



ddm

*Arctic Securities'
Debt Collection Seminar*

DDM Holding AG

7 January 2022

Strictly private & confidential

This presentation may contain 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 2020 © DDM Holding AG 2022

Today's presenters



**FLORIAN
NOWOTNY**
Chief Executive Officer

Past experience:

- CEO since 8/2021, with DDM in various capacities since 2017 and board member of DDM from 2019 to 07/2021
- CFO of CA Immo
- Investment Banker in both Vienna (UniCredit) and in London (Citigroup)
- Currently a non-executive member of the board of directors of Malta Int'l Airport



**FREDRIK
OLSSON**
Chief Financial Officer

Past experience:

- With DDM since 2014
- Executive position at LyondellBasell Industries NV
- Head of Investor Relations and other management positions at Petroplus Marketing AG



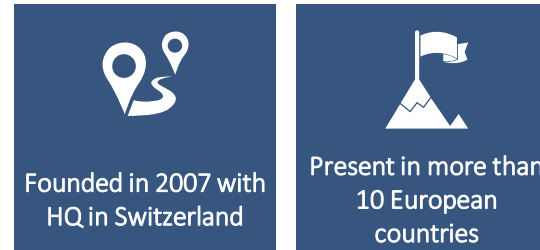
DDM Group at a glance

A specialized multinational investor in situations arising out of the general strategic challenges in the European banking markets

DDM Group overview

- **15 years experience** of investments, work out and debt collection in Southern, Central and Eastern Europe (SCEE) region.
- **Significant expertise** in financial services, credit underwriting and technology with a focus on operational excellence.
- **Senior secured bonds** of EUR 200m listed on Nasdaq Stockholm (Ticker: DDM DEBT 2026) including EUR 50m tap issue that was oversubscribed in September.
- **'B' rating with stable outlook** reaffirmed by S&P Global Ratings and Fitch Ratings reflecting our strong liquidity and capital position.
- **DDM Holding AG** shares listed on Nasdaq First North Growth Market (Ticker: DDM) in Stockholm, Sweden;
 - Majority shareholder DDM Group Finance SA with 95% ownership.
- **Investment activity intensified** at year-end in performing and non-performing loans and special situations in Croatia, Italy, Poland and Switzerland.

Background



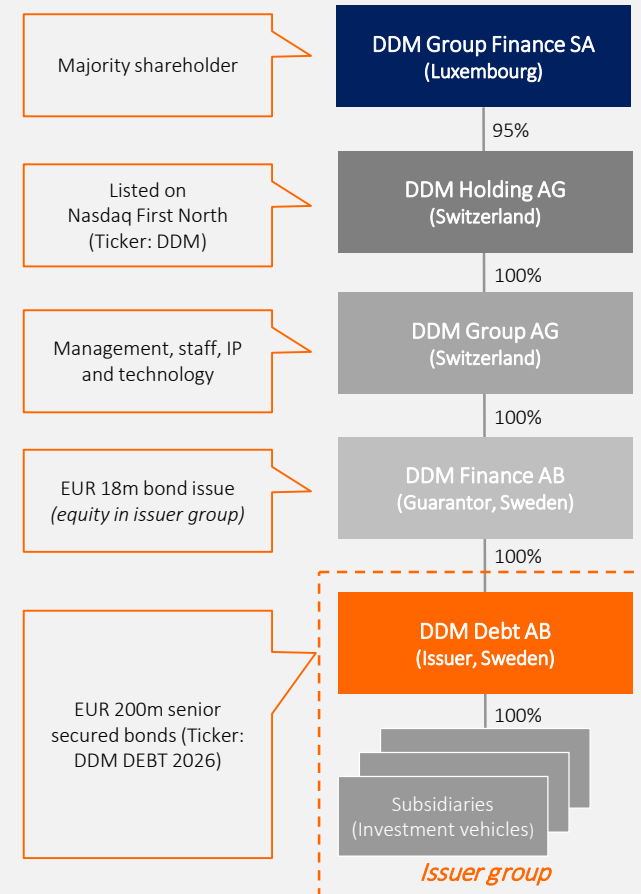
Operations



Financials



Group structure overview



A well diversified platform

Three investment areas: Core Investments, Consumer Finance and Real Estate & Special Situations

DDM Group

1

DDM Core European Debt Purchaser



Loans & Assets Investments

- Acquisition of under performing, non-core and non-performing loan portfolios in SEE/CEE markets
- Since inception DDM has acquired 2.3 million receivables with a nominal value of over **EUR 4 billion**

Range of Services



Acquisition of Non-core and Distressed Assets

Income Source



ERCs – Cash Returns on Investments

2

Consumer Finance

SWISS BANKERS Addiko Bank

Consumer Lending

- Swiss Bankers acquisition of a **highly scalable platform** for payments with attractive opportunity to **extend product offering** into alternative banking / embedded finance solutions.
- DACH and Pan-European Consumer Finance focus.
- Addiko Group is a consumer and SME specialist banking group, serving **0.8 million customers** in C&SEE countries with **EUR 6 billion total assets**

Range of Services



Consumer & SME lending
Payment Services

Income Source



Interest Income &
Commission Income

3

Real Estate & Special Situation Assets

BORGOSIA 1873

SEE REO-Platform

- Well established Southern European loan-to-built investment platform
- Investments in distressed banking loans **secured by real estate**
- In-house expertise to develop, promote and sell the finished projects into the market
- Access to proprietary deal flow with target investment volume amounts to up to **EUR 100 million over a three-year horizon**.

Range of Services



Asset Management, Capital
Appreciation

Income Source



Management Fees, Return on
Investment

4

Loan & Asset Servicing



Loan & Asset Servicing

- Servicing outsourced to AxFina, which is held by the parent company of DDM and EBRD
- AxFina offers captive and 3rd party portfolio servicing, business process outsourcing ("BPO"), and digital banking solutions to financial institutions and sponsors
- Currently, AxFin has more than **EUR 2.5 billion assets under management**, 120 employees and operates in 7 countries

Range of Services



Asset & Loan Servicing (incl 3rd
party) & BPO Digital Banking

Income Source



Servicing Fees and
Subscription Fees

Management and Board of Directors

Management with more than 100 years combined experience

Management



Florian Nowotny

CEO

CEO since 2021; joined in 2017

Previous experience:

CFO of CA Immobilien Anlagen AG, CFO of Investor United Benefits GmbH



Fredrik Olsson

CFO

DDM since 2014

Previous experience:

LyondellBasell Industries, Petroplus



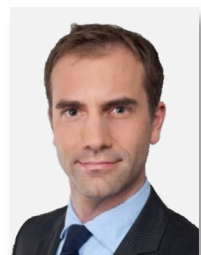
Alessandro Pappalardo

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

CEO AxFina & former COO DDM

DDM since 2019

Previous experience:

PwC Austria's Financial Services and Deals Leader, Unicredit



Frank Breitling

Head of Fund and Asset Management

DDM since 2018

Previous experience:

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



Henrik Wennerholm

Senior Advisor

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



Board of Directors



Jörgen Durban

Chairman – BoD member since 2019

Other assignments:

Chairman of the board of directors of Anoto Group AB (Nasdaq Stockholm: ANOT), Nordiska Kreditmarknadsaktiebolaget (publ), Advokat Jörgen Durban AB and OmniOne S.A



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



Andreas Tucza

Board member - BoD member since 2021

Previous experience:

Head of European Financial Institutions at Lone Star; Managing Director in the European Financial Institutions Group, Citigroup



Year in review 2021

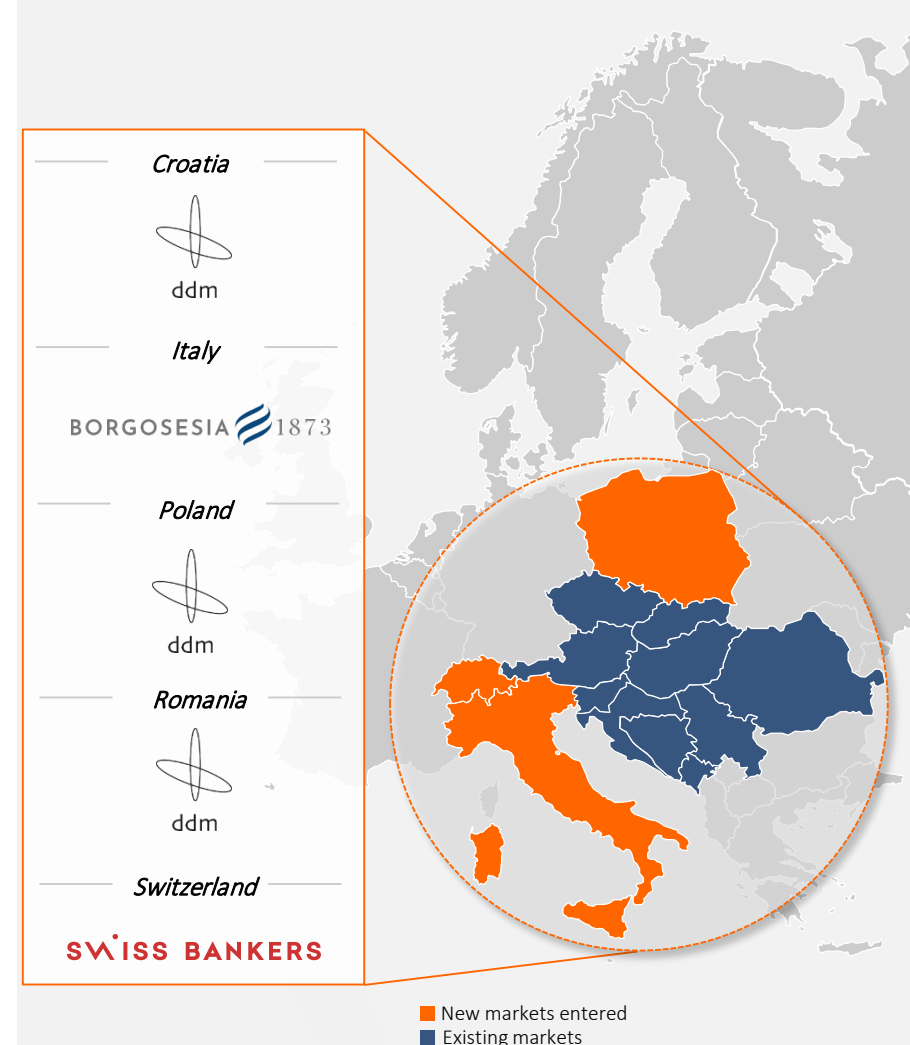
Significantly extended debt maturity to 2026 to support investment activity

Investment activity intensified following bond refinancing

- **Significantly extended debt maturity** to 2026 by issuing a new EUR 150m fixed rate bond in April providing long-term stability.
- **Oversubscribed tap issue** in September with EUR 50m that was issued and priced at a premium of 102%.
- **Significant cash available** to fund investments and acquisitions enabling us to be both selective and responsive to investment opportunities that drive growth and profitability.
- **Investment activity has intensified** in both existing markets and entering new markets neighbouring the SCEE region, with investments in 2021 including:
 - Investment and follow-on investment in an NPL portfolio located in Croatia;
 - Acquired an NPL portfolio of consumer receivables located in Poland;
 - Investment in an NPL portfolio located in Romania;
 - Entered into a strategic partnership in Italy;
 - Entered into an agreement to acquire 100% of the share capital of Swiss Bankers.

1) For DDM Debt AB (publ) issuer group





Entered new markets neighbouring SCEE region



Recent investments

Selectively chosen from pipeline

Selected DDM investments entered into during 2021

	Croatia	Croatia	Poland	Romania
Country				
Investment date	Nov 2021	Dec 2021	Dec 2021	Jun 2021
GCV (face value)	> EUR 10m	> EUR 20m	> EUR 25m	>EUR 90m
Investment	NPL portfolio	NPL portfolio	NPL portfolio	NPL portfolio
Underlying collateral	Secured corporate and SME loans	Secured corporate and SME loans	Consumer receivables	Consumer receivables
Financing	Cash on hand	Cash on hand	Cash on hand	Cash on hand
Servicing	AxFina	AxFina	AxFina	AxFina
Status	In collection ✓	In collection ✓	In collection ✓	In collection ✓

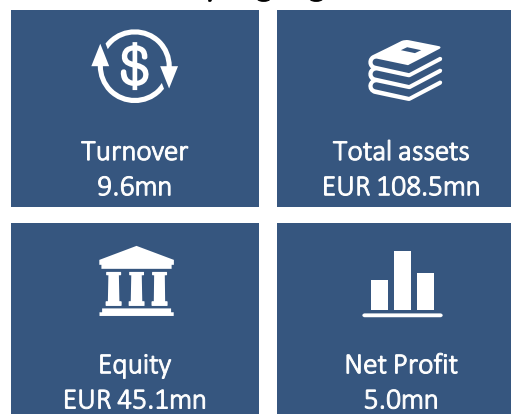
DDM entered into a strategic partnership in Italy

Target investment volume amounts to up to EUR 100 million over a three-year horizon

Borgosesia in brief

- Borgosesia is an Italian investor focused on “special situations,” i.e. basically non-performing loans that adopts a “single-name” approach and is currently evolving to a fully integrated asset management group.
- A niche investment regulated platform and a proven track record of successfully originating, structuring and executing complex investments at attractive returns.
- Borgosesia is specialized in non-performing credits where the underlying assets are real estate.
- Borgosesia S.p.A., incorporated in 1873, is a joint-stock company listed on the Mercato Telematico Azionario (MTA, ticker: BO.MI), the leading Equity Market of the Italian Stock Exchange.
- Active in the field of investments in alternative assets as well as in their management on behalf of third-party investors.

Key highlights



As at 30 June 2021



BORGOSIESIA 1873



The strategic rationale for partnership with Borgosesia

- DDM has acquired a 5% stake and entered into a strategic partnership with Borgosesia Group.
- This will give DDM access to an exciting pipeline of Italian mid-market real estate-backed special situation investment opportunities, with an expert and knowledgeable partner and co-investor.
- DDM has signed a memorandum of understanding regarding future investments in real estate related to non-performing loans and distressed real estate assets located in Italy.
- The target investment volume amounts to up to EUR 100 million over a three-year horizon.
- First co-investment executed at the end of 2021.

New Investment in Swiss Bankers

Attractive opportunity to acquire leading Swiss payments company

Background

SWISS BANKERS

- Established in 1975 by a consortium of banks, Swiss Bankers is a market-leading payments player, with prepaid and money transfer products and services, and international growth ambitions.
- The company wants to grow internationally, outgrowing its initial purpose of a “shared infrastructure” established by its Swiss bank owners.
- As the current key products are dependent on outbound international travel from Switzerland, Covid hit the business hard.
- Pre-Covid EBITA of ~CHF 10m, +/- 0 in 2020 and 2021.
- Total Assets: CHF 440m.
- Headcount of 93 (all in Switzerland).
- Authorised by Swiss FINMA and holder of a Liechtenstein e-money licence (eligible for passporting into EU).



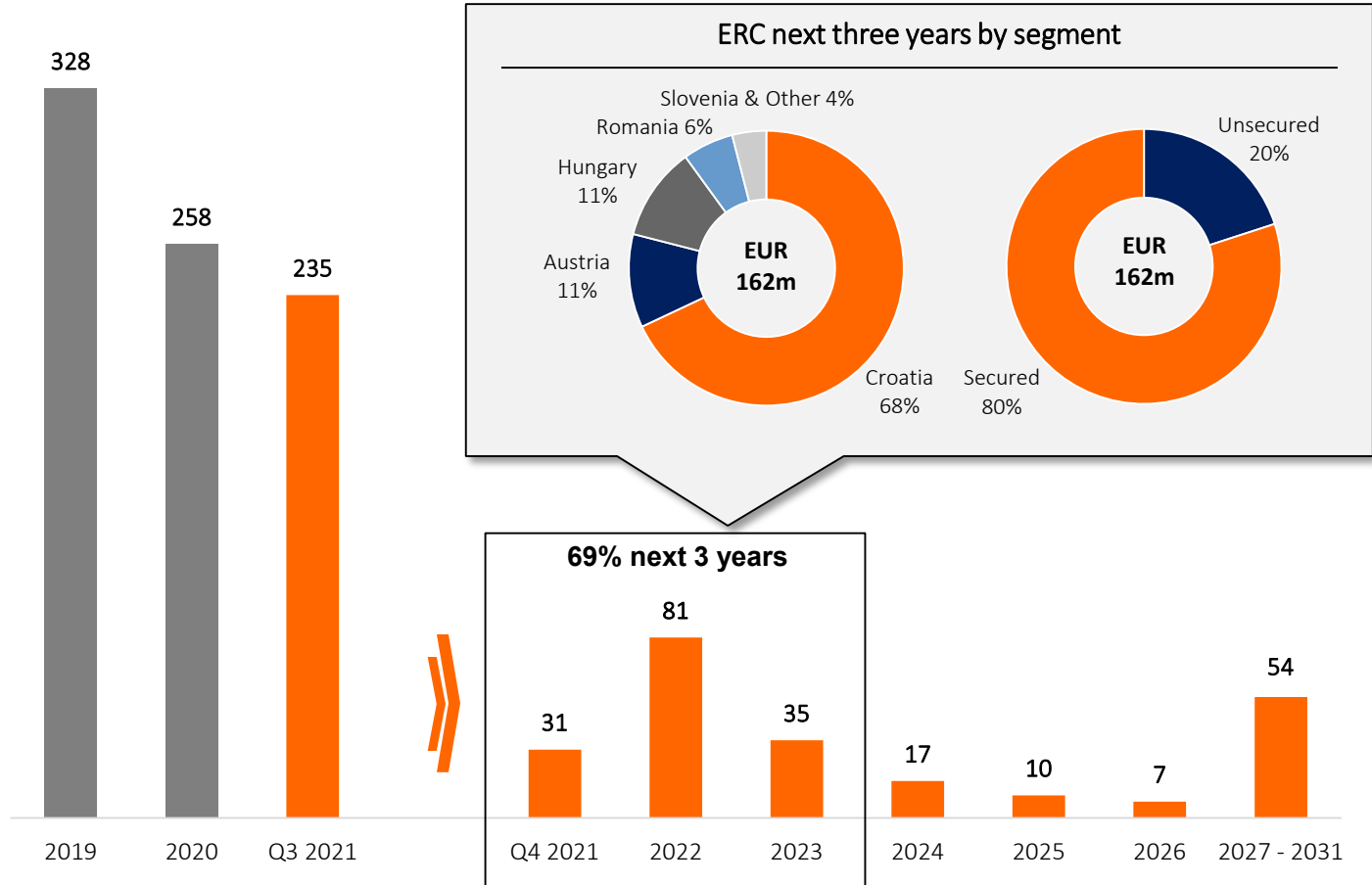
Transaction Overview

- **Acquisition of 100% of Swiss Bankers** signed on 17th December, closing subject to regulatory approval.
- This is another example of the underlying DDM investment theme to invest into opportunities arising out of the transformation of the European Banking sector.
- Swiss Bankers is sold by its current bank owners as the business has outgrown its owners and they are facing pressure to concentrate on their core businesses.
- Acquisition of a **highly scalable platform** for payments with attractive opportunity to **extend product offering into alternative banking / embedded finance solutions**.
- **Restructuring opportunity** for legacy products with equity release potential.

ERC overview

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

Historic 120-months gross ERC and projected future collections on existing portfolios¹



Investment pipeline

- **Capitalized** on our investment pipeline.
- **Diversified** portfolio by capitalizing on market opportunities and entering new geographies.
- **Well-structured** investment strategy that is flexible and enables us to be both selective and responsive to investment opportunities that will drive growth and profitability.

Debt financing structure

Significantly extended debt maturity to 2026

EUR 200m senior secured bonds

- Issued by DDM Debt AB (publ) listed on the Corporate Bond list at Nasdaq Stockholm (Ticker: DDM DEBT 2026) within framework of up to EUR 300m.
- Oversubscribed EUR 50m tap issue in September that was priced at a premium of 102% to par.
- Five-year 9% fixed rate bond maturing in April 2026 providing long-term stability.
- EUR 98m of cash available to invest at 30 September fund investments and acquisitions, enabling us to be both selective and responsive to investment opportunities that drive growth and profitability.
- 'B' rating with stable outlook reaffirmed by S&P Global Ratings and Fitch Ratings reflecting our strong liquidity and capital position.

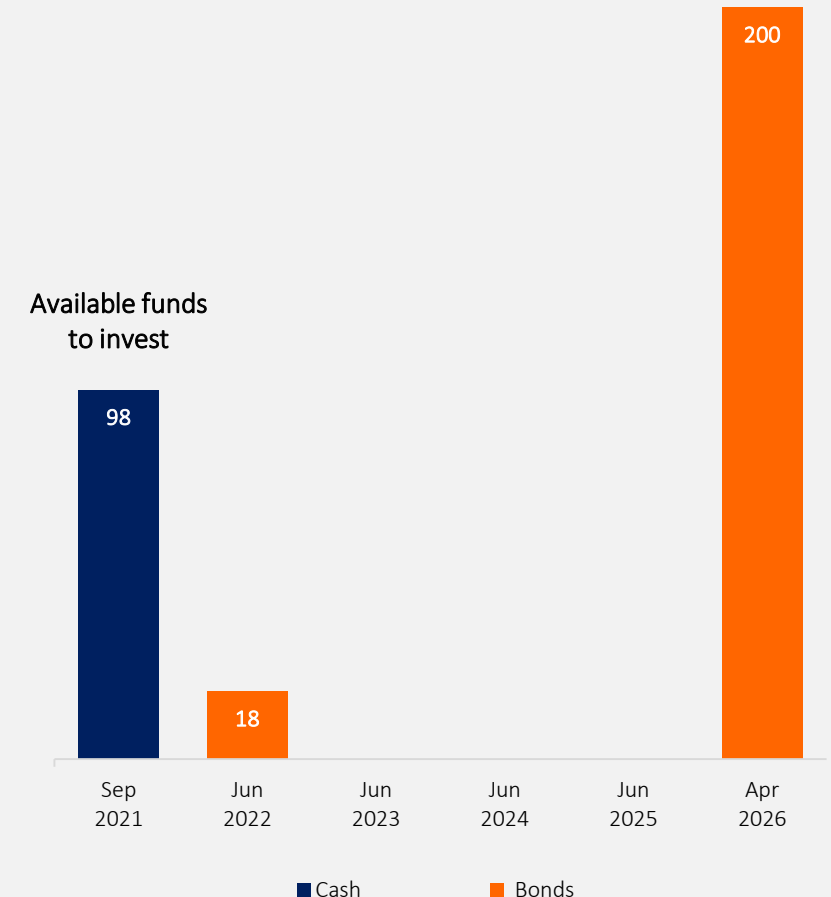
Key credit metrics



1) For DDM Debt AB (publ) issuer group as at 30 September 2021

Debt maturity schedule

EUR M

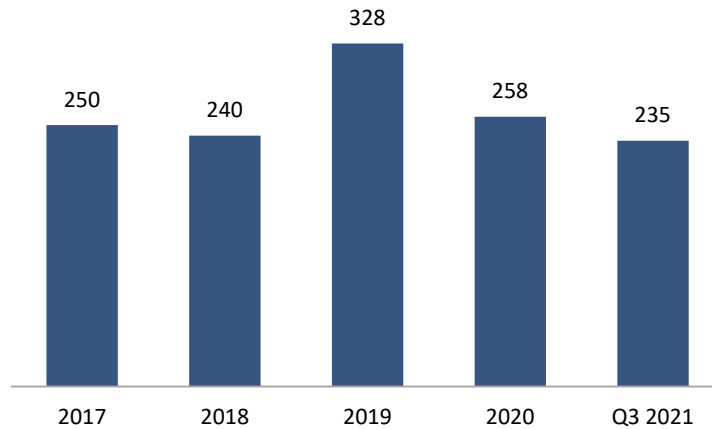


Financial overview

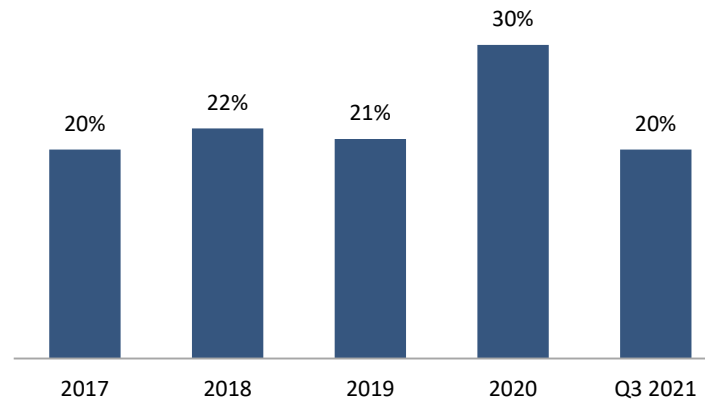
Strong metrics on the back of operational excellence

Gross ERC (120 months)

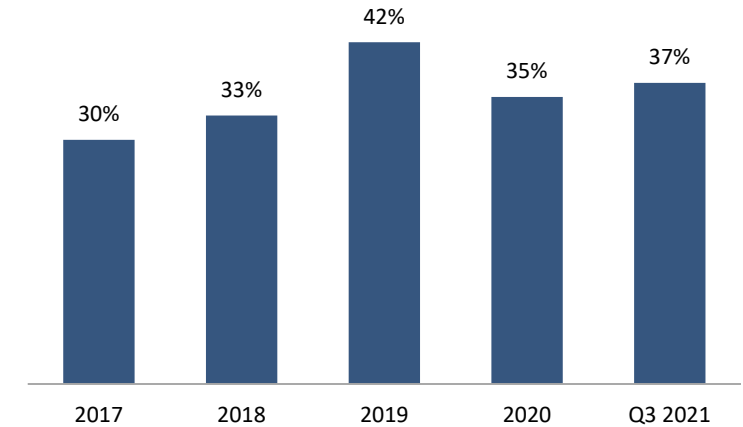
EURm



Equity Ratio¹



Net LTV¹



- ERC in relation to invested assets at 30 September 2021 stands at EUR 235m, with 69% expected to be collected in the next three years and 75% secured by real estate.
- DDM currently sees a strong investment pipeline and ERC will increase following new investments.

- Robust and tangible equity ratio on the back of strong investment history and limited need to write down assets.

- Net LTV(Net debt/ERC) of approximately 35% as of year end 2020 which has slightly increased to 37% after Q3 2021 due to lower ERC.

Summary



ddm

- 1 Well diversified platform across NPL, Consumer Finance, Real Estate & Special Sits and Asset & Loan Servicing
- 2 Experienced Management team supported by shareholder with significant expertise and knowledge
- 3 Significantly extended debt maturity to 2026 providing long-term stability
- 4 Investment activity intensified selectively entering new geographies including Poland and Italy
- 5 Attractive opportunity to acquire leading Swiss payments company Swiss Bankers

Q&A

Upcoming IR events

Q4 and full year report 2021:

17 February 2022

Annual report 2021:

25 March 2022

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