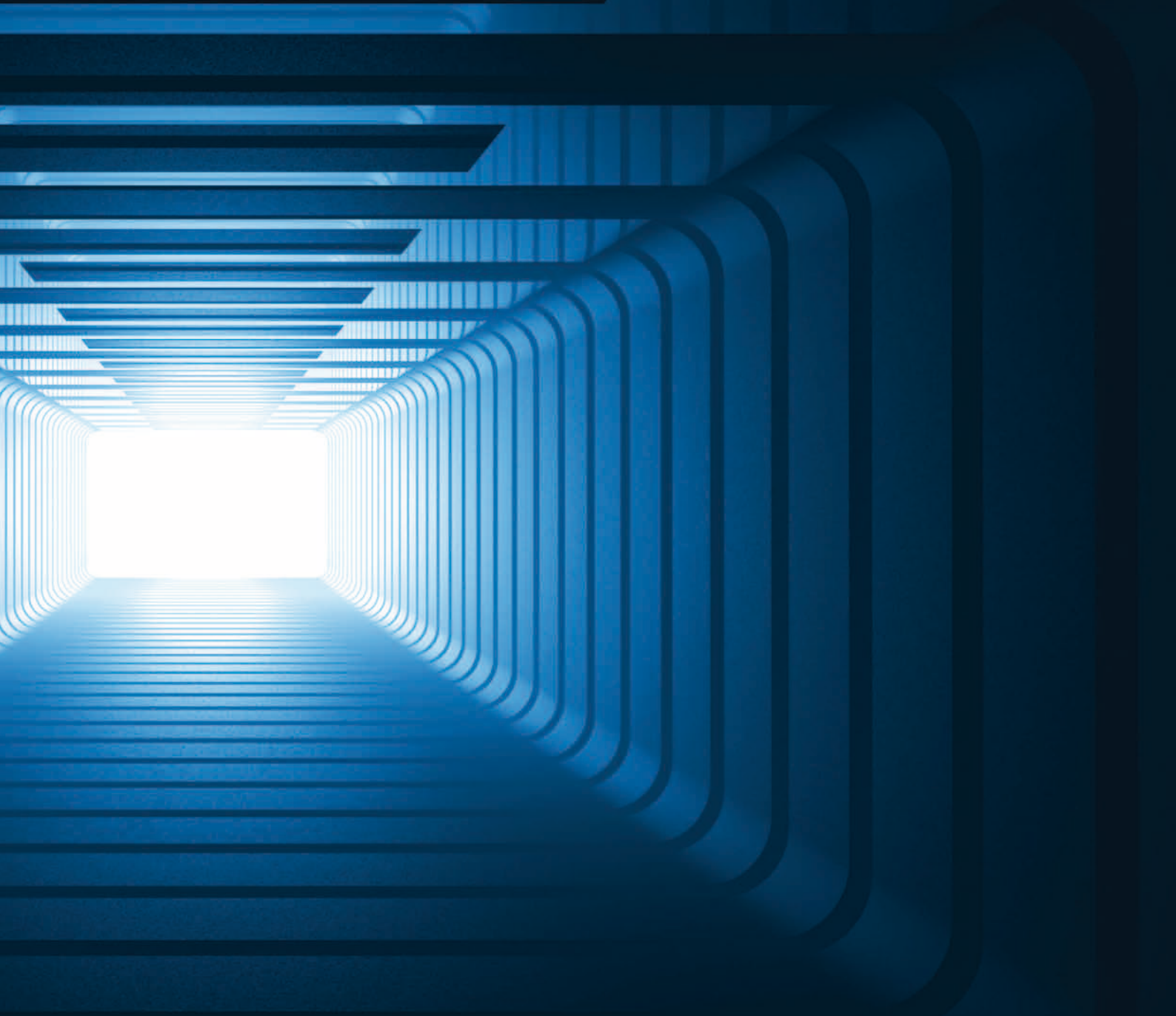




DF Deutsche Forfait AG

Announcement

for the period 1 July to 30 September 2017



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DF-GROUP GENERATED A CONSOLIDATED NET LOSS OF EUR -1.9 MILLION IN THE FIRST NINE MONTHS OF THE FINANCIAL YEAR 2017

DF-Group generated a business volume of EUR 13.0 million in the first nine months of the financial year 2017 (previous year: EUR 5.4 million). A business volume of EUR 11.8 million was recorded for the third quarter of 2017 (previous year: EUR 2.0 million), which represents an increase on the EUR 1.2 million recorded in the first six months of the year. The business performance nevertheless fell short of the company's expectations. But there are also positive signs. The third quarter of 2017 saw DF-Group sign agreements for the arrangement of project finance in excess of EUR 300 million. These agreements are not yet reflected in the bottom line, as DF-Group will generate income only upon realization of the underlying transactions and financings. DF-Group is working intensively but is currently unable to predict if and when these transactions can actually be realized. Contrary to original expectations, this will not be the case in 2017, though.

As at 30 September 2017, the gross result amounted to EUR 0.5 million (previous year: EUR -1.3 million); Commission income of EUR 0.5 million under the Trust Agreement and the write-up of receivables forming part of the creditor assets had a positive impact on the gross result. Exchange losses and fair value adjustments of the receivables forming part of the creditor assets had an adverse impact. Changes in the value of the creditor assets have no effect on DF-Group's bottom line, as the value of the liabilities to creditors increases or declines at the same rate as the value of the assets that are available to settle these liabilities. Other operating income amounted to EUR 1.4 million (previous year: EUR 44.3 million). This item includes income of EUR 0.4 million which is attributable to additional income for the creditor assets achieved in the third quarter of 2017. The counter-item is included in other operating expenses in the same amount. Other operating expenses totaled EUR 2.6 million in the first nine months of 2017 (previous year: EUR 7.0 million) and were much lower than in the same period of the previous year. This is mainly due to the fact that the costs of the insolvency proceedings that were incurred in the prior year period did not recur in the current financial year. Personnel expenses for the first nine months of 2017 amounted to EUR 1.7 million, down EUR 0.2 million on the previous year's EUR 1.9 million. Administrative expenses, which comprise personnel expenses, depreciation/amortization and other operating expenses, totaled EUR 4.4 million (previous year: EUR 9.0 million). At EUR -1.9 million, the consolidated net result for the first nine months of 2017 was much lower than the previous year's EUR 33.2 million, which was strongly influenced by the income resulting from the creditors' debt waiver.

As at 30 September 2017, the creditor assets were worth EUR 13.9 million, compared to EUR 19.5 million as at 30 June 2017.

The table below shows the changes in the value of the creditor assets in Q3 2017.

in EUR millions	
Value as at 30 June 2017 million	19.5
Payout to trustee	-5.3
Miscellaneous*	-0.3
Value as at 30 September 2017 million	13.9

* Includes fair value adjustments, exchange losses, income from settlement agreements, adjustment of anticipated legal expenses

The fair value of the creditor liabilities corresponds to the fair value of the assets.

As a result of the net loss for the first nine months, DF-Group's equity capital declined from EUR 9.9 million on 31 December 2016 to EUR 8.0 million on 30 September 2017.

In view of the business trend to date and the delay in the above-mentioned project finance agreements, the company projects a consolidated net loss for the financial year 2017. We remain confident that we will be able to increase the business volume significantly now that we have strengthened the Board of Management and restructured the sales organization. As a trading company, however, our operating result greatly depends on opportunities for the successful completion of transactions whose occurrence cannot be reliably predicted. There is an existential risk if business development in the operating companies of DF-Group continues to fall short of expectations and if it is not possible to generate a sufficient business volume to cover the operating costs.

MATERIAL EVENTS IN THE THIRD QUARTER OF THE FINANCIAL YEAR 2017

Ordinary Annual General Meeting

The ordinary Annual General Meeting for the short financial year from 2 July 2016 to 31 December 2016 was held in Cologne on 11 July 2017. All items on the agenda were approved by a large majority of the shareholders.

Renewal of management contracts

The Supervisory Board has renewed the management contracts with Board members Ms Gabriele Krämer and Mr Christoph Charpentier by three years until 7 October 2020.

OTHER MATERIAL EVENTS AFTER THE END OF THE THIRD QUARTER

Changes on the Board of Management and the Supervisory Board

On 11 October 2017, the Supervisory Board of DF Deutsche Forfait AG appointed Dr. Behrooz Abdolvand, who has so far served on the Supervisory Board, as new Chairman of the company's Board of Management for initially one year with effect from 1 November 2017. In his new capacity on the Board of Management, Dr. Behrooz Abdolvand will primarily be responsible for Strategy and Sales. Because of his appointment to the Board of Management, Dr. Abdolvand resigned from the Supervisory Board with effect from 31 October 2017. Franz Josef Nick has been appointed as new Supervisory Board member and successor to Dr. Abdolvand. M Nick is a lawyer and very experienced banker. Most recently, he served as Chairman of the Board of Management of TARGO Bank.

Representative office in Teheran


In early November 2017, the company opened a representative office on the premises of the German-Iranian Chamber of Industry and Commerce with a view to intensifying its sales and marketing activities.

Assets (in EUR)	30-09-2017	31-12-2016
Long-term assets		
Intangible assets	167,332.63	112,748.42
Tangible assets	106,715.55	150,092.33
Long-term financial assets	84,339.26	83,635.56
Deferred taxes	1,284,606.00	803,456.00
	1,642,993.44	1,149,932.31
Short-term assets		
Creditor assets	13,931,347.84	18,209,745.76
Trade accounts and other receivables	0.00	0.00
Income tax receivables	66,340.40	63,787.05
Other short-term assets	959,420.30	1,261,804.65
Cash and cash equivalents	7,695,015.68	10,157,768.87
	22,652,124.22	29,693,106.33
Total assets	24,295,117.66	30,843,038.64

Equity and Liabilities (in EUR)	30-09-2017	31-12-2016
Equity		
Subscribed capital	11,887,483.00	11,887,483.00
Costs of the capital increase	-623,481.04	-623,481.04
Revenue reserves	-3,060,938.65	-1,141,474.17
Adjustment item from currency translation	-171,496.03	-209,319.61
	8,031,567.28	9,913,208.18
Short-term liabilities		
Creditor liabilities	13,931,347.84	18,209,745.76
Liabilities to banks	72.27	0.00
Income tax liabilities	350,000.00	350,000.00
Trade accounts and other payables	481,710.32	902,085.92
Other short-term liabilities	1,500,419.95	1,467,998.78
	16,263,550.38	20,929,830.46
Total equity and liabilities	24,295,117.66	30,843,038.64

Consolidated Income Statement (in EUR)	01-01 – 30-09-2017	01-01 – 30-09-2016
Typical forfeiting income		
a) Forfeiting income	2,720,600.47	1,586,198.59
b) Commission income	635,036.10	120,831.85
c) Income from additional interest charged	0.00	23,943.59
d) Exchange profits	1,613,193.85	1,984,877.57
e) Income from the writing back of provisions for forfeiting and purchase commitments	0.00	210,567.00
	4,968,830.42	3,926,418.60
Typical forfeiting expenditure		
a) Expenditure from forfeiting	1,184,604.19	2,775,208.60
b) Commissions paid	20,618.89	66,756.75
c) Exchange losses	3,231,059.02	1,807,921.31
d) Credit insurance premiums	0.00	0.00
e) Depreciation and value adjustments on receivables as well as additions to provisions for forfeiting and purchase commitments	0.00	548,995.33
	4,436,282.10	5,198,881.99
Gross result	532,548.32	-1,272,463.39
Other operating income	1,417,145.96	44,323,457.45
Personnel expenses		
a) Wages and salaries	1,496,135.23	1,734,916.34
b) Social security contributions and expenditure for pensions and social welfare	233,304.38	216,099.21
	1,729,439.61	1,951,015.55
Depreciation on tangible and intangible assets	61,937.07	68,404.82
Other operating expenditure	2,622,246.43	6,978,314.03
Interest income	101,418.34	125,511.24
Interest paid	38,103.99	970,110.52
Profit before Income tax	-2,400,614.48	33,208,660.38
Income tax		
Deferred taxes	-481,150.00	0.00
Consolidated income	-1,919,464.48	33,208,660.38
Average number of shares	11,887,483	11,887,483
Undiluted earnings per share	-0.16	2.79
Diluted earnings per share	-0.16	2.79

Consolidated Cash Flow Statement (in EUR)	01-01 – 30-09-2017	01-01 – 30-09-2016
Consolidated income/loss	-1,919,464.48	33,208,660.37
+ Depreciation on intangible and tangible assets	61,937.07	68,404.82
+ Income tax paid	-481,150.00	0.00
+ Interest paid	38,103.99	970,110.52
- Interest income	-101,418.34	-125,511.24
+/- Result from the disposal of long-term assets	0.00	-115.00
+/- Other transactions not affecting payments	503,225.35	0.00
+/- Changes in creditor assets	4,278,397.92	-25,286,004.63
+/- Changes to trade accounts receivable	0.00	30,176,191.89
+/- Changes to other assets	-182,016.77	-259,816.96
+/- Changes to provisions	0.00	-198,450.00
+/- Changes in the bond	0.00	-29,110,441.83
+/- Changes in creditor liabilities	-4,278,397.92	25,286,004.63
- Changes in financial liabilities (waiver)	0.00	-38,169,171.97
+/- Changes to trade accounts payable	-420,375.60	-2,815,453.66
+/- Changes in other liabilities	32,421.17	-1,628,348.22
= Operative Cash flow	-2,468,737.61	-7,883,941.28
- Paid interest	-36,579.34	-970,110.52
+ Retained interest	77,718.34	125,511.24
= Cash flow from operating activity	-2,427,598.61	-8,728,540.56
- Payments for investments in long-term assets	-73,735.65	-66,008.21
+ Income from investments in long-term assets	0.00	34,302.23
= Cash flow from investing activity	-73,735.65	-31,705.98
+/- Changes in financial liabilities	72.27	0.00
+/- Capital market transactions	0.00	10,653,638.96
+/- Other changes in equity	0.00	-59,014.02
= Cash flow from finance activity	72.27	10,594,624.94
Changes in financial resources affecting payments	-2,501,261.99	1,834,378.40
+ Liquid funds at the start of the period	10,157,768.87	7,636,561.53
+/- Effects from the currency conversion	38,408.80	-38,668.51
= Liquid funds at the end of the period	7,694,915.68	9,432,271.42
- Pledged bank deposits	0.00	-1,157,585.20
= Freely available funds at end of period	7,694,915.68	8,274,686.22



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