



## Collections stronger than expected from major portfolios

### Highlights first quarter 2015

- Net collections during the first quarter 2015 increased by 14 percent to SEK 29.3M (25.6)
- Cash EBITDA amounted to SEK 28.3M (23.2)
- 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 SEK M (unless specified otherwise)	1 Jan–31 Mar 2015	1 Jan–31 Mar 2014	Full year 2014*
Net collections	29.3	25.6	128.1
Operating expenses	(1.0)	(2.4)	(6.9)
Cash EBITDA	28.3	23.2	121.2
Decrease of book value of portfolios and revaluation of distressed asset portfolios	(16.7)	(10.3)	(83.9)
Operating profit / (loss) – EBIT	11.6	12.9	37.3
Profit / (loss) for the period	4.9	(2.4)	(18.2)
<b>Selected key figures</b>			
Total assets	413.1	n.a.	410.9
Net debt	294.9	n.a.	252.8
Cash flow from operating activities before working capital changes	9.8	n.a.	47.3
Investments in distressed asset portfolios	(3.7)	n.a.	(53.2)

\* Audited

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

Net collections during the quarter rose to SEK 29.3M, a significant 14% increase compared to the first quarter of 2014. This significant increase in collections was partly driven by some portfolios performing better than the average collection curve.

The Russian RUB made a strong rebound during the first quarter 2015, continuing into the second quarter after the turbulent end of 2014. The 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.

DDM Treasury Sweden AB intends to change its reporting currency from Swedish krona to euro in order to align its reporting with that of its owner, DDM Holding AG.

### 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.

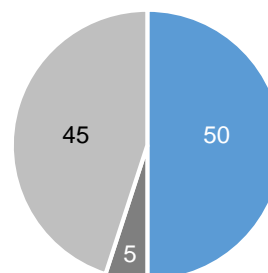
We plan to raise additional funding primarily through debt finance. As a step in this process, we have initiated a process for extending the tenor of the existing senior bond as well as increasing the maximum issue framework to SEK 700M. Given the large amount of investment opportunities we anticipate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

Net collections  
January – March 2015

**SEK 29.3M**

(+14%)

Net collections by country,  
Jan-March, %



■ Romania ■ Russia ■ Slovenia



“Due 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.”

*Gustav Hultgren*

CEO  
DDM Treasury Sweden AB

**Significant events after the period**

DDM Treasury Sweden AB has requested amendments to its senior secured notes.

**Financial calendar**

During 2015, DDM Treasury Sweden AB (publ) intends to publish financial information on the following dates:

Interim Report for January-September:	20 August 2015
Interim Report for January-June:	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](http://www.ddm-group.ch).

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

Stockholm, 26 May 2015  
DDM Treasury Sweden AB (publ)

Gustav Hultgren  
CEO, DDM Treasury Sweden AB (publ)

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**Presentation of the interim report**

The Interim Report and presentation material are available at [www.ddm-group.ch](http://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](http://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](mailto:investor@ddm-group.ch).

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## Consolidated Income Statement

Amounts in SEK M	Notes	1 Jan–31 Mar 2015	1 Jan–31 Mar 2014	Full Year 2014*
Revenue	2	12.6	15.3	44.2
<b>Gross profit / (loss)</b>		<b>12.6</b>	<b>15.3</b>	<b>44.2</b>
Administrative expenses		(1.0)	(2.4)	(6.9)
<b>Operating profit / (loss)</b>		<b>11.6</b>	<b>12.9</b>	<b>37.3</b>
Net costs		(9.6)	(15.2)	(55.4)
<b>Profit / (loss) before income tax</b>		<b>2.0</b>	<b>(2.3)</b>	<b>(18.1)</b>
Income tax		2.9	(0.1)	(0.1)
<b>Profit / (loss) for the period</b>		<b>4.9</b>	<b>(2.4)</b>	<b>(18.2)</b>

\* Audited

## Consolidated Statement of Other Comprehensive Income

Amounts in SEK M	Notes	1 Jan–31 Mar 2015	1 Jan–31 Mar 2014	Full Year 2014*
<b>Profit / (loss) for the period</b>		<b>4.9</b>	<b>(2.4)</b>	<b>(18.2)</b>
Currency translation differences		0.4	–	(0.1)
<b>Other comprehensive income for the year, net of tax</b>		<b>0.4</b>	<b>–</b>	<b>(18.3)</b>
<b>Total comprehensive income for the period</b>		<b>5.3</b>	<b>(2.4)</b>	<b>(18.3)</b>
<b>Profit attributable to owners of the Parent Company</b>		<b>5.3</b>	<b>(2.4)</b>	<b>(18.3)</b>
<b>Total other comprehensive income for the period attributable to owners of the Parent Company</b>		<b>5.3</b>	<b>(2.4)</b>	<b>(18.3)</b>
Non-controlling interest		0	0	0

\* Audited

## Consolidated Balance Sheet

Amounts in SEK M	Notes	31 March 2015	31 December 2014*
<b>ASSETS</b>			
<i>Non-current assets</i>			
Distressed asset portfolios	3	215.4	228.4
<b>Total non-current assets</b>		<b>215.4</b>	<b>228.4</b>
<i>Current assets</i>			
Accounts receivable		7.0	8.2
Receivables from other group companies		162.3	105.0
Prepaid expenses and accrued income		2.4	2.0
Cash and cash equivalents		26.0	67.3
<b>Total current assets</b>		<b>197.7</b>	<b>182.5</b>
<b>TOTAL ASSETS</b>		<b>413.1</b>	<b>410.9</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<i>Shareholders' equity</i>			
Ordinary shares		0.5	0.5
Other contributed capital		36.8	37.5
Reserves		0.5	0.3
Retained earnings, incl. net earnings for the period		(1.5)	(6.8)
<b>Total shareholders' equity attributable to Parent Company's shareholders</b>		<b>36.3</b>	<b>31.6</b>
<b>LIABILITIES</b>			
<i>Non-current liabilities</i>			
Bond loans	4	320.9	320.1
<b>Total non-current liabilities</b>		<b>320.9</b>	<b>320.1</b>
<i>Current liabilities</i>			
Accounts payable		–	1.6
Liabilities to other group companies		40.4	27.5
Other liabilities		2.2	4.2
Accrued expenses and deferred income		13.3	25.9
<b>Total current liabilities</b>		<b>55.9</b>	<b>59.2</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>413.1</b>	<b>410.9</b>

\* Audited

## Consolidated Cash Flow Statement

Amounts in SEK M	Notes	1 Jan–31 Mar 2015	Full Year 2014*
<b>Cash flow operating activities</b>			
Operating profit / (loss)		11.6	37.3
<i>Adjustments for non-cash items, etc</i>			
Reversal of depreciation and amortization		20.3	94.2
Revaluation of distressed asset portfolios		(3.6)	(10.3)
Other items not affecting cash*		5.9	(31.4)
Interest received		0.0	0.9
Interest paid		(24.4)	(43.4)
<b>Cash flow from operating activities before working capital changes</b>		<b>9.8</b>	<b>47.3</b>
<u>Working capital adjustments</u>			
Increase / (decrease) in accounts receivable		1.2	(3.0)
Increase / (decrease) in other receivables		(57.6)	(90.0)
Increase / (decrease) in accounts payable		(1.6)	1.6
Increase / (decrease) in other current liabilities		10.8	29.7
<b>Net cash flow from operating activities</b>		<b>(37.4)</b>	<b>(14.4)</b>
<b>Cash flow from investing activities</b>			
Portfolio acquisition**		(3.7)	(53.2)
<b>Net cash flow received / (used) in investing activities</b>		<b>(3.7)</b>	<b>(53.2)</b>
<b>Cash flow from financing activities</b>			
Increase in other contributed capital		0.0	13.1
<b>Net cash flow received / (used) in financing activities</b>		<b>0.0</b>	<b>13.1</b>
<b>Cash flow for the period</b>		<b>(41.1)</b>	<b>(54.5)</b>
Cash and cash equivalents less bank overdrafts at beginning of period		67.3	121.8
Exchange gains / (losses) on cash and cash equivalents		(0.2)	0.0
<b>Cash and cash equivalents less bank overdrafts at end of period</b>		<b>26.0</b>	<b>67.3</b>

\* 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
<b>Balance at 1 January 2014</b>		<b>0.5</b>	<b>24.3</b>	<b>0.0</b>	<b>11.7</b>	<b>36.5</b>
<b>Comprehensive income</b>						
Profit / (loss) for the period					(18.2)	(18.2)
<b>Other comprehensive income</b>						
Currency translation differences / reserves				(0.1)		(0.1)
<b>Total comprehensive income</b>				<b>(0.1)</b>	<b>(18.2)</b>	<b>(18.3)</b>
<i>Transactions with owners</i>						
Legal reserve				0.4	(0.4)	0.0
Borrowings from related parties, equity part			13.2			13.2
<b>Total transactions with owners</b>			<b>13.2</b>	<b>0.4</b>	<b>(0.4)</b>	<b>13.2</b>
<b>Balance at 31 December 2014*</b>		<b>0.5</b>	<b>37.5</b>	<b>0.3</b>	<b>(6.8)</b>	<b>31.6</b>
<b>Balance at 1 January 2015</b>		<b>0.5</b>	<b>37.5</b>	<b>0.3</b>	<b>(6.8)</b>	<b>31.6</b>
<b>Comprehensive income</b>						
Profit / (loss) for the period					4.9	4.9
<b>Other comprehensive income</b>						
Currency translation differences / reserves			(0.7)	0.2	0.4	(0.1)
<b>Total comprehensive income</b>			<b>(0.7)</b>	<b>0.2</b>	<b>5.3</b>	<b>4.8</b>
<i>Transactions with owners</i>						
Legal reserve						
Borrowings from related parties, equity part						
<b>Total transactions with owners</b>						
<b>Balance at 31 March 2015</b>		<b>0.5</b>	<b>36.8</b>	<b>0.5</b>	<b>(1.5)</b>	<b>36.3</b>

\* Audited

## Parent Company – Income Statement

Amounts in SEK M	1 Jan–31 Mar 2015	1 Jan–31 Mar 2014	Full Year 2014*
Revenues	1.4	0.0	5.7
Administrative expenses	(0.7)	(1.4)	(3.4)
<b>Operating profit / (loss)</b>	<b>0.7</b>	<b>(1.4)</b>	<b>2.3</b>
Finance income	11.4	13.3	45.0
Finance costs	(11.3)	(11.6)	(47.0)
<b>Profit / (loss) from financial items</b>	<b>0.1</b>	<b>1.7</b>	<b>(2.0)</b>
<b>Profit / (loss) before income tax</b>	<b>0.8</b>	<b>0.3</b>	<b>0.3</b>
Current tax expense	0.0	0.0	(0.1)
<b>Profit / (loss) for the period</b>	<b>0.8</b>	<b>0.3</b>	<b>0.2</b>

## Parent Company – Statement of Other Comprehensive Income

Amounts in SEK M	1 Jan–31 Mar 2015	1 Jan–31 Mar 2014	Full Year 2014*
<b>Profit / (loss) for the period</b>	<b>0.8</b>	<b>0.3</b>	<b>0.2</b>
<b>Other comprehensive income for the year, net of tax</b>			
Items that will not be reclassified to profit or loss:	–	–	–
Items that may be subsequently reclassified to profit:	–	–	–
<b>Total comprehensive income for the period, net of tax</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total other comprehensive income for the period</b>	<b>0.8</b>	<b>0.3</b>	<b>0.2</b>

\* Audited



## Parent Company – Statement of Financial Position

Amounts in SEK M	31 March 2015	31 December 2014*
<b>ASSETS</b>		
<i>Non-current assets</i>		
Shares in group companies	0.7	0.7
Receivables from group companies	312.8	312.8
<b>Total non-current assets</b>	<b>313.5</b>	<b>313.5</b>
<i>Current assets</i>		
Receivables from group companies	25.4	14.3
Prepaid expenses and accrued income	1.5	0.0
Cash and cash equivalents (excluding bank overdrafts)	0.2	22.3
<b>Total current assets</b>	<b>27.1</b>	<b>36.6</b>
<b>TOTAL ASSETS</b>	<b>340.6</b>	<b>350.1</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>		
<i>Shareholders' equity</i>		
Ordinary shares	0.5	0.5
Retained earnings, incl. net earnings for the period	1.1	0.3
<b>Total equity</b>	<b>1.6</b>	<b>0.8</b>
<b>LIABILITIES</b>		
<i>Non-current liabilities</i>		
Bond loans	320.9	320.1
<b>Total non-current liabilities</b>	<b>320.9</b>	<b>320.1</b>
<i>Current liabilities</i>		
Accounts payable	0.5	0.1
Liabilities to group companies	7.2	7.2
Other liabilities	0.5	0.5
Accrued expenses and deferred income	9.9	21.4
<b>Total current liabilities</b>	<b>18.1</b>	<b>29.2</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>340.6</b>	<b>350.1</b>

\* Audited

## Parent Company – Cash Flow Statement

Amounts in SEK M	1 Jan–31 Mar 2015	Full Year 2014*
<b>Cash flow operating activities</b>		
Operating profit / (loss)	0.7	2.3
Interest received	11.4	44.9
Interest paid	(11.3)	(47.0)
<b>Cash flow from operating activities before working capital changes</b>	<b>0.8</b>	<b>0.2</b>
<u>Working capital adjustments</u>		
Increase / (decrease) in other receivables	(0.5)	2.3
Increase / (decrease) in accounts payable	0.0	0.1
Increase / (decrease) in other current liabilities	(11.4)	3.2
<b>Net cash flow from operating activities</b>	<b>(11.1)</b>	<b>5.8</b>
<b>Cash flow from investing activities</b>		
Loan to group companies	(11.0)	(90.2)
<b>Net cash flow received / (used) in investing activities</b>	<b>(11.0)</b>	<b>(90.2)</b>
<b>Cash flow from financing activities</b>		
Borrowings	0.0	0.0
<b>Net cash flow received / (used) in financing activities</b>	<b>0.0</b>	<b>0.0</b>
<b>Cash flow for the period</b>	<b>(22.1)</b>	<b>(84.4)</b>
Cash and cash equivalents less bank overdrafts at beginning of period	22.3	106.7
<b>Cash and cash equivalents less bank overdrafts at end of period</b>	<b>0.2</b>	<b>22.3</b>

\* Audited

## Parent Company – Statement of Changes in Equity

Amounts in SEK M	Share capital	Profit or loss brought forward	Profit for the year	Total equity
<b>Balance at 1 January 2014</b>	<b>0.5</b>	–	<b>0.1</b>	<b>0.6</b>
<b>Comprehensive income</b>				
Profit / (loss) for the period		–	0.2	<b>0.2</b>
<b>Other comprehensive income</b>				
<b>Total comprehensive income</b>		–	<b>0.2</b>	<b>0.2</b>
<i>Transactions with owners</i>				
	–	–	–	–
<b>Total transactions with owners</b>	–	–	–	–
<b>Balance at 31 December 2014*</b>	<b>0.5</b>	–	<b>0.3</b>	<b>0.8</b>
<b>Balance at 1 January 2015</b>	<b>0.5</b>	–	<b>0.3</b>	<b>0.8</b>
<b>Comprehensive income</b>				
Profit / (loss) for the period		–	0.8	<b>0.8</b>
<b>Other comprehensive income</b>				
<b>Total comprehensive income</b>	<b>0.5</b>	–	<b>0.8</b>	<b>0.8</b>
<i>Transactions with owners</i>				
	–	–	–	–
<b>Total transactions with owners</b>	–	–	–	–
<b>Balance at 31 March 2015</b>	<b>0.5</b>	–	<b>1.1</b>	<b>1.6</b>

\* Audited

## Notes

### Note 1. General information

DDM Treasury Sweden AB (publ) ("DDM Treasury") and its subsidiaries 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 Treasury 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 XX AG, Baar, Switzerland is a wholly owned subsidiary of DDM Treasury.

DDM Treasury acts solely as the issuer of financial instruments and extends this funding intra-group whereas DDM Group acts as the investment manager and take 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	31 March 2015	Full-year 2014
Romania	14.7	65.1
Russia	1.5	31.6
Slovenia	13.1	31.4
<b>Net collection on distressed asset portfolios</b>	<b>29.3</b>	<b>128.1</b>
Amortization of purchased distressed asset portfolios	(20.2)	(94.2)
Interest income on acquired distressed asset portfolios	9.1	33.9
Revaluation of distressed asset portfolios	3.5	10.3
<b>Revenue</b>	<b>12.6</b>	<b>44.2</b>

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 on 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.

Our main geographic markets are Romania, Russia and Slovenia. The Company discloses information regarding revenue and distressed asset portfolios based on these key geographic areas.

DDM Group focuses on acquiring distressed assets, mainly 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	As at 31 Mar 2015	As at 31 Dec 2014
<b>Opening accumulated acquisition cost</b>	<b>311.6</b>	<b>248.5</b>
Distressed asset portfolios, including foreign exchange differences	26.6	63.1
<b>Closing accumulated acquisition cost</b>	<b>338.2</b>	<b>311.6</b>
<b>Opening accumulated amortization</b>	<b>(83.2)</b>	<b>(8.9)</b>
Amortization for the period, including foreign exchange differences	(39.6)	(74.3)
<b>Closing accumulated amortization</b>	<b>(122.8)</b>	<b>(83.2)</b>
<b>Closing net book value</b>	<b>215.4</b>	<b>228.4</b>

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

DDM Treasury 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.

Collections on distressed asset portfolios are distributed by currencies as follows:

SEK M	1 Jan–31 Mar 2015	1 Jan–31 Dec 2014
EUR	21.7	69.8
RUB	1.4	31.5
RON	7.0	27.0
USD	(0.8)	(0.2)
<b>Total</b>	<b>29.3</b>	<b>128.1</b>

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

SEK M	As on 31 Mar 2015	As on 31 Dec 2014
EUR	91.0	106.1
RUB	69.7	64.7
RON	54.6	57.5
USD	0.1	0.1
<b>Total</b>	<b>215.4</b>	<b>228.4</b>

### Note 4. Borrowings

The Group's borrowings mature between 2013 and 2015.

The Group has outstanding bonds. Bond loan has been issued in June 2013, amounted SEK 300,000,000 at interest rate 13% with maturity date 26 June 2016 by Treasury Sweden AB. Bond loan has been taken in September 2013, amounted SEK 31,000,000 at interest rate 18% with maturity date 30 September 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.

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. 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	31 Mar 2015	31 Dec 2014
Bond loan	320.9	320.1
<b>Total</b>	<b>320.9</b>	<b>320.1</b>

### Maturities of long-term borrowing

Group SEK M	31 Mar 2015	31 Dec 2014
Between 1 and 2 years	320.9	320.1
Between 2 and 3 years	–	–
Between 3 and 4 years	–	–
Between 4 and 5 years	–	–
<b>Total</b>	<b>320.9</b>	<b>320.1</b>

### Long-term liabilities

Parent Company SEK M	31 Mar 2015	31 Dec 2014
Bond loan	320.9	320.1
<b>Total</b>	<b>320.9</b>	<b>320.1</b>

### Maturities of long-term borrowing

Parent Company SEK M	31 Mar 2015	31 Dec 2014
Between 1 and 2 years	320.9	320.1
Between 2 and 3 years	–	–
Between 3 and 4 years	–	–
Between 4 and 5 years	–	–
<b>Total</b>	<b>320.9</b>	<b>320.1</b>

### Note 5. Participations in Group companies

Parent Company SEK M	31 Mar 2015	31 Dec 2014
Investment	0.7	0.7
<b>Net book amount</b>	<b>0.7</b>	<b>0.7</b>

The Parent Company holds shares in the following subsidiaries:

SEK M Company	Domicile	31 Dec 2014	Proportion of equity	Net book value	
				31 Mar 2015	31 Dec 2014
DDM Invest XX AG (CHE 499.050.368)	Switzerland	100%	100	0.7	0.7

# Definitions

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## **DDM**

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

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## **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 average number of shares during the period.

## **EBITDA**

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

## **Gross 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**

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/equity ratio**

Interest-bearing net debt divided by shareholders' equity.

## **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

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**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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