



ddm

Q4 and FY2022 report

28 February 2023

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 2022 © DDM Holding AG

AGENDA

1. Business Overview

2. Financials January - December 2022

3. Summary



A Pan-European Investment Company with Four Key Investment Lines

Well diversified platform across financial assets / services

Consumer Finance & Embedded Finance



- DDM to become the largest shareholder in Nordiska, a pan-European Embedded Finance Group, having engineered the combination of Swiss Bankers and Omnio with Nordiska
- Nordiska is offering flexible debt and financing arrangements to private consumers and companies through a digital driven model giving partners the opportunity to provide their customers with in-house financial services. Other products include prepaid cards, providing deposit-based payment products in global payment transactions, and an embedded finance solution that integrates retail financial services and loyalty within other ecosystems for non-banks and banks
- DDM is also the largest single shareholder in Addiko Bank (with a 9.9% stake), a consumer and SME specialist bank serving 800,000 customers in Austria and Central South Eastern Europe

1

Assets & Loans Investments



- Acquisition of under performing, non-core and non-performing loan portfolios in SEE/CEE markets of around EUR 5bn in nominal value
- Around EUR 500m capital deployed
- Long and successful track record across different asset classes and jurisdictions
- Expertise also in complex and non-standard transactions,

2

Servicing & Digitalization



- AxFina offers captive and 3rd party loan portfolio servicing, business process outsourcing (“BPO”), and digital banking solutions to financial institutions and sponsors
- Currently, AxFina has more than EUR 1.5bn notional amount under management, over 100 employees and operates in seven countries
- Digital First collection approach brings value-add to its business customers
- Opportunity to bring enhanced product offering (including lending) to the large number of collection clients

3

Special Situations



- Stake in Borgosiesia gives access to Italian distressed (single) banking loans secured on failed/broken property developments with a proven local management team and access to proprietary dealflow
- Other opportunistic investments

4

Nordiska – creating a Pan-European leader in embedded finance

Transaction Overview

- DDM to take up capital increase in Nordiska for a consideration of CHF 40.5m
 - Nordiska to acquire Swiss Bankers utilizing these funds from DDM
 - DDM to contribute its investment in Omnio into Nordiska (alongside the other Omnio shareholders)
- ⇒ DDM to end up holding a c. 37% stake in new Nordiska/Swiss Bankers/Omnio Group
- ⇒ Closing subject to regulatory approval



nordiska.
SWISS BANKERS
OMNIO

Nordiska: Lending-as-a-Service

Swedish credit institution, fully regulated by Swedish FSA, loan book of SEK 6.4Bn, funded through retail deposits in SEK and EUR

Empowers non-bank lenders to originate consumer loans by providing funding, risk assessment and a lending platform

Swiss Bankers: Card Products / Digital Payments

Largest pre-paid card issuer in Switzerland - 600k customers and CHF 1Bn yearly transaction volume. Fully regulated Swiss bank

White labelled or branded payment products for consumers and corporate clients. Provides pre-paid/FX accounts and facilitates cross border transactions and cards payments

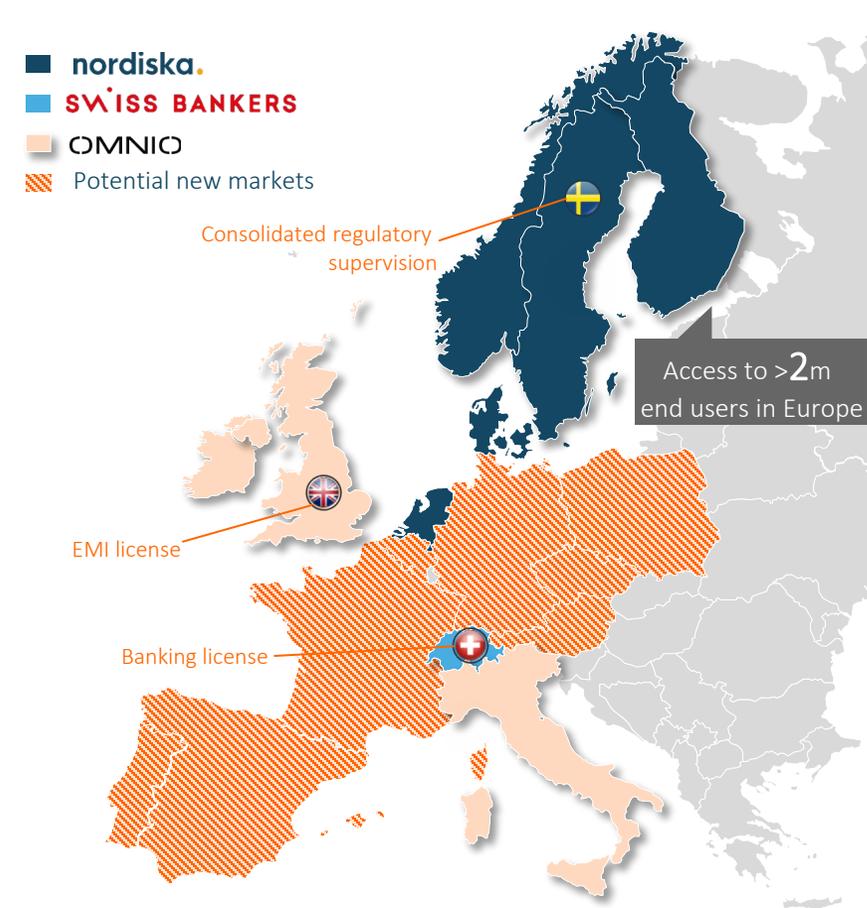
Omnio: Banking Infrastructure / Embedded Finance

UK based Fintech, offering a cloud-based customer-centric architecture with a pay-as-you-grow subscription model

Enables non-bank enterprises and financial services companies to sell financial products to their customers by offering a cloud based banking platform

The new Nordiska will present a comprehensive customer offering, proprietary technology and pan-European geographical reach

- ✓ Pan European: unique ability to deliver an end-to-end, complete Banking as a Service / embedded finance offering for corporates and smaller financial institutions across UK, Ireland, DACH, Italy
- ✓ Global embedded finance market set to reach \$776.7Bn in 2029 (CAGR 23.9%) with no clear market leader⁽³⁾, driven by consumer brands looking to add more functionality and value for their customers
- ✓ The combined Banking-as-a-Service group will benefit substantially from market leading low cost proprietary technology and scale, placing it among the champions of this high growth industry
- ✓ Access to cheap deposits via Swiss Bankers and Nordiska, including via the raisin platform (mainly German depositors' liquidity)
- ✓ Uniquely positioned against the main competitors with a tailored proposition for consumer brands. Focused on decreasing the cost of customer acquisition for the next step change for retail banking
- ✓ Well positioned to access capital markets in the near term



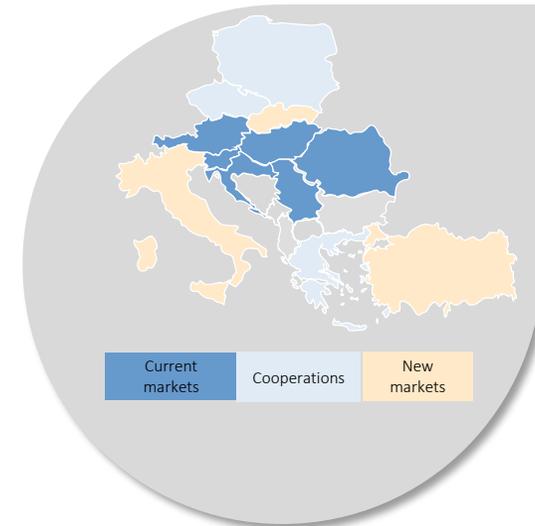
Special Servicing & Collections Business

In Q3 DDM acquired 50.2% in AxFina

AxFina is a Vienna based fully-fledged financial solutions platform, delivering first-class servicing solutions for non-core, non-performing and distressed debt, spreading innovation and digitalization across 6 countries in SEE & CEE with 100+ FTEs.

AxFina is backed by one of the best-known and most credible and committed European banks - the European Bank for Reconstruction and Development “EBRD”.

EBRD is a 24% shareholder of AxFina and fully supports AxFina’s strategy and vision in the SEE & CEE region.



AxFina’s 3 business lines

Revenue model per business line

Servicing Solutions

Multi Asset Class

Asset & Loan Servicing

Axfina delivers higher pay-backs from distressed debt at a faster rate.

AxFina operates at highest standards

AxFina brings in innovation and technology in loan servicing

Master & Special Servicing Fees

Efficiency Solutions

Nearshoring and Professional Services

Business Process Outsourcing

AxFina enables the re-alignment of operating models and our clients focus on strategic activities

The BPO HUB in Szeged/Hungary operates at ultra low-cost

BPO fees

Digital Enrichment

Technology

Digital Banking & Solutions

Helping its business partners to make more with their unprofitable customers via enabling those to overcome financial distress

AxFina provides an integrated digital credit management, banking and lending offering

Digital banking revenues

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Net Collections:

Significant contribution from Solaris Joint Venture during 2022

DDM Debt AB



	1 Oct–31 Dec 2022	1 Oct–31 Dec 2021	Full Year 2022	Full Year 2021
EUR '000s				
Gross collections	10,309	9,597	44,571	40,344
Incremental gross distribution from associate and joint venture	5,001	6,959	22,788	15,563
Distributions from financial assets at fair value	1,065	998	3,393	998
Adjusted gross collections	16,375	17,554	70,752	56,905
Net collections	9,010	8,568	39,195	36,392
Incremental net distribution from associate and joint venture	4,113	5,474	18,595	10,209
Distributions from financial assets at fair value	1,065	998	3,393	998
Adjusted net collections	14,188	15,040	61,183	47,599
Cash EBITDA	4,983	6,272	28,097	27,774
Incremental net distribution from associate and joint venture	4,113	5,474	18,595	10,209
Distributions from financial assets at fair value	1,065	998	3,393	998
Adjusted cash EBITDA	10,161	12,744	50,085	38,981

Note: All figures are unaudited and in EURm.

Income statement: Debt AB 2022



Amount in EUR Millions

Reconciliation of revenue on invested assets:

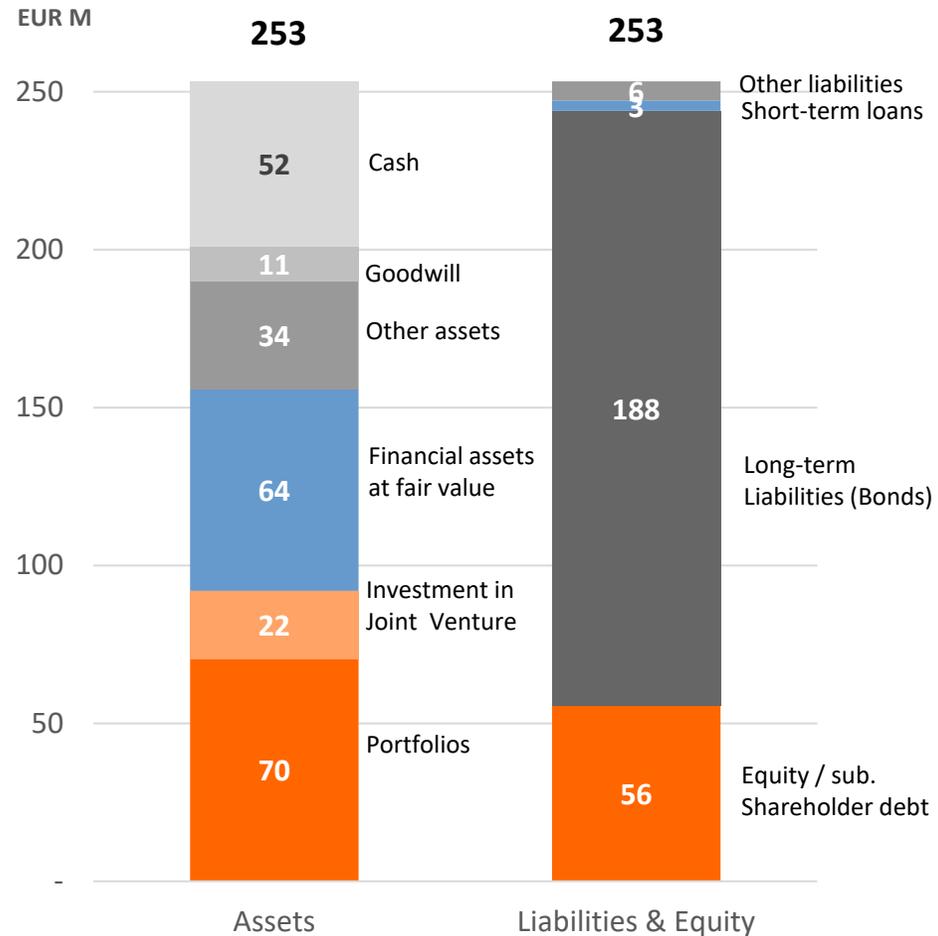
	2022	2021	2022	2021
	Q4	Q4	FY	FY
<i>Gross Collections</i>	10,3	9,6	44,6	40,3
<i>Collection and commission expenses</i>	(1,3)	(1,0)	(5,4)	(4,0)
Net Collections	9,0	8,6	39,2	36,4
<i>Amortization of invested assets</i>	(6,7)	(4,3)	(24,1)	(22,4)
Interest income	1,1		3,4	1,0
Interest income on invested assets including joint venture	3,4	4,3	18,5	15,0
<i>Revaluation & impairment of invested assets</i>	0,3	2,1	2,1	4,2
Revenue on invested assets including joint venture	3,6	6,4	20,5	19,1
Share of net profits of associate	1,6	1,5	8,3	3,6
Revenue from management fees	0,5	0,0	0,6	0,1
Operating expenses	(4,5)	(2,3)	(11,7)	(8,7)
Amortization & depreciation of tangibles and intangibles	(0,2)	0,0	(0,3)	(0,0)
Operating profit	1,0	5,6	17,4	14,1
Financial income	4,4	1,1	0,6	0,5
Interest expense	(5,2)	(5,8)	(20,5)	(21,3)
Other financial expenses			(1,9)	
Exchange (loss) / profit	(0,8)	(0,3)	0,3	0,4
Net financial expenses	(1,5)	(5,1)	(21,6)	(20,4)
(Loss) / profit before income tax	(0,6)	0,5	(4,1)	(6,3)
Tax income / (expense)	0,3	1,0	0,2	0,6
Net profit / (loss) for the period	(0,2)	1,5	(3,9)	(5,7)

Following the increase in shareprice, there was a positive revaluation of the stake in Addiko in Q4. Over the full year 2022, however, there was still a negative M2M adjustment of EUR 1.9m

Note: All figures are unaudited and in EURm.

Balance Sheet and Financing Structure of DDM Debt AB

Consolidated Balance Sheet DDM Debt AB 31-12-2022

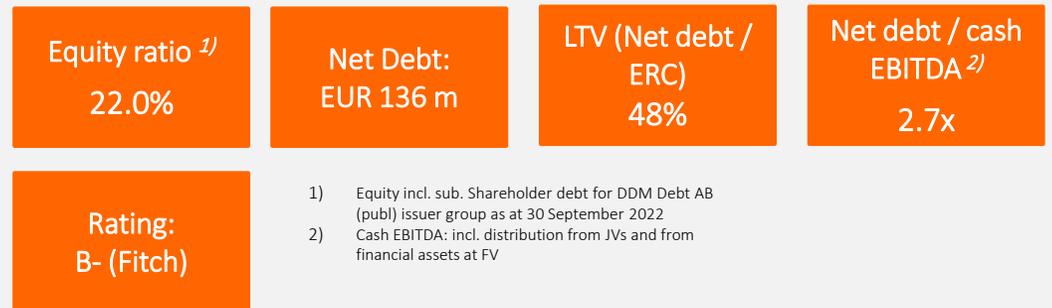


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Bond Maturity: April 2026

- EUR 184m of bonds issued by DDM Debt AB mature in April 2026 (ISIN: SE0015797683)
- Coupon: 9% (paid semiannually in April and October)
- No maintenance covenants

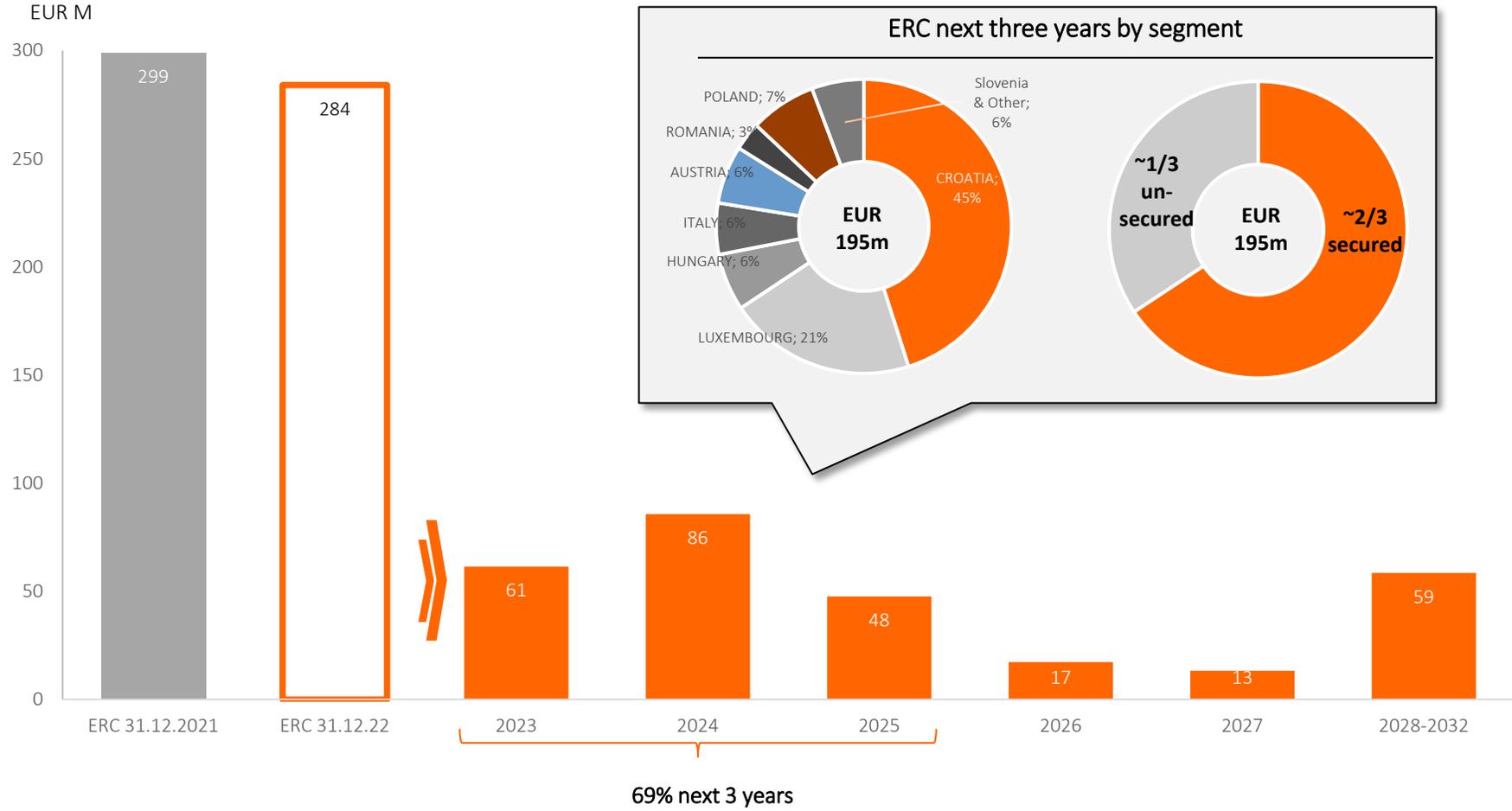
Key Credit Metrics (as of Q4 2022)



- Cash on balance sheet as of 31.12.2022: EUR 52m
- In February 2023 DDM Debt AB entered into a super senior financing with a Swedish Bank for EUR 4.5m

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

120-months gross ERC and projected future collections on existing portfolios, 31 December 2022*



- ERC: collections before commission and fees from acquired NPL portfolios as well as future reasonably expected dividends, distributions or other payments from investments (such as Addiko, Omnio, etc)
- Of the total Gross ERC of EUR 284m, NPL portfolios held by DDM Debt AB account for EUR 141m, NPL portfolios held by AxFina account for EUR 22m and ERC from other investments for EUR 120m

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Key events ahead in 2023

1

Swiss Bankers/Nordiska/Omnio transaction will give DDM a strong position in the European consumer and embedded finance market and will be a significant source for further value creation.

2

Macroeconomic climate and the turning of the business cycle is a good environment to further invest into our core NPL business.

3

AxFina roll out of an enhanced product offering (including lending). New digitally focused product offering to boost growth

Q &A



Upcoming IR events

Annual report 2022:

28 April 2023

Q1 report 2023:

30 May 2023

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Thank you for your attention

DDM Group

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