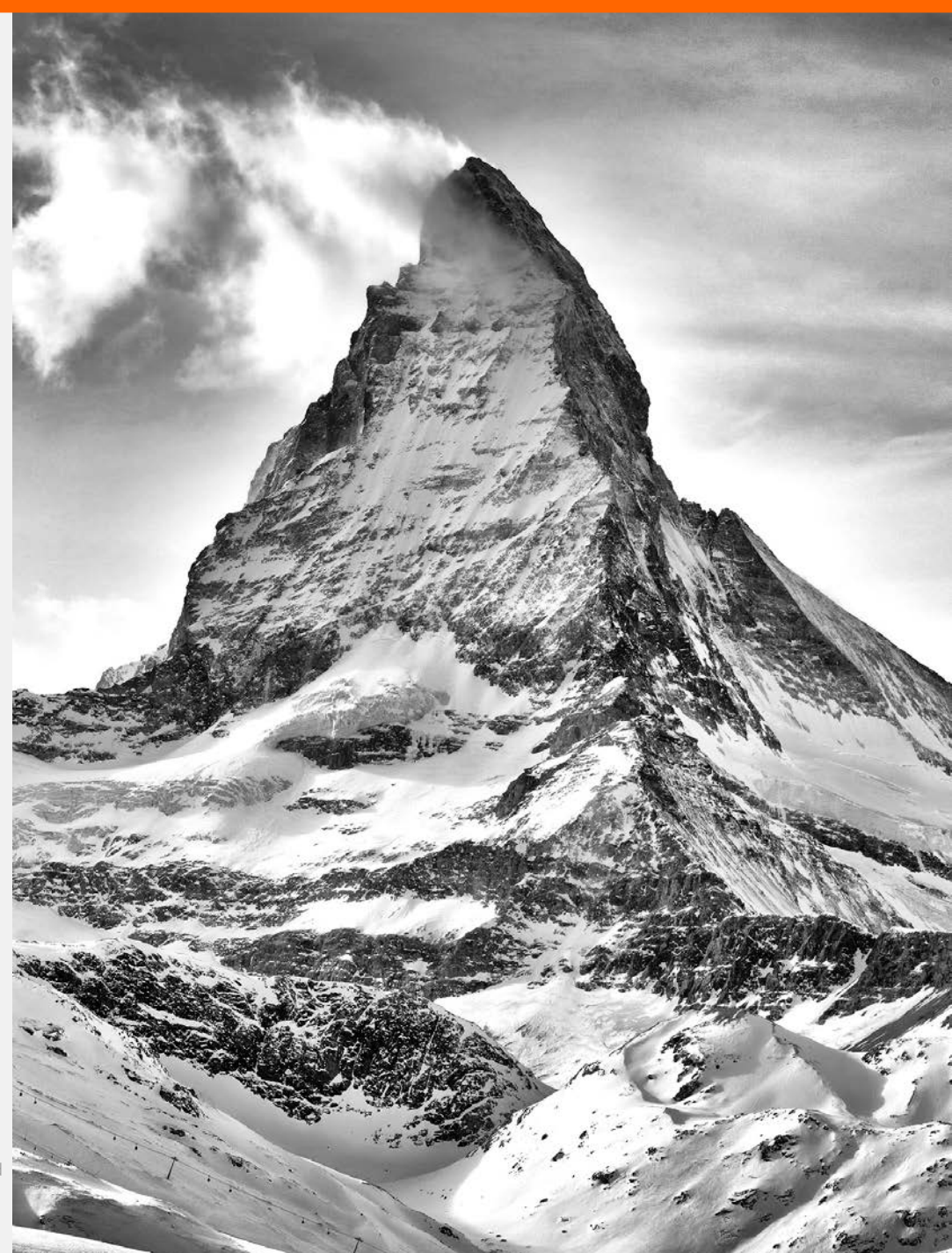




Q4 and full year 2017 report

28 February 2018

Presenters: Kent Hansson, acting CEO, and
Fredrik Olsson, CFO



AGENDA

1. Key developments

2. Financials 2017

3. Summary



Key developments: Q4 2017

Summarizing the quarter

- Closed the second investment in Croatia of EUR 21M in October
 - Secured corporate receivables
- EUR 10M bridge financing secured
 - Increased equity in the bond group
 - Enabled further debt issuance
- Greek investment reduced by about EUR 15M following a new partnership and co-investment with a strong global investment manager
- Capital Markets event held in Stockholm on 15 November
- Entered Serbia with a EUR 2M investment
 - Secured and unsecured SME receivables
- EUR 50M of senior secured bonds at 8% issued by DDM Debt AB in December
 - Continuing to lower DDM's funding cost
 - Supporting continued strong growth
- Mikael Nachemson elected as a new member of the Board of Directors
 - Solid experience from the finance industry
 - Experience as a Board member for listed companies



- Company headquarters in Switzerland
- Invested markets

Key developments: Full year 2017

Summarizing the year

- Investments of about EUR 83M
 - Greece: EUR 35M
 - Croatia: EUR 28M (two portfolios)
 - Czech Republic: EUR 17M (two portfolios)
 - Serbia: EUR 2M
 - Slovenia: EUR 1M
- EUR 85M of senior secured bonds at 9.5% issued in H1 and listed on Nasdaq Stockholm
 - Refinanced existing debt
 - Balance used for portfolio acquisitions
- Fully subscribed share issue of approximately EUR 11M before issuance costs
- Secured a EUR 17M super senior revolving credit facility in September
- EUR 10M bridge financing secured in November
- EUR 50M of senior secured bonds at 8% issued in December and listed on Nasdaq Stockholm to support continued strong growth
- Significant increase in ERC
 - Increase of 213% since 31 December 2016



- Company headquarters in Switzerland
- Invested markets



Key developments since the end of the year

Since the end of the year

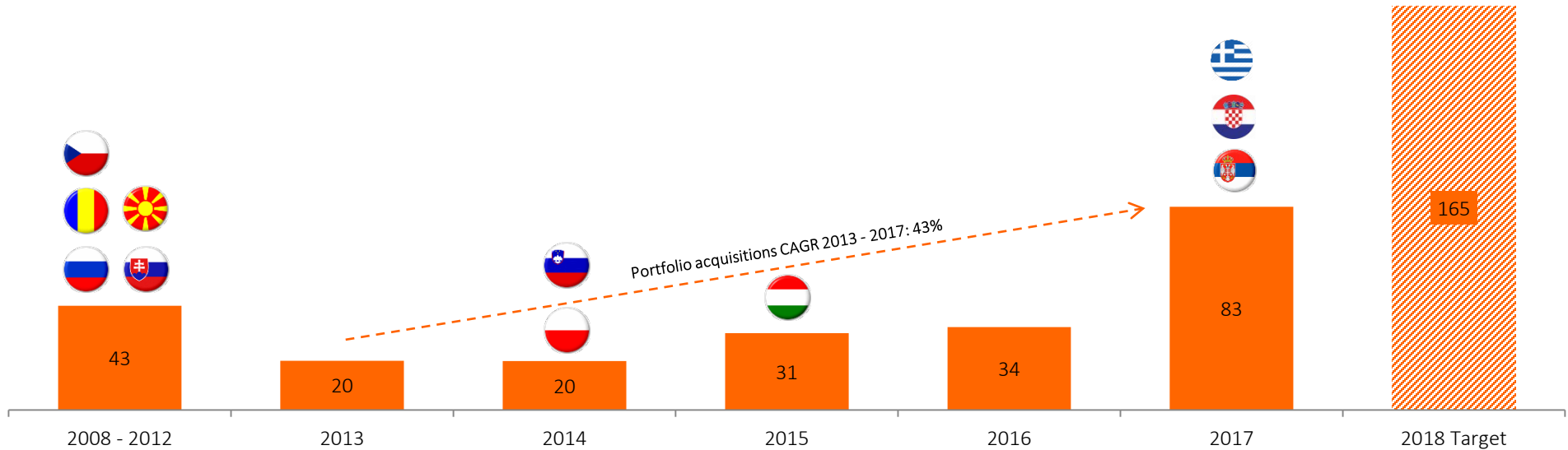
- Kent Hansson, founder and Chairman of the Board of Directors, became acting CEO from 5 February
- New Chief Investment Officer, Alessandro Pappalardo, appointed as a member of the Executive Management Committee on 22 February 2018
- Future investments
 - A number of sizeable transactions are expected to close in the near future



- Company headquarters in Switzerland
- Invested markets

Achievements in 2017 a platform for significant growth in 2018

EURm

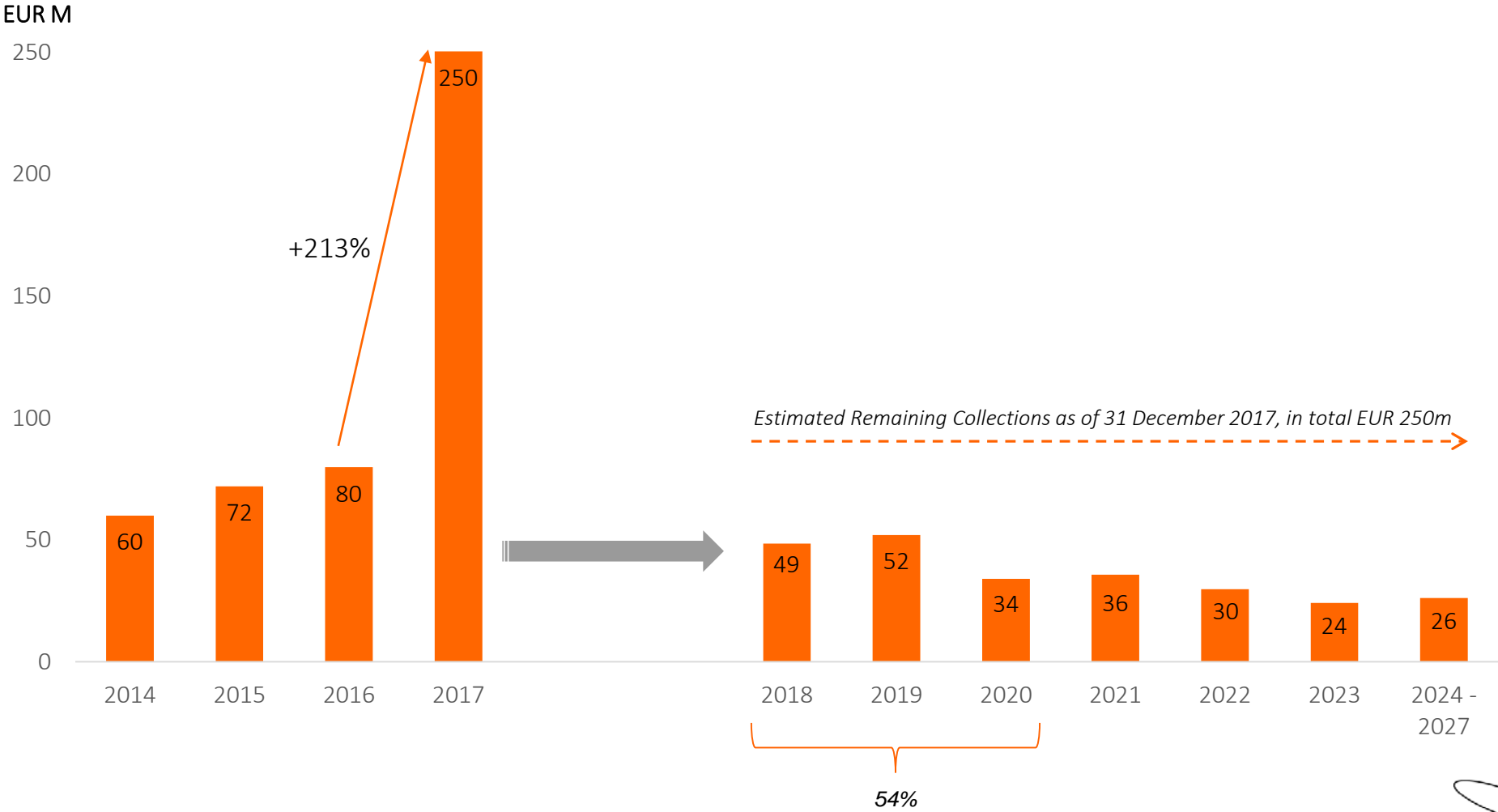


Start up and build up phases	Scale up phase	Growth (target pipeline)
<p>2007: DDM founded</p> <p>2008: First external funding and initial investments made in Russia</p> <p>2009-2012: Build up of team, processes and IT system FUSION DDM headcount from 3 to 10+ people, acquired 50 portfolios</p> <p>2009: Entered Romania, Czech Republic and Slovakia</p> <p>2010: Entered 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 OMX First North Entered Poland and Slovenia</p>	<p>2015: Entered Hungary with two landmark transactions</p> <p>2016 July: Share capital increase of EUR ~ 7m and first Euro bond of EUR 11m issued. Landmark transaction in Slovenia</p> <p>2017 Jan: Refinanced existing debt with EUR 50m bond at 9.5%</p> <p>2017 Mar: Completed share issue of EUR ~ 11m</p> <p>2017 Apr: Completed EUR 35m tap issue of outstanding bond at 101.50 corresponding to a yield of ~ 9%</p> <p>2017 June: Acquired two portfolios in Croatia</p> <p>2017 July: Milestone transaction in Greece</p> <p>2017 Sept: Acquired portfolio in Czech Republic from repetitive seller and signed EUR 17m RCF</p> <p>2017 Nov: EUR 10m bridge financing completed. Transaction with a partner in Greece. Entered Serbia</p> <p>2017 Dec: Issued EUR 50m of senior secured bonds at 8%, within a total framework of EUR 160m</p> <p>Roadmap: Capitalize on strong market opportunities in SCEE and continued focus on funding growth and lowering cost of capital</p>

Note: Country flags represent when DDM first entered the respective market

Tripling of ERC in a year shows the growth potential

Historic 120-months gross ERC and projected future collection on existing portfolios, 31 December 2017



AGENDA

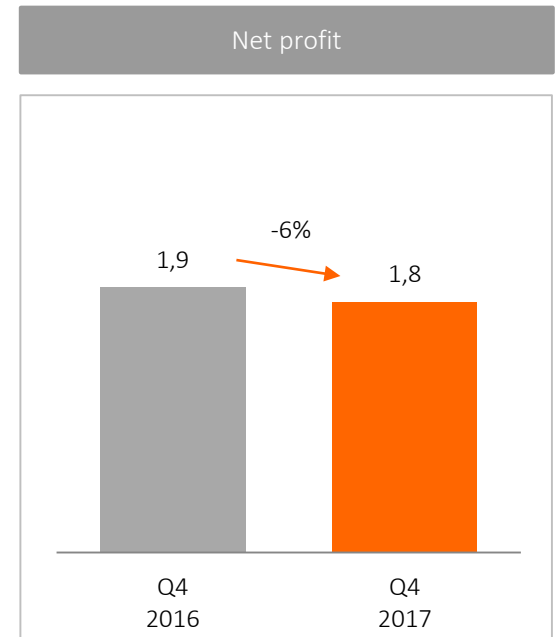
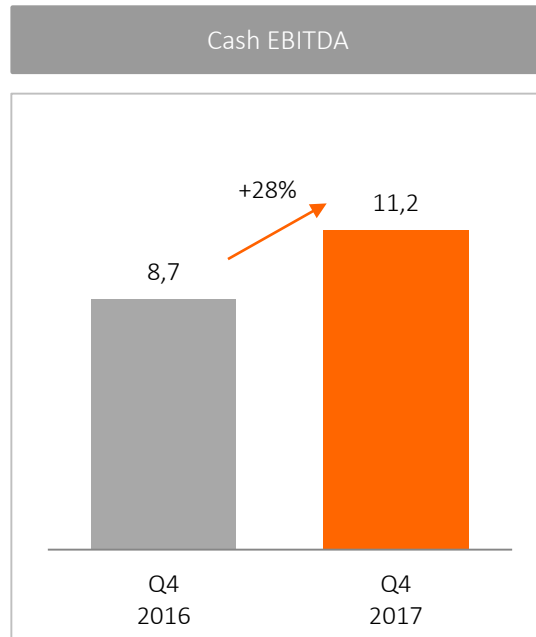
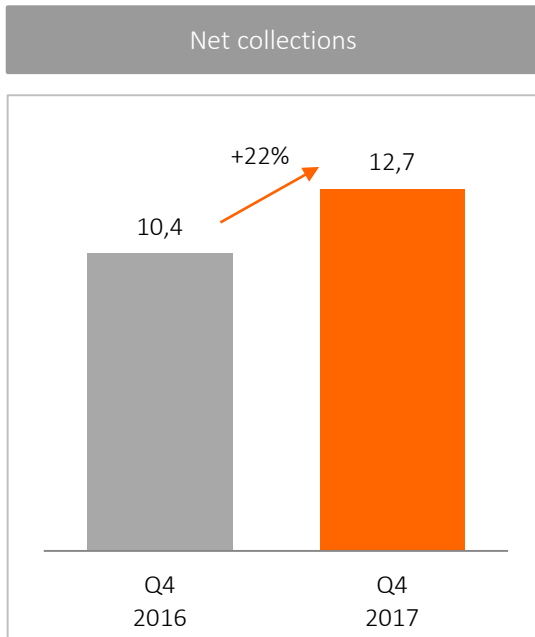
1. Key developments

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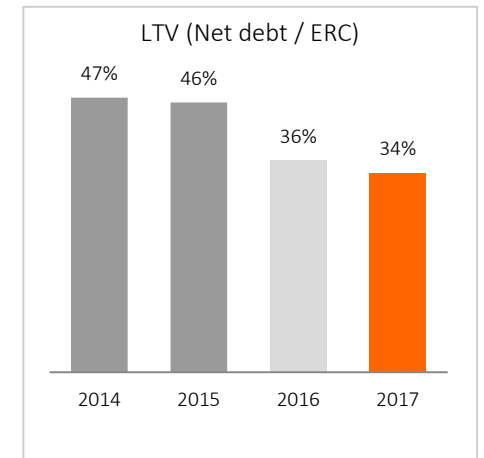
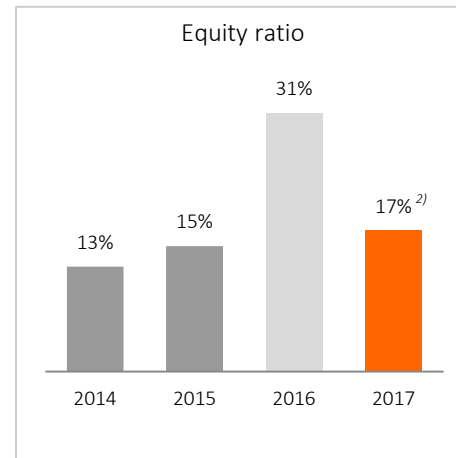
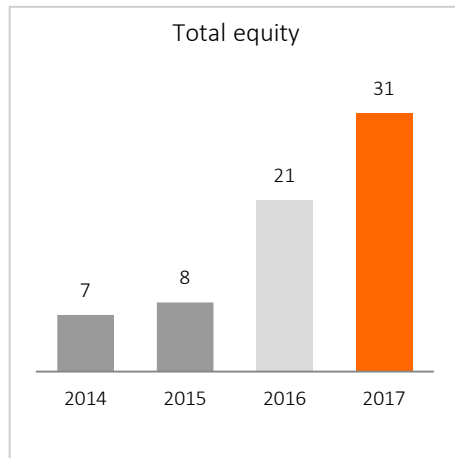
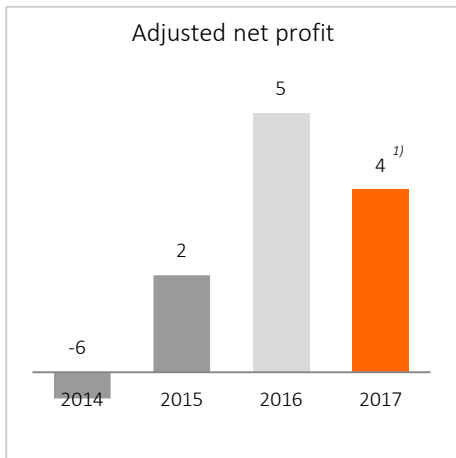
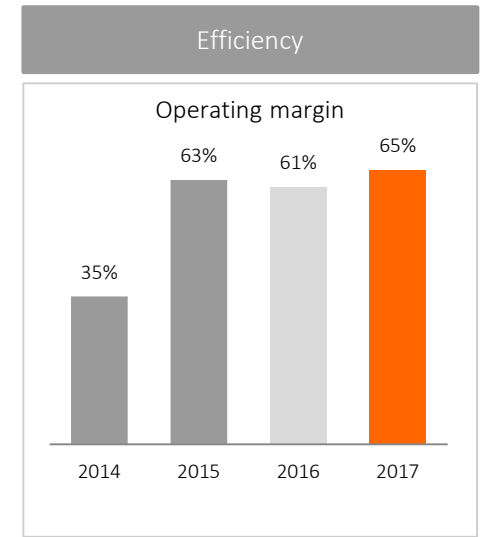
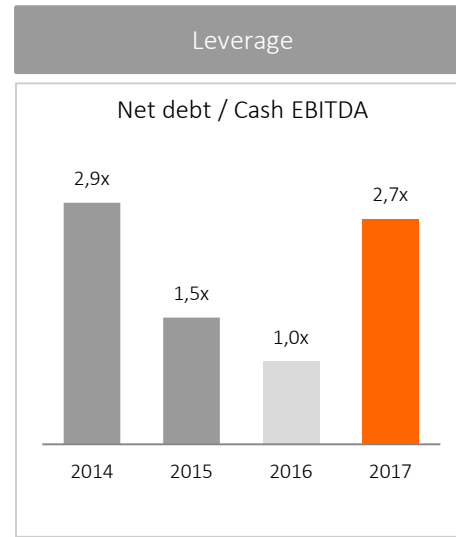
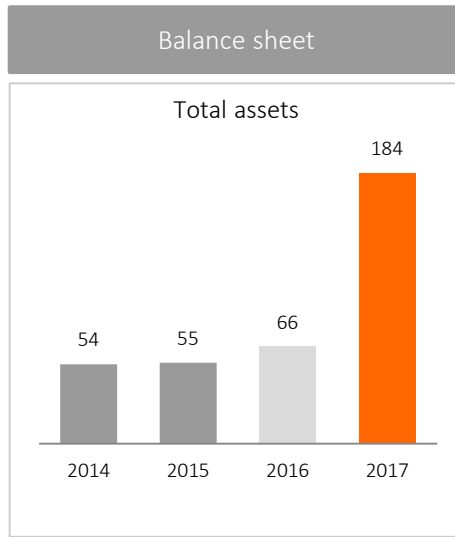
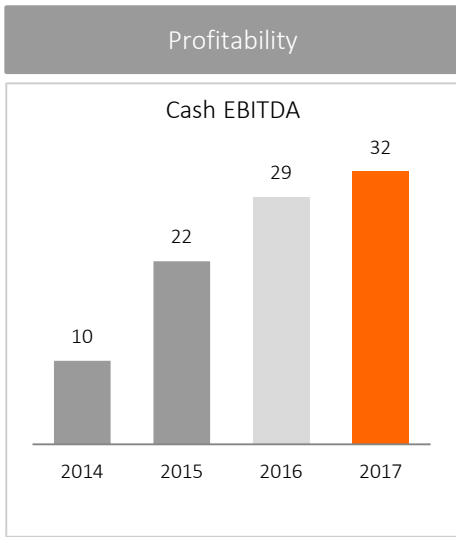


Our growth in H2 2017 has started to be visible in our financial KPIs



Note: All figures are in EURm.

Our Financial KPIs show our solid development in 2017



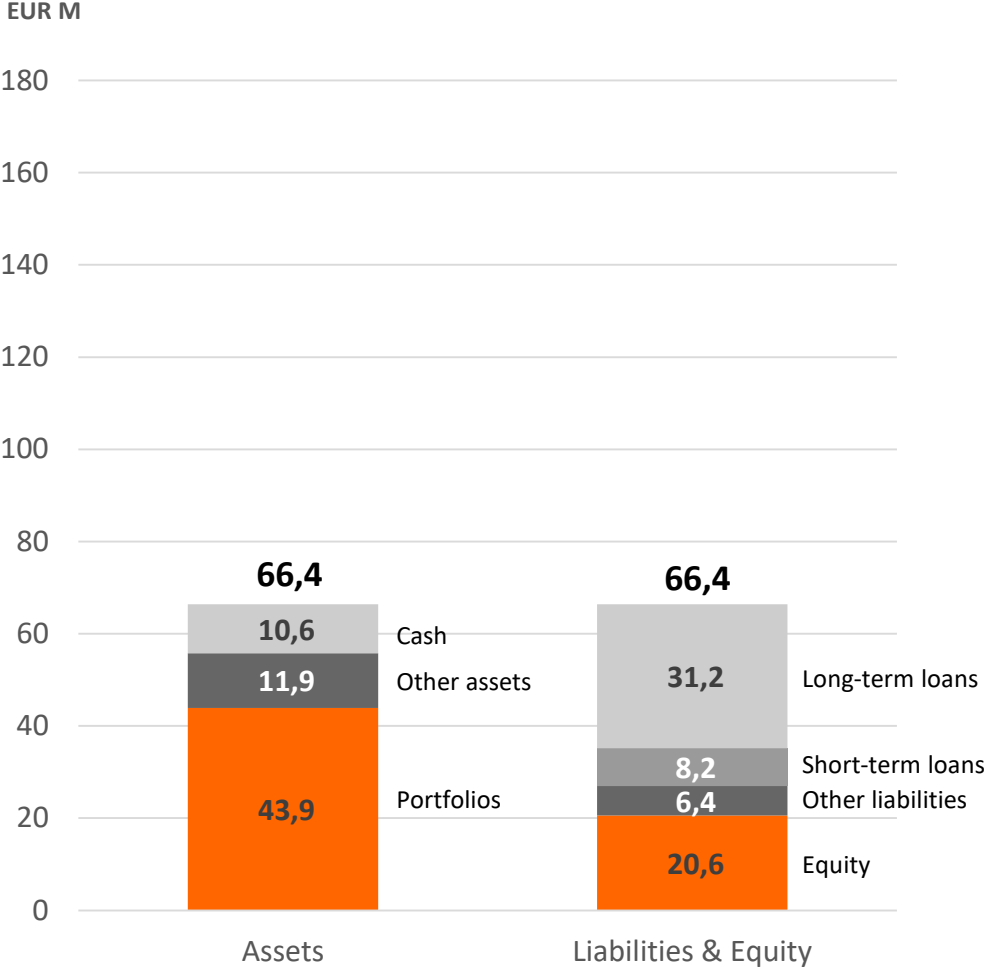
Note: All figures are in EURm.

1) Adjusted net profit is adjusted for EUR ~ 3.1m of non-recurring items due to the bond refinancing in Q1 2017

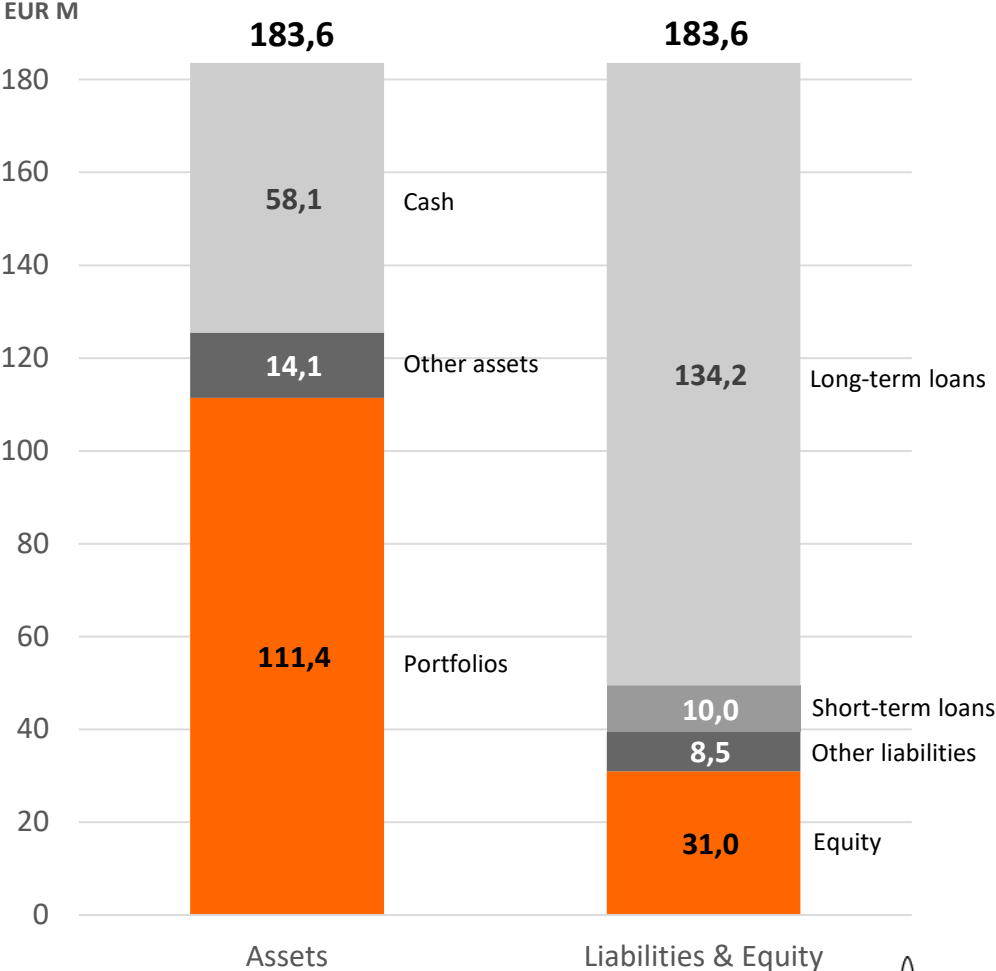
2) The equity ratio of the DDM Debt Group according to the senior secured bond terms is 19.7%

Significant growth achieved in 2017 – almost tripling total assets

31 December 2016

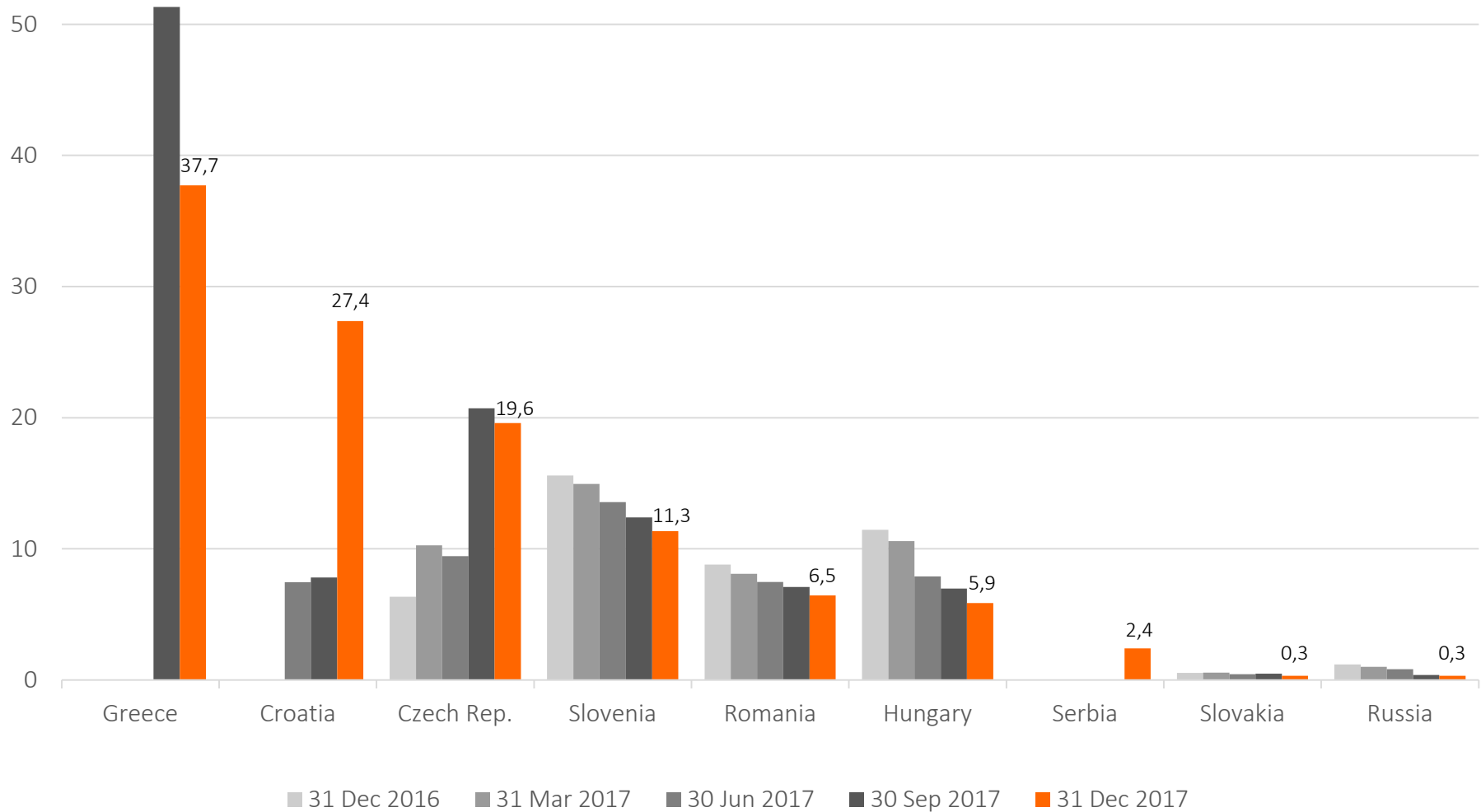


31 December 2017

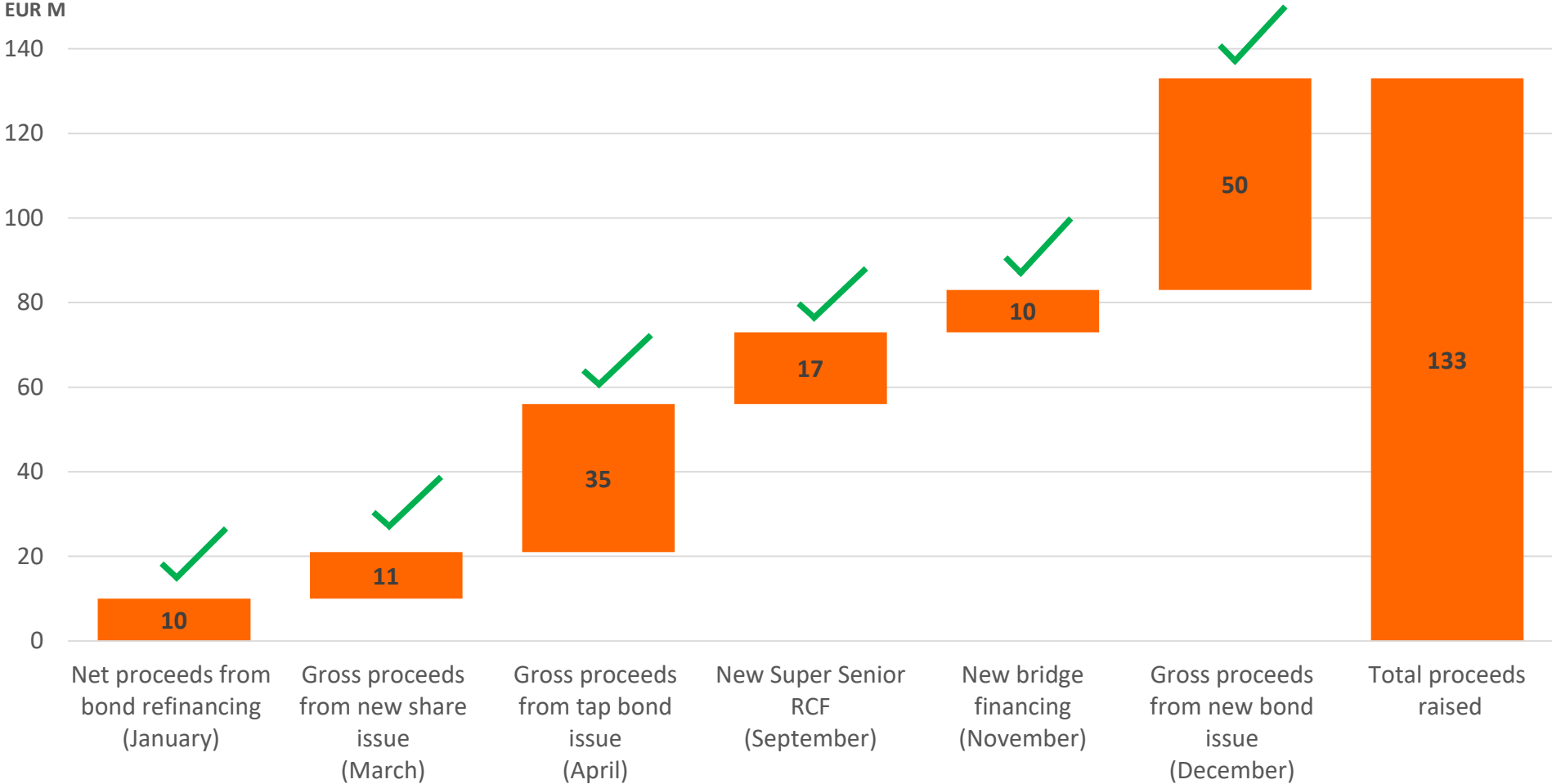


Increasingly diversified portfolio following recent transactions

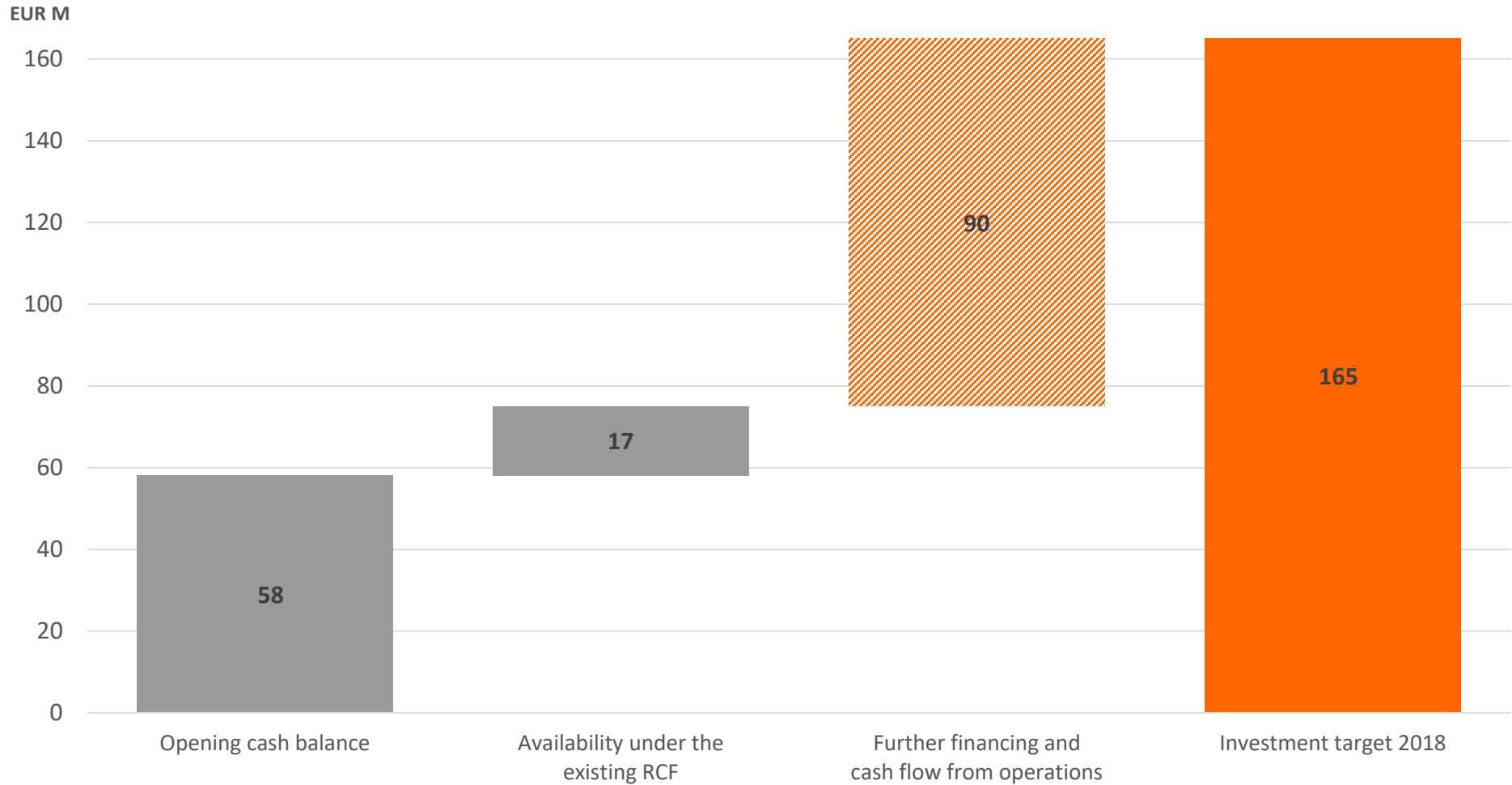
Carrying value by country, EUR M



Significant funding raised in 2017



Funding remains a key area in 2018 to achieve investment target



2017 Guidance and Targets

Guidance	<i>Portfolio investments of EUR 120M for 2017</i> <i>Operating expenses of EUR 6M for 2017</i>
2017	<i>Portfolio investments of approximately EUR 83M</i> <i>Operating expenses of EUR 7.0M</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 2017	<i>EBIT margin of 65%</i> <i>Gross ERC growth year-on-year of 213%</i>

LTM = Last twelve months

2018 Guidance and Targets: Aiming for continued strong growth

Guidance

Portfolio investments of EUR 165M for 2018

Operating expenses of EUR 8M for 2018

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 50%

LTM = Last twelve months

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Key takeaways: Positioned for strong growth in 2018

1

Continued strong pipeline:

- Targeting investments of EUR 165M in 2018
- A number of sizeable transactions are expected to close in the near future

2

Funding will continue to be a focus area:

- Increased funding to finance investments
- Aim to further improve flexibility
- Targeting a lower cost of capital

3

Management team to be strengthened

4

Main list

5

Financial targets 2018:

- 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 50%



Q&A

Upcoming IR events

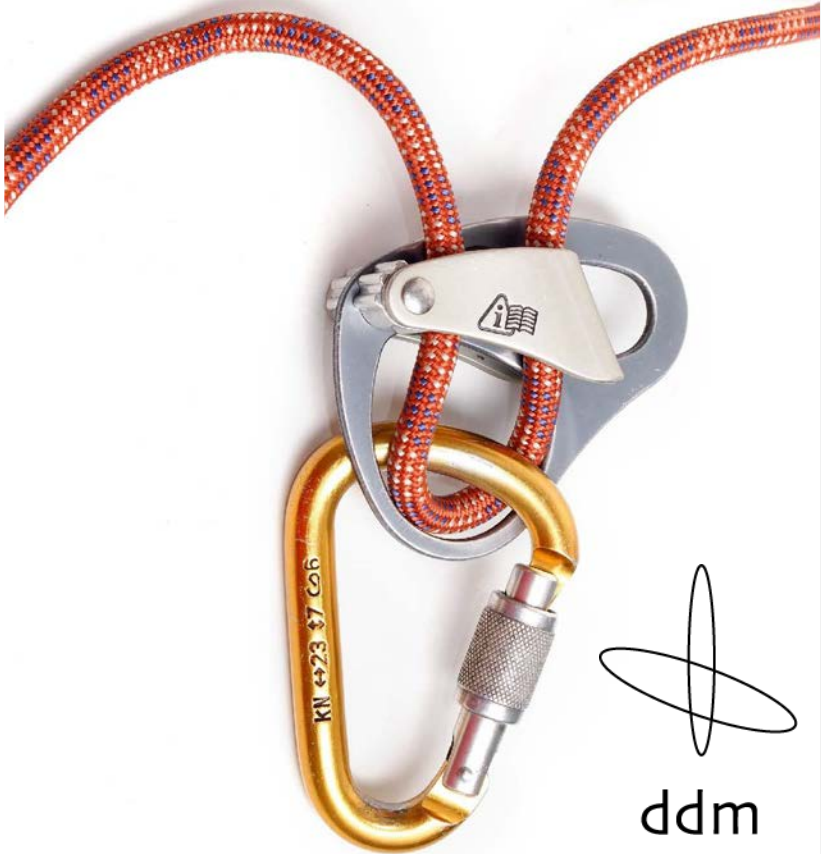
Pareto Securities' Nordic Corporate Bond Conference:	7 March 2018
Carnegie Debt Purchase Seminar:	13 March 2018
Annual report 2017:	29 March 2018
Interim report January – March 2018:	3 May 2018
Annual General Meeting:	23 May 2018

DDM Holding AG
Schochenmühlestrasse 4
CH-6340 Baar
Switzerland
Telephone: +46 8 4080 9030
investor@ddm-group.ch



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APPENDICES



Knowledge and relations build our success



- Favoured partner:**
 DDM is the expert providing know-how and best practice
- Managing the process:**
 Strong controls via automated processes for performance and compliance
- Outsourcing:**
 Established debt collection network throughout SCEE

Knowledge	Extensive local sector experience across the internal organisation
Deal sourcing	Structured yet opportunistic approach the key value driver, both for profitability and growth
Relations	Strong relationships with reputable sellers of debt portfolios 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

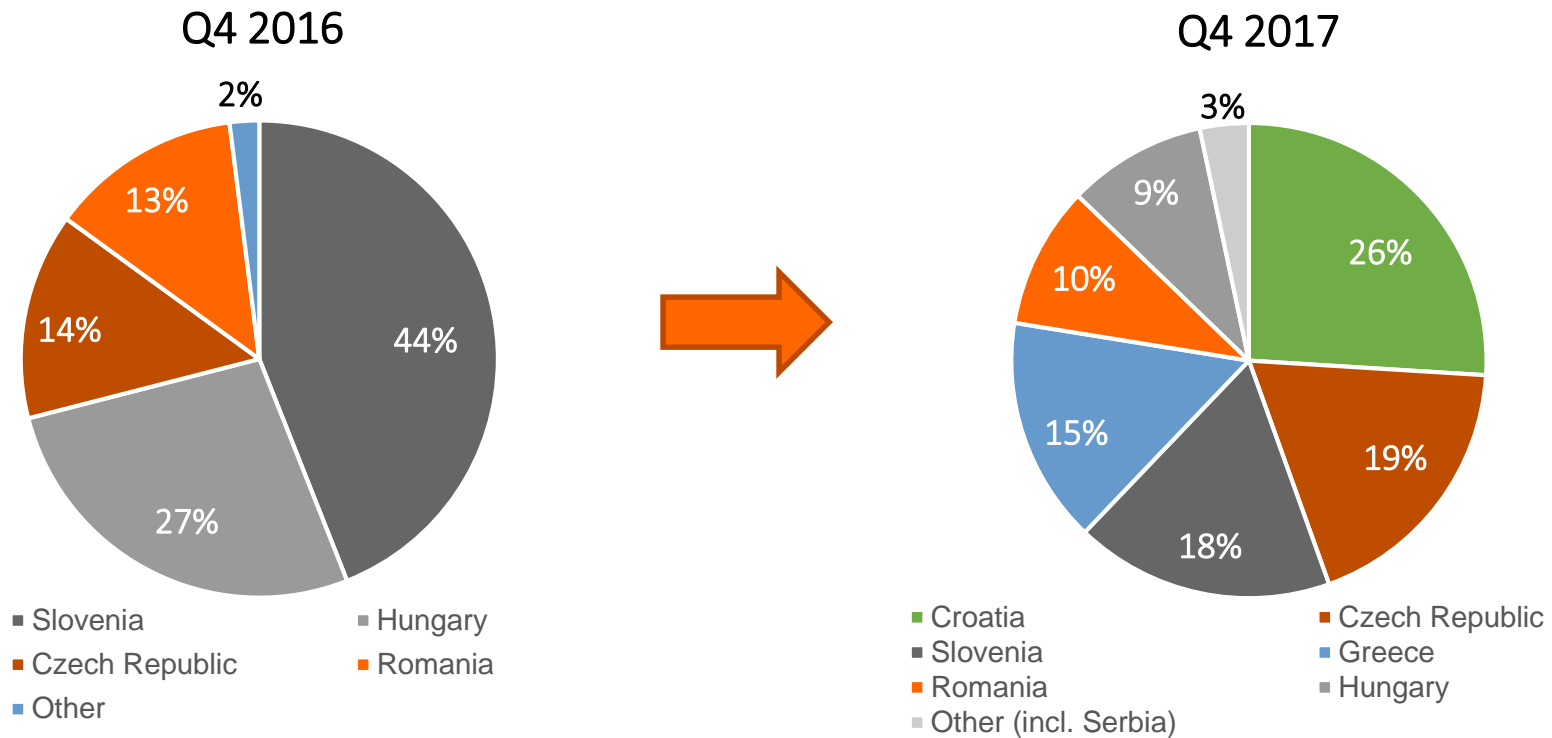
Competitive landscape

DDM's key market & segments						
Geography	W Europe	SCE Europe	Africa	N America	S America	Asia
Seller	Utility companies		Financial institutions	Telecom companies		Other
Type	Consumer			Corporate		
Collateral	Secured			Un-secured		
Underlying assets	Performing			Non-performing		
Structure	Plain vanilla			Complex / off-market		
Size	< EUR 5M	EUR 5 – 50M	EUR 51 – 100 M	EUR 101 - 500 M	> EUR 500 M	
Collection method	In-house			Outsourced		

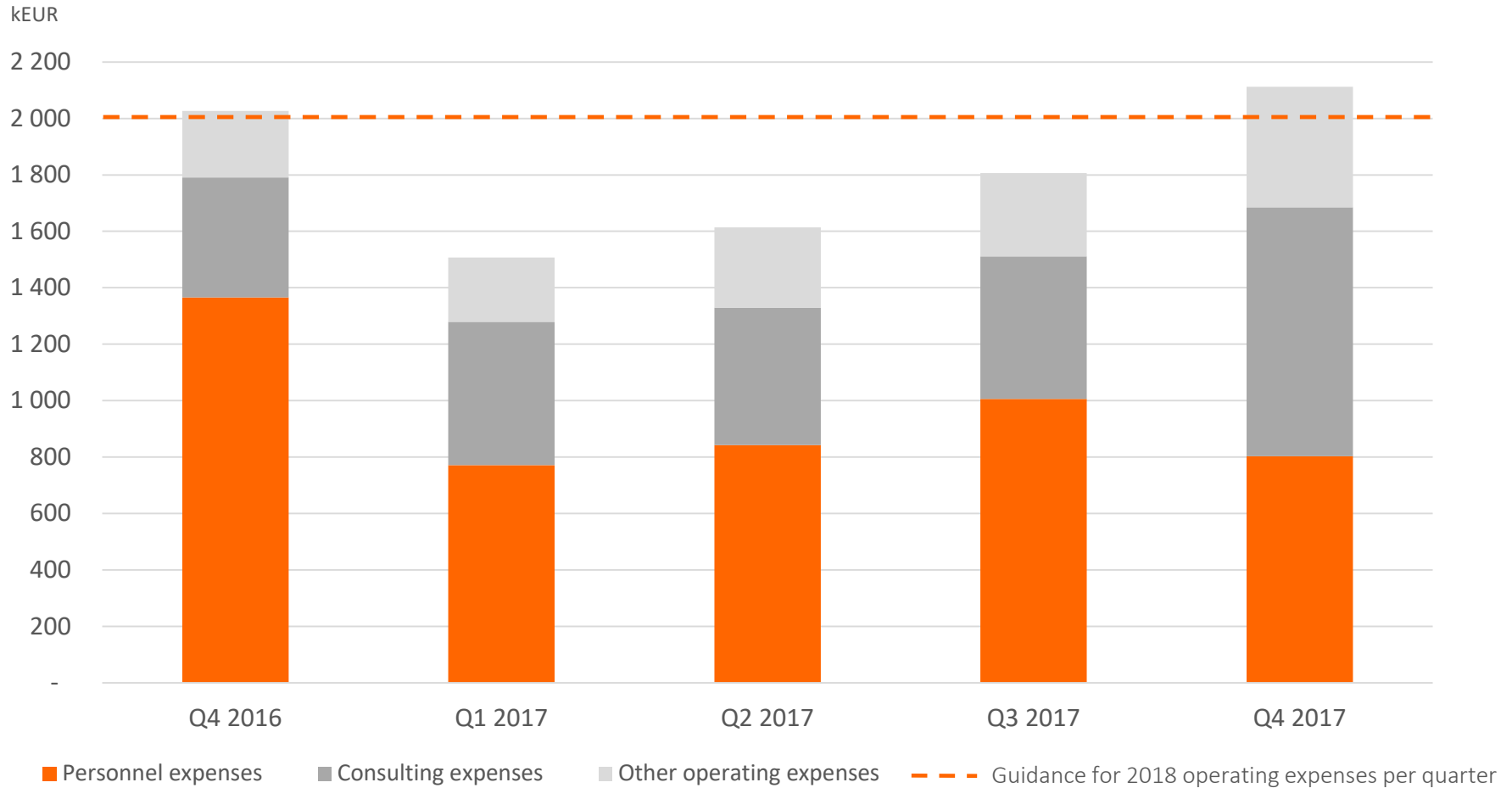
DDM's activities are shown in orange

Opportunistic deal focus on the Southern, Central and Eastern European region changing composition of collections

Net collections by country, %
Q4 2016 vs. Q4 2017

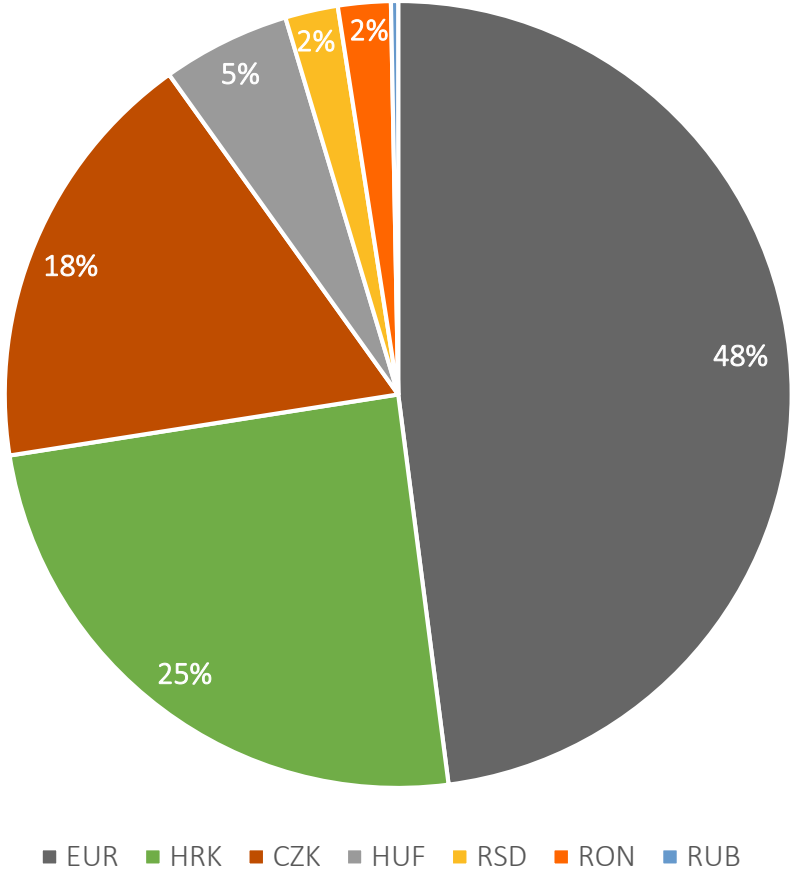


Operating expenses



A significant share of the portfolio is EUR denominated

Carrying value by currency, % of total



Group structure

