



ddm

Q1 2023 report

30 May 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 – March 2023

3. Summary



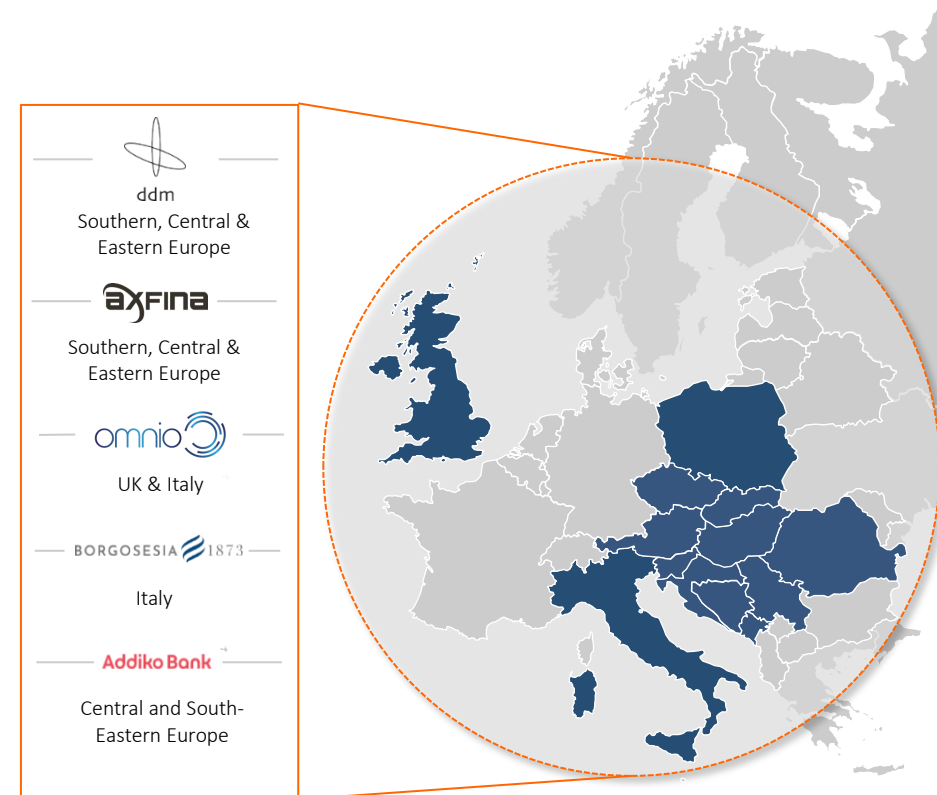
Key highlights: Q1 2023



Key highlights

- Strong cash position of over EUR 57m
 - Providing flexibility and optionality in the market
- Core NPL markets remain challenging on pricing and supply levels; increased focus on financial services businesses
- Adjusted gross collections ahead of expectations in Q1 2023 despite the challenging macroeconomic environment and geopolitical uncertainties,
 - Shows the resilience of our underlying NPL portfolio
- New EUR 4.5m RCF with a Swedish bank
- Acquisition of additional 25% of the share capital of AxFina in April, bringing total holding to about 75%
- Conversion of convertible bonds and existing investments into shares of Omnione S.A.
- Nordiska aborted the combination of Nordiska with Swiss Bankers and Omnio in April

Diversified Geographic Footprint



Notes: NPL, assets and loans focus remains on emerging/Eastern Europe, Omnio's key markets are the UK and Italy, AxFina's key markets are Poland and Romania

A Pan-European Investment Company with Four Key Investment Lines

Well diversified platform across financial assets / services

Consumer Finance & Embedded Finance

Addiko Bank
OMNIO

- In January and February 2023, as part of a wider fund raising of Omnione S.A., DDM converted a total amount of EUR 33m of convertible bonds and existing investments into shares of Omnione S.A, a global BaaS technology partner for institutions, banks, building societies, credit unions and organisations with existing customer bases which are looking to offer financial services
- Secure/scalable BaaS platform, white label app solutions that allows clients to rapidly deploy to market
- DDM is also the largest single shareholder in Addiko Bank at 31 March 2023 (with a 9.9% stake), a consumer and SME specialist bank serving 800,000 customers in Austria and Central South-Eastern Europe

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 since inception
- Long and successful track record across different asset classes and jurisdictions
- Expertise also in complex and non-standard transactions,

Servicing & Digitalization



- AxFina offers captive and 3rd party loan portfolio servicing, business process outsourcing (“BPO”), and digital banking solutions to financial institutions and sponsors; EBRD is a key shareholder
- Currently, AxFina has more than EUR 1.5bn notional amount under management, over 100 employees and operates in six 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

Special Situations

BORGOSIESIA 1873

- 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

Consumer Finance/Embedded Finance: DDM's investment in Omnio



Cloud-based Banking Platform

- BaaS platform/technology partner for organisations with existing customer bases which are looking to offer financial services
- Secure/scalable BaaS platform, white label app solutions that allowing clients to rapidly deploy to market

Range of Services



White label banking & payment solutions

Income Source



Subscription Fees, Licensing Fees, Platform Management Fees,
Cashback Revenue

Comments on Events and Plans

- In Q1 2023, as part of a wider fund raising of Omnione S.A., DDM converted a total amount of EUR 33m of convertible bonds and existing investments into shares of Omnione S.A. "Omnio"
- DDM became the largest shareholder in Omnio
- The initial plan to combine Omnio with Nordiska and Swiss Bankers had to be stopped, given Nordiska's unilateral termination of the deal
- DDM is re-assessing the investment opportunity (and potential future investments) and its compatibility with other platforms/businesses

Special Servicing & Collections Business

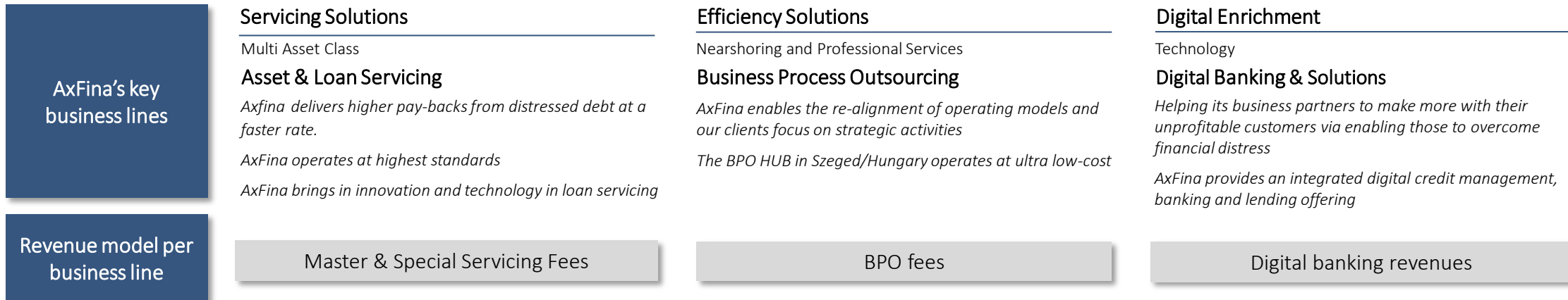
DDM owns about 75% of AxFina; EBRD remains a key shareholder

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.



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Income statement: Debt AB Q1 2023

Amount in EUR Millions

Reconciliation of revenue on invested assets:

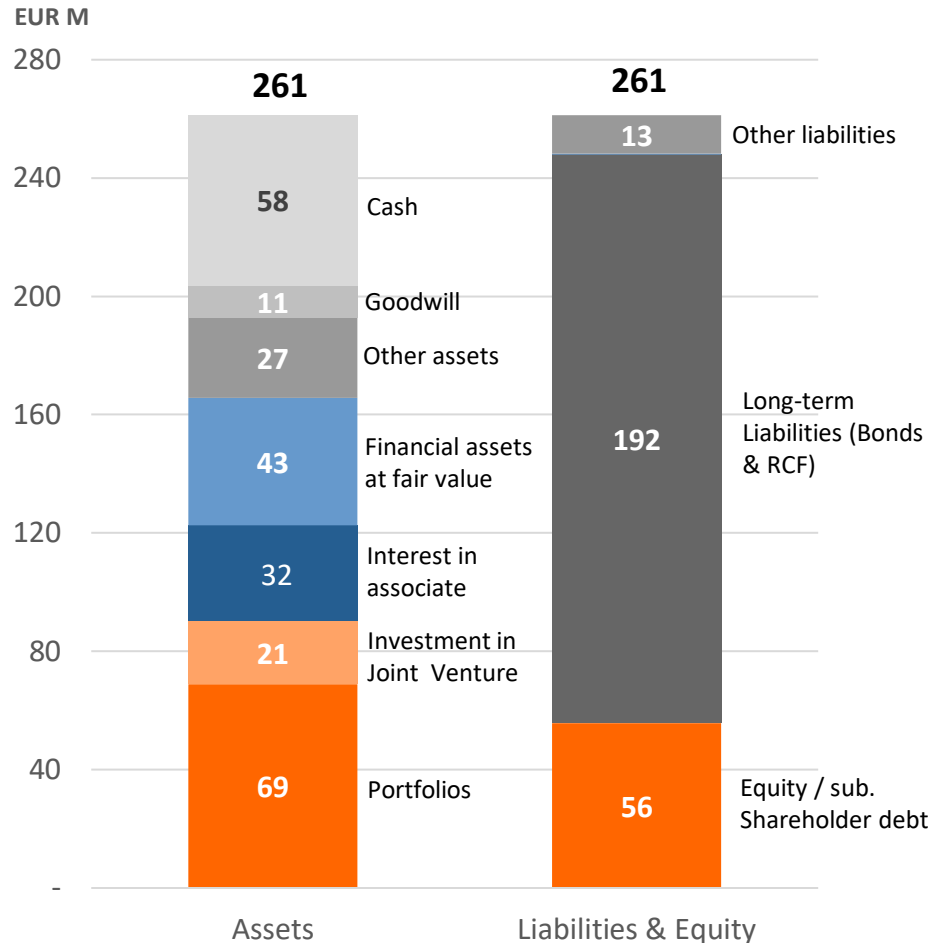
<i>Gross Collections</i>	
<i>Collection and commission expenses</i>	
<i>Net Collections</i>	
<i>Amortization of invested assets</i>	
Interest income	
Interest income on invested assets	
<i>Revaluation & impairment of invested assets</i>	
Revenue on invested assets	
Share of net (losses) / profits of associate and joint venture	
Revenue from management fees	
Operating expenses	
Amortization & depreciation of tangibles and intangibles	
Operating profit	
Financial income	
Financial expenses	
Exchange profit / (loss)	
Net financial expenses	
Loss before income tax	
Tax (expense) / income	
Net loss for the period	

2023	2022
Q1	Q1
8.1	11.7
(1.3)	(1.8)
6.9	9.9
(2.7)	(6.0)
0.7	0.6
4.9	4.6
(0.2)	1.7
4.7	6.3
(0.8)	2.5
0.1	0.0
(3.7)	(1.0)
(0.1)	0.0
0.2	7.9
4.0	0.6
(5.3)	(8.6)
0.4	(0.8)
(0.8)	(8.8)
(0.6)	(1.0)
(0.1)	(0.1)
(0.7)	(1.0)

Note: All figures are unaudited and in EURm. Rounding differences may occur.

Balance Sheet and Financing Structure of DDM Debt AB

Consolidated Balance Sheet DDM Debt AB 31-03-2023

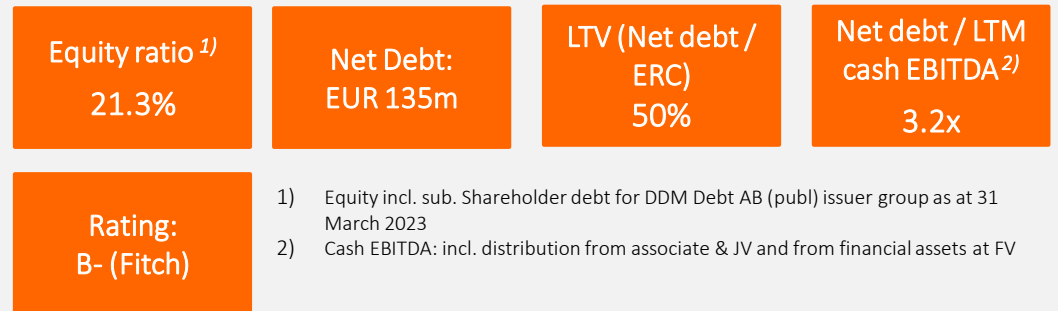


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Bond Maturity: April 2026

- EUR 188m of bonds issued by DDM Debt AB mature in April 2026 (ISIN: SE0015797683)
- Coupon: 9% (paid semi-annually in April and October)
- No maintenance covenants

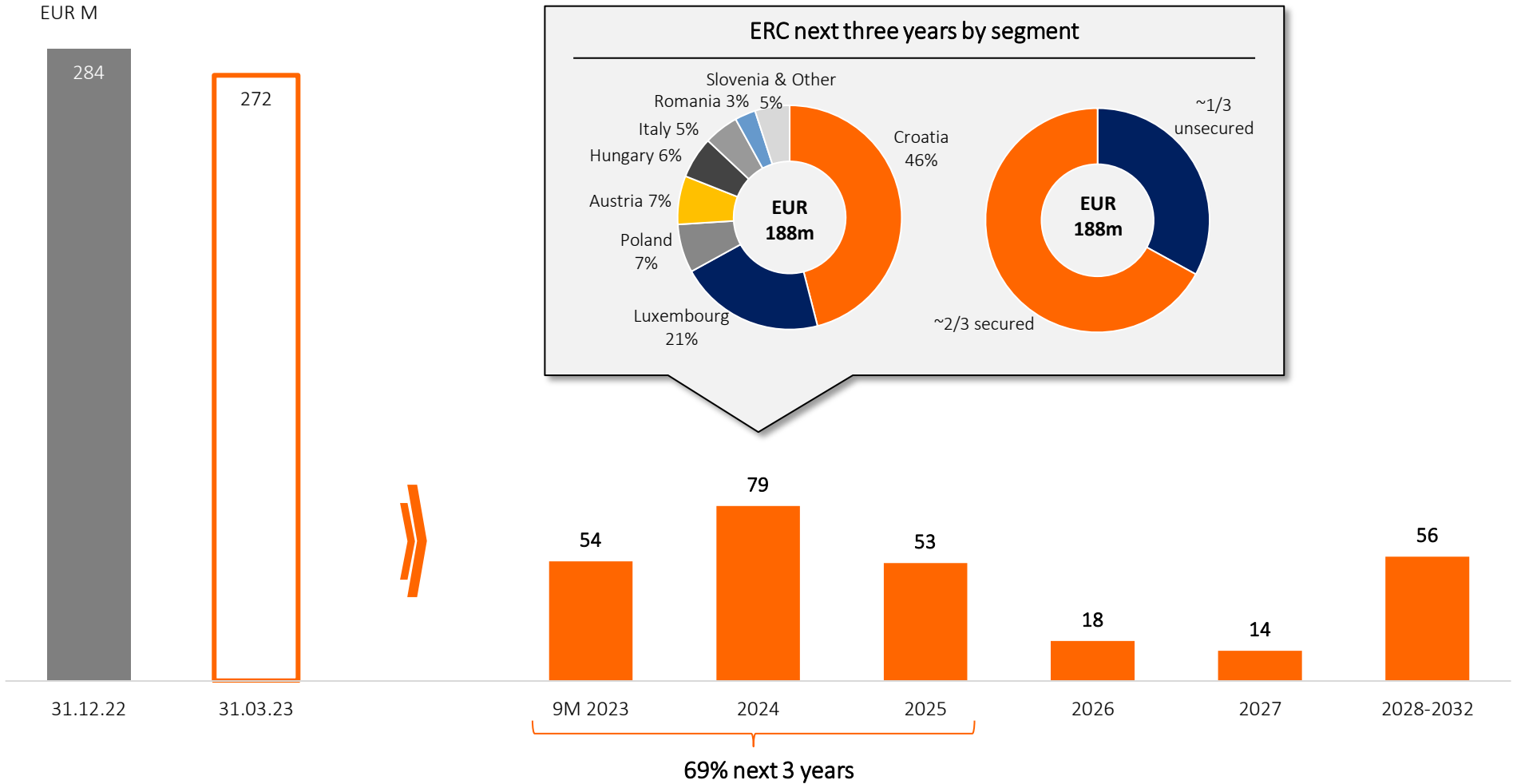
Key Credit Metrics (as of Q1 2023)



- Cash on balance sheet as of 31.03.2023: EUR 57.5m
- 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 March 2023*



* 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 272m, NPL portfolios held by DDM Debt AB account for EUR 129m, NPL portfolios held by AxFina account for EUR 23m and ERC from other investments for EUR 120m

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Strong cash position providing optionality

- 1 Strong cash position providing flexibility and optionality in the NPL markets (if pricing pressures reduces) and in financial services
- 2 Increasing amount of interesting investment opportunities in assets, loans and financial services businesses with the macroeconomic climate and the turning of the business cycle a good environment to further invest
- 3 AxFina roll out of an enhanced product offering (potentially including credit products). New digitally focused product offering to boost growth

Q &A



Upcoming IR events

Annual General Meeting:

29 June 2023

Q2 2023 report:

29 August 2023

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Thank you for your attention

DDM Group

Strictly private & confidential

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