



New partnership and first investment in Hungary

Highlights first quarter 2015

- **Net collections** during the first quarter 2015 increased by 102% percent to EUR 5.7M (2.8)
- **Cash EBITDA** increased 134% and amounted to EUR 4.2M (1.8)
- **Gross ERC** was EUR 63.8M
- **Net result for the period** was up 159% to EUR 0.2M (-0.4)
- **After the balance sheet date**, a process was initiated to extend the tenor of DDM Treasury's existing SEK 300M senior bond and increasing framework to SEK 700M

Amounts in EUR (unless specified otherwise)	1 Jan–31 Mar 2015	1 Jan–31 Mar 2014	Full year 2014*
Net collections	5,728,625	2,834,097	14,686,677
Operating income / (expenses)	(1,576,471)	(1,060,201)	(4,799,879)
Cash EBITDA	4,152,154	1,773,896	9,886,797
Decrease of book value of portfolios and revaluation of distressed asset portfolios	(3,299,835)	(1,377,582)	(9,464,619)
Operating profit / (loss) – EBIT	819,105	1,522,460	1,828,495
Profit / (loss) for the period	218,402	(368,073)	(6,354,254)

Selected key figures

Total assets	47,551,797	n.a.	53,967,486
Net debt	34,038,937	n.a.	28,693,932
Cash flow from operating activities before working capital changes	2,277,813	n.a.	3,817,377
Investments in distressed asset portfolios	4,769,367	n.a.	15,593,485
Gross ERC 120 month (EUR M)	63.8	n.a.	60.4
Earnings per share	0.03	(0.08)	(1.14)
Total number of shares at end of period	7,100,000	4,500,000	7,100,000

* Audited

Unless otherwise stated, figures in parentheses relate to the preceding comparable period in 2014.

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 26 May 2015 at 8:00 a.m. CET.

Comment by the CEO

DDM continues to grow its investments and increase its ERC (Estimated Remaining Collections). Gross ERC has increased 6% compared to fourth quarter 2014. As a result of the increased investments, net collections in the first quarter of 2015 amounted to EUR 5.7M, an increase of 102% compared to first quarter 2014, mainly driven by some portfolios collecting ahead of forecast.

In early February we closed our first transaction in Hungary. While the invested amount is relatively minor (EUR 2.7M), this investment is of major value for DDM as this was made in partnership with one of the world's largest financial institutions and is the result of long-standing work to make joint investments. We have a good opportunity to grow profit on our investment portfolio in Hungary on the back of this cooperation.

The Russian RUB made a strong rebound during the first quarter 2015, continuing into the second quarter after the turbulent end of 2014. DDM's preemptive revisions of forecasts of our Russian portfolios made in fourth quarter of 2014 proved to be well measured and we continue to monitor the development.

In order to allow a more flexible financial strategy of DDM Holding AG, the Board of Directors approved a FX hedging policy in the beginning of 2015. Although the cost of hedging certain exposures, e.g. RUB, is too expensive we have successfully hedged the largest of our currency-exposures, EUR/SEK, that stems from our bonds issued by DDM Treasury AB.

As a step towards harmonization with the requirements of the Nasdaq Main List, DDM started reporting according to IFRS as of the publication of our Annual report at the end of April 2015.

Strategy

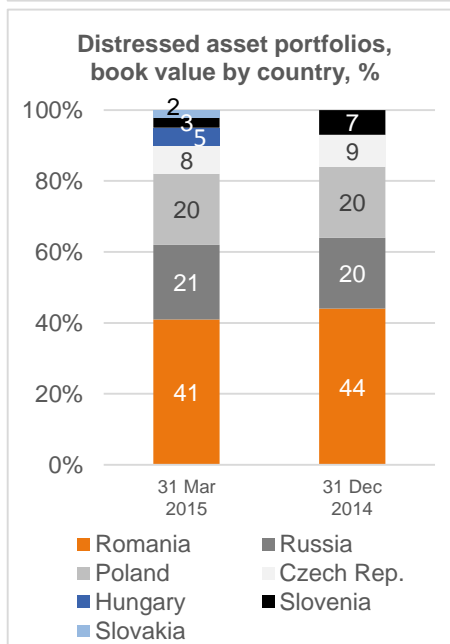
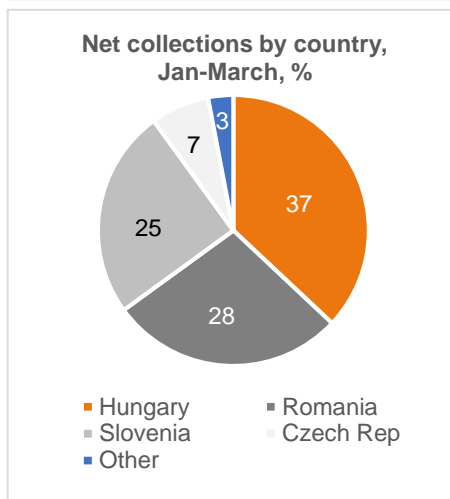
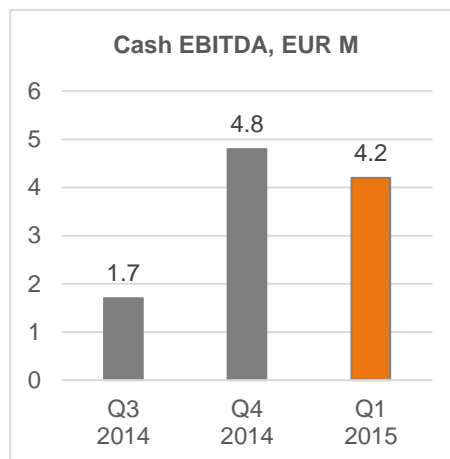
After the successful execution of the first part of our strategy during 2014, to expand into new markets, we now aim to continue our strategy of further penetration and balanced growth across the region.

We will continue to execute on our strategy to grow investment levels and our ERC through the increasing investment opportunities and deliver profitable growth and returns to investors as a result.

Market outlook

Owing to our efforts to broaden DDM's geographical scope to include several more markets, we are seeing a sharp increase of invites to bid for large portfolios. This, together with our cooperation with capital-strong partners, gives us confidence that we are in a position to significantly increase our investments compared to 2014.

We plan to raise additional funding primarily through debt finance. As a step in this process, we have initiated a process for extending the tenor of the existing senior bond as well as increasing the maximum issue framework to 700 MSEK. Given the large amount of investment opportunities we anticipate coming back the market to raise further debt funding once the process is finalized. More details are available on www.ddm-group.ch.



Gustav Hultgren

CEO
DDM Holding AG

Significant events after the period

There were no significant events after the period.

Financial calendar

During 2015, DDM intends to publish financial information on the following dates:

Interim Report for January-June:	20 August 2015
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.

Baar, 26 May 2015
DDM Holding AG

Gustav Hultgren, CEO

Presentation of the interim report

The Interim Report and presentation material are available at www.ddm-group.ch on 26 May 2015, at 08:00 a.m. CET.

CEO Gustav Hultgren and CFO Fredrik Olsson will comment on the report at a conference call on 26 May 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 8 566 426 69, CH: toll free 0800 005 203 or UK: +44 203 428 1415.

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

Consolidated Income Statement

Amounts in EUR	Notes	1 Jan–31 Mar 2015	1 Jan–31 Mar 2014	Full Year 2014*
<i>Income from distressed asset reconciliation:</i>				
Net collection from distressed asset portfolios		5,728,625	2,834,097	14,686,677
Decrease of the book value of the portfolios in the period before revaluation and impairment		(3,196,002)	(2,647,179)	(10,600,351)
Revaluation of distressed asset portfolios		(103,833)	1,269,597	1,135,732
Income from distressed asset portfolios	9	2,428,790	1,456,515	5,222,058
Personnel expenses		(966,789)	(363,581)	(2,704,569)
Consulting expenses		(333,532)	(276,954)	(1,214,529)
Other operating expenses		(276,150)	(419,666)	(880,781)
Other operating income		–	1,162,885	1,553,271
Amortization and depreciation of tangible and intangible assets		(33,214)	(36,739)	(146,955)
Operating profit / (loss)		819,105	1,522,460	1,828,495
Financial income		–	542	8,331
Financial expenses		(1,240,760)	(1,517,661)	(5,902,204)
Unrealized exchange profit / (loss)		567,344	(328,991)	(2,070,347)
Realized exchange profit / (loss)		(241,664)	17,707	(282,773)
Net financial income / (expenses)		(915,080)	(1,828,403)	(8,246,993)
Profit / (loss) before income tax		(95,975)	(305,943)	(6,418,498)
Taxes income / (expenses)		314,018	(62,130)	64,244
Profit / (loss) for the period		218,043	(368,073)	(6,354,254)
<i>Of which attributable to:</i>				
Parent Company shareholders		218,043	(368,073)	(6,354,254)
Earnings per share before and after dilution		0.03	(0.08)	(1.14)
Average number of shares		7,100,000	4,500,000	5,583,333
Number of shares at end of period		7,100,000	4,500,000	7,100,000

* Audited

Consolidated Statement of Comprehensive Income

Amounts in EUR	1 Jan–31 Mar 2015	1 Jan–31 Mar 2014	Full Year 2014*
Profit / (loss) for the period	218,043	(368,073)	(6,354,254)
Other comprehensive income for the period			
<i>Items that will not be reclassified to profit or loss:</i>			
The actuarial gain / (loss) on the defined benefit commitments (Pension)	0	0	(101,483)
Deferred tax assets on post benefit commitment	0	0	14,526
<i>Items that may subsequently be reclassified to profit or loss:</i>			
Currency translation differences	36,157	0	(144,888)
Other comprehensive income for the next period, net of tax	36,157	0	(231,844)
Total comprehensive income for the period	254,200	(368,073)	(6,586,099)
Profit attributable to owners of the Parent Company	254,200	(368,073)	(6,586,099)

* Audited

Consolidated Balance Sheet

Amounts in EUR	Notes	31 March 2015	31 December 2014*
ASSETS			
<i>Non-current assets</i>			
Goodwill	2	4,160,491	4,160,491
Intangible assets	7	1,817,326	1,837,778
Tangible assets	6	48,677	21,278
Distressed asset portfolios	5	35,712,008	34,242,475
Deferred tax assets	4	114,279	130,125
Total non-current assets		41,852,781	40,392,147
<i>Current assets</i>			
Accounts receivable		1,099,054	3,744,399
Other receivables		717,379	324,853
Prepaid expenses and accrued income		357,757	505,119
Cash and cash equivalents		3,524,827	9,000,971
Total current assets		5,699,017	13,575,342
TOTAL ASSETS		47,551,798	53,967,489
SHAREHOLDERS' EQUITY AND LIABILITIES			
<i>Shareholders' equity</i>			
Share capital		5,785,676	5,785,676
Share premium		10,777,630	10,777,630
Other reserves		(157,904)	(194,061)
Retained earnings, incl. net earnings for the period		(9,365,215)	(9,583,258)
Total shareholders' equity attributable to Parent Company's shareholders		7,040,187	6,785,987
<i>Long-term liabilities</i>			
Loans	8	37,165,629	37,281,679
Post-employment benefit commitments		344,363	344,363
Deferred tax liabilities	4	53,772	68,860
Total long-term liabilities		37,563,764	37,694,902
<i>Current liabilities</i>			
Liabilities to credit institutions (bank overdrafts)		0	823
Accounts payable		662,878	5,248,946
Accrued interest		1,089,850	2,363,885
Accrued expenses and prepaid income		1,195,119	1,827,946
Total current liabilities		2,947,847	9,486,600
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		47,551,798	53,967,489

* Audited

Consolidated Cash Flow Statement

Amounts in EUR	1 Jan–31 Mar 2015	Full Year 2014*
Cash flow operating activities		
Operating profit / (loss)	819,105	1,828,494
<i>Adjustments for non-cash items:</i>		
<i>Amortization of distressed asset portfolios</i>	3,196,002	10,600,351
<i>Depreciation, amortization and impairment of tangible and intangible assets</i>	33,214	146,955
<i>Revaluation of distressed asset portfolios</i>	103,833	(1,135,732)
<i>Other items not affecting cash</i>	314,775	(72,638)
Interest paid	(2,189,116)	(7,925,807)
Interest received	0	375,754
Cash flow from operating activities before working capital changes	2,277,813	3,817,377
<u>Working capital adjustments</u>		
Increase / (decrease) in accounts receivable	2,645,345	(2,415,590)
Increase / (decrease) in other receivables	(245,163)	(45,024)
Increase / (decrease) in accounts payable	(4,726,223)	4,743,274
Increase / (decrease) in other current liabilities	(537,671)	(106,361)
Net cash flow from operating activities	(585,899)	5,993,676
Cash flow from investing activities		
Purchases of distressed asset portfolios	(4,769,367)	(15,593,485)
Purchases of tangible and intangible assets	(40,162)	(286,179)
Net cash flow received / (used) in investing activities	(4,809,529)	(15,879,664)
Cash flow from financing activities		
Proceeds from issuance of ordinary shares	0	2,140,164
Share premium	0	10,777,630
Loan proceeds	0	12,556
Loan repaid	(116,050)	(7,839,769)
Net cash flow received / (used) in financing activities	(116,050)	5,090,581
Cash flow for the period	(5,511,478)	(4,795,405)
Cash and cash equivalents less bank overdrafts at beginning of period	9,000,148	14,125,071
Exchange gains / (losses) on cash and cash equivalents	36,157	(329,518)
Cash and cash equivalents less bank overdrafts at end of period	3,524,827	9,000,148

* Audited

Consolidated Statement of Changes in Equity

Amounts in EUR	Share capital	Share premium	Retained earnings	Reserves	Total equity
Balance at 1 January 2014	3,645,512	–	(3,229,005)	37,784	454,291
Comprehensive income					
Profit / (loss) for the period	–	–	(6,354,254)	–	(6,354,254)
<i>Other comprehensive income</i>					
Actuarial gain on defined benefit commitment	–	–	–	(101,483)	(101,483)
Currency translation differences	–	–	–	(144,888)	(144,888)
Deferred tax assets	–	–	–	14,526	14,526
Total comprehensive income	–	–	(6,354,254)	(231,844)	(6,586,099)
<i>Transactions with owners</i>					
New share issue	2,140,164	10,777,630	–	–	12,917,794
Total transactions with owners	2,140,164	10,777,630	–	–	12,917,794
Balance at 31 December 2014*	5,785,676	10,777,630	(9,583,258)	(194,061)	6,785,987
Balance at 31 March 2015					
Comprehensive income					
Profit / (loss) for the period			218,043		218,043
<i>Other comprehensive income</i>					
Actuarial gain on defined benefit commitment					
Currency translation differences				36,157	36,517
Deferred tax assets					
Total comprehensive income	–	–	218,043	36,157	254,200
<i>Transactions with owners</i>					
New share issue					
Total transactions with owners	–	–	–	–	–
Balance at 31 March 2015	5,785,676	10,777,630	(9,365,215)	(157,904)	7,040,187

* Audited

Notes

Note 1. Basis of preparations

The consolidated financial statements of DDM Holding AG comply with IFRS.

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.

The consolidated financial statements include all subsidiaries controlled by DDM Holding AG (together "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 until control ceases.

Entities included in the scope of consolidation	Consolidation method	Domicile	31 March 2015	31 March 2014
DDM Group AG	Fully consolidated	Switzerland	100%	100%
DDM Invest I AG	Fully consolidated	Switzerland	100%	100%
DDM Invest II AG	Fully consolidated	Switzerland	100%	100%
DDM Invest III AG	Fully consolidated	Switzerland	100%	100%
DDM Invest IV AG	Fully consolidated	Switzerland	100%	100%
DDM Invest X AG	Fully consolidated	Switzerland	100%	100%
DDM Invest XX AG	Fully consolidated	Switzerland	100%	100%
DDM Treasury Sweden AB	Fully consolidated	Sweden	100%	100%
Summit Pénzügyi ZRt.	Not consolidated	Hungary	0%	n.a.

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 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 Treasury Sweden AB this is Swedish krona (SEK). For all other entities the functional currency is euro (EUR). The interim financial statements of 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 recognized in retained earnings.

Exchange rates		31 March 2015	31 March 2014
Balance sheet (spot rate balance sheet date)	SEK/EUR	0.1075	0.1055
Income statement (average rate)	SEK/EUR	0.1066	0.1082

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 distressed asset portfolios (difference between the reported book values for tax and accounting purposes). The company does not have a group taxation in Switzerland, hence each legal entity is taxed separately. Tax losses carried forward can be utilized during 7 years.

Note 5. Distressed asset portfolios

Distressed asset portfolios are 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 of each investment using its 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 amortization for the period as well as changes to the estimated projected future cash flows and are recognized in the income statement in the line "Income from distressed asset portfolios".

Cash flow projections are made at the portfolio level, since each portfolio consists of a large number of homogeneous amounts of receivables. 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 recognized, the reversal of the previously recognized impairment loss is recognized in the consolidated income statement (within the line "Income from distressed asset portfolios").

Portfolio-asset by currency	31 March	31 December
EUR	2015	2014
EUR	10,624,281	11,273,239
RUB	7,506,783	9,113,611
RON	5,879,814	6,071,272
PLN	5,530,573	4,588,915
CZK	3,029,216	3,185,593
HUF	1,718,028	–
CHF	1,396,413	–
Other (USD and MKD)	26,900	9,847
Total	35,712,008	34,242,475

Note 6. Tangible fixed assets

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

Furniture	5 years
IT-infrastructure	5 years

Note 7. Intangible fixed assets

Intangible assets include IT software ("Fusion") 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 recognized at cost, and are subsequently amortized 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:

Software	20 years
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Note 8. Outstanding bonds

EUR	31 March 2015	31 December 2014
Bond loan issued June 2013 Amount: SEK 300,000,000 Interest: 13% Maturity: 26 June 2016	31,914,233	31,204,435
Bond loan issued September 2013 Amount: SEK 31,000,000 Interest: 18% Maturity: 30 September 2016	2,630,158	2,569,024

Under the current bond Terms and Conditions, DDM Treasury Sweden AB and its subsidiary DDM Invest XX AG are not allowed to use hedge instruments.

Note 9. Income recognition

Income from distressed asset portfolios (the change in the carrying value of the portfolios) is recognized in the income statement in the "Income from distressed asset portfolios" line item, which includes Income from distressed asset portfolios at the collected amount (net of direct collection costs), less amortization and impairment.

Note 10. Significant risks, uncertainties and risk management

DDM's activities expose it to a variety of risks, including market risks (related to competitive landscape and general economic conditions affecting borrower credit quality), financial risks (related to risks inherent in the purchase of debt portfolios and subsequent collection of overdue accounts, refinancing risks, tax risks, cash flow volatility and exposure to foreign exchange rates as well as credit and interest rate risks) and business risks (related to changes in the regulatory environment, reputational risks and risks related to the IT and data analysis systems and the retention and recruitment of employees). DDM's overall risk management program 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.

With the events unfolding in Russia the company also increased risks outside DDM's control such as sanctions against Russia with the possibility that Russia could counteract by imposing restrictions on foreign companies.

The Board of Directors held several meetings during 2015 where the risks which the company currently faces were discussed. The Board of Directors has updated their risk assessment on a quarterly basis, including an outline of short and long-term actions to be taken depending on the specific risks identified.

Please see the risk section of DDM Holding's 2014 annual report for further information.

Note 11. Subsequent events after the reporting date

DDM Treasury Sweden AB has requested amendments to its senior secured notes. Please see the DDM webpage, www.ddm-group.ch, for further information.

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.

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/EPS

Net earnings for the period, attributable to owners of the Parent Company, divided by the average number of shares outstanding during the period.

EBITDA

Earnings before Interest, Taxes, Depreciation of fixed assets as well as amortization and revaluations of purchased distressed asset portfolios.

Estimated Remaining Collections/ERC

Estimated Remaining Collections refers to the sum of all future projected cash collections 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 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.

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



DDM Holding AG

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