DDM HOLDING AG

Corporate Registration Number: CHE-115906312

Interim Report Q1 | 1 January – 31 March 2016

ddm

Strong net collections from recent acquisitions

Highlights first quarter 2016

- Net collections increased by 39% to EUR 7.9M (Q1 2015: EUR 5.7M)
- Cash EBITDA increased by 60% and amounted to EUR 6.6M (Q1 2015: EUR 4.2M)
- Profit for the period of EUR 0.1M (Q1 2015: profit of EUR 0.2M)
- Gross ERC at the end of March 2016 was EUR 70.9M (Q1 2015: EUR 63.8M)
- New portfolio acquired in the Czech Republic
- Secured additional debt financing in Q1 to fund the portfolio acquisition
- Pipeline of future transactions remains strong

Significant events after the first quarter

- The recent Hungarian transaction closed at the end of April 2016, with the first cash flows from collections received in early May

Amounts in EUR (unless specified otherwise)	**1 Jan – 31 Mar 2016**	**1 Jan – 31 Mar 2015**	**Full year 2015***
Net collections	7,938,010	5,728,625	27,507,520
Operating expenses**	(1,294,212)	(1,576,471)	(5,812,152)
Cash EBITDA	6,643,798	4,152,154	21,695,368
Amortization and revaluation of invested assets	(5,253,241)	(3,299,835)	(11,581,231)
Operating profit	1,354,960	819,105	9,966,782
Profit for the period	74,311	218,043	1,848,225
Selected key figures			
Total assets	57,991,627	47,551,797	55,211,387
Net debt	37,788,139	33,640,802	33,377,991
Cash flow from operating activities before working capital changes	4,368,254	2,277,813	(2,541,721)
Gross ERC 120 months (EUR M)	70.9	63.8	72.2
Earnings per share	0.01	0.03	0.26
Average number of shares during the period	7,100,000	7,100,000	7,100,000
Total number of shares at end of period	7,100,000	7,100,000	7,100,000

* Audited
** Operating expenses do not include depreciation and amortization of tangible and intangible assets.

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 12 May 2016 at 8:00 a.m. CET.

Comment by the CEO

Following the largest transaction in DDM's history at the end of 2015, the first quarter of 2016 has involved significant work on the implementation of the Lombard transaction ahead of the closing, which took place at the end of April 2016 after receiving the approval from the Hungarian National Bank.

During the quarter we have also continued to deliver on our investment strategy in CEE with the acquisition of a new portfolio in the Czech Republic. This was the second portfolio we have acquired from the seller, confirming our transaction capabilities and DDM as a reputable buyer. This was largely funded by additional debt financing of EUR 4M in the quarter which was secured to fund the portfolio acquisition.

As a result of the recent acquisitions, net collections in the first quarter of 2016 increased by 39% compared to the first quarter of 2015, while amortization increased by 66%. Due to our ongoing efforts on operational excellence, operating expenses decreased compared to the corresponding quarter in the prior year and were in line with guidance, contributing to the improvement of 60% in cash EBITDA (net collections less operating expenses) in the first quarter of 2016.

Gross ERC (Estimated Remaining Collections) increased by 11% at the end of the first quarter of 2016 as compared to the same period in 2015, due to the recent acquisitions. Compared to the fourth quarter of 2015 ERC has decreased by 2% due to collections and amortization on the portfolios.

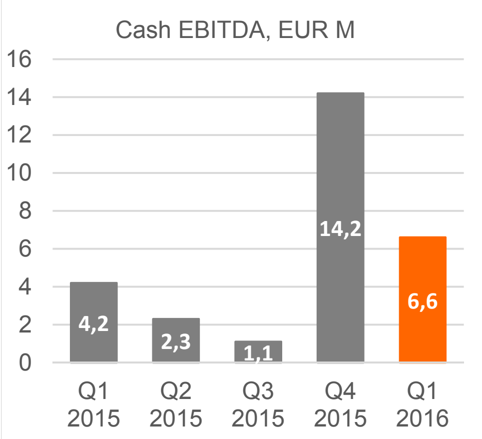
Cash flow from operating activities before working capital changes for the first quarter of 2016 was EUR 4.4M, compared to EUR 2.3M for the first quarter of 2015. Following the closing of the recent Hungarian transaction at the end of April, we received the first cash flows from collections in early May. This acquisition will contribute to stronger operational cash flows during 2016.

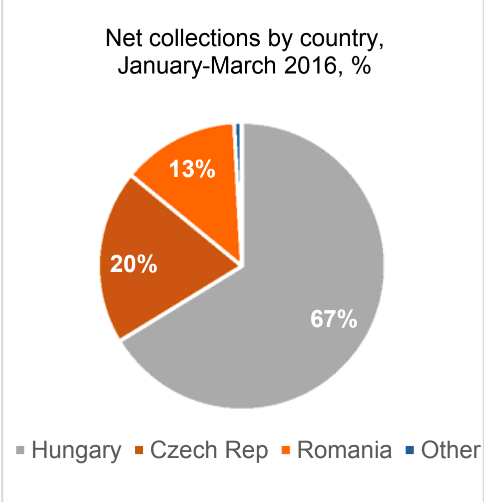
Market outlook

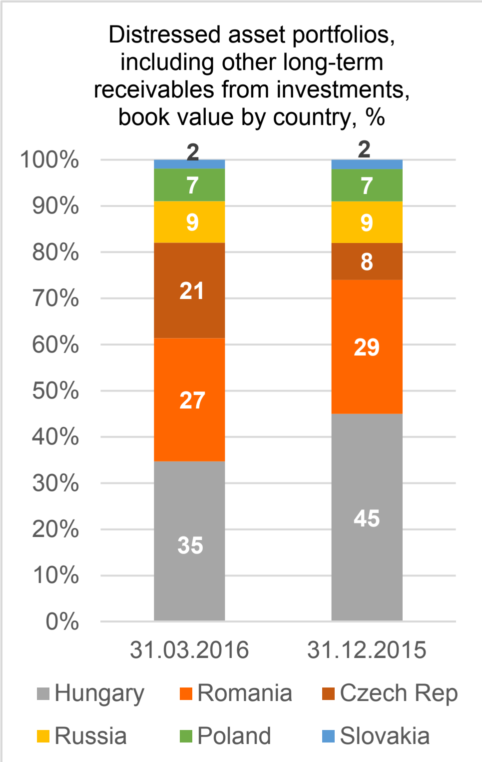
The pipeline of portfolios for sale across our region continues to increase significantly and outpace industry growth in Europe as a whole. DDM is seeing a sharp increase in the number of invites to bid for large portfolios and we are well placed to continue the rapid expansion in our investment activities. We remain positive on the outlook for DDM, as we are currently in advanced stages on several significant transactions.

Given the large amount of investment opportunities, funding is a key focus. We aim to raise additional funding, both equity and debt, targeting a long-term and sustainable capital structure and costs. With the improved financial position due to the recent acquisitions, we feel confident that we will be able to continue to deliver according to our strategy.

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







Financial calendar

DDM intends to publish financial information on the following dates:

Annual General Meeting:	28 June 2016
Interim report for January – June 2016:	11 August 2016
Interim report for January – September 2016:	10 November 2016
Year-end report for 2016:	February 2017

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.

Baar, 12 May 2016
DDM Holding AG
Gustav Hultgren, CEO

Gustav Hultgren, CEO, DDM Holding AG

Presentation of the interim report

The interim report and presentation material are available at www.ddm-group.ch on 12 May 2016, at 08:00 a.m. CET.

CEO Gustav Hultgren and CFO Fredrik Olsson will comment on the report during a conference call on 12 May 2016, starting at 10:00 a.m. CET. The presentation can be followed live at www.ddm-group.ch and/or by telephone with dial-in numbers:
SE: +46 8 566 426 90, CH: +41 225 675 548 or UK: +44 203 008 9801.

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

Consolidated Income Statement

Amounts in EUR	Notes	1 Jan - 31 Mar 2016	1 Jan - 31 Mar 2015	Full Year 2015*
Revenue on invested assets	**8**	**2,684,769**	**2,428,790**	**15,926,289**
Reconciliation of revenue on invested assets:				
Net collections		*7,938,010*	*5,728,625*	*27,507,520*
Amortization of invested assets		*(5,310,764)*	*(3,196,002)*	*(7,426,540)*
Revaluation of invested assets		*57,523*	*(103,833)*	*(4,154,691)*
Personnel expenses		(828,351)	(966,789)	(3,826,928)
Consulting expenses		(171,342)	(333,532)	(1,206,642)
Other operating expenses		(294,519)	(276,150)	(778,582)
Amortization and depreciation of tangible and intangible assets		(35,597)	(33,214)	(147,355)
Operating profit		**1,354,960**	**819,105**	**9,966,782**
Financial income		5	–	30,152
Financial expenses		(1,447,979)	(1,240,760)	(5,961,069)
Unrealized exchange profit / (loss)		480,713	567,344	(1,706,652)
Realized exchange profit / (loss)		(118,059)	(241,664)	(426,702)
Net financial income / (expenses)		**(1,085,320)**	**(915,080)**	**(8,064,271)**
Profit / (loss) before income tax		**269,640**	**(95,975)**	**1,902,511**
Tax income / (expense)		(195,329)	314,018	(54,286)
Profit for the period		**74,311**	**218,043**	**1,848,225**
Earnings per share before and after dilution		0.01	0.03	0.26
Average number of shares		7,100,000	7,100,000	7,100,000
Number of shares at end of period		7,100,000	7,100,000	7,100,000

* Audited

Consolidated Statement of Comprehensive Income

Amounts in EUR	1 Jan – 31 Mar 2016	1 Jan - 31 Mar 2015	Full Year 2015*
Profit for the period	**74,311**	**218,043**	**1,848,225**
Other comprehensive income for the period			
Items that will not be reclassified to profit or loss:			
Actuarial gain / (loss) on the defined benefit commitments (pension)	–	–	(303,811)
Deferred tax assets on post-employment benefit commitments	–	–	12,345
Items that may subsequently be reclassified to profit or loss:			
Currency translation differences	5,005	36,157	(61,863)
Other comprehensive income for the period, net of tax	**5,005**	**36,157**	**(353,329)**
Total comprehensive income for the period	**79,316**	**254,200**	**1,494,896**

* Audited

Consolidated Balance Sheet

Amounts in EUR	Notes	31 March 2016	31 December 2015*
ASSETS			
Non-current assets			
Goodwill	6	4,160,491	4,160,491
Intangible assets	6	1,718,827	1,748,213
Tangible assets	5	63,295	69,505
Interests in associates		600,000	600,000
Distressed asset portfolios	4	26,817,283	22,253,808
Other long-term receivables from investments	4	14,267,721	18,306,865
Deferred tax assets	3	-	108,032
Total non-current assets		**47,627,617**	**47,246,914**
Current assets			
Accounts receivable		6,654,567	4,130,762
Other receivables		573,113	299,955
Prepaid expenses and accrued income		97,847	142,181
Cash and cash equivalents		3,038,483	3,391,575
Total current assets		**10,364,010**	**7,964,473**
TOTAL ASSETS		**57,991,627**	**55,211,387**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital		5,785,676	5,785,676
Share premium		10,777,630	10,777,630
Other reserves		(545,109)	(547,390)
Retained earnings incl. net earnings for the period		(7,657,998)	(7,735,033)
Total shareholders' equity attributable to Parent Company's shareholders		**8,360,199**	**8,280,883**
Long-term liabilities			
Loans	7	30,193,414	30,144,539
Post-employment benefit commitments		812,178	812,178
Deferred tax liabilities	3	243,870	60,161
Total long-term liabilities		**31,249,462**	**31,016,878**
Current liabilities			
Accounts payable		5,477,499	5,757,817
Accrued interest		1,281,598	2,519,292
Accrued expenses and deferred income		989,661	1,011,490
Loans	7	10,633,208	6,625,027
Total current liabilities		**18,381,966**	**15,913,626**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**57,991,627**	**55,211,387**

* Audited

Consolidated Cash Flow Statement

Amounts in EUR	1 Jan - 31 Mar 2016	1 Jan - 31 Mar 2015	Full Year 2015*
Cash flow from operating activities			
Operating profit	1,354,960	819,105	9,966,782
Adjustments for non-cash items:			
Amortization of invested assets	*5,310,764*	*3,196,002*	*7,426,540*
Depreciation, amortization and impairment of tangible and intangible assets	*35,597*	*33,214*	*147,355*
Revaluation of invested assets	*(57,523)*	*103,833*	*4,154,691*
*Other items not affecting cash***	*(233,995)*	*314,775*	*(16,435,602)*
Interest paid	(2,041,554)	(2,189,116)	(7,801,487)
Interest received	5	–	–
Cash flow from operating activities before working capital changes	**4,368,254**	**2,277,813**	**(2,541,721)**
Working capital adjustments			
(Increase) / decrease in accounts receivable	(2,523,805)	2,645,345	(386,362)
(Increase) / decrease in other receivables	(228,824)	(245,163)	387,835
Increase / (decrease) in accounts payable	(280,318)	(4,726,223)	508,871
Increase / (decrease) in other current liabilities	(1,259,523)	(537,671)	(706,046)
Net cash flow from operating activities	**75,784**	**(585,899)**	**(2,737,423)**
Cash flow from investing activities			
Purchases of distressed asset portfolios and other long-term receivables from investments	(4,446,625)	(4,769,367)	(2,475,613)
Purchases of associates	–	–	(600,000)
Purchases of tangible and intangible assets	–	(40,162)	(106,018)
Net cash flow received / (used) in investing activities	**(4,446,625)**	**(4,809,529)**	**(3,181,631)**
Cash flow from financing activities			
Proceeds from issuance of loans	4,000,000	–	1,341,938
Repayment of loans	–	(116,050)	(969,594)
Net cash flow received / (used) in financing activities	**4,000,000**	**(116,050)**	**372,344**
Cash flow for the period	**(370,841)**	**(5,511,478)**	**(5,546,710)**
Cash and cash equivalents less bank overdrafts at beginning of the period	**3,391,575**	**9,000,148**	**9,000,148**
Foreign exchange gains / (losses) on cash and cash equivalents	17,749	36,157	(61,863)
Cash and cash equivalents less bank overdrafts at end of the period	**3,038,483**	**3,524,827**	**3,391,575**

* Audited
** The majority of the Other items not affecting cash for the full year 2015 relates to the investments in Hungary, where DDM owns the economic benefit of net collections in 2015 from the acquired investments. This is not reflected in the cash flows for 2015 as the economic benefit is offset against the cash purchase price. The investment in Hungary in December 2015 was not paid at the balance sheet date.

Consolidated Statement of Changes in Equity

Amounts in EUR	Share capital	Share premium	Other reserves	Retained earnings	Total equity
Balance at 1 January 2015	**5,785,676**	**10,777,630**	**(194,061)**	**(9,583,258)**	**6,785,987**
Comprehensive income					
Profit for the year	-	-	-	1,848,225	**1,848,225**
Other comprehensive income					
Actuarial gain / (loss) on defined benefit commitment	-	-	(303,811)	-	**(303,811)**
Currency translation differences	-	-	(61,863)	-	**(61,863)**
Deferred tax assets	-	-	12,345	-	**12,345**
Total comprehensive income	**-**	**-**	**(353,329)**	**1,848,225**	**1,494,896**
Transactions with owners					
Total transactions with owners	-	-	-	-	**-**
Balance at 31 December 2015*	**5,785,676**	**10,777,630**	**(547,390)**	**(7,735,033)**	**8,280,883**
Balance at 1 January 2016	**5,785,676**	**10,777,630**	**(547,390)**	**(7,735,033)**	**8,280,883**
Comprehensive income					
Profit for the period	-	-	-	74,311	**74,311**
Other comprehensive income					
Actuarial gain / (loss) on defined benefit commitment	-	-	-	-	**-**
Currency translation differences	-	-	2,281	2,724	**5,005**
Deferred tax assets	-	-	-	-	**-**
Total comprehensive income	**-**	**-**	**2,281**	**77,035**	**79,316**
Transactions with owners					
Total transactions with owners	-	-	-	-	**-**
Balance at 31 March 2016	**5,785,676**	**10,777,630**	**(545,109)**	**(7,657,998)**	**8,360,199**

* Audited

Notes

Note 1. Basis of preparation

The consolidated financial statements (the “financial statements”) of DDM Holding AG and its subsidiaries (together "DDM" or "the Company") have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and are stated in Euros (EUR). These interim financial statements are prepared in accordance with IAS 34, Interim Financial Reporting.

In preparing these interim financial statements, the same accounting policies and methods of computation have been applied as in the DDM Holding AG consolidated annual financial statements for the period ended 31 December 2015. These interim financial statements are unaudited and should be read in conjunction with DDM Holding AG's audited consolidated financial statements included in the Annual Report 2015. In the opinion of management, all necessary adjustments were made for a fair presentation of the Group's financial position, results of operations and cash flows.

Subsidiaries
Subsidiaries are all entities (including special purpose entities) over which DDM Holding AG has control. DDM Holding AG controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group and are de-consolidated from the date on which control ceases. Intercompany transactions, balances, and unrealized gains on transactions between group companies are eliminated.

Subsidiaries	Consolidation method	Domicile	31 March 2016	31 March 2015	31 December 2015
DDM Group AG	Fully consolidated	Switzerland	100%	100%	100%
DDM Invest I AG	Fully consolidated	Switzerland	100%	100%	100%
DDM Invest II AG	Fully consolidated	Switzerland	100%	100%	100%
DDM Invest III AG	Fully consolidated	Switzerland	100%	100%	100%
DDM Invest IV AG	Fully consolidated	Switzerland	100%	100%	100%
DDM Invest X AG	Fully consolidated	Switzerland	100%	100%	100%
DDM Invest XX AG	Fully consolidated	Switzerland	100%	100%	100%
DDM Treasury Sweden AB	Fully consolidated	Sweden	100%	100%	100%

Associates
Associates are all entities over which DDM Holding AG has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Interests in associates are accounted for using the equity method. The carrying amount (including goodwill) of equity accounted investments is tested annually for impairment.

Associates	Consolidation method	Domicile	31 March 2016	31 March 2015	31 December 2015
Profinance doo Beograd	Equity method	Serbia	49.67%	-	49.67%

Note 2. Currency translation

All entities prepare their financial statements in their functional currency. For DDM Treasury Sweden AB this is Swedish Kronor (SEK). For all other entities the functional currency is Euro (EUR). The financial statements of 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. All resulting consolidation adjustments are recognized in other comprehensive income as currency translation differences.

Exchange rates		31 March 2016	31 March 2015	31 December 2015
Balance sheet (spot rate balance sheet date)	SEK/EUR	0.1084	0.1075	0.1088
Income statement (average rate)	SEK/EUR	0.1074	0.1066	0.1067

Note 3. 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 recognized on the temporary differences arising from the distressed asset portfolios and other long-term receivables from investments (difference between the reported book values for tax and accounting purposes). The Company does not have a group taxation in Switzerland; hence each legal entity is taxed separately. Under Swiss law, net operating losses can be carried forward for a period of up to seven years.

Note 4. Distressed asset portfolios and other long-term receivables from investments

DDM invests in distressed asset portfolios, where the receivables are directly against the debtor, and in other long-term receivables from investments, where the receivables are against the local legal entities holding the portfolios of loans.

Other long-term receivables from investments
DDM owns 100% of the shares in the local legal entities holding the leasing portfolios. However, for each investment there is a co-investor holding a majority stake in the leasing portfolio, and therefore DDM does not control the investment as the co-investor has significant rights which if exercised could block decisions related to relevant activities to collect the portfolios. The economic substance of the investments are the underlying portfolios of loans. As a result, the underlying assets which represent other long-term receivables from investments are recognized in the financial statements. The receivables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. The fair value of 100% of the equity is immaterial, and therefore equity accounting is not carried out.

The following investments are treated in this manner:

Entity	Domicile	31 March 2016	31 December 2015
FinAlp Zrt.	Hungary	100%	100%
Lombard Pénzügyi és Lízing Zrt.	Hungary	100%	100%
Lombard Ingatlan Lízing Zrt.	Hungary	100%	100%
Lombard Bérlet Kft.	Hungary	100%	100%

Distressed asset portfolios and other long-term receivables from investments 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 effective interest rate at initial recognition by DDM. The original effective interest rate is determined on the date the portfolio / receivable was acquired based on the relationship between the cost of the portfolio / receivable and the projected future cash flows as per the acquisition date. Changes in the carrying value of the portfolios / receivables include interest income on invested assets before revaluation for the period, as well as changes to the estimated projected future cash flows, and are recognized in the income statement under “Revenue on invested assets”.

Cash flow projections are made at the portfolio / receivable level since each portfolio / receivable 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 forecasted 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 “Revenue on invested assets” (within the line “Revaluation of invested assets”).

On each reporting date, DDM assesses 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 estimated reliably.

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 of invested assets”).

If DDM sells a portfolio / receivable for a higher or lower amount than its carrying value, the resulting gain or loss on disposal is recognized in the consolidated income statement (within the line “Revaluation of invested assets”).

Distressed asset portfolios and other long-term receivables from investments by currency, EUR	31 March 2016	31 December 2015
HUF	14,267,721	18,306,865
CZK	8,491,027	3,214,009
EUR	7,568,472	8,010,575
RON	4,175,860	4,516,209
RUB	3,678,020	3,637,888
CHF	1,517,817	1,506,148
PLN	1,365,710	1,341,323
Other (USD and MKD)	20,377	27,656
Total	**41,085,004**	**40,560,673**

Note 5. Tangible assets

Tangible assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset as appropriate only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably. Repairs and maintenance costs are charged to the income statement during the period in which they are incurred.

The major categories of tangible assets are depreciated on a straight-line basis as follows:

Furniture	5 years
Computer hardware	5 years

The Company distributes the amount initially recognized for a tangible asset between its significant components and depreciates each component separately. The carrying amount of a replaced component is derecognized when replaced. The residual value method of amortization and the useful lives of the assets are reviewed annually and adjusted if appropriate. Impairment and gains and losses on disposals of tangible assets are included in other operating expenses.

Note 6. Intangible assets

(i) Identifiable intangible assets

The Company's identifiable intangible assets are stated at cost less accumulated amortization and include computer software developed in-house in cooperation with external IT consultancy firms that has a finite useful life. The system is the proprietary IT system which integrates investment data, case data, payment data and activity data into one effective and comprehensive IT system. This asset is capitalized and amortized on a straight-line basis in the income statement over its expected useful life of 20 years.

(ii) Goodwill

On the date of acquisition the assets and liabilities of acquired subsidiaries or businesses are valued at fair value 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 in the balance sheet. Goodwill is tested annually for impairment.

Note 7. Borrowings

The Group has outstanding bonds. A bond loan was issued in June 2013, totaling SEK 300,000,000 at 13% interest, with a maturity date of 26 June 2016 by Treasury Sweden AB ("DDM Treasury"). On 18 May 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 11 June 2015 and the Notes Exchange became effective on 23 June 2015. DDM Treasury made an additional cash payment of 4% on the effective date to the noteholders. In connection to the notes exchange DDM Invest I AG, DDM Invest II AG, DDM Invest III AG, DDM Invest IV AG and DDM Invest X AG were transferred to the direct ownership of DDM Treasury and pledged as security.

The amended terms and conditions included the extension of the maturity to 27 December 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 in their entirety are available on our website along with a summary of the amendments. Following the amendment and extension in June 2015 to the senior secured bonds issued by DDM Treasury Sweden AB (publ), the Swiss Federal Tax Administration ruled that Swiss withholding tax of 35% is applicable. Holders of the bonds are entitled to a refund from the Swiss Federal Tax Administration, subject to them fulfilling the conditions for refund. There is no additional interest or withholding tax charge impacting the Company.

A second bond loan was issued in September 2013, totaling SEK 31,000,000 at 18% interest rate with maturity date 30 September 2016 by DDM 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.

Bond loans:

EUR	31 March 2016	31 December 2015
Bond loan issued June 2013 Amount: SEK 300,000,000 Interest: 13% New Maturity: 27 December 2018	30,193,414	30,144,539
Bond loan issued September 2013 Amount: SEK 25,000,000 Interest: 18% Maturity: 30 September 2016	2,683,594	2,683,181

On 31 December 2015 DDM was granted a loan of SEK 12,500,000 at 7% interest with maturity date 31 December 2016. This loan amount was transferred to a pledged bank account and is to be used for new investments.

In March 2016, DDM was granted loans totaling EUR 4M with maturities within twelve months.

Note 8. Revenue recognition

Revenue on invested assets is the net amount of the cash collections at the collected amount (net of direct collection costs), amortization of invested assets and revaluation of invested assets.

As the collection procedure is outsourced, the net amount of cash collected is recorded within the line "Revenue on invested assets" in the consolidated income statement.

Collection costs are comprised of all expenses directly attributable to the collection of distressed asset portfolios and other long-term receivables from investments, such as collection fees, commission, transaction costs, non-recoverable VAT on amounts collected and Swiss VAT where applicable. The collection costs differ from portfolio to portfolio depending on the country/jurisdiction and the specific features of the assets concerned.

Note 9. Subsequent events

The recent Hungarian transaction closed at the end of April 2016, with the first cash flows from collections received in early May.

The Annual General Meeting of DDM Holding AG was postponed to 28 June 2016 due to an administrative error in the invitation process handled by Euroclear Sweden AB and SIX SAG AG.

Definitions

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

Amortization of invested assets
The carrying value of distressed asset portfolios and other long-term receivables from investments are amortized over time according to the effective interest rate method.

Cash EBITDA
Net collections less operating expenses.

Earnings per share/EPS
Net earnings for the period, attributable to owners of the Parent Company, divided by the weighted average number of shares during the period.

EBITDA
Earnings before interest, taxes, depreciation of fixed assets and amortization of intangible assets as well as amortisation and revaluation of invested assets.

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 collections 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 invested assets
Distressed asset portfolios and other long-term receivables from investments 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 Holding AG (First North: DDM) is 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, the Parent Company, is a company incorporated and domiciled in Baar, Switzerland and listed on Nasdaq First North in Stockholm, Sweden, since August 2014.

ddm

DDM Holding AG

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