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DF Deutsche Forfait AG

Diversification-Transparency-Flexibility

Interim Group management report as of 30 June 2024

DF Deutsche Forfait AG

CONTENT

I. FUNDAMENTALS OF THE GROUP

(1) Business model of the Group

DF Group specializes in foreign trade finance and related services. Its customers include exporters, importers and other financial companies. DF Group currently places its geographic focus on Near and Middle East countries, especially Iran. Since 2018, DF Group's trade with Iran has exclusively focused on trade in humanitarian goods for business policy reasons.

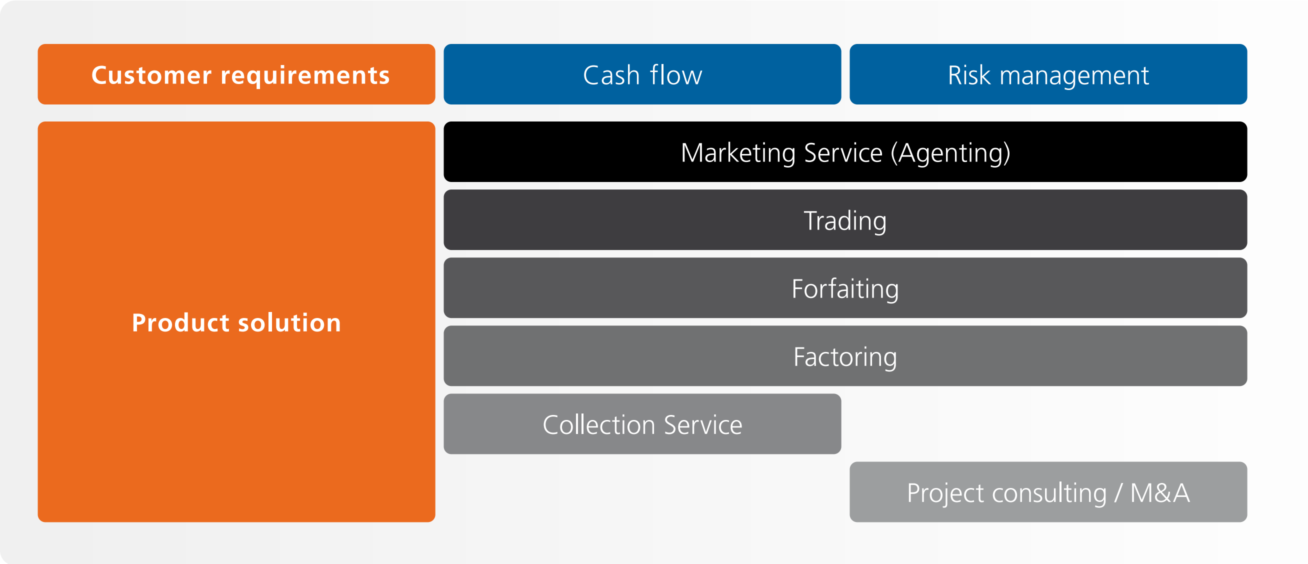
DF Group's product portfolio is tailored to the geographical focus and the specific needs of its customers. Marketing Services plays a crucial role in this, where the Group, after conducting its own compliance check, facilitates transactions in the food, pharmaceuticals, and healthcare sectors by connecting them with strategic partners for final processing. The Group also collects foreign trade receivables, which is done via its Czech subsidiary, DF Deutsche Forfait Middle East s.r.o., for the Near and Middle East region. DF Deutsche Forfait s.r.o. is responsible for the remaining geographic markets, with a focus on emerging countries.

Moreover, DF Deutsche Forfait s.r.o. provides factoring services, primarily for Czech customers. This product was added to DF Group's portfolio in late 2020. Forfaiting services are provided by Deutsche Forfait GmbH or DF Deutsche Forfait ME s.r.o., with receivables being purchased taking the individual risks of the respective transaction into account. DF Group generally originates business through its own sales force or through brokers or strategic partners in the country of the importer. In addition, DF Group markets its country-specific know-how, its network as well as its compliance expertise by providing compliance consulting and training services.

Since 2023, DF Group has been acting as an independent trader of agricultural products in the new Trading segment, ensuring compliance with applicable regulations.

With the aim of further diversification, DF Group has added M&A activities to its project consulting services. The focus of project consulting remains on consulting and other services in the context of project financing, which are also provided outside the target region – primarily in emerging markets. This increases the geographical diversification of DF Group's business activity. As a complement, own M&A activities were added to the portfolio in 2024, which resulted in the first successfully completed acquisition in Germany after the balance sheet date (see "Material events after the balance sheet date").

The chart below shows the structure of the product solutions offered by DF Group in the reporting year.



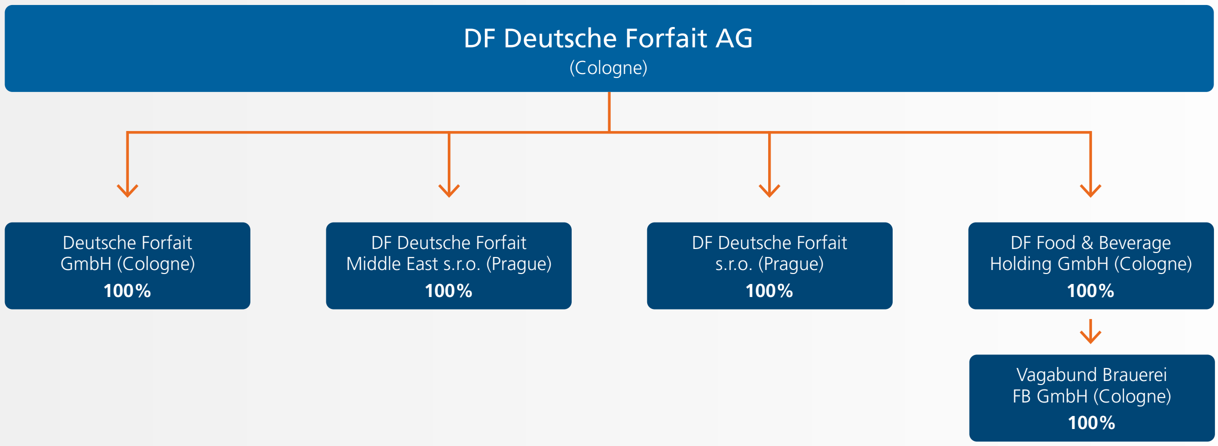
The Czech subsidiary, DF s.r.o., started implementing a new financial software in 2023 with a view to simplifying and optimizing the factoring services. Once implementation is completed, this important strategic investment will enable the company to resume business in this area with greater effectiveness and efficiency.

DF Group's business model is influenced by legal, political and economic factors, especially with regard to sanctions and trade restrictions. The company's internal Compliance Team primarily monitors compliance with restrictions.

(2) Structure of DF Group

DF Deutsche Forfait AG ("DF AG" or "company"), headquartered in Cologne, is the holding company and ultimate parent of DF Group. DF AG has four operating subsidiaries as well as one more subsidiary which acts as an intermediate holding company. The operating subsidiaries are Deutsche Forfait GmbH in Cologne ("DF GmbH"), Germany, DF Deutsche Forfait s.r.o. ("DF s.r.o.") as well as DF Deutsche Forfait Middle East s.r.o. ("DF ME s.r.o."), both based in Prague, Czech Republic. DF Food & Beverage Holding GmbH ("DF FB Holding") serves as an intermediate holding company of operational subsidiary Vagabund Brauerei FB GmbH ("DF Vagabund"); both are based in Cologne.

Organizational structure



DF GmbH focuses its products, which mainly comprise marketing services, forfaiting and the collection of foreign trade receivables as well as consulting services, on the Near and Middle East. In addition, the company provides services to other DF Group entities. These include, among other things, accounting, contract management, compliance, sales and risk management.

The Prague subsidiaries are responsible for the factoring business, the handling of individual transactions such as the granting of loans, the purchase and sale of promissory notes as well as debt collection activities. DF ME s.r.o. focuses on transactions and the Trading product in the Near and Middle East, especially Iran, while DF s.r.o. covers the remaining geographies with a focus on emerging markets.

All subsidiaries are legally independent entities with full legal autonomy.

DF Group is characterized by its broad positioning, its comprehensive product range and its focus on the Near East as well as on humanitarian goods. This combination gives it a unique selling proposition within the industry. The company is not aware of any comparable competitors or a peer group in Europe.

II. ECONOMIC REPORT

(1) Macroeconomic and industry-related environment

In the first half of 2024, the economic situation was still characterized by the effects of the war against Ukraine and increasingly also by the conflict in the Middle East.

In early 2024, the International Monetary Fund (IMF) and the Organization for Economic Co-operation and Development (OECD) made slight upward revisions to their economic forecasts for 2024. On 31 January 2024, the IMF projected global growth of 3.1% for 2024 and 3.2% for 2025. In October 2023, the forecast had been 0.2 percentage points lower.

The OECD also raised its forecast by 0.2 percentage points to 2.9% on 5 February 2024 as compared to November 2023. The OECD's forecast for 2025 remains unchanged at 3.0%. By contrast, the World Bank Outlook of 9 January 2024 puts global economic growth at 2.4% and 2.7% in 2024 and 2025, respectively. All three organizations point out, however, that global growth will remain low and that there will be major regional differences.

Especially in the eurozone, growth will be subdued, as high energy prices and high interest rates will put a damper on consumer sentiment and corporate investment. Globally, attacks against ships in the Red Sea have drastically increased transport costs and extended delivery times, which has disrupted production plans. In January 2024, the IMF projected a global trade volume of 3.3% for 2024 and of 3.6% for next year; these figures are clearly below the historical average of 4.9%. In July 2024, these forecasts were downgraded to 3.1% and 3.4%, respectively, which was still 0.1% above the April 2024 forecasts. For comparison: In 2023, the increase was as low as 0.8%.

In May 2024, the EU Commission projected GDP growth of 1.0% for the EU, 0.8% for the eurozone and 0.1% for Germany. The OECD projects 0.7% for the eurozone and 1.5% for next year, provided that domestic demand will recover. The IMF expects 0.8% for 2024 and 1.5% for 2025.

The forecasts for Germany have not improved yet. In mid-2024, the IMF still projects growth of only 0.2%. The ifo Economic Forecast of 6 March 2024 confirms this 0.2%, although the forecast was downgraded by 0.7 percentage points compared to winter 2023. The forecast for 2025 was raised by a slight 0.2 percentage points to 1.5%. This means, however, that Germany would again bring up the rear among the major industrialized nations in 2024, with Italy and Japan expected to perform worse in 2025.

The rate of inflation in the eurozone stood at 2.5% in June 2024, compared to 5.5% in June 2023. Germany's inflation rate declined to 2.5% in June 2024 from 6.8% in the previous year.

For the Czech market, which is relevant for DF Group, the European Commission's Spring Report projected growth of 1.2% for 2024 and 2.8% for 2025, compared to -0.3% in the previous year. Czechia's rate of inflation dropped from 11.2% to 2.2%.

Global core inflation is projected to decline to 5.9% in 2024 (from 6.8% in 2023) and to fall to 4.5% in 2025. The Economic Outlook of GTAI Germany Trade & Invest, Berlin, of July 2024 states that economic growth in Iran, which is an important target market of DF Group, increased by 5% in the Iranian fiscal year 2023/24 (21 March to 20 March) according to the Iranian Central Bank. The World Bank projects growth of 3.2% for the following fiscal year 2024/25. Oil and gas production will again make a major contribution to growth, with the sector growing by 14.7% in 2023/24.

Iran's non-oil economy also picked up noticeably, though. The manufacturing sector grew by 4.4%, the construction sector by 7.1% and the services sector by 3.8%. According to Statista, Iran's rate of inflation stood at 41.5% in 2023 and will amount to 37.5% in 2024.

(2) Business performance

a. Results of operation

At EUR 1.5 million, DF Group's consolidated comprehensive income in the first half of 2024 was below the previous year's EUR 1.9 million. This was mainly due to lower interest income, which had been exceptionally high in the previous year, however, due to reporting date-related effects of the trading activities. The result was achieved from an increased volume of the continuing operations totaling EUR 105.1 million (previous year: EUR 83.1 million).

Transaction-related income declined to EUR 5.0 million (previous year: EUR 25.4 million due to reporting date-related effects mainly of the trading business). By contrast, commission income from Marketing Services increased to EUR 4.9 million (previous year: EUR 4.1 million). No income was generated from the forfaiting business (previous year: EUR 0.3 million) and the trading business (previous year: EUR 20.6 million).

Transaction-related expenses declined in line with income from EUR 20.9 million to EUR 0.3 million due to the reporting date-related trading business of the previous year. At the bottom line, this sent gross profit rising to EUR 4.7 million (previous year: EUR 4.4 million).

At EUR 1.1 million, personnel expenses remained almost unchanged from the previous year. Other operating expenses also remained almost unchanged at EUR 1.2 million (previous year: EUR 1.2 million). Interest income declined to EUR 0.1 million (previous year: EUR 0.6 million) due to lower contractually agreed default interest. Interest expenses remained unchanged at EUR 0.4 million and resulted almost exclusively from interest on the loan granted by the majority shareholder of DF AG to DF GmbH.

At EUR 2.0 million, consolidated profit before taxes in the first half of 2024 was below the previous year's EUR 2.3 million. The decline is largely attributable to the much lower interest income. Accordingly and due to higher deferred taxes, consolidated profit after taxes declined to EUR 1.5 million (previous year: EUR 2.0 million), with earnings per share at EUR 0.12 (previous year: EUR 0.16).

Given the market conditions, DF Group again achieved a satisfactory result at the bottom line.

b. Financial position

DF Group's cash flow from operating activities amounted to EUR 2.3 million in the first half of 2024 (previous year: EUR -13.5 million). The main reason for the increase as at the balance sheet date is the noticeable decline in trade receivables and other assets. In the last half of the year, these resulted as a one-time effect from the first trading business held beyond the reporting date.

Cash flow from investing activities was negligible in the reporting period. Cash flow from financing activities rose from EUR -0.6 million to EUR -0.1 million in the first half of 2024 due to last year's dividend payment. In the first six months of the year, DF Group met all its payment obligations on time and on target.

Cash and cash equivalents totaled EUR 44.2 million at the end of the reporting period.

The increase in DF Group's equity to EUR 30.3 million as of 30 June 2024 (end of 2023: EUR 28.8 million) is attributable to the increase in revenue reserves. The equity ratio stood at 58.8%, compared to 58.1% as of 31 December 2023.

As of 30 June 2024, DF Group had no loans or credit lines with banks or other persons apart from the loan granted by the majority shareholder of DF AG.

c. Net assets position

DF Group's assets totaled EUR 51.6 million as at the balance sheet date of 30 June 2024 (end of 2023: EUR 49.6 million). Non-current assets decreased slightly to a total of EUR 4.8 million due to the reduction in deferred tax receivables (end of 2023: EUR 5.2 million); current assets amounted to EUR 46.8 million (end of 2023: EUR 44.3 million).

As of 30 June 2024, DF Group had cash and cash equivalents of EUR 44.2 million.

d. Impact of economic developments and armed conflicts

In the first half of 2024, the key financial performance indicators for DF Group – business volume, gross result and consolidated profit before taxes – were not materially affected by the deteriorating global economic conditions. The highly profitable Marketing Services again proved to be a stable element in the Group's range of services. In view of the difficult economic situation and the restraint among market participants in our target markets, we have started to diversify our products and target countries.

The business volume is defined as total sales revenues from the transactions on the basis of which our commission is calculated.

The non-financial performance indicators were not affected by the aforementioned influences, either. DF Group continues to rely on its very experienced, long-standing employees, whose specific expertise makes a continuous contribution to the positive business performance. Our strategy partnerships and brokers in the target markets are particularly important for the successful implementation of our business strategy. The expertise of our Czech subsidiaries will be retained and secured until full implementation of the new software to ensure that results will again be achieved in these areas in the future.

Russia's military operation against Ukraine continues to have negative political and economic repercussions worldwide. As DF Group has no customers in Russia, however, there was again hardly any impact on the company's operations in the first half of 2024.

Nor had the extended conflict between Hezbollah and Israel any material impact on our business activity, which focuses exclusively on the humanitarian sector.

(3) Performance of the DF share

The share of DF Deutsche Forfait AG moved sideways within a narrow range in the first half of 2024. Starting the year at EUR 1.83, the share reached a high of EUR 1.92, before dropping to a six-month low of EUR 1.49 following the publication of the preliminary figures, which saw EBT below the forecast.

The share closed at EUR 1.66 on 28 June, marking a loss of EUR 0.17 or 9.3% for the first half of the year.

As at the reporting date of 30 June 2024, DF Deutsche Forfait AG's market capitalization stood at EUR 19.7 million (previous year: EUR 27.9 million). A total of around 92,000 DF shares were traded on the Frankfurt Stock Exchange and XETRA during the first half of the year, compared to 255,000 in the same period of the previous year.

(4) Annual General Meeting

DF Deutsche Forfait AG held its ordinary Annual General Meeting for the financial year 2023 on 2 July 2024. At the meeting held physically in Cologne, the Board of Management and the Supervisory Board reported on the company's operating performance in the past year and explained the strategic initiatives and plans for the future.

All items on the agenda were approved by the Annual General Meeting with a clear majority of the present share capital of over 85%. The proposed resolutions put to the vote included the retention of the unappropriated profits from the 2023 financial year, the ratification of the acts of the Board of Management and the Supervisory Board, the appointment of KPMC Audit GmbH, Munich, as auditors for the current financial year, the approval of the remuneration report, the authorization of the Board of Management to repurchase own shares and the clarification of two paragraphs of the Memorandum of Association.

After the balance sheet date, three shareholders filed an action for annulment against the resolution to retain the unappropriated profits, on which no decision had been made as of the editorial deadline of this report. Receipt of the action for annulment was published in the Federal Gazette on 19 August 2024 in accordance with Section 246 (4) sentence 1 of the German Stock Corporation Act (AktG).

III. OPPORTUNITY AND RISK REPORT

A detailed presentation of the risks and opportunities is provided in the Group management report as of 31 December 2023.

The risks explained therein remained unchanged until the end of the reporting period, even taking into account the ongoing war in Ukraine and the conflict in the Middle East. The substantial risks for DF Group continue to exist on the earnings side. Due to DF Group's geographic specialization, there is a high dependence on future political and economic developments in the Near and Middle East – referred to as "country risk" – as well as on the cooperation with its strategic partners.

Thanks to its specialization and unique positioning in the market, DF Group is able to generate high income. At the same time, however, the specialization of DF Group's business model and the close cooperation with well-established partners also represent a considerable risk. Should an important partner of DF Group default for political or military reasons, this could have an adverse effect on DF Group's business performance.

In the first six months of the year, most of the commission income was generated with a single customer. DF Group considers the resulting concentration risk to be low and acceptable, as it has a long-standing business relationship with this customer. In the first half of the year, the operating companies in Czechia and Germany also received several inquiries regarding the trading, factoring and forfaiting products. Due to risk and compliance considerations, however, these did not lead to business transactions and, consequently, not to earnings contributions. DF Group expects this to change in the future.

In addition to the business risks outlined above, continued high inflation, high energy prices, the war in Ukraine and the conflict in the Middle East continue to impact global economic performance and, hence, global trade. However, as humanitarian goods such as food, pharmaceuticals and healthcare products, on which DF Group focuses, were affected far less strongly by the respective influencing factors than trade in other goods and this is expected to again be the case in the current financial year 2024, DF Group assumes that the risk situation will be similar to that of the previous year.

Furthermore, there is a risk that only limited funds will be available for the import of medical goods and food in the Near and Middle East or that individual products of DF Group can no longer be marketed due to regulatory or other circumstances, which may lead to a reduction in DF Group's business volume.

Constant monitoring of the markets, its high degree of flexibility and many years of expertise in the trade finance sector, combined with a proven compliance system, offer the company good opportunities to further expand its business volume in the future.

The existing sanctions continue to restrict the use of available financial resources in Iran, while keeping transaction costs at a high level, as a result of which existing demand cannot be fully met. Due to the priority given to the non-sanctioned goods movements underlying DF Group's business, no impairment has been observed to date.

The improved economic relations between Iran and China could have a positive effect on DF Group's business volume. At the same time, however, there is a risk that DF Group could increasingly be faced with challenges, especially in export transactions in the food and agricultural products sector. This could be the case if trade between the BRICS countries continues to increase and EU countries are left out.

At the time of preparing the interim consolidated financial statements and the present interim report, the Board of Management believes that, based on the political, geographical and economic developments during the past months, the opportunities clearly outweigh the risks. DF Group continues to expects ongoing profitability.

IV. FORECAST

In spite of the continued geopolitical risks, the IMF and the OECD believe there is cause for cautious optimism about an improved global economic trend. Global inflation is declining faster than expected and unemployment is at or near a record low in most regions.

The USA is currently growing very robustly, driven by private consumption and an unexpectedly expansionary fiscal policy. Several large emerging countries such as India, Brazil and Turkey also presented positive surprises. In China, economic stimuli helped offset the continued weakness in the real estate market. By contrast, growth in other advanced economies, especially in Europe, weakened.

It was only the growth in China, Korea and the United States that helped world trade recover in the fourth quarter of 2023 in spite of the ongoing weakness in Europe. This recovery seems to be continuing in 2024, although it remains fragile and largely dependent on the United States and China.

Since the attacks on cargo ships in the Red Sea began, the transit of container ships through the Suez Canal has declined sharply, with the average daily number of ships between January and mid-April 2024 being around half that of the final quarter of 2023. The rerouting around the Cape of Good Hope affects almost 10% of global maritime trade and almost one fifth of the volume of long-haul ships, and extends the traveling times for the affected freight between Northern Europe and Asia by around 30%. The drought in the Panama Canal did the rest to increase both freight times and costs.

Overall, freight costs are currently still about 60% above the comparable figures of the previous year, which should slow down the decline in inflation. So far, however, the moderate growth in global demand and the ongoing delivery of new ships has helped to keep supply shortages in check. Indicators for supply chain bottlenecks have deteriorated only slightly so far and are below the 2021/22 level.

Against this still mixed, but no longer entirely gloomy backdrop, both the OECD (2 May) and the IMF (16 April) slightly raised their forecasts for global economic growth; the OECD increased its forecasts for 2024 and 2025 by 0.2 percentage points each to 3.1% and 3.2%, respectively, while the IMF revised the forecast for 2024 by 0.1 percentage point and kept the forecast for 2025, which means that 3.2% is now expected for both years.

The World Bank projects growth of 3.2% for Iran's next fiscal year 2024/25. Oil and gas production will again make a major contribution to growth, with the sector growing by 14.7% in 2023/24.

The focus of DF Group's business activities in the Near and Middle East remains on the food, pharmaceutical and healthcare product groups. As these goods serve the basic needs of the population, they are exempt from the existing sanctions against Iran. While existing US sanctions continue to restrict the use of available financial resources in Iran, a continuation of the negotiations on the Joint Comprehensive Plan of Action (JCPOA), which have been suspended since 2022, might result in an easing of the sanctions imposed by the US government against Iran.

With respect to Russia's military action against Ukraine and the resulting sanctions imposed on Russia by countries such as the USA, the EU and the United Kingdom, negative effects on the world economy and global trade continue to be expected.

The Middle East conflict also has a strong adverse impact on the world economy, especially because of the considerable effects on shipping through the Red Sea described above. The risk of this conflict escalating is still present and may have considerable adverse effects on the global economy in case of regional or international spreading.

The first M&A transaction is not expected to make any relevant earnings contributions in the financial year 2024. Overall, DF Group expects the business situation to improve in the second half of 2024 as compared to the second half of 2023, as the negative one-time effect of the legal disputes with Varengold Bank AG will not recur this year.

Due to the comprehensive diversifications in our business fields and target countries, DF Group has issued only a framework for a possible forecast for the financial year 2024, with business volume, gross profit and earnings before taxes (EBT) expected to increase at a low double-digit percentage rate.

Provided that the economic and political environment remains stable in the coming months, especially in the target region, and that the adverse impact of the Russia-Ukraine war and, in particular, of the Middle East conflict on the world economy does not increase, management expects the business volume to grow by 5% to 15%, gross profit to increase by 10% to 15% and earnings before taxes (EBT) to pick up by 10% to 20% in the current financial year as compared to the previous year (excluding DF Vagabund).

V. MATERIAL EVENTS AFTER THE BALANCE SHEET DATE

Takeover of the assets of Vagabund Brauerei GmbH / Berlin

Vagabund Brauerei FB GmbH, a newly established subsidiary of DF Food & Beverage Holding GmbH, which is a newly established intermediate holding company of DF Deutsche Forfait AG (ISIN: DE000A2AA204) (DF AG), took over all assets of Vagabund Brauerei GmbH, an insolvent Berlin-based craft beer brewery, on 1 July 2024. DF Group thus continues to diversify its business segments as announced.

The activities of the brewery, which has been well-known in Berlin since 2011, and the adjoining restaurant in the listed boiler house of the former Osram-Höfe will continue with the majority of the established employees. A new management team as well as investments in the brewing plant, the bottling plant and an increased marketing focus are designed to optimize production and sales in Berlin and expand them beyond the city limits in the long term.

By specializing in craft beers, the brewery serves a niche and does not directly compete with the large breweries in the mass market. Increased raw material prices pose the risk of reduced margins, which may, however, be offset by price adjustments in this segment. On balance, DF Group's Board of Management considers the opportunities to be much higher than the risks.

By diversifying into equity investments and/or takeovers, we aim to offset the fluctuating financing business, which is influenced by external factors that are largely beyond our control, and to generate constant and secure income. As stated in the forecast, management does not expect the first M&A transaction to make any relevant earnings contribution this year.

Pending legal disputes

In the first quarter of 2024, the legal dispute with Varengold Bank AG was declared settled in the main proceedings after the assets were released and disbursed to DF GmbH in December 2023. DF GmbH must bear the costs of the legal dispute. However, the question of the amount in dispute and the associated final decision on costs remain pending. This issue had not yet been resolved at the time of going to press.

After the reporting date of 30 June, three shareholders filed an action for annulment against the AGM resolution to retain the unappropriated profits. A decision in this matter had not yet been made at the time of going to press. Receipt of the action for annulment was published in the Federal Gazette on 19 August 2024 in accordance with Section 246 (4) sentence 1 of the German Stock Corporation Act (AktG).

Cologne, 20 September 2024

The Board of Management

INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 JANUARY 2024 TO 30 JUNE 2024

Assets (in EUR)	Notes No.	30-06-2024	31-12-2023
Non-current assets			
Intangible assets		15,752.52	24,550.93
Tangible assets		1,235,555.76	1,284,299.01
Non-current financial assets		55,677.15	55,824.78
Deferred taxes	(11)	3,483,097.78	3,881,576.61
		4,790,083.21	5,246,251.33
Current assets			
Creditor assets	(17)	48,822.14	18,432.51
Trade receivables	(12)	1,093,932.57	1,270,591.61
Tax receivables	(11)	337,774.64	345,615.46
Other current assets		1,064,525.57	789,543.86
Cash and cash equivalents	(13)	44,233,583.60	41,908,830.62
		46,778,638.52	44,333,014.06
Total assets		**51,568,721.73**	**49,579,265.39**

Liabilities (in EUR)	Notes No.	30-06-2024	31-12-2023
Equity	(14)		
Subscribed capital		11,887,483.00	11,887,483.00
Costs of the capital increase		-623,481.04	-623,481.04
Revenue reserves		19,128,898.54	17,655,850.75
Adjustment item from currency translation		-59,585.64	-115,885.60
		30,333,314.86	28,803,967.11
Non-current liabilities			
Loans		15,000,000.00	15,000,000.00
Provisions		19,795.20	19,853.58
Lease obligations		959,745.59	1,018,189.83
		15,979,540.79	16,038,043.41
Current liabilities			
Provisions		0.00	0.00
Creditor liabilities	(17)	30,608.58	30,608.58
Liabilities to banks		0.00	0.00
Income tax liabilities	(11)	2,296,537.00	2,223,553.10
Other tax liabilities (income taxes)		64,107.09	0.00
Trade accounts payable	(15)	1,006,251.49	503,612.60
Other current debt	(16)	1,858,361.92	1,979,480.59
		5,255,866.08	4,737,254.87
Total liabilities		**51,568,721.73**	**49,579,265.39**

Consolidated Income Statement (in EUR)	Notes No.	01-01 – 30-06-2024	01-01 – 30-06-2023
Transaction-related income	(5)		
a) Forfaiting income		0.00	292,016.15
b) Commission income		4,901,082.53	4,145,604.62
c) Exchange gains		63,883.13	287,087.06
d) Trading income		0.00	20,652,158.44
e) Write-up of receivables		0.00	0.00
		4,964,965.66	**25,376,866.27**
Transaction-related expenses	(6)		
a) Forfaiting expenses		0.00	643.75
b) Commission expenses		213,649.18	199,225.67
c) Exchange losses		46,124.80	921.83
d) Trading expenses		0.00	20,738,842.83
d) Value adjustments on receivables		0.00	0.00
		259,773.98	**20,939,634.08**
Gross result	(7)	**4,705,191.68**	**4,437,232.19**
Other income	(8)	16,876.95	68,390.42
Personnel expenses			
a) Wages and salaries		945,407.74	1,024,001.48
b) Social security contributions and expenditure for pensions and social welfare		155,822.66	117,816.49
		1,101,230.40	**1,141,817.97**
Amortization of intangible assets and tangible assets		113,015.62	105,370.83
Other operating expenses	(9)	1,189,542.94	1,196,166.36
Interest income	(10)	95,342.38	615,440.65
Interest paid	(10)	383,613.85	377,221.92
Profit before income tax		**2,030,008.20**	**2,300,486.18**
Income tax	(11)		
a) Income tax		158,481.60	166,875.00
b) Deferred taxes		398,478.82	184,837.52
Consolidated profit		**1,473,047.78**	**1,948,773.66**
Basic earnings per share		0.12	0.16
Diluted earnings per share		0.12	0.16

Consolidated Statement of Comprehensive Income (in EUR)	Notes No.	01-01 – 30-06-2024	01-01 – 30-06-2023
Consolidated profit		**1,473,047.78**	**1,948,773.66**
Other income			
Components that may be reclassified subsequently to the income statement			
Currency translation differences from foreign operations		56,299.96	(4,516.88)
		56,299.96	**(4,516.88)**
Comprehensive income		**1,529,347.74**	**1,944,256.78**

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

	Consolidated Statement of Cash Flows (in EUR)	**Notes No.**	**01-01 – 30-06-2024**	**01-01 – 30-06-2023**
	Consolidated income		1,473,047.78	1,948,773.66
+	Amortization/depreciation of intangible and tangible assets		113,015.62	105,370.83
+	Income tax		556,960.42	351,712.52
+	Interest paid		383,613.85	377,221.92
-	Interest income		-95,342.38	-615,440.64
+/-	Result from disposals of non-current assets		2.00	1.00
+/-	Other non-cash transactions		-457,905.83	24,257.78
+/-	Changes in creditor assets		-30,389.63	13,201.42
+/-	Changes in trade receivables		176,659.04	-6,417,543.64
+/-	Changes in other assets		-266,993.26	-10,204,710.38
+/-	Changes in creditor liabilities		0.00	-13,201.42
+/-	Changes in provisions		-58.38	131,078.38
+/-	Changes in trade accounts payable		502,638.89	303,135.41
+/-	Changes in other liabilities		-4,917.86	511,848.30
-	Income tax paid		-18,560.94	0.00
=	**Operating Cash Flow**		**2,331,769.32**	**-13,484,294.86**
-	Interest paid		0.00	-14,084.82
+	Interest received		70,373.23	52,500.00
=	**Cash Flow from operating activities**		**2,402,142.55**	**-13,445,879.68**
-	Payments for investments in non-current assets *Intangible assets* *Tangible assets* *Financial assets*		-16,084.47 0.00 0.00 0.00	-5,626.25 0.00 0.00 0.00
+	Proceeds from disposals of non-current assets		0.00	0.00
+/-	Changes in the basis of consolidation		0.00	0.00
+/-	Other		0.00	0.00
=	**Cash Flow from investing activities**		**-16,084.47**	**-5,626.25**
-	Repayment portion of lease liabilities		-101,661.15	-92,594.14
+	Dividends paid to the shareholders of the company		0.00	-475,499.32
=	**Cash Flow from financing activities**		**-101,661.15**	**-568,093.46**
	Net changes in cash and cash equivalents		**2,284,396.93**	**-14,019,599.39**
+	Cash and cash equivalents at beginning of the period		41,908,830.62	23,565,133.35
+/-	Currency translation effects		40,356.05	0.00
=	**Cash and cash equivalents at end of the period**		**44,233,583.60**	**9,545,533.96**
-	Bank balances pledged		-55,000.00	-55,000.00
-	Varengold bank balances		0.00	-5,514,030.21
=	**Free cash and cash equivalents at end of the period**	(13)	**44,178,583.60**	**3,976,503.75**

Consolidated Statement of Changes in Equity 01-01-2024 to 30-06-2024 (in EUR)	Notes No.	Subscribed Capital	Capital earmarked for capital increase	Capital reserves	Costs of capital increase	Revenue reserves	Adjustment item from currency translation[1]	Total
As at 1 January 2023		**11,887,483.00**	**-**	**-**	**(623,481.04)**	**16,467,287.22**	**(172,241.37)**	**27,559,047.81**
Comprehensive income						1,948,773.66	(4,516.88)	1,944,256.78
Dividend payment						(475,499.32)		(475,499.32)
As at 30 June 2023		**11,887,483.00**	**-**	**-**	**(623,481.04)**	**17,940,561.56**	**(176,758.25)**	**29,027,805.27**
As at 1 January 2024		**11,887,483.00**	**-**	**-**	**(623,481.04)**	**17,655,850.75**	**(115,885.60)**	**28,803,967.11**
Comprehensive income						1,473,047.78	56,299.96	1,529,347.74
As at 30 June 2024	(14)	**11,887,483.00**	**-**	**-**	**(623,481.04)**	**19,128,898.53**	**(59,585.64)**	**30,333,314.86**

[1] Other Comprehensive Income (OCI)

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 Gustav-Heinemann-Ufer 56, 50968 Köln. It is registered at Cologne Local Court ("Amtsgericht") under HRB 112638.

DF Group specializes in foreign trade finance and related services for exporters, importers and other financial companies. The company is consequently regarded as a single-segment entity. Reporting within the meaning of IFRS 8 does therefore not take place. DF Group's geographic focus within this market segment lies on Near and Middle East countries and, in particular, Iran. With respect to trade with Iran, DF Group's activities are restricted to humanitarian goods for business policy reasons.

In accordance with IAS 34, the interim financial statements are presented in a condensed form compared to the consolidated annual financial statements. The unaudited condensed interim consolidated financial statements of DF AG as of 30 June 2024 were prepared on the basis of the applicable International Financial Reporting Standards (IFRS) for interim reporting as endorsed by the EU and the additionally applicable requirements of German commercial law pursuant to Section 315e (1) of the German Commercial Code (HGB). 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 2023 were based. All the binding interpretations of the International Financial Reporting Interpretations Committee (IFRIC) for the first half of 2024 have also been applied.

The functional currency of the Group is the euro. All figures are presented in thousands of euros (kEUR) unless otherwise stated. The figures are commercially rounded. This may lead to minor rounding differences in totals and percentages.

To make the presentation clearer, the assets and liabilities described in the insolvency plan of 2016 are grouped into "creditor assets" and "creditor liabilities". 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.

The consolidated financial statements were prepared on the assumption that the company will continue as a going concern.

There have been no major changes in the material estimates and assumptions used in accounting; please therefore also refer to the notes to the consolidated financial statements for the period ended 31 December 2023.

(2) Amendments to the standards made by the IASB

The same accounting policies as applied in the consolidated financial statements for the financial year 2023 are applied in these condensed interim consolidated financial statements. For information on the accounting policies and methods applied in the consolidated financial statements, please refer to the notes in the 2023 Annual Report.

In the first half of 2024, the Group observed and, where relevant, applied the statements or amendments to statements of the IASB published by the IASB and endorsed by the EU to be applied for the first time as of 1 January 2024. These amendments had no material effects on the presentation of the net assets, financial position and results of operation of DF AG.

The future application of standards, interpretations and amendments that have been published but not yet applied is not expected to have any or any material impact on the consolidated financial statements, either.

(3) Basis of consolidation

The basis of consolidation of DF AG is shown below. Compared to the consolidated financial statements for the period ended 31 December 2023, there have been two new additions, DF FB Holding and DF Vagabund. Both entities have been newly founded by DF Group. The reporting date of the parent company and the subsidiaries is 31 December. The shares in equity have remained unchanged from the previous year.

Basis of consolidation	Share in equity	Consolidation
DF Deutsche Forfait AG, Cologne (parent company)		fully consolidated
Deutsche Forfait GmbH, Cologne (“DF GmbH”)	100%	fully consolidated
DF Deutsche Forfait s.r.o., Prague / Czech Republic (“DF s.r.o.”)	100%	fully consolidated
DF Deutsche Forfait Middle East s.r.o., Prague / Czech Republic (“DF ME”)	100%	fully consolidated
DF Food & Beverage Holding GmbH, Cologne (“DF FB Holding”)	100%	fully consolidated
Vagabund Brauerei FB GmbH, Cologne (“DF Vagabund“)	100%	fully consolidated

(4) Currency translation

The interim consolidated financial statements are prepared in euros, the functional and reporting currency of the parent 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 each subsidiary's local currency. Therefore, in the interim consolidated financial statements, the income and expenses from the financial statements of subsidiaries 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 measured 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	
	30-06-2024	31-12-2023	01-01 – 30-06-2024	01-01 – 30-06-2023
Czech koruna	25.025	24.724	25.015	23.690

II. NOTES TO THE INCOME STATEMENT

(5) Transaction-related income

Transaction-related income includes:

Transaction-related income in kEUR	01-01 – 30-06-2024	01-01 – 30-06-2023
Commission income	4,901	4,146
Forfaiting income	0	292
Exchange gains	64	287
Trading income	0	20,652
Total	**4,965**	**25,377**

Commission income mainly results from brokerage, consulting and other services provided in connection with payment transactions. Marketing revenues included therein are generated by DF GmbH exclusively with one customer in the Near East region.

(6) Transaction-related expenses

Transaction-related expenses in kEUR	01-01 – 30-06-2024	01-01 – 30-06-2023
Commission expenses	214	199
Forfaiting expenses	-	1
Exchange losses	46	1
Trading expenses	0	20,739
Total	**260**	**20,940**

The commission expenses are causally linked to the corresponding income.

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

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

Gross result in kEUR	01-01 – 30-06-2024	01-01 – 30-06-2023
Net commission income	4,687	3,947
Net forfaiting income	0	291
Result from exchange gains and losses	18	286
Trading result	0	-87
Total	**4,705**	**4,437**

(8) Other income

Other income breaks down as follows:

Other income in kEUR	01-01 – 30-06-2024	01-01 – 30-06-2023
Income from fees for the sale of creditor assets	6	6
Income from the reversal of other liabilities	0	25
Income from the allocation of charges	0	5
Miscellaneous other operating income	10	32
Total	**17**	**68**

(9) Other operating expenses

Other operating expenses break down as follows:

Other operating expenses in kEUR	01-01 – 30-06-2024	01-01 – 30-06-2023
Legal and consultation fees, accounting expenses	478	471
Investor relations, AGM	110	163
Travel expenses	85	81
Insurance, fees, contributions	93	78
IT costs	124	70
Cost of premises	28	45
Payment transaction fees	97	44
Administrative expenses / cooperation partners	28	26
Miscellaneous other expenses	147	218
Total	**1,190**	**1,196**

Legal and consultation fees as well as accounting expenses relate primarily to expenses for annual and interim audits as well as for tax advice and advice on company law.

(10) Financial result

The interest income of kEUR 95 in the first half of 2024 (previous year: kEUR 615) relates to interest on bank balances (previous year: essentially from trading activities). Interest expenses in the amount of kEUR 384 (previous year: kEUR 377) mainly relate to interest on the loan granted by the majority shareholder of DF AG to DF GmbH.

(11) Income tax

Until 2019, DF AG incurred tax losses of which it could not be assumed with sufficient probability that taxable results would be available against which the deductible temporary differences could be utilized. With the application of the profit transfer agreement between DF AG and DF GmbH, which was approved by the Annual General Meeting on 30 June 2020 and which became effective with retrospective effect from 1 January 2020 by entry in the Commercial Register on 3 August 2020, the previous assumption with respect to the offsetting of losses had to be revised. With respect to the tax situation of DF AG, please also refer to the notes to the consolidated financial statements for the period ended 31 December 2023.

Tax expenses recognized for the first half of 2024 comprise income tax attributable to the reporting period in the amount of kEUR 158 (previous year: kEUR 167) and the reversal of deferred tax receivables in the amount of kEUR 398 (previous year: kEUR 185). The deferred taxes of kEUR 3,882 recognized in the consolidated financial statements for the period ended 31 December 2023 thus decreased to kEUR 3,483 as of 30 June 2024.

There are tax receivables in the amount of kEUR 338 (previous year: kEUR 346), which essentially (kEUR 334) relate to corporation tax plus solidarity surcharge of DF AG determined for the 2020 assessment period.

An amount of kEUR 158 (previous period: kEUR 167) of the income tax liabilities recognized in the total amount of kEUR 2,361 (previous year: kEUR 2,224) is attributable to the result generated in the reporting period. In the reporting period, this resulted in income of kEUR 30 (previous year: kEUR 13).

III. NOTES TO THE BALANCE SHEET

(figures for the previous year relate to 31 December 2023)

(12) Trade receivables

Trade receivables in the first half of 2024 amounted to kEUR 1,094 (previous year: kEUR 1,271).

(13) Cash and cash equivalents

Cash and cash equivalents amounted to kEUR 44,234 (previous year: kEUR 41,909) and related to bank deposits with a maturity of up to three months.

(14) Equity

Changes in the equity of DF Group as of 30 June 2024 are shown in the statement of changes in equity.

The share capital of the Group is fully paid in and, as in the previous year, amounted to EUR 11,887,483 as at the balance sheet date. As in the previous year, it continues to be divided into 11,887,483 no-par registered shares.

Taking into account the consolidated profit generated in the reporting period, equity increased to kEUR 30,333 as of 30 June 2024 (previous year: kEUR 28,804). The equity ratio thus stands at 58.8% (previous year: 58.1%).

(15) Trade accounts payable

Trade accounts payable consist almost exclusively of obligations from services purchased in the second quarter of 2024 in the amount of kEUR 1.006 (previous year: kEUR 504).

(16) Other current debt

Other current debt amounted to kEUR 1,858 (previous year: kEUR 1,979). This mainly includes current lease liabilities in the amount of kEUR 169 and bonus obligations of kEUR 121 as well as interest liabilities of kEUR 1,505.

(17) 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	30-06-2024	31-12-2023
Restructuring portfolio	49	18
Trading portfolio	-	-
Bank balances	-	-
Total	**49**	**18**

The restructuring portfolio relates to overdue and legally pending receivables from various debtors. The change in value of the trading and restructuring portfolio mainly results from fair value adjustments.

Creditor assets (receivables of the restructuring portfolio) are measured at fair value through profit or loss, which also corresponds to the carrying amount. The estimated prospect of successfully enforcing the pending claims is essentially taken into account for this measurement. According to the categorization described in the notes to the consolidated financial statements for the period ended 31 December 2023, these are Level 3 assets in the measurement hierarchy. The measurement bases of the creditor assets and the creditor liabilities have remained unchanged compared to the previous year; please refer to the notes to the consolidated financial statements for the period ended 31 December 2023.

The creditor liabilities are liabilities filed with the insolvency table.

Offsetting payments received from the debtors and expenses that essentially resulted from legal proceedings as well as cash and cash equivalents provided by the trustee for future legal expenses, trust assets were offset against liabilities to the trustee in the amount of kEUR 263.

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).

IV. OTHER INFORMATION

(18) 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 the management in key positions (Board of Management and Supervisory Board) of DF AG. The Board of Management and the Supervisory Board are considered to be related parties as at the balance sheet date.

Due to his share ownership, Dr. Shahab Manzouri is a person with substantial influence and represents the highest controlling level of the Group. In February 2019, Dr. Manzouri granted DF GmbH a loan of EUR 15.0 million with a minimum term of three years, which bears interest at the 12-month EURIBOR plus 1.0% and minus any credit fees (negative interest). In the reporting period, DF GmbH expensed interest on the loan in the amount of kEUR 366 (previous year: kEUR 354) and reported it as other current liabilities as of 30 June 2023. As at the balance sheet date, a total of kEUR 16,505 (previous year: kEUR 16,139) were outstanding.

On 9 April 2024, Supervisory Board member Wolfgang Habermann signed a consulting agreement with the company to advise DF AG on M&A issues and the related restructuring projects. An amount of kEUR 38 was incurred for these services in the reporting period.

(19) Material events after the end of the reporting period

The ordinary Annual General Meeting for the financial year 2023 was held on 2 July 2024 and approved all items on the agenda.

On 1 July 2024, the subsidiary DF Vagabund acquired the business operations of the insolvent Vagabund Brauerei GmbH.

There were no other material events after the reporting date on 30 June 2024.

Cologne, 20 September 2024

The Board of Management

AUDITOR´S REVIEW REPORT

RESPONSIBILITY STATEMENT BY THE BOARD OF MANAGEMENT

REVIEW REPORT

To DF Deutsche Forfait AG
We have reviewed the condensed interim consolidated financial statements – comprising the balance sheet, statement of comprehensive income, cash flow statement, statement of changes in equity and selected notes – and the interim Group management report of DF Deutsche Forfait AG, Cologne, for the period from 1 January to 30 June 2024, which are part of the interim financial report pursuant to section 115 of the German Securities Trading Act (WpHG). The preparation of the condensed interim consolidated financial statements in accordance with IAS 34 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 completed our review of the condensed interim consolidated financial statements and the interim Group management report based on German principles for financial reporting review engagements established by the IDW ("Institut der Wirtschaftsprüfer", German institute of auditors). According to these principles, a review engagement must be planned and carried out so that, based on a critical appraisal, we can be reasonably certain that the condensed interim consolidated financial statements comply with IAS 34 Interim Financial Reporting as they apply to the EU in all material respects and that the interim Group management report complies with the WpHG (German Securities Trading Act) regulations as they apply to interim group management reports in all material respects.

A review engagement is mainly limited to interviews with company employees and an analytical evaluation, which means it does not result in the same level of certainty attained by an audit. Since we were not engaged to complete an audit, we are not issuing an audit opinion.

During our review engagement, we did not become aware of any information that would indicate that the condensed interim consolidated financial statements of DF Deutsche Forfait AG, Cologne, for the period from 1 January 2024 to 30 June 2024 do not comply with IAS 34 Interim Financial Reporting as they apply to the EU in all material respects or that the interim Group management report does not comply with the WpHG (German Securities Trading Act) regulations as they apply to interim group management reports in all material respects.

Munich, 20 September 2024

KPMC Audit GmbH
Wirtschaftsprüfungsgesellschaft

Frank Paulus	Florian Müller
Wirtschaftsprüfer [German public auditor]	Wirtschaftsprüfer [German public auditor]

RESPONSIBILITY STATEMENT BY THE BOARD OF MANAGEMENT

To the best of our knowledge and in accordance with the applicable accounting principles, the interim consolidated financial statements for the period ended 30 June 2024 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.

Cologne, 20. September 2024

The Board of Management

DF Deutsche Forfait AG

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