



Net profit of EUR 5.3 million and strong cash flows for the year

28 February 2017

Year-end 2016 report

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

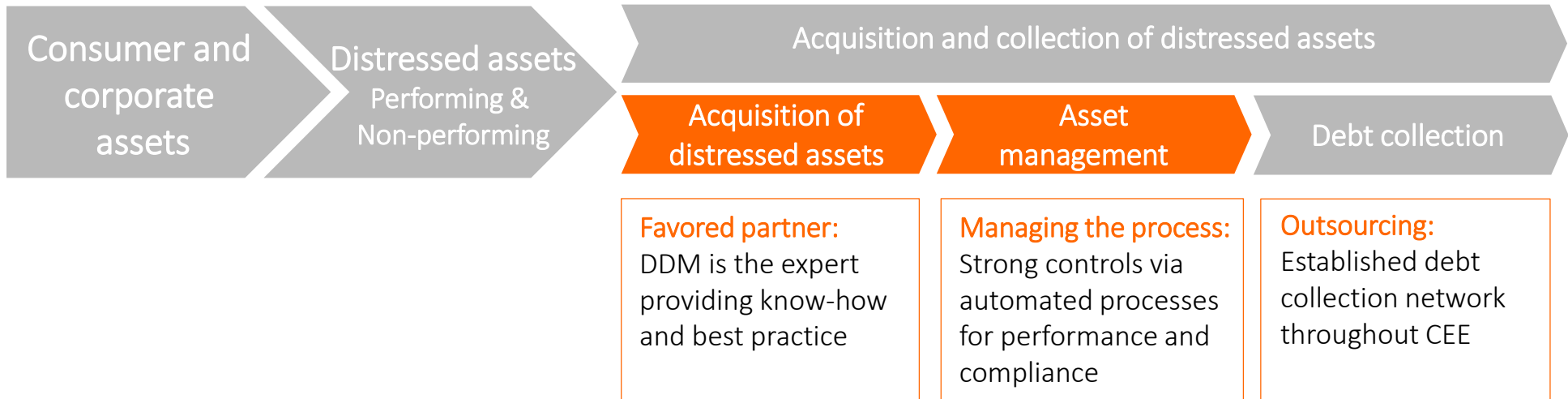
DDM Holding AG (Nasdaq First North Stockholm: DDM) and
DDM Treasury Sweden AB (publ) (NGM: DDM1)



Company overview

Key developments

Financial recap 2016



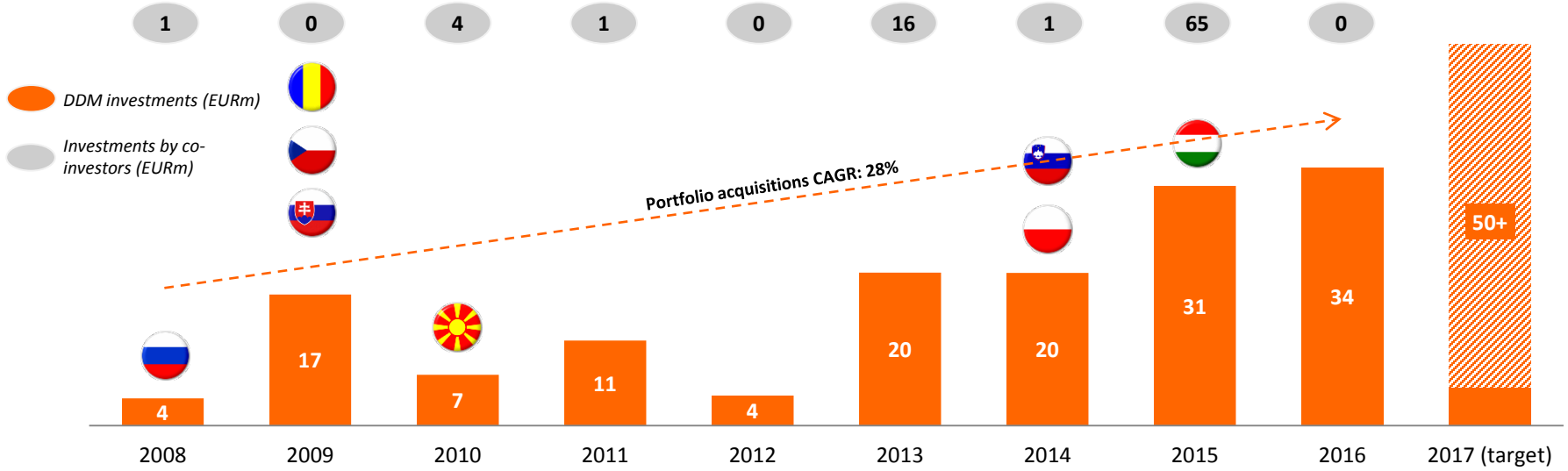
Deal sourcing: Opportunistic approach the key value driver, both for profitability and growth

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



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 Starts co-investment discussions with a leading global financial institution</p> <p>2014: IPO on Nasdaq First North Ruble crisis Enters Poland and Slovenia</p>	<p>2015: Enters Hungary with two landmark transactions</p> <p>2016 July: Share capital increase of approx. EUR 7m and first Euro bond of EUR 11m issued New landmark transaction in Slovenia</p> <p>2017 roadmap: Refinanced existing debt with EUR 50m bond at 9.5% Proposed share issue with pre-emptive subscription rights of up to SEK 104m (approximately EUR 11m) Continued focus on funding growth and lowering cost of capital Capitalise on strong market opportunities in Central and Eastern Europe reflected in current pipeline</p>

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Summarizing the quarter

- Continued strong performance from cornerstone portfolios
 - Operational strength in management of portfolios
- Further loan repayments of approx. EUR 1.6M
 - A further EUR 3.4M was repaid in January 2017
- Cash flows continued to be significantly stronger following the acquisition in Slovenia



■ Company headquarters in Switzerland

■ Invested markets



Summarizing the year

- 1,940,298 new shares were issued in a share capital increase, resulting in total cash proceeds of approx. EUR 7M (approx. SEK 65M) before transaction costs
- New EUR-denominated bond of EUR 11M at 13% interest issued in July
- Landmark portfolio acquisition in Slovenia in July
- Strong performance from recent acquisitions, resulting in significant cash flows
- Loan repayments of approx. EUR 9.2M in H2 2016



■ Company headquarters in Switzerland
■ Invested markets

Since the end of the year

- Further loan repayments of approx. EUR 3.4M were made in January
- Further portfolio acquisition in the Czech Republic
 - This was the third portfolio that we have acquired from the seller, confirming DDM's reputation as a trustworthy buyer
- EUR 50M of senior secured bonds at 9.5% were issued by DDM Debt AB in January
 - Used to refinance existing debt within the DDM Group
 - Future portfolio acquisitions
- Proposed share issue with pre-emptive subscription rights of up to SEK 104M (approximately EUR 11M) to facilitate the issuance of more debt and support future growth
- Future investments
 - Preparations for transaction-closing following new funding
 - Investment target of EUR 50M+ for 2017



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Financial recap 2016

EUR M	Q4 2016	Q4 2015	Change, %	Full Year 2016	Full Year 2015	Change, %
Net collections	10.4	15.9	-34	34.2	27.5	+24
Cash EBITDA	8.7	14.2	-38	29.3	21.7	+35
Operating profit	3.0	8.1	-63	9.8	10.0	-1
Net profit for the period	1.9	4.8	-61	5.3	1.8	+189
Cash flow from operating activities before working capital changes	7.0	(4.3)	n/a	20.2	(2.5)	n/a

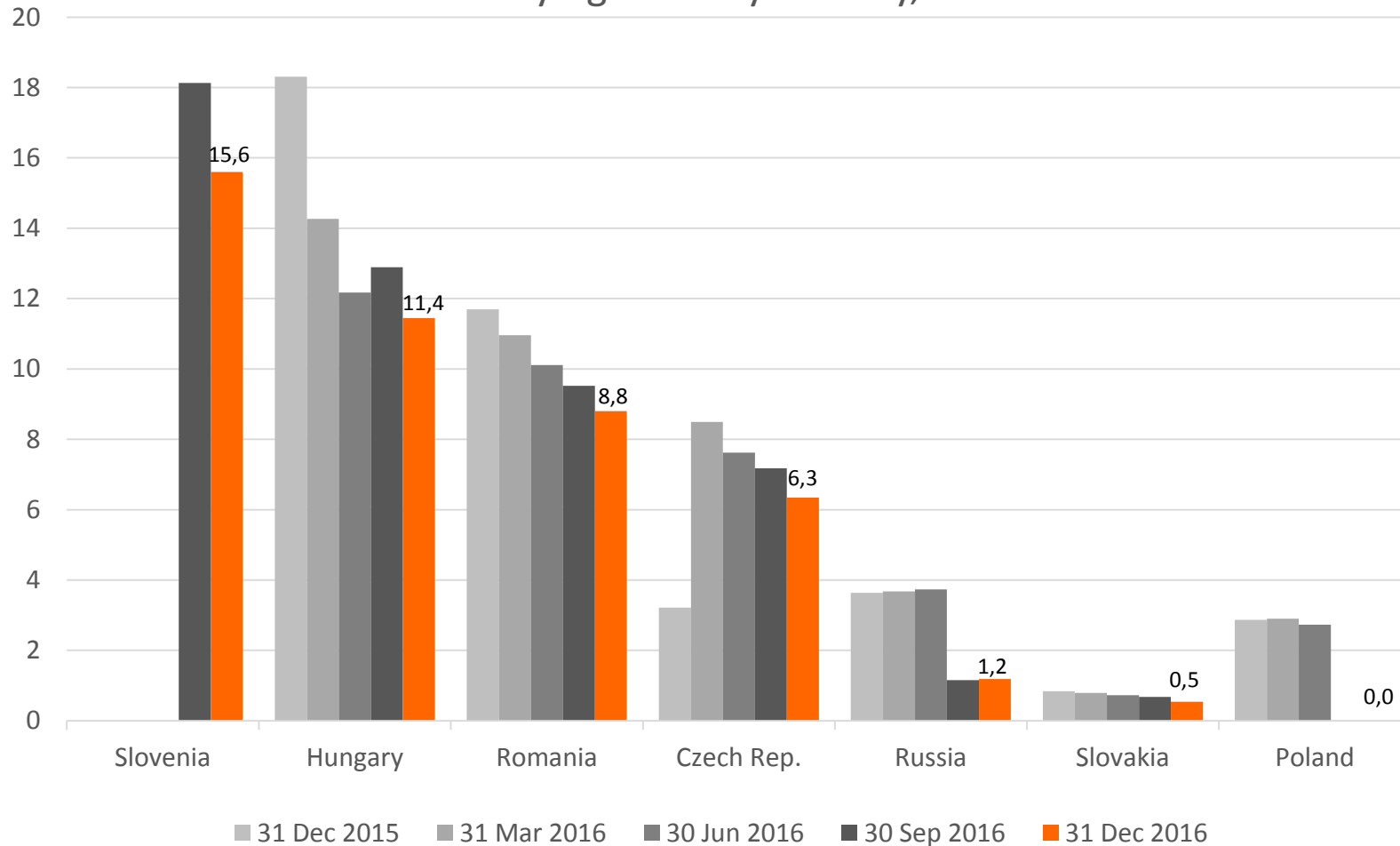
EUR M	31 December 2016	31 December 2015	Change, %
Total assets	66.4	55.2	+20
Cash and cash equivalents	10.6	3.4	+213
Distressed asset portfolios and other long-term receivables from investments	43.9	40.6	+8
Total shareholders' equity and liabilities	66.4	55.2	+20
Total liabilities	45.8	46.9	-2
Total shareholders' equity	20.6	8.3	+148
Net Debt*	28.8	33.4	-14
	31 December 2016	31 December 2015	Change, %
Gross ERC 120 months	79.6	72.2	+11
Interest coverage ratio **	5.4x	4.3x	+24

* 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)

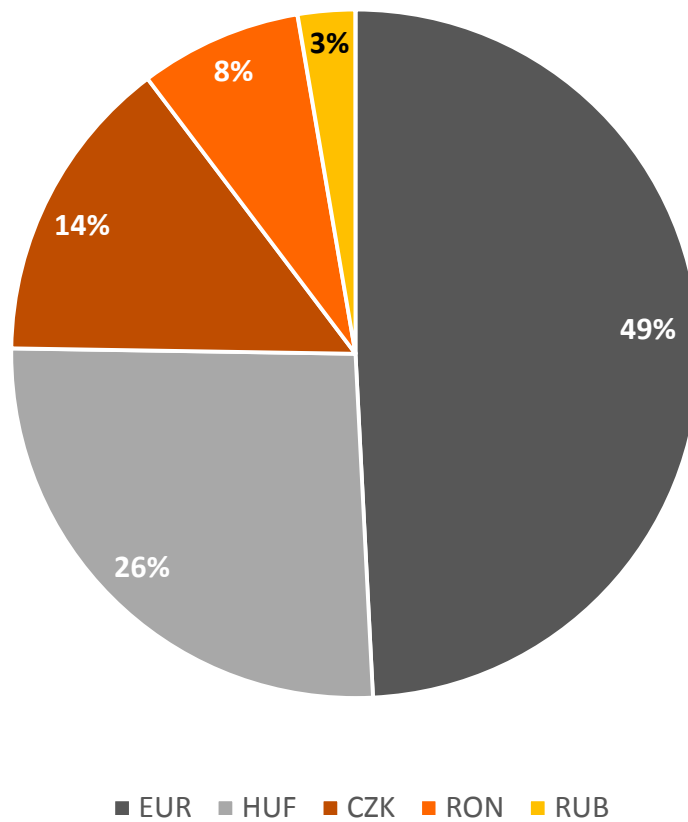


Carrying value by country, EUR M

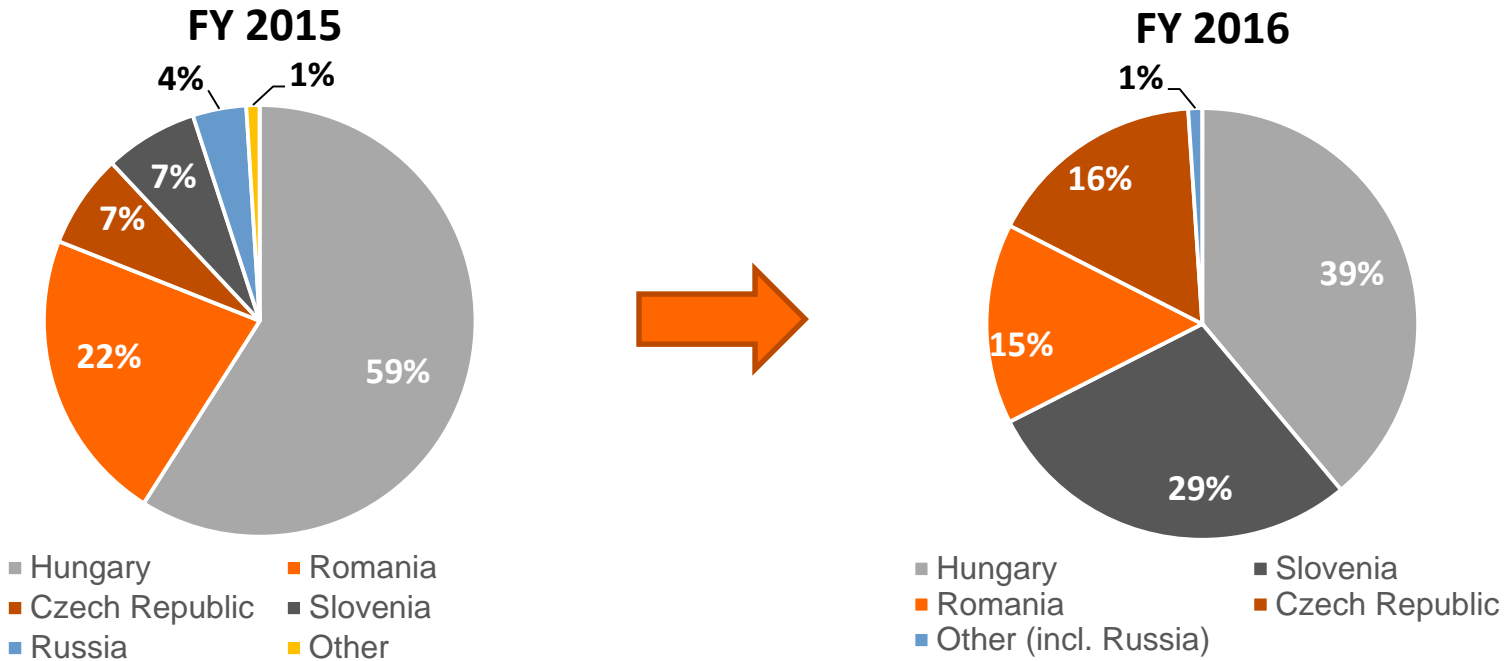


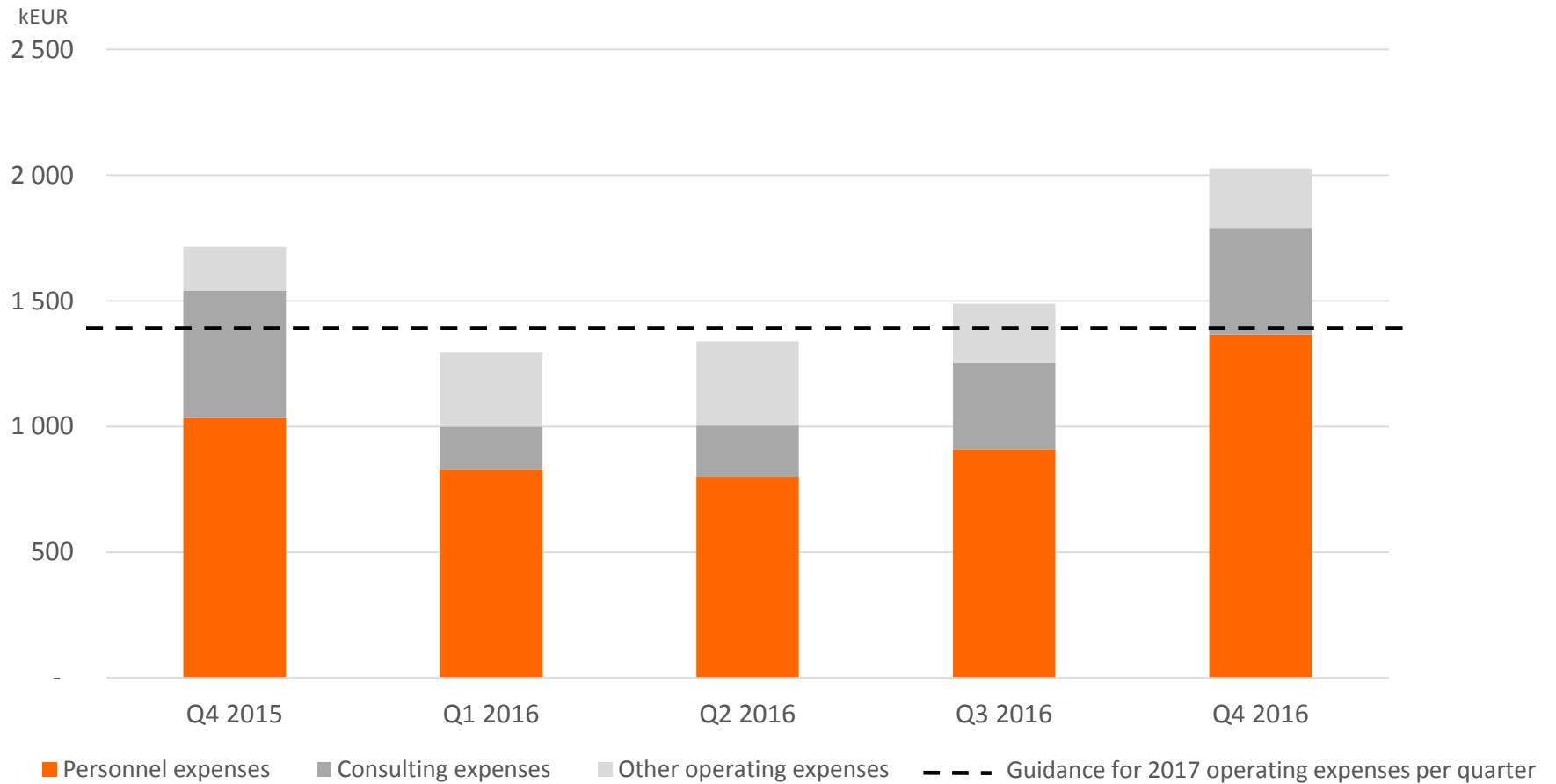
DDM | Almost 50% of the portfolio
book value is EUR denominated

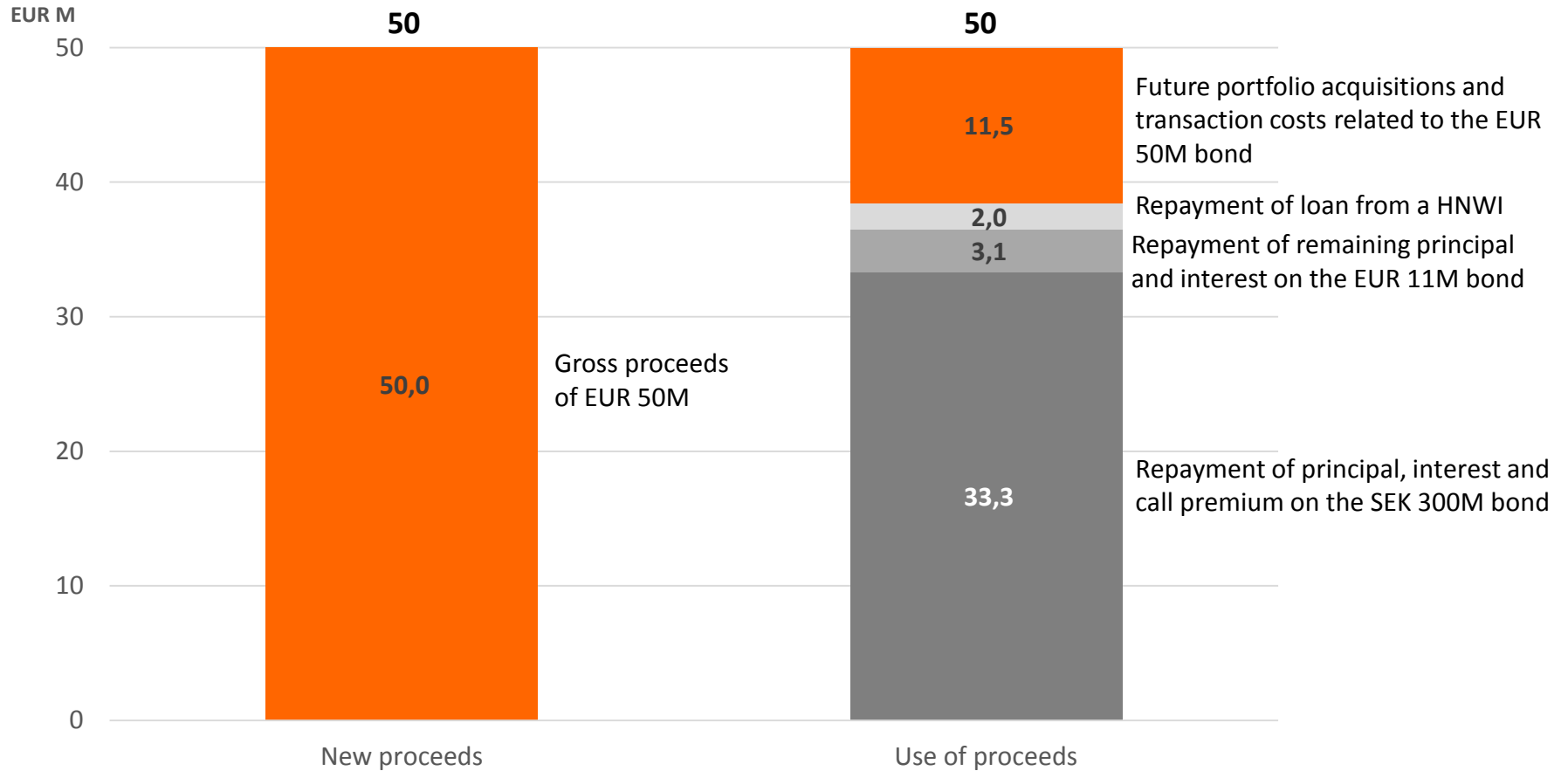
Carrying value by currency, % of total



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







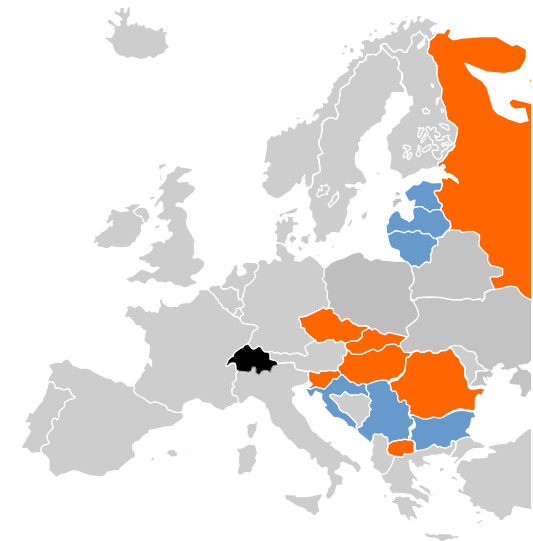
Write-off of about EUR 2M of capitalized transaction costs relating to the old bonds



Note: all figures are approximate



- Multiple interesting opportunities in both existing and new markets
- Due diligence under way on a number of large portfolios where the company is in an advanced stage of the sales process
- Several portfolio transactions expected to close in Q2 and Q3 2017
- Portfolio investments to exceed EUR 50M for 2017
- Portfolios expected to have profitability in line with guidance

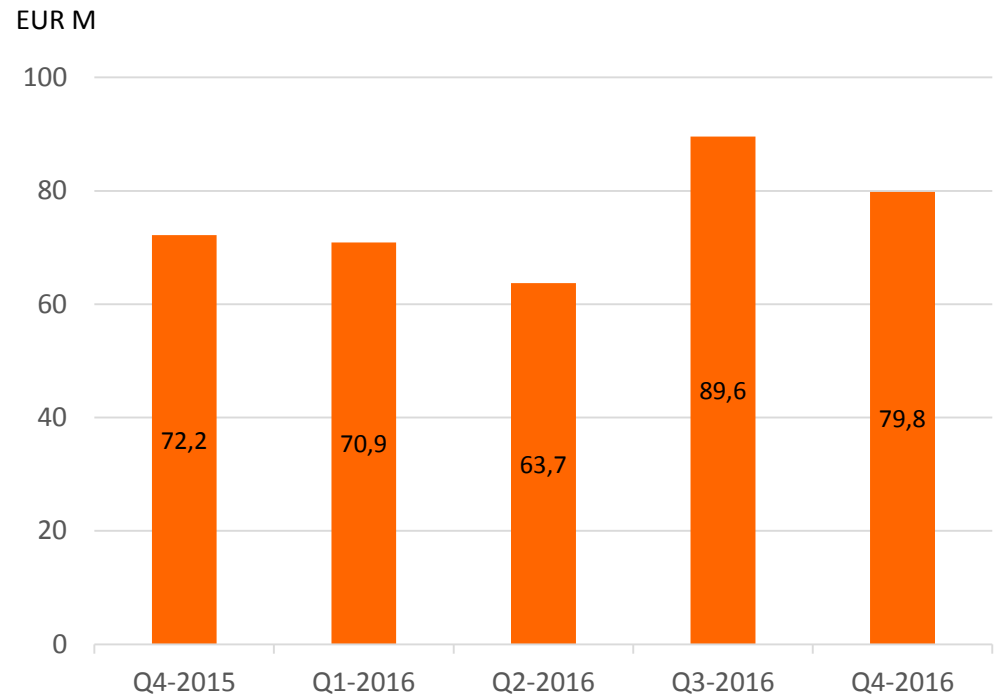


- Company headquarters in Switzerland
- Invested markets
- Potential new markets

Estimated Remaining Collections (ERC)

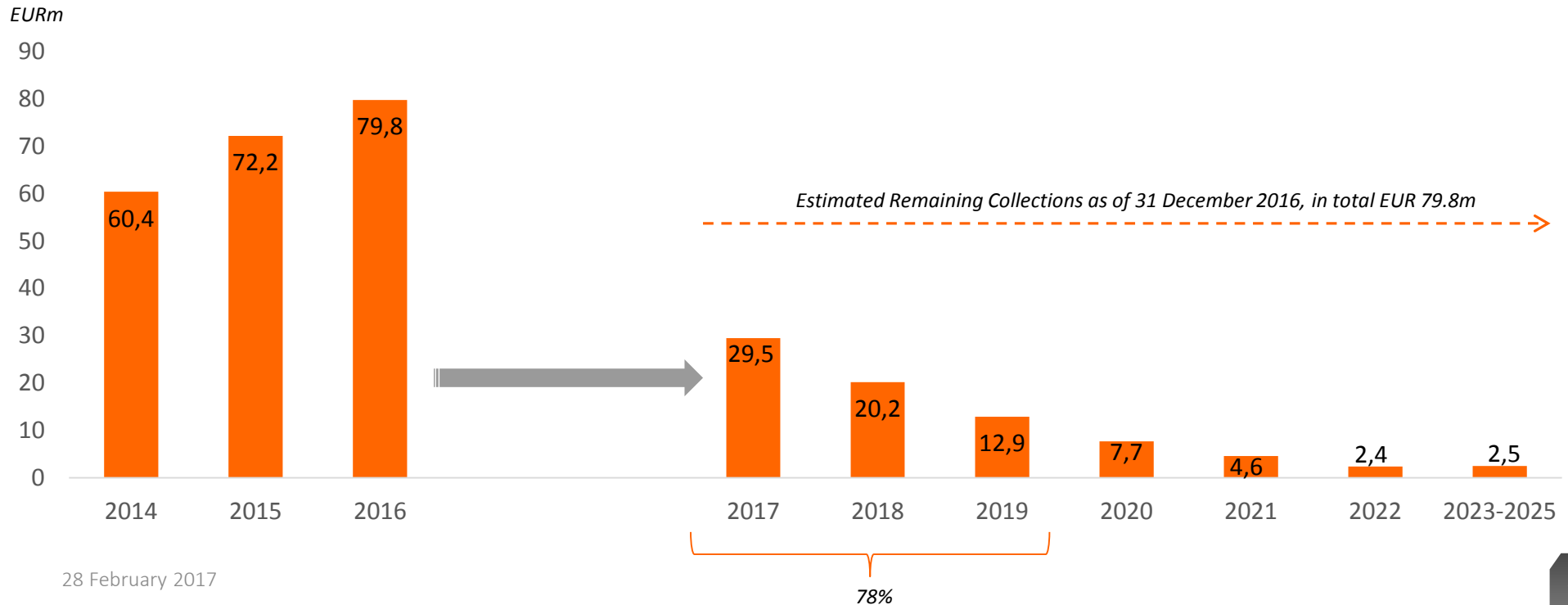
Estimated Remaining Collections refers to the sum of all future projected cash collections from acquired portfolios.

- +11% vs. Q4 2015
- Continued focus on growth
- Primary KPI for portfolio growth
- Industry measure



Historic 120-months gross ERC and projected future collection on existing portfolios, Q4 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





Guidance	<i>Portfolio investments to exceed EUR 30m during financial year 2016</i>
FY 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 Q4 2016	<i>EBIT margin of 61%</i> <i>Gross ERC growth year-on-year of 11%</i>

LTM = Last twelve months

28 February 2017

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%

- Net profit of EUR 5.3M for the year
- Cash flows continued to be significantly stronger following the acquisition in Slovenia
- EUR 50M of senior secured bonds at 9.5% were issued by DDM Debt AB in January, significantly lower than our previous cost of funding
 - Used to refinance existing debt within the DDM Group
 - Future portfolio acquisitions
- Proposed share issue with pre-emptive subscription rights of up to SEK 104M (approximately EUR 11M)
- Facilitating the issuance of more debt

Extraordinary General Meeting: 8 March 2017

Annual report 2016: 31 March 2017

Interim report January – March 2017 expected to be published on 11 May 2017



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Appendix



Appendix

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).