

# Q4 and full year report January – December 2023

Press release issued by DDM Debt AB (publ)

29 February 2024

## Change in executive leadership and solid cash position

### Highlights fourth quarter 2023

- Cash at the end of December 2023 was EUR 20.7m (52.3 at December 2022)
- Gross ERC at the end of December 2023 was EUR 280m (283 at December 2022)
- Gross collections amounted to EUR 16.4m (16.4)\*
- Net collections amounted to EUR 14.3m (14.2)\*
- Cash EBITDA amounted to EUR 9.5m (10.2)\*
- Acquired E-Kancelaria, a Polish loan servicing and debt collection company, through its 75% owned subsidiary AxFina

### Highlights full year 2023

- Gross collections amounted to EUR 55.9m (70.8)\*
- Net collections amounted to EUR 48.7m (61.2)\*
- Cash EBITDA amounted to EUR 31.5m (50.1)\*
- Acquired NPL portfolio in Romania with a gross collection value of over EUR 1 billion
- Sale of 5% stake in Borgosesia S.p.A and associated NPL portfolio due to continuous active asset management
- Acquisition of a further 25% of AxFina Holding S.A, a pan European debt servicing provider and business outsourcing company, taking DDM Debt's total holding to about 75%
- Nordiska terminated the planned acquisition of Swiss Bankers and the combination with Omnio

### Significant events after the end of the year

- Erik Fällström and Alexander Fällström appointed as CEO and CFO respectively, replacing Razvan Munteanu and Fredrik Olsson

\* Key financial highlights above include non-IFRS alternative performance measures that represent underlying business performance.

### Comment by the CEO

I am very excited to have been appointed as CEO of DDM Debt in February 2024, and look forward to contributing my experience and track record as an entrepreneur and builder of businesses to the successful execution of the group strategy to align DDM and the Fällström Family Office towards a broader, scalable, and more valuable diversified investment firm. I'm very happy to lead the company together with Alexander Fällström as CFO, and we are confident that this diversified strategy will benefit all stakeholders, opening access to a broader investor community and diversifying the group's assets and competences.

The DDM Debt group ended the fourth quarter with a solid cash position of EUR 20.7m. In the quarter the DDM Debt group completed the acquisition of a sizeable NPL portfolio containing unsecured consumer receivables located in Romania. The servicing of the portfolio is carried out by AxFina, part of the DDM Debt group. The gross collection value (face value) of the portfolio is over EUR 1 billion with the acquisition financed by cash on hand and a portion of deferred consideration. We also completed the sale of our 5% stake in Borgosesia S.p.A at the start of the fourth quarter following receipt of regulatory approval.

In November AxFina, a 75.2% owned subsidiary of DDM Debt, acquired 100% of the share capital of E-Kancelaria, a Polish loan servicing and debt collection company headquartered in Wrocław. E-Kancelaria provides leading solutions in the field of debt collection, portfolio investments and legal advisory. The acquisition of E-Kancelaria was a strategic milestone in AxFina's ambition to become the leading technology-powered asset and loan servicer in Central and Eastern Europe. By acquiring E-Kancelaria, AxFina has further strengthened its market reach and operational scale in the Polish market.



There were also some further key changes to the corporate governance of the group in the fourth quarter, with Andreas Tuczka leaving the DDM Debt AB Board of Directors, being replaced by Keith Halsey.

### **Outlook**

The industry's competitive landscape is continuing to adjust following interest rate rises and the volatile global context. The active primary and secondary markets in 2023 are expected to continue into 2024. The current opportunity set includes asset pools as well as non-core platforms. Overall a positive investment outlook is expected over the next 12-18 months. We will continue to be disciplined in the sourcing of new business, keep actively managing our portfolio and monitoring investment cases across our region on both a strategic and opportunistic basis.

### **Financial calendar**

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

Annual report 2023:	30 April 2024
Q1 report for January – March 2024:	30 May 2024

Other financial information from DDM is available on DDM's website, [www.ddm-group.ch](http://www.ddm-group.ch).

### **Publication of the report**

The report is available at [www.ddm-group.ch](http://www.ddm-group.ch) on 29 February 2024, at 08:00 CET.

The new executive leadership of DDM, Erik Fällström and Alexander Fällström, will focus on the day-to-day management of the group and ensure continuity and stability of operations going forward. Following the customary operational and strategic review in such a context, Erik Fällström, Alexander Fällström and the continuing Chairman of DDM Jörgen Durban will embark on a communication process with investors during Q2.

The information in this 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 29 February 2024 at 08:00 CET.

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

Erik Fällström, Chief Executive Officer

Alexander Fällström, Chief Financial Officer

Mail: [investor@ddm-group.ch](mailto:investor@ddm-group.ch)

***DDM Debt AB (publ)*** (Nasdaq Stockholm: DDM Debt 2026) is part of the DDM Group, a specialized multinational investor in situations arising out of the general strategic challenges in the European banking markets. This includes investments into assets and companies previously held by financial institutions, including performing and non-performing loans and special situations. DDM strives to create value for its stakeholders by combining significant expertise in financial services, credit underwriting and technology with a focus on operational excellence.

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