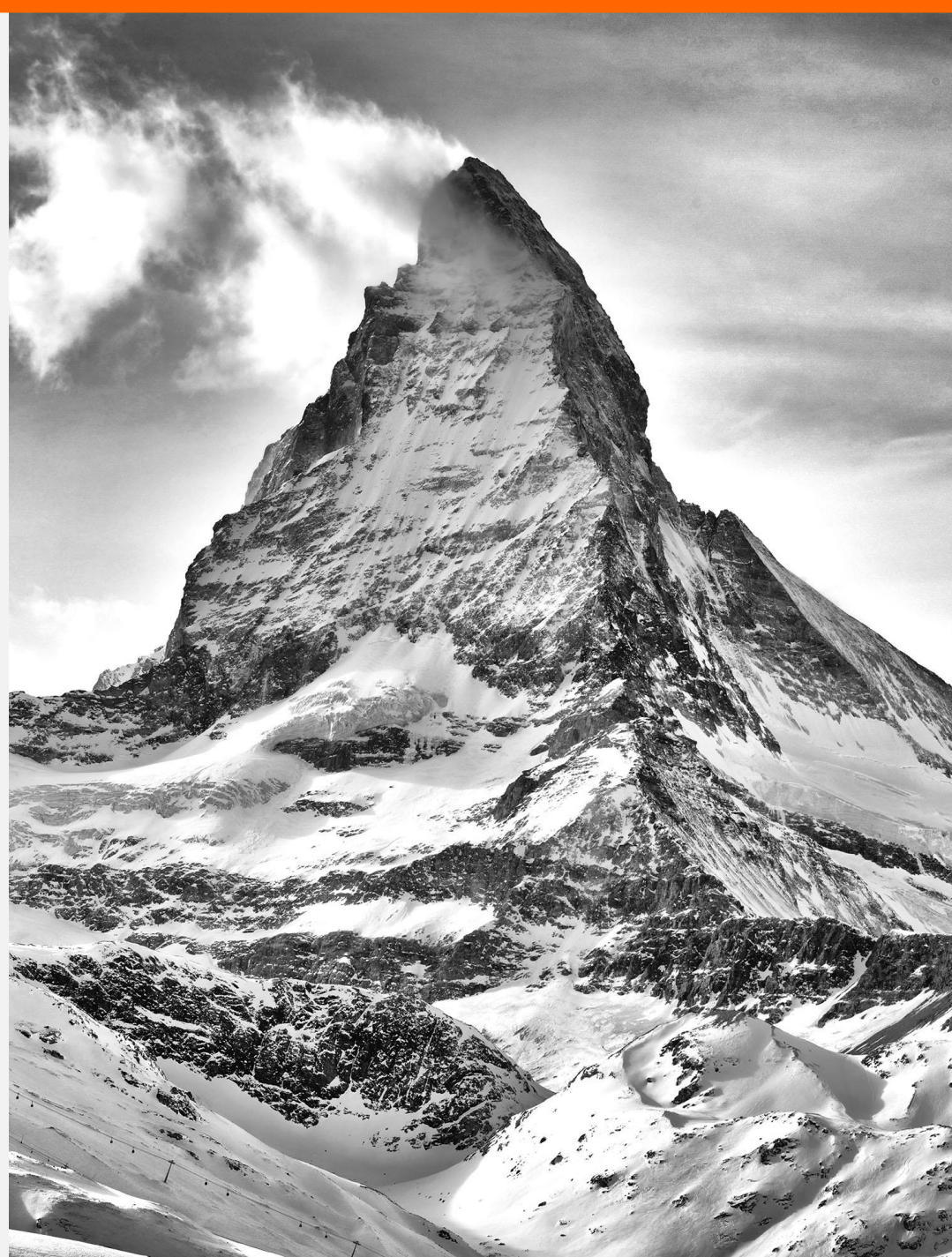




Q4 and full year 2019 report

20 February 2020

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



AGENDA

1. Key developments

2. Financials 2019

3. Summary



Key highlights: 2019

Key highlights

- Adjusted net collections EUR 65.4M (2018: 65.7M)
 - Largely in line with record prior year collections
 - Driven by collections received from secured corporate portfolios in the Balkans and Greece
- ERC increased 37% to EUR 328M at December 2019 compared to December 2018
 - Proportion of secured portfolios increased from 61% to 70% of ERC
 - 75% of collections expected to be received in the next three years

Adjusted net collections FY 2019¹⁾

EUR 65m

Adjusted cash EBITDA FY 2019²⁾

EUR 53m

Cash & undrawn RCF Q4 2019

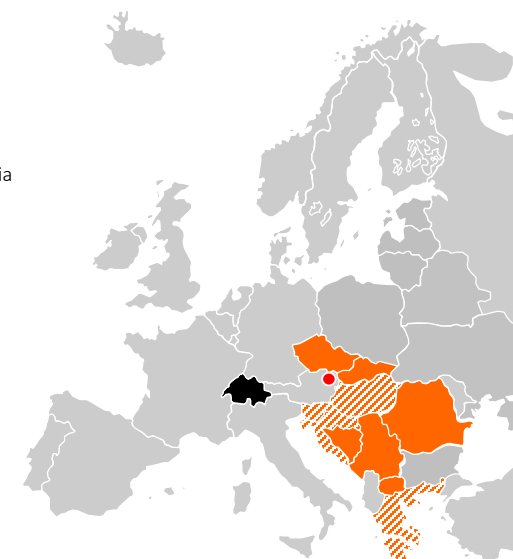
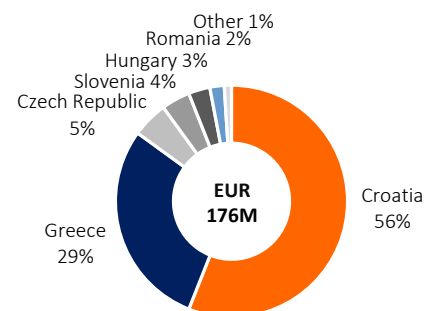
EUR 39m

120-month ERC Q4 2019

EUR 328m

Geographic locations

DDM's investments, book value by country, Q4 2019



- Company headquarters in Switzerland
- AxFina office in Austria
- Joint DDM/AxFina portfolio management services
- Outsourced debt collection services

Key developments: 2019

Summarizing the full year

- Significant investments of about EUR 100M in 2019
 - Acquisition in Croatia made through a 50%/50% Joint Venture structure together with B2Holding. Secured third party financing to partially fund the joint venture
 - Acquired significant distressed asset portfolio in Croatia with Gross Collection Value (face value) of EUR 200M
 - Bought-out the co-investor for approximately EUR 20M in our Greek non-performing loan portfolio (acquired in August 2017)
- Successful refinancing supports future growth
 - Revolving Credit Facility of EUR 27M available until March 2021 at Euribor plus 350bps
 - Issued a new EUR 100M senior secured bond in April with a three-year term replacing the existing EUR 85M bond
 - Refinanced the EUR 12M bonds issued by DDM Finance AB, extending the maturity to 30 June 2022 and issuing an additional EUR 6M of bonds
- Launch of servicing platform to
 - Increase focus on portfolio management and business development services
 - Service DDM's own secured portfolios and further identify profitable business opportunities
 - Gradually provide third party work out servicing and adjacent professional services
 - Sold to AxFinä resulting in EUR 1.1M operating gain

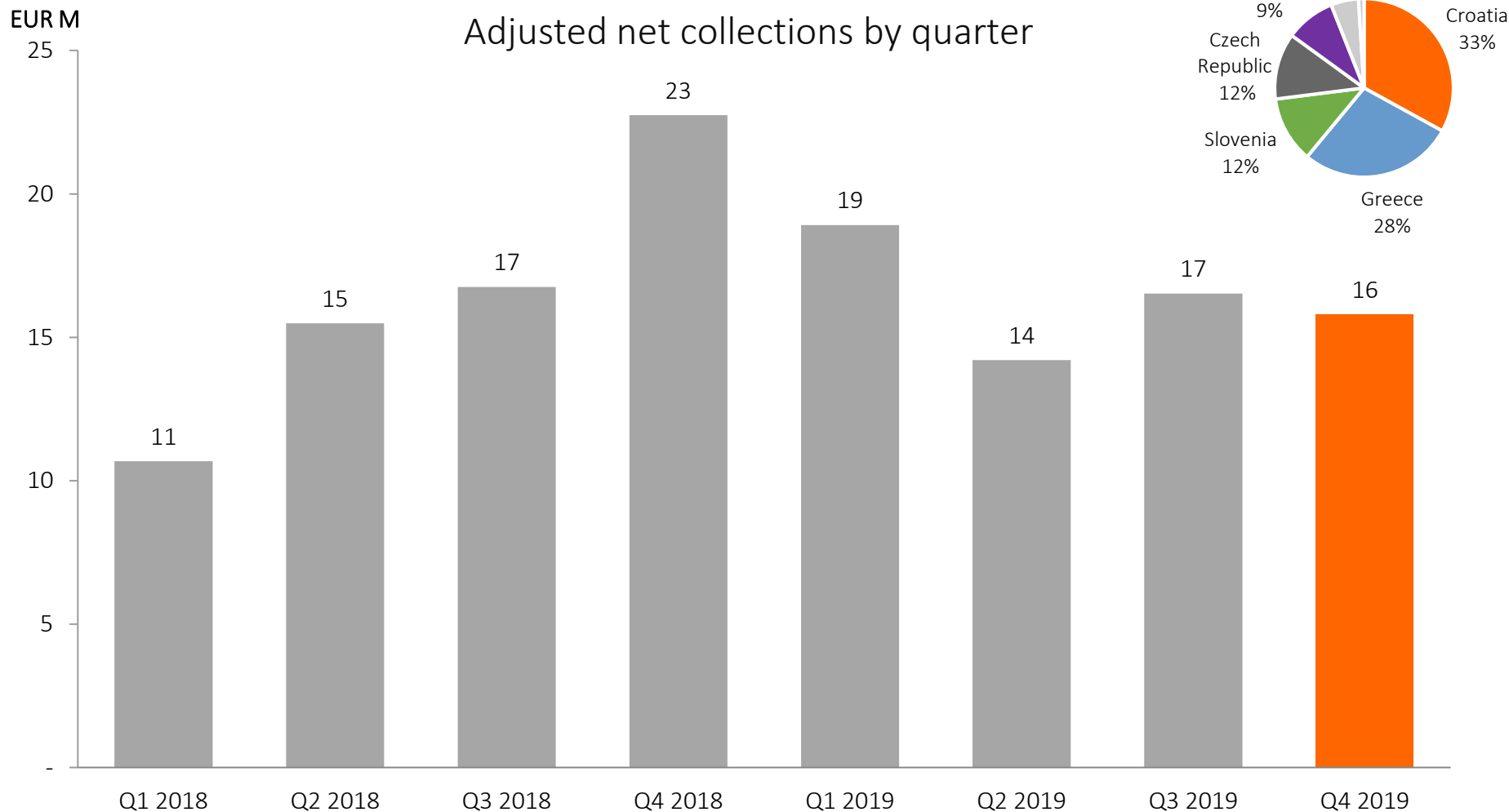
Since the year end

- DDM Debt AB initiated a written procedure to request that certain amendments are made to the terms and conditions of its up to EUR 150M senior secured floating rate bonds



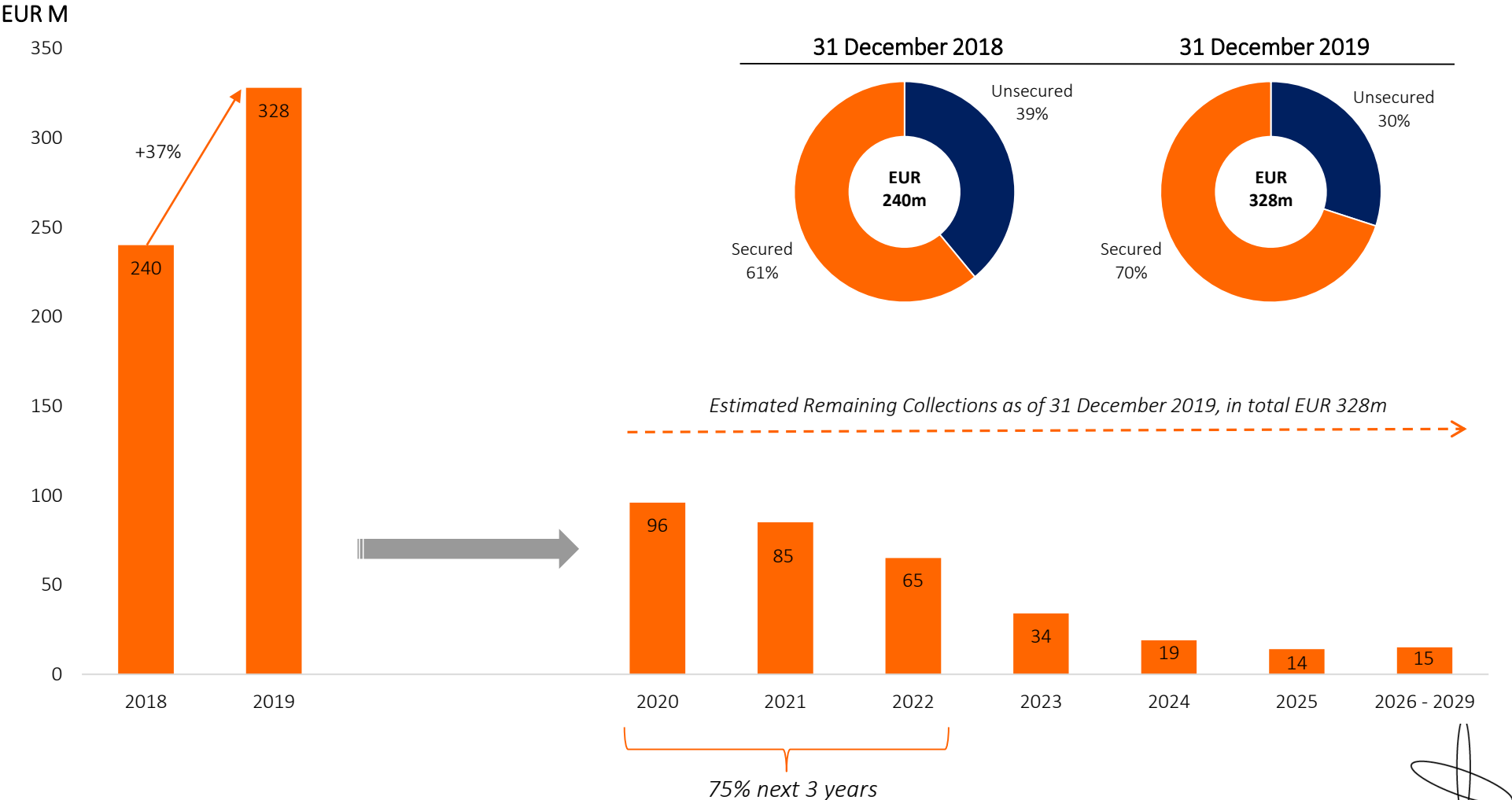
- Company headquarters in Switzerland
- AxFinä office in Austria
- ▨ Joint DDM/AxFinä portfolio management services
- Outsourced debt collection services

Majority of collections received from secured corporate portfolios with variability in collections quarter-on-quarter



Significant increase in ERC following acquisitions with increased proportion of secured portfolios and accelerated collections profile

Historic 120-months gross ERC and projected future collections on existing portfolios, 31 December 2019



AGENDA

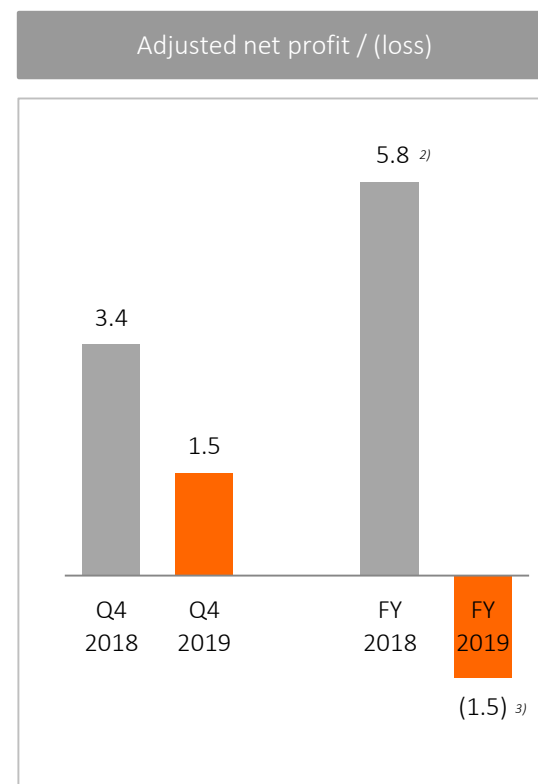
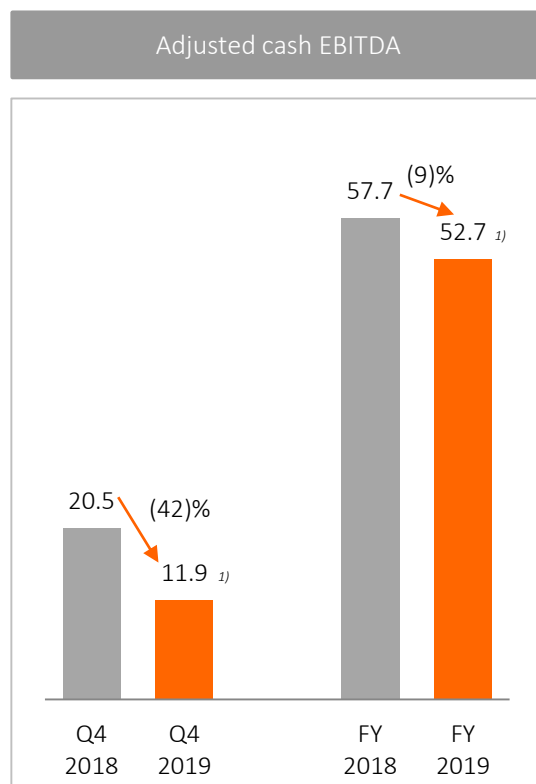
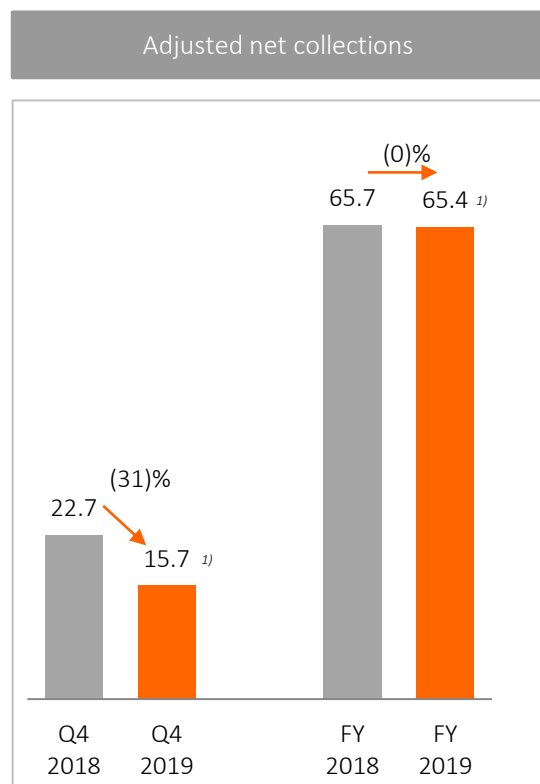
1. Key developments

2. Financials 2019

3. Summary



FY 2019 adjusted collections in line with record prior year, offset by higher OPEX and amortization



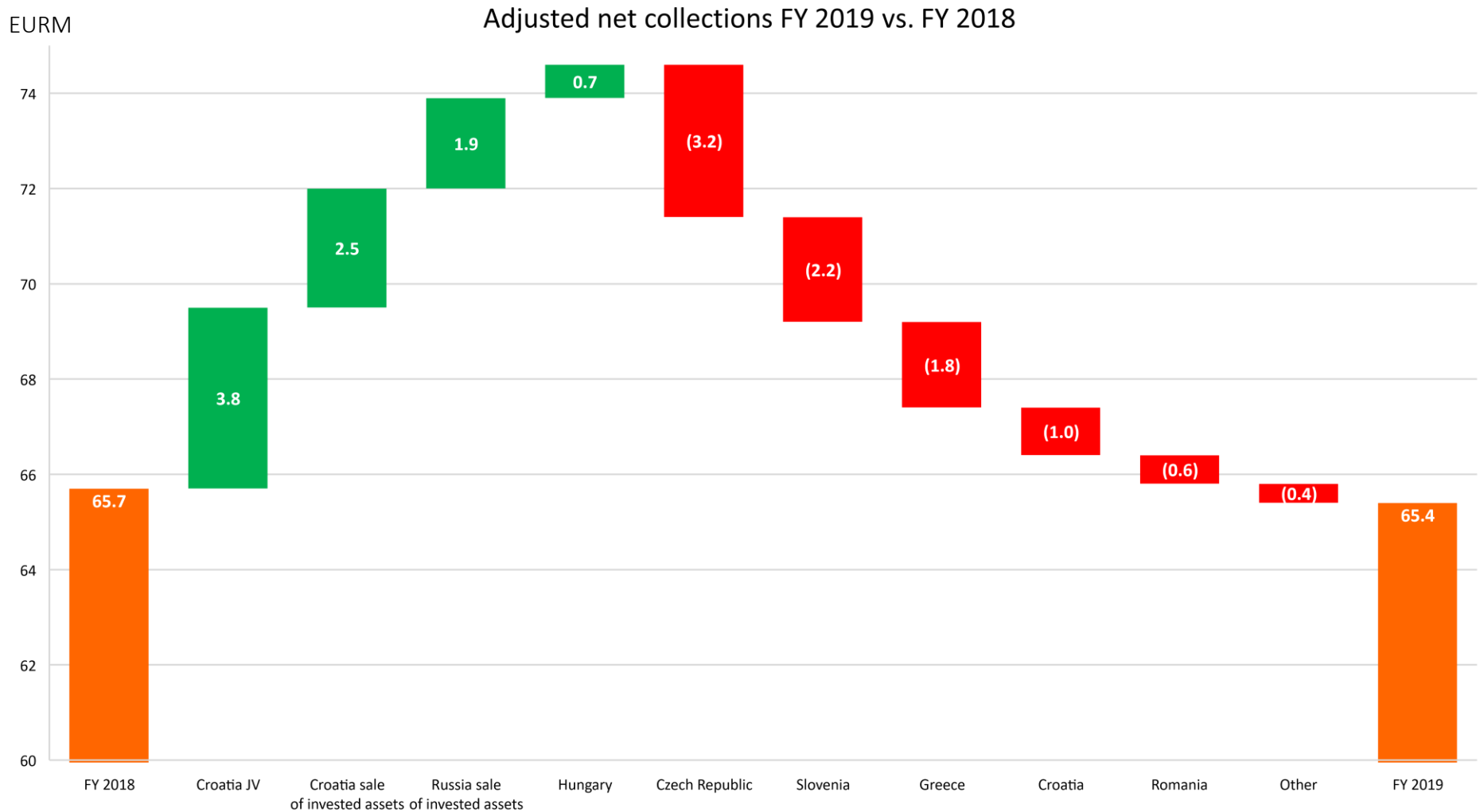
Note: All figures are in EURm.

1) Adjusted net collections and cash EBITDA include incremental net distributions from joint venture of EUR 1.2M and EUR 3.8M in Q4 and FY 2019 respectively and include net collections on sale of invested assets of EUR 2.5M and EUR 4.5M in Q4 and FY 2019 respectively

2) Adjusted net profit FY 2018 is adjusted for EUR ~ 1.0m of non-recurring items relating to deferred taxes and interests in associates

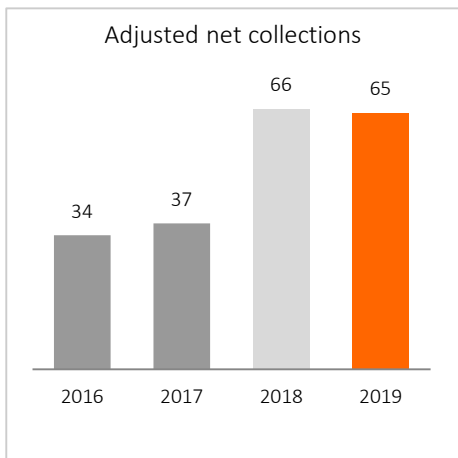
3) Adjusted net loss FY 2019 is adjusted for EUR ~ 2.6m of non-recurring items due to the bond refinancing in Q2 2019

FY 2019 in line with prior year record collections, driven by corporate secured portfolios across the Balkans and sale of invested assets

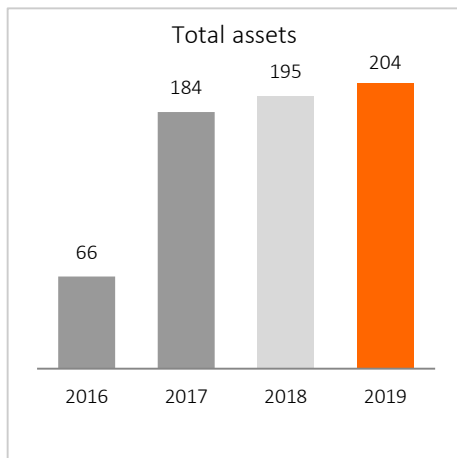


Our Financial KPIs show our collection performance

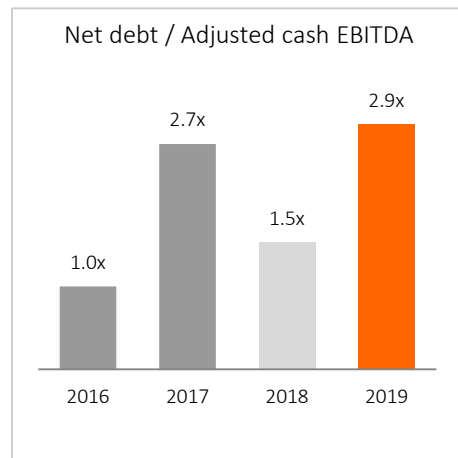
Income statement



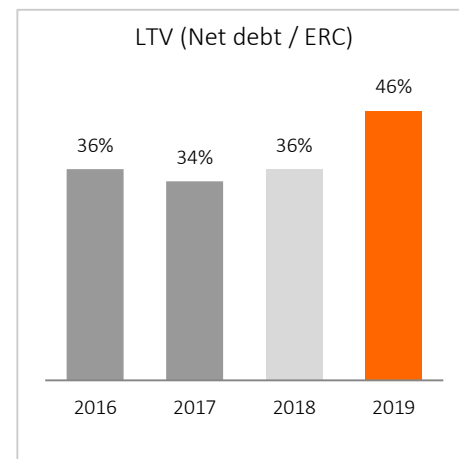
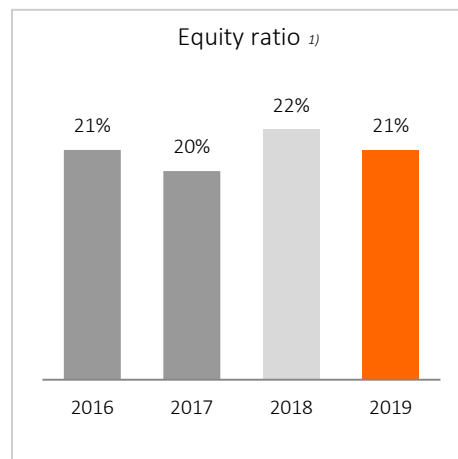
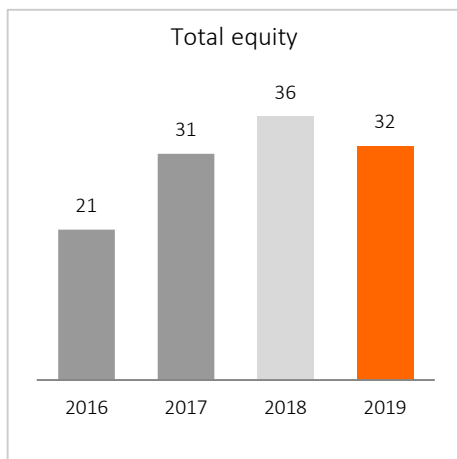
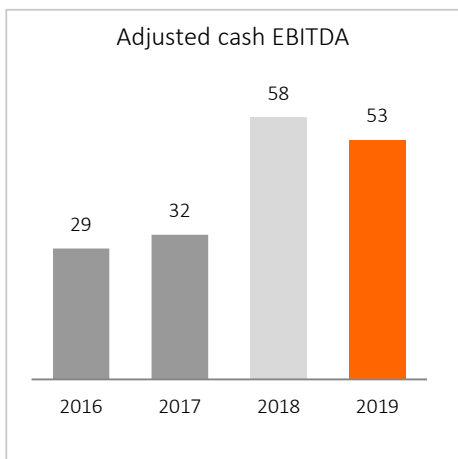
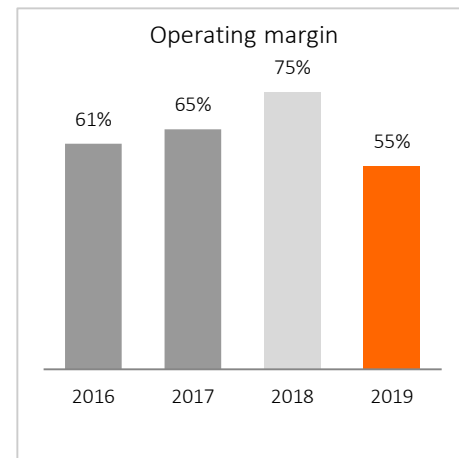
Balance sheet



Leverage



Efficiency



Note: All figures are in EURm.

1) The equity ratio of the DDM Debt Group according to the senior secured bond terms

Income statement: 2019

Amount in EUR Millions

Reconciliation of revenue on invested assets:

Net Collections ¹⁾

Amortization, revaluation & impairment of invested assets

Revenue on invested assets including joint venture

Other operating income

Revenue from management fees

Operating expenses

Amortization & depreciation of tangibles and intangibles

Operating profit

Net financial expenses

Profit / (loss) before income tax

Tax (expense) / income

Net profit / (loss) for the period

	2019	2018	2019	2018
	Q4	Q4	FY	FY
	15.7	22.7	65.4	65.7
	(6.6)	(15.1)	(38.7)	(37.5)
	9.1	7.6	26.7	28.2
	1.1	2.0	1.1	2.0
	0.2	0.3	0.6	1.2
	(4.0)	(2.5)	(13.2)	(9.2)
	(0.1)	-	(0.2)	(0.1)
	6.3	7.4	15.0	22.1
	(4.5)	(3.5)	(19.5)	(16.2)
	1.8	3.9	(4.5)	5.9
	(0.3)	(0.5)	0.4	(1.1)
	1.5	3.4	(4.1) ²⁾	4.8 ³⁾

Note: All figures are in EURm.

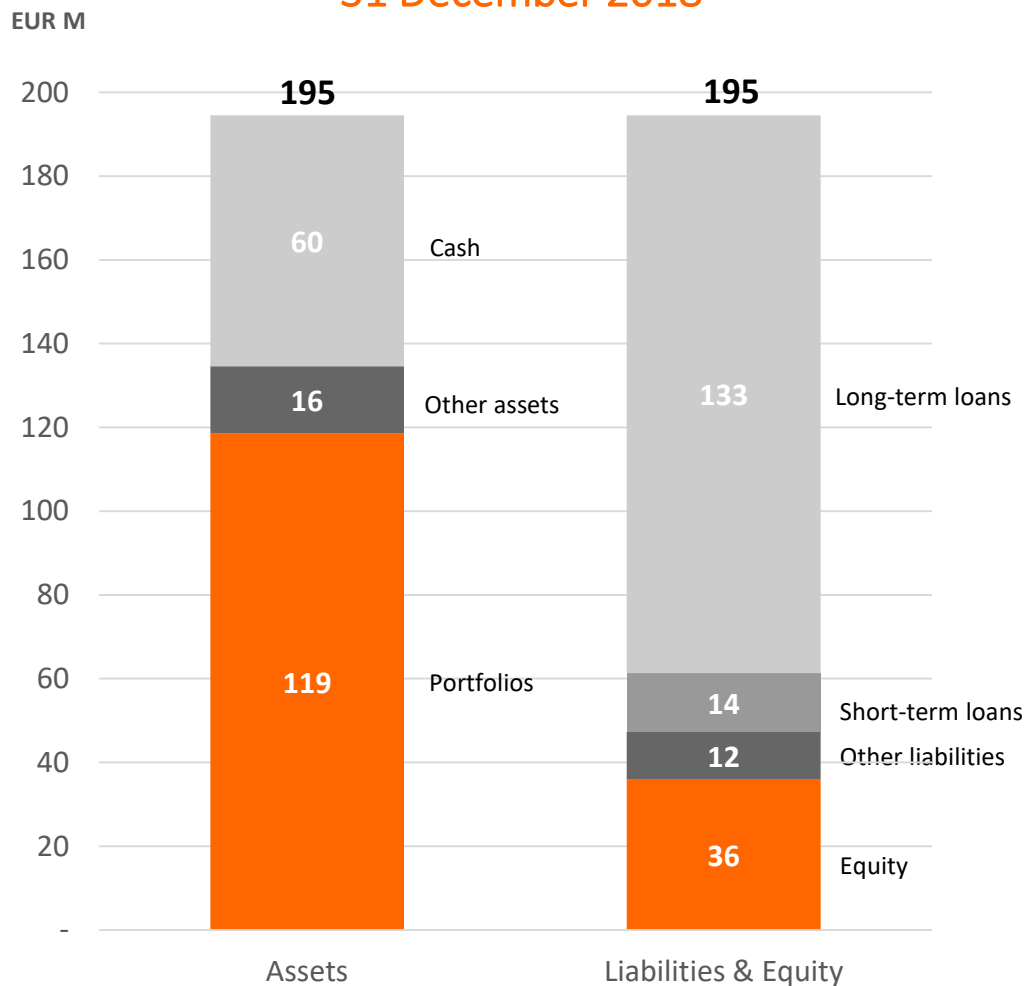
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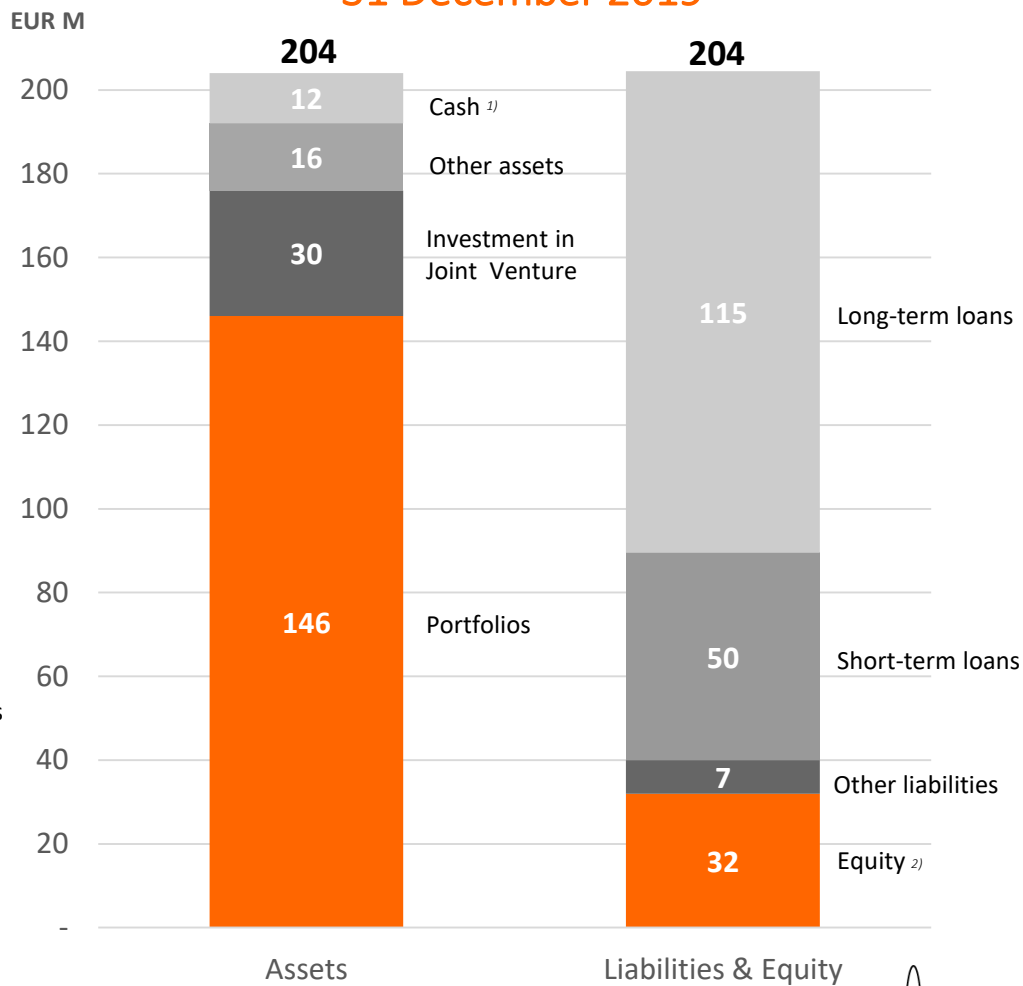
3) Adjusted net profit FY 2018 is adjusted for EUR ~ 1.0m of non-recurring items relating to deferred taxes and interests in associates

Increased utilization of the balance sheet following acquisitions and refinancing of the debt structure

31 December 2018



31 December 2019

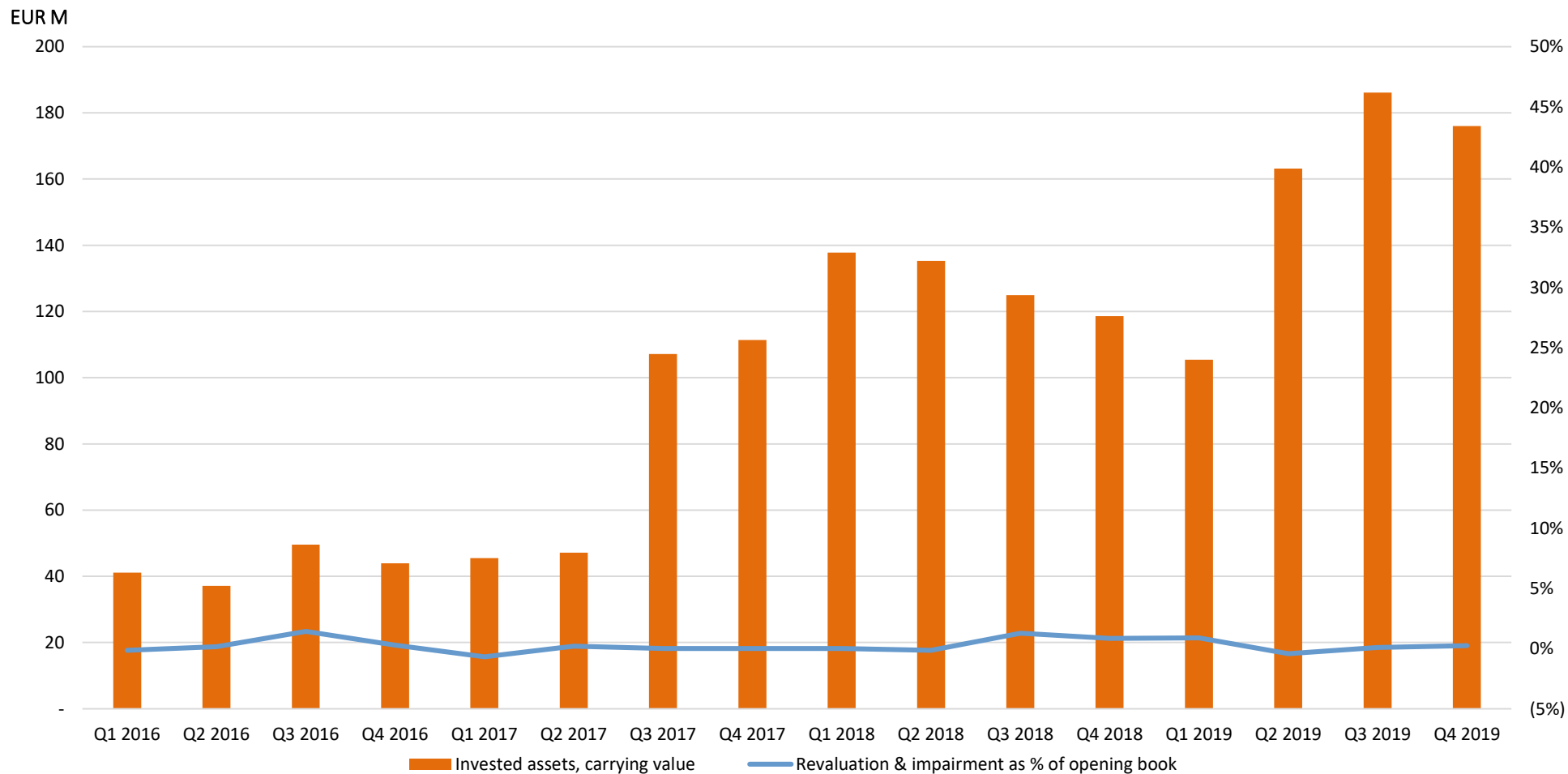


Note: All figures are in EURm.

1) There were no drawdowns under the EUR 27M revolving loan facility ("RCF") at 31 December 2019

2) The equity ratio of the DDM Debt Group according to the senior secured bond terms is 21.1%

Adjustment of carrying value in line with prior years



AGENDA

1. Key developments

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3. Summary



Key takeaways

1

Significant investments of about EUR 100M in 2019

2

ERC of EUR 328M at December 2019 with 37% increase in 2019

3

Successful refinancing supporting future growth with RCF of EUR 27M and EUR 100M bond issuance. Well positioned ahead of refinancing in 2020 with EUR 39M of available funds

4

Majority shareholder increased shareholding to 89% in 2019

5

Launch of servicing platform to focus on portfolio management and business development services, enabling both captive and third party servicing. EUR 1.1M operating gain on sale to AxFina.



Q&A

Upcoming IR events

Annual report 2019:

27 March 2020

Interim report January – March 2020:

7 May 2020

Annual General Meeting:

23 June 2020

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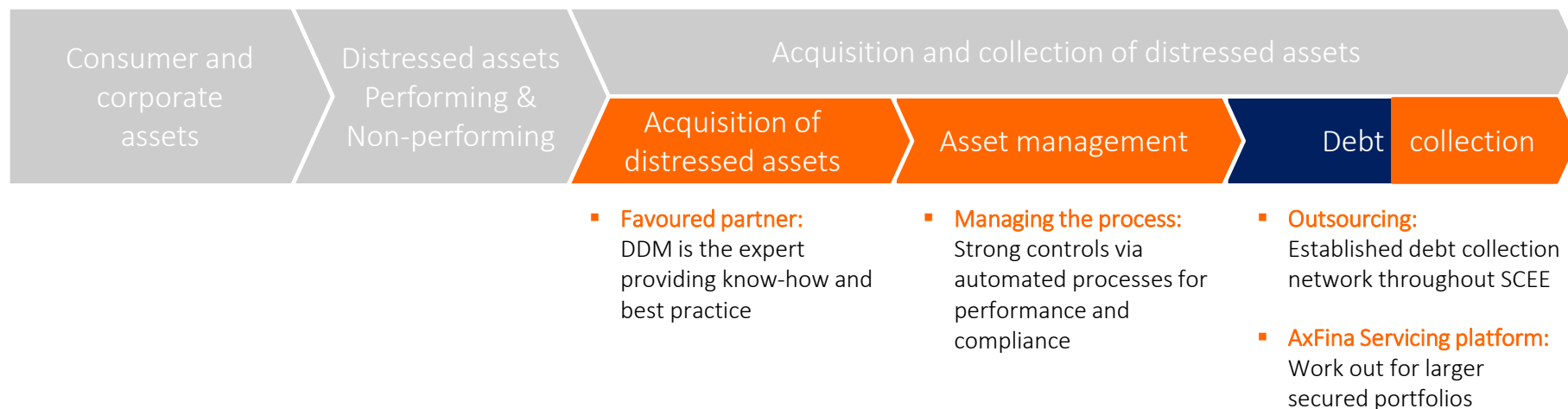


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APPENDICES



Knowledge and relations build our success



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 allocates collections to the optimal partner
Scalability	Cross regional relationships for quick market entry and flexibility
Work out	Larger more complex secured portfolios work out managed by the AxFina servicing platform
Debt collection	Traditional consumer non performing loan portfolios outsourced through network of debt collection network

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			Unsecured		
Underlying assets	Performing			Non-performing		
Structure	Plain vanilla			Complex / off-market		
Size	< EUR 5M	EUR 5 – 100M		> EUR 100 M		
Collection method	Retail outsourced			Captive Servicing Platform (Corporate & SME secured)		
<div><div></div> DDM's activities</div> <div><div></div> AxFina's activities</div>						