



Milestone transactions, strong portfolio performance and significantly increased investment guidance

3 August 2017

Q2 and half year 2017 report

Presenters: Gustav Hultgren, CEO, and Fredrik Olsson, CFO

DDM Holding AG (Nasdaq First North, Stockholm: DDM) and

DDM Debt AB (publ) (Nasdaq Stockholm: DDM2)





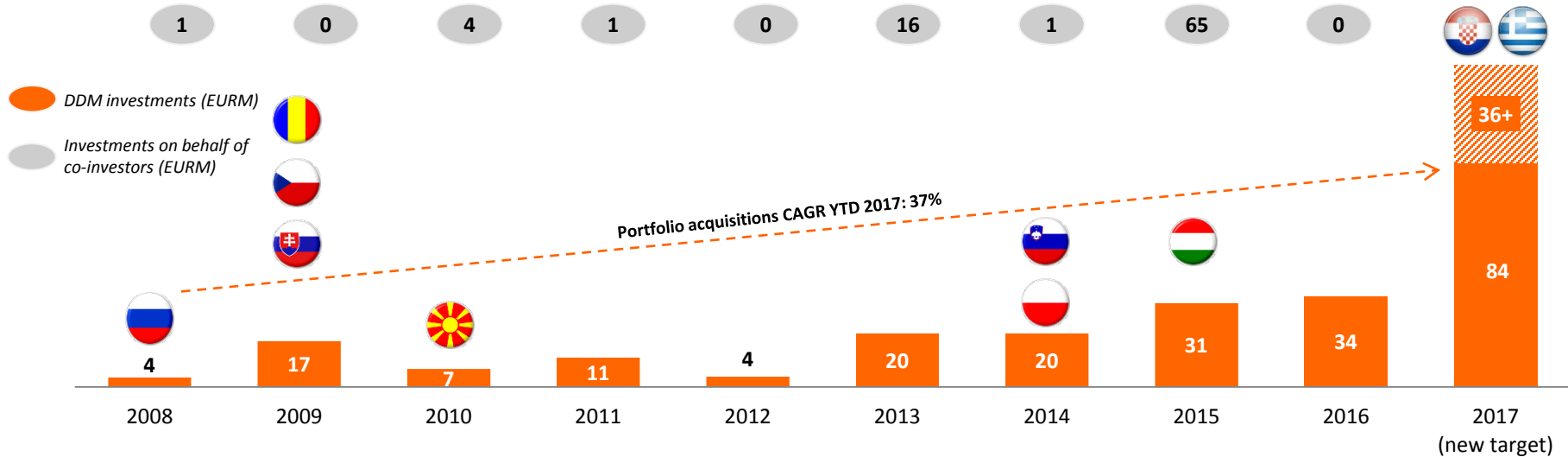
Agenda

Company overview

Key developments

Financial recap January – June 2017

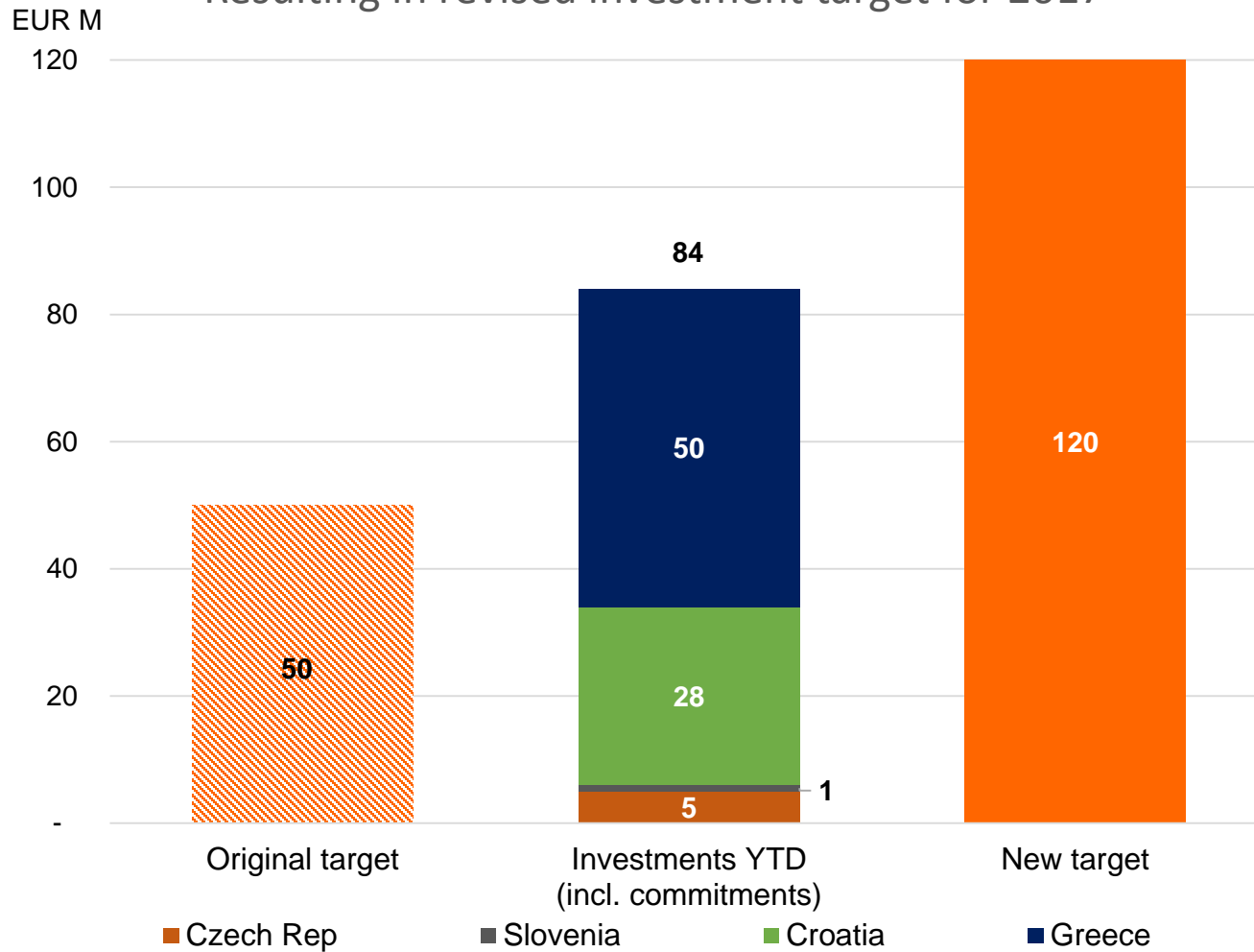
- Milestone transactions:
 - Croatia: two portfolio acquisitions totaling EUR 28M
 - Secured portfolios: corporate and retail
 - Greece: investment commitment of c. EUR 50M
 - One of the first and largest NPL transactions in Greece
 - Establishing first mover advantage in the country with the highest NPL ratio in Europe
- Significant growth achieved
 - Exceeded annual investment target by 68% YTD
 - Revising 2017 full-year investment target to EUR 120M (+140%)
- Strong portfolio performance in Q2
 - Net collections increased 67% y-o-y
 - Net profit of EUR 0.7M



Start up phase	Build up phase	Scale up phase	Growth (target pipeline)
<p>2007: DDM founded</p> <p>2008: First external funding and initial investments made in Russia</p>	<p>2009-2012: Build up of team, processes and IT system FUSION DDM headcount from 3 to 10+ people, acquired 50 portfolios</p> <p>2009: Enters Romania, Czech Republic and Slovakia</p> <p>2010: Enters Macedonia</p>	<p>2013: First bond issue of SEK 300M Starts co-investment discussions with a leading global financial institution</p> <p>2014: IPO on Nasdaq First North Ruble crisis Enters Poland and Slovenia</p>	<p>2015: Enters Hungary with two landmark transactions</p> <p>2016 July: Share capital increase of approx. EUR 7M and first Euro bond of EUR 11M issued Landmark transaction in Slovenia</p> <p>2017 roadmap: Refinanced existing debt with EUR 50M bond at 9.5% Completed share issue of approximately EUR 11M Completed a EUR 35M tap issue at 101.5%, representing a yield to maturity of c. 9% Enters Croatia with two acquisitions Enters Greece through milestone transaction Continued focus on funding growth and lowering cost of capital Capitalize on strong market opportunities in Central and Eastern Europe reflected in current pipeline</p>

DDM | Investments in 2017 – significantly exceeding original target

Resulting in revised investment target for 2017



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Summarizing the quarter

- Entered Croatia through two portfolio acquisitions
 - Total investments of EUR 28M
- Continued strong portfolio performance
 - Hungary and Slovenia with strong contributions
 - Net profit of EUR 0.7M
- EUR 35M tap issue in April under the EUR 85M senior secured bond framework
 - At a price of 101.5%, representing a yield to maturity of c. 9%
 - Continuing to lower DDM's funding cost
- Announced intention to apply for a listing of the Company's shares on Nasdaq Stockholm's main market



- Company headquarters in Switzerland
- Invested markets

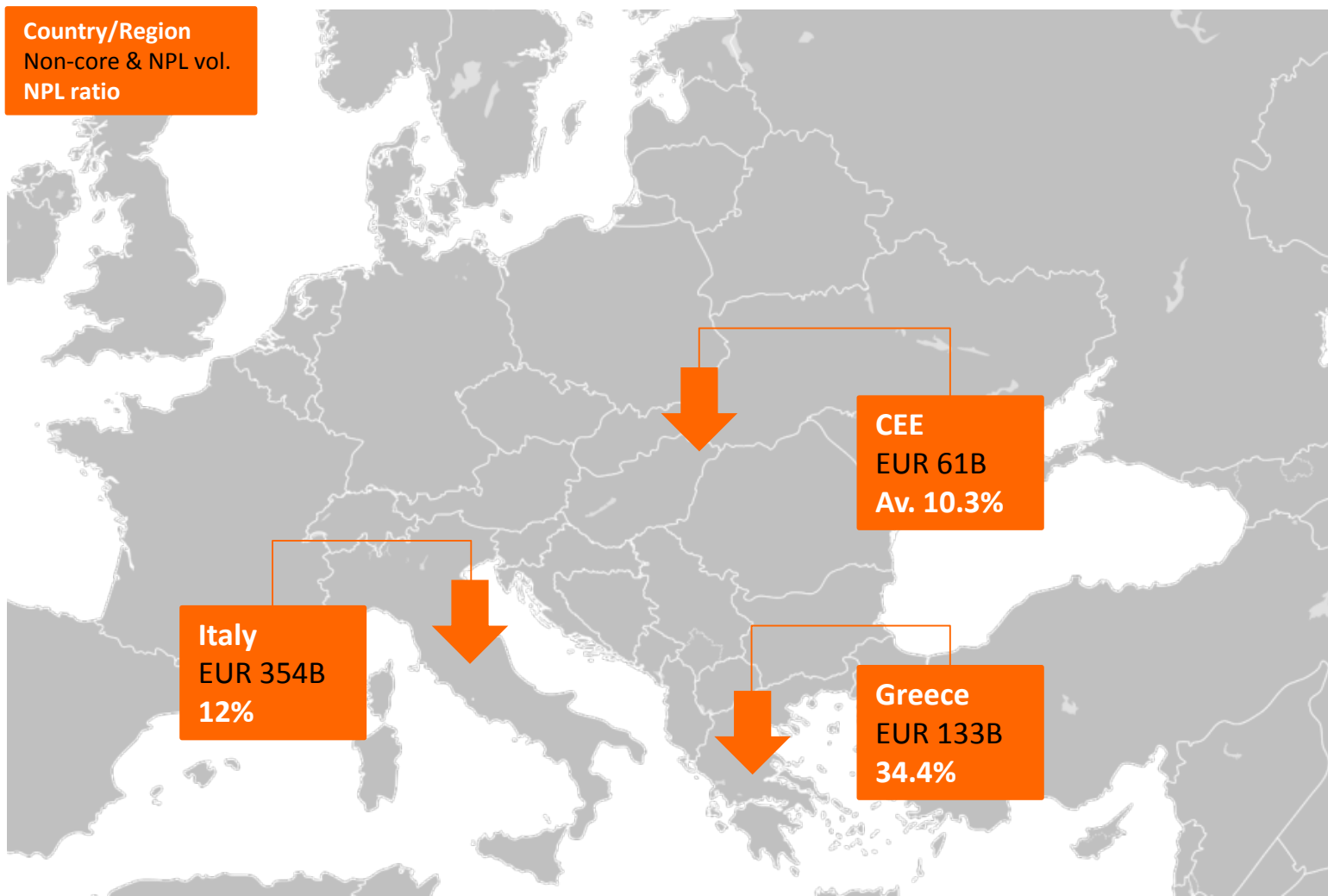
Since the end of the quarter

- Entered Greece through a milestone transaction
 - Investment commitment of c. EUR 50M
 - Very large underlying portfolio with a nominal value of about EUR 1.3BN
 - Secured and unsecured
 - Retail and corporate receivables
- Future investments
 - Pipeline continues to show strength - about EUR 900M
 - Updated investment target of EUR 120M (+140%) for 2017



- Company headquarters in Switzerland
- Invested markets

Market Depth - Greece offering very significant future opportunities



- Entered Greece through a milestone transaction
- One of the first and largest transactions in the Greek NPL market
- Establishing a first mover advantage in the country with the highest NPL ratio in Europe
- The Greek NPL volume is estimated to be greater than EUR 130BN
- Offers significant opportunities in the coming years

Investment:

- Investment commitment: c. EUR 50M
- Very large underlying portfolio with a nominal value of about EUR 1.3BN
- Secured and unsecured
- Retail and corporate receivables
- Includes one of the very few servicing licenses in Greece
- Potential for future transactions

- Entered Croatia following significant due diligence work
- Strong potential for future growth
- Expanding our footprint across the region, in line with strategy
- Established relationships with experienced collection partners

Investment 1:

- Investment: c. EUR 7M
- Financed by cash on hand
- Secured consumer receivables

Investment 2:

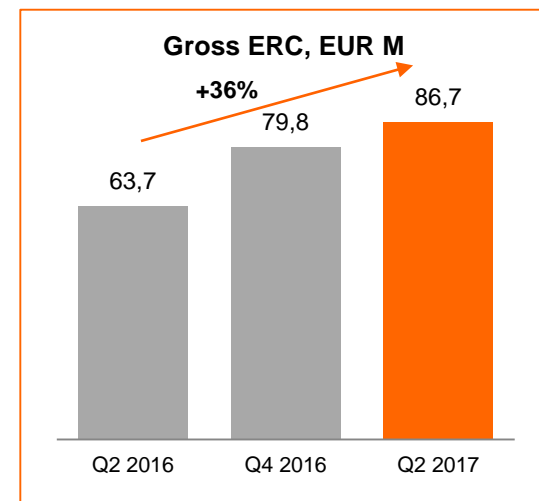
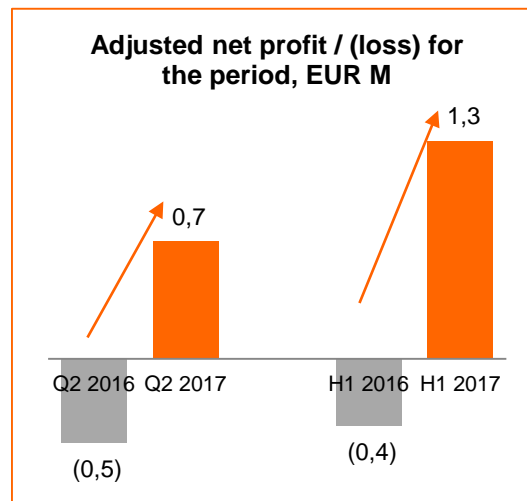
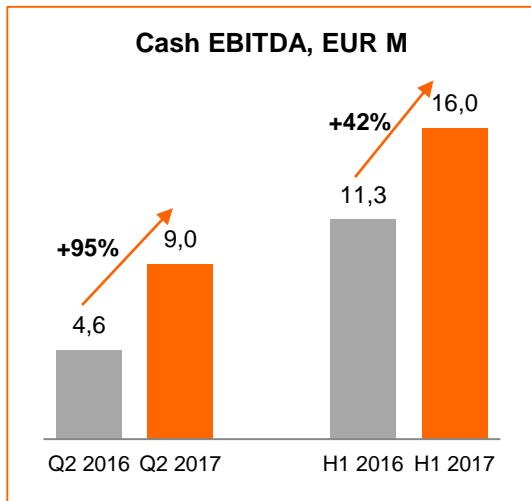
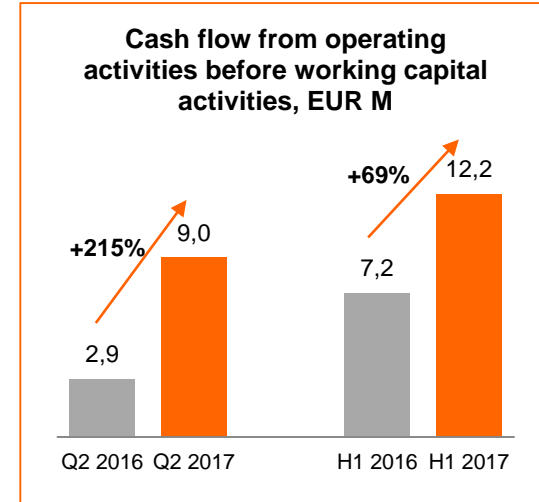
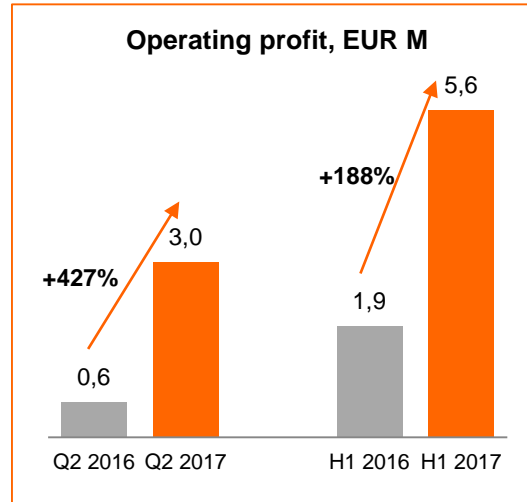
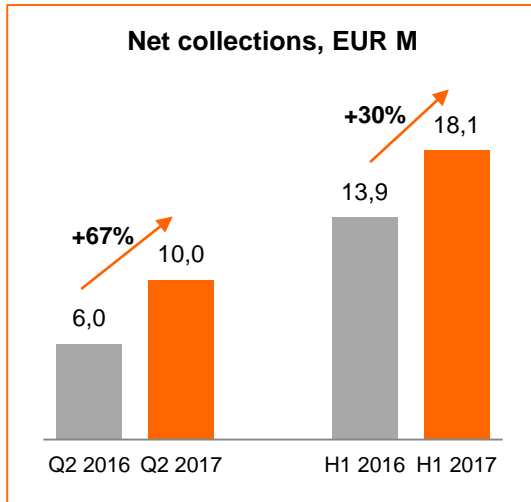
- Investment: c. EUR 21M
- Financed by cash on hand
- Secured corporate receivables
- Subject to regulatory approval

Agenda

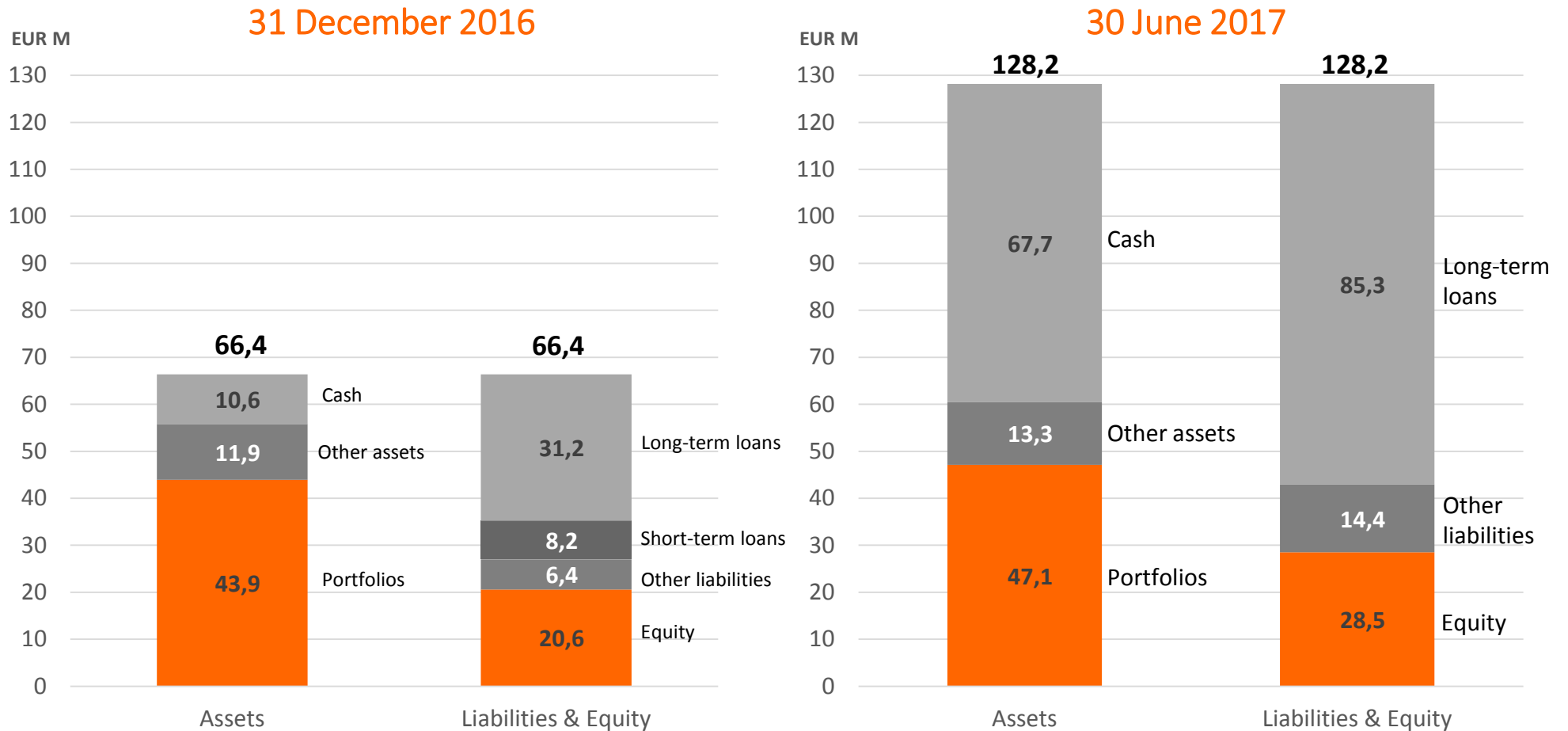
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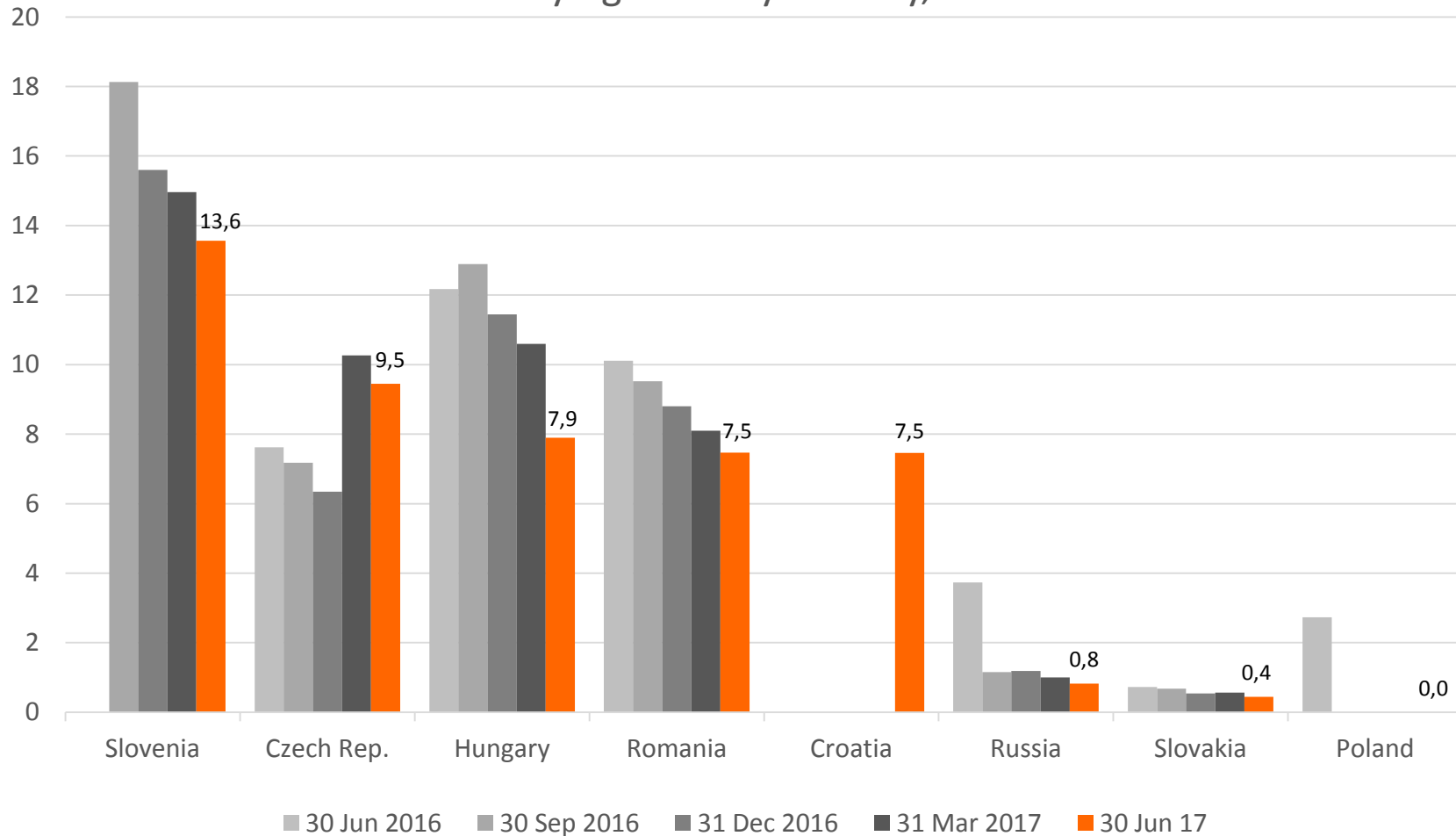


Balance sheet structure at 30 June 2017 compared to 31 December 2016



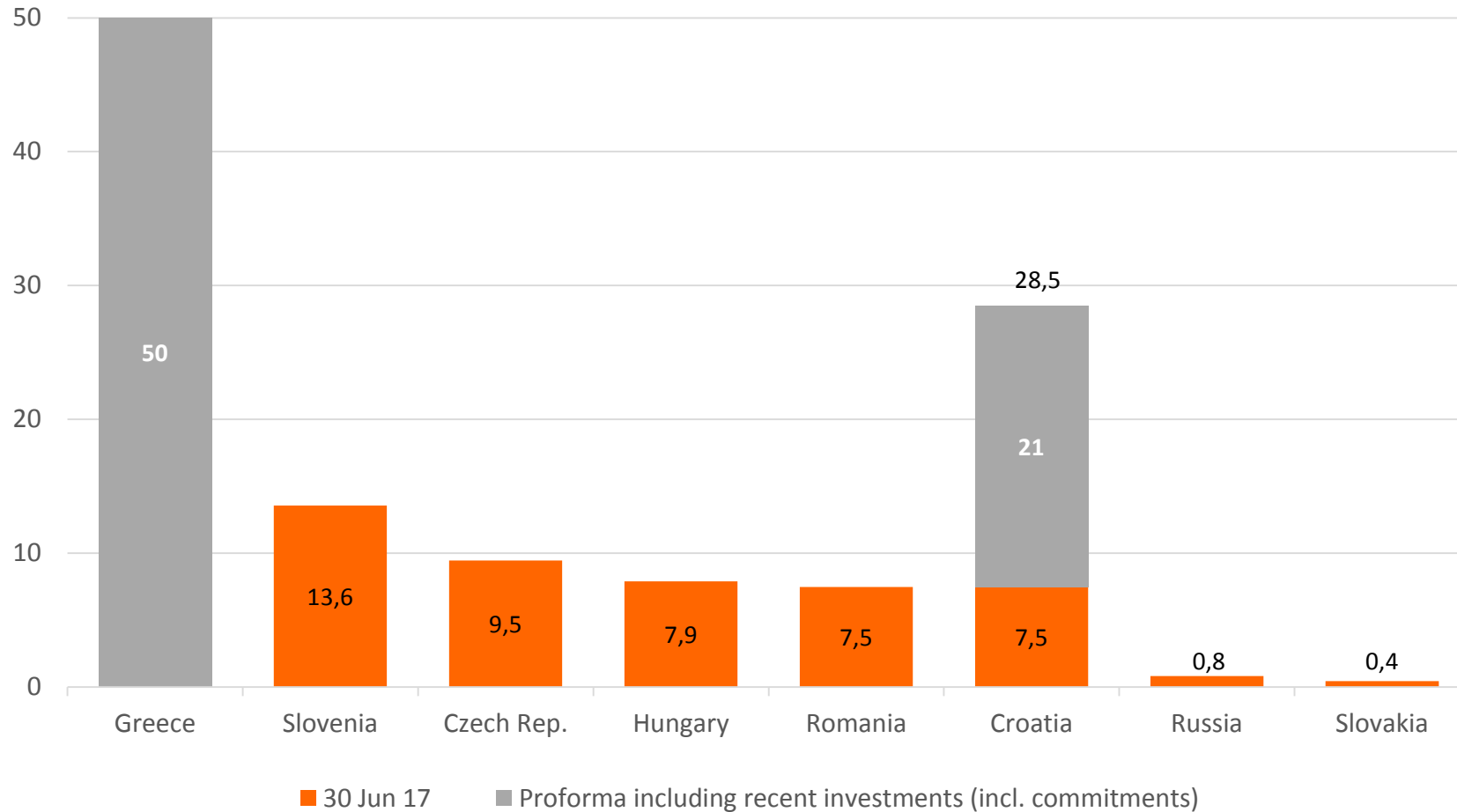


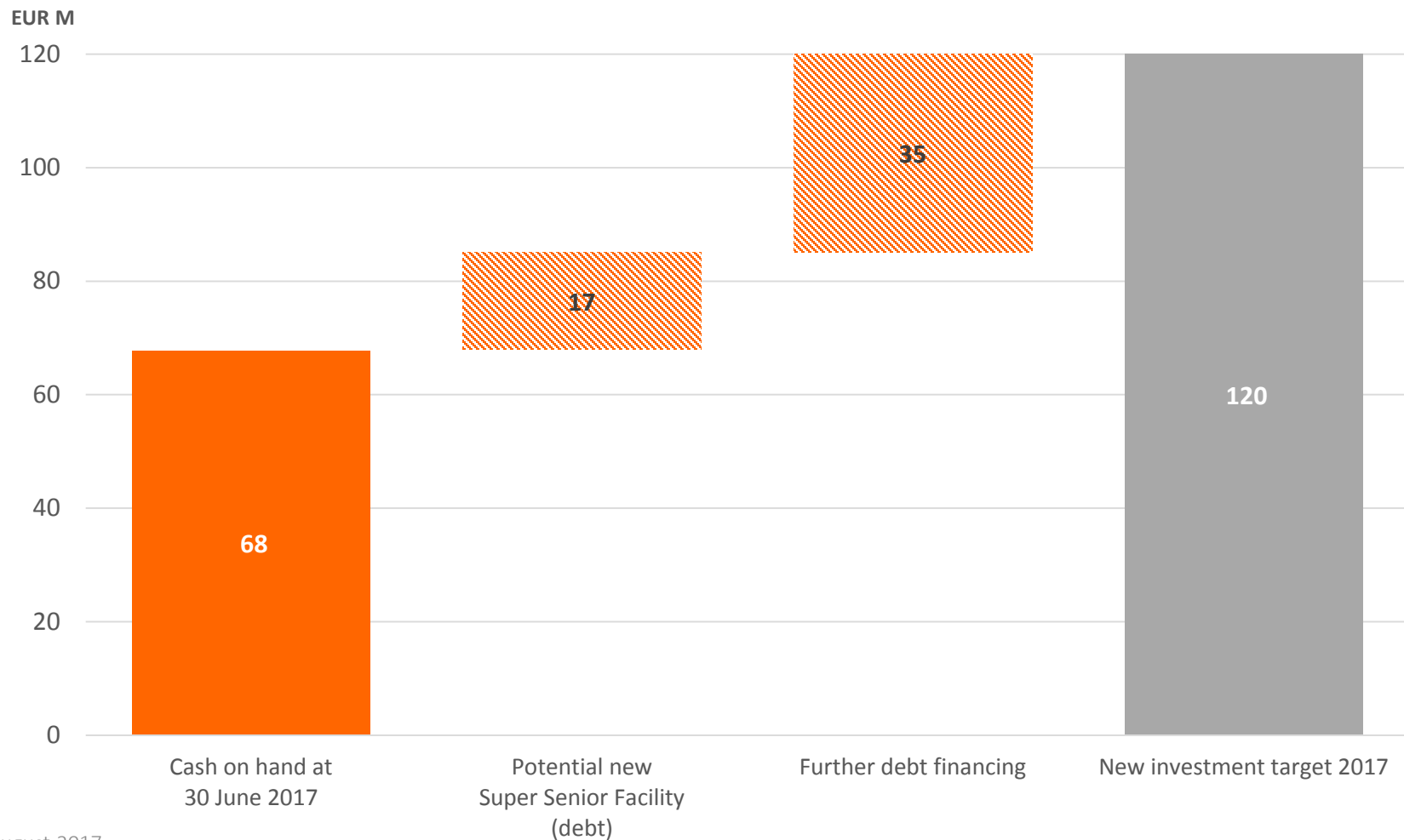
Carrying value by country, EUR M





Proforma carrying value by country, EUR M





DDM | 2017 Guidance and Targets - revised investment target for 2017

Guidance	<i>Portfolio investments of EUR 120M for 2017</i> <i>Operating expenses of EUR 6M for 2017</i>
H1 2017	<i>Portfolio investments (incl. commitments) of about EUR 84M YTD</i> <i>Operating expenses of EUR 3.1M</i>
Financial targets	<i>Maintain an EBIT margin (LTM EBIT / LTM Revenue on invested assets and Revenue from management fees) above 50%</i> <i>Gross Estimated Remaining Collections (ERC) growth year-on-year above 25%</i>
LTM Q2 2017	<i>EBIT margin of 67%</i> <i>Gross ERC growth year-on-year of 36%</i>

LTM = Last twelve months

3 August 2017

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Interim report January – September 2017: 2 November 2017
Q4 and full year report January – December 2017: February 2018
Annual report 2017: March 2018



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Appendix



- **Favoured partner:**
DDM is the expert providing know-how and best practice
- **Managing the process:**
Strong controls via automated processes for performance and compliance
- **Outsourcing:**
Established debt collection network throughout CEE

Knowledge	Extensive local sector experience across the internal organisation
Deal sourcing	Structured yet opportunistic approach the key value driver, both for profitability and growth
Relations	Strong relationships with reputable sellers of debt portfolios across the region and a credible buyer
Processes	DDM manages the collection process through its proprietary IT system and outsources collections to the optimal partner
Scalability	Cross regional relationships for quick market entry and flexibility

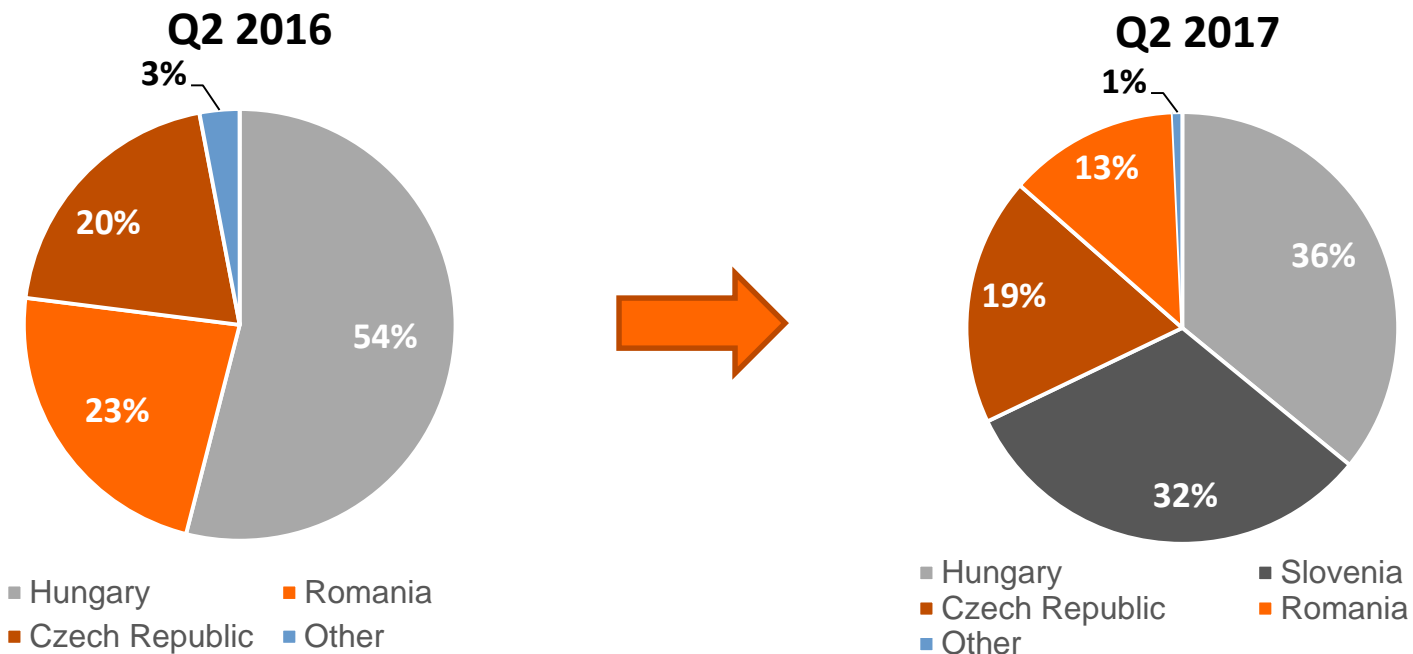


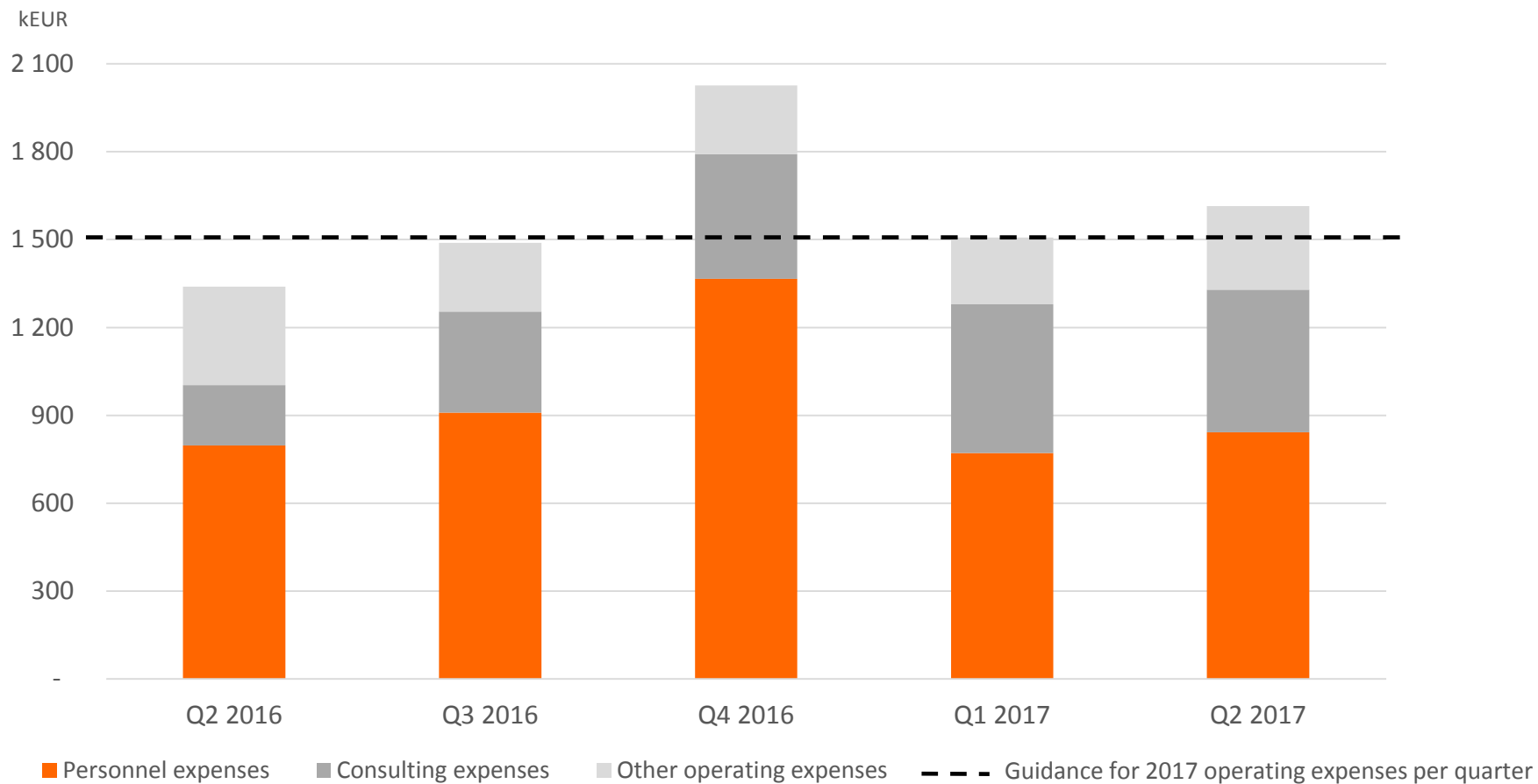
DDM's key market & segments

Geography	W Europe	CE Europe	Africa	N America	S America	Asia
Seller	Utility companies	Financial institutions	Telecom companies	Other		
Type	Consumer			Corporate		
Collateral	Secured			Un-secured		
Underlying assets	Performing			Non-performing		
Size	< EUR 5M	EUR 5 – 50M	EUR 51 – 100 M	EUR 101 - 500 M	> EUR 500 M	
Collection method	In-house			Outsourced		

DDM's activities are shown in orange

Net collections by country, %
Q2 2016 vs. Q2 2017

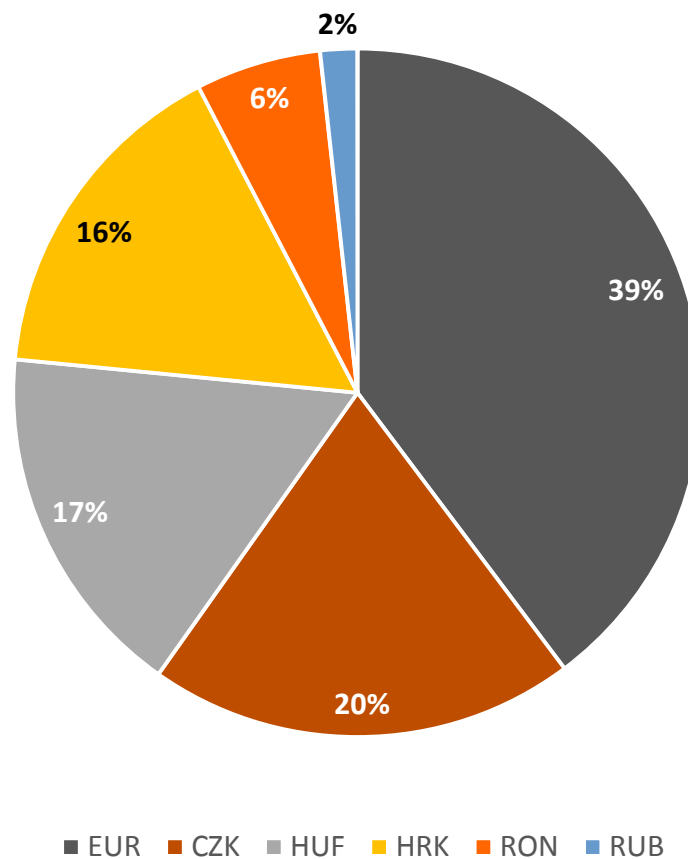




EUR denominated share of the portfolio book value will increase in Q3



Carrying value by currency, % of total



Implied invested amount: 100
 Gross collections: 1.82 x invested amount (*partially securitized portfolio*)
 Implied gross IRR: 30%

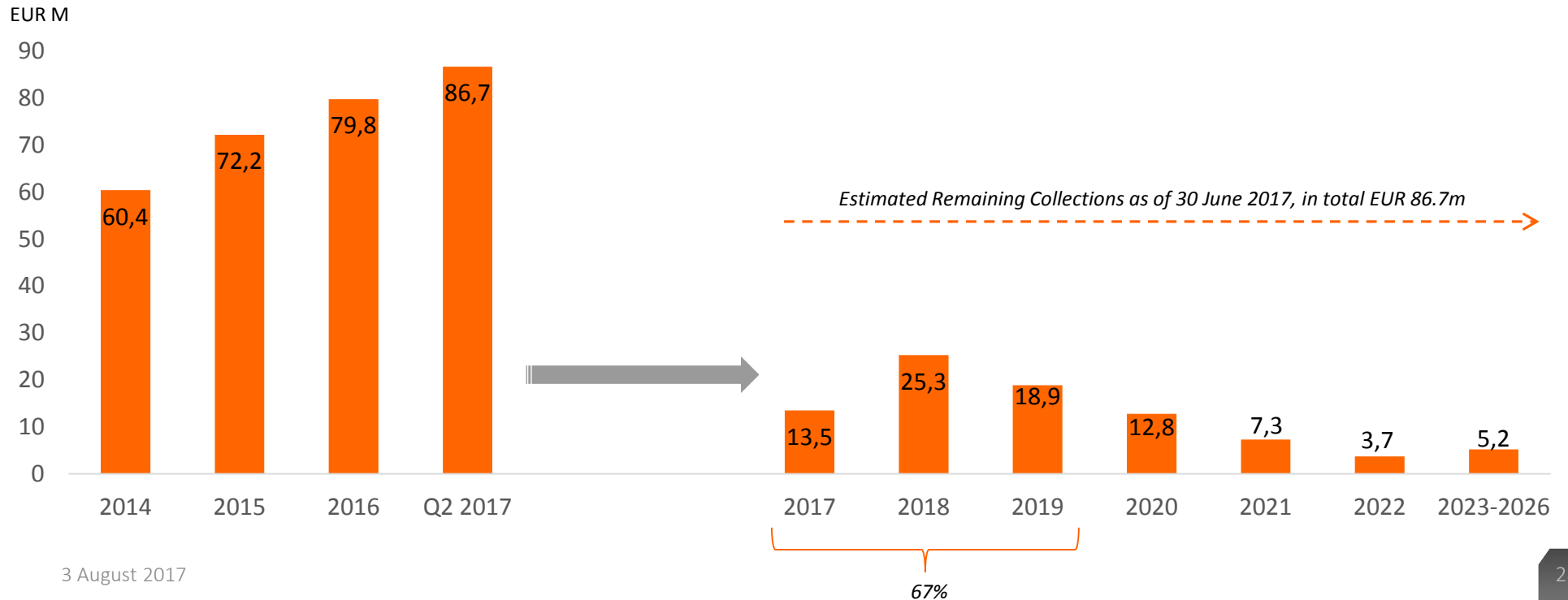
EUR M	Y1	Y2	Y3	Y4	Y5	Y6 – Y10	Y1 – Y10
Cash flow distribution	32%	24%	18%	14%	7%	4%	100%
Gross collections	59	45	33	26	12	7	182
Amortization**	-27	-24	-19	-17	-8	-5	-100
Amortization rate (Amortization / Gross collections)	45%	53%	57%	66%	70%	73%	55%

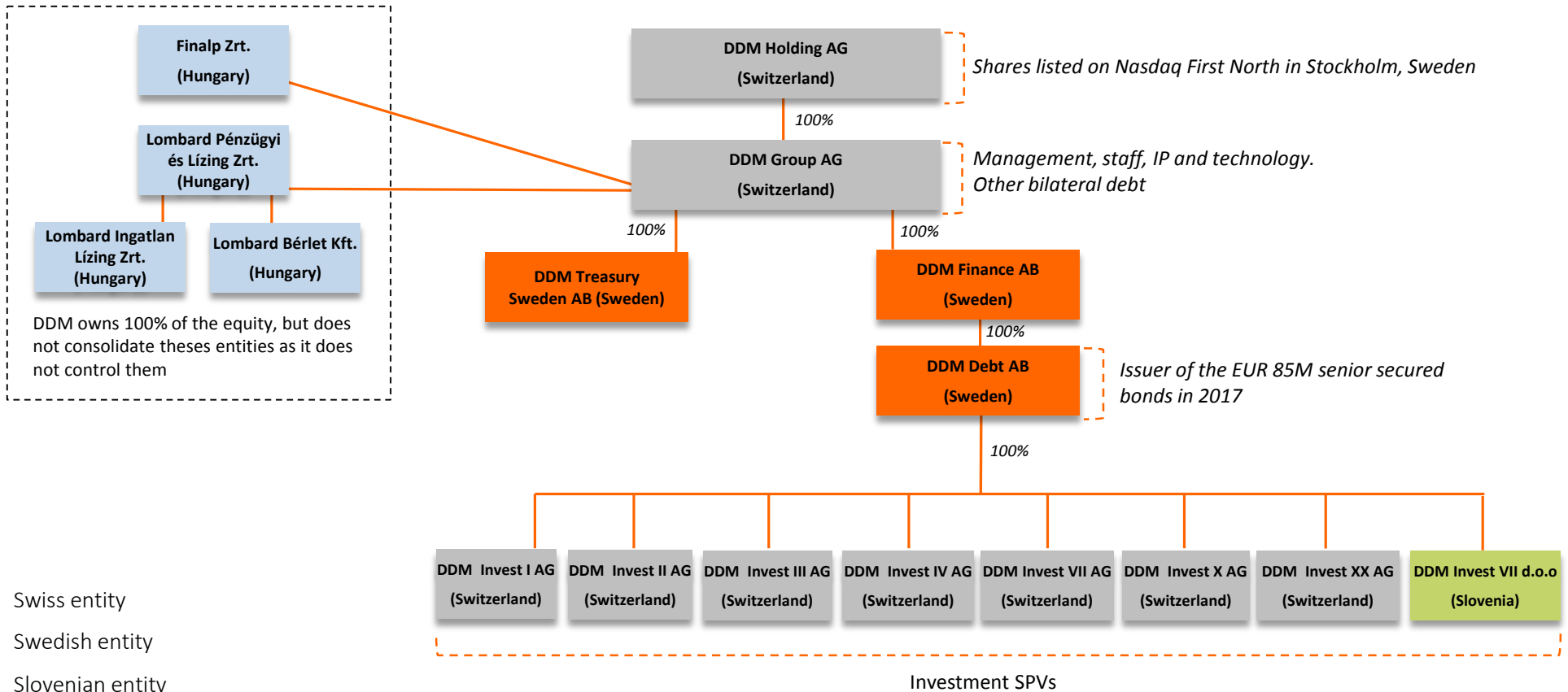
* This example is for illustration purposes only. Future portfolio acquisitions will have different characteristics and investment metrics, depending on e.g. underlying assets, performing vs. non-performing, securitized.

** Amortization equals the change in the carrying value in each year. The change in the carrying value is a function of the change of the estimated present value of future collections from the portfolio, estimated as the cash-flow from gross collections less collection costs, discounted at an estimated effective interest rate (IRR).

Historic 120-months gross ERC and projected future collection on existing portfolios, 30 June 2017

- The relatively short tail is primarily due to the fact that a few recently acquired portfolios consist of performing loans
- Commission rate: ~ 23%
- Amortization rate (amortization/gross collections): ~ 55%
- ERC does not include revenues from management fees





- Swiss entity
- Swedish entity
- Slovenian entity
- Hungarian entity