

Entering new markets in Eastern Europe

First nine months of 2014 (Unless otherwise stated, figures in parentheses relate to the comparable period in 2013)

- Net collections for the period January-September 2014 amounted to EUR 8.4M (6.4)
- Net result for the period amounted to EUR -2.2M (-5.3)
- Investments in distressed assets amounted to EUR 15.6M (13.0)
- Cash EBITDA amounted to EUR 5.2M (3.8)
- Successful listing on Nasdaq First North Stockholm, following an issue of 2,600,000 new shares, raising approximately EUR 14M
- Proceeds from IPO used to increase investment activities
- Appointments of CFO and Head of Collections
- Entered two new markets, Poland and Slovenia, and re-entered the Czech Republic, as part of the strategy to broaden the geographic diversification

After date of the balance sheet

- Two new board members appointed at the EGM 12 November 2014, Messrs. Torgny Hellström and Savvas Liasis

Selected key figures*						
EUR M	Unaudited	Jul-Sep 2014	Jul-Sep 2013	Jan-Sep 2014	Jan-Sep 2013	Full year 2013
Net collections		2.7	2.3	8.4	6.4	9.6
Net revenue		1.2	0.1	5.1	1.0	2.4
Operating profit/(loss) (EBIT)		0.0	-0.5	1.5	-2.1	-1.7
Net result for the period		-2.2	-1.9	-2.2	-5.3	-6.1
Data per share						
Earnings per share, EUR		-0.37	-0.41	-0.43	-1.18	-1.36
Total number of shares		7,100,000	4,500,000	7,100,000	4,500,000	4,500,000
Net cash flow from operating activities		-1.7	-0.5	2.0	1.1	2.2
Investments in distressed asset portfolios		8.5	12.6	15.6	13.0	16.1
Cash EBITDA (<i>net collections less apex</i>)		1.7	1.3	5.2	3.8	6.0
				30 Sep 2014	30 Sep 2013	31 Dec 2013**
Total assets				56.2	42.9	50.4
Net debt				32.0	33.6	31.0
					30 Sep 2014	30 Jun 2014
KPI						
Gross ERC 120 month					56.5	38.5

* Definitions, see page 15 ** See Notes 5 and 6

Comment by the CEO

Following our successful listing on Nasdaq First North Stockholm, our investments increased in the third quarter of 2014 and we have entered new markets. Since the start of the year, we have invested more than EUR 15 million. Entering the fourth quarter, our pipeline of future investments remains strong.

During the third quarter, we have capitalised on the origination efforts we made in the spring. We are pursuing our strategy of geographical diversification by making significant investments outside our traditional core-markets of Russia and Romania. During the first nine months of 2014, we have entered two new markets, Poland and Slovenia, and re-entered the Czech Republic. We expect these investments to start generating cash flow during the fourth quarter 2014.

As a result of DDM entering new markets, the composition of our portfolio has changed during the year. Romania remains our largest and most important market, although its share of the total portfolio decreased to 41 percent at the end September 2014 from 58% at the start of the year.

During the quarter, we welcomed Fredrik Olsson as our new CFO and a strong addition to our management team. We have also strengthened our operations team by recruiting a new Head of Collections. These two additions to our management team have put us in a position to further increase our level of investments.

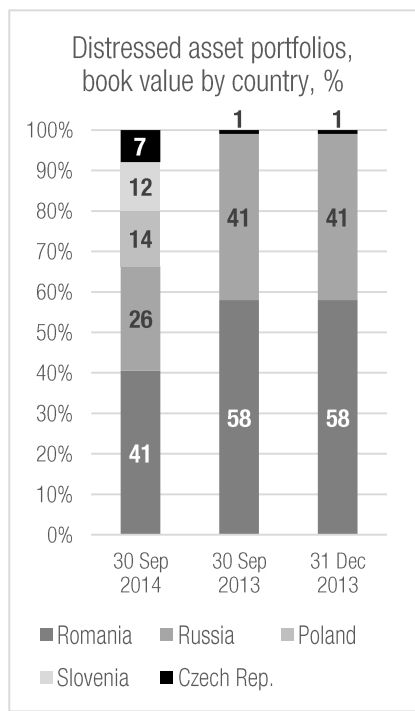
We continue to make significant steps towards being fully compliant with the Nasdaq Stockholm exchange rules in preparation for listing on the main market.

Consequently, as we have previously communicated, we are in the process of converting from Swiss GAAP to IFRS. As a step in this process, DDM has applied voluntary amendments to its accounting policy during 2014.

We continue to see attractive opportunities across the Eastern European region. Our long-standing relations with international financial institutions, active in Eastern Europe, has earned DDM status as a credible acquirer of assets. This, in combination with our proprietary IT system, for analysis and management of assets, and focus on solving the individual's debt situation, are factors in our continued success.

Net collections
January-September 2014

EUR 8.4M



“The entering of new markets balances our investments, resulting in increased exposure to Poland and Czech Republic”

Gustav Hultgren
CEO

Net collections and geographical distribution

During the first nine months 2014, net collections amounted to EUR 8.4M (6 months 2014; EUR 5.7M). The structure of net collections by country changed during the third quarter 2014, as a result of geographical diversification. The share of net collections from Romania decreased from 63%, for the first six months of 2014, to 60% for the nine months ending September 2014.

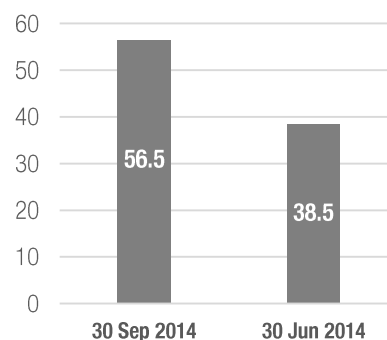
Cash flow and investments

Net cash flow from operating activities amounted to EUR 2.0M for the 9 months of 2014, which was EUR 0.9M higher than for the 9 months 2013.

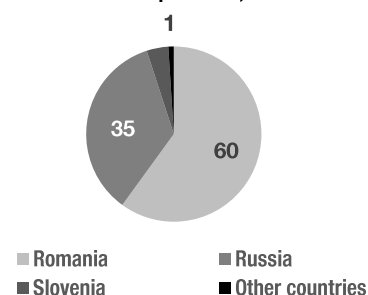
Significant events after the period

On 12 November 2014 DDM Holding AG held an Extraordinary Shareholders' Meeting. The shareholders resolved to appoint Messrs. Torgny Hellström and Savvas Liasis as new members of the board of DDM Holding AG.

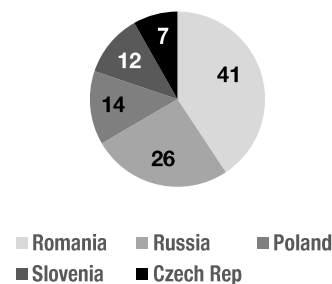
Gross ERC 120 months, EUR M



Net collections by country on 30 September, %



Portfolio book value by country on 30 September, %



Significant risks and uncertainties

DDM's activities expose it to a variety of financial and non-financial risks: market risks (currency risk and interest rate risk), credit risk, liquidity risk/financing risk and risks relating to the purchase of debt portfolios and subsequent collection of overdue accounts. For further information, please see Note 12 and the Company Description, published in July 2014.

Accounting principles

For detailed information, please see Notes on page 9-14. This interim report complies with the Swiss Code of Obligation ("CO") and is prepared on a historical cost basis (except Note 5 and 6). The business year that forms the basis for the consolidated financial statements is equivalent to the calendar year.

Financial calendar

During 2015, DDM intends to publish financial information on the following dates:

Year-end Report for 2014:	27 February 2015
Interim Report for January-March 2015:	28 May 2015

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, 26 November 2014
DDM Holding AG

Gustav Hultgren
CEO



ddm

DDM Holding AG
Schochenmühlestrasse 4
CH-6340 Baar, Switzerland
+41 417 661 420
<http://www.ddm-group.ch>
investor@ddm-group.ch

Presentation of the interim report

The Interim Report and presentation material are available at www.ddm-group.ch on 26 November 2014, at 08:00 a.m. CET.

CEO Gustav Hultgren and CFO Fredrik Olsson will comment on the report at a conference call on 26 November, 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 8 519 99 350, CH: +41 225 675 542 or UK: +44 207 660 2077.

Participants are advised to register via email to investor@ddm-group.ch.

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 26 November 2014 at 8:00 a.m. CET.

Financial information

CONSOLIDATED INCOME STATEMENT (unaudited)

EUR		2014-07-01– 2014-09-30	2013-07-01– 2013-09-30	2014-01-01– 2014-09-30	2013-01-01– 2013-09-30
	Note				
Net revenues*	10	1,165,963	124,690	5,137,193	1,033,350
Personnel expenses		-625,445	-524,668	-1,803,298	-1,600,411
Administration expenses		-144,974	-120,033	-496,511	-356,117
Consulting, legal, audit and similar expenses		-230,344	-302,959	-809,533	-514,340
Repair and maintenance expenses		-35,686	-47,401	-114,609	-141,615
Depreciation		-130,298	360,506	-392,555	-496,649
Operating profit / (loss), EBIT		-784	-509,865	1,520,687	-2,075,782
Financial income		766	-3,697	2,244	613
Financial expense		-1,443,669	-191,577	-4,426,786	-1,532,884
Foreign exchange gain / (loss), unrealised		-638,575	-330,074	80,524	-877,116
Foreign exchange gain / (loss), realised		-140,977	-42,748	-181,599	-52,304
Extraordinary income	11	0	-693,398	1,063,345	-693,398
Profit / (loss) before tax		-2,223,239	-1,771,359	-1,941,585	-5,230,871
Taxes		-15,407	-93,743	-209,443	-94,259
Net income / (loss) for the period		-2,238,646	-1,865,102	-2,151,028	-5,325,130

* Please see definition on page 14

Financial information

CONSOLIDATED BALANCE SHEET (unaudited)

EUR	Note	2014-09-30	2013-09-30	2013-12-31
ASSETS				
Current assets				
Cash		7,597,307	7,691,117	14,164,884
Trade accounts receivables		1,278,729	565,685	1,328,809
Other receivables		96,810	39,980	38,476
Prepayments and accrued income		806,525	1,095,848	714,788
Total current assets		9,779,371	9,392,630	16,246,957
Non-current assets				
<i>Financial assets,</i>				
Distressed asset portfolios	6	40,495,814	26,709,950	28,045,063
Loans, shareholders		0	433,901	0
Investments		344,615	360,296	344,615
<i>Tangible fixed assets,</i>				
Furniture	7	1,015	1,287	1,002
Information technology	7	21,193	47,014	34,496
<i>Intangible fixed assets,</i>				
Software ("Fusion")		2,272,296	2,095,990	2,095,416
Incorporation and organisation costs	8	99,325	175,426	144,898
Goodwill	2	3,224,380	3,640,428	3,536,417
Total non-current assets		46,458,638	33,464,292	34,201,907
TOTAL ASSETS		56,238,009	42,856,922	50,448,864
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities				
Bank overdrafts		0	47	39,813
Trade accounts payable		684,649	582,181	511,028
Accruals and deferred income		3,086,576	1,493,545	1,758,432
Accrued interest		1,180,069	915,576	1,996,462
Total current liabilities		4,951,294	2,991,349	4,305,735
Non-current liabilities				
Loans	9	39,397,267	36,931,496	44,789,111
Loans from shareholders		0	4,174,561	231,769
Loans from investments		215,000	215,000	215,000
Total non-current liabilities		39,612,267	41,321,057	45,235,880
Total liabilities		44,563,561	44,312,406	49,541,615
Shareholders' equity				
Share capital		5,785,676	184,421	3,645,512
Share premium		10,769,209	-556,356	0
Retained earnings		-2,729,409	4,241,581	3,373,267
Net income/(loss) for the period		-2,151,028	-5,325,130	-6,111,530
Total shareholders' equity		11,674,448	-1,455,484	907,249
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		56,238,009	42,856,922	50,448,864

Financial information

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (unaudited)

EUR	Attributable to owners of the parent company				Total equity
	Note	Share capital	Share premium	Profit or loss brought forward	
Balance at 2013-12-31		3,645,512	0	-2,738,263	907,249
Revaluation of distressed assets				68,547	68,547
Deferred taxes on revaluation	4			-6,855	-6,855
Balance at 2014-01-01		3,645,512	0	-2,676,571	968,941
Comprehensive income					
Profit / (loss) for the period				87,618	87,618
Total comprehensive income		0	0	87,618	87,618
Balance at 2014-06-30		3,645,512	0	-2,588,953	1,056,559
Comprehensive income					
Profit / (loss) for the period				-2,238,646	-2,238,646
Other comprehensive income					
Currency translation differences	3			-52,838	-52,838
Total comprehensive income		0	0	-2,291,484	-2,291,484
Total transactions with owners		-	-	-	-
Offset issue					
New share issue		2,140,164	10,769,209		12,909,373
Balance at 2014-09-30		5,785,676	10,769,209	-4,880,437	11,674,448

Financial information

CONSOLIDATED CASH FLOW STATEMENT (unaudited)

EUR	2014-07-01– 2014-09-30	2013-07-01– 2013-09-30	2014-01-01– 2014-09-30	2013-01-01– 2013-09-30
Cash flows from operating activities				
Operating profit / (loss)	-784	-509,864	1,520,687	-2,075,782
Adjustments for non-cash items, etc.				
- Reversal of depreciation and amortization	1,917,918	2,785,513	6,751,849	6,846,600
- Revaluation of purchased assets	-785,276	-937,698	-3,135,319	-937,698
- Other items not affecting cash	-706,818	-678,559	881,589	-979,936
Interest received / (paid)	-2,851,146	8,882	-5,422,534	-804,191
Cash flow from operating activities before working capital changes	-2,426,106	668,274	596,272	2,048,993
<u>Working capital adjustments</u>				
Increase / decrease in accounts receivable	-28,268	-191,615	50,080	-175,319
Increase / decrease in other receivables	46,185	-123,319	-150,071	-237,099
Increase / decrease in accounts payables	-400,919	-479,678	166,766	-258,635
Increase / decrease in other current liabilities	1,046,075	-346,455	1,328,144	-271,378
Net cash flow from operating activities	-1,763,033	-472,793	1,991,191	1,106,562
Cash flow from investing activities				
Portfolio acquisition	-8,464,070	-12,570,053	-15,606,179	-12,991,879
Purchase of fixed assets	-997	698,729	-198,535	-377,846
Purchase / sale of financial assets	44,695	0	0	-15,681
Net cash flow used in investing activities	-8,420,372	-11,871,324	-15,804,714	-13,385,406
Cash flow from financing activities				
Share premium	10,769,209	-556,355	10,769,209	-556,355
Proceeds from issuance of ordinary shares	2,140,164	0	2,140,164	0
Change in bank overdraft	-1,345	19	-39,813	-96,956
Borrowings	-1,009,254	-2,559,487	-5,623,614	19,630,805
Net cash flow used in financing activities	11,898,774	-3,115,823	7,245,946	18,977,494
Cash flow for the period	1,715,369	-15,459,940	-6,567,577	6,698,650
Cash, cash equivalents and bank overdrafts at beginning of period	5,881,938	23,151,058	14,164,884	992,468
Cash and cash equivalents at end of period	7,597,307	7,691,118	7,597,307	7,691,118

Note 1

BASIS OF PREPARATIONS

The consolidated financial statements of DDM Holding AG comply with the Swiss Code of Obligation ("CO") and are prepared on a historical cost basis (except Note 5 and 6). The business year that forms the basis for the consolidated financial statements is equivalent to the calendar year.

The purchase method of accounting is used to account for the acquisition of subsidiaries. The full consolidation method is applied to all subsidiaries included in the consolidation. Intercompany receivables, payables and transactions are eliminated for fully consolidated companies. Individual group companies' intercompany profits are also eliminated. Their assets, liabilities, income and expenses are incorporated in full, minority interests do not exist. Investments which are not consolidated are measured at cost less impairment.

DDM has applied the transitional provisions of the new accounting law.

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 (20 June 2012) until control ceases.

Entities included in the scope of consolidation	Consolidation method	30 September 2014	31 December 2013
DDM Group AG	Fully consolidated	(100%) CH	(100%) CH
DDM Invest I AG	Fully consolidated	(100%) CH	(100%) CH
DDM Invest II AG	Fully consolidated	(100%) CH	(100%) CH
DDM Invest III AG	Fully consolidated	(100%) CH	(100%) CH
DDM Invest IV AG	Fully consolidated	(100%) CH	(100%) CH
DDM Invest X AG	Fully consolidated	(100%) CH	(100%) CH
DDM Invest XX AG	Fully consolidated	(100%) CH	(100%) CH
DDM Treasury Sweden AB	Fully consolidated	(100%) SE	(100%) SE
Immaterial entities (not in the scope of consolidation):			
DDM Invest Cyprus Limited	Measured at cost	(100%) CY	(100%) CY
DDM Invest Ukraine LLC	Measured at cost	(100%) UA	(100%) UA

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. Goodwill is recognized as an intangible asset and is amortized on a straight-line basis over 10 years. 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 Invest XX AG and DDM Treasury Sweden AB this is Swedish Kronor (SEK). For all other entities the functional currency is Euro (EUR). The annual financial statements of DDM Invest XX AG and 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 recognised in retained earnings.

Exchange rates		30 Sep 2014		31 Dec 2013
Balance sheet (spot rate balance sheet date)	SEK/EUR	0.1086	SEK/EUR	0.1121
Income statement (average rate)	SEK/EUR	0.1107	SEK/EUR	0.1130

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 recognised 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.

Note 5

CHANGE IN ACCOUNTING POLICY

Following the issuance of the Group's consolidated financial statements as of 31 December 2013, the Group has made a voluntary changes in accounting policy for distressed asset portfolios. Previously, these portfolios were recognised at cost less amortisation. Under the new accounting policy, distressed asset portfolios are recognised using the effective interest rate method (amortised cost – see Note 6).

The Group has restated the balance sheet at 31 December 2013 as a result of this change in accounting policy. The difference between the previous book value and the new book value of the distressed asset portfolios is EUR 68,547. Consequently, the resulting deferred tax effect on revaluation of EUR 6,855 has been recognised according to the accounting policy. The net effect on equity of EUR 61,692 has been recorded in retained earnings.

The comparative figures in the income statement for the period 1 January – 31 December 2013 have not been restated (Income from distressed asset portfolios is presented according to the accounting policy which was applied in the previous period).

EUR	Shared capital	Retained earnings	Loss for the period	Total
Equity 31 December 2013	3,645,512	3,373,267	-6,111,530	907,249
Revaluation of distressed assets	–	68,547	–	68,547
Deferred taxes on revaluation	–	-6,855	–	-6,855
Rebooking loss for the period	–	-6,111,530	6,111,530	0
Equity 1 January 2014	3,645,512	-2,676,571	0	968,941

Note 6

DISTRESSED ASSETS 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 amortisation for the period as well as changes to the estimated projected future cash flows and are recognised 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 amounts of receivables. 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 forecast 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 recognised, the reversal of the previously recognised impairment loss is recognised in the consolidated income statement (within the line "Net revenues").

Portfolio-asset by country, EUR	30 September 2014	1 January 2014
Romania	16,473,755	16,454,542
Russia	10,489,619	11,598,045
Poland	5,507,602	-
Slovenia	4,695,996	-
Czech Republic	3,322,040	40,005
Macedonia	4,740	452
Slovakia	2,062	20,565
Total	40,495,814	28,113,610

Note 7

TANGIBLE FIXED ASSETS

The tangible fixed assets include furniture and IT-infrastructure and are measured at cost less amortisation (calculated on a straight-line basis) using the following useful lives:

Furniture	5 years
IT-infrastructure	5 years

Note 8

INTANGIBLE FIXED ASSETS

Intangible assets include incorporation, capital increase and organisation costs, software ("Fusion System") and goodwill. Fusion is the proprietary IT system, which integrates investment data, case data, payment data and activity data into one effective and comprehensive IT system. Intangible assets are initially recognised at cost, and are subsequently amortised on a straight-line basis over their useful lives. The specific treatment of goodwill is outlined under Note 2. The following useful lives are applied:

Incorporation and organisation costs	5 years
Software	20 years
Goodwill	10 years

Note 9

OUTSTANDING BONDS

EUR	30 September 2014	31 December 2013
Bond loan issued June 2013	32,044,261	33,630,000
Amount: SEK 300,000,000		
Interest: 13%		
Maturity: 26 June 2016		
Bond loan issued September 2013	3,287,046	3,475,100
Amount: SEK 31,000,000		
Interest: 18%		
Maturity: 30 September 2016		

Under the current bond Terms and Conditions, DDM Treasury Sweden AB and its subsidiary DDM Invest XX AG are not allowed to use hedge instruments.

Note 10

INCOME RECOGNITION

Income from distressed asset portfolios (the change in the carrying value of the portfolios) is recognised in the income statement in the "Net revenues" line item, which includes Income from distressed asset portfolios at the collected amount (net of direct collection costs), less amortisation and impairment.

Note 11

EXTRAORDINARY INCOME / (LOSS)

In the first six months of 2014, DDM realised a gain of EUR 1.1M when a co-investor decided to exit a distressed asset portfolio. As of 30 September 2013, DDM realised a loss of EUR 0.7M relating to the sale of financial assets.

Note 12

SIGNIFICANT RISKS, UNCERTAINTIES & RISK MANAGEMENT

DDM's activities expose it to a variety of risks, including market risks (related to competition landscape and general economic conditions affecting borrower credit quality), financial risks (related to risks inherent in the purchase of debt portfolios and subsequent collection of overdue accounts, refinancing risks, tax risks, cash flow volatility and exposure to foreign exchange rates [as well as credit and interest rate risks]) and business risks (related to changes in the regulatory environment, reputational risks and risks related to the IT and data analysis systems and the retention and recruitment of employees). DDM's overall risk management programme focuses on the unpredictability of the markets it is exposed to, and seeks to minimize potential adverse effects on DDM's financial performance due to such risks.

The Board of Directors held several meetings during 2014 where the risks which the company currently faces were discussed. The Board of Directors has updated their risk assessment on a quarterly basis, including an outline of short and long-term actions to be taken depending on the specific risks identified.

Note 13

SUBSEQUENT EVENTS AFTER THE REPORTING DATE

On 29 October 2014, DDM initiated the process of liquidating its 100% subsidiary, DDM Cyprus Limited. DDM Cyprus Limited does not carry any business, nor does it intend to do so in the future.

In October 2014, DDM also initiated the process of liquidating its 100% subsidiary, DDM Invest Ukraine LLC. DDM Invest Ukraine LLC does not carry any business, nor does it intend to do so in the future.

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.

On 12 November 2014 DDM Holding held an Extraordinary Shareholders' Meeting. The Shareholder's resolved to appoint Mr. Torgny Hellström and Mr. Savvas Liasis as new members of the board of Directors of DDM Holding AG.

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.

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

Net earnings for the period, attributable to owners of the parent, 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.

ERC

Estimated Remaining Collections refers to the sum of all future projected cash collections 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, divided by the weighted average number of shares during the period.

Equity ratio

Financial ratio indicating the relative proportion of equity used to finance a company's 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/equity ratio

Interest-bearing net debt divided by shareholders' equity.

Net revenues

Net collections less amortisation 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 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.