



Landmark transaction, strong results and significant loan repayments

10 November 2016

Q3 Interim report (1 July – 30 September 2016)

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

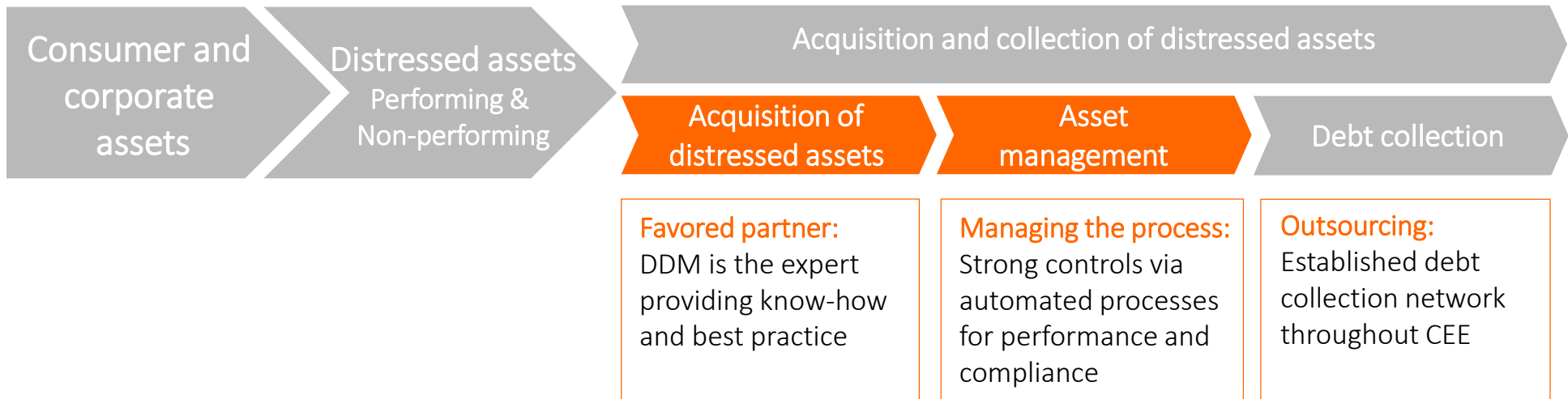
DDM Holding AG (Nasdaq First North Stockholm: DDM) and
DDM Treasury Sweden AB (publ) (NGM: DDM1)



Company overview

Key developments

Financial recap January – September 2016



Deal sourcing: Opportunistic approach the key value driver, both for profitability and growth

Relations: Strong relationships across the region and a credible buyer

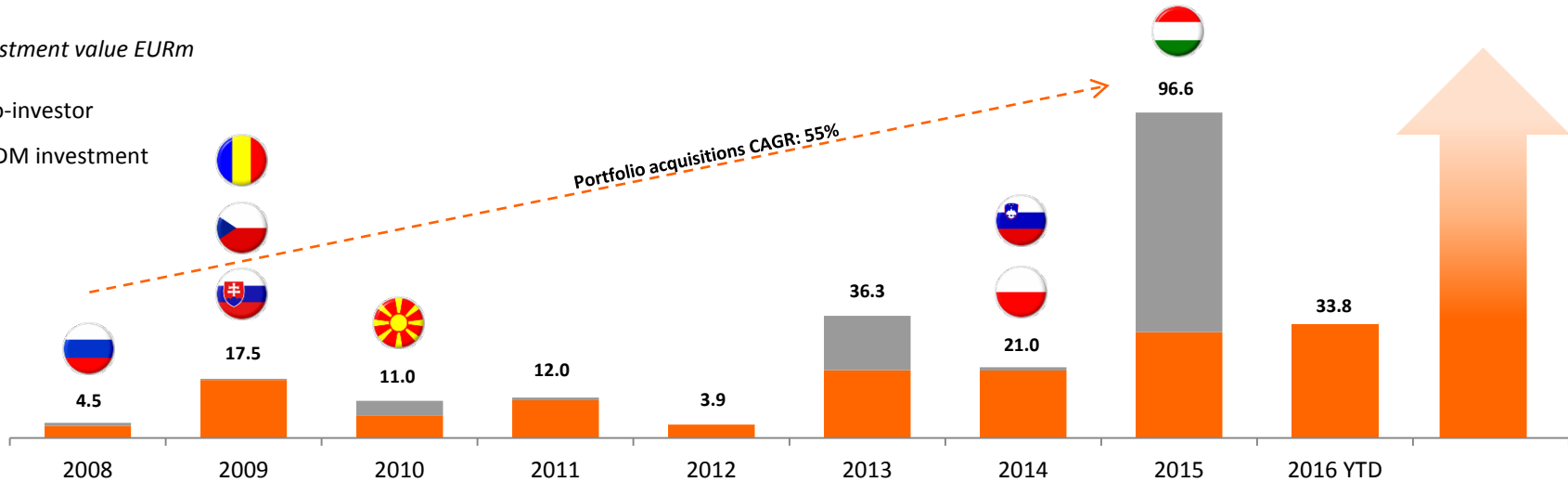
Processes: DDM manages the collection process through its proprietary IT system and outsources collections to the optimal partner

Scalability: Cross regional relationships for quick market entry and flexibility

Company | Proven track record and roadmap

Investment value EURm

■ Co-investor
■ DDM investment



Start up phase	Build up phase	Scale up phase	Growth (target pipeline)
<p>2007: DDM founded</p> <p>2008: First external funding and initial investments made in Russia</p>	<p>2009-2012: Build up of team, processes and IT system FUSION. DDM headcount from 3 to 10+ people, acquired 50 portfolios</p> <p>2009: Enters Romania, Czech Republic and Slovakia</p> <p>2010: Enters Macedonia</p>	<p>2013: First bond issue of SEK 300m</p> <p>Starts co-investment discussions with a leading global financial institution</p> <p>2014: IPO on Nasdaq OMX First North</p> <p>Ruble crisis</p> <p>Enters Poland and Slovenia</p>	<p>2015: Enters Hungary with two landmark transactions</p> <p>2016 roadmap, financial and operational target:</p> <ul style="list-style-type: none"> Share capital increase of approx. EUR 7M (approx. SEK 65M) before transaction costs First Euro denominated bond of EUR 11M issued Completes landmark transaction in Slovenia Capitalize on strong market opportunities in CEE reflected in current pipeline Continued focus on growth and lowering cost of capital

Agenda

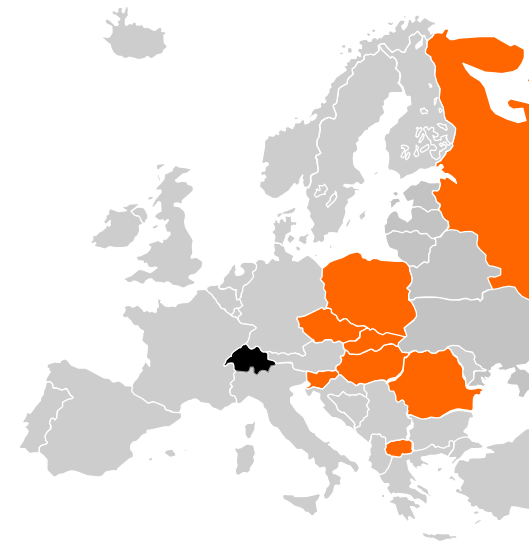
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Summarizing the quarter

- Landmark portfolio acquisition in Slovenia in July
 - Largest portfolio acquired by DDM where we retain 100% of the economic upside
 - Portfolio consists of non-performing banking claims, comprised of both secured and unsecured pools
- New EUR-denominated bond of EUR 11M at 13% interest issued in July, of which approx. EUR 3M was repaid in the quarter
- Cash flows were significantly stronger following the acquisition in Slovenia
- Significant loan repayments of approximately EUR 8M, including the redemption of the 18% subordinated notes, decreasing future financial expenses

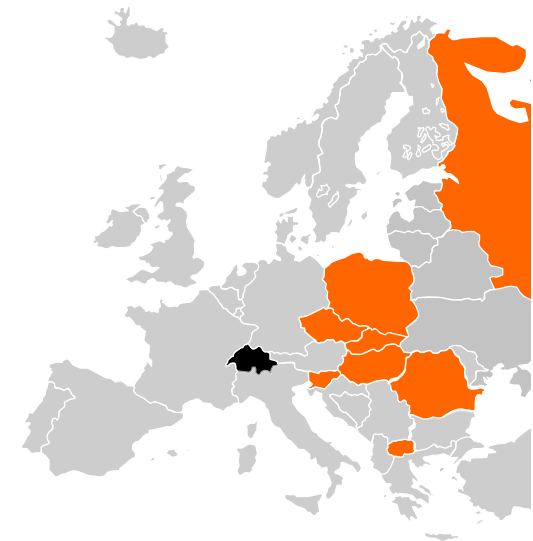


- Company headquarters in Switzerland
- Invested markets



Since the end of the quarter

- Continued strong performance from cornerstone portfolios
 - Operational strength in management of portfolios
- Funding continues to be a key focus to sustain growth
 - Mix of debt and equity
- Future investments
 - Continuing, significant pipeline
 - Preparations for transaction-closing following new funding
 - Investment target of EUR 50M+ for 2017



- Company headquarters in Switzerland
- Invested markets

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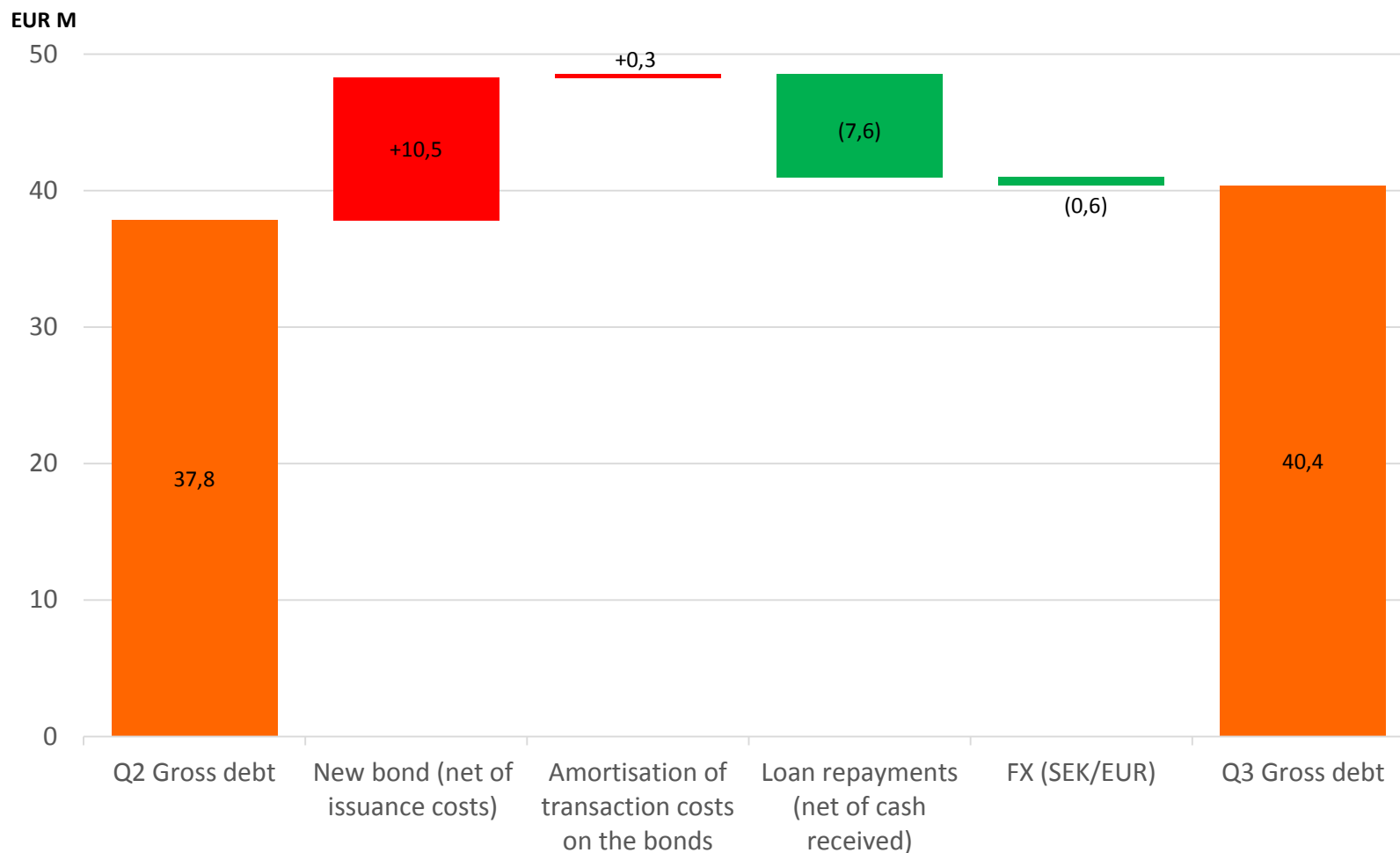


EUR M	Q3 2016	Q3 2015	Change, %	9M 2016	9M 2015	Change, %	Full-year 2015
Net collections	10.4	2.4	+330	23.8	11.6	+104	27.5
Cash EBITDA	9.3	1.1	+748	20.5	7.5	+172	21.7
Operating profit	4.9	0.4	+1144	6.9	1.8	+273	10.0
Profit / (loss) for the period	3.9	(1.6)	n/a	3.5	(2.9)	n/a	1.8
Cash flow from operating activities before working capital changes	6.0	(2.2)	n/a	13.2	1.8	+652	(2.5)

EUR M	30 September 2016	31 December 2015	Change, %
Total assets	64.0	55.2	+16
Cash and cash equivalents	3.3	3.4	-3
Distressed asset portfolios and other long-term receivables from investments	49.5	40.6	+22
Total shareholders' equity and liabilities	64.0	55.2	+16
Total liabilities	45.7	46.9	-3
Total shareholders' equity	18.3	8.3	+121
Net Debt*	37.2	33.4	+11
	30 September 2016	31 December 2015	Change, %
Gross ERC 120 months	89.6	72.2	+24
Interest coverage ratio **	4.9x	4.3x	+14

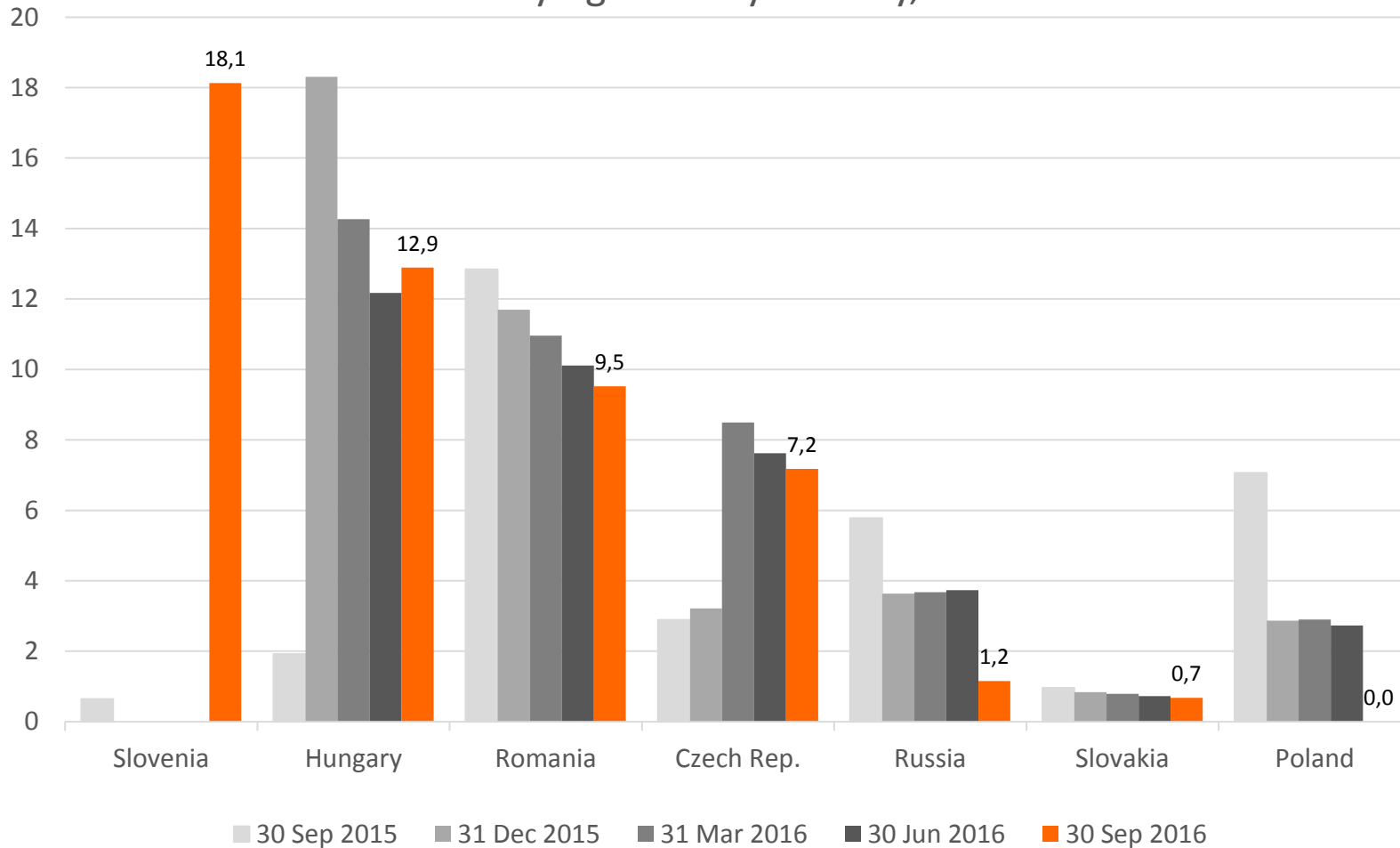
* Long-term and short-term loans, liabilities to credit institutions (bank overdrafts) minus cash and cash equivalents

** EBITDA to interest expense ratio (includes non-cash collections)



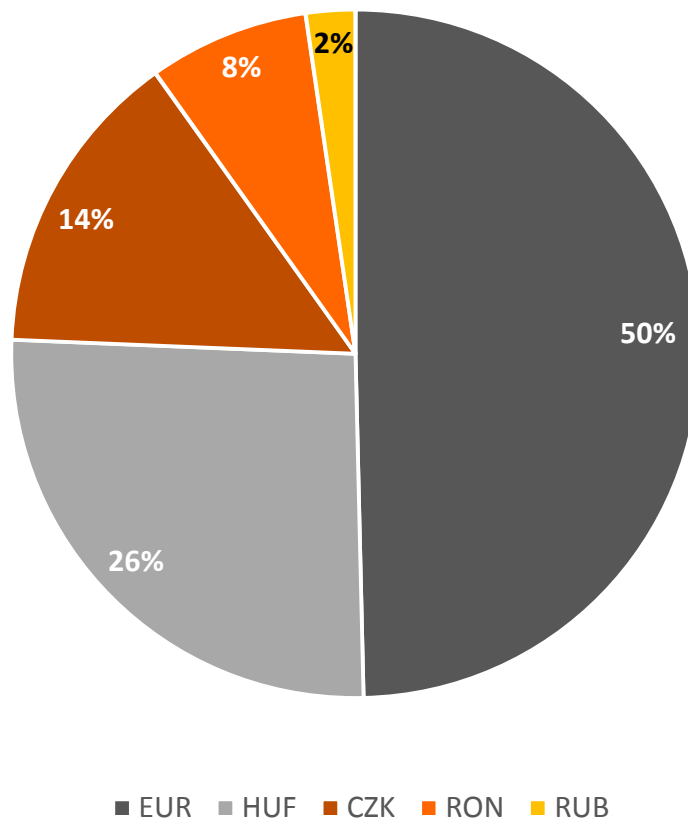


Carrying value by country, EUR M



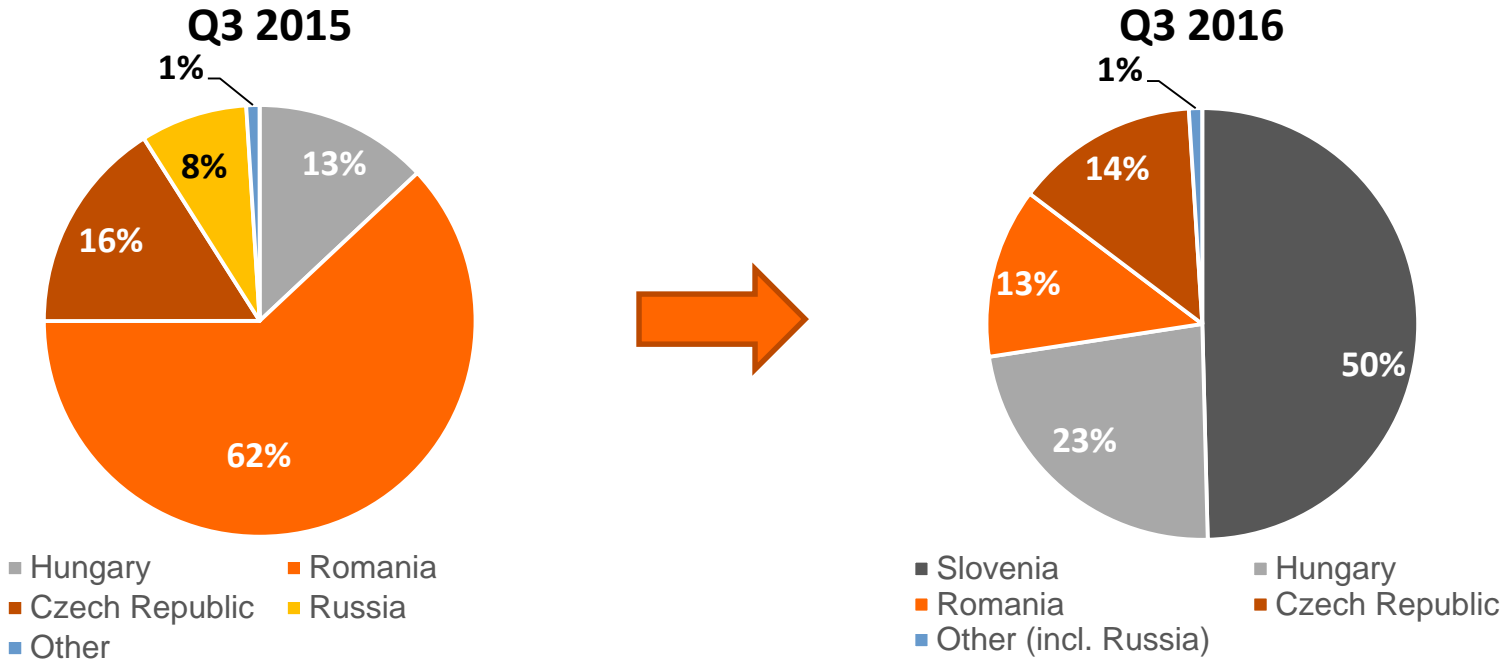
DDM | About 50% of the portfolio book value is EUR denominated

Carrying value by currency, % of total



Opportunistic deal focus on the Eastern European region
changing composition of collections

Net collections by country, %
Q3 2015 vs. Q3 2016



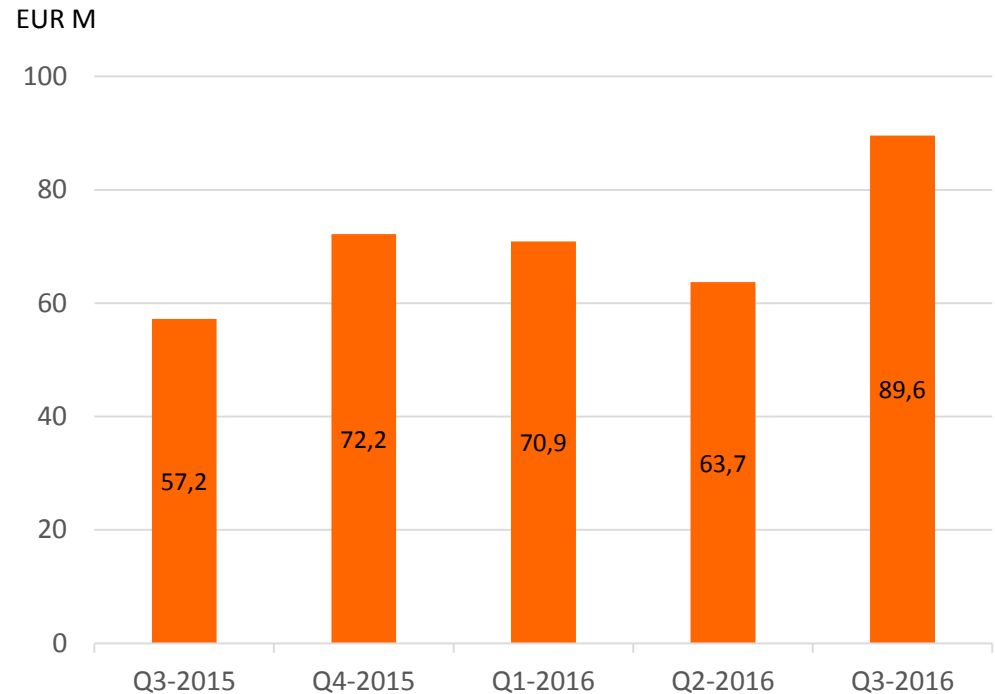
Operating expenses increased slightly following the acquisition in Slovenia



Estimated Remaining Collections (ERC)

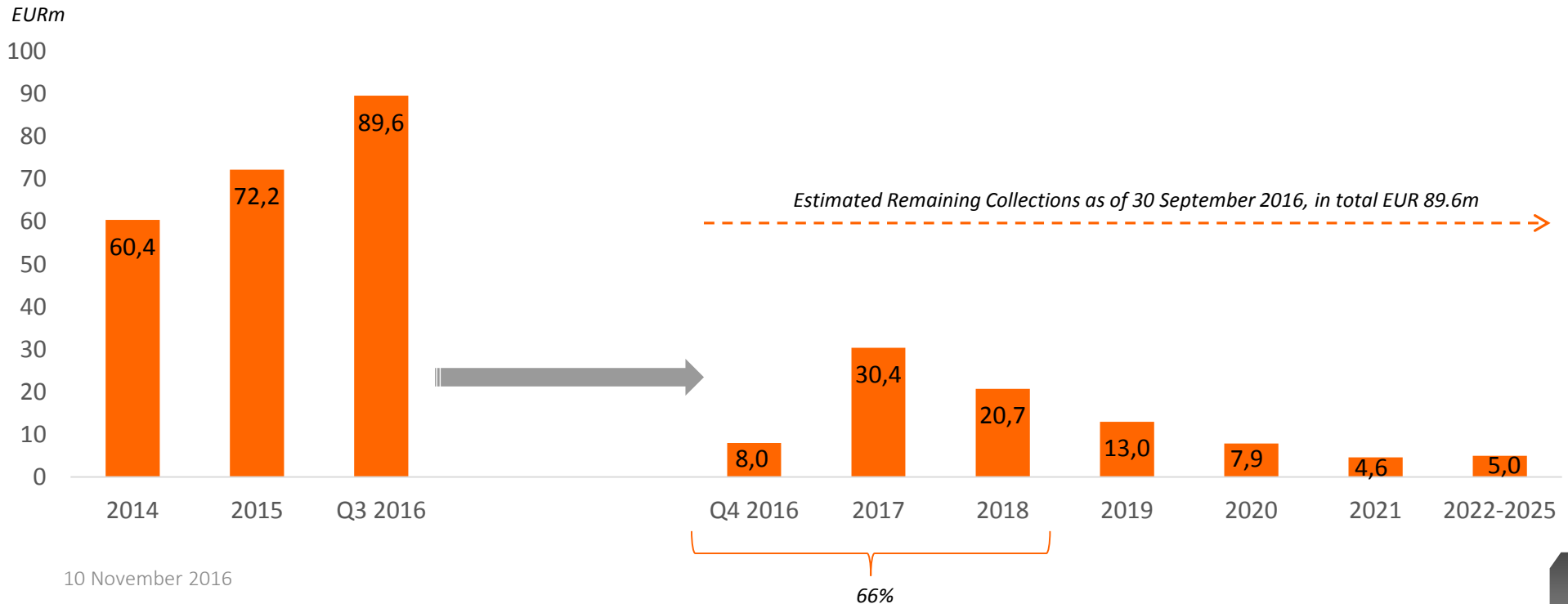
Estimated Remaining Collections refers to the sum of all future projected cash collections from acquired portfolios.

- +57% vs. Q3 2015
- Continued focus on growth
- Primary KPI for portfolio growth
- Industry measure



Historic 120-months gross ERC and projected future collection on existing portfolios, Q3 2016

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



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

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

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

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



Guidance	<i>Portfolio investments to exceed EUR 30m during financial year 2016</i>
9M 2016	<i>Portfolio investments of EUR 33.8M</i>
Financial targets	<i>Maintain an EBIT margin (LTM EBIT / LTM Revenue on invested assets and Revenue from management fees) above 50%</i> <i>Gross Estimated Remaining Collections (ERC) growth year-on-year above 25%</i>
LTM Q3 2016	<i>EBIT margin of 71%</i> <i>Gross ERC growth year-on-year of 57%</i>

LTM = Last twelve months

10 November 2016

Guidance

Portfolio investments to exceed EUR 50m for 2017

Operating expenses of EUR 5.6m for 2017

Financial targets

Maintain an EBIT margin (LTM EBIT / LTM Revenue on invested assets and Revenue from management fees) above 50%

Gross Estimated Remaining Collections (ERC) growth year-on-year above 25%

- Landmark transaction in Slovenia in July
- Issued new bond of EUR 11M in July
- Cash flows were significantly stronger following the acquisition in Slovenia
- Significant loan repayments of approximately EUR 8M
- Further equity and debt funding required to sustain growth

Year-end 2016 report expected to be published on 28 February 2017
Annual report 2016 expected to be published on 31 March 2017



DDM Holding AG
Schochenmühlestrasse 4
CH-6340 Baar
Switzerland
Telephone: +41 41 766 1420
investor@ddm-group.ch

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