

# DDM Treasury Sweden AB to request amendments to its senior secured notes and together with DDM Holding AG publishes update on trading outlook

Press release issued by DDM Holding AG and DDM Treasury Sweden AB (publ)  
Page 1 of 3

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**DDM Treasury Sweden AB (publ) ("DDM Treasury") today launches a written procedure (the "Written Procedure") for the purpose of requesting certain amendments (the "Notes Exchange") to its SEK 300 million Senior Secured Notes with ISIN SE0005280831 (the "Notes"). Provided that the request is approved, certain asset portfolio holding subsidiaries currently owned by DDM Group AG will be transferred to DDM Treasury and DDM Treasury will make a cash payment to all holders of Notes equal to 4% of the nominal amount of each Note.**

**DDM Holding AG ("DDM Holding") and DDM Treasury also publishes an update on the trading outlook.**

## ***Update on trading outlook***

In conjunction with the Notes Exchange, DDM Holding and DDM Treasury publishes the following trading outlook:

- It is estimated that the equity ratio (as defined in the terms and conditions for the Notes) will be no less than 25% following the full implementation of the Notes Exchange, calculated on a *pro forma* basis as per 31 March 2015.
- 36-month gross IRR<sup>1</sup> split by portfolio acquisition year is 62% for 2008 vintages, 24% for 2009 vintages, 31% for 2010 vintages, 92% for 2011 vintages, 33% for 2012 vintages, 43% for 2013 vintages, 40% for 2014 vintages and 152% for year-to-date 31 March 2015 vintages.
- A supply of investment opportunities of circa 70 portfolios with an estimated approximate investment value (acquisition price) equivalent to EUR 1.2 billion has been identified on the market.
- DDM Treasury intends changing its reporting currency from Swedish krona to euro in order to align its reporting with that of DDM Holding.

## ***The Notes Exchange***

The Notes Exchange aims to remove certain restrictions on the possibilities for growth and profitability of DDM Treasury and to extend the tenor. The amended terms are structured so that the DDM Treasury structure can continue its function as the primary

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<sup>1</sup> Internal rate of return based on initial investment (acquisition price) and actual and/or forecasted, as applicable, gross collections over the initial 36-month period from the investment, not reflecting changes in foreign exchange rates.

source of funding, thus increasing transparency and the amount of assets within the secured structure.

### **Main features of the Notes Exchange**

The request under the Notes Exchange includes but is not limited to:

- an extension of the final maturity date from 27 June 2016 to 27 December 2018;
- a removal of the requirement to hold a cash amount of at least SEK 75 million on an account from 27 June 2015 and at least SEK 150 million from 27 December 2015;
- a removal of hedging restrictions in the DDM Treasury group;
- more flexible geographical investment restrictions;
- further possibilities to incur additional debt in the DDM Treasury group of companies and to a certain extent provide security for such debt provided that such security also is provided to the holders of the Notes;
- a less onerous restriction on cash transfers from DDM Treasury to its parent companies within the DDM group;
- an amended change of control provision; and
- an unchanged fixed interest rate at 13% per annum.

Provided that the request is approved in the Written Procedure, DDM Treasury will, on the effective date of the Notes Exchange:

- make a cash payment to all holders of Notes equal to 4% of the nominal amount of each Note; and
- procure that all shares in the entities DDM Invest I AG, DDM Invest II AG, DDM Invest III AG, DDM Invest IV AG and DDM Invest X AG are transferred to the direct ownership of DDM Treasury and pledged to the certain secured parties (including the holders of Notes).

### **Quorum and majority requirements, etc.**

A valid resolution in support of the Notes Exchange will require the support from at least 80% of the adjusted nominal amount of the Notes provided that at least 50% reply to the request in the Written Procedure.

The Written Procedure will expire by 11 June 2015 at the latest. The outcome in the Written Procedure and, if approved, the relevant dates for the cash payment and the effective date of the Notes Exchange, will be notified by press release and other means promptly following the expiry thereof.

### **Intended change of reporting currency for DDM Treasury**

DDM Treasury today also announce that it intends changing its reporting currency from Swedish krona to euro.

### **Comment from the CFO of DDM Holding AG**

The CFO of DDM Holding AG, Fredrik Olsson, commented: "Reaching an agreement with the noteholders on the amendments to our outstanding senior secured notes will allow us to continue to realize our investment strategy and will reinforce the function of DDM Treasury Sweden AB as the primary financing and investment vehicle of the DDM group."

### **More detailed information**

A formal notice for the Written Procedure, the suggested amended and restated full terms and conditions for the Notes in the form of a mark-up showing the proposed amendments, the proposed intercreditor agreement as well as an information document are available at the websites [www.ddm-group.ch](http://www.ddm-group.ch), section "Investors" -> "Bond loan 2013" and [www.corpnordic.com](http://www.corpnordic.com).

This information in this press release is of the type which DDM Treasury Sweden AB (publ) must disclose in accordance with the Swedish Securities Market Act. The information was made public on 18 May 2015 at 1:15 p.m. CET.

### **For more information, please visit DDM's website at [www.ddm-group.ch](http://www.ddm-group.ch) contact:**

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### **Forward-looking statements**

This press release, in particular the information included in section "Update on trading outlook" contains forward-looking statements and estimates made by DDM Holding and/or DDM Treasury. Such forward-looking statements reflect the current views and calculations with respect to such information and are subject to certain risks, uncertainties and assumptions. No assurance of the correctness of such forward-looking statements or any certainty that they will materialize can be given. Certain risk factors are included in the information document relating to the Notes Exchange which is available as set out in this press release.

**DDM Holding AG** (Nasdaq First North Stockholm: DDM) is a multinational investor and manager of distressed assets. Since 2007, the DDM Group has built a successful platform in Eastern Europe, with 2.2 million receivables in nominal value over EUR 1.7 billion. **DDM Treasury Sweden AB (publ)** (NGM: DDM1) is a subsidiary wholly owned by DDM Holding AG. Pareto Securities is DDM Holding AG's Certified Adviser.