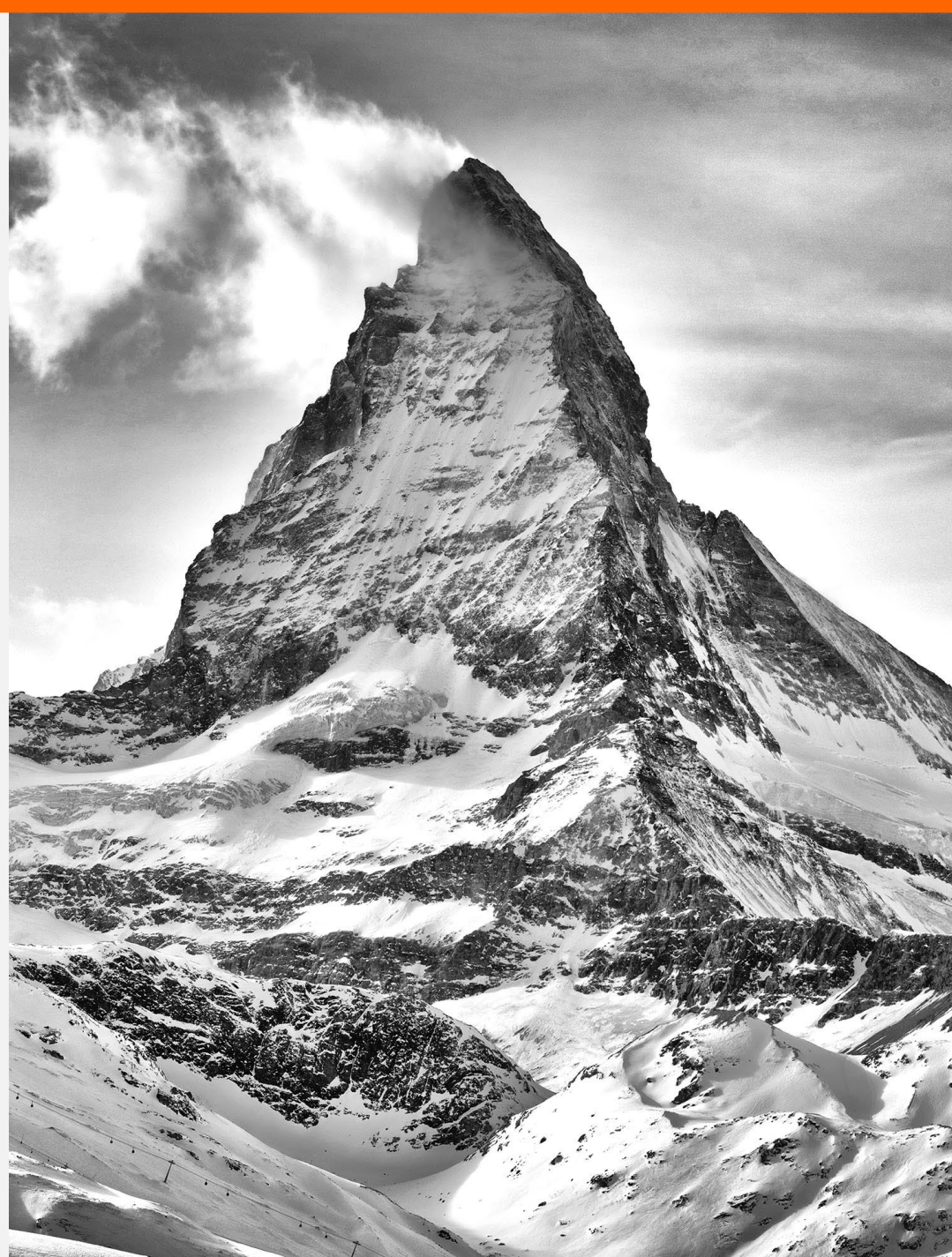




Q4 and full year 2020 report

18 February 2021

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



AGENDA

1. Key developments

2. Financials 2020

3. Summary



Key highlights: 2020

Key highlights

- Record performance
 - Net collections of EUR 115m
 - Cash EBITDA of EUR 102m
- Portfolio resilient supported by high quality secured assets resulting in less than 1% revaluation
- Deleveraged balance sheet following bond buybacks and repurchases totaling EUR 36m during H2 2020
- Strong capital and liquidity position ahead of bond refinancing

Net collections FY 2020¹⁾

EUR 115m

Cash EBITDA FY 2020¹⁾

EUR 102m

Cash Q4 2020

EUR 31m

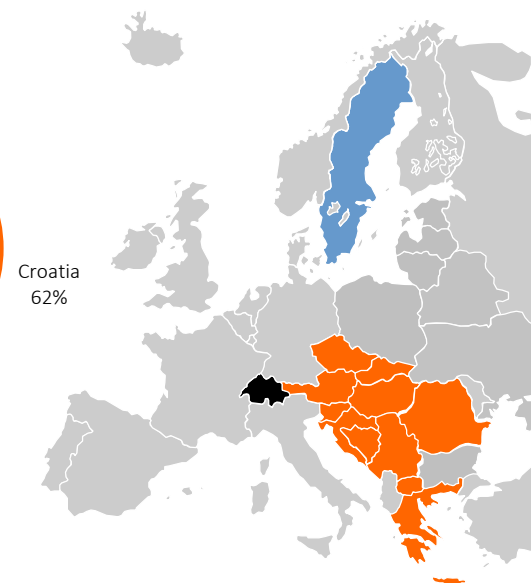
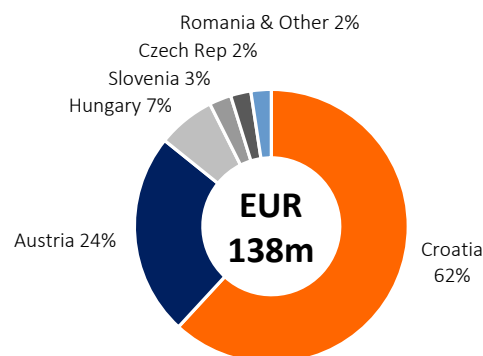
120-month ERC Q4 2020

EUR 258m

1) Includes incremental net distribution from joint venture

Geographic locations

Invested assets, book value by country,
Q4 2020



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

Key developments: 2020

Summarizing the full year

- Successfully restructured the Greek transaction we first entered into in 2017
 - Accelerated net collections of approximately EUR 60m
 - Achieved a net multiple of over 1.8x and an IRR of above 30%
- Strategic investment to acquire a 9.9% stake in Addiko Bank AG, an Austrian bank with operations in DDM's core markets in the Balkans
 - DDM continues to be committed to its investment in Addiko and confirms its intention to increase its shareholding
 - DDM is a highly experienced investor in Addiko's core markets and is looking to support Addiko in its transformation process
- Well-positioned to capitalise on rising NPL volumes with investment pipeline of EUR 250m

Since year-end

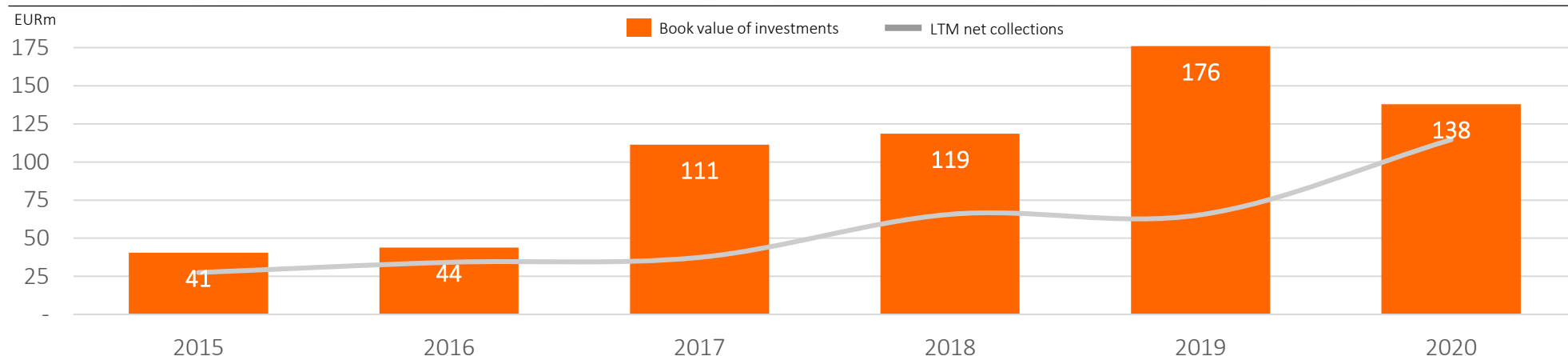
- Revolving credit facility of EUR 27M renewed for a further two years until March 2023



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

Strong track record confirming the quality of its portfolios

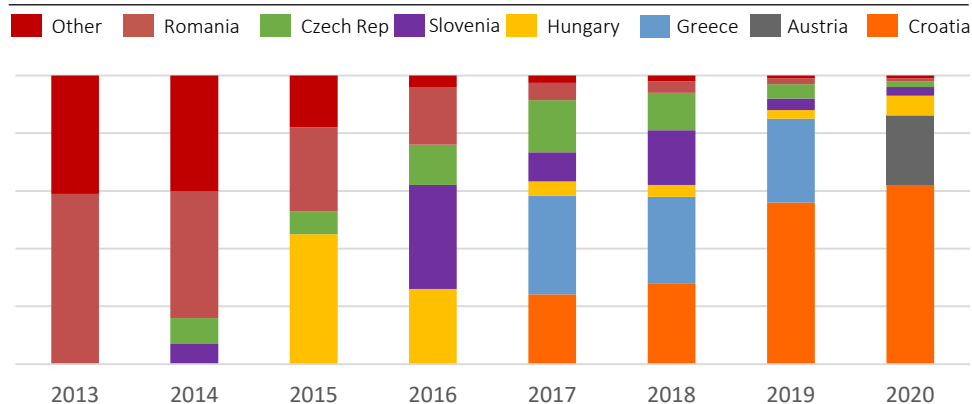
Book value of investments and LTM net collections



Comments

- EUR 250m of net collections received in the last 3 years demonstrating the credit quality of DDM's portfolios
- In the next 3 years approx. EUR 175m of Estimated Remaining Collections

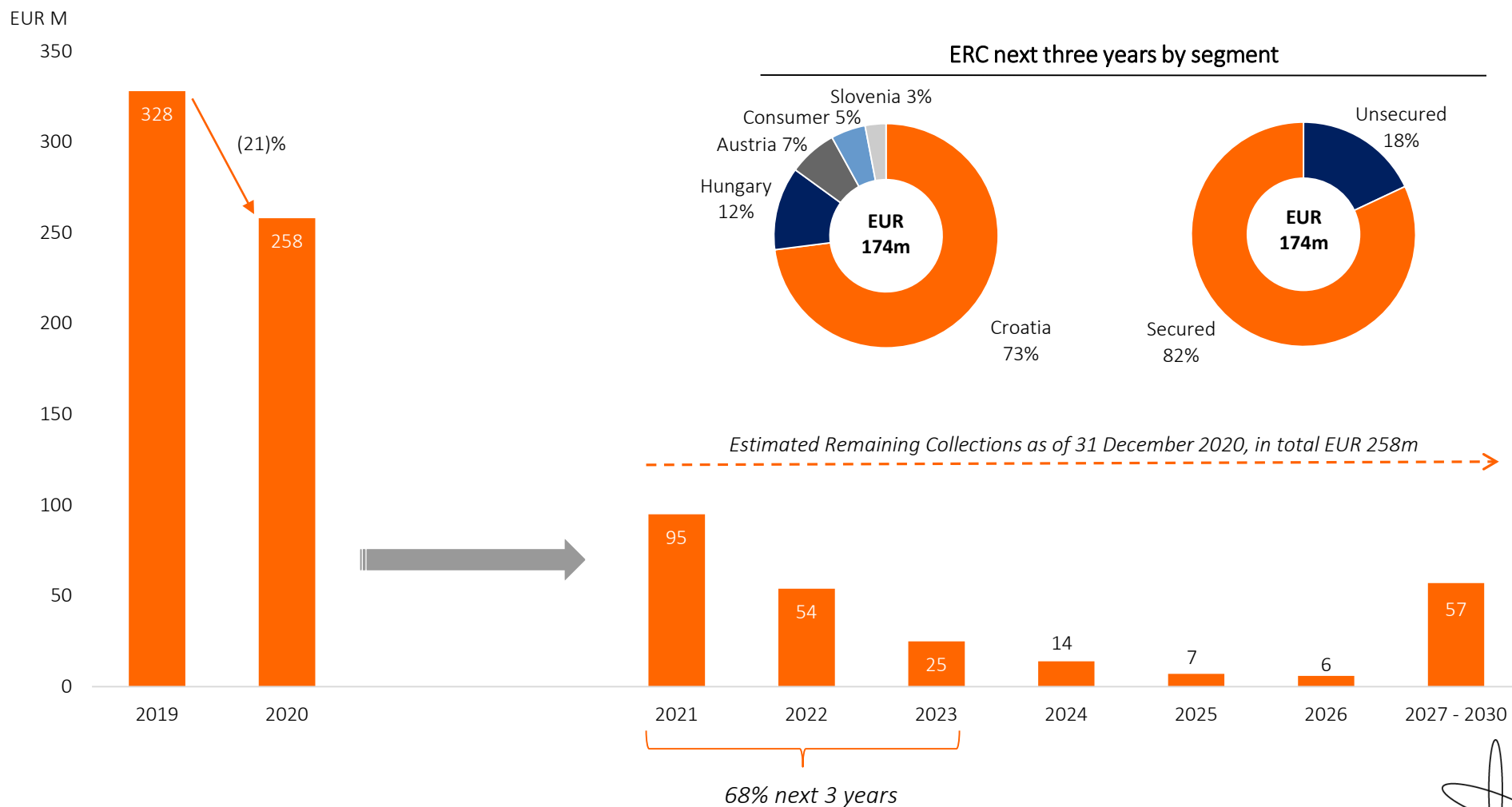
Portfolio, carrying value split by country



Note: All figures are in EURm. Net collections are adjusted to include incremental net distributions from joint venture and net collections on sale of invested assets

Majority of ERC is secured and expected to be received in the next 3 years

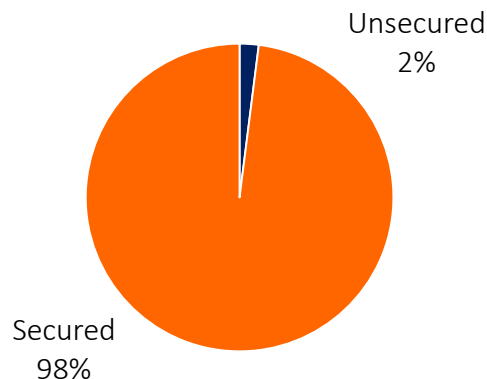
Historic 120-months gross ERC and projected future collections on existing portfolios, 31 December 2020*



* ERC at 31 December includes the investment in Addiko Bank AG at DDM's 9.9% share of equity attributable to shareholders as of 30 September 2020. Secured ERC includes DDM's share of underlying assets

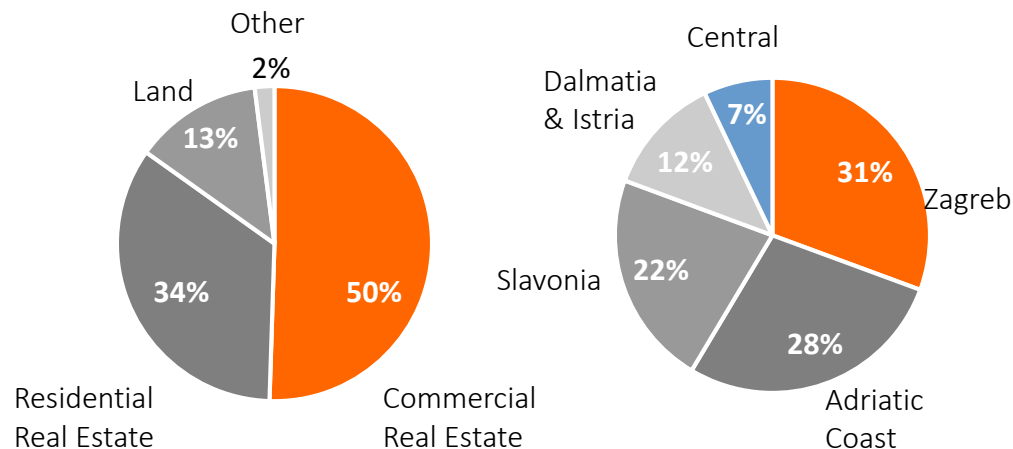
Croatia - secured by real estate

DDM's assets in Croatia

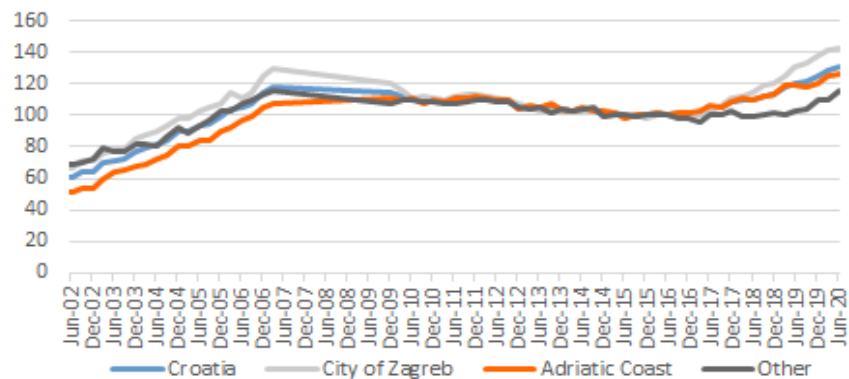


- DDM's portfolios located in Croatia are 98% secured by real estate
- House prices in Croatia are continuing to rise supporting the value of DDM's portfolios
- DDM does not expect any further statutory loan moratorium in Croatia

DDM's secured assets by sector and location



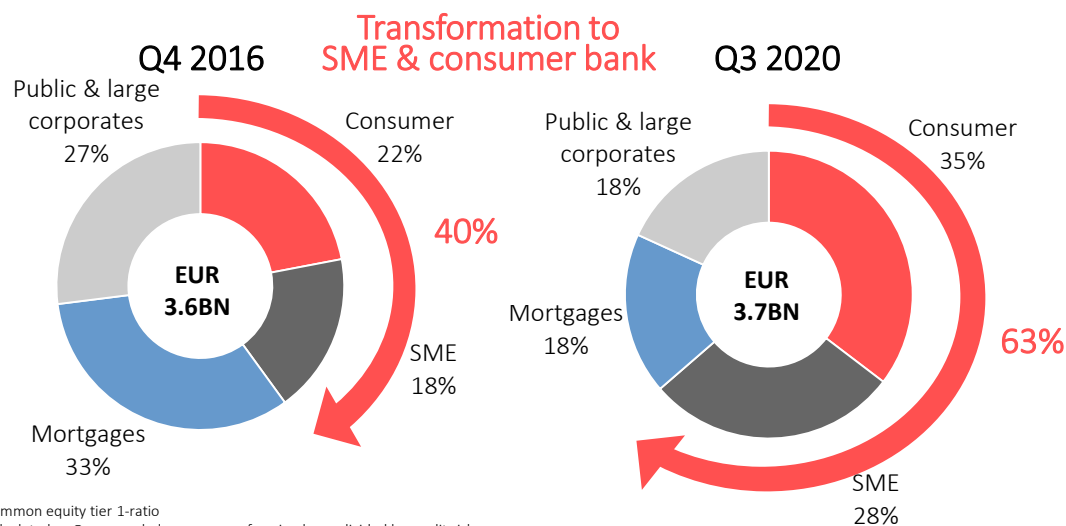
HPI index rising in Croatia



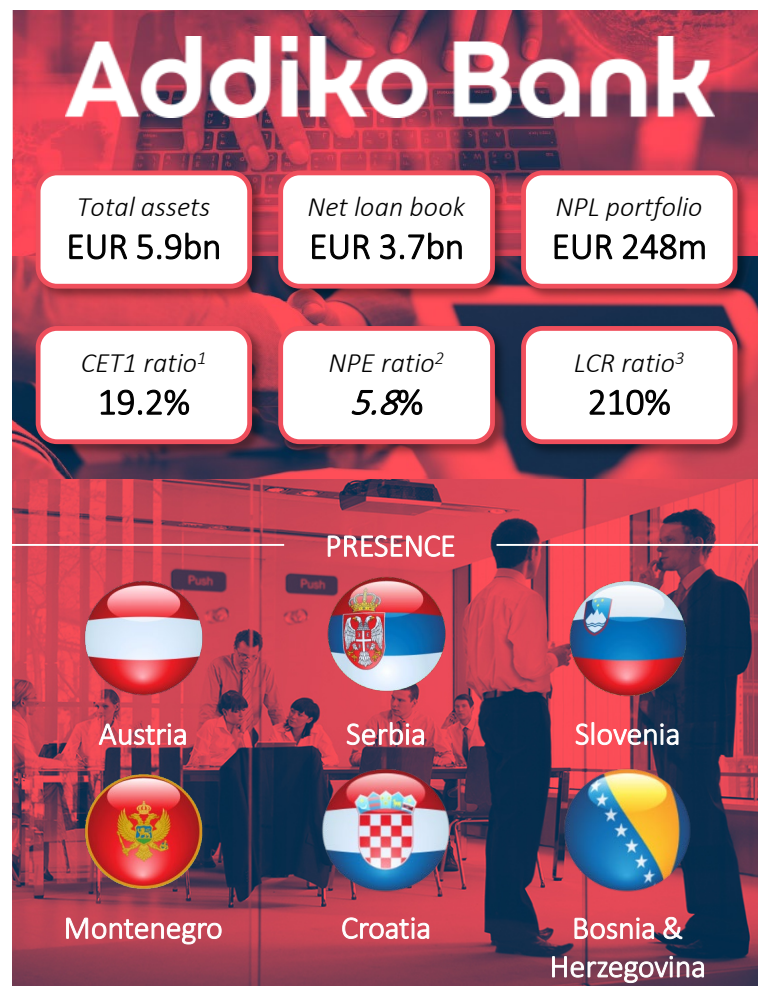
Strategic investment in Addiko Bank

- **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
- **DDM plans to support the bank in its transformation** from being a full-scale bank to focusing on the consumer and SMEs segments with a strong focus on digitalization, including the disposal of non-core assets
- **The bank is well capitalized**, with one of the highest tier one capital ratios in the region, which in our view provides a strong platform for further growth
- **The investment is attractive** on a standalone basis with P/B ratio of 0.2x and EUR 248m of NPLs

Loans & receivables by segment by year

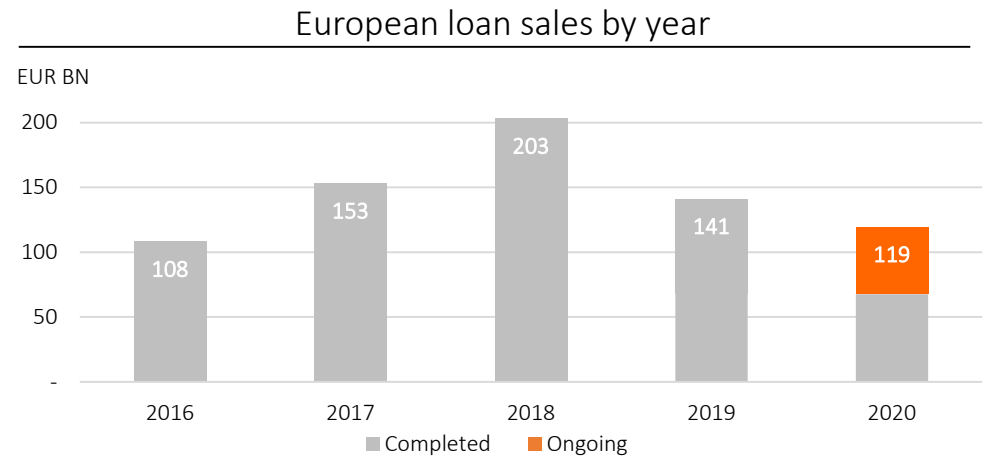
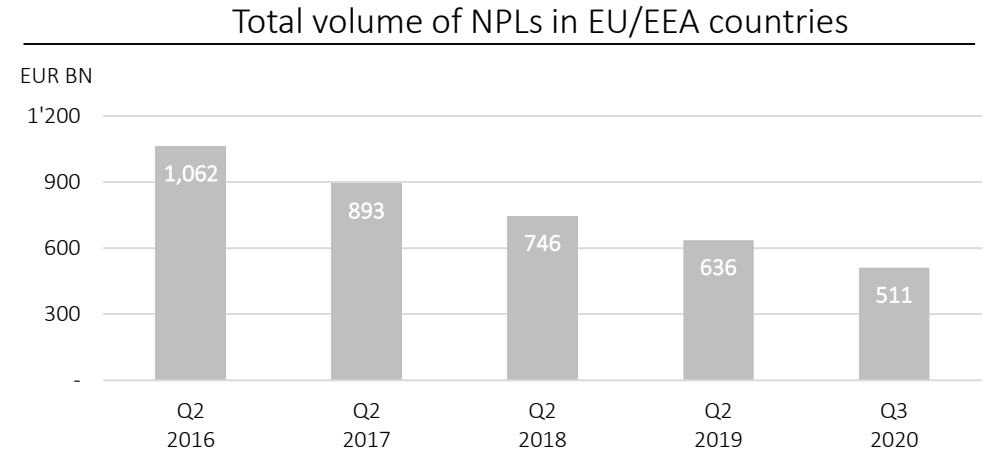


1) Common equity tier 1-ratio
 2) Calculated as Group on-balance non-performing loans divided by credit risk exposure
 3) Liquidity coverage ratio



DDM well-positioned to capitalise on investment pipeline of EUR 250m

- Total volume of European NPLs standing at EUR 511bn at Q3 2020
- Loan moratorium measures implemented across Europe have limited banks ability to dispose of non-core NPLs
- Increasing transaction volumes expected following:
 - end to loan moratorium
 - low transaction volumes in 2020 and
 - increasing NPLs on the back of Covid-19
- DDM is well-positioned to capitalise on rising NPL volumes with investment pipeline above EUR 250m



Source: - An overview of the non-core and non-performing loan market, Debtwire European NPLs – FY20 Report ; Deloitte Financial Advisory Services, “Deleveraging Europe, October 2019”; EBA report on NPLs. Progress made and challenges ahead

AGENDA

1. Key developments

2. Financials 2020

3. Summary



Record net collections of EUR 115m and cash EBITDA of over EUR 100m

Key developments during FY 2020

Q1 2020

- Strategic investment made, acquiring 9.9% stake in Addiko Bank AG for approximately EUR 30m
- Buy-out of majority share co-investor in Hungary

Q2 2020

- Focus on collections, liquidity management and cost saving initiatives in response to the COVID-19 pandemic

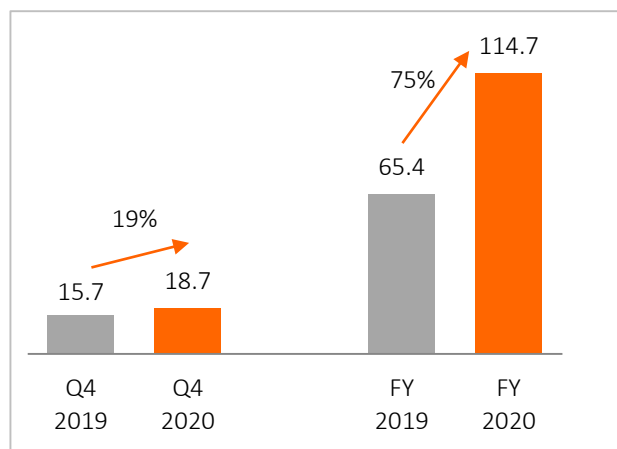
Q3 2020

- Successfully restructured the Greek transaction
- Extended maturity of EUR 50m bond by 12 months

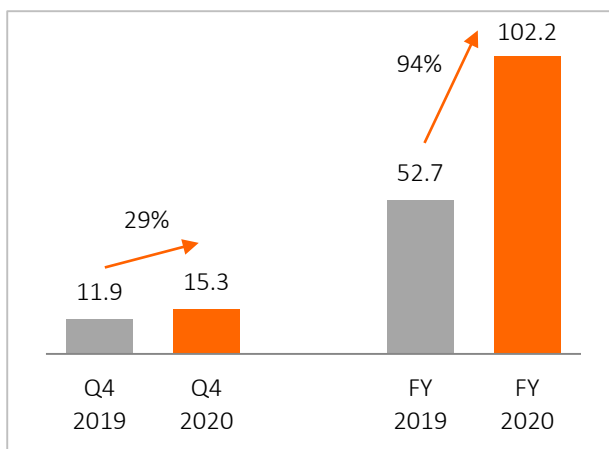
Q4 2020

- Deleveraged balance sheet following bond buybacks and repurchases totaling EUR 36m during H2 2020
- Revolving credit facility of EUR 27m renewed for further two years until March 2023 after year end

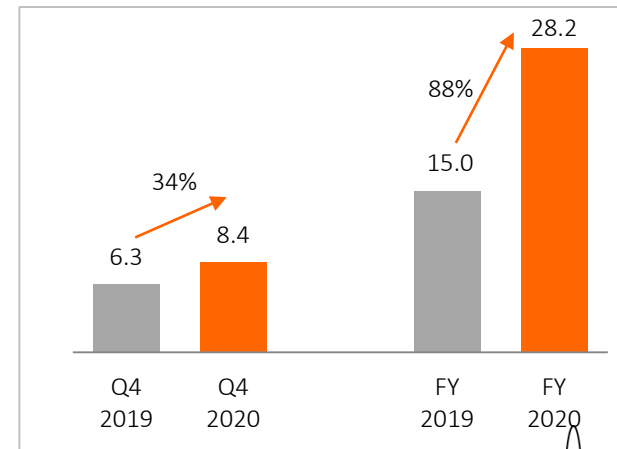
Net collections¹⁾ (EURm)



Cash EBITDA¹⁾ (EURm)



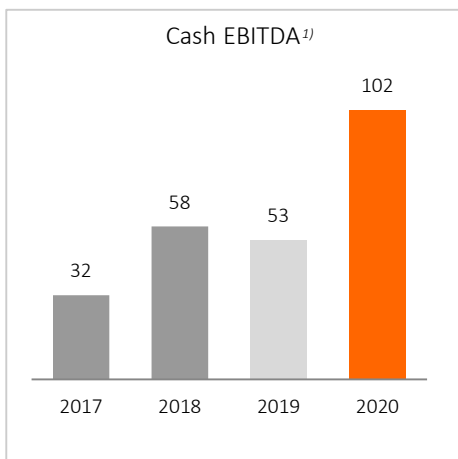
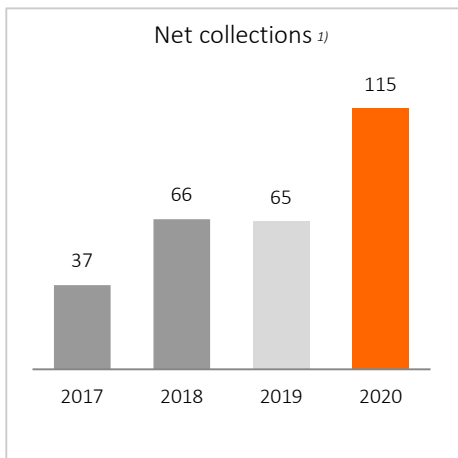
Operating profit (EURm)



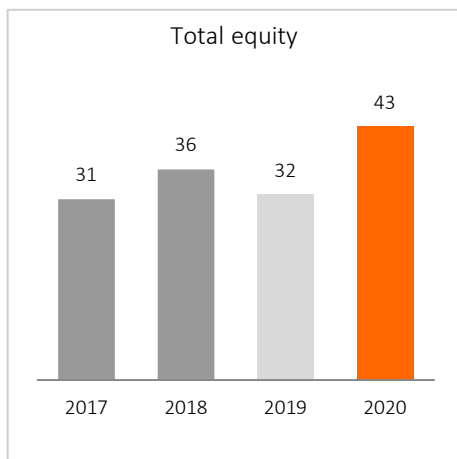
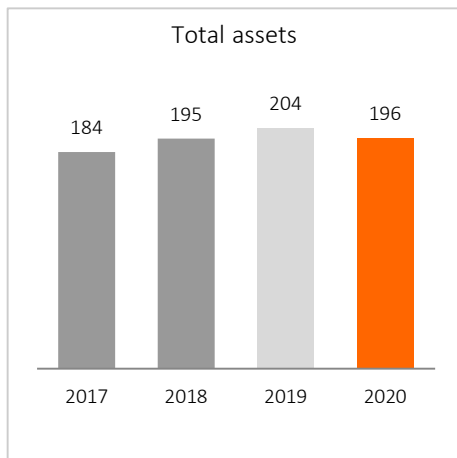
1) Net collections and cash EBITDA are adjusted to include incremental net distributions from joint venture of EUR 1.2M, EUR 3.8M, EUR 2.0M and EUR 5.3M in Q4 2019, FY 2019, Q4 2020 and FY 2020 respectively and include net collections on sale of invested assets of EUR 2.5M and EUR 4.5M in Q4 2019 and FY 2019 respectively

Our Financial KPIs

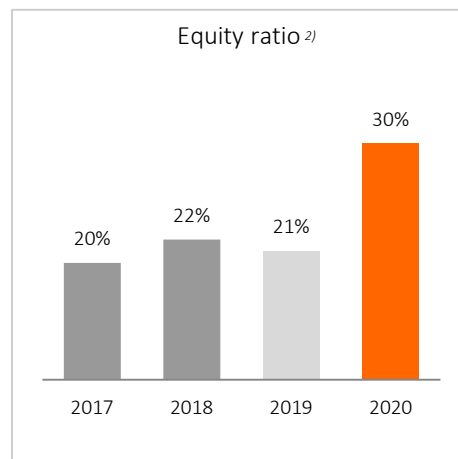
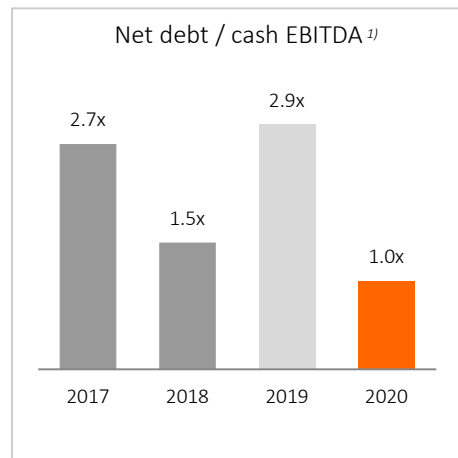
Income statement



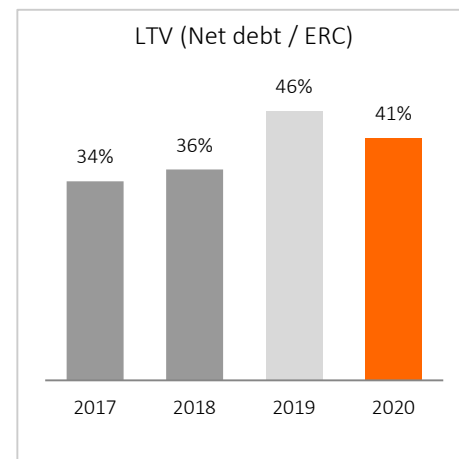
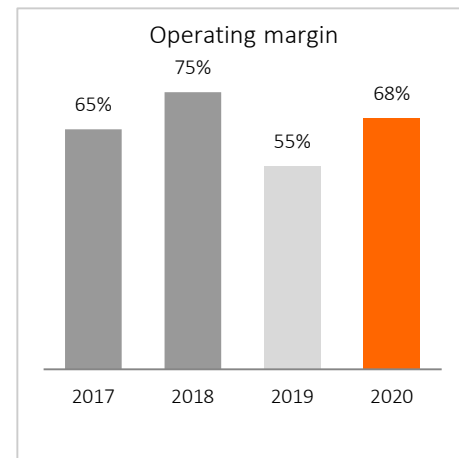
Balance sheet



Leverage



Efficiency



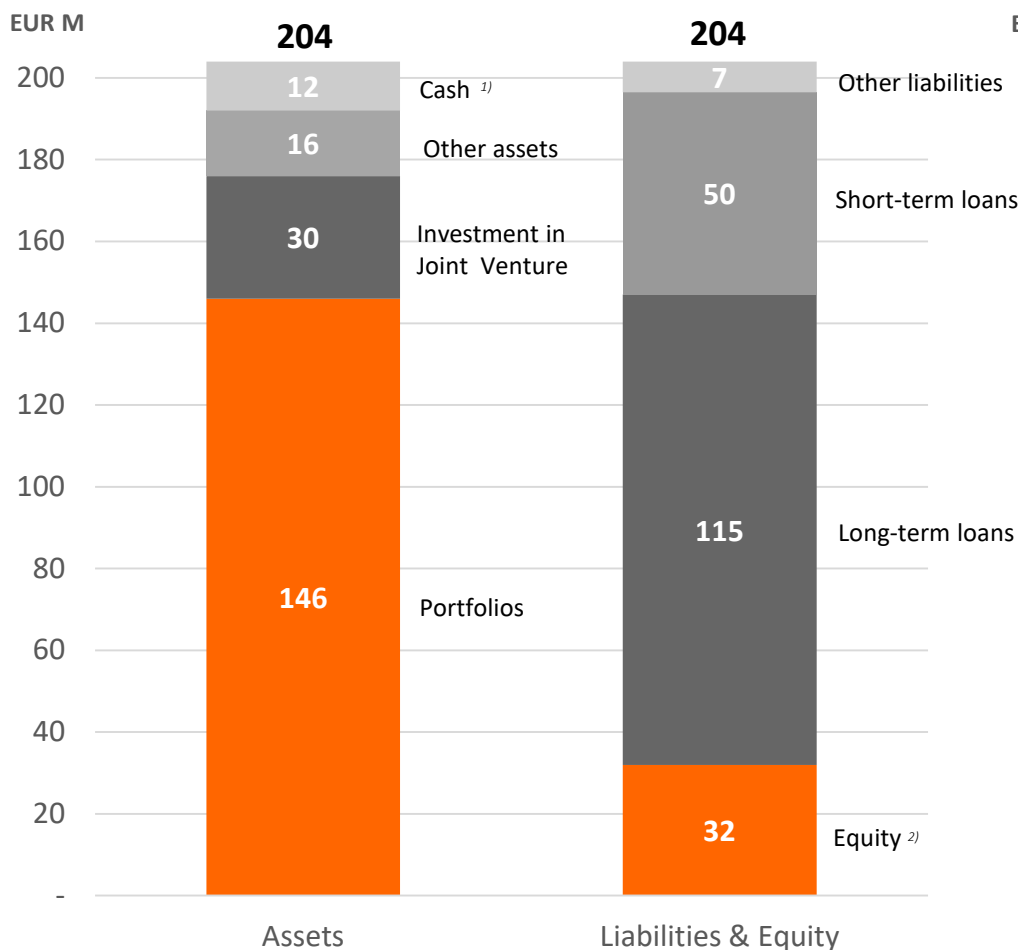
Note: All figures are in EURm.

1) Net collections and cash EBITDA are adjusted to include incremental net distributions from joint venture of EUR 1.2M, EUR 3.8M, EUR 2.0M and EUR 5.3M in Q4 2019, FY 2019, Q4 2020 and FY 2020 respectively and include net collections on sale of invested assets of EUR 2.5M and EUR 4.5M in Q4 2019 and FY 2019 respectively

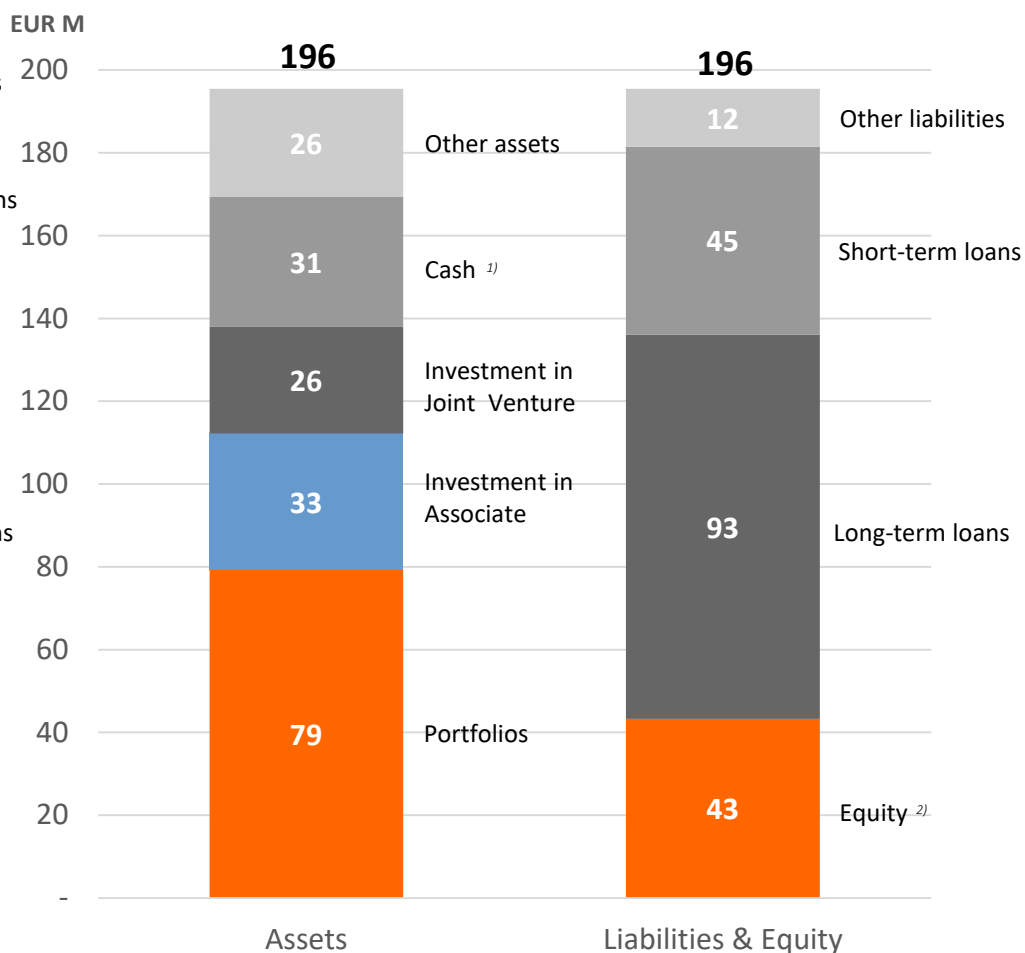
2) The equity ratio of the DDM Debt Group according to the senior secured bond terms

Deleveraged balance sheet following bond buybacks and repurchases

31 December 2019



31 December 2020

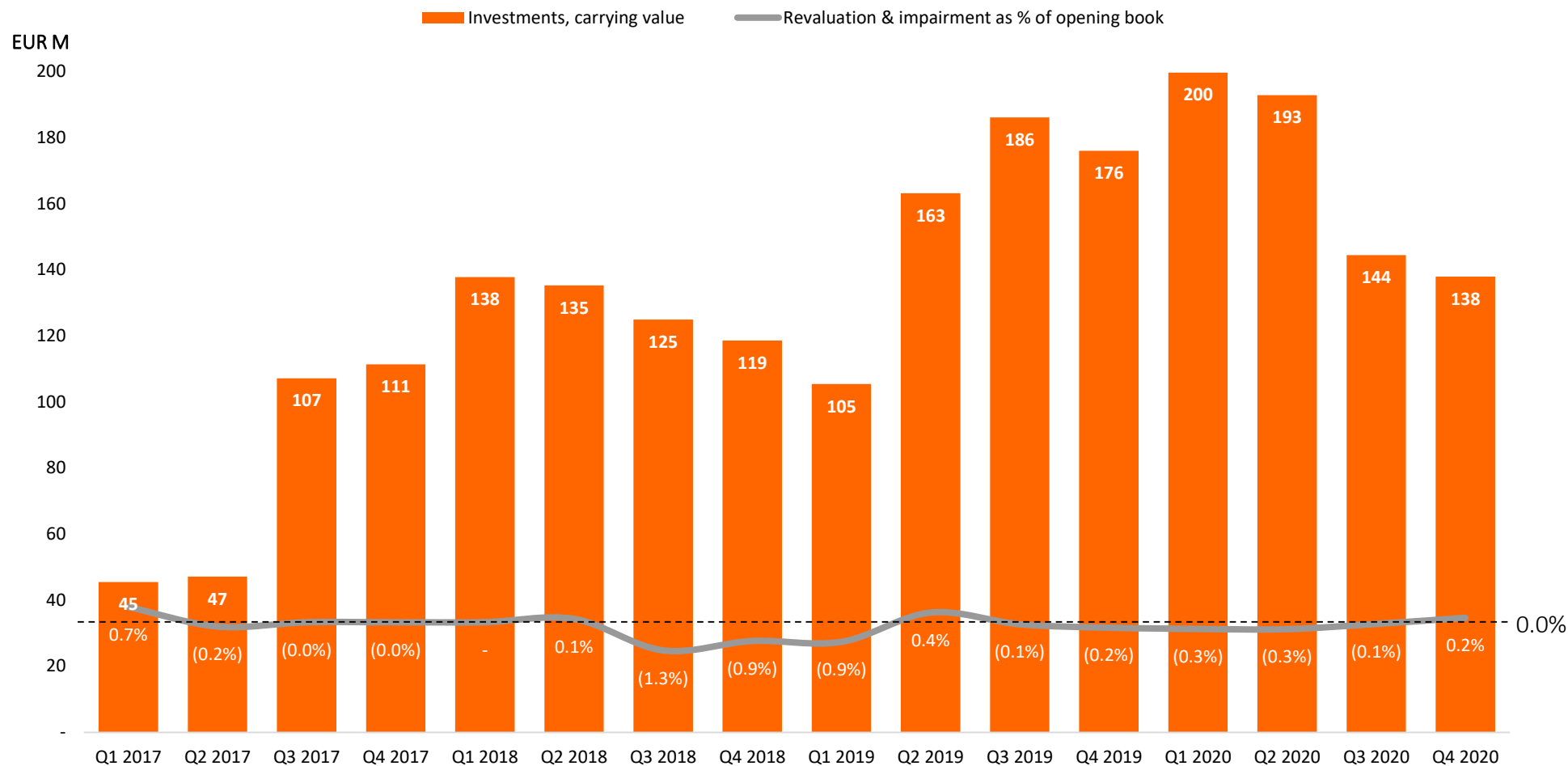


Note: All figures are in EURm.

1) There were no drawdowns under the EUR 27M revolving loan facility ("RCF") at 31 December 2019 and EUR 9M of drawdowns at 31 December 2020

2) The equity ratio of the DDM Debt Group according to the senior secured bond terms was 21.1% at 31 December 2019 and 30.2% at 31 December 2020

Portfolio resilient with revaluation less than 1% of carrying value



AGENDA

1. Key developments

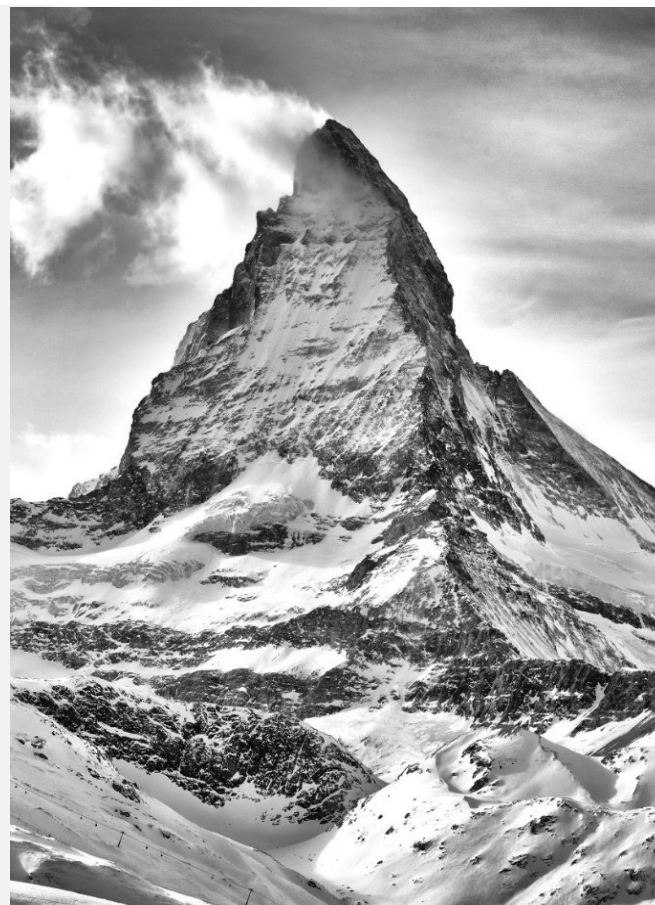
2. Financials 2020

3. Summary



Key takeaways

- 1 Record net collections of EUR 115m and cash EBITDA of EUR 102m
- 2 Portfolio resilient supported by high quality secured assets resulting in less than 1% revaluation
- 3 Majority of ERC of EUR 258m is secured by real estate and is expected to be received in the next three years
- 4 Renewed EUR 27m RCF for a further two years until March 2023
- 5 Strong covenant and liquidity position ahead of bond refinancing
- 6 DDM well-positioned to capitalize on rising NPL volumes with investment pipeline of EUR 250m



Q&A

Upcoming IR events

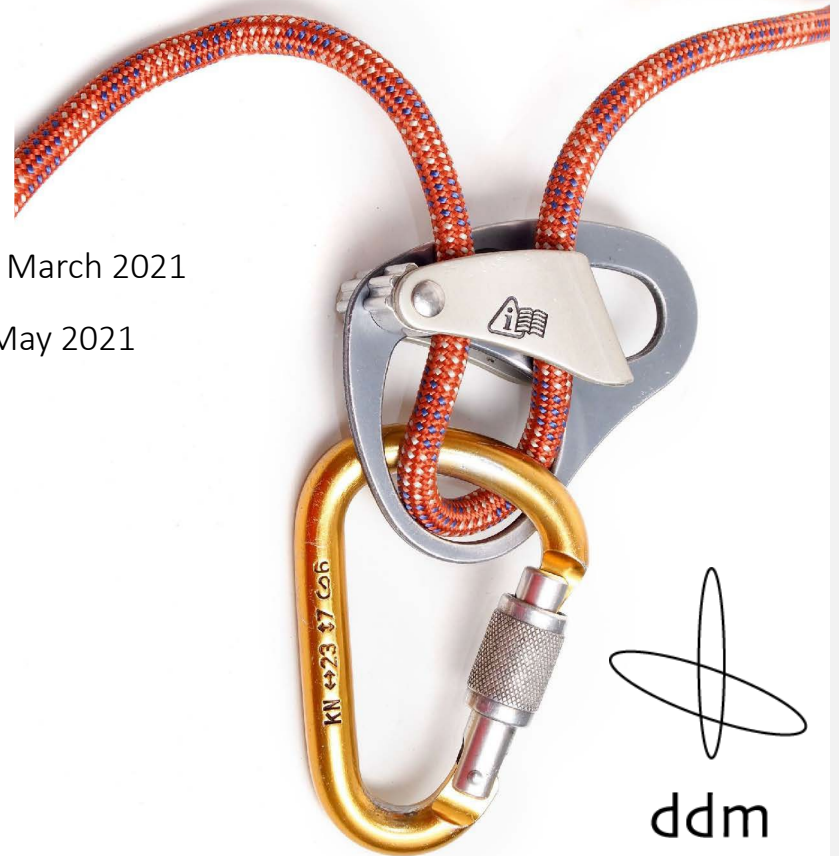
Annual report 2020:

26 March 2021

Interim report January – March 2021:

6 May 2021

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