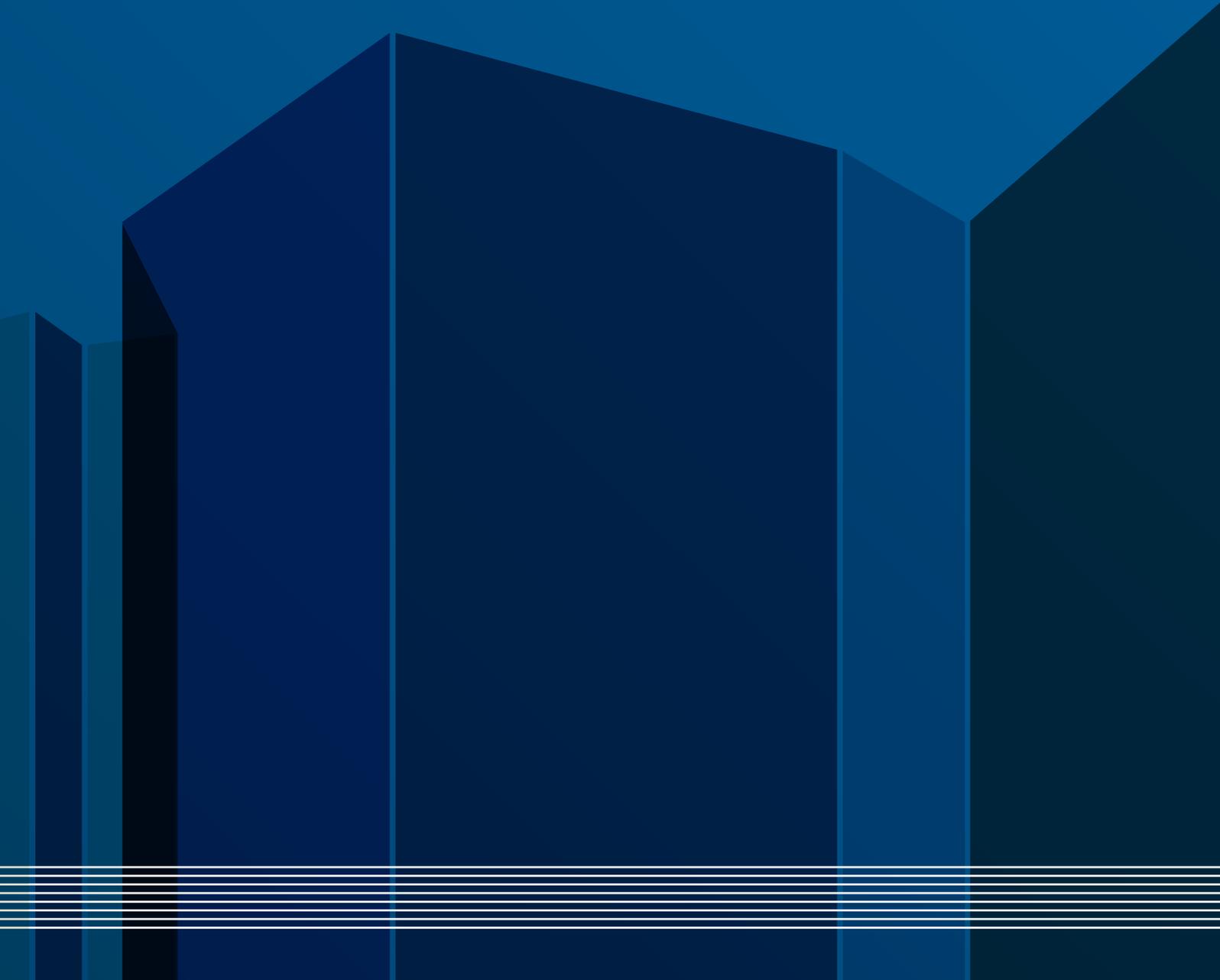




DF Deutsche Forfait AG

Announcement for the period

1 January to 31 March 2018



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DF GROUP GENERATED A CONSOLIDATED NET LOSS OF EUR 0.9 MILLION IN THE FIRST QUARTER OF THE FINANCIAL YEAR 2018

In the first three months of the financial year 2018, DF Group generated a business volume of EUR 9.8 million (previous year: EUR 0.0 million). While the business volume increased noticeably in February, following a slow start in January, the positive trend did not continue in March. This was partly due to the holidays around the Iranian New Year, which affected business life for almost two weeks. Moreover, the settlement of transactions took longer than expected, as the underlying trades were delayed and the compliance checks, especially for new customers, were time-consuming. Finally, the uncertainty about the continuation of the “nuclear deal” led to restraint in exporters’ trading activities with Iran.

The gross result for the first three months of 2018 amounted to EUR -0.1 million (previous year: EUR 1.6 million). The negative gross result is the consequence of income from operations in the amount of EUR 0.1 million and exchange losses of EUR 0.2 million. The exchange losses were essentially attributable to the creditor assets, which are partly denominated in USD and are not related to the company’s operating activities. The counter-item is included in other operating income, which totaled EUR 0.2 million (previous year: EUR 0.3 million) in the reporting period. Personnel expenses increased from EUR 0.55 million to EUR 0.59 million in the first three months of 2018, primarily because of the expansion of the Board of Management. Depreciation/amortization remained unchanged from the previous year at EUR 0.02 million. Other operating expenses amounted to EUR 0.5 million in Q1 2018, compared to EUR 1.9 million in the prior year quarter, which was influenced by value adjustments of the creditor assets, though. Total administrative expenses, which comprise personnel expenses, depreciation/amortization and other operating expenses, amounted to EUR 1.2 million in the first quarter of 2018, which was clearly below the previous year’s EUR 2.5 million.

The creditor assets changed only marginally compared to 31 December 2017 and totaled EUR 8.9 million as at 31 March 2018. The decline by EUR 0.3 million is the result of exchange losses of EUR 0.2 million and a distribution to the trustee in the amount of EUR 0.1 million.

The fair value of the credit liabilities is identical with the fair value of the creditor assets.

Because of the consolidated net loss incurred in the first quarter, DF Group's equity capital declined from EUR 7.3 million on 31 December 2017 to EUR 6.3 million on 31 March 2018.

The USA's withdrawal from the nuclear deal, which had not been expected in that form, and the resulting restrictions on business with Iran required the company to revise its planning following intensive consultations with European and US sanctions lawyers. DF-Group now projects a substantial loss for the full year 2018.

The company is optimistic, however, that even under the much more difficult framework conditions it will be able to develop a viable business model for the future with a strategic focus on financing solutions for trading activities in the Near and Middle East.

MATERIAL EVENTS AFTER THE END OF THE FIRST QUARTER

Loss of half the share capital

On 20 June 2018, DF Deutsche Forfait AG had to report the loss of half its share capital. This loss is attributable to a waiver of the repayment of a shareholder loan in the amount of EUR 2.5 million granted by DF Deutsche Forfait AG in its capacity as holding company to its operating subsidiary, DF Deutsche Forfait GmbH. The waiver became necessary because a substantial loss is projected for both the operating subsidiary, DF Deutsche Forfait GmbH, and the Group as a result of the USA's withdrawal from the nuclear deal, the extent of which had not been expected, and the resulting restrictions for Iran business.

Payout to the insolvency creditors

On 2 May 2018, the trustee made the third payout to DF AG's insolvency creditors, who also include the bondholders. The payout corresponds to an insolvency ratio of 1.7928% of the nominal amount of the bond. At the same time, the pro-rated interest amount on the registered interest claims was paid out.

Business volume increased to roughly EUR 20 million in Q2 2018

In the second quarter of the financial year 2018, DF Group generated an increased business volume of approx. EUR 20 million compared to the first three months.

Assets (in EUR)	31-03-2018	31-12-2017
Long-term assets		
Intangible assets	138,946.63	148,587.57
Tangible assets	95,388.12	95,625.65
Long-term financial assets	117,717.11	118,232.99
Deferred taxes	1,483,956.00	1,330,056.00
	1,836,007.86	1,692,502.21
Short-term assets		
Creditor assets	8,863,496.82	9,248,245.03
Trade accounts and other receivables	234,069.81	0.00
Other short-term assets	944,066.46	940,487.57
Cash and cash equivalents	4,904,299.70	6,079,060.14
	14,945,932.79	16,267,792.74
Total assets	16,781,940.65	17,960,294.95

Equity and Liabilities (in EUR)	31-03-2018	31-12-2017
Equity		
Subscribed capital	11,887,483.00	11,887,483.00
Costs of the capital increase	-623,481.04	-623,481.04
Revenue reserves	-4,778,824.81	-3,851,351.41
Adjustment item from currency translation	-174,116.87	-162,614.32
	6,311,060.28	7,250,036.23
Short-term liabilities		
Liabilities to banks	63.26	0.00
Creditor liabilities	8,863,496.82	9,248,245.03
Income tax liabilities	350,000.00	350,000.00
Trade accounts and other payables	253,603.49	203,381.32
Other short-term liabilities	1,003,716.80	908,632.37
	10,470,880.37	10,710,258.72
Total equity and liabilities	16,781,940.65	17,960,294.95



Consolidated Income Statement (in EUR)	01-01 - 31-03-2018	01-01 - 31-03-2017
Typical forfeiting income		
a) Forfeiting income	71,390.19	1,341,699.54
b) Commission income	27,500.83	457,216.29
c) Income from additional interest charged	0.00	0.00
d) Exchange profits	2,670.28	351,947.19
e) Income from the writing back of provisions for forfeiting and purchase commitments	0.00	0.00
	101,561.30	2,150,863.02
Typical forfeiting expenditure		
a) Expenditure from forfeiting	0.00	0.00
b) Commissions paid	19,989.26	4,579.21
c) Exchange losses	229,187.19	556,095.55
d) Credit insurance premiums	0.00	0.00
e) Depreciation and value adjustments on receivables as well as additions to provisions for forfeiting and purchase commitments	0.00	0.00
	249,176.45	560,674.76
Gross result	-147,615.15	1,590,188.26
Other operating income	226,243.10	292,654.23
Personnel expenses		
a) Wages and salaries	515,598.10	473,313.64
b) Social security contributions and expenditure for pensions and social welfare	73,884.45	72,276.69
	589,482.55	545,590.33
Depreciation on tangible and intangible assets	23,368.35	20,994.05
Other operating expenditure	542,732.45	1,906,763.34
Interest income	0.00	0.00
Interest paid	4,418.01	2,311.82
Profit before Income tax	-1,081,373.41	-592,817.05
Income tax		
a) Income and earnings tax	0.00	0.00
b) Deferred taxes	-153,900.00	-173,700.00
Consolidated income	-927,473.41	-419,117.05
Average number of shares	11,887,483	11,887,483
Undiluted earnings per share	-0.08	-0.04
Diluted earnings per share	-0.08	-0.04



CONSOLIDATED CASH FLOW STATEMENT

Consolidated Cash Flow Statement (in EUR)	Note	01-01 - 31-03-2018	01-01 - 31-03-2017
Consolidated income/loss		-927,473.41	-419,117.05
+ Depreciation on tangible and intangible assets		23,368.35	20,994.05
+ Income tax paid		-153,900.00	-173,700.00
+ Interest paid		4,418.01	2,311.82
- Interest income		0.00	0.00
+/- Income from disposals of long-term assets		0.00	0.00
+/- Other transactions not affecting payments		153,900.00	173,700.00
+/- Changes in creditor assets		384,748.21	-7,305,958.86
+/- Changes to trade accounts receivable		-234,069.81	0.00
+/- Changes to other assets		-156,963.01	-2,070,107.28
+/- Changes to provisions		0.00	0.00
+/- Changes in creditor liabilities		-384,748.21	7,305,958.86
+/- Changes to trade accounts payable		50,222.17	-278,002.24
+/- Paid taxes on profits		95,084.42	-6,089.23
= Operative Cash flow		-1,145,413.28	-2,750,009.93
- Paid interest		-4,418.01	-2,311.82
+ Retained interest		0.00	0.00
= Cash flow from operating activity		-1,149,831.29	-2,752,321.75
- Payments for investments in long-term assets		-13,524.20	0.00
+ Income from disposals of long-term assets		0.00	0.00
= Cash flow from investing activity		-13,524.20	0.00
+/- Changes in financial liabilities		63.26	647.28
+/- Capital market transactions		0.00	0.00
+/- Other changes in equity		0.00	0.00
= Cash flow from finance activity		63.26	647.28
- Changes in financial resources affecting payments		-1,163,292.23	-2,751,674.47
+ Liquid funds at the start of the period		6,079,060.14	10,157,768.87
+/- Effects from the currency conversion		-11,468.21	-11,586.17
= Liquid funds at the end of the period		4,904,299.70	7,394,508.23
- Pledged bank deposits		0.00	0.00
= Freely available funds at end of period	(33)	4,904,299.70	7,394,508.23

DF Deutsche Forfait AG
Hirtenweg 14
82031 Gruenwald

Telefon +49 89 21 55 19 00 - 0
Telefax +49 89 21 55 19 00 - 9
E-Mail dfag@dfag.de
Internet www.dfag.de/en/

DF Deutsche Forfait AG
<https://www.dfag.de/en/>