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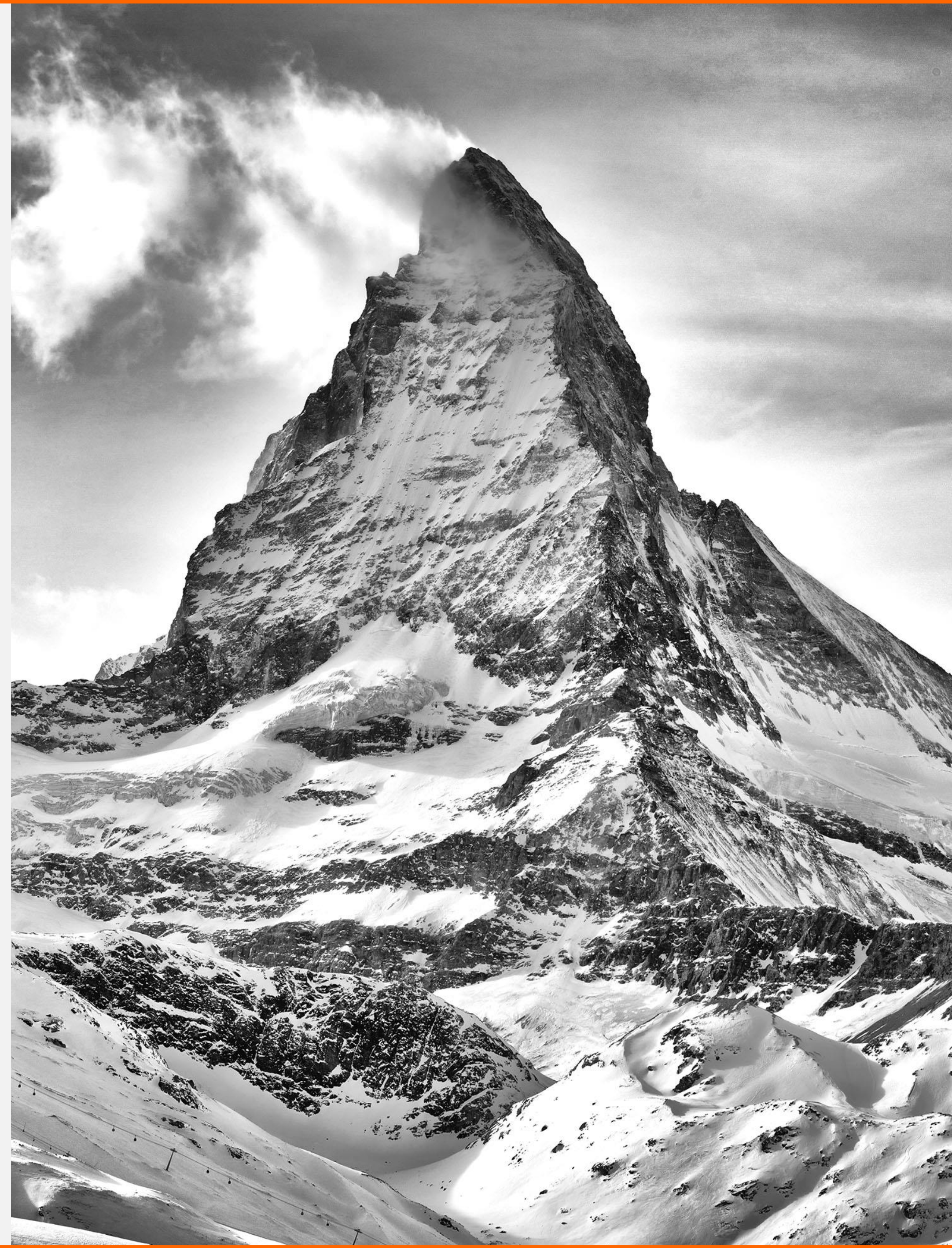
Presentation to bondholders

July 2020



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1. Amendment proposal
2. Company update
3. Portfolio and financial update
4. Appendix

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Amendment proposal

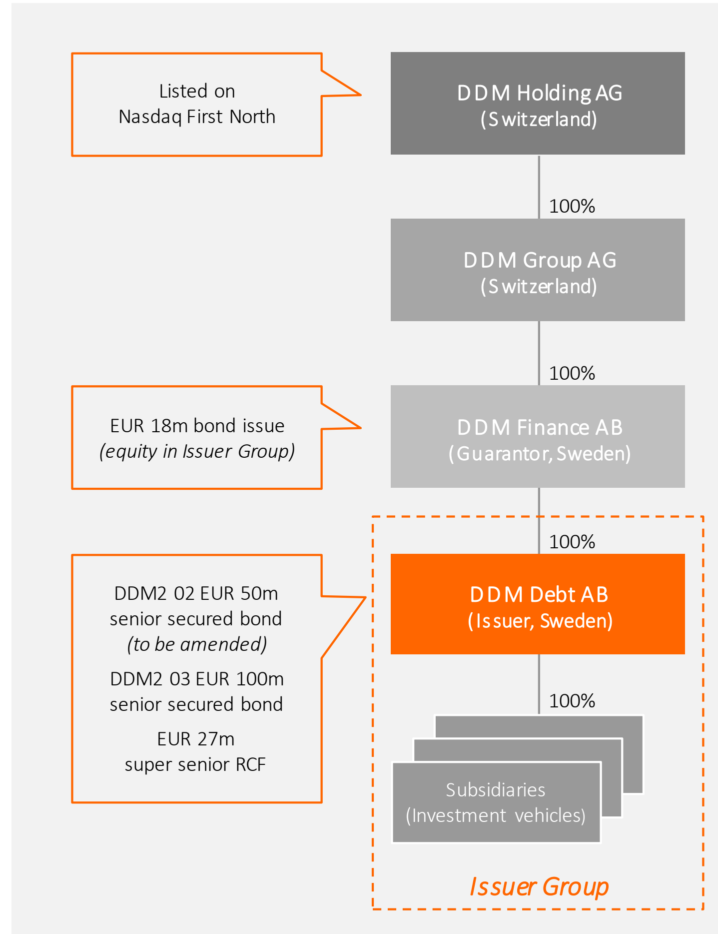
Background

The current Covid-19 pandemic and the containment measures implemented by governments to limit the spread of the virus have negatively impacted global economic activity and are likely to have a negative impact on the DDM Debt Group's financial performance. In response to the new market environment, DDM Holding AG ("DDM", the "DDM Holding Group" or the "Company") has undertaken cost saving measures across the DDM Holding Group, including the DDM Debt Group. The Covid-19 outbreak has also impacted the capital markets in general, and particularly the credit markets. Due to the extraordinary situation and uncertainties in the credit markets, it is deemed challenging to refinance the Bonds at this point in time. DDM Debt AB therefore seeks to extend the term of the Bonds, which currently mature on 11 December 2020, by twelve months. DDM Debt AB proposes that the existing covenants remain in place.

Amendment proposal

- Extension of the Bonds by 12 months, with a new final maturity date being 11 December 2021
- Consent fee of 1.00% of the nominal amount
- Immediate partial redemption (amortisation) of EUR 7.5 million at par
- Undertaking to buy-back and cancel Bonds in an aggregate amount of EUR 5.0 million by 31 December 2020
- Partial redemption (amortisation schedule), all at par:
  - Q1 2021: EUR 4.0 million
  - Q2 2021: EUR 3.0 million
  - Q3 2021: EUR 2.5 million
- Call schedule:
  - 2020: 100.00%
  - Q1 2021: 101.50%
  - Q2 2021: 103.00%
  - Q3 2021: 104.00%
  - Q4 2021: 105.00%

Financing structure



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Development since bond issue 2019

Key developments since bond issue

Q2 2019

- Closed the JV transaction with B2Holding in Croatia and secured third party financing for the transaction
- Public cash offer – DDM Group Finance S.A (affiliate of aedc capital) increased its ownership to 79.2%

aedc capital

Q3 2019

- Appointed COO to increase focus on portfolio management and business development services
- Invested in a significant portfolio in Croatia with a gross collection value (face value) of c. EUR 200m
- Bought out co-investor in Greece
- Refinancing of the DDM Finance bonds and equity injection in DDM Debt AB

Q4 2019

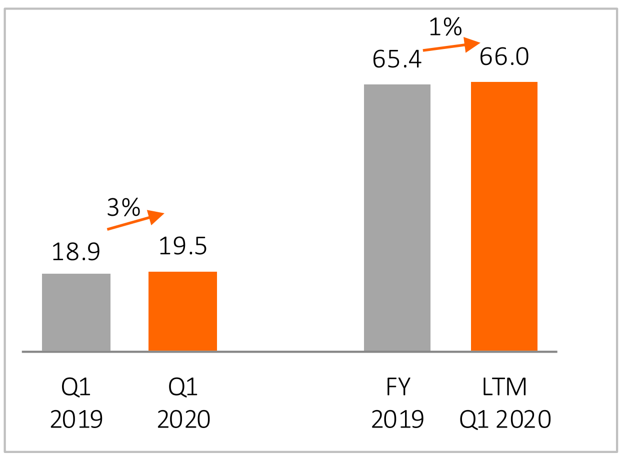
- Sale of consumer portfolio previously acquired in Croatia

Q1 2020

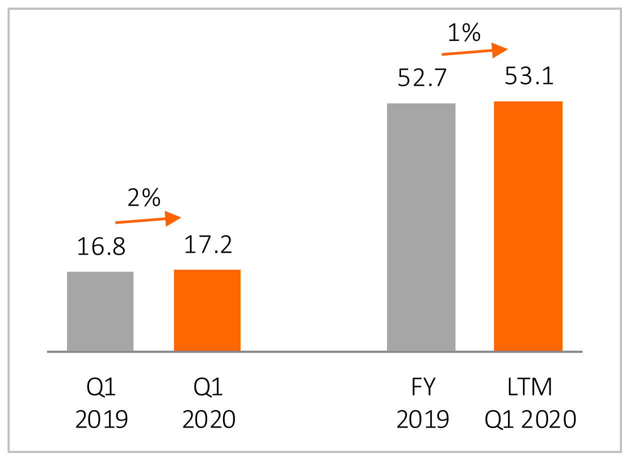
- Strategic investment to acquire a 20% stake in Addiko Bank AG, an Austrian bank with operations in DDM's core markets in the Balkans
- Bought out the majority share co-investor located in Hungary

Addiko Bank

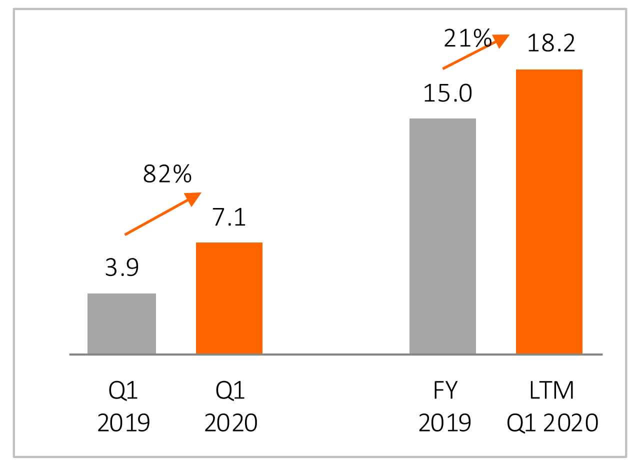
Adjusted net collections[1] (EURm)



Adjusted cash EBITDA[1] (EURm)



Operating profit (EURm)



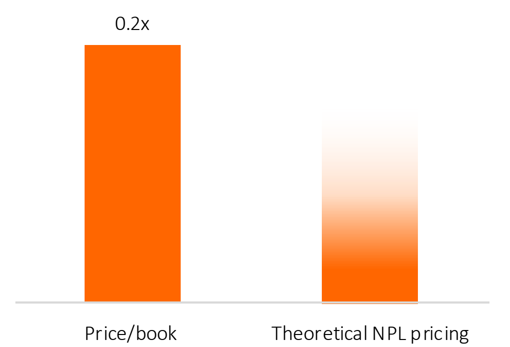
1) Adjusted net collections and cash EBITDA include incremental net distributions from joint venture of EUR 1.8M, EUR 3.8M and EUR 5.6M in Q1 2020, FY 2019 and LTM Q1 2020 respectively and include net collections on sale of invested assets of EUR 2.0M, EUR 4.5M and EUR 2.5M in Q1 2019, FY 2019 and LTM Q1 2020 respectively

Addiko Bank acquisition – attractive price for a well-capitalized bank and performing loan portfolio, with EUR 240m of NPLs

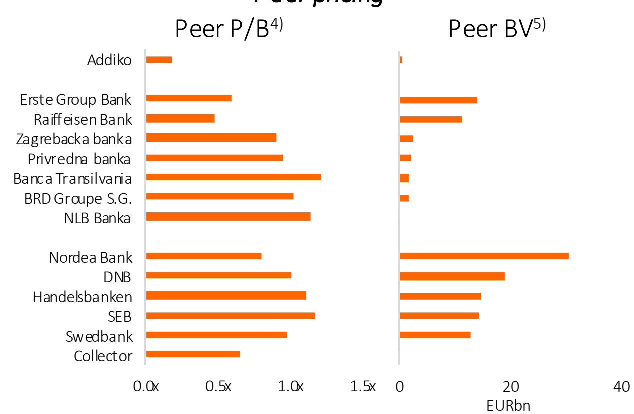
Why Addiko

- Addiko Bank operates in DDM's core markets in the Balkans and the transaction allows DDM to get closer to the market and bilateral opportunities (e.g. service to buy, outright buy or outright servicing)
- DDM has historically acquired NPLs from Addiko Bank, which still has an NPL ratio of 4.6%
- The bank is undergoing a transformation from being a full scale bank (all asset classes, large number of physical branch offices etc) to focus on the consumer and SMEs segments with a strong focus on digitalization
  - DDM to assist in the transformation incl. balance sheet disposal of non-core assets and non-performing assets and to assist in the servicing of non-core assets not eligible for sale
- Historically, DDM has successfully invested in special situations (e.g. runoff leasing portfolios). Addiko Bank is still negatively impacted by its history of being the good bank of the Austrian nationalized Hypo Alpe Adria (Heta being the bad bank) and being unfavored by the capital markets
- The investment is attractive on a standalone basis (P/B of 0.2x and overcapitalized). Synergies between DDM and Addiko will also be value accretive
- Call option exercised on 30 March 2020 to acquire an additional 10.1% stake for about EUR 19m, which is subject to regulatory approval

Addiko pricing



Peer pricing



1) Common equity tier 1-ratio
2) Calculated as non-performing exposure divided by total credit risk exposure
3) Liquidity coverage ratio
4) Market cap as of 31 May 2020 over book value of equity (Factset)
5) Book value of equity at the end of Q1 2020 (Factset)

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One transaction split into two tranches due to regulatory reasons - Acquisition approved by DDM`s Investment Committee on 29 Nov 2019

Bond refinancing process

- **H2 '19:** Q4 refinancing initiated with various alternatives, bond markets, direct lending alternatives reviewed
- **Jan '20:** Debt purchasing seminar in Oslo with Arctic Securities where Mgmt disclosed that the 2020 bond refinancing was being addressed. Shortlist of IBs
- **Feb '20:** Finalization of engagement letter
- **Mar '20:** The refinancing process halted as a result of the pandemic

Mid '19 | H2 '19 | Jan '20 | Feb '20 | Mar '20 | Jul '20 | Sep '20

Addiko acquisition process

- **Mid '19:** Investment opportunity arising & synergies identified e.g. regional presence and future source of NPL deals
- **H2 '19:** Commercial negotiation with the seller with **DDM's Investment Committee approving the deal on 29 Nov 2019 with intended closing in Dec 2019**
- **Feb '20:** SPA signed to acquire 20% stake in Addiko Bank AG on 21 Feb 2020. Regulatory filings submitted
- **Mar '20:** Purchase price paid to acquire 1,930,500 shares (9.9%). Finalization of transaction to acquire 1,969,500 shares (10.1%) at EUR 9.50/share
- **Jul '20:** EGM to elect two new members to the Supervisory Board
- **Sep '20:** Regulatory approval expected to be obtained for the 10.1% and payment of the second tranche

Strict containment measures and loan moratoriums were implemented but economies are reopening (1/2)

Impact from Covid-19 on key markets

Country	DDM exposure[1]	Loan moratorium	Containment measures: Closing of schools?	Containment measures: Lock-down?	Containment measures: Travel ban?	Reopening of the economy[2]	Delayed litigation procedures?
Croatia	56%	• Moratorium on full monthly instalment for 6 months (potentially up 12 months for certain sectors) • Borrowers need to state reason for moratoria request (opt-in)	✓	(✓)	✓	Pre-schools, schools (grades 1-4), shopping malls, restaurants, fitness centers, sport fields are open. Tourists from Czech Republic, Slovakia, Hungary, Austria, Estonia, Latvia, Lithuania, Poland, Slovenia, and Germany can enter Croatia without restrictions	Courts have reduced their activities and many cases have been postponed
Greece	27%	• Moratorium on full monthly instalment for 6 months (end of Sep 2020) • Limited to borrowers significantly impacted by the covid-19 outbreak (opt-in)	✓	✓	✓	Gradual reopening with 1 July being target date for full normalization of the economy. As of 1 July, entrance of visitors in Greece from all countries will be allowed, except for seven countries as follow: Italy, Spain, UK and The Netherlands, Albania, Northern Macedonia and Turkey	Litigation procedures and other legal actions are postponed due to courts being closed
Hungary	7%	• Moratorium on full monthly instalment up to 9 months (end of 2020) • Borrowers and lenders need to agree if a borrower wants to comply with its original payment terms (opt-out)	✓	(✓)	✓	Stores, malls, museum, churches are open. Socials distancing restrictions still apply (stricter in Budapest). Tourism from low European countries with low epidemic risk is allowed	Material restrictions regarding court proceedings may postpone litigation procedures
Czech Republic	4%	• Moratorium on full monthly instalment up to 6 months • Borrowers need to announce their intention to make use of the protection period (opt-in)	✓	(✓)	✓	State of emergency expired on 17 May, but some restrictions still apply. Schools are reopening on a voluntary basis. International borders have reopened, but inbound travelers must provide a negative Covid-19 test result	Recommendation that the courts postpone appearances of litigants in front of courts on case by case basis
Slovenia	3%	• Moratorium on full monthly instalment up to 12 months • Reason for moratoria request must be assessed (opt-in)	✓	(✓)	✓	Gradual reopening from mid-April. In late May, reopening of public transit, schools, and some sport activities. Hotels up to 30 rooms and outdoor restaurants have reopened. Tourists from Hungary are allowed	All hearings in non-urgent cases are cancelled
Romania	2%	• Moratorium on full monthly instalment up to 9 months (end of 2020) • Borrowers need to show an income decrease of at least 15% compared to the average of the last two months (opt-in)	✓	✓	✓	Hairdressers, libraries, dentist practices, small shops and museums have reopened. Easing of local transit restrictions. Shopping malls, restaurants and bars will remain closed. Compulsory to wear masks in enclosed spaces in public. Schools remain closed. People from abroad need to isolate themselves (restrictions for certain high-risk countries)	All court proceedings are immediately suspended except for very urgent cases

Source: International Monetary Fund, White & Case, European Banking Authority, Lexology, Council of Europe – dated 5 June 2020

1) Allocation of invested assets, book value as of 31 March 2020 (excluding Addiko Bank's exposure)

2) Examples i.e. not an exhaustive list

Closed Opened

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Strict containment measures and loan moratoriums were implemented but economies are reopening (2/2)

Impact from Covid-19 on key markets

Country	DDM exposure	Moratorium	Containment measures			Reopening of the economy[1]	Delayed litigation procedures?
			Closing of schools?	Lock-down?	Travel ban?		
Bosnia & Herzegovina	Addiko Bank	• Moratorium on full monthly instalment up to 3 months • Borrowers need to state reason for moratoria request (opt-in)	✓	(✓)	✓	Removed restrictions on free movement. Reopened stores and restaurants. Strict social distancing restrictions still apply. Schools are closed until further notice. Borders to the neighboring countries will slowly start opening for tourism in the coming weeks	Delay of scheduled hearings except hearings that are required by law to be urgent
Serbia	Addiko Bank	• Moratorium on full monthly instalment up to 3 months or duration of emergency state • Borrowers do not need to state reason for moratoria request (opt-out)	✓	(✓)	✓	Most of the society has reopened and international travel (including tourism) is allowed	Adjourning hearings until the state of emergency is lifted, except in priority cases.
Sweden	For reference	• Retail moratorium on full monthly instalment until 31 August 2021 • Borrowers (retail) and lenders may agree to reduce or suspend amortization payments temporarily (opt-in)	(✓)	✗	(✓)	The society is relatively open, but the government has decided on a temporary entry ban to the EU via Sweden until 15 June (except people who have particularly important grounds). Domestic travel is allowed from 13 June for citizens without symptoms	Some courts have decided to postpone physical hearings
Norway	For reference	• No loan moratorium implemented	✓	(✓)	✓	The economy is gradually reopening with social distancing requirements. All primary and secondary schools have reopened. June promises an additional lifting of restrictions with regards to bars, restaurants, fitness centers and larger public events	Courts have reduced their activities and many cases have been postponed
Germany	For reference	• Retail moratorium on full monthly instalment until 30 June 2020 • Borrowers need to show that they are financially affected by the Covid-19 crisis (opt-in)	✓	(✓)	✓	Select grades in schools, cultural and leisure venues, shops, restaurants and sports facilities have reopened. Border controls to neighboring countries are being gradually lifted	Handling times in courts may be delayed due to limited capacity on courts

Source: International Monetary Fund, White & Case, European Banking Authority, Lexology, Council of Europe – dated 5 June 2020

1) Examples i.e. not an exhaustive list

Closed Opened

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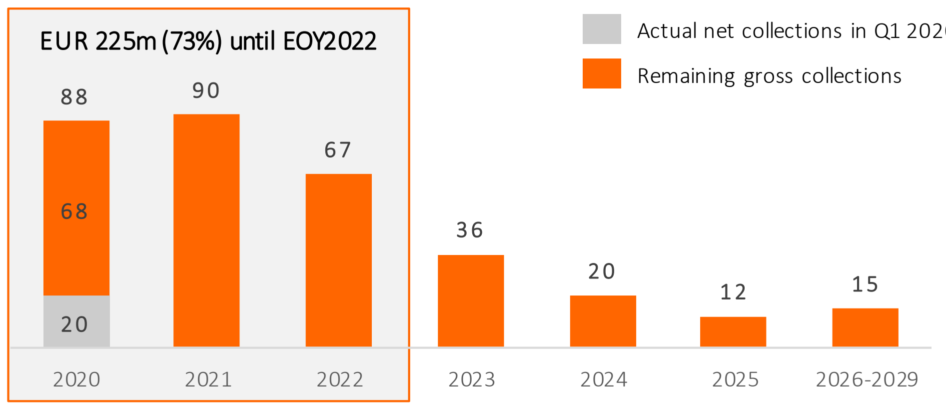
DDM's ERC is solid, but collections may be delayed due to the COVID-19 pandemic negatively impacting the economic activity in core markets

Covid-19 and economic activity

- Significant adverse impact on global economic activity
- DDM is closely monitoring developments across our core markets
  - Global lockdowns implemented to prevent further spread of the virus
  - Loan moratoriums across a number of core markets in the SCEE region
  - Courts being closed or with limited operations resulting in delays of case settlements
  - Impact on tourism and thereby the economies of our markets in Croatia and Greece
- Government aid and central banks' unprecedented monetary and fiscal policy help to mitigate the negative impact on the economic activity
- There are currently signs of easing of containment measures and that societies are opening up which could be positive for the economic activity

Estimated Remaining Collection as of 31 March 2020, in total EUR 308m

EURm



Cost saving measures to mitigate impact from Covid-19

Monthly fixed costs (EUR'000)	Fixed costs pre savings	Savings	Fixed costs after savings	Savings %
Personnel	323	-49	274	-15%
Other fixed costs	181	-36	145	-20%
Total	**504**	**-85**	**419**	**-17%**

- DDM has implemented cost saving measures:
  - Reduction to our workforce of total 15 FTEs across some of our markets since December 2019
  - Renegotiation of:
    - Rent
    - IT contracts
    - Other non-core services

Impact on DDM's operations and outlook

- Lockdowns, loan moratoriums and other measures undertaken by governments in core markets are out of our control
- Expected to have a negative impact on DDM's financial performance for the remainder of 2020
- The expected duration of the pandemic is unknown and consequently it is difficult to assess the extent of the economic impact on DDM's operations, as it is dependent on easing of or introduction of further containment measures
- Unpredictable market environment provides limited visibility over future collections which are expected to be negatively impacted
- DDM's portfolio consists to a large extent of secured debt and we expect that the impact will be on timing of collections rather than quality of the portfolio
- Expect the coming quarters to be challenging with increased volatility and to experience delays of some collections

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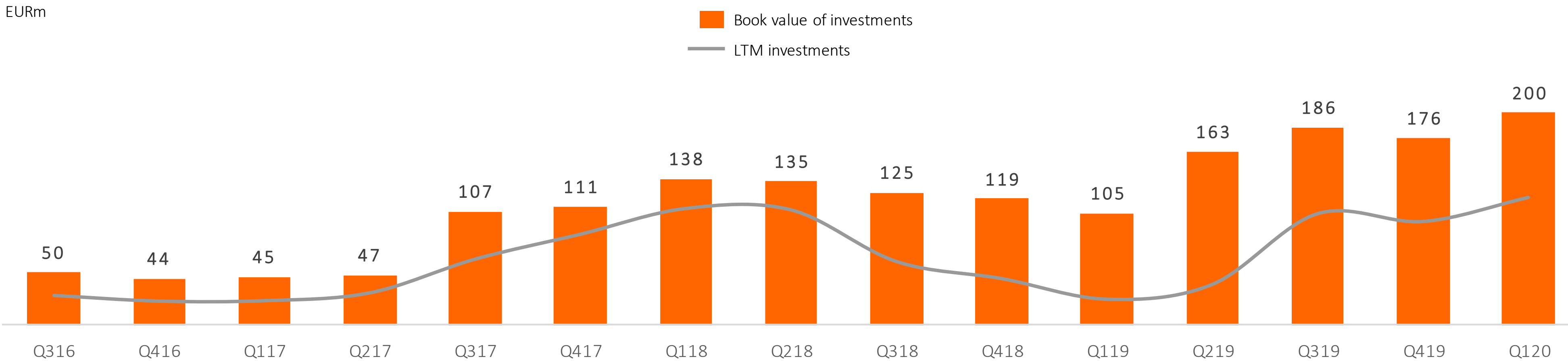
DDM has strong ability to source NPL portfolios and has significantly increased the book value of investments in recent years

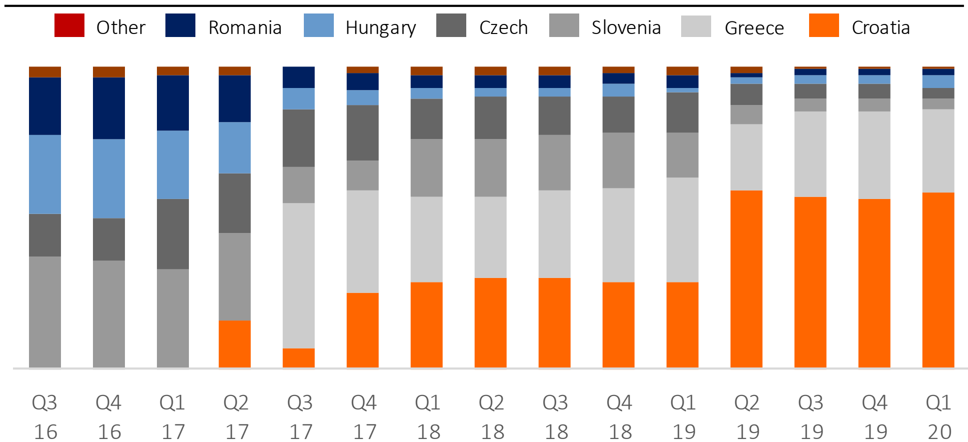
Book value of investments and investment volume



Comments

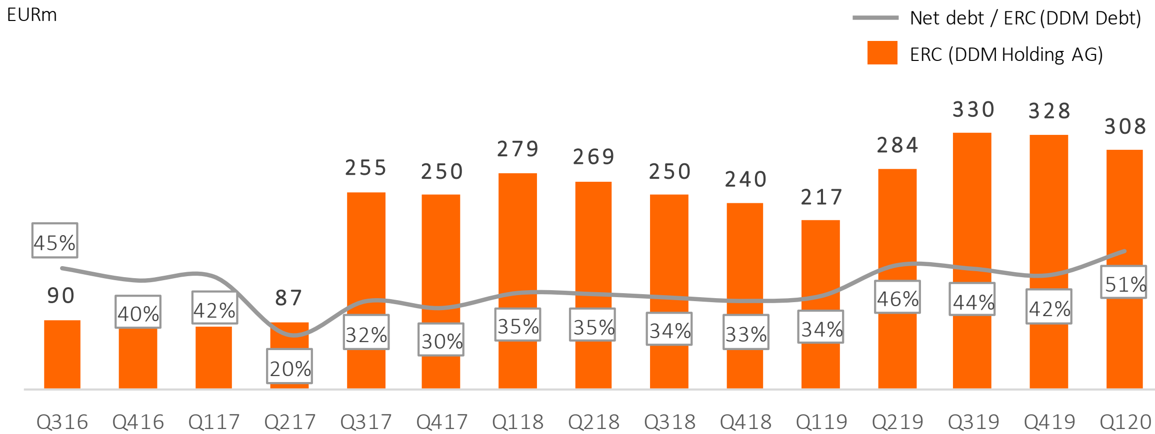
- The size and credit quality of the Company has improved significantly over the last two years
- DDM has invested almost EUR 300m since beginning of 2016
  - The growth underlines DDM's strong ability to source transactions and more acquisition opportunities are expected following the Covid-19 pandemic
- The book value of the investments were EUR 200m at the end of Q1 2020, an increase of almost 300% since Q3 2016

Portfolio details

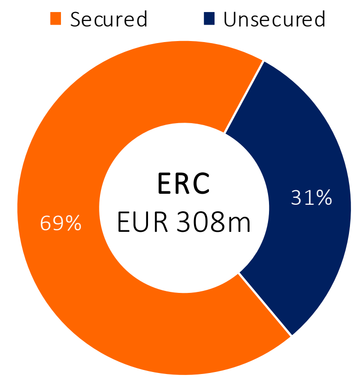


ERC of EUR 308m – profile expected to generate EUR 225m until end of 2022

ERC and net debt / ERC (DDM Debt)



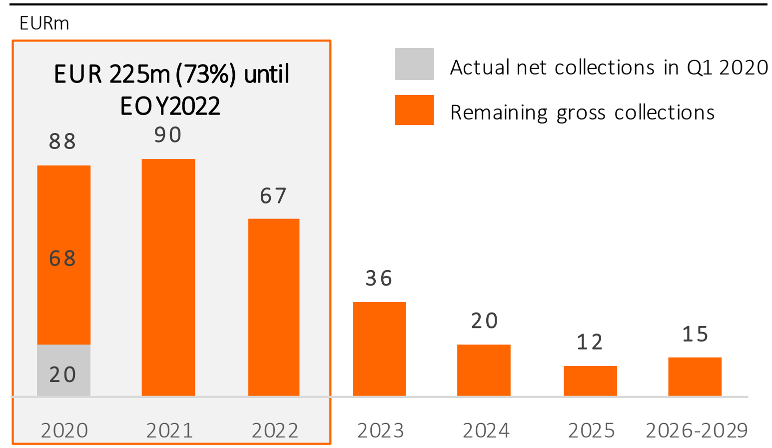
Portfolio distribution, 31 March 2020



Comments

- DDM has increased estimated remaining collection ("ERC") substantially over the last years; the Company expects to collect EUR 308m over the next 10 years
- The proportion of secured portfolios was 69 percent of ERC as of 31 March 2020
- Above 73% of the ERC (EUR 225m) is expected to be collected until end of 2022, of which approximately EUR 68m (c. 22% of total ERC) is estimated to be collected in the remainder of 2020
- The Covid-19 pandemic will most likely impact the timing of collections rather than the extent of the collections.
- NIBD / ERC for DDM Debt (Issuer Group) at the end of Q1 2020 was approx. 51% (covenant 75%)
  - Net debt for DDM Debt was EUR 155m as of Q1/2020 (gross EUR 175m)

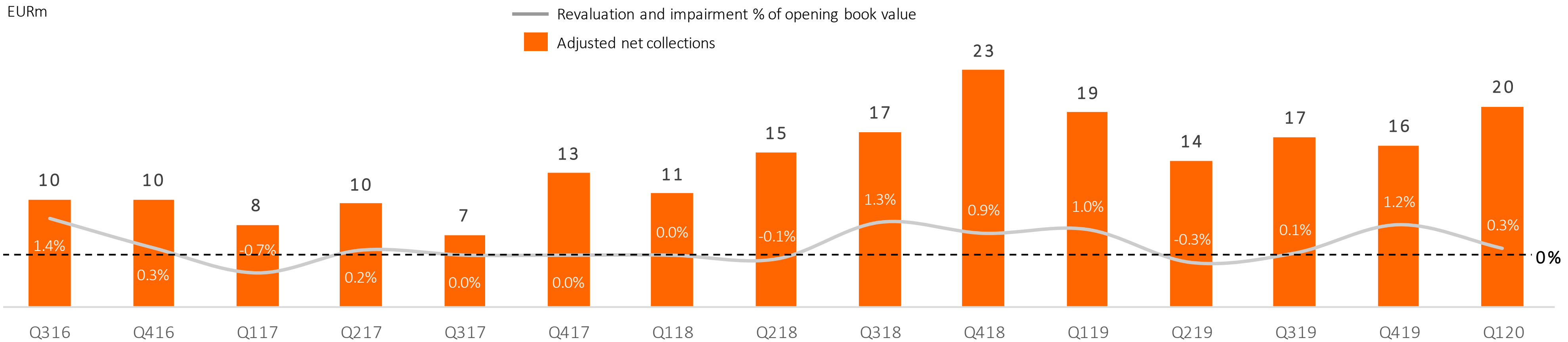
ERC as of 31 March 2020, in total EUR 308m



Note: Net Debt / ERC for Q3 2016 and Q4 2016 includes ERC of DDM Treasury Sweden AB

Impeccable track record of limited impairments of the book value of investments

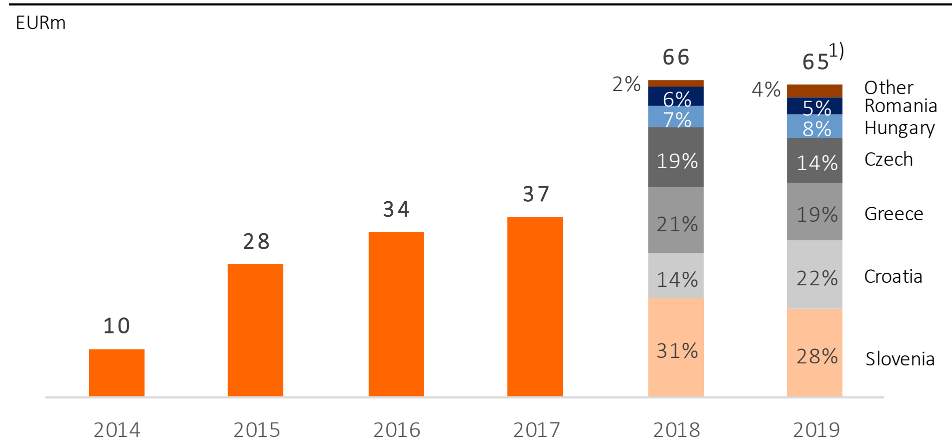
Adjusted net collections and revaluation and impairment %



Comments

- Adjusted net collections in 2019 were in line with 2018.
- Adjusted net collections in Q1 2020 were slightly higher compared to Q1 2019
- Management has a strong track record of valuating investments. Revaluation as a percentage of the book value has historically been stable – average of 0.4% since Q3 2016

Adjusted net collections



1) Adjusted net collections includes the sale of invested assets and incremental net distributions from joint venture

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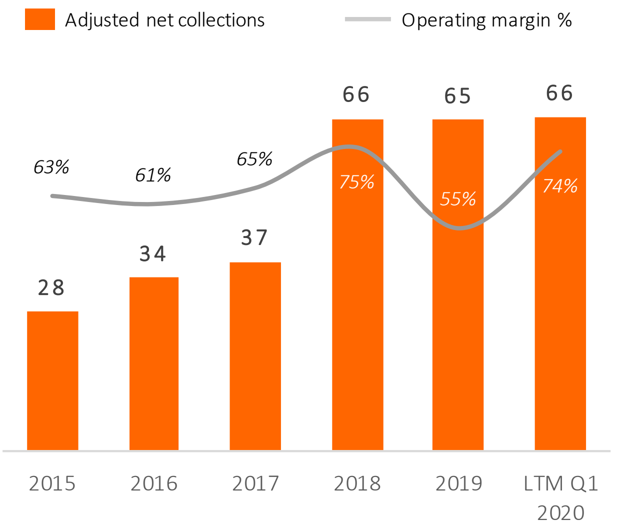
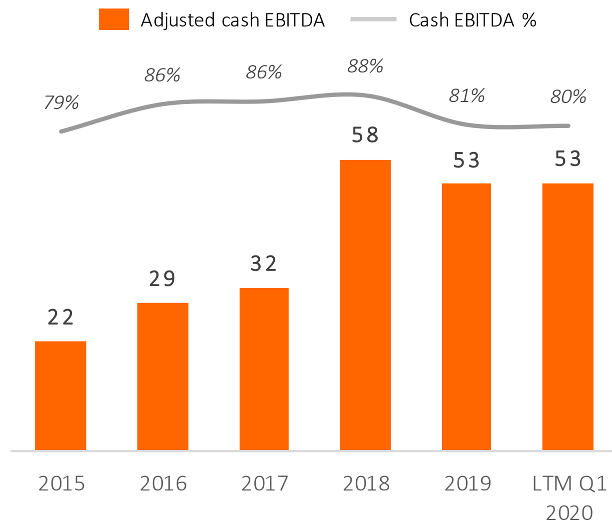
Strong underlying performance

Adjusted net collections and operating margin[1)]



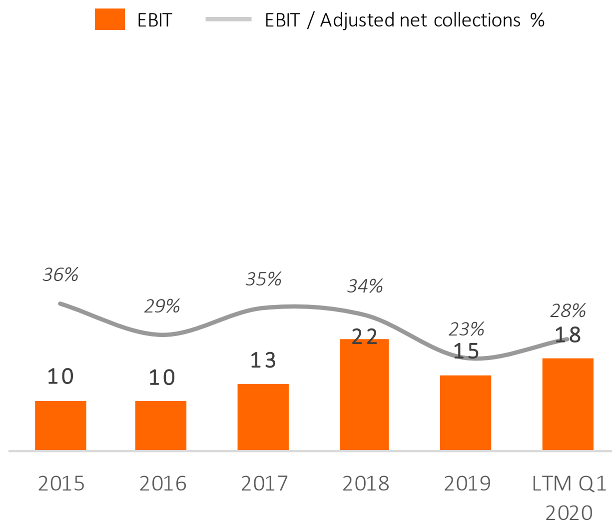
- Stable adjusted net collections in 2018, 2019 and LTM Q1 2020
- DDM sees a risk of delayed collections for the remainder of 2020
- No material fixed cost and single IT system that accumulate all data on a granular level ensures low opex

Adjusted cash EBITDA and cash EBITDA %[2)]



- Cash EBITDA / net collections has been stable above 80% since 2016. Cash EBITDA % of 88% in 2018
- Healthy debt service capabilities – interest cover ratio of 3.6x in 2019[3)]

EBIT and EBIT / Adjusted net collections %[2)]

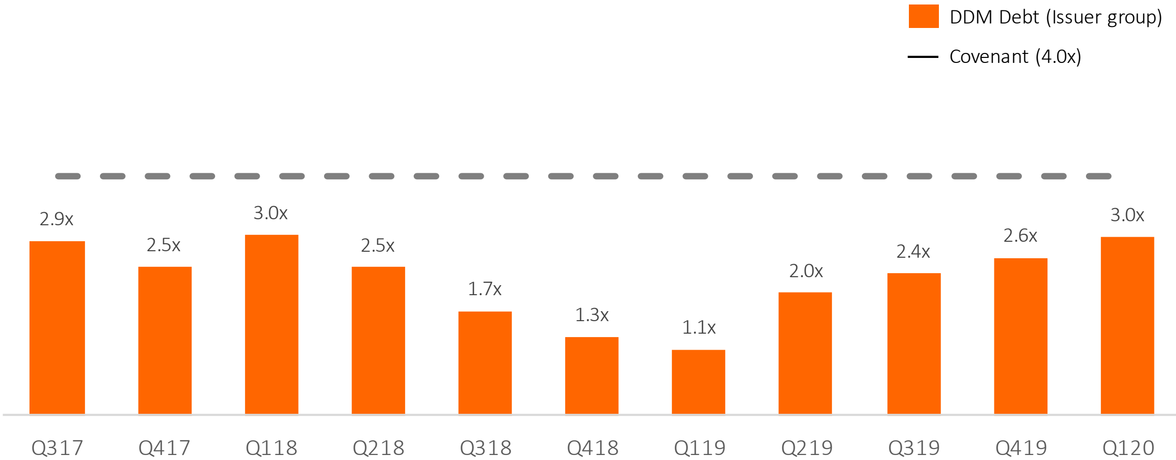


- EBIT has fluctuated between EUR 10m to EUR 22m since 2016
- EBIT increased in LTM Q1 2020 as a result of strong collections and lower amortizations

1) Operating profit as a percentage of revenue on invested assets, share of net profits of joint venture and revenue from management fees
2) Cash EBITDA and EBIT in percent of net collections
3) Interest cover ratio calculated as 2019 adjusted cash EBITDA / 2019 interest expense

The leverage level has increased due to higher asset utilisation following portfolio acquisitions

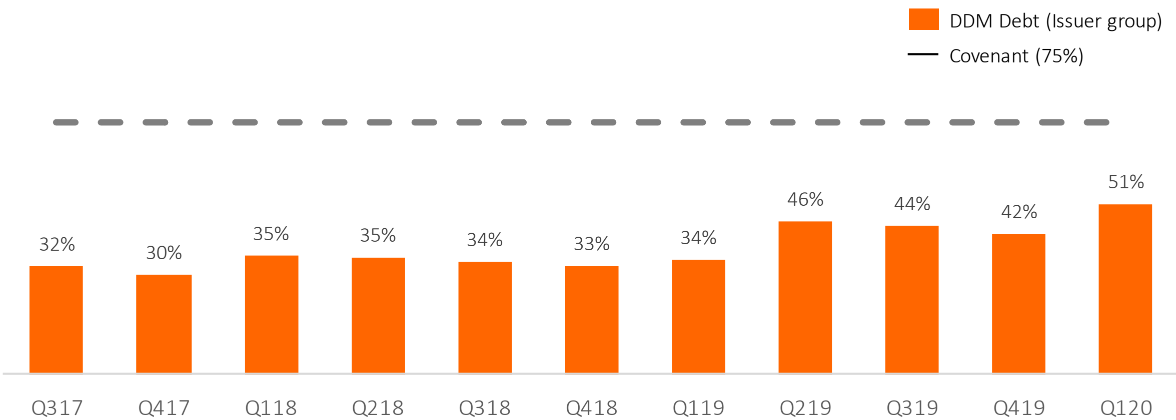
Net leverage (net debt / adjusted LTM cash EBITDA)



DDM Debt (Issuer Group)

- 3.0x net leverage (net debt / cash EBITDA) in the Issuer Group per Q1 2020 vs. covenant of 4.0x
  - 3.4x gross leverage
- Net leverage has increased since Q1 2019 due to higher asset utilisation following portfolio acquisitions

Net LTV (net debt / ERC)



DDM Debt (Issuer Group)

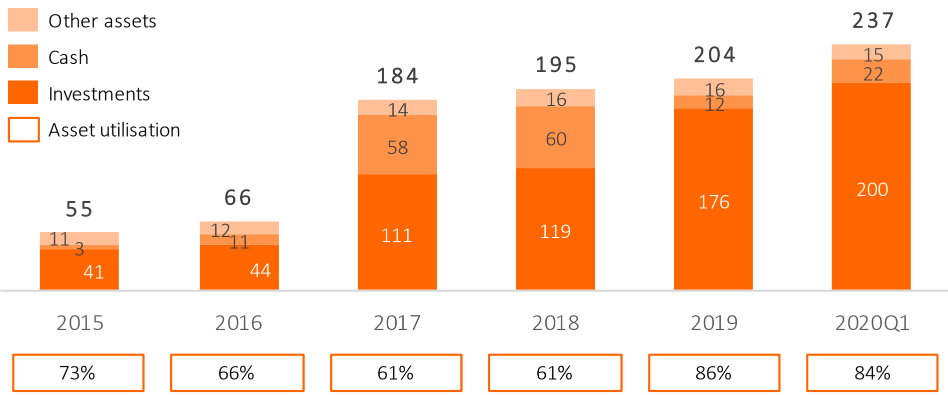
- 51% net LTV at the end of Q1 2020 vs. covenant of 75%
- Gross LTV (gross debt / ERC) of approximately 58%

Balance sheet

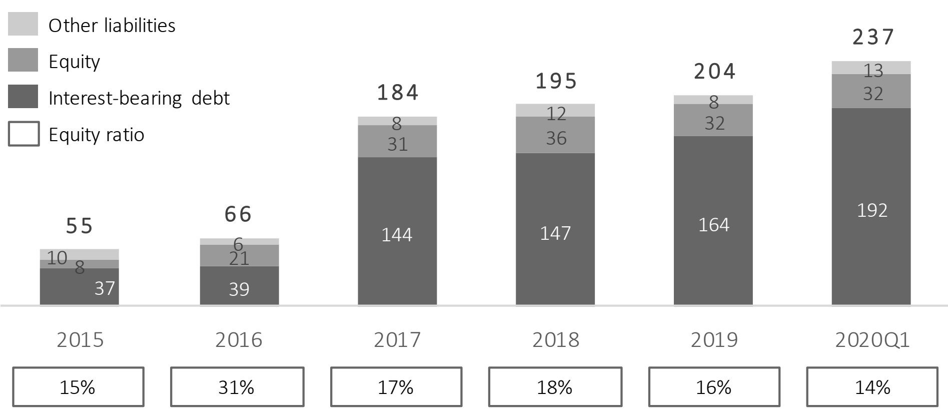
Capital structure DDM Holding AG

EURm

Total assets



Equity and liabilities

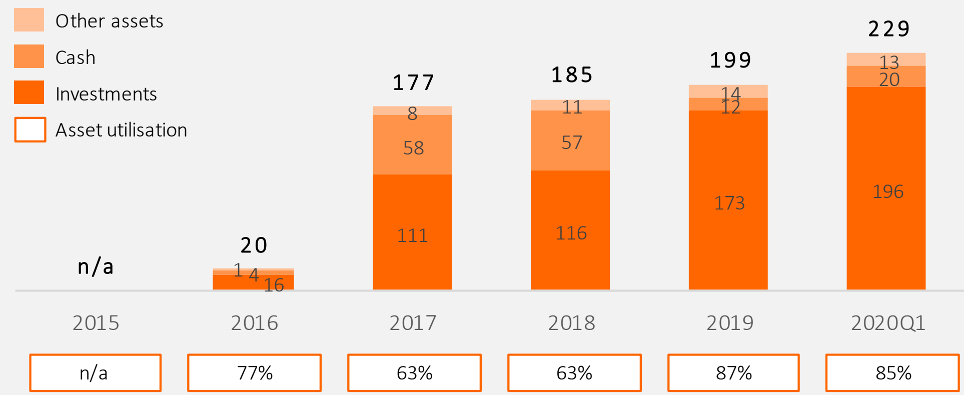


Issuer Group

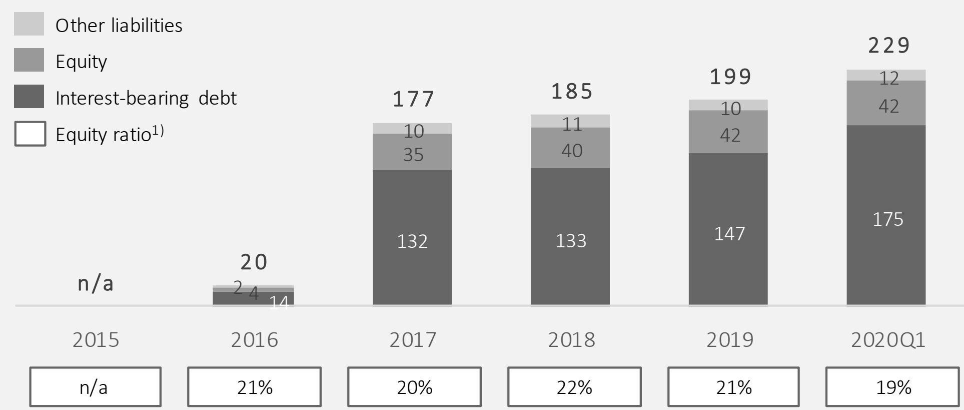
Capital structure DDM Debt AB (publ)

EURm

Total assets



Equity and liabilities



Note: Asset utilisation = Investments / Total assets
Equity ratio = Equity / Total assets

1) Equity including subordinated loans

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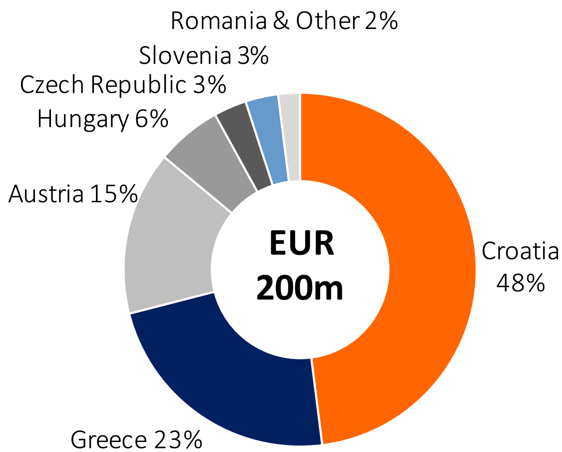
Foreign currency exposures since the end of the quarter trending back towards the exchange rates prior to the COVID-19 pandemic

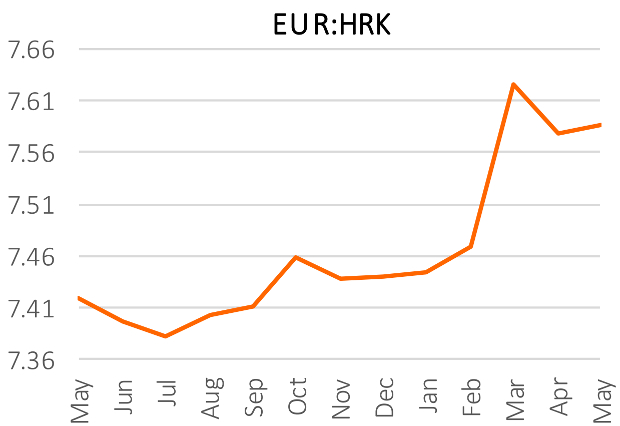
Investments, book value by country, 31 March 2020

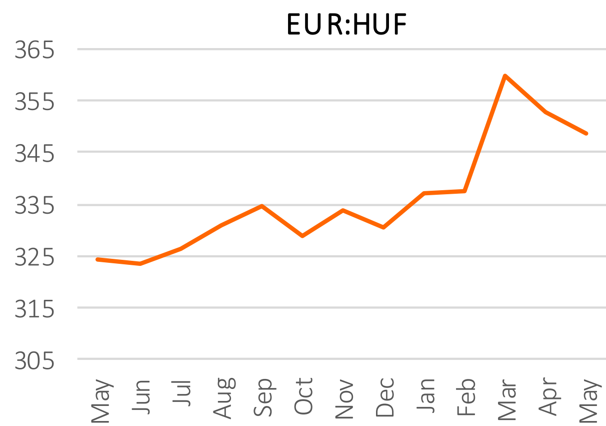


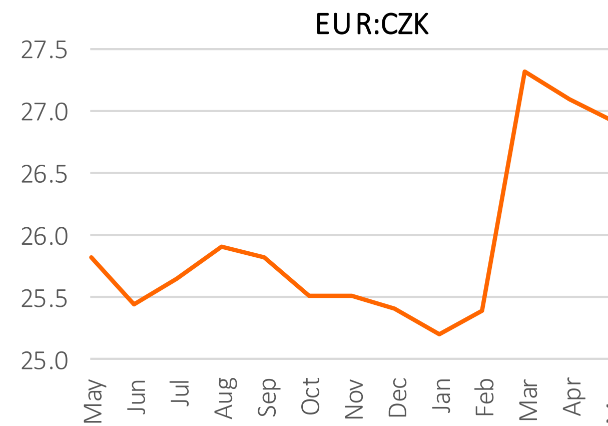
Impact from FX fluctuations

- The unfavourable FX movement of EUR 2.4m incurred in Q1 is trending back towards the exchange rates prior to the COVID-19 pandemic with approximately EUR 1m recovered since 31 March 2020

Balance sheet FX rates vs. EUR LTM May 2020







Source: Xignite

AGENDA

1. Amendment proposal

2. Company update

3. Portfolio and financial update

4. Appendix

DDM Group at a glance

Introduction to DDM

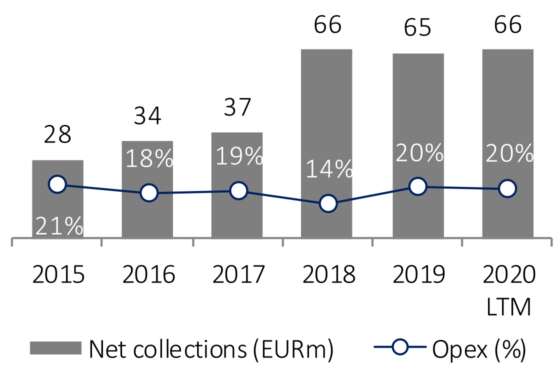
- A specialist acquirer and manager of performing and non-performing loans (NPL) with focus on Southern, Central and Eastern Europe (SCEE)
- Over 13 years experience of investments and debt collection in the region
- Large network of debt collection agencies (DCAs) complemented with access to servicing of corporate secured portfolios across SCEE – creates a cost efficient, low risk, highly flexible and scalable business model
- The proprietary IT system FUSION provides granular and real-time overview of portfolio performance, competitive pricing and analytics tools, resulting in realising above market returns
- Proven deal execution with over 93 portfolios acquired in 13 markets

Overview

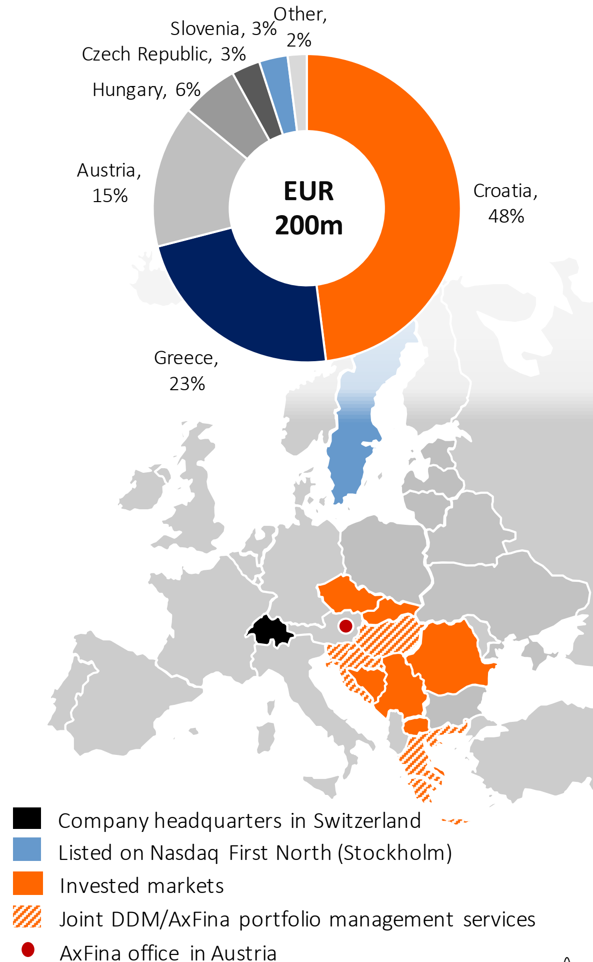
Key statistics

Track record **>11 years**	FTEs **70[1)]**
Countries with portfolios **10**	Acquired cases **~2.3m**
Portfolio face value[2)] **EUR 4.2bn+**	ERC **EUR 308m**
Secured share of portfolio **69%**	Cash EBITDA LTM Q1 2020 **EUR 53m**

Adjusted net collections[3)]



Geographical presence



1) As of 30 April 2020 being 17 FTEs employed by DDM and 53 FTEs employed by Lombard
2) As of acquisition date
3) Includes the sale of invested assets and incremental net distributions from joint venture

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Credit highlights

A trusted partner with a strong position in the SCEE region	• Specialist acquirer and manager of performing and non-performing loans (NPL) – more than 93 portfolios acquired in 13 markets • Focused on Southern, Central and Eastern Europe (SCEE) – ~EUR 100bn market opportunity • Strong vendor relationships with large European banks, proven by large number of off-market deals and repeat sales • Experienced organisation with longstanding >13 years track record from the industry
Lean and scalable business model	• Cost efficient, highly flexible and scalable business model – operating expenses 15-20% of net collections • Unsecured claims underwritten by DDM and collection is outsourced to a wide network of >20 trusted debt collection agencies • Secured claims are underwritten through line-by-line valuation and increasingly collected by in-house work-out team with >50 yrs professional experience • Single proprietary IT system accumulating all data on a granular level – more than 2.3 million acquired cases in the database
Diversified and frontloaded portfolio	• Estimated remaining collection (ERC) of EUR ~308m • ~73% of the ERC is expected to be collected until end of 2022 (just over 2.5 years) • Portfolio distributed across 10 countries, split between 69% secured and 31% unsecured • Proven collection ability with an average revaluation percentage of 0.4% since 2016
Attractive debt purchasing market	• Following the Covid-19 pandemic, non-performing loan (NPL) ratios in Europe are expected to increase to historical highs • NPL sales volumes in Europe have increased significantly pre Covid-19 and the number of attractive NPL portfolios to acquire are expected to increase • Historic growth driven by adaption to regulatory changes, outsourcing trends and balance sheet "clean-ups" among banks • DDM's current pipeline consists of approximately EUR 600m in deal value (purchasing price) at attractive IRRs
Management and board of directors with extensive NPL experience	• Experienced management team with more than 100 years combined experience in the NPL industry and has overseen several thousand transactions in more than 25 countries • Board of directors with broad and relevant experience from various positions within the financial sector • Aldridge EDC Specialty Finance Group (AEDC), the ultimate owner, was established by a highly experienced team of successful financial services entrepreneurs and investors who have a strong track record in securing investment and business opportunities associated with European banks

The DDM team

Management: More than 100 years combined experience in the NPL industry and has overseen several thousand transactions in more than 25 countries

Henrik Wennerholm

CEO
DDM since 2018

Previous experience:
Hoist, Aktiv Kapital (PRA Group), Sileo Kapital and, most recently, B2Holding ASA where he served as Head of Business Development

Fredrik Olsson

CFO
DDM since 2014

Previous experience:
Finance Manager at LyondellBasell Industries NV

Alessandro Pappalardo

CIO
DDM since 2018

Previous experience:
Goldman Sachs, European Resolution Capital Partners and most recently, Intrum AB, where he was Chief Investment Officer

Bernhard Engel

COO
DDM since 2019

Previous experience:
PwC Austria's Financial Services and Deals Leader, part of the Management Board and member of PwC Europe's Financial Services and Deals Leadership Team, PwC Europe's Financial Services Deals Leader

Board of directors

Jörgen Durban

Chairman
Member since 2019

Other assignments:
Chairman of the board of directors of Haldex AB, chairman of the board of directors of Anoto Group AB (Nasdaq Stockholm: ANOT), chairman of the board of directors of Nordiska Kreditmarknads-aktiebolaget (publ) and partner at Bdp Partners

Erik Fällström

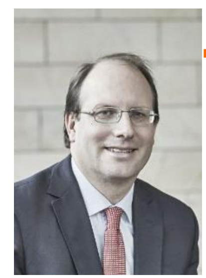
Board member
Member since 2017

Previous experience:
Co-founder of Hoist Finance, Chairman and co-founder of Aldridge EDC Specialty Finance and Executive Chairman of EDC Advisors

Joachim Cato

Board member
Member since 2019

Previous experience:
Regional Head of Private Banking in Stockholm and Northern Sweden Danske Bank A/S, Head of International Clients in Luxembourg Danske Bank A/S



Florian Nowotny

Board member
DDM since 2019

Previous experience:
CFO of CA Immobilien Anlagen AG, CFO of Invester United Benefits GmbH

Background of owner

aedc capital

Background

- Aldridge EDC Specialty Finance Group (AEDC) was established by a highly experienced team of successful financial services entrepreneurs and investors who have a strong track record in securing investment and business opportunities associated with European banks and their non-core and non-performing assets and financial institutions
- DDM Group Finance S.A. is an affiliate of AEDC Specialty Finance Limited within (AEDC)
- In April 2017, DDM Group Finance S.A., became a significant shareholder in DDM Holding when it acquired approximately 48.81 percent of the shares in DDM Holding. Since then, Demeter Finance's stake has been increased to approximately 89.2 percent of the shares and votes in DDM Holding

Portfolio companies

omnio

ddm

rezolve instant salesware

Thea Artemis

axFina

SIVERSIMA

I-CASH

FACEOFF

Key employees

Erik Fällström

CHAIRMAN, MANAGING DIRECTOR AND FOUNDER OF AEDC CAPITAL

Background:
Co-founded Arkwright Capital (Evolved into European Digital Capital), Co-founder and former 40% owner of Hoist Finance
Education:
Stockholm School of Economics

Dr. Andreas Tuczka

MANAGING DIRECTOR AND CO-FOUNDER OF AEDC CAPITAL

Background:
Former CEO of DDM, partner of Lone Star Europe for six years, board member of Deutsche IKB AG and Düsselforfer Hypo and Executive committee of IKB AG
Education:
University of Vienna

Scott Lanphere

MANAGING DIRECTOR and PARTNER OF AEDC CAPITAL LTD

Background:
Partner at Advent International, Partner at Deutsche Bank (Morgan Grenfell), Founder of Eaton Gate Limited a private capital and advisory business
Education:
MBA, Harvard University

Joachim Cato

DIRECTOR OF FUND MANAGER

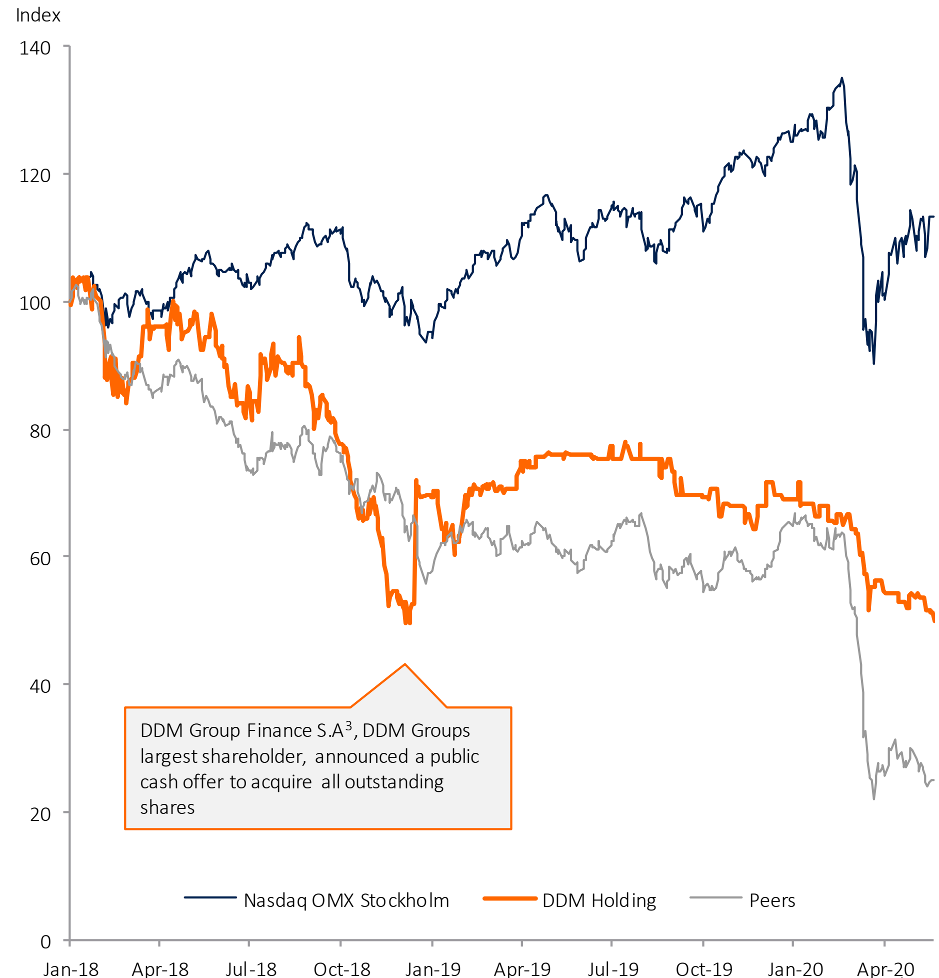
Background:
20 years of experience from business- and private banking in Danske Bank Sweden and Luxembourg (Head of private banking, Head of international clients)
Education:
MSc in Business and Economics from University of Växjö, Sweden

Ownership structure – DDM Holding AG has been listed since 2014

Ownership overview[1)]

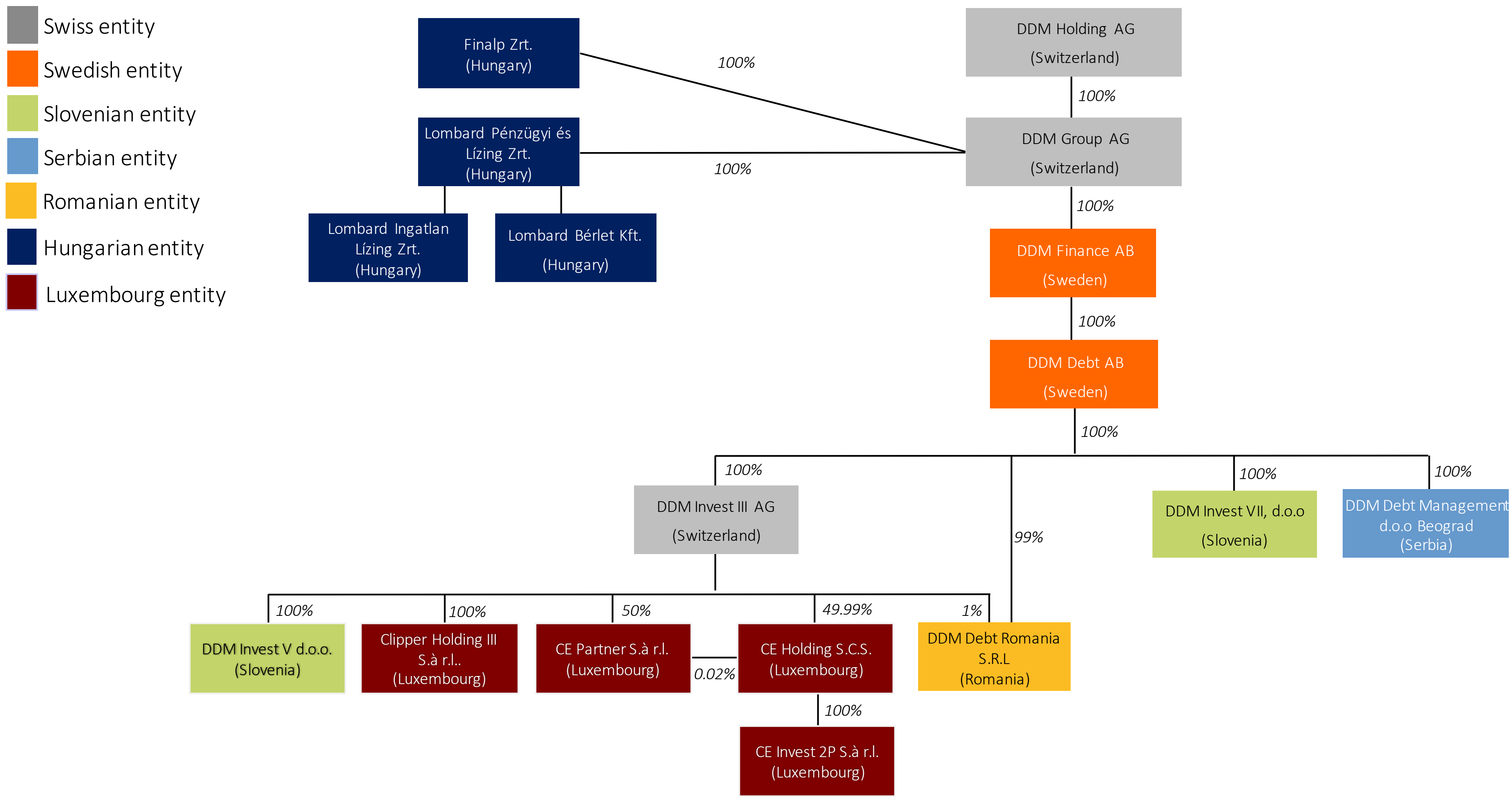
Shareholder	No. of shares (1,000)	Capital and votes
DDM Group Finance S.A.[3]	12,091	89.2%
Ålandsbanken AB	404	3.0%
Förvaltnings AB Hummelbosholm	224	1.7%
Investment AB Öresund	126	0.9%
Nordnet Pensionsförsäkring AB	119	0.9%
Olsson, Fredrik	105	0.8%
Sjöblom, Harry	75	0.5%
Försäkringsaktiebolaget, Avanza Pension	52	0.4%
Mare Invest AB	50	0.4%
Söderberg, Jakob	35	0.2%
Total; 10 largest owners	13,281	98.0%
Summary others	279	2.0%
TOTAL	13,560	100.0%

Share price performance[2)]



1) Shareholder overview per 31 March 2020, Source: Euroclear, Computershare and DDM Holding
2) Peer group performance based on average indexed development of B2 Holding, Intrum, Hoist, Kruk, Arrow & Axactor
3) Formerly Demeter Finance Sarl

DDM Group legal structure as of 31 March 2020



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Risk factors (1/11)

*Investment in Bonds is associated with a number of risks. Numerous factors affect or may affect the Group's (meaning DDM Debt AB (publ), DDM Finance AB and their subsidiaries) operations, both directly and indirectly. Risk factors and major circumstances deemed to be of importance for the Group's business and future development are described below in no particular order or priority and without claim to be exhaustive. If any of these or other risks or uncertainties actually occurs, the business, operating results and financial condition of the Group could be materially and adversely affected, which could have a material adverse effect on the Group's ability to meet its obligations (including repayment of the principal amount and payment of interest) under the terms and conditions for the Bonds (the "**Terms and Conditions**"). Other risks as yet unknown to the Company, or which the Company at present deems to be insignificant, may also adversely affect the Group and adversely affect the price of the Bonds and the Group's ability to service its debt obligations. Apart from this section, an investor should also consider the other information in this Presentation.*

This Presentation contains statements about the future which may be affected by future events, risks and uncertainties. The Group's actual results may be considerably different to the expected results in statements about the future due to many factors, among them, but not limited to, the risks described below and elsewhere in this Presentation.

RISKS RELATED TO THE INDUSTRY AND OPERATIONS

Economic conditions in the markets in which the Group operates affect the business

The Group is exposed to the economic, market and fiscal conditions in the markets in which the Group operates and any positive or negative developments regarding these conditions. If the economy suffers a material and adverse downturn for a prolonged period of time that, in turn, increases the unemployment rate and/or impacts interest rates and the availability of credit, the Group may not be able to perform debt collection at levels consistent with historic levels due to the inability of debtors to make payments, at the same levels or at all, which could have an adverse effect on the Group's financial results. In addition, should the level of inflation increase, the real term carrying value of Group's distressed asset portfolios may decrease.

There is a risk that economic conditions will not improve or remain at the same level in the markets in which the Group operates, or that the net effect of any change in economic conditions will not be positive. An improvement in the economic conditions in the markets in which the Group operates could impact the business and performance in various ways including, but not limited to, reducing the number of attractive portfolio opportunities that are available for purchase and increasing the competitiveness of the pricing for portfolios that the Group purchases. There is a risk that the business and results of operations will not develop positively in this environment. Conversely, while adverse economic conditions and increased levels of unemployment may lead to higher default rates on claims, which in turn may increase the stock of portfolios available for the Group to purchase and increase the amount of loans and other overdue receivables, there is a risk that such potential increase in the amount of debt available to purchase will not compensate for the adverse effects of an economic downturn. Accordingly, any of these developments could have a material adverse effect on the Group's business, results of operations or financial condition.

The asset acquisition industry is competitive

The Group operates in a fragmented and highly competitive industry and is exposed to both domestic and international competition. The Group may face bidding competition in acquisition of distressed asset portfolios and believes that successful bids are awarded based on price and a range of other factors including, but not limited to, service, compliance, reputation and relationships with the sellers of distressed asset portfolios. Some of the Group's current competitors, and potential new competitors, can have more effective pricing and collection models, greater adaptability to changing market needs and more established relationships in the industry and geographic markets where the Group operates. Moreover, competitors may elect to pay prices for distressed asset portfolios that the Group determine are not economically sustainable and, in that event, the volume of debt portfolio purchases may be diminished. There is a risk that the Group cannot compete successfully with existing or future competitors and that existing or potential sellers of distressed asset portfolios will continue to sell their portfolios at attractive levels or at all, or that the Group will continue to offer competitive bids for distressed asset portfolios.

Some of the Group's current competitors, and potential new competitors, can have substantially greater financial resources, less expensive funding or lower return requirements than the Group currently has. Additionally, in the future the Group may not have the financial resources to offer competitive bids for portfolio purchases and debt collection contracts, especially when competing with competitors who have greater financial resources. There is a risk that the Group will not be able to develop and expand its business or adapt to changing market needs as well as current or future competitors. Any of these developments could have a material adverse effect on the Group's business, results of operations or financial condition.

The Group is exposed to regulatory risks

The Group operates in a variety of jurisdictions and must comply with applicable laws, regulations, licenses and codes of practice across all jurisdictions, including, among other things, with respect to statutes of limitation and consumer protection regulations. Changes to the regulatory or political environments in which the Group operates, a failure to comply with applicable laws, regulations, licenses and codes of practice or failure of any employees to comply with internal policies and procedures may negatively affect the Group's business. The Group is subject to complex regulations in the jurisdictions in which the Group operates, including, but not limited to, laws and regulations regarding data protection, debt collection, consumer protection, debt purchasing and anti-money laundering, sanctions, anti-corruption and terrorist financing at the national and supranational level.

Risk factors (2/11)

There is a risk that the Group's policies and procedures will not prevent breaches of applicable laws and regulations or that any investigations will not identify such breaches in a timely manner or at all. Any such delay or failure could have a material adverse effect on the Group's business, results of operations or financial condition. Supervisory authorities in each country in which the Group operates may determine that the Group does not fully comply with, is in violation of, or in the past has violated applicable rules, regulations or administrative guidelines. Furthermore, the Group made an investment in Addiko Bank AG ("**Addiko**") in March 2020 and subsequently decided to exercise a call option right to acquire further shares in Addiko. The closing of the contemplated acquisition is subject to obtaining certain regulatory approvals. Applications have been filed, or are in the process of being filed, for regulatory approval in Serbia, Montenegro and Austria, which are, as of the date of this Presentation, still pending. Filings for regulatory approval are also about to be submitted in Croatia, Slovenia and Bosnia and Herzegovina. If the Group's policies and procedures are deemed not to be in compliance, or are deemed not to have previously been in compliance, with relevant legal requirements or applicable legal requirements or applicable laws, regulations or administrative guidelines or if the Group does not receive the necessary regulatory approvals in relation to the Addiko investment, this could have a material adverse effect on the Group's business, results of operations or financial condition.

Compliance with the extensive regulatory framework is expensive and labor intensive. Failure to comply with applicable laws, regulations and rules, new or amended legislations and regulations, or failure to comply with a contractual compliance obligation, could result in investigations and enforcement actions, licenses that the Group needs to do business not being renewed, being revoked or being made subject to more onerous or disadvantageous conditions, fines or the suspension or termination of its ability to conduct collections. In addition, such failure to comply or revocation of a license, or other actions by the Group, may damage the Group's reputation. Damage to the Group's reputation, whether because of a failure to comply with applicable laws, regulations or rules, or revocation of a license or any other regulatory action or failure to comply with a contractual compliance obligation, could have a material adverse effect on the Group's business, results of operations or financial condition.

The Group is dependent on consultants and exposed to risks associated with their activities

The Group has a management agreement with DDM Group AG regarding services required in the Group's business (the "**Management Agreement**"). The Group's future development depends largely on the skills, experience and commitment of the consultants which are made available to the Group under the Management Agreement. Therefore, it is important for the Group's future business activities and development that DDM Group AG is able to retain and, where necessary, also recruit suitable consultants for the purpose of managing the Group's business. It is also of importance that DDM Group AG ensures that adequate notice periods are included in employment contracts to avoid disruptions in the ongoing operations. Should DDM Group AG become unable to retain or recruit suitable consultants for managing the Group's business, there is a risk that the Group's operations, financial conditions and results are adversely impacted.

Further, individual consultants may act against DDM Group AG's instructions or internal policies and either inadvertently or deliberately violate applicable law, including, but not limited to, competition laws and regulations by engaging in prohibited activities such as price fixing or colluding with competitors regarding markets or clients. Any such actions could have a material adverse effect on the Group's business, results of operations or financial condition.

The Group needs to be compliant with the General Data Protection Regulation ("GDPR")

In May 2018 the EU legislation GDPR entered into force. In accordance with the legislation the Group needs to ensure that the personal data processing and other related actions are in compliance with GDPR. The maintenance of systems for personal data processing and actions needed to ensure compliance with GDPR involves costs and can be time consuming for the Group. The compliance is important as data processing in breach of GDPR could result in fines amounting to a maximum of EUR 20,000,000 or 4 per cent of Group's global turnover. If the Group fails to comply with GDPR this would have a negative impact on the Group's business and financial conditions.

The Group is dependent on key business relationships and third parties

The Group's future development depends largely on the key business relationships which include, but are not limited to, sellers of distressed asset portfolios, financing partners, debt collection agencies, advisors, co-investors and other third parties. It is therefore important for the Group's future business activities and development that it is able to maintain existing relationships and to develop further relationships with such parties if necessary. Should the Group become unable to maintain or develop further key business relationships it could have a material adverse effect on the Group's business, results of operations or financial condition. Further, the third parties that the Group engages to carry out debt collection services are subject to limited supervision, which may expose the Group to additional risks in relation to these services, such as potential non-compliance and business integrity issues or if there were to be any breach in the data protection of any of these third party providers, all of which could significantly harm the Group's reputation. Additionally, the Group or its partners may utilise bailiffs to assist with seizure of property and other court ordered solutions and to enforce certain successfully resolved legal claims. There is a risk that the Group will not successfully eliminate the risk that a third party does not meet the agreed service levels or may act outside of the applicable frameworks or the Group's own policies and procedures. Any such actions could have a material adverse effect on the Group's business, results of operations or financial condition.

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Risk factors (3/11)

Majority owner

Following any potential change of control in the Issuer, the Issuer may be controlled by majority shareholder whose interest may conflict with those of the bondholders, particularly if the Group encounters difficulties or is unable to pay its debts as they fall due. A majority shareholder has legal power to control a large amount of the matters to be decided by vote at a shareholder's meeting. For example, a majority shareholder will have the ability to elect the board of directors. Furthermore, a majority shareholder may also have an interest in pursuing acquisitions, divestitures, financings or other transactions that, in their judgment, could enhance their equity investments, although such transactions might involve risks to the bondholders. There is nothing that prevents a shareholder or any of its affiliates from acquiring businesses that directly compete with the Group. If such an event were to arise, it could have a material negative impact on the Group's operations, earnings and financial conditions.

The Group may not be able to collect sufficient amounts on distressed asset portfolios

Due to the length of time involved in collecting non-performing debt on acquired distressed asset portfolios, the Group may not be able to identify economic trends or make changes in acquiring strategies in a timely manner. This could result in a loss of value in a portfolio after acquisition. Analytical models may not identify changes that originators make in the quality of the distressed asset portfolios that they sell. If the Group overpays for distressed asset portfolios, and thus the value of acquired assets and cash flows from operations are less than anticipated, the Group would have difficulty servicing debt obligations and to acquire new portfolios. Further, if purchased portfolios do not generate expected cash flows over specified time horizons it may be necessary to make downward revaluations and impairments of the portfolios, all of which could have a material adverse effect on the Group's business, results of operations or financial condition.

Risks related to investments in SPVs

Pursuant to the Terms and Conditions, the Issuer may make investments in certain special purpose vehicles ("**SPV**"). An investment in, a loan to or the taking of an exposure in relation to a SPV entails, in addition to the risks involved in an investment in a loan portfolio, risks relating to the capital structure and contractual arrangement of such SPV, including but not limited to, layering of instruments, intercreditor arrangements, lack of perfection actions and valid underlying security, lack of control and ability to influence, exposure to regulatory requirements and applicable insolvency regimes. If any of such risks materialise, there is a risk that the Group's business, results of operations or financial condition is adversely affected.

The Group's models and analytical tools to value and price portfolios may prove to be inaccurate

The Group uses internally developed models and input from advisors such as real estate valuation experts to value and price portfolios that the Group considers for purchase and to project the remaining cash flow generation from distressed asset portfolios. There is a risk that the Group will not be able to achieve the recoveries forecasted by the models used to value the portfolios, that the models are not transferable to other types of assets or that the models are flawed. There is a risk that the models will not appropriately identify or assess all material factors and yield correct or accurate forecasts as historical collections may not reflect current or future realities. Further, misjudgments or mistakes could be made when utilising the Group's statistical models and analytical tools. In addition, the Group's statistical models and analytical tools assess information which to some extent is provided by third parties, such as credit agencies, consultants performing asset valuation services, consultants performing audits of for example loan documentation, and other mainstream or public sources, or generated by software products. The Group only has limited control over the accuracy of such information received from third parties. If such information is not accurate, portfolios may be incorrectly priced at the time of purchase, the recovery value for portfolios may be calculated inaccurately, the wrong collection strategy may be adopted and lower collection rates or higher operating expenses may be experienced. Further, historical information about portfolios may not be indicative of the characteristics of subsequent portfolios purchased from the same debt originator or within the same industry due to changes in business practices or economic development. Any of these events would have a material adverse effect on the Group's business, results of operations or financial condition.

Macroeconomic factors

A significant proportion of the Group's invested assets are secured portfolios, and therefore the Group is exposed to the risk of volatility in the real estate market. The real estate market is to a large extent affected by macroeconomic factors such as, inter alia, the general economic development and growth, employment trends, level of production of new premises and residential properties, changes in infrastructure, population growth, inflation and interest rate levels. If one or more of these factors would have a negative development, this could have a material negative impact on the value and underlying assets of the secured portfolios, and ultimately the Group's operations, earnings and financial conditions.

Risk factors (4/11)

The Group may make new investments or pursue co-investments that prove unsuccessful

The Group has historically invested in consumer and corporate debt portfolios through different types of transaction structures including joint ventures and entire companies. In the future the Group may consider acquiring distressed assets portfolios with other types of underlying assets and/or apply new transaction structures including, but not limited to, acquiring minority interest, other debt securities or businesses, in the Group's current geographical markets or in new markets. Such investments are exposed to a number of risks and uncertainty including, but not limited to, with respect to collections, ownership, rights, assets, liabilities, taxation, accounting treatment, licenses and permits, legal proceedings, financial resources and other aspects. These risks may be greater, more difficult or more extensive to analyse if the Group acquires new asset types and/or enters into unfamiliar countries or regions. Further, such investments involve risks due to difficulties in integrating operations, models, technology, information technology and hiring competent personnel. Further, the required regulatory approval necessary to complete the contemplated additional investment in Addiko may take more time and resources to obtain, or may not be obtained at all. Finally, the investment in Addiko may also prove less successful than anticipated. Any difficulties relating to new investments such as the Addiko investment, to new asset types, entering other markets or applying new transaction structures could require the Group to divert attention or funds from the Group's current core operations, which may affect the ability to generate a return on capital, service financing obligations, purchase portfolios and pursue portfolio acquisitions or other strategic opportunities and may impact the Group's future growth potential, and could have a material adverse effect on the Group's business, results of operations or financial condition.

There may not be a sufficient supply of distressed asset portfolios, or appropriately priced assets, to acquire

The availability of distressed asset portfolios at prices that generate profits depends on a number of factors, many of which are outside of the Group's control. If originators choose to rely more heavily on collection agencies, there would be a reduction in the availability of assets that are early in the financial difficulty cycle and have had little or no exposure to collection activity. These "fresher" assets typically have higher collection expectations. If originators were to perform more of their own collections, or were to further outsource collections to collection agencies, the volume of assets for sale or the quality of assets sold could decrease and, consequently, the Group may not be able to acquire the type and quantity of assets at attractive prices or at prices consistent with its historic return targets. If the Group does not continually replace serviced portfolios with additional portfolios, this could have a material adverse effect on the Group's business, results of operations or financial condition.

The Group may be unable to collect debts or it could take several years to realise cash returns on investments in acquired portfolios

The Group may not be able to collect debts contained in its acquired portfolios. The Group acquires distressed asset portfolios at a discount to face value and collects the outstanding debt. There is a risk that assets contained in the Group's portfolios cannot eventually be collected by the Group or its partners. The risk in this business is that the Group upon acquisition of invested assets would overestimate its ability to collect amounts, underestimate the costs of collection or misjudge whether the acquired assets are valid, existing and enforceable. If the Group were to become unable to collect the expected amounts contained in its portfolios it could have a material adverse effect on the Group's business, results of operations or financial condition. Further, after taking into consideration direct and indirect operating costs, financing costs, taxes and other factors, it may take several years for the Group to recoup the original acquisition price of investment in distressed asset portfolios. During this period, significant changes may occur in the economy, the regulatory environment or the Group's business or markets, which could lead to a substantial reduction in expected returns or reduce the value of the distressed asset portfolios that have been acquired which could have a material adverse effect on the Group's business, results of operations or financial condition.

The seasonality of the Group's business may lead to volatility in cash flow

The Group's business depends on the ability to collect on distressed asset portfolios and purchase of such portfolios. Debt collection is highly affected by seasonal factors including, but not limited to, the number of work days in a given month, the propensity of debtors to take holidays at particular times of the year and annual cycles in disposable income. Accordingly, collections within portfolios tend to have high seasonal variances, resulting in high variances of margins and profitability between quarters. Furthermore, the Group's debt portfolio purchases are likely to be uneven during the year due to fluctuating supply and demand within the market. In addition, the Group has increased its investments in secured loan portfolios which increases the Group's dependency on fewer, but larger, payments which thereby increases the volatility of the Group's cash flow. The combination of seasonal collections, uneven purchases and investments in secured loan portfolios may result in low cash flow at a time when attractive distressed asset portfolios become available. There is a risk that in the future the Group will not be able to obtain interim funding from shareholders or make other borrowings. A lack of cash flow could prevent the Group from purchasing otherwise desirable distressed asset portfolios or prevent the Group to meet obligations, e.g. to pay interest, either of which could have a material adverse effect on the Group's business, results of operations or financial condition.

The Group is exposed to the risk of currency fluctuations

The Group's revenue on invested assets is primarily denominated, inter alia, in EUR, Croatian kuna, Hungarian forint, Czech koruna, Romanian leu and Serbian dinar while the Group reports financial results in EUR. Further, the Group acquires portfolios with accounts denominated mainly in EUR, Croatian kuna, Hungarian forint, Czech koruna, Romanian leu and Serbian dinar and will service these accounts through the placement and collections process. The Group may further be exposed to additional currencies as a consequence of geographically expanding its business operations.

Risk factors (5/11)

Since the headquarters of the Group is located in Sweden part of the Group's operating expenses are incurred in SEK. However, the headquarters of DDM Holding AG is located in Switzerland and a significant share of the operating expenses are thereby incurred in CHF. Furthermore, the Group has operations in Hungary, and part of the Group's operating expenses are thereby incurred in Hungarian forint. This makes the Group exposed to currency fluctuations in SEK, CHF and HUF.

Historically the exchange rates between some of these currencies and EUR have fluctuated significantly and the Group's local currencies may in the future fluctuate significantly. Consequently, to the extent that foreign exchange rate exposures are not hedged, fluctuations in currencies may adversely affect the Group's financial results in ways unrelated to the operations and could affect the Group's financial statements when the results of its portfolios are translated into EUR for reporting purposes. Any of these developments could have a material adverse effect on the Group's business, results of operations or financial condition.

The Group is exposed to errors in the collection process and other operational issues or negative attention and news regarding the debt collection industry, individual debt collectors or sellers of portfolios

Debtors may become more reluctant to pay their debts in full or at all or become more willing to pursue legal actions against the Group. Print, television or online media may, from time to time, publish stories about the debt collection or asset acquisition industry that may cite specific examples of real or perceived abusive collection practices. Further, debt collection is a relatively new phenomenon in some of the markets where the Group is active, which could bring further attention to the Group, promoting negative publicity. These stories can be published on websites or other media platforms which can lead to the rapid dissemination of the story and increase the exposure to negative publicity about the Group or the industry. In addition, there are websites where debtors may list their concerns about the activities of debt collectors and financial institutions and seek guidance from other users on how to handle the situation. These websites are increasingly providing debtors with legal forms and other strategies to protest collection efforts and to try to avoid their obligations. To the extent that these forms and strategies are based upon erroneous legal information, there is a risk that the cost of collections is increased. Debtor blogs and claims management companies are becoming more common and add to the negative attention given to the industry. Certain of these organisations may also enable debtors to negotiate a larger discount on their payments than the Group would otherwise agree to. As a result of this publicity, debtors may be more reluctant to pay their debts or could pursue legal action against the Group regardless of whether those actions are warranted. These actions could impact the Group's ability to collect on the assets acquired and could have a material adverse effect on the Group's business, results of operations or financial condition.

The Group may acquire portfolios that contain accounts that are not eligible to be collected or could be the subject of fraud when acquiring distressed asset portfolios

In the normal course of portfolio acquisitions, there is a risk that assets may be included in the portfolios that fail to conform to the terms of the acquisition agreements and the Group may seek to return these assets to the seller for refund or replacement of new cases. However, there is a risk that the provisions of the relevant acquisition agreement will not allow for such returns, that the seller will be able to meet its obligations or that the Group will identify non-conforming accounts soon enough to qualify for recourse. Accounts that would be eligible for recourse if discovered in a timely fashion but that the Group is unable to return to sellers are likely to yield no return. If the Group acquires portfolios containing a large amount of non-conforming accounts or containing accounts that are otherwise uncollectible, the Group may be unable to recover a sufficient amount for the portfolio acquisition to be profitable, which could have a material adverse effect on the Group's business, results of operations or financial condition.

In addition, due to fraud by a seller, a consultant or an employee, the Group could acquire so-called "phantom portfolios" that have been sold to more than one person or where the assets are not valid, existing and enforceable or the debtor is not an existing person. The Group would not be able to collect on a portfolio to which it has no legal ownership, or would need to spend time and resources establishing its legal ownership of the portfolio if such ownership is uncertain. The internal controls the Group has in place to detect such types of fraud may fail. If the Group is the victim of fraud, it could have an impact on the Group's cash flow or reduce its collections from invested assets, in either case potentially adversely impacting the Group's business, results of operations or financial condition.

The Group's collections may decrease if the number of debtors becoming subject to insolvency procedures increases

The Group recovers on assets that become subject to insolvency procedures under applicable laws, and acquires accounts that are, at the time of the acquisition, subject to insolvency proceedings. Various economic trends and potential changes to existing legislation may contribute to an increase in the number of debtors subject to insolvency procedures. Under some insolvency procedures assets may be sold to repay creditors, but since the non-performing assets may be unsecured, the Group may not be able to collect on those assets. The Group's ability to successfully collect on its distressed asset portfolios could decline following an increase in insolvency procedures or a change in insolvency laws, regulations, practices or procedures. If actual collections with respect to a distressed asset portfolio are significantly lower than projected when the Group acquired the portfolio, this would have a material adverse effect on the Group's business, results of operations or financial condition.

The IT and data analysis system used by the Group may not be successfully developed and maintained

The Group uses the IT System FUSION which is owned by the Issuer's indirect parent company DDM Group AG, but the Group has a right to use the IT system pursuant to the Management Agreement. FUSION provides possibilities to analyse and bid for new investments and manage current assets, and is important for the Group to carry out its business. IT and telecommunications technologies are evolving rapidly. DDM Group AG may not be successful in anticipating, managing or adopting technological changes on a timely basis and may not be successful in implementing improvements to its IT or data analysis systems. Potential problems to the IT system could result in management not being able to devote sufficient attention to other areas of the Group's business. Also, any security breach in the IT system used by the Group, or any temporary or permanent failure in the system or loss of data, could disrupt operations and have a material adverse effect on the Group's business, results of operations or financial condition.

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Risk factors (6/11)

The Group is exposed to refinancing risk

The Group's business is as of the date hereof to a large extent funded by the Bonds with final maturity in December 2020 (unless extended in the contemplated written procedure), an outstanding bond loan with final maturity in April 2022 and a super senior revolving credit facility maturing in March 2021. The outstanding bond loans and/or the RCF may under certain circumstances set out in their respective terms and conditions, be redeemed or prepaid by DDM or accelerated by the bondholders prior to such final maturity date. There is a risk that there will be no correlation in time between collecting on sufficient assets under the Group's portfolios and the maturity of the Group's funding. Therefore, the Group is dependent on the ability to refinance borrowings upon their maturity and there is a risk that the Group will not be able to successfully refinance the bond loans and/or the RCF upon their maturity or only succeeds in securing funding at substantially increased costs, which could have a material adverse effect on the Group's business, results of operations or financial condition.

The Group is exposed to the risk of inaccurate application of, and future changes in tax legislation

The Group manages its operations in a number of countries. The business, including transactions between the Group's companies, is operated according to the Group's understanding or interpretation of current tax laws, tax treaties and other tax law stipulations and in accordance with the Group's understanding and interpretation of the requirements of the tax authorities concerned. However, there is a risk that the Group's understanding or interpretation of the above-mentioned laws, treaties and other regulations is not correct in every aspect. There is a risk that the tax authorities of the countries concerned will make assessments and make decisions that deviate from the Group's understanding or interpretation of the abovementioned laws, treaties and other regulations. The Group's tax position and tax rates, both for previous years, the present year and future years may change as a result of the decisions of the tax authorities concerned or as a result of changed laws, treaties and other regulations. Such decisions or changes, possibly retroactive, could have a material adverse effect on the Group's business, results of operations or financial condition.

Dependency on regulatory oversight and regulatory approval and consent in various markets

In certain markets, the Group is dependent on regulatory licenses in order to carry out its business. Further, the Group is dependent on obtaining regulatory approval to complete the contemplated Addiko investment. Obtaining and maintaining licenses and regulatory approvals and being in compliance with the regulatory framework can be expensive and/or labor intensive. Furthermore, there is a risk that, for a market in which the Group operates and where a license is required, the Group will not be able to obtain, maintain or renew such licenses. If the relevant authorities were to withdraw such licenses for any reason, there is a risk that the Group might have to cease part or all of its business in the relevant country, having an adverse effect on the Group's business, financial conditions and results. These risks vary between the markets, with more significant risks relating to regulatory oversight and approval, licenses and filings, in Greece, Hungary, Slovenia, Croatia, Romania, Serbia, Montenegro, Austria and Bosnia and Herzegovina.

Certain investment strategies, including co-investments and joint ventures, may limit the Group's control over particular investments

If the Group makes co-investments together with third parties or enters into joint ventures with third parties or invest in entities through debt securities, the ability of the Group to exercise control over these investments may be limited. Further, the interests of the Group's co-investment partners, any persons with which it pursues joint ventures or other shareholders in entities where the Group has invested though debt securities may conflict with the interests of the Group. There is a risk that any such conflict would not be resolved in favor of the Group which could have a material adverse effect on Group's business, results of operations or financial condition.

The Group is exposed to counterparty risk

Counterparty and counterparty credit risk refer to the risk that the Group's counterparties are unable to perform in accordance with its obligations or fulfill or meet their financial obligations towards the Group. The Group's current and potential joint venture partners, co-investors, collection service agencies, sellers or other counterparties may end up in a financial situation where they cannot pay amounts owed to the Group or make investments in joint projects or portfolios on its due date, or otherwise abstain from fulfilling their obligations. Sellers or other contractual parties that the Group are engaged with could make claims against the Group based on their opinion that the Group has not fulfilled or met its obligations towards them. Furthermore, the Group is dependent on the sellers of asset portfolios to continue to provide information to facilitate the Group's debt collection. If the Group's counterparties are not able or willing to fulfill their obligations towards the Group, or if claims are directed towards the Group, it could negatively affect the Group's earnings and financial conditions.

The Group is dependent on future financing on attractive terms

The Group's business model and strategy entails that the Group regularly acquires additional distressed asset portfolios in existing or new markets. This business model and strategy may require additional debt or equity funding. The access to and the terms of such additional financing are affected by a number of factors including, but not limited to, successful collection on current distressed asset portfolios, terms and conditions of the Group's financing arrangements and related security arrangements, the general availability of capital and the Group's credit worthiness and credit capacity. Disruptions and uncertainty in the credit and capital markets may also limit access to additional capital. Should the Group become unable to secure additional funding, or only succeeds in securing additional funding on unfavorable terms, it could have a material adverse effect on the Group's business, results of operations or financial condition.

Risk factors (7/11)

Risk of limited access to capital

The sub-prime and European financial crises have demonstrated certain inherent weaknesses in the global financial system. This can result in the weakening of confidence in financial markets, which may in turn lead to a reduced supply of money. The Group uses external funding in order to support its expansion. Typically, any disturbances in the banking and financial sector negatively affect leveraged businesses by increasing the cost of money necessary to conduct the day-to-day business and fuel their expansion, and by limiting access to funding. A limited availability of credit and limitations in access to financial and capital markets, combined with rising credit costs, may slow down, deteriorate, or even prevent the growth and further expansion of the Group entirely. In addition, the limitations may undermine the Group's potential to be profitable, which would have a material adverse effect on the Group's business, financial conditions, results of operations and prospects.

The Group may not have adequate insurance coverage

There is a risk of the Group's existing insurance coverage not being adequate for possible future needs and of the Group not being able to maintain the existing insurance coverage at a reasonable cost or maintain adequate insurance coverage. Moreover, the coverage that the Group obtains via its insurance policies may be limited, for example on account of monetary limits and the need to pay an excess or by the insurance company not compensating the full loss. It may be difficult and time-consuming to obtain compensation from insurance companies for losses covered by the Group's policies. Consequently, there is a risk that the Group's insurance cover will not cover all potential losses, whatever the cause, or of relevant insurance coverage not always being available at an acceptable cost, which could have a material adverse effect on the Group's business, results of operations or financial condition. Claims against the Group may also, regardless of the Group's insurance coverage, result in an increase in the premiums the Group pays under its insurance contracts. Significant increases in insurance premiums would have a material adverse effect on the Group's business, results of operations or financial condition.

Litigation, investigations and proceedings may negatively affect the Group's business

The Group may be adversely affected by judgments, settlements, unanticipated costs or other effects of legal and administrative proceedings that are pending or may be instituted in the future, or from investigations by regulatory bodies or administrative agencies. The Group may also become subject to claims and a number of judicial and administrative proceedings considered normal in the course of the Group's operations including, but not limited to, consumer credit disputes, labor disputes, contract disputes, intellectual property disputes, government audits and proceedings, other disputes and tort claims. In some proceedings, the claimant may seek damages as well as other remedies, which, if granted, would require expenditures and may ultimately incur costs relating to these proceedings that exceed the Group's present or future financial accruals or insurance coverage. Even if the Group or its directors, officers, consultants and employees (as the case may be) are not ultimately found to be liable, defending claims or lawsuits could be expensive and time consuming, divert management resources, damage the Group's reputation and attract regulatory inquiries. Any of these developments could have a material adverse effect on the Group's business, results of operations or financial condition.

Risks associated with expanding the business of the Group

As the Group has experienced significant growth and expansion in its current markets, and due to its establishment in new markets, the Group may experience significant strains on its managerial, operational and financial resources associated with the hiring and training of new employees, and the development and management of business functions and relationships with clients. A successful expansion is furthermore dependent on the Group's ability to adapt its organisation, know-how, and financial position to meet the various challenges associated with an extensive expansion and to acquire portfolios with sought after profitability. Hence, there is a risk that the Group invests time and financial resources in expansion strategies which turn out not to be successful, which would have an adverse effect on the Group's business, results of operations and financial conditions.

Dependency on key employees

The Group is dependent on the knowledge, experience and commitment of its employees for continued development and current ongoing projects. The Group is also dependent on key individuals at management level. There is a risk that the Group loses key individuals, or is unable to retain and attract competent employees resulting in adverse effects on the Group's business, earnings and financial conditions.

The Group's geographic presence and expansion exposes the Group to local risks in several European markets

The Group currently has investments mainly in Croatia, Greece, Hungary, the Czech Republic, Slovenia, Romania, Serbia, Austria and Bosnia and Herzegovina. The Group's business is subject to local risks due to the operations in multiple Southern, Central and Eastern European markets including, but not limited to, multiple national and local regulatory and compliance requirements relating to labor, licensing requirements, consumer credit, data protection, anti-corruption, anti-money laundering and other regulatory regimes, potential adverse tax consequences, antitrust regulations, an inability to enforce remedies in certain jurisdictions and geopolitical and social conditions in certain sectors of relevant markets. Furthermore, some of these countries, such as Greece, Serbia and Croatia, have an uncharted collection market with limited portfolio transactions. Consequently, there could be unforeseen risks and there may be unanticipated obstacles negatively effecting the Group. Hence, there is a risk that the Group invests time and financial resources in expansion strategies which turn out not to be successful, which could have an adverse effect on the Group's business, results of operations and financial conditions.

Risk factors (8/11)

Furthermore, when entering new markets the Group could face additional risks including, but not limited to, incurring startup losses for several years due to lower levels of business, ramp up and training costs, the lack of expertise in such markets, the lack of adequate and available management teams to monitor these operations, unfavorable commercial terms and difficulties in maintaining uniform standards, control procedures and policies. Any negative impact caused by the foregoing risks could have a material adverse effect on the Group's business, results of operations or financial condition. In addition, if the Group expands into new jurisdictions, the business will be subject to applicable laws, regulations and any licensing requirements in such new jurisdictions, which may be different or more stringent than the jurisdictions in which the Group currently operates.

Risk connected with related party transactions

Certain major shareholders of DDM Holding AG currently hold positions in the board of directors of the Group. There is a risk that such shareholders and the Group enter into transactions and arrangements as related parties. Even though the Group is of the opinion that such transactions are on arms' length, there is a risk that the transactions will be challenged by for example tax authorities, auditors or other regulatory authorities, which could have a negative effect on the Group's earnings and financial conditions.

Coronavirus disease (COVID-19) risks

The 2019 novel coronavirus ("**COVID-19**") outbreak is currently having an indeterminable adverse impact on the world economy. COVID-19 was reportedly first discovered in Wuhan, Hubei Province, China, in 2019, and the World Health Organization declared COVID-19 a pandemic on 11 March 2020. The COVID-19 outbreak has become a widespread health crisis, which may in turn result in protracted volatility in international markets and/or result in a global recession as a consequence of disruptions to travel and retail segments, tourism, and manufacturing supply chains. In particular, from February to April 2020 the COVID-19 outbreak caused stock markets worldwide to lose significant value and impacted economic activity worldwide. As a result, increased volatility has occurred with respect to, inter alia, securities and currencies. The Group is to a large extent dependent on bank financing and bond financing, and due to the increased uncertainties in the global financial markets the Group's access to available financing has been limited. This could affect the Group's ability to make additional investments and acquisitions and/or refinance its existing debt. Mandatory and voluntary lock downs and quarantines decreases economic growth and can further lead to an increased unemployment rate and/or other impacts on the economy as described above, and this could affect the Group's ability to collect payments due to the inability or unwillingness of debtors to make such payments. Furthermore, mandatory and voluntary lock downs have in some jurisdictions in which the Group operates in resulted in lockdowns of courts, local debt collection agencies and enforcement authorities, which has resulted in, and may continue to result in, delayed debt collecting processes, which could affect the Group´s cash flow, financial condition and results of operations. Finally, a substantial part of the Group's investments are made against secured asset portfolios, where delays are also expected. Any of these factors could have a material adverse effect on the Group's business, financial condition and results of operations. Finally, the trading price of the Bonds may also be adversely affected by the economic uncertainty caused by COVID-19.

RISKS ASSOCIATED WITH THE BONDS

Dependency on other companies within the Group

A significant part of the Group's assets and revenues relate to the Issuer's subsidiaries. The Issuer is thus dependent upon receipt of sufficient income and cash flow related to the operations of the subsidiaries. Consequently, the Issuer is dependent on the subsidiaries' availability of cash and their legal ability to pay management fees and make dividends which may from time to time be restricted by corporate restrictions and law. Should the Issuer not receive sufficient income from its subsidiaries, there is a risk that the bondholders' ability to receive interest payments and the Group's financial condition are adversely affected.

Credit risks

Investors in the Bonds assume a credit risk relating to the Group. The payments to bondholders under the Terms and Conditions are therefore dependent on the Group's ability to meet its payment obligations, which in turn is largely dependent upon the performance of the Group's operations and its financial position. The Group's financial position is affected by several factors, some of which have been mentioned above. An increased credit risk may cause the market to charge the Bonds a higher risk premium, which would have an adverse effect on the value of the Bonds. Another aspect of the credit risk is that a decline in the financial position of the Group reduces the prospects of the Group to receive debt financing when the Bonds mature.

Refinancing risk

The Group may eventually be required to refinance certain or all of its outstanding debt, including the Bonds and loans. The Group's ability to successfully refinance its debt depends, among other things, on the conditions of the bank market, the capital markets and the Group's own financial condition at such time. The Group's access to financing sources may not be available on favourable terms or not available at all. The Group's inability to refinance its debt obligations on favourable terms, or to refinance them at all, would have a material adverse effect on the Group's business, operations, earnings and results and on the prospects of recovery by the bondholders under the Bonds.

Interest rate risks

The Bonds' value depends on several factors, one of the most significant over time being the level of market interest. Investments in the Bonds involve a risk that the market value of the Bonds is adversely affected by changes in market interest rates.

Risk factors (9/11)

Liquidity risks

The Bonds are listed on Nasdaq Stockholm. Although the Bonds are admitted to trading on Nasdaq Stockholm, active trading in the Bonds does not always occur and hence there is a risk that a liquid market for trading in the Bonds will not form or will not be maintained, even if the Bonds are listed. As a result, the bondholders may be unable to sell their Bonds when they so desire or at a price level which allows for a profit comparable to similar investments with an active and functioning secondary market or for a sale at par. Lack of liquidity in the market can have a negative impact on the market value of the Bonds. Furthermore, the nominal value of the Bonds may not be indicative of the market price of the Bonds, as the Bonds may trade below their nominal value (for instance, to allow for the market's perception of a need for an increased risk premium).

It should also be noted that during any given period of time it may be difficult or impossible to sell the Bonds (at all or at reasonable terms) due to, for example, severe price fluctuations, close-down of the relevant market or trade restrictions imposed on the market.

The market price of the Bonds may be volatile

The market price of the Bonds could be subject to significant fluctuations in response to general market conditions (including, without limitations, actual or expected changes in prevailing interest rates), actual or anticipated variations in the Group's operating results and those of its competitors, adverse business developments, changes to the regulatory environment in which the Group operates, changes in financial estimates by securities analysts and the actual or expected sale of a large number of Bonds, as well as other factors. In addition, in recent years the global financial markets have experienced significant price and volume fluctuations. If repeated in the future, there is a risk that the market price of the Bonds without regard to the Group's operating results, financial condition or prospects is adversely affected.

RISKS RELATING TO SECURITY AND ENFORCEMENT OF SECURITY

Risks relating to the transaction security

Although the obligations under the Bonds are secured by first priority pledges over the shares in the Issuer and in the Issuer's direct subsidiaries as well as security over certain intragroup loans from the Issuer and over a deposit account, it is not certain that the proceeds of any enforcement of the relevant security would be sufficient to satisfy all amounts then owed to the bondholders.

According to the Terms and Conditions, the Issuer may issue subsequent Bonds and the holders of such Bonds will be entitled to share the security that have been granted to the existing bondholders. There is a risk that the issue of subsequent Bonds has an adverse effect on the value of the security that have been granted to the bondholders.

The bondholders are represented by Intertrust (Sweden) AB as security agent (the "**Security Agent**") in all matters relating to the transaction security. There is a risk that the Security Agent, or anyone appointed by it, does not properly fulfil its obligations in terms of perfecting, maintaining, enforcing or taking other necessary actions in relation to the transaction security. Further, the transaction security might be subject to certain hardening periods during which times the bondholders do not fully, or at all, benefit from the transaction security.

The Security Agent is entitled to enter into agreements with members of the Group or third parties or to take any other action necessary for the purpose of maintaining, releasing or enforcing the transaction security or for the purpose of settling, among other things, the bondholders' rights to the security.

Risks relating to enforcement of the transaction security

If a subsidiary, whose shares have been pledged in favour of the bondholders, is subject to any foreclosure, dissolution, winding-up, liquidation, recapitalisation, administrative or other bankruptcy or insolvency proceedings, the shares that are subject to such pledge may then have limited value because all of the subsidiary's obligations must first be satisfied, potentially leaving little or no remaining assets in the subsidiary for the bondholders. As a result, there is a risk that the bondholders will not recover the full value (or any value in the case of an enforcement sale) of the shares. In addition, the value of the shares subject to pledges may decline over time.

The value of the intragroup loans granted by the Issuer to its subsidiaries, which are subject to security in favour of the bondholders, are largely dependent on the subsidiaries' ability to repay such loans. Should the subsidiaries be unable to repay their debt obligations upon an enforcement of a pledge over the intragroup loans, there is a risk that the bondholders will not recover the full or any value of the security granted over the intragroup loans.

If the proceeds of an enforcement are not sufficient to repay all amounts due under or in respect of the Bonds, then the bondholders will only have an unsecured claim against the Issuer and its remaining assets (if any) for the amounts which remain outstanding under or in respect of the Bonds.

Risk factors (10/11)

Risks related to intercreditor arrangements

The Issuer has incurred additional super senior debt which, in accordance with the terms of the Intercreditor Agreement (as defined below), ranks senior to the Bonds. The Issuer also has the possibility under the terms and conditions to incur additional super senior debt or refinance such super senior debt. Further, the bonds under the Issuer's up to EUR 150,000,000 senior secured floating rate bonds due 2022 rank pari passu with the Bonds, and the Issuer may incur additional financial indebtedness which also will rank pari passu with the Bonds. The relation between certain of the Issuer's creditors and the security agent will be governed by an intercreditor agreement (the "**Intercreditor Agreement**"). A facility agent appointed by a super senior lender acts as super senior representative under the Intercreditor Agreement. The security agent will in accordance with the Intercreditor Agreement in some cases take instructions from a super senior representative. There is a risk that the security agent and/or a super senior representative will act in a manner or give instructions not preferable to the bondholders. In addition, the security agent will in some cases take instructions from a senior representative, being those senior creditors whose senior debt at that time aggregates to more than 50 per cent of the total senior debt. If the outstanding senior debt towards other senior creditors than the bondholders exceeds the obligations under the Bonds, the bondholders will therefore not be in a position to control the enforcement procedure.

If the outstanding obligations of the Group towards other secured creditors than the bondholders increase, there is a risk that the security position of the bondholders is impaired. Furthermore, there is a risk that the security will not at all times cover the outstanding claims of the bondholders and the other secured creditors.

The Intercreditor Agreement also contain provisions regarding the application of proceeds from an enforcement of security in accordance with the following:

a) firstly, in or towards payment pro rata of unpaid fees, costs, expenses and indemnities payable by the Issuer to the security agent;

b) secondly, in or towards payment pro rata of unpaid fees, costs, expenses and indemnities payable by the Issuer to the issuing agent, the facility agent and the bonds agent;

c) thirdly, towards payment pro rata of accrued interest unpaid under the super senior documents;

d) fourthly, towards payment pro rata of principal under the super senior documents and any other costs or outstanding amounts under the super senior documents, and any close out amount and any other outstanding amounts under the hedging obligations;

e) fifthly, towards payment pro rata of accrued interest unpaid under the senior debt (interest due on an earlier interest payment date to be paid before any interest due on a later interest payment date);

f) sixthly, towards payment pro rata of principal under the senior debt;

g) seventhly, in or towards payment pro rata of any other costs or outstanding amounts unpaid under the Terms and Conditions and any senior debt documents;

h) eighthly, after the final discharge date, towards payment pro rata of accrued interest unpaid and principal under the shareholder debt; and

i) ninthly, after the final discharge date, in payment of the surplus (if any) to the relevant ICA group company or other person entitled to it.

There is a risk that the enforcement proceeds will not be sufficient in order for the Issuer to satisfy the waterfall provisions above.

Structural subordination and insolvency of subsidiaries

All assets are owned by, and all revenues are generated in, the subsidiaries or the associated companies of the Issuer. The subsidiaries and the associated companies are legally distinct from the Issuer and have no obligation to make payments to the Issuer of any profits generated from their business. The ability of the subsidiaries and the associated companies to make payments to the Issuer is restricted by, among other things, the availability of funds, corporate restrictions and legal restrictions (e.g. limitations on value transfers).

The Group or its assets may not be protected from any actions by the creditors of any subsidiary or associated company of the Group, whether under bankruptcy law, by contract or otherwise. In addition, defaults by, or the insolvency of, certain subsidiaries or associated companies of the Group could result in the obligation of the Group to make payments under parent company financial or performance guarantees in respect of such subsidiaries' or associated companies' obligations or the occurrence of cross defaults on certain borrowings of the Group.

Security over assets granted to third parties

Subject to certain limitations from time to time, the Issuer may incur additional financial indebtedness and provide additional security for such indebtedness. If security is granted in favour of a third party debt provider, the bondholders will, in the event of bankruptcy, re-organisation or winding-up of the Issuer, be subordinated in right of payment out of the assets being subject to security provided to such third party debt provider. In addition, if any such third party debt provider holding security provided by the Group were to enforce such security due to a default by any company within the Group under the relevant finance documents, there is a risk that such enforcement materially and adversely effects the Group's assets, operations and, ultimately, the financial position of the bondholders.

Risk factors (11/11)

Corporate benefit limitations in providing security for third parties

If a limited liability company provides security for another party's obligations without deriving sufficient corporate benefit therefrom, the granting of security will require the consent of all shareholders of the grantor and will only be valid up to the amount the company could have distributed as a dividend to its shareholders at the time the security was provided. If no corporate benefit is derived from the security provided, the security will be limited in validity. Consequently, any security granted by a subsidiary of the Issuer could therefore be limited, having an adverse effect on the bondholders' security position.

Risks related to early redemption

Under the Terms and Conditions for the Bonds, the Issuer reserves the possibility to redeem all outstanding Bonds before the final redemption date. If the Bonds are redeemed before the final redemption date, the holders of the Bonds have the right to receive an early redemption amount which exceeds the nominal amount in accordance with the Terms and Conditions for the Bonds. However, there is a risk that the market value of the Bonds is higher than the early redemption amount and that it may not be possible for bondholders to reinvest such proceeds at an effective interest rate as high as the interest rate on the Bonds and may only be able to do so at a significantly lower rate. It is further possible that the Issuer will not have sufficient funds at the time of the mandatory prepayment to carry out the required redemption of Bonds.

No action against the Issuer and bondholders' representation

Under the Terms and Conditions for the Bonds, the bond trustee represents all bondholders in all matters relating to the Bonds and the bondholders are prevented from taking unilateral actions against the Issuer or any other Group company. Consequently, individual bondholders do not have the right to take legal actions to declare any default by claiming any payment from or enforcing any security granted by the Issuer or any other Group company and may therefore have no effective legal remedies unless and until a requisite majority of the bondholders agree to take such action. However, there is a risk that an individual bondholder, in certain situations, may take unilateral action against the Issuer or any other Group company (in breach of the Terms and Conditions for the Bonds). This could adversely affect an acceleration of the Bonds or other actions against the Issuer or any other Group company.

To enable the bond trustee to represent bondholders in court, the bondholders and/or their nominees can be required to submit separate written powers of attorney for legal proceedings. If the bondholders fail to submit such a power of attorney this could negatively affect the legal proceedings.

Under the Terms and Conditions for the Bonds, the bond trustee, in some cases, have the right to make decisions and take measures that are binding upon all bondholders. Consequently, the actions of the bond trustee in such matters could impact a bondholder's rights under the Terms and Conditions for the Bonds in a manner that would be undesirable for some bondholders.

Bondholders' meetings

The Terms and Conditions for the Bonds includes certain provisions regarding bondholders' meetings. Such meetings may be held in order to decide on matters relating to the bondholders' interests. The Terms and Conditions for the Bonds allows for stated majorities to bind all bondholders, including bondholders who have not taken part in the meeting and those who have voted differently to the required majority at a duly convened and conducted bondholders' meeting. Consequently, the actions of the majority in such matters could impact a bondholder's rights in a manner that would be undesirable for some of the bondholders.

Restrictions on the transferability of the Bonds

The Bonds are not and will not be registered under the U.S. Securities Act of 1933, as amended, or any U.S. state securities laws. Subject to certain exemptions, a holder of the Bonds may not offer or sell the Bonds in the United States. The Issuer has not undertaken to register the Bonds under the U.S. Securities Act or any U.S. state securities laws or to affect any exchange offer for the Bonds in the future. Furthermore, the Issuer will not register the Bonds under any other country's securities laws. It is each bondholder's and each succeeding investor's obligation to ensure that their respective offers and sales of the Bonds on the secondary market comply with all applicable securities laws. Should any investor violate the transfer restrictions that apply to the bonds there is a risk that such investor violates applicable securities laws, which can lead to adverse consequences.

Risks relating to the clearing and settlement in Euroclear's book-entry system

The Bonds are affiliated to Euroclear's account-based system, and no physical notes have been or will be issued. Clearing and settlement relating to the Bonds are carried out within Euroclear's book-entry system as well as payment of interest and repayment of the principal. Investors are therefore dependent on the functionality of Euroclear's account-based system for clearing, settlement, payment and other matters or functionalities in respect of the Bonds addressed by Euroclear's account-based system.

Amended or new legislation

This Presentation and the Terms and Conditions for the Bonds are based on Swedish law in force at the date hereof. There is a risk that possible future legislative measures, regulations, changes or modifications to administrative practices or case law will affect this Presentation and the Terms and Conditions.

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