



# Active asset management and solid collections

### Highlights third quarter 2024

- **Gross ERC** at the end of September 2024 was EUR 310m (280 at December 2023)
- **Gross collections** amounted to EUR 13.8m (9.1)\*
- **Net collections** amounted to EUR 11.0m (8.1)\*
- **Cash EBITDA** amounted to EUR 8.3m (3.8)\*

### Highlights nine months 2024

- **Gross collections** amounted to EUR 39.4m (39.4)\*
- **Net collections** amounted to EUR 32.5m (34.5)\*
- **Cash EBITDA** amounted to EUR 20.0m (22.0)\*
- **Erik Fällström** appointed as CEO, replacing Razvan Munteanu

### Significant events after the end of the quarter

- **Sivers Semiconductors AB** decided to pause discussions with byNordic Acquisition Corporation regarding a proposed merger of the Sivers' Photonics AI unit and byNordic SPAC
- **DDM Debt AB** successfully issued super senior secured bonds of EUR 25m

\* Key financial highlights above include non-IFRS alternative performance measures that represent underlying business performance. Further details including a reconciliation to IFRS can be found on page 27.

IFRS Consolidated Amounts in EUR '000s (unless specified otherwise)	1 Jul–30 Sep 2024**	1 Jul–30 Sep 2023**	1 Jan–30 Sep 2024**	1 Jan–30 Sep 2023**	Full Year 2023
Gross collections	12,261	5,157	31,273	26,989	38,713
Collection and commission expenses	(3,120)	(1,096)	(5,755)	(3,621)	(5,293)
Net collections	9,141	4,061	25,518	23,368	33,420
Revenue from mgt fees & other services	472	451	1,928	727	1,071
Operating expenses	(3,141)	(4,795)	(14,473)	(13,247)	(18,301)
Cash EBITDA	6,472	(283)	12,973	10,848	16,190
Interest income	1,034	569	2,866	1,616	2,323
Dividend income from invested assets	–	–	1,689	2,302	2,302
Amortization, revaluation and impairment of invested assets	(4,395)	(2,633)	(8,251)	(11,644)	(18,755)
Share of net (losses) / profits of associate and joint venture	(609)	996	(2,213)	509	3,833
Operating profit / (loss)	2,322	(1,539)	6,307	3,163	3,678
Net loss for the period	(2,498)	(4,354)	(4,931)	(4,076)	(7,572)
<b>Selected key figures</b>					
Total assets	258,997	232,268	258,997	232,268	236,187
Net debt	168,929	139,909	168,929	139,909	157,037
Equity ratio***	15.5%	20.0%	15.5%	20.0%	18.1%
Cash flow from operating activities before working capital changes	6,781	4,055	9,418	10,993	9,161
Gross ERC 120 months (EUR M)	310	246	310	246	280
Investments book value	199,606	164,418	199,606	164,418	179,622

\*\* Unaudited

\*\*\* Equity ratio calculated according to the terms and conditions of the senior secured bonds

The information in this report requires DDM Debt AB (publ) to publish the information in accordance with the EU Market Abuse Regulation and the Securities Market Act. The information was submitted for publication on 29 November 2024 at 17:40 CET.

The DDM Debt Group is a specialized multinational investor in situations arising out of the general strategic challenges in the European banking markets

## Comment by the CEO

During the third quarter of 2024 we have been working hard on managing our asset portfolio, with significant efforts made towards exiting certain historical assets going forward, and we are confident that these efforts will come into fruition in the first half of 2025 depending on market conditions. While our primary focus remains on investing in and managing non-performing loan portfolios, we also actively pursue related and complementary investments.

Following DDM Debt's investments in Sivers Semiconductors AB ("Sivers") in H1 2024, in August it was announced that Sivers has entered into a non-binding letter of intent to merge its Photonics AI subsidiary with byNordic Acquisition Corporation ("byNordic"), a publicly-traded special purpose acquisition company. However, on 11 November Sivers announced that it had decided to pause discussions with byNordic Acquisition Corporation regarding a proposed merger. The DDM Debt Group currently indirectly holds approximately 30% of sponsor shares in byNordic Acquisition Corporation.

The DDM Debt Group's first hearing of the case against Alta Pay Group d.o.o., a Serbian bank, regarding the sale approximately 1.34 million shares in Addiko Bank AG was held on 27 September 2024. Currently the Board is of the view that the case will result in a positive outcome for the DDM Debt Group.

DDM Debt AB has appointed Forvis Mazars ("Mazars") as auditor for the Company, with the authorized public accountant Åsa Thelin as auditor in charge. Mazars have replaced PricewaterhouseCoopers ("PwC") (auditor in charge, Sussanne Sundvall), following Sussanne Sundvall's retirement from PwC.

On 29 November 2024 DDM Debt AB announced that it had successfully issued super senior secured fixed rate bonds (the "Bonds") of EUR 25 million. The Bonds have a final maturity date of 30 March 2027 and carry a fixed rate coupon of 9.50 per cent per annum. The Bonds are permitted under the current senior secured bond framework (ISIN: SE0015797683) (the "Existing Bonds"), and the proceeds will mainly be used to finance the acquisition of Existing Bonds by way of a reverse Dutch auction, and to repay the current Revolving Credit Facility of EUR 4.5m with a Swedish bank. The remaining proceeds will be used for transaction costs and for general corporate purposes.

### Outlook

Continuing credit risks, along with refinancing risks particularly in the commercial real estate segment, are expected to potentially increase loan portfolio sale activity. As result of the low NPL ratios and the healthy capital adequacy ratios in the SCEE region, banks can approach portfolio sales from a tactical perspective rather than a crisis response, which may result in a steady pipeline of smaller, but continuous NPL portfolio deals. The consolidation dynamics started in the credit servicer industry may also accelerate the deal flow in the short term via secondary loan portfolio sales. We will continue to monitor investment cases on both a strategic and opportunistic basis, as well as actively managing our portfolio.

Stockholm, 29 November 2024  
DDM Debt AB (publ),  
Erik Fällström, CEO

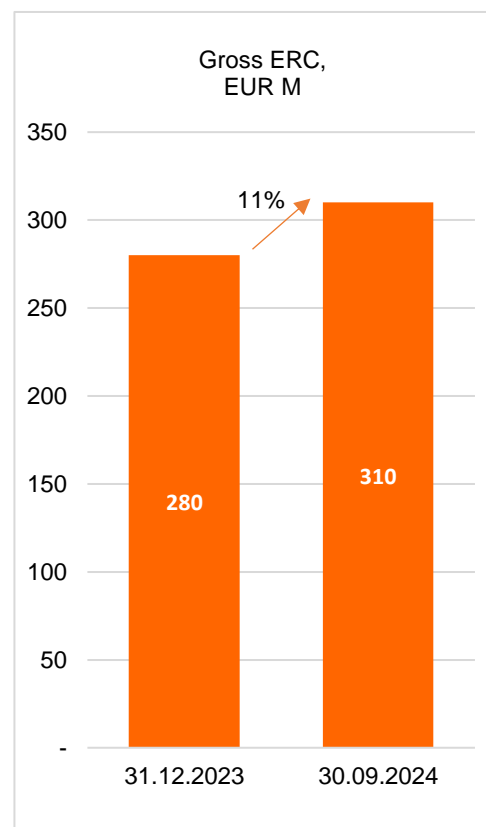
### Financial calendar

DDM Debt AB (publ) intends to publish financial information on the following dates:  
Q4 report for January – December 2024: 28 February 2025  
Annual report 2024: 30 April 2025

Other financial information from DDM is available on DDM's website, [www.ddm-group.ch](http://www.ddm-group.ch).

### Publication of the report

The report is available at [www.ddm-group.ch](http://www.ddm-group.ch) on 29 November 2024, at 17:40 CET.



## Financial results

Adjusted gross collections (which include the incremental gross distribution from associates and joint ventures) amounted to EUR 13.8m in the third quarter of 2024, EUR 4.7m above the corresponding period last year. After deducting commission and collection fees to third parties this resulted in EUR 11.0m of adjusted net collections being received for the third quarter of 2024.

Operating expenses were EUR 3.1m in Q3 2024, lower than in Q3 2023, as a result of a year-to-date reclassification of certain expenses in AxFina from operating expenses to collections expenses. Management and servicing fees of EUR 0.5m were received in the quarter, and as a result, adjusted cash EBITDA totaled EUR 8.3m in the third quarter of 2024, compared to EUR 3.8m for the same quarter in the prior year.

The operating profit for the quarter includes EUR 0.6m share of net losses of associates and joint ventures under the equity method of accounting.

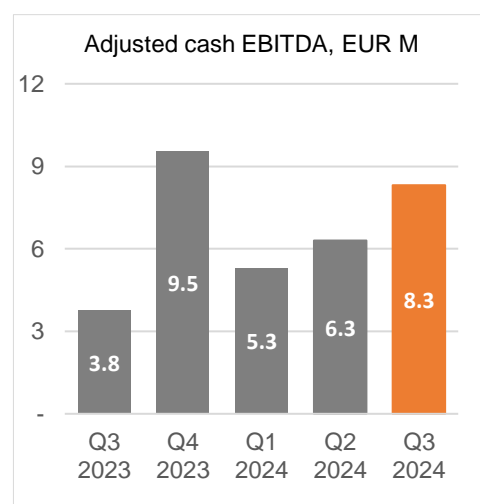
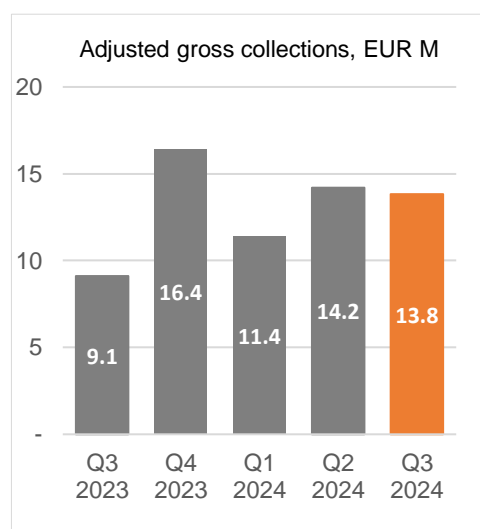
The net result for the quarter was a loss before tax of EUR 2.3m, compared to a loss before tax of EUR 3.9m for Q3 2023.

### Cash flow and financing

For the third quarter of 2024, cash flow from operating activities before working capital changes was EUR 6.8m compared to EUR 4.1m in Q3 2023 and EUR (2.2)m in Q2 2024.

### Estimated Remaining Collections

ERC in relation to invested assets at 30 September stands at EUR 310m, EUR 30m above 31 December 2023, due to additions in the first nine months of 2024 partially offset by collections. The majority of the ERC is expected to be received within the next three years.



## Consolidated Income Statement

Amounts in EUR '000s	Notes	1 Jul–30 Sep 2024*	1 Jul–30 Sep 2023*	1 Jan–30 Sep 2024*	1 Jan–30 Sep 2023*	Full Year 2023
Interest income on invested assets	5	4,833	3,338	18,553	12,900	16,057
Dividend income from invested assets		–	–	1,689	2,302	2,302
Revaluation and impairment of invested assets		947	(1,341)	1,580	440	931
<b>Revenue on invested assets</b>	5	<b>5,780</b>	<b>1,997</b>	<b>21,822</b>	<b>15,642</b>	<b>19,290</b>
Share of net (losses) / profits of associate and joint venture	5, 9, 10	(609)	996	(2,213)	509	3,833
Revenue from mgt fees and other services		472	451	1,928	727	1,071
Impairment of goodwill		–	–	–	–	(1,486)
Personnel expenses		(898)	(1,277)	(6,108)	(3,704)	(5,964)
Consulting expenses		(1,871)	(2,969)	(5,453)	(7,891)	(9,983)
Other operating expenses		(372)	(549)	(2,912)	(1,652)	(2,354)
Depreciation expense		(180)	(188)	(757)	(468)	(729)
<b>Operating profit</b>		<b>2,322</b>	<b>(1,539)</b>	<b>6,307</b>	<b>3,163</b>	<b>3,678</b>
Financial income		1,092	2,942	7,517	12,836	9,950
Financial expenses		(5,364)	(4,951)	(17,450)	(19,736)	(20,973)
Exchange (loss) / profit		(313)	(330)	(378)	391	571
<b>Net financial expenses</b>		<b>(4,585)</b>	<b>(2,339)</b>	<b>(10,311)</b>	<b>(6,509)</b>	<b>(10,452)</b>
<b>Loss before income tax</b>		<b>(2,263)</b>	<b>(3,878)</b>	<b>(4,004)</b>	<b>(3,346)</b>	<b>(6,774)</b>
Tax expense		(235)	(476)	(927)	(730)	(798)
<b>Net loss for the period</b>		<b>(2,498)</b>	<b>(4,354)</b>	<b>(4,931)</b>	<b>(4,076)</b>	<b>(7,572)</b>
<b>Net loss for the period attributable to:</b>						
Owners of the Parent Company		(2,383)	(4,328)	(5,018)	(4,036)	(7,494)
Non-controlling interest		(115)	(26)	87	(40)	(78)

\* Unaudited

## Consolidated Statement of Comprehensive Income

Amounts in EUR '000s	1 Jul–30 Sep 2024*	1 Jul–30 Sep 2023*	1 Jan–30 Sep 2024*	1 Jan–30 Sep 2023*	Full Year 2023
<b>Net loss for the period</b>	<b>(2,498)</b>	<b>(4,354)</b>	<b>(4,931)</b>	<b>(4,076)</b>	<b>(7,572)</b>
<b><i>Other comprehensive (loss) / income for the period</i></b>					
Currency translation differences	13	(512)	28	59	381
Actuarial loss on post-employment benefit commitments	–	–	–	–	(1,418)
Deferred tax on post-employment benefit commitments	–	–	–	–	169
Share of other comprehensive loss of associates accounted for using the equity method	(350)	–	(383)	–	–
Assets transferred	–	–	–	–	246
Other items	286	–	657	–	–
<b>Other comprehensive (loss) / income for the period, net of tax</b>	<b>(51)</b>	<b>(512)</b>	<b>302</b>	<b>59</b>	<b>(622)</b>
<b>Total comprehensive loss for the period</b>	<b>(2,549)</b>	<b>(4,866)</b>	<b>(4,629)</b>	<b>(4,017)</b>	<b>(8,194)</b>
<b>Total comprehensive loss for the period attributable to:</b>					
Owners of the Parent Company	(2,474)	(4,716)	(4,836)	(4,020)	(8,270)
Non-controlling interest	(75)	(150)	207	3	76

\* Unaudited

## Consolidated Balance Sheet

Amounts in EUR '000s	Notes	30 September 2024*	31 December 2023
<b>ASSETS</b>			
<i>Current assets</i>			
Cash and cash equivalents		9,044	20,715
Accounts receivable		4,830	1,271
Receivables from other group companies		260	161
Prepaid expenses and accrued income		1,850	2,046
Other receivables		12,935	3,571
Tax assets		58	98
<b>Total current assets</b>		<b>28,977</b>	<b>27,862</b>
<i>Non-current assets</i>			
Financial assets at fair value	11	71,450	53,198
Other long-term receivables from investments		577	509
Distressed asset portfolios	8	69,337	77,898
Investment in joint venture	9	16,836	18,183
Interest in associates	10	41,406	29,834
Receivables from other group companies		5,936	5,936
Loans to other group companies		2,000	2,000
Deferred tax assets	4	2,844	3,531
Accrued interest from other group companies		1,676	1,475
Other non-current assets		3,571	2,333
Right-of-use assets		1,013	791
Tangible assets	6	129	185
Intangible assets		2,223	1,430
Goodwill	7	11,022	11,022
<b>Total non-current assets</b>		<b>230,020</b>	<b>208,325</b>
<b>TOTAL ASSETS</b>		<b>258,997</b>	<b>236,187</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
Share capital		54	54
Other reserves		(5,725)	(5,762)
Retained earnings including net loss for the period		(3,144)	1,729
<b>Total shareholders' equity to Parent Company's shareholders</b>		<b>(8,815)</b>	<b>(3,979)</b>
Non-controlling interest		1,820	1,613
<b>Total shareholders' equity</b>		<b>(6,995)</b>	<b>(2,366)</b>
<b>LIABILITIES</b>			
<i>Current liabilities</i>			
Accounts payable		6,802	3,658
Accrued expenses and deferred income		3,813	3,788
Tax liabilities		887	900
Lease liabilities		374	269
Accrued interest		6,765	10,577
Other current liabilities	11	19,701	–
Current loans and borrowings	12	6,424	1,653
<b>Total current liabilities</b>		<b>44,766</b>	<b>20,845</b>
<i>Non-current liabilities</i>			
Deferred tax liabilities	4	523	515
Lease liabilities		805	571
Accrued interest		9,432	–
Payables to other group companies		8	144
Other long-term liabilities		–	1,365
Loans and borrowings	12	171,549	176,099
Post-employment benefit commitments		1,323	1,428
Loans from other group companies, subordinated		37,586	37,586
<b>Total non-current liabilities</b>		<b>221,226</b>	<b>217,708</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>258,997</b>	<b>236,187</b>

\* Unaudited

## Consolidated Cash Flow Statement

Amounts in EUR '000s	1 Jul–30 Sep 2024*	1 Jul–30 Sep 2023*	1 Jan–30 Sep 2024*	1 Jan–30 Sep 2023*	Full Year 2023
<b>Cash flow from operating activities</b>					
Net loss for the period	(2,498)	(4,354)	(4,931)	(4,076)	(7,572)
Cash distribution from associate and joint venture	850	4,180	3,405	6,389	9,734
<i>Adjustments for non-cash items:</i>					
<i>Non-cash collections</i>	–	–	–	–	(2,515)
<i>Amortization of invested assets</i>	5,342	1,292	9,831	12,084	19,686
<i>Revaluation and impairment of invested assets</i>	(947)	1,341	(1,580)	(440)	(931)
<i>Interest income</i>	(1,034)	(569)	(2,866)	(1,616)	(2,323)
<i>Dividend income</i>	–	–	(1,689)	(2,302)	(2,302)
<i>Share of net losses / (profits) of associates and joint venture</i>	609	(996)	2,213	(509)	(3,833)
<i>Impairment of goodwill</i>	–	–	–	–	1,486
<i>Depreciation and amortization of tangible and intangible assets</i>	180	188	757	468	729
<i>Financial income</i>	(1,092)	(2,942)	(7,517)	(12,836)	(9,950)
<i>Financial expenses</i>	5,364	4,951	17,450	19,736	20,973
<i>Unrealized exchange loss / (profit)</i>	226	370	184	97	(180)
<i>Tax expense</i>	235	476	927	730	798
<i>Other items not affecting cash</i>	61	123	64	53	28
Interest paid	(553)	(81)	(8,297)	(8,632)	(16,288)
Interest received	108	87	166	168	269
Dividends received	–	–	1,689	1,804	1,804
Tax paid	(70)	(11)	(388)	(153)	(480)
Tax received	–	–	–	28	28
<b>Cash flow from operating activities before working capital changes</b>	<b>6,781</b>	<b>4,055</b>	<b>9,418</b>	<b>10,993</b>	<b>9,161</b>
<b>Working capital adjustments</b>					
(Increase) / decrease in accounts receivable	(3,804)	5,120	(4,507)	692	190
(Increase) / decrease in other receivables	(98)	57	(828)	(2,588)	(2,126)
Increase / (decrease) in accounts payable	(238)	929	(1,162)	787	830
Increase / (decrease) in other current liabilities	(129)	(556)	19,450	34	492
<b>Net cash flow from operating activities</b>	<b>2,512</b>	<b>9,605</b>	<b>22,461</b>	<b>9,918</b>	<b>8,547</b>
<b>Cash flow from investing activities</b>					
Purchases of distressed asset portfolios	–	(452)	–	(1,312)	(9,241)
Purchases of financial assets at fair value	(4,281)	(5,185)	(32,699)	(12,985)	(17,727)
Purchases of investments in associate and JV	(50)	–	(50)	–	–
Proceeds from divestment of financial assets at fair value	–	–	325	1,944	4,195
Acquisition of subsidiary, net of cash acquired	–	–	–	(7,013)	(7,064)
Purchases of tangible and intangible assets	–	–	(5)	(13)	(372)
<b>Net cash flow received / (used) in investing activities</b>	<b>(4,331)</b>	<b>(5,637)</b>	<b>(32,429)</b>	<b>(19,379)</b>	<b>(30,209)</b>
<b>Cash flow from financing activities</b>					
Proceeds from issuance of loans	–	–	–	4,452	4,452
Repayment of loans	–	(2,957)	(1,037)	(14,276)	(14,276)
Principal element of lease payments	(97)	(31)	(368)	(111)	(229)
<b>Net cash flow received / (used) in financing activities</b>	<b>(97)</b>	<b>(2,988)</b>	<b>(1,405)</b>	<b>(9,935)</b>	<b>(10,053)</b>
<b>Cash flow for the period</b>	<b>(1,916)</b>	<b>980</b>	<b>(11,373)</b>	<b>(19,396)</b>	<b>(31,715)</b>
<b>Cash and cash equivalents less bank overdrafts at beginning of the period</b>	<b>11,123</b>	<b>32,243</b>	<b>20,715</b>	<b>52,285</b>	<b>52,285</b>
Foreign exchange gains / (losses) on cash and cash equivalents	(163)	(131)	(298)	203	145
<b>Cash and cash equivalents less bank overdrafts at end of the period</b>	<b>9,044</b>	<b>33,092</b>	<b>9,044</b>	<b>33,092</b>	<b>20,715</b>

\* Unaudited

## Consolidated Statement of Changes in Equity

Amounts in EUR '000s	Share capital	Other reserves	Retained earnings incl. net loss for the period	Total equity	Non-controlling interest	Total equity
<b>Balance at 1 January 2023</b>	<b>54</b>	<b>170</b>	<b>9,457</b>	<b>9,681</b>	<b>3,160</b>	<b>12,841</b>
Net loss for the period	–	–	(4,036)	(4,036)	(40)	(4,076)
<b>Other comprehensive income</b>						
Currency translation differences	–	16	–	16	43	59
<b>Total comprehensive income / (loss)</b>	<b>–</b>	<b>16</b>	<b>(4,036)</b>	<b>(4,020)</b>	<b>3</b>	<b>(4,017)</b>
<i>Transactions with owners</i>						
Acquisition of non-controlling interest	–	(5,390)	–	(5,390)	(1,623)	(7,013)
<b>Total transactions with owners</b>	<b>–</b>	<b>(5,390)</b>	<b>–</b>	<b>(5,390)</b>	<b>(1,623)</b>	<b>(7,013)</b>
<b>Balance at 30 September 2023*</b>	<b>54</b>	<b>(5,204)</b>	<b>5,421</b>	<b>271</b>	<b>1,540</b>	<b>1,811</b>
<b>Balance at 1 January 2024</b>	<b>54</b>	<b>(5,762)</b>	<b>1,729</b>	<b>(3,979)</b>	<b>1,613</b>	<b>(2,366)</b>
Net loss for the period	–	–	(5,018)	(5,018)	87	(4,931)
<b>Other comprehensive income</b>						
Currency translation differences	–	37	–	37	(9)	28
Share of other comprehensive loss of associates accounted for using the equity method	–	–	(383)	(383)	–	(383)
Other items	–	–	528	528	129	657
<b>Total comprehensive income / (loss)</b>	<b>–</b>	<b>37</b>	<b>(4,873)</b>	<b>(4,836)</b>	<b>207</b>	<b>(4,629)</b>
<i>Transactions with owners</i>						
<b>Total transactions with owners</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Balance at 30 September 2024*</b>	<b>54</b>	<b>(5,725)</b>	<b>(3,144)</b>	<b>(8,815)</b>	<b>1,820</b>	<b>(6,995)</b>

\* Unaudited



## Parent Company – Income Statement

Amounts in EUR '000s	1 Jul–30 Sep 2024*	1 Jul–30 Sep 2023*	1 Jan–30 Sep 2024*	1 Jan–30 Sep 2023*	Full Year 2023
Revenue	–	–	–	–	–
Share of net losses of associate	(530)	–	(923)	–	–
Personnel expenses	(276)	(26)	(545)	(26)	(57)
Consulting expenses	(237)	(170)	(528)	(312)	(479)
Other operating expenses	(137)	(40)	(338)	(127)	(261)
<b>Operating loss</b>	<b>(1,180)</b>	<b>(236)</b>	<b>(2,334)</b>	<b>(465)</b>	<b>(797)</b>
Financial income	5,126	6,365	14,484	21,818	13,464
Financial expenses	(4,923)	(4,812)	(15,565)	(14,925)	(19,693)
Exchange (loss) / profit	(238)	(31)	(165)	7	(111)
<b>Net financial (expense) / income</b>	<b>(35)</b>	<b>1,522</b>	<b>(1,246)</b>	<b>6,900</b>	<b>(6,340)</b>
<b>(Loss) / profit before income tax</b>	<b>(1,215)</b>	<b>1,286</b>	<b>(3,580)</b>	<b>6,435</b>	<b>(7,137)</b>
Tax expense	–	(234)	–	(234)	(554)
<b>(Loss) / profit for the period</b>	<b>(1,215)</b>	<b>1,052</b>	<b>(3,580)</b>	<b>6,201</b>	<b>(7,691)</b>

\* Unaudited

## Parent Company – Statement of Comprehensive Income

Amounts in EUR '000s	1 Jul–30 Sep 2024*	1 Jul–30 Sep 2023*	1 Jan–30 Sep 2024*	1 Jan–30 Sep 2023*	Full Year 2023
<b>Net (loss) / profit for the period</b>	<b>(1,215)</b>	<b>1,052</b>	<b>(3,580)</b>	<b>6,201</b>	<b>(7,691)</b>
<b>Other comprehensive (loss) / income for the period, net of tax</b>					
Share of other comprehensive loss of associates accounted for using the equity method	(350)	–	(383)	–	–
<b>Total other comprehensive (loss) / income for the period, net of tax</b>	<b>(350)</b>	<b>–</b>	<b>(383)</b>	<b>–</b>	<b>–</b>
<b>Total comprehensive (loss) / income for the period</b>	<b>(1,565)</b>	<b>1,052</b>	<b>(3,963)</b>	<b>6,201</b>	<b>(7,691)</b>

\* Unaudited

## Parent Company – Balance Sheet

Amounts in EUR '000s	Notes	30 September 2024*	31 December 2023
<b>ASSETS</b>			
<i>Current assets</i>			
Cash and cash equivalents		25	319
Prepaid expenses		106	34
Other receivables		50	43
Accrued interest from other group companies		7,528	1,766
<b>Total current assets</b>		<b>7,709</b>	<b>2,162</b>
<i>Non-current assets</i>			
Tangible assets	6	5	–
Financial assets at fair value	11	32,625	16,510
Interest in associate	10	13,972	–
Receivables from other group companies		5,936	5,936
Loans to other group companies		134,390	165,801
Accrued interest from other group companies		1,676	1,475
Participations in other group companies	13	30,531	30,531
Other non-current assets		1,888	703
<b>Total non-current assets</b>		<b>221,023</b>	<b>220,956</b>
<b>TOTAL ASSETS</b>		<b>228,732</b>	<b>223,118</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<i>Shareholders' equity</i>			
Share capital		54	54
Retained earnings including net loss for the period		215	4,178
<b>Total shareholders' equity</b>		<b>269</b>	<b>4,232</b>
<i>Current liabilities</i>			
Accounts payable		3,129	124
Accrued expenses and deferred income		221	188
Tax liabilities		642	642
Accrued interest		6,765	10,577
Current loans and borrowings	12	4,468	–
<b>Total current liabilities</b>		<b>15,225</b>	<b>11,531</b>
<i>Non-current liabilities</i>			
Accrued interest		9,432	–
Loans and borrowings	12	166,220	169,769
Loans from other group companies, subordinated		37,586	37,586
<b>Total non-current liabilities</b>		<b>213,238</b>	<b>207,355</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>228,732</b>	<b>223,118</b>

\* Unaudited

## Parent Company – Cash Flow Statement

Amounts in EUR '000s	1 Jul–30 Sep 2024*	1 Jul–30 Sep 2023*	1 Jan–30 Sep 2024*	1 Jan–30 Sep 2023*	Full Year 2023
<b>Cash flow from operating activities</b>					
(Loss) / profit for the period	(1,215)	1,052	(3,580)	6,201	(7,691)
<i>Adjustments for non-cash items:</i>					
<i>Share of net losses of associate</i>	530	–	923	–	–
<i>Financial income</i>	(5,126)	(6,365)	(14,484)	(21,818)	(13,464)
<i>Financial expenses</i>	4,923	4,812	15,565	14,925	19,693
<i>Unrealized exchange loss / (profit)</i>	238	31	165	(7)	111
<i>Tax expense</i>	–	–	–	–	554
<i>Other items not affecting cash</i>	(21)	23	(23)	70	162
Interest paid	(87)	(81)	(7,831)	(8,632)	(16,288)
Interest received	123	–	5,639	3,144	11,144
<b>Cash flow from operating activities before working capital changes</b>	<b>(635)</b>	<b>(528)</b>	<b>(3,626)</b>	<b>(6,117)</b>	<b>(5,779)</b>
<b>Working capital adjustments</b>					
Increase / (decrease) in other receivables	(71)	(53)	(79)	39	48
Increase / (decrease) in accounts payable	136	72	64	14	95
Increase / (decrease) in other current liabilities	75	413	33	324	19
<b>Net cash flow from operating activities</b>	<b>(495)</b>	<b>(96)</b>	<b>(3,608)</b>	<b>(5,740)</b>	<b>(5,617)</b>
<b>Cash flow from investing activities</b>					
Purchase of shares in group companies	–	–	–	(7,013)	(7,013)
Purchases of financial assets at fair value	(1,629)	(5,185)	(27,882)	(11,215)	(15,957)
Purchases of investments in associates	(50)	–	(50)	–	–
Purchases of tangible assets	–	–	(5)	–	–
<b>Net cash flow received / (used) in investing activities</b>	<b>(1,679)</b>	<b>(5,185)</b>	<b>(27,937)</b>	<b>(18,228)</b>	<b>(22,970)</b>
<b>Cash flow from financing activities</b>					
Proceeds from issuance of loans	–	–	–	4,452	4,452
Loans to group companies	–	–	–	–	(600)
Repayment of loans to group companies	1,850	8,450	31,411	32,750	36,450
Repayment of loans	–	(2,957)	–	(14,096)	(14,096)
<b>Net cash flow received / (used) in financing activities</b>	<b>1,850</b>	<b>5,493</b>	<b>31,411</b>	<b>23,106</b>	<b>26,206</b>
<b>Cash flow for the period</b>	<b>(324)</b>	<b>212</b>	<b>(134)</b>	<b>(862)</b>	<b>(2,381)</b>
<b>Cash and cash equivalents less bank overdrafts at beginning of the period</b>	<b>448</b>	<b>1,679</b>	<b>319</b>	<b>2,778</b>	<b>2,778</b>
Foreign exchange gains / (losses) on cash and cash equivalents	(99)	(5)	(160)	(30)	(78)
<b>Cash and cash equivalents less bank overdrafts at end of the period</b>	<b>25</b>	<b>1,886</b>	<b>25</b>	<b>1,886</b>	<b>319</b>

\* Unaudited

## Parent Company – Statement of Changes in Equity

Amounts in EUR '000s	Share capital	Retained earnings incl. net (loss) / profit for the period	Total equity
<b>Balance at 1 January 2023</b>	<b>54</b>	<b>11,869</b>	<b>11,923</b>
Net profit for the period	–	6,201	<b>6,201</b>
<b>Other comprehensive income</b>	–	–	–
<b>Total comprehensive income</b>	–	<b>6,201</b>	<b>6,201</b>
<i>Transactions with owners</i>			
<b>Total transactions with owners</b>	–	–	–
<b>Balance at 30 September 2023*</b>	<b>54</b>	<b>18,070</b>	<b>18,124</b>
<b>Balance at 1 January 2024</b>	<b>54</b>	<b>4,178</b>	<b>4,232</b>
Net loss for the period	–	(3,580)	<b>(3,580)</b>
<b>Other comprehensive loss</b>	–	–	–
Share of other comprehensive loss of associates accounted for using the equity method	–	(383)	<b>(383)</b>
<b>Total comprehensive loss</b>	–	<b>(3,963)</b>	<b>(3,963)</b>
<i>Transactions with owners</i>			
<b>Total transactions with owners</b>	–	–	–
<b>Balance at 30 September 2024*</b>	<b>54</b>	<b>215</b>	<b>269</b>

\* Unaudited

## Notes

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### Note 1. General information

DDM Debt AB (publ) (“DDM Debt” or “the Company”) and its subsidiaries (together “the DDM Debt Group” or “the Group”) is a specialized multinational investor in situations arising out of the general strategic challenges in the European banking markets. This includes investments into assets and companies previously held by financial institutions, including performing and non-performing loans and special situations. The DDM Debt Group also engages in businesses that are related, complimentary, incidental, ancillary or similar to any of the foregoing. The DDM Debt Group strives to create value for its stakeholders by combining significant expertise in financial services, credit underwriting and technology with a focus on operational excellence.

The Company was registered on 3 March 2016, and changed from a private limited liability company to a public limited liability company on 26 May 2016. The Company has registered offices in Stockholm, Sweden and its Swedish Corporate ID No. is 559053-6230. The address of the main office and postal address is Strandvägen 7A, 114 56 Stockholm, Sweden. DDM Debt is a wholly owned subsidiary of DDM Finance AB (“DDM Finance”), Stockholm, Sweden, being a wholly owned subsidiary of Heracles PTC Limited as trustee of the Achilles Trust, a Jersey registered company, owning 100% of the shares in DDM Finance AB since 25 October 2024. Prior to 25 October 2024 DDM Finance AB was a wholly owned subsidiary of Chronos Investments S.à r.l., a Luxembourg registered company.

DDM Debt acts to directly or indirectly manage, acquire or invest in credits and/or loan portfolios, to on-lend or invest funds in group companies who directly or indirectly manage, acquire or invest in credits and/or loan portfolios and conduct related activities, to incur financing for its business and to conduct related activities.

### Note 2. Basis of preparation

This interim report has been prepared in compliance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The consolidated financial statements have been prepared in compliance with International Financial Reporting Standards (IFRS) as endorsed by the EU, the Swedish Annual Accounts Act and RFR 1 Supplementary Accounting Rules for Groups issued by RFR, the Swedish Financial Reporting Board. The Parent Company’s financial statements have been prepared in compliance with the Annual Accounts Act (ÅRL 1995:1554) and RFR 2 Accounting for Legal Entities and applicable statements. The instances in which the Parent Company applies accounting principles differing from those of the Group are provided separately at the end of this section on accounting principles.

The accounting policies that are most critical to the Group and Parent Company are stated in DDM Debt AB’s Annual Report for 2023, which also contains a description of the material risks and uncertainties facing the Parent Company and the Group.

In addition to the financial measures defined in IFRS, certain key figures, which qualify as alternative performance measures (APMs) are presented to reflect the underlying business performance and enhance comparability from period to period. These APMs should not be considered as a substitute for measures defined under IFRS. Please refer to page 27 for a reconciliation of alternative performance measures including adjusted gross collections, adjusted net collections and adjusted cash EBITDA for the period.

All amounts are reported in thousands of Euros (EUR k), unless stated otherwise. Rounding differences may occur. Figures in tables and comments may be rounded.

#### *Subsidiaries*

Subsidiaries are all entities (including special purpose entities) over which DDM Debt has control. DDM Debt controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the group and are de-consolidated from the date on which control ceases. Intercompany transactions, balances, and unrealized gains on transactions between group companies are eliminated.

Subsidiaries	Consolidation method	Domicile	30 September 2024	31 December 2023
DDM Invest III AG	Fully consolidated	Switzerland	100%	100%
DDM Mergeco AG in liquidation	Fully consolidated	Switzerland	n/a	100%
DDM Invest V d.o.o.	Fully consolidated	Slovenia	100%	100%
DDM Invest VII d.o.o.	Fully consolidated	Slovenia	100%	100%
DDM Debt Management d.o.o Beograd	Fully consolidated	Serbia	100%	100%
DDM Debt Romania S.R.L	Fully consolidated	Romania	100%	100%
DDM REO Adria d.o.o.	Fully consolidated	Croatia	100%	100%
Finalp Zrt.	Fully consolidated	Hungary	100%	100%
AxFina Holding S.A	Fully consolidated	Luxembourg	75.2%	75.2%
AxFina Hungary Zrt.	Fully consolidated	Hungary	75.5%	75.5%
AxFina Servicing Kft.	Fully consolidated	Hungary	75.5%	75.5%
Lombard Ingatlan Zrt.	Fully consolidated	Hungary	75.5%	75.5%
AxFina Romania S.R.L	Fully consolidated	Romania	75.2%	75.2%
AxFina Austria GmbH	Fully consolidated	Austria	75.2%	75.2%
AxFina Croatia d.o.o.	Fully consolidated	Croatia	75.2%	75.2%
AxFina d.o.o.	Fully consolidated	Slovenia	75.2%	75.2%
AxFina Polska S.A. (previously Raport S.A.)	Fully consolidated	Poland	75.2%	75.2%
E-Kancelaria Grupa Prawno-Finansowa sp. z o.o.	Fully consolidated	Poland	75.2%	75.2%
Dial Tone sp. z o.o.	Fully consolidated	Poland	75.2%	75.2%
E-Kancelaria Rosiński i Wspólnicy Kancelaria Prawna sp. k.	Fully consolidated	Poland	75.1%	75.1%

The liquidation of DDM Mergeco AG in liquidation was completed in Q3 2024.

#### Joint ventures

The Company applies IFRS 11 Joint Arrangements, where the DDM Debt Group, together with one or several parties have joint control over an arrangement in accordance with a shareholder agreement. The DDM Debt Group's joint arrangement with B2 Impact where each party holds 50% of the share capital and voting rights of CE Partner S.à r.l. and CE Holding Invest S.C.S (the "Joint Venture") is classified as a joint venture, as the DDM Debt Group is entitled to 50% of the net assets of the Joint Venture rather than having a direct entitlement to assets and responsibility for liabilities. The equity method is applied when accounting for the joint venture. Under the equity method of accounting the investment is recognized at cost and subsequently adjusted to the DDM Debt Group's 50% share of the change in the net assets of the Joint Venture since the acquisition date.

The consolidated income statement includes the DDM Debt Group's share of earnings, and this is reported under Share of net profits / (losses) of joint venture. Dividends received from the joint venture are not recognized in the income statement and instead reduce the carrying value of the investment. The equity method is applied from the date joint control arises until the time it ceases, or if the joint venture becomes a subsidiary. Upon loss of joint control over the joint venture, and as such the equity method ceases, the Company measures and recognizes any difference between the carrying amount of the investment in the joint venture with the fair value of the remaining investment and/or proceeds from disposal which is recognized as gain or loss directly in the income statement. The financial statements of the Joint Venture are prepared for the same reporting period as the Company.

Joint Ventures	Consolidation method	Domicile	30 September 2024	31 December 2023
CE Partner S.à r.l.	Equity method	Luxembourg	50%	50%
CE Holding Invest S.C.S	Equity method	Luxembourg	50%	50%

#### Associates

Associates are all entities over which DDM Debt has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Interests in associates are accounted for using the equity method. The carrying amount (including goodwill) of equity accounted investments is tested annually for impairment.

#### *Financial assets at fair value*

Equity-traded instruments and other investments that do not meet the criteria under IFRS 9 of cash flows consisting solely of payments of principle and interest (SPPI) and Hold to collect for being measured at amortised cost nor elected at FVTOCI are measured at fair value through profit or loss (FVTPL).

Financial assets held at FVTPL are initially recognised and subsequently measured at fair value at the end of each reporting period, with any fair value gains or losses recognised through financial income or expenses respectively in the consolidated income statement. Any interest earned on the financial assets is included within interest income, and dividends received are included in dividend income from invested assets.

#### *Post-employment benefit commitment*

The post-employment benefit commitment is calculated on an annual basis. This relates to the employees that were transferred to DDM Invest III AG in November 2023. From 2024 one quarter of the estimated annual post-employment benefit commitment is recorded in the consolidated interim financial statements of DDM Debt AB per quarter, with an adjustment in the fourth quarter for the final actuarial valuation.

### **Note 3. Currency translation**

All entities prepare their financial statements in their functional currency. At 30 September 2024 all fully consolidated group entities have EUR as their functional currency, except for DDM Debt Management d.o.o Beograd, which has Serbian Dinar (RSD) as its functional currency, DDM Debt Romania S.R.L and AxFina Romania S.R.L which have Romanian leu (RON) as their functional currency, AxFina Polska S.A. (previously Raport S.A.), E-Kancelaria Grupa Prawno-Finansowa sp. z o.o., Dial Tone sp. z o.o. and E-Kancelaria Rosiński i Wspólnicy Kancelaria Prawna sp. k. which have Polish Zloty (PLN) as their functional currency and Finalp Zrt., AxFina Hungary Zrt., AxFina Servicing kft. and Lombard Ingtatlan Zrt. which have Hungarian Forint (HUF) as their functional currency.

### **Note 4. Deferred taxes**

Income tax expense reported for the business year includes the income tax expense of consolidated subsidiaries (calculated from their taxable income with the tax rate applicable in the relevant country). Income tax expense also includes deferred taxes, which have been recognized on the temporary differences arising from the invested assets (difference between the reported book values for tax and accounting purposes). Deferred income tax assets on temporary differences and tax losses carried forward are reported to the extent that it is probable that future profit will be available, against which the temporary differences can be utilized.

The amount of deferred tax assets is reduced when they are utilized or when it is no longer deemed likely that they will be utilized. The Company does not have group taxation, hence each legal entity is taxed separately. Under Swiss law, net operating losses can be carried forward for a period of up to seven years.

### **Note 5. Revenue on invested assets**

Revenue on invested assets is the net amount of the cash collections (net of direct collection costs), amortization, revaluation and impairment of invested assets. Revenue from management fees related to revenue received from third parties where the DDM Debt Group managed the operations of these assets but did not own 100% of the portfolio.

Gross collections are comprised of cash collections from the distressed asset portfolios held by the DDM Debt Group, before commission and fees to third parties. The gross amount of cash collected is recorded as "Gross collections" within the line "Interest income on invested assets" in the consolidated income statement. The DDM Debt Group discloses the alternative performance measure "Gross collections" in the notes separately, as it is a common measure to monitor the performance of portfolios in the debt purchasing industry.

Net collections is comprised of gross collections from the distressed asset portfolios held by the DDM Debt Group, minus commission and fees to third parties. The net amount of cash collected is recorded as "Net collections" within the line "Interest income on invested assets" in the consolidated income statement. The DDM Debt Group discloses the alternative performance measure "Net collections" in the notes separately, as it is an important measurement for the DDM Debt Group to monitor the performance of the portfolios and measure the cash available for operating expenses and to service its debt. The DDM Debt Group believes that disclosing net collections as a separate performance measure in the notes improves the transparency and understanding of the DDM Debt Group's financial statements and performance, meeting the expectations of its investors.

EUR'000s	1 Jul–30 Sep 2024	1 Jul–30 Sep 2023	1 Jan–30 Sep 2024	1 Jan–30 Sep 2023	Full Year 2023
<b>Gross collections</b>	<b>12,261</b>	<b>5,157</b>	<b>31,273</b>	<b>26,989</b>	<b>38,713</b>
Collection and commission expenses	(3,120)	(1,096)	(5,755)	(3,621)	(5,293)
<b>Net collections</b>	<b>9,141</b>	<b>4,061</b>	<b>25,518</b>	<b>23,368</b>	<b>33,420</b>
Interest income	1,034	569	2,866	1,616	2,323
Amortization of invested assets	(5,342)	(1,292)	(9,831)	(12,084)	(19,686)
<b>Interest income on invested assets before revaluation and impairment</b>	<b>4,833</b>	<b>3,338</b>	<b>18,553</b>	<b>12,900</b>	<b>16,057</b>
Dividend income from invested assets	–	–	1,689	2,302	2,302
Revaluation of invested assets	1,639	(1,341)	2,272	440	931
Impairment of invested assets	(692)	–	(692)	–	–
<b>Revenue on invested assets</b>	<b>5,780</b>	<b>1,997</b>	<b>21,822</b>	<b>15,642</b>	<b>19,290</b>
Share of net (losses) / profits of associate and joint venture	(609)	996	(2,213)	509	3,833
Revenue from mgt fees and other services	472	451	1,928	727	1,071

The chief operating decision maker of DDM reviews the financial outcome as a whole. Analysis is performed on a portfolio-by-portfolio basis, but the chief operating decision maker reviews the outcome of the group as a whole. Each portfolio is not considered to be an identifiable segment and the Group reports segment on an entity basis, i.e. one operating segment.

#### *Interest income*

Interest income from Omnio to the DDM Debt Group for the third quarter and first nine months of 2024 amounted to EUR 0.9m and EUR 2.7m respectively (Q3 2023: EUR 0.6m, 9M 2023: EUR 1.6m), which has been recognized in interest income.

#### *Share of net profits / (losses) of associate and joint venture*

The results for Q3 and 9M 2024 include EUR 0.4m and EUR 1.1m (Q3 and 9M 2023: EUR 1.3m and EUR 2.7m) from share of net profits of joint venture accounted for using the equity method in accordance with IFRS.

The results for Q3 and 9M 2024 include EUR 1.0m and EUR 3.3m (Q3 and 9M 2023: EUR 0.3m and EUR 2.2m) from share of net losses of associates accounted for using the equity method in accordance with IFRS.

#### *Revenue from management fees and other services*

Revenue from management fees and other services relate to revenue received from co-investors where the DDM Debt Group managed the operations of the assets but did not own 100% of the portfolio and service revenues from third parties.

#### *Acquisition of AxFina*

The DDM Debt Group acquired 50.16% of AxFina in July 2022, and 25.05% of AxFina in April 2023. The acquired business contributed net collections of EUR 4.7m and service fees of EUR 1.9m to the DDM Debt group for 9M 2024 (9M 2023 net collections EUR 4.2m and service fees of EUR 0.7m).

## **Note 6. Tangible assets**

Tangible assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset as appropriate only when it is probable that future economic benefits associated with the item will flow to the DDM Debt Group and the cost can be measured reliably. Repairs and maintenance costs are charged to the income statement during the period in which they are incurred.

The major categories of tangible assets are depreciated on a straight-line basis as follows:

Furniture	5 years
Computer hardware	5 years

The DDM Debt Group distributes the amount initially recognized for a tangible asset between its significant components and depreciates each component separately. The carrying amount of a replaced component is derecognized when replaced. The residual value method of amortization and the useful lives of the assets are reviewed annually and adjusted if appropriate. Impairment and gains and losses on disposals of tangible assets are included in other operating expenses.

## **Note 7. Intangible assets**

### (i) Identifiable intangible assets

The Company's identifiable intangible assets are stated at cost less accumulated amortization and include computer software that have finite useful lives and customer relationships. The assets are capitalized and amortized on a straight-line basis in the income statement over their expected useful lives of 5 years.



(ii) Goodwill

On the date of acquisition the assets and liabilities of acquired subsidiaries or businesses are valued at fair value and in accordance with uniform group policies. The excess of the acquisition price over the revalued net assets of the acquired company or the acquired parts of the business is recognized as goodwill in the balance sheet. Goodwill is tested annually for impairment or at any time if an indication of impairment exists.

(iii) Customer-related servicing contracts

Intangible assets also include customer-related servicing contracts which the Company may directly acquire or with the acquisition of servicing entities. These are accounted for in line with IFRS 3 and IAS 38. Contracts that satisfy the contractual-legal criterion are valued by applying the Comparative Income Differential Method (CIDM). The fair value of these intangible assets is assessed based on i) profit margin, ii) remaining duration of the contracts and iii) the possibility of renewal, amendment or cancellation of contracts. The intangible asset is amortized based on the assumed cash flow profile of the servicing contract.

## Note 8. Distressed asset portfolios

The DDM Debt Group invests in distressed asset portfolios, where the receivables are directly against the debtor. The recognition of the acquisition of distressed asset portfolios is based on the DDM Debt Group's own forecast of future cash flows from acquired portfolios. Distressed asset portfolios consist mainly of portfolios of non-performing debts purchased at prices significantly below their principal value. Such assets are classified as non-current assets. Reporting follows the effective interest method, where the carrying value of each portfolio corresponds to the present value of all projected future cash flows discounted by an initial effective interest rate determined on the date the portfolio was acquired, based on the relation between purchase price and the projected future cash flows on the acquisition date. Changes in the carrying value of the portfolios are reported as amortization, revaluation and impairment for the period.

If the fair value of the investment at the acquisition date exceeds the purchase price, the difference results in a "gain on bargain purchase" in the income statement within the line "interest income on invested assets". The gain on bargain purchase relates to the fair value measurement of the investment (purchase price allocation).

The acquisition method of accounting is used to account for all business combinations, the excess of the consideration transferred for the acquisition over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognized directly in profit or loss as a bargain purchase within the line "other operating income".

Distressed asset portfolios are reported at amortized cost using the effective interest method. The initial effective interest rate is calculated for each portfolio based on its purchase price including transaction costs and estimated cash flows that, based on a probability assessment, are expected to be received from the debtors of the corresponding portfolio net of collection costs. Current cash flow projections are monitored over the course of the year and updated based on, among other things, achieved collection results and macroeconomic information. These scenarios are probability weighted according to their likely occurrence. The scenarios include a central scenario, based on the current economic environment, and upside and downside scenarios. The estimation and application of this forward-looking information requires significant judgement and is subject to appropriate internal governance and scrutiny. If the cash flow projections are revised, the carrying amount is adjusted to reflect actual and revised estimated cash flows. The DDM Debt Group recalculates the carrying amount by computing the present value of estimated future cash flows using the original effective interest rate. Changes in cash flow forecasts are treated symmetrically i.e. both increases and decreases in forecast cash flows affect the portfolios' book value and as a result "Revenue on invested assets". If there is objective evidence that one or more events have taken place that will have a positive impact on the timing or amount of future cash flows, or a negative impact on the timing of future cash flows then this is recorded within the line "Revaluation of invested assets".

The DDM Debt Group assesses at each reporting date whether there is objective evidence that a portfolio is impaired. A portfolio is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the portfolio that can be reliably estimated. This is recorded within the line "Impairment of invested assets".

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the reversal of the previously recognized impairment loss is recognized in the consolidated income statement (within the line "Impairment of invested assets").

If the DDM Debt Group sells a portfolio for a higher or lower amount than its carrying value, the resulting gain or loss on disposal is recognized in the consolidated income statement within the line "Interest income on invested assets".

The carrying values of distressed asset portfolios owned by the DDM Debt Group are distributed by currency as follows:

EUR '000s	30 September	31 December
	2024	2023
EUR	41,168	44,173
RON	12,664	14,171
PLN	11,561	13,546
HUF	2,311	4,448
RSD	1,515	1,419
CZK	118	141
<b>Total</b>	<b>69,337</b>	<b>77,898</b>

The DDM Debt Group considers there to be no material differences between the financial asset values in the consolidated balance sheet and their fair value.

#### Note 9. Investment in joint venture

On 31 May 2019, the DDM Debt Group acquired a distressed asset portfolio containing secured corporate receivables in Croatia through a 50/50 joint venture with B2 Impact. As part of the co-investment structure with B2 Impact, the DDM Debt Group became 50% owner of the share capital and voting rights of CE Partner S.à r.l. and CE Holding Invest S.C.S. (the "Joint Venture") registered in Luxembourg.

The investment is accounted for using the equity method in accordance with IFRS 11 Joint Arrangements and has changed as follows during the period:

Investment in joint venture EUR '000s	30 September 2024	31 December 2023
Balance at beginning of the period	18,183	21,546
Additions	–	–
Share of net profits of joint venture	1,111	7,319
Incremental net distribution from the joint venture	(2,458)	(10,682)
<b>Balance at end of the period</b>	<b>16,836</b>	<b>18,183</b>

Cash distributions of EUR 0.8m and EUR 3.4m (Q3 2023: EUR 4.2m, 9M 2023: EUR 6.4m) have been received from the joint venture during Q3 and 9M 2024 respectively.

#### Note 10. Interest in associates

On 13 February 2023, the DDM Debt Group received the conversion notice from OmniOne S.A. in respect of the conversion of the DDM Debt Group's outstanding bond in OmniOne, equal to EUR 17,334,464, in exchange for 685,426 shares in OmniOne. New shares were issued and registered on 26 January 2023. On 24 February 2023 OmniOne successfully concluded a capital increase of EUR 9m at a pre-money valuation of EUR 60m. The DDM Debt Group contributed EUR 4m in exchange for 151,573 new shares. On the same date, as a further contribution to the stabilization and success of OmniOne S.A., the DDM Debt Group subscribed for 473,949 new shares, converting the majority of its existing investment in Omnione S.A. into equity. In total EUR 33.3m of convertible bonds and existing investments were converted into shares of Omnione S.A. in Q1 2023, resulting in a reclassification of EUR 33.3m from financial assets at fair value to investment in associates.

In Q1 2024 DDM Debt entered into a share transfer agreement with Rothesay (Jersey) Limited, where DDM Debt acquired 18,000,000 shares in Sivers Semiconductors AB ("Sivers") for SEK 6.00 per share, for a total consideration of SEK 108m (EUR 9.6m), of which EUR 2.9m was recognized in accounts payable at 30 September 2024. The investment was classified in financial assets at fair value at 31 March 2024. Following receipt of regulatory approval, in Q2 2024 DDM Debt acquired a further 9,719,006 shares in Sivers from Rothesay (Jersey) Limited for SEK 6.00 per share for a total consideration of SEK 58.3m (EUR 5.0m), and the investment was reclassified to interest in associates, as the DDM Debt Group has determined that it has significant influence over Sivers as of the date of the second acquisition of shares. In Q3 2024 the DDM Debt Group acquired 100,000 shares in Sivers on the open market for a price of SEK 5.63 per share for a total consideration of SEK 0.6m (EUR 0.05m).

The investments are accounted for using the equity method in accordance with IAS 28 Associates and have changed as follows during the period:

<b>Interest in associates EUR '000s</b>	<b>30 September 2024</b>	<b>31 December 2023</b>
Balance at beginning of the period	29,834	–
Additions	50	–
Reclassification from financial assets at fair value	15,228	33,320
Share of net losses in the income statement	(3,323)	(3,486)
Share of other comprehensive loss of associates accounted for using the equity method	(383)	–
<b>Balance at end of the period</b>	<b>41,406</b>	<b>29,834</b>

#### Note 11. Financial assets at fair value

Equity-traded instruments and other investments that do not meet the criteria under IFRS 9 of cash flows consisting solely of payments of principle and interest (SPPI) and Hold to collect for being measured at amortised cost nor elected at FVTOCI are measured at fair value through profit or loss (FVTPL).

Financial assets held at FVTPL are initially recognised and subsequently measured at fair value at the end of each reporting period, with any fair value gains or losses recognised through financial income or expenses respectively in the consolidated income statement. Dividends are included within dividend income from invested assets and interest earned on the financial assets is included within interest income on invested assets.

On 1 February 2024 the DDM Debt Group (“DDM”) sold all of its remaining shareholding in Addiko Bank AG (“Addiko”), of approximately 1.34 million shares or approximately 6.87% of all shares in Addiko, to Alta Pay Group d.o.o. (“Alta”), a Serbian bank, for EUR 14.70 per share (the “Shares”). The Serbian company Diplomat Pay d.o.o. (“Diplomat”) paid the entire purchase price on behalf of Alta to DDM. Pending closing of the transaction, for regulatory purposes the Shares were deposited with a Swiss lawyer in Zurich acting as escrow agent. Under the SPA closing must have taken place no later than 31 July 2024. If closing did not take place by 31 July then the Shares should be transferred back to DDM. Subsequent to the sale but prior to closing taking place Alta concluded several share purchase agreements for the acquisition of a total interest in Addiko of 36.46%. Acquisition of such interest requires Alta to obtain regulatory approvals from ultimately the ECB under banking regulation and an FDI approval from the Austrian government. The former is triggered by an interest of 10%, the latter by an interest of 25%. Under Austrian FDI legislation DDM and Alta, as well as the escrow agent are prohibited from closing the sale of the Shares, because approval under Austrian FDI regulation is a statutory condition precedent to the share transfer. Despite this prohibition, which is criminally sanctioned, and against DDM’s instructions, the escrow agent transferred the Shares to Alta on 22 July 2024. DDM initiated legal proceedings in Vienna against Alta demanding the return of the Shares. The first hearing of the case was held on 27 September 2024. Currently the Board is of the view that the case will result in a positive outcome for the DDM Debt Group. The Austrian banking regulator has informed Alta that the ECB will not grant Alta approval to own 10% or more of the shares in Addiko. Furthermore, the ECB has made public on 13 August that Alta and Diplomat are acting in concert and that by operation of law Alta and Diplomat are not entitled to vote for the shares. The ECB also filed a request to the Commercial Court Vienna to appoint a trustee for the shares held by Alta and Diplomat. Following a request from the Austrian banking regulator in June, DDM has been working closely with the regulator. The Slovenian bank NLB launched a tender offer for all shares in Addiko at a price of EUR 20 per share (later increased to EUR 22 per share) subject to 75% acceptance by shareholders. The bid unsuccessfully expired on 16 August. DDM has reserved its right to damages from the Swiss lawyer acting as escrow agent.

In the first nine months of 2024 EUR 4.5m was invested in Omnio and interest of EUR 1.9m was capitalised, resulting in an outstanding balance of EUR 25.0m at 30 September 2024 in financial assets at fair value relating to the investment in Omnio.

In Q3 and the first nine months of 2024 the DDM Debt Group also made net investments and disposals of approximately EUR 4m and EUR 31m respectively in businesses primarily located in Sweden. These investments are classified as financial assets at fair value. The investment in Sivers Semiconductors AB was reclassified from financial assets at fair value to interest in associates in Q2 2024 following receipt of regulatory approval to acquire a further 9,719,006 shares in Sivers.

<b>Financial assets at fair value EUR '000s</b>	<b>30 September 2024</b>	<b>31 December 2023</b>
Balance at beginning of the period	53,198	68,743
Additions	40,768	18,465
Disposals	(5,128)	(4,080)
Fair value gains / (losses)	2,325	1,521
Capitalized interest	1,883	2,059
Reclassification to investment in associates	(15,228)	(33,320)
Reclassification to other receivables	(6,020)	–
Foreign exchange differences	(348)	(190)
<b>Balance at end of the period</b>	<b>71,450</b>	<b>53,198</b>

## Note 12. Loans and borrowings

The Group had the following borrowings outstanding during the periods ending 30 September 2024 and/or 31 December 2023:

### Bond loan EUR 200m

On 19 April 2021, DDM Debt issued EUR 150m of senior secured fixed rate bonds at 9% within a total framework amount of EUR 300m. The bonds with ISIN number SE0015797683 have a final maturity date of 19 April 2026 and are listed on the Corporate Bond list at Nasdaq Stockholm. The proceeds from the new bond issue were mainly employed towards refinancing the existing EUR 100m and EUR 33.5m bonds (of which EUR 23m of the EUR 100m bonds were already held by DDM Debt) and for investments and acquisitions.

On 21 September 2021, DDM Debt successfully completed a EUR 50M tap issue under the EUR 300M senior secured bond framework. The bond tap issue was placed at a price of 102.0%. Following the tap issue the total outstanding nominal amount of the company's bond loan is EUR 200 million. EUR 31.8m of own bonds are held in total, following the repurchase of EUR 20.2m of senior secured bonds at a discount in 2023.

DDM Debt's financial instruments contain a number of financial covenants, including limits on certain financial indicators. The financial covenants according to the terms and conditions of the senior secured bonds are: an equity ratio of at least 20.00% and net interest bearing debt to ERC below 75.00%. The financial covenants must be complied with on an incurrence test basis. DDM's management carefully monitors these key financial indicators. At 30 September 2024 and at 31 December 2023 the equity ratio was 15.5% and 18.1% respectively, and therefore the incurrence test covenant under the senior secured bonds was not met. Therefore, whilst the incurrence test covenant is not met the DDM Debt Group cannot incur new Financial Indebtedness, make Restricted Payments or make any Financial Institution Investments other than in Existing Financial Institution Investments, according to the terms and conditions, however it can operate its business as usual without any other restrictions.

DDM Debt has pledged the shares in its material wholly-owned subsidiaries as security under the terms and conditions. DDM Finance AB is a guarantor of the bonds. In addition, the investors receive a first ranking share pledge over the shares of DDM Debt. The terms and conditions of DDM Debt's senior secured bonds contain a number of restrictions, including relating to distributions, the nature of the business, financial indebtedness, disposals of assets, dealings with related parties, negative pledges, new market loans, mergers and demergers and local credits. The terms and conditions of the senior secured bonds are available in their entirety on our website.

### Bond loan AxFina Polska

The bond loan of EUR 3,695k is a non interest-bearing loan which was taken on as part of the acquisition of AxFina, which in its turn took over the financial liability when acquiring its Polish subsidiary, AxFina Polska S.A. (previously called Raport S.A.). The bond loan is measured at amortized cost using the effective interest method. Since the bond as per the restructuring agreement does not have an interest component a reference interest rate was applied.

### Bond loan E-Kancelaria

The bond loan of EUR 3,272k is an interest-bearing loan which AxFina took over when acquiring its Polish subsidiary, E-Kancelaria in November 2023. The bond loan is priced at three-month WIBOR plus a margin of 950 basis points.

### Borrowings E-Kancelaria

The short-term borrowings of EUR 318k were taken over when AxFina acquired its Polish subsidiary, E-Kancelaria in November 2023. The borrowings have an average interest rate of 9%.

### RCF EUR 4.5m

On 8 February 2023, DDM Debt agreed a super senior revolving credit facility of EUR 4.5M with a Swedish bank. The revolving credit facility is available to finance investments and for general corporate purposes. The facility is available until 30 June 2025 and priced at Euribor plus a margin of 375 basis points.

### Maturity profile and carrying value of borrowings:

Group EUR '000s	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 4 years	Between 4 and 5 years	Beyond 5 years	Total
<b>at 30 September 2024</b>							
Bond loan, 9%	–	166,220	–	–	–	–	<b>166,220</b>
Bonds, AxFina Polska	703	619	576	538	472	787	<b>3,695</b>
Bonds, E-Kancelaria	935	935	1,402	–	–	–	<b>3,272</b>
Borrowings, E-Kancelaria	318	–	–	–	–	–	<b>318</b>
RCF	4,468	–	–	–	–	–	<b>4,468</b>
<b>Total</b>	<b>6,424</b>	<b>167,774</b>	<b>1,978</b>	<b>538</b>	<b>472</b>	<b>787</b>	<b>177,973</b>
<b>at 31 December 2023</b>							
Bond loan, 9%	–	–	165,339	–	–	–	<b>165,339</b>
Bonds, AxFina Polska	671	602	545	555	502	781	<b>3,656</b>
Bonds, E-Kancelaria	–	922	922	1,382	–	–	<b>3,226</b>
Borrowings, E-Kancelaria	982	119	–	–	–	–	<b>1,101</b>
RCF	–	4,430	–	–	–	–	<b>4,430</b>
<b>Total</b>	<b>1,653</b>	<b>6,073</b>	<b>166,806</b>	<b>1,937</b>	<b>502</b>	<b>781</b>	<b>177,752</b>

Note: Bond loans are initially reported at fair value net of transaction costs incurred and subsequently stated at amortized cost using the effective interest method.

Fair value of borrowings:

Group EUR '000s	IFRS 9 category	Fair value category	Fair value	Carrying value
<b>at 30 September 2024</b>				
Bond loan, 9%	Financial liabilities at amortized cost	Level 2	116,899	166,220
Bonds, AxFina Polska	Financial liabilities at amortized cost	Level 3	5,616	3,695
Bonds, E-Kancelaria	Financial liabilities at amortized cost	Level 3	3,272	3,272
Borrowings, E-Kancelaria	Financial liabilities at amortized cost	Level 3	318	318
RCF	Financial liabilities at amortized cost	Level 2	4,500	4,468
<b>Total</b>			<b>130,605</b>	<b>177,973</b>
<b>at 31 December 2023</b>				
Bond loan, 9%	Financial liabilities at amortized cost	Level 2	116,899	165,339
Bonds, AxFina Polska	Financial liabilities at amortized cost	Level 3	5,945	3,656
Bonds, E-Kancelaria	Financial liabilities at amortized cost	Level 3	3,226	3,226
Borrowings, E-Kancelaria	Financial liabilities at amortized cost	Level 3	1,101	1,101
RCF	Financial liabilities at amortized cost	Level 2	4,500	4,430
<b>Total</b>			<b>131,671</b>	<b>177,752</b>

The levels in the hierarchy are:

- Level 1 – Quoted prices on active markets for identical assets or liabilities.
- Level 2 – Inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly (such as prices) or indirectly (such as derived from prices). The fair value of the bond loans is calculated based on the bid price for a trade occurring close to the balance sheet date.
- Level 3 – Inputs for the asset or liability that are not based on observable market data (that is unobservable inputs).

#### Note 13. Participations in Group companies

Parent Company EUR '000s	30 September 2024	31 December 2023
Investment	30,531	30,531
<b>Total</b>	<b>30,531</b>	<b>30,531</b>

Parent Company EUR '000s	Investment
At 31 December 2023	30,531
Acquisitions	–
At 30 September 2024	30,531

The Parent Company holds shares in the following subsidiaries:

EUR '000s Company	Corporate identity number	Domicile	Proportion of equity 30 September 2024	Proportion of equity 31 December 2023	Net book value 30 September 2024	Net book value 31 December 2023
DDM Invest III AG	CHE 115.238.947	Switzerland	100%	100%	9,364	9,364
DDM Mergeco AG in liquidation*	CHE 353.292.452	Switzerland	n/a	100%	–	–
DDM Invest V d.o.o.*	8297355000	Slovenia	100%	100%	–	–
DDM Invest VII d.o.o.	7109806000	Slovenia	100%	100%	8	8
DDM Debt Management d.o.o Beograd**	21313963	Serbia	100%	100%	–	–
DDM Debt Romania S.R.L	39689815	Romania	100%	100%	106	106
DDM REO Adria d.o.o.* ***	05288215	Croatia	100%	100%	–	–
Finalp Zrt.*	06-10-000554	Hungary	100%	100%	–	–
AxFina Holding S.A	B239375	Luxembourg	75.2%	75.2%	21,053	21,053
AxFina Romania S.R.L***	44897030	Romania	75.2%	75.2%	–	–
AxFina Austria GmbH***	FN513105t	Austria	75.2%	75.2%	–	–
AxFina Croatia d.o.o.***	81136498	Croatia	75.2%	75.2%	–	–
AxFina Hungary Zrt***	06-10-000062	Hungary	75.5%	75.5%	–	–
Lombard Ingatlan Zrt***	06-10-000319	Hungary	75.5%	75.5%	–	–
AxFina Servicing Kft***	06-09-004809	Hungary	75.5%	75.5%	–	–
AxFina d.o.o.***	8458367000	Slovenia	75.2%	75.2%	–	–
AxFina Polska S.A.*** (previously Raport S.A.)	192029	Poland	75.2%	75.2%	–	–
E-Kancelaria Grupa Prawno- Finansowa sp. z o.o.***	646101	Poland	75.2%	75.2%	–	–
Dial Tone sp. z o.o.**	397334	Poland	75.2%	75.2%	–	–
E-Kancelaria Rosiński i Wspólnicy Kancelaria Prawna sp. k.***	1007519	Poland	75.1%	75.1%	–	–
<b>Total</b>					<b>30,531</b>	<b>30,531</b>

\* DDM Mergeco AG in liquidation, DDM Invest V d.o.o., DDM REO Adria d.o.o. and Finalp Zrt. are subsidiaries 100% indirectly held through DDM Invest III AG. DDM Mergeco AG was liquidated in Q3 2024.

\*\* The net book value of the investments in DDM Debt Management d.o.o Beograd and DDM REO Adria d.o.o. amount to EUR 1 each as of 30 September 2024 and 31 December 2023.

\*\*\* AxFina Romania S.R.L, AxFina Austria GmbH, AxFina Croatia d.o.o., AxFina d.o.o., AxFina Polska S.A. (previously called Raport S.A.), E-Kancelaria Grupa Prawno-Finansowa sp. z o.o., Dial Tone sp. z o.o., E-Kancelaria Rosiński i Wspólnicy Kancelaria Prawna sp. k., AxFina Hungary Zrt, Lombard Ingatlan Zrt and AxFina Servicing Kft are subsidiaries indirectly held through AxFina Holding S.A.

#### Note 14. Related parties

In the first nine months of 2024 EUR 4.5m was invested in Omnio and interest of EUR 1.9m was capitalised, resulting in an outstanding balance of EUR 25.0m at 30 September 2024 in financial assets at fair value relating to the investment in Omnio. Interest income from Omnio to DDM amounted to EUR 2.7m (9M 2023: EUR 1.6m) which has been recognized in interest income during the first nine months of 2024.

In December 2022 the DDM Debt Group entered into an agreement with Zalent Co. Limited in connection with a secured shares loan agreement of 400,000 ordinary shares of Addiko Bank AG. The shares were lent at an interest rate of 15% on the EUR equivalent value of the shares at the closing price on 6 December 2022 of EUR 11.45. Interest income from Zalent to the DDM Debt Group amounted to EUR 0.5m (9M 2023: EUR 0.5m) which has been recognized in financial income in the first nine months of 2024.

In Q1 2024 DDM Debt entered into a share transfer agreement with Rothesay (Jersey) Limited, a company related to Erik Fällström, where DDM Debt acquired 18,000,000 shares in Sivers Semiconductors AB for SEK 6.00 per share, for a total consideration of SEK 108m (EUR 9.6m), of which EUR 2.9m was recognized in accounts payable at 30 September 2024. Following receipt of regulatory approval, in Q2 2024 DDM Debt acquired a further 9,719,006 shares in Sivers Semiconductors AB from Rothesay (Jersey) Limited for SEK 6.00 per share for a total consideration of SEK 58.3m (EUR 5.0m).

#### **Note 15. Subsequent events**

Following Sivers' announcement in August that Sivers had entered into a non-binding letter of intent to merge its Photonics AI subsidiary with byNordic, a publicly-traded special purpose acquisition company, on 11 November Sivers announced that it had decided to pause discussions with byNordic regarding the proposed merger.

On 29 November 2024 DDM Debt AB announced that it had successfully issued super senior secured fixed rate bonds (the "Bonds") of EUR 25 million. The Bonds have a final maturity date of 30 March 2027 and carry a fixed rate coupon of 9.50 per cent per annum. The Bonds are permitted under the current senior secured bond framework (ISIN: SE0015797683) (the "Existing Bonds"), and the proceeds will mainly be used to finance the acquisition of Existing Bonds by way of a reverse Dutch auction, and to repay the current Revolving Credit Facility of EUR 4.5m with a Swedish bank. The remaining proceeds will be used for transaction costs and for general corporate purposes.

# Signatures

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The Board of Directors and Chief Executive Officer declare that the interim report 1 January – 30 September 2024 provides a fair overview of the Parent Company's and the Group's operations, their financial positions and result. The material risks and uncertainties facing the Parent Company and the Group are described in the 2023 Annual report.

This report has not been reviewed by the Company's auditors.

Stockholm, 29 November 2024

Jörgen Durban  
Chairman of the board

Erik Fällström  
Board member and CEO

Keith Halsey  
Board member



# Definitions

## **DDM**

DDM Debt AB (publ) and its subsidiaries.

## **Amortization of invested assets**

The carrying value of invested assets are amortized over time according to the effective interest rate method.

## **Cash EBITDA**

Net collections and revenue from management fees & other services, less operating expenses.

## **EBITDA**

Earnings before interest, taxes, depreciation of fixed assets and amortization of intangible assets as well as amortization, revaluation and impairment of invested assets.

## **Estimated Remaining Collections / ERC**

ERC means the sum of future, undiscounted projected cash collections before commission and fees from acquired portfolios and future reasonably expected dividends, distributions or other payments from investments, in each case for the next following 120 months, either directly or as a result of any rights to collect or any rights to participate in amounts generated from portfolios or investments.

This includes the Group's share of proceeds on all portfolios purchased or other investments made, however adjusted for any profit-sharing arrangements entered into by any member of the Group and where available the market value of any portfolio acquired or investment made.

ERC is not a balance sheet item, however it is provided for informational purposes as a common measure in the debt purchasing industry. ERC may be calculated differently by other companies and may not be comparable.

## **Equity**

Shareholders' equity at the end of the period.

## **Impairment of invested assets**

Invested assets are reviewed at each reporting date and impaired if there is objective evidence that one or more events have taken place that will have a negative impact on the amount of future cash flows.

## **Invested assets**

DDM's invested assets consist of purchases of distressed asset portfolios, other long-term receivables from investments, investments in joint ventures and associates and financial assets at fair value.

## **Net collections**

Gross collections from Portfolios held by the Group less commission and collection fees to third parties (but if such Portfolios are partly owned, only taking into consideration such Group Company's pro rata share of the gross collections and commission and fees).

## **Net debt**

Long-term and short-term interest-bearing third party loans, interest-bearing intercompany loans (excluding subordinated debt) and liabilities to credit institutions (bank overdrafts) less cash and cash equivalents.

## **Non-recurring items**

One-time costs not affecting the Company's run rate cost level.

## **Operating expenses**

Personnel, consulting and other operating expenses.

## **Revaluation of invested assets**

Invested assets are reviewed at each reporting date and revalued if there is objective evidence that one or more events have taken place that will have a positive impact on the timing or amount of future cash flows, or a negative impact on the timing of future cash flows.

## Reconciliation tables, non-IFRS measures

This section includes a reconciliation of certain non-IFRS financial measures to the most directly reconcilable line items in the financial statements. The presentation of non-IFRS financial measures has limitations as analytical tools and should not be considered in isolation or as a substitute for our related financial measures prepared in accordance with IFRS.

Non-IFRS financial measures are presented to enhance an investor's evaluation of ongoing operating results, to aid in forecasting future periods and to facilitate meaningful comparison of results between periods. Management uses these non-IFRS financial measures to, among other things, evaluate ongoing operations in relation to historical results and for internal planning and forecasting purposes.

The non-IFRS financial measures presented in this report may differ from similarly-titled measures used by other companies.

### Net collections:

Net collections is comprised of gross collections from the invested assets held and/or sold by the DDM Debt Group, minus commission and fees to third parties. The net amount of cash collected is recorded as "Net collections" within the line "Interest income on invested assets" in the consolidated income statement. The DDM Debt Group discloses the alternative performance measure "Net collections" in the notes separately, as it is an important measurement for the DDM Debt Group to monitor the performance of the portfolios and measure the cash available for operating expenses and to service its debt. The DDM Debt Group believes that disclosing net collections as a separate performance measure in the notes improves the transparency and understanding of the DDM Debt Group's financial statements and performance, meeting the expectations of its investors.

### Amortization, revaluation and impairment of invested assets:

The recognition of the acquisition of invested assets is based on the DDM Debt Group's own forecast of future cash flows from acquired portfolios. Reporting follows the effective interest method, where the carrying value of each portfolio corresponds to the present value of all projected future cash flows discounted by an initial effective interest rate determined at the time the portfolio was purchased, based on the relation between cost and the projected future cash flows on the acquisition date. Changes in the carrying value of the portfolios are reported as amortization, revaluation and impairment for the period.

### Operating expenses and Cash EBITDA:

Amounts in EUR '000s (unless specified otherwise)	1 Jul–30 Sep 2024	1 Jul–30 Sep 2023	1 Jan–30 Sep 2024	1 Jan–30 Sep 2023	Full Year 2023
Net collections *	10,980	8,115	32,531	34,470	48,723
Revenue from mgt fees and other services	472	451	1,928	727	1,071
Personnel expenses	(898)	(1,277)	(6,108)	(3,704)	(5,964)
Consulting expenses	(1,871)	(2,969)	(5,453)	(7,891)	(9,983)
Other operating expenses	(372)	(549)	(2,912)	(1,652)	(2,354)
Operating expenses	(3,141)	(4,795)	(14,473)	(13,247)	(18,301)
Cash EBITDA	8,311	3,771	19,986	21,950	31,493

\* Net collections includes the incremental net distribution from associate and joint venture and distributions/interest from financial assets at fair value. Please refer to page 27 for a reconciliation of alternative performance measures ("APMs") to IFRS

### Net debt:

Bond loan, 9%	166,220	165,054	166,220	165,054	165,339
Bonds, AxFina Polska	3,695	3,529	3,695	3,529	3,656
Bonds, E-Kancelaria	3,272	–	3,272	–	3,226
Borrowings, E-Kancelaria	318	–	318	–	1,101
RCF	4,468	4,418	4,468	4,418	4,430
Less: Cash and cash equivalents	(9,044)	(33,092)	(9,044)	(33,092)	(20,715)
Net debt	168,929	139,909	168,929	139,909	157,037

### Equity ratio:

Shareholder's equity	(6,995)	1,811	(6,995)	1,811	(2,366)
Shareholder debt (subordinated)	37,586	37,586	37,586	37,586	37,586
Accrued interest on shareholder debt	9,432	6,956	9,432	6,956	7,552
Total equity according to the senior secured bond terms	40,023	46,353	40,023	46,353	42,772
Total assets	258,997	232,268	258,997	232,268	236,187
Equity ratio	15.5%	20.0%	15.5%	20.0%	18.1%

## Alternative performance measures – reconciliation to IFRS:

	1 Jul–30 Sep 2024	1 Jul–30 Sep 2023	1 Jan–30 Sep 2024	1 Jan–30 Sep 2023	Full Year 2023
<b>EUR '000s</b>					
<b>Gross collections</b>	<b>12,261</b>	<b>5,157</b>	<b>31,273</b>	<b>26,989</b>	<b>38,713</b>
Incremental gross distribution from associate and joint venture	533	3,386	3,602	8,509	12,524
Distributions/interest from financial assets at fair value	1,034	569	4,555	3,918	4,621
<b>Adjusted gross collections</b>	<b>13,828</b>	<b>9,112</b>	<b>39,430</b>	<b>39,416</b>	<b>55,858</b>
<b>Net collections</b>	<b>9,141</b>	<b>4,061</b>	<b>25,518</b>	<b>23,368</b>	<b>33,420</b>
Incremental net distribution from associate and joint venture	805	3,485	2,458	7,184	10,682
Distributions/interest from financial assets at fair value	1,034	569	4,555	3,918	4,621
<b>Adjusted net collections</b>	<b>10,980</b>	<b>8,115</b>	<b>32,531</b>	<b>34,470</b>	<b>48,723</b>
<b>Cash EBITDA</b>	<b>6,472</b>	<b>(283)</b>	<b>12,973</b>	<b>10,848</b>	<b>16,190</b>
Incremental net distribution from associate and joint venture	805	3,485	2,458	7,184	10,682
Distributions/interest from financial assets at fair value	1,034	569	4,555	3,918	4,621
<b>Adjusted cash EBITDA</b>	<b>8,311</b>	<b>3,771</b>	<b>19,986</b>	<b>21,950</b>	<b>31,493</b>

The financial statements of the Group have been prepared in accordance with IAS 34 Interim Financial Reporting. In addition, the Group presents alternative performance measures (“APMs”). Adjusted key figures for gross collections, net collections and cash EBITDA for the period provide a better understanding of the underlying business performance and enhance comparability from period to period, when the effect of items affecting comparability are adjusted for. Items affecting comparability can include one-time costs not affecting the Group’s run rate cost level, significant earnings effects from acquisitions and disposals of invested assets, incremental distributions from associates and joint ventures and distributions from financial assets at fair value.

These measures do not have any standardized meaning prescribed by IFRS and therefore are unlikely to be comparable to the calculation of similar measures used by other companies. The APMs are regularly reviewed by Management and their aim is to enhance stakeholders’ understanding of the Group’s performance and to enhance comparability between financial periods. The APMs are reported in addition to but are not substitutes for the financial statements prepared in accordance with IFRS. The APMs provide a basis to evaluate operating profitability and performance trends, excluding the impact of items which in the opinion of Management distort the evaluation of the performance of our operations.

The APMs also provide measures commonly reported and widely used by investors as an indicator of the Group’s operating performance and as a valuation metric of debt purchasing companies. Furthermore, APMs are also relevant when assessing our ability to incur and service debt. APMs are defined consistently over time and are based on the financial data presented in accordance with IFRS.

## About DDM

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**DDM Debt AB** (Nasdaq Stockholm: DDM Debt 2026) is part of the DDM Debt Group, a specialized multinational investor in situations arising out of the general strategic challenges in the European banking markets. This includes investments into assets and companies previously held by financial institutions, including performing and non-performing loans and special situations. The DDM Debt Group also engages in businesses that are related, complimentary, incidental, ancillary or similar to any of the foregoing. The DDM Debt Group strives to create value for its stakeholders by combining significant expertise in financial services, credit underwriting and technology with a focus on operational excellence.



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