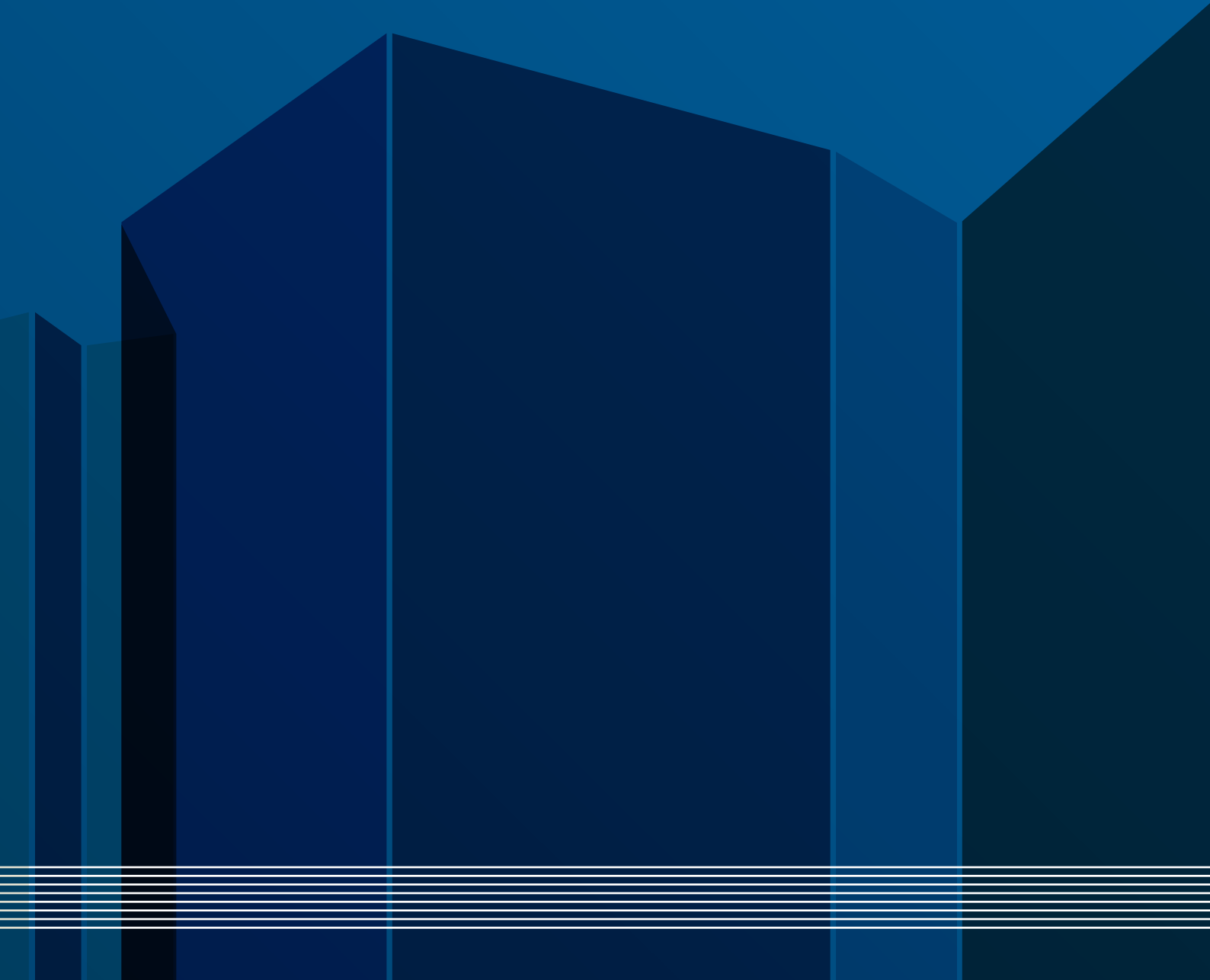




DF Deutsche Forfait AG

Announcement for the period

1 January to 30 September 2018



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CONSOLIDATED NET LOSS OF EUR 1.9 MILLION FOR FIRST NINE MONTHS OF 2018 BUT SIGNIFICANTLY IMPROVED OPERATING RESULT IN Q3 2018

In the first nine months of the financial year 2018, DF Group generated a business volume of EUR 44.4 million. Forfeiting on the one hand and debt collection and similar services on the other hand accounted for almost equal parts of the business volume. In the third quarter of 2018, DF Group generated a business volume of EUR 13.9 million (previous year: EUR 11.8 million). DF Group's advisory business, which is not included in the business volume, showed a very positive trend in the third quarter. In this business segment, DF Group provides compliance-related training and support services with a focus on the Near and Middle East. This new business segment generated income of EUR 0.86 million in the third quarter, which led to a balanced and slightly positive result in August and September, respectively. The third-quarter result was adversely affected by write-downs of receivables in the amount of EUR 0.16 million in conjunction with the liquidation of Deutsche Kapital Limited, a wholly-owned subsidiary based in Dubai. As a result, a loss before taxes of EUR 0.37 million was posted for the third quarter of 2018.

The gross result for the first nine months of 2018 amounted to EUR 1.6 million (previous year: EUR 0.5 million). Gross result includes operating income of EUR 1.2 million as well as an amount of EUR 0.4 million that relates to exchange gains and write-ups of the creditor assets. Other operating income amounted to EUR 0.8 million as at 30 September 2018 (previous year: EUR 1.4 million), of which EUR 0.7 million relates to the reimbursement of (legal) expenses in conjunction with the collection of the creditor assets. The counter-item to the income that relates to the creditor assets is included in other operating expenses in the amount of EUR 1.1 million. Total administrative expenses for the first nine months of 2018, which comprise personnel expenses, depreciation/amortization and other operating expenses, amounted to EUR 4.5 million (previous year: EUR 4.4 million). At EUR 1.7 million, personnel expenses for the first nine months were on a par with the same period of the previous year. Depreciation/amortization also remained unchanged from the previous year at EUR 0.06 million. Other operating expenses for the first nine months of 2018 totaled EUR 2.7 million (previous year: EUR 2.6 million). Apart from the items that relate to the collection of the creditor assets, other operating expenses primarily include legal expenses (EUR 0.17 million), investor relations expenses including AGM-related expenses (EUR 0.14 million) as well as insurance premiums (EUR 0.18 million).



The creditor assets declined by EUR 1.0 million from EUR 9.2 million on 31 December 2017 to EUR 8.2 million. The decline is attributable to payments made to the trustee.

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

Due to the consolidated net loss, DF Group's equity capital decreased from EUR 7.3 million on 31 December 2017 to EUR 5.3 million on 30 September 2018.

In spite of the positive operating performance in the third quarter of 2018, the company still projects a clear loss for the 2018 financial year. DF Group is convinced that the strategic focus on financing solutions for food and medical equipment trading activities in the Near and Middle East represents a viable business model for the future, which is why the company projects profitable growth of the business activities for the next financial year, provided that the framework conditions remain unchanged.

MATERIAL EVENTS AFTER THE END OF THE THIRD QUARTER

US sanctions against Iran fully effective

As had been expected, the US sanctions against Iran became fully effective on 5 November 2018. As DF Group has placed its strategic focus on food and medical equipment, which are largely excluded from the sanctions, business opportunities may arise in this area despite of the sanctions.

Gruenwald, 4 December 2018

Assets (in EUR)	30-09-2018	31-12-2017
Long-term assets		
Intangible assets	132,845.45	148,587.57
Tangible assets	90,845.56	95,625.65
Long-term financial assets	55,385.07	118,232.99
Deferred taxes	1,520,996.00	1,330,056.00
	1,800,072.08	1,692,502.21
Short-term assets		
Creditor assets	8,222,225.77	9,248,245.03
Trade accounts and other receivables	1,378,433.80	940,487.57
Other short-term assets	3,569,993.63	6,079,060.14
	13,170,653.20	16,267,792.74
Total assets	14,970,725.28	17,960,294.95

Equity and Liabilities (in EUR)	30-09-2018	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	-5,795,235.76	-3,851,351.41
Adjustment item from currency translation	-158,712.53	-162,614.32
	5,310,053.67	7,250,036.23
Short-term liabilities		
Liabilities to banks	215.98	0.00
Creditor liabilities	8,222,225.77	9,248,245.03
Income tax liabilities	350,000.00	350,000.00
Trade accounts and other payables	342,176.06	203,381.32
Other short-term liabilities	746,053.80	908,632.37
	9,660,671.61	10,710,258.72
Total equity and liabilities	14,970,725.28	17,960,294.95

Consolidated Income Statement (in EUR)	01-01 - 30-09-2018	01-01 - 30-09-2017
Typical forfeiting income		
a) Forfeiting income	466,609.70	2,720,600.47
b) Commission income	1,197,674.91	635,036.10
c) Exchange profits	388,193.84	1,613,193.85
	2,052,478.45	4,968,830.42
Typical forfeiting expenditure		
a) Expenditure from forfeiting	182,434.98	1,184,604.19
b) Commissions paid	127,401.22	20,618.89
c) Exchange losses	132,741.74	3,231,059.02
	442,577.94	4,436,282.10
Gross result	1,609,900.51	532,548.32
Other operating income	824,021.54	1,417,145.96
Personnel expenses		
a) Wages and salaries	1,519,584.35	1,496,135.23
b) Social security contributions and expenditure for pensions and social welfare	225,204.16	233,304.38
	1,744,788.51	1,729,439.61
Depreciation on tangible and intangible assets	61,714.53	61,937.07
Other operating expenditure	2,710,269.74	2,622,246.43
Interest income	250.00	101,418.34
Interest paid	11,885.56	38,103.99
Profit before Income tax	-2,094,486.29	-2,400,614.48
Income tax		
a) Income and earnings tax	0.00	0.00
b) Deferred taxes	-190,940.00	-481,150.00
Consolidated income	-1,903,546.29	-1,919,464.48
Average number of shares	11,887.483	11,887.483
Undiluted earnings per share	-0.16	-0.16
Diluted earnings per share	-0.16	-0.16

Consolidated Cash Flow Statement (in EUR)	01-01 - 30-09-2018	01-01 - 30-09-2017
Consolidated income/loss	-1,903,546.28	-1,919,464.48
+ Depreciation on tangible and intangible assets	61,714.53	61,937.07
+ Income tax paid	-190,940.00	-481,150.00
+ Interest paid	11,885.56	38,103.99
- Interest income	-250.00	-101,418.34
+/- Other transactions not affecting payments	187,740.00	503,225.35
+/- Changes in creditor assets	1,026,019.26	4,278,397.92
+/- Changes to trade accounts receivables	-423,017.29	0.00
+/- Changes to other assets	-130,741.11	-182,016.77
+/- Changes in creditor liabilities	-1,026,019.26	-4,278,397.92
+/- Changes to trade accounts payable	138,794.74	-420,375.60
+/- Changes to other liabilities	-162,578.57	32,421.17
= Operating Cash flow	-2,410,938.42	-2,468,737.61
- Paid interest	-8,435.36	-36,579.34
+ Retained interest	0.00	77,718.34
= Cash flow from operating activity	-2,417,373.98	-2,427,598.61
- Payments for investments in long-term assets	-29,116.02	-73,735.65
= Cash flow from investing activity	-29,116.02	-73,735.65
+/- Changes in financial liabilities	215.98	72.27
= Cash flow from finance activity	215.98	72.27
- Changes in financial resources affecting payments	-2,446,274.02	-2,501,261.99
+ Liquid funds at the start of the period	6,079,060.14	10,157,768.87
+/- Effects from the currency conversion	-60,792.49	38,408.80
= Liquid funds at the end of the period	3,569,993.63	7,694,915.68
- Pledged bank deposits	-35,000.00	0.00
= Freely available funds at end of period	3,534,993.63	7,694,915.68

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