

DDM Holding AG

Half-year report | 1 January-30 June 2014

Increased investments and listing on First North

First six months of 2014

- Consolidated net revenues for the period January–June 2014 amounted to EUR 4.0M (0.9)
- Earnings (EBIT) amounted to EUR 1.5M (-1.6), including revaluations of purchased asset portfolios amounting to EUR 2.4M
- Operating margin (EBIT) was 27% (neg)
- Net result for the period amounted to EUR 0.9M (-3.5)
- Appointment of CFO, Mr. Olsson will join on 1 September

After date of the balance sheet

- Issue of 2,600,000 new shares, total number of shares in DDM Holding AG amounts to 7,100,000 as of reporting date
- Listing on Nasdaq OMX First North on 5 August 2014

Selected key figures*	2014-01-01 – 2014-06-30	2013-01-01 – 2013-06-30	2013-01-01 – 2013-12-31
EUR M			
Total net collections	5.7	4.1	9.6
Net revenues	4.0	0.9	2.4
EBITDA	4.0	2.5	6.0
Operating earnings (EBIT)	1.5	-1.6	-1.7
Earnings before income tax	0.3	-3.5	-5.9
Net result for the period	0.1	-3.5	-6.1
EBITDA, %	69.9	61	63
EBIT, %	26.5	Neg	Neg
Profit margin, %	1.5	Neg	Neg
	30 June 2014	30 June 2013	31 December 2013**
Total assets	47.3	48.0	50.5
Equity	1.1	0.5	1.0
Equity ratio, %	2.2	1.1	1.9
Data per share	2014-01-01 – 2014-06-30	2013-01-01 – 2013-06-30	2013-01-01 – 2013-12-31
Earnings per share before dilution, EUR	0.02	Neg	Neg
Earnings per share after dilution, EUR	0.02	Neg	Neg
Total number of shares	4,500,000	232,000	4,500,000

* Definitions, see page 15

** See Notes 5 and 6

Comment by the CEO

Following the first quarter of 2014 with geopolitical turbulence and pressure on the Russian Ruble, the second quarter 2014 was characterised by two mile stone events. Firstly, preparations for the listing of DDM on Nasdaq OMX First North in Stockholm and secondly, increased portfolio investments.

We are very proud to have received such a significant level of interest in our company, resulting in a successful listing with first day of trading on the 5th of August. We would like to thank the investors that chose to place their trust in DDM and with whom we look forward to have a close and fruitful relationship.

During the second quarter 2014 we reengaged with investments in Russia and also made a first investment in Slovenia. During the first six months of 2014, DDM invested in portfolios to a total amount of EUR 7.1M.

DDM continues to focus on its historical core markets, Russia and Romania, and at the same time also dedicating efforts to the wider region of Eastern Europe where we see great potential and hope to announce further acquisitions and market entries in the coming period.

Earnings before depreciation and amortisation (EBITDA) period January–June 2014 amounted to EUR 4.0M. Operating earnings (EBIT) amounted to EUR 1.5M, and EBIT margin was 26.5%.

Accounting and reporting for DDM is in process of full conversion to IFRS from the current Swiss GAAP standard. During the period, DDM has made a voluntary amendment in its accounting policy. Previously, the distressed assets were recognised at cost less amortisation. Under the new accounting policy, these assets are recognised using the effective interest method similar to IFRS treatment. More information is found in Note 5 and 6.

In addition to these amendments, this interim report contains the consolidated cash flow statement and the consolidated statement of changes in equity.

I am pleased to welcome our new CFO, Mr. Fredrik Olsson, to DDM. He will join the company on 1 September 2014 and will be instrumental in driving the implementation of IFRS and related processes, as well as increasing disclosure to our investors.

Net collections
EUR 5.7M

EBIT margin
26.5%



“We would like to thank our investors for their support and trust in our listing process. DDM Holding is now in a position where we continue growing the company.”

Gustav Hultgren
CEO

Market outlook

The core markets are characterised by considerable regional differences and there is substantial uncertainty regarding the macroeconomic situation in several countries in the region. In a substantially weakened macroeconomic situation, with increased unemployment and volatile exchange rates, DDM could be negatively affected.

In DDM's view, the group's strategic focus is well attuned to the market trend, where selling companies and banks need to generate stronger and more predictable cash flow, as well as the need to create additional alternatives for financing, for example by selling portfolios. These are trends that, in the long term, will benefit DDM.

DDM is not providing any forecasts.

Significant events after the period

Following the listing of DDM on 5 August 2014, DDM is in a much stronger position to continue optimising its capital structure and capitalise on increasing recognition with sellers in order to continue growing investments.

Net collections and geographical distribution

During the second quarter 2014 DDM made its first investment in Slovenia. This acquisition positively contributed to DDM earnings and represented 5 percent of net collections during the first six months of 2014. Russian and Romanian portfolios contributed 31 percent and 63 percent, respectively. The other DDM portfolios contributed with 1 percent.

Total net collections reached EUR 5.7M in the first half of 2014, while operating earnings (EBIT) amounted to EUR 1.5M.

Cash flow and investments

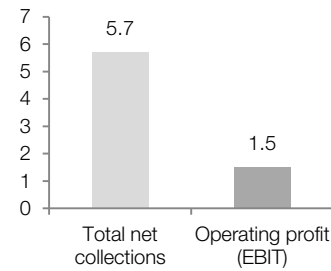
Cash flow from operating activates before working capital changes amounted to EUR 3.0M for the first six months of 2014, which was EUR 1.6M more than for the first six months of 2013.

Along with the Slovenian investment, DDM executed successful acquisitions in Russia during the second quarter 2014. Total disbursements for these investments in purchased debt reached EUR 7.1M in the first six months of 2014, which illustrates a significant increase compared to EUR 0.4 M invested over the respective period of 2013.

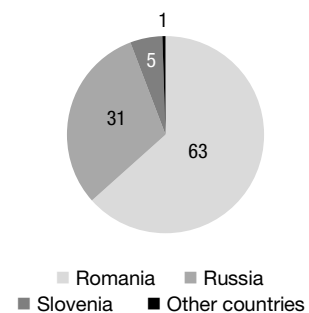
During the period, DDM realised a gain when a co-investor decided to exist a distressed asset portfolio. This has been recognised as an extraordinary income in the income statement.

Net income for the period amounted to EUR 0.1M (-3.5).

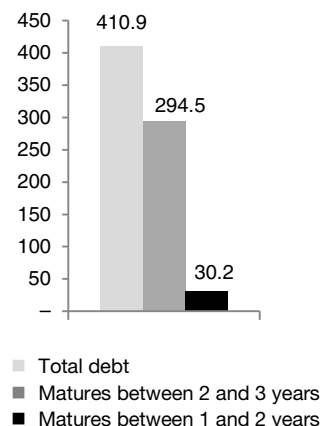
Net collections and operating earnings
January-June 2014, EUR M



Net collections by country
On 30 June, %



Debt maturity schedule
30 June 2014, SEK M



Ownership structure

The ten largest shareholders of DDM Holding AG as per 5 August 2014:

Name	Total holding of shares	Percentage of capital and votes
Hansson, Kent	2,293,824	32.3%
Vogel, Manuel	1,691,490	23.8%
Landsdowne	555,000	7.8%
Alpen Invest	540,000	7.6%
Praktikertjänst	530,000	7.5%
Hultgren, Gustav	225,000	3.2%
Jones, Colin	100,388	1.4%
Strategic Investments	100,000	1.4%
Olsson, Fredrik	90,000	1.3%
Bark, Gunnar	80,000	1.1%
AMF	80,000	1.1%
Summary others	814,298	11.5%
TOTAL	7,100,000	100.0%

Direct and indirect holdings – Source: DDM Holding AG

Significant risks and uncertainties

DDM'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 risks relating to the purchase of debt portfolios and subsequent collection of overdue accounts. The DDM's overall risk management programme focuses on the unpredictability of the markets it is exposed to, and seeks to minimize potential adverse effects on DDM's financial performance due to such risks.

Further information is available in the Company Description, published in July 2014.

Accounting principles

For detailed information, please see Notes on page 10-14. This interim report complies with the Swiss Code of Obligation ("CO") and is prepared on a historical cost basis (except Note 5 and 6). The business year that forms the basis for the consolidated financial statements is equivalent to the calendar year.

Financial calendar

During 2014, DDM intends to publish financial information on the following dates:

Interim Report for January-September 2014:	28 November 2014
Year-end Report for 2014:	28 February 2015

Financial information from DDM is available on DDM's website, www.ddm-group.ch

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

Baar, 28 August 2014
DDM Holding AG

Gustav Hultgren
CEO

**ddm**

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Presentation of the interim report

The Interim Report and presentation material are available at www.ddm-group.ch.

CEO Gustav Hultgren will comment on the report at a conference call 28 August, starting at 10:00 a.m. CET. The presentation can be followed live on www.ddm-group.ch and/or by telephone with dial-in numbers: SE: +46 8 519 990 30, CH: +41 225 675 542 or UK: +44 207 660 2077.

Participants are advised to register via email to investor@ddm-group.ch.

The information in this Interim Report requires DDM to publish the information in accordance with the Securities Market Act and / or the Act on Trading in Financial Instruments. The information was submitted for publication 28 August 2014 at 8:00 am CET.

Financial information

CONSOLIDATED INCOME STATEMENT

EUR	Note	2014-01-01– 2014-06-30	2013-01-01– 2013-06-30	2013-01-01– 2013-12-31
Net revenues		3,971,230	908,660	2,416,743
Net revenues		3,971,230	908,660	2,416,743
Personnel expenses		-1,177,853	-1,075,743	-2,145,634
Consulting, legal, audit and similar expenses		-579,189	-211,381	-715,439
Repair and maintenance expenses		-78,923	-94,214	-168,011
Rent expenses		-64,333	-57,058	-115,717
Administration expenses		-24,732	-17,342	-52,283
Leasing expenses		-15,329	-13,918	-28,729
Other operating expenses		-247,143	-147,766	-351,343
Depreciation		-262,257	-857,156	-584,096
Operating earnings /(loss), EBIT		1,521,471	-1,565,918	-1,744,509
Finance income		1,478	4,310	14,286
Finance expense		-2,983,117	-1,341,307	-3,335,357
Foreign exchange gain/(loss), unrealised		719,099	-547,041	-792,505
Foreign exchange gain/(loss), realised		-40,622	-9,556	2,003
Extraordinary income	12	1,063,345	0	0
Profit /(loss) before tax		281,654	-3,459,512	-5,856,082
Taxes		-194,036	-516	-255,448
Net income /(loss) for the period		87,618	-3,460,028	-6,111,530

Financial information

CONSOLIDATED BALANCE SHEET

EUR	2014-06-30	2013-06-30	2014-01-01	2013-12-31
ASSETS				
Current assets				
Cash	5,881,938	23,151,058	14,164,884	14,164,884
Trade accounts receivable	1,250,461	374,070	1,328,809	1,328,809
Other receivables	81,267	52,476	38,476	38,476
Other receivables to investments	716	0	0	0
Prepayments and accrued income	867,537	960,032	714,788	714,788
Total current assets	8,081,919	24,537,636	16,246,957	16,246,957
Non-current assets				
Financial assets,				
Distressed asset portfolios	33,034,088	16,348,218	28,113,610	28,045,063
Loans, shareholder	0	433,901	0	0
Investments	389,310	360,296	344,615	344,615
Tangible fixed assets,				
Furniture	1,086	1,361	1,002	1,002
Information technology	25,383	92,885	34,496	34,496
Intangible fixed assets,				
Software	2,278,032	1,858,207	2,095,416	2,095,416
Incorporation and organisation costs	114,617	601,475	144,898	144,898
Goodwill	3,328,392	3,744,440	3,536,417	3,536,417
Total non-current assets	39,170,908	23,440,783	34,270,454	34,201,907
TOTAL ASSETS	47,252,827	47,978,419	50,517,411	50,448,864
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities				
Bank overdrafts	1,345	28	39,813	39,813
Trade accounts payable	1,085,568	1,061,859	517,882	511,028
Accruals and deferred income	2,040,501	1,840,000	1,758,432	1,758,432
Accrued interest	2,447,334	668,671	1,996,463	1,996,462
Total current liabilities	5,574,748	3,570,558	4,312,590	4,305,735
Non-current liabilities				
Loans	40,174,751	43,536,544	44,789,111	44,789,111
Loans from shareholders	231,769	129,000	231,769	231,769
Loans from investments	215,000	215,000	215,000	215,000
Total non-current liabilities	40,621,520	43,880,544	45,235,880	45,235,880
Total liabilities	46,196,268	47,451,102	49,548,470	49,541,615
Shareholders' equity				
Share capital	3,645,512	184,420	3,645,512	3,645,512
Retained earnings	-2,676,571	3,802,925	-2,676,571	3,373,267
Net income/(loss) for the period	87,618	-3,460,028	0	-6,111,530
Total shareholders' equity	1,056,559	527,317	968,941	907,249
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	47,252,827	47,978,419	50,517,411	50,448,864

Financial information

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR	Attributable to owners of the parent company				
	Share capital	Profit or loss brought forward	Total equity	Non-controlling interest	Total equity
Balance at 2013-01-01	184,420	3,373,267	3,557,687	–	3,557,687
<i>Comprehensive income</i>					
Profit/(loss) for the period		-6,111,530	-6,111,530	–	-6,111,530
Total comprehensive income	–	-6,111,530	-6,111,530	–	-6,111,530
<i>Transactions with owners</i>					
New share issue	3,461,092	–	3,461,092	–	3,461,092
Total transactions with owners	3,461,092	–	3,461,092	–	3,461,092
Balance at 2013-12-31	3,645,512	-2,738,263	907,249	0	907,249
Revaluation of distressed assets		68,547	68,547	–	68,547
Deferred taxes on revaluation		-6,855	-6,855	–	-6,855
Balance at 2014-01-01	3,645,512	-2,676,571	968,941	0	968,941
<i>Comprehensive income</i>					
Profit / (loss) for the period		87,618	87,618	–	87,618
Total comprehensive income	–	87,618	87,618	–	87,618
Total transactions with owners	–	–	–	–	–
Balance at 2014-06-30	3,645,512	-2,588,953	1,056,559	0	1,056,559

Financial information

CONSOLIDATED CASH FLOW STATEMENT

EUR	2014-01-01– 2014-06-30	2013-01-01– 2013-06-30	2013-01-01– 2013-12-31
Cash flows from operating activities			
Operating profit / (loss)	1,521,471	-1,565,918	-1,744,509
Adjustments for non-cash items, etc			
- Reversal of depreciation and amortization	4,833,930	4,061,088	6,666,172
- Revaluation of purchased assets	-2,350,043	0	1,110,078
- Other items not affecting cash	1,588,408	-301,377	-1,231,430
Interest received	-39,144	-5,245	16,289
Interest paid	-2,532,245	-807,827	-1,474,086
Cash flow from operating activities before working capital changes	3,022,377	1,380,721	3,342,514
<u>Working capital adjustments</u>			
Increase / decrease in accounts receivable	78,348	16,296	-938,443
Increase / decrease in other receivables	-196,256	-113,780	145,464
Increase / decrease in accounts payables	567,685	221,043	-329,788
Increase / decrease in other current liabilities	282,070	75,073	-6,492
Net cash flow from operating activities	3,754,224	1,579,353	2,213,255
Cash flow from investing activities			
Debt purchases	-7,142,109	-421,826	-16,106,893
Purchase of fixed assets	-197,538	-1,076,575	317,377
Purchase of financial assets	-44,695	-15,681	0
Net cash flow used in investing activities	-7,384,342	-1,514,082	-16,424,270
Cash flow from financing activities			
Proceeds from issuance of ordinary shares	0	0	3,461,092
Change in bank overdraft	-38,468	-96,975	-57,190
Borrowings	-4,614,360	22,190,294	23,979,529
Net cash flow used in financing activities	4,652,828	22,093,319	27,383,431
Cash flow for the period	-8,282,946	22,158,590	13,172,416
Cash, cash equivalents and bank overdrafts at beginning of period	14,164,884	992,468	992,468
Cash and cash equivalents at end of period	5,881,938	23,151,058	14,164,884

Note 1

BASIS OF PREPARATIONS

The consolidated financial statements of DDM Holding AG comply with the Swiss Code of Obligation ("CO") and are prepared on a historical cost basis (except Note 5 and 6). The business year that forms the basis for the consolidated financial statements is equivalent to the calendar year.

The purchase method of accounting is used to account for the acquisition of subsidiaries. The full consolidation method is applied to all subsidiaries included in the consolidation. Intercompany receivables, payables and transactions are eliminated for fully consolidated companies. Individual group companies' intercompany profits are also eliminated. Their assets, liabilities, income and expenses are incorporated in full, minority interests do not exist. Investments which are not consolidated are measured at cost less impairment.

DDM has applied the transitional provisions of the new accounting law. Therefore, these consolidated financial statements have been prepared in accordance with the provisions on accounting and financial reporting of the Swiss Code of Obligations effective until 31 December 2012.

The consolidated financial statements include all subsidiaries controlled by DDM Holding AG (together the "DDM"), except where the subsidiary's effect on DDM's financial position and results of operations is immaterial. The balance sheet and results of subsidiaries are consolidated from the time that control was acquired (20 June 2012) until control ceases.

Entities included in the scope of consolidation	Consolidation method	June 2014	December 2013
DDM Group AG	Fully consolidated	(100%) CH	(100%) CH
DDM Invest I AG	Fully consolidated	(100%) CH	(100%) CH
DDM Invest II AG	Fully consolidated	(100%) CH	(100%) CH
DDM Invest III AG	Fully consolidated	(100%) CH	(100%) CH
DDM Invest IV AG (former LNH Financier AG)	Fully consolidated	(100%) CH	(100%) CH
DDM Invest X AG	Fully consolidated	(100%) CH	(100%) CH
DDM Invest XX AG	Fully consolidated	(100%) CH	(100%) CH
DDM Treasury Sweden AB	Fully consolidated	(100%) SE	(100%) SE
Immaterial entities (not in the scope of consolidation):			
DDM Invest Ukraine LLC	Measured at cost	(100%) UA	(100%) UA

Note 2

GOODWILL

At the date of acquisition, the assets and liabilities of acquired subsidiaries or businesses are valued at net assets 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. Goodwill is recognized as an intangible asset and is amortized on a straight-line basis over 10 years. In addition, goodwill from acquisition of subsidiaries is tested annually for impairment.

Note 3

CURRENCY TRANSLATION

All entities prepare their financial statements in their functional currency. For DDM Invest XX AG and DDM Treasury Sweden AB this is Swedish Kronor (SEK). For all other entities the functional currency is Euro (EUR). The annual financial statements of DDM Invest XX AG and DDM Treasury Sweden AB are translated into EUR using the current rate method. The balance sheet is translated using the spot rate at the balance sheet date, with the exception of equity balances, which are translated using historical rates. The income statement is translated using an average exchange rate for the reporting period. The resulting currency translation difference is recognised in retained earnings.

Exchange rates		2014-03-31		2013-12-31	
Balance sheet (spot rate balance sheet date)	SEK/EUR	0.1089	SEK/EUR	0.1121	
Income statement (average rate)	SEK/EUR	0.1117	SEK/EUR	0.1130	

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 recognised on the temporary differences arising from the distressed asset portfolios (difference between the reported book values for tax and accounting purposes).

Note 5

CHANGE IN ACCOUNTING POLICY

Following the issuance of the Group's consolidated financial statements as at 31 December 2013, the Group has made a voluntary change in accounting policy for distressed asset portfolios. Previously, these portfolios were recognised at cost less amortisation. Under the new accounting policy, distressed asset portfolios are recognised using the effective interest method (amortised cost – see Note 6).

The Group has restated the balance sheet at 31 December 2013 as a result of this change in accounting policy. The difference between the previous book value and the new book value of the distressed asset portfolios is EUR 68,547. Consequently, the resulting deferred tax effect on revaluation of EUR 6,855 has been recognised according to the accounting policy. The net effect on equity of EUR 61,692 has been recorded in retained earnings.

The comparative figures in the income statement for the period 1 January – 31 December 2013 have not been restated (Income from distressed asset portfolios is presented according to the accounting policy which was applied in the previous period).

EUR	Shared capital	Retained earnings	Loss for the period	Total
Equity 31 December 2013	3,645,512	3,373,267	-6,111,530	907,249
Revaluation of distressed assets	–	68,547	–	68,547
Deferred taxes on revaluation	–	-6,855	–	-6,855
Rebooking loss for the period	–	-6,111,530	6,111,530	0
Equity 1 January 2014	3,645,512	-2,676,571	0	968,941

Note 6

DISTRESSED ASSETS PORTFOLIOS

Distressed asset portfolios consist of portfolios of past-due consumer debts which were purchased at prices significantly below the nominal amount of the receivables. DDM determines the carrying value by calculating the present value of estimated future cash flows at the receivables' original effective interest rate. The initial effective interest rate is determined on the date the portfolio was acquired, based on the relation between the cost of the portfolio and the projected future cash flows on the acquisition date. Changes in the carrying value of the portfolios include amortisation for the period as well as changes to the estimated projected future cash flows and are recognised in the income statement in the line "Income from distressed asset portfolios".

Cash flow projections are made at the portfolio level, since each portfolio of receivables consists of a large number of homogeneous amounts. 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 forecast 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, net income.

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

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the reversal of the previously recognised impairment loss is recognised in the consolidated income statement (within the line "Income from distressed asset portfolios").

Portfolio-asset by country, EUR	June 2014	January 2014
Romania	17,610,281	16,454,542
Russia	11,630,921	11,598,045
Slovenia	3,750,001	0
Czech Republic	29,684	40,005
Slovakia	13,054	20,565
Macedonia	207	452
Total	33,034,087	28,113,610

Note 7

TANGIBLE FIXED ASSETS

The tangible fixed assets include furniture and IT-infrastructure and are measured at cost less amortisation (calculated on a straight-line basis) using the following useful lives:

Furniture	5 years
Information technology	5 years

Note 8

INTANGIBLE FIXED ASSETS

Intangible assets include incorporation, capital increase and organisation costs, software ("Fusion System") and goodwill. Fusion is the proprietary IT system, which integrates investment data, case data, payment data and activity data into one effective and comprehensive IT system. Intangible assets are initially recognised at cost, and are subsequently amortised on a straight-line basis over their useful lives. The specific treatment of goodwill is outlined under Note 2. The following useful lives are applied:

Incorporation and organisation costs	5 years
Software	20 years
Goodwill	10 years

Note 9

THE TOTAL AMOUNT OF LIABILITIES FROM OPERATING LEASE CONTRACTS

EUR		June 2014	December 2013
Credit Suisse AG	Office equipment lease 1 Sep 2011-31 Aug 2014	1,680	6,720

Note 10

OUTSTANDING BONDS

EUR		June 2014	December 2013
Bond loan issued June 2013		32,077,077	33,630,000
Amount: SEK 300,000,000			
Interest: 13%			
Maturity: 26 June 2016			
Bond loan issued September 2013		3,288,520	3,475,100
Amount: SEK 31,000,000			
Interest: 18%			
Maturity: 30 September 2016			

Note 11

INCOME RECOGNITION

Income from distressed asset portfolios (the change in the carrying value of the portfolios) is recognised in the income statement in Income from distressed asset portfolios at the collected amount (net of direct collection costs), less amortisation and impairment.

Note 12

EXTRAORDINARY INCOME

DDM realised a gain when a co-investor decided to exist a distressed asset portfolio.

Note 13

IMPACT OF RELEASE OF HIDDEN RESERVES ON INCOME (BEFORE TAX)

EUR	June 2014	December 2013
Former amortisation on distressed asset portfolios has been reversed and therefore hidden reserves released. The release is recognised as revaluation of portfolio in the statement of income.	0	858,650

Note 14

RISK MANAGEMENT

The Board of Directors held several meetings during 2014 where the risks which the company currently face were discussed. The Board of Directors has updated their risk assessment on a monthly basis, including an outline of short and long-term actions to be taken depending on the specific risks identified.

Definitions

DDM

DDM Holding AG and its subsidiaries, including DDM Group AG, DDM Treasury Sweden AB (publ) and its subsidiaries.

Adjusted operating earnings

Operating earnings adjusted for non-recurring items.

Capital employed

Total assets less non-interest bearing liabilities, non-interest bearing provisions and interest-bearing assets.

Earnings per share

Net earnings for the period, attributable to owners of the parent, divided by the average number of shares.

EBITDA

Earnings before Interest, Taxes, Depreciation of fixed assets as well as amortisation and revaluations of purchased debt.

EBITDA margin

EBITDA as a percentage of net collections.

Equity

Shareholders' equity at the end of the period.

Equity per share

Shareholders' equity at the end of the period, attributable to owners of the parent, divided by the number of shares at the end of the period.

Equity ratio

Adjusted equity as a percentage of total assets.

Interest-bearing net debt

Interest-bearing provisions and liabilities less interest-bearing assets.

Net collections

Gross collection in respect of the debt portfolios held by DDM minus commission to collection agencies.

Net debt/equity ratio

Interest-bearing net debt divided by shareholders' equity.

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Net revenues

Net collections less amortisation and revaluation of purchased debt.

Non-recurring items

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

Operating margin

Operating earnings as a percentage of net collections.

Return on capital employed

Operating earnings as a percentage of average capital employed.

Return on equity

Earnings for the period, attributable to owners of the parent, as a percentage of average shareholders' equity, attributable to owners of the parent.