

Q1 interim report January – March 2021

Press release issued by DDM Debt AB (publ)

6 May 2021

Successful bond refinancing extends debt maturity by 5 years

Highlights first quarter 2021

- Gross collections amounted to EUR 14.4m (22.2)*
- Net collections amounted to EUR 12.6m (19.3)*
- Cash EBITDA amounted to EUR 10.1m (16.9)*
- Net loss for the period of EUR 0.2m (profit of 0.5)*
- Cash at the end of March 2021 was EUR 21.6m (30.7 at December 2020)
- Assigned a 'B' Rating with stable outlook by both S&P Global Ratings and Fitch Ratings

Significant events after the end of the quarter

- Successfully issued EUR 150m of fixed rate senior secured bonds with a five-year tenor under a framework of up to EUR 300m, enabling DDM Debt to refinance its existing bonds and capitalize on market opportunities to expand its investment portfolio

Comment by the CEO

During the first quarter of 2021 we have successfully extended our bond program by issuing EUR 150m of fixed rate senior secured bonds maturing in 2026 to refinance our existing senior secured bonds and provide long-term stability, enabling us to capitalize on market opportunities to expand our investment portfolio. We have also continued to focus on collections and liquidity management in response to the ongoing COVID-19 pandemic.

DDM Debt assigned 'B' Rating with stable outlook

In March we received our first ratings from S&P Global Ratings ("S&P") and Fitch Ratings ("Fitch"), which is a significant milestone in our financing plan for the years to come and underlines our strong capital and liquidity position. S&P and Fitch both assigned DDM Debt a 'B' rating with stable outlook.

Successfully issued EUR 150m of bonds with a five-year tenor

Subsequent to the end of the first quarter, DDM Debt successfully issued senior secured fixed rate bonds in an initial amount of EUR 150m under a framework of up to EUR 300m. The bonds have a five-year tenor and carry a fixed rate coupon of 9%. The proceeds from the new bond issue were mainly employed towards refinancing the existing DDM2 02 EUR 33.5m bonds and DDM2 03 EUR 100m bonds as well as being for investments and acquisitions. At the time of the new bond issuance DDM Debt was holding approximately EUR 23m of the outstanding EUR 100m bonds. The issuance demonstrates the continued support that we received from existing investors across the Nordic region and also attracted interest from new international investors. We are very pleased to have secured this long-term financing providing stability and the opportunity for DDM Debt to capitalize on market opportunities to expand its investment portfolio.

Collections and cash EBITDA

During the first quarter of 2021 we have achieved adjusted gross collections of EUR 14.4m, 35% lower than the corresponding period in the prior year mainly due to collections that were received from Greece during the first quarter of 2020. The DDM Debt Group discloses gross collections comprised of cash collections from the acquired portfolios held by the DDM Debt Group, before commission and fees to third parties, as it is a common measure to monitor the performance of portfolios in the debt purchasing industry. Gross collections for the first quarter of 2021 were approximately 36% lower than forecasted at the start of the year, due to the deferral of certain secured receivables in Croatia that are expected to be received later in the year.

Adjusted net collections in Q1 2021 were 49% above the corresponding period in the prior year when excluding Greece in Q1 2020. Around 63% of the adjusted net collections of EUR 12.6m were received from Croatia. This has resulted in adjusted cash EBITDA of EUR 10.1m for the for the first quarter of 2021. The timing of collections on large, secured cases may vary on a quarter-by-quarter basis.

Market outlook

The DDM Debt Group has successfully refinanced its existing debt structure to be well-positioned to capitalize on market opportunities. The supply of new NPL volumes is expected to increase significantly this year following the end of loan moratoria that were implemented in response to the COVID-19 pandemic that previously limited banks' abilities to dispose of non-core NPLs.

The European Central Bank ("ECB") has established various financial support packages that are designed to help accelerate the process of recovery across Europe following the COVID-19 pandemic. This, in conjunction with continued focus by the ECB for European banks to reduce their NPL ratios by deleveraging balance sheets, will present the DDM Debt Group with further investment opportunities at attractive prices.

Financial calendar

DDM Debt AB (publ) intends to publish financial information on the following dates:

Interim report for January – June 2021:	29 July 2021
Interim report for January – September 2021:	4 November 2021
Q4 and full year report for January – December 2021:	18 February 2022

Other financial information from DDM is available on DDM's website, www.ddm-group.ch.

Presentation of the report

The report and presentation material are available at www.ddm-group.ch on 6 May 2021, at 08:00 CEST.

CEO Henrik Wennerholm and CFO Fredrik Olsson will comment on the DDM Group's results during a conference call on 6 May 2021, starting at 10:00 CEST. The presentation can be followed live at www.ddm-group.ch and/or by telephone with dial-in numbers: SE: +46 8 505 583 51, CH: +41 225 805 976, UK: +44 333 300 9030.

The information in this interim report requires DDM Debt AB (publ) to publish the information in accordance with the EU Market Abuse Regulation and the Securities Market Act. The information was submitted for publication on 6 May 2021 at 08:00 CEST.

For more information, please visit DDM's website at www.ddm-group.ch or contact:

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DDM Debt AB (publ) (Nasdaq Stockholm: DDM2) is a wholly owned subsidiary of **DDM Holding AG**. DDM Holding AG (First North Growth Market: DDM) is a multinational investor in and manager of non-performing loans and special situations. 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 4 billion.