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DDM DEBT AB (publ)

Corporate Identity Number 559053-6230

ANNUAL REPORT

2024

**The DDM Debt AB (publ)
2024 Annual Report**

DDM Debt AB (publ) ("DDM Debt" or the "Company") is a Swedish Company headquartered in Stockholm. Corporate registration number 559053-6230. DDM Debt and its subsidiaries are together referred to as ("the DDM Debt Group" or "the Group").

Values are expressed in euro (EUR), thousands of euros as EUR k and millions of euros as EUR M. Unless otherwise stated, figures in parentheses relate to the preceding financial year, 2023.

Data on markets and competitors are DDM Debt's own estimates, unless another source is specified. This report may contain forward-looking statements that are based on the current expectations of DDM Debt's management. Although management believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove correct. Accordingly, results could differ materially from those implied in the forward-looking statements as a result of factors including changes in economic, market and competitive conditions, changes in the regulatory environment and other government actions, fluctuations in exchange rates and other factors.

DDM Debt's annual and interim reports are available in English from the Company's website >>.

Any questions regarding financial data published by DDM Debt may be submitted to DDM's Investor Relations, email: investor@ddm-group.ch

Production: DDM Debt.

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This is DDM Debt

DDM Debt AB (publ) ("DDM" or the "Company") was founded in 2016 to fund the DDM Debt Group's growth.

The DDM Debt 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. Primarily the DDM Debt Group invests in corporate and consumer secured portfolios, but also in unsecured portfolios in Southern, Central and Eastern Europe. The DDM Debt Group works in close and longstanding relations with banks and financial institutions and provide solutions to recover outstanding distressed assets.

The DDM Debt Group has developed state-of-the-art processes for analysis, pricing and management of the acquired portfolios through its deep industry experience. In 2019 we launched a servicing platform for secured portfolios to increase the focus on portfolio management and business development services. This servicing platform complements our partnerships with leading local collection agencies to optimize collections from each portfolio, ensuring increased control and enabling the DDM Debt Group to be closer to the market. Consequently, the DDM Debt Group has developed a successful business model allowing for flexibility, automated processes and speed in decision-making.

For sellers, management of portfolios of distressed assets is a sensitive issue as it concerns the relationship with their customers. For sellers of portfolios it is therefore critical that the acquirer handles the underlying individual debtors professionally, ethically and with respect. The DDM Debt Group has longstanding relations with sellers of distressed assets, based on trust and the Group's status as a credible acquirer. The DDM Debt Group's expertize is key to assess the portfolios, as well as to decide how to open up a dialogue with the debtors. The goal is to establish an instalment plan and in the end achieve an amicable settlement where the debtor has repaid the outstanding amount. The DDM Debt Group evaluates a significant number of investment opportunities every year, resulting in a deep understanding of the market and the ability to identify the best investment opportunities.

Despite ongoing geopolitical challenges, supply chain disruption and shrinking disposable incomes, NPL trends in central, eastern and south-eastern Europe continue to show resilience. However, despite the low overall NPL ratio in the region, there are early signs of increasing credit risks. Vulnerabilities in sectors such as real estate and small and medium-sized enterprises continue to be identified. Higher borrowing costs for households and non-financial corporations could exacerbate challenges for already strained sectors and further contribute to rising corporate default rates. Market dynamics continue to be driven by routine tactical primary sales, as well as secondary sales on the back of deleveraging exercises by some of the key market players. We will continue to be disciplined in the sourcing of new business and monitor investment cases on both a strategic and opportunistic basis, as well as continuing to actively manage our portfolio.

STATEMENT BY THE CEO

Solid collections and profit for the year

Erik Fällström,
CEO in 2024 of DDM Debt

"The DDM Debt Group has almost 7 MEUR of cash available at 31 December"

I am very pleased with the progress we have made during 2024 to improve the DDM Debt Group platform and manage our asset portfolio, as we execute our strategy to build a more valuable and diversified investment company. While our primary focus remains on investing in and managing non-performing loan portfolios, we also actively pursue related and complementary investments, diversifying the group's assets and capitalizing on our competencies.

Earnings 2024

Adjusted gross collections amounted to 56,1 MEUR for the full year 2024, lower than the corresponding period last year which benefitted from the strong incremental gross distribution from associate and joint venture. After deducting commission and collection fees this resulted in 44,6 MEUR of adjusted net collections being received for the full year 2024. Operating expenses were 20,7 MEUR for the full year 2024, increasing from 2023 due to the acquisition a further 25% of AxFina in April 2023, and as a result, adjusted cash EBITDA totalled EUR 27,6 MEUR for the full year 2024.

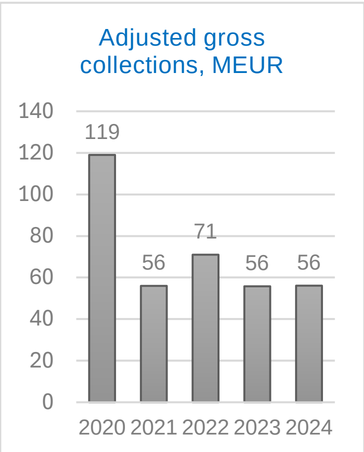
The net result for the year benefitted from a 9,3 MEUR gain within financial income due to the repurchase of 25 MEUR of the DDM Debt AB senior secured bonds at 62,90% in December 2024.

Share of net losses of associate and joint venture

The results for the full year 2024 include 4,7 MEUR share of net losses of associates under the equity method of accounting. This was partly offset by a 2,4 MEUR share of net profits of joint venture under the equity method of accounting, following a strong performance of the Solaris joint venture.

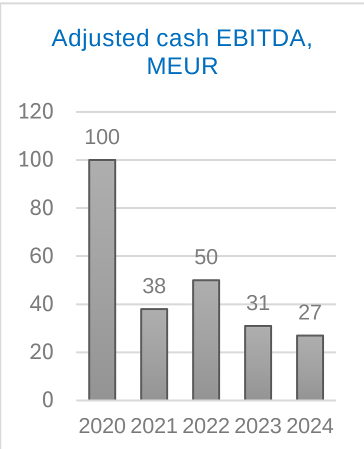
Estimated Remaining Collections

ERC in relation to invested assets at 31 December 2024 stands at EUR 311 MEUR, corresponding to an increase of 11% compared to 31 December 2023, due to investments in 2024 partially offset by collections received during the year. The majority of the collections are expected to be received within the next three years.



Strategic acquisitions

As part of our diversified strategy, we acquired a 7,63% stake in Sivers Semiconductors AB ("Sivers") in the first quarter of 2024. Following receipt of approval from the Swedish authorities in May 2024 for a foreign direct investment to acquire over 10% of the shares in Sivers we increased our shareholding to 12,10% of the shares in Sivers at 31 December 2024.



Addiko Bank AG

On 1 February 2024 the DDM Debt Group 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 the DDM Debt Group. 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 the DDM Debt Group. 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 the DDM Debt Group 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 the DDM Debt

Group's instructions, the escrow agent transferred the Shares to Alta on 22 July 2024. The DDM Debt Group has 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. For that reason,the shares in Addiko Bank AG are continued to be recognized in DDM Debt group's balance sheet. The shares are booked at fair value, 26 MEUR. The received cash from the sales transaction, 19,7 MEUR, has been booked as a liability in the balance sheet. 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, the DDM Debt Group 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. The DDM Debt Group has reserved its right to damages from the Swiss lawyer acting as escrow agent.

Financing

During the fourth quarter of 2024 we successfully adjusted our financing structure, with DDM Debt AB issuing 25 MEUR of super senior secured fixed rate bonds (the "super senior bonds") at 9,50% on 4 December 2024. The super senior bonds have a final maturity date of 30 March 2027. The proceeds from the super senior bonds were mainly employed towards acquiring 25 MEUR in nominal value of the existing 200 MEUR bonds issued by DDM Debt AB with ISIN number SE0015797683 at a purchase price of 62,90%, and to repay the 4,5 MEUR RCF with a Swedish bank. The remaining proceeds were for transaction costs and general corporate purposes. The purchase of the senior secured bonds at a discount resulted in a 9,3 MEUR gain within financial income in 2024.

Administration Report

The Board of Directors and the CEO of DDM Debt AB (publ) hereby submit the annual report and consolidated financial statements for the 2024 financial year.

Information regarding the operations
DDM Debt AB (publ) (corporate identity number 559053-6230) is domiciled in Stockholm, Sweden and is a limited liability company that conducts operations in accordance with the Swedish Companies Act. 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.

DDM Debt is a wholly owned subsidiary of DDM Finance AB, 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.

Facts and figures – The DDM Debt Group 2024
Consolidated revenue on invested assets during the year amounted to 26 064 KEUR (2023: 19 290 KEUR). Net collections during the year were 33 924 KEUR (2023: 33 420 KEUR). Operating profit amounted to minus 4 374 KEUR (2023: 3 678 KEUR).

The net profit before tax for the year amounted to -5 249 KEUR (2023: - 6 774 KEUR) and the net result for the year was -7 578 KEUR (2023: -7 572 KEUR).

Significant events during the financial year
In February 2024 Erik Fällström was appointed as CEO, replacing Razvan Munteanu.

On 4 December 2024 DDM Debt issued super senior secured fixed rate bonds of EUR 25m (the “bonds”). 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 were mainly used to finance the acquisition of EUR 25m in nominal value of Existing Bonds at 62,90% by way of a tender offer, and to repay the current Revolving Credit Facility of EUR 4,5m with a Swedish bank. The remaining proceeds were for transaction costs and for general corporate purposes.

Distressed asset portfolios
Distressed assets are acquired for significantly less than their nominal value after which the DDM Debt Group collects the receivables in cooperation with AxFina or local debt collection agencies. As such, revenue on invested assets represents the majority of the consolidated income.

Investment in joint venture
The DDM Debt Group’s joint arrangement with B2Holding that closed on 31 May 2019 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”) which 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 DDM Debt Group’s share of earnings for the year amounted to EUR 2,4 MEUR (2023: EUR 7,3 MEUR), and this is reported under Share of net profits/(losses) of associate and joint venture in the consolidated income statement. The distributions received from the Joint Venture reduce the carrying value of the investment and includes 5,2 MEUR (2023: 9,7 MEUR) that has been received as a cash distribution during the full year 2024.

Investment in associated entities
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 108 MSEK (9,6 MEUR). 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 58,3 MSEK (5,0 MEUR), 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 0,6 MSEK (0,05 MEUR) and in Q4 2024 the DDM Debt Group acquired 940 788 shares in Sivers on the open market for an average price of SEK 1,90 per share for a total consideration of 1,8 MSEK (0,2 MEUR).
In Q1 2023, following receipt of a conversion notice and a capital increase in Omnione S.A., the DDM Debt Group converted 33,3 MEUR of convertible bonds and existing investments into shares of Omnione S.A, resulting in a shareholding of 49,9% and a reclassification of 33,3 MEUR from financial assets at fair value to investment in associates in 2023. In 2024, the group has continued to classify the investment in Omnione S.A as shares in associated entity and therefore recognizes DDM Debt group's part of the net result in the Income statement.

Financial assets at fair value
On 1 February 2024 the DDM Debt Group sold all 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 the DDM Debt Group. 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 the DDM Debt Group. 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 the DDM Debt Group 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 the DDM Debt Group's instructions, the escrow agent transferred the Shares to Alta on 22 July 2024. The DDM Debt Group has 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. For that reason,the shares in Addiko Bank AG are continued to be recognized in DDM Debt group's balance sheet. The shares are booked at fair value, 26 MEUR. The received cash from the sales transaction, 19,7 MEUR, has been booked as a liability in the balance sheet. 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, the DDM Debt Group 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. The DDM Debt Group has reserved its right to damages from the Swiss lawyer acting as escrow agent.

In 2024 EUR 4,5 MEUR was invested in Omnio and interest of 1,9 MEUR was capitalized, resulting in an outstanding balance of 25,0 MEUR at 31 December 2024 in financial assets at fair value relating to the investment in Omnio.
The largest investments in 2024 held at fair value are: ITB Med 10,3 MEUR, Omnio 6,4 MEUR, Anoto 2,4 MEUR and Imaginecare 1,7 MEUR and the remaining investments were done in levels of 0,3 – 1,5 MEUR.

Expenses
Operating expenses consisted primarily of personnel costs, audit, legal and consultancy fees.

Net financial expenses
In 2024 net financial expenses were -875 KEUR (2023:-10 452 KEUR). In 2024 DDM Debt AB benefitted from a 9,3 MEUR gain in financial income on bonds repurchased at a discount of 62,90 of the nominal value. Furthermore, revaluation of fair value financial assets contributed to the improved result, including a revaluation of the holding in Addiko Bank AG at fair value of approximately 6,7 MEUR and a value increase of 6,7 MEUR related to other investments based on external valuation. In addition, interest income increased compared to the previous year. Together, these items have contributed to a significant improvement in the net financial result in the financial year 2024.

Cash flow and investments
Cash flow from operating activities before working capital changes for the full year amounted to KEUR 6 124 (2023 KEUR 9 161).

In 2024, the cash purchase price of invested assets (distressed asset portfolios, investments in joint ventures and associates and financial assets at fair value) amounted to 37 847 KEUR (2023: 34 032 KEUR).

Research and Development
DDM Debt is not engaged in any research and development activities.

Financing
At 31 December 2024 net debt, consisting of the 25 MEUR super senior bonds, 200 MEUR senior secured bonds (net of own bonds), the AxFina bonds and borrowings, and interest-bearing intercompany loans (excluding subordinated debt), less cash and cash equivalents, amounted to 165 425 KEUR. Shareholders' equity according to the terms and conditions of the super senior bonds and senior secured bonds amounted to 46 626 KEUR.

At 31 December 2023 net debt, consisting of the 200 MEUR senior secured bonds (net of own bonds), the AxFina bonds and borrowings, the revolving credit facility and interest-bearing intercompany loans (excluding subordinated debt), less cash and cash equivalents, amounted to 157 037 KEUR. Shareholders' equity according to the terms and conditions of the senior secured bonds amounted to 42 772 KEUR.

Non-financial earnings indicators
DDM Debt's role in society
The Company offers a platform for economic growth by giving companies and banks the opportunity to manage their credit exposure. DDM Debt's systems and understanding of creditor's requirements are optimized and are paired with respect for debtors and their integrity.

Business ethics
DDM Debt's values act as a guide on how business with the Company's clients and customers is managed. The ethical rules deal primarily with a respectful attitude towards clients and customers.

Working conditions
Employees have the right to secure and healthy workplaces, as well as fair terms of employment in line with market levels. Men and women are given equal opportunities. A sustainable and commercially successful business relies on skilled and motivated employees.

Environment
As a service company, DDM Debt generally has limited possibilities to affect the environment, although it seeks to act in an environmentally responsible manner where possible.

Market outlook
Despite ongoing geopolitical challenges, supply chain disruption and shrinking disposable incomes, NPL trends in central, eastern and south-eastern Europe continue to show resilience. However, despite the low overall NPL ratio in the region, there are early signs of increasing credit risks. Vulnerabilities in sectors such as real estate and small and medium-sized enterprises continue to be identified. Higher borrowing costs for households and non-financial corporations could exacerbate challenges for already strained sectors and further contribute to rising corporate default rates. Market dynamics continue to be driven by routine tactical primary sales, as well as secondary sales on the back of deleveraging exercises by some of the key market players. We will continue to be disciplined in the sourcing of new business and monitor investment cases on both a strategic and opportunistic basis, as well as continuing to actively manage our portfolio.

Board work
According to DDM Debt's Articles of Association, the Board of Directors shall consist of no less than three and no more than ten members with no more than five deputies. All members are elected at the annual general meeting or under special circumstances at an extraordinary general meeting.

Parent Company
The operations of the Parent Company at 31 December 2024 encompass investments in other entities. Ownership of the consolidated entities are presented in not 3. In addition, the Parent Company provides funding for its own or for its subsidiaries' investments into distressed asset portfolios, financial assets at fair value, joint ventures and associates. The funding is provided to subsidiaries through intercompany loans.

The Parent Company reported revenue of 0 KEUR for the year (2023: 0 KEUR) and a loss after tax of 7 153 KEUR (2023: loss of 7 691 KEUR).

Events after the balance sheet date
After the end of the financial year, the Board of Directors has appointed Matthew Doerner as CEO. He succeeds Erik Fällström, who will continue in DDM Debt AB as a Board member. The appointment was announced in April 2025. Matthew has worked within the DDM Debt Group since April 2024, focusing on the management of portfolios with due receivables. He is also Chairman of the Board of Omnio and Axfina.
After the balance sheet date, Jesper Bernström was appointed as Chief Financial Officer (CFO) for DDM Debt AB. The appointment was announced in the first quarter 2025 and is a strengthening of the financial leadership for the group before the growth journey. Otherwise, no events have occurred that would imply significant impact on the group's financial position or future development.
With regards to Addiko. On 5 May 2025, the Commercial Court of Vienna issued a ruling in favor of DDM in the ongoing legal proceedings concerning the payment of the dividend related to the Group's former shareholding in Addiko Bank AG. The opposing party has been granted a four-week period to appeal the decision to the Higher Regional Court of Vienna (Oberlandesgericht Wien). This court decision further substantiates the DDM Debt Group's legal position and supports the Board's continued assessment that the disputed shares remain an asset of the Group. Accordingly, there are no events subsequent to the balance sheet date that indicate any change to the Group's view on the ultimate resolution of the matter.

Financial summary

Key figures, EUR '000s (unless otherwise indicated)	**2024**	**2023**	**2022**	**2021**	**2020**
Revenue on invested assets	26 064	19 290	20 533	19 148	36 248
Revenue from management fees and other services	2 662	1 071	605	100	-
Share of net (losses)/profits of associate and joint venture	-2 300	3 833	8 321	3 631	1 257
Operating loss/profit	-4 374	3 678	17 448	14 116	1 257
Cash flow from operating activities before working capital changes	6 124	9 161	30 861	20 463	26 920
Equity ratio (including subordinated debt), %	15,6	18,1	22,0	21,9	30,2

Equity ratio, %: Equity (including subordinated debt according to the super senior and senior secured bond terms and conditions) as a percentage of total assets.

Risk management and financial risks
Risk management is handled by employees and management who report to the Board on the basis of the policy adopted by the Board. The DDM Debt Group identifies, evaluates and mitigates financial risks relating to the operating activities of the group.

The DDM Debt Group defines risk as all factors which could have a negative impact on the ability of the Group to achieve its business objectives. All business activity is associated with risk. In order to manage risk in a balanced way, it must first be identified and assessed. The DDM Debt Group's risk management is conducted by employees and management, where risks are evaluated in a systematic manner.

The following summary offers examples of risk factors which are considered to be especially important for the DDM Debt Group's future development but is by no means comprehensive. For further details regarding potential risk factors impacting the DDM Debt Group, please refer to the senior secured bonds prospectus, which is available on our website.

Economic fluctuations
The debt collection industry is negatively affected by a weakened economy. However, the DDM Debt Group's assessment is that, historically, it has been less affected by economic fluctuations than many other sectors. Risks associated with changes in economic conditions are managed through ongoing monitoring of each country's economic situation and development.

Changes in regulations
With regard to risks associated with changes in regulations in its markets, the DDM Debt Group continuously monitors the regulatory efforts to be able to indicate potentially negative effects and to work for favorable regulatory changes. Changes to the regulatory or political environments in which the DDM Debt Group operates, a failure to comply with applicable laws, regulations, licenses and codes of practice or failure of any employees to comply with internal policies and procedures may negatively affect the DDM Debt Group's business.

Market risks
DDM Debt's financing and financial risks are managed by the Board of Directors.

As part of cash management, the DDM Debt Group is striving to maintain cash in the different currencies they are exposed to. For further information regarding currency exposure, see notes 19, 22 and 23.

Interest risk
Interest rate risks relate primarily to DDM Debt's interest-bearing debt, which at 31 December 2024 primarily consisted of fixed rate super senior secured bonds and fixed rate senior secured bonds, and at 31 December 2023 primarily consisted of fixed rate senior secured bonds and a floating rate revolving credit facility. Borrowings issued using the floating reference rate Euribor expose DDM Debt to interest rate risk and borrowings issued at fixed rates expose DDM Debt to fair value interest rate risk.

Liquidity risk
The DDM Debt Group has deposited its liquid assets with established financial institutions where the risk of loss is considered remote. The DDM Debt Group's cash and cash equivalents consist solely of bank balances. The DDM Debt Group prepares regular liquidity forecasts with the purpose of optimizing liquid funds so that the net interest expense and currency exchanges are minimized without incurring difficulties in meeting external commitments.

Credit risk
Credit risk is the risk that the counterparty in a financial transaction will not fulfil its obligations on the maturity date. Credit risk is managed by the DDM Debt Group and arises from cash and cash equivalents, and deposits with banks and financial institutions.

A second source of credit risk arises in connection to funds collected during the ordinary course of business. Funds are mainly collected directly on the DDM Debt Group's bank accounts, however in certain cases they are paid into client fund accounts held by the respective debt collection agencies to separate the DDM Debt Group's funds from the general funds of the agency. In the second instance every month there is a reconciliation-process and based on this received and allocated funds are transferred from the client fund accounts. Should a debt collection agency become insolvent between such reconciliation events monies collected and not yet reconciled could be frozen on the account pending the outcome of the insolvency. In selecting debt collection partners, the DDM Debt Group makes efforts to control and monitor the financial standing of its partners and to maintain a balance of the work allocated between agencies to minimize the potential risk of such a situation. Amounts expected to be recovered from a solvent counterparty are recognized as accounts receivable on the balance sheet.
Additionally, there is credit risk exposure in Other loans and receivables.

Risks inherent of distressed assets
To minimize the risks in this business, caution is exercised in investment decisions. The DDM Debt Group invests in assets and companies previously held by financial institutions, including performing and non-performing loans and special situations. Sellers are primarily financial institutions, typically international banks with presence in several countries in Southern, Central and Eastern Europe. The DDM Debt Group has established relationships with sellers throughout the industry and as the DDM Debt Group is able to take on a leading position, we get repeat business as well as access to financial co-investors. Co-investment structures with third parties are opportunities for the DDM Debt Group to grow and gain access to invest in larger NPL portfolios across the SCEE market, whilst sharing the risks and returns with the co-investment partner. The DDM Debt Group depends upon reputable and trustworthy co-investment partners.

Invested assets are usually purchased at prices significantly below the nominal value of the receivables, and the DDM Debt Group retains the entire amount it collects, including interest and fees, after deducting costs directly relating to the collection of the debt. The DDM Debt Group places return requirements on acquired invested assets. Before every acquisition, a careful assessment is made based on a projection of future cash flows (collected amounts) from the invested assets.

To facilitate the purchase of larger portfolios at attractive risk levels, the DDM Debt Group works in cooperation with other institutions and shares the equity investment and profits. Risks are further diversified by acquiring distressed assets from various sellers in different countries.

The DDM Debt Group also engages in businesses that are related, complimentary, incidental, ancillary or similar to any of the foregoing.

Financing risk
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% and must be complied with on an incurrence test basis. The terms and conditions of the super senior secured bonds also include an incurrence test covenant where the net interest bearing debt as a percentage of the market value of the total assets must not exceed 80,00%, and a maintenance test covenant where DDM Debt AB must at all times hold cash and cash equivalents of at least 2 MEUR. DDM Debt's management carefully monitors these key financial indicators, so that it can quickly take measures if there is a risk that one or more limits may be exceeded. The terms and conditions of the senior secured bonds are available in their entirety on our website.

At 31 December 2024 and 31 December 2023 the equity ratio was 15,6% and 18,1% respectively, and therefore the incurrence test covenant 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.

Equity price risk
Equity price risk is the risk that arises from security price volatility, the risk of a decline in the value of an equity security. Equity price risk can be either systematic, that is uncontrollable as it affects multiple asset class in a global economic crisis, or unsystematic which is specific to a company or industry.

For further information regarding the financial risk management of the DDM Debt Group, see note 4.

The Board's committees
The overall responsibility of the Board of Directors cannot be delegated, however the Board may, within itself, set up committees which prepare, follow up on and evaluate issues within their respective spheres ahead of decisions by the Board.

Audit Committee
The audit committee prepares a number of issues for consideration by the Board and thereby supports the Board in its endeavors to fulfil its responsibilities within the areas of auditing and internal control and with assuring the quality of DDM Debt's financial reporting. The audit committee meets on a regular basis. In 2024 the Board performed the tasks of the audit committee.

Corporate Governance Report
Corporate Governance Principles
DDM Debt AB applies the Swedish Companies Act (ABL), the Annual Accounts Act (ÅRL), the Nasdaq Stockholm regulations and the EU Market Abuse Regulation (MAR). The company does not apply any additional voluntary code of corporate governance.

Internal control and risk management in financial reporting
In accordance with the Swedish Companies Act, the Board of Directors is responsible for the internal control of the company and the Group, and the CEO for the ongoing operations. The company has a robust system of internal control regarding financial reporting, which is adapted to function in this organization. The CFO is responsible for ensuring the accuracy of the financial reporting, with the support of the CEO and the Insider Committee. The control environment includes the division of responsibilities, the Board of Directors' supervision, insider lists and limited access to sensitive information. The essential guidelines on internal governance and risk management and handling of insider information are compiled in internal documents established by the Board of Directors.

Major shareholdings
As of the balance sheet date, DDM Finance AB, corporate registration number 559053-6214, is the sole owner of all 54,000 shares in DDM Debt AB, which corresponds to 100 percent of the votes in the company.

Voting rights restrictions
There are no restrictions in the articles of association or through agreements that restrict shareholders' voting rights at the general meeting. All shares have equal voting rights.

Appointment and dismissal of board members and amendments to the articles of association
The board is appointed at the annual general meeting. Amendments to the articles of association are made in accordance with the provisions of the Swedish Companies Act.

Authorizations from the general meeting
The board does not have any authorization from the general meeting to issue new shares or repurchase its own shares. If such authorization is given in the future, this will be updated in the report

Employees
DDM Debt AB had three employees as of 31 December 2024 (2023: no employees), while the DDM Debt Group had 237 employees (2023: 271 employees).

Proposed appropriation of earnings
The Parent Company's distributable funds are at the disposal of the Board of Directors as follows:

EUR	2024
Retained earnings	4 177 727
Shareholder contribution	47 681 330
Net loss for the year	-7 152 540
Total	**44 706 517**

The Board of Directors propose that the earnings be distributed as follows:

EUR	2024
Balance carried forward	44 706 517
Total	**44 706 517**

For other information we refer to the following financial statements and notes.

GROUP CONSOLIDATED INCOME STATEMENT

For the year ended 31 December Amounts in EUR '000s	Notes	2024	2023
Interest income on invested assets		21 852	16 057
Dividend income from invested assets		1 689	2 302
Revaluation and impairment of invested assets		2 523	931
Revenue on invested assets	6	**26 064**	**19 290**
Share of net (losses) / profits of associate and joint venture	6, 16, 17	-2 300	3 833
Revenue from management fees and other services	6	2 662	1 071
Impairment of loans and receivables		-9 667	-
Impairment of goodwill	3	-	-1 486
Personnel expenses	7	-9 526	-5 964
Consulting expenses	8	-7 543	-9 983
Other operating expenses	9	-3 597	-2 354
Other operating income		721	-
Depreciation expense	13, 14,	-1 188	-729
Operating profit		**-4 374**	**3 678**
Financial income		23 422	9 950
Financial expenses		-24 417	-20 973
Exchange (loss) / profit		120	571
Net financial expenses	10	**-875**	**-10 452**
Loss before income tax		**-5 249**	**-6 774**
Tax (expense) / income	11	-2 329	-798
Net loss for the year		**-7 578**	**-7 572**
Net loss for the year attributable to:			
Owners of the Parent Company		-7 308	-7 494
Non-controlling interest		-270	-78
Earnings per share (before and after dilution), EUR	12	-135,33	-138,78

GROUP CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December Amounts in EUR '000s	Notes	2024	2023
Net loss for the year		**-7 578**	**-7 572**
Other comprehensive (loss) / income for the year			
Items that may subsequently be reclassified to profit or loss:			
Currency translation differences		34	381
Actuarial loss on post-employment benefit commitments		603	-1 418
Deferred tax on post-employment benefit commitments		-65	169
Share of other comprehensive income / (loss) of associates accounted for using the equity method		269	-
Assets transferred		-	246
Other items		-112	-
Other comprehensive (loss) / income for the year, net of tax		**729**	**-622**
Total comprehensive loss for the year		**-6 849**	**-8 194**
Total comprehensive loss for the year attributable to:			
Owners of the Parent Company		-6 560	-827
Non-controlling interest		-289	76

GROUP CONSOLIDATED BALANCE SHEET

As at 31 December **Amounts in EUR '000s**	**Notes**	**2024**	**2023**
ASSETS			
Non-current assets			
Financial assets at fair value	18	89 666	53 198
Other long-term receivables from investments	20	601	509
Distressed asset portfolios	19	65 266	77 898
Investment in joint venture	17	15 307	18 183
Interest in associates	16	40 870	29 834
Receivable from other group companies	33	-	5 936
Loans to other group companies	33	-	2 000
Deferred tax assets	21	2 988	3 531
Accrued interest from other group companies	33	-	1 475
Other non-current assets	22	4 192	2 333
Tangible assets	13	93	185
Intangible assets	14	2 126	1 430
Right-of-use assets	15	930	791
Goodwill	26	11 022	11 022
Total non-current assets		**233 061**	**208 325**
Current assets			
Cash and cash equivalents	24	6 787	20 715
Accounts receivable	23	1 171	1 271
Receivables from other group companies	23, 33	258	161
Prepaid expenses and accrued income	23	2 658	2 046
Other receivables	23	2 960	3 571
Tax assets	23	206	98
Total current assets		**14 040**	**27 862**
TOTAL ASSETS		**247 101**	**236 187**

GROUP CONSOLIDATED BALANCE SHEET

As at 31 December Amounts in EUR '000s	Notes	2024	2023
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	25	54	54
Other reserves		-5 527	-5 762
Shareholder contribution		47 681	-
Retained earnings including net loss for the year		-5 066	1 729
Total shareholders' equity attributable to Parent Company's		**37 142**	**-3 979**
Non-controlling interest		1 324	1 613
Total shareholders' equity		**38 466**	**-2 366**
Non-current liabilities			
Deferred tax liabilities	21	1 003	515
Payables to other group companies	33	8	144
Loans and borrowings	28	170 497	176 099
Loans from other group companies, subordinated	33	-	37 586
Non-current lease liabilities	27	783	571
Other long-term liabilities	31	-	1 365
Post-employment benefit commitments	32	880	1 428
Total non-current liabilities		**173 171**	**217 708**
Current liabilities			
Accounts payable	30	3 278	3 658
Accrued expenses and deferred income	30	4 727	3 788
Tax liabilities	30	2 182	900
Current lease liabilities	27, 30	323	269
Accrued interest	30	2 654	10 577
Other current liabilities	18	20 585	-
Current loans and borrowings	28, 30	1 715	1 653
Total current liabilities		**35 464**	**20 845**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**247 101**	**236 187**

GROUP CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December **Amounts in EUR '000s**	**Notes**	**2024**	**2023**
Cash flow from operating activities			
Loss for the year		-7 578	-7 572
Cash distribution from associate and joint venture	17	5 235	9 734
Adjustments for non-cash items:			
Non-cash collections			*-2 515*
Amortization of invested assets	19, 20	*15 859*	*19 686*
Revaluation and impairment of invested assets	19	*-2 523*	*-931*
Interest income		*-3 787*	*-2 323*
Dividend income		*-1 689*	*-2 302*
Share of net losses / (profits) of joint venture and associates	16, 17	*2 300*	*-3 833*
Impairment of goodwill	26		*1 486*
Impairment of loans and receivables		*9 667*	
Depreciation expense		*1 188*	*729*
Other operating income		*-721*	
Financial income	10	*-23 422*	*-9 950*
Financial expenses	10	*24 417*	*20 973*
Unrealized exchange loss / (profit)		*-420*	*-180*
Tax expense / (income)		*2 329*	*798*
Other items not affecting cash		*-67*	*28*
Interest paid		-16 109	-16 288
Interest received		166	269
Dividends received		1 689	1 804
Tax paid		-410	-480
Tax received		-	28
Cash flow from operating activities before working capital changes		**6 124**	**9 161**
Working capital adjustments			
(Increase) / decrease in accounts receivable		112	190
(Increase) / decrease in other receivables		-1 957	-2 126
Increase / (decrease) in accounts payable		-2 378	830
Increase / (decrease) in other current liabilities		20 292	492
Net cash flow from operating activities		**22 193**	**8 547**
Cash flow from investing activities			
Purchases of distressed asset portfolios	19	-1 039	-9 241
Purchases of financial assets at fair value	18	-36 597	-17 727
Purchases of investment in associates		-211	
Proceeds from divestment of financial assets at fair value	18	325	4 195
Acquisition of subsidiary, net of cash acquired	3		-7 064
Purchases of tangible and intangible assets		-6	-372
Net cash flow received / (used) in investing activities		**-37 528**	**-30 209**
Cash flow from financing activities			
Proceeds from issuance of loans		24 447	4 452
Repayment of loans		-22 210	-14 276
Principal elements of lease payments		-363	-229
Net cash flow received / (used) in financing activities		**1 874**	**-10 053**
Cash flow for the year		**-13 461**	**-31 715**
Cash and cash equivalents at beginning of the year		**20 715**	**52 285**
Foreign exchange gains / (losses) on cash and cash equivalents		-467	145
Cash and cash equivalents at end of the year	24	**6 787**	**20 715**

GROUP CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amounts in EUR '000s	Share capital	Shareholder's contribution	Other reserves	Retained earnings incl. net loss for	Total equity	Non-controlling interest	Total equity
Balance at 1 January 2023	**54**	**-**	**170**	**9 457**	**9 681**	**3 160**	**12 841**
Net loss for the year	-	-	0	-7 494	**-7 494**	-78	**-7 572**
Other comprehensive loss							
Currency translation differences	-	-	227	0	**227**	154	**381**
Actuarial loss on post-employment benefit	-	-	-1 120	-298	**-1 418**	-	**-1 418**
Deferred tax on post-employment benefit	-	-	105	64	**169**	-	**169**
Assets transferred	-	-	246	0	**246**	-	**246**
Total comprehensive loss	**0**	**0**	**-542**	**-7 728**	**-8 270**	**76**	**-8 194**
Transactions with owners							
Acquisition of non-controlling interest	-	-	-5 390	0	**-5 390**	-1 623	**-7 013**
Total transactions with owners	**0**	**0**	**-5 390**	**0**	**-5 390**	**-1 623**	**-7 013**
Balance at 31 December 2023	**54**	**0**	**-5 762**	**1 729**	**-3 979**	**1 613**	**-2 366**
Balance at 1 January 2024	**54**	**0**	**-5 762**	**1 729**	**-3 979**	**1 613**	**-2 366**
Net loss for the year	-	-		-7 308	**-7 308**	-270	**- 7 578**
Other comprehensive loss					**0**		**0**
Currency translation differences	-	-	31		**31**	3	**34**
Actuarial loss on post-employment benefit	-	-		603	**603**	-	**603**
Deferred tax on post-employment benefit	-	-	-65	-	**-65**	-	**-65**
Share of other comprehensive income /	-	-	269	-	**269**	-	**269**
Other items	-	-	-	-90	**-90**	-22	**-112**
Total comprehensive loss	**0**	**0**	**235**	**-6 795**	**-6 560**	**-289**	**-6 849**
Transactions with owners							
Shareholder contribution	-	47 681	-	-	**47 681**	-	**47 681**
Total transactions with owners	**0**	**47 681**	**0**	**0**	**47 681**	**0**	**47 681**
Balance at 31 December 2024	**54**	**47 681**	**-5 527**	**-5 066**	**37 142**	**1 324**	**38 466**

PARENT COMPANY – INCOME STATEMENT

For the year ended 31 December Amounts in EUR '000s	**Notes**	**2024**	**2023**
Revenue		-	-
Impairment of loans and receivables		-9 667	-
Personnel expenses	7	-1 104	-57
Consulting expenses	8	-595	-479
Impairment of loans and receivables		-9 667	-
Other operating expenses	9	-466	-261
Other operating income		444	-
Depreciation of tangible assets		-1	-
Operating loss		**-11 389**	**-797**
Financial income	10	26 968	13 464
Financial expenses	10	-22 089	-19 693
Exchange (loss) / profit		515	-111
Net financial (expenses) / income	10	**5 394**	**-6 340**
(Loss) / profit before income tax		**-5 995**	**-7 137**
Tax expense	11	-1 158	-554
(Loss) / profit for the year		**-7 153**	**-7 691**

PARENT COMPANY – STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December Amounts in EUR '000s	**Notes**	**2024**	**2023**
Net (loss) / profit for the year		**-7 153**	**-7 691**
Other comprehensive income for the year		**-**	**-**
Total other comprehensive income for the year, net of tax		**0**	**0**
Total comprehensive (loss) / income for the year		**-7 153**	**-7 691**

PARENT COMPANY – BALANCE SHEET

As at 31 December Amounts in EUR '000s	Notes	2024	2023
ASSETS			
Non-current assets			
Tangible assets	13	5	0
Financial assets at fair value	18	33 659	16 510
Interest in associates	16	14 811	0
Receivables from other group companies	33	-	5 936
Loans to other group companies	33	120 920	165 801
Loans to other group companies, subordinated		7 000	
Accrued interest from other group companies	33	-	1 475
Participations in other group companies	34	30 531	30 531
Other non-current assets	22	2 325	703
Total non-current assets		**209 251**	**220 956**
Current assets			
Cash and cash equivalents	24	2 527	319
Prepaid expenses and accrued interest income		54	34
Other receivables		2	43
Accrued interest from other group companies	23	4 323	1 766
Total current assets		**6 906**	**2 162**
TOTAL ASSETS		**216 157**	**223 118**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Restricted equity			
Share capital	25	54	54
Total restricted equity		**54**	**54**
Unrestricted equity			
Retained earnings including net (loss) / profit for the year		44 706	4 178
Total unrestricted equity		**44 706**	**4 178**
Total shareholders' equity		**44 760**	**4 232**
Non-current liabilities			
Accrued interest	33	-	-
Bond loans and borrowings	28	165 384	169 769
Loans from other group companies, subordinated	33	-	37 586
Total non-current liabilities		**165 384**	**207 355**
Current liabilities			
Accounts payable	30	1 099	124
Accrued expenses and deferred income	30	459	188
Tax liabilities	30	1 801	642
Accrued interest	30	2 654	10 577
Current loans and borrowings	28, 30	-	-
Total current liabilities		**6 013**	**11 531**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**216 157**	**223 118**

PARENT COMPANY – CASH FLOW STATEMENT

For the year ended 31 December **Amounts in EUR '000s**	**Notes**	**2024**	**2023**
Cash flow from operating activities			
(Loss) / profit for the period		-7 153	-7 691
Adjustments for non-cash items:			
Impairment of loans and receivables		9 667	
Other operating income		-444	
Depreciation of tangible assets		1	
Financial income		-26 968	*-13 464*
Financial expenses		22 089	*19 693*
Unrealized exchange loss		*-515*	*111*
Tax expense		*1 158*	*554*
Other items not affecting cash		*-117*	*162*
Interest paid		-15 439	-16 288
Interest received		12 411	11 144
Cash flow from operating activities before working capital changes		**-5 310**	**-5 779**
Working capital adjustments			
(Increase) / decrease in other receivables		21	48
Increase / (decrease) in accounts payable		342	95
Increase / (decrease) in other current liabilities		-614	19
Net cash flow from operating activities		**-5 561**	**-5 617**
Cash flow from investing activities			
Purchase of shares in group companies		-	-7 013
Purchases of financial assets at fair value		-31 622	-15 957
Purchases of investment in associates		-209	
Purchases of tangible assets		-6	–
Net cash flow received / (used) in investing activities		**-31 837**	**-22 970**
Cash flow from financing activities			
Proceeds from issuance of loans		24 447	4 452
Loans to group companies		-	-600
Repayment of loans to group companies		35 881	36 450
Repayment of loans		-20 550	-14 096
Net cash flow received / (used) in financing activities		**39 778**	**26 206**
Cash flow for the year		**2 380**	**-2 381**
Cash and cash equivalents less bank overdrafts at beginning of the year		319	**2 778**
Foreign exchange gains / (losses) on cash and cash equivalents		-172	-78
Cash and cash equivalents less bank overdrafts at end of the year		**2 527**	**319**

PARENT COMPANY – STATEMENT OF CHANGES IN EQUITY

Amounts in EUR '000s	Share capital	Retained earnings incl. net (loss) / profit for the year	Total equity
Balance at 1 January 2023	**54**	**11 869**	**11 923**
Net loss for the year	-	-7 691	**-7 691**
Other comprehensive income	**-**	**0**	**0**
Total comprehensive income	**-**	**-7 691**	**-7 691**
Transactions with owners			
Total transactions with owners	**-**	**-**	**-**
Balance at 31 December 2023	**54**	**4 178**	**4 232**
Balance at 1 January 2024	**54**	**4 178**	**4 232**
Net loss for the year	-	-7 153	**-7 153**
Other comprehensive (loss) / income			0
Total comprehensive (loss) / income	**0**	**-7 153**	**-7 153**
Transactions with owners			
Shareholder contribution	-	47 681	**47 681**
Total transactions with owners	**-**	**47 681**	**47 681**
Balance at 31 December 2024	**54**	**44 706**	**44 760**

NOTE 1. GENERAL INFORMATION

The Parent Company, DDM Debt AB (publ) is a limited liability company with 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.

All amounts are reported in thousands of Euros (KEUR) unless stated otherwise. Rounding differences might occur.

On 30 April 2025, the Board of Directors approved the financial statements for publication.

DDM Debt AB (publ) ("DDM Debt" or "the Company") and its subsidiaries (together "the DDM Debt Group" or "the Group") are 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. DDM Debt is a wholly owned subsidiary of DDM Finance AB, 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.

DDM Debt AB's parent company DDM Finance AB prepares consolidated financial statements under IFRS. The indirect ultimate parent company is Heracles PTC Limited as trustee of the Achilles Trust, a Jersey registered company owning 100% of the shares in DDM Finance AB at 31 December 2024.

NOTE 2. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, as well as in accordance with RFR 1 *Supplementary Accounting Principles for Groups* and the Annual Accounts Act.

The consolidated financial statements have been prepared on the basis of historical cost modified with the revaluation of financial assets and financial liabilities at fair value through profit or loss. Distressed asset portfolios and borrowings are measured at amortized cost using the effective interest rate method, adjusted for revaluation and impairment. The investments in joint ventures and associates are accounted for under the equity method.

The financial statements have been prepared on a going concern basis.

NOTE 3. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The material accounting policies applied in these consolidated financial statements are presented as follows:

The preparation of financial statements in conjunction with IFRS requires the application of certain important estimates for accounting purposes. Furthermore, it is required that management undertakes a number of assessments as regards to the application of the Group's accounting policies. Areas involving a high degree of assessment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are referred to in note 5.

The accounts of DDM Debt AB have been prepared in accordance 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.

Consolidation
The financial statements consolidate the accounts of DDM Debt AB and its subsidiaries.

Subsidiaries
Subsidiaries are all entities over which DDM Debt AB has control. DDM Debt AB 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. The following entities are included in the scope of consolidation:

Entities included in the scope of consolidation	Consolidation method	Domicile	31 Dec 2024	31 Dec 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 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 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 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 venture
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 B2Holding 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 of joint venture.

Distributions received from the Joint Venture are not recognised 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 DDM Debt Group measures and recognises 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 recognised 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 DDM Debt Group.

Entities not included in the scope of consolidation	Consolidation method	Domicile	31 December 2024	31 December 2023
CE Partner S.a.r.l.	Equity accounted	Luxembourg	50%	50%
CE Holding Invest S.C.S	Equity accounted	Luxembourg	50%	50%

Associates
Associates are all entities over which the DDM Debt Group 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 for impairment in accordance with the policy described in note 3.

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 income from financial assets held at FVTPL is included within Interest income on invested assets.

Financial assets held at FVTPL include investments in other entities in which the Company has a significant influence (but not control or joint control), providing that:
- its value is (or will be) a marketable value
- the investee aims to generate growth in a medium term, following an exit strategy of the Company, and
- the object of the investment is not related to the Company core business.

Segment reporting
The one operating segment in the DDM Debt Group is reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, is identified as the Chief Executive Officer of the DDM Debt Group that makes strategic decisions. The DDM Debt Group reports one segment, consistent with the DDM Group policy.

Foreign currency translation
(i) Functional and presentation currency
Items included in the financial statements of each of the DDM Debt Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The functional currency of DDM Debt AB is Euro ("EUR"). The consolidated financial statements are presented in thousands of Euros, ("KEUR "), unless stated otherwise, which is the Group's presentation currency. Rounding differences may occur. The financial statements of entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows: assets and liabilities at the closing rate on the balance sheet date, equity at historical rates and income and expenses at the average rate for the period (as this is considered a reasonable approximation of the actual rates prevailing on the dates of the individual transactions). All following consolidated adjustments are recognized in other comprehensive income as cumulated exchange rates adjustments

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the transaction dates. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at exchange rates of monetary assets and liabilities denominated in currencies other than an entities' functional currency will give rise to realised and unrealised exchange rates differences that are recognized in the income statement in "net financial expenses".

Financial instruments
IFRS 9 "Financial Instruments" addresses the classification, measurement and derecognition of financial assets and financial liabilities and impairment model for financial assets. Distressed asset portfolios and accounts receivables are financial instruments that are accounted for under IFRS 9 and are measured at amortized cost using the EIR method. The DDM Debt Group's investments consist of portfolios of non-performing loans and debt, under IFRS 9 these portfolios are defined as purchase or originated credit-impaired (POCI), as these portfolios are purchased at prices significantly below the nominal amount of the receivables and therefore impairments are already included at the point of initial recognition.

The IFRS 9 impairment model is based on a forward-looking 'expected credit loss' ("ECL") model. The impairment model applies to financial assets classified at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk and involves a three-stage approach whereby financial assets move through the three stages as their credit quality changes. Under IFRS 9 with regard to financial assets held at amortised cost that are considered to have low credit risk, the relevant impairment provision that has been applied is to recognize a 12-month ECL. The 12-month ECL is the portion of lifetime ECLs that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination or the Company acquires a POCI portfolio the allowance will be based on the lifetime ECL.

Loans, accounts payable, other payables and lease liabilities are financial liabilities that are accounted for under IFRS 9 and are measured at amortized cost using the EIR method. The DDM Debt Group's business model is to invest in distressed assets and collect the contractual cash flows. The invested assets cash flows only consist of payments of principal and interest (solely payments of principal and interest, "SPPI"). In exceptional cases, portfolios might be sold.

The table below shows the measurement of the DDM Debt Group's financial instruments according to IFRS 9:

	Valuation under IFRS 9
Assets	
Account receivables	Amortised cost
Other receivables	Amortised cost
Distressed asset portfolios	Amortised cost
Other long-term receivables from investments	Amortised cost
Financial investments	FVTPL
Liabilities	
Accounts payable	Amortised cost
Other payables	Amortised cost
Short-term loans	Amortised cost
Long-term loans	Amortised cost

In line with IFRS 9 "Financial Instruments" financial assets and liabilities are recognized when the DDM Debt Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the DDM Debt Group has, for all intents and purposes, transferred all of the risks and rewards of ownership. Financial liabilities are derecognized when the contractual commitment is discharged, cancelled or expires.

Classification, recognition and measurement
The DDM Debt Group classifies its financial instruments as follows and depends on the purpose for which the financial assets or liabilities were acquired:

Financial assets at amortized cost
Financial assets are classified as at amortized cost only if the asset is held within a business model whose objective is to collect the contractual cash flows, and the contractual terms give rise to cash flows that are solely payments of principal and interest. The DDM Debt Group's financial assets carried at amortized cost comprise distressed asset portfolios, receivables and cash and cash equivalents. Financial assets carried at amortized cost are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method minus impairments.

Impairment of financial assets
The impairment regulations contained in IFRS 9 are based on the expected credit loss model (ECL model). Distressed asset portfolios are considered credit-impaired under IFRS 9. As such lifetime expected credit losses are included in the estimated cash flows when calculating the effective interest rate on initial recognition of such assets. The DDM Debt Group applies the simplified method to apply lifetime expected credit losses to receivables and cash and cash equivalents.

On each reporting date the DDM Debt Group assesses on a forward-looking basis the expected credit losses associated with its collection estimates for financial assets held at amortized cost. A change in the estimated cashflow would result in a revaluation and/or impairment of the invested asset. The assessment applied depends on whether there has been a change in credit risk determined by the following factors:

a) level of financial difficulty of the obligor;
b) delinquencies in interest or principal payments; and
c) it is likely that the borrower will enter bankruptcy or other financial reorganization.

Accounts receivable
Accounts receivables are reported initially at fair value and are subsequently measured at amortized cost using the effective interest method, less provision for impairment. For accounts receivables, the Company applies the simplified approach permitted under IFRS 9, which requires expected lifetime credit losses to be recognized from initial recognition of the receivables. No provision was made for impairment of accounts receivables as of 31 December 2024 (31 December 2023: no provision), under the simplified approach permitted under IFRS 9.

Distressed asset portfolios and other long-term receivables from investments
The recognition of the acquisition of distressed asset portfolios is based on the DDM Debt Group's forecast of future cash flows from acquired portfolios. Distressed asset portfolios are 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 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, as well as changes to the estimated projected future cash flows, and are recognized in the income statement under “Revenue on invested assets”.

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.

Cash flow projections are made at the portfolio level. Assumptions must be made at each reporting date as to the expected timing and amount of future cash flows. Cash flows include the nominal amount, reminder fees, collection fees and late interest that are expected to be received from debtors less forecasted collection costs. These projections are updated at each reporting date based on actual collection information, planned collection actions as well as macroeconomic scenarios and the specific features of the assets concerned. 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 a significant change in the credit risk estimated in relation to the amount of future cash flows of the portfolio and can be estimated reliably. This is recorded within the line “Impairment of 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”.

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 income statement (within the line “Interest income on invested assets”).

Business combinations

AxFina

On 6 July 2022 the DDM Debt Group acquired 50.16% of the issued share capital of AxFina Holding S.A. (“AxFina”), a pan European debt servicing provider. AxFina is a key partner for the DDM Debt Group’s loan portfolios. In addition to its core debt servicing solutions, AxFina is also providing business outsourcing services and digital debt management solutions to multiple industries. The acquisition of AxFina allows the DDM Debt Group to profit from the intended growth of the service revenues of AxFina, both in (third party) debt servicing as well as in digital solutions, which complement the asset intensive business of the DDM Debt Group. AxFina will also facilitate new market entries for the DDM Debt Group (e.g. in Poland, where AxFina has recently established a presence). By taking a direct stake in its key debt servicing partner, the DDM Debt Group is following a well-established industry practice and expects its core NPL business to benefit from a closer collaboration between the DDM Debt Group and AxFina.

The acquisition of 50,16% of AxFina in 2022 generated 11 022 KEUR of goodwill, attributable to the access to new markets, the workforce and the expected future profitability of the acquired business.

In April 2023 the DDM Debt Group acquired an additional 25,05% of AxFina for 7 013 KEUR, taking its total holding in AxFina to 75,21%, and this was accounted for in equity. Immediately prior to the purchase, the carrying amount of the existing 49,84% non-controlling interest in AxFina was 3 230 KEUR. The group recognised a decrease in non-controlling interests of 1 623 KEUR and a decrease in equity attributable to owners of the parent of 5 390 KEUR.

The effect on the equity attributable to the owners of the DDM Debt group during the 2023 year is summarised as follows:

	EUR'000s
Carrying amount of non-controlling interests acquired	1 623
Consideration paid to non-controlling interests	-7 013
Excess of consideration paid recognised in the transactions with non-controlling interests reserve within equity	**-5 390**

E-Kancelaria

In 2023 DDM Debt’s 75,2% owned subsidiary AxFina acquired 100% of the share capital of E-Kancelaria, a Polish loan servicing and debt collection company headquartered in Wrocław. The acquisition generated 1 486 KEUR of goodwill, which was then impaired at 31 December 2023.

Details of the goodwill were as follows:

Goodwill	**EUR'000s**
Purchase consideration	2 250
Fair value of net assets	-764
Goodwill	**1 486**

The fair value of acquired assets and assumed liabilities recognized as a result of the acquisition are as follows:

Acquired net assets	**EUR'000s**
Distressed asset portfolios	3 031
Cash and cash equivalents	2 199
Other assets	1 669
Fair value of total assets	**6 899**
Financial liabilities	-4 318
Trade payables	-824
Other liabilities	-993
Fair value of total liabilities	**- 6 135**
Fair value of total net assets	**764**
Fair value of acquired net assets (100%)	**764**
Goodwill on acquisition	**1 486**
Total purchase consideration	**2 250**

The goodwill on acquisition was consolidated using values allocated by management to their respective identifiable assets and liabilities based on currently available data as at the date of acquisition. The final accounting for business combinations is pending the final valuations to be completed under the Purchase Price Allocation (“PPA”) at fair value for those assets and liabilities after the end of the reporting period. Considering that the date of the transaction is 21 November 2023, the reference date used for the PPA is the financial position as at 30 November 2023, with an adjustment made for a significant transaction that took place between 21 and 30 November 2023.

The fair value of the assets acquired mainly includes: i) the cash and cash equivalents held at bank at acquisition; ii) distressed asset portfolios relating to unsecured portfolios acquired in Poland; and iii) other assets which mainly relate to accounts receivables, assets in leasing and other short-term receivables.

The fair value of the liabilities assumed at acquisition includes loans for an amount of 4 318 KEUR. The fair value of the other liabilities assumed at acquisition principally relates to trade payables of 824 KEUR and other liabilities of 993 KEUR.

The cash consideration at the date of acquisition amounted to 2 250 KEUR. Acquisition-related costs were not material and were recognized directly in the income statement under consulting expenses and in operating cash flows in the statement of cash flows.

Outflow of cash to acquire subsidiary, net of cash acquired	**EUR'000s**
Cash paid	-2 250
Less cash & cash equivalents acquired	2 199
Net outflow of cash – investing activities	**-51**

Non-controlling interest
Non-controlling interest arises in cases where the DDM Debt Group acquires less than 100% of the shares in the subsidiary that the DDM Debt Group controls. For each business combination, the DDM Debt Group elects whether to measure the non-controlling interest in the acquiree at fair value or at the proportionate share of the acquiree’s identifiable net assets.

Other financial liabilities
The borrowings of the DDM Debt Group (including borrowings from credit institutions and other borrowings) and accounts payable are classified as other financial liabilities. Accounts payable are reported at amortised cost. Borrowings are recognized initially at fair value, net of transaction costs incurred and subsequently measured at amortized cost using the effective interest method.

Borrowings
Borrowings from credit institutions and other long-term payables are initially reported at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is reported in the income statement over the period of the borrowings, using the effective interest method for long-term borrowings and the straight-line method for borrowings with a total contract length of less than 12 months.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

Costs to secure financing are amortized across the term of the loan as financial expenses in the consolidated income statement. The amount is recognized in the balance sheet as a deduction to the loan liability. All other borrowing costs (interest expenses and transaction costs) are reported in the income statement in the period to which they refer.

Share capital
Ordinary shares are classified as equity. Transaction costs directly attributable to the issuance of new shares are reported in equity as a deduction, net of tax, from the proceeds.

Current tax and deferred income tax
Income tax comprises current and deferred tax. Income tax is recognized in the income statement except to the extent that it relates to items recognized directly in other comprehensive income or directly in equity in which case the income tax is also recognized directly in other comprehensive income or equity respectively.

Current tax is the expected tax payable on the taxable income for the year using tax rates enacted or substantively enacted at the end of the reporting period and any adjustment to tax payable in respect of previous years. In general, deferred tax is recognized in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted as per the balance sheet date and are expected to apply when the deferred tax asset is realized or the liability is settled. Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilized. Deferred tax assets and liabilities are presented as non-current.

Revenue on invested assets and revenue from management fees and other services
IFRS 15 “Revenue from Contracts with Customers” establishes a comprehensive framework for determining whether, how much and when revenue is recognized. IFRS 15 establishes a five-step model to identify and account for revenue streams arising from contracts with customers.

Revenue on invested assets is the result of the application of the amortized cost method (please see note 6). Revenue from management fees relates to revenue received from co-investors where the DDM Debt Group manages the operations of the invested assets on the co-investors’ behalf. In accordance with IFRS 15, revenue is recognized only when it is probable that future economic benefits will flow to the entity and these benefits can be measured reliably. The revenues recognized from management fees are based on the service obligations specified in the contracts that are delivered over a period, since the benefit to the client is continually transferred with the provision of the service. Accordingly, the revenues obtained from management fees are recognized over the period the service is provided and it is ensured there is no uncertainty, and no significant cancellation of the revenues will occur. The revenues are to be allocated based on the individual service obligations, fees are calculated based on the time spent on portfolio management and are received on a quarterly basis in arrears.

Revenue recognition
Interest income on financial instruments such as distressed asset portfolios is recognized over the course of maturity according to the effective interest method. The DDM Debt Group reduces the value of a distressed asset to the recoverable amount, which consists of the future expected cash flow discounted with the initially calculated effective interest rate for the financial instrument if an instrument has depreciated in value and continues to dissolve the discounting effect as an interest income. Interest income on impaired instruments is recognized at the initially calculated effective interest rate.

Dividend distribution
Dividend distribution to the Company’s shareholders is reported as a liability in the Company’s financial statements in the period in which the dividends are approved by the Company’s shareholders.
No dividends will be proposed to the 2025 annual general meeting regarding the operations for 2024.

Earnings per share
Basic earnings per share are computed by dividing the profit / (loss) attributable to the equity holders of the Parent Company by the weighted average number of ordinary shares outstanding during the period.

New standards and interpretations adopted in 2024
There were certain amendments to IAS 1 Presentation of Financial Statements effective 1 January 2024. These amendments included clarifying a criterion in IAS 1 Presentation of Financial Statements for classifying a liability as non-current: the requirement for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period. The DDM Debt Group therefore reclassified 7 552 KEUR of accrued interest on intercompany loans at 31 December 2023 from current liabilities to non-current liabilities at 1 January 2024.

There were no other new standards or amendments that have been applied for the first time for the annual reporting period commencing 1 January 2024 that had a material impact on the DDM Debt Group's financial statements.

Accounting standards and amendments not yet adopted in 2024
Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2024 reporting periods and have not been early adopted by DDM. These standards are not expected to have a material impact on DDM in the current or future reporting periods and on foreseeable future transactions.

There are no other IFRS or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

Parent Company accounting principles
The accounting principles of the Parent Company are, in all material aspects, consistent with the accounting principles of the Group.

The Parent Company's financial reports have been prepared in accordance with RFR 2 *Reporting for Legal Entities* and the Annual Accounts Act. RFR 2 stipulates exceptions from and supplements to the standards issued by IASB and interpretations thereof issued by IFRIC. The exceptions and supplements are to be applied from the date on which the legal entity applies the standard or statement in question in its consolidated financial statements.

For its financial reporting, the Parent Company applies the design stated in the Annual Accounts Act, implying, among other things, that a different presentation form is applied for equity.

Pursuant to the Annual Accounts Act (ÅRL 1995:1554) the Parent Company applies the accounting for a financial leasing agreement as an operational lease agreement. Participations in subsidiaries are reported at accrued acquisition value less any impairment. If there is an indication that shares and participations in subsidiaries have decreased in value, the recoverable amount is calculated. If this amount is lower than the book value, impairment is carried out. Impairment is reported in the item profit/loss from participation in Group companies.

The parent company recognizes shares in associates at cost value, which differs from the group, which applies IAS 28, equity method.

NOTE 4. FINANCIAL RISK MANAGEMENT

The DDM Debt Group's activities expose it to a variety of financial and non-financial risks: market risks (currency risk and interest rate risk), credit risk, liquidity risk/financing risk and risk relating to the purchase of invested assets (distressed asset portfolios, investments in joint ventures and associates and financial assets at fair value).

Risk management is carried out by the DDM Debt Group in accordance with policies established by the Board of Directors. The DDM Debt Group identifies, evaluates and mitigates financial risks.

Risk factors
The DDM Debt Group defines risk as all factors which could have a negative impact on the ability of the Group to achieve its business objectives. All business activity is associated with risk. In order to manage risk in a balanced way it must first be identified and assessed.

The following summary offers examples of risk factors which are considered to be especially important for the DDM Debt Group's future development but is by no means comprehensive.

Economic fluctuations
The debt collection industry is negatively affected by a weakened economy. However, the DDM Debt Group's assessment is that, historically, it has been less affected by economic fluctuations than many other sectors. Risks associated with changes in economic conditions are managed through ongoing monitoring of each country's economic situation and development.

Changes in regulations
With regard to risks associated with changes in regulations in its markets, the Company continuously monitors the regulatory efforts to be able to indicate potentially negative effects and to work for favorable regulatory changes. Changes to the regulatory or political environments in which the DDM Debt Group operates, a failure to comply with applicable laws, regulations, licenses and codes of practice or failure of any employees to comply with internal policies and procedures may negatively affect the DDM Debt Group's business.

Market risk
Foreign exchange risk
The DDM Debt Group is an international group with operations in several countries. DDM Debt's reporting currency is Euros (EUR). This exposes the DDM Debt Group to foreign exchange risk due to fluctuations in foreign exchange rates that may impact the DDM Debt Group's results and equity. Exposure to currency fluctuations is usually specified according to two main categories: transaction exposure and translation exposure.

Translation exposure
When the balance sheet positions denominated in foreign currencies are recalculated to the DDM Debt Group's functional currency, a translation exposure arises that affects investor value.

Transaction exposure
Transaction exposure refers both to the exposure attributable to commercial flows, that is, sales and purchases across international borders, and the exposure from financial flows.

In terms of currency risk, the DDM Debt Group's operations are characterized by collections and collection costs mainly performed in local currency in the respective countries. The DDM Debt Group does not use any hedging instruments. As part of cash management, the DDM Debt Group is striving to maintain cash in the different currencies they are exposed to. See also notes 19, 22 and 23 regarding currencies and foreign exchange risks.

Cash flow and fair value interest rate risks
DDM Debt's interest rate risk primarily arises from borrowings, which consists of the super senior and senior secured bonds issued at fixed interest rates. Borrowings issued using the floating reference rate EURIBOR expose DDM Debt to interest rate risk and borrowings issued at fixed rates expose DDM Debt to fair value interest rate risk. A sudden and permanent interest rate shock could have a material adverse effect on DDM's business, results of operations or financial condition and its ability to make payments under the bond terms. Management monitors the liquidity forecast on a regular basis to mitigate the risk associated with floating interest rates, and no material impact is expected.

Credit risks inherent in invested assets
The credit risk is considered upon the acquisition of a financial asset by assessing the expected return. The DDM Debt Group manages this risk by monitoring the performance of the financial asset throughout its economic life. Cash collections are continually monitored, and the carrying value of the asset is impaired where it is deemed that, based on collections profiles, the asset is underperforming compared to the initial expected return determined at the acquisition date. The financial assets subjected to credit risk are cash and cash equivalents, accounts receivable and distressed asset portfolios. Depending on the distressed asset portfolio, the loans in the portfolio may contain underlying assets such as cars and houses as collateral for the loans. This collateral is considered when determining the recoverability and carrying amount of the portfolio. Any collateral received during the life of the portfolio is disposed on an on-going basis to limit the amount of collateral held. The DDM Debt Group is also exposed to credit risk in relation to financial assets that are measured at fair value through profit or loss.
The maximum credit exposure for each class of financial assets therefore corresponds to the carrying amount, which is shown in the following tables:

Group EUR '000s	31 December 2024	31 December 2023
Cash and cash equivalents	6 787	20 715
Accounts receivable	1 171	1 271
Distressed asset portfolios	65 266	77 898
Financial assets at fair value	89 666	53 198
Total	**162 890**	**153 082**

At 31 December 2024 the majority of the DDM Debt Group bank accounts were held with banks with credit ratings ranging from A+ to BBB+ as rated by Standard and Poor's. At 31 December 2023 the majority of the DDM Debt Group bank accounts were held with banks with credit ratings ranging from A+ to BB- as rated by Standard and Poor's. No credit ratings are available for the other financial assets held by the DDM Debt Group.
DDM Debt AB had no bank guarantees at 31 December 2024 (31 December 2023: EUR nil).

Other credit risk

Credit risk is the risk that the counterparty in a financial transaction will not fulfil its obligations on the maturity date. Credit risk is managed by the DDM Debt Group and arises from cash and cash equivalents, deposits with banks and financial institutions and loans / receivables from counterparties.

Another source of credit risk arises in connection to funds collected during the ordinary course of business. Funds are mainly collected directly on the DDM Debt Group's bank accounts, however in certain cases they are paid into client fund accounts held by the respective debt collection agencies to separate the DDM Debt Group's funds from the general funds of the agency. In the second instance every month there is a reconciliation-process and based on this received and allocated funds are transferred from the client fund accounts. Should a debt collection agency become insolvent between such reconciliation events monies collected and not yet reconciled could be frozen on the account pending the outcome of the insolvency. In selecting debt collection partners the DDM Debt Group makes efforts to control and monitor the financial standing of its partners and also to maintain a balance of the work allocated between agencies to minimize the potential risk of such a situation. Amounts expected to be recovered from a solvent counterparty are recognized as accounts receivable in the balance sheet.

Liquidity risk / Financing risk

The DDM Debt Group is funded by bonds and borrowings. There is a risk that there will be no correlation in time between collecting on sufficient assets under the Group's investments and the maturity of the Group's funding. Therefore the Group is dependent on the ability to refinance borrowings upon their maturity. The aim of the capital structure is to secure the DDM Debt Group's ability to continue its operations, in order to continue generating returns to its shareholders and to provide benefit for other stakeholders, and to maintain an optimal capital structure, minimizing the cost of capital.

The tables below specify the undiscounted cash flows arising from the DDM Debt Group's liabilities in the form of financial instruments, based on the remaining period to the earliest contractual maturity date as at the balance sheet date. Amounts in foreign currencies and amounts that are to be paid based on floating interest rates are estimated using the exchange and interest rates applicable on the balance sheet date.

Group EUR '000s	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 5 years
At 31 December 2024				
Borrowings	17 560	151 445	27 911	2 933
Payables to other group companies	-	8	-	-
Lease liabilities	323	272	197	312
Accounts payable	3 278	-	-	-
Other current liabilities	20 585			
Accrued expenses	7 381	-	-	-
Total	**49 127**	**151 725**	**28 108**	**3 245**

Parent Company EUR '000s	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 5 years
At 31 December 2024				
Borrowings	15 263	149 477	25 563	-
Loans from other group companies, subordinated	-	-	-	-
Accounts payable	1 099	-	-	-
Accrued expenses	2 654	-	-	-
Total	**19 016**	**149 477**	**25 563**	**0**

Group EUR '000s	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 5 years
At 31 December 2023				
Borrowings	17 757	22 013	174 726	3 166
Loans from other group companies, subordinated	–	–	–	37 586
Payables to other group companies	–	–	–	144
Lease liabilities	344	202	140	126
Accounts payable	3 658	–	–	–
Accrued expenses	3 788	–	–	–
Total	**25 547**	**22 215**	**174 866**	**41 022**

Parent Company	Less than	Between	Between	Between
At 31 December 2023				
Borrowings	15 482	19 810	172 783	-
Loans from other group companies, subordinated	-	-	-	37 586
Accounts payable	124	-	-	-
Accrued expenses	188	-	-	-
Total	**15 794**	**19 810**	**172 783**	**37 586**

Financial instruments by class

Group EUR '000s	31 December 2024	31 December 2023
Assets as per balance sheet		
Distressed asset portfolios	65 266	77 898
Financial assets at fair value	89 666	53 198
Loans to and accrued interest from other group companies	-	3 475
Other long-term receivables from investments	601	509
Other non-current assets	4 192	2 333
Trade and other receivables	1 171	4 842
Other receivables	2 960	3 571
Receivables from other group companies	258	161
Prepaid expenses and accrued income	2 658	2 046
Cash and cash equivalents	6 787	20 715
Total	**173 559**	**164 668**

Group EUR '000s	31 December 2024	31 December 2023
Liabilities as per balance sheet		
Bond loans	172 212	177 752
Payables to other group companies	8	144
Loans from other group companies, subordinated	-	37 586
Accounts payable	3 278	3 658
Other current liabilities	20 585	-
Accrued interest	2 654	10 577
Accrued expenses and deferred income	4 727	3 788
Total	**203 464**	**233 505**

Fair values

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. Invested assets are classified as financial assets held at amortized cost and recognized at amortized cost according to the effective interest rate method. The DDM Debt Group determines the carrying value by calculating the present value of estimated future cash flows at the invested assets' original effective interest rate. Adjustments are recognized in the income statement.

In the DDM Debt Group's opinion, the market's yield requirements in the form of effective interest rates on new invested assets have remained fairly constant, despite turbulence in global financial markets in recent years. With this valuation method, the carrying value is the best estimate of the fair value of invested assets. Please note that the table below is only intended to illustrate how the use of fair value could be presented. The DDM Debt Group reports their loans at amortized cost and the table below should only be considered from an illustrative perspective.

The tables below show the financial assets and financial liabilities **where the carrying values are considered to be materially in line with their fair values**:

Group EUR ‘000s	IFRS 9 category	Fair value category	31 Dec 2024	31 Dec 2023
Assets	**Fair value and carrying value of financial instruments**			
Accounts receivable	Financial assets held at amortized cost	Level 2	1 171	1 271
Other receivables	Financial assets held at amortized cost	Level 2	2 960	3 571
Cash and cash equivalents	Financial assets held at amortized cost	Level 2	6 787	20 715
Other long-term receivables from investments	Financial assets held at amortized cost	Level 2	601	509
Distressed asset portfolios	Financial assets held at amortized cost	Level 3	65 266	77 898
Financial assets at fair value	Financial assets held at fair value	Level 1	28 933	23 552
Financial assets at fair value	Financial assets held at fair value	Level 3	60 733	29 646
Liabilities	**Fair value and carrying value of financial instruments**			
Accounts payable	Financial liabilities held at amortized cost	Level 2	3 278	3 658
Bonds, E-Kancelaria	Financial liabilities held at amortized cost	Level 3	3 259	3 226
Borrowings, E-Kancelaria	Financial liabilities held at amortized cost	Level 3	102	1 101

Parent EUR ‘000s	IFRS 9 category	Fair value category	31 Dec 2024	31 Dec 2023
Assets	**Fair value and carrying value of financial instruments**			
Other receivables	Financial assets held at amortized cost	Level 2	2	43
Accrued interest from other group companies	Financial assets held at amortized cost	Level 2	4 323	1 766
Cash and cash equivalents	Financial assets held at amortized cost	Level 2	2 527	319
Financial assets at fair value	Financial assets held at fair value	Level 3	31 872	16 510
Financial assets at fair value	Financial assets held at fair value	Level 1	1 787	-
Liabilities	**Fair value and carrying value of financial instruments**			
Accounts payable	Financial liabilities held at amortized cost	Level 2	1 099	124

The tables below show the financial liabilities where the carrying values are **not considered to be materially in line with their fair values**. Fair value for bonds has been calculated based on the market value.

Group EUR '000s	IFRS 9 category	Fair value category	Fair value	Carrying value
At 31 December 2024				
Senior secured bonds 9%	Financial liabilities at amortized cost	Level 2	82 340	141 531
Senior secured bonds 9,5%	Financial liabilities at amortized cost	Level 2	25 000	23 853
Bonds AxFina Polska	Financial liabilities at amortized cost	Level 3	5 827	3 467
At 31 December 2023				
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
RCF	Financial liabilities at amortized cost	Level 2	4 500	4 430

Parent EUR '000s	IFRS 9 category	Fair value category	Fair value	Carrying value
At 31 December 2024				
Senior secured bonds 9%	Financial liabilities at amortized cost	Level 2	82 340	141 531
Senior secured bonds 9,5%	Financial liabilities at amortized cost	Level 2	25 000	23 853
At 31 December 2023				
Bond loan 9%	Financial liabilities at amortized cost	Level 2	116 899	165 339
RCF	Financial liabilities at amortized cost	Level 2	4 500	4 430

Level 1 financial assets at fair value
The DDM Debt Group has investments in a number of listed equities which are designated as level 1 financial assets at fair value. The carrying value of these investments at year end is the fair market value of these investments (the quoted market price).

Level 3 financial assets at fair value
The DDM Debt Group has investments in a number of equities which are designated as level 3 financial assets at fair value. These were initially recognized and measured at cost within Financial assets at fair value level 3. The fair value of unquoted level 3 financial assets was estimated using valuation techniques based on assumptions that are not supported by observable market prices. DDM Debt uses external valuation firms to provide evidence of fair value. The valuation is based on the latest issue price and general accepted valuation models.

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 senior secured bonds 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).
The appropriate level is determined based on the lowest level of input that is essential for valuation at fair value.
The valuation technique for invested assets, as well as valuation sensitivity for changes in material data are described in the accounting principles and in note 5.

Management of capital risk
Similar to other companies in the industry, DDM Debt Group assesses its capital requirements on the basis of its equity / total assets ratio. For the purpose of calculating compliance with the incurrence covenant of the super senior and senior secured bonds, this ratio is calculated as adjusted equity divided by total assets. Adjusted equity includes

subordinated debt (defined in IFRS 9 as an instrument without a contractual obligation to deliver cash or other assets) and retained earnings.

EUR '000s	31 December 2024	31 December 2023
Total assets	**247 101**	**236 187**
Shareholder's equity	38 466	-2 366
Shareholder debt (subordinated)	-	37 586
Accrued interest on shareholder debt	-	7 552
Adjusted equity	**38 466**	**42 772**
Adjusted equity / total assets ratio	**15,6%**	**18,1%**

Equity price risk
Exposure
The DDM Debt Group's exposure to equity securities price risk arises from investments held by DDM classified in the balance sheet at fair value through profit or loss (FVPL). For further information, refer to note 18 "Financial assets at fair value".

The DDM Debt Group's equity investments are publicly traded on various European stock exchanges and therefore the STOXX Europe 600 Index is a benchmark for the overall performance of European equity prices.

NOTE 5. CRITICAL ESTIMATES AND ASSUMPTIONS IN APPLYING THE GROUP'S ACCOUNTING PRINCIPLES

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events deemed to be reasonable under the circumstances.

Furthermore, the decision to amend a cash flow projection is preceded by a discussion between operations and Company management. All changes in cash flow projections are ultimately decided on by the CEO and Board of Directors. Please also refer to our website for additional information on risk factors affecting the DDM Debt Group.

Critical accounting estimates and judgements
The DDM Debt Group undertakes estimates and assumptions concerning future developments. The resulting accounting estimates will, by definition, seldom equal actual results. The estimates and assumptions entailing a significant risk of a material adjustment to the book values of assets and liabilities within the next financial year are outlined as follows:

Revenue recognition and measurement of acquired portfolios and other long-term receivables from investments
Distressed asset portfolios are financial instruments that are accounted for under IFRS 9 and are measured at amortized cost using the effective interest method ("EIR"). The effective interest rate method is a method of calculating the amortized cost of a distressed asset portfolio and of allocating interest income over the expressed life of the portfolio; the allocated interest income is recorded within revenue on invested assets in the financial statements. The EIR is the rate that exactly discounts estimated future purchased portfolio cash receipts through the expected life of the purchased portfolio. The EIR is determined at the time of purchase of the portfolio. The estimation of cash flow forecasts is a key estimation uncertainty fundamental within this critical accounting policy.

Upward revaluations are recognized as revenue. Subsequent reversals of such upward revaluations are recorded in the revenue line.

The portfolios are assessed on a forward-looking basis for the expected credit losses associated with its collection estimates for financial assets held at amortised cost in accordance with IFRS 9. An expected credit loss for a portfolio is recognised if there is a significant change in the credit risk estimated in relation to the amount of future cash flows of the portfolio and can be estimated reliably, an adjustment is recorded to the carrying value.

If the forecasted collections exceed initial estimates, an adjustment is recorded as an increase to the carrying value and is included in revenue on invested assets. The estimation of cash flow forecasts is a key estimation uncertainty fundamental within this critical accounting policy. Estimates of cash flows that determine the EIR are established for each purchased portfolio and are based on actual collection information, planned collection actions as well as macroeconomic scenarios and the specific features of the assets concerned. Revaluations of portfolios are based on the rolling 120-month ERC ("Estimated remaining collections") at the revaluation date. The ERC is updated quarterly using a proprietary model, see page 68 for the financial definition of ERC.
The DDM Debt Group estimates that a continuous decrease of net collections by 10% would result in a 10% decrease of the net present value, or book value, assuming that the forecasted collection curves remain unchanged. If

collections consistently would exceed the originally forecasted amounts by 10%, the net present value, or book value, would be expected to increase by 10%. In addition, if collections would start later than originally forecasted, the net present value, and book value, are expected to be negatively impacted while be positively impacted should collections start earlier than originally forecasted.

See note 19 for the carrying value of distressed asset portfolios.

Goodwill
Goodwill is reviewed for impairment annually or at any time if an indication of impairment exists. Management monitors goodwill for internal purposes based on its Cash Generating Units ("CGU") which are its operating segments. Critical parameters in the calculation of the impairment test of Goodwill are judgement of future cashflows and the discounted interest rate.

The Company evaluates impairment losses other than goodwill impairment for potential reversals when events or circumstances warrant such consideration. Accordingly, goodwill is assessed for impairment together with the assets and liabilities of the related segment. The Company has only one CGU, which corresponds to the activities of the entire Group.

Level 3 financial assets at fair value
The DDM Debt Group has investments in a number of equities which are designated as level 3 financial assets at fair value. These were initially recognized and measured at cost. The fair value of unquoted level 3 financial assets was estimated using valuation techniques based on assumptions that are not supported by observable market prices. For this reason, assets within this class are subject to important estimates and judgments regarding future cash flows and discounted interest rates.

NOTE 6. RECONCILIATION OF REVENUE ON INVESTED ASSETS

Revenue on invested assets is the net amount of the cash collections (net of third-party commission and collection costs), amortization, revaluation and impairment of invested assets.
Net collections is comprised of gross collections from the invested assets held by the DDM Debt Group, less commission and fees. 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. Collection costs are comprised of all third-party expenses directly attributable to the collection of distressed asset portfolios, such as collection fees, commission, transaction costs, non-recoverable VAT on amounts collected and Swiss VAT where applicable. The collection costs differ from portfolio to portfolio depending on the country/jurisdiction and the specific features of the assets concerned.

Revenue from management fees and other services		
EUR '000s	**2024**	**2023**
Management fees and other services	2 662	1 071

Revenue from management fees and other services mainly relate to the business process outsourcing fees, one of the revenue streams of AxFina.

EUR '000s	2024	2023
Gross collections	**43 102**	**38 713**
Collection and commission expenses	-9 178	-5 293
Net collections by country:		
Croatia	13 071	8 644
Italy	0	6 645
Romania	10 402	6 893
Hungary	2 612	4 683
Poland	5 101	4 034
Slovenia	2 205	1 892
Czech Republic	265	300
Serbia	261	165
Bosnia	0	161
Slovakia	7	3
Net collections	**33 294**	**33 420**
Interest income	3 787	2 323
Amortization of invested assets	-15 859	-19 686
Interest income on invested assets before revaluation and impairment	**21 852**	**16 057**
Dividend income from invested assets	1 689	2 302
Revaluation of invested assets	2 523	931
Revenue on invested assets	**26 064**	**19 290**

Share of net profits of joint venture

EUR '000s	2024	2023
Croatia	2 372	7 319

Share of net losses of associate

EUR '000s	2024	2023
Luxembourg	-3 794	-3 486
Sweden	-878	-

The chief operating decision maker of the DDM Debt Group 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 DDM Debt Group reports segment on an entity basis, i.e. one operating segment. The DDM Debt Group discloses information regarding revenue on invested assets based on its key geographic areas. No individual debtor generates more than 10% of the DDM Debt Group's total revenues. The table below presents an overview of the carrying value of invested assets (distressed asset portfolios, financial assets at fair value and investments in joint ventures and associates) by country:

EUR '000s	31 December 2024	31 December 2023
Croatia	49 961	58 850
Luxembourg	51 133	48 151
Austria	26 402	23 552
Romania	12 559	14 443
Poland	10 835	13 546
Sweden	32 911	6 501
Hungary	2 714	4 448
Slovenia	2 376	2 698
Italy	601	509
USA	6 001	4 466
Germany	744	-
Ireland	11 901	-
Singapore	1 444	362
Others	2 128	2 096
Total	**211 710**	**179 622**

NOTE 7. PERSONNEL EXPENSES

The Parent Company and its subsidiaries had 236 employees at 31 December 2024 (2023: 271 employees). The gender distribution at 31 December 2024 for the Group was 40% male and 60% female (2023: 40% male and 60% female). Parent company had 3 (0) employees.

Gender distribution of board members and other senior executives
The Board of Directors consists of three members (male) (2023: three (male)). DDM Debt AB has one managing director (male) (2023: one (male).

	2024		2023	
EUR '000s	**Salaries and other remuneration**	**Social costs**	**Salaries and other remuneration**	**Social costs**
Parent Company	886	217	52	5
Subsidiaries	7 393	1 029	4 915	992
Group	**8 279**	**1 246**	**4 967**	**997**

Parent EUR '000s	**2024**	**2023**
Board of Directors		
Jörgen Durban		
Salaries and other remuneration	253	52
Pension costs	-	-
	253	**52**
Other employees		
Salaries and other remuneration	633	-
Pension costs	-	-
	633	**0**
Social charges	217	5
Total Board and others	**1 103**	**57**

NOTE 8. CONSULTING EXPENSES

Group EUR '000s	**2024**	**2023**
Consultancy fees	4 841	2 676
Legal fees	1 969	800
Forvis Mazars (2024) / PwC (2023)		
Audit assignments	652	468
Tax assignments	81	33
Other audit related assignments	-	6
DDM Group AG's management fees	-	6 000
Total	**7 543**	**9 983**

Parent Company EUR '000s	**2024**	**2023**
Consultancy fees	320	238
Legal fees	175	139
Forvis Mazars (2024) / Öhrlings PwC (2023)		
Audit assignments	100	102
Total	**595**	**479**

Audit assignment refers to the examination of the annual financial statements and accounting records, as well as the administration of the Board of Directors and the Managing Director. Other audit related assignments include tasks whose execution is the responsibility of the Company's auditors, as well as the provision of advisory services or other assistance resulting from observations made during such assignments.

NOTE 9. OTHER OPERATING EXPENSES

Group EUR '000s	2024	2023
IT costs	659	994
Other operating expenses	940	674
Non-deductible VAT	591	273
Other office costs	766	152
Rental expenses	249	144
Business travel expenses	392	116
Total	**3 597**	**2 354**

Parent Company EUR '000s	2024	2023
Non-deductible VAT	201	157
Other operating expenses	164	95
Rental expenses	101	10
Total	**466**	**261**

In 2023 1 492 KEUR of internal expenses for collections were included in other operating expenses.

NOTE 10. NET FINANCIAL EXPENSES

Group EUR '000s	2024	2023
Financial income		
Gain on bonds repurchased	9 275	6 399
Unrealised gains on financial assets at fair value	13 129	1 521
Interest income	1 013	1 175
Other financial income	-	738
Exchange gains	120	571
Realized gains on financial assets at fair value	5	117
Total financial income	**23 542**	**10 521**
Financial expenses		
Interest expense	-19 356	-19 144
Amortization of transaction costs	-1 301	-1 129
Loss on financial assets at fair value	-3 483	-
Bank charges	-126	-96
Other financial expenses	-151	-604
Exchange losses	-	-
Total financial expenses	**-24 417**	**-20 973**
Net financial expenses	**-875**	**-10 452**

Parent EUR '000s	2024	2023
Financial income		
Gain on bonds repurchased	9 275	6 399
Interest income	17 494	6 327
Other financial income	199	738
Exchange loss/profit	515	-111
Total financial income	**27 483**	**13 464**
Financial expenses		
Interest expense	-18 031	-18 564
Loss on financial assets at fair value	-2 730	0
Amortization of transaction costs	-1 301	-1 129
Bank charges	-27	0
Exchange losses	-	-111
Total financial expenses	**-22 089**	**-19 804**
Net financial (expenses) / income	**5 394**	**-6 340**

NOTE 11. INCOME TAX

Group EUR '000s	2024	2023
Current tax expense for the year	-1 803	-1 073
Movement of deferred tax assets	-134	169
Movement of deferred tax liabilities	-392	106
Total tax (expense) / income	**-2 329**	**-798**

Parent Company EUR '000s	2024	2023
Current tax	-1 158	-554
Total tax expense	**-1 158**	**-554**

The differences between tax expense / (income) and an estimated tax (income) / expense based on current tax rates are as follows:

Group EUR '000s	2024	2023
Profit/Loss before tax	-5 249	-5 288
Tax calculated at 20,6% tax rate (prior year 11,80%, Switzerland)	1 081	624
Other non-deductable costs	-2 128	-220
Effects of foreign tax rates	-1 208	-906
Adjustments for previous years and other	-74	-296
Total tax expense/income	**-2 329**	**-798**

Parent Company EUR '000s	2024	2023
Loss / profit before tax	-5 995	-7 137
Tax calculated at 20,6% (Swedish) tax rate (prior year 20,6%)	1 235	1 470
Adjustment for previous years and other	-2 393	-2 024
Total tax expense	**-1 158**	**-554**

NOTE 12. EARNINGS PER SHARE

Earnings per share are calculated by dividing the net result attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year. The Company has no ordinary shares purchased by the Company and held as treasury shares.

For the year ended 31 December EUR '000s	2024	2023
Net result from continuing operations attributable to owners of the Parent Company	-7 308	-7 494
Total	**-7 308**	**-7 494**
Weighted average number of ordinary shares	54 000	54 000
Earnings per share before dilution (EUR)	-135,33	-138,78
Total potential dilutive shares	-	-
Weighted average number of shares outstanding – fully diluted	54 000	54 000
Diluted earnings per share (EUR)	-135,33	-138,78

NOTE 13. TANGIBLE ASSETS

Group EUR '000s	Furniture	Computer hardware	Total
Year ended 31 December 2024			
At 1 January 2024	**5**	**180**	**185**
Additions		6	**6**
Depreciation	-2	-58	**-60**
Other movements and f/x differences		-38	**-38**
At 31 December 2024	**3**	**90**	**93**
At cost	89	481	**570**
Accumulated depreciation	-86	-391	**-477**
Net book value at 31 December 2024	**3**	**90**	**93**
Year ended 31 December 2023			
At 1 January 2023	**1**	**211**	**212**
Additions	**-**	-	**0**
Acquired through acquisition of assets - Cost	83	208	**291**
Acquired through acquisition of assets - Accum Depr.	-76	-181	**-257**
Depreciation	-3	-63	**-66**
Other movements and f/x differences	-	5	**5**
At 31 December 2023	**5**	**180**	**185**
At cost	89	513	**602**
Accumulated depreciation	-84	-333	**-417**
Net book value at 31 December 2023	**5**	**180**	**185**

The additions from the acquisition of assets relate to the assets acquired from DDM Group AG in 2023.

NOTE 14. INTANGIBLE ASSETS

Group EUR '000s	IT software	Others	Total
At 1 January 2024	**1 123**	**307**	**1 430**
Additions	-	-	**0**
Amortization	-351	-444	**-795**
Other movements and f/x differences	-14	1 505	**1 491**
At 31 December 2024	**758**	**1 368**	**2 126**
At cost	3 476	2 033	**5 509**
Accumulated amortization	-2 718	-665	**-3 383**
Net book value at 31 December 2024	**758**	**1 368**	**2 126**

Group EUR '000s	IT software	Others	Total
At 1 January 2023	**644**	**275**	**919**
Additions	475	-	**475**
Acquired through Business Combinations - Cost	-	165	**165**
Acquired through Business Combinations - Accum Depr.	-	-	**0**
Acquired through acquisition of assets - Cost	2 228	-	**2 228**
Acquired through acquisition of assets - Accum Depr.	-1 918	-	**-1 918**
Amortization	-299	-134	**-433**
Other movements and f/x differences	-7	1	**-6**
At 31 December 2023	**1 123**	**307**	**1 430**
At cost	3 490	528	**4 018**
Accumulated amortization	-2 367	-221	**-2 588**
Net book value at 31 December 2023	**1 123**	**307**	**1 430**

The item "Others" refers to customer-related servicing contracts (see note 3). The additions from the acquisition through business combinations relate to AxFina's business combination with E-Kancelaria in 2023. The additions from the acquisition of assets relate to the assets acquired from DDM Group AG in 2023.

NOTE 15. RIGHT-OF-USE ASSETS

Group EUR '000s	Office premises	Motor vehicles	Total
Year ended 31 December 2024			
At 1 January 2024	**697**	**94**	**791**
Additions	348	-	**348**
Depreciation	-313	-20	**-333**
Other movements and f/x differences	124	-	**124**
At 31 December 2024	**856**	**74**	**930**
At cost	1 988	209	**2 197**
Accumulated depreciation	-1 132	-135	**-1 267**
Net book value at 31 December 2024	**856**	**74**	**930**

Group EUR '000s	Office premises	Motor vehicles	Total
Year ended 31 December 2023			
At 1 January 2023	**490**	**34**	**524**
Additions	26	104	**130**
Acquired through Business Combinations - Cost	392	-	**392**
Acquired through Business Combinations - Accum Depr.	-75	-	**-75**
Acquired through acquisition of assets - Cost	267	-	**267**
Acquired through acquisition of assets - Accum Depr.	-245	-	**-245**
Depreciation	-186	-44	**-230**
Other movements and f/x differences	28	-	**28**
At 31 December 2023	**697**	**94**	**791**
At cost	1 516	209	**1 725**
Accumulated depreciation	-819	-115	**-934**
Net book value at 31 December 2023	**697**	**94**	**791**

The additions from the acquisition through business combinations relate to AxFina's business combination with E-Kancelaria in 2023. The additions from the acquisition of assets relate to the assets acquired from DDM Group AG in 2023.

The majority of the underlying right-of-use assets in DDM Debt Group's operating leases are office buildings. Right-of-use assets are measured at cost with an initial measurement amount equal to the lease liability. See note 27.

NOTE 16. INTERESTS 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 17 334 464 EUR, 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 9 MEUR at a pre-money valuation of 60MEUR. The DDM Debt Group contributed 4 MEUR 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 33,3 MEUR of convertible bonds and existing investments were converted into shares of Omnione S.A in Q1 2023, resulting in a reclassification of 33,3 MEUR from financial assets at fair value to interests in associates. DDM Debt Group's proportion ownership in OmniOne S.A is 49,94 % per December 31 2024.

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 108 MEUR (9,6 MEUR), of which 2,9 MEUR 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 58,3 MEUR (5,0 MEUR), 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 0,6 MSEK (0,05 MEUR). In the fourth quarter 2024, DDM Debt group acquired 940 788 shares in Siver at a price of 1,95 SEK per share and a total purchase price of 1,8 MSEK (0,16 MEUR). After the last acquisition, DDM Debt group owns 12,1% of the shares in Sivers Semiconductors AB.

The allocation of the acquisitions of shares in Sivers Semiconductors are presented below. No depreciation of Goodwill, based on the equity method, has been booked.

Purchase price of shares in the first quarter 2024 (7,63%)	9 573
Purchase price of shares in the second quarter 2024 (4,12%)	5 029
Purchase price of shares in the third quarter 2024 (0,04%)	50
Purchase price of shares in the fourth quarter 2024 (0,31%)	160
Total purchase price	**14 811**
Net assets in Sivers	12 900
Surplus value (Goodwill)	**1 912**

At 2024-12-31 the carrying amount corresponds to 5,9 SEK/share The share price as of December 31, 2024 was SEK 3,14 per share. The overall assessment of the group's management, taking into account all available information about the value of the share in combination with the long-term nature of the investment, is that there is no need for impairment as of December 31, 2024.

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

Group **EUR '000s**	**31 December 2024**	**31 December 2023**
Opening net book value	**29 834**	**-**
Additions	210	-
Reclassification from financial assets at fair value	15 229	33 320
Share of net profits / (losses) in the income statement	-4 672	-3 486
Share of other comprehensive income of associates accounted for using the equity method	269	-
Closing net book value	**40 870**	**29 834**

Parent EUR '000s	31 December 2024	31 December 2023
Opening net book value	**0**	**0**
Additions	14 811	-
Closing net book value	**14 811**	**0**

NOTE 17. 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 B2Holding. As part of the co-investment structure with B2Holding, DDM 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.

			% of ownership interest		
Name of entity	**Corporate identity number**	**Domicile**	**2024**	**2023**	**Nature of relationship**
CE Partner S.a.r.l.	B230176	Luxembourg	50%	50%	Joint Venture
CE Holding Invest S.C.S	B230358	Luxembourg	50%	50%	Joint Venture

The investment is accounted for under the equity method in accordance with IFRS 11 Joint Arrangements and has changed as set out below during the year:

EUR '000s	31 December 2024	31 December 2023
Opening net book value	**18 183**	**21 546**
Additions	-	-
Share of net profits of joint venture	2 372	7 319
Incremental net distribution from joint venture	-5 248	-10 682
Closing net book value	**15 307**	**18 183**

The Joint Venture is subject, by agreement, to joint control shared equally by the DDM Debt Group and B2Holding. The Joint Venture has invested in a non-performing secured portfolio acquired from HETA Asset Resolution in Croatia. The summarized financial information shown below represents amounts from the Joint Venture's financial statements that were prepared in accordance with IFRS:

EUR '000s	31 December 2024	31 December 2023
Summarized balance sheet		
Non-current assets		
Portfolio investments	46 540	53 447
Current assets		
Cash and cash equivalents	1 393	667
Other current assets	106	172
Total assets	**48 039**	**54 286**
Current liabilities		
Other current liabilities	486	541
Total liabilities	**486**	**541**
Equity	**47 553**	**53 745**
Total liabilities and equity	**48 039**	**54 286**

EUR '000s	31 December 2024	31 December 2023
Summarised income statement		
Interest income	4 315	14 256
Operating expenses	-37	-176
Operating profit	**4 278**	**14 080**
Financial expenses	-	-
Profit before tax	**4 278**	**14 080**
Taxation	-	-
Profit for the year	**4 278**	**14 080**

NOTE 18. 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 income from financial assets held at FVTPL is included within Interest income on invested assets.

In Q1 2023 in total 33,3 MEUR of convertible bonds and existing investments were converted into shares of Omnione S.A, resulting in a 33,3 MEUR reclassification from financial assets at fair value to investment in associates, with a remaining value of 6,8 MEUR in financial assets at fair value. 11,5 MEUR was further invested in Omnio in 2023, resulting in an outstanding balance of 18,3 MEUR in financial assets at fair value at 31 December 2023.

The DDM Debt Group also invested 4,5 MEUR in Water By Nordic AB on 14 January 2022, which is a special purpose vehicle (SPV) located in Sweden, and a further 4,5 MEUR in 2023. The purpose of this SPV is to invest in a listed Special Purpose Acquisition Company (SPAC). The Company has classified this investment as a financial asset at fair value, as DDM determined that they do not have control over the investee consistent with IFRS 10. The investment in Water By Nordic AB is classified as Level 3 financial, as it has unobservable inputs. It is further valued at fair value because the underlying invested assets do not meet the criteria under IFRS 9 of cash flows consisting solely of payments of principle and interest (SPPI).

In 2023 the DDM Debt Group sold its 5% stake in Borgosesia S.p.A, as well as its associated NPL portfolio as part of its continuous active asset management. In Q4 2023 the DDM Debt Group acquired shares in Single Technology AB and shares of Encare AB, totaling 6,0 MEUR. The DDM Debt Group also made an investment in Anoto AB of 0,3 MEUR and an investment in Knowledge AI Pte. Ltd of 0,4 MEUR.

The amount of net fair value gains in 2023 mainly relates to the shares held in Addiko Bank AG, as the share price increased from EUR 12,65/share to EUR 13,35/share during the 2023 year. The amount of net fair value losses in 2022 relates to 1,9 MEUR of fair value losses on the shares held in Addiko Bank AG, partly offset by 0,2 MEUR fair value gain relating to the shares held in Borgosesia S.p.A. In 2024 4,5 MEUR was invested in OmniOne and interest of 1,9 MEUR was capitalized, resulting in an outstanding balance of 25,0 MEUR at 31 December 2024 in financial assets at fair value relating to the investment in OmniOne. The largest investments in 2024 held at fair value are: ITB Med 10,3 MEUR, Omnio 6,4 MEUR, Anoto 2,4 MEUR and Imaginecare 1,7 MEUR and the remaining investments were done in levels of 0,3 – 1,5 MEUR.

On 1 February 2024 the DDM Debt Group 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 the DDM Debt Group. 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 the DDM Debt Group. 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 the DDM Debt Group 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 the DDM Debt Group’s instructions, the escrow agent transferred the Shares to Alta on 22 July 2024. The DDM Debt Group has 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. For that reason, the shares in Addiko Bank AG are continued to be recognized in DDM Debt group’s balance sheet. The shares are booked at fair value, 26 MEUR. The received cash from the sales transaction, 19,7 MEUR, has been booked as a liability in the balance sheet. 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, the DDM Debt Group 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. The DDM Debt Group has reserved its right to damages from the Swiss lawyer acting as escrow agent.

Of the investments made in 2023, 16,5 MEUR were made by the parent company, DDM Debt AB and the remainder by subsidiaries of DDM Debt AB.

Adjustment of closing of books in relation to the Q4-report
The group has made an adjustment to the financial statements compared to what was published in the report for Q4 2024. In the Q4 report, a profit was recognized in the income statement an investment of 9,2 MEUR, directly upon acquisition. The profit related to the difference between the acquisition cost and the estimated fair value (Level 3 according to IFRS 9). In connection with the completion of this annual report, the board of directors and management have decided that this profit should not be recognized, which means that it has been reversed.

Group **EUR '000s**	**31 December 2024**	**31 December 2023**
Balance at beginning of the year	**53 198**	**68 743**
Additions	46 881	18 465
Disposals	289	-4 080
Fair value gains / (losses)	-5 128	1 521
Capitalized interest	7 287	2 059
Reclassification to investment in associates at fair value	-15 228	-33 320
Reclassification to other receivables	-	-
Foreign exchange differences	417	-190
Balance at end of the year	**89 666**	**53 198**

Parent **EUR '000s**	**31 December 2024**	**31 December 2023**
Balance at beginning of the year	**16 510**	**0**
Additions	37 635	16 510
Conversion	289	-
Disposals	-5 128	-
Fair value gains / (losses)	-2 947	-
Capitalized interest	1 744	-
Reclassification to investment in associates at fair value	-14 811	-
Reclassification to other receivables	-	-
Foreign exchange differences	367	-
Balance at end of the year	**33 659**	**16 510**

NOTE 19. DISTRESSED ASSET PORTFOLIOS

EUR '000s	**31 December 2024**	**31 December 2023**
Opening accumulated acquisition cost	**350 974**	**329 593**
Acquisitions	1 039	15 940
Acquisitions through business combinations	-	3 031
Revaluation, including forex differences	3 045	2 410
Closing accumulated acquisition cost	**355 058**	**350 974**
Opening accumulated amortization, revaluation and impairment	**-273 076**	**-259 142**
Amortization, including forex differences	-16 024	-13 934
Impairment	-692	0
Closing accumulated amortization, revaluation and impairment	**-289 792**	**-273 076**
Closing net book value	**65 266**	**77 898**

The DDM Debt Group invests in portfolios that are denominated in local currencies as well as portfolios/receivables denominated in EUR. Therefore, fluctuations in the EUR exchange rate against these currencies affects collections from invested assets and the operating earnings of the DDM Debt Group.
The carrying values of the distressed asset portfolios owned by the DDM Debt Group are distributed by currency as follows:

EUR '000s	31 December 2024	31 December 2023
EUR	38 430	44 173
RON	11 720	14 171
PLN	10 835	13 546
HUF	2 714	4 448
RSD	1 476	1 419
CZK	91	141
Total	**65 266**	**77 898**

An appreciation of the euro of 10% as at 31 December 2024 against the Romanian Lei would have resulted in an additional unrealized foreign exchange loss of 1,2 MEUR (31 December 2023: loss of 1,4 MEUR) and against the Polish Zloty a loss of 1,1 MEUR (31 December 2023: loss of 1,4MEUR). Consequently, a depreciation of the euro of 10% at 31 December 2024 and 31 December 2023 would have resulted in an additional unrealized foreign exchange gain of the same amount.

NOTE 20. OTHER LONG-TERM RECEIVABLES FROM INVESTMENTS

EUR '000s	31 December 2024	31 December 2024
Opening accumulated acquisition cost	**6 473**	**6 473**
Acquisitions	-	-
Disposals	-	-
Revaluation (including forex differences)	-	-
Closing accumulated acquisition cost	**6 473**	**6 473**
Opening accumulated amortization and impairment	**-5 964**	-135
Amortization for the year (including forex differences)	92	-5 829
Closing accumulated amortization and impairment	**-5 872**	**-5 964**
Closing net book value	**601**	**509**

NOTE 21. DEFERRED TAX

DTA - Group EUR '000s	Opening balance	Income statement (charge) / credit	Acq. through business combination	Other comprehensive income (charge) / credit	Other movements and FX	Closing balance
2024						
Tax losses carried forward	**3 362**	-134	-	-	-	**3 228**
Post-employment benefits	**169**	-	-	-65	-	**104**
Others		-	-	-	-344	**-344**
Total	**3 531**	**-134**	**0**	**-65**	**-344**	**2 988**
2023						
Tax losses carried forward	**3 034**	169	112	-	47	**3 362**
Post-employment benefits	**-**	-	-	169	-	**169**
Total	**3 034**	**169**	**112**	**169**	**47**	**3 531**

DTL - Group EUR '000s	Opening Balance	Income statement (charge) / credit	Acq. through business combination	Other movements and FX	Closing balance
2024					
Invested assets	**-515**	-392	-	-	**-907**
Others	**0**	**-**	**-**	-96	**-94**
Total	**-515**	**-392**	**0**	**-96**	**-1 003**
2023					
Invested assets	**-1 232**	106	-	611	**-515**
Total	**-1 232**	**106**	**0**	**611**	**-515**

The Group's deferred tax assets have been recognized in accordance with IAS 12 as, based on historical performance and future budgets, the Board of Directors believe that it is probable that there will be sufficient taxable profits against which the assets will be reversed.

NOTE 22. OTHER NON-CURRENT ASSETS

Other non-current assets by currency:

Group EUR '000s	31 December 2024	31 December 2023
EUR	2 950	1 967
USD	151	0
GBP	1 091	366
Total	**4 192**	**2 333**

Parent EUR '000s	31 December 2024	31 December 2023
GBP	1 091	366
USD	151	0
EUR	1 083	338
Total	**2 325**	**704**

NOTE 23. CURRENT RECEIVABLES

Group EUR '000s	31 December 2024	31 December 2023
Accounts receivable	1 171	1 271
Receivables from other group companies	258	161
Tax assets	206	98
Other receivables	2 960	3 571
Prepaid expenses and accrued income	2 658	2 046
Total	**7 253**	**7 147**

Group EUR '000s	31 December 2024	31 December 2023
Accounts receivable < 30 days	1 171	1 271
Accounts receivable 31-60 days	-	-
Accounts receivable 61-90 days	-	-
Accounts receivable > 91 days	-	-
Total	**1 171**	**1 271**

No provision (31 December 2023: EUR nil) was made for impairment of accounts receivables as of 31 December 2024, under the simplified approach permitted under IFRS 9.

Accounts receivable by currency:

Group EUR '000s	31 December 2024	31 December 2023
EUR	979	818
RON	192	448
PLN	0	5
Total	**1 171**	**1,271**

The fair values of the Group's current receivables correspond to the book values.

Parent EUR '000s	31 December 2024	31 December 2023
Other receivables	2	43
Prepaid expenses	54	34
Accrued interest from other group companies	4 323	1 766
Total	**4 379**	**1 843**

NOTE 24. CASH AND CASH EQUIVALENTS

Group EUR '000s	31 December 2024	31 December 2023
Cash and cash equivalents	6 787	20 715
Total	**6 787**	**20 715**

Parent Company EUR '000s	31 December 2024	31 December 2023
Cash and cash equivalents	2 527	319
Total	**2 527**	**319**

At 31 December 2024 the majority of the DDM Debt Group's bank accounts were held with banks with credit ratings ranging from A+ to BBB+ as rated by Standard & Poor's and Fitch. At 31 December 2023 the majority of the DDM Debt Group's bank accounts were held with banks with credit ratings ranging from A+ to BB- as rated by Standard & Poor's.

NOTE 25. SHARE CAPITAL

The 54,000 shares have a quota of 1 per share. Each share entitles the holder to one vote. All registered shares as per the reporting date are fully paid.

NOTE 26. GOODWILL

EUR '000s	Goodwill
Year ended 31 December 2024	
at 1 January 2024	**11 022**
Additions	
Impairment	
at 31 December 2024	**11 022**
At cost (from acquisition)	12 508
Accumulated impairment	-1 486
Net book value at 31 December 2024	**11 022**
Year ended 31 December 2023	
at 1 January 2023	**11 022**
Additions	1 486
Impairment	-1 486
at 31 December 2023	**11 022**
At cost (from acquisition)	12 508
Accumulated impairment	-1 486
Net book value at 31 December 2023	**11 022**

The additions during 2023 relate to the acquisition by DDM Debt's 75.2% owned subsidiary AxFina of 100% of the share capital of E-Kancelaria, a Polish loan servicing and debt collection company headquartered in Wrocław, which was impaired at 31 December 2023 due to the audit of the portfolio not being completed in time.

The value of Goodwill as above is based on the acquisition analysis prepared. The entire amounts are attributed to AxFina where the acquisition analysis is based on AxFina's balance sheet as of June 30, 2022. Goodwill is tested annually for impairment in accordance with IAS 36. When it comes to impairment testing of Goodwill, DDM Group assumes that the entire Group is a cash-generating unit based on the operational model and central management. The impairment test includes:

- Estimated future net collections, other operating income and EBITDA.
- Assessment of the terminal value based on sustainable gross cash (multiple 1,85)
- Discount rate based on the Group's capital structure and business plan
- Prudent assessments regarding the management's strategic plan and market outlook.

A review of the Group's goodwill position shows a significant excess value based on current assumptions. The valuation is based on updated five-year cash flow projections and a terminal value, applying a weighted average cost of capital (WACC) of 12.3% and a target capital structure of 75% debt to total invested capital. Even in stressed scenarios, where future revenues or portfolio cash flows are reduced, the present value of forecasted cash flows clearly exceeds the carrying amount of goodwill. This provides strong assurance that no impairment is required and underlines the robustness of our business model and financial assumptions.

Calculation based on the above variables does not indicate any reason to write down Goodwill as of December 31, 2024.

NOTE 27. LEASE LIABILITIES

Group EUR '000s	Current	Non-current	Total
Year ended 31 December 2024			
At 1 January 2024	**269**	**571**	**840**
Additions		348	**348**
Rental payments		-380	**-380**
Interest expense		81	**81**
Reclassifications	54	-54	**0**
Other movements and f/x		217	**217**
At 31 December 2024	**323**	**783**	**1 106**

Group EUR '000s	Current	Non-current	Total
Year ended 31 December 2023			
At 1 January 2023	**207**	**330**	**537**
Additions		130	**130**
Acquired through business combinations	53	270	**323**
Acquired through acquisition of assets	62		**62**
Rental payments		-229	**-229**
Interest expense		17	**17**
Reclassifications	-53	53	
At 31 December 2023	**269**	**571**	**840**

The additions in 2023 from the acquisition through business combinations relate to AxFina's business combination with E-Kancelaria in 2023. The additions from the acquisition of assets relate to the assets acquired from DDM Group AG.
Lease liabilities are measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate. The majority of the DDM Debt Group's leases are leases of office buildings

NOTE 28. BOND LOANS AND BORROWINGS

The DDM Debt Group had the following borrowings at the balance sheet dates of 31 December 2024 and 31 December 2023. See note 4 for a description of contractual undiscounted cash flows.

Super Senior Bond loan EUR 25 MEUR
On 4 December 2024 DDM Debt issued 25 MEUR of super senior secured fixed rate bonds at 9,5%, with a final maturity date of 30 March 2027. The proceeds from the super senior bond issue were mainly employed towards acquiring 25 MEUR in nominal value of the existing 200 MEUR bonds issued by DDM Debt AB with ISIN number SE0015797683, at a purchase price of 62,90%, and to repay the 4,5 MEUR RCF with a Swedish bank. The remaining proceeds were for transaction costs and general corporate purposes.

Bond loan 200 MEUR
On 19 April 2021, DDM Debt issued 150 MEUR of senior secured fixed rate bonds at 9% within a total framework amount of 300 MEUR. 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 100 MEUR and 33,5 MEUR bonds (of which 23 MEUR of the 100 MEUR bonds were already held by DDM Debt) and for investments and acquisitions.

On 21 September 2021, DDM Debt successfully completed a 50 MEUR tap issue under the 300 MEUR senior secured bond framework. The bond tap issue was placed at a price of 102,0%. Following the tap issue the total outstanding amount of the company's bond loan is 200 MEUR. 31,8 MEUR of own bonds were held in total prior to the repurchase of 25 MEUR in nominal value at a purchase price of 62,90% in December 2024 following the super senior bond issuance, resulting in 56,8 MEUR of own bonds held at 31 December 2024.

Covenants for bond loan 200 MEUR and super senior bond loan 25 MEUR
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. The terms and conditions of the super senior secured bonds also include an incurrence test covenant where the net interest bearing debt as a percentage of the market value of the total assets must not exceed 80,00%, and a maintenance test covenant where DDM Debt AB must at all times hold cash and cash equivalents of at least 2 MEUR. DDM's management carefully monitors these key financial indicators. At 31 December 2024 and at 31 December 2023 the equity ratio was 15,6% and 18,1% respectively, and therefore the incurrence test covenant 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 and the shares in Omnione SA 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 3 695 KEUR 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 3 272 KEUR 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 318 KEUR 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 4,5 MEUR with a Swedish bank. The revolving credit facility was available to finance investments and for general corporate purposes. The facility was available until 30 June 2025 and priced at Euribor plus a margin of 375 basis points. The 4,5 MEUR facility was fully repaid in December 2024 following the issuance of the EUR 25m super senior secured bonds (see "Super Senior Bond loan EUR 25m" section above for further details).

Maturity profile 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
at 31 December 2024							
Super Senior Bonds, 9.5%	-	-	23 853	-	-	-	**23 853**
Senior Secured Bonds, 9%	-	141 531	-	-	-	-	**141 531**
Bonds, AxFina Polska	682	603	597	526	463	596	**3 467**
Bonds, E-Kancelaria	931	931	1 397	-	-	-	**3 259**
Borrowings, E-Kancelaria	102	-	-	-	-	-	**102**
Total	**1 715**	**143 065**	**25 847**	**526**	**463**	**596**	**172 212**
at 31 December 2023							
Bond loan, 9%	-	-	165 339	-	-	-	**165 339**
Bonds, AxFina Polska	671	602	545	555	502	781	**3 656**
Bonds, E-Kancelaria	-	922	922	1 382	-	-	**3 226**
Borrowings, E-Kancelaria	982	119	-	-	-	-	**1 101**
RCF	-	4 430	-	-	-	-	**4 430**
Total	**1 653**	**6 073**	**166 806**	**1 937**	**502**	**781**	**177 752**

Parent 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
at 31 December 2024							
Super Senior Bonds, 9.5%	-	-	23 853	-	-	-	**23 853**
Senior Secured Bonds, 9%	-	141 531	-	-	-	-	**141 531**
Total	**-**	**141 531**	**23 853**	**-**	**-**	**-**	**165 384**
at 31 December 2023							
Bond loan, 9%	-	-	165 339	-	-	-	**165 339**
RCF	-	4 430	-	-	-	-	**4 430**
Total	**-**	**4 430**	**165 339**	**-**	**-**	**-**	**169 769**

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.

Please refer to note 4 for disclosures regarding the fair value of the Group's loans and borrowings.

NOTE 29. CASH FLOW AND NET DEBT

The movements in cash and cash equivalents and borrowings during the year were as follows:

Amounts in EUR '000s	Cash and cash equivalents	Current borrowings	Non-current borrowings	Total
At 1 January 2024	**20 715**	**-1 653**	**-176 099**	**-157 037**
Cash flow	-13 461	6 160	-8 089	**-15 390**
Amortization of transaction costs (non-cash)	-	-45	- 1 256	**-1 301**
Reallocation from non-current borrowings to current borrowings	-	-6 170	6 170	**0**
Repurchase of bonds at a discount	-	-	9 275	**9 275**
Exchange movements	-467	-7	-498	**-972**
At 31 December 2024	**6 787**	**-1 715**	**-170 497**	**-165 425**

Amounts in EUR '000s	Cash and cash equivalents	Current borrowings	Non-current borrowings	Total
At 1 January 2023	**52 285**	**-365**	**-187 880**	**-135 960**
Cash flow	-33 914	411	9 350	**-24 153**
Items acquired from purchase of subsidiary	2 199	-982	-3 345	**-2 128**
Amortization of transaction costs (non-cash)	-	-	-1 129	**-1 129**
Reallocation from non-current borrowings to current borrowings	-	-671	671	**0**
Repurchase of bonds at a discount	-	-	6 399	**6 399**
Exchange movements	145	-46	-164	**-65**
At 31 December 2023	**20 715**	**-1 653**	**-176 099**	**-157 036**

A reconciliation of cash flow to movement in net debt is shown below:

Amounts in EUR '000s	2024	2023
Increase / (decrease) in cash and cash equivalents	-13 461	-33 914
Cash acquired from purchase of subsidiary	-23 814	2 199
Borrowing acquired from purchase of subsidiary	-	-4 327
Increase in external borrowings	-	-4 452
Repayment of external borrowings	21 885	14 212
Change in net debt resulting from cash flows	**-15 390**	**-26 282**
Amortization of transaction costs (non-cash)	-1 301	(1,129)
Other non-cash movements	9 275	6,399
Exchange movements	-972	(65)
Movement in net debt during the year	-8 388	-21 077
Opening net debt	**-157 037**	**-135 960**
Closing net debt	**-165 425**	**-157 037**

NOTE 30. CURRENT LIABILITIES

Group EUR '000s	Less than 3 months	3 – 12 months	Total
At 31 December 2024			
Other current liabilities	884	19 701	**20 585**
Accounts payable	1 758	1 520	**3 278**
Tax liabilities	-	2 182	**2 182**
Accrued interest	-	2 654	**2 654**
Accrued expenses and deferred income	2 476	2 251	**4 727**
Current lease liabilities	68	255	**323**
Current loans	-	1 715	**1 715**
Total current liabilities	**5 186**	**30 278**	**35 464**
At 31 December 2023			
Accounts payable	2 070	1 588	**3 658**
Tax liabilities	-	900	**900**
Accrued interest	45	10 532	**10 577**
Accrued expenses and deferred income	1 657	2 131	**3 788**
Current lease liabilities	67	202	**269**
Current loans	518	1 135	**1 653**
Total current liabilities	**4 357**	**16 488**	**20 845**

Parent Company EUR '000s	Less than 3 months	3 – 12 months	Total
At 31 December 2024			
Accounts payable	934	165	**1 099**
Tax liabilities	642	1 158	**1 800**
Accrued interest	-	2 654	**2 654**
Accrued expenses and deferred income	-	459	**459**
Total current liabilities	**1 576**	**4 436**	**6 012**
At 31 December 2023			
Accounts payable	124	-	**124**
Tax liabilities	-	642	**642**
Accrued interest	45	10 532	**10 577**
Accrued expenses and deferred income	-	188	**188**
Total current liabilities	**169**	**11 362**	**11 531**

NOTE 31. OTHER LONG-TERM LIABILITIES

The other long-term liabilities balance of 1 365 KEUR at 31 December 2024 (31 December 2023:1 365 KEUR) relates to the long-term portion of the deferred consideration payable on the acquisition of a NPL portfolio containing unsecured consumer receivables located in Romania which completed in December 2023.

NOTE 32. POST EMPLOYMENT BENEFIT COMMITMENTS

On 2 November 2023 the employees of DDM Group AG were transferred to DDM Debt AB's subsidiary, DDM Invest III AG. Therefore, since 2 November 2023 the Group sponsors a pension plan according to the national regulations in Switzerland. The Swiss plan is outsourced to and operated through a collective foundation with an insurance company which is legally independent. The pension plan is funded by employees' and employers' contributions. Swiss pension schemes have certain characteristics of defined benefit plans and the pension plan is therefore regarded as a defined benefit plan in line with IAS 19. The post-employment benefit commitment is measured based on the projected unit credit method.

In 2024, 7 employees (2023, 9 employees) participated in the defined benefit plans. Employees are insured for death, disability and for retirement benefits. The table below provides where the Company's post-employment benefit amounts and activity are included in the financial statements.

EUR '000s	31 December 2024	31 December 2023
Balance sheet commitments for:		
– Post-employment benefit commitments	-880	-1 428
Income statement charge for:		
– Post-employment benefit commitments	-55	-10

The amounts recognized in the balance sheet are determined as follows:

EUR '000s	31 December 2024	31 December 2023
Defined benefit obligation	-2 170	-3 801
Fair value of plan assets	1 290	2 373
Deficit of funded plans	**-880**	**-1 428**
Post-employment benefit commitments	**-880**	**-1 428**

The movement in the post-employment benefit commitments during the year is as follows:

EUR '000s	Defined benefit obligation	Fair value of plan assets	Total
at 1 January 2024	**3 801**	**2 373**	**-1 428**
Current service cost	-175	-	**-175**
Past service cost - plan amendments	-3	-	**-3**
Interest (expense) / income	-47	31	**-16**
	-225	**31**	**-194**
Re-measurements:			
– Return on plan assets greater / (less) than the discount rate	-	54	**54**
– Gain / (loss) from change in demographic assumptions	-	-	**0**
– Gain / (loss) from change in financial assumptions	-152	-	**-152**
– Experience gains / (losses)	679	-	**679**
	527	**54**	**581**
Contributions:			
– Employer	-	138	**138**
– Plan participants	-138	138	**0**
Payments from plans:			
– Benefit payments	1 392	-1 392	**0**
Translation differences	75	-52	**23**
at 31 December 2024	**-2 170**	**1 290**	**-880**
at 1 January 2023	**-**	**-**	**0**
Transferred from DDM Group AG	-3 311	2 190	**-1 121**
at 2 November 2023	**-3 311**	**2 190**	**-1 121**
Current service cost	-32	-	**-32**
Past service cost - plan amendments	-	-	**0**
Interest (expense) / income	-10	7	**-3**
	-42	**7**	**-35**
Re-measurements:			
– Return on plan assets greater / (less) than the discount rate	-	47	**47**
– Gain / (loss) from change in demographic assumptions	-	-	**-**
– Gain / (loss) from change in financial assumptions	-247	-	**-247**
– Experience gains / (losses)	-56	-	**-56**
	-303	**47**	**-256**
Contributions:			
– Employer	-	25	**25**
– Plan participants	-25	25	**0**
Payments from plans:			
– Benefit payments	7	-7	**0**
Translation differences	-127	86	**-41**
at 31 December 2023	**-3 801**	**2 373**	**-1 428**

Methods and Assumptions Used in Sensitivity Analysis
The discount rate sensitivity includes a corresponding change in the interest crediting rate as well as the BVG minimum interest crediting rate assumptions.

The following significant actuarial assumptions were used at 31 December 2024 and 31 December 2023:

		Sensitivity analysis	Effect on DBO, EUR '000s 31 December 2024	Effect on DBO, EUR '000s 31 December 2023
Discount rate	0.90%	0.25% increase	-104	-112
Discount rate	0.90%	0.25% decrease	112	162
Mortality	BVG 2020 Generational tables with CMI 2018	Increase of 1 year in expected lifetime of plan participants at age 65	22	31
Mortality	BVG 2020 Generational tables with CMI 2018	Decrease of 1 year in expected lifetime of plan participants at age 65	-21	-29

Mortality
The mortality tables are the Swiss BVG 2020 generational mortality tables for males and females.
The expected lifetime of a participant who is aged 65 and the expected lifetime (from age 65) of a participant who will be age 65 in 15 years are shown in years below based on the above mortality tables.

Age	Males	Females
65	21,92	23,68
65 in 15 years	23,21	24,91

Retirement
100% of males retire at age 65. 100% of females retire at age 65 (31 December 2023: 64).

The significant actuarial assumptions were as follows:

	2024	2023
Discount rate	0,90%	1,30%
Price inflation	1,25%	1,25%
Salary increases	3,25%	3,25%
Future increases in social security	1,50%	1,50%
Assumed pension increases	0,00%	0,00%

Description of pension plan characteristics and associated risks
DDM INVEST III AG meets its commitments under Switzerland's mandatory company-provided second pillar pension system to provide contribution-based cash balance retirement and risk benefits to employees via a contract with a collective foundation. The Company retains overall responsibility for deciding on such fundamental aspects as the level and structure of plan benefits at each contract renewal and remains responsible for providing the benefits to members if the collective foundation contract is cancelled or the collective foundation is unable to meet its commitments.

Companies within the Swiss regulatory environment have substantial freedom to define their pension plan design (e.g. with regards to the salary covered, level of retirement credits, or even overall plan design) provided the benefits are always at least equal to the minimum requirements as defined by the law (second pillar mandatory minimum benefits). Most employers provide higher benefits than those required by law. The minimum level of retirement benefit is expressed by a cash balance formula with age-related contribution rates (or "retirement credits") on an insured salary defined by law and a required interest crediting rate, which is set by the government (1,30% in 2024). There are a number of guarantees provided within the plan which potentially expose the Company to risks which may require them to provide additional financing (if the collective foundation fails or the Company chooses to discontinue the insurance arrangements). The main risks that they are exposed to include:

- Investment risk: there is a guaranteed return on account balances of at least 0% per annum on the total account balance as well as the rate set by the government (1,25% in 2024) on the mandatory minimum benefits.

- Pensioner longevity and investment risk: the pension plan offers a lifelong pension in lieu of the cash balance lump sum upon retirement. The plan has defined rates for converting the lump sum to a pension and there is the risk that the members live longer than implied by these conversion rates and that the pension assets fail to achieve the investment return implied by these conversion rates.

Determination of economic benefit available
No determination of the economic benefit available has been made since the plan has a funded status deficit.
Description of asset-liability matching strategies
DDM INVEST III AG invests in a collective foundation in which assets are selected to match pension plan liabilities. DDM INVEST III AG does not have flexibility in the choice of investment.
The expected contributions for the year ending 31 December 2025 are:
1) Employer EUR 86k
2) Plan participants EUR 86k

The weighted average duration of post-employment benefit commitments is 19,6 years.

Maturity profile of post-employment benefit commitments:

Expected benefit payments during the fiscal year ending:	EUR ‘000s
31 December 2025	81
31 December 2026	84
31 December 2027	86
31 December 2028	88
31 December 2029	90
31 December 2030 through 31 December 2034	456

Analysis of post-employment benefit commitments by participant category:
1) Active participants: EUR 2,170k
2) Deferred participants: EUR -
3) Pensioners: EUR –

Plan asset information:

	Allocation percentage 31 December 2024	**Allocation percentage 31 December 2023**
Equity securities	32,80%	31,95%
Debt securities	30,10%	28,71%
Real estate/property	17,10%	17,88%
Cash and cash equivalents	0,60%	0,96%
Other	19,4%	20,50%
Total	**100,00%**	**100,00%**

The majority of the plan assets are fair valued at 31 December 2024 and 31 December 2023 based on quoted prices in active markets.

NOTE 33. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

Compensation (to) / from related parties

Group EUR '000s	Management fee	Interest expense	Interest income	Total
2024				
DDM Group AG	-	-	257	**257**
DDM Finance AB	-	-2 543	**-**	
Omnione S.A.	-	-	1 050	**1 050**
Omnione Group Limited	-	-	2 536	**2 536**
Zalent Co. Limited	-	-	689	**689**
Chronos Investments Sarl	-	-	-	**0**
Total	**0**	**-2 543**	**4 532**	**1 989**

Group EUR '000s	Management fee	Interest expense	Interest income	Total
2023				
DDM Group AG	-6 000	-	183	**-5 817**
DDM Finance AB	-	-2 295	-	**-2 295**
Omnione S.A.	-	-	907	**907**
Omnione Group Limited	-	-	1 413	**1 413**
Zalent Co. Limited	-	-	687	**687**
Chronos Investments Sarl		-	738	**738**
Summa	**-6 000**	**-2 295**	**3 928**	**-4 367**

Receivables and debts – related parties

Group EUR '000s	Current	Non-current	Total
at 31 December 2024			
Loan to Omnione SA	-	9 331	**9 331**
Loan to Omnione Group Limited	-	15 763	**15 763**
Interest receivable on Convertible bonds Omnione SA	-	283	**283**
Interest receivable on Loan to Omnione SA	-	1 319	**1 319**
Interest receivable on Loan to Omnione Group Limited	-	2 296	**2 296**
Interest receivable from DDM Group AG	-	-	**0**
Interest receivable from Zalent Co. Limited	-	-	**0**
Loan to DDM Finance AB	161	-	**161**
Loan to DDM Group AG	-	-	**0**
Receivables from DDM Group AG	39	-	**39**
Payables to DDM Holding AG	-	-	**0**
Payables to DDM Group AG	-	-8	**-8**
Intercompany loan subordinated DDM Finance AB	-	-	**0**
Accrued interest cost DDM Finance AB	-	-	**0**
Total	**200**	**28 984**	**29 184**

Group EUR '000s	Current	Non-current	Total
at 31 December 2023			
Loan to Omnione SA	-	6 979	**6 979**
Loan to Omnione Group Limited	-	11 338	**11 338**
Interest receivable on Convertible bonds Omnione SA	-	283	**283**
Interest receivable on Loan to Omnione SA	-	544	**544**
Interest receivable on Loan to Omnione Group Limited	-	1 411	**1 411**
Interest receivable from DDM Group AG	-	1 475	**1 475**
Interest receivable from Zalent Co. Limited	734	-	**734**
Loan to DDM Finance AB	161	-	**161**
Loan to DDM Group AG	-	2 000	**2 000**
Receivables from DDM Group AG	-	5 936	**5 936**
Payables to DDM Holding AG	-	-136	**-136**
Payables to DDM Group AG	-	-8	**-8**
Intercompany loan subordinated DDM Finance AB	-	-37 586	**-37 586**
Accrued interest cost DDM Finance AB	-7 552	-	**-7 552**
Total	**-6 657**	**-7 764**	**-14 421**

Compensation (to) / from related parties

Parent Company EUR '000s	Interest expense	Interest income	Total
2024			
DDM Group AG	-	257	**257**
DDM Invest III AG	-	14 746	**14 746**
DDM Finance AB	-2 543	-	**-2 543**
Axfina Holding SA	-	181	**181**
Omnione S.A.	-	775	**775**
Omnione Group Limited	-	1 331	**1 331**
Chronos Investments Sarl	-	-	**0**
Total	**-2 543**	**17 290**	**14 747**

Parent Company EUR '000s	Interest Expense	Interest income	Total
2023			
DDM Group AG	-	183	**183**
DDM Invest III AG	-	5 367	**5 367**
DDM Finance AB	-2 295	-	**-2 295**
Axfina Holding SA	-	95	**95**
Omnione S.A.	-	311	**311**
Omnione Group Limited	-	368	**368**
Chronos Investments Sarl	-	738	**738**
Total	**-2 295**	**7 062**	**4 767**

Receivables and debts – related parties

Parent Company EUR '000s	Current	Non-current	Total
at 31 December 2024			
Loan to Axfina Holding SA	-	2 386	**2 386**
Loan to DDM Group AG	-	-	**0**
Loan to DDM Invest III AG	-	1 065	**1 065**
Receivables from DDM Group AG	-	-	**0**
Receivables from DDM Invest IIII AG	-	117 262	**117 262**
Receivables from DDM Invest IIII AG, subordinated	-	7 000	**7 000**
Receivables from DDM Finance AB	-	207	**207**
Accrued interest income DDM Group AG	-	-	**0**
Loans from DDM Finance AB, subordinated	-	-	**0**
Accrued interest on loan to DDM Invest III AG	4 252	-	**4 252**
Accrued interest on loan to Axfina Holding SA	70	-	**70**
Accrued interest cost DDM Finance AB	-	-	**0**
Loan to Omnione SA	-	5 695	**5 695**
Loan to Omnio Group Ltd	-	9 565	**9 565**
Accrued interest on loan to Omnione SA	-	779	**779**
Accrued interest on loan to Omnio Group Ltd	-	1 355	**1 355**
Total	**4 322**	**145 314**	**149 636**

Parent Company EUR '000s	Current	Non-current	Total
at 31 December 2023			
Loan to Axfina Holding SA	-	2 566	**2 566**
Loan to DDM Group AG	-	2 000	**2 000**
Loan to DDM Invest III AG	-	157 850	**157 850**
Receivables from DDM Group AG	-	5 936	**5 936**
Receivables from DDM Invest IIII AG	-	3 235	**3 235**
Receivables from DDM Finance AB	-	150	**150**
Accrued interest income DDM Group AG	-	1 475	**1 475**
Loans from DDM Finance AB, subordinated	-	-37 586	**-37 586**
Accrued interest on loan to DDM Invest III AG	1 735	-	**1 735**
Accrued interest on loan to Axfina Holding SA	28	-	**28**
Accrued interest cost DDM Finance AB	-7 552	-	**-7 552**
Loan to Omnione SA	-	5 361	**5 361**
Loan to Omnio Group Ltd	-	4 372	**4 372**
Accrued interest on loan to Omnione SA	-	338	**338**
Accrued interest on loan to Omnio Group Ltd	-	365	**365**
Total	**-5 789**	**146 062**	**140 273**

The Company has defined the Company's management, the Board of Directors in the Parent Company, DDM Debt AB (publ), the owners of DDM Debt AB (publ) and all subsidiaries included in the Group as related parties. Omnione S.A and Omnione Group Limited are also defined as related parties.

The following transactions were carried out with management and board member related parties (excluding board member fees):

Group For the year ended 31 December EUR '000s	Type of transaction	Name	2024	2023
Income Statement	Consulting expenses	Erik Fällström (and owned companies)	-1 000	-250
		John Fällström (and owned companies)	-375	-
		Joachim Cato (and owned companies)	-113	-66
	Office rental expenses	Joachim Cato (and owned companies)	-	-11
Income Statement, Total			**-1 488**	**-327**

In total 33,3 MEUR of convertible bonds and existing investments were converted into shares of Omnione S.A in Q1 2023, resulting in a 33,3 MEUR reclassification from financial assets at fair value to investment in associates and a remaining balance of 6,8 MEUR in financial assets at fair value. 11,5 MEUR was further invested in Omnio in 2023, resulting in an outstanding balance of 18,3 MEUR at 31 December 2023 in financial assets at fair value relating to the investment in Omnio, and a balance of 29,8 MEUR in investment in associates at 31 December 2023. Interest income from Omnio to the DDM Debt Group amounted to 2,3 MEUR 2023 which has been recognized in interest income during 2023.

The DDM Debt Group acquired 100% of the shares in Finalp Zrt. from DDM Group AG on 1 July 2023 for the Finalp net book value of 0,5 MEUR on the date thereof.

In December 2023 the DDM Debt Group acquired shares in Single Technology AB each for a total consideration of 13,4 MEUR. The DDM Debt Group also acquired shares in Encare AB, totaling 6,0 MSEK.

In 2024, DDM invested in the following companies, via transactions with related parties: Anoto, Cellolabs, Defentry, Imaginecare. ITB Med, Sivers Semiconductors, Takura and Waterford Distillery.

NOTE 34. PARTICIPATIONS IN GROUP COMPANIES

Parent Company EUR '000s	31 December 2024	31 December 2023
Investment	30 531	30 531
Total	**30 531**	**30 531**

Parent Company EUR '000s	Investment
At 1 January 2023	**23 518**
Acquisitions	7 013
At 31 December 2023	**30 531**
At 1 January 2024	**30 531**
Acquisitions	0
At 31 December 2024	**30 531**

The Parent Company holds shares in the following subsidiaries:

EUR '000s Company	Corporate identity number	Domicile	Proportion of equity 31 Dec 2024	Proportion of equity 31 Dec 2023	Net book value 31 Dec 2024	Net book value 31 Dec 2023
DDM Invest III AG	CHE115.238.947	Switzerland	100%	100%	9 364	9 364
DDM Mergeco AG in liquidation*	CHE353.292.452	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.) ****	7292330184	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%	-	-
Total					**30 531**	**30 531**

* The liquidation of DDM Mergeco AG in liquidation was finalised in 2024

** 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.

*** 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 31 December 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 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 35. PROPOSED APPROPRIATION OF EARNINGS

The Parent Company's distributable funds are at the disposal of the Board of Directors as follows:

EUR	2024
Retained earnings	4 177 727
Shareholder contribution	47 681 330
Net loss for the year	-7 152 540
Total	**44 706 517**

The Board of Directors propose that the earnings be distributed as follows:

EUR	2024
Balance carried forward	44 706 517
Total	**44 706 517**

NOTE 36. PLEDGED ASSETS, CONTINGENT LIABILITIES AND COMMITMENTS

The Parent Company has pledged the shares in its material wholly-owned subsidiaries as security under the terms and conditions of the senior secured bonds. In addition, the investors receive a first ranking share pledge over the shares of DDM Debt AB.

The Parent Company's pledged collateral in the form of shares held in the material wholly-owned subsidiaries amounted to 180 MEUR at 31 December 2024 (170 MEUR at 31 December 2023). The consolidated amount for pledged collateral in form of shares held in subsidiaries amounts to 21 MEUR.

Additionally, the parent company has a commitment in the form of an issued credit facility to Omnio of 2 414 KEUR.

The DDM Debt Group has office rental lease contracts in Switzerland, Sweden, Austria, Hungary, Croatia, Poland and Romania. From 1 January 2019, the group has recognised right-of-use assets and lease liabilities for these leases, except for short term and low-value leases, see note 27 for further information.

As described in the annual report, the Group has a dispute with Alta Pay regarding the shares in Addiko Bank. DDM assesses that it is unlikely that the dispute will result in further payments, but as the dispute has not been finally resolved, there is always uncertainty as to how the outcome will affect DDM.

The undiscounted cash flows arising from the contractually bound leasing commitments, based on the remaining period to the earliest contractual maturity date as at the balance sheet date, are specified in the table below:

EUR '000s	Less than 1 year	Between 1 and 5 years	Over 5 years	Total
At 31 December 2024	324	780	0	**1 104**
At 31 December 2023	360	482	37	**879**

NOTE 37. SHARE-BASED COMPENSATION

In July 2021, DDM Group Finance S.A., the ultimate parent company of DDM Debt AB, established an Employee Stock Option Plan ("ESOP 2021"). The ESOP 2021 was a share-based compensation plan where employees and certain members of the Executive Management of the wider DDM Group received additional compensation in the form of share-based payments, whereby they rendered services as consideration for DDM Group Finance S.A's equity instruments (equity-settled transactions). The ESOP was designed to provide long-term incentives for employees and members of the Executive Management to deliver long-term shareholder returns.

Based on the number of shares outstanding of DDM Group Finance S.A of 13,560,447 at the date of the establishment of the ESOP 2021, the maximum number of shares that could have been delivered under the ESOP 2021 was 2,207,515 shares (corresponding to 14% of the total number of shares outstanding following the exercise of the options). The amount of options that would vest for the option term exercisable until 30 April 2024 depended on the fair market value of DDM Group Finance S.A's share price with a performance hurdle of EUR 7.37 per share equivalent to a minimum equity value of EUR 100M for 100% of the DDM Group Finance Group:

- < EUR 7,37: 0% of the total Shares are available
- ≥ EUR 7,37: 8,0% of the total Shares are available
- > EUR 7,37 and < EUR 36,87: Linear Interpolation
- ≥ EUR 36,87: 14,0% of the total Shares are available

Once vested, the options remain exercisable until 30 April 2024. Options were granted under the plan for no consideration and carried no dividend or voting rights. The exercise price of options in DDM Group Finance S.A was EUR 3,98 per share equivalent to an equity value of 54.0 MEUR for 100% of the DDM Group Finance Group. Options were exercisable if the shares are listed, in case of an exit event, which is a change of control or Initial Public Offering ("IPO") and otherwise determined by the Remuneration Committee. According to the terms of the plan, the exercise price could not be lower than the fair market value of a share on the grant date, but it could be equal to or higher than such fair market value.

Fair value of options at initial grant date
The assessed fair value at the grant date of options granted on 1 August 2021 was EUR 1,99 per option equivalent to an equity value of 27,0 MEUR for 100% of the DDM Group Finance Group. The fair market value of DDM Group Finance Group at the initial grant date was independently determined by a third-party valuer.

Fair value of options at vesting date
At 31 December 2023 the assessed fair value at the vesting date of options on 30 April 2024 was below the minimum valuation threshold needed for the exercise of the option. Therefore at 31 December 2023, Management assessed 0% probability of the market condition to be reached in all reasonable scenarios, as Chronos Investments Sarl had acquired the shares in DDM Finance AB from DDM Group AG on 1 November 2023.

Expenses arising from share-based payment transactions
Nil employee benefit expenses have been recognised arising from share-based payment transactions recognised during the financial year ended 31 December 2024 (FY 2023: nil), as the fair market value of DDM Group Finance S.A remained significantly below the performance hurdle for the valuation of the DDM Group Finance Group throughout the remaining vesting period.

Sensitivity
The key assumptions to the fair market value of DDM Group Finance Group were those regarding the expected value of the DDM Holding AG shares, which were delisted from Nasdaq First North Growth Market on 15 September 2023. Set out below are summaries of options outstanding under the plan for the employees participating in the plan:

	1 January – 31 December 2024		1 January – 31 December 2023	
	Average exercise price per share option (EUR)	Number of options	Average exercise price per share option (EUR)	Number of options
As at 1 January	3,98	419 204	3,98	411 904
Granted during the period	-	-	-	-
Added from consolidation of AxFina	-	-	-	-
Added from transfer of employees to DDM Invest III AG	-	-	**3,98**	**373 953**
Forfeited during the period	-	-	3,98	-366 653
Exercised during the period	-	-	-	-
Expired during the period	3,98	-419 204	-	-
As at 31 December	-	-	3,98	419 204
Exercisable at 31 December	**-**	**-**	**3,98**	**0**

On 1 August 2021, 411 904 share options (at the maximum reachable level) were granted to employees of AxFina, and 373 953 were granted to employees originally employed by other entities outside the DDM Debt Group but whose employment contracts were transferred to the DDM Debt Group on 2 November 2023, under the ESOP 2021 out of the maximum available 2 207 515 shares that could be exercised at price of EUR 3,98 per share. The weighted average share price of DDM Group Finance S.A at the initial grant date was assessed at EUR 1,99 per share. During 2023 366 653 share options were forfeited as employees were no longer employed by the DDM Debt group. As at 31 December 2023, all 419 204 share options had vested. As at 31 December 2023, the weighted average share price of DDM Group Finance S.A until the maximum exercise date (30 April 2024) was assessed to be below the performance hurdle of EUR 7.37 per share and therefore at 31 December 2023 nil share options could be exercised. No compensation expense was recorded in the DDM Debt Group consolidated financial statements for the year 2024 (2023: nil).

NOTE 38. EVENTS AFTER THE BALANCE SHEET DATE

After the end of the financial year, the Board of Directors has appointed Matthew Doerner as CEO. He succeeds Erik Fällström, who will continue in DDM Debt AB as a Board member. The appointment was announced in April 2025. Matthew has worked within the DDM Debt Group since April 2024, focusing on the management of portfolios with due receivables. He is also Chairman of the Board of Omnio and Axfina.
After the balance sheet date, Jesper Bernström was appointed as Chief Financial Officer (CFO) for DDM Debt AB. The appointment was announced in the first quarter 2025 and is a strengthening of the financial leadership for the group before the growth journey. Otherwise, no events have occurred that would imply significant impact on the group's financial position or future development.
With regards to Addiko. On 5 May 2025, the Commercial Court of Vienna issued a ruling in favor of DDM in the ongoing legal proceedings concerning the payment of the dividend related to the Group's former shareholding in Addiko Bank AG. The opposing party has been granted a four-week period to appeal the decision to the Higher Regional Court of Vienna (Oberlandesgericht Wien). This court decision further substantiates the DDM Debt Group's legal position and supports the Board's continued assessment that the disputed shares remain an asset of the Group. Accordingly, there are no events subsequent to the balance sheet date that indicate any change to the Group's view on the ultimate resolution of the matter.

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 by the DDM Debt Group, minus commission and fees. The net amount of cash collected is recorded as "Net collections" within the line "Revenue 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	**1 Jan – 31 Dec 2024**	**1 Jan – 31 Dec 2023**
Net collections*	44 648	48 723
Revenue from management fees	2 662	1 071
Other income	721	-
Personnel expenses	-9 526	-5 964
Consulting expenses	-7 543	-9 983
Other operating expenses	-3 597	-2 354
Operating expenses	-20 666	-18 301
Cash EBITDA	27 365	31 493

** Net collections include the incremental net distribution from associate and joint venture and distributions/interest from*

Net debt:

Bond loan, 9,5%	28 853	-
Bond loan, 9%	141 531	165 339
Bonds, AxFina Polska	3 467	3 656
Bonds, E-Kancelaria	3 259	3,226
Borrowings, E-Kancelaria	102	1 101
RCF	-	4 430
Less: Cash and cash equivalents	-6 787	-20 715
Net debt	165 425	157 037

Reconciliation tables, non-IFRS measures, continued

Equity ratio:

Amounts in EUR '000s	**31 December 2024**	**31 December 2023**
Shareholder's equity	38 466	-2 366
Shareholder debt (subordinated)	-	37 586
Accrued interest on shareholder debt	-	7 552
Total equity according to the super senior and senior secured bond terms	38 466	42 772
Total assets	247 101	236 187
Equity ratio	15,6%	18,1%

Alternative performance measures

Alternative performance measures – reconciliation to IFRS:

Amounts in EUR '000s	1 Jan – 31 Dec 2024	1 Jan – 31 Dec 2023
Gross collections	**43 102**	**38 713**
Incremental gross distribution from associate and joint venture	7 506	12 524
Distributions/interest from financial assets at fair value	5 476	4 621
Adjusted gross collections	**56 084**	**55 858**
Net collections	**33 924**	**33 420**
Incremental net distribution from associate and joint venture	5 248	10 682
Distributions/interest from financial assets at fair value	5 476	4 621
Adjusted net collections	**44 648**	**48 723**
Cash EBITDA	**16 641**	**16 190**
Incremental net distribution from associate and joint venture	5 248	10 682
Distributions/interest from financial assets at fair value	5 476	4 621
Adjusted cash EBITDA	**27 365**	**31 493**
IFRS net gain	**-7 578**	**-7 572**
Impairment of assets	9 667	-
Adjusted net gain	**2 089**	**-7 572**

The financial statements of the DDM Debt Group have been prepared in accordance with accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The consolidated financial statements comply with IFRS as adopted by the EU. In addition, the Company presents alternative performance measures ("APMs").

Adjusted key figures for gross collections, net collections and cash EBITDA for the year provide a better understanding of the underlying business performance and enhance comparability from year to year, when the effect of items affecting comparability are adjusted for. Items affecting comparability can include one-time costs not affecting the DDM Debt Group's run rate cost level, significant earnings effects from acquisitions and disposals and incremental distributions from associates and joint ventures.

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 Company's performance and to enhance comparability between financial years. 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 Company'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.

GLOSSARY

AGM
Annual General Meeting

CHF
Swiss franc, the currency of Switzerland

CZK
Czech koruna, the currency of the Czech Republic

DDM Debt Group, the Company or the Group
DDM Debt AB (publ), Swedish Corporate ID No. 559053- 6230, and its subsidiaries

EUR
Refer to the single currency of the participating member states in the Third Stage of European Economic and Monetary Union of the Treaty Establishing the European Community, as amended from time to time

HUF
Hungarian forint, the currency of Hungary

M
Million

NPL
Non-performing loans

Parent Company
DDM Debt AB (publ), Swedish Corporate ID No. 559053- 6230

PLN
Polish Zloty, the currency of Poland

RON
Romanian leu, the currency of Romania

RSD
Serbian Dinar, the currency of Serbia

SEK
Swedish krona, the currency of Sweden

Southern, Central and Eastern Europe (“SCEE”)
The countries in EuroVoc’s definition of CEE plus Greece, Italy and the Baltic states

FINANCIAL DEFINITIONS

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 as well as amortization, revaluation and impairment of invested assets

Equity
Shareholders’ equity at the end of the period

Estimated Remaining Collections / ERC
Estimated Remaining Collections refers to the sum of future, undiscounted reasonably projected cash collections before commission & fees from acquired portfolios and future reasonably expected dividends, distributions or other payments from investments (not double counting), 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.

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
The DDM Debt Group’s invested assets consist of purchases of distressed asset portfolios, 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 (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 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 DDM Debt Group’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

SIGNATURES

The Group's income statement and balance sheet will be presented for adoption at the Annual General Meeting on June 27 2025.

The information in this Annual Report is mandatory for DDM Debt AB (publ) to publish in accordance with the EU Market Abuse Regulation and the Securities Markets Act.

This information was submitted to the market for publication on 22 May 2025.

The Board of Directors and Chief Executive Officer certify that the Annual Report gives a true and fair view of the Parent Company's and Group's operations, financial position and results of operations and describes the material risks and uncertainty factors facing the Parent Company and the companies included in the Group.

Stockholm, 22 May 2025

Jörgen Durban
Chairman of the board

Matthew Doerner
CEO

Keith Halsey
Board member

Erik Fällström
Board member

Our Audit Report was presented on 22 May 2025

Forvis Mazars AB

Åsa Thelin

Authorized Public Accountant

AUDITOR'S REPORT

To the general meeting of the shareholders of DDM Debt AB (publ)
Corporate identity number 559053-6230

Report on the annual accounts

Opinions

We have audited the annual accounts and consolidated accounts of DDM Debt AB (publ) for the year 2024, with the exception of the Corporate Governance Report on page 11. The annual accounts and consolidated accounts of the company are included on pages 6-69 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company as of 31 December 2024 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2024 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards, as adopted by the EU, and the Annual Accounts Act.

The statutory administration report is consistent with the other parts of the annual accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts are consistent with the content of the supplementary report that has been submitted to the company's board in accordance with Article 11 of the auditors' regulation (537/2014/EU).

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on our best knowledge and belief, no prohibited services referred to in the Auditors' Regulation (537/2014/EU) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Emphasis of Matter

As disclosed in the annual accounts, se page 7 and 9 of the administration report and notes 18 and 36, the group has a material dispute regarding shares in Addiko Bank AG, where there is uncertainty about the outcome until the dispute is finally resolved. We have not modified our opinion in this regard.

Other information

The audit of the annual accounts and consolidated accounts for the year 2024 has been carried out by another auditor whose assignment ended prematurely and who submitted an audit report dated 2024-04-30 with unmodified opinions in the Report on the annual accounts. A copy of the former auditor's notification pursuant to Chapter 9, section 23 of the Companies Act are attached to the audit report

Key Audit Matters

Key Audit Matters are the areas that, according to our professional judgment, were the most significant for the audit of the annual report for the current period. These areas were addressed in the context of the audit of, and in our opinion on, the annual accounts as a whole, but we do not make separate statements about these areas.

Valuation of portfolios with distressed assets
See description in the annual accounts and consolidated accounts in note 3 Summary of Material Accounting Policies, note 4 Financial Risk Management, note 5 Critical Estimates and Assumptions and note 19 Distressed asset portfolios, where detailed information and description of the area is shown.

Description of the area
The Group's portfolios of non-performing loans amount to 65,266 KEURO as of 31 December 2024, which corresponds to 26% of the Group's total assets. The valuation of the item includes significant assessments and assumptions regarding future cash flow forecasts. An incorrect application of models and assumptions, or the use of inappropriate models, can affect the valuation of the item, which is why this is a key audit area.

How the area has been considered in the audit
We have reviewed and evaluated the Group's assumptions and process for valuing the portfolios and assessed the appropriateness of the methods and assumptions applied.

We have analysed the valuation method applied by management to ensure that the requirements of IFRS 9 are met. A recalculation of the portfolio valuations has been carried out using data from the company, where we also performed an analysis of changes in future forecasts including operating expenses. We also verified the suitability of the collection curves and discount factors used in the valuation models. Furthermore, for a selection of portfolios, we obtained the underlying contracts and performed reconciliations between the contract information and the portfolio register, including verification of portfolio value, purchase date, number of loans and terms and conditions.

We have also reviewed the information provided in the financial reports related to the non-performing loans.

Valuation of financial assets at fair value
See description in the annual accounts and consolidated accounts in note 3 Summary of Material Accounting Policies, note 4 Financial Risk Management, note 5 Critical Estimates and Assumptions and note 18 Financial Assets at Fair Value, where detailed information and description of the area is shown.

Description of the area
The Group's investments valued at fair value amount to 89,666 KEURO as of 31 December 2024, which corresponds to 36% of the Group's total assets. Assets at fair value are divided into different levels in a valuation hierarchy, where level 1 consists of assets for which there are quoted (unadjusted) prices in active markets for

identical assets. 60,733 KEURO of the Group's assets valued at fair value are classified in level 3 according to the IFRS valuation hierarchy, where the value is determined based on valuation models and the value is affected by inputs that cannot be verified with external market data. The size of the balance sheet item and the fact that the valuation in level 3 requires management to make estimates and judgments mean that the valuation of these assets has been a particularly significant area in our audit.

How the area has been considered in the audit

We have reviewed and evaluated the Group's processes for valuing investment assets, the valuation methods used and, where applicable, assessed the reasonableness of management's estimates and judgments in calculating fair values. We have tested a selection of the key controls in the valuation process and reconciled the reported values with the Group's documentation. For a selection of the investments, we have also verified the value against external sources and valuation certificates.

We have also reviewed the disclosures provided in the financial statements regarding assets valued at fair value.

Other information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 3-5. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and the consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.

- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company and the group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated accounts. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters that are communicated with the board, we determine which of these areas were the most significant for the audit of the annual accounts and the consolidated accounts, including the most important assessed risks of material misstatement, and which therefore constitute the Key Audit Matters. We describe these areas in the auditor's report unless laws or other regulations prevent disclosure of the matter.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of DDM Debt AB (publ) for the year 2024 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be dealt with in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of DDM Debt AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's type of operations, size and risks place on the size of the company's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other mattes take measures that are necessary to fullfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional skepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

Auditor's review of the Corporate Governance Report

The Board of Directors is responsible for the Corporate Governance Report on page 11 and that it is prepared in accordance with the Annual Accounts Act.

We conducted our review in accordance with FAR's recommendation RevR 16 *The auditor's review of the Corporate Governance Report*. This means that our review of the Corporate Governance Report has a different focus and a significantly smaller scope compared to the focus and scope of an audit according to International Standards on Auditing and Generally Accepted Auditing Standards in Sweden. We believe that this review provides us with a sufficient basis for our opinions.

A Corporate Governance Report has been prepared. Information in accordance with ch. 6 § 6, second paragraph, points 2–6 of the Annual Accounts Act and ch. 7 Section 31, second paragraph of the same Act are compatible with the other parts of the annual accounts and are in accordance with the Annual Accounts Act.

Forvis Mazars AB with auditor in charge Åsa Thelin, PO Box 1317, 111 83 Stockholm, was appointed to DDM Debt AB (publ)'s auditor on the general meeting of shareholders 2024-10-18 and has been the company's auditor since 2024-10-18.

Our audit report has been submitted in Stockholm 2025-05-22

Forvis Mazars AB

Åsa Thelin

Authorized Public Account

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