



ddm

## Company Presentation

DDM Holding AG

March 2021

*Strictly private & confidential*

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# Agenda



## Introduction to DDM



## Key credit highlights



## Historical financials



## Appendix

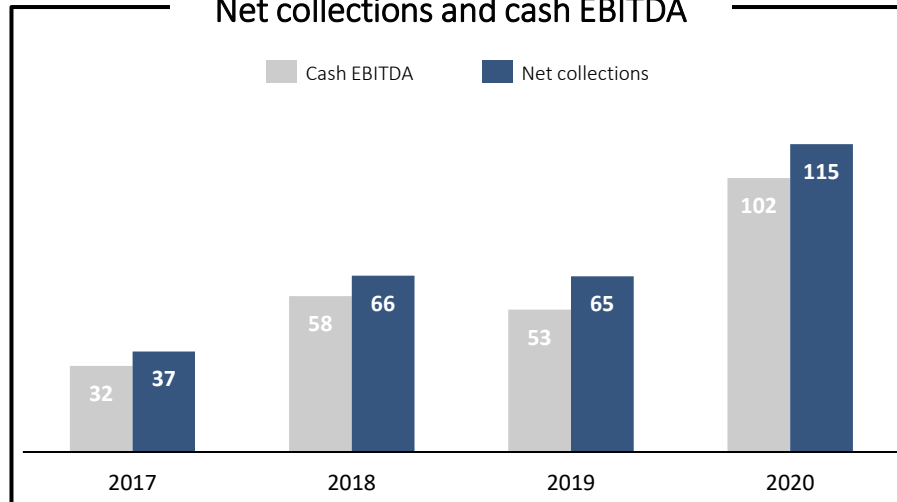
# DDM Group at a glance

A seasoned and agile investor and manager of NPL's and special situations with a focus on the SCEE region

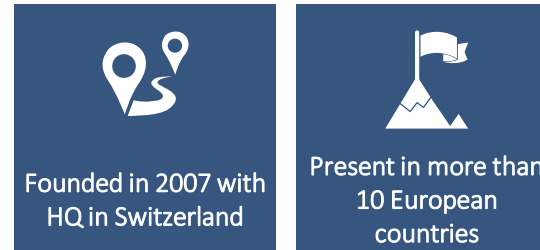
## DDM Group overview

- Founded in 2007, with headquarters in Switzerland. Currently has more than 14 years experience of investing, servicing and debt collection in Southern, Central and Eastern Europe (SCEE) region
- Proven deal execution with about 100 portfolios acquired in 11 markets
- Access to captive servicer AxFin launched in 2018 for corporate & SME secured work out that complements debt collection agencies (DCAs)
- DDM Holding AG shares listed on Nasdaq First North Growth Market (DDM) in Stockholm, Sweden
  - Majority shareholder DDM Group Finance SA with 89% ownership in DDM

## Net collections and cash EBITDA



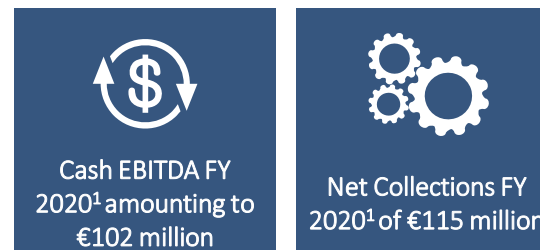
## Background



## Operations

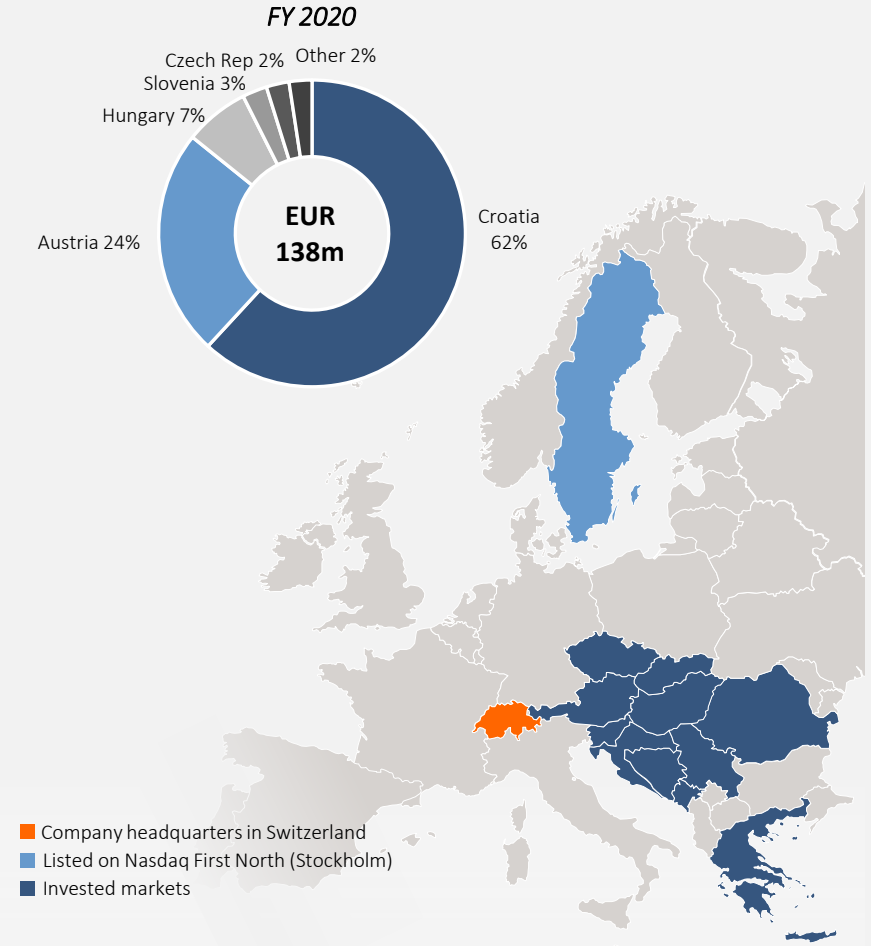


## Financials



## Geographical presence

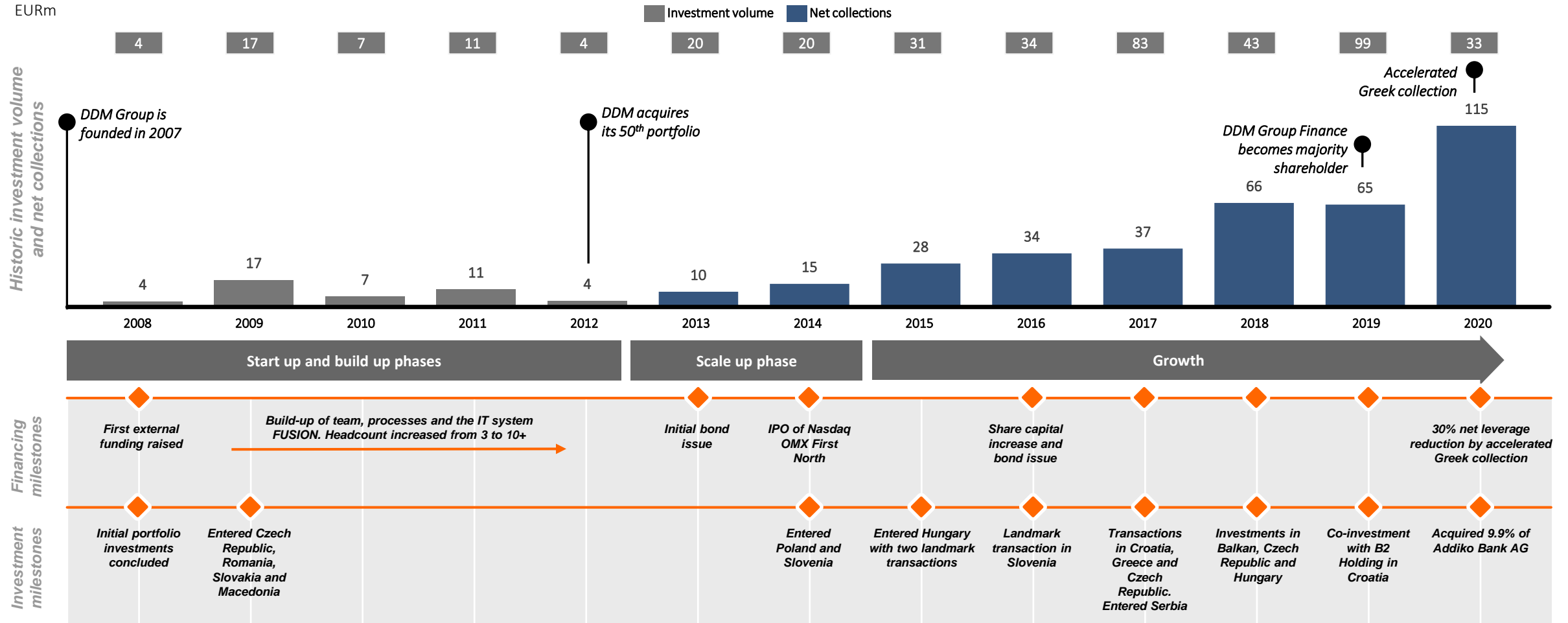
### Invested assets - book value by country



# DDM history

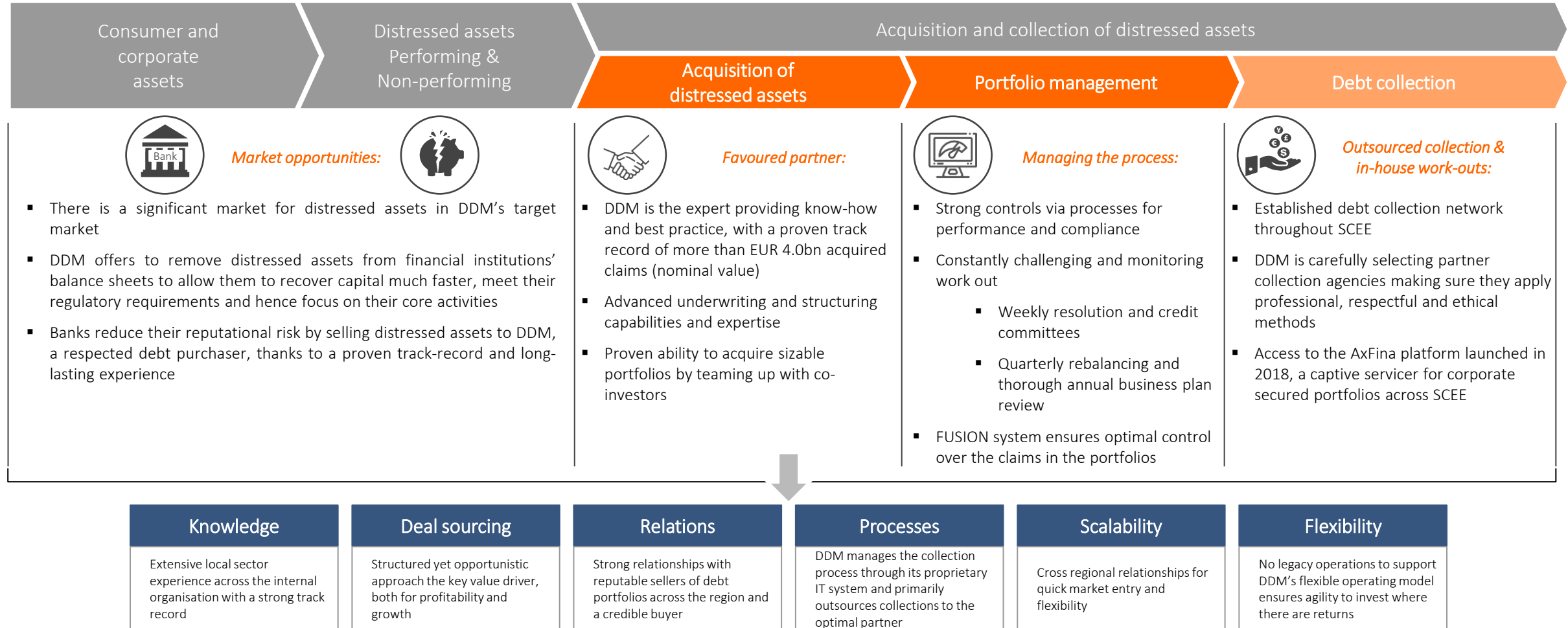
Proven ability to monetise on a vast number of portfolio acquisitions with selective geographical exposure

## Development since 2007



# DDM in the value chain

DDM is located in the debt purchasing value chain sweet-spot

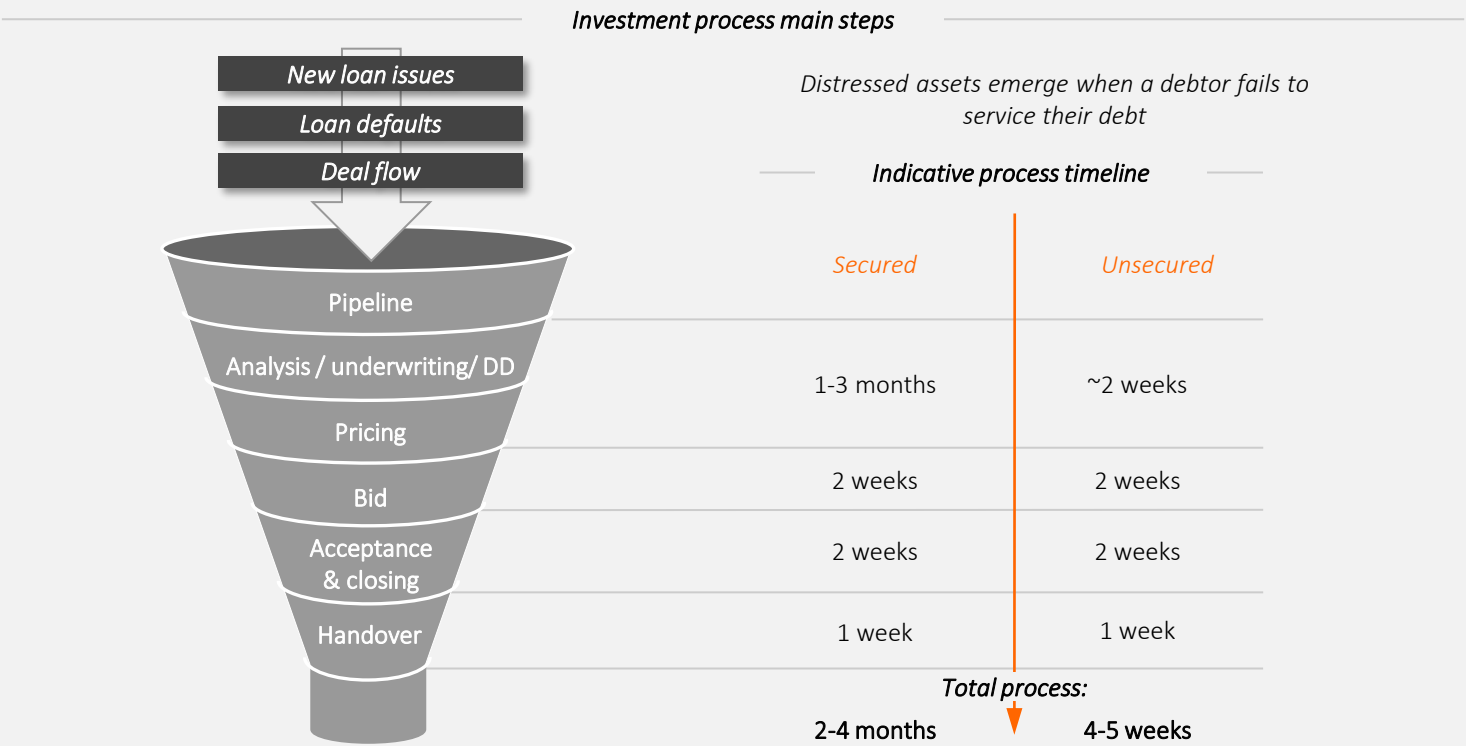


# The investment process

DDM has a refined and well-tested investment process for both secured and unsecured NPL portfolios

## Investment process

Acquisition dynamics			
Secured portfolios	Line-by-line valuation of underlying security, site visits etc. required	Unsecured portfolios	Statistical and mathematical approach in due diligence process





# Experienced debt collection organisation

Dynamic organisation with significant secured work-out expertise and unsecured underwriting experience

## Secured claims

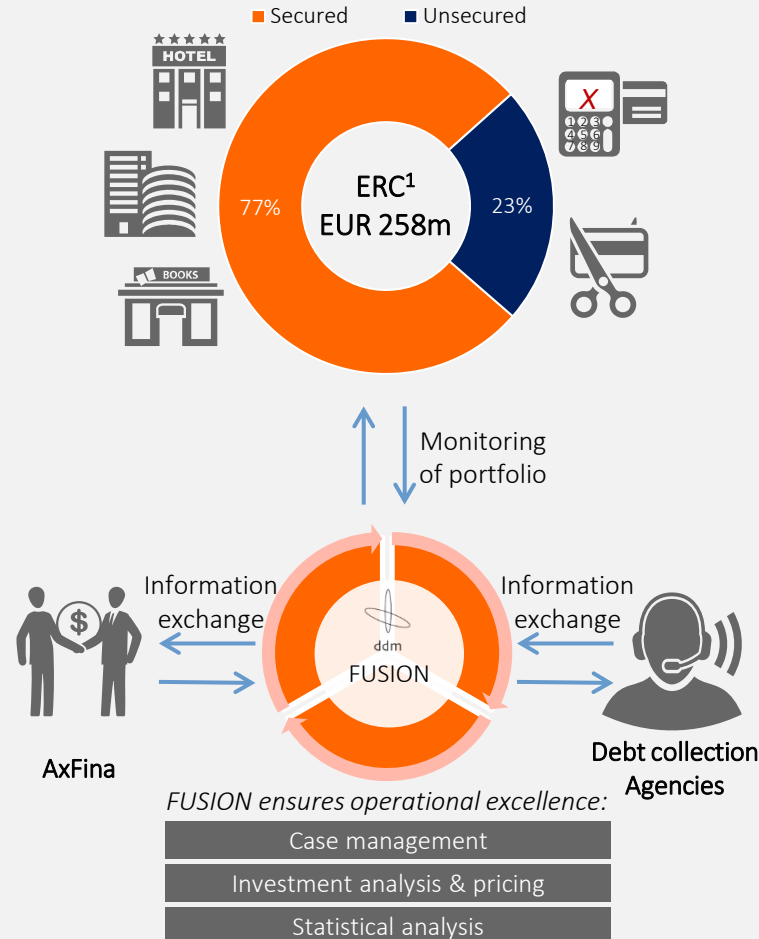
### Asset description

- Claims in the secured portfolios are typically secured in real estate
  - Non real estate (NRE) claims are usually assigned low valuations in the underwriting process – e.g. inventory etc.
- Average recoveries much higher from secured claims
- Secured claims are typically more complicated and require work-out, local real estate- and legal expertise
- Line-by-line valuation in the underwriting process

### Portfolio management

- Secured work-outs are primarily done via the related party AxFina on an arms length distance
- DDM's portfolio management team oversees the work out via:
  - SLAs
  - Weekly approval process
  - Quarterly, annual and ad hoc business planning
- Separating asset owning and asset work out ensures no conflict of interest and best in class performance
  - AxFina is controlled by related parties and the European Bank for Reconstruction and Development

## Portfolio distribution



## Unsecured claims

### Asset description

- Unsecured claims are typically credit card debt, private leasing and consumer loans
- Unsecured claims typically consists of portfolios of smaller loans with limited face values
- Unsecured portfolios are underwritten through advanced analytical modelling, making use of scoring and historic data

### Outsourced collections









- DDM is outsourcing collection of unsecured claims to third party debt collection agencies (DCAs)
- Through more than a decade of collaborating with external agents DDM has established a wide network of trusted DCAs across SCEE
- The outsourcing of collections enables DDM to have a lean and highly scalable business with a flexible cost base and access to a diverse base of skills in collecting various categories of non-performing loans



# European bank partnerships

Successful track record as partner to European banks

Selected DDM investments in various parts of the credit cycle

	Greek Bank	Solaris	Lombard	Finalp
Country				
Investment date	Aug 2017	Jun 2019	Dec 2015	Feb 2015
Expected exit multiple	> 1.8x	Not disclosed	>2.1x	>2.9x
Reason	Recapitalization and long-term work-out strategy	Exit for state owned bad bank	German bank exit from Hungarian leasing market	Japanese bank exit from Hungarian leasing market
Underlying collateral	Secured SME loans	Secured corporate and SME loans	Car leasing and SME leasing assets	Car leasing
Servicing	DDM set up a fully licensed servicer in Athens with over 25 employees	DDM and B2H joint-servicing approach	200 employees in a regulated leasing business and rationalized by DDM	15 employees in a regulated leasing business, rationalized by DDM managed via Lombard (to create synergies)
Co-investor	Large US PE Fund and UAE state funds (bought-out 2019)	B2 Holding	Large US private equity fund (bought-out 2020)	US investment manager (bought-out 2018)
Status	Completed 	In collection 	In collection 	In collection 
IRR	34%	Not disclosed	>100%	>100%

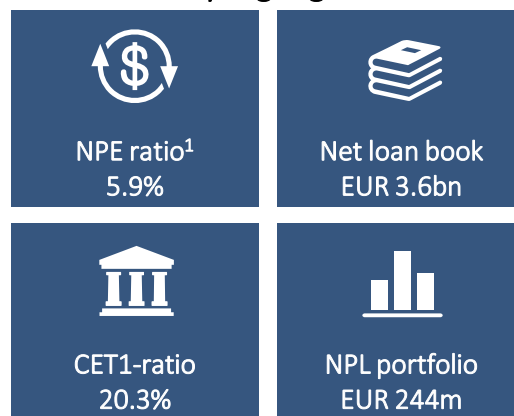
# Strategic investment in Addiko Bank

A specialist consumer lender in SCEE area with 800,000 customers and 170 branches

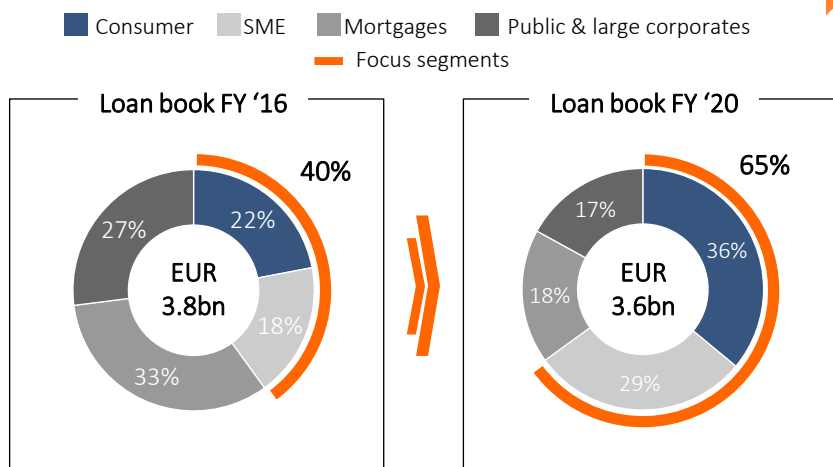
## Addiko Bank in brief

- Addiko Bank has positioned itself as a leading consumer finance institution in SCEE with around 800,000 customers throughout the region and a total of 170 branches
- The parent bank, Addiko Bank AG, is listed on the Vienna Stock Exchange and has banking operations in 5 CSEE countries through its subsidiaries
- 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 digitalisation
- Addiko Bank is well capitalized, with one of the highest tier one capital ratios in the region

## Key highlights

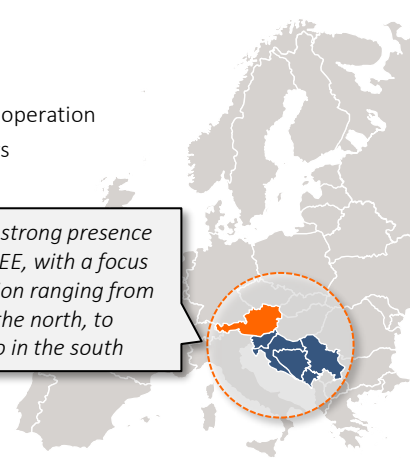


## Supporting Addiko through its shift towards consumer and SME lending



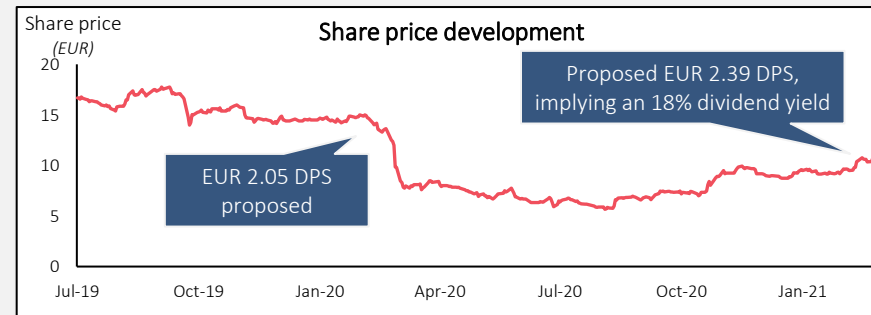
■ Countries of operation  
 ■ Headquarters

Addiko's has a strong presence throughout SCEE, with a focus area in the region ranging from Austria in the north, to Montenegro in the south



## The strategic rationale for investing in Addiko Bank

- A highly attractive valuation. The bank has a strong capitalisation, with a 20.3% CET1-ratio, enabling a platform for further growth. Coupled with an attractive P/B (from an acquisition perspective) of ~0.3x and EUR 244m in NPLs
- Addiko offers a complementary route to gaining exposure to the credit cycle in DDMs core geographies at an attractive risk-adjusted return proposition.
- Addiko Bank is in undergoing a transformation process comprising of four main steps:
  - Focusing on consumer lending and SMEs
  - Performing a thorough digitalisation process of the banks operations to facilitate for further development
  - Disposing non-core assets to ensure focus on strategic goals
  - Cost/Income ratio improvement potential
- After having interacted with Addiko on NPL portfolios in the past, DDM has intentions of supporting Addiko throughout the transformation
- The rationale for the investment is further strengthened by Addiko's geographical exposure as Addiko and DDM operate in highly overlapping geographies



1) Calculated as Group on-balance non-performing loans divided by credit risk exposure  
 Note: DPS = dividend per share

# Agenda



Introduction to DDM



**Key credit highlights**



Historical financials



Appendix



## Key credit highlights



ddm

- 1 Attractive market fundamentals returning for the European NPL sector
- 2 Significant investment pipeline at attractive valuations
- 3 A trusted partner with a strong competitive position in the SCEE region
- 4 Strong track record of investing in high quality credit portfolios
- 5 Management team and shareholders with significant expertise and knowledge



# Market dynamics and backdrop

Reduced demand and strong supply leading to attractive investment opportunities going forward

## Key market drivers



### Reduced investment capacity from established players

- Investment capacity amongst the NPL players has been significantly reduced over the past 12 months, following a challenging 2020 on the back of covid-19, leading to an attractive market for players with strong balance sheets and capital to deploy



### Increasing NPL volumes

- On the back of the global covid-19 pandemic, the NPL volumes are likely to increase in key markets for the next period, driven by transactions not being concluded during 2020 and new portfolios coming to the market

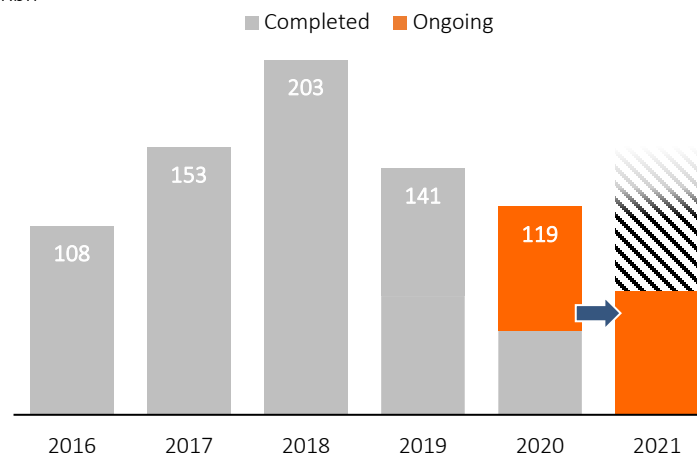


### Regulatory factors

- As a consequence of the European Commission's amended regulations in 2018 the market conditions for debt collectors are likely to improve, driven by an increasing focus among banks to reduce NPLs on their balance sheets
- Core DDM markets are quickly adapting to more advanced legal systems

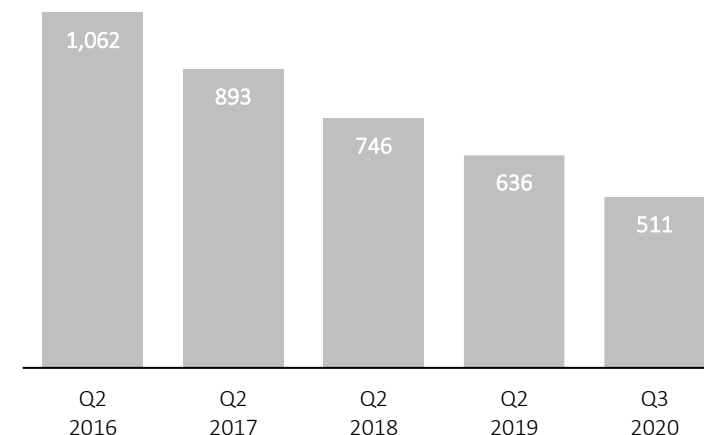
## European loan sales by year

EURbn



## Total volume of NPLs in EU/EEA countries
















































EURbn



- Total volume of NPLs in the EU/EEA countries has halved from over EUR 1 trillion since 2016 standing at EUR 511bn at Q3 2020
- Banks have been setting aside record numbers of NPLs during the last 12 months as a response to the covid-19 pandemic
- Loan moratorium measures implemented across Europe have limited banks' ability to dispose of non-core NPLs
- DDM is well-positioned to capitalise on rising NPL volumes expected in the future at attractive prices

# Investment pipeline

Selected investment pipeline expected to meet DDM's return requirements currently in due diligence phase

Project #	Type	Country		GCV (EURm)	Investment (EURm)	Security type	Underlying claim
#1	NPL portfolio	Greece		 10,000	 50	Mix	Mix
#2	NPL portfolio	Serbia		 1,800	 35	Mix	Mix
#3	NPL portfolio	Poland		 361	 35	Mix	Mix
#4	FIG/Platform	Spain		 125	 25	Secured	Retail
#5	Single name	Romania		 40	 20	Secured	Corporate
#6	NPL portfolio	Serbia		 180	 16	Unsecured	Mix
#7	FIG/Platform	Poland		 70	 15	Mix	Mix
#8	NPL portfolio	Bulgaria		 434	 15	Unsecured	Mix
#9	Single name	Greece		 20	 12	Mix	Mix
#10	Single name	Croatia		 160	 10	Secured	Corporate
#11	Single name	Italy		 90	 10	Secured	Corporate
#12	NPL	Romania		 90	 6	Mix	Retail
#13	FIG/Platform	Bulgaria		 10	 6	Mix	Retail
#14	Single name	Croatia		 5	 5	Secured	Corporate
#15	FIG/Platform	Poland		 2	 3	Secured	Retail
<b>Total</b>				 13,387	 263		

FIG/Platform typically means a NPL portfolio with a run-off platform attached to it.

GCV typically means the face value of a NPL portfolio

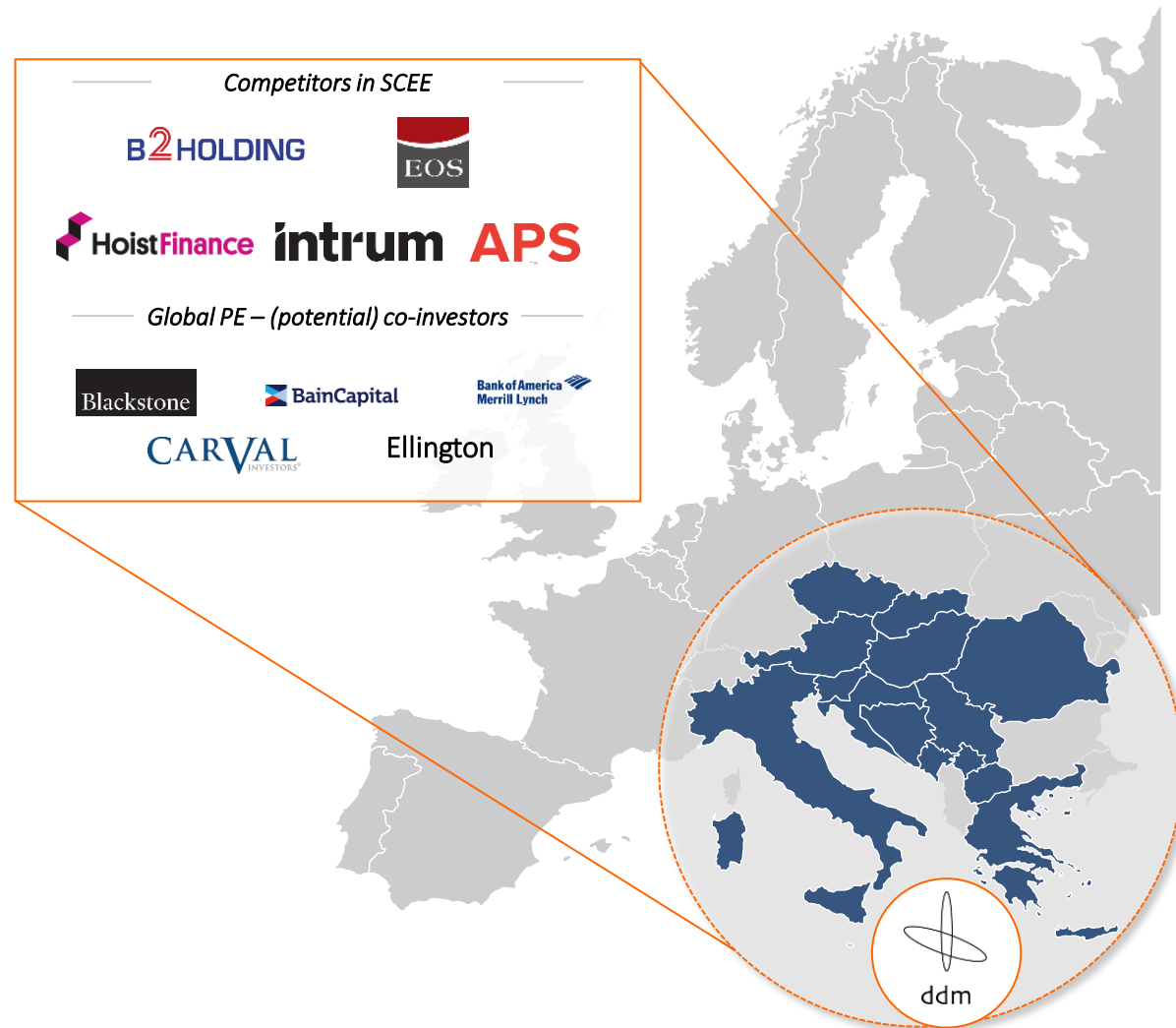
# Market and competitive dynamics

DDM is a favoured partner in the SCEE region, outperforming peers on collection capabilities

## DDM's key differentiators

Differentiator	Key DDM value-add
1 Origination	Long-standing trusted relationships with banks and bilateral contacts lead to repeated and constant opportunities
2 Funding Access	Highly regarded as a strong and experienced sponsor which ensures good standing with lenders
3 Intellectual Capital	Highly skilled investment team, extensive market knowledge & experience to execute complex deals
4 Structuring	Unique ability to design & execute complex transactions fulfilling specific seller needs & constraints
5 Pricing Certainty	Well-informed pricing and great pricing certainty thanks to market information overlaid with DDM's proprietary database and existing portfolio assets
6 Captive Servicing Operator	AxFina provides DDM with full-service asset management and servicing platform
7 Focused Strategy	No competing strategies

## Competitors and players present in the same geographical markets



# Distribution partners and relationships

Differentiated origination capabilities with strong & trusted long-term relationships with debt-sellers

## DDM is a trusted partner

- DDM's track record in the SCEE region has resulted in a strong brand recognition as a trusted and reliable buyer
- DDM has established relationships with a large number of renowned banks in the SCEE region – a strong platform to build upon with repetitive deals if deemed attractive
- Wide network of DCAs and local partners facilitates deal origination granting access to sellers in both auction processes and bilateral deals
- Business development and sales are managed by a central team covering existing and potential new markets

### Selected partners



### Auditors



## Selected banks by geography

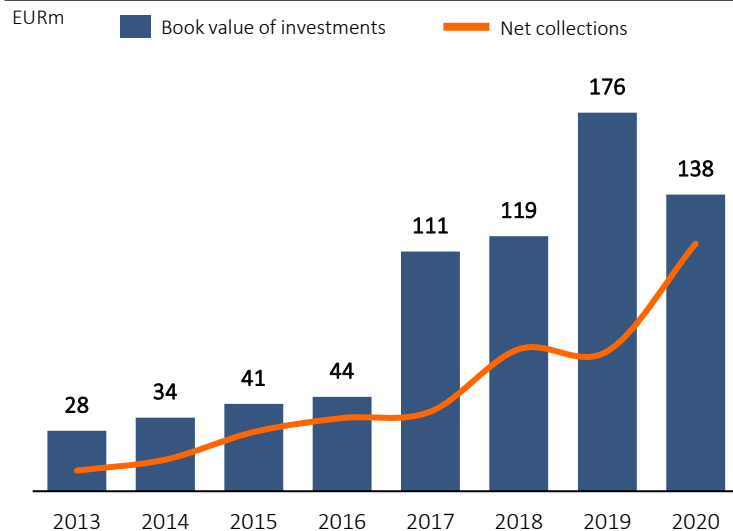




# Portfolio overview

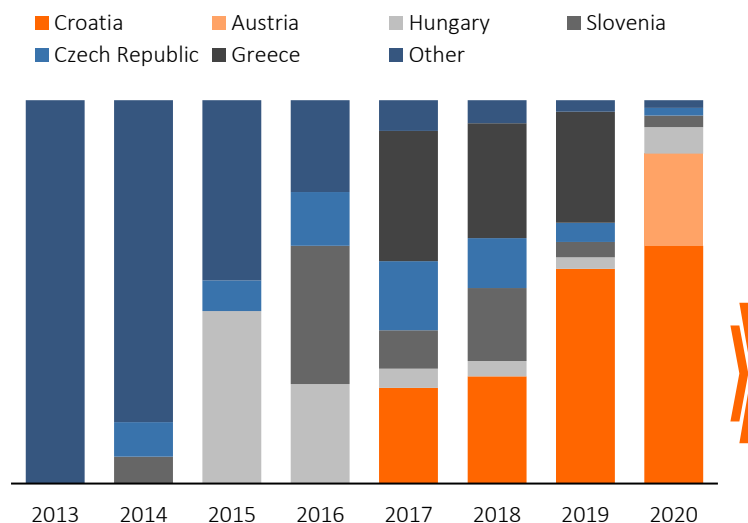
Agile portfolio approach and business model enables DDM to deliver excessive returns

## Book value of investments and net collections



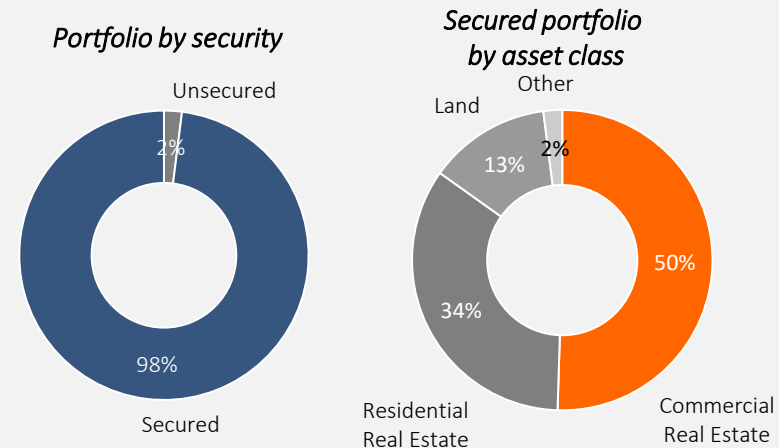
- Since 2016 approx. EUR 250m of collections have been received demonstrating the credit quality of DDM's portfolios
- In the next 3 years approx. EUR 175m of estimated remaining collections
- Strong covenant and liquidity positions ahead of bond refinancing

## Investments by geography<sup>1</sup>



- DDM has a highly versatile approach enabling focus on acquiring high-quality assets in strong markets
- Over the last years, DDM has swiftly shifted their focus towards the strong Croatian market – an opportunity enabled by the banking sector deleveraging process and underlying strong macro sentiment
- DDM has no geographic legacy operations which may trigger irrational investment decisions

## DDM's Croatian portfolio

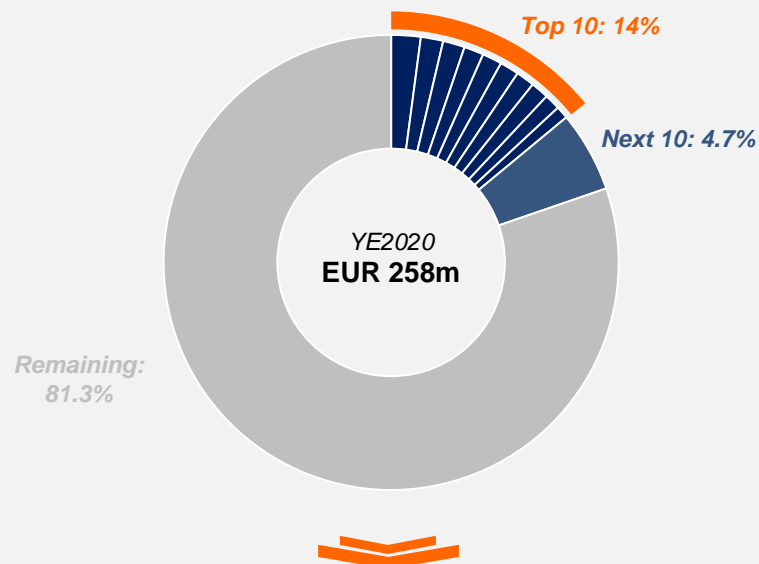


- 98% of DDM's ERC located in Croatia is secured by real estate
- House prices in Croatia are continuing to rise supporting the credit quality of DDM's secured assets
- The majority of DDM's exposure by value in Croatia is located in Zagreb (31%) and on the Adriatic coast (28%)
- The government imposed a 6-month moratorium on debt enforcements which ceased in October 2020, however DDM does not expect any further statutory loan moratorium in Croatia in the foreseeable future

# ERC overview

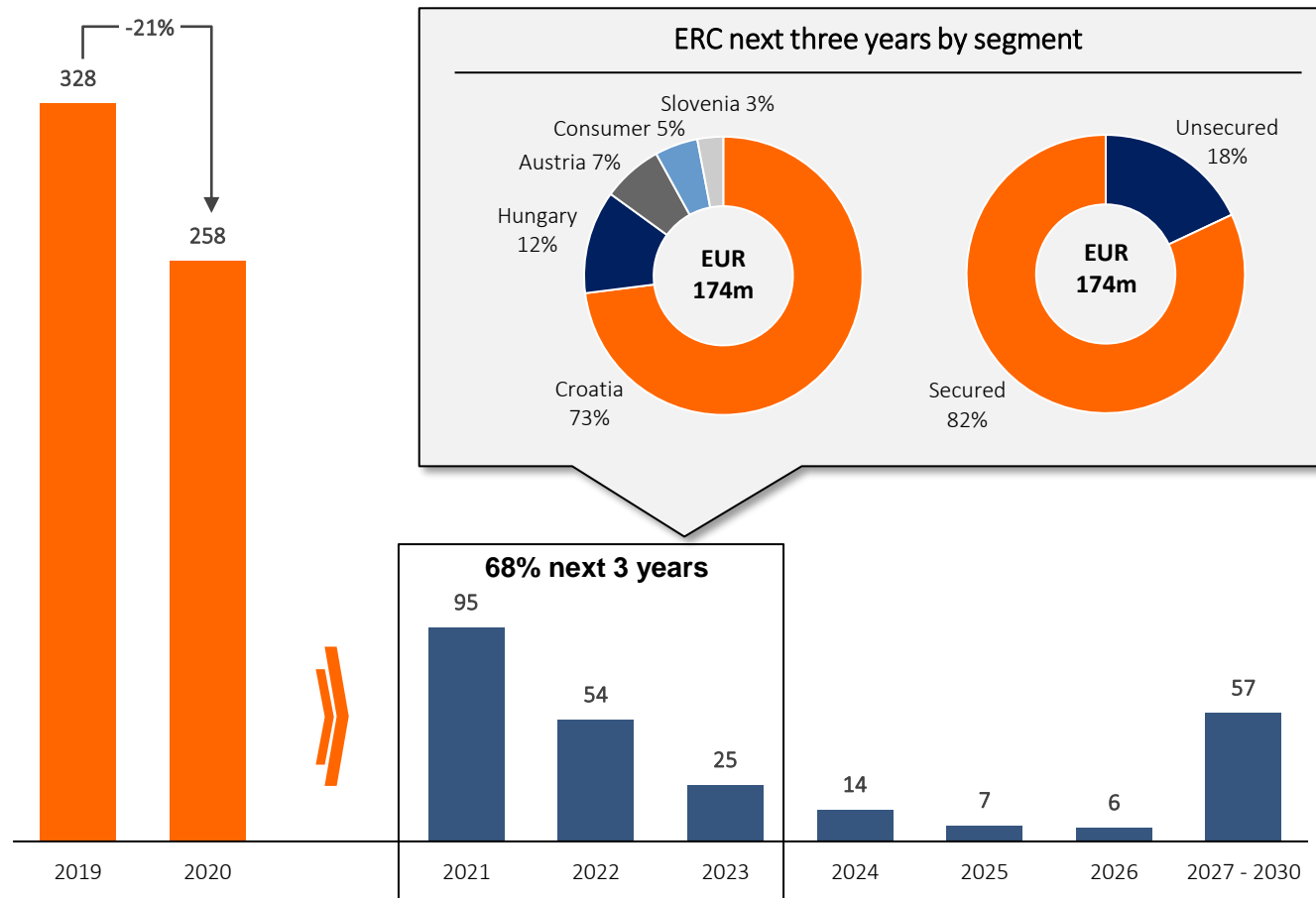
Diversified portfolio – majority of ERC is secured and expected to be received within the next 3 years

## Current ERC by portfolio size



- DDM's exposure has a solid diversification – gross ERC has no specific tilt towards any single portfolio. Currently DDM's most significant exposure is a single REO asset in one of the portfolios with 2.1% of total gross ERC
- Further, the top 10 portfolios only comprise of 14% of the total ERC, with the 20 largest comprising of 18.7%. The vast majority of DDM's exposure comes from the significant amount of smaller portfolios spread out throughout Europe

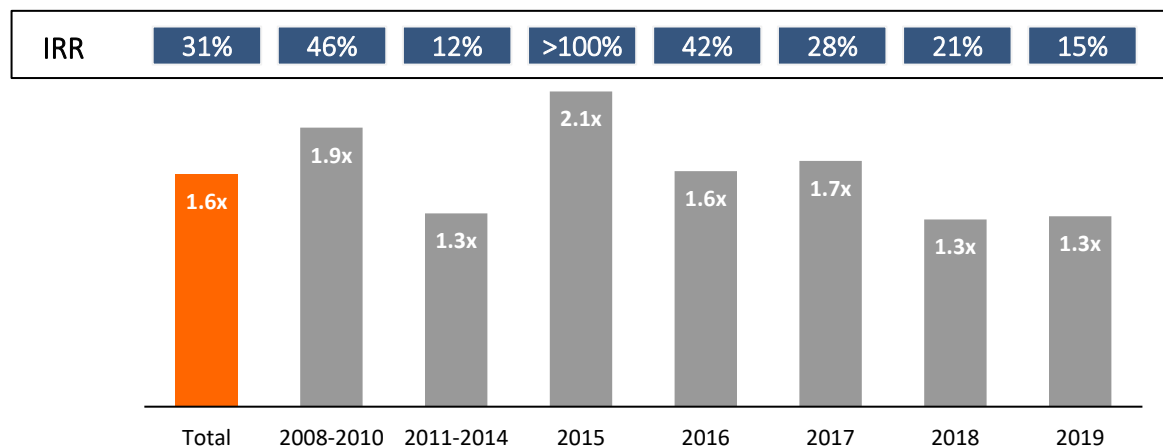
## Historic 120-months gross ERC and projected future collections on existing portfolios<sup>1</sup>



# CRM performance

Robust track record of strong IRR and CRM performance

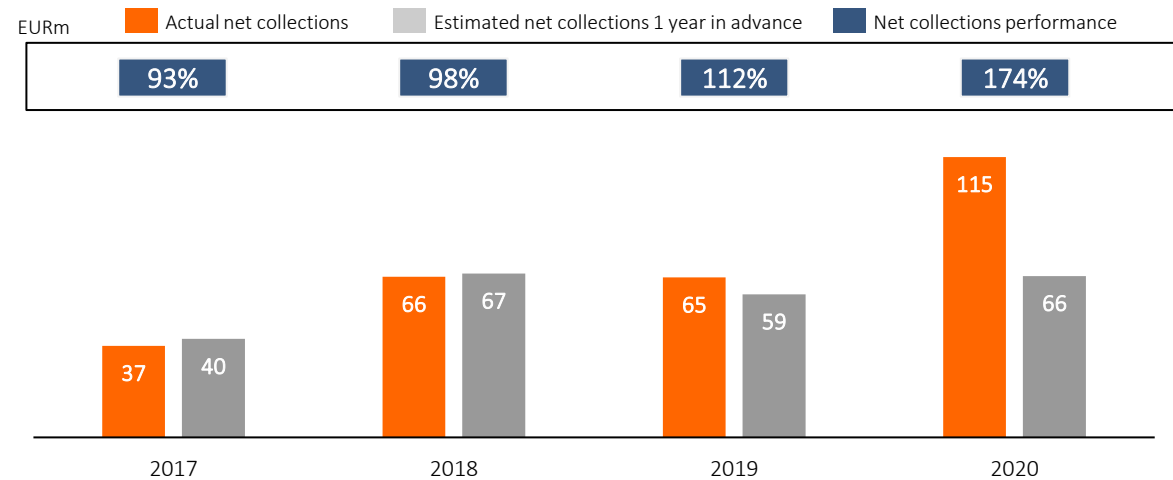
## Net Cash Return Multiple (CRM) by vintage



Purchase price	321.6	28.0	41.4	35.0	22.1	104.5	44.0	46.6
Book value	78.9	0.1	1.6	7.4	1.2	21.2	9.6	37.8
Net coll. TD	410.8	52.6	52.1	64.7	33.2	147.8	44.6	15.6

- DDM's CRM has remained strong over multiple years, averaging at 1.6x. This yields an average IRR of 31%
- The IRR peaked in 2015, exceeding 100%. These extraordinary results were driven by the investments in Hungary (Lombard and Finalp)

## Net collections performance to forecast



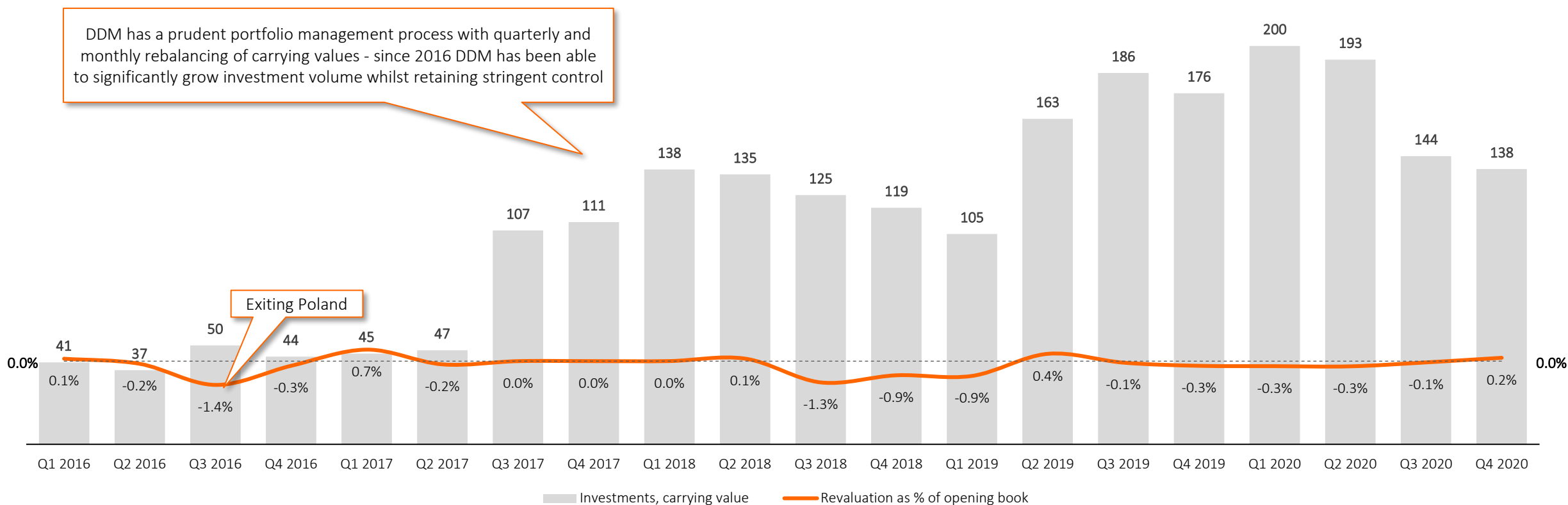
- Over the last four years, DDM has seen a significant increase in net collections while maintaining a strong net collection overperformance – DDM is able to maintain strong collections over time
- Deviations caused by timing effects – DDM is strategically spreading out collections over time to optimise the average net collections over time
- The significant overperformance versus estimated net collections for 2020 were caused by the accelerated collections from the Greek portfolio

# Investments and carrying value

Investments resilient in challenging market with adjustment of less than 1% of carrying value

Investments and carrying value over time

EURm





# Top 5 & Bottom 5 investments by net CRM

DDM returning the capital with positive net CRM for all investments

## Top 5 investments by net CRM

Country EURm		Sector	Year of acquisition	Loan Type	Purchase Price	Book Value	IRR	Net CRM	Net collections to date
Hungary		B2C	2015	Unsecured	30.6	7.3	>100%	 2.1x	55.7
Croatia		B2C	2017	Secured	7.4	9.2	22%	 2.0x	2.7
Greece		Mixed	2017	Mixed	56.5	0.0	34%	 1.8x	102.6
Slovenia		B2C	2016	Mixed	17.7	1.2	47%	 1.7x	27.7
Czech Republic		B2C	2017	Unsecured	12.0	2.9	31%	 1.6x	15.8

## Bottom 5 investments by net CRM

Country EURm		Sector	Year of acquisition	Loan Type	Purchase Price	Book Value	IRR	Net CRM	Net collections to date
Croatia		B2B	2019	Secured	46.6	36.4	13%	 1.3x	15.6
Slovenia		B2B	2016	Secured	6.9	2.0	15%	 1.2x	5.9
Czech Republic		B2C	2017	Unsecured	4.4	0.0	21%	 1.2x	5.5
Slovenia / Croatia		B2B	2018	Secured	32.4	2.7	11%	 1.1x	30.9
Serbia		B2B	2017	Secured	2.4	0.8	4%	 1.1x	1.7

# DDM Management and Board of Directors

Management with more than 100 years combined experience in the NPL industry

## Management



**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



**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



**Frank Breitling**

**Head of Portfolio and Asset Management**  
DDM since 2018



**Previous experience:**

Lone Star Fund/Hudson Advisors, Apollo Capital Management/Lapithus



**Fredrik Olsson**

**CFO**  
DDM since 2014



**Previous experience:**

LyondellBasell Industries, Petroplus



**Bernhard Engel**

**COO**  
DDM since 2019



**Previous experience:**

PwC Austria's Financial Services and Deals Leader, Unicredit

## Board of Directors



**Jörgen Durban**

**Chairman – BoD member since 2019**



**Other assignments:**

Chairman of the board of directors of Haldex AB, CoB of Anoto Group AB (Nasdaq Stockholm: ANOT), CoB of Nordiska Kreditmarknadsaktiebolaget (publ) and Partner at Bdp Partners



**Erik Fällström**

**Board member – BoD member since 2017**



**Previous experience:**

Co-founder and former 40% owner of Hoist Finance (EUR 600M market cap at time of listing), Co-founder of Arkwright Capital which evolved into European Digital Capital, Executive Chairman of EDC Advisors Ltd



**Joachim Cato**

**Board member – BoD 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 Investor United Benefits GmbH

# Ownership

DDM is supported by highly experienced and successful owners

## Background

- AEDC Capital (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
- In April 2017, DDM Group Finance S.A. (an affiliate of AEDC) first became a significant shareholder in DDM Holding AG when it acquired approximately 49% of the shares. Since then, DDM Group Finance S.A. has increased its stake through a public cash offer during 2019 to approximately 89% of the shares currently held in DDM Holding AG

## Portfolio companies



Thea Artemis



**SIVERSIMA**



## Owners



**Erik Fällström**  
Chairman, Managing Director and  
Founder

### Experience and background:

Co-founder and former 40% owner of Hoist Finance (EUR 600M market cap at time of listing)

Co-founder of Arkwright Capital which evolved into European Digital Capital  
Executive Chairman of EDC Advisors Ltd  
Board member of DDM Holding AG

### Education:

Stockholm School of Economics



**Dr. Andreas Tuczka**  
Managing Director and Co-  
Founder

### Experience and background:

AxFina Holding S.A.: Director (non-executive) & Chairman

IKB AG: Member of the Executive Committee  
Lone Star: Head of European Financial Institutions

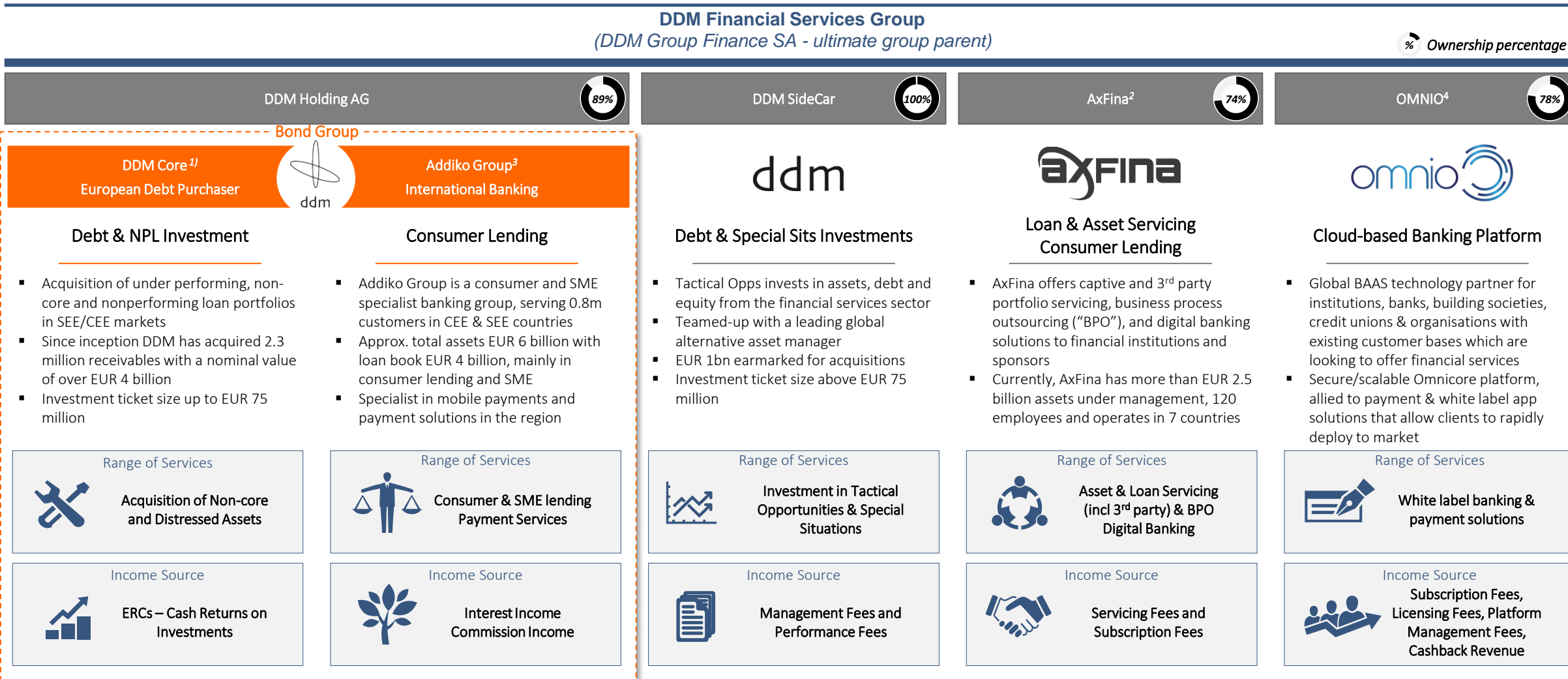
Citigroup: MD, European Financial Institutions Group

### Education:

University of Vienna

# DDM Financial Services Group overview

Four asset-driven businesses: Investments, Asset Management, Loan & Asset Servicing and Consumer Lending



1) All transaction-related investments to be concluded within DDM Group Finance S.A. or DDM Holding AG and the respective affiliates; 2) Majority owned by DDM Group Finance S.A. alongside European Bank for Reconstruction and Development (EBRD) with 24% ownership of AxFina; 3) DDM Core / DDM Holding AG acquired 9.9% of shares in Addiko Bank AG becoming the largest shareholder and intends to increase its shareholding further. 4) 78% shareholding controlled by trusts attributable to Erik Fällström



## Key credit highlights



ddm

- 1 Attractive market fundamentals returning for the European NPL sector
- 2 Significant investment pipeline at attractive valuations
- 3 A trusted partner with a strong competitive position in the SCEE region
- 4 Strong track record of investing in high quality credit portfolios
- 5 Management team and shareholders with significant expertise and knowledge

# Agenda



Introduction to DDM



Key credit highlights



Historical financials

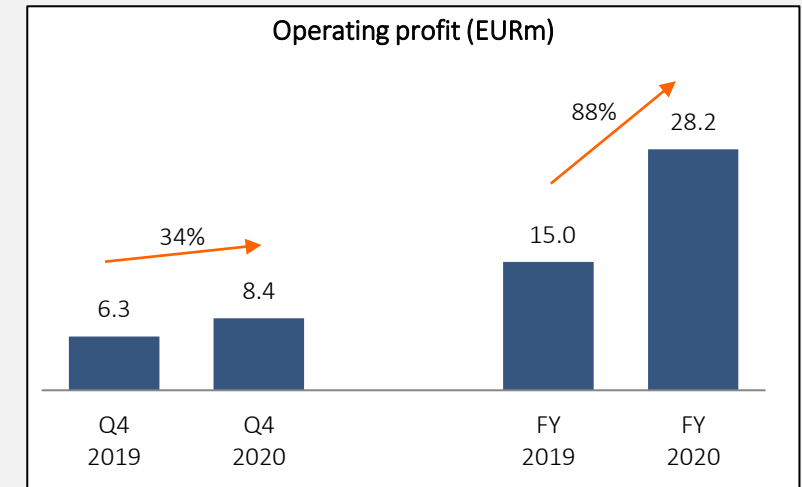
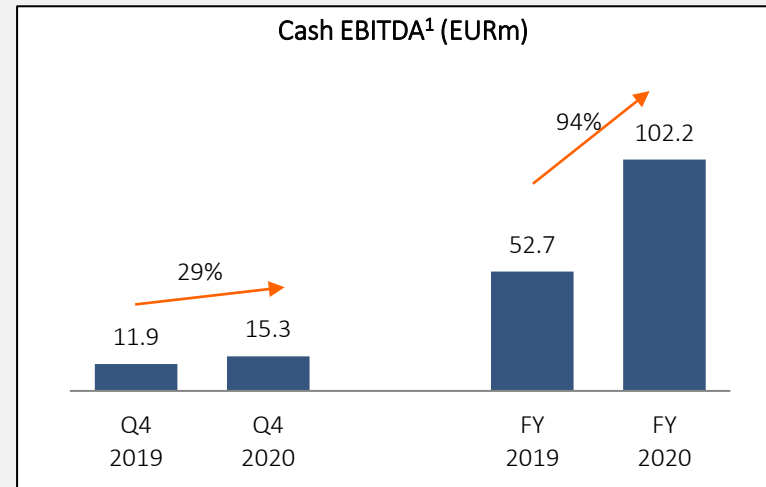
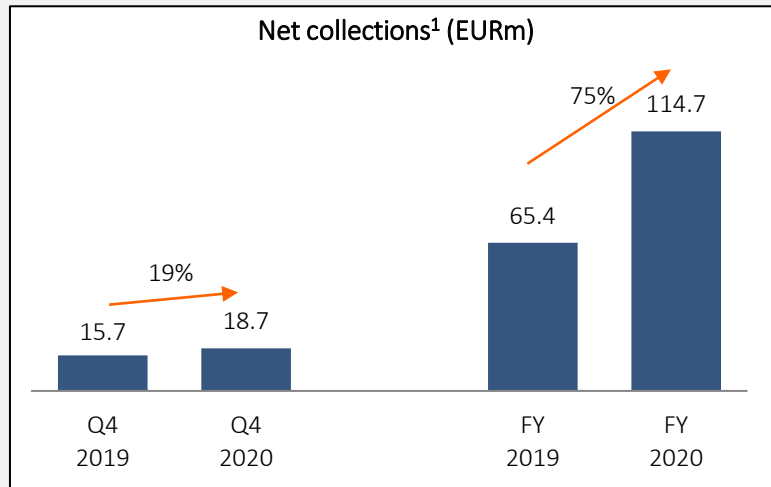


Appendix

# Key highlights full year 2020

Amidst challenging market conditions, a strong year with significant growth in net collections and strong cash EBITDA development

## Key developments during FY 2020



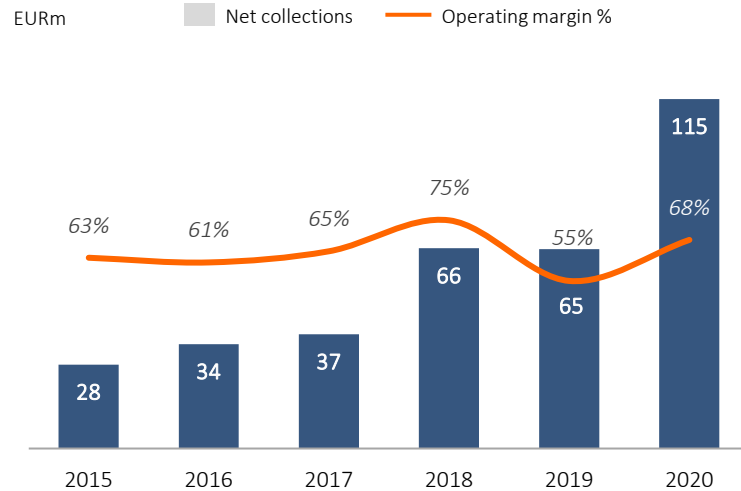
1) Net collections and cash EBITDA are adjusted to include incremental net distributions from joint venture of EUR 1.2M, EUR 3.8M, EUR 2.0M and EUR 5.3M in Q4 2019, FY 2019, Q4 2020 and FY 2020 respectively and include net collections on sale of invested assets of EUR 2.5M and EUR 4.5M in Q4 2019 and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



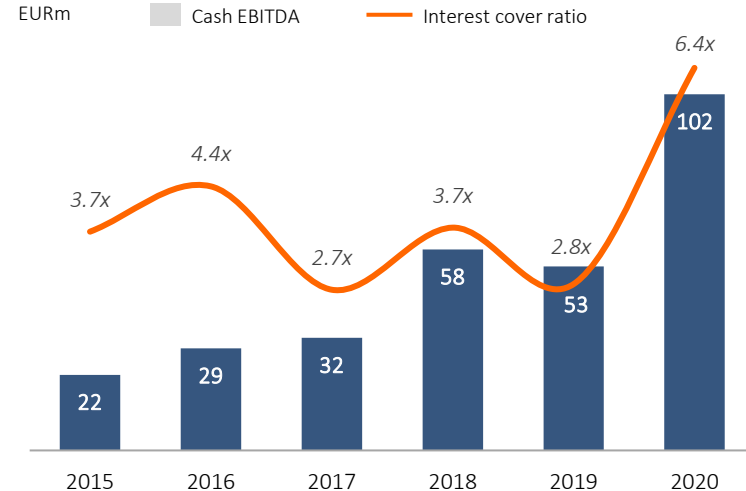
# 2020 Net collection and cash EBITDA

Record collections and cash EBITDA exceeding EUR 100m in 2020

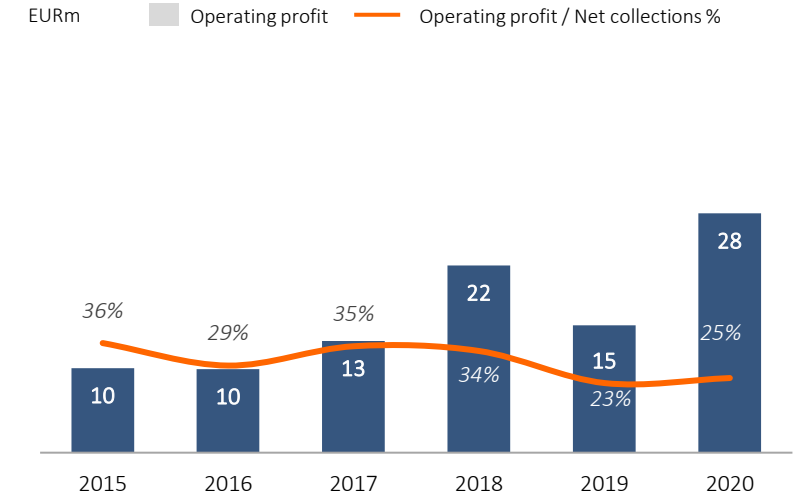
Net collections and operating margin<sup>1</sup>



Cash EBITDA and interest cover ratio<sup>1,2</sup>



Operating profit and operating profit-margin<sup>3</sup>



- Record net collections of EUR 115m in 2020 following Greek restructuring resulting in accelerated collections of approximately EUR 60m
- In the last 3 years EUR 246m of net collections have been received demonstrating the credit quality of DDM's portfolios
- In the next 3 years EUR 174m of gross collections forecasted

- Record cash EBITDA of over EUR 100m in 2020
- Strong cash conversion and debt service capabilities – interest cover ratio of over 6x in 2020<sup>2</sup>
- No material fixed costs and single IT system that accumulates all data on a granular level ensures low opex
- DDM operates a scalable platform with the capacity to increase volumes on current opex levels

- Operating profit has increased from EUR 10m to EUR 28m since 2016
- Operating profit increased in 2020 as a result of strong collections and lower amortisation
- Less than 1% negative revaluation and impairment of the opening book in 2020 shows the resilience and credit quality of the portfolios despite the adverse global impact from the COVID-19 pandemic

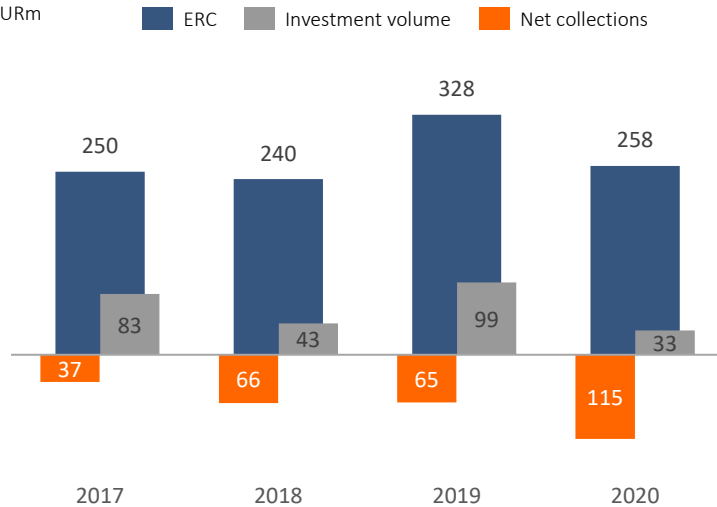
1) Operating profit as a percentage of revenue on invested assets, share of net profits of joint venture and associate and management fees. Net collections and cash EBITDA are adjusted to include incremental net distributions from joint venture and net collections on sale of invested assets; 2) Interest cover ratio calculated adjusted cash EBITDA / net interest expense; 3) Operating profit as a percentage of net collections

# Key metrics

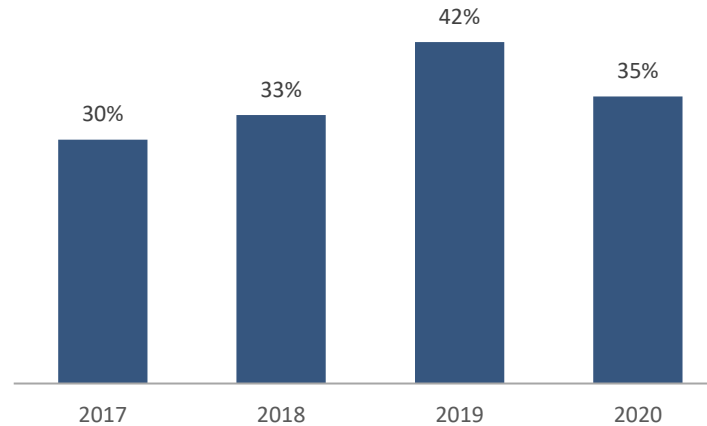
Strong metrics on the back of operational excellence through 2020

## Gross ERC (120 months)

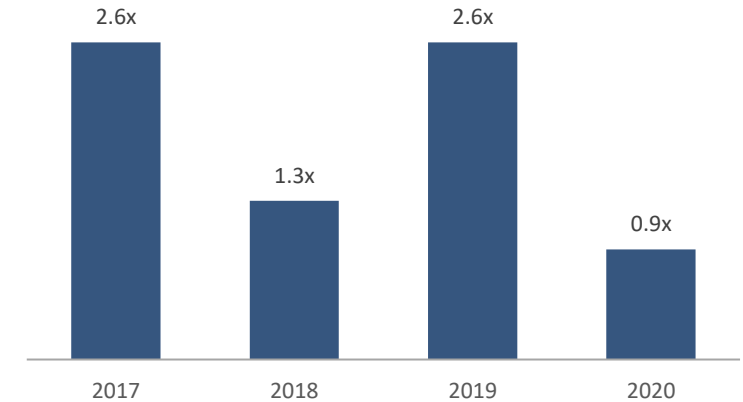
EURm



## Net LTV<sup>1</sup>



## Leverage ratio<sup>1</sup>



- ERC in relation to invested assets at 31 December 2020 stands at EUR 258m, corresponding to a decrease of 21% compared to 31 December 2019 - as a result of the record collections that have been received during the full year 2020 partially offset by investments made

- Net LTV(Net debt/ERC) of approximately 35% as of year end 2020

- Net leverage of 0.9x at year end 2020 following a focus on deleveraging the balance sheet through 2020
- Historically the variation in leverage has been dependent on the asset utilisation - at the end of 2019 DDM was close to being fully invested

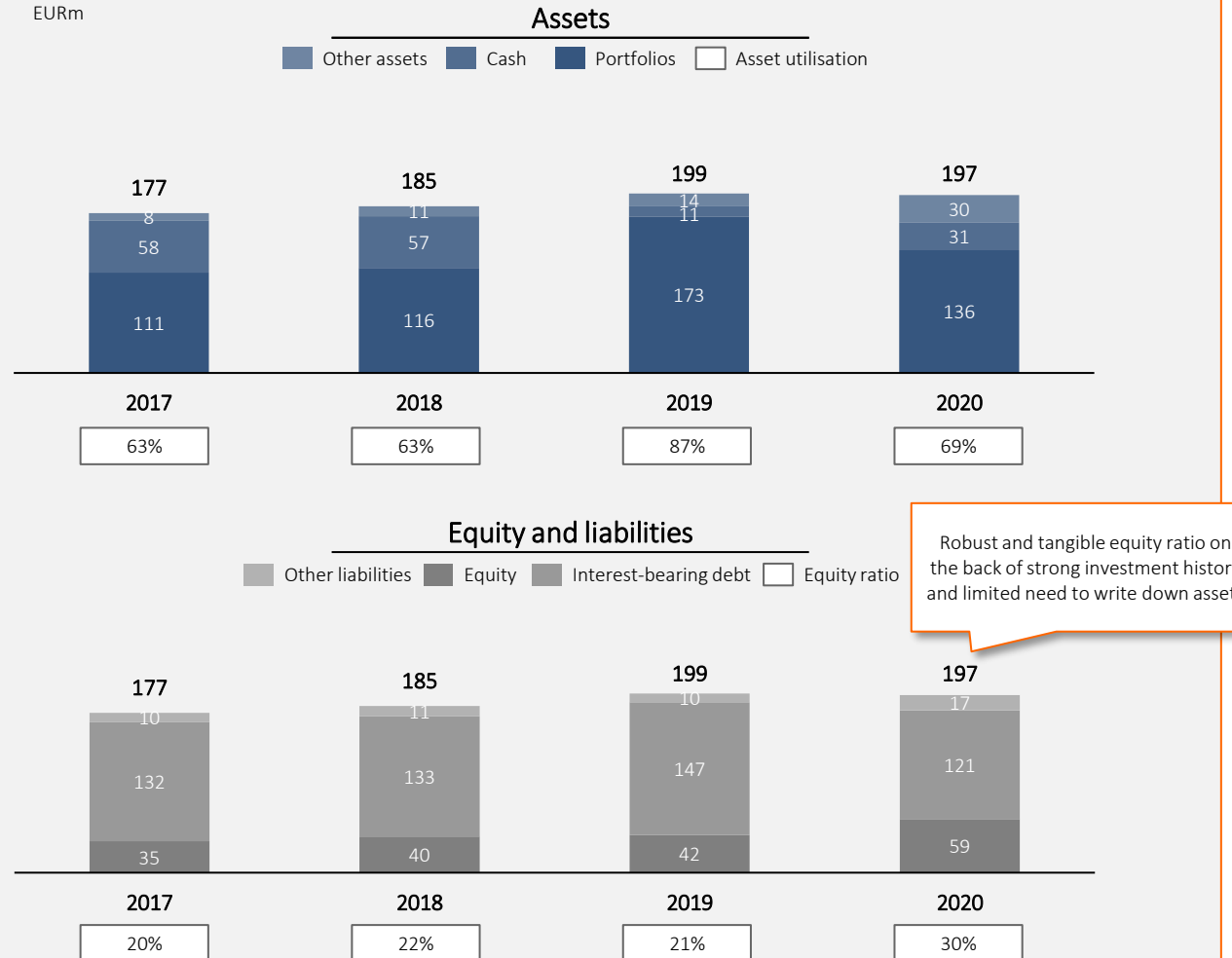
# Capital structure of DDM Holding and DDM Debt

Sound capitalisation with a strong asset utilisation

## DDM Holding AG capital structure



## DDM Debt AB capital structure





# Agenda



Introduction to DDM



Key credit highlights



Historical financials



Appendix

## Income statement

For the year ended 31 December

Amounts in EUR '000	2015	2016	2017	2018	2019	2020
Revenue on invested assets	15,926	14,920	18,475	28,244	25,823	39,896
<b>Reconciliation of revenue on invested assets:</b>						
Net collections <sup>1</sup>	27,508	34,225	37,434	65,669	57,063	109,369
Amortization of invested assets	-7,427	-18,623	-19,164	-34,828	-34,498	-68,433
Revaluation and impairment of invested assets	-4,155	-682	205	-2,597	-1,218	-1,040
Net collections on sale of invested assets	-	-	-	-	4,476	-
Share of net profits of joint ventures and associates	-	-	-	-	916	1,257
Other operating income	-	-	-	1,967	1,142	-
Revenue from management fees	-	1,207	1,876	1,233	570	74
Personnel expenses	-3,827	-3,949	-3,422	-4,816	-5,398	-5,234
Consulting expenses	-1,207	-1,247	-2,381	-2,443	-5,497	-5,153
Other operating expenses	-779	-952	-1,236	-1,987	-2,324	-2,217
Amortization and depreciation of tangible and intangible assets	-147	-134	-143	-130	-222	-408
<b>Operating profit</b>	<b>9,967</b>	<b>9,843</b>	<b>13,169</b>	<b>22,068</b>	<b>15,010</b>	<b>28,215</b>
Financial income	30	32	-	-	178	2,172
Financial expenses <sup>2</sup>	-5,961	-6,663	-12,016	-15,476	-19,147	-18,134
Unrealized exchange profit / (loss)	-1,707	2,111	594	-402	-336	-1,824
Realized exchange loss	-427	-257	-526	-261	-217	-60
<b>Net financial expenses</b>	<b>-8,064</b>	<b>-4,777</b>	<b>-11,948</b>	<b>-16,139</b>	<b>-19,522</b>	<b>-17,846</b>
<b>Profit before income tax</b>	<b>1,903</b>	<b>5,066</b>	<b>1,221</b>	<b>5,929</b>	<b>-4,512</b>	<b>10,369</b>
Tax income / (expense)	-54	275	-557	-1,112	392	-1,229
<b>Profit for the year</b>	<b>1,848</b>	<b>5,341</b>	<b>664</b>	<b>4,817</b>	<b>-4,120</b>	<b>9,140</b>

# DDM Holding AG | Financials (II/III)

## Balance sheet

### Assets

For the year ended 31 December

Amounts in EUR '000	2015	2016	2017	2018	2019	2020
<b>ASSETS</b>						
Goodwill	4,160	4,160	4,160	4,160	4,160	4,160
Intangible assets	1,748	1,637	1,526	1,414	1,303	1,043
Tangible assets	70	63	54	57	54	88
Rights-of-use assets	-	-	-	-	104	254
Interests in associates	600	600	600	13	-	32,986
Distressed asset portfolios	22,254	32,472	105,547	116,143	143,027	79,252
Other long-term receivables from investments	18,307	11,447	5,865	2,422	3,023	-
Investments in joint ventures	-	-	-	-	29,952	25,691
Deferred tax assets	108	1,289	1,403	1,041	1,600	870
Other non-current assets	-	1,332	116	107	995	1,251
<b>Total non-current assets</b>	<b>47,247</b>	<b>53,001</b>	<b>119,271</b>	<b>125,357</b>	<b>184,218</b>	<b>145,595</b>
Accounts receivable	4,131	1,660	4,994	7,280	3,330	14,158
Tax assets	-	-	-	-	1,401	93
Other receivables	300	910	603	761	1,820	1,698
Prepaid expenses and accrued income	142	205	591	1,274	1,402	2,565
Cash and cash equivalents	3,392	10,599	58,118	59,862	12,285	31,416
<b>Total current assets</b>	<b>7,964</b>	<b>13,374</b>	<b>64,306</b>	<b>69,177</b>	<b>20,238</b>	<b>49,930</b>
<b>TOTAL ASSETS</b>	<b>55,211</b>	<b>66,375</b>	<b>183,577</b>	<b>194,534</b>	<b>204,456</b>	<b>195,525</b>

# DDM Holding AG | Financials (III/III)

## Balance sheet

### Equity and liabilities

For the year ended 31 December

Amounts in EUR '000	2015	2016	2017	2018	2019	2020
<b>SHAREHOLDER'S EQUITY AND LIABILITIES</b>						
Share capital	5,786	7,540	11,780	11,780	11,780	11,780
Share premium	10,778	15,512	21,030	21,030	21,030	21,030
Other reserves	-547	-584	-540	-488	-451	2,163
Retained earnings incl. net profit for the year	-7,735	-1,893	-1,356	3,528	-669	8,342
<b>Total shareholders' equity attributable to Parent</b>	<b>8,281</b>	<b>20,575</b>	<b>30,914</b>	<b>35,850</b>	<b>31,690</b>	<b>43,315</b>
Loans	30,145	31,192	134,166	133,225	114,913	92,840
Lease liabilities	-	-	-	-	61	166
Accrued interest	-	-	-	-	-	2,203
Provisions	-	-	-	-	-	704
Post-employment benefit commitments	812	474	913	966	1,156	1,459
Deferred tax liabilities	60	231	490	307	220	308
<b>Total long-term liabilities</b>	<b>31,017</b>	<b>31,897</b>	<b>135,569</b>	<b>134,498</b>	<b>116,350</b>	<b>97,680</b>
Accounts payable	5,758	1,568	858	1,400	1,308	1,379
Tax liabilities	-	-	814	2,370	240	428
Accrued interest	2,519	2,418	3,822	3,789	2,667	1,834
Accrued expenses and deferred income	1,011	1,733	1,600	2,627	2,648	5,404
Lease liabilities	-	-	-	-	49	123
Loans	6,625	8,184	10,000	14,000	49,504	45,362
<b>Total current liabilities</b>	<b>15,914</b>	<b>13,903</b>	<b>17,094</b>	<b>24,186</b>	<b>56,416</b>	<b>54,530</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>55,211</b>	<b>66,375</b>	<b>183,577</b>	<b>194,534</b>	<b>204,456</b>	<b>195,525</b>

# DDM Debt AB (publ) | Financials (I/III)



## Income statement

For the year ended 31 December

Amounts in EUR '000

	2016	2017	2018	2019	2020
<b>INCOME STATEMENT</b>					
Revenue on invested assets	6,881	17,610	27,757	22,446	36,248
Share of net profits of joint ventures and associates	-	-	-	916	1,257
Other operating income	-	-	-	1,142	-
Personnel expenses	-3	-122	-304	-1,187	-695
Consulting expenses	-907	-5,843	-6,304	-9,563	-9,607
Other operating expenses	-6	-234	-201	-347	-216
Amortization and depreciation of tangible and intangible assets	-	-	-2	-81	-67
<b>Operating profit</b>	<b>5,965</b>	<b>11,411</b>	<b>20,946</b>	<b>13,326</b>	<b>26,920</b>
Financial income	-	191	220	536	2,597
Financial expenses <sup>1</sup>	-1,265	-9,914	-17,634	-21,620	-17,938
Unrealized exchange profit / (loss)	-	1,023	-328	-264	-1,643
Realized exchange loss	-	-384	-123	-130	27
<b>Net financial expenses</b>	<b>-1,265</b>	<b>-9,084</b>	<b>-17,865</b>	<b>-21,478</b>	<b>-16,957</b>
<b>Profit before income tax</b>	<b>4,699</b>	<b>2,327</b>	<b>3,081</b>	<b>-8,152</b>	<b>9,963</b>
Tax income / (expense)	-483	-954	-937	865	-1,094
<b>Profit for the year</b>	<b>4,216</b>	<b>1,373</b>	<b>2,144</b>	<b>-7,287</b>	<b>8,869</b>
- Profit attributable to owners of Parent	4,216	1,373	2,144	-7,170	8,869
- Profit attributable to non-controlling interest	-	-	-	-117	-



# DDM Debt AB (publ) | Financials (II/III)

## Balance sheet

### Assets

For the year ended 31 December

Amounts in EUR '000

	2016	2017	2018	2019	2020
<b>ASSETS</b>					
Tangible assets	-	7	9	29	17
Rights-of-use assets	-	-	-	98	41
Interest in associates	-	600	13	-	32,986
Distressed asset portfolios	15,600	105,547	113,943	140,276	77,194
Other long-term receivables from investments	1	4,963	2,422	3,023	
Investments in joint ventures	-	-	-	29,952	25,691
Loans to other group companies	-	2,000	2,000	4,000	4,000
Receivables from other group companies	-	-	-	-	5,936
Accrued interest from other group companies	-	191	411	768	1,209
Deferred tax assets	-	837	436	1,375	637
Other non-current assets	-	116	107	270	290
<b>Total non-current assets</b>	<b>15,601</b>	<b>114,261</b>	<b>119,341</b>	<b>179,791</b>	<b>148,001</b>
Accounts receivables	200	4,994	7,279	3,330	14,152
Tax assets	-	-	-	1,397	86
Receivables from other group companies	-	-	422	103	138
Other receivables	842	18	374	1,449	1,636
Prepaid expenses and accrued income	5	197	37	1,171	2,278
Cash and cash equivalents	3,739	57,697	57,266	11,464	30,672
<b>Total current assets</b>	<b>4,787</b>	<b>62,906</b>	<b>65,378</b>	<b>18,914</b>	<b>48,962</b>
<b>TOTAL ASSETS</b>	<b>20,388</b>	<b>117,167</b>	<b>184,719</b>	<b>198,705</b>	<b>196,963</b>

# DDM Debt AB (publ) | Financials (III/III)

## Balance sheet

### Equity and liabilities

For the year ended 31 December

Amounts in EUR '000

	2016	2017	2018	2019	2020
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>					
Share capital	54	54	54	54	54
Other reserves	-	-	-4	5	-1
Retained earnings incl. net profit for the year	4,216	6,667	8,811	4,283	21,786
<b>Total shareholders' equity attributable to Parent Company's shareholders</b>	<b>4,270</b>	<b>6,721</b>	<b>8,861</b>	<b>4,342</b>	<b>21,839</b>
Bond loan	-	132,166	133,225	97,626	75,303
Lease liabilities	-	-	-	57	22
Payables to other group companies	1,006	2,075	1,433	1,389	3,077
Loans from other group companies	7,518	-	1,775	1,775	1,775
Loans from other group companies, subordinated	-	18,128	19,400	35,811	35,811
Accrued interest	-	-	-	-	4,800
Deferred tax liabilities	-	490	250	220	308
<b>Total non-current liabilities</b>	<b>8,524</b>	<b>152,859</b>	<b>156,083</b>	<b>136,878</b>	<b>121,096</b>
Loans and borrowings	-	-	-	49,504	45,362
Accounts payable	65	298	448	578	358
Bond loan	6,184	-	-	-	-
Tax liabilities	-	745	2,190	102	231
Accrued interest	413	3,992	5,165	5,178	1,834
Accrued expenses and deferred income	932	2,552	1,972	2,077	6,196
Lease liabilities	-	-	-	47	47
Loans from other group companies, subordinated	-	10,000	10,000	-	-
<b>Total current liabilities</b>	<b>7,594</b>	<b>17,587</b>	<b>19,775</b>	<b>57,486</b>	<b>54,028</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>20,388</b>	<b>177,167</b>	<b>184,719</b>	<b>198,706</b>	<b>196,963</b>

# Environmental, social and governmental responsibility

An organisation focused on its responsibilities towards the society

## ESG is at the heart of DDM



*DDM is one of the market's most renowned investors and managers of debt portfolios, fully adhering the sellers' demands and expectations regarding a fair and ethical debt collection process*



*A strongly embraced Code of Conduct setting standards for what is acceptable and unacceptable behaviour, and compliance with all applicable laws*



*Only working with the most trusted parties to ensure full control of counterparty risk*



*Ethical corporate culture is embraced by the BoD and Executive Management Committee ensuring that all employees perform good judgment with strong integrity throughout the organisation*



*Substantial assessment to identify all relevant topics of importance to ensure stakeholder confidence within debt collection, anti-corruption and bribery matters, and retention of a healthy environment*



## Core ESG principles

### Sellers

- I DDM is dedicated to managing our client's reputation and ensuring a long-term relationship

### Business partners

- II In co-operation with our partners, DDM strives to implement best-practice and sustainable collection methods

### Employees

- III DDM is striving to attract committed colleagues, and to be a collaborative and effective organisation

### Society

- IV DDM strives to actively contribute to a well-structured management of distressed debt of corporations as well as individuals

### Debtors

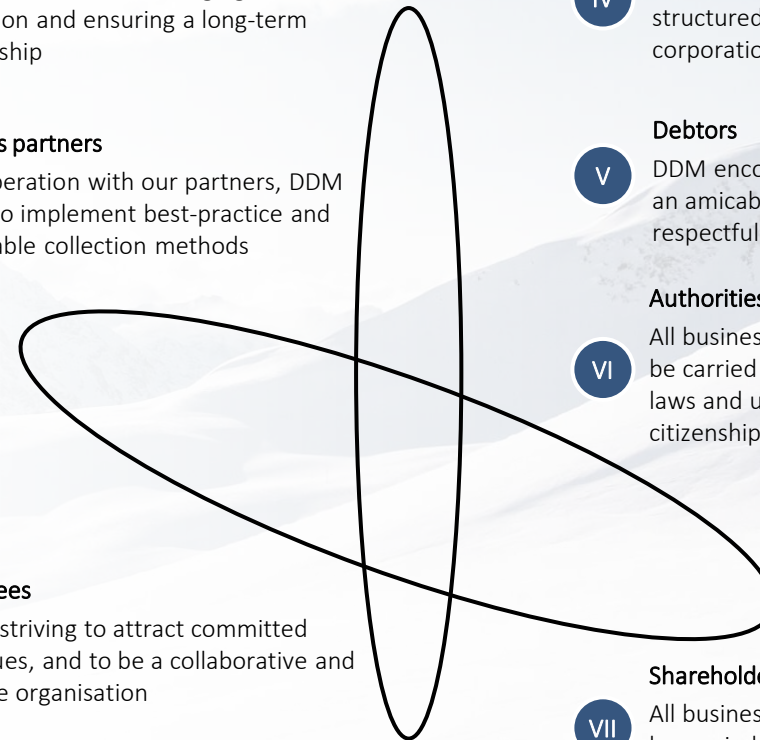
- V DDM encourages a dialogue aimed at reaching an amicable, correct and quick settlement in a respectful manner

### Authorities

- VI All business and other activities of DDM shall be carried out in compliance with a applicable laws and under the principle of good corporate citizenship

### Shareholders/bondholders/investors

- VII All business and other activities of DDM shall be carried out in compliance with a applicable laws and under the principle of good corporate citizenship



# Introduction to FUSION

## Advanced proprietary IT system

### FUSION system overview with main data flows

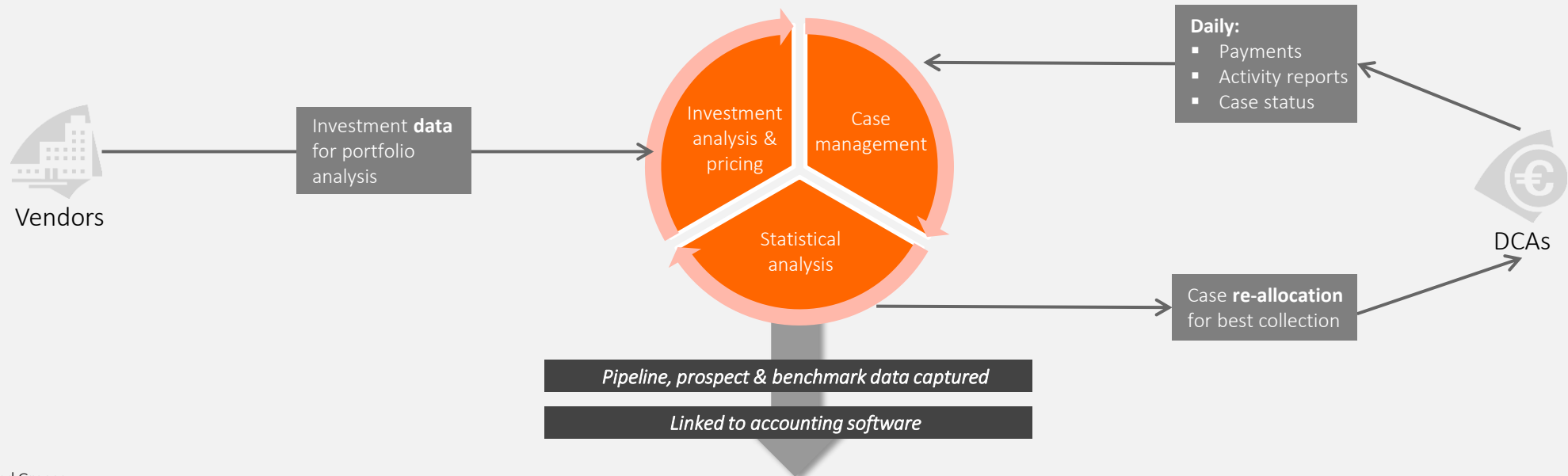
- “FUSION” is DDM’s proprietary IT system, which integrates investment-, case-, payment- and activity-data into one comprehensive IT solution
- The system provides DDM with a significant competitive advantage to analyse and bid for new investments and manage current portfolios
- Captures data over the life of an asset

#### FUSION system in numbers



### Why FUSION is important

- Higher accuracy in pricing and evaluation of asset portfolios: Increased accuracy when evaluating and bidding for asset portfolios, using both internal and external data for benchmarking
- Lowered credit risk: Via aggregation of collection data the ability to predict future payment patterns increases, which reduces the risks of forecasting
- Management of outsourced collections: Ability to outsource and control collection agents efficiently
- Improved collection efficiency: Improved collections using case status and activities composed from collection partners, constantly evaluating the best-suited agency for each portfolio
- Compatible with a large majority of locally used collection platforms, enabling fast and efficient market entries

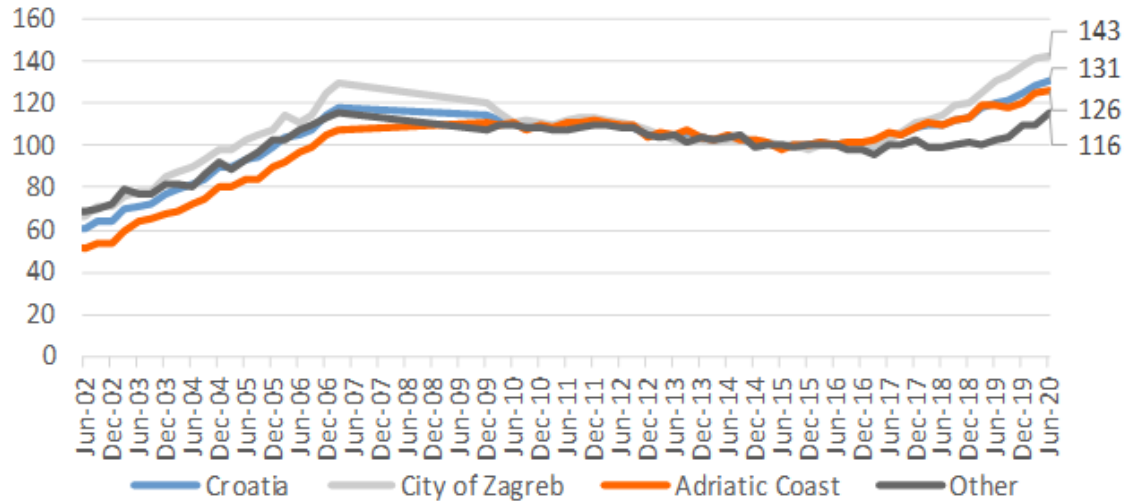


# Croatia real estate market backdrop

Real estate prices in Croatia have continued to rise

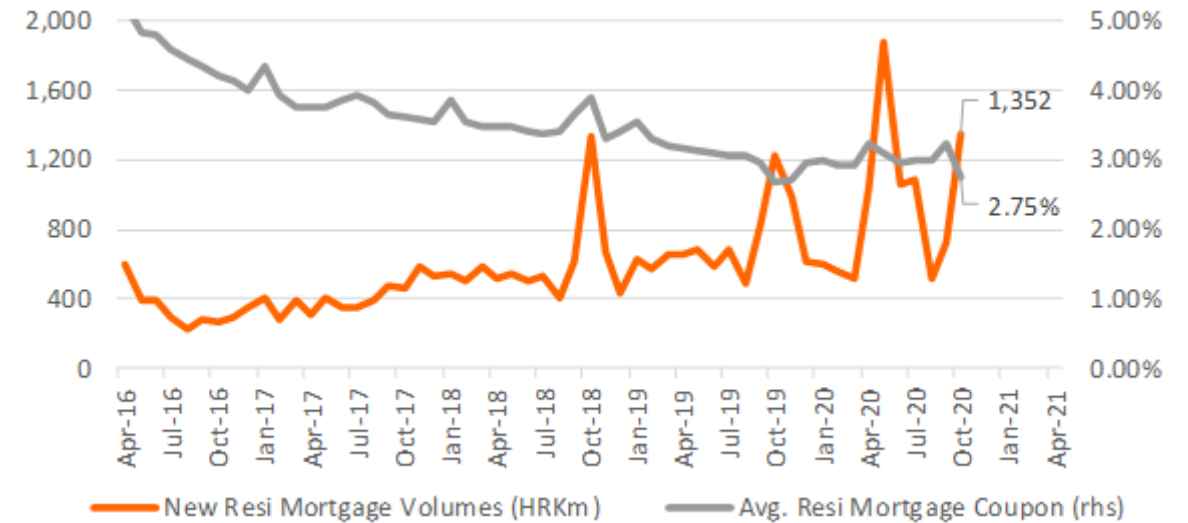
## Croatia real estate prices

House Price Index Croatia (YE 2005 = 100)



y-o-y Growth	Croatia	City of Zagreb	Adriatic Coast	Other
Jun-16	1.2%	0.1%	1.9%	0.0%
Jun-17	4.3%	2.8%	6.2%	0.4%
Jun-18	4.5%	11.5%	2.6%	(2.0%)
Jun-19	10.4%	14.5%	9.1%	3.3%
Jun-20	8.3%	8.7%	5.9%	13.4%

## New mortgage lending – volumes and coupon in Croatia



- Average coupon rates on mortgage lending has been falling and converging toward the 2.5% base interest rate
- Refinancing conditions has remaining broadly intact with lending volumes rising despite the impact of the COVID-19 pandemic
- Leading to house prices in Croatia continuing to rise





*Thank you for your attention*

**DDM Holding AG**

*Strictly private & confidential*

This presentation contains forward-looking statements. Such statements are based on our current expectations and are subject to certain risks and uncertainties that could negatively affect our business.

Please refer to our website for a better understanding of these risks and uncertainties. Unless otherwise stated, figures in parentheses relate to the preceding comparable period in 2019 © DDM Holding AG 2021

