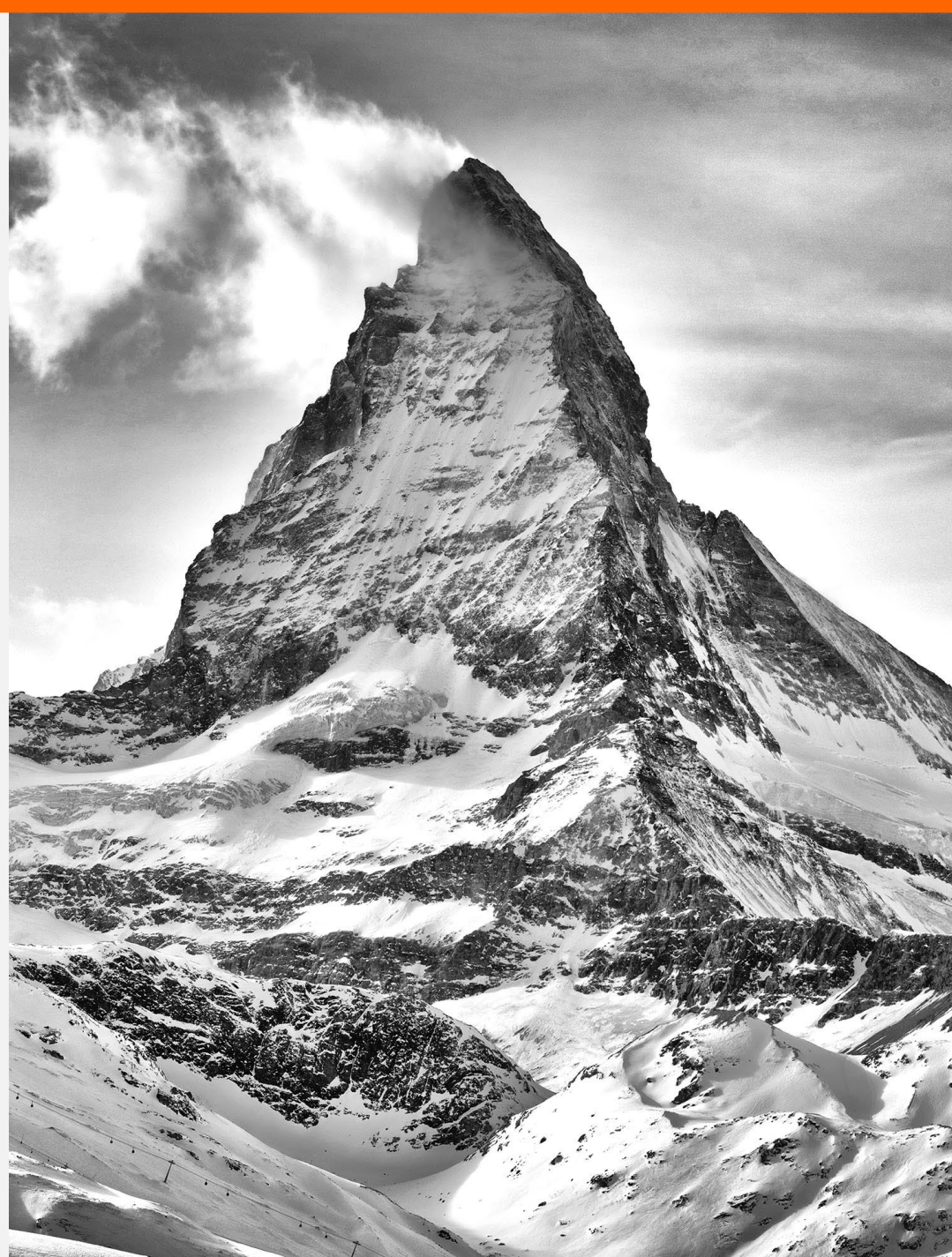




Q2 and half year 2020 report

30 July 2020

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



AGENDA

1. Key developments

2. Financials H1 2020

3. Summary



Key highlights: Q2 2020

Key highlights

- Adjusted net collections EUR 13.3M (Q2 2019: 14.2M)
 - Net collections decreased significantly at the beginning of quarter due to the pandemic but gradually improved
 - Collections mainly driven by Croatia and Greece
- Operating profit increasing to EUR 2.9M (Q2 2019: 1.8M)
- Resilient portfolio
 - Downward adjustment of portfolio in H1 of less than 0.7% of opening book value at the start of the year
- Strong focus on collections, liquidity management and cost saving initiatives in response to the COVID-19 pandemic
- Initiated written procedure in July for DDM Debt AB up to EUR 160M bonds due to the recent volatility and uncertainty in the capital markets caused by the pandemic

Adjusted net collections Q2 2020 LTM¹⁾

EUR 65m

Adjusted cash EBITDA Q2 2020 LTM²⁾

EUR 53m

Cash Q2 2020

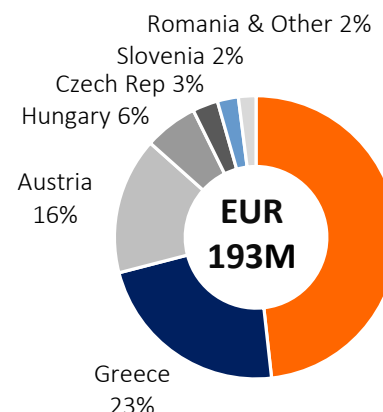
EUR 26m

120-month ERC Q2 2020

EUR 292m

Geographic locations

DDM's investments, book value by country, Q2 2020

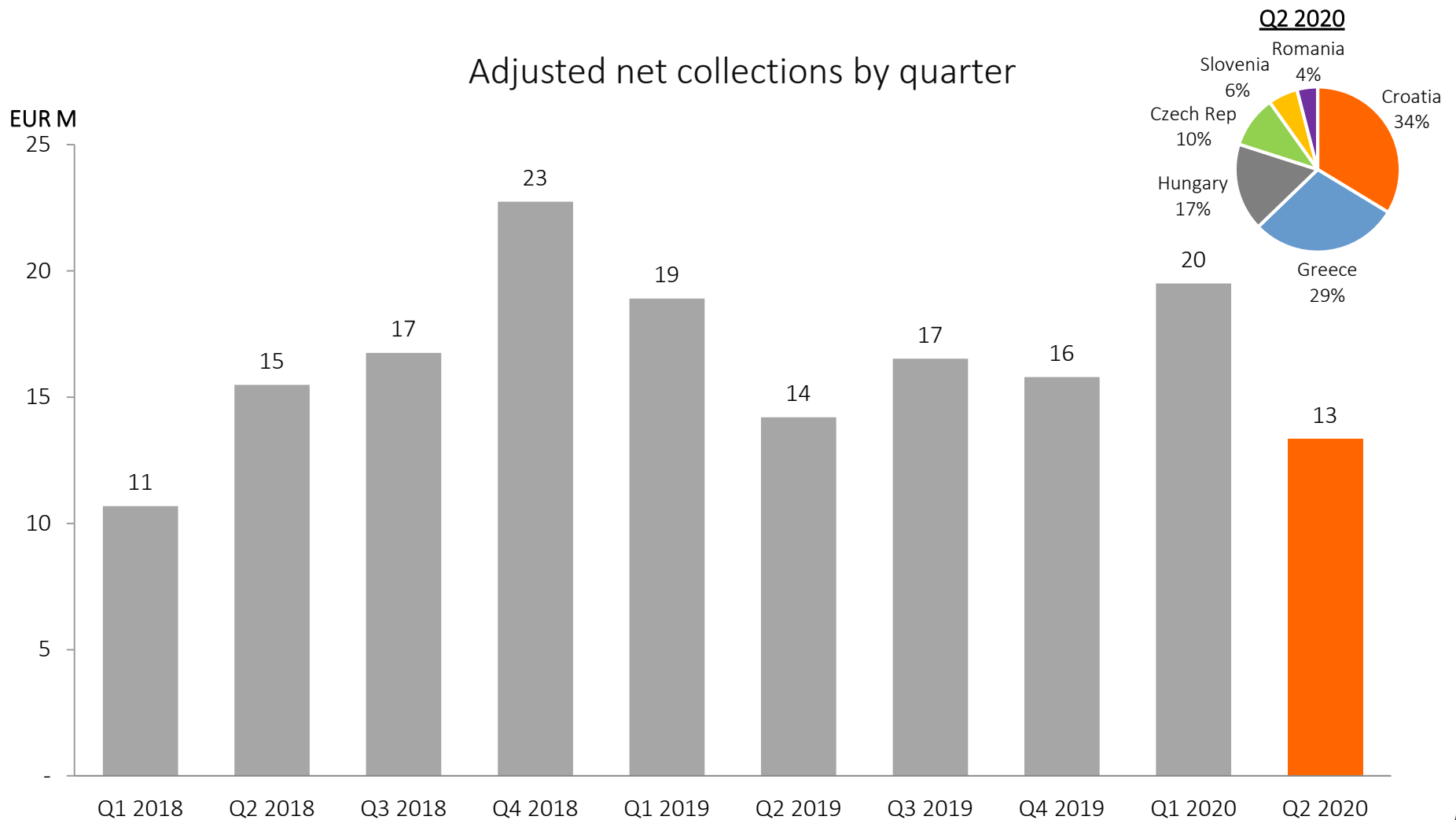


- Company headquarters in Switzerland
- Listed on Nasdaq First North (Stockholm)
- Invested markets

COVID-19 pandemic

- Adverse impact on global economic activity
 - Strong focus on collections, liquidity management and cost saving initiatives
 - Strengthened operations in core markets including Greece and Croatia, where we have achieved the highest collections during the period
 - Implemented cost reduction programs across other markets including Hungary and Slovenia
- DDM is continuing to closely monitor developments across our core markets
 - Gradual resumption of activity following lockdowns and loan moratoriums across a number of core markets in the SCEE region
 - Courts gradually being reopened but with limited operations resulting in delays of case settlements
 - Debt enforcement constrained by authorities in Croatia temporarily restricting bailiff services in response to the pandemic
 - On-going impact on tourism and thereby the economies of our markets in Croatia and Greece
- Economic outlook
 - The supply of new NPLs is expected to increase more than investor demand in the foreseeable future and thereby result in improved market returns
 - The coming quarters are expected to be volatile

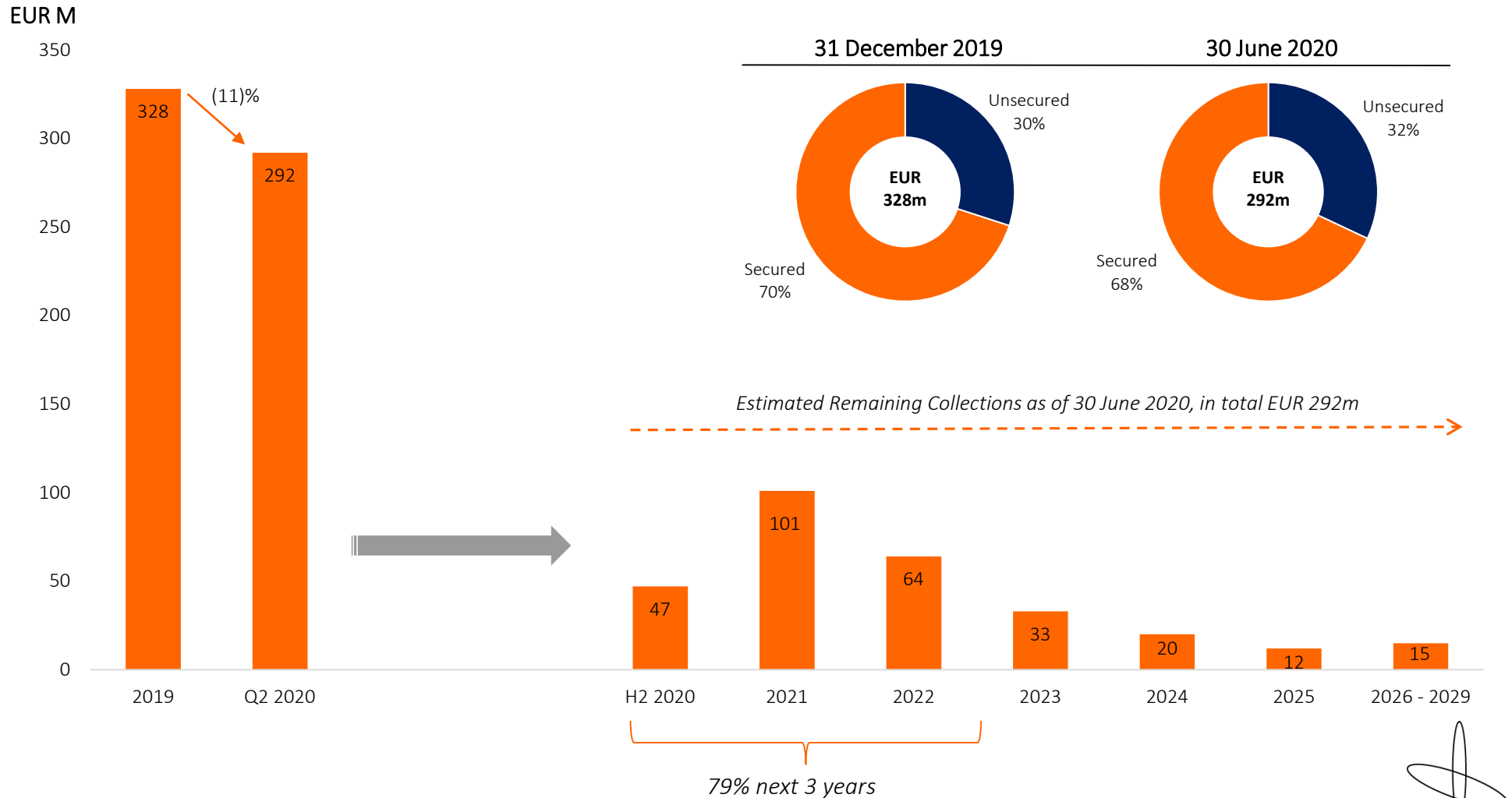
Collections gradually improved during the quarter with the majority of collections received from Croatia and Greece



Adjusted net collections include net collections on sale of invested assets and incremental net distribution from joint venture.

Significant proportion of ERC in secured portfolios and majority of the collections expected to be received in the next three years

Historic 120-months gross ERC and projected future collections on existing portfolios*, 30 June 2020



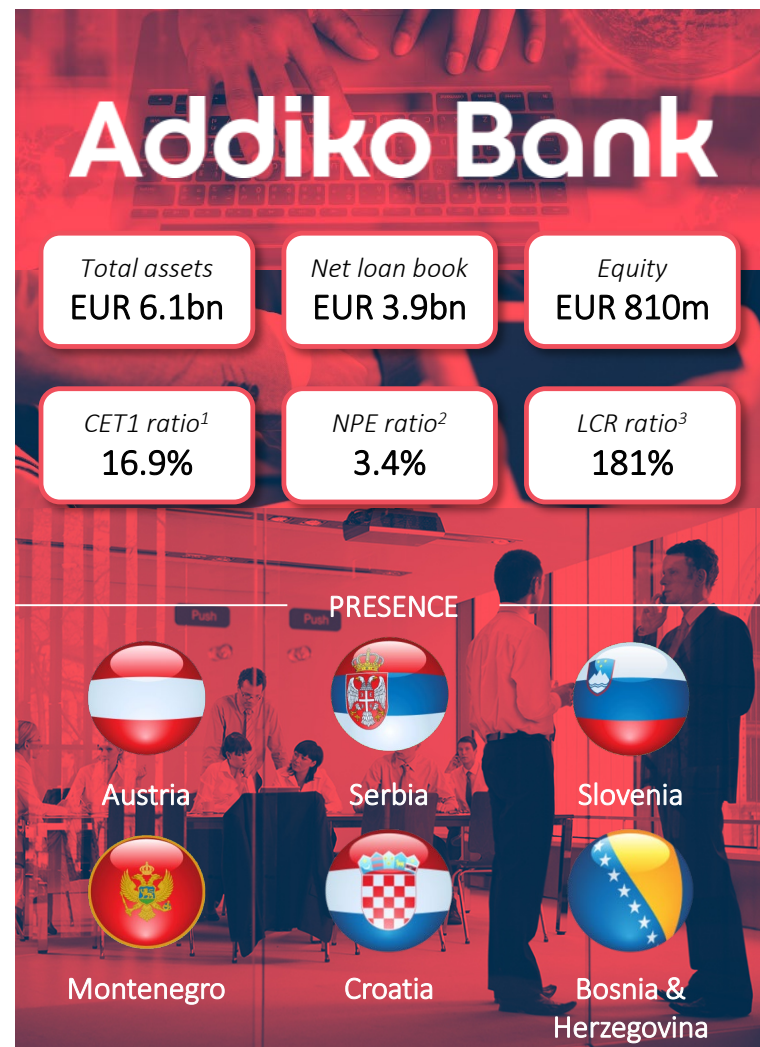
* ERC excludes the investment in Addiko Bank AG

Strategic investment in Addiko Bank AG pending regulatory approval

Strategic investment in Addiko Bank AG

- During the first half of 2020 DDM has made a strategic investment to acquire a total 20% stake in Addiko Bank AG (“Addiko Bank”)
 - 9.9% acquired in February 2020
 - Call option exercised on 30 March to acquire additional 10.1% stake subject to regulatory approval
- Addiko Bank operates in DDM’s core markets
 - DDM plans to support Addiko Bank in its transformation from being a full-scale bank to focusing on the consumer and SME segments with a strong focus on digitalization, including the disposal of non-core assets
- Addiko Bank is well capitalized, with one of the highest tier one capital ratios in the region
 - Provides a strong platform for further growth
 - Allows Addiko Bank to selectively grow the business at a time where other competitors are limited due to capital constraints
- DDM called to convene an Extraordinary General Meeting
 - To propose members be elected to the Supervisory Board of Addiko Bank that was held on 10 July

1) Common equity tier 1-ratio
2) Calculated as non-performing exposure divided by total credit risk exposure
3) Liquidity coverage ratio



AGENDA

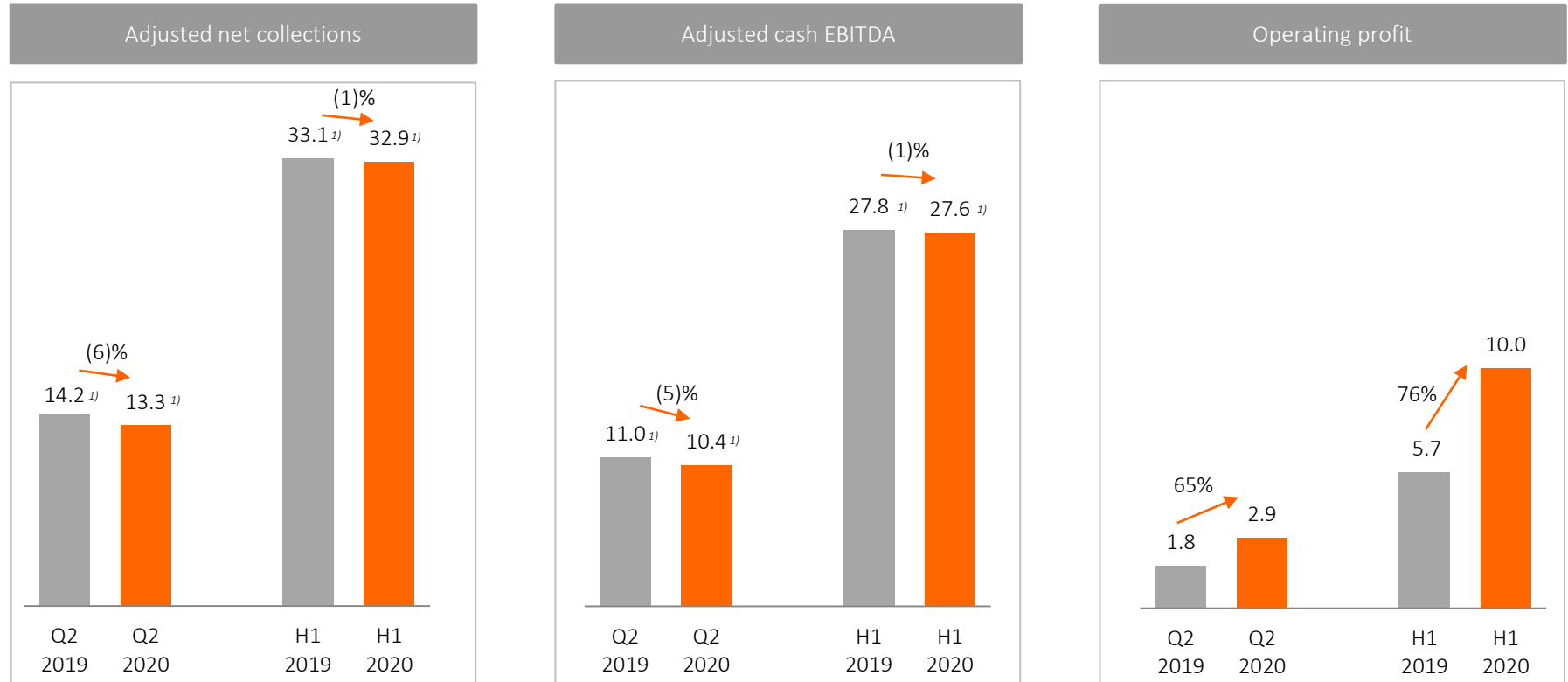
1. Key developments

2. Financials H1 2020

3. Summary



Strong focus on collections, liquidity management and cost saving initiatives

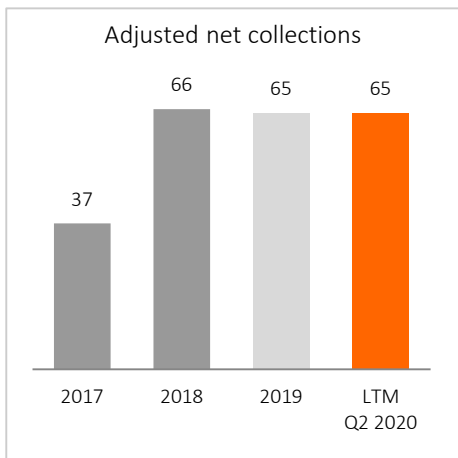


Note: All figures are in EURm.

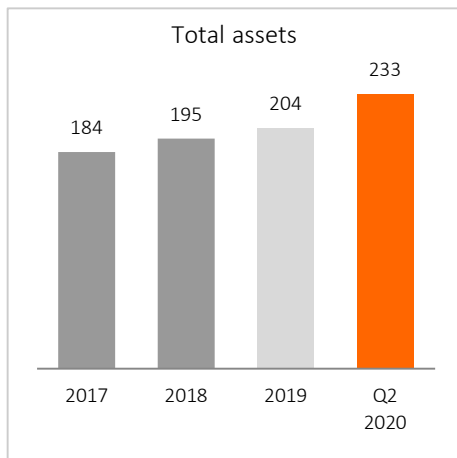
1) Adjusted net collections and cash EBITDA include incremental net distributions from joint venture of EUR 1.4M in Q2 2019 and H1 2019, and EUR 1.0M and EUR 2.8M in Q2 2020 and H1 2020 respectively, and include net collections on sale of invested assets of EUR 1.9M in H1 2019.

Our Financial KPIs

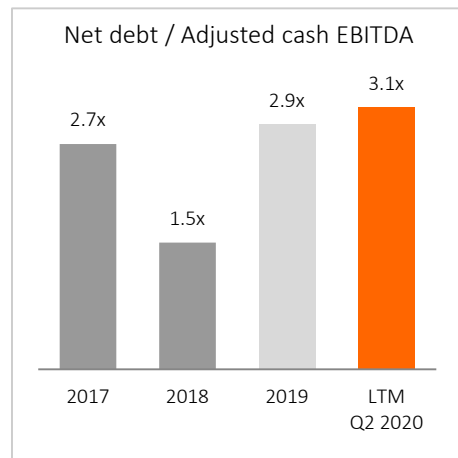
Income statement



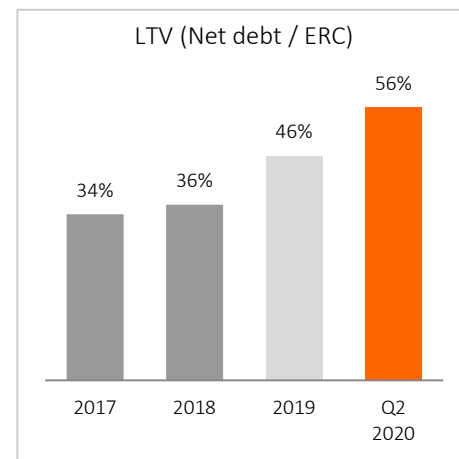
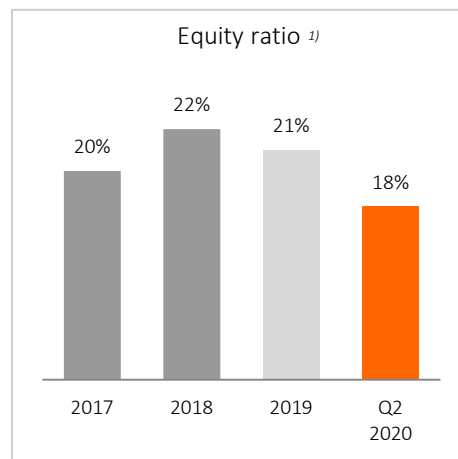
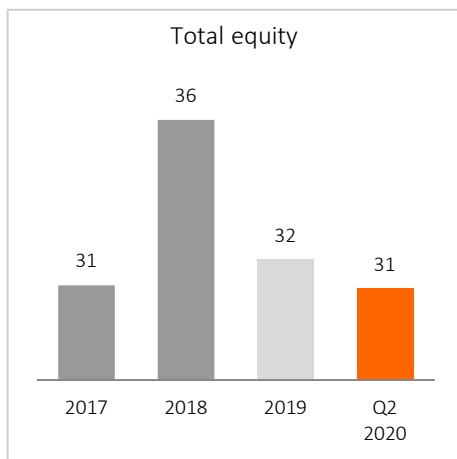
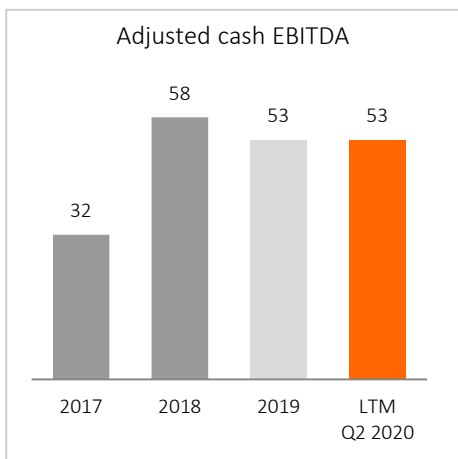
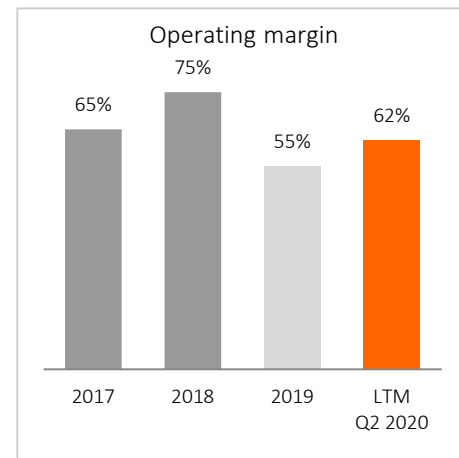
Balance sheet



Leverage



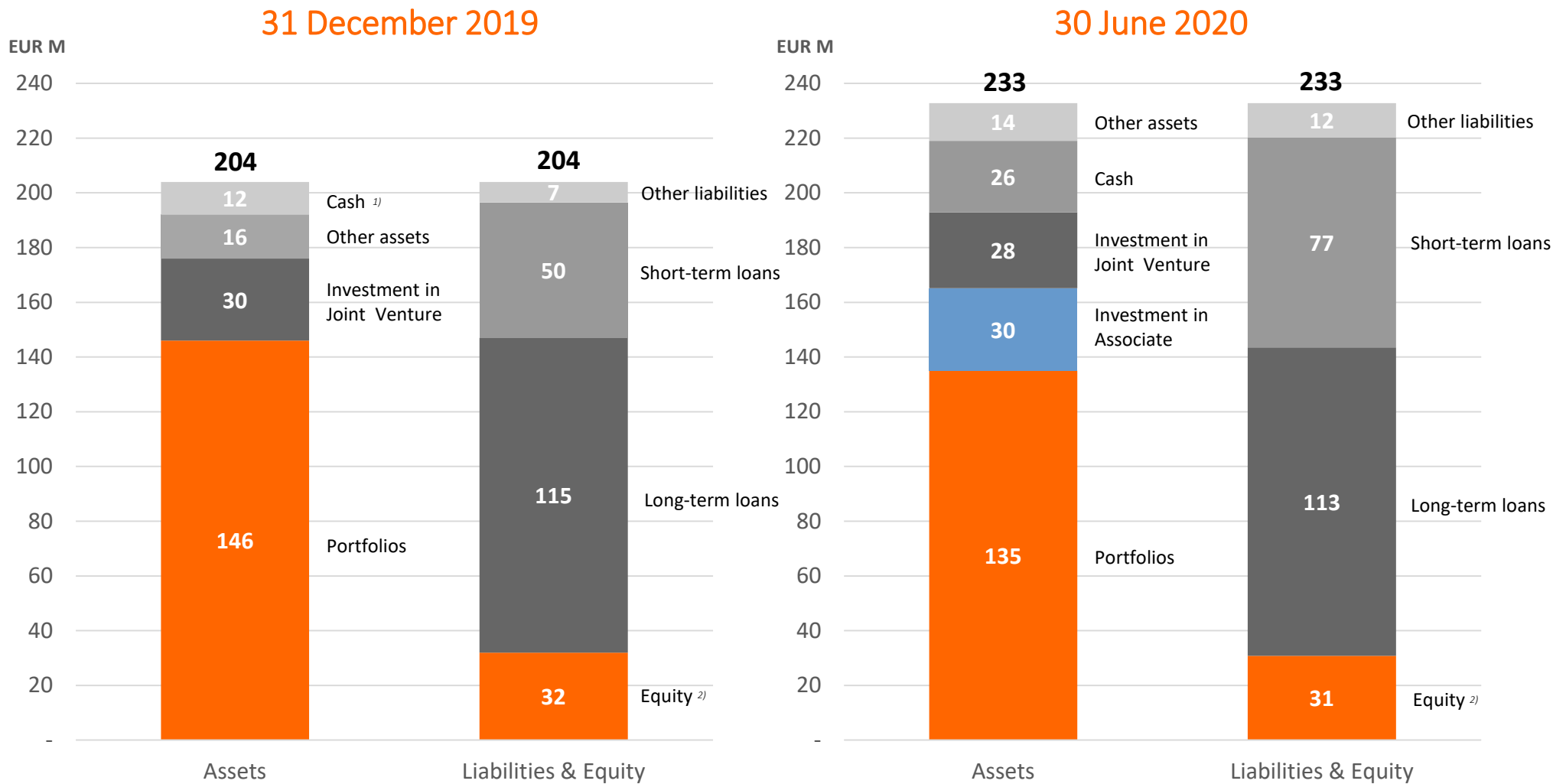
Efficiency



Note: All figures are in EURm.

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

Total assets increased 14% to EUR 233M at June 2020 compared to December 2019



Note: All figures are in EURm.

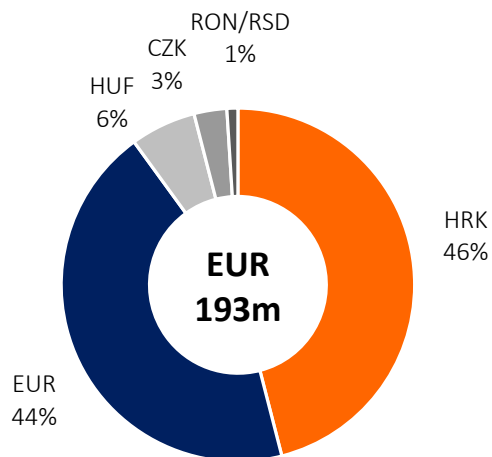
1) There were no drawdowns under the EUR 27M revolving loan facility ("RCF") at 31 December 2019

2) The equity ratio of the DDM Debt Group according to the senior secured bond terms was 21.1% at 31 December 2019 and 18.3% at 30 June 2020



Certain foreign currency exposures recovered slightly during the second quarter following significant depreciation in the first quarter

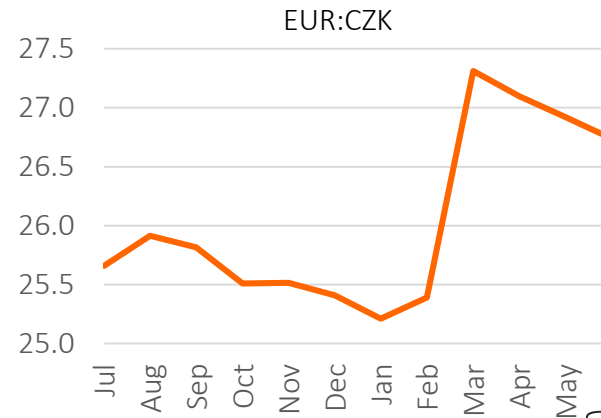
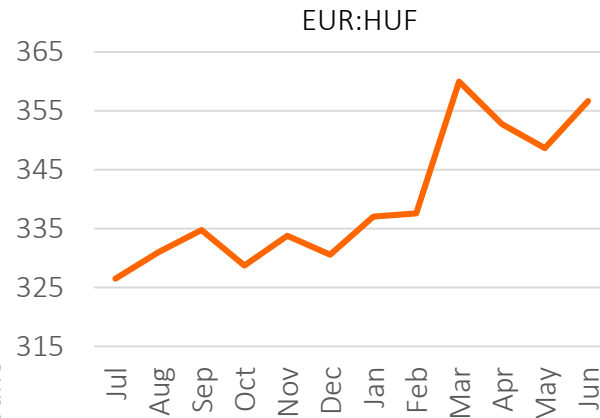
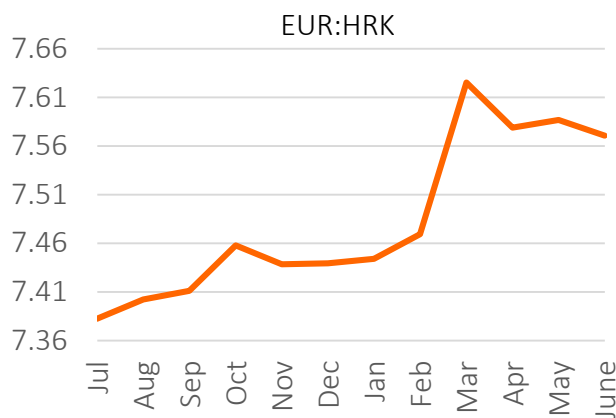
Investments, book value by currency, 30 June 2020



Impact from FX fluctuations

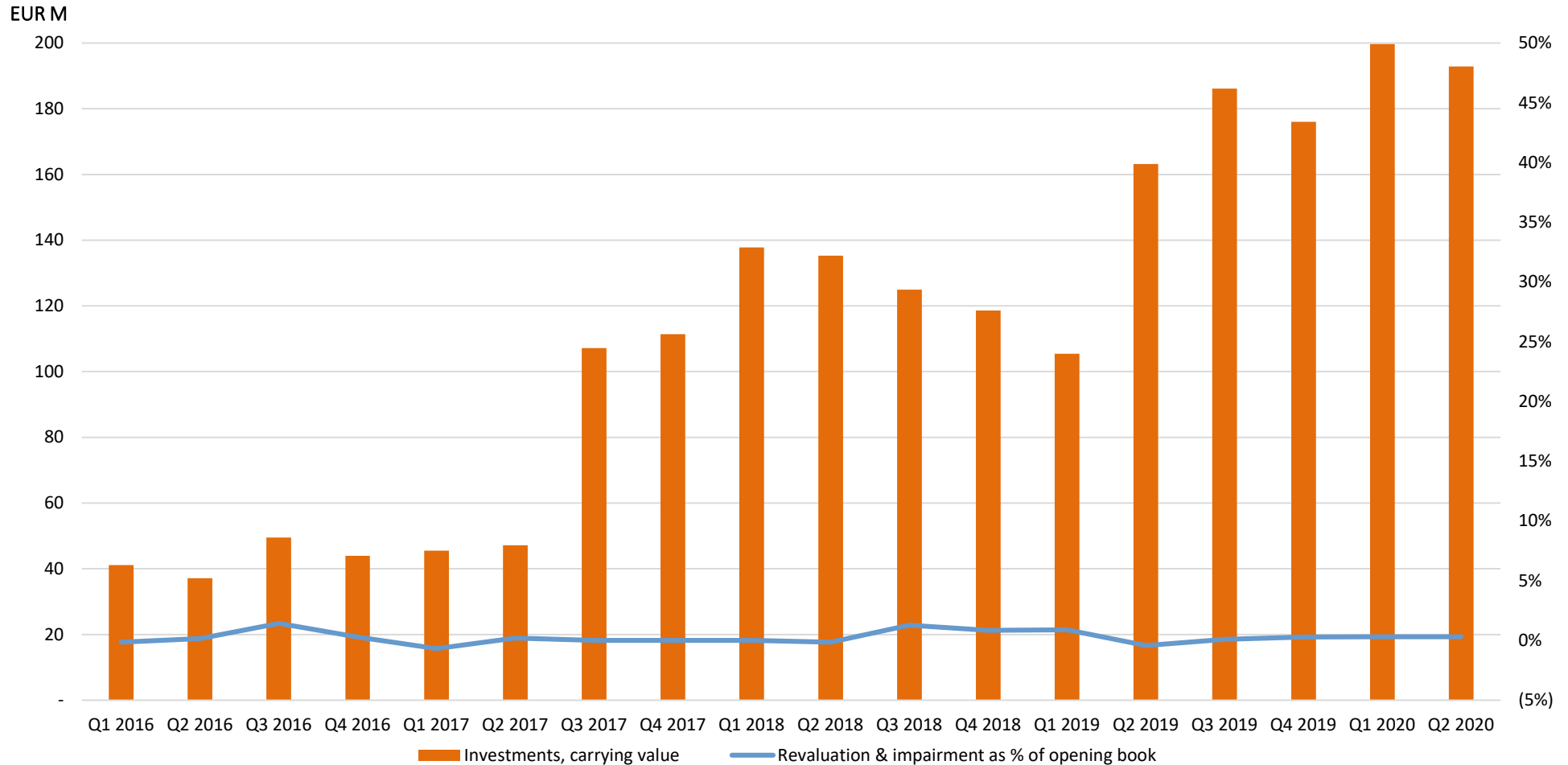
- The unfavourable FX movement of EUR 2.4m incurred in Q1 is trending back towards the exchange rates prior to the COVID-19 pandemic with EUR 0.5M recovered since 31 March 2020

Balance sheet FX rates vs. EUR LTM June 2020



Source: Xignite

Investments resilient in challenging market with H1 adjustment of carrying value less than 0.7% of opening book value at the start of the year



Written procedure to extend the final redemption date by twelve months to 11 December 2021



- Amendments include:
 - A consent fee of 1%
 - Immediate early redemption of EUR 7.5M (*15% of the bond issue*)
 - Commitment to buy-back and cancel EUR 5M (*10%*) by end of 2020
 - Amortization schedule
 - Q1 2021 EUR 4.0M
 - Q2 2021 EUR 3.0M
 - Q3 2021 EUR 2.5M
 - Q4 2021 EUR 28.0M (*maturity*)
 - Amend call structure
 - FY 2020: 100%
 - Q1 2021: 101.5%
 - Q2 2021: 103.0%
 - Q3 2021: 104.0%
 - Q4 2021 (Maturity): 105.0%
- Separate bond holder call scheduled for 11 August at 10 am
 - Organized by ABG Securities

AGENDA

1. Key developments

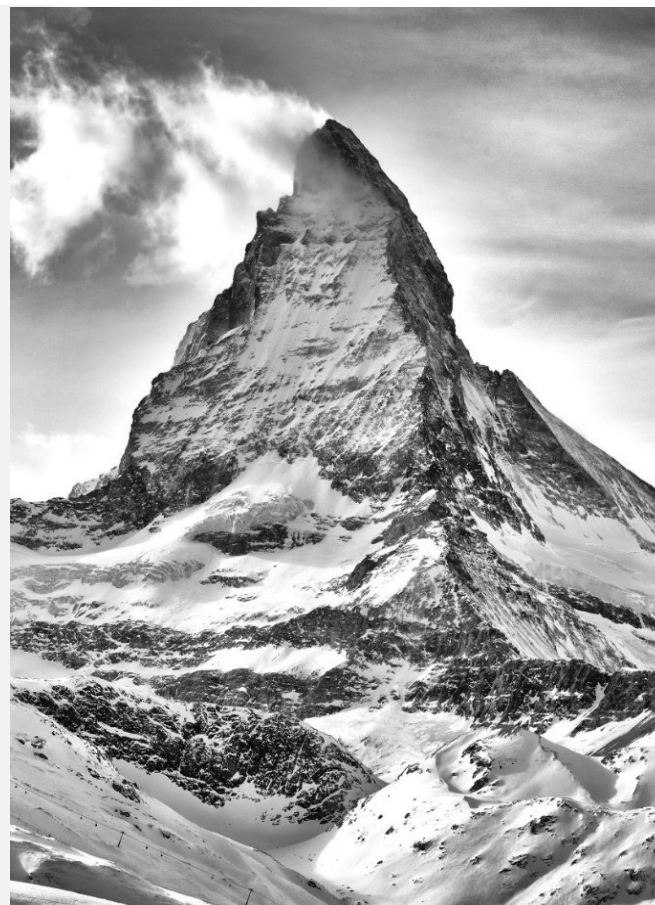
2. Financials H1 2020

3. Summary



Key takeaways

- 1 Collections initially significantly impacted due to the COVID-19 pandemic before gradually improving during the quarter
- 2 Strong focus on collections, liquidity management and cost saving initiatives in response to the pandemic
- 3 Resilient portfolio with downward adjustments in H1 less than 0.7% of opening book value at the start of the year
- 4 Strategic investment to acquire a total 20% stake in Addiko Bank, including 10.1% exercised call option pending regulatory approval
- 5 Initiated written procedure for DDM Debt AB up to EUR 160M bond loan
- 6 Coming quarters expected to continue to be challenging with increased volatility and limited visibility over future collections



Q&A

Upcoming IR events

Bondholder Conference Call

Annual General Meeting:

Interim report January – September 2020:

Q4 and full year report 2020:

Annual report 2020:

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Switzerland
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investor@ddm-group.ch

11 August 2020

17 September 2020

29 October 2020

18 February 2021

26 March 2021



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APPENDICES



Knowledge and relations build our success



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

Knowledge	Extensive local sector experience across the internal organisation
Deal sourcing	Structured yet opportunistic approach the key value driver, both for profitability and growth
Relations	Strong relationships with reputable sellers of debt portfolios across the region and a credible buyer
Processes	DDM manages the collection process through its proprietary IT system and allocates collections to the optimal partner
Scalability	Cross regional relationships for quick market entry and flexibility
Work out	Larger more complex secured portfolios work out managed by the AxFina servicing platform
Debt collection	Traditional consumer non performing loan portfolios outsourced through network of debt collection network

Competitive landscape

DDM's key market & segments						
Geography	W Europe	SCE Europe	Africa	N America	S America	Asia
Seller	Utility companies	Financial institutions	Telecom companies		Other	
Type	Consumer			Corporate		
Collateral	Secured			Unsecured		
Underlying assets	Performing			Non-performing		
Structure	Plain vanilla			Complex / off-market		
Size	< EUR 5M	EUR 5 – 100M		> EUR 100 M		
Collection method	Retail outsourced			Captive Servicing Platform (Corporate & SME secured)		
<div><div></div> DDM's activities</div> <div><div></div> AxFina's activities</div>						