

The independent bid committee of DDM Holding AG recommends the shareholders not to accept the public cash offer by Demeter Finance S.à.r.l.

Press release issued by DDM Holding AG

March 5 2019

Background

This statement is made by DDM Holding AG's independent bid committee pursuant to section II.19 of the Takeover Rules for Certain Trading Platforms (the "Takeover Rules").

Demeter Finance S.à.r.l. ("Demeter") announced on 17 December 2018 a public cash offer to the shareholders of DDM Holding AG ("DDM" or the "Company") to tender their shares in DDM to Demeter for a consideration of SEK 40.00 per share (the "Offer"). Should DDM, prior to settlement in the Offer, distribute dividends or in any other way distribute or transfer value to its shareholders, the consideration of the Offer above will be reduced accordingly.

According to the offer document that was announced by Demeter on 4 February 2019 (the "Offer Document"), the acceptance period for the Offer runs from and including 5 February 2019 until and including 12 April 2019. Completion of the Offer is conditional upon, amongst other things, the Offer being accepted to such extent that Demeter becomes the owner of shares representing more than 90 percent of the total number of outstanding shares in DDM (after dilution). However, Demeter has reserved the right to waive this and other conditions of the Offer.

According to the Offer Document, Demeter owns 6,764,783 shares in DDM, which corresponds to 49.89 per cent of the total number of shares in the Company.

Independent bid committee

Due to Erik Fällström, member of the Board of Directors of DDM and an indirect majority shareholder of Demeter, not taking part in the Board of Directors' evaluation of the Offer, the other members of the Board of Directors of DDM, Torgny Hellström (chairman) and Fredrik Waker, represent the Board of Directors' independent bid committee which was formed after the announcement of the Offer (the "Bid Committee").

On 20 December 2018, the Bid Committee announced that it had appointed Handelsbanken Capital Markets as financial advisor and that Mannheimer Swartling Advokatbyrå as well as Walder Wyss Attorneys at law had been appointed as legal

advisors and that Fogel & Partners had been appointed as communication advisor to assist the Bid Committee in the assessment of the Offer. Handelsbanken Capital Markets was also requested to issue an opinion as to the fairness of the consideration under the Offer from a financial view.

Effects of the Offer on employees etc.

Under the Takeover Rules the Bid Committee is required to, on the basis of what Demeter has stated, make public its opinion on the effects the implementation of the Offer may have on DDM, specifically on the employees, and its view on Demeter's strategic plans for DDM and the effects these may be expected to have on employees and the locations where DDM conducts its operations.

The Bid Committee notes that Demeter has stated in the Offer Document that Demeter's plans for DDM's future operations and general strategy presently does not contain any changes, and that no decisions have been made, on the locations where DDM conducts its operations or for the Company's management or employees, including their employment terms.

The Bid Committee assumes that this description is correct and has in relevant aspects no reason to take a different view.

The Bid Committee's recommendation

The Bid Committee bases its statement on an overall assessment of a number of factors which the Bid Committee has deemed to be relevant in the evaluation of the Offer. These factors include, but are not limited to, the Company's current position, the market's valuation of the Company in relation to comparable listed companies, the share performance, DDM's expected future development and thereto related opportunities and risks.

The Bid Committee shares Demeter's view stated in the Offer Document that DDM with its disciplined cost structure, well diversified funding base and clear focus on Central, Southern and Eastern Europe is well positioned to deliver profitable growth.

The Bid Committee notes that the Company continues to develop its operational excellence in managing secured corporate portfolios with a small highly skilled and efficient team while also handling its existing consumer debt portfolio and investing in additional consumer debt with the proven business model of outsourcing collections. Further, the Company is prioritizing activities to decrease financing costs to support continued profitable growth. The overall earnings capacity is expected to strengthen over the coming years.

The Bid Committee's assessment of the Offer is based on the fundamental value of DDM – comprising i.e. DDM's growth opportunities and future potential – and also Handelsbanken's opinion as to the fairness of the consideration under the Offer from a financial perspective. According to the fairness opinion, which is attached to this



press release, Handelsbanken's view is that the Offer, subject to the qualifications and assumptions stated in the fairness opinion, is not fair from a financial perspective.

Against the above background, the Bid Committee unanimously recommends DDM's shareholders not to accept the Offer.

This statement shall in all respects be governed and interpreted in accordance with Swedish law. Disputes arising from this statement shall be exclusively settled by Swedish courts.

Stockholm March 5 2019

DDM Holding AG

The independent bid committee

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This is information that DDM Holding AG is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, on March 5 2019 at 08:45 CET.

DDM Holding AG (Nasdaq First North, Stockholm: DDM) is a multinational investor in and manager of distressed assets. Since 2007, the DDM Group has built a successful platform in Southern, Central and Eastern Europe, and has acquired 2.3 million receivables with a nominal value of over EUR 3.5 billion. **DDM Debt AB** (publ) (Nasdaq Stockholm: DDM2) is a wholly owned subsidiary of DDM Holding AG. Arctic Securities is DDM Holding AG's Certified Adviser (tel: +46 8 44686080, e-mail: certifiedadviser@arctic.com).