



Successful refinancing, additional subsidiaries and strong pipeline

Highlights second quarter 2015

- Pipeline remains strong with significant transactions expected to close before year-end, along with additional funding
- Senior secured notes were successfully refinanced during the second quarter
- New subsidiaries were added to the Treasury group as part of the refinancing process
- Net collections during the second quarter increased by 39% to SEK 34.0M (Q2 2014: SEK 24.5M)
- Cash EBITDA during the second quarter amounted to SEK 34.8M (Q2 2014: SEK 22.7M)

Highlights first six months 2015

- Net collections during the first six months of 2015 increased by 26% to SEK 63.3M (H1 2014: SEK 50.1M)
- Cash EBITDA amounted to SEK 63.1M during the first six months of 2015 (H1 2014: SEK 45.9M)

Amounts in SEK M (unless specified otherwise)	1 Apr–30 June 2015	1 Apr–30 June 2014	1 Jan–30 June 2015	1 Jan–30 June 2014	Full year 2014*
Net collections	34.0	24.5	63.3	50.1	128.1
Operating expenses	0.8	(1.8)	(0.2)	(4.2)	(6.9)
Cash EBITDA	34.8	22.7	63.1	45.9	121.2
Decrease of book value of portfolios and revaluation of distressed asset portfolios	(19.5)	(5.9)	(36.2)	(16.2)	(83.9)
Operating profit / (loss) – EBIT	15.3	16.8	26.9	29.7	37.3
Profit / (loss) for the period	2.8	16.0	7.8	13.7	(18.2)

Selected key figures

Total assets	425.3	410.9	425.3	410.9	410.9
Net debt	315.8	308.2	315.8	308.2	312.1
Net cash flow from operating activities before working capital changes	59.6	28.5	69.3	39.2	47.3
Investments in distressed asset portfolios in line with cash flow statement	(101.8)	(81.7)	(105.5)	(89.2)	(53.2)

* Audited

** Operating expenses do not include depreciation and amortization

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 20 Aug 2015 at 8:00 a.m. CET.

Comment by the CEO

We successfully refinanced our SEK 300M senior secured notes, with amended terms and conditions to facilitate raising of additional funding for increased investments in the second half of the year. The new structure and terms and conditions is also a step to reduce our cost of funding. The refinancing was successfully completed on June 23, 2015 with resounding support by the bondholders. The amended Terms and Conditions in their entirety are available on our website along with a summary of the amendments.

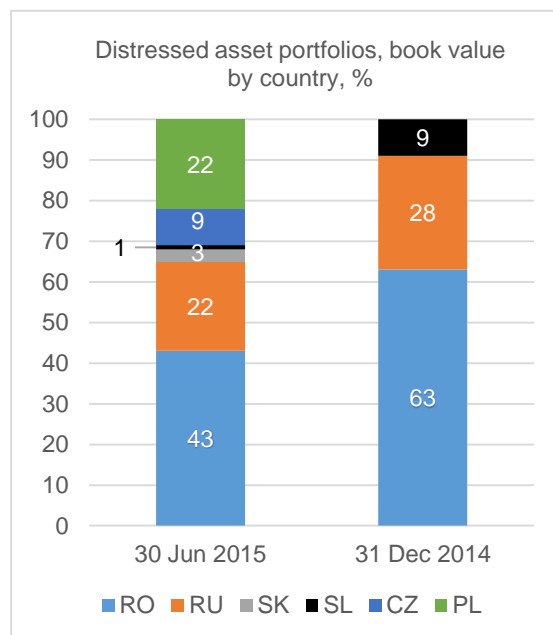
Net collections in the second quarter of 2015 amounted to SEK 34.0M, an increase of 39% compared to second quarter 2014. For the first six-month period, net collections increased by 26% compared to the same period last year.

The Russian investments perform in line with our forecasts, revised at the end of 2014, despite macro-economic challenges. Our performance in several other markets continues to be supportive and the legal collection processes for several investments are expected to become an increasing part of collections during the second half of the year.

Cash EBITDA (net collections less operating expenses) strengthened during the second quarter and amounted to SEK 34.8M. Cash EBITDA during the first six months 2015 increased by 37% compared to the same period in 2014. We were negatively impacted by foreign exchange, primarily unrealized, as the RUB weakened during the quarter.

Market outlook

With strong growth in our pipeline of investment opportunities, we remain optimistic on the outlook of DDM, as we are currently in advanced stages on several significant transactions. These are expected to close before year-end and contribute to a positive financial result for the full year 2015.



Gustav Hultgren
CEO
DDM Holding AG

Significant events after the period

There were no significant events after the reporting period.

Financial calendar

During the coming 6 months, DDM Treasury Sweden AB (publ) intends to publish financial information on the following dates:

Interim Report for January-September: 12 November 2015
Year-end Report for 2015: February 2016

Other 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.

Stockholm, 20 August 2015

Gustav Hultgren
CEO, DDM Treasury Sweden AB (publ)

Presentation of the interim report

The Interim Report and presentation material are available at www.ddm-group.ch on 20 August 2015, at 08:00 a.m. CET.

CEO Gustav Hultgren and CFO Fredrik Olsson will comment on the report at a conference call on 20 August 2015, 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 8 566 427 00, CH: toll free 0800 005 203 or UK: +44 203 428 14 08. Participants are advised to register via email to investor@ddm-group.ch.

Consolidated Income Statement

Amounts in SEK M	Notes	1 Apr–30 June 2015	1 Apr–30 June 2014	1 Jan–30 June 2015	1 Jan–30 June 2014	Full Year 2014*
Revenues	2	14.5	18.6	27.1	33.9	44.2
Gross profit / (loss)		14.5	18.6	27.1	33.9	44.2
Operating expenses		0.8	(1.8)	(0.2)	(4.2)	(6.9)
Operating profit / (loss)		15.3	16.8	26.9	29.7	37.3
Finance income		59.9	20.3	98.0	33.9	96.4
Finance expense		(72.4)	(19.5)	(120.0)	(48.3)	(151.8)
Profit / (loss) before income tax		2.8	17.6	4.9	15.3	(18.1)
Income tax		0.0	(1.6)	2.9	(1.6)	(0.1)
Profit / (loss) for the period		2.8	16.0	7.8	13.7	(18.2)

* Audited

Consolidated Statement of Other Comprehensive Income

Amounts in SEK M	Notes	1 Apr–30 Jun 2015	1 Apr–30 Jun 2014	1 Jan–30 Jun 2015	1 Jan–30 Jun 2014	Full Year 2014*
Profit / (loss) for the period		2.8	16.0	7.8	13.7	(18.2)
Currency translation differences		0.1	(0.1)	0.5	0.4	(0.1)
Other comprehensive income for the year, net of tax		2.9	15.9	8.3	14.1	(18.3)
Total comprehensive income for the period		2.9	15.9	8.3	14.1	(18.3)
Profit attributable to owners of the Parent Company		2.9	15.9	8.3	14.1	(18.3)
Total other comprehensive income for the period attributable to owners of the Parent Company		2.9	15.9	8.3	14.1	(18.3)
Non-controlling interest		0.0	0.0	0.0	0.0	0.0

* Audited

Consolidated Balance Sheet

Amounts in SEK M	Notes	30 June 2015	31 December 2014*
ASSETS			
<i>Non-current assets</i>			
Distressed asset portfolios	3	297.7	228.4
Total non-current assets		297.7	228.4
<i>Current assets</i>			
Accounts receivable		11.8	8.2
Receivables from other group companies		80.5	105.0
Prepaid expenses and accrued income		12.5	2.0
Cash and cash equivalents		22.8	67.3
Total current assets		127.6	182.5
TOTAL ASSETS		425.3	410.9
SHAREHOLDERS' EQUITY AND LIABILITIES			
<i>Shareholders' equity</i>			
Ordinary shares		0.5	0.5
Other contributed capital		141.3	37.5
Reserves		0.4	0.3
Retained earnings, incl. net earnings for the period		(55.6)	(6.8)
Total shareholders' equity attributable to Parent Company's shareholders		86.6	31.6
LIABILITIES			
<i>Non-current liabilities</i>			
Bond loans		299.0	320.1
Total non-current liabilities		299.0	320.1
<i>Current liabilities</i>			
Accounts payable		0.0	1.6
Liabilities to other group companies		0.0	27.5
Other liabilities		5.4	4.2
Accrued expenses and deferred income		34.3	25.9
Total current liabilities		39.7	59.2
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		425.3	410.9

* Audited

Consolidated Cash Flow Statement

Amounts in SEK M	Notes	1 Apr–30 June 2015	1 Jan–30 June 2015	1 Jan–30 June 2014	Full Year 2014*
Cash flow operating activities					
Operating profit / (loss)		15.4	26.9	29.7	37.3
<i>Adjustments for non-cash items, etc</i>					
Reversal of depreciation and amortization		14.8	35.1	40.1	94.2
Revaluation of distressed asset portfolios		4.8	1.2	(23.9)	(10.3)
Other items not affecting cash*		15.0	20.9	16.3	(31.4)
Interest received		–	–	0.2	0.9
Interest paid		9.6	(14.8)	(23.2)	(43.3)
Cash flow from operating activities before working capital changes					
		59.6	69.3	39.2	47.3
<u>Working capital adjustments</u>					
Increase / (decrease) in accounts receivable		(4.8)	(3.6)	(26.1)	(3.0)
Increase / (decrease) in other receivables		87.1	29.5	(1.0)	(90.0)
Increase / (decrease) in accounts payable		–	(1.7)	1.0	1.6
Increase / (decrease) in other current liabilities		(37.2)	(26.4)	6.4	29.7
Net cash flow from operating activities					
		104.7	67.1	19.5	(14.4)
Cash flow from investing activities					
Purchase of investments		(5.5)	(5.5)	0.0	0.0
Portfolio acquisition**		(101.8)	(105.5)	(89.2)	(53.2)
Net cash flow received / (used) in investing activities					
		(107.3)	(111.0)	(89.2)	(53.2)
Cash flow from financing activities					
Increase in other contributed capital		0.0	0.0	0.0	13.1
Net cash flow received / (used) in financing activities					
		0.0	0.0	0.0	13.1
Cash flow for the period					
		(2.6)	(43.9)	(69.7)	(54.5)
Cash and cash equivalents less bank overdrafts at beginning of period					
		26.0	67.3	121.8	121.8
Exchange gains / (losses) on cash and cash equivalents					
		(0.6)	(0.6)	0.0	0.0
Cash and cash equivalents less bank overdrafts at end of period					
		22.8	22.8	52.1	67.3

* Audited

** Includes negative FX impact

Consolidated Statement of Changes in Equity

Amounts in SEK M	Notes	Share capital	Other contributed capital	Reserves	Profit or loss brought forward	Total equity
Balance at 1 January 2014		0.5	24.3	0.0	11.7	36.5
Comprehensive income						
Profit / (loss) for the period					(18.2)	(18.2)
Other comprehensive income						
Currency translation differences / reserves				(0.1)		(0.1)
Total comprehensive income				(0.1)	(18.2)	(18.3)
<i>Transactions with owners</i>						
Legal reserve				0.4	(0.4)	0.0
Borrowings from related parties, equity part			13.2			13.2
Total transactions with owners			13.2	0.4	(0.4)	13.2
Balance at 31 December 2014*		0.5	37.5	0.3	(6.8)	31.6
Balance at 1 January 2015		0.5	37.5	0.3	(6.8)	31.6
Comprehensive income						
Profit / (loss) for the period					7.8	7.8
Other comprehensive income						
Recognition of accumulated losses of subsidiaries					(57.1)	(57.1)
Currency translation differences / reserves				0.1	0.5	0.6
Total comprehensive income				0.1	(48.8)	(48.7)
<i>Transactions with owners</i>						
Legal reserve						
Borrowings from related parties, equity part			103.8			103.8
Total transactions with owners			103.8			103.8
Balance at 30 June 2015		0.5	141.3	0.4	(55.6)	86.6

* Audited

Parent Company – Income Statement

Amounts in SEK M	Notes	1 Apr–30 June 2015	1 Jan–30 June 2015	1 Jan–30 June 2014	Full Year 2014*
Revenues		1.5	2.9	–	5.7
Operating expenses		(0.5)	(1.2)	(2.4)	(3.4)
Operating profit / (loss)		1.0	1.7	(2.4)	2.3
Finance income		11.4	22.8	26.7	45.0
Finance costs		(10.9)	(22.2)	(23.2)	(47.0)
Profit / (loss) from financial items		0.5	0.6	3.5	(2.0)
Profit / (loss) before income tax		1.5	2.3	1.1	0.3
Current tax expense		0.0	0.0	0.0	(0.1)
Profit / (loss) for the period		1.5	2.3	1.1	0.2

Parent Company – Statement of Other Comprehensive Income

Amounts in SEK M	Notes	1 Apr–30 June 2015	1 Jan–30 June 2015	1 Jan–30 June 2014	Full Year 2014*
Profit / (loss) for the period		1.5	2.3	1.1	0.2
Other comprehensive income for the year, net of tax					
Items that will not be reclassified to profit or loss:		–	–	–	–
Items that may be subsequently reclassified to profit:		–	–	–	–
Total comprehensive income for the period, net of tax		–	–	–	–
Total other comprehensive income for the period		1.5	2.3	1.1	0.2

* Audited

Parent Company – Statement of Financial Position

Amounts in SEK M	Notes	30 June 2015	31 December 2014*
ASSETS			
<i>Non-current assets</i>			
Shares in group companies		5.6	0.7
Receivables from group companies		312.8	312.8
Total non-current assets		318.4	313.5
<i>Current assets</i>			
Receivables from group companies		169.6	14.3
Prepaid expenses and accrued income		2.9	0.0
Cash and cash equivalents (excluding bank overdrafts)		0.6	22.3
Total current assets		173.1	36.6
TOTAL ASSETS		491.5	350.1
SHAREHOLDERS' EQUITY AND LIABILITIES			
<i>Shareholders' equity</i>			
Ordinary shares		0.5	0.5
Retained earnings, incl. net earnings for the period		2.6	0.3
Total equity		3.1	0.8
LIABILITIES			
<i>Non-current liabilities</i>			
Bond loans		299.0	320.1
Total non-current liabilities		299.0	320.1
<i>Current liabilities</i>			
Accounts payable		0.5	0.1
Liabilities to group companies		157.8	7.2
Other liabilities		0.6	0.5
Accrued expenses and deferred income		30.5	21.4
Total current liabilities		189.4	29.2
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		491.5	350.1

* Audited

Parent Company – Cash Flow Statement

Amounts in SEK M	Notes	1 Apr–30 June 2015	1 Jan–30 June 2015	1 Jan–30 June 2014	Full Year 2014*
Cash flow operating activities					
Operating profit / (loss)		0.9	1.7	(2.4)	2.3
Interest received		11.4	22.8	26.7	44.9
Interest paid		(10.8)	(22.2)	(23.0)	(47.0)
Other items not affecting cash		(4.9)	(4.9)	1.2	–
Cash flow from operating activities before working capital changes					
		(3.4)	(2.6)	2.5	0.2
<u>Working capital adjustments</u>					
Increase / (decrease) in other receivables		127.5	127.0	0.0	2.3
Increase / (decrease) in accounts payable		0.0	0.0	0.4	0.1
Increase / (decrease) in other current liabilities		20.5	9.1	0.2	3.2
Net cash flow from operating activities					
		144.6	133.5	3.1	5.8
Cash flow from investing activities					
Loan to group companies		(144.2)	(155.2)	(87.2)	(90.2)
Net cash flow received / (used) in investing activities					
		(144.2)	(155.2)	(87.2)	(90.2)
Cash flow from financing activities					
Borrowings		0.0	0.0	0.0	0.0
Net cash flow received / (used) in financing activities					
		0.0	0.0	0.0	0.0
Cash flow for the period					
		0.4	(21.7)	(84.1)	(84.4)
Cash and cash equivalents less bank overdrafts at beginning of period		0.2	22.3	106.7	106.7
Cash and cash equivalents less bank overdrafts at end of period					
		0.6	0.6	22.6	22.3

* Audited

Parent Company – Statement of Changes in Equity

Amounts in SEK M	Notes	Share capital	Profit or loss brought forward	Profit for the year	Total equity
Balance at 1 January 2014		0.5	–	0.1	0.6
<i>Comprehensive income</i>					
Profit / (loss) for the period			–	0.2	0.2
<i>Other comprehensive income</i>					
Total comprehensive income			–	0.2	0.2
<i>Transactions with owners</i>					
		–	–	–	–
Total transactions with owners		–	–	–	–
Balance at 31 December 2014*		0.5	–	0.3	0.8
Balance at 1 January 2015		0.5	–	0.3	0.8
<i>Comprehensive income</i>					
Profit / (loss) for the period		–	–	2.3	2.3
<i>Other comprehensive income</i>					
Total comprehensive income		–	–	2.3	2.3
<i>Transactions with owners</i>					
		–	–	–	–
Total transactions with owners		–	–	–	–
Balance at 30 June 2015		0.5	–	2.6	3.1

* Audited

Notes

Note 1. General information

DDM Treasury Sweden AB (publ) (“DDM Treasury”) and its subsidiaries (“DDM”) is providing liquidity to lenders on certain lending markets by acquiring distressed consumer debt, enabling the lenders to continue supporting loans to companies and individuals. DDM then assists the consumers to restructure their overdue debt.

DDM Treasury was founded in 2013 as a wholly owned subsidiary of DDM Group AG, Baar, Switzerland. DDM Invest I AG, DDM Invest II AG, DDM Invest III AG, DDM Invest IV AG, DDM Invest X AG and DDM Invest XX AG, Baar, Switzerland are wholly owned subsidiaries of DDM Treasury.

DDM Treasury acts solely as the issuer of financial instruments and extends this funding intra-group to its subsidiaries, whereas DDM Group AG acts as the investment manager and make all decisions regarding investments and allocation of resources.

The Parent Company, DDM Treasury Sweden AB (publ) is a limited liability company with registered offices in Stockholm, Sweden and its Swedish Corporate ID No. is 556910-3053. The address of the main office and postal address is S:t Eriksgatan 63, SE-112 34, Stockholm, Sweden.

All amounts are reported in million Swedish krona (SEK) M, unless stated otherwise.

Rounding differences might occur.

Note 2. Revenue by region

Income from distressed debt portfolios is recognized in the income statement in the “Revenue” line item, which includes cash collection from distressed debt portfolios at the collected amount (net of direct collection costs), decrease of the book value of the portfolio in the period, revaluation and impairment.

SEK M	1 Jan–30 June 2015	Full-year 2014	1 Jan–30 June 2014
Romania	27.3	65.1	32.5
Slovenia	20.0	31.4	2.7
Russia	7.7	31.6	14.9
Czech Republic	6.7	–	–
Poland	1.5	–	–
Slovakia	0.1	–	–
Net collection on distressed asset portfolios	63.3	128.1	50.1
Amortization of purchased distressed asset portfolios	(39.0)	(94.2)	(40.1)
Interest income on acquired distressed asset portfolios	24.3	33.9	10.0
Revaluation of distressed asset portfolios	2.8	10.3	23.9
Revenue	27.1	44.2	33.9

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

The Company disclose information regarding revenue and distressed asset portfolios per country.

DDM Group focuses mainly on small ticket, distressed consumer and bank debts where the debtor has not serviced its debt for 1–5 years. DDM Group acquires its portfolios from financial institutions at a discount. Such discount gives DDM Group room to negotiate realistic instalment plans with debtors. DDM Group targets portfolios with a market value of EUR 1–20 million.

No customer represents more than 10 percent of the group’s total aggregated revenue.

Note 3. Distressed asset portfolios

SEK M	30 June 2015	31 March 2015	31 Dec 2014	30 June 2014	31 March 2014
Opening accumulated acquisition cost at the beginning of the year	311.6	311.6	248.5	248.5	248.5
Distressed asset portfolios, including foreign exchange differences	138.1	26.6	63.1	84.4	(1.1)
Closing accumulated acquisition cost at the end of the period	449.7	338.2	311.6	332.9	247.4
Opening accumulated amortization at the beginning of the year	(83.2)	(83.2)	(8.9)	(8.9)	(8.9)
Amortization for the period, including foreign exchange differences	(68.8)	(39.6)	(74.3)	(19.0)	(8.7)
Closing accumulated amortization at the end of the period	(152.0)	(122.8)	(83.2)	(27.9)	(17.6)
Closing net book value at the end of the period	297.7	215.4	228.4	305.0	229.8

None of these financial non-current assets are overdue or require impairment.

DDM invests in portfolios that are denominated in local currencies as well as portfolios denominated in EUR and USD. Therefore, fluctuations in the SEK exchange rate against these currencies affect collections on distressed asset portfolios and operating earnings of the DDM Treasury.

Net collection by currencies on distressed asset portfolios are distributed as follows:

SEK M	1 Jan–30 June 2015	1 Jan–30 June 2014	1 Jan–31 Dec 2014
EUR	37.1	22.3	69.8
RUB	5.5	14.9	31.5
RON	13.2	12.9	27.0
CZK	6.6	-	-
Other (MKD, USD, PLN, CHF)	0.9	-	(0.2)
Total	63.3	50.1	128.1

In terms of balance sheet positions denominated in foreign currencies that are then converted to SEK, the net present values of portfolio owned by DDM Treasury are distributed as follows:

SEK M	As at 30 June 2015	As at 30 June 2014	As at 31 Dec 2014
EUR	89.7	127.7	106.1
RUB	66.6	68.1	64.7
RON	49.7	109.2	57.5
PLN	51.3	-	-
CZK	26.6	-	-
CHF	13.6	-	-
Other (USD, MKD)	0.2	0.1	0.1
Total	297.7	305.1	228.4

Note 4. Borrowings

The Group has outstanding bonds. A bond loan was issued in June 2013, amounting to SEK 300,000,000 at 13% interest, with maturity date June 26, 2016 by Treasury Sweden AB ("DDM Treasury"). On May 18, 2015, DDM Treasury initiated a written procedure to allow noteholders to vote on a restatement and certain amendments to the existing terms and conditions.

The Written Procedure was closed on June 11, 2015 and the Notes Exchange became effective on June 23, 2015. DDM Treasury made an additional cash payment of 4% on the effective date to the noteholders. In connection to the notes exchange was ownership of DDM Invest I AG, DDM Invest II AG, DDM Invest III AG, DDM Invest IV AG and DDM Invest X AG transferred to DDM Treasury and pledged as security.

The amended terms and conditions included extension of the maturity to December 27, 2018, wider geographic scope in Europe, removal of cash-covenants and hedging restrictions, improved possibilities for future dividend payments and the introduction of an Inter-Creditor Agreement. The amended Terms and Conditions are available on our webpage along with a summary of the amendments.

The book value of the SEK 300M bond loan was lower at June 30, 2015 in comparison to Dec 31, 2014 as the transaction costs relating to the refinancing in Q2 2015 were offset against the face value.

A second bond loan was issued in September 2013, amounting to SEK 31,000,000 at 18% interest rate with maturity date September 30, 2016 by Treasury Sweden AB. The Shares of DDM Invest XX AG are pledged under the shareholder's agreement. The bond loans are secured by these shares.

During the fourth quarter of 2014 the Company decided to repurchase SEK 6.0M of the junior bond loan that was issued in September 2013, at 18% interest, on the open market.

Long-term liabilities

Group SEK M	30 June 2015	31 Dec 2014
Bond loan	299.0	320.1
Total	299.0	320.1

Maturities of long-term borrowing

Group SEK M	30 June 2015	31 Dec 2014
Between 1 and 2 years		320.1
Between 2 and 3 years		–
Between 3 and 4 years	299.0	–
Between 4 and 5 years		–
Total	299.0	320.1

Long-term liabilities

Parent Company SEK M	30 June 2015	31 Dec 2014
Bond loan	299.0	320.1
Total	299.0	320.1

Maturities of long-term borrowing

Parent Company SEK M	30 June 2015	31 Dec 2014
Between 1 and 2 years		320.1
Between 2 and 3 years		–
Between 3 and 4 years	299.0	–
Between 4 and 5 years		–
Total	299.0	320.1

Note 5. Participations in Group companies

Parent Company SEK M	30 June 2015	31 Dec 2014
Investment	5.6	0.7
Net book amount	5.6	0.7

The Parent Company holds shares in the following subsidiaries:

SEK M Company	Domicile	30 June 2015	Proportion of equity	Net book value	
				30 June 2015	31 Dec 2014
DDM Invest XX AG	Switzerland	100%	100	0.7	0.7
DDM Invest I AG	Switzerland	100%	100	1.4	–
DDM Invest II AG	Switzerland	100%	100	0.6	–
DDM Invest III AG	Switzerland	100%	100	0.6	–
DDM Invest IV AG	Switzerland	100%	100	0.8	–
DDM Invest X AG	Switzerland	100%	100	1.9	–
Net book amount				6.0	0.7

Note 6. Subsequent events

There were no significant events after the period.

Definitions

DDM

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

Adjusted operating earnings

Operating earnings adjusted for non-recurring items.

Amortization of portfolios

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

Capital employed

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

Cash EBITDA

Net collections less operating expenses.

Earnings per share

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

EBITDA

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

Gross ERC

Estimated Remaining Collections refers to the sum of all future projected cash collections before collection costs from acquired portfolios. ERC is not a balance sheet item, however it is provided for informational purposes.

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 weighted average number of shares during the period.

Equity ratio

Financial ratio indicating the relative proportion of equity used to finance a company's 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

Long-term liabilities plus Short-term liabilities minus Cash and cash equivalents.

Net revenues

Net collections less amortization and revaluation of portfolios of distressed assets.

Non-recurring items

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

Operating expenses

Personnel, administration, consulting, legal, audit and similar expenses & repair and maintenance expenses.

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.

Revaluation of portfolios

Portfolios 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 or negative impact on future cash flows.

About DDM

DDM Treasury AG (NGM: DDM1) is a subsidiary of **DDM Holding AG** (First North: DDM) a key acquirer and manager of distressed assets, offering the prospect of attractive returns from the expanding Eastern European market for distressed assets and non-performing loans. Since 2007, the DDM Group has built a successful platform in Eastern Europe, with 2.2 million receivables in nominal value over EUR 1.7 billion.

For sellers (banks and financial institutions), management of portfolios of distressed assets is a sensitive issue as it concerns the relationship with their customers. For these sellers it is therefore critical that the acquirer handles the underlying individual debtors professionally, ethically and with respect. DDM has longstanding relations with sellers of distressed assets, based on trust and the Company's status as a credible acquirer.

The banking sector in Eastern Europe is subject to increasingly stricter capital ratio requirements resulting in distressed assets being more expensive for banks to keep on their balance sheets. As a result, banks are increasingly looking to divest portfolios of distressed and other non-core assets.

DDM Holding AG is a company incorporated and domiciled in Baar, Switzerland and listed on Nasdaq First North in Stockholm, Sweden, since August 2014.



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