

Continued strategic progress and growth in invested assets

Highlights second quarter 2025

- **AUM** at the end of June 2025 was 305 MEUR (311 at December 31 2024)
- **Adjusted Gross collections** amounted to 12,3 MEUR (14,2)*
- **Adjusted Net collections** amounted to 11,1 MEUR (12,0)*
- **Adjusted Cash EBITDA** amounted to 6,5 MEUR (6,3)*

Highlights six months 2025

- **Adjusted Gross collections** amounted to 25.8 MEUR (25,6)*
- **Adjusted Net collections** amounted to 21,0 MEUR (21.6)*
- **Adjusted Cash EBITDA** amounted to 12,2 MEUR (11.7)*
- **Matt Doerner** appointed as CEO, replacing Erik Fällström on April 11

Significant events after the end of the quarter

- **Achilles Capital** acquires EBRD's 24% stake in the Axfina platform
- **Achilles Capital** appointed ABG Sundal Collier and Arctic Securities as advisors for the upcoming bond refinancing, positioning us to optimize our capital structure.
- **Achilles Capital** supported Omnio's Balance Sheet strengthening and equity issuance

* Key financial highlights above include non-IFRS alternative performance measures that represent underlying business performance. Further details including a reconciliation to IFRS can be found on page 26.

IFRS Consolidated Amounts in EUR '000s (unless specified otherwise)	1 Apr–30 Jun 2025**	1 Apr–30 Jun 2024**	1 Jan–30 Jun 2025**	1 Jan–30 Jun 2024**	Full Year 2024
Gross collections	8 246	9,753	17 236	19,012	43 102
Collection and commission expenses	-1 461	-1 244	-3 292	2 365)	-9 178
Net collections	6 803	8 509	13 944	16 377	33 924
Revenue from mgt fees & other services	520	783	1 064	1 456	2 662
Operating expenses	-5 133	-6 487	-9 926	11 332	-19 945
Cash EBITDA	2 190	2 805	5 082	6 501	16 641
Interest income	1 108	952	2 166	1 832	3 787
Dividend income from invested assets	-	1 689	-	1 689	-
Amortization, revaluation and impairment of invested assets	-1 800	-1 545	-4 290	3 856	-13 336
Share of net (losses) / profits of associate and joint venture	-572	999	-1 298	-1 604	-2 300
Operating profit	741	2 593	1 225	3 985	-4 374
Net profit / (loss) for the period	-7 435	101	-5 413	-2 433	-7 578
Selected key figures					
Total assets	257 086	257 340	257 086	257 340	247 101
Net debt	176 596	166 632	176 596	166 632	165 425
Equity ratio***	12,7%	16,3%	12,7%	16,3%	15,6%
Cash flow from operating activities before working capital changes	-2 547	-2 227	340	2 637	6 124
AUM (EUR M)	305	314	305	314	311
Investments book value	214 963	200 838	214 963	200 838	211 710

** Unaudited

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

The information in this report requires Achilles Capital AB (publ) to publish the information in accordance with the EU Market Abuse Regulation and the Securities Market Act. The information was submitted for publication on 29 August 2025 at 17:00 CEST.

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

Comment by the CEO

Dear Stakeholders,

In our Q1 report, I highlighted that Achilles Capital is well positioned to deploy capital selectively and scale recurring earnings. Our objective remains unchanged: to grow AUM and deliver long-term value through disciplined execution.

During the second quarter, we continued to make meaningful progress:

- Re-branding to Achilles Capital, reflecting our strategic identity and long-term ambitions.
- Increased liquidity through enhanced bond sales, strengthening our financial flexibility.
- Initiation of the de-SPAC process, supporting our focus on unlocking value within the portfolio.

Subsequent to the reporting period, we further reinforced our platform through:

- The acquisition of EBRD's stake in AxFina, taking our ownership above 99% and consolidating control.
- The appointment of ABG Sundal Collier and Arctic Securities as advisors for our upcoming bond refinancing, positioning us to optimize our capital structure.
- Achilles Capital supported Omnio's Balance Sheet strengthening and equity issuance

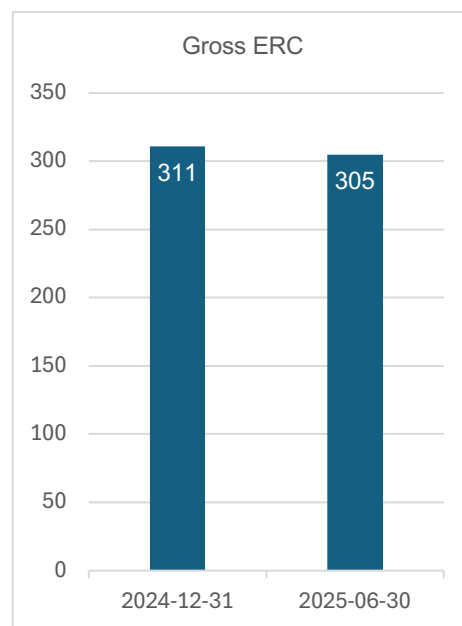
At the same time, the NPL landscape in our core CEE markets remains robust, with strong underlying performance from these assets continuing to support our recurring earnings base. In addition, the refinancing of Omnio is progressing as intended, and we remain on track to close this process within the next reported quarter.

These milestones underscore our ability to execute with discipline while building scale and recurring earnings. As we look ahead, we remain focused on seizing opportunities that align with our strategy and delivering sustainable long-term value to our investors.

Sincerely,



Stockholm, 29 August 2025
Achilles Capital AB (publ),
Matthew Doerner,
Chief Executive Officer



Financial calendar

Achilles Capital AB (publ) intends to publish financial information on the following dates:

Q3 report for January – September 2025:	28 November 2025
Q4 report for January – December 2025:	27 February 2026
Annual Report 2025:	30 April 2026

Other financial information from Achilles Capital is available on Achilles' website, www.achillescap.com

Publication of the report

The report is available at www.achillescap.com on 29 August 2025, at 17:00 CEST.

Financial results

Adjusted gross collections (which include the incremental gross distribution from associates and joint ventures) amounted to 12.3 MEUR in the second quarter of 2025, compared to 14.2 MEUR for the corresponding period last year. After deducting commission and collection fees to third parties this resulted in EUR 11.1m of adjusted net collections being received for the second quarter of 2025 (12.0 MEUR).

Operating expenses were 5.2 MEUR in Q2 2025, 1.3 MEUR lower than in Q2 2024. Management and servicing fees of 0.5 MEUR (0.8 MEUR) were received in the quarter, and as a result, adjusted cash EBITDA totaled 6.5 MEUR in the second quarter of 2025, compared to EUR 13.8m for the same quarter in the prior year.

The operating profit for the quarter includes -0.6 MEUR (-1.0 MEUR) share of net losses of associates and joint ventures under the equity method of accounting.

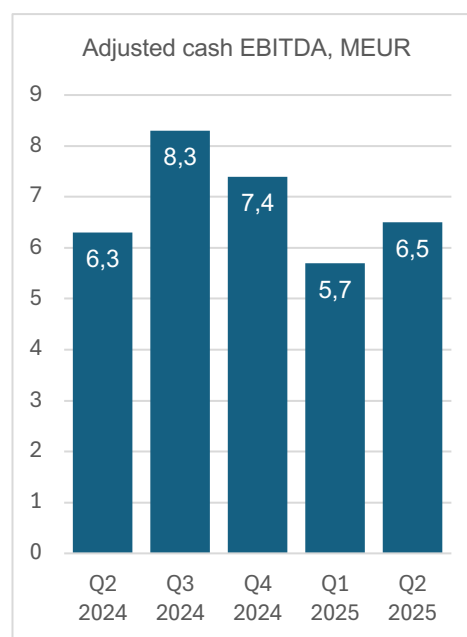
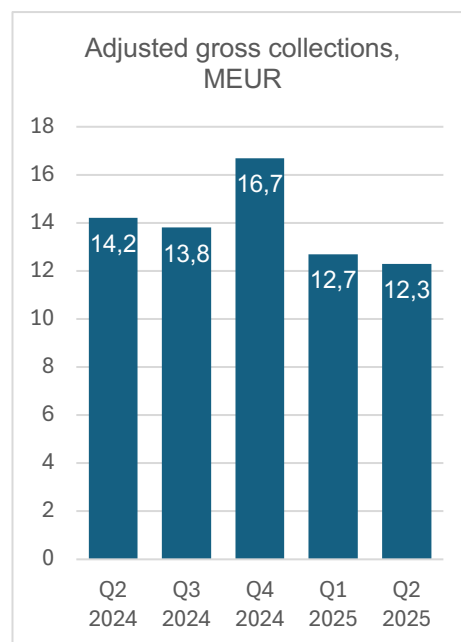
The net result for the quarter was a loss before tax of 14.7 MEUR, compared to a profit before tax of 0.1 MEUR for Q2 2024.

Cash flow and financing

For the second quarter of 2025, cash flow from operating activities before working capital changes was -2.5 MEUR compared to EUR -2.2 MEUR in Q2 2024 and EUR 2.9m in Q1 2025.

Estimated Remaining Collections

ERC in relation to invested assets at 30 June stands at 305 MEUR compared with 311 MEUR at year end. The majority of the ERC is expected to be received within the next three years.



Consolidated Income Statement

Amounts in EUR '000s	Notes	1 Apr – 30 Jun 2025*	1 Apr – 30 Jun 2024*	1 Jan – 30 Jun 2025*	1 Jan – 30 Jun 2024*	Full year 2024
Interest income on invested assets	5	6 102	7 781	11 882	13 720	21 852
Dividend income from invested assets		0	1 689	0	1 689	1 689
Revaluation and impairment of invested assets		9	135	-62	633	2 523
Revenue on invested assets	5	6 111	9 605	11 820	16 042	26 064
Share of net (losses) / profits of associate and joint venture	5,9,10	-572	-999	-1 298	-1 604	-2 300
Revenue from mgt fees and other services		520	783	1 064	1 456	2 662
Impairment of goodwill		-	-	-	-	-9 667
Personnel expenses		-2 260	-2 766	-4 214	-5 210	-9 526
Consulting expenses		-1 560	-2 263	-3 340	-3 582	-7 543
Other operating expenses		-1 383	-1 458	-2 452	-2 540	-3 597
Other operating income		70	-	80	-	721
Depreciation of tangible assets		-185	-309	-435	-577	-1 188
Operating result		741	2 593	1 225	3 985	-4 374
Financial income		525	4 243	9 843	6 818	23 422
Financial expenses		-7 592	-6 377	-13 608	-12 479	-24 417
Unrealized exchange profit / (loss)		-750	2	-1 064	42	420
Realized exchange (loss) / profit		-149	-88	-277	-107	-300
Net financial expenses		-7 966	-2 220	-5 106	-5 726	-875
Result before income tax		-7 225	373	-3 881	-1 741	-5 249
Tax expense		-210	-272	-1 532	-692	-2 329
Net result for the period		-7 435	101	-5 413	-2 433	-7 578
Net loss for the period attributable to:						
Owners of the Parent Company		-7 336	-179	-5 182	-2 635	-7 308
Non-controlling interest		-99	280	-231	202	-270

* Unaudited

Consolidated Statement of Comprehensive Income

	1 Apr – 30 Jun 2025*	1 Apr – 30 Jun 2024*	1 Jan – 30 Jun 2025*	1 Jan – 30 Jun 2024*	Full Year 2024
Amounts in EUR '000s					
Net result for the period	-7 435	101	-5 413	-2 433	-7 578
Other comprehensive income / (loss) for the period					
Currency translation differences	-29	51	-34	15	34
Actuarial gain or loss on post-employment benefit commitments	450	-	450	-	603
Deferred tax on post-employment benefit commitments	-53	-	-53	-	-65
Share of net income in associates	-338	-33	-1 033	-33	269
Other items	57	-331	344	371	-112
Other comprehensive income / (loss) for the period, net of tax	87	-313	-326	353	729
Total comprehensive income / (loss) for the period	-7 348	-212	-5 739	-2 080	-6 849
Total comprehensive income / (loss) for the period attributable to:					
Owners of the Parent Company	-7 263	-237	-5 591	-2 362	-6 560
Non-controlling interest	-85	25	-148	282	-289

* Unaudited

Consolidated Balance Sheet

Amounts in EUR '000s	Notes	30 June 2025*	31 December 2024
ASSETS			
<i>Non-current assets</i>			
Goodwill	7	11 022	11 022
Intangible assets		1 943	2 126
Tangible assets	6	237	93
Right-of-use assets		802	930
Interests in associate	10	36 647	40 870
Distressed asset portfolios	8	61 600	65 266
Financial assets at fair value	11	103 717	89 666
Other long-term receivables from investments		-	601
Investment in joint venture	9	12 999	15 307
Deferred tax assets	4	2 834	2 988
Other non-current assets		3 553	4 192
Total non-current assets		235 354	233 061
<i>Current assets</i>			
Accounts receivable		2 642	1 171
Receivables from other group companies		258	258
Tax assets		40	206
Other receivables		3 481	2 960
Prepaid expenses and accrued income		2 851	2 658
Cash and cash equivalents		12 460	6 787
Total current assets		21 732	14 040
TOTAL ASSETS		257 086	247 101
SHAREHOLDERS' EQUITY AND LIABILITIES			
Share capital		54	54
Other reserves		-6 560	-5 527
Shareholder contribution		47 681	47 681
Retained earnings including net loss for the period		-9 624	-5 066
Total shareholders' equity to Parent Company's shareholders		31 551	37 142
Non-controlling interest		1 176	1 324
Total shareholders' equity		32 727	38 466
LIABILITIES			
<i>Non-current liabilities</i>			
Loans and borrowings	12	29 247	170 497
Lease liabilities		645	783
Post-employment benefit commitments		461	880
Payables to other group companies		8	8
Deferred tax liabilities		2 049	1 003
Total non-current liabilities		32 410	173 171
<i>Current liabilities</i>			
Other current liabilities		20 008	20 585
Accounts payable		3 589	3 278
Tax liabilities		1 023	2 182
Accrued interest		2 712	2 654
Accrued expenses and deferred income		4 465	4 727
Lease liabilities		343	323
Current loans	12	159 908	1 715
Total current liabilities		191 949	35 464
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		257 086	247 101

* Unaudited

Consolidated Cash Flow Statement

Amounts in EUR '000s	1 Apr - 30 Jun 2025*	1 Apr - 30 Jun 2024*	1 Jan- 30 Jun 2025*	1 Jan - 30 Jun 2024*	Full year 2024
Cash flow from operating activities					
Net loss for the period	-7 435	101	-5 413	-2 433	-7 578
Cash distribution from associate and joint venture	2 850	1 359	4 700	2 555	5 235
Adjustments for non-cash items:					
Non-cash collections					-
Amortization of invested assets	1 809	1 680	4 228	4 489	15 859
Revaluation and impairment of invested assets	-9	-135	62	-633	-2 523
Interest income	-1 108	-952	-2 166	-1 832	-3 787
Other operating income	-70		-80		-721
Dividend income	0	-1 689	0	-1 689	-1 689
Share of net losses / (profits) of associate and joint venture	572	999	1 298	1 604	2 300
Impairment of assets	-	-	-	-	9 667
Depreciation and amortization of tangible and intangible assets	185	309	435	577	1 188
Financial income	-525	-4 243	-9 843	-6 818	-23 422
Financial expenses	7 592	6 377	13 608	12 479	24 417
Unrealized exchange (profit) / loss	750	-2	1 064	-42	-420
Tax expense	210	272	1 532	692	2 329
Other items not affecting cash	-9	-69	76	3	-67
Interest paid	-7 165	-7 655	-7 937	-7 744	-16 109
Interest received	-	17	-	58	166
Dividends received	-	1 689	-	1 689	1 689
Tax paid	-194	-285	-1 224	-318	-410
Cash flow from operating activities before working capital changes	-2 547	-2 227	340	2 637	6 124
Working capital adjustments					
(Increase) / decrease in accounts receivable	-1 382	201	-1 471	-703	112
(Increase) / decrease in other receivables	-463	215	-714	-730	-1 957
Increase / (decrease) in accounts payable	1 207	-503	311	-924	-2 378
Increase / (decrease) in other current liabilities	-299	-248	46	19 669	20 292
Net cash flow from operating activities	-3 484	-2 562	-1 488	19 949	22 193
Cash flow from investing activities					
Purchases of distressed asset portfolios and other long-term receivables from investments	-	-	-	-	-1 039
Purchase of investments in joint venture and associate	-	-	-	-	-211
Purchases of financial assets at fair value	-2 601	-5 581	-5 988	-28 418	-36 597
Proceeds from divestment of financial assets at fair value	-	-	754	325	325
Purchases of tangible and intangible assets	-	-5	-369	-5	-6
Net cash flow received / (used) in investing activities	-2 601	-5 586	-5 603	-28 098	-37 528
Cash flow from financing activities					
Proceeds from issuance of loans	3 056	-	3 056	-	24 447
Proceeds from sale of financial instruments	12 262	-	12 262	-	-
Repayment of loans	-1 951	-831	-2 191	-1 037	-22 210
Principal element of lease payments	-95	-85	-191	-271	-363
Net cash flow received / (used) in financing activities	13 272	-916	12 936	-1 308	1 874
Cash flow for the period	7 187	-9 064	5 845	-9 457	-13 461
Cash and cash equivalents less bank overdrafts at beginning of the period	5 342	20 284	6 787	20 715	20 715
Foreign exchange gains / (losses) on cash and cash equivalents	-69	-97	-172	-135	-467
Cash and cash equivalents less bank overdrafts at end of the period	12 460	11 123	12 460	11 123	6 787

* Unaudited

Consolidated Statement of Changes in Equity

Amounts in EUR '000s	Share capital	Shareholder contribution	Other reserves	Retained earnings incl. net loss for the period	Total equity attributable to owners of the parent company	Non-controlling interest	Total equity
Balance at 1 January 2024	54	0	-5 762	1 729	-3 979	1 613	-2 366
Net loss for the period	-	-	-	-2 635	-2 635	202	-2 433
Other comprehensive loss							
Currency translation differences	-	-	27	-	27	-12	15
Share of net income in associates	-	-	-	-33	-33		-33
Other items	-	-	-	279	279	92	371
Total comprehensive loss	0	0	27	-2 389	-2 362	282	-2 080
<i>Transactions with owners</i>		0					
Total transactions with owners			0	0	0	0	0
Balance at 30 June 2024*	54	0	-5 735	-660	-6 341	1 895	-4 446
Balance at 1 January 2025	54	47 681	-5 527	-5 066	37 142	1 324	38 466
Net loss for the period	0	0	0	-5 182	-5 182	-231	-5 413
Other comprehensive income							
Currency translation differences	-	-	-	-32	-32	-2	-34
Actuarial gain on defined benefit commitment	-	-	-	450	450	-	450
Deferred Tax Asset on post-employment benefit commitments	-	-	-	-53	-53	-	-53
Other items	-	-	-	259	259	85	344
Share of net income in associates	-	-	-1 033	-	-1 033	-	-1 033
Other items	-	-	0	-	0		0
Total comprehensive income	0	0	-1 033	-4 558	-5 591	-148	-5 739
<i>Transactions with owners</i>							
Total transactions with owners	0	0	0	0	0	0	0
Balance at 30 June 2025*	54	47 681	-6 560	-9 624	31 551	1 176	32 727

* Unaudited

Parent Company – Income Statement

Amounts in EUR '000s	1 Apr - 30 Jun 2025*	1 Apr - 30 Jun 2024*	1 Jan - 30 Jun 2025*	1 Jan - 30 Jun 2024*	Full Year 2024
Revenue	398	-	1 810	-	-
Share of net losses of associate	-	-393	-	-393	-
Personnel expenses	-512	-178	-816	-269	-1 104
Consulting expenses	-177	-224	-280	-291	-595
Other operating expenses	-125	-147	-244	-201	-466
Other operating income	-	-	11	-	444
Depreciation on tangible assets	-1	-	-1	-	-1
impairment of assets	-	-	-	-	-9 667
Operating result	-417	-942	480	-1 154	-11 389
Financial income	5 055	5 477	9 279	9 703	26 968
Financial expenses	-6 689	-5 612	-11 919	-10 987	-22 089
Unrealized exchange profit / (loss)	-688	8	-1 027	73	515
Realized exchange profit	-21	-	-77	-	-
Net financial (expense) / income	-2 343	-127	-3 744	-1 211	5 394
Result before income tax	-2 760	-1 069	-3 264	-2 365	-5 995
Tax expense	-	-	-	-	-1 158
Net result for the period	-2 760	-1 069	-3 264	-2 365	-7 153

* Unaudited

Parent Company – Statement of Comprehensive Income

Amounts in EUR '000s	1 Apr - 30 Jun 2025*	1 Apr - 30 Jun 2024*	1 Jan - 30 Jun 2025*	1 Jan - 30 Jun 2024*	Full Year 2024
Net result for the period	-2 760	-1 069	-3 264	-2 365	-7 153
Other comprehensive income for the period, net of tax					
Share of net income in associate	-	-33	-	-33	-
Total other comprehensive income for the period, net of tax	0	-33	0	-33	0
Total comprehensive income / (loss) for the period	-2 760	-1 102	-3 264	-2 398	-7 153

* Unaudited

Parent Company – Balance Sheet

Amounts in EUR '000s	Notes	30 June 2025*	31 Dec 2024
ASSETS			
<i>Non-current assets</i>			
Tangible assets	6	5	5
Shares in other group companies	13	30 531	30 531
Financial assets at fair value	11	19 231	33 659
Non-current loan to other group companies		141 494	120 920
Non-current loan to other group companies, subordinated		7 000	7 000
Interest in associates		14 811	14 811
Other non-current assets		223	2 325
Total non-current assets		213 295	209 251
<i>Current assets</i>			
Receivables from group companies		653	-
Cash and cash equivalents		5 911	2 527
Current accrued interest income		8 177	4 323
Prepaid expenses		73	54
Other receivables		52	2
Total current assets		14 866	6 906
TOTAL ASSETS		228 161	216 157
SHAREHOLDERS' EQUITY AND LIABILITIES			
<i>Shareholders' equity</i>			
Share capital		54	54
Shareholder Contribution		47 681	47 681
Retained earnings including net loss for the period		-6 239	-2 975
Total shareholders' equity		41 496	44 760
<i>Non-current liabilities</i>			
Loans and borrowings	12	24 078	165 384
Loans from other group companies, subordinated		-	-
Total non-current liabilities		24 078	165 384
<i>Current liabilities</i>			
Accounts payable		108	1 099
Accrued expenses and deferred income		470	459
Tax liabilities		878	1 801
Current loans	12	158 419	-
Accrued interest		2 712	2 654
Total current liabilities		162 587	6 013
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		228 161	216 157

* Unaudited

Parent Company – Cash Flow Statement

Amounts in EUR '000s	1 Apr - 30 Jun 2025*	1 Apr - 30 Jun 2024*	1 Jan - 30 Jun 2025*	1 Jan - 30 Jun 2024*	Full Year 2024*
Cash flow from operating activities					
Loss for the period	-2 760	-1 069	-3 264	-2 365	-7 153
<i>Adjustments for non-cash items:</i>					
Impairment of loans and receivables					9 667
Share of net losses of associate	-	393	-	393	-
Other operating income	-	-	-11	-	-444
Depreciation of tangible assets	1	-	1	-	1
Financial income	-5 055	-5 477	-9 279	-9 703	-26 968
Financial expenses	6 689	5 612	19 169	11 919	22 089
Unrealized exchange (profit) / loss	688	-8	1 027	-73	-515
Tax expense	-	-	-	-	1 158
Other items not affecting cash	-44	65	-6	-2	-117
Dividends received	449		449	-	-
Interest paid	-7 073	-7 655	-7 667	-7 744	-15 439
Interest received	1 289	5 489	3 739	5 516	12 411
Tax paid	-	-	-921	-	-
Cash flow from operating activities before working capital changes	-5 816	-2 650	-4 013	-2 991	-5 310
Working capital adjustments					
Increase / (decrease) in accounts receivable	759		-653	-	-
Increase / (decrease) in other receivables	17	-30	-69	-8	21
Increase / (decrease) in accounts payable	-80	8	-106	-72	341
Increase / (decrease) in other current liabilities	24	-52	11	-42	-614
Net cash flow from operating activities	-5 096	-2 724	-4 830	-3 113	-5 561
Cash flow from investing activities					
Purchase of shares in group companies	-	-	-	-	-
Purchase of financial investments	-1 001	-	-3 664	-	-
Purchases of financial assets at fair value	-	-4 806	-	-26 253	-31 622
Purchases of investment in associates	-	-	-	-	-209
Purchases of tangible assets	-	-5	-	-5	-6
Net cash flow received / (used) in investing activities	-1 001	-4 811	-3 664	-26 258	-31 837
Cash flow from financing activities					
Proceeds from issuance of loans	3 056	-	3 056	-	24 447
Proceeds from sale of financial instruments	12 262	-	12 262	-	
Loans to group companies	-3 350	-	-3 350	-	0
Repayment of loans to group companies	210	7 461	1 517	29 561	35 881
Repayment of loans and borrowings	-1 546	-	-1 546	-	-20 550
Net cash flow received / (used) in financing activities	10 632	7 461	11 939	29 561	39 778
Cash flow for the period	4 535	-74	3 445	190	2 380
Cash and cash equivalents less bank overdrafts at beginning of the period	1 385	534	2 527	319	319
Foreign exchange gains / (losses) on cash and cash equivalents	-9	-12	-61	-61	-172
Cash and cash equivalents less bank overdrafts at end of the period	5 911	448	5 911	448	2 527

* Unaudited

Parent Company – Statement of Changes in Equity

Amounts in EUR	Sharecapital	Shareholder contribution	Retained earnings	Total Equity
Balance at 1 January 2024	54	-	4 178	4 232
Net result for the period	-	-	-2 365	-2 365
Other comprehensive income	-	-	-	0
Share of net income in associate			-33	-33
Total comprehensive income	-	-	-2 398	-2 398
<i>Transactions with owners</i>				
Total transactions with owners	-	-	-	-
Balance at 30 June 2024*	54		1 780	1 834
Balance at 1 January 2025	54	47 681	-2 975	44 760
Net result for the period	-	-	-3 264	-3 264
Other comprehensive income	-	-	-	-
Share of net income in associate				
Total comprehensive income	0	0	-3 264	-3 264
<i>Transactions with owners</i>				
Total transactions with owners	0	0	0	0
Balance at 30 June 2025*	54	47 681	-6 239	41 496

* Unaudited

Notes

Note 1. General information

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

The Company was registered on 3 March 2016, and changed from a private limited liability company to a public limited liability company on 26 May 2016. The Company has registered offices in Stockholm, Sweden and its Swedish Corporate ID No. is 559053-6230. The address of the main office and postal address is Jakobsbergsgatan 24 111 44 Stockholm, Sweden. Achilles Capital is a wholly owned subsidiary of DDM Finance AB ("DDM Finance"), Stockholm, Sweden. The indirect parent company is Chronos Investments S.à r.l., a Luxembourg registered company owning 100% of the shares in DDM Finance AB since 1 November 2023. Prior to 1 November 2023 DDM Finance AB was a wholly owned subsidiary of DDM Group AG, Zug, Switzerland and the indirect ultimate parent company was DDM Group Finance S.A, a Luxembourg registered company.

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

Note 2. Basis of preparation

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

The accounting policies that are most critical to the Group and Parent Company are stated in Achilles Capital AB's Annual Report for 2024, which also contains a description of the material risks and uncertainties facing the Parent Company and the Group.

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

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

Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which Achilles Capital has control. Achilles Capital 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.

Entities included in the scope of consolidation	Consolidation method	Domicile	30 Jun 2025	31 Dec 2024
DDM Invest III AG	Fully consolidated	Switzerland	100%	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%

Joint ventures

The Company applies IFRS 11 Joint Arrangements, where the Achilles Capital Group, together with one or several parties have joint control over an arrangement in accordance with a shareholder agreement. The Achilles Capital 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 Achilles Capital 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 Achilles Capital 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 Achilles Capital 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 Achilles Capital 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 Achilles Capital Group.

Joint Ventures	Consolidation method	Domicile	30 June 2025	31 December 2024
CE Partner S.à r.l.	Equity method	Luxembourg	50%	50%
CE Holding Invest S.C.S	Equity method	Luxembourg	50%	50%

Associates

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

Financial assets at fair value

Equity-traded instruments and other investments that do not meet the criteria under IFRS 9 of cash flows consisting solely of payments of principle and interest (SPPI) and Held 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.

Post-employment benefit commitment

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

Note 3. Currency translation

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

Note 4. Deferred taxes

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

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

Note 5. Revenue on invested assets

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

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

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

EUR'000s	1 Apr–30 Jun 2025	1 Apr–30 Jun 2024	1 Jan–30 Jun 2025	1 Jan–30 Jun 2024	Full Year 2024
Gross collections	8 264	9,753	17 236	19,012	43 102
Collection and commission expenses	-1 461	(1,244)	-3 292	(2,635)	-9 178
Net collections	6 803	8,509	13 944	16,377	33 924
Interest income	1 108	952	2 166	1,832	3 787
Amortization of invested assets	-1 809	(1,680)	-4 228	(4,489)	-15 859
Interest income on invested assets before revaluation and impairment	6 102	7,781	11 882	13,720	21 852
Dividend income from invested assets	0	1,689	0	1,689	1 689
Revaluation of invested assets	9	135	62	633	3 215
Impairment of invested assets	–	–	–	–	-692
Revenue on invested assets	6 111	9,605	11 944	16,042	26 064
Share of net (losses) / profits of associate and joint venture	(572)	(999)	(1,298)	(1,604)	-2 300
Revenue from mgt fees and other services	520	783	1,064	1,456	2 662

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

Interest income

Interest income from Omnio to the Achilles Capital Group for the second quarter and first six months of 2025 amounted to EUR 1.1m and EUR 2.1m respectively (Q2 2024: EUR 0.9m, H1 2024: EUR 1.7m), which has been recognized in interest income.

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

The results for Q2 and H1 2025 include 1,1 MEUR and 1,9 MEUR (Q2 and H1 2024: 0,4 MEUR and 0,7 MEUR) from share of net profits of joint venture accounted for using the equity method in accordance with IFRS.

The results for Q2 and H1 2025 include 1,7 MEUR and 3,2 MEUR (Q2 and H1 2024: EUR 1,4 MEUR and 2,4 MEUR) from share of net losses of associates accounted for using the equity method in accordance with IFRS.

Revenue from management fees and other services

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

Acquisition of AxFina

The Achilles Capital Group acquired 50,16% of AxFina in July 2022, and 25,05% of AxFina in April 2023. The acquired business contributed net collections of EUR 1.6m and service fees of 0,5 MEUR to the Achilles Capital group for Q2 2025 (Q2 2024: net collections 2,7 MEUR and service fees of 0,7 MEUR), and net collections of 3,0 MEUR and service fees of 1,0 MEUR to the Achilles Capital group for H1 2024 (H1 2024 net collections 4,6 MEUR and service fees of 1,4 MEUR).

Note 6. Tangible assets

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

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

Furniture	5 years
Computer hardware	5 years

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

Note 7. Intangible assets

(i) Identifiable intangible assets

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

Goodwill

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

(ii) Customer-related servicing contracts

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

Note 8. Distressed asset portfolios

The recognition of the acquisition of distressed asset portfolios is based on the Achilles Capital 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 Achilles Capital 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").

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

	30 June 2025	31 December 2024
EUR '000s		
EUR	36 958	38 430
RON	11 592	11 720
PLN	9 246	10 835
HUF	2 328	2 714
RSD	1 409	1 476
CZK	67	91
Total	61 600	65 266

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

Note 9. Investment in joint venture

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

Investment in joint venture EUR '000s	30 June 2025	31 December 2024
Balance at beginning of the period	15 307	18 183
Additions	–	–
Share of net profits of joint venture	1 892	2 372
Incremental net distribution from the joint venture	-4 200	-5 248
Balance at end of the period	12 999	15 307

Cash distributions of 2,8 MEUR and 4,7 MEUR (Q2 2024: 1,4 MEUR, H1 2024: 2,6 MEUR) have been received from the joint venture during Q2 and H1 2025 respectively.

Note 10. Interest in associates

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

Interest in associates EUR '000s	30 June 2025	31 December 2024
Balance at beginning of the period	40 870	29 834
Additions	-	211
Reclassification from financial assets at fair value	-	15 228
Share of net losses in the income statement	-3 190	-4 672
Share of other comprehensive income of associates accounted for using the equity method	-1 033	269
Dividends received, FX & other	-	–
Balance at end of the period	36 647	40 870

Note 11. Financial assets at fair value

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

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

In H1 2025 EUR 2.4m was invested in Omnio and interest of 0,3 MEUR was capitalized, resulting in an outstanding balance of 30,1 MEUR at 30 June 2025 in financial assets at fair value relating to the investment in Omnio.

In Q2 and H1 2024 the Achilles Capital Group also made net investments and disposals of approximately EUR 4m and EUR 27m respectively in businesses primarily located in Sweden. These investments are classified as financial assets at fair value. The investment in Sivers Semiconductors AB was reclassified from financial assets at fair value to interest in associates in Q2 2024 following receipt of regulatory approval to acquire a further 9,719,006 shares in Sivers.

Financial assets at fair value EUR '000s	30 June 2025	31 December 2024
Balance at beginning of the period	89 666	53 198
Additions	5 103	46 881
Conversions	-	289
Loans	-52	-
Disposals	-743	-5 128
Fair value gains / (losses)	7 969	7 287
Capitalized interest	2 709	1 950
Reclassification to investment in associates	-	-15 228
Reclassification to other receivables	-	-
Foreign exchange differences	-935	417
Balance at end of the period	103 717	89 666

Note 12. Loans and borrowings

The Group had the following borrowings outstanding during the periods ending 30 June 2025:

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.

Bond loan EUR 200m

On 19 April 2021, Achilles Capital issued EUR 150m of senior secured fixed rate bonds at 9% within a total framework amount of EUR 300m. The bonds with ISIN number SE0015797683 have a final maturity date of 19 April 2026 and are listed on the Corporate Bond list at Nasdaq Stockholm.

On 21 September 2021, Achilles Capital successfully completed a EUR 50M tap issue under the EUR 300M senior secured bond framework. The bond tap issue was placed at a price of 102.0%. Following the tap issue the total outstanding nominal amount of the company's bond loan is EUR 200 million.

Achilles Capital has pledged the shares in its material wholly-owned subsidiaries as security under the terms and conditions. DDM Finance AB is a guarantor of the bonds. In addition, the investors receive a first ranking share pledge over the shares of Achilles Capital. The terms and conditions of Achilles Capital'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%.

Carrying value of borrowings:

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

Fair value of borrowings:

Group EUR '000s	IFRS 9 category	Fair value category	Fair value	Carrying value
at 30 June 2025				
Super Senior Bonds, 9,5%	Financial liabilities at amortized cost	Level 2	25 000	24 078
Senior Secured Bonds 9%	Financial liabilities at amortized cost	Level 2	107 629	158 419
Bonds AxFin Polska	Financial liabilities at amortized cost	Level 3	5 402	3 357
Borrowings E-Kancelaria	Financial liabilities at amortized cost	Level 3	3 202	3 202
Total			141 233	189 056
at 31 December 2024				
Super Senior Bonds, 9,5%	Financial liabilities at amortized cost	Level 2	25 000	23 853
Senior Secured Bonds 9%	Financial liabilities at amortized cost	Level 2	82 340	141 531
Bonds, AxFin Polska	Financial liabilities at amortized cost	Level 3	5 827	3 467
Bonds E-Kancelaria	Financial liabilities at amortized cost	Level 3	3 259	3 259
Borrowings E-Kancelaria	Financial liabilities at amortized cost	Level 3	102	102
Total			116 528	172 212

The levels in the hierarchy are:

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

Note 13. Participations in Group companies

Parent Company EUR '000s	30 June 2025	31 December 2024
Investment	30 531	30 531
Total	30 531	30 531

Parent Company EUR '000s	Investment
At 31 December 2024	30 531
Acquisitions	–
At 30 June 2025	30 531

The Parent Company holds shares in the following subsidiaries:

EUR '000s Company	Corporate identity number	Domicile	Proportion of equity 30 June 2025	Proportion of equity 31 December 2024	Net book value 30 June 2025	Net book value 31 December 2024
DDM Invest III AG	CHE 115.238.947	Switzerland	100%	100%	9,364	9,364
DDM Mergeco AG in liquidation*	CHE 353.292.452	Switzerland	100%	100%	—	—
DDM Invest V d.o.o.*	8297355000	Slovenia	100%	100%	—	—
DDM Invest VII d.o.o.	7109806000	Slovenia	100%	100%	8	8
DDM Debt Management d.o.o Beograd**	21313963	Serbia	100%	100%	—	—
DDM Debt Romania S.R.L	39689815	Romania	100%	100%	106	106
DDM REO Adria d.o.o.* **	05288215	Croatia	100%	100%	—	—
Finalp Zrt.*	06-10-000554	Hungary	100%	100%	—	—
AxFina Holding S.A	B239375	Luxembourg	75.2%	75.2%	21,053	21,053
AxFina Romania S.R.L***	44897030	Romania	75.2%	75.2%	—	—
AxFina Austria GmbH***	FN513105t	Austria	75.2%	75.2%	—	—
AxFina Croatia d.o.o.***	81136498	Croatia	75.2%	75.2%	—	—
AxFina Hungary Zrt***	06-10-000062	Hungary	75.5%	75.5%	—	—
Lombard Ingatlan Zrt***	06-10-000319	Hungary	75.5%	75.5%	—	—
AxFina Servicing Kft***	06-09-004809	Hungary	75.5%	75.5%	—	—
AxFina d.o.o.***	8458367000	Slovenia	75.2%	75.2%	—	—
AxFina Polska S.A.*** (previously Raport S.A.)	192029	Poland	75.2%	75.2%	—	—
E-Kancelaria Grupa Prawno- Finansowa sp. z o.o.	646101	Poland	75.2%	75.2%	—	—
Dial Tone sp. z o.o.	397334	Poland	75.2%	75.2%	—	—
E-Kancelaria Rosiński i Wspólnicy Kancelaria Prawna sp. k.	1007519	Poland	75.1%	75.1%	—	—
Total					30,531	30,531

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

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

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

Note 14. Related parties

Achilles did not make any additional investments with related parties during Q2 2025, The total investments for the first 6 months consisted of the 0.7 MEUR in acquiring Dormy House Flat C Ltd, located within Dormy House on the prestigious Wentworth Estate in Virginia Water, Surrey. The acquisition was executed via a one-off payment in Q1 2025.

Note 15. Subsequent events

Subsequent to the reporting period, we further reinforced our platform through:

- The acquisition of EBRD's stake in AxFina, taking our ownership above 99% and consolidating control.
- The appointment of ABG Sundal Collier and Arctic Securities as advisors for our upcoming bond refinancing, positioning us to optimize our capital structure.
- Achilles Capital supported Omnio's Balance Sheet strengthening and equity issuance

Signatures

The Board of Directors and Chief Executive Officer declare that the interim report 1 January – 30 June 2025 provides a fair overview of the Parent Company's and the Group's operations, their financial positions and result. The material risks and uncertainties facing the Parent Company and the Group are described in the 2024 Annual report.

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

Stockholm, 29 August 2025

Jörgen Durban
Chairman of the board

Erik Fällström
Board member

Keith Halsey
Board member

Matt Doerner
CEO

Definitions

Achilles

Achilles Capital AB (publ) and its subsidiaries.

Amortization of invested assets

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

Cash EBITDA

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

EBITDA

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

Estimated Remaining Collections / ERC

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

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

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

Equity

Shareholders' equity at the end of the period.

Impairment of invested assets

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

Invested assets

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

Net collections

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

Net debt

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

Non-recurring items

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

Operating expenses

Personnel, consulting and other operating expenses.

Revaluation of invested assets

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

Reconciliation tables, non-IFRS measures

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

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

Net collections:

Net collections is comprised of gross collections from the invested assets held and/or sold by the Achilles Capital Group, minus commission and fees to third parties. The net amount of cash collected is recorded as "Net collections" within the line "Interest income on invested assets" in the consolidated income statement. The Achilles Capital Group discloses the alternative performance measure "Net collections" in the notes separately, as it is an important measurement for the Achilles Capital Group to monitor the performance of the portfolios and measure the cash available for operating expenses and to service its debt. The Achilles Capital Group believes that disclosing net collections as a separate performance measure in the notes improves the transparency and understanding of the Achilles Capital 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 Achilles Capital Group's own forecast of future cash flows from acquired portfolios. Reporting follows the effective interest method, where the carrying value of each portfolio corresponds to the present value of all projected future cash flows discounted by an initial effective interest rate determined at the time the portfolio was purchased, based on the relation between cost and the projected future cash flows on the acquisition date. Changes in the carrying value of the portfolios are reported as amortization, revaluation and impairment for the period.

Operating expenses and Cash EBITDA:

Amounts in EUR '000s (unless specified otherwise)	1 Apr–30 Jun 2025	1 Apr–30 Jun 2024	1 Jan–30 Jun 2025	1 Jan–30 Jun 2024	Full Year 2024
Net collections *	6 803	12 038	13 944	21 551	44 648
Revenue from mgt fees and other services	520	783	1 064	1 456	2 662
Other operating income	70		80		721
Personnel expenses	-2 260	-2 766	-4 214	-5 210	-9 526
Consulting expenses	-1 560	-2 263	-3 340	-3 582	-7 543
Other operating expenses	-1 383	-1 458	-2 452	-2 540	-3 597
Operating expenses	-	-6 487	-	-11 332	-20 666
Cash EBITDA	2 190	6 334	5 082	11 675	27 365

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

Net debt:

Super Senior bonds, 9,5%	24 078		24 078		23 853
Bond loan, 9%	158 419	165 923	158 419	165 923	141 531
Bonds, AxFina Polska	3 357	3 546	3 357	3 546	3 467
Bonds, E-Kancelaria	-	3 241	-	3 241	3 259
Borrowings, E-Kancelaria	3 203	590	3 203	590	102
RCF	-	4 455	-	4 455	-
Less: Cash and cash equivalents	-12 460	-11 123	-12 460	-11 123	-6 787
Net debt	176 596	166 632	176 596	166 632	165 425

Equity ratio:

Shareholder's equity	32 727	-4 446	32 727	-4 446	38 466
Shareholder debt (subordinated)	-	37 586	-	37 586	-
Accrued interest on shareholder debt	-	8 790	-	8 790	-
Total equity according to the senior secured bond terms	32 727	41 930	32 727	41 930	38 466
Total assets	257 086	257 340	257 086	257 340	247 101
Equity ratio	12,7%	16,3 %	12,7%	16,3 %	15,6%

Alternative performance measures – reconciliation to IFRS:

	1 Apr–30 Jun 2025	1 Apr–30 Jun 2024	1 Jan–30 Jun 2025	1 Jan–30 Jun 2024	Full Year 2024
EUR '000s					
Gross collections	8 246	9 753	17 236	19 012	43 102
Incremental gross distribution from associate and joint venture	2 953	1 787	5 605	3 069	7 506
Distributions/interest from financial assets at fair value	1 112	2 641	2 922	3 521	5 476
Adjusted gross collections	12 329	14 181	25 763	25 602	56 084
Net collections	6 803	8 509	13 944	16 377	33 924
Incremental net distribution from associate and joint venture	2 450	888	4 200	1 653	5 248
Distributions/interest from financial assets at fair value	1 864	2 641	2 922	3 521	5 476
Adjusted net collections	11 117	12 038	21 066	21 551	44 648
Cash EBITDA	2 190	2 805	5 082	6 501	16 641
Incremental net distribution from associate and joint venture	2 450	888	4 200	1 653	5 248
Distributions/interest from financial assets at fair value	1 864	2 641	2 922	3 521	5 476
Adjusted cash EBITDA	6 504	6 334	12 204	11 675	27 365

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

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

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

About Achilles Capital

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

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