



Profit of SEK 49.5M for the year

Highlights fourth quarter 2015

- Net collections increased by 167% percent to SEK 143.9M (Q4 2014: SEK 53.8M)
- Cash EBITDA amounted to SEK 132.6M (Q4 2014: SEK 52.4M)
- Profit for the period of SEK 51.6M (Q4 2014: loss of SEK 23.8M)
- Pipeline of future transactions remains strong

Highlights 2015

- Net collections increased by 78 percent to SEK 228.6M (2014: SEK 128.1M)
- Cash EBITDA amounted to SEK 216.4 M (2014: SEK 121.2M)
- Profit for the period of SEK 49.5 M (2014: loss of SEK18.2M)

Amounts in SEK M (unless specified otherwise)	1 Oct – 31 Dec 2015	1 Oct – 31 Dec 2014	Full year 2015	Full year 2014*
Net collections	143.9	53.8	228.6	128.1
Operating expenses	(11.3)	(1.4)	(12.2)	(6.9)
Cash EBITDA	132.6	52.4	216.4	121.2
Decrease in the book value of portfolios and other long-term receivables from associates, revaluation and impairment	(51.8)	(54.4)	(99.3)	(83.9)
Operating profit / (loss) – EBIT	80.8	(2.0)	117.1	37.3
Profit / (loss) for the period	51.6	(23.8)	49.5	(18.2)
Selected key figures				
Total assets	486.6	410.9	486.6	410.9
Net debt	271.8	252.8	271.8	252.8

* 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 22 February 2016 at 8:00 a.m. CET.

Comment by the CEO

The last quarter of 2015 was marked by the signing of the largest transaction in DDM's history and the return to profitability, in line with our commentary in previous quarterly reports.

We have continued to deliver on our opportunistic investment strategy in CEE with our large Hungarian transaction in 2015. We do the transaction together with a well-reputed international capital partner, allowing us to capitalize on previous experiences and adding to DDM's already strong reputation in the region. The investment is funded largely from existing funds.

Our focus is now turned towards the implementation of this transaction and raising additional funding for further investments and growth.

Net collections in the fourth quarter of 2015 amounted to SEK 143.9M, an increase of 167% compared to fourth quarter 2014. For the full year 2015, net collections increased by 78% compared to the full year 2014.

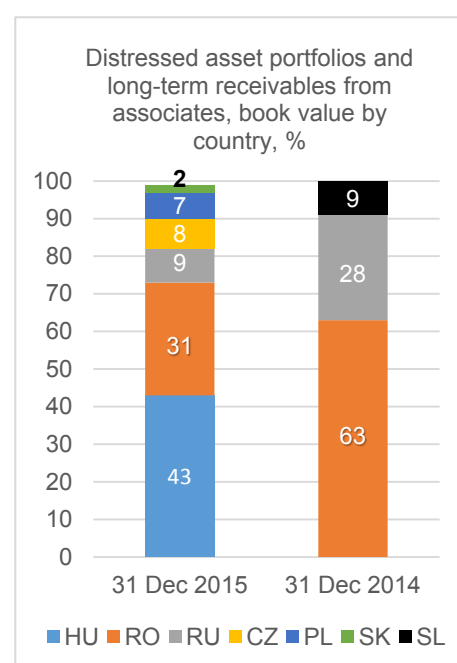
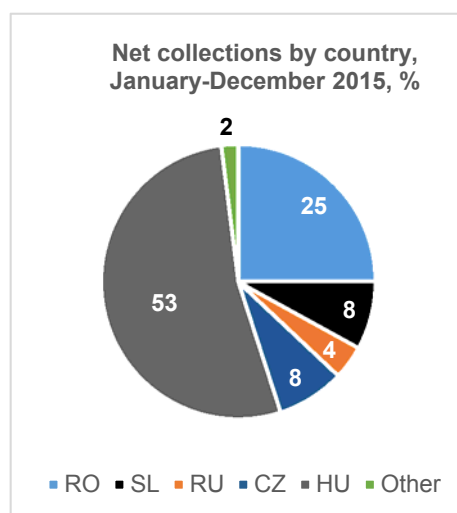
Cash EBITDA (net collections less operating expenses) during the fourth quarter amounted to SEK 132.6M, an increase of 153% compared to the same period in 2014 while for the full year 2015 it increased by 79% compared to the full year 2014. Cash flow from operating activities before working capital changes for the full year 2015 was negative SEK 77.2M, compared to positive SEK 47.3M for the full year 2014. On the back of the recent acquisition in Hungary, we expect significantly stronger operational cash flows in 2016.

We continued to manage our portfolios during the quarter and as a result at the end of the quarter we divested a portfolio in Poland that was not meeting our investment return requirements. This allows us to reinvest the funds in a portfolio that better mirrors the opportunities we see in the market and provides higher returns.

We remain very positive on the outlook for the company on the back of our strong full year results and improved financial metrics. We anticipate the strong pipeline of portfolios for sale across our region to continue and outpace industry growth in Europe as a whole. DDM is well placed to continue its rapid expansion in its investment activities.

Funding is key to continue to grow our investments and operations, and is a major focus. We aim to raise additional funding, both equity and debt, targeting a long-term and sustainable capital structure and cost. With the improved financial position on the back of the fourth quarter results we feel confident that we will be able to continue deliver according to our strategy.

More details are available on www.ddm-group.ch



*Gustav Hultgren, CEO,
DDM Treasury Sweden AB*

Significant events after the period

There were no significant events after the reporting period.

Financial calendar

During 2016, DDM Treasury Sweden AB (publ) intends to publish financial information on the following dates:

Annual Report for 2015:	31 March 2016
First quarter 2016	12 May 2016

Other financial information from DDM is available on DDM's website, www.ddm-group.ch.

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

Stockholm, 22 February 2016

Gustav Hultgren
CEO, DDM Treasury Sweden AB (publ)

Presentation of the year-end 2015 report

The year-end 2015 report and presentation material are available at www.ddm-group.ch on 22 February 2016, at 08:00 a.m. CET. CEO Gustav Hultgren and CFO Fredrik Olsson will comment on the report at a conference call on 22 February 2016, 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 90, CH: +41 445 800 075 or UK: +44 203 008 9801. Participants are advised to register via email to investor@ddm-group.ch.

Consolidated Income Statement

Amounts in SEK M	Notes	1 Oct – 31 Dec 2015	1 Oct – 31 Dec 2014	Full Year 2015	Full Year 2014*
Revenues**	2	92.1	(0.6)	129.3	44.2
Gross profit / (loss)		92.1	(0.6)	129.3	44.2
Operating expenses		(11.3)	(1.4)	(12.2)	(6.9)
Operating profit / (loss)		80.8	(2.0)	117.1	37.3
Net financial expenses		(26.7)	(23.5)	(68.1)	(55.4)
Profit / (loss) before income tax		54.1	(25.5)	49.0	(18.1)
Income tax		(2.5)	1.7	0.5	(0.1)
Profit / (loss) for the period		51.6	(23.8)	49.5	(18.2)

* Audited

** Revenues benefit from collections from acquired portfolios, however this is not reflected in the cash flows for 2015 as the cash purchase price is set off against such collections

Consolidated Statement of Other Comprehensive Income

Amounts in SEK M	1 Oct – 31 Dec 2015	1 Oct – 31 Dec 2014	Full Year 2015	Full Year 2014*
Profit / (loss) for the period	51.6	(23.8)	49.5	(18.2)
Currency translation differences	0.0	(0.4)	0.0	(0.1)
Other comprehensive income for the year, net of tax	51.6	(24.2)	49.5	(18.3)
Total comprehensive income for the period	51.6	(24.2)	49.5	(18.3)
Profit attributable to owners of the Parent Company	51.6	(24.2)	49.5	(18.3)
Total other comprehensive income for the period attributable to owners of the Parent Company	51.6	(24.2)	49.5	(18.3)
Non-controlling interest	0.0	0.0	0.0	0.0

* Audited

Consolidated Balance Sheet

Amounts in SEK M	Notes	31 December 2015	31 December 2014*
ASSETS			
<i>Non-current assets</i>			
Other long-term receivables from associates	3	158.2	0.0
Distressed asset portfolios	3	204.5	228.4
Total non-current assets		362.7	228.4
<i>Current assets</i>			
Accounts receivable		38.0	8.2
Receivables from other group companies		53.0	105.0
Prepaid expenses and accrued income		3.0	2.0
Cash and cash equivalents		29.9	67.3
Total current assets		123.9	182.5
TOTAL ASSETS		486.6	410.9
SHAREHOLDERS' EQUITY AND LIABILITIES			
<i>Shareholders' equity</i>			
Ordinary shares		0.5	0.5
Other contributed capital		124.2	37.5
Reserves		0.3	0.3
Retained earnings, incl. net earnings for the period		(14.2)	(6.8)
Total shareholders' equity attributable to Parent Company's shareholders		110.8	31.6
LIABILITIES			
<i>Non-current liabilities</i>			
Bond loan		277.0	320.1
Total non-current liabilities		277.0	320.1
<i>Current liabilities</i>			
Accounts payable		40.0	1.6
Bond loan		24.7	0.0
Liabilities to other group companies		0.0	27.5
Other liabilities		6.5	4.2
Accrued expenses and deferred income		27.6	25.9
Total current liabilities		98.8	59.2
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		486.6	410.9

* Audited

Consolidated Cash Flow Statement

Amounts in SEK M	Full Year 2015	Full Year 2014*
Cash flow operating activities		
Operating profit / (loss)	117.1	37.3
<i>Adjustments for non-cash items, etc</i>		
<i>Reversal of depreciation and amortization</i>	57.8	94.2
<i>Revaluation and impairment of distressed asset portfolios and other long-term receivables from associates</i>	41.4	(10.3)
<i>Other items not affecting cash**</i>	(220.1)	(31.4)
Interest received	0.0	0.9
Interest paid	(73.4)	(43.3)
Cash flow from operating activities before working capital changes	(77.2)	47.3
<u>Working capital adjustments</u>		
Increase / (decrease) in accounts receivable	(29.8)	(3.0)
Increase / (decrease) in other receivables	53.0	(90.0)
Increase / (decrease) in accounts payable	38.4	1.6
Increase / (decrease) in other current liabilities	(0.6)	29.7
Net cash flow from operating activities	(16.2)	(14.4)
Cash flow from investing activities		
Purchase of investments	(5.5)	0.0
Portfolio acquisitions	(15.8)	(53.2)
Net cash flow received / (used) in investing activities	(21.3)	(53.2)
Cash flow from financing activities		
Increase in other contributed capital	0.0	13.1
Net cash flow received / (used) in financing activities	0.0	13.1
Cash flow for the period	(37.5)	(54.5)
Cash and cash equivalents less bank overdrafts at beginning of period	67.3	121.8
Exchange gains / (losses) on cash and cash equivalents	0.1	0.0
Cash and cash equivalents less bank overdrafts at end of period	29.9	67.3

* Audited

** Operating profit benefits from collections from acquired portfolios, however this is not reflected in the cash flows for 2015 as the cash purchase price is set off against such collections

Consolidated Statement of Changes in Equity

Amounts in SEK M	Share capital	Other contributed capital	Reserves	Profit or loss brought forward	Total equity
Balance at 1 January 2014	0.5	24.3	0.0	11.7	36.5
Comprehensive income					
Profit / (loss) for the period	0.0	0.0	0.0	(18.2)	(18.2)
Other comprehensive income					
Currency translation differences / reserves	0.0	0.0	(0.1)	0.0	(0.1)
Total comprehensive income	0.0	0.0	(0.1)	(18.2)	(18.3)
<i>Transactions with owners</i>					
Legal reserve	0.0	0.0	0.4	(0.4)	0.0
Borrowings from related parties, equity part	0.0	13.2	0.0	0.0	13.2
Total transactions with owners	0.0	13.2	0.4	(0.4)	13.2
Balance at 31 December 2014*	0.5	37.5	0.3	(6.8)	31.6
Balance at 1 January 2015	0.5	37.5	0.3	(6.8)	31.6
Comprehensive income					
Profit / (loss) for the period	0.0	0.0	0.0	49.5	49.5
Other comprehensive income					
Recognition of accumulated losses of subsidiaries	0.0	0.0	0.0	(57.0)	(57.0)
Currency translation differences / reserves	0.0	0.0	0.0	0.1	0.1
Total comprehensive income	0.0	0.0	0.0	(7.4)	(7.4)
<i>Transactions with owners</i>					
Legal reserve					
Subordinated loans	0.0	86.7	0.0	0.0	86.7
Total transactions with owners	0.0	86.7	0.0	0.0	86.7
Balance at 31 Dec 2015	0.5	124.2	0.3	(14.2)	110.9

* Audited

Parent Company – Income Statement

Amounts in SEK M	1 Oct – 31 Dec 2015	1 Oct – 31 Dec 2014	Full Year 2015	Full Year 2014*
Revenues (including dividend)	0.2	5.7	11.6	5.7
Operating expenses	3.8	(0.5)	(4.6)	(3.4)
Operating profit / (loss)	4.0	5.2	7.0	2.3
Finance income	11.5	6.9	45.7	45.0
Finance costs	(13.4)	(12.1)	(50.6)	(47.0)
Profit / (loss) from financial items	(1.9)	(5.2)	(4.9)	(2.0)
Profit / (loss) before income tax	2.1	0.0	2.1	0.3
Current tax expense	0.0	0.0	0.0	(0.1)
Profit / (loss) for the period	2.1	0.0	2.1	0.2

Parent Company – Statement of Other Comprehensive Income

Amounts in SEK M	1 Oct – 31 Dec 2015	1 Oct – 31 Dec 2014	Full Year 2015	Full Year 2014*
Profit / (loss) for the period	2.1	0.0	2.1	0.2
Other comprehensive income for the year, net of tax				
Items that will not be reclassified to profit or loss:				
Items that may be subsequently reclassified to profit:				
	0.0	0.0	0.0	0.0
	0.0	0.0	0.0	0.0
Total comprehensive income for the period, net of tax	0.0	0.0	0.0	0.0
Total other comprehensive income for the period	2.1	0.0	2.1	0.2

* Audited

Parent Company – Statement of Financial Position

Amounts in SEK M	31 December 2015	31 December 2014*
ASSETS		
<i>Non-current assets</i>		
Shares in group companies	5.6	0.7
Receivables from group companies	312.9	312.8
Total non-current assets	318.5	313.5
<i>Current assets</i>		
Receivables from group companies	204.9	14.3
Prepaid expenses and accrued income	36.2	0.0
Cash and cash equivalents (excluding bank overdrafts)	28.0	22.3
Total current assets	269.1	36.6
TOTAL ASSETS	587.6	350.1
SHAREHOLDERS' EQUITY AND LIABILITIES		
<i>Shareholders' equity</i>		
Ordinary shares	0.5	0.5
Retained earnings, incl. net earnings for the period	2.5	0.3
Total equity	3.0	0.8
LIABILITIES		
<i>Non-current liabilities</i>		
Bond loan	277.0	320.1
Total non-current liabilities	277.0	320.1
<i>Current liabilities</i>		
Accounts payable	5.4	0.1
Liabilities to group companies	254.3	7.2
Bond loan	24.7	0.0
Other liabilities	0.0	0.5
Accrued expenses and deferred income	23.2	21.4
Total current liabilities	307.6	29.2
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	587.6	350.1

* Audited

Parent Company – Cash Flow Statement

Amounts in SEK M	Full Year 2015	Full Year 2014*
Cash flow operating activities		
Operating profit / (loss)	7.0	2.3
Interest received	45.7	44.9
Interest paid	(50.6)	(47.0)
Other items not affecting cash	(4.8)	0.0
Cash flow from operating activities before working capital changes	(2.7)	0.2
<u>Working capital adjustments</u>		
Increase / (decrease) in other receivables	197.5	2.3
Increase / (decrease) in accounts payable	0.0	0.1
Increase / (decrease) in other current liabilities	1.9	3.2
Net cash flow from operating activities	196.7	5.8
Cash flow from investing activities		
Loan to group companies	(191.0)	(90.2)
Net cash flow received / (used) in investing activities	(191.0)	(90.2)
Cash flow from financing activities		
Borrowings	0.0	0.0
Net cash flow received / (used) in financing activities	0.0	0.0
Cash flow for the period	5.7	(84.4)
Cash and cash equivalents less bank overdrafts at beginning of period	22.3	106.7
Cash and cash equivalents less bank overdrafts at end of period	28.0	22.3

* 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
Balance at 1 January 2014	0.5	0.0	0.1	0.6
<i>Comprehensive income</i>				
Profit / (loss) for the period	0.0	0.0	0.2	0.2
<i>Other comprehensive income</i>				
Total comprehensive income	0.0	0.0	0.2	0.2
<i>Transactions with owners</i>				
Total transactions with owners	0.0	0.0	0.0	0.0
Balance at 31 December 2014*	0.5	0.0	0.3	0.8
Balance at 1 January 2015	0.5	0.0	0.3	0.8
<i>Comprehensive income</i>				
Profit / (loss) for the period	0.0	0.0	2.1	2.1
<i>Other comprehensive income</i>				
Total comprehensive income	0.0	0.0	2.1	2.1
<i>Transactions with owners</i>				
Total transactions with owners	0.0	0.0	0.0	0.0
Balance at 31 December 2015	0.5	0.0	2.4	2.9

* Audited

Notes

Note 1. General information

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

DDM Treasury was founded in 2013 as a wholly owned subsidiary of DDM Group AG, Baar, Switzerland. DDM Invest XX AG is wholly owned subsidiary of DDM Treasury. On the 23rd June 2015 DDM Invest I AG, DDM Invest II AG, DDM Invest III AG, DDM Invest IV AG and DDM Invest X AG, Baar, Switzerland were acquired by DDM Treasury Sweden AB. They are wholly owned subsidiaries, therefore this acquisition was not considered as a business combination according to IFRS 3, as the transaction was done during the ordinary course of business among entities which are under common control of DDM Holding AG.

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

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

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

Rounding differences might occur.

Note 2. Revenue by region

Income from distressed debt portfolios and other long-term receivables from associates 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	Full-year 2015	Full-year 2014
Hungary	122.0	0.0
Romania	57.1	65.1
Slovenia	18.6	31.4
Russia	9.4	31.6
Czech Republic	18.9	0.0
Poland	1.8	0.0
Slovakia	0.8	0.0
Net collections from distressed asset portfolios	228.6	128.1
Amortization of purchased distressed asset portfolios and other long-term receivables from associates	(57.8)	(94.2)
Interest income on acquired distressed asset portfolios	170.8	33.9
Revaluation and impairment of distressed asset portfolios and other long-term receivables from associates	(41.4)	10.3
Revenue	129.3	44.2

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

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

DDM Group focuses mainly on distressed consumer and bank debts where the debtor has not serviced its debt for 1–5 years. DDM Group acquires its portfolios from financial institutions at a discount. Such discount gives DDM Group room to negotiate realistic instalment plans with debtors. DDM Group targets portfolios with a market value of EUR 3–30 million.

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

Note 3. Distressed asset portfolios and other long-term receivables from associates

SEK M	31 December 2015	31 December 2014
Opening accumulated acquisition cost at the beginning of the year	311.6	248.5
Distressed asset portfolios, including foreign exchange differences	33.9	63.1
Acquisition of other long-term receivables from associates	158.2	
Closing accumulated acquisition cost at the end of the period	503.7	311.6
Opening accumulated amortization at the beginning of the year	(83.2)	(8.9)
Amortization for the period, including foreign exchange differences	(57.8)	(74.3)
Closing accumulated amortization at the end of the period	(141.0)	(83.2)
Closing net book value at the end of the period	362.7	228.4

DDM assesses at each reporting date whether there is objective evidence that a portfolio/receivable is impaired. A portfolio/receivable 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/receivable 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 "Revaluation and impairment").

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

Net collection by currencies on distressed asset portfolios and long-term receivables from associates are distributed as follows:

SEK M	1 Jan–31 Dec 2015	1 Jan–31 Dec 2014
HUF	122.0	0.0
EUR	51.4	69.8
RUB	9.4	31.5
RON	25.9	27.0
CZK	18.9	0.0
Other (MKD, USD, PLN, CHF)	1.0	(0.2)
Total	228.6	128.1

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

SEK M	As at 31 Dec 2015	As at 31 Dec 2014
HUF	158.2	0.0
EUR	73.6	106.1
RUB	33.4	64.7
RON	41.5	57.5
PLN	12.3	0.0
CZK	29.5	0.0
CHF	13.8	0.0
Other (USD, MKD)	0.4	0.1
Total	362.7	228.4

Note 4. Borrowings

The Group has outstanding bonds. A bond loan was issued in June 2013, amounting to SEK 300,000,000 at 13% interest, with maturity date June 26, 2016 by Treasury Sweden AB ("DDM Treasury"). On May 18, 2015, DDM Treasury initiated

a written procedure to allow noteholders to vote on a restatement and certain amendments to the existing terms and conditions.

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

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

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

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

Long-term liabilities

Group SEK M	31 Dec 2015	31 Dec 2014
Bond loan	277.0	320.1
Total	277.0	320.1

Maturities of long-term borrowing

Group SEK M	31 Dec 2015	31 Dec 2014
Between 1 and 2 years	0.0	320.1
Between 2 and 3 years	277.0	0.0
Between 3 and 4 years	0.0	0.0
Between 4 and 5 years	0.0	0.0
Total	277.0	320.1

Long-term liabilities

Parent Company SEK M	31 Dec 2015	31 Dec 2014
Bond loan	277.0	320.1
Total	277.0	320.1

Maturities of long-term borrowing

Parent Company SEK M	31 Dec 2015	31 Dec 2014
Between 1 and 2 years	0.0	320.1
Between 2 and 3 years	277.0	0.0
Between 3 and 4 years	0.0	0.0
Between 4 and 5 years	0.0	0.0
Total	277.0	320.1

Note 5. Participations in Group companies

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

The Parent Company holds shares in the following subsidiaries:

SEK M Company	Domicile	31 Dec 2015	Proportion of equity	Net book value 31 Dec 2015	31 Dec 2014
DDM Invest XX AG	Switzerland	100%	100	0.7	0.7
DDM Invest I AG	Switzerland	100%	100	1.4	–
DDM Invest II AG	Switzerland	100%	100	0.6	–
DDM Invest III AG	Switzerland	100%	100	0.6	–
DDM Invest IV AG	Switzerland	100%	100	0.8	–
DDM Invest X AG	Switzerland	100%	100	1.5	–
Net book amount				5.6	0.7

Note 6. Subsequent events

There were no significant events after the period.

Definitions

DDM

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

Amortization of portfolios

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

Cash EBITDA

Net collections less operating expenses.

EBITDA

Earnings before interest, taxes, depreciation of fixed assets and amortization of intangible 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.

Net collections

Gross collection in respect of the debt portfolios held by DDM minus commission to collection agencies.

Net debt

Long-term and short-term loans, liabilities to credit institutions (bank overdrafts) less cash and cash equivalents.

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 & repairs and maintenance expenses.

Revaluation of portfolios

Portfolios are reviewed at each reporting date and revalued if there is objective evidence that one or more events have taken place that will have a positive or negative impact on future cash flows.

About DDM

DDM Treasury AB (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, currently managing 2.3 million receivables with a nominal value of over EUR 2 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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