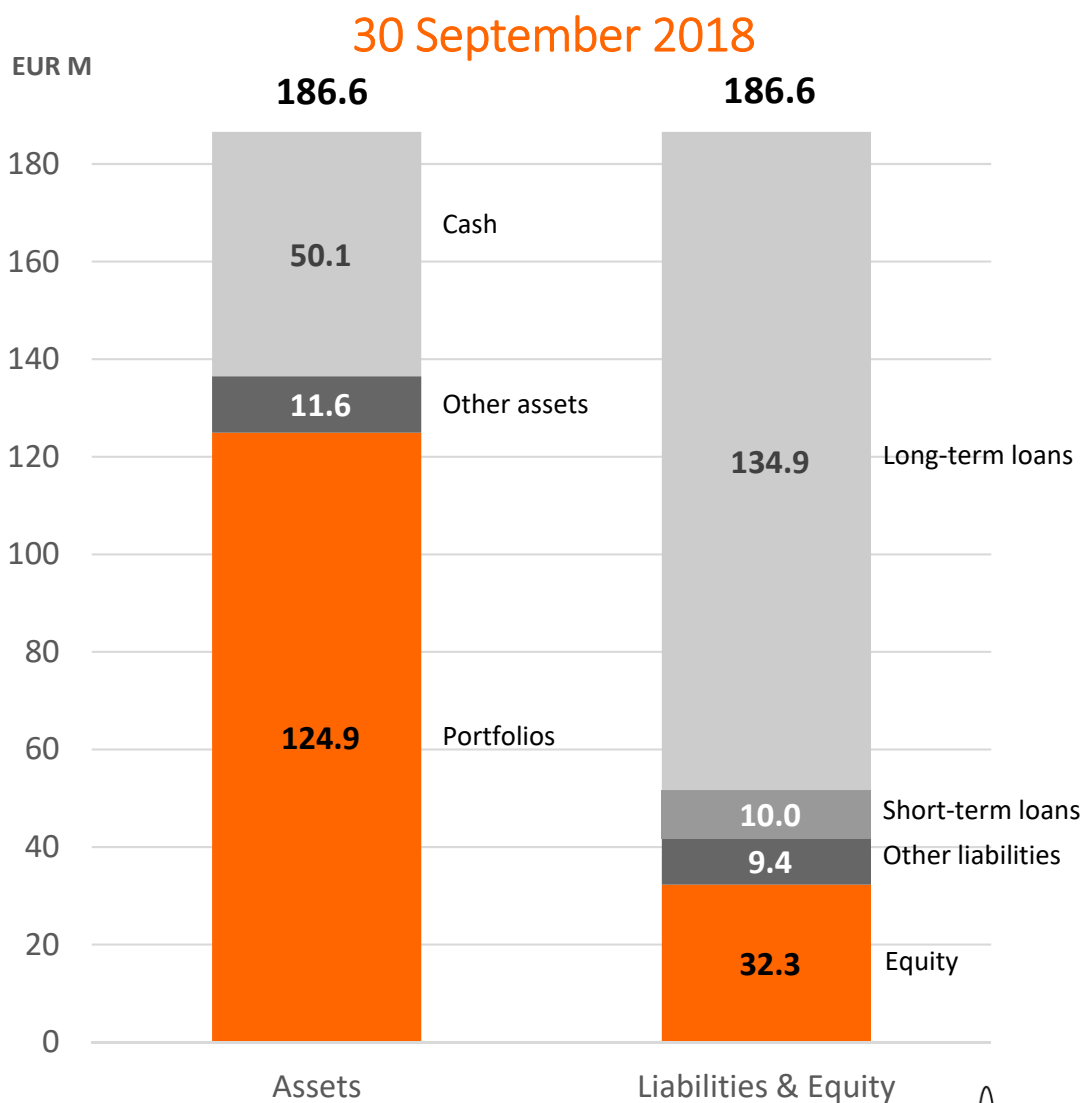
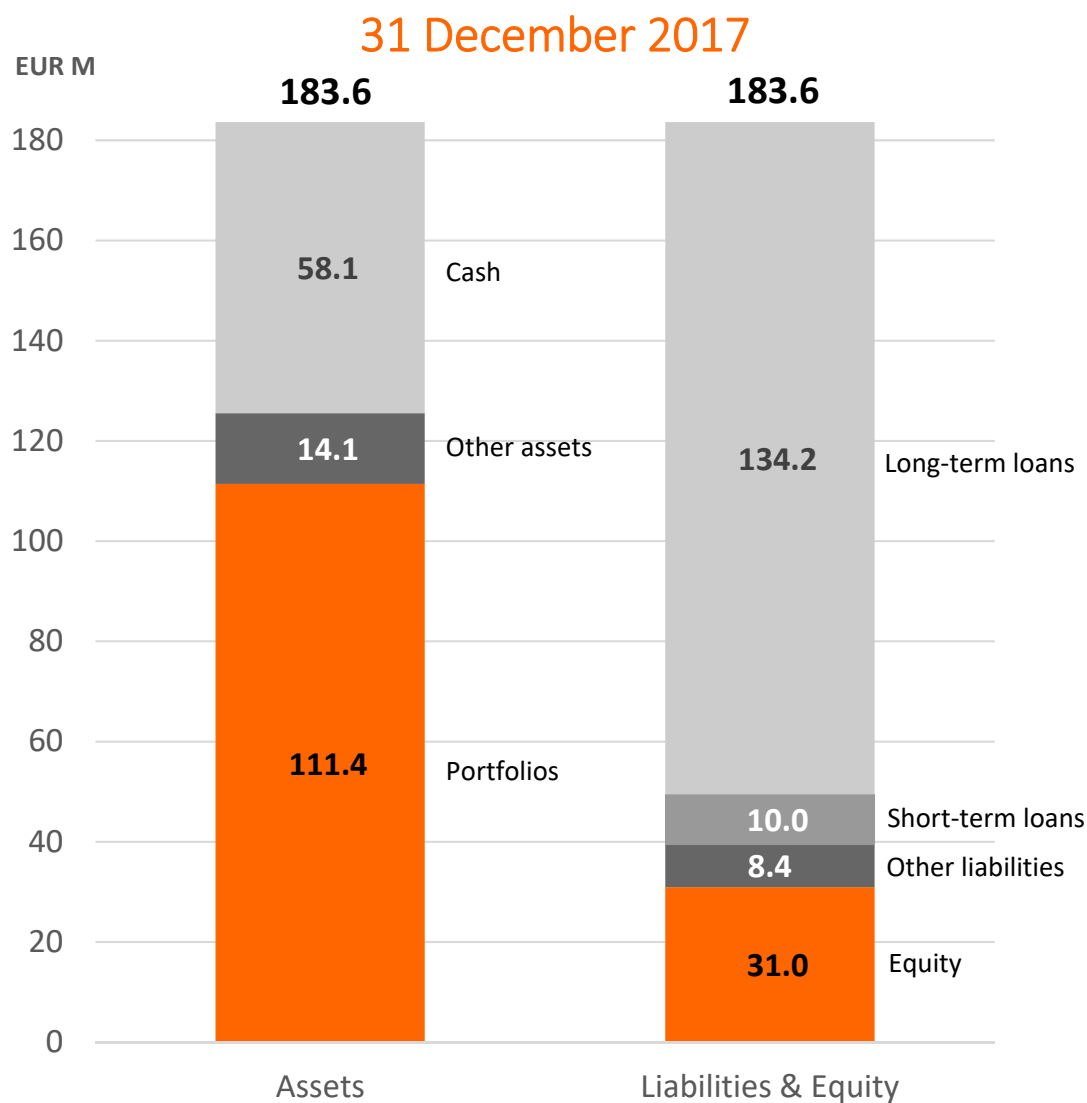
Note: All figures are in EURm.

1) Adjusted net profit is adjusted for EUR ~ 3.1m of non-recurring items due to the bond refinancing in Q1 2017

2) Adjusted net profit is adjusted for EUR ~ 1.0m of non-recurring items due to deferred tax and interest in associates during 2018

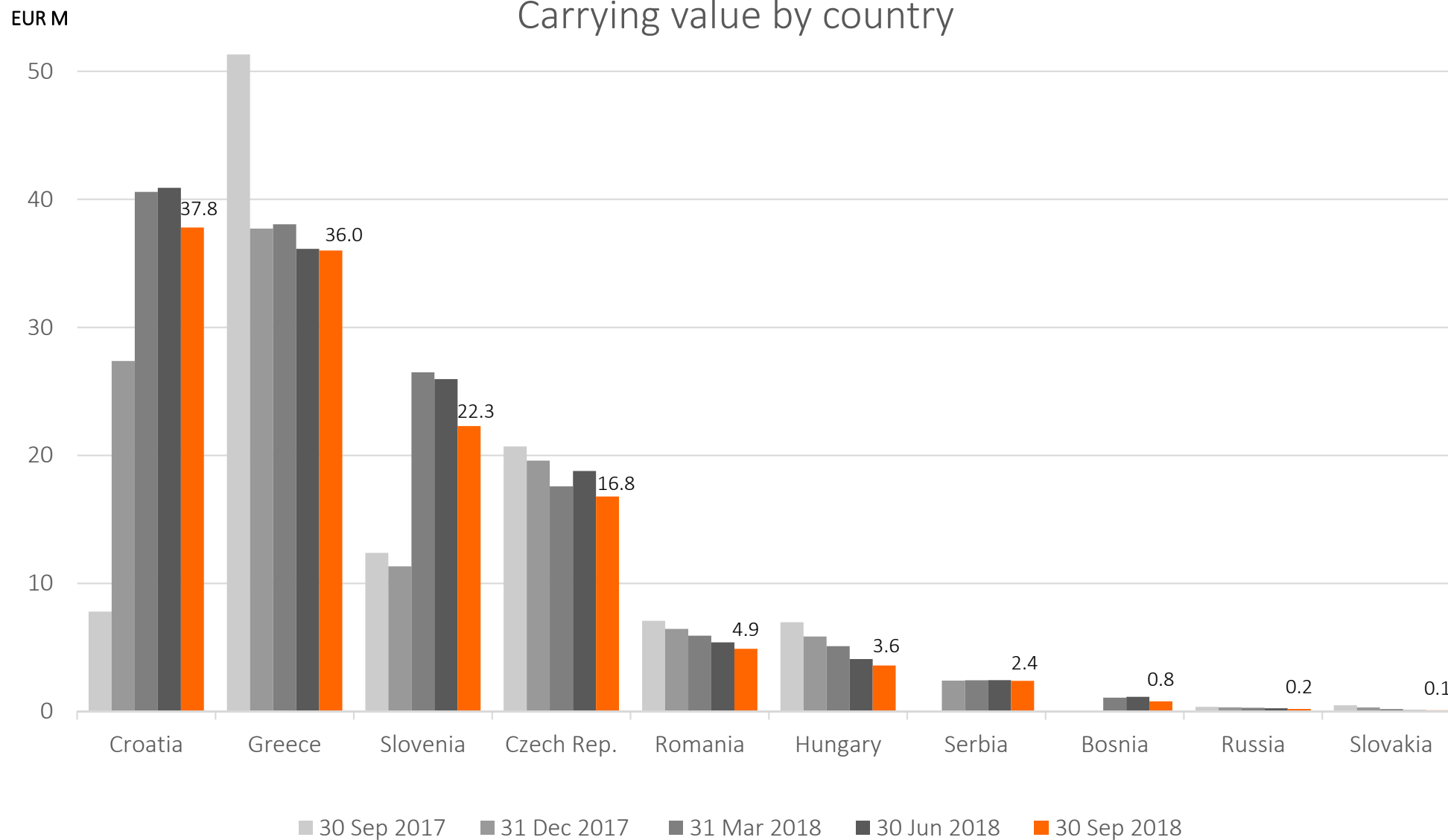
3) The equity ratio of the DDM Debt Group according to the senior secured bond terms is 20.4%

Our balance sheet supports our platform for significant growth



Increasingly diversified portfolio following recent transactions

Carrying value by country



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Key takeaways Q3

1

Record collections during the quarter continuing the increasing trend

2

Operational performance and organizational review reflecting the strategic shift to corporate and consumer secured portfolios

3

Funding continues to be a focus area:

- Refinancing conducted at lower cost of capital

4

Continued strong pipeline platform for significant growth

5

Removal of the financial targets previously communicated in Q1

- Growth and financial results vary from quarter to quarter
- Due to timing of significant investments and settlements



Q&A

Upcoming IR events

Q4 and full year report 2018:

Annual report 2018:

DDM Holding AG
Schochenmühlestrasse 4
CH-6340 Baar
Switzerland
investor@ddm-group.ch

21 February 2019

29 March 2019



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APPENDICES



Knowledge and relations build our success



- **Favoured partner:**
DDM is the expert providing know-how and best practice
- **Managing the process:**
Strong controls via automated processes for performance and compliance
- **Outsourcing:**
Established debt collection network throughout SCEE

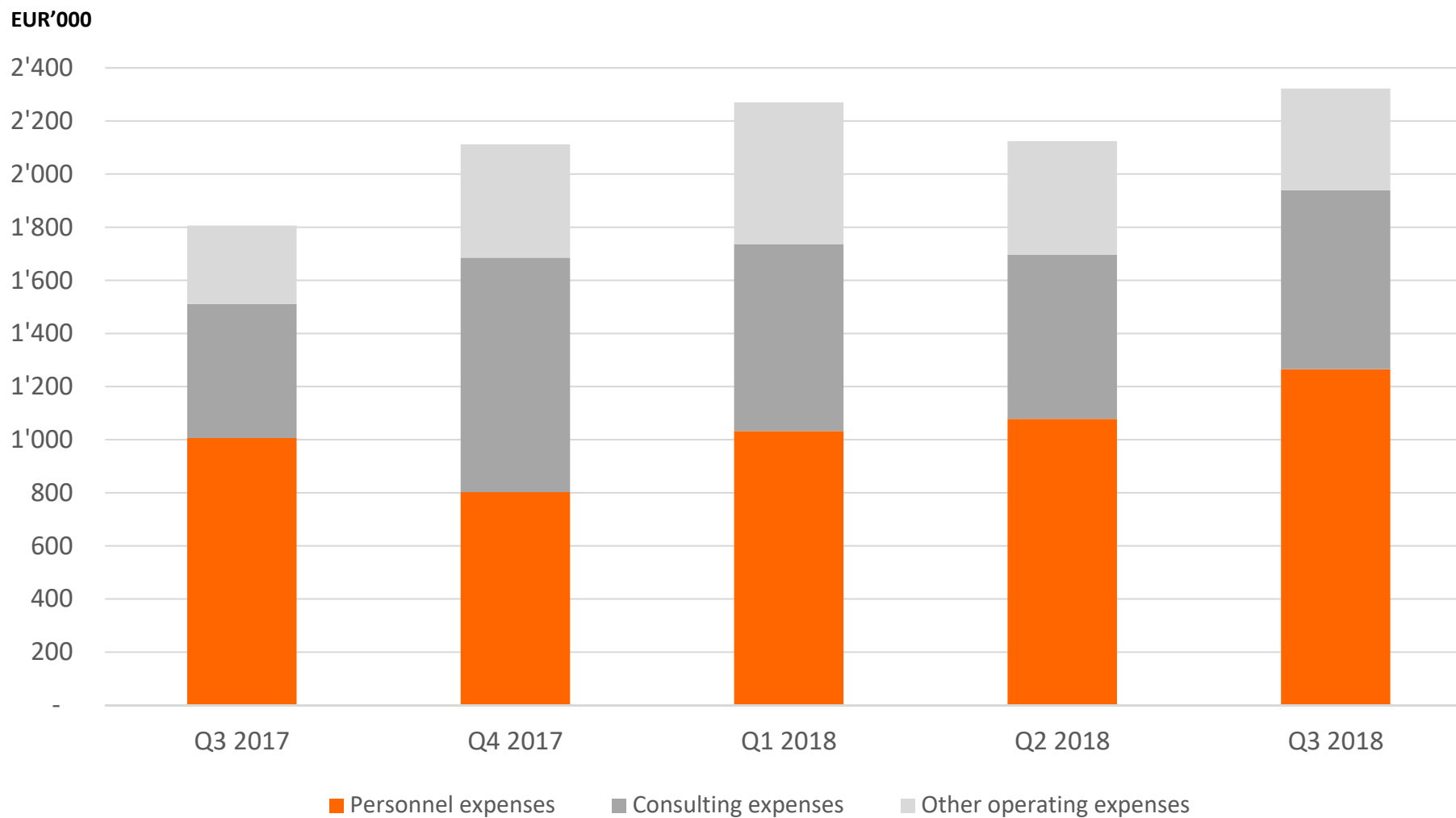
Knowledge	Extensive local sector experience across the internal organisation
Deal sourcing	Structured yet opportunistic approach the key value driver, both for profitability and growth
Relations	Strong relationships with reputable sellers of debt portfolios across the region and a credible buyer
Processes	DDM manages the collection process through its proprietary IT system and outsources collections to the optimal partner
Scalability	Cross regional relationships for quick market entry and flexibility

Competitive landscape

DDM's key market & segments						
Geography	W Europe	SCE Europe	Africa	N America	S America	Asia
Seller	Utility companies		Financial institutions		Telecom companies	Other
Type	Consumer			Corporate		
Collateral	Secured			Un-secured		
Underlying assets	Performing			Non-performing		
Structure	Plain vanilla			Complex / off-market		
Size	< EUR 5M	EUR 5 – 50M	EUR 51 – 100 M	EUR 101 - 500 M	> EUR 500 M	
Collection method	In-house			Outsourced		

DDM's activities are shown in orange

Operating expenses



A significant share of the portfolio is EUR denominated

Carrying value by currency, % of total

