



ddm

Q3 and nine months 2023 report

28 November 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 Debt AB

AGENDA

1. Business Overview

2. Financials January – September 2023

3. Summary



A Pan-European Investment Company

Well diversified platform across financial assets / services

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,

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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

2

Consumer Finance & Embedded Finance



- 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 a significant shareholder in Addiko Bank, a consumer and SME specialist bank serving 800,000 customers in Austria and Central South-Eastern Europe. DDM received a dividend of EUR 1.21/share in May.

3

Key highlights: Q3 2023

Strong cash position of over EUR 33m in the DDM Debt group

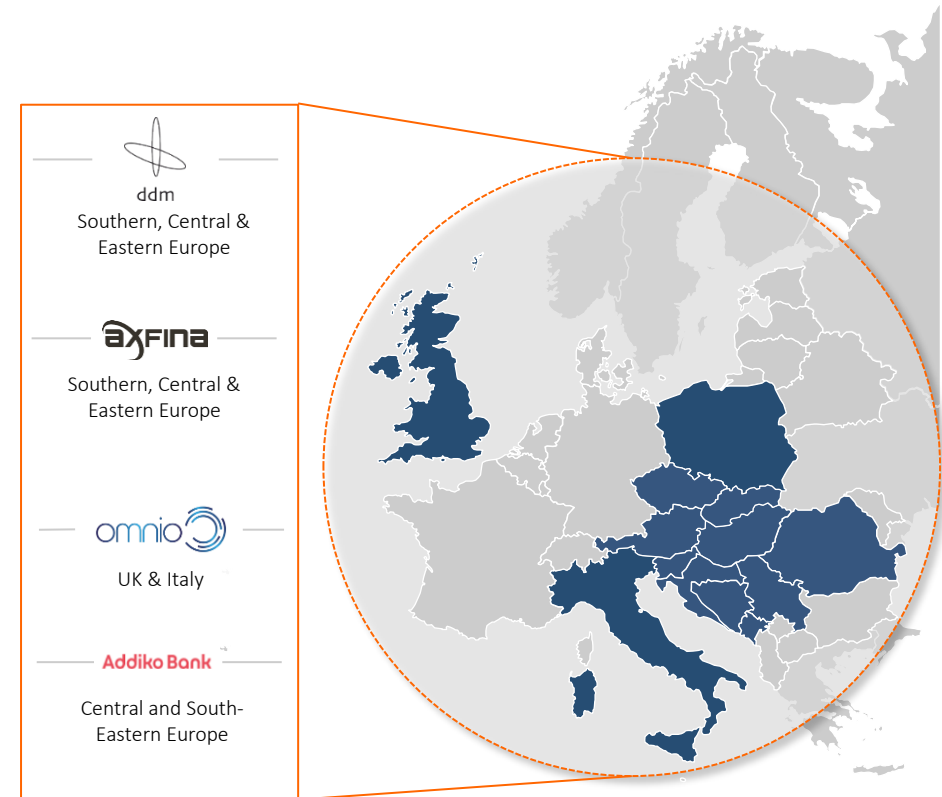
Key highlights

- Strengthened focus on NPLs
 - Signed agreement for the acquisition of NPL portfolio in Romania, with closing expected in December
 - Acquired E-Kancelaria Group in Poland in November through AxFina group
 - Completed sale of DDM’s 5% stake in Borgosesia S.p.A in October

- Key changes to the corporate governance
 - Delisting of DDM Holding AG in September
 - Andreas Tuczka left the DDM Boards
 - Keith Halsey replaced Andreas Tuczka as member of the Board of DDM Debt AB

- Financial update
 - Seasonally soft quarter for collections and some delays to secured collections resulting in a loss of EUR 4m for the first nine months of 2023
 - Continued strong cash balance of EUR 33m

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 Croatia, Poland and Romania

Non-Performing Loans

- Significant change ongoing in the financial sector as a whole that results in a re-distribution of risk assets
 - Industry's competitive landscape continues to adjust following interest rates increase and global volatile context
 - Active primary and secondary markets in 2023, expected to continue into 2024
 - Current opportunity set includes asset pools as well as non-core platforms
 - Positive investment outlook expected over the next 12-18 months
- Acquisition of NPL portfolio in Romania
 - Unsecured consumer receivables with a gross collection value over EUR 1 billion
 - Servicing performed by AxFina
 - Closing is expected in December
- Acquired E-Kancelaria Group in Poland through AxFina group
 - A leading Polish asset and loan servicing platform with three business lines:
 - Third party asset and loan servicing
 - Portfolio investments and portfolio advisory
 - Legal advisory
 - Transaction will allow AxFina to achieve further scale in the Polish core market and to realise significant cost synergies in Poland
 - The acquisition is expected to increase NPL portfolios by about EUR 5m

Asset management - path to liquidity

Addiko:

- Strong business development
- YTD September profit of EUR 30m, up 53% on prior year
 - Dividend of EUR 2.2m received in Q2 2023

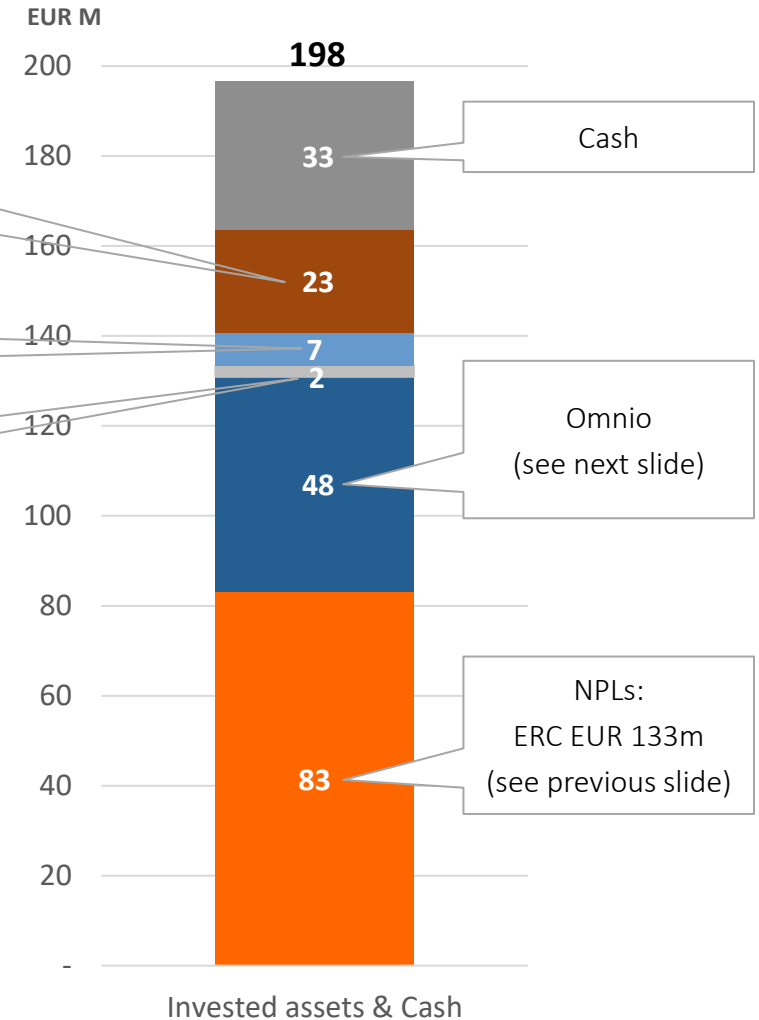
SPAC:

- Actively engaging with third parties to resolve through a liquidity event
 - Guidance expected in the coming 6 months

Completed the sale of DDM's 5% stake in Borgosesia S.p.A. in October

• AxFina (in consolidated numbers):

- Strategy to become the leading technology-powered asset and loan servicer in Central and Eastern Europe
- Active EBRD participation in governance and business development of AxFina
- Continuing its market consolidation strategy with a particular focus on Poland and Romania
- On track to be cash-flow positive and increase third-party revenues



Strengthened management, focus and financial discipline

- New management in place since the start of 2023
- Marked improvement in cashflows
- Financials already showing the effect of these efforts

Content roadmap: BaaS and Embedded Finance

- Focus on delivering two core activities
 - Banking as a Service for financial institutions
 - Embedded finance services for retailers
- Large market with opportunities for Omnio to generate significant growth

Revenue growth supported by unique customer portfolio

- Operational excellence to support growth
- Grow with current customers growth and through up-sell
- Expand outside current customer base supported by existing use cases

On track to deliver value accretive KPIs by 2026

- Annual recurring revenues > GBP 40m
- Positive cashflow
- EBITDA c. GBP 7m
- Gross Margin between 45% and 48%

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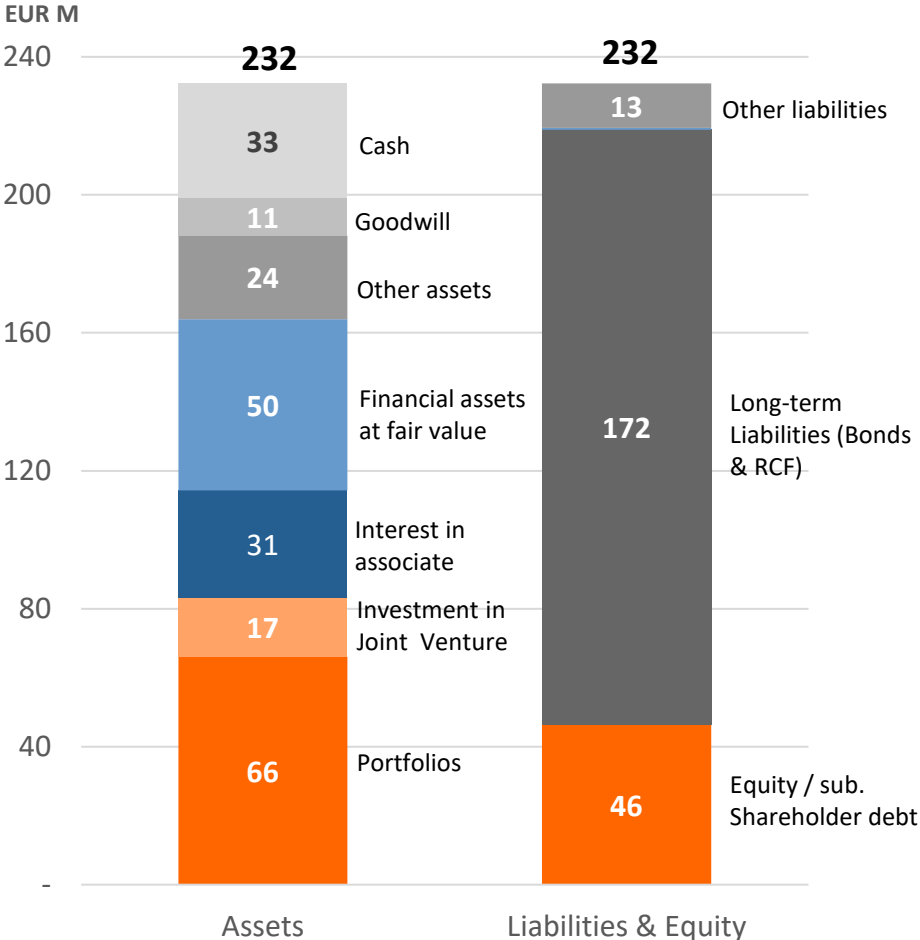
Income statement: Debt AB Q3 and YTD January - September 2023

	2023	2022	2023	2022
<i>Amount in EUR Millions</i>	Q3	Q3	9M	9M
Reconciliation of revenue on invested assets:				
<i>Gross Collections</i>	5.2	10.4	27.0	34.3
<i>Collection and commission expenses</i>	(1.1)	(1.0)	(3.6)	(4.1)
Net Collections	4.1	9.4	23.4	30.2
<i>Amortization of invested assets</i>	(1.3)	(4.0)	(12.1)	(17.4)
Interest income	0.6	1.0	3.9	2.3
Interest income on invested assets	3.3	6.4	15.2	15.1
<i>Revaluation & impairment of invested assets</i>	(1.3)	(1.0)	0.4	1.8
Revenue on invested assets	2.0	5.4	15.6	16.9
Share of net profits of associate and joint venture	1.0	3.9	0.5	6.8
Revenue from management fees and other services	0.5	0.1	0.7	0.1
Operating expenses	(4.8)	(3.6)	(13.2)	(7.2)
Amortization & depreciation of tangibles and intangibles	(0.2)	(0.1)	(0.5)	(0.1)
Operating (loss) / profit	(1.5)	5.7	3.2	16.5
Financial income	2.9	0.1	12.8	0.7
Financial expenses	(5.0)	(5.3)	(19.7)	(21.8)
Exchange (loss) / profit	(0.3)	0.8	0.4	1.1
Net financial expenses	(2.3)	(4.4)	(6.5)	(20.0)
(Loss) / profit before income tax	(3.9)	1.4	(3.3)	(3.6)
Tax expense	(0.5)	(0.3)	(0.7)	(0.1)
Net (loss) / profit for the period	(4.4)	1.0	(4.1)	(3.6)

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 30-09-2023



Bonds

- Senior secured 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 Q3 2023)

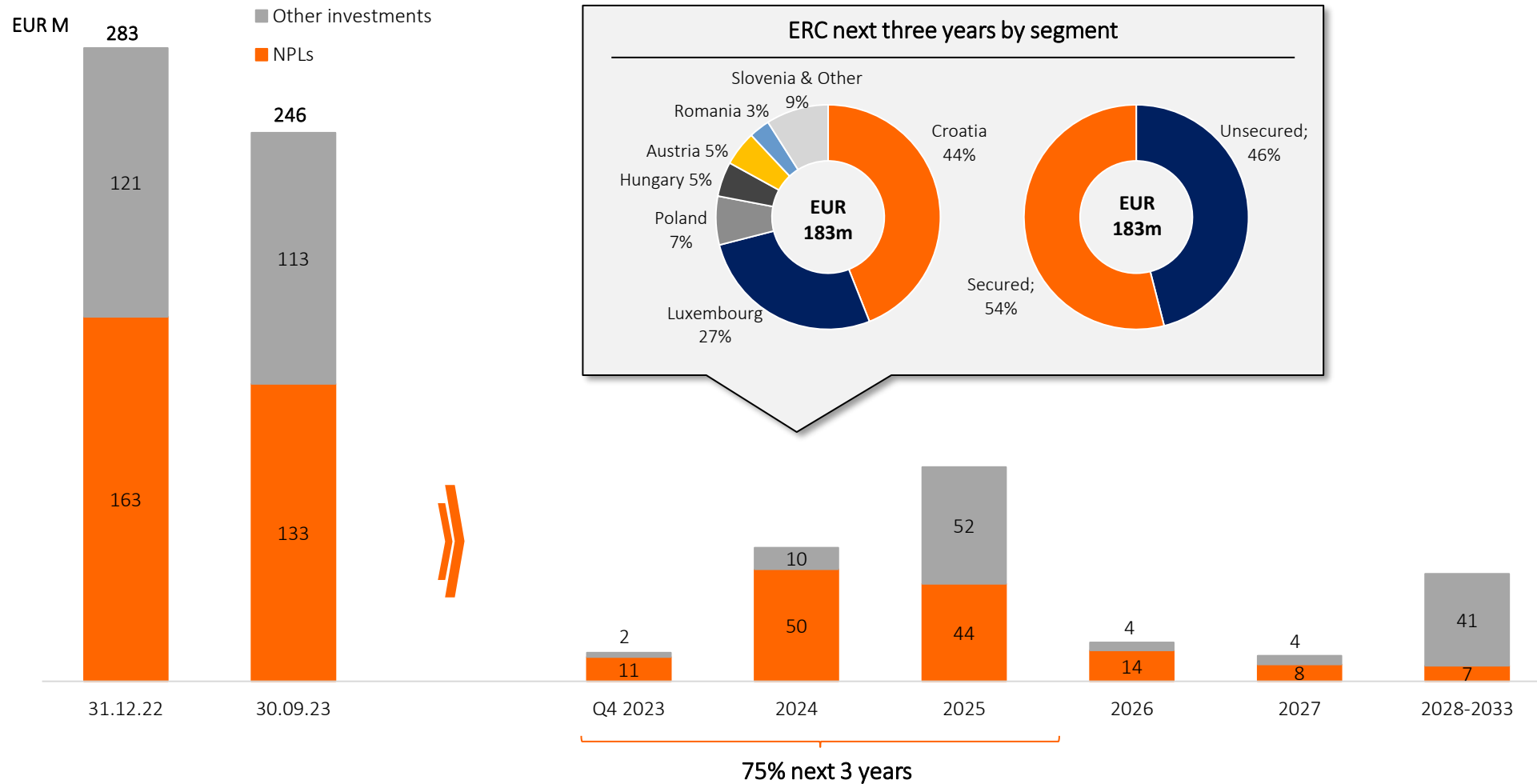


1) Equity incl. sub. Shareholder debt for DDM Debt AB (publ) issuer group as at 30 September 2023

- Cash on balance sheet as of 30.09.2023: EUR 33.1m

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

120-months gross ERC and projected future collections on existing portfolios, 30 September 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 246m, NPL portfolios held by DDM Debt AB account for EUR 113m, NPL portfolios held by AxFina account for EUR 20m and ERC from other investments for EUR 113m

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Strengthened focus on NPLs and strong cash position

- 1 Weaker collections compensated by the continued strong cash position, with a stronger collections outlook for 2024
- 2 Focus on NPLs to use our resources to create cashflows and ERC
- 3 Working on illiquid investments to increase their value and create liquidating opportunities

Q &A



Upcoming IR events

Q4 and full year report 2023:

29 February 2024

Annual report 2023:

30 April 2024

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Thank you for your attention

DDM Debt Group

Strictly private & confidential

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