DF Deutsche Forfait AG

Interim Consolidated Financial Statements

for the period 1 January - 30 June 2019

TABLE OF CONTENTS

1. FUNDAMENTALS OF THE GROUP

a. Business model of the Group

DF Group is a specialist for foreign trade finance and related services. The customers of DF Group are exporters, importers and other financial companies. DF Group currently specializes in the countries of the Near and Middle East, with the main focus on Iran. With respect to trade with Iran, DF Group has concentrated its activities to humanitarian goods since the summer of 2018 for business policy reasons.

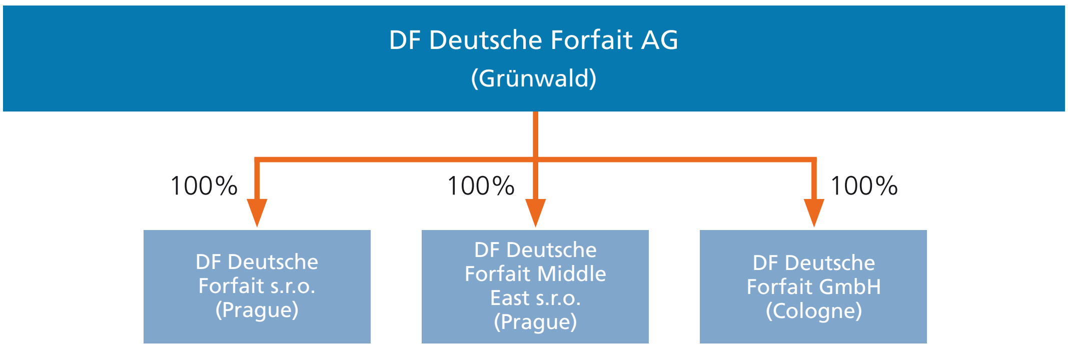
The current product portfolio is tailored to the geographic focus and specific customer needs. Besides the collection of foreign trade receivables and the payment settlement services provided by the Czech subsidiary, DF Group also offers compliance consulting services in the context of which the company markets its country-specific know-how, its network as well as its compliance expertise. While forfaiting and purchase commitments are also part of the product portfolio, they currently play only a minor role. Towards the end of the second quarter of 2019, DF Group was able to intensify its brokerage activities. In the context of these marketing services, DF Group – after having carried out its own compliance check – brokers transactions relating to the food and medical sectors to its strategic partners for further processing.

DF Group intends to also conclude forfaiting transactions again in the short to medium term. To finance these transactions, DF Group has initiated a certificates structure in Luxembourg that is not affiliated with DF Group under company law and thus not subject to consolidation. By subscribing to certificates (“bonds”), investors can participate in the performance of previously defined foreign trade receivables.

b. Structure of DF Group

DF Deutsche Forfait AG ("DF AG" or "company"), headquartered in Grünwald near Munich, is the holding company and ultimate parent of DF Group. Three operating subsidiaries – DF Deutsche Forfait GmbH in Cologne ("DF GmbH"), DF Deutsche Forfait s.r.o. ("DF s.r.o.") and DF Deutsche Forfait Middle East s.r.o. ("DF ME s.r.o.") – sit below DF AG. Deutsche Kapital Limited in Dubai ("DKL") as well as the subsidiary in Brazil (Florianopolis) and the subsidiary in Pakistan (Lahore) are being liquidated.

Main companies



DF GmbH has taken over the operating activities from DF AG and currently focuses its product offerings on the collection of foreign trade receivables, consulting and marketing services in on the Near and Middle East, with the main focus on Iran. In addition, the company provides services to other DF Group entities. These include, among other things, accounting, contract management, compliance, sales and risk management.

DF ME s.r.o. also focuses on transactions in the Near and Middle East, especially Iran, and offers primarily services for the processing of payment transactions ("administrative services"). DF s.r.o. covers the remaining geographies with a focus on emerging markets.

2. ECONOMIC REPORT

a) Macroeconomic and industry-related environment

In its July 2019 update of the World Economic Outlook, the International Monetary Fund projects global economic growth of 3.2% for the year 2019. Although expectations have been downgraded compared to the April forecast because of the unexpectedly weaker first quarter, especially in the eurozone, a growth rate of 1.3% is still being projected for the region (-0.1 percentage point on the April forecast). The German economy is expected to grow by 0.7% in 2019 (-0.1 percentage point). A 2.6% increase is projected for the USA. Between them, the industrialized economies are expected to grow by 1.9% in 2019. The IMF experts project GDP growth of 4.1% for the emerging and developing countries. China (6.2%) and India (7.0%) remain among the main growth drivers. Moderate growth of 1.0% is expected for the Middle East (including North Africa). By contrast, the IMF's April 2019 forecast anticipates a 6% decline in economic output in Iran as a result of the tighter US sanctions. Demand for humanitarian goods (food and medicine), on which DF Group focuses, is not directly affected by the economic trend in Iran.

According to the IMF's latest July outlook, the global trade volume will grow by 2.5% in 2019. This growth will be supported by both the industrialized countries (+2.2%) and the emerging and developing countries (+2.9%).

b) Business performance

i. Results of operation

In the second quarter of 2019, DF Group returned to profitability with a consolidated net income of EUR 0.3 million. A better result was prevented by a provision of EUR 0.35 million, which was established for a legal dispute. At the bottom line, DF Group generated a slightly negative consolidated result of EUR -0.1 million in the first half of 2019. This means that the company's results of operation have improved noticeably compared to the same period of the previous year. The improvement in earnings is mainly attributable to the strong consulting business, improved margins in administrative services and initial successes in marketing services.

The gross result increased from EUR 0.5 million in the prior year period to EUR 3.1 million in the first six months of 2019. The gross result essentially comprised commission income from consulting business (EUR 2.2 million), administrative services (EUR 0.5 million) and marketing services (EUR 0.3 million). In the previous year, the gross result was influenced primarily by forfaiting income (EUR 0.3 million) and exchange gains (EUR 0.2 million).

The business volume increased from EUR 30.5 million in the first half of 2018 to EUR 45.1 million in the first six months of 2019, mainly as a result of the marketing services.

Other operating income amounted to EUR 0.3 million in the first half of 2019 (previous year: EUR 0.5 million) and essentially resulted from claims for the reimbursement of legal expenses not to be borne by DF Group related to the collection of the creditor assets (EUR 0.2 million).

Administrative expenses, which are composed of personnel expenses, depreciation / amortization and other operating expenses, increased slightly from EUR 2.7 million in the prior year period to EUR 2.9 million. Personnel expenses were up from EUR 1.2 million in the previous year to EUR 1.3 million. The increase is essentially attributable to one-time expenses in conjunction with HR measures. Due to the first-time application of IFRS 16, depreciation / amortization doubled from EUR 0.04 million in the first six months of 2018 to EUR 0.08 million in the first half of 2019. Other operating expenses amounted to EUR 1.5 million (previous year: EUR 1.5 million). Legal and consulting expenses of EUR 0.56 were the main item included in other operating expenses. This amount comprises EUR 0.15 million relating to the collection of the creditor assets and EUR 0.14 million relating to auditing and tax consulting expenses. Other material items included in other operating expenses were insurance costs of EUR 0.09 million, stock exchange listing and investor relations costs of EUR 0.05 million and expenses for the allocation of the abovementioned provisions for a legal dispute of EUR 0.35 million.

Overall, DF Group's result for the first half of 2019 is in line with expectations. Even though the earnings contributions made by the individual products were not as planned and, consequently, the planned business volume was not realized, the announced improvement in earnings was achieved thanks to the flexible adaptation of the products offered to actual market conditions.

ii. Financial position

Operating cash flow amounted to EUR 1.1 million in the first half of 2019, compared to EUR -1.6 million in the same period of the previous year. The positive operating cash flow is primarily due to the fact that the consolidated result improved on the prior year period.

DF Group's equity capital amounted to EUR 5.2 million as of 30 June 2019, compared to EUR 5.3 million on 31 December 2018. The change in equity is attributable to the consolidated result of the first six months of the current financial year. The equity ratio stood at 22% on 30 June 2019, compared to 41% at the end of the financial year 2018. The reduced equity ratio is attributable to the increase in total assets.

As at 30 June 2019, DF Group had a subordinated loan of EUR 15 million from the majority shareholder of DF AG. The loan is intended to finance new business. In view of the expected new business, the financial resources will be sufficient to fulfil DF Group's financial obligations even without the loan.

iii. Net assets position

As at 30 June 2019, DF Group's total assets amounted to EUR 23.9 million, compared to EUR 12.9 million on 31 December 2018. The increase in total assets is attributable to the above-mentioned loan and the resulting cash flow. At EUR 19.6 million, cash and cash equivalents were therefore by far the largest asset at the half-year stage. Creditor assets decreased from EUR 6.2 million as at 31 December 2018 to EUR 1.5 million primarily due to the successful conclusion of settlement agreements and the subsequent payout to the trustee.

c) DF share and bond

Performance of the DF share in the first half of 2019

At the beginning of the year, on 2 January 2019, the DF share traded at EUR 0.13. The half-year low of EUR 0.12 was recorded shortly thereafter on 7 January. The price then rose steadily until the share reached its half-year high of EUR 0.84 on 2 May. The share price then dropped, with the share closing the first half of 2019 at EUR 0.48, which represents a gain of 269.23% in the reporting period. Benchmark indices such as the SDAX and the DAXsector Financial Services also performed positively in the past year. The SDAX benefited from the positive stock market sentiment and climbed 18.9% in the course of the first half of the year. The DAXsector Financial Services closed the first half of 2019 8.0% higher.

Performance of the DF bond in the first half of 2019

The price of the DF bond rose steadily during the first half of the year. At the beginning of the year, the bond price started at a half-year low of 1.53% and then climbed steadily to 8.00% by 24 June 2019. According to the insolvency plan of DF AG, the bond is repaid exclusively through the disbursement of the proceeds generated by DF AG from the sale of the assets attributable to the creditors ("creditor assets"). In the first half of 2019, a payment was made in June with an insolvency ratio of 6.484%.

3. OPPORTUNITY AND RISK REPORT

A detailed presentation of the risks and opportunities is provided in the Group management report as of 31 December 2018.

In the first half of 2019, the increased political tensions between the USA and Iran led to a further reduction in the number of trading partners and channels available in DF Group's target market. As a result, margins and volumes for the remaining players have increased. In trade with Iran, DF Group continues to focus on humanitarian goods (food and medicine). In this area, DF Group is also in regular contact with law firms specializing in compliance and regularly adapts its compliance policies to changing requirements. Against the background of the complicated national and international regulations and the associated complex compliance checks, DF Group's experience and specialization is a major competitive advantage, which is increasingly reflected in growing revenues. Due to the products offered and the complexity of the business, DF Group is dependent on cooperation with a few selected, specialist partners. In this context, the cooperation with Saman Bank should be mentioned, in particular. The cooperation with experienced partners means that transactions are verified multiple times by different compliance departments, which benefits all parties involved and increases the security of each transaction.

The specialization of DF Group's business model and the close cooperation with specialized and well-established partners also represent a concentration risk. Should a further political or military escalation or other events result in the loss or non-availability of an important partner of DF Group, this could pose a considerable risk to the business development of DF Group. This risk is largely dependent on the partner and the duration of the loss or non-availability. If such a loss or non-availability cannot be offset in the short term, there is a risk of substantial business losses or up to jeopardizing the ability to continue as a going concern of individual Group companies or DF Group as a whole.

With a view to diversification, DF Group plans to expand its geographical focus to Turkey. Even if entering a new market always involves a risk, DF Group is convinced that an entry into the Turkish market will increase its earnings base.

At the time of the preparation of the interim consolidated financial statements and the present interim report, the Board of Management believes that, based on developments during the past twelve months, opportunities clearly outweigh the risks, which makes it safe to assume that the company will continue to operate profitably.

4. FORECAST

According to its latest forecast of July 2019, the IMF expects the global economy to stay on the growth track and grow by 3.2%. For 2020, the IMF experts expect global economic growth of 3.5%, which breaks down into 4.7% growth in the emerging and developing countries and 1.7% growth in the industrialized nations. A 1.6% increase is expected for the eurozone. For the German economy, the IMF estimates GDP growth of 1.7% for the coming year. Above-average growth is again projected for Asia's emerging markets (+6.2%), led by China (+6.0%) and India (+7.2%). For the Middle East countries (including North Africa), the IMF experts project a growth rate of +3.0% for the coming year. According to the IMF's April 2019 forecast, moderate GDP growth (0.2%) is even projected for Iran in 2020.

Global trade is also expected to grow more strongly again in 2020. World trade is forecast to grow by 3.7%. Both the industrialized countries (+3.1%) and the emerging and developing countries (+4.8%) are expected to benefit from this increase in world trade.

The IMF forecast for the world economy is, however, generally subject to a large number of factors, some of which are difficult to predict. Growing trade barriers remain one of the main risks to global trade. Increased protectionism in the form of the reintroduction of import duties, e.g. in the ongoing trade conflict between the USA and China, or even an escalation beyond this as well as growing nationalism may lead to a slowdown in free trade. Moreover, the risk of a potential hard Brexit is creating uncertainty among companies. There are also other risks, such as high global government debt and regional conflicts, e.g. in the Middle East, especially in the Strait of Hormus, which pose a further threat to global trade. On the other hand, the IMF expects that favorable financing conditions and a strengthening of globalization, e.g. in the form of the signing of the EU-Japan Free Trade Agreement earlier this year, will continue to contribute to growing global trade volumes. The IMF experts believe, however, that the US sanctions reintroduced in 2019 will put a significant strain on Iran's short-term trade prospects, despite the intention of the other signatories to comply with the international nuclear agreement.

In trade with Iran, DF Group focuses on food and medicine. Despite the negative economic trend in Iran, there is still brisk demand in these sectors. This is particularly evident in DF Group's fast-growing marketing services, but also in its administrative services. DF Group is also experiencing consistently good demand for consulting services. In view of the positive developments in recent weeks, the company assumes that the turnaround achieved in the second quarter of 2019 will continue in the coming weeks and months, provided that the political and economic environment in DF Group's target region does not deteriorate and the cooperation with our strategic partners can be continued on the same scale. If these preconditions materialize, DF Group projects consolidated net income in excess of EUR 2 million for the current financial year, thus putting the objective of a positive consolidated result for 2019 into more concrete terms. The originally planned business volume of EUR 300 million will probably not be achieved, as the composition of the product portfolio has shifted to increased consulting business in the year to date, which is not reflected in the business volume.

Grünwald, 9 September 2019

The Board of Management

FINANCIAL FIGURES FOR THE PERIOD 1 JANUARY - 30 JUNE 2019

Consolidated Balance Sheet – Assets

Consolidated Balance Sheet – Equity and Liabilities

Consolidated Income Statement

Consolidated Statement of Comprehensive Income

Consolidated Cash Flow Statement

Consolidated Statement of Equity Changes

ASSETS (in EUR)	Notes No.	30-06-2019	31-12-2018
Non-current assets			
Intangible assets		103,140.11	124,020.83
Tangible assets		332,135.49	87,604.00
Long-term financial assets		40,644.19	40,644.19
Deferred taxes	(11)	1,166,456.00	1,524,156.00
		1,642,375.79	1,776,425.02
Current assets			
Creditor assets	(15)	1,487,999.18	6,186,840.18
Trade receivables		128,562.74	439,432.86
Other current assets		1,060,102.85	993,368.65
Cash and cash equivalents	(12)	19,595,904.12	3,553,920.65
		22,272,568.89	11,173,562.34
Total assets		23,914,944.68	12,949,987.36

Equity and Liabilities (in EUR)	Notes No.	30-06-2019	31-12-2018
Equity	(13)		
Subscribed capital		11,887,483.00	11,887,483.00
Costs of the capital increase		-623,481.04	-623,481.04
Revenue reserves		-5,866,590.98	-5,756,635.47
Adjustment item from currency translation		-164,745.11	-178,558.63
		5,232,665.87	5,328,807.86
Non-current liabilities			
Loan		15,000,000.00	0.00
Lease obligations		163,785.44	0.00
		15,163,785.44	0.00
Current liabilities			
Creditor liabilities	(15)	1,487,999.18	6,186,840.18
Liabilities to banks		0.00	329.08
Provisions	(9)	350,000.00	0.00
Income tax liabilities	(11)	479,130.00	462,267.57
Trade accounts payable	(14)	312,584.90	237,493.34
Other current debt		888,779.29	734,249.33
		3,518,493.37	7,621,179.50
Total equity and liabilities		23,914,944.68	12,949,987.36

Consolidated Income Statement (in EUR)	**Notes No.**	**01-01 – 30-06-2019**	**01-01 – 30-06-2018**
Transaction-related income	(5)		
a) Forfaiting income		6,004.07	289,782.87
b) Commission income		3,153,534.65	132,068.66
c) Exchange gains		54,556.12	244,402.94
		3,214,094.84	**666,254.47**
Transaction-related expenses	(6)		
a) Forfaiting expenses		0.00	82,434.98
b) Commission expenses		86,149.74	74,158.30
c) Exchange losses		40,753.14	32,607.31
		126,902.88	**189,200.59**
Gross result	(7)	**3,087,191.96**	**477,053.88**
Other operating income	(8)	259,553.90	531,205.71
Personnel expenses			
a) Wages and salaries		1,189,905.99	1,011,922.03
b) Social security contributions and expenditure for pensions and social welfare		154,258.82	148,706.88
		1,344,164.81	**1,160,628.91**
Amortization of intangible assets and tangible assets		85,869.24	44,606.38
Other operating expenses	(9)	1,490,215.03	1,516,328.49
Interest income	(10)	0.00	250.00
Interest paid	(10)	57,100.13	10,027.93
Profit before income tax		**369,396.65**	**-1,723,082.12**
Income tax	(11)		
a) Income tax		121,652.16	0.00
b) Deferred taxes		357,700.00	-291,450.00
Consolidated net income		**-109,955.51**	**-1,431,632.12**
Average number of shares		11,887,483	11,887,483
Basic earnings per share		-0.01	-0.12
Diluted earnings per share		-0.01	-0.12

Consolidated Statement of Comprehensive Income (in EUR)	**01-01 – 30-06-2019**	**01-01 – 30-06-2018**
Consolidated net income	**-109,955.51**	**-1,431,632.12**
Other income		
Components that can be reclassified to the income statement in the future		
Currency translation differences relating to foreign subsidiaries	13,813.52	2,718.52
	13,813.52	2,718.52
Comprehensive income	**-96,141.99**	**-1,428,913.60**

The consolidated net income and the comprehensive income are fully attributable to the shareholders of the parent company.

	Consolidated Cash Flow Statement (in EUR)	01-01 – 30-06-2019	01-01 – 30-06-2018
	Cash Flow		
	Consolidated loss	-109,955.51	-1,431,632.12
+	Amortization/depreciation of intangible and tangible assets	85,869.24	44,606.38
+	Income tax	479,352.16	-291,450.00
+	Interest paid	57,100.13	10,027.93
-	Interest income	0.00	-250.00
+/-	Other non-cash transactions	-496,205.91	288,250.00
+/-	Changes in creditor assets	4,698,841.00	201,920.34
+/-	Changes in trade receivables	310,870.12	0.00
+/-	Changes in other assets	290,965.80	-181,241.42
+/-	Changes in provisions	350,000.00	0.00
+/-	Changes in creditor liabilities	-4,698,841.00	-201,920.34
+/-	Changes in trade accounts payable	75,091.56	-4,692.38
+/-	Changes in other liabilities	75,535.43	-59,104.17
=	**Operating cash flow**	**1,118,623.02**	**-1,625,485.78**
-	Interest paid	-40,246.38	-6,577.93
+	Interest received	0.00	0.00
=	**Cash flow from operating activities**	**1,078,376.64**	**-1,632,063.71**
-	Payments for investments in non-current assets	-49,808.76	-15,660.63
+	Proceeds from disposals of non-current assets	0.00	0.00
=	**Cash flow from investing activities**	**-49,808.76**	**-15,660.63**
+/-	Changes in financial liabilities	-329.08	104.62
+/-	Loans raised	15,000,000.00	0.00
+/-	Other changes in equity	0.00	0.00
=	**Cash flow from financing activities**	**14,999,670.92**	**104.62**
	Net changes in cash and cash equivalents	16,028,238.80	-1,647,619.72
+	Cash and cash equivalents at beginning of the period	3,553,920.65	6,079,060.14
+/-	Currency translation effects	13,744.67	11,002.56
=	**Cash and cash equivalents at end of the period**	**19,595,904.12**	**4,442,442.98**
-	Bank balances pledged	-35,000.00	-35,000.00
=	**Free cash and cash equivalents at end of the period**	**19,560,904.12**	**4,407,442.98**

Consolidated Statement of Equity Changes 01-01-2019 – 30-06-2019 (in EUR)	Subscribed capital	Capital earmarked for capital increase	Capital reserve	Costs of the capital increase	Revenue reserves	Adjustment item from currency translation[1]	Total
As at 1 January 2018	**11,887,483.00**	**0.00**	**0.00**	**(623,481.04)**	**(3,851,351.41)**	**(162,614.32)**	**7,250,036.23**
Consolidated net income					(1,431,632.12)		**(1,431,632.12)**
Other income						2,718.52	**2,718.52**
Comprehensive income					**(1,431,632.12)**	**2,718.52**	**(1,428,913.60)**
Changes in the basis of consolidation					(40,338.07)		(40,338.07)
As at 30 June 2018	**11,887,483.00**	**0.00**	**0.00**	**(623,481.04)**	**(5,323,321.60)**	**(159,895.80)**	**5,780,784.56**
As at 1 January 2019	**11,887,483.00**	**0.00**	**0.00**	**(623,481.04)**	**(5,756,635.47)**	**(178,558.63)**	**5,328,807.86**
Consolidated net income					(109,955.51)		**(109,955.51)**
Other income						13,813.52	**13,813.52**
Comprehensive income					(109,955.51)	13,813.52	**(96,141.99)**
As at 30 June 2019	**11,887,483.00**	**0.00**	**0.00**	**(623,481.04)**	**(5,866,590.98)**	**(164,745.11)**	**5,232,665.87**

[1] Other Comprehensive Income (OCI)

SELECTED EXPLANATORY NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2019

I. POLICIES

(1) General information

DF Deutsche Forfait AG (also referred to as "DF AG" or "the company") is the parent company of DF Group (also referred to as "Group") and has the legal status of a joint stock company. The company's address is Hirtenweg 14, 82031 Grünwald. It is registered at Munich Local Court (Germany, "Amtsgericht") under HRB 228114.

DF AG is a forfaiting company and, as such, is a financial enterprise within the definition of Section 1 (3) No. 2 of the German Banking Act (KWG). Is also performs the function of a holding company within DF Group.

The present interim consolidated financial statements were prepared on the assumption that the company will continue as a going concern. At the same time, the close cooperation with specialized and well-established partners also represents a concentration risk. The loss of an important partner can lead to a considerable risk for the business development of the DF Group. This risk is largely dependent on the partner and the downtime. If such a default cannot be compensated for in the short term, there is a risk of business losses or even a threat to the continued existence of individual Group companies or the DF Group as a whole. According to the Board of Management's current assessment and based on developments in recent months, opportunities clearly out-weigh the risks. For more information, please refer to the opportunity and risk report in section 3 of the interim consolidated report.

In accordance with IAS 34, the interim financial statements are presented in an abridged form compared to the consolidated annual financial statements. The unaudited condensed interim consolidated financial statements of DF AG as of 30 June 2019 were prepared on the basis of the applicable International Financial Reporting Standards (IFRS) for interim reporting as endorsed by the EU. The interim financial statements were generally prepared on the basis of the same accounting and valuation policies on which the previous consolidated financial statements for the period ended 31 December 2018 were based. The term "IFRS" also includes the prevailing International Accounting Standards (IAS). All the binding interpretations of the International Financial Reporting Interpretations Committee (IFRIC) for the first half of 2019 have also been applied. Except for IFRS 16 (section 2), the standards and interpretations that became effective as of 1 January 2019 had no material impact on the Group's net assets, financial position and results of operation.

The functional currency of the Group is the euro. All figures are presented in thousands of euros (kEUR) unless otherwise stated.

Starting with the consolidated financial statements for the period ended 1 July 2016, the assets and liabilities that have been recognized as recoverable mass and / or as filed for the insolvency table have been grouped into "creditor assets" and "creditor liabilities" to make the presentation clearer. These items are shown separately in the consolidated financial statements and described in the consolidated notes. The income statement is prepared according to the total expenditure method. In the consolidated income statement, income and expenses are grouped by category and income and expense totals are presented to reflect the particular characteristics of a forfaiting company.

(2) Amendments to the standards made by the IASB

Application of new standards and interpretations as at 30 June 2019

IFRS 16 "Leases"

In February 2016, the IASB finalized IFRS 16, which essentially requires lessees to recognize all leases and the related contractual rights and duties in their balance sheet. Lessees no longer distinguish between finance leases and operating leases (IAS 17). The standard was endorsed by the EU in October 2017 and is effective for reporting periods commencing on or after 1 January 2019. DF Group made use of the options not to recognize the right of use and the leasing liability for leasing contracts with a term of up to twelve months as well as leasing contracts for low-value assets. Leased assets with a value of up to kEUR 5 are defined as low-value assets. The transition is made by applying the modified retrospective method without adjusting the comparative figures of the financial year 2018.

Because of the recognition of the rights of use resulting from the application of IFRS 16, tangible assets in the consolidated balance sheet for the period ended 30 June 2019 increased by kEUR 259. At the same time, long-term (kEUR 164) as well as short-term (kEUR 96) financial liabilities increased by the recognition of the present values of the leasing liabilities. Leasing expenses, which were previously recorded under other operating expenses, are now shown under depreciation / amortization (kEUR 48).

Amendments to IFRIC 23 "Uncertainty over Income Tax Treatments"

In June 2017, the IASB published Interpretation 23 to clarify the regulations of IAS 12 regarding the recognition and measurement of actual income tax, deferred tax liabilities and deferred tax assets if there is uncertainty over income tax treatments. IFRIC 23 is to be adopted for reporting periods beginning on or after 1 January 2019. The effects on the presentation of DF Group's net assets, financial position and results of operation are negligible.

Amendments to IFRS 9 "Financial Instruments"

The amendment "Prepayment Features with Negative Compensation" was published by the IASB in October 2017 to enable the measurement of financial assets at amortized cost or fair value if, in the event of premature termination, a compensation payment to the terminating party may become due ("symmetric termination rights"). The amendments are applicable for annual periods commencing on or after 1 January 2019. EU endorsement is still pending. The effects on the presentation of the Group's net assets, financial position and results of operation are negligible.

Amendments to IAS 28 "Investments in Associates and Joint Ventures"

The amendment "Long-term Interests in Associates and Joint Ventures" was published by the IASB in October 2017 and obliges an entity to apply IFRS 9 and its impairment requirements to long-term interests in associates or joint ventures that essentially form part of the net investment in the associate or joint venture but to which the equity method is not applied. The amendment is mandatory for financial years commencing on or after 1 January 2019. It has no effect on the presentation of the Group's net assets, financial position and results of operation.

"Annual Improvements to IFRSs 2015–2017 Cycle"

The amendments were published in December 2017 as part of the Annual Improvement Project and essentially relate to clarifications of IFRS 3 "Business Combinations", IFRS 11 "Joint Arrangements", IAS 12 "Income Taxes" and IAS 23 "Borrowing Costs". The amendments are applicable for annual periods commencing on or after 1 January 2019. The effects on the presentation of the Group's net assets, financial position and results of operation are negligible.

Amendments to IAS 19 "Employee Benefits"

The amendments were published in February 2018 and relate to the accounting of defined benefit plans as of the time of a plan amendment, curtailment or settlement. In the future, current service cost and net interest expenses will have to be recalculated as of this time for the remaining financial year based on the actuarial assumptions used for the remeasurement. Clarifications regarding the effects on the determination of the asset ceiling have been included in the standard. The amendments are applicable for annual periods commencing on or after 1 January 2019. Early adoption is permissible. EU endorsement is still pending. The effects on the presentation of DF Group's net assets, financial position and results of operation are negligible.

Early adoption of accounting standards

No IFRS that had been issued and approved as well as endorsed by the EU but were not mandatory as of 30 June 2019 were adopted early by DF Group.

Standards, interpretations and amendments that have been issued but not been applied yet

DF Group will apply the revised and new standards and interpretations as of the date at which they become effective, provided that they have been endorsed by the European Union.

Amendments to IFRS 17 "Insurance Contracts"

IFRS 17 was published in May 2017 and will replace IFRS 4. The standard applies to insurance and reinsurance contracts as well as to investment contracts with discretionary participation features. IFRS 17 is mandatory for financial years commencing on or after 1 January 2021. EU endorsement is still pending. The potential effects on the presentation of the net assets, financial position and results of operation are still being reviewed.

Amendments to the "Conceptual Framework"

On 29 March 2018, the IASB published a revised version of the conceptual framework which is to serve as a uniform basis for the development of standards and interpretations. The revision covers in particular the measurement of assets and liabilities, guidelines for the presentation of the results of operation and adjustments to the definitions of assets and liabilities. The amendments are applicable for annual periods commencing on or after 1 January 2020.

Amendments to IFRS 3 "Business Combinations"

On 22 October 2018, an amendment of IFRS 3 concerning the definition of a business was published. The IASB has clarified that a business comprises a group of activities and assets which includes at least one input and one substantial process that together significantly contribute to the ability to produce output. With regard to services, the focus is now on the provision of goods and services to customers. The amended definition is to be applied to business combinations with an acquisition date on or after 1 January 2020.

Amendments to IAS 1 "Presentation of Financial Statements" and IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors"

On 31 October 2018, the IASB published amendments to IAS 1 and IAS 8 which include a uniform and more precise definition of materiality and supplement it by accompanying examples. The amendments are mandatory for financial years commencing on or after 1 January 2020.

(3) Basis of consolidation

The shareholdings of DF AG are shown below. DF Deutsche Forfait GmbH (also referred to as "DF GmbH") was initially consolidated in the financial statements for the period ended 1 July 2016. Deutsche Kapital Ltd., Dubai / UAE is being liquidated and was deconsolidated as of 31 December 2018. In addition, DF Deutsche Forfait Middle East s.r.o., Prague / Czech Republic (also referred to as "DF ME"), a wholly-owned subsidiary of DF AG, was initially consolidated in the financial statements for the period ended 30 June 2018. The Group's shareholdings have remained unchanged compared to the consolidated financial statements for the period ended 31 December 2018.

Shareholding	Share in equity	Consolidation
DF Deutsche Forfait GmbH, Cologne	100%	fully consolidated
DF Deutsche Forfait s.r.o., Prague / Czech Republic	100%	fully consolidated
DF Deutsche Forfait Middle East s.r.o., Prague / Czech Republic	100%	fully consolidated

As in the previous period, the non-consolidated subsidiaries are of secondary importance for the interim consolidated financial statements as of 30 June 2019, both individually and collectively, and do not influence the true and fair view of the net assets, financial position and results of operation presented in the interim consolidated financial statements.

(4) Currency translation

The interim consolidated financial statements are prepared in euros, the functional currency of the company, pursuant to IAS 21 "The Effects of Changes in Foreign Exchange Rates".

Since the subsidiaries carry out their business autonomously in financial, economic and organizational terms, the functional currency is essentially identical to the company's local currency. Therefore, in the interim consolidated financial statements, the income and expenses from the financial statements of subsidiaries – which are prepared in a foreign currency – are translated into euros at the average rate; assets and liabilities are translated at the closing rate.

Exchange differences resulting from the translation of equity are recognized in equity in the form of an adjustment item from currency translation. The translation differences resulting from differing translation rates between the balance sheet and the statement of comprehensive income are recognized in other comprehensive income.

Foreign currency receivables and liabilities are valued at the cost of acquisition on accrual. Exchange gains and losses on the balance sheet date are shown in the income statement. The exchange rates on which translation into euros is based correspond to the euro reference rates published by the European Central Bank and are as follows:

	Closing rate		Average rate	
	30-06-2019	31-12-2018	01-01 – 30-06-2019	01-01 – 30-06-2018
USD	1.1380	1.1450	1.1298	1.2108
Czech koruna	25.4470	25.724	25.6840	25.4973

II. NOTES TO THE INCOME STATEMENT

Within the operating activities, the weighting of the income types assigned to the product segments has changed compared to the previous year, as the collection activities and the services provided by the Czech subsidiary have become relatively more important in connection with the processing of payment transactions. Since the publication of the consolidated financial statements for the period ended 30 June 2018, DF Group has therefore used the terms "transaction-related income" and "transaction-related expenses" instead of the previously used "typical forfaiting income" and "typical forfaiting expenses". This change has no material impacts.

(5) Transaction-related income

Portfolio income earned in the period, trading income (the difference between amortized cost / fair value and the sales price of a receivable) and the positive effects from the fair value measurement of receivables of the trading and restructuring portfolio are recorded as forfaiting income. Commission income mainly results from consulting services and services provided in connection with payment transactions.

Transaction-related income breaks down as follows:

Transaction-related income in kEUR	**01-01 – 30-06-2019**	**01-01 – 30-06-2018**
Forfaiting income	6	290
Commission income	3,154	132
Exchange gains	54	244
Total	**3,214**	**666**

Forfaiting income is income resulting from fair value measurement. Commission income essentially includes income in the amount of kEUR 2,538 from a compliance consulting contract as well as income in the amount of kEUR 598 from services provided in connection with the processing of payment transactions for a client in the Middle East region.

(6) Transaction-related expenses

Forfaiting expenses are incurred where the sales price realized is lower than the carrying amount and negative effects result from the fair value measurement. Commission expenses are related to the income listed under point (5).

Transaction-related expenses break down as follows:

Transaction-related expenses in kEUR	01-01 – 30-06-2019	01-01 – 30-06-2018
Forfaiting expenses	-	83
Commission expenses	86	74
Exchange losses	41	32
Total	**127**	**189**

(7) Balance of transaction-related income and expenses (gross result)

Gross result is the difference between transaction-related income and expenses.

Gross result in kEUR	01-01 – 30-06-2019	01-01 – 30-06-2018
Net forfaiting	6	207
Net commission	3,067	58
Result from exchange gains and losses	14	212
Total	**3,087**	**477**

(8) Other operating income

Other operating income breaks down as follows:

Other operating income in kEUR	01-01 – 30-06-2019	01-01 –30-06-2018
Income from the allocation of charges	199	388
Income from settlement agreements	-	77
Income from fees for the sale of the creditor assets	50	50
Miscellaneous other operating income	11	16
Total	**260**	**531**

Income from the allocation of charge relates to legal expense and other expenses incurred in conjunction with the sale of the creditor assets.

(9) Other operating expenses

Other operating expenses break down as follows:

Other operating expenses in kEUR	01-01 – 30-06-2019	01-01 – 30-06-2018
Legal and consultation fees, accounting expenses	569	614
Expenses for the fair value measurement of the creditor assets	86	207
Insurance, fees, contributions	95	139
Cost of premises	46	129
Administrative expenses / cooperation partners	75	61
IT equipment and rights of use	43	59
Investor relations, AGM	50	58
Travel expenses	49	40
Compensation of the members of the Supervisory Board	35	37
Telephone, postage and web connection charges	11	22
Payment transaction fees	46	23
Expenses for a legal dispute	350	-
Miscellaneous other expenses	35	127
Total	**1,490**	**1,516**

Legal and consultation fees as well as accounting expenses mainly relate to consulting costs incurred in conjunction with the sale of the creditor assets, expenses for annual and quarterly audits as well as for tax advice. The expenses for a legal dispute (kEUR 350) result from the allocation to a corresponding provision (ad-hoc announcement of 27 August 2019).

(10) Financial result

The interest expenses of the reporting period mainly result from negative interest charged by banks in the amount of kEUR 39 (prior period: kEUR 7) and loan interest in the amount of kEUR 17 (prior period: kEUR 0).

(11) Income tax

Income tax receivables comprise deferred taxes of kEUR 1,166 (prior year: kEUR 1,524). Deferred tax expenses of kEUR 357 (prior period: kEUR 291) and actual tax expenses of kEUR 122 (prior period: kEUR 0) were posted for the reporting period.

Deferred tax assets from temporary differences may not be recognized if it is not sufficiently probable that taxable results will be available against which the deductible temporary differences can be utilized (IAS 12.27). Deferred tax assets resulting from losses carried forward are recognized in the income statement (IAS 12.56) to the extent that temporary differences in the same amount are available against which the unused tax losses can be utilized. Deferred tax expenses have been recognized in the income statement for the net income generated by DF GmbH and DF ME in the reporting period (IAS 12.56).

Based on the revised plans and budgets and new business transactions and inquiries, management assumes that, because of the business opportunities that arise, taxable income in the same amount as DF GmbH's existing loss carryforwards will be available in the future against which the unused tax losses can be utilized.

DF AG recognized a tax liability (kEUR 350) on the restructuring profit generated in the 2016 assessment period, as the City of Cologne has denied the tax advantage.

III. NOTES TO THE BALANCE SHEET

(12) Cash and cash equivalents

Cash and cash equivalents amounted to kEUR 19,596 (prior period: kEUR 3,554) and related to bank balances with a maturity of up to three months. The increase by kEUR 16,042 is mainly attributable to a loan granted to DF GmbH by the majority shareholder of DF AG.

(13) Equity

Changes in the equity of DF Group as of 30 June 2019 are shown in the statement of changes in equity.

The share capital of the Group is fully paid in and amounted to EUR 11,887,483 as of the balance sheet date (prior year: kEUR 11,887). It continues to be divided into 11,887,483 nopar registered shares.

(14) Trade accounts payable

The kEUR 76 increase in trade accounts payable to kEUR 313 (prior year: kEUR 237) essentially relates to legal counselling services as well as to services relating to the stock exchange listing sourced in Q2 2019.

(15) Creditor assets and creditor liabilities

The **creditor assets** comprise the full estate of the company. The distributable estate essentially consists of receivables from forfaiting business prior to the insolvency and is composed as follows:

Creditor assets in kEUR	**30-06-2019**	**31-12-2018**
Restructuring portfolio	1,373	5,896
Trading portfolio	-	-
Bank balances	115	201
Total	**1,488**	**6,187**

The reduction in the restructuring portfolio in the reporting period is the result of repayments made to DF AG under settlement agreements. The restructuring portfolio is composed of overdue and pending claims against various debtors dating from the time before the company's listing on the SDN list (List of Specially Designated Nationals and Blocked Persons) of the US Office of Foreign Assets Control.

The **creditor liabilities** are liabilities filed with the insolvency table.

The trustee received payouts in the amount of kEUR 4,337 in the first half of 2019. Including expenses that essentially resulted from legal proceedings, the creditor liabilities declined by kEUR 4,699.

According to the insolvency plan, the liabilities that remain after the creditors' partial waiver will be settled exclusively to the extent that, and at such times when, DF AG's assets existing at the time of the official adoption of the insolvency plan are liquidated. Under the regulations of the insolvency plan, all opportunities and risks resulting from the liquidation of the creditor assets thus pass to the creditors. This means that the creditor liabilities may at no time exceed the creditor assets. To avoid an accounting mismatch, the creditor liabilities are recognized at the fair value resulting from the change in the value of the assets (IAS 39.9b). In the reporting period, this resulted in a change in value through profit/loss in the amount of kEUR 86 (prior year period: kEUR 207).

IV. OTHER INFORMATION

(16) Relationships with related parties

As in the prior period, DF Group is affected by the disclosure requirements of IAS 24 solely in terms of business with entities with a significant influence as well as with members of managers in key positions (Board of Management and Supervisory Board) of DF Deutsche Forfait AG. The Board of Management, the Supervisory Board and non-consolidated subsidiaries are considered to be related parties as at the balance sheet date.

Arm's length contracts for consulting services have been concluded with a member of the Supervisory Board and a family member. The volumes of the respective business transactions amounted to kEUR 10 and kEUR 65, respectively, in the reporting period and resulted in liabilities of kEUR 12 and kEUR 30, respectively, as of 30 June 2019.

Due to his share ownership, Dr. Shahab Manzouri is a person with substantial influence. Above and beyond the loan granted (section 12), no business relationships were maintained with Dr. Manzouri in the first half of 2019.

Business relationships with the non-consolidated subsidiaries were negligible in the reporting period.

(17) Adjusting events after the end of the reporting period

The ordinary Annual General Meeting for the financial year 2018 was held on 5 July 2019. All items on the agenda were resolved as proposed.

No other extraordinary events occurred after the reporting date on 30 June 2019.

Grünwald, 9 September 2019

The Board of Management

REVIEW REPORT

To DF Deutsche Forfait AG

We have reviewed the condensed interim consolidated financial statements – comprising the consolidated balance sheet, the consolidated income statement, the consolidated statement of comprehensive income the consolidated statement of equity changes, the consolidated cash flow statement and selected explanatory notes – and the interim group management report of DF Deutsche Forfait AG, Grünwald, for the period from 1 January 2019 to 30 June 2019 which form part of the half-year financial reporting in accordance with section 115 German Securities Trading Act (Wertpapierhandelsgesetz – WpHG). The preparation of the condensed interim consolidated financial statements in accordance with those IFRS applicable to interim financial reporting as adopted by the EU, and of the interim group management report in accordance with the requirements of the German Securities Trading Act applicable to interim group management reports, is the responsibility of the Company's management. Our responsibility is to issue a report on the condensed interim consolidated financial statements and on the interim group management report based on our review.

We conducted our review of the condensed interim consolidated financial statements and the interim group management report in accordance with the German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with moderate assurance, that the condensed interim consolidated financial statements have not been prepared, in material aspects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU, and that the interim group management report has not been prepared, in material aspects, in accordance with the regulations of the German Securities Trading Act applicable to interim group management reports. A review is limited primarily to inquiries of Company employees and analytical assessments and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statements audit, we cannot issue an auditor's report.

Based on our review no matters have come to our attention that cause us to believe that the condensed interim consolidated financial statements of DF Deutsche Forfait AG, Grünwald, for the period from 1 January 2019 to 30 June 2019 have not been prepared, in material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU, or that the interim group management report has not been prepared, in material respects, in accordance with the regulations of the German Securities Trading Act applicable to interim group management reports.

Without out modifying our conclusion, we refer to section I (1) "General Information"of the selected explanatory notes as well as section 3 "Opportunity and risk report" of the interim group management report, in which Company's management describes that the specialization of DF Group's business model and the close cooperation with specialized and well-established partners also represent a concentration risk. Should a further political or military escalation or other events result in the loss or non-availability of an important partner of DF Group, this could pose a considerable risk to the business development of DF Group. This risk is largely dependent on the partner and the duration of the loss or non-availability. If such a loss or non-availability cannot be offset in the short term, according to the assessment made by the Company's management in the selected explanatory notes and in the interim group management report there is a risk of substantial business losses up to jeopardizing the ability to continue as a going concern of individual Group companies or DF-Group as a whole.

Munich, 10 September 2019

Warth & Klein Grant Thornton AG
Wirtschaftsprüfungsgesellschaft

Stephan Mauermeier	Andreas Schuster
Wirtschaftsprüfer	Wirtschaftsprüfer

RESPONSIBILITY STATEMENT BY THE BOARD OF MANAGEMENT

To the best of our knowledge and in accordance with the applicable accounting principles, the consolidated interim financial statements give a true and fair view of the assets, liabilities, financial position and the profit or loss of the Group. The interim group management report includes a fair review of the business development and the position of the Group together with the principal opportunities and risks associated with the expected development of the Group.

Grünwald, 9 September 2019

The Board of Management

DF Deutsche Forfait AG
Hirtenweg 14
82031 Grünwald
Germany

Phone	+49 89 21 55 19 00-0
Fax	+49 89 21 55 19 00-9
E-Mail	dfag@dfag.de
Internet	www.dfag.de