



Successful refinancing, strong pipeline and reduction of costs

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
- **Net collections** during the second quarter increased by 20% to EUR 3.5M (Q2 2014: EUR 2.9M)
- **Cash EBITDA** amounted to EUR 2.3M during the second quarter 2015 (Q2 2014: EUR 1.8M)
- **Gross ERC** was EUR 59.7M at the end of June 2015, an increase of 55% (Q2 2014: EUR 38.5M)
- **Operating expenses** trended down during the quarter

Highlights first six months 2015

- **Net collections** during the first six months 2015 increased by 61% to EUR 9.2M (H1 2014: EUR 5.7M)
- **Cash EBITDA** amounted to EUR 6.4M during the first six months 2015 (H1 2014: EUR 3.5M)

Amounts in EUR (unless specified otherwise)	1 Apr–30 Jun 2015	1 Apr–30 Jun 2014	1 Jan–30 Jun 2015	1 Jan–30 Jun 2014	Full year 2014*
Net collections	3,478,164	2,893,078	9,206,789	5,727,175	14,686,676
Operating expenses**	(1,185,296)	(1,127,303)	(2,761,767)	(2,187,504)	(4,799,879)
Cash EBITDA	2,292,868	1,765,775	6,445,022	3,539,671	9,886,797
Decrease of book value of portfolios and revaluation of distressed asset portfolios	(1,635,713)	(378,363)	(4,935,548)	(1,755,945)	(9,464,619)
Operating profit / (loss) – EBIT	620,838	1,222,039	1,439,943	2,744,499	1,828,495
Profit / (loss) for the period	(1,564,302)	644,468	(1,346,259)	276,395	(6,354,254)

Selected key figures	1 Apr–30 Jun 2015	1 Apr–30 Jun 2014***	1 Jan–30 Jun 2015	1 Jan–30 Jun 2014***	Full year 2014*
Total assets	46,274,185	n.a	46,274,185	n.a	53,967,489
Net debt	32,460,346	n.a	32,460,346	n.a	28,693,932
Cash flow from operating activities before working capital changes	1,653,373	n.a	3,931,188	n.a	3,817,377
Investments in distressed asset portfolios	(399,923)	n.a	(4,569,290)	n.a	(15,593,485)
Gross ERC 120 months (EUR M)	59.7	38.5	59.7	38.5	60.4
Earnings per share	(0.22)	0.14	(0.19)	0.06	(1.14)
Total number of shares at end of period	7,100,000	4,500,000	7,100,000	4,500,000	7,100,000

* Audited

** Operating expenses do not include other operating income, depreciation and amortization.

*** The Company's financial statements for the year ended 31 December 2014 are the first financial statements under IFRS accounting standard. The conversion from Swiss GAAP to IFRS was conducted on an annual basis, detailed comparative quarterly data is therefore not available for 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 20 August 2015 at 8:00 a.m. CET.

Comment by the CEO

As part of DDM's strategy to balance our geographic presence, we entered Hungary in the beginning of 2015 by investing in a portfolio and acquiring the Hungarian company Summit Pénzügyi. This was also a significant event as the investment was made in partnership with one of the world's largest financial institutions. We benefitted from a one-off gain at the time of the acquisition, in Q1 2015, and we were able to recognize net collections of about EUR 1.7M. The Hungarian investment is performing above our expectations. This is an important transaction for DDM as it has led to a number of significant new opportunities across the region.

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 23 June 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 EUR 3.5M, an increase of 20% compared to second quarter 2014. For the first six months of 2015, net collections increased by 61% compared to the same period last year.

Gross ERC (Estimated Remaining Collections) increased 55% to EUR 59.7M at the end of the second quarter 2015 compared to Q2 2014.

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.

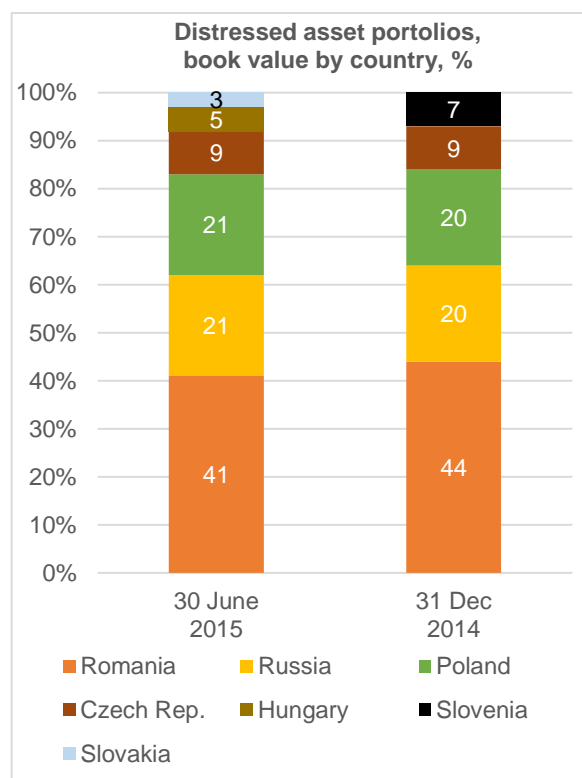
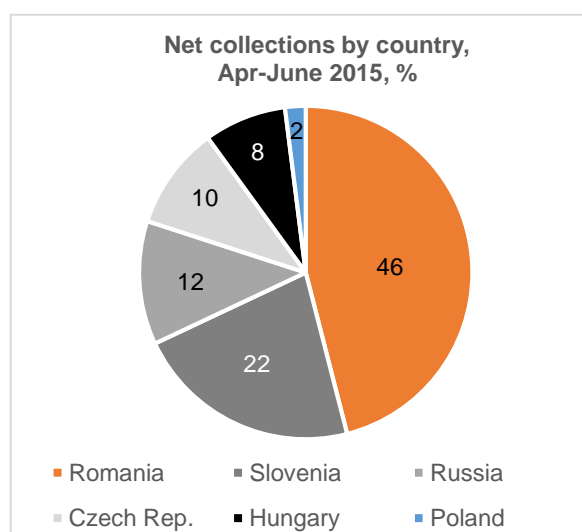
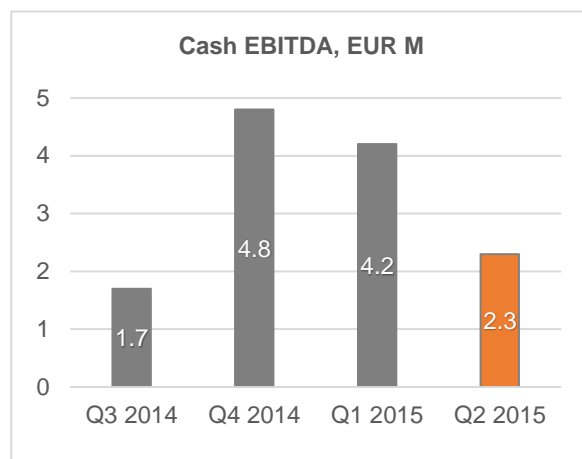
Cash EBITDA (net collections less operating expenses) increased by EUR 0.5M, to EUR 2.3M, in comparison to the second quarter 2014. Cash EBITDA during the first six months of 2015 amounted to EUR 6.4M, an increase by 82% compared to the same period in 2014. We were negatively impacted by foreign exchange, the absolute majority unrealized, as the RUB weakened during the quarter.

Cash flow from operating activities before working capital changes was EUR 3.9M in the first six months 2015, an increase of 30% compared to the same period in 2014. Investments in distressed asset portfolios amounted to EUR 0.4M, during the second quarter 2015 and EUR 4.6M in the first six month 2015.

As previously communicated, efforts to reduce operational expenses were initiated during the first quarter 2015 and are expected to continue in the coming months.

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.



Annual General Meeting 2015

DDM Holding AG held its Annual General Meeting (“AGM”) on 27 May 2015. The AGM resolved that the Board of Directors (Kent Hansson, Torgny Hellström, Savvas Liasis, Manuel Vogel and Fredrik Waker). Kent Hansson was re-elected as Chairman of the Board.

Please see our website www.ddm-group.ch, for further information about the resolutions passed at the AGM.

Significant events after the period

There were no significant events after the reporting period.

Financial calendar

During the coming six months, DDM 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.

Baar, 20 August 2015
DDM Holding AG
Gustav Hultgren, CEO



Gustav Hultgren, CEO DDM Holding AG

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 EUR	Notes	1 Apr–30 Jun 2015	1 Apr–30 Jun 2014	1 Jan–30 Jun 2015	1 Jan–30 Jun 2014	Full Year 2014*
<i>Net collection from distressed asset portfolios</i>		3,478,164	2,893,078	9,206,789	5,727,175	14,686,677
<i>Decrease of the book value of the portfolios in the period before revaluation and impairment</i>		(1,614,852)	(1,924,494)	(4,810,854)	(4,571,673)	(10,600,351)
<i>Revaluation of distressed asset portfolios</i>		(20,861)	1,546,131	(124,694)	2,815,728	1,135,732
Income from distressed asset portfolios	9	1,842,451	2,514,715	4,271,241	3,971,230	5,222,058
Personnel expenses		(836,259)	(430,835)	(1,803,048)	(794,416)	(2,704,569)
Consulting expenses		(201,137)	(302,235)	(534,669)	(579,189)	(1,214,529)
Other operating expenses		(147,900)	(394,233)	(424,050)	(813,899)	(880,781)
Other operating income		–	(128,635)	–	1,034,250	1,533,271
Amortization and depreciation of tangible and intangible assets		(36,317)	(36,738)	(69,531)	(73,477)	(146,955)
Operating profit / (loss)		620,838	1,222,039	1,439,943	2,744,499	1,828,495
Financial income		93	940	93	1,482	8,331
Financial expenses **		(1,582,798)	(1,500,526)	(2,823,558)	(3,018,187)	(5,902,204)
Unrealized exchange profit / (loss)		(612,706)	1,113,756	(45,362)	784,765	(2,070,347)
Realized exchange profit / (loss)		10,271	(59,835)	(231,393)	(42,128)	(282,773)
Net financial income / (expenses)		(2,185,140)	(445,665)	(3,100,220)	(2,274,068)	(8,246,993)
Profit / (loss) before income tax		(1,564,302)	776,374	(1,660,277)	470,431	(6,418,498)
Taxes income / (expenses)		–	(131,906)	314,018	(194,036)	64,244
Profit / (loss) for the period		(1,564,302)	644,468	(1,346,259)	276,395	(6,354,254)
<i>Of which attributable to:</i>						
Parent Company shareholders		(1,564,302)	644,468	(1,346,259)	276,395	(6,354,254)
Earnings per share before and after dilution		(0.22)	0.14	(0.19)	0.06	(1.14)
Average number of shares		7,100,000	4,500,000	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	4,500,000	7,100,000

* Audited

** Financial expenses include negative impact of (381 kEUR) hedging operations in Q2 2015.

Consolidated Statement of Comprehensive Income

Amounts in EUR	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	(1,564,302)	644,468	(1,346,259)	276,395	(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)	–	–	–	–	(101,483)
Deferred tax assets on post benefit commitment	–	–	–	–	14,526
<i>Items that may subsequently be reclassified to profit or loss:</i>					
Currency translation differences	(9,958)	–	26,199	–	(144,888)
Other comprehensive income for the next period, net of tax	(9,958)	–	26,199	–	(231,844)
Total comprehensive income for the period	(1,574,260)	644,468	(1,320,060)	276,395	(6,586,099)
Profit attributable to owners of the Parent Company	(1,574,260)	644,468	(1,320,060)	276,395	(6,586,099)

* Audited

Consolidated Balance Sheet

Amounts in EUR	Notes	30 June 2015	31 December 2014*
ASSETS			
<i>Non-current assets</i>			
Goodwill	2	4,160,491	4,160,491
Intangible assets	7	1,940,423	1,837,778
Tangible assets	6	44,176	21,278
Investments		600,000	
Distressed asset portfolios	5	33,876,218	34,242,475
Deferred tax assets	4	114,279	130,125
Total non-current assets		40,735,587	40,392,147
<i>Current assets</i>			
Accounts receivable		1,280,548	3,744,399
Other receivables		653,083	324,853
Prepaid expenses and accrued income		596,326	505,119
Cash and cash equivalents		3,008,641	9,000,971
Total current assets		5,538,598	13,575,342
TOTAL ASSETS		46,274,185	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		(142,813)	(194,061)
Retained earnings, incl. net earnings for the period		(10,903,318)	(9,583,258)
Total shareholders' equity attributable to Parent Company's shareholders		5,517,175	6,785,987
<i>Long-term liabilities</i>			
Loans	8	35,070,852	37,281,679
Post-employment benefit commitments		344,363	344,363
Deferred tax liabilities	4	53,772	68,860
Total long-term liabilities		35,468,987	37,694,902
<i>Current liabilities</i>			
Liabilities to credit institutions (bank overdrafts)		-	823
Accounts payable		718,792	5,248,946
Accrued interest		2,629,442	2,363,885
Accrued expenses and prepaid income		1,939,789	1,872,946
Total current liabilities		5,288,023	9,486,600
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		46,274,185	53,967,489

* Audited

Consolidated Cash Flow Statement

Amounts in EUR	1 Apr–30 Jun 2015*	1 Jan–30 Jun 2015	1 Jan–30 Jun 2014	Full Year 2014**
Cash flow operating activities				
Operating profit / (loss)	620,838	1,439,943	2,744,499	1,828,494
<i>Adjustments for non-cash items:</i>				
<i>Amortization of distressed asset portfolios</i>	1,614,852	4,810,854	4,571,673	10,600,351
<i>Depreciation, amortization and impairment of tangible and intangible assets</i>	36,317	69,531	73,477	146,955
<i>Revaluation of distressed asset portfolios</i>	20,860	124,694	(2,815,728)	(1,135,732)
<i>Other items not affecting cash</i>	–	314,775	980,701	(72,638)
Interest paid	(639,494)	(2,828,609)	(2,532,245)	(7,925,807)
Interest received	–	–	–	375,754
Cash flow from operating activities before working capital changes	1,653,373	3,931,188	3,022,377	3,817,377
<u>Working capital adjustments</u>				
Increase / (decrease) in accounts receivable	(181,493)	2,463,851	78,348	(2,415,590)
Increase / (decrease) in other receivables	(174,273)	(419,436)	(196,256)	(45,024)
Increase / (decrease) in accounts payable	110,579	(4,615,643)	567,685	4,743,274
Increase / (decrease) in other current liabilities	690,007	152,336	282,070	(106,361)
Net cash flow from operating activities	2,098,193	1,512,296	3,754,224	5,993,676
Cash flow from investing activities				
Purchases of distressed asset portfolios	(399,923)	(4,569,290)	(7,142,109)	(15,593,485)
Purchases of investment	–	(600,000)	–	–
Purchases of tangible and intangible assets	(154,914)	(195,077)	(242,233)	(286,179)
Net cash flow received / (used) in investing activities	(554,837)	(5,364,367)	(7,384,342)	(15,879,664)
Cash flow from financing activities				
Proceeds from issuance of ordinary shares	–	–	–	2,140,164
Share premium	–	–	–	10,777,630
Loan proceeds	–	–	–	12,556
Loan paid ***	(2,094,778)	(2,210,830)	(4,652,828)	(7,839,769)
Net cash flow received / (used) in financing activities	(2,094,778)	(2,210,830)	(4,652,828)	5,090,581
Cash flow for the period	(551,422)	(6,062,901)	(8,282,946)	(4,795,405)
Cash and cash equivalents less bank overdrafts at beginning of period	3,524,828	9,000,148	14,125,071	14,125,071
Exchange gains / (losses) on cash and cash equivalents	35,235	71,394	39,813	(329,518)
Cash and cash equivalents less bank overdrafts at end of period	3,008,641	3,008,641	5,881,938	9,000,148

* The Company's financial statements for the year ended 31 December 2014 are the first financial statements under IFRS accounting standard. The conversion from Swiss GAAP to IFRS was conducted on an annual basis, detailed comparative quarterly data is therefore not available for 2014.

** Audited

*** Loan paid includes additional cash payment of 4%, of the outstanding SEK 300M senior secured notes, on June 23, 2015 relating to the refinancing process in Q2 2015.

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 30 June 2015					
Comprehensive income					
Profit / (loss) for the period	–	–	(1,346,259)	51,248	(1,295,011)
<i>Other comprehensive income</i>					
Actuarial gain on defined benefit commitment	–	–	–	–	–
Currency translation differences	–	–	26,199	–	26,199
Deferred tax assets	–	–	–	–	–
Total comprehensive income	–	–	(1,320,060)	51,248	(1,268,812)
<i>Transactions with owners</i>					
Total transactions with owners	–	–	–	–	–
Balance at 30 June 2015	5,785,676	10,777,630	(10,903,318)	(142,813)	5,517,175

* Audited

Notes

Note 1. Basis of preparations

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

The purchase method of accounting was used to account for the acquisition of subsidiaries. The full consolidation method has been applied to all subsidiaries included in the consolidation. Intercompany receivables, payables and transactions were eliminated for fully consolidated companies. Individual group companies' intercompany profits and loss were also eliminated. Their assets, liabilities, income and expenses were incorporated in full, minority interests do not exist. Investments which were not consolidated were 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	30 June 2015	31 December 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%

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. 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 Treasury Sweden AB this is Swedish Kronor (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		30 June 2015	30 June 2014
Balance sheet (spot rate balance sheet date)	SEK/EUR	0.1085	0.1089
Income statement (average rate)	SEK/EUR	0.1071	0.1117

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 receivables 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 forecasted 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, EUR	30 June 2015	31 December 2014	30 June 2014
EUR	9,737,303	11,273,239	13,300,245
RUB	7,218,482	9,113,611	12,447,191
RON	5,393,811	6,071,272	7,240,599
PLN	5,569,111	4,588,915	–
CZK	2,885,139	3,185,593	29,684
HUF	1,569,360	–	–
CHF	1,476,521	–	–
Other (USD and MKD)	26,491	9,847	16,368
Total	33,876,218	34,242,475	33,034,087

Note 6. Tangible assets

Tangible assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. Subsequent costs are included in the asset’s carrying amount or recognized as a separate asset as appropriate only when it is probable that future economic benefits associated with the item will flow to the company and the cost can be measured reliably. Repairs and maintenance costs are charged to the Income Statement during the period in which they are incurred.

The major categories of tangible assets are depreciated on a straight-line basis as follows:

Furniture	5 years
IT-infrastructure	5 years

The company allocates the amount initially recognized in respect of an item of tangible assets to its significant parts and depreciates separately each such part. The carrying amount of a replaced part is derecognized when replaced. Residual values method of amortization and useful lives of the assets are reviewed annually and adjusted if appropriate.

Impairment losses and gains and losses on disposals of tangible assets and are included in other operating expenses.

Note 7. Intangible assets

(i) Identifiable intangible assets

The company’s identifiable intangible assets are stated at cost less accumulated amortization and include computer software developed internally with finite useful life. The system is the proprietary IT system which integrates investment data case data payment data and activity data into one effective and comprehensive IT system. This asset is capitalized and amortized on a straight-line basis in the Income Statement over the period of expected useful lives as follows: 20 years.

(ii) Goodwill

At the date of acquisition the assets and liabilities of acquired subsidiaries or businesses are valued at fair value 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 on the balance sheet.

Note 8. Outstanding bonds

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 26 June 2016 by Treasury Sweden AB ("DDM Treasury"). On 18 May 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 DDM Invest I AG, DDM Invest II AG, DDM Invest III AG, DDM Invest IV AG and DDM Invest X AG transferred to the direct ownership of 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 in their entirety 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 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.

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.

EUR	30 June 2015	31 December 2014
Bond loan issued June 2013 Amount: SEK 300,000,000 Interest: 13% New Maturity: 27 December 2018	29,785,977	31,204,435
Bond loan issued September 2013 Amount: SEK 31,000,000 Interest: 18% Maturity: 30 September 2016	2,660,653	2,569,024

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. Subsequent events after the reporting date

There were no significant events after the period.

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 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.

Estimated Remaining Collections/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 Company, divided by the weighted average number of shares during 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

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 (EBITDA or EBIT) 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

DDM Holding AG

Schochenmühlestrasse 4
CH-6340 Baar, Switzerland
+41 417 661 420

<http://www.ddm-group.ch>
investor@ddm-group.ch

