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DF Deutsche Forfait AG

Experience Meets Innovation

Annual Report for the fiscal year
1 January to 31 December 2020

DF Deutsche Forfait AG

CONTENT

FOREWORD BY THE MANAGEMENT BOARD

DEAR SHAREHOLDERS,
DEAR READERS,

2020 was an extraordinary financial year for all of us. The ongoing COVID-19 pandemic has changed many things around the globe and has hit the population in crisis and developing countries particularly hard. Especially in a situation like this, it is important to ensure the basic supply of food and medicine for all. As a foreign trade finance specialist, DF Deutsche Forfait AG has made a valuable contribution in this respect.

DF Group has shown a strong performance over the past three years. Together with our strategic partners, we have succeeded in making the company profitable again with new financing products. In this process, the experience of 20 years of foreign trade financing goes hand in hand with new, future-oriented structures – both organizationally and in terms of human resources.

We have clearly defined our goals, namely to intensify the existing relationships with our strategic partners, to expand the product portfolio and to extend our geographic focus in the Near and Middle East as well as to Eastern Europe. All our activities are closely monitored and supported by our experienced and trained Compliance Team. The financial year 2020 saw us lay the foundation for the Project Finance Activities segment. Moreover, we launched our Factoring product, which will initially be offered by our Prague Branch. During the reporting period, we also established the Business Development segment, which, together with our sales experts, will develop optimum product solutions for our customers and partners in existing and new target markets. An insight into DF Group and its players, the current product portfolio, new ways as well as relevant information is provided by our website, which was relaunched at the beginning of the year.

In spite of the continued uncertainty posed by COVID-19, we are optimistic about the new financial year. Assuming that the economic and political conditions in our target markets remain stable, we expect the Group to generate good results again in the financial year 2021.

Kind regards,

The Management Board of DF Deutsche Forfait Aktiengesellschaft

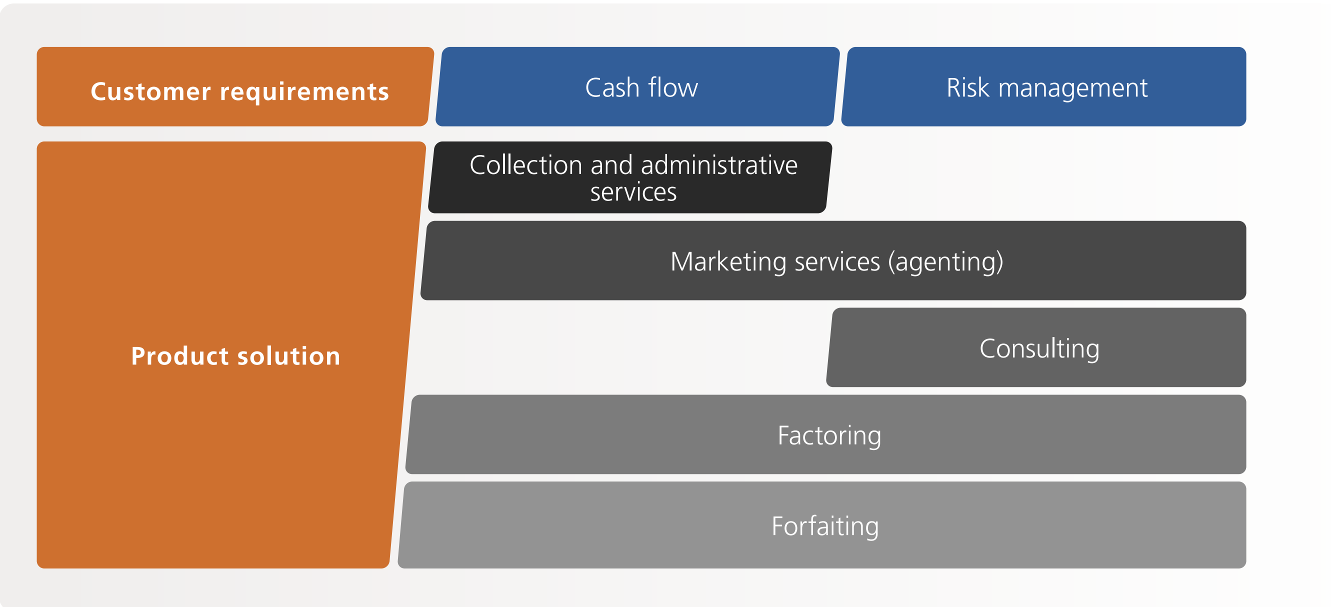
1. FUNDAMENTALS OF THE GROUP

a) Business model of the Group

DF Group is a specialist for foreign trade finance and related services. Its customers include 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. Where trade with Iran is concerned, it has focused its activities exclusively on humanitarian goods since the summer of 2018 for business policy reasons.

DF Group's product portfolio is tailored to the geographic focus and specific customer needs. Besides the collection of foreign trade receivables and the processing of payment transactions, which is done via its Czech subsidiary DF Deutsche Forfait Middle East s.r.o. for the Near and Middle East region, DF Group also offers marketing services. In this context, the company – after having carried out its own compliance check – brokers transactions relating to the food, pharmaceuticals and healthcare sectors to its strategic partners for further processing. DF Deutsche Forfait s.r.o. covers the remaining geographies with a focus on emerging markets. DF Group generally originates business through its own sales force or through agents or strategic partners in the country of the importer. DF Group moreover markets its country-specific know-how, its network as well as its compliance expertise by providing compliance consulting services. Forfaiting and purchase commitments are also part of the product portfolio, but currently also play only a minor role. Preparations for the expansion of the product portfolio to include factoring transactions were completed in the reporting period, which means that the new business segment, which is operated by DF Deutsche Forfait s.r.o., has contributed to the company's revenues since the end of 2020.

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

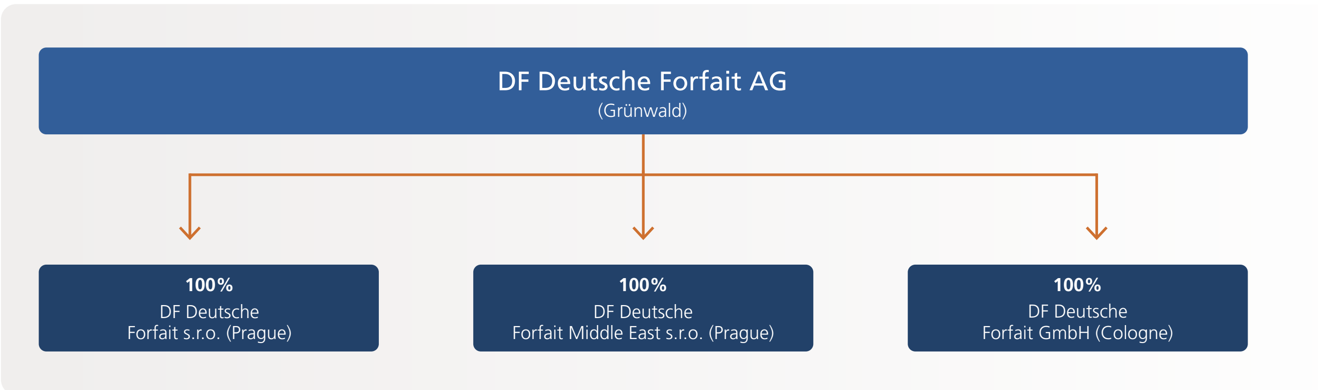


For further diversification, DF Group will add project finance activities to its product portfolio going forward. In this segment, DF Group intends to (1) structure and coordinate project finance, (2) facilitate the placement of project finance bonds, (3) invest in project finance bonds and (4) monitor projects. The purpose is also to increase the geographical diversification of its business activities. Due to the COVID-19 pandemic and the related travel restrictions, the establishment of the project finance activities segment has been delayed and no business has been initiated in this context to date.

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

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. DF AG has three operating subsidiaries, namely DF Deutsche Forfait GmbH in Cologne, Germany ("DF GmbH"), 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.") in Prague, Czech Republic. Deutsche Kapital Ltd. in Dubai ("DKL") is currently being liquidated.



DF GmbH focuses its products, which mainly consist of marketing services 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 services related to payment processing, the factoring business and the handling of individual transactions such as the granting of loans, the purchase and sale of promissory notes and debt collection activities. DF ME s.r.o. focuses on transactions in the Near and Middle East, especially Iran, while DF s.r.o. covers the remaining geographies with a focus on emerging markets as well as the newly introduced factoring business. All subsidiaries are legally independent entities.

Employees: Slightly higher headcount

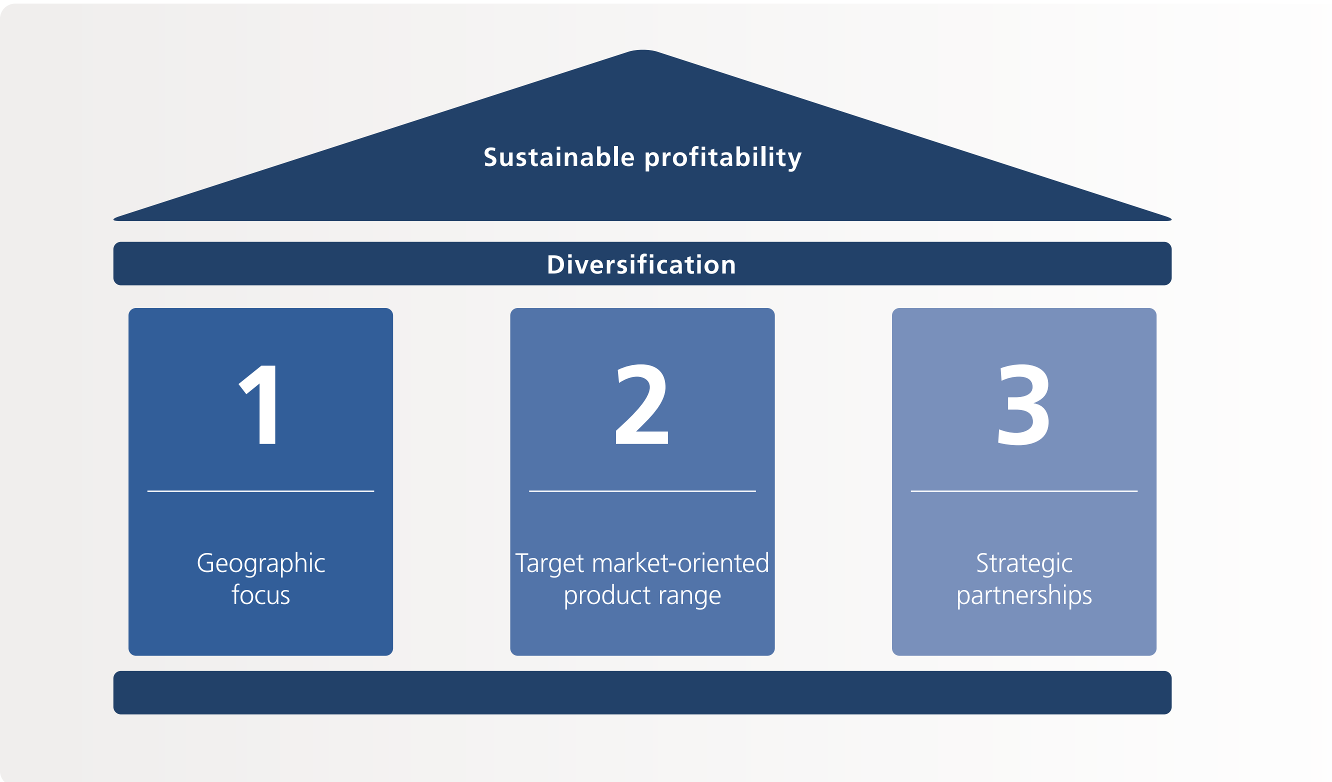
In the financial year 2020, DF Group employed an average of 28 people, including the Management Board (previous year: 27 people).

b) Objectives and strategies

Strategic corporate objectives

With DF Group returning to profitability in the financial year 2019 and remaining profitable in the reporting period, the aim now is to achieve sustainable profitability and to continue pursuing the defined strategy. This way, DF Group wants to become an attractive partner to providers of equity and debt capital. Consistent profitability is to be achieved through the successful marketing of DF Group's know-how and network in the market for foreign trade finance and related services, especially in the geographic target region of the Near and Middle East as well as Eastern Europe.

DF Group's strategy rests on three pillars:



The main focus of the activities is on the food sector as well as on medical and pharmaceutical products. In these humanitarian sectors, demand for DF Group's services remains high. To reduce the dependence on a single market, DF Group plans to use the funds generated for geographical diversification and for expanding the product portfolio. The company also intends to serve the CIS countries going forward. This means that part of the existing expertise and network can be used when entering a new market, which improves the chances of success. By concentrating on selected regions, DF Group expects to benefit from economies of scale. This applies in particular regarding the country-specific expertise required to meet the increasingly complex compliance requirements.

The product portfolio continues to be geared to customer and market requirements. The already established administrative and collection services as well as the marketing services offer desired solutions for foreign trade finance. The planned launch of project finance activities will add a further service to DF Group's portfolio. The company also plans to resume the forfaiting business in the medium term. At present, however, the achievable margins are usually insufficient. The preparations for the factoring business were completed at the end of 2020 and the first transactions were started. DF Group's product portfolio has thus been expanded, especially in Eastern Europe. Finally, DF Group has invested many resources in setting up and expanding a compliance system over the past years. DF Group markets the acquired compliance know-how by offering corresponding consulting services.

Strategic partnerships represent the third pillar of DF Group's strategy. In Iran, DF Group benefits from the cooperation with Saman Bank and its local network and know-how, especially with regard to the development of the local market and the settlement of transactions. DF Group strives for long-term partnerships also with other banking partners whose respective strengths ideally complement the strengths of the Group. Well-established processes are a great advantage, especially with regard to the speed of transaction processing.

DF Group will not continue to pursue the certificates structure initiated to finance the intended medium-term revival of the forfaiting business.

c) Controlling system

DF Group controls its business via the acquired business volume. The latter is defined as the sum total of the nominal values of all transactions closed by the collection, administrative and marketing services segments in a reporting period as well as the nominal values of all factoring and forfaiting transactions as well as purchase commitments closed in a reporting period. In addition to the business volume, the gross result is an important performance indicator for DF Group. The gross result is derived, inter alia, from the business volume and the average margin, which is defined by the commission income from the business types mentioned above and the expenses attributable to them as well as current interest income, where applicable. In its internal reporting system, DF Group uses earnings before taxes as a performance indicator. The above performance indicators are monitored through monthly standardized reports, which are submitted to the Supervisory Board. In addition, a weekly report on the transactions concluded and the income generated is submitted to the Management Board.

Moreover, DF Group bases its external reporting on the equity capital as well as the consolidated net income.

2. ECONOMIC REPORT

a) Macroeconomic and industry-related environment

The ongoing COVID-19 pandemic was the main factor influencing the global economic situation in 2020. Strict restrictions imposed on business and private life as well as uncertainty about the further course of the pandemic led to a massive slump in the world economy. While the latest estimates of the International Monetary Fund (IMF) dating from January 2021 assume that global economic output declined by -3.5% in the year 2020 as a whole, the current general outlook is somewhat more optimistic than in the fall of 2020. According to the IMF, economic output in the industrialized countries fell by -4.9% in the reporting period, with gross domestic product in the USA assumed to have declined by -3.4%. The euro-zone as a whole recorded a decline by -7.2%, mainly driven by France (-9.0%), Italy (-9.2%) and Spain (-11.1%). German economic output fell by -5.4%; as recently as October, the IMF projected an even sharper decline of -6.1%. Eastern Europe, which is an important region for DF Group, also showed a recessionary trend, with Czechia's gross domestic product declining by -6.5%.

In line with the decline in the overall economy, the global trade volume dropped by -9.6% in 2020, according to the IMF. In the previous year, world trade still grew by a moderate 1.0%.

The IMF assumes a downward trend also for the emerging countries. The GDP forecast for the Middle East including Central Asia was -2.4% in the reporting period. Iran, which is an important target market for DF Group, was also severely affected by the effects of the COVID-19 pandemic as well as by new sanctions imposed by the US government last year and recorded an estimated decline of -5.0% compared to the previous year.

As a service provider in the field of foreign trade finance, DF Group is directly affected by the global impact of the COVID-19 pandemic. The implementation of the regional diversification strategy was delayed during the reporting period due to travel restrictions and general spending restraint. Especially in the project finance activities segment, only preparatory measures were possible due to the COVID-19 restrictions.

In the food, pharmaceuticals and healthcare as well as medical products sectors, which are most relevant for DF Group, business volumes in the region were at a lower level in the period under review compared to the financial year 2019, not least due to the COVID-19 pandemic.

b) Business performance

i. Results of operation

In the financial year 2020, DF Group generated a positive consolidated net income of EUR 6.8 million (previous year: EUR 3.2 million).

The increase in earnings is due to a one-time effect resulting from the capitalization of deferred tax assets for the carryforward of unused tax losses in the amount of EUR 3.3 million. The business volume declined to EUR 135.5 million in 2020 (previous year: EUR 187.2 million). The decline in business volume compared to the previous year is primarily due to the fact that the unchanged demand for humanitarian goods in the Iranian target market could not be satisfied in full, not least due to limited resources on the import side as well as tighter US sanctions. Especially the marketing services segment, whose commission income was the main revenue driver already in the previous year, generated earnings from a volume of EUR 100.0 million (previous year: EUR 160.8 million). The gross result amounted to EUR 8.4 million, compared to EUR 11.1 million in the previous year. This is mainly attributable to lower commission income in the amount of EUR 8.2 million (previous year: EUR 12.0 million). The latter mainly included income from consulting and other services in the area of payment transactions, which comprises marketing income (kEUR 7,642), income from compliance consulting (kEUR 106), and income from services in connection with the processing of payment transactions with customers in the Middle East region (kEUR 363). Contributions to commission income in the reporting period were also made by debt collection activities (kEUR 51) and, for the first time, by the factoring business (kEUR 4).

Interest income from services in the amount of EUR 0.5 million results from the short-term financing of export transactions.

Other operating income dropped from EUR 0.9 million in the previous year to EUR 0.4 million. This includes, among other things, income from the allocation of charges to the trustee, in particular legal expenses, in the amount of EUR 0.3 million.

Administrative expenses consisting of personnel expenses, depreciation and other operating expenses totaled EUR 5.1 million in the financial year 2020 (previous year: EUR 6.1 million). Personnel expenses of EUR 2.6 million changed only marginally compared to the previous year. At EUR 0.2 million, amortization of intangible assets and depreciation of property, plant and equipment also remained almost unchanged. Other operating expenses amounted to EUR 2.3 million and were thus down by EUR 1.0 million on the previous year, mainly due to lower consulting costs and employee severance payments.

The financial result, which only resulted from interest expenses in the reporting period, amounted to kEUR -91 in the financial year 2020 (previous year: kEUR -98) and mainly included negative interest on bank balances held.

On balance, consolidated net income exceeded the company's expectations against the background of the one-time effect. Consolidated net income before taxes is in line with the company's expectations at the beginning of the financial year 2020.

ii. Financial position

DF Group's operating cash flow in the financial year 2020 totaled EUR 2.8 million (previous year: EUR 6.6 million). The main reason for this is the year-on-year decline in earnings before income taxes, due in particular to lower commission income. The reduction in operating cash flow is also attributable to the increase in other assets of EUR -0.8 million (previous year: decline by EUR 1.8 million) as well as the change in other liabilities by EUR -0.3 million (previous year: EUR 1.5 million). Cash flow from investing activities stood at EUR -0.2 million (previous year: EUR -0.3 million). Cash flow from financing activities amounted to EUR -0.1 million in the financial year 2020 (previous year: EUR 14.9 million) and mainly includes repayments of lease liabilities. The decrease is mainly due to the loan in the amount of EUR 15.0 million granted by the majority shareholder in the previous year. In the past financial year, DF Group met all its payment obligations on time and on target. The increase in DF Group's equity to EUR 15.4 million as of 31 December 2020 (previous year: EUR 8.6 million) is attributable to the consolidated net income generated in the year under review. The equity ratio stood at 46.3% (previous year: 31.1%). As at the balance sheet date, creditor liabilities declined to EUR 0.2 million (previous year: EUR 1.0 million). This is mainly attributable to distributions to the trustee as well as fair value adjustments.

As at the balance sheet date of 31 December 2020, DF Group had no liabilities to banks or credit lines with banks or other persons apart from the loan granted by the majority shareholder of DF AG.

iii. Net assets position

As at the balance sheet date of 31 December 2020, DF Group's assets totaled EUR 33.2 million (previous year: EUR 27.6 million). The increase in total assets is primarily attributable to the capitalization of deferred tax assets in the amount of EUR 3.3 million. Total assets were additionally influenced by the increase in cash and cash equivalents to EUR 27.1 million (previous year: EUR 24.7 million) as well as to the rise in other assets to EUR 1.0 million (previous year: EUR 0.7 million). Creditor assets moved in the opposite direction and declined from EUR 1.0 million in the previous year to EUR 0.2 million as at the balance sheet date of 31 December 2020.

iv. Effects of the pandemic

The key financial performance indicators for DF Group – business volume, gross result and consolidated net income before taxes – declined noticeably but not unexpectedly in the financial year 2020 against the backdrop of the emerging COVID-19 pandemic and the restraint shown by market participants. Especially the profitable marketing services segment has proven to be a stable element of the services offered by the Group, though. However, the COVID-19-related travel restrictions somewhat delayed the development of new markets, the establishment of further products and, hence, the planned further diversification. Similarly, the launch of the project finance activities segment was held up by the effects of the pandemic.

c) Financial performance indicators

The financial performance indicators of DF Group are:

» business volume
» gross result
» consolidated net income

The business volume is the nominal value of the transactions closed in a period as described in chapter 1. c. The company expects to again generate a business volume in the amount of EUR 200 million p.a. in the medium term once the measures described in chapter 1. b. "Objectives and strategies" have been implemented.

Another financial performance indicator is the gross result, as described in chapter 1. c. Income (gross result and other operating result) in excess of EUR 4.5 million is required to break even.

Consolidated net income before taxes is another important financial performance indicator; at EUR 3.6 million, it was positive and in line with the company's targets and expectations.

d) Compensation report

Compensation of the Management Board

Basic structure of the compensation system

The compensation of the Management Board consists of fixed compensation plus customary fringe benefits, one-year variable compensation (performance bonus), and a pension plan.

The fixed compensation consists of an annual salary paid in twelve equal monthly amounts. In addition, the members of the Management Board receive certain fringe benefits, which are listed in the tables showing the individual compensation.

In addition to the fixed salary, the members of the Management Board receive a performance bonus of 4.5% of the net income after taxes if consolidated net income reaches at least EUR 500,000.00. The performance-linked compensation is capped at 150% of the fixed salary that is relevant at the end of the financial year.

Individual compensation

The following tables show the benefits, the allocation of compensation and the service cost for pension provisions granted to each member of the Management Board:

Dr. Behrooz Abdolvand | Board of Management since November 2017

	Benefits granted					
in EUR	**2019**	**2019 (Min)**	**2019 (Max)**	**2020**	**2020 (Min)**	**2020 (Max)**
Fixed compensation	213,333.32	213,333.32	213,333.32	221,666.64	221,666.64	221,666.64
Fringe benefits	5,819.11	5,819.11	5,819.11	6,050.14	6,050.14	6,050.14
Total	**219,152.43**	**219,152.43**	**219,152.43**	**227,716.78**	**227,716.78**	**227,716.78**
One-year variable compensation	153,721.00	0.00	270,000.00	306,250.00	0.00	345,000.00
Multi-year variable compensation	0.00	0.00	0.00	0.00	0.00	0.00
Total	**372,873.43**	**219,152.43**	**489,152.43**	**533,966.78**	**227,716.78**	**572,716.78**
Pension-related payments	20,154.24	20,154.24	20,154.24	20,154,24	20,154.24	20,154.24
Total compensation	**393,027.67**	**239,306.67**	**509,306.67**	**554,121.02**	**247,871.02**	**592,871.02**

Hans-Joachim von Wartenberg | Board of Management since December 2019

	Benefits granted					
in EUR	**2019**	**2019 (Min)**	**2019 (Max)**	**2020**	**2020 (Min)**	**2020 (Max)**
Fixed compensation	15,416.67	15,416.67	15,416.67	186,666.70	186,666.70	186,666.70
Fringe benefits	353.93	353.93	353.93	5,604.39	5,604.39	5,604.39
Total	**15,770.60**	**15,770.60**	**15,770.60**	**192,271.09**	**192,271.09**	**192,271.09**
One-year variable compensation	12,810.00	0.00	36,645.64	306,250.00	0.00	307,500.00
Multi-year variable compensation	0.00	0.00	0.00	0.00	0.00	0.00
Total	**28,580.60**	**15,770.60**	**52,416.24**	**498,521.09**	**192,271.09**	**499,771.09**
Pension-related payments	179.52	179.52	179.52	21,654.24	21,654.24	21,654.24
Total compensation	**28,760.12**	**15,950.12**	**52,595.76**	**520,175.33**	**213,925.33**	**521,425.33**

Christoph Charpentier | Board of Management since October 2016 until November 2019						
			Benefits granted			
in EUR	**2019**	**2019 (Min)**	**2019 (Max)**	**2020**	**2020 (Min)**	**2020 (Max)**
Fixed compensation	165,000.00	165,000.00	165,000.00	-	-	
Fringe benefits	5,177.74	5,177.74	5,177.74	-	-	-
Total	**170,177.74**	**170,177.74**	**170,177.74**	**-**	**-**	**-**
One-year variable compensation	190,000.00	0.00	270,000.00	-	-	-
Multi-year variable compensation	0.00	0.00	0.00	-	-	-
Total	**360,177.74**	**170,177.74**	**440,177.74**	**-**	**-**	**-**
Pension-related payments	18,474.72	18,474.72	18,474.72	-	-	-
Total compensation	**378,652.46**	**188,652.46**	**458,652.46**	**-**	**-**	**-**

* Severance payment

Gabriele Krämer | Board of Management since October 2016 until November 2019						
			Benefits granted			
in EUR	**2019**	**2019 (Min)**	**2019 (Max)**	**2020**	**2020 (Min)**	**2020 (Max)**
Fixed compensation	165,000.00	165,000.00	165,000.00	-	-	
Fringe benefits	4,747.68	4,747.68	4,747.68	-	-	-
Total	**169,747.68**	**169,747.68**	**169,747.68**	**-**	**-**	**-**
One-year variable compensation	230,000.00	0.00	270,000.00	-	-	-
Multi-year variable compensation	0.00	0.00	0.00	-	-	-
Total	**399,747.68**	**169,747.68**	**439,747.68**	**-**	**-**	**-**
Pension-related payments	18,474.72	18,474.72	18,474.72	-	-	-
Total compensation	**418,222.40**	**188,222.40**	**458,222.40**	**-**	**-**	**-**

* Severance payment

Fringe benefits: "job ticket", parking space, accident insurance, capital-forming payments, partial payment of health insurance

Pension commitments in the form of defined benefit plans exist for three former members of the Management Board (Ms Attawar, resigned with effect from 31 December 2015, Mr Franke, resigned with effect from 30 September 2013, and Mr Wippermann, resigned with effect from 24 February 2014). According to the benefit plans, benefits are payable when a member of the Management Board passes away or retires due to age. Mr Franke will receive a capital payment in this case. In contrast, Ms Attawar and Mr Wippermann have the right to choose an annuity or a capital payment. No more premiums have been paid since November 2012 due to the contractually agreed expiry of the contribution periods.

According to these pension benefit plans, the above members of the Management Board receive a guaranteed old age pension from DF AG. The amounts are as follows:

» Ms Marina Attawar: Annuity of EUR 11,022.60 or a one-time capital payment of EUR 202,518.00
» Mr Ulrich Wippermann: Annuity of EUR 20,964.48 or a one-time capital payment of EUR 338,278.00
» Mr Jochen Franke: One-time capital payment of EUR 147,244.00

In addition, Ms Marina Attawar receives the following payments from a reinsured benevolent fund:
» Insured annuity in the amount of EUR 15,247.40 or a one-time capital payment of EUR 273,572.00

DF AG has not granted loans to members of the Management Board nor provided guarantees on their behalf. During the current and preceding financial years, the members of the Management Board were not involved in transactions outside the normal course of business of DF Group or other transactions of unusual form or content. They were also not involved in any such unusual transactions in earlier preceding financial years that have not yet been finalized.

Members of the Management Board did not receive compensation based on shares.

Supervisory Board compensation for the financial year 2020

Compensation for the Supervisory Board is governed by Section 12 of the DF AG Memorandum of Association.

Prior to the amendment of Section 12 of the Memorandum of Association resolved by the Annual General Meeting of 30 June 2020, the members of the Supervisory Board received fixed annual compensation of EUR 13,000.00 in addition to the reimbursement of expenses incurred while meeting their responsibilities. The chairperson and deputy chairperson received twice this amount. In addition, the members of the Supervisory Board received an attendance fee of EUR 500.00 for every Supervisory Board meeting they attended.

By resolution of the Annual General Meeting dated 30 June 2020, the compensation of the members of the Supervisory Board was increased and Section 12 of the Memorandum of Association was amended. Consequently, since 1 July 2020, the fixed annual compensation for the Supervisory Board Chairman and the Deputy Chairman has been EUR 46,000.00 and 31,000.00, respectively, while each other member receives EUR 21,000.00. In addition, the Annual General Meeting decided on an attendance fee of EUR 1,000.00 for each member of the Supervisory Board attending a Supervisory Board meeting. These compensation regulations have been in force since the end of the Annual General Meeting or since the amendment of the Memorandum of Association became effective by entry in the Commercial Register on 30 July 2020.

In the financial year 2020, compensation for the activities of the members of the Supervisory Board of DF AG totaled EUR 90,262.04. Individual compensation for members of the Supervisory Board for the financial year 2020 is listed in the table below (in EUR):

Name	Fixed compensation	Attendance remuneration	VAT 19%	Total
Dr. Ludolf von Wartenberg	36,054.60	2,500.00	0.00	38,554.60
Prof. Dr. Wulf-W. Lapins	25,920.54	2,500.00	0.00	28,420.54
Dr. Gerd-Rudolf Wehling	17,021.84	2,000.00	0.00	19,021.84
Bianca Engel	3,765.06	500.00	0.00	4,265.06
Total	**82,762.04**	**7,500.00**	**0.00**	**90,262.04**

There are no service agreements between the members of the Supervisory Board and DF AG that provide for perks at the end of the term of service.

DF AG has not granted loans to members of the Supervisory Board nor provided guarantees or warranties on their behalf.

e) DF share and bond

Performance of the DF share in the financial year 2020

The share of DF Deutsche Forfait AG showed a downward trend in the reporting period. In the first quarter, the share price initially declined sharply, which was attributable to the general uncertainty in the capital markets caused by the onset of the COVID-19 pandemic. The share price hit a low for the year of EUR 0.60 in March and a high of EUR 1.76 in May, when the 2019 financials were published. The DF share closed the year 2020 at EUR 1.18, which represents a loss of 27%.

Benchmark indices such as the SDAX and the DAXsector Financial Services performed positively despite the slowdown in economic growth. The SDAX gained 53% in the reporting period, while the DAXsector Financial Services picked up by 9%.

As of the reporting date of 31 December 2020, DF Deutsche Forfait AG had a market capitalization of EUR 14.0 million (previous year: EUR 19.4 million). During the reporting period, a total of 2,338,363 shares were traded on the Frankfurt Stock Exchange and XETRA, corresponding to an average daily turnover of 9,243 shares.

Performance of the DF bond in the financial year 2020

The price of the DF bond stood at 1.2% at the beginning of the year, reaching a low of 0.7% on the bond's last trading day on Deutsche Börse in May 2020. 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"), also after the end of the trading period. Two payments were made in the reporting period, amounting to a ratio under insolvency law of 2.2919%. To date, a total insolvency law quota of 19.6515% on the nominal amount of the bond as well as on the registered interest claims of the creditors of DF Deutsche Forfait AG has been paid out to the creditors.

3. REPORT OF THE MANAGEMENT BOARD ON THE DISCLOSURES PURSUANT TO SECTION 289A OF THE GERMAN COMMERCIAL CODE (HGB) AND SECTION 315A OF THE GERMAN COMMERCIAL CODE (HGB)

(1) Composition of the subscribed capital

On 31 December 2020, the company's subscribed capital amounted to EUR 11,887,483.00 and was divided into 11,887,483 no-par registered shares. There are no other share classes. Each share has one vote.

(2) Restrictions regarding voting rights or transfer of shares

The Management Board is not aware of any restrictions related to exercising voting rights or the transfer of shares, including restrictions as a result of agreements between shareholders.

(3) Shares in the capital exceeding 10% of voting rights

The direct and indirect shares in the subscribed capital (shareholder structure) exceeding 10% of the voting rights are listed in the notes to the separate financial statements and the notes to the consolidated financial statements of the company for the financial year from 1 January 2020 to 31 December 2020. Dr. Shahab Manzouri, London, held 79.14% of the company's shares as at the reporting date of 31 December 2020.

(4) Shares with special rights that confer control

There are no shares with special rights that confer control.

(5) Type of the verification of voting rights of employees that hold shares in a company and do not exercise their right of verification directly

There is no verification of the voting rights of employees that hold shares in the company and do not exercise their right of verification directly.

(6) Statutory regulations and provisions in the Memorandum of Association about the appointment and dismissal of members of the Management Board and the amendment of the Memorandum of Association

According to Section 6 (1) of the Memorandum of Association, the Management Board consists of at least two persons; the Supervisory Board may establish a higher number and appoint deputy members of the Management Board. According to Section 84 (2) of the Stock Corporation Act (AktG) and according to Section 6 (2) of the Memorandum of Association, the Supervisory Board can appoint a member of the Management Board as chairperson or speaker of the Management Board and another member as deputy chairperson or speaker. According to Section 84 of the Stock Corporation Act (AktG), members of the Management Board are appointed and retired by the Supervisory Board. According to Section 11 (4) of the Memorandum of Association, the Supervisory Board passes resolutions with a simple majority of votes. In case of a tie, the chairperson casts the deciding vote.

According to Section 179 (1) of the Stock Corporation Act (AktG), changes to the Memorandum of Association may be made via a resolution passed by the Annual General Meeting which, unless the Memorandum of Association specifies another capital majority, requires a majority of at least three-quarters of the share capital represented during the vote in accordance with Section 179 (2) of the Stock Corporation Act (AktG). If changes to the purpose of the company are involved, the Memorandum of Association may only specify a larger majority of the share capital. In Section 18 (1), the Memorandum of Association of the company takes advantage of the option specified by Section 179 (2) of the Stock Corporation Act (AktG) and states that, unless made impossible by applicable legal provisions, resolutions may be passed with a simple majority of votes and, in cases where the law requires a capital majority in addition to the majority of votes, with a simple capital majority. According to Section 13 (3) of the Memorandum of Association, the Supervisory Board is authorized to decide amendments to the Memorandum of Association which affect only its wording.

(7) Powers of the Management Board to issue or repurchase shares

Purchase and use of own shares

The Annual General Meeting of 30 June 2020 decided the following authorization to buy and sell treasury shares:

a) The company shall be authorized to buy up to 1,180,000 treasury shares by 30 July 2025. The shares must be purchased on the stock market. The purchase price (excluding incidental purchase costs) paid by the company must not exceed or fall short of the price of the company share in XETRA trading (or a similar successor system) determined at the first auction of the trading day at the Frankfurt Stock Exchange by more than 10%.

b) The shares can be acquired directly by the company or by third parties authorized by the company in one or several stages within the limits of the above-mentioned restrictions. The shares can be acquired for any legally permissible reason, especially for one of the purposes mentioned under letters c), d), e), f) and g) below. If they are used for one or several of the purposes mentioned under letters c), d), e) or f), shareholders' subscription right shall be excluded.

c) The Management Board shall be authorized to sell the treasury shares acquired as a result of the above-mentioned authorization outside the stock exchange or by offering them to all shareholders on the condition that they are sold in exchange for cash and at a price which does not fall significantly below the company's share price at the time of sale.

   This authorization is restricted to shares with a notional interest in the share capital, which must not exceed a total of 10% of the share capital, on the effective date of this authorization nor – if lower – on the date this authorization is executed. The maximum threshold of 10% of the share capital is reduced by the amount of subscribed capital which applies to shares that are issued as part of a capital increase during the term of this authorization, under exclusion of the purchase right pursuant to Section 186 (3) sentence 4 of the Stock Corporation Act (AktG). The maximum threshold of 10% of the share capital is also reduced by the amount of share capital relating to shares that will be issued for serving warrant bonds and/or convertible bonds, if these bonds are issued during the term of this authorization under exclusion of the purchase right and in accordance with Section 186 (3) sentence 4 of the Stock Corporation Act (AktG).

d) The Management Board shall be authorized to transfer the treasury shares acquired as a result of the above-mentioned authorization to third parties if this serves the purpose of acquiring companies, parts of companies, investments in companies or other assets, or carrying out company mergers.

e) The Management Board shall be authorized to use the treasury shares acquired on the basis of the above authorization to fulfil the company's obligations arising from convertible bonds or warrant bonds issued by the company up to 6 July 2021 on the basis of the authorization of the Management Board granted by the 2016 Annual General Meeting.

f) The Management Board shall be authorized to recall the treasury shares acquired as a result of the above-mentioned authorization without requiring any further resolution by the Annual General Meeting. The shares can be recalled without reducing capital by adjusting the notional interest of the remaining no-par value shares in the parent company's share capital.

g) The Management Board shall be entitled to exercise the authorizations under letters c), d), e) and f) only with the consent of the Supervisory Board. In the event of letter f), the Supervisory Board shall be authorized to adjust the number of shares in the Memorandum of Association. The Supervisory Board is also authorized to stipulate that the Management Board is only authorized to act with the Supervisory Board's approval in line with the resolution of the Annual General Meeting.

h) The authorization to purchase and use own shares granted by the Annual General Meeting on 6 July 2016 shall be revoked.

Authorized capital

By resolution of the Annual General Meeting on 6 July 2016, the Management Board is authorized, subject to approval by the Supervisory Board, to increase the share capital by 6 July 2021 once or several times by a total of up to EUR 5,900,000.00 against cash contributions and/or contributions in kind (including mixed contributions in kind) by issuing up to 5,900,000 new registered shares (authorized capital 2016); in this context, the Management Board is also authorized to schedule the commencement of the profit participation at a date other than the date provided for by law. As a general rule, the share holders must be granted a subscription right. The new shares may also be taken over by one or several banks selected by the Management Board with the obligation to offer them to the shareholders (indirect subscription right). However, the Management Board is authorized, subject to approval by the Supervisory Board, to exclude shareholders' subscription rights in the following cases: (1) to avoid fractional amounts; (2) in a capital increase against cash contributions if the issue price of the new shares issued in an ex-rights issue pursuant to Section 186 (3) sentence 4 of the Stock Corporation Act (AktG) is not materially lower than the stock market price and the new shares issued in an ex-rights issue pursuant to Section 186 (3) sentence 4 of the Stock Corporation Act (AktG) do not exceed 10% of the share capital neither at the time the authorization becomes effective nor at the time it is exercised; this 10% limit also covers shares that were or are to be issued during the period of this authorization in an ex-rights issue due to other authorizations in direct or corresponding application of Section 186 (3) sentence 4 of the Stock Corporation Act (AktG); (3) in a capital increase against contributions in kind, especially for the purpose of the acquisition of a company, parts of a company, an equity investment in a company or other material assets; (4) to grant the holders of warrants and/or con-vertible bonds or bonds with option rights a subscription right to the extent that they would be entitled to such right after exercising a conversion or option right or meeting a conversion obligation as a shareholder; (5) to issue employee shares to employees of the company and of its affiliated companies; and (6) to serve option rights that grant the right to subscribe a total of no more than 100,000 shares in the company and that are issued by the Management Board to distribution partners of the company with the consent of the Supervisory Board.

Convertible and warrant bonds

By resolution of the Annual General Meeting on 6 July 2016, the Management Board was authorized, subject to approval by the Supervisory Board, to issue bearer warrant and/or convertible bonds with a total nominal value of up to EUR 50,000,000.00 in one or several tranches until 6 July 2021 and to grant holders or creditors of warrant bonds option rights and holders or creditors of convertible bonds conversion rights on new registered shares of no par value of the company up to a pro-rata share in share capital totaling up to EUR 4,720,000.00.

The warrant and/or convertible bonds (collectively referred to as "bonds" and individually referred to as "notes") may be issued in euros as well as in the legal currency of an OECD country, limited to the corresponding value in euros. They may also be issued by direct or indirect majority shareholdings of DF Deutsche Forfait AG. In this case, the Management Board will be authorized, subject to approval by the Supervisory Board, to issue a guarantee on behalf of the company for the bonds and to issue the holders of such bonds with option/conversion rights on new shares of DF Deutsche Forfait AG.

For this purpose, the company's share capital has been conditionally increased by up to EUR 4,720,000.00 through the issue of up to 4,720,000 new registered shares (conditional capital 2016/I).

Granting of subscription rights (stock options) to employees and members of the management of the company or an affiliated company

The Annual General Meeting of 6 July 2016 has authorized the Management Board and the Supervisory Board to issue subscription rights to shares in the company (option rights), once or several times, by 6 July 2021, in order to allow the persons defined in Section 192 (2) No. 3 of the Stock Corporation Act (AktG) to acquire an interest in the company. The Management Board will be authorized, with the consent of the Supervisory Board, to stipulate the details of the type and issue of the option rights in a stock option plan ("2016 stock option plan"). If option rights are to be issued to the Management Board of the company, the decision on the issue and the stipulation of further details are at the sole discretion of the Supervisory Board.

The company's share capital will be conditionally increased by up to EUR 1,180,000.00 through the issue of up to 1,180,000 new registered shares (conditional capital 2016/II). The conditional capital increase shall be executed only to the extent that the holders of option rights from the 2016 stock option plan, which may be granted by the company by 6 July 2021 on the basis of the authorization granted by the Annual General Meeting of 6 July 2016, exercise their rights to subscribe shares in the company and the company does not serve the subscription rights by delivering treasury shares. The new shares shall be entitled to profit as of the beginning of the financial year in which they are created through the exercise of option rights. The Management Board shall be authorized, with the consent of the Supervisory Board, to stipulate the further details of the execution of the conditional capital increase, unless option rights are to be issued to members of the Management Board; in this case, the Supervisory Board shall stipulate the further details of the execution of the conditional capital increase.

(8) Material agreements subject to a change of control resulting from a takeover bid There are no material agreements subject to a change of control.

(9) Compensation agreements concluded by the company with members of the Management Board or employees in the case of a takeover offer

The company has not entered into any compensation agreements with members of the Management Board or employees in the case of a takeover offer.

4. CORPORATE GOVERNANCE STATEMENT PURSUANT TO SECTION 289F AND SECTION 315D OF THE GERMAN COMMERCIAL CODE (HGB)

The corporate governance statement required for listed stock corporations pursuant to Section 289f and Section 315d of the German Commercial Code (HGB) was issued in March 2021 and posted on the company's website in the Investor Relations section under "Corporate Governance" (https://dfag.de/en/investor-relations/corporate-governance/).

5. OPPORTUNITY AND RISK REPORT

a) Internal accounting-related control and risk management system

DF AG is the holding company and ultimate parent company of DF Group. For the corporate structure and its tasks within DF Group, please refer to the information provided in chapter 1. a.

Cash planning for DF Group, DF AG, DF GmbH, DF s.r.o. and DF ME s.r.o. takes place daily on the basis of current account statements. It comprises the expected incoming and outgoing payments from the operating activities. Cash planning takes place on a daily basis for the next one to two weeks, on a weekly basis for the next two months and on a monthly basis thereafter.

Risk management and monitoring take place on the basis of a detailed written risk management system. The country limits are decided by the Supervisory Board once a year. Within the country limits, the Management Board may autonomously assume counterparty risks in accordance with a competence rule agreed with the Supervisory Board.

The accounting department is responsible for the accounts structure, accounts allocation policies as well as all accounting policies and processes at DF Group, taking into account country-specific requirements and laws. In addition to DF AG, the basis of consolidation currently comprises the subsidiaries DF GmbH, DF s.r.o. as well as DF ME s.r.o. The accounts of DF AG and DF GmbH are kept by the accounting department in Cologne. The accounts of DF s.r.o. and DF ME s.r.o. are kept by a local external service provider. The central accounting department closely supervises in particular the preparation of the financial statements.

The company uses standard software for the financial accounting process that is certified by an auditing firm. The software is installed on a central server in Cologne and DF s.r.o. and DF ME s.r.o. are granted online access. The central accounting department in Cologne has full and continuous access to the accounts of the companies in Prague. Software authorizations ensure, however, that DF s.r.o. and DF ME s.r.o. can access only their own accounts. Current accounts are saved on a daily basis in accordance with DF Group's data storage policy. Backup systems are in place to manage the IT continuity risk.

The preparation of the consolidated financial statements including the consolidation measures are performed by the central accounting department based on IFRS packages of the consolidated entities audited by local auditors. The requirements regarding the contents and scope of the IFRS packages are agreed with the Group's auditor at the beginning of the audit of the consolidated financial statements.

The internal control system takes into account the special features of DF Group's business. The effectiveness of the system is regularly reviewed and reconciled by the Accounting and Compliance Departments. No risks became known in the financial year 2020.

b) Risk management system relating to money laundering and terrorist financing

Due to their project-related business model, DF AG, DF GmbH, DF s.r.o. and DF ME s.r.o. engage in business with a large number of counterparties in different countries (sellers and buyers of export receiva-bles, insurers such as banks and/or credit insurers, external agents, service providers for tax and legal review, implementation and processing of the different transactions in the areas of forfaiting, factoring, purchase commitments, agenting business, debt collection). DF Group is therefore exposed to compliance risks that result from its business model.

Violations of the money-laundering law, EU/US sanctions laws or against other laws aimed at preventing economic crime may have an extremely adverse impact on the operations as well as the net assets, financial position and results of operation of individual companies of DF Group and/or DF Group as a whole. In particular, there is a risk (i) that contractual partners/service providers who are essential for the operations of the individual companies of DF Group and/or of DF Group as a whole are not allowed or unable to do (any more) business with individual companies of DF Group and/or DF Group as a whole (for a limited time) due to their own internal and/or statutory regulations – this comprises the purchase and sale of receivables, the collectability of receivables and the provision of services for individual companies of DF Group. In addition, there is (ii) a risk that penalties and fines are imposed and (iii) a risk that culpable violations or breaches of these regulations result in a loss of reputation.

To prevent or minimize the aforementioned compliance-related risks, DF Group has implemented internal safeguards and controls.

The group-wide compliance system is regularly updated in cooperation and consultation with external consultants in order to fulfil DF Group's responsibility and ensure its business success. The compliance system comprises in particular (i) processes to identify the company's business partners; (ii) awareness creation and regular target-oriented training of all employees and of sales-related external advisors of DF Group with regard to the company's Code of Conduct and the importance of compliance, transparency and integrity for the business activity of DF Group; (iii) a well-trained Compliance Department as well as a Compliance Committee and the appointment of a Money Laundering Officer; and (iv) additionally the REFINITIV World Check One software for a more in-depth examination of new and potential business partners or parties involved in the potential transaction before closing a transaction.

Based on protocols of the results of the above checks, individual parties are checked manually in case of doubt. Regular updates of the database ensure that the (new) listing of a party involved in the underlying transaction on a sanctions list will be detected also during the holding period of a receivable.

The relevant audits required under the German Money Laundering Act (GwG) are another integral element of DF Group's compliance system. DF AG and its subsidiaries conduct their business operations in accordance with applicable prevention of money laundering rules. DF Group attaches great importance to complying with these rules. Management and all employees of DF Group are obliged to comply with these standards. Besides the Anti-Corruption Policy, the Anti-Money-Laundering Directive forms part of DF Group's general Compliance Program and is applied together with DF Group's other obligations in the solicitation and execution of contracts (especially under the existing "Economic Sanctions Compliance Policy"). Responsibility for the identification of customers to prevent money laundering and terrorism financing as well as for economic sanctions compliance rests with the Compliance Department and the Compliance Committee, both of which act strictly separately from the front office and the back office and both report directly to the full Management Board.

At the start of a business relationship, the business partner and its ultimate beneficial owner ("Know Your Customer" principle) is identified, information on the purpose of the transaction is obtained, a potential PEP (politically exposed person) status is checked and further checks relevant to money laundering are performed in connection with the due diligence process.

Depending on the risk profile of the business partner, DF Group may request additional checks. DF Group will not make a commitment to underwrite a risk in the context of a certain transaction before the identity of the business partner has been established without any doubt whatsoever, all questions required by the German Money Laundering Act (GwG) have been answered satisfactorily and no relevant sanctions have been imposed on the business partner as well as its ultimate beneficial owner. No transaction will be paid out before the transaction-related documents and the parties involved have been satisfactorily checked for compliance-related circumstances. The ongoing business relationship is then monitored.

c) Opportunities

DF Group sees its main opportunities in the current financial year in the continued marketing of its marketing services and administrative services products.

DF Group therefore focuses on trade of humanitarian goods such as food, pharmaceuticals and healthcare products. Demand for these goods and DF Group's specially developed product services is high among importers and exporters. In 2020, DF Group generated most of its revenues with marketing services and administrative services and assumes that this will also be the case in the current financial year. The flexibility in developing new products and the timely identification of market opportunities again were among the main strengths of DF Group in the financial year 2020. Together with its long-standing know-how in trade finance and its regularly reviewed compliance system, this provides good opportunities for DF Group to increase its business volume. By launching the project finance activities, DF Group opens up another business segment that will benefit from the know-how of the new Business Development unit in combination with DF Group's existing expertise. The focus will be on projects in the energy, agricultural and industrial sectors. Due to the ongoing COVID-19 pandemic and the current political and economic situation, however, the realization of business opportunities in this area has been delayed.

d. Risks

When outlining the risks, a distinction needs to be made between old and new business. The "old business" relates to the receivables of the restructuring and trading portfolio that form part of the creditor assets. According to the provisions of the insolvency plan, the opportunities and risks arising from the liquidation of these receivables rest exclusively with the insolvency creditors. While the risks described below apply to both the old business and the new business, the consequences for DF Group differ, as DF Group bears the risk only for the new business. Revenues are generated mainly with products from administrative and marketing services, collection services, compliance consulting and now also factoring. In the current financial year, this will result primarily in earnings risks, followed by compliance risks and operational risks, which are classified in DF Group's risk map by potential damage and probability of occurrence.

i. Earnings risks

Given that DF Group has no investment portfolio that generates recurring income from year to year, it has to acquire most of its business transactions anew each financial year in order to be successful.

In addition to offering market-oriented products at competitive prices, a good network on the supply and demand side is decisive for the successful acquisition of new business. If important business partners such as agents or banks on the supply and/or demand side disappear entirely or partly there is a risk of a sharp drop in the business volume and, consequently, of a slump in profits. Due to its focus on a limited target region with a small number of important business partners, this risk is comparatively high for DF Group.

In the financial year 2020, political tensions between the USA and Iran continued and, together with the effects of the COVID-19 pandemic, led to a changed market situation in Iran. For DF Group, this has resulted in a shift in certain trading partners and distribution channels as well as to decline in volume, while margins were higher than in the previous year 2019. In trade with Iran, DF Group continues to focus on humanitarian goods (food and medicine). 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 specialization of DF Group's business model and the close cooperation with specialized and well-established partners also represent a concentration risk.

Apart from the default of major business partners, the default of an important country or region for economic or political reasons may also lead to a slump in profits. Moratoriums imposed on a country or the listing of a country on the EU sanctions list and/or the sanctions list of the United States of America may temporarily lead to a sharp drop in, or a complete suspension of, the business volume with this country. Due to its geographic focus, DF Group is much more exposed to this risk than a geographically broadly diversified company, but, on the other hand, benefits from the opportunities arising from its specialization as described under 5. c.

Should a further political or military escalation or other events result in the loss or non-availability of an important partner of DF Group or an important country or a region, this may adversely affect the business performance of DF Group. This risk is largely dependent on the partner and the duration of the loss or non-availability.

With regard to diversification, DF Group plans to expand its geographical focus to additional countries in the Near and Middle East as well as Eastern Europe. Even if entering a new market always involves a risk, DF Group is convinced that this will increase its earnings base.

Should the nuclear deal (JCPOA) with Iran be cancelled entirely, i.e. not only by the USA, but also by the other partners and/or Iran, or should a military dispute arise between the USA and Iran, this would probably have massive consequences for DF Group's business with Iran and for DF Group as a whole. DF Group assumes, however, that there will be no military confrontation and that the nuclear deal will not be cancelled by the remaining parties to the JCPOA. Especially against the background of the newly elected US administration, there is rather a chance for a rapprochement between the USA and Iran again.

As outlined under "ii. Country and counterparty risk", DF Group also has overdue receivables on its books, which, however, exclusively form part of the creditor assets. According to the provisions of the insolvency plan, the opportunities and the risks arising from the liquidation of the assets including all overdue receivables that exist at the time of the approval of the insolvency plan pass to the creditors of DF AG. The same applies to the risk relating to the legal and consulting expenses associated with the collection of the overdue receivables. The assets remaining in the restructuring portfolio for liquidation reverted to DF AG as of 1 January 2021 and will be liquidated by DF AG to the benefit of the creditors as far as possible. An earnings risk resulting from legal and consulting fees still to be incurred is extremely unlikely, as DF AG received EUR 0.12 million from the trustee as a one-time advance on administrative expenses. This amount is considered fully adequate.

ii. Country and counterparty risk

In line with its business model and strategy, DF Group focuses on the Near and Middle East as well as emerging and developing countries. Political, financial, economic and social conditions in these regions are less stable compared to industrialized nations. In the event of an economic and/or political crisis or due to decisions taken by the respective rulers/governments, this may substantially affect the ability or willingness of the respective country to transfer payments – especially in foreign currencies. In extreme cases, foreign currency payments may no longer be possible at all or only with prior state approval (e.g. by the national central bank) due to the introduction of corresponding legal provisions (foreign exchange control). As a result, a debtor who is otherwise willing and able to pay may be unable to pay on time, in full or at all.

The country risk comprises the three individual risks outlined below:

» funds cannot be transferred freely due to government restrictions (transfer risk) and/or
» local currencies may be exchanged for the foreign currency in which the receivable is denominated and, hence, payable only after prior approval or not at all (convertibility risk) and/or
» a government imposes a temporary moratorium due to economic or political difficulties (moratorium risk).

In the financial year 2020, the country risks in the Near and Middle East markets, in which DF Group is primarily active, increased further. Especially the adherence to the USA's withdrawal from the nuclear deal (JCPOA) with Iran has resulted in increased country risks. Iran's economic situation continued to deteriorate as a result of the US sanctions. If the foreign trade restrictions on Iran increase further, this might have a negative impact on DF Group's business in the short to medium term. Should DF Group resume the forfaiting business, it will assume not only the country risk but also the debtor's credit risk for the acquired receivable (counterparty risk). The debtor may become insolvent or unable to pay for other company-specific reasons. However, the counterparty risk is not limited to the (primary) debtor for a receivable. It also applies to the seller of the receivable (as in the case of factoring) or to providers of security such as banks or credit insurance companies (secondary debtors), for which DF Group may secure individual transactions.

A counterparty risk may also arise when granting a loan or pre-financing a transaction. This risk may increase in the current financial year 2021 when it comes to securing business transactions, especially with regard to business partners in the Near and Middle East.

As of 31 December 2020, DF Group had receivables from the new factoring business in its own portfolio, the amount of which does not represent a relevant risk according to DF Group's risk map (see 5. d. vii.). There were no contingent liabilities, e.g. from purchase commitments, as at the balance sheet date of 31 December 2020.

According to the insolvency plan, the opportunities and risks arising from the current overdue receivables included in the creditor assets pass to the insolvency creditors.

Even now that the trustee is no longer active, the creditor assets continue to be managed by DF Group and are collected in its own name for the account of the insolvency creditors in accordance with the conditions of the insolvency plan. As workflows were streamlined, it was possible to significantly reduce the use of human resources in the Finance & Controlling unit. The Intensive Care & Restructuring unit has received a one-time advance payment from the trustee to cover the expected costs of legal proceedings to be initiated or of restructuring solutions until the end of the financial year 2022.

iii. Risks resulting from non-compliance as well as violations of money laundering and/or sanctions regulations

The individual entities of DF Group are subject to the applicable national laws, regulatory requirements and duties. In addition, DF Group's international business model exposes the company and its transactions to many different jurisdictions.

As a listed joint stock company, DF AG must additionally fulfil specific capital market obligations. A violation of statutory, regulatory or voting rights regulations can have far-reaching consequences and may entail high penalties or even the withdrawal of licenses and the closure of operations.

Since the entry into force of the EU General Data Protection Regulation (GDPR) in May 2018, violations of the Federal Data Protection Act and/or non-implementation of the GDPR may result in sharply increased fines of up to EUR 20 million or 4% of annual global sales (whichever is higher). In order to ensure compliance with the legal requirements and implementation of the GDPR, DF AG has implemented a data protection project. Since mid-2020, the IT Division of TÜV Süd in Munich has served as the company's external data protection officer and monitored the implementation of the project as well as compliance with data protection regulations for the companies in Germany. In Czechia, Novalia Prague supports the Prague entities of DF Group in data protection issues.

Against the background of the existing statutory provisions, DF AG and its subsidiaries are obliged (to the extent that they buy and sell receivables and source or provide services from/to third parties) to carry out transaction-related money laundering checks, including customer identification, as well as economic sanctions compliance checks. This risk is mitigated by an effective compliance system (as described in chapter 5. b. "Risk management system with regard to compliance and money laundering").

Any violations of statutory, regulatory or voting rights regulations, including especially the statutory regulations regarding data protection, money laundering prevention and customer identification that are applicable because of the business model, of economic sanctions regulations or of other laws aimed at preventing economic crime may have an extremely adverse impact on the operations as well as the net assets, financial position and results of operation of individual companies of DF Group and/or DF Group as a whole.

iv. Operational risks

In the context of its administrative or collection services, DF Group sometimes transfers large amounts of money. A transfer to the wrong account could cause considerable damage. The risk is minimized by a multi-level authorization system for payments. Several employees would have to cooperate to intentionally make a false transfer.

Another major operational risk is that unauthorized transactions are concluded to the detriment of DF Group. This risk is mitigated by the fact that no employee of DF Group has sole power of representation, except for the Chairman of the Management Board and the two Managing Directors of the Czech sub-sidiaries.

v. Legal risk

In the past, DF Group used to buy receivables (on a non-recourse basis) with the aim of reselling or outplacing them. Individual receivables remained in DF Group's books until their contractually agreed maturity only in exceptional cases. No receivables were purchased in the financial year 2020. DF Group plans, however, to resume receivables purchases in the future. In the context of its trading business, DF Group usually guarantees to the buyer that the receivable exists (liability for legal validity), that the receivable has the warranted properties, that DF Group is the owner of the receivable (ownership) and that the receivable can be collected from the debtor, e.g. that there are no exceptions or objections.

vi. Refinancing risk

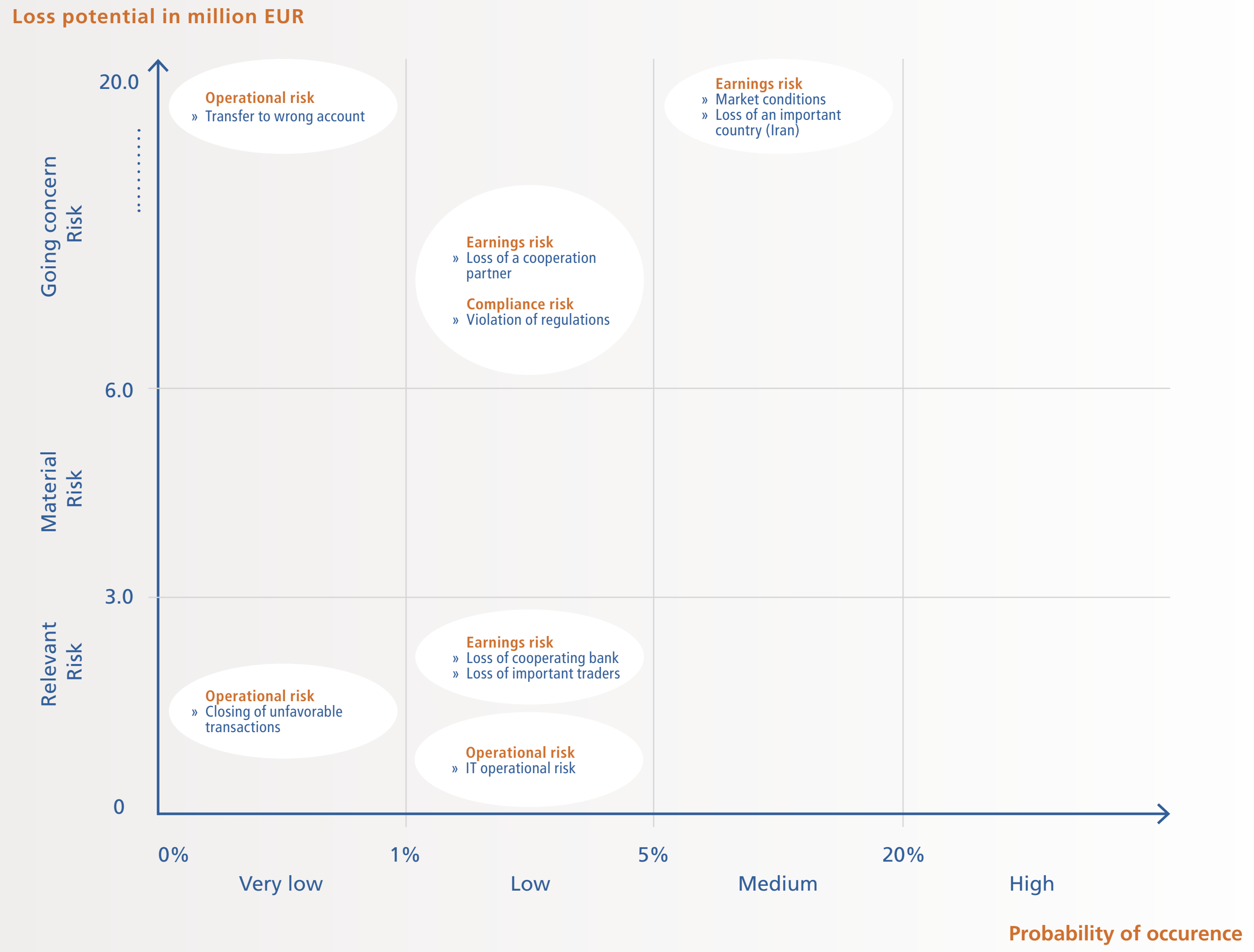
If and when DF Group purchases receivables, it needs refinancing resources for its trading activity and for the related short-term bridge financing periods of the receivables acquired for resale. The refinancing period corresponds to the period between the payment of the purchase price of a receivable and the receipt of the sales price when the receivable is sold or the nominal value at maturity. As at the balance sheet date of 31 December 2020, DF AG had no current credit lines from banks. In addition to its own liquidity, however, DF Group benefits from a EUR 15 million loan granted by the majority shareholder of DF Deutsche Forfait AG.As long as DF Group has no own credit lines for bridge financing, the business volume in the forfaiting segment can be expanded significantly only if there are sufficient placement possibilities for the receivables purchased and if the periods between purchase and sale are reduced to such an extent that no or only very short-term refinancing is required. The same restriction with regard to refinancing as for the purchase of receivables applies to the planned launch of the project finance activities segment. The success of this business segment also hinges on sufficient resources for refinancing.

If there are no sufficient refinancing resources and/or placement possibilities, this would very much constrain the growth opportunities in the forfaiting and project finance activities segments.

vii. Summary risk assessment

The assessment of individual operational risks within DF Group is based on two criteria, i.e. the potential amount of damage and the probability of occurrence of a risk. The potential amount of damage weighted by its probability of occurrence is set in relation to DF Group's equity capital in order to assess the consequences of a potential damage. This way, potential going concern risks are identified. At the same time, the probability of occurrence of a potential damage is determined/estimated. The purpose of risk assessment and risk management is to take adequate measures in order to (i) limit the absolute amount of each individual potential going concern risk; (ii) reduce the probability of occurrence of the individual potential going concern risk and the probability of several potential going concern risks occurring at the same time; and (iii) reduce the total number of potential going concern risks.

Risk map of DF Deutsche Forfait-Group



While the risks themselves have remained unchanged from the previous year, the assessment of the amount has changed materially. The main risks for DF Group continue to exist on the earnings side. Due to DF Group's geographic specialization, there is a high dependence on the future political and economic developments in the Near and Middle East as well as 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 very few specialized and well-established partners also represent a considerable 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 have an adverse effect on DF Group's business performance. This applies in particular to the cooperation with Saman Bank.

Besides the business risks described above, the COVID-19 pandemic is another exceptional risk factor. The COVID-19 pandemic continues to have a very negative influence on the world economy and, hence, on world trade. However, as humanitarian goods such as food, pharmaceuticals and healthcare products, on which DF Group focuses, were significantly less affected compared to other sectors, which is also expected for the current financial year 2021, DF Group assumes a comparable risk situation as in the previous year. There is still a risk in the current financial year that only limited funds will be available for the import of medical goods and food in the Near and Middle East, which may also have the effect of reducing DF Group's business volume.

6. FORECAST

The global economy is materially influenced by the effects of the COVID-19 pandemic. Experts' forecasts are subject to considerable uncertainty regarding the duration and course of the pandemic.

Although recent vaccine approvals have raised the prospect of a positive turnaround in the fight against the pandemic later this year, renewed infection waves as well as mutations of the coronavirus are slowing down such hopes. In view of these circumstances, the world economy is expected to grow by 5.5% in 2021 according to the latest estimates of the International Monetary Fund (IMF). The 2021 forecast has been raised by 0.3 percentage points compared to the previous projections, reflecting expectations that activities will be strengthened as vaccinations increase in the course of the year.

The projected recovery in growth this year follows a severe collapse of the world economy in 2020. Economic output in the euro-zone is expected to increase by 4.2% this year, with the German economy forecast to grow by 3.5%. According to the IMF, gross domestic product in the emerging and developing countries will grow by as much as 6.3% in 2021 compared to the previous year.

The IMF estimates that the extent of the recovery is likely to vary considerably across countries, depending on access to healthcare, the effectiveness of political support, and the pandemic containment measures enforced in each country.

In line with the recovery in global economic output, global trade volumes are also projected to grow by 8.1%. Here, growth is expected primarily for the trade in goods, whereas the volume of trade in services is expected to improve more slowly, mainly due to the fact that the tourism industry is being constrained by the COVID-19 pandemic.

Following last year's serious decline in economic output, the latest estimate by the IMF experts projects an increase by 3.0% and 4.0%, respectively, for the Middle East and Eastern Europe, which are the focus of DF Group's activities; for Czechia, the IMF even projects a GDP growth rate of 5.1%. After the 2020 recession (-5.0%), the Iranian economy, which has been severely affected by the pandemic, is expected to grow by 3.2%, provided there are no further significant declines in the economy caused by the COVID-19 pandemic. While the IMF expects the oil price to pick up, the conflict with the USA and the related sanctions will continue to have a major impact on Iran's economic development.

As the focus of DF Group's business activities in the target region of Iran is on the food, pharmaceuticals and healthcare sectors, which are essential for the basic supply of the population, the company expects demand to remain consistently good in 2021. DF Group is expected to achieve a similarly high business volume in the current financial year as in the previous year. Although the existing US sanctions continue to restrict the use of existing financial resources in Iran and are also keeping transaction costs at a high level, economic relations between Iran and China have begun to improve and talks under the JCPOA deal have resumed for the first time, which in turn might have a positive impact on DF Group's business volume.

The company will continue to advance its geographical diversification in 2021. The COVID-19-related travel restrictions may delay the development of new markets, though. This also applies to the planned launch of the project finance activities segment, as the willingness to invest as well as economic activity are restrained by the prevailing uncertainty in the markets. Therefore, a material contribution to earnings is not yet expected for the current financial year. However, the Czech subsidiaries will continue to push ahead product diversification and development. The factoring business, which is handled by the Czech subsidiary, is expected to make higher contributions to DF Group's revenues in 2021.

The Group expects the total volume to grow moderately in the current financial year compared to the previous year. Expenses, including those for the geographical diversification and the expansion of the product portfolio, are also expected to be of a similar magnitude. Overall, the positive gross result and consolidated net income before taxes are also expected to improve moderately in the financial year 2021. However, this assessment presupposes that the economic and political conditions will increasingly stabilize in the coming months and, in particular, that the tensions between the USA and Iran will not increase, that the economic cooperation between Iran and China will have positive effects and that the adverse impact of the COVID-19 pandemic on the world economy will decline.

7. ADDITIONAL DISCLOSURES FOR DF DEUTSCHE FORFAIT AG

The financial statements of DF Deutsche Forfait AG ("DF AG") were prepared in accordance with the provisions of Sections 264 et seq. of the German Commercial Code (HGB) and paying regard to the German Stock Corporation Act (AktG). DF AG is the parent company of DF Group. Apart from the holding company function, DF AG is responsible for debt collection of the assets defined in the insolvency plan. As DF AG has no business operations of its own, it is dependent on a profit transfer agreement and the prorated cost contributions as well as dividend payments of the DF Group member companies, with these profit transfers, contributions and payments being a function of their business performance. The business performance of DF AG is thus subject to the same risks and opportunities as that of DF Group. Due to the interdependencies and business relationships within DF Group, the business outlook for DF Group also reflects the expectations of DF AG. Consequently, the statements made for DF Group also apply to DF AG.

i. Results of operation

In EUR millions (HGB)	1-1 - 31-12-20	1-1 - 31-12-19	Difference
Sales revenues	0.47	0.58	-0.11
Other operating income	0.85	1.51	-0,66
Cost of purchased services	0.45	0.39	+0.06
Personnel expenses	1.14	1.04	+0.10
Other operating expenses	1.56	2.91	-1.35
Interest and similar income	0.00	0.02	-0.02
Income from investments and profit transfer agreements	5.72	2.87	+2.85
Interest and similar expenses	0.01	0.00	0.01
Net income for the year	3.84	0.63	+3.21

In the financial year 2020, DF AG generated net income of EUR 3.84 million (previous year: EUR 0.63 million). This mainly results from the profit transfer of the wholly owned subsidiary DF GmbH in the amount of EUR 5.72 million. In the previous year, DF AG generated investment income of EUR 2.87 million. Sales revenues amounted to EUR 0.47 million in the financial year 2020 (previous year: EUR 0.58 million). Besides commissions for the liquidation of the designated assets, sales revenues mainly relate to services provided to other Group companies. Other operating income totaled EUR 0.85 million (previous year: EUR 1.51 million) and consisted primarily of exchange rate gains (EUR 0.37 million), income from the reversal of provisions (EUR 0.27 million) as well as the allocation of legal expenses to the trustee (EUR 0.20 million).

Expenses changed as follows: At EUR 0.45 million, the cost of purchased services is higher than the previous year's EUR 0.39 million and relates to services provided by other Group companies. Personnel expenses were on a par with the previous year, at EUR 1.14 million. Other operating expenses of EUR 1.56 million decreased by EUR 1.35 million due to the non-recurrence of the one-time effects taken into account in the previous year and mainly include administrative expenses such as expenses for the stock exchange listing, expenses for the audit of the financial statements as well as expenses for legal advice. They also include exchange rate losses of EUR 0.44 million.

ii. Net assets position

In EUR millions (HGB)	31-12-2020	31-12-2019	Difference
Fixed assets	2.17	2.17	0.00
Current assets	8.95	5.64	+3.31
Thereof: assets defined in the insolvency plan	*0.30*	*0.49*	*-0.19*
Thereof: cash and bank deposits	*0.80*	*1.02*	*-0.22*
Total assets	11.22	7.92	+3.30
Equity	8.99	5.15	+3.84
Provisions	1.97	2.11	-0.14
Thereof: provisions for insolvency liabilities	*1.00*	*1.42*	*-0.42*
Liabilities	0.26	0.65	-0.39
Total liabilities	11.22	7.92	+3.30

As at the balance sheet date of 31 December 2020, DF AG's assets amounted to EUR 11.22 million (previous year: EUR 7.92 million). At EUR 6.92 million, receivables from affiliated companies represented the largest asset item and mainly result from the profit transfer agreement between DF AG and DF GmbH. The assets designated under the insolvency plan amounted to EUR 0.30 million, compared to EUR 0.49 million on the balance sheet date of the previous year. This item includes all special-purpose assets, which exclusively serve to satisfy the filed insolvency liabilities and essentially comprise the receivables in the so-called restructuring portfolio. The decline against the previous year is mainly attributable to payments to the trustee and value adjustments. Fixed assets remained almost unchanged compared to the prior year reporting date, at EUR 2.17 million.

Cash and cash equivalents amounted to EUR 0.80 million as at the balance sheet date, down from the previous year's EUR 1.02 million.

iii. Financial position

DF AG's equity capital amounted to EUR 8.99 million as at the balance sheet date of 31 December 2020 (31 December 2019: EUR 5.15 million). The equity ratio thus stood at 80.1% (previous year: 65.1%).

The liabilities to insolvency creditors are comprised in the provisions for insolvency liabilities and totaled EUR 1.00 million on 31 December 2020 (previous year: EUR 1.42 million). The reclassification of the liabilities from the insolvency plan to the provisions for insolvency liabilities is due to the fact that the insolvency plan provides for the creditors' claims to be satisfied exclusively from the sale of the assets defined in the insolvency plan. Due to the uncertainties regarding the value of the assets and the resulting cash flows, the creditors irrevocably waived that part of their claims that is not covered by the sale of the assets in the context of the insolvency plan. As a result of this irrevocable waiver, the exact amount of these obligations of DF AG towards the insolvency creditors will only be revealed over time, which means that they are contingent liabilities. According to the provisions of the German Commercial Code (HGB), DF AG's obligations under the insolvency plan towards the old creditors must be classified as provisions in DF AG's financial statements.

DF AG's result for the financial year 2020 met the company's expectations, as the expected positive contribution was made to the consolidated net income.

For the financial year 2021, DF AG expects net income to be slightly lower than in 2020, but still positive. Due to the dependence on the performance of the subsidiaries, a prerequisite for this – just as at Group level – is that the political and economic conditions in the geographical target region of the Near and Middle East and Eastern Europe as well as the cooperation with the strategic partners with a focus on Iran do not deteriorate significantly as a result of the current COVID-19 crisis.

iv. Related party disclosures (dependency report)

As regards our relations with our majority shareholder, DF Deutsche Forfait AG, Grünwald, is deemed a dependent entity within the meaning of Section 17 of the German Stock Corporation Act (AktG).

The Management Board's related party disclosures for the financial year 2020, which were established in accordance with Section 312 of the German Stock Corporation Act (AktG), end as follows: "We declare that DF Deutsche Forfait AG received appropriate consideration for all legal transactions listed in the related party disclosures in the financial year 2020 according to the circumstances known to us at the time when the legal transactions were carried out. No other measures were taken or omitted in the financial year."

Gruenwald, 27 April 2021

The Management Board

CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY - 31 DECEMBER 2020

Assets (in EUR)	Note	31-12-2020	31-12-2019
Long-term assets			
Intangible assets	(16)	60,017.31	82,178.01
Tangible assets	(16)	358,753.49	375,025.08
Long-term financial assets	(17)	42,373.93	42,544.19
Deferred taxes	(15)	3,277,886.60	0.00
		3,739,031.33	499,747.28
Short-term assets			
Creditor assets	(26)	172,502.08	996,148.34
Trade accounts receivables	(18)	744,657.77	741,671.57
Tax receivables	(15)	487,888.93	0.00
Other short-term assets	(19)	1,031,891.36	722,066.82
Cash and cash equivalents funds	(20)	27,070,259.66	24,669,036.14
		29,507,199.80	27,128,922.87
Total assets		**33,246,231.13**	**27,628,670.15**

Equity and Liablilities (in EUR)	Notes	31-12-2020	31-12-2019
Equity	(21)		
Subscribed capital		11,887,483.00	11,887,483.00
Costs of the capital increase		-623,481.04	-623,481.04
Revenue reserves		4,302,761.58	-2,507,143.94
Adjustment items from currency translation		-182,743.35	-161,610.11
		15,384,020.19	8,595,247.91
Long-term liabilities	(23)		
Loans		15,000,000.00	15,000,000.00
Leasing obligations		155,347.16	211,713.92
		15,155,347.16	15,211,713.92
Short-term liabilities			
Creditor liabilities	(26)	172,502.08	996,148.34
Liabilities to banks		0.00	56.12
Provisions		0.00	350,000.00
Income tax liabilities	(15)	1,075,586.00	1,041,133.28
Trade accounts and other payables	(24)	313,065.98	342,692.53
Other short-term liabilities	(25)	1,145,709.72	1,091,678.05
		2,706,863.78	3,821,708.32
Total equity and liabilities		**33,246,231.13**	**27,628,670.15**

Consolidated Income Statement (in EUR)	Note	1-1-2020 - 31-12-2020	1-1-2020 - 31-12-2019
Transaction-related income	(7)		
a) Forfaiting income		444.14	31,004.07
b) Commission income		8,166,547.67	12,049,571.75
c) Interest income from services		523,267.40	0.00
d) Exchange profits		195,923.85	345,429.24
		8,886,183.06	**12,426,005.06**
Transaction-related expenses	(8)		
a) Expenditure from forfaiting		69,558.54	430,252.45
b) Commissions paid		216,663.36	570,365.44
c) Exchange losses		194,799.54	327,296.06
		481,021.44	**1,327,913.95**
Gross result	(9)	**8,405,161.62**	**11,098,091.11**
Other operating income	(10)	383,093.66	913,442.10
Personnel expenses	(11)		
a) Wages and salaries		2,304,358.87	2,259,516.19
b) Social security contributions and expenditure for pensions and social welfare		329,422.12	311,868.53
		2,633,780.99	**2,571,384.72**
Depreciatopn on tangible and intangible assets	(12)	170,770.46	170,650.45
Other operating expenditure	(13)	2,291,248.39	3,312,805.56
Interest income	(14)	0.00	24,865.28
Interest paid	(14)	91,196.51	123,351.93
Profit before income tax		**3,601,258.93**	**5,858,205.83**
Income tax	(15)		
a) Income and earnings tax		69,240.01	1,084,558.30
b) Deferred taxes		-3,277,886.60	1,524,156.00
Consolidated profit		**6,809,905.52**	**3,249,491.53**
Undiluted earnings per share		0.57	0.27
Diluted earnings per share		0.57	0.27

Consolidated Statement of Comprehensive Income (in EUR)	Note	1-1-2020 - 31-12-2020	1-1-2020 - 31-12-2019
Consolidated profit		**6,809,905.52**	**3,249,491.53**
Other comprehensive income			
Components, which may be reclassified to the income statement in the future			
Currency translation differences from the inclusion of foreign subsidiaries	(21)	-21,133.24	16,948.52
		-21,133.24	**16,948.52**
Comprehensive income		**6,788,772.28**	**3,266,440.05**

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

	Consolidated Cash Flow Statement (in EUR)	Note	1-1-2020 - 31-12-2020	1-1-2020 - 31-12-2019
	Consolidated income		6,809,905.52	3,249,491.53
+	Depreciation on intangible and tangible assets		170,770.46	170,650.45
+	Income tax expense		-3,208,646.59	2,608,714.30
+	Interest paid		91,196.51	123,351.93
-	Interest income		0.00	-24,865.28
+/-	Result from disposal of non-current assets		190,319.68	0.00
+/-	Other transactions not affecting payments		779,748.35	-2,588,023.14
+/-	Changes in creditor assets		823,646.26	5,190,691.84
+/-	Changes to trade accounts receivable		-2,986.20	-302,238.71
+/-	Changes to other assets		-797,543.21	1,793,557.83
+/-	Changes in creditor liablilities		-823,646.26	-5,190,691.84
+/-	Changes to trade accounts payable		-29,626.55	105,199.19
+/-	Changes to other liablities		-317,882.37	1,496,009.47
-	Income tax paid		-865,217.63	-45,030.74
=	**Operative Cash flow**		**2,820,037.97**	**6,586,816.83**
-	Paid interest		-74,825.27	-99,012.35
+	Retained interest		0.00	24,865.28
=	**Cash flow from current business**		**2,745,212.70**	**6,512,669.76**
-	Payments for investments in long-term assets		-226,845.25	-320,274.43
=	**Cash flow from investment activity**		**-226,845.25**	**-320,274.43**
-	Repayment portion of lease liabilities		-95,856.96	-93,858.08
+/-	Changes to financial liabilities		-56.12	-272.96
+	Borrowings		0.00	15,000,000.00
=	**Cash flow from finance activity**		**-95,913.08**	**14,905,868.96**
	Changes in financial resources affecting payments		2,422,454.37	21,098,264.29
+	Liquid funds at the start of the period		24,669,036.14	3,553,920.65
+/-	Effects from currency conversion		-21,230.85	16,851.20
=	**Liquid funds at the end of the period**		**27,070,259.66**	**24,669,036.14**
-	Balances pledged		-35,000.00	-35,000.00
=	**Free liquid funds at the end of the period**	(33)	**27,035,259.66**	**24,634,036.14**

Consolidated Statement of Equity Changes 1-1-2020 - 31-12-2020 (in EUR)	Note	Subscribed capital	Deposits earmarked for the capital increase	Capital reserves	Costs of the capital increase	Revenue reserves	Difference from currency conversion[1]	Total
Balance at 1 Jan. 2019		**11,887,483.00**	**-**	**-**	**(623,481.04)**	**(5,756,635.47)**	**(178,558.63)**	**5,328,807.86**
Consolidated comprehensive income						3,249,491.53	16,948.52	3,266,440.05
Balance at 31 Dec. 2019		**11,887,483.00**	**-**	**-**	**(623,481.04)**	**(2,507,143.94)**	**(161,610.11)**	**8,595,247.91**
Balance at 1 Jan. 2020		**11,887,483.00**	**-**	**-**	**(623,481.04)**	**(2,507,143.94)**	**(161,610.11)**	**8,595,247.91**
Consolidated comprehensive income						6,809,905.52	(21,133.24)	6,788,772.28
Balance at 31 Dec. 2020	(21)	**11,887,483.00**	**-**	**-**	**(623,481.04)**	**4,302,761.58**	**(182,743.35)**	**15,384,020.19**

[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 Nördliche Münchner Straße 9c, 82031 Grünwald. It is registered at Munich Local Court (Germany, "Amtsgericht") under HRB 228114.

DF Group has specialized 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 currently restricts its activities to humanitarian goods for business policy reasons.

The consolidated financial statements of DF AG as of 31 December 2020 were prepared on the basis of the International Financial Reporting Standards (IFRS) at the accounting date as endorsed by the EU as well as the additional requirements pursuant to Section 315e (1) of the German Commercial Code (HGB).

The term "IFRS" also includes the prevailing International Accounting Standards (IAS). All the binding interpretations of the IFRS Interpretations Committee (IFRS IC) for the financial year from 1 January to 31 December 2020 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.

The Management Board and the Supervisory Board of DF AG issued a declaration according to Section 161 of the German Stock Corporation Act (AktG) regarding the recommendations of the Government Commission on the German Corporate Governance Code. This declaration was published on the company's website (www.dfag.de/en/investor-relations/corporate-governance/).

The present consolidated financial statements were prepared and released for publication by the Management Board on 27 April 2021.

(2) Amendments to the standards made by the IASB

Application of new standards and interpretations in the financial year 2020

The following standards and amendments to standards became mandatory in the past financial year. They had no material impact on the present financial statements of DF Group but may influence future transactions or agreements.

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. Application of the amendments is not material for DF Group.

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 amendments have no effects on the net assets, financial position and results of operation of the Group.

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. First-time adoption has no effect on the Group's net assets, financial position and results of operation.

Amendments to IFRS 9, IAS 39 and IFRS 7 "Interest Rate Benchmark Reform"

The amendments provide for simplifications regarding the hedge accounting rules that apply to hedges affected by the reform of the benchmark interest rate. The amendments have had no effects on the net assets, financial position and results of operation.

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 31 December 2020 were adopted early by DF Group. First-time adoption is planned as of the financial year in which such adoption becomes mandatory.

Amendments to IFRS 16 "Leases"

The amendment included in "COVID-19-Related Rent Concessions" adjusts IFRS 16. The amendment provides lessees with an option that allows for simplified accounting for concessions related to the COVID-19 pandemic such as a deferral of rent instalments or rent discounts. DF Group does not make use of the expedients.

On 31 March 2021, the IASB published an amendment to IFRS 16, thus extending the application period of the amendment by one year.

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 9, IAS 39 and IFRS 7 "Interest Rate Benchmark Reform- Phase 2"

"Financial Instruments: Recognition and Measurement", IFRS 7 "Financial Instruments: Disclosures", IFRS 4 "Insurance Contracts", and IFRS 16 "Leases". The amendments address financial reporting issues where existing reference rates for financial instruments (leases, hedging accounting, and others) are replaced by alternative risk-free reference rates. These amendments are effective for reporting periods commencing on or after 1 January 2021. The Group does not expect any material effects to result from these amendments.

Amendments to IAS 16 "Property, Plant and Equipment"

With respect to Proceeds before intended use, the standard has been amended to prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss These amendments are not relevant for DF Group and are effective for reporting periods commencing on or after 1 January 2022.

Amendments to IFRS 3 "Business Combinations"

Reference to the Conceptual Framework updates IFRS 3 so that it refers to the 2018 Conceptual Framework rather than the 1989 Framework. A requirement has been added to IFRS 3 that, for transactions and other events within the scope of IAS 37 or IFRIC 21, an acquirer applies IAS 37 or IFRIC 21 (instead of the Conceptual Framework) to identify the liabilities it has assumed in a business combination. Another addition relates to the explicit statement that an acquirer does not recognize contingent assets acquired in a business combination. The amendments are effective for financial years commencing on or after 1 January 2022. DF Group expects no effects on the presentation of its net assets, financial position and results of operation.

Amendments to IAS 37 "Provisions, Contingent Liabilities and Contingent Assets"

The amendment primarily relates to costs a company should include as the cost of fulfilling a contract when assessing whether a contract is onerous. The amendments specify that the "cost of fulfilling" a contract comprises the "costs that relate directly to the contract". Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labor, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The Group does not expect any material effects on the consolidated financial statements. The amendments are applicable for annual periods commencing on or after 1 January 2022.

First-time adoption of 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 2023. 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.

Annual Improvements to IFRSs 2018–2020 Cycle

The IASB issued Annual Improvements to IFRSs 2018–2020 on 14 May 2020, amending the following standards:

» A subsidiary that is a first-time adopter of paragraph D16(a) of IFRS 1 is permitted to measure cumulative translation differences using the amounts reported by its parent.

» An amendment to IFRS 9 clarifies which fees an entity includes when it applies the 10% test in paragraph B3.3.6 in assessing whether to derecognize a financial liability.

» The amendment to Illustrative Example 13 accompanying IFRS 16 removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.

» The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique. The amendment ensures consistency with the requirements in IFRS 13.

The amendments to IFRS 1, IFRS 9 and IAS 41 are effective for reporting periods beginning on or after 1 January 2022. The Group does not expect them to have any material effects on the consolidated financial statements.

Amendments to IFRS 4 "Insurance Contracts"

In the discussions regarding the project on potential amendments to IFRS 17 after the comment deadline, the Board refined its proposals and incorporated additional feedback from users and issued finalized narrow-scope amendments:

» Deferral of the date of initial application of IFRS 17 by two years to annual periods beginning on or after 1 January 2023 and change the fixed expiry date for the temporary exemption in IFRS 4 Insurance Contracts from applying IFRS 9 Financial Instruments, so that entities would be required to apply IFRS 9 for annual periods beginning on or after 1 January 2023.

» Additional scope exclusion for credit card contracts and similar contracts that provide insurance coverage as well as optional scope exclusion for loan contracts that transfer significant insurance risk.

» Recognition of insurance acquisition cash flows relating to expected contract renewals, including transition provisions.

» Clarification of the application of IFRS 17 in interim financial statements allowing an accounting policy choice at a reporting entity level as well as clarification of the application of contractual service margin attributable to investment-return service and investment-related service.

» Amendments to require an entity that at initial recognition recognizes losses on onerous insurance contracts issued to also recognize a gain on reinsurance contracts held.

» Simplified presentation of insurance contracts in the statement of financial position so that entities as well as transition relief.

The amendments are effective for reporting periods commencing on or after 1 January 2023 and are not relevant for DF Group.

Amendments to IAS 1 "Presentation of Financial Statements"

The amendments to the classification of liabilities as current or non-current affect only the presentation of liabilities in the statement of financial position – not the amount or timing of recognition of any asset, liability income or expenses, or the information that entities disclose about those items. They clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months and make explicit that only rights in place "at the end of the reporting period" should affect the classification of a liability.

Classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability. Settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The Group expects first-time adoption to have no material effects on the presentation of the net assets, financial position and results of operation. The amendments are applicable for annual periods commencing on or after 1 January 2023, with adoption in EUR law still pending.

On 12 February, the IASB again amended IAS 1 under the title Disclosure of Accounting Policies. An entity is required to disclose in the notes to the consolidated financial statements the accounting policy information that is relevant for understanding the financial statements and the underlying transactions instead of its significant accounting policies. The amendments are applicable for annual periods commencing on or after 1 January 2023. The potential effects on the presentation of the Group's net assets, financial position and results of operation are still being reviewed.

Amendments to IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors"

In February 2021, the IASB adopted amendments to IAS 8 that are intended to differentiate between changes to accounting policies and changes to accounting estimates. As the former are generally retrospectively accounted for, whereas the latter are generally accounted for on a prospective basis, this differentiation is generally relevant. The amendments are applicable for reporting periods commencing on or after 1 January 2023.

(3) Basis of consolidation, reporting date

The consolidated companies of DF AG are shown below. DF GmbH was initially consolidated in the financial statements for the period ended 1 July 2016. Deutsche Kapital Ltd., Dubai / UAE ("DKL") is being liquidated and was deconsolidated as of 31 December 2018. In addition, DF Deutsche Forfait Middle East s.r.o. ("DF ME"), Prague / Czech Republic, is a wholly-owned subsidiary of DF AG and was first included in the interim consolidated financial statements for the period ended 30 June 2018. 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, Grünwald (parent company)	–	fully consolidated
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 DKL is of secondary importance for the consolidated financial statements for the period ended 31 December 2020 and does not influence the true and fair view of the net assets, financial position and results of operation presented in the consolidated financial statements.

(4) Consolidation procedures

The basis for the consolidated financial statements are the financial statements of the consolidated companies prepared as of 31 December 2020 under uniform accounting and valuation policies according to IFRS 10 "Consolidated Financial Statements".

The consolidated subsidiaries being start-ups, no differences arise from consolidation.

Intragroup receivables, liabilities, provisions, income and expenses, and profits are eliminated on consolidation.

(5) Currency translation

The 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 consolidated financial statements, income and expenses from the financial statements of subsidiaries prepared in a foreign currency are translated into euros at the annual 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	
	31-12-2020	31-12-2019	1-1 - 31-12-2020	1-1 - 31-12-2019
Czech koruna	26.2420	25.4080	26.4550	25.6700

(6) Accounting and valuation policies

As a service provider in the field of foreign trade finance, DF Group is directly affected by the global impact of the COVID-19 pandemic in the form of travel restrictions and general spending restraint. The key financial performance indicators for DF Group – business volume, gross result and consolidated net income before taxes – declined noticeably but not unexpectedly in the financial year 2020 against the backdrop of the emerging COVID-19 pandemic and the restraint shown by market participants. Especially the profitable marketing services segment has proven to be a stable element of the services offered by the Group, though.

However, as humanitarian goods such as food, pharmaceuticals and healthcare products, on which DF Group focuses, were affected far less strongly than other sectors and this is expected to also be the case in the current financial year 2021, DF Group assumes that the risk situation will be similar to that of the previous year.

a) Sales revenues relate to **transaction-related income**, which is composed of the following sub-items: forfaiting and commission income, interest income from services provided as well as exchange gains. Forfaiting income also includes the positive effects from the measurement of receivables at fair value through profit or loss (FVtPL). Forfaiting and commission income is realized at the time ownership is transferred or a legally binding commitment to purchase receivables is made. If this income is periodic, it is taken in on an accrual basis. Typical forfaiting risks recognized in previous periods as a value adjustment on receivables classified as loans and receivables or as obligations for forfaiting and purchase commitments are treated as income in the financial year in which the risks no longer exist. Commission income includes income from services and consulting in connection with the settlement of payment transactions and is measured on the basis of an agreed percentage of the underlying volume; it is recognized when the performance obligation has been met in full.

b) **Transaction-related expenses** include expenses which are a direct result of transaction-related income and can be individually attributed to transactions. Expenses are attributed to the periods in which they are incurred. Forfaiting expenses also include the negative effects from the fair value measurements of receivables from the forfaiting business (FVtPL).

c) **Other operating income** essentially comprises income from the fair-value adjustment of the insolvency creditor liabilities (see note 6 letter p), income relating to the charging of expenses, income from general service fees for the sale of the creditor assets, income from receivables written off as well as income from the release of provisions and other liabilities.

d) **Personnel expenses, depreciation/amortization on tangible and intangible assets** and **other operating expenses** are recognized as expenses upon effective payment or as incurred.

e) **Interest income** comprises loan and bank interest as well as interest on arrears. All interest on borrowings is reported in the income statement under interest expenses. These also include negative interest on bank balances and interest expenses for lease liabilities.

f) **Intangible assets** include software, licenses and the right to Internet domain names. Software, as an intangible asset acquired for consideration, is recognized at cost and regularly amortized using the straight-line method over its estimated useful life of three years. Depreciations are included under the position "depreciation on tangible and intangible assets" of the income statement. The acquired domain names have been recorded as assets that are not subject to amortization. No impairment test was carried out for these assets as they are of minor importance for the consolidated financial statements.

g) **Property, plant and equipment** are recognized at cost, less regular depreciation. Property, plant and equipment also include rights of use to buildings, which - as explained in note 16 - were measured in accordance with IFRS 16.23-25. Depreciation on property, plant and equipment is calculated using the straight-line method according to the expected average useful life.

Regular depreciation is based on the following Group standard useful lives:

Useful life	1-1 - 31-12-2020	1-1 - 31-12-2019
	Years	*Years*
Other equipment, factory and office equipment		
- *Building rights of use, IT hardware*	*3-6*	*3-6*
- *Cars*	*4-6*	*4-6*
- *Fixtures*	*3-8*	*3-8*
- *Tenants' installations*	*5-7*	*5-7*
- *Office equipment*	*10-23*	*10-23*

h) **Financial assets** are recognized and derecognized at the settlement date in accordance with the respective categories defined under IFRS 9. Gains and losses are determined as the difference between the carrying amount and the consideration at the date of derecognition. The Group classifies financial assets in the following categories: financial assets recognized at fair value through profit and loss, financial assets recognized at fair value through equity and financial assets recognized at amortized cost. At present, there are no assets that are recognized at fair value through equity.

Financial assets recognized at fair value through profit/loss comprise financial assets held for trading. This category comprises the receivables of the restructuring portfolio and the trading portfolio included in the creditor assets. These were initially acquired for trading for short-term resale. Changes in the fair value of financial assets in this category are recognized in profit/loss at the time of the value increase or impairment. Attributable transaction costs are recognized in profit or loss.

The restructuring portfolio consists of overdue and legally pending receivables from various debtors. The fair value was determined – taking internal and external legal assessments into account – on the basis of the estimated prospect of successfully enforcing the pending claims.

The trading portfolio comprises receivables from current operations up to the opening of the insolvency proceedings. As successful collection of the receivables is currently not very likely, their fair value as of 31 December 2020 is kEUR 1 (previous year: kEUR 30).

The Group derecognizes a financial asset when the contractual rights relating to the cash flows expire or when the rights to receive the cash flows from a transaction are transferred in the context of a transaction in which all material benefits and risks associated with this financial asset are transferred as well (IFRS 9.3.2.3, 3.2.6).

Regular assessments are carried out according to IFRS 9 "Financial Instruments" to determine whether there is objective evidence of a financial asset or a portfolio of financial assets being impaired. After testing for impairment, any impairment for expected loan losses is recognized.

A financial asset not recognized at fair value through profit/loss, including an interest in an enterprise, is tested for impairment at every balance sheet date (IFRS 9.5.5). A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset.

The following may be objective evidence that a financial asset is impaired:

» default or delinquency of a debitor
» indications that the debtor will enter bankruptcy or other financial reorganization
» adverse changes in the payment status of borrowers or issuers
» decrease in the estimated future cash flows due to adverse economic conditions that correlate with defaults

In addition, a significant or prolonged decline in the fair value below the cost of acquisition constitutes objective evidence of impairment. The Group considers a decline by 20% to be significant and a period of six months to be prolonged.

The Group assesses indications of the impairment of a financial asset measured at amortized cost both individually for each financial asset and collectively. All assets that are individually significant are tested for individual impairment. Those assets that are not individually impaired are collectively tested for impairment which has already occurred but still needs to be identified.

Assets that are not individually significant are collectively tested for impairment. When assessing collective impairment, the Group considers historical trends in the probabilities of default, the timing of payments and the amount of the losses incurred.

The amount of the impairment of a financial asset, which is subsequently recognized using the effective interest method, is measured as the difference between its carrying amount and the present value of estimated future cash flows discounted at the financial asset’s original effective interest rate.

i) Other current assets are loans and receivables recognized at amortized cost using the effective interest method.

j) Cash and cash equivalents are reported in the balance sheet at face value. The item includes cash on hand and bank deposits with a maturity of up to three months.

k) **Deferred tax assets and liabilities** are determined according to IAS 12 “Income Taxes” using the liability method based on the balance sheet date for all temporary differences between the tax basis and IFRS measurements. Deferred taxes are calculated on the basis of tax rates which apply or are expected to apply under prevailing law in the particular countries when the asset is realized or the liability is settled. Deferred tax assets for the carryforward of unused tax losses are recognized only to the extent that it is likely that a future taxable profit will be available and sufficient taxable temporary differences exist against which the deductible temporary differences and tax losses can be utilized. Above and beyond this, deferred tax assets are recognized to the extent that sufficient taxable results can be generated in the coming financial years (IAS 12.24 et seq., IAS 12.34).

l) The equity components are recognized at nominal values and explained in note 21. With regard to changes in **equity**, please refer to the separate consolidated statement of changes in equity.

m) **Pension obligations** include defined contribution and defined benefit plans.

The obligations for defined benefit plans are measured using the projected unit credit method in accordance with IAS 19 "Employee Benefits". Pension obligations are counterbalanced by the asset value of reinsurance on the opposite side. Reinsurance claims are pledged to the plan beneficiaries. The insurance is recognized at plan assets, as it is irrevocably available for benefit purposes only, even in the event of company insolvency (qualified insurance policy). The present value of the covered obligation is limited by the value of the plan assets.

The value of the pension obligation and the fair value of reinsurance are offset. Under IAS 19, actuarial gains and losses must be immediately and fully recognized in other comprehensive income.

Past service cost must be directly recognized in profit or loss in the year in which it is incurred.

IAS 19 (revised 2011) only allows a typifying return on plan assets equivalent to the discount rate applied to the pension obligations at the beginning of the period. Expenses for contribution-based pension plans are recorded as expenditures when the employees have performed their work.

n) **Provisions** are recognized as a present obligation (legal or constructive) to a third party as a result of a past event when it is probable that an outflow of resources will be required and a reliable estimate can be made of the requisite amount of the provision. These are measured at full cost.

o) **Financial liabilities** are initially recognized at fair value, which is usually equivalent to the cost of acquisition. Transaction costs are also considered. Subsequently, all liabilities are measured at amortized cost. At DF Group, these are usually short-term liabilities, which are therefore carried at the repayment amount. DF Group has no liabilities held for trading. A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. The difference between a repaid or transferred financial liability and the consideration paid is recognized through profit or loss.

Leases are measured at the present value of the lease payments not yet made (IFRS 16.26). The obligations are recognized as current liabilities if the lease payments are due within 12 months; the present value of the other lease payments is shown under non-current liabilities. Leases of current and low-value assets are not recognized in accordance with IFRS 16.

p) The **creditor liabilities** are measured at fair value, as it has been laid down in the insolvency plan that these liabilities are to be repaid using the cash flow from existing receivables. The fair values resulting from the fair value measurement of the trading and restructuring portfolio, together with the fair values of the other **creditor assets**, determine the value of the creditor liabilities (see note 32, Information regarding the fair value). Where the fair value of the receivables was lower or higher than that of the liabilities as at the reporting date, the latter were adjusted through profit/loss.

The creditor liabilities are classified as financial liabilities “at fair value through profit or loss” (IFRS 9.4.2.1 f.) upon initial recognition, i.e. at the time the insolvency plan became final.

Significant estimates and assumptions used in accounting

The preparation of the consolidated financial statements to IFRS requires assumptions to be made and estimates to be used which have an effect on the assets and liabilities, income and expenses and contingent liabilities shown in the balance sheet both in terms of amount and reporting. The assumptions and estimates that relate to the unified group stipulation of useful lives, the valuation of pension obligations, the measurement of receivables at fair value and the accounting for and measurement of rights of use, lease liabilities and provisions are not considered to be significant for the consolidated financial statements. In isolated cases, the actual values may deviate from the assumptions and estimates made. Changes are included in net profit or loss at the point in time when more accurate information becomes available.

DF Group has made no adjustments to assumptions and estimates that were due to the COVID-19 pandemic. In the course of the pandemic to date, the services offered by the Group and the underlying export markets have proven to be only insignificantly affected; in particular, no assets were identified that were subject to impairment.

The determination of the fair values of the receivables of the restructuring and trading portfolio included in the creditor assets requires assumptions regarding the country and counterparty risks which are mostly based on the circumstances prevailing as at the balance sheet date. An increase in these risks does not lead to negative effects from the fair value measurement on consolidated equity capital and consolidated net income, given that the fair value of the creditor liabilities would be reduced by the same amount due to the situation described above.

II. NOTES TO THE INCOME STATEMENT

(7) Transaction-related income

Commission income mainly results from consulting services and services provided in connection with payment transactions. Commission income includes:

Commission income in kEUR	1-1 - 31-12-2020	1-1 - 31-12-2019
Marketing revenues (brokerage commissions)	7,642	8,827
Income from services (processing of payments)	363	1,531
Income from compliance consulting	106	1,636
Income from debt collection activities	51	56
Factoring income	4	-
Total	**8,166**	**12,050**

Revenues are mainly generated with an external customer in the Near East region. Factoring income is generated exclusively in the Czech Republic.

The performance obligations are fulfilled when the respective services are rendered and are generally based on a percentage consideration measured by volume, which is due within 14 days. The contracts do not contain a significant financing component.

Interest income from services in the amount of kEUR 523 results from the short-term financing of export transactions.

Forfaiting income (previous year: kEUR 31) results from the fair value measurement.

(8) Transaction-related expenses

The commission expenses are causally linked to the corresponding income. Commission expenses mainly result from brokerage services provided for DF Group.

As in the financial year 2019, the forfaiting expenses in the financial year 2020 resulted exclusively from the negative effect of the fair value measurement of the creditor assets.

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

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

Gross result in kEUR	1-1 - 31-12-2020	1-1 - 31-12-2019
Net commission	7,950	11,479
Interest income from services	523	-
Net forfaiting	(69)	(399)
Result from exchange gains and losses	1	18
Total	**8,405**	**11,098**

(10) Other operating income

Other operating income breaks down as follows:

Other operating income in kEUR	1-1 - 31-12-2020	1-1 - 31-12-2019
Income from the allocation of charges	258	357
Income from the fair value measurement of creditor liabilities	49	105
Income from fees for the sale of the creditor assets	47	75
Income from VAT refund claims	15	-
Income from the reversal of other liabilities	11	6
Income from reimbursements / compensation / settlements	-	338
Miscellaneous other operating income	3	33
Total	**383**	**914**

The income from the fair value measurement of the creditor receivables is based on the adjustment through profit/loss of the liabilities to the fair value of the creditor assets. Income from the allocation of charges essentially relates to legal expenses incurred in conjunction with the sale of the creditor assets.

(11) Personnel expenses

Personnel expenses break down as follows:

Personnel expenses in kEUR	1-1 - 31-12-2020	1-1 - 31-12-2019
Salaries	2,304	2,259
Total salaries	**2,304**	**2,259**
Social security contributions	157	140
Pensions	169	162
Other social security expenses	4	10
Total social security expenses	**330**	**312**
Total	**2,634**	**2,571**

Pension expenses include contributions to state pension providers in the amount of kEUR 125 (previous year: kEUR 121) as well as to defined contribution plans in the amount of kEUR 39 (previous year: kEUR 41).

(12) Depreciation on tangible and intangible assets

The table below shows systematic depreciation/amortization:

Depreciation on tangible and intangible assets in kEUR	1-1 - 31-12-2020	1-1 - 31-12-2019
Amortization of intangible assets	36	42
Depreciation of tangible assets *- thereof rights of use*	135 *96*	129 *96*
Total	**171**	**171**

All of the assets underlying the rights of use are buildings. As in the previous period, no write-downs for impairment were required.

(13) Other operating expenses

Other operating expenses break down as follows:

Other operating expenses in kEUR	1-1 - 31-12-2020	1-1 - 31-12-2019
Legal and consultation fees, accounting expenses	708	1,088
Administrative expenses / cooperation partners	267	276
Investor relations, AGM	197	143
Insurance, fees, contributions	179	192
Payment transaction fees	156	55
Cost of premises	141	105
Employee severance payments	78	490
Travel expenses	77	121
Telephone, postage and web connection charges	20	21
Other taxes	17	30
Adjustment of creditor liabilities	-	254
Miscellaneous other expenses	451	538
Total	**2,291**	**3,313**

Legal and consultation fees as well as accounting expenses mainly include consulting costs incurred in conjunction with the sale of the creditor assets, expenses for annual and quarterly audits as well as for legal and tax advice.

Expenses for cooperation partners and related administrative expenses mainly relate to acquisition and sales activities in Iran and Turkey.

The cost of premises essentially comprises incidental and cleaning costs as well as costs from short-term lease agreements with terms of less than one year in the amount of kEUR 36.

Other operating expenses include expenses for short-term leases and for leases of low-value assets amounting to kEUR 6.

Miscellaneous other expenses mainly include expenses for the sales structure (kEUR 136; previous year: kEUR 99), for short-term software licenses and IT equipment (kEUR 101, previous year: kEUR 130) and the compensation of the members of the Supervisory Board (kEUR 90, previous year: kEUR 78).

(14) Financial result

The financial result is composed as follows:

Financial result in kEUR	1-1 - 31-12-2020	1-1 - 31-12-2019
Interest income from banks	-	-
Interest income from loans and receivables	-	-
Other interest income	-	25
Total interest income	**-**	**25**
Interest expenses payable to banks *- thereof from refinancing the forfaiting business* *- thereof from interest on overdraft* *- thereof other interest*	75 *-* *-* *75*	99 *-* *-* *99*
Miscellaneous interest expenses *- therefore from lease liabilities* *- thereof other interest*	16 *-* *16*	24 *2* *22*
Total interest expenses	**91**	**123**
Net interest = financial result	**(91)**	**(98)**

Interest expenses in the reporting period in particular include negative interest charged by banks for credit balances.

(15) Income tax

Deferred tax assets arising 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).

The loss carryforwards of DF GmbH that existed as of 31 December 2018 were fully offset against DF GmbH's net income in the previous year. Of the income tax liabilities recognized in the amount of kEUR 1,076 (previous year: kEUR 1,391), kEUR 887 (previous year: kEUR 884) relates to the result generated by DF GmbH in the previous year and kEUR 189 (previous year: kEUR 0) relates to trade tax for the result generated by DF AG in the reporting year. At the same time, there are tax receivables of kEUR 488 (previous year: kEUR 0), of which kEUR 335 results from offsetting paid capital gains tax plus solidarity surcharge against corporate income tax plus solidarity surcharge of DF AG calculated for the reporting period while EUR 153 thousand results from advance tax payments of DF ME.

In its notice of 5 November 2020, the City of Cologne has set the trade tax for 2016 at EUR 0.0; the tax liability (trade tax provisions) in the amount of kEUR 350 recognized as a precaution for the restructuring profit in the short financial year 2016 II was therefore reversed.

According to the official statement issued by the Cologne-Mitte tax authority on 25 April 2016, the profit of the first short financial year 2016 resulting from the receivables waivers of DF AG's creditors is to be treated as tax-priviledged restructuring profit, with the consequence that the restructuring profit is initially offset against current losses and/or existing loss-carryforwards. If the existing loss-carryforwards are insufficient, the tax on the remaining restructuring profit is to be deferred with the aim of later tax abatement. As a result, the restructuring profit will not cause any tax liability. The tax loss-carryforwards that remain after offsetting against the restructuring profit can be used as loss-carryforwards for tax purposes after the capital increase effected in July 2016 in conjunction with the investment by a majority shareholder, if all requirements are met. Until 2019, DF AG incurred tax losses of which it could not be assumed with sufficient probability that taxable results will be available against which the deductible temporary differences can be utilized. This was due to the fact that DF AG's modified business model allowed the company to generate income only from the sale of the creditor assets as well as from investments.

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 has to be revised. In the reporting year, DF AG generated income of kEUR 5,721 based on the above agreement and used previously unused tax losses of kEUR 2,826 against the taxable income.

As of 31 December 2020, DF AG had corporation tax loss-carryforwards in the amount of kEUR 24,956 (previous year: kEUR 3,874 plus 'continuance-bound' loss-carryforwards of kEUR 23,771) and trade tax loss-carryforwards in the amount of kEUR 24,933 (previous year: kEUR 3,874 plus 'continuance-bound' loss-carryforwards of kEUR 23,748). In addition, the temporary differences on trade tax and corporation tax amount to kEUR 115 each (previous year: kEUR 129 each).

Given that the loss history already ended in the previous year and based on the prepared or updated corporate planning for the coming years, the Group's management assumes that sufficient taxable income will be available against which unused tax loss-carryforwards can be used (IAS 12.35). With respect to the value of deferred tax assets, care was taken to only recognize amounts which are at least highly likely to be realized. This estimate takes into account all positive and negative factors affecting a sufficiently high income in the future. The estimate may change depending on future developments.

As of 31 December 2020, DF Group recognized deferred tax assets corresponding to the expected usability of unused tax loss-carryforwards in the amount of kEUR 3,163 (IAS 12.34 and 12.82).

Group income are composed as follows:

Income tax in kEUR	1-1 - 31-12-2020	1-1 – 31-12-2019
Income tax expenses of the current year Adjustments for previous years	393 (324)	1,085 -
Current tax expenses	**69**	**1,085**
Deferred taxes from temporary differences Deferred taxes in the context of tax loss carried forward	(115) (3,163)	7 1,517
Deferred tax expenses (income)	**(3,278)**	**1,524**
Total	**(3,209)**	**2,609**

Deferred taxes are calculated on the basis of tax rates which apply or are expected to apply under prevailing law in the particular countries when the asset is realized or the liability is settled. In Germany, the standard rate of corporation tax is 15.0%. Taking into consideration a solidarity surcharge of 5.5% on top of corporation tax and an effective trade tax rate of approximately 15.6%, this results in a tax rate of approximately 31.4% for domestic companies (previous year: 32.5%). The adjustment of the average trade tax rate is due to the application of the profit and loss transfer agreement, which resulted in a change of the municipality entitled to levy the tax. This tax rate was uniformly applied across the reporting period to calculate domestic deferred tax effects. The tax effects of foreign companies were of secondary importance throughout the reporting period and were therefore ignored. The currency conversion difference from the recognition of economically independent foreign units would give rise to income tax assets worth kEUR 57 (previous year: kEUR 53) if realized.

The status of deferred tax assets and liabilities as of 31 December 2020 is detailed in the table below:

Allocation of deferred tax assets and liabilities	Assets		Liabilities	
in kEUR	31-12-2020	31-12-2019	1-1 - 31-12-2020	1-1 - 31-12-2019
Investment	-	-	-	-
Pension obligations	49	-	4	3
Tax loss carryforward	3,163	27	-	-
Other liabilities	70	-	-	24
Total	**3,282**	**27**	**4**	**27**
Offsetting	(4)	(27)	(4)	(27)
Balance sheet value	**3,278**	**-**	**-**	**-**

Tax reconciliation:

in kEUR	1-1 - 31-12-2020	1-1 - 31-12-2019
Profit before income tax	3,601	5,858
Nominal tax rate	31.4%	32.5%
Expected tax expense / income	**1,129**	**1,904**
Non-deductible expenses	60	190
Advance tax payments	(299)	-
Tax effects from previous periods	61	11
Tax effects from changes in value adjustments of deferred tax assets and the use of tax loss carryforwards	(4,165)	637
Effects from deviating local tax rates	6	(133)
Other tax effects	-	-
Income tax	**(3,208)**	**2,609**

III. NOTES TO THE BALANCE SHEET

(16) Intangible assets and tangible assets

The breakdown of the fixed asset items and their movement in the reporting period are shown in the consolidated fixed assets schedule.

In the consolidated balance sheet as of 31 December 2020, rights of use pursuant to IFRS 16 in the amount of kEUR 306 (previous year: kEUR 306) are recognized as tangible assets. At the same time, non-current financial liabilities (kEUR 271; previous year: kEUR 212) and current financial liabilities assigned to other liabilities (kEUR 35; previous year: kEUR 96) are recognized as liabilities in the amount of the present values of the lease liabilities. Interest expenses were incurred only to a minor extent. Leasing expenses in the amount of kEUR 96 (previous year: kEUR 96) are shown under depreciation/amortization of tangible assets.

DF Group made use of the options not to recognize the right of use and the lease 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. Leases of intangible assets do not fall under IFRS 16 but under IAS 38.

As a lessee, DF Group primarily leases office space. Leases which had a remaining term of less than 12 months as of 1 January 2020 were recognized as current liabilities and the lease payments are expensed on a straight-line basis. Expenses from current liabilities in the amount of kEUR 7 (previous year: kEUR 23) were recorded in the reporting period.

in Euro	Intangible assets (Rights, software)	Tangible assets (Rights of use to buildings, other equipment, factory and office equipment)	Total
Acquisition costs			
As of 1 January 2019	323,374.25	868,966.20	1,192,340.45
Additions *- thereof rights of use to buildings*	0.00 *0.00*	416,131.39 *401,428.96*	416,131.39 *401,428.96*
Disposals	0.00	0.00	0.00
Currency translation differences	150.17	45.05	195.22
As of 31 December 2019	**323,524.42**	**1,285,142.64**	**1,608,667.06**
As of 1 January 2020	323,524.42	1,285,142.64	1,608,667.06
Additions *- thereof rights of use to buildings*	13,547.73 *0.00*	213,297.52 *189,753.66*	226,845.25 *189,753.66*
Disposals *- thereof rights of use to buildings*	70,607.36 *0.00*	214,295.26 *93,858.08*	284,902.62 *93,858.08*
Currency translation differences	-388.50	-87.82	-476.32
As of 31 December 2020	**266,076.29**	**1,284,057.08**	**1,560,133.37**
Depreciation/Amortization			
As of 1 January 2019	199,353.42	781,362.20	980,715.62
Additions *- thereof rights of use to buildings*	41,901.35 *0.00*	128,749.10 *95,856.96*	170,650.45 *95,856.96*
Disposals	0.00	0.00	0.00
Currency translation differences	91.64	6.26	97.90
As of 31 December 2019	**241,346.41**	**910,117.56**	**1,151,463.97**
As of 1 January 2020	241,346.41	910.117.56	1,151,463.97
Additions *- thereof attributable to rights of use to buildings*	35,540.17 *0.00*	135.230.29 *95.856,96*	170,770.46 *95.856,96*
Disposals	70,600.36	120.047.19	190,647.55
Currency translation differences	-227.24	2.93	-224.31
As of 31 December 2020	**206,058.98**	**925,303.59**	**1,131,362.57**
Carrying amounts			
As of 1 December 2019	124,020.83	87,604.00	211,624.83
As of 31 December 2019 *- thereof attributable to rights of use to buildings*	**82,178.01** *0.00*	**375,025.08** *305,572.00*	**457,203.09** *305,572.00*
As of 31 December 2020 *- thereof attributable to rights of use to buildings*	**60,017.31** *0.00*	**358.753,49** *305,610.62*	**418.770,80** *305,610.62*

(17) Long-term financial assets

Non-current financial assets include shares in an already deconsolidated affiliated company in liquidation in the amount of kEUR 10 (previous year: kEUR 10). These are assigned to the "at fair value through profit or loss" category. Given that there is no quoted price in an active market, the fair value cannot be reliably determined. The value of the investment was therefore recognized at the amount of the expected return flows.

Non-current financial assets also include rent deposits in the amount of kEUR 32 (previous year: kEUR 33) for the offices used by DF Group.

(18) Forderungen aus Lieferungen und Leistungen

Die Forderungen aus Lieferungen und Leistungen in Höhe von TEUR 745 (Vorjahr TEUR 742) sind zu fortgeführten Anschaffungskosten bewertet und bestehen im Wesentlichen gegen einen bedeutenden Kunden. Die Forderungen resultieren aus bereits vollständig erbrachten Serviceleistungen im Rahmen der Zahlungsabwicklung. Der Ausgleich erfolgte vereinbarungsgemäß im Januar 2021. Wertberichtigungen waren nicht notwendig.

(19) Other current assets

Other current assets break down as follows:

Current assets in kEUR	31-12-2020	31-12-2019
Tax receivables	515	396
Receivables from short-term financing	278	-
Prepaid expenses	184	154
Receivables from trustee	13	57
Receivables from affiliated companies	-	72
Miscellaneous other assets	42	43
Total	**1,032**	**722**
- thereof financial assets	334	156
- thereof non-financial assets	699	566

Tax receivables relate to value-added tax for 2019 and 2020. Receivables from short-term financing include repayment claims of DF s.r.o. from the factoring business started at the end of the reporting year.

The receivable from trustee relates to commission claims against the trustee in conjunction with the sale of the creditor assets.

(20) Cash and cash equivalents

Cash and cash equivalents amounted to kEUR 27,070 (previous year: kEUR 24,669) and related to bank deposits with a maturity of up to three months.

(21) Equity

Changes in the equity of DF Group are reported in the statement of changes in equity.

Subscribed capital

The share capital of the Group is fully paid in and, as in the previous year, amounted to EUR 11,887,483.00 as at the balance sheet date. As in the previous year, it also continues to be divided into 11,887,483 no-par registered shares.

In accordance with the insolvency plan adopted and confirmed by the court on 29 April 2016, which became final on 20 May 2016, a cash capital increase by up to kEUR 7,500 and a capital increase against contributions in kind by up to kEUR 4,022 were laid down. In the context of the capital increase against contributions in kind, the subscribers of the failed 2015 cash capital increase were able to transfer their respective restitution claims to the company in the form of contributions in kind. Shareholders' subscription rights were excluded for both equity measures. The issue price of the new shares issued in the context of the capital increase against contributions in kind and the cash capital increase was equivalent to the par value of EUR 1.00. The cash capital increase was effected in the amount of kEUR 7,500 and the capital increase against contributions in kind was effected in the amount of kEUR 3,707 and both were entered in the Commercial Register on 6 July 2016.

Costs of the cash capital increase and the capital increase against contributions in kind

The costs incurred in conjunction with the cash capital increase and the capital increase against contributions in kind in the total amount of kEUR 623 are to be recognized in equity and to be deducted from the amount of the capital increase and were therefore offset against equity.

Revenue reserves

Revenue reserves consist of profits generated in the past by the companies included in the consolidated financial statements, unless distributed or increased by withdrawals from the capital reserve.

Adjustment item from currency translation

This item shows the differences in other comprehensive income arising from foreign currency translation of the financial statements of foreign subsidiaries through equity in the form of an adjustment item from currency translation. The item is negative and reduced the reported equity in the reporting year by kEUR 183 (previous year: kEUR 162). The change in the item amounted to kEUR 21 in the reporting period, primarily resulting from the currency translation of the financial statements of the fully consolidated Czech subsidiary DF Deutsche Forfait s.r.o.

Earnings per share

Earnings per share are based on the average number of common shares issued and outstanding in the reporting period (11,887,483, unchanged from the previous year) and amounted to EUR 0.57 (basic and diluted) compared to EUR 0.27 in the financial year 2019. Equity instruments with a potentially dilutive effect have not been issued.

Authorized capital

By resolution of the Annual General Meeting on 6 July 2016, the Management Board was authorized, subject to approval by the Supervisory Board, to increase the share capital by 6 July 2021 once or several times by a total of up to EUR 5,900,000.00 against cash contributions and/or contributions in kind (including mixed contributions in kind) by issuing up to 5,900,000 new registered shares (authorized capital 2016); in this context, the Management Board is also authorized to schedule the commencement of the profit participation at a date other than the date provided for by law. As a general rule, the shareholders must be granted a subscription right. The new shares may also be taken over by one or several banks selected by the Management Board with the obligation to offer them to the shareholders (indirect subscription right). However, the Management Board is authorized, subject to approval by the Supervisory Board, to exclude shareholders' subscription rights in the following cases: (1) to avoid fractional amounts; (2) in a capital increase against cash contributions if the issue price of the new shares issued in an ex-rights issue pursuant to Section 186 (3) sentence 4 of the Stock Corporation Act (AktG) is not materially lower than the stock market price and the new shares issued in an ex-rights issue pursuant to Section 186 (3) sentence 4 of the Stock Corporation Act (AktG) do not exceed 10% of the share capital neither at the time the authorization becomes effective nor at the time it is exercised; this 10% limit also covers shares that were or are to be issued during the period of this authorization under exclusion of subscription rights due to other authorizations in direct or corresponding application of Section 186 (3) sentence 4 of the Stock Corporation Act (AktG); (3) in a capital increase against contributions in kind, especially for the purpose of the acquisition of a company, parts of a company, an equity investment in a company or other material assets; (4) to grant the holders of warrants and/or convertible bonds or bonds with option rights a subscription right to the extent that they would be entitled to such right after exercising a conversion or option right or meeting a conversion obligation as a shareholder; (5) to issue employee shares to employees of DF AG and of affiliated companies; and (6) to serve option rights that grant the right to subscribe a total of no more than 100,000 shares in the company and that are issued by the Management Board to distribution partners of the company with the consent of the Supervisory Board. The Annual General Meeting of 30 June 2020 did not approve the extension of this authorization.

Conditional capital

By resolution of the Annual General Meeting on 6 July 2016, the Management Board was authorized, subject to approval by the Supervisory Board, to issue bearer warrant and/or convertible bonds with a total nominal value of up to EUR 50,000,000.00 in one or several tranches until 6 July 2021 and to grant holders or creditors of warrant bonds option rights and holders or creditors of convertible bonds conversion rights on new registered shares of no par value of the company up to a pro-rata share in share capital totaling up to EUR 4,720,000.00.

The warrant and/or convertible bonds (collectively referred to as "bonds" and individually referred to as "notes") may be issued in euros as well as in the legal currency of an OECD country, limited to the corresponding value in euros. They may also be issued by direct or indirect majority shareholdings of DF Deutsche Forfait AG. In this case, the Management Board will be authorized, subject to approval by the Supervisory Board, to issue a guarantee on behalf of the company for the bonds and to issue the holders of such bonds with option/conversion rights on new shares of DF Deutsche Forfait AG. For this purpose, the company's share capital has been conditionally increased by up to EUR 4,720,000.00 through the issue of up to 4,720,000 new registered shares (conditional capital 2016/I).

The Annual General Meeting of 6 July 2016 has authorized the Management Board and the Supervisory Board to issue subscription rights to shares in the company (option rights), once or several times, by 6 July 2021, in order to allow the persons defined in Section 192 (2) No. 3 of the Stock Corporation Act (AktG) to acquire an interest in the company. The Management Board will be authorized, with the consent of the Supervisory Board, to stipulate the details of the type and issue of the option rights in a stock option plan ("2016 stock option plan"). If option rights are to be issued to the Management Board of the company, the decision on the issue and the stipulation of further details are at the sole discretion of the Supervisory Board. The company's share capital will be conditionally increased by up to EUR 1,180,000.00 through the issue of up to 1,180,000 new registered shares (conditional capital 2016/II). The conditional capital increase shall be executed only to the extent that the holders of option rights from the 2016 stock option plan, which may be granted by the company by 6 July 2021 on the basis of the authorization granted by the Annual General Meeting of 6 July 2016, exercise their rights to subscribe shares in the company and the company does not serve the subscription rights by delivering treasury shares. The new shares shall be entitled to profit as of the beginning of the financial year in which they are created through the exercise of option rights. The Management Board shall be authorized, with the consent of the Supervisory Board, to stipulate the further details of the execution of the conditional capital increase, unless option rights are to be issued to members of the Management Board; in this case, the Supervisory Board shall stipulate the further details of the execution of the conditional capital increase.

Right to purchase own shares

The Annual General Meeting of 30 June 2020 approved the extension of the authorization to buy and sell treasury shares resolved by the Annual General Meeting on 6 July 2016:

a) The company shall be authorized to buy up to 1,180,000 treasury shares by 25 June 2025. The shares must be purchased on the stock market. The purchase price (excluding incidental purchase costs) paid by the company must not exceed or fall short of the price of the company share in XETRA trading (or a similar successor system) determined at the first auction of the trading day at the Frankfurt Stock Exchange by more than 10%.

b) The shares can be acquired directly by the company or by third parties authorized by the company in one or several stages within the limits of the above-mentioned restrictions. The shares can be acquired for any legally permissible reason, especially for one of the purposes mentioned under letters c), d), e), f) and g) below. If they are used for one or several of the purposes mentioned under letters c), d) or e), shareholders' pre-emptive right shall be precluded.

c) The Management Board shall be authorized to sell the treasury shares acquired as a result of the above-mentioned authorization outside the stock exchange or by offering them to all shareholders on the condition that they are sold in exchange for cash and at a price which does not fall significantly below the company's share price at the time of sale.

This authorization is restricted to shares with a notional interest in the share capital which must not exceed a total of 10% of the share capital, neither on the effective date of this authorization nor – if lower – on the date this authorization is executed. The maximum threshold of 10% of the share capital is reduced by the amount of subscribed capital which applies to shares that are issued as part of a capital increase during the term of this authorization, under exclusion of the purchase right pursuant to Section 186 (3) sentence 4 of the Stock Corporation Act (AktG). The maximum threshold of 10% of the share capital is also reduced by the amount of share capital relating to shares that will be issued for serving warrant bonds and/or convertible bonds, if these bonds are issued during the term of this authorization under exclusion of the purchase right and in accordance with Section 186 (3) sentence 4 of the Stock Corporation Act (AktG).

d) The Management Board shall be authorized to transfer the treasury shares acquired as a result of the above-mentioned authorization to third parties if this serves the purpose of acquiring companies, parts of companies, investments in companies or other assets, or carrying out company mergers.

e) The Management Board shall be authorized to use the treasury shares acquired on the basis of the above authorization to fulfil the company's obligations arising from convertible bonds or warrant bonds issued by the company up to 6 July 2021 on the basis of the authorization of the Management Board granted by the 2016 Annual General Meeting.

f) The Management Board shall be authorized to recall the treasury shares acquired as a result of the above-mentioned authorization without requiring any further resolution by the Annual General Meeting. The shares can be recalled without reducing capital by adjusting the notional interest of the remaining no-par value shares in the parent company's share capital.

g) The Management Board shall be entitled to exercise the authorizations under letters c), d), e) and f) only with the consent of the Supervisory Board. In the event of letter f), the Supervisory Board shall be authorized to adjust the number of shares in the Memorandum of Association. The Supervisory Board is also authorized to stipulate that the Management Board is only authorized to act with the Supervisory Board's approval in line with the resolution of the Annual General Meeting.

(22) Pension obligations

Pension obligations comprise obligations from expectancies in accordance with IAS 19 "Employee Benefits". In addition, there are contribution-based pension plans with the state pension insurance fund and with BVV Versorgungskasse des Bankgewerbes e.V., which are serviced from current contribution payments.

Pension commitments in the form of defined benefit plans exist for three former members of the Management Board. According to the benefit plans, benefits are payable when a member of the Management Board passes away or retires due to age.

Mr Franke will receive a capital payment in this case. In contrast, Ms Attawar and Mr Wippermann have the right to choose an annuity or a capital payment. The company's obligation consists of providing the active employees with their committed benefits. The benefit plan is externally financed by means of reinsurance whose guaranteed benefits correspond to the pension commitments, which means that risks of the type described in IAS 19.139b are not discernible. The 2018 G tables of Professor Klaus Heubeck were used for the calculations.

In addition to assumptions regarding life expectancy, the following factors play a role in the calculation:

Actuarial assumptions in %	31-12-2020	31-12-2019
Discount rate	1.00	1.30
Inflation rate	1.00	1.00
Pension growth rate	1.00	1.00

The diagrams below illustrate the changes in the present value of entitlements for pension obligations and plan assets:

Changes/reconciliation in the accumulated benefit obligation in kEUR	31-12-2020	31-12-2019
Accumulated benefit obligation as of 1 January	811	715
Current service cost	-	-
Interest paid	11	15
Expected pension payments	(3)	(3)
Actuarial loss (gain)	35	81
- thereof accounted for by changes in financial assumptions	*33*	*80*
- thereof accounted for by changes in demographic assumptions	-	-
- thereof accounted for by experience-based assumptions	*2*	*1*
Accumulated benefit obligation as of 31 December	**857**	**811**

Changes in plan assets in kEUR	31-12-2020	31-12-2019
Fair value of plan assets as of 1 January	811	715
Typifying investment income	11	15
Income from plan assets	35	81
Value of plan assets as of 31 December	**857**	**811**

The tables below show the deviations between actuarial assumptions and actual developments ("asset ceiling") in the reconciliation and over a 6-year period:

Changes/reconciliation in the asset ceiling effect in kEUR	31-12-2020	31-12-2019
Accumulated benefit obligation as of 31 December	857	(811)
Fair value of plan assets as of 31 December	857	811
Asset ceiling effect as of 31 December	-	-
Actuarial (gains) losses from ABO	35	81
Profit (loss) from plan assets	(35)	(81)
Asset ceiling effect as of 31 December	**-**	**-**

in kEUR	2020	2019	2018	2017	2016	2015
Accumulated benefit obligation	857	811	715	704	714	622
- Included impacts of deviations	35	81	(3)	10	78	(45)
Plan assets	857	811	715	704	714	622
- Included impacts of deviations	35	81	11	(10)	(78)	(32)
Funded status	**-**	**-**	**-**	**-**	**-**	**-**

In accordance with IAS 19.115, the fair value of the congruent reinsurance policy is equated with the present value of the pension obligations. The balance of the asset value of plan assets totaling kEUR 857 (previous year: kEUR 811) and the liability value of the obligation of kEUR 857 (previous year: kEUR 811) is shown. As in the previous period, the plan assets did not exceed the liability value of the obligation as at the reporting date. The amount shown in the balance sheet was calculated as follows:

Calculation of the net amount shown in the balance sheet in kEUR	31-12-2020	31-12-2019
Accumulated benefit obligation	(857)	(811)
Fair value of the pension plan assets	857	811
Asset ceiling effect	-	-
	0	**0**

Actuarial gains or losses may result from increases or reductions in either the present value of the defined benefit plan or the fair value of plan assets; possible reasons for these differences include changes in the calculation parameters and estimate revisions concerning the risk trend of pension obligations and deviations between the actual and expected return on the qualified insurance policies. Actuarial gains and losses should be recognized in other comprehensive income. As they were offset against each other, they were not recognized. As of 31 December 2020, a discount rate that differs by +0.5% results in interest expenses of kEUR 12 and an accumulated benefit obligation of kEUR 802 and a discount rate that differs by -0.5% results in interest expenses of kEUR 6 and an accumulated benefit obligation of kEUR 917.

The defined benefit plans incurred the following expenditure, which breaks down into the following components:

Expenditure on defined benefit pension plans in kEUR	1-1 - 31-12-2020	1-1 - 31-12-2019
Current service cost	-	-
Interest expense	11	15
Interest income from plan assets	(11)	(15)
Interest on asset ceiling effect	-	-
Recognized in the income statement	**0**	**0**

Components of other comprehensive income (OCI) in kEUR	31-12-2020	31-12-2019
Actuarial losses (gains)	35	81
Interest income from plan assets	(35)	(81)
Changes in the asset ceiling effect	-	-
Recognition in other comprehensive income	**0**	**0**

During each reporting period, the net value amounted to EUR 0.00, since the increase in pension obligations was matched by an increase in plan assets. Based on a duration of the obligations of 13.5 years (previous year: 14.3 years), pension payments in the amount of kEUR 3 are expected for the following period under the pension benefit plans that existed as at 31 December 2020.

(23) Non-current liabilities

Non-current liabilities result from a loan of EUR 15.0 million measured at amortized cost, which the majority shareholder of DF AG provided to the subsidiary DF GmbH, and from the proportinate leasing liabilities of kEUR 155 (previous year: kEUR 212) recognized at present value.

(24) Trade accounts payable

The table below shows the composition of the trade accounts payable:

Trade accounts payable in kEUR	31-12-2020	31-12-2019
Liabilities from services received	55	144
Deferred liabilities	258	197
Other liabilities	-	2
Total	**313**	**343**

(25) Other current debt

Other current liabilities include the following individual items:

Other current debt in kEUR	31-12-2020	31-12-2019
Liabilities to employees	688	663
Lease liability	150	96
Accounting and audit expenses	134	154
Liabilities towards affiliated companies	-	56
Holiday pay	63	44
Other tax liabilities	37	40
Interest liabilities	54	24
Liabilities from duties and premiums	7	2
Miscellaneous other liabilities	13	13
Other current debt	**1,146**	**1,092**
- thereof financial liabilities	1,109	1,052
- thereof non-financial liabilities	37	40

Liabilities to employees mainly result from severance and bonus claims. The lease liability results from the adoption of IFRS 16. Other tax liabilities relate to payable wage tax.

(26) 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, comprising the trading and restructuring portfolios, and is composed as follows:

Creditor assets in kEUR	31-12-2020	31-12-2019
Bank balances	156	125
Restructuring portfolio	16	841
Trading portfolio	1	30
Total	**173**	**996**

With regard to the trading portfolio that relates to receivables from current forfaiting transactions up to the opening of the insolvency proceedings, DF Group currently expects to receive payments in the amount shown. The restructuring portfolio relates to overdue and legally pending receivables from various debtors. The reduction in the restructuring and trading portfolio is essentially due to fair value adjustments and to the payout of the funds received in the context of the sale of the trading and restructuring portfolio. The expected legal expenses have been assigned to the creditor liabilities for a better and more clearly structured presentation. The fair value measurement resulted in net losses of kEUR 69 in the reporting period (previous year: kEUR 399).

The **creditor liabilities** are liabilities filed with the insolvency table. The value of the liabilities consequently results from the creditors' partial waiver declared in the context of the insolvency plan, taking into account the banks' senior position laid down in the collateral realization agreement ("Sicherheitenverwertungsabrede") in the short financial year 2016 II.

In addition, the creditor liabilities include current provisions for expected legal expenses. In the reporting period, they developed as follows:

Creditor liabilities in kEUR	31-12-2020	31-12-2019
As of 1 January 2020	996	6.187
Payment to the trustee	(247)	(5,604)
Utilization of short-term provisions	(550)	(110)
Outstanding reimbursement claims	23	279
Income from the fair value measurement of creditor liabilities	(49)	254
As of 31 December 2020	**173**	**996**

The reductions in creditor liabilities through payout to the trustee and/or offsetting against counter-claims relate to both the payments intended for distribution to the creditors and to the legal expenses and other expenses incurred in conjunction with the sale of the creditor assets that are chargeable to the creditors.

The valuation of the creditor liabilities at amortized cost before payout/offsetting results in a total value which exceeds the fair value of the creditor assets. According to the insolvency plan, the liabilities that remain after the creditors' partial waiver will be serviced 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 (IFRS 9.4.2.2). In the reporting period, this resulted in a change in value through profit/loss of kEUR 49 (previous year: kEUR 254).

IV. OTHER INFORMATION

(27) Employees

The average number of staff employed with the Group (excluding the Management Board) is shown in the following table. The item "other/internal administration" also includes student assistants.

Number of employees	1-1 - 31-12-2020	1-1 - 31-12-2019
Salaried employees	**26**	**24**
- of which in trade/sales	*5*	*5*
- of which in contract management	*4*	*4*
- of which in controlling/accounting	*7*	*5*
- of which compliance	*4*	*3*
- of which in other/internal administration	*6*	*7*

(28) Other financial obligations

As in the previous year, the Group made no forfaiting and purchase commitments as of 31 December 2020, which means that it has no other financial obligations.

(29) Total fee of the auditor

The following fees were incurred for the services provided by auditors Warth & Klein Grant Thornton AG for the period from 1 January to 31 December 2020.

Auditing fees in kEUR	1-1 - 31-12-2020	1-1 - 31-12-2019
Audits	144	162
Other audit services	-	-
Miscellaneous services	-	-
Total fee	**144**	**162**

(30) Relationships with related parties

According to IAS 24 "Related Party Disclosures", persons or companies controlling DF Group or controlled by it must be disclosed unless they are already included in the consolidated financial statements of DF Group as consolidated companies. Control is deemed to exist if one shareholder holds more than half of the voting rights of DF AG or is empowered by the Memorandum of Association or a contractual agreement to steer the financial and company policies of the management of DF Group.

In addition, under IAS 24, the disclosure requirement extends to business with entities which exercise significant influence over the financial and company policies of DF Group, including close family members and intermediaries. Significant influence on the financial and company policies of DF Group can be based on a shareholding in DF Group of 20% or more or a seat on the Management Board or the Supervisory Board of DF Deutsche Forfait AG.

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 (Management Board and Supervisory Board) of DF AG. The Management Board, the Supervisory Board and non-consolidated subsidiaries 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 16 (previous year: kEUR 24) and reported it as other current liabilities as of 31 December 2020. As at the balance sheet date, a total of kEUR 15,038 (previous year: kEUR 15,024) were outstanding.

As in the previous year, business relationships with the non-consolidated subsidiaries were negligible in the financial year 2020.

The Management Board was composed as follows in the financial year from 1 January to 31 December 2020:

Management Board	Position
Dr. Behrooz Abdolvand	*Chairman of the Management Board since 1 November 2017*
Hans-Joachim von Wartenberg	*Board member since 1 December 2019*

Compensation for members of the Management Board which is due in the short term breaks down as follows:

Management compensation in kEUR	Dr. B. Abdolvand	H.-J. von Wartenberg	C. Charpentier	G. Krämer
1-1 - 31-12-2020				
Fixed salary	222	187		
Other compensation	26	27		
Variable compensation	306	306		
Total	**554**	**520**	**-**	**-**
1-1 - 31-12-2019				
Fixed salary	213	15	165	165
Other compensation	26	1	24	23
Variable compensation	154	13	190	230
Total	**393**	**29**	**379**	**418**

With regard to the compensation for the reporting period, balances of kEUR 613 were outstanding as at the balance sheet date.

Pension commitments in the form of defined benefit plans exist for three former members of the Management Board (Ms Attawar, resigned with effect from 31 December 2015, Mr Franke, resigned with effect from 30 September 2013, and Mr Wippermann, resigned with effect from 24 February 2014). According to the benefit plans, benefits are payable when a member of the Management Board passes away or retires due to age. Mr Franke will receive a capital payment in this case. In contrast, Ms Attawar and Mr Wippermann have the right to choose an annuity or a capital payment.

No more premiums have been paid since November 2012 due to the contractually agreed expiry of the contribution periods.

According to these pension benefit plans, the above members of the Management Board receive a guaranteed old age pension from DF AG. The amounts are as follows:

» Ms Marina Attawar: Annuity of EUR 11,022.60 or a one-time capital payment of EUR 202,518.00
» Mr Ulrich Wippermann: Annuity of EUR 20,964.48 or a one-time capital payment of EUR 338,278.00
» Mr Jochen Franke: One-time capital payment of EUR 147,244.00

In addition, Ms Marina Attawar receives the following payments from a reinsured benevolent fund:

» Insured annuity in the amount of EUR 15,247.40 or a capital payment of EUR 273,572.00

Based on a deferred compensation agreement with the members of the Management Board, contributions from DF Deutsche Forfait AG were paid to the insurance providers mentioned above.

As in the previous period, no post-employment benefits were paid in the financial year from 1 January to 31 December 2020 in conjunction with the above pension commitments.

No share-based compensation and other long-term benefits are granted by the company.

The short-term compensation for members of the Supervisory Board breaks down as follows:

Supervisory Board compensation in kEUR	1-1 - 31-12-2020	1-1 - 31-12-2019
Fixed compensation	83	69
Attendance remuneration	7	9
VAT	-	15
Total	**90**	**93**

(31) Notifications pursuant to Sections 21 (1) and 22 of the Securities Trading Act (WpHG)

DF AG has received the following notifications pursuant to the Securities Trading Act (WpHG):

» Dr. Shahab Manzouri, London, Great Britain, notified us in accordance with Section 21 (1) of the Securities Trading Act (WpHG) on 12 July 2016 that his voting interest in DF Deutsche Forfait AG, Nördliche Münchner Str. 9c, 82031 Grünwald, Germany exceeded the thresholds of 3%, 5%, 10%, 15% and 20%, 25%, 30%, 50% and 70% on 6 July 2016 and amounted to 79.14% (which corresponds to 9,408,170 voting rights) on that date.

» Mr Frank Hock, Pullach, notified us in accordance with Section 21 (1) of the Securities Trading Act (WpHG) on 28 June 2018 that his voting interest in DF Deutsche Forfait AG, Nördliche Münchner Str. 9c, 82031 Grünwald, Germany dropped below the threshold of 3% on 25 June 2018 and amounted to 2.97% (which corresponds to 353,134 voting rights) on that date.

(32) Financial instruments

Use and management of financial instruments

The starting point for the risk management of financial instruments involves capturing all risks systematically and regularly and assessing them for loss potential and the probability of occurrence. In particular, market risk and default risk have been identified as significant risks for financial instruments.

Liquidity risk

The cash flow projections are prepared at the level of the operating companies and pooled in the Group. Management monitors the permanent forward planning of the Group's liquidity reserve to ensure that sufficient liquidity is available to cover the operating requirements. On the basis of current account statements, a daily liquidity plan is prepared for the Group, DF AG, DF GmbH, DF s.r.o. and DF ME. The plan comprises the incoming and outgoing payments from the operating activities as well as the planned administrative and refinancing costs. Cash planning takes place on a daily basis for the next one to two weeks, on a weekly basis for the next three months and on a monthly basis thereafter.

The maturity structure of the current financial liabilities is as follows:

Current financial liabilities in kEUR	31-12-2020	31-12-2019
up to 1 month	343	387
over 1 month to 3 months	209	340
over 3 months to 6 months	762	611
over 6 months to 12 months	85	57
Total	**1,399**	**1,395**

The financial liabilities shown comprise trade accounts payable in the amount of kEUR 313 (previous year: kEUR 343) and other current liabilities in the amount of kEUR 1,086 (previous year: kEUR 1,052). The increase in the "3 to 6 months" maturity range is mainly attributable to severance and bonus obligations.

As of 31 December, non-current financial liabilities with a maturity of more than one year amount to kEUR 15,155 (previous year: kEUR 15,212) and include a loan in the amount of EUR 15.0 million (previous year: EUR 15.0 million) as well as the portion of the lease liabilities classified as non-current in the amount of kEUR 155 (previous year: kEUR 212).

All financial liabilities are covered by cash at banks. Concentration risks are currently not discernible.

According to the agreements in the insolvency plan, the creditor liabilities are of a short-term nature and are to be settled successively exclusively to the extent that DF Group's creditor assets are liquidated.

Default risk

As the most significant risk, DF Group has identified the partial or complete non-payment of considerations as there is no suitable and economically viable collateral for the currently predominantly offered short-term foreign trade finance services. Default risk is subdivided into country and counterparty risk. Countries undergo an assessment on the basis of analyses by credit assessment agencies. Credit assessments are carried out for individual receivables (credit reports/references, evaluation of historical data, etc.). The taking of country and counterparty risks is managed by a competence arrangement with a limit system. The competence arrangement as well as country and counterparty limits are approved by the Supervisory Board and the degree to which the limits are used is reported to it regularly. DF Group reduces this risk even further by selling the receivables rapidly. Moreover, country and counterparty risks are secured (e.g. bank guarantees) where this is possible and makes economic sense. Concentration risks are currently not discernible.

A presentation of the carrying amount and the default risk is not relevant as DF Group does not participate in the opportunities and risks from the liquidation of the creditor assets according to the final insolvency plan.

As at the balance sheet date of 31 December 2020 – just like in the previous year – there were no receivables from forfaiting transactions from new business that is not available for distribution to the insolvency creditors. The trade receivables shown in the amount of kEUR 745 (previous year: kEUR 742) result from services provided in connection with the processing of payment transactions and were settled in the short term. As with other current and non-current financial assets (see notes 17 and 19), the default risk is limited to the respective carrying amount here.

In the context of risk management, default risks resulting from transactions that are not available for distribution to the insolvency creditors are actively managed primarily using country and counterparty limits.

Market risk (including interest rate risk and currency risk)

Receivables are typically purchased at discounted nominal value. This discount on the market value is calculated on the basis of the money and capital market interest rate for the equivalent term (e.g. 1-year LIBOR) plus risk margin. The margin reflects the individual risk of each transaction, which mainly depends on country and counterparty risks.

As DF Group focuses on reselling receivables, interest rate risk mainly consists of market risk. This is due to the fact that, if the interest rate rises up to the sale of a receivable, so too does the discount on the market value, which is calculated up to the final date of maturity of the receivable, thereby reducing the market value of the receivable. A market risk exists during the period receivables are held in the company's portfolio. As the forfaiting business has considerably lost in importance (as of 31 December, DF Group had no receivables and liabilities in connection with the operating forfaiting business), interest rate risks and market risks are currently of minor importance.

In the income statement, exchange gains and losses related to the creditor assets and the corresponding creditor liabilities are reported separately. Due to the separate valuation, large exchange gains and losses are recognized, which must, however, be offset to assess the currency risk.

DF Group does not participate in the opportunities and risks resulting therefrom. The market risk of the other assets and liabilities is considered to be of minor importance.

Information regarding the fair value pursuant to IFRS 7 and IFRS 13

A number of accounting methods and disclosures of the Group require the determination of the fair values of financial and non-financial assets and liabilities. For measurement and/or disclosure purposes, the fair values were determined on the basis of the methods described below.

IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

According to the measurement method, financial instruments to be measured at fair value are categorized at three levels as outlined below:

» Level 1 (IFRS 13.76): quoted prices in active markets (unadjusted) for identical assets or liabilities;

» Level 2 (IFRS 13.81): inputs other than quoted prices included in Level 1 that are either directly or indirectly observable for the asset or liability;

» Level 3 (IFRS 13.86): unobservable inputs for the asset or liability. An asset or liability should be assigned to Level 3 already if there is only one unobservable input factor that significantly influences the measurement, such as debtor-related local potential for conflicts and the estimated period needed to collect the receivable.

No market/transaction prices are available for trade receivables ("at amortized cost" category) as at the effective measurement days and no representative alternative prices can be determined or observed. As the forfaiting business is based on individual transactions, market prices can be determined with sufficient measurement certainty only for the agreed settlement date (purchase and sale) with the contractually agreed terms and conditions. To avoid the influence of accidental or arbitrarily defined measurement parameters, the Group measures trade receivables at amortized cost using the effective interest method and considering potential value adjustments.

Creditor assets (receivables of the restructuring portfolio) are measured at fair value through profit or loss (FVtPL). The estimated prospect of successfully enforcing the pending claims is also taken into account for this measurement. The changes in the receivables of the restructuring portfolio and the trading portfolio relate to compensation in the amount of kEUR 247 (previous period: kEUR 4,706) and to fair value changes in the amount of kEUR 577 (previous period: kEUR 483).

For current receivables and liabilities (e.g. current accounts), the carrying amount is recognized as the fair value. This also applies to rental deposits, which correspond to the transaction price and are not subject to any measurement processes.

No fair values are determined for non-listed equity instruments (shares in non-consolidated affiliated companies), as no active market exists for these financial instruments and the required estimates cannot be made within acceptable fluctuation margins and adequate probabilities.

These financial instruments are therefore recognized at cost including required depreciation.

Measurement processes
With regard to the restructuring and trading portfolio (creditor assets), DF Group believes that amortized cost represents a basis for measurement which reflects the future income potential up to maturity even if the receivable cannot be sold before the end of the term. The Group therefore considers the value determined at amortized cost to also represent the (approximate) fair value. Besides amortized cost, fair value measurement is also available for receivables of the restructuring and trading portfolio which are subject to individual or country value adjustments. These value adjustments are based on institutional investor's current country rating where country value adjustments are concerned and on the individual assessment of the legal situation of DF Group and/or the financial situation of the creditor where individual value adjustments are concerned.

The Group is of the opinion that, irrespective of the classification in accordance with IFRS 9.4.1.2 or 4.1.2A, the method applied to determine the fair value of receivables (amortized cost using the effective interest method) is suitable and that there are no sufficient reasons to give up this method. As at the reporting date of 31 December 2020, no receivables from the operating forfaiting business were recognized.

Value information on financial instruments

The following table contains the presentation of the book values of the financial instruments (IFRS 7.6), which are compared to their fair values (IFRS 7.25) as well as their evaluation categories (at amortized cost - AC, at fair value through profit or loss - FVtPL).

Carrying amounts of financial instruments in kEUR	Measurement category	Book value 31-12-2020	Fair value 31-12-2020	Book value 31-12-2019	Fair value 31-12-2019
Assets					
Shares in non-consolidated affiliated companies	FVtPL	10	10	10	10
Creditor assets	FVtPL	173	173	996	996
Trade accounts receivables	AC	745	745	742	742
Other short-term assets	AC	334	334	156	156
Cash and cash equivalents	AC	27,070	27,070	24,669	24,669
Passiva					
Loan	AC	15,000	15,000	15,000	15,000
Lease obligations	AC	155	155	212	212
Creditor liabilities	FVtPL	173	173	996	996
Trade accounts payable	AC	313	313	343	343
Other short-term liabilities	AC	1,086	1,086	1,052	1,052

Capital management

The primary goal of the capital management activities of DF Group is to provide sufficient investment funds for the future operating business at all times. The dynamic debt ratio, calculated as the ratio of net financial debt to the operating result before depreciation and amortization, serves as the benchmark. If this ratio is 2 or less, this signals the preservation of the freedom of action with respect to corporate development and of a favorable credit rating to the Group. Cash and cash equivalents in the amount of kEUR 27,070 (previous year: kEUR 24,669) and current financial assets of kEUR 1,076 (previous year: kEUR 1,052) are offset by interest-bearing liabilities in the amount of kEUR 15,155 (previous year: kEUR 15,2129 and current liabilities of kEUR 2,534 (previous year: kEUR 2,826). As of 31 December 2020, net financial debt was positive and amounted to kEUR 10,457 (previous year: kEUR 7,683). It was therefore not possible to calculate a debt ratio. The aim is to maintain an appropriate level of liquidity in line with the operating requirements and a balanced ratio of equity and debt in order to achieve a cost and risk-optimized capital structure. The creditor assets and creditor liabilities are not taken into account here for the reasons described above. Capital management activities for DF Group are centralized at the parent company.

As of 31 December 2020, DF Group's equity capital amounted to EUR 15.4 million (previous year: EUR 8.6 million). The insolvency creditor liabilities amounted to kEUR 173 (previous year: kEUR 996) and represented 1,0% (previous year: 5,2%) of the debt capital. As of 31 December 2020, DF Group had a loan of EUR 15.0 million and no credit lines with banks. No external minimum capital requirements exist.

(33) Notes to the cash flow statement

The cash flow statement shows how cash and cash equivalents of DF Group changed in the course of the reporting period as a result of cash inflows and outflows. In accordance with IAS 7 "Cash Flow Statements", cash flows are classified into operating, investing and financing activities. A reconciliation of cash and cash equivalents in the balance sheet complements the cash flow statement.

The funds reported in the cash flow statement encompass all the cash and cash equivalents shown in the balance sheet, i.e. cash on hand and deposits with banks accessible within three months.

Cash flows from investing and financing activities are determined on a cash basis. By contrast, cash flows from operating activities are indirectly derived from the consolidated result. Under indirect calculation, the relevant changes in balance sheet items connected with operating activities are adjusted by effects from currency translation.

The following table shows the change in liabilities from financing activities:

Change in liabilities from financing activities in kEUR	Non-current liabilities	Current liabilities	Lease liabilities	Total
1-1-2019	-	-	-	-
Cash flows				
- Repayments	-	-	-	-
- Increases	15,000	-	-	15,000
Non-cash flows				
- Fair value	-	-	-	-
- Increases	-	-	307	307
31-12-2019	15,000	-	307	15,307
1-1-2020	15,000	-	307	15,307
Cash flows				
- Repayments		-	(96)	(96)
- Increases	-	-	-	-
Non-cash flows				
- Fair value	-	-	(93)	(93)
- Increases	-	-	189	189
31-12-2020	15,000	-	307	15,307

(34) Adjusting events after the end of the financial year

No extraordinary events occurred after the balance sheet date.

Gruenwald, 27. April 2021

The Management Board

AUDITOR´S REVIEW REPORT

RESPONSIBILITY STATEMENT
BY THE BOARD OF MANAGEMENT

SUPERVISORY BOARD REPORT

CORPORATE GOVERNANCE REPORT

INDEPENDENT AUDITOR'S REPORT

DF Deutsche Forfait AG, Grünwald

Report on the audit of the consolidated financial statements and of the Group management report

Audit opinions

We have audited the consolidated financial statements of DF Deutsche Forfait AG, Grünwald, and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2020, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the financial year from 1 January 2020 to 31 December 2020, as well as the notes to the financial statements, including a summary of significant accounting policies. In addition, we have audited the management report combined with the Group management report (hereinafter referred to as "combined management report") of DF Deutsche Forfait AG, Grünwald, for the financial year from 1 January 2020 to 31 December 2020. In accordance with German legal provisions, we have not audited the content of the corporate governance statement pursuant to section 289f and section 315d of the German Commercial Code (HGB) to which reference is made in section 4. of the Group management report.

According to our assessment based on the findings of our audit

» the accompanying consolidated financial statements comply, in all material respects, with the IFRS as adopted by the EU and the additional requirements of German commercial law pursuant to section 315e (1) HGB and, in compliance with these requirements, give a true and fair view of the net asset and financial position of the Group as at 31 December 2020 and of its results of operation for the fiscal year from 1 January 2020 to 31 December 2020 and

» the accompanying Group management report as a whole provides an appropriate view of the Group's position. In all material respects, this Group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the future opportunities and risks. Our audit opinion on the Group management report does not cover the content of the corporate governance statement mentioned above.

Pursuant to section 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations with regard to the legal compliance of the consolidated financial statements and of the Group management report.

Basis for the audit opinions

We conducted our audit of the consolidated financial statements and of the Group management report in accordance with section 317 HGB and the EU Audit Regulation (No. 537/2014, hereinafter referred to as "EU Audit Regulation") and in conformity with German generally accepted standards for the audit of financial statement promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany; IDW). Our responsibilities under those regulations and principles are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and of the Group management report" section of our auditor's report. We are independent of the Group entities in accordance with the requirements of European law and German commercial and professional law and we have fulfilled our other German professional responsibilities in accordance with these requirements. In accordance with Article 10 (2) letter f of the EU Audit Regulation, we also declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the consolidated financial statements and on the Group management report.

Key audit matters in the audit of the consolidated financial statements

Key audit matters are those matters that, in our professional judgment, were most significant in our audit of the consolidated financial statements for the financial year from 1 January 2020 to 31 December 2020. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon; we do not provide a separate opinion on these matters.

We have structured our presentation of the key audit matter as follows:

1. Risk to the financial statements
2. Audit procedure
3. Reference to related disclosures

Recognition and measurement of deferred tax assets on tax loss carryforwards

1. Risk to the financial statements

After netting with deferred tax liabilities, deferred tax assets in the amount of kEUR 3,278 (previous year: kEUR 0) are reported in the consolidated financial statements of DF Deutsche Forfait AG for the period ended 31 December 2020, of which kEUR 3,163 (previous year: kEUR 0) is attributable to tax loss carryforwards. The recognition of deferred tax assets on tax loss carryforwards of DF Group depends on the usability of tax losses in Germany and the planning assumptions regarding future taxable income.

The recognition and measurement of deferred tax assets depend to a large extent on the estimates and assumptions made by the legal representatives with regard to future taxable income, which, in turn, depends on the future development of business volumes and achievable margins, as well as further political developments in the Middle East target region.

Due to the high degree of estimation uncertainty with regard to the usability of tax loss carryforwards and the significance of the financial statement item for the net assets and results of operation of DF Group, this matter was of particular importance in the context of our audit.

2. Audit procedure

As part of our audit, we obtained an understanding of the process implemented at DF Group for recognizing and measuring deferred tax assets on tax loss carryforwards. In doing so, we have retraced the methodical approach taken by the legal representatives to assess the recognition and measurement of deferred tax assets on tax loss carryforwards.

We also assessed the appropriateness of the assumptions made by the legal representatives in the tax planning with assistance from our internal tax specialists. In this context, we primarily reviewed the assessment by the legal representatives with regard to further political developments in the Middle East target region, especially in Iran, and their consideration in the context of the tax planning. In addition, we reviewed the interpretation of the applicable tax legislation and the accrual of future taxable profits in Germany.

3. Reference to related disclosures

The disclosures on deferred taxes are included in section (6) "Accounting and valuation policies – Deferred tax assets and liabilities" and in section (15) "Income tax" of the notes to the consolidated financial statements.

Other information

The legal representatives and the Supervisory Board are responsible for the other information. Other information includes:

» the corporate governance statement pursuant to section 289f and section 315d HGB,
» the responsibility statement by the Board of Management pursuant to section 297 (2) sentence 4 HGB and pursuant to section 315 (1) sentence 5 HGB as well as
» the remaining parts of the 2020 Annual Report,
» but not the consolidated financial statements, not the Group management report, and not our audit opinion thereon.

The Supervisory Board is responsible for the Report of the Supervisory Board. The declaration pursuant to section 161 of the German Stock Corporation Act (AktG) on the German Corporate Governance Code, which forms part of the corporate governance statement, is the responsibility of the legal representatives and the Supervisory Board. Otherwise, the legal representatives are responsible for providing other information.

Our opinions on the consolidated financial statements and on the Group management report do not cover the other information and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, we are obliged to read the above-mentioned other information provided and assess whether such other information

» is materially inconsistent with the consolidated financial statements, the Group management report or our knowledge obtained in the audit or
» otherwise appears to be materially misstated.

If, on the basis of the work performed, we conclude that such other information includes material misrepresentations, we are obliged to report on that fact. We have nothing to report in this respect.

Responsibilities of the legal representatives and the Supervisory Board for the consolidated financial statements and the Group management report

The legal representatives are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRS as adopted by the EU and the additional requirements of German commercial law pursuant to section 315e (1) HGB and for ensuring that the consolidated financial statements, in conformity with these requirements, give a true and fair view of the net assets, financial position and results of operation of the Group. In addition, the legal representatives are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the legal representatives are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to the going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, unless there is an intention to liquidate the Group or to cease operations or there is no realistic alternative but to do so.

Furthermore, the legal representatives are responsible for the preparation of the Group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the future opportunities and risks. In addition, the legal representatives are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a Group management report that is in accordance with the applicable German legal requirements and to be able to provide sufficient appropriate evidence for the assertions in the Group management report.

The Supervisory Board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the Group management report.

Auditor’s responsibilities for the audit of the consolidated financial statements and of the Group management report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the Group management report as a whole provides an appropriate view of the Group’s position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with German legal requirements and appropriately presents the future opportunities and risks as well as to issue an auditor’s report that includes our opinions on the consolidated financial statements and on the Group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with section 317 HGB and the EU Audit Regulation and in compliance with German generally accepted standards for the audit of annual financial statements promulgated by the Institute of Public Auditors in Germany (Institut der Wirtschaftsprüfer – IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in total, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this Group management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

» identify and assess the risks of material misstatement in the consolidated financial statements and in the Group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk that material misstatements are not detected is higher where fraud is concerned as compared to error because fraud may include fraudulent collaboration, falsifications, intended incompleteness, misleading presentations or the manipulation of internal controls;

» obtain an understanding of the internal control system relevant to the audit of the consolidated financial statements and of arrangements and measures relevant to the audit of the Group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems;

» assess the appropriateness of the accounting methods used by the legal representatives and the justifiability of the estimated values presented by the legal representatives and related disclosures;

» conclude on the appropriateness of the legal representatives’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor’s report to the related disclosures in the consolidated financial statements and in the Group management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. It is possible, however, that future events or circumstances result in the Group's inability to continue as a going concern;

» evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the net assets, financial position and results of operation of the Group in conformity with IFRS as adopted by the EU and the additional requirements of German commercial law pursuant to section 315e (1) HGB;

» obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express opinions on the consolidated financial statements and on the Group management report.

We are responsible for the instruction, supervision and performance of the Group audit. We are solely responsible for our audit opinions;

» evaluate the consistency of the Group management report with the consolidated financial statements, its conformity with German law and the view of the Group's position it provides;

» perform audit procedures on the forward-looking information presented by the legal representatives in the Group management report. On the basis of sufficient appropriate audit evidence, we evaluate, in particular, the significant assumptions used by the legal representatives as a basis for the forward-looking information and evaluate the proper derivation of the forward-looking information from these assumptions. We do not express a separate opinion on the forward-looking information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the forward-looking information.

We communicate with those charged with supervision on matters such as the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with supervision with a statement that we have complied with the relevant independence requirements and discuss with them all relationships and other matters that may reasonably be thought to bear on our independence, as well as the related safeguards.

Of the facts and circumstances we discussed with those responsible for supervision, we determine those facts and circumstances that were the most important in the audit of the consolidated financial statements for the current reporting period and thus constitute particularly important audit matters. We describe such matters in the audit opinion unless statutes or other regulations prohibit the public disclosure of such matters.

OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on the audit of the electronic reproductions of the consolidated financial statements and the Group management report prepared for the purpose of disclosure in accordance with section 317 (3b) HGB

Audit opinion

We performed a reasonable assurance audit pursuant to section 317 (3b) HGB to determine whether the reproductions of the consolidated financial statements and the Group management report (hereinafter also referred to as "ESEF documents") contained in the attached file DFAG_Konzern_2020-12-31.zip and prepared for the purpose of disclosure comply in all material respects with the requirements of section 328 (1) HGB on the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this audit covers only the transfer of the information contained in the consolidated financial statements and the Group management report into the ESEF format and therefore neither to the information contained in these reproductions nor to any other information contained in the above-mentioned file.

In our opinion, the reproductions of the consolidated financial statements and the Group management report contained in the aforementioned attached file and prepared for the purpose of disclosure comply in all material respects with the requirements of section 328 (1) HGB on the electronic reporting format. Other than this audit opinion and our opinions on the accompanying consolidated financial statements and on the accompanying Group management report for the financial year from 1 January 2020 to 31 December 2020 included in the "Report on the audit of the consolidated financial statements and the Group management report" above, we do not express any opinion on the information contained in these reproductions or on any other information contained in the aforementioned file.

Basis for the audit opinion

We conducted our audit of the reproductions of the consolidated financial statements and the Group management report contained in the above-mentioned attached file in accordance with section 317 (3b) HGB and in compliance with the draft IDW Auditing Standard: "Prüfung der für Zwecke der Offenlegung erstellten elektronischen Wiedergaben von Abschlüssen und Lageberichten nach § 317 Abs. 3b HGB" ("Audit of Electronic Reproductions of Financial Statements and Management Reports Prepared for the Purpose of Disclosure pursuant to Section 317 (3b) HGB") (IDW EPS 410). Our responsibility under this standard is further described in the section "Auditor's responsibility for the audit of the ESEF documents". Our auditing firm has applied the quality assurance system requirements of the IDW Quality Assurance Standard: "Anforderungen an die Qualitätssicherung in der Wirtschaftsprüferpraxis" ("Requirements for Quality Assurance in Auditing Practice") (IDW QS 1).

Responsibilities of the legal representatives and the Supervisory Board for the ESEF documents

The legal representatives are responsible for the preparation of the ESEF documents containing the electronic reproductions of the consolidated financial statements and the Group management report in accordance with section 328 (1) sentence 4 No. 1 HGB and for marking up the consolidated financial statements in accordance with section 328 (1) sentence 4 No. 2 HGB.

The legal representatives are also responsible for the internal controls they consider necessary to enable the preparation of the ESEF documents that are free from material non-compliance, whether due to fraud or error, with the electronic reporting format requirements of section 328 (1) HGB.

Furthermore, the legal representatives are responsible for submitting the ESEF documents together with the audit opinion and the attached audited consolidated financial statements and audited Group management report as well as other documents to be disclosed to the operator of the Federal Gazette.

The Supervisory Board is responsible for monitoring the preparation of the ESEF documents as part of the financial reporting process.

Auditor's responsibility for the audit of the ESEF documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material non-compliance, whether due to fraud or error, with the requirements of section 328 (1) HGB. We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

» identify and assess the risks of non-compliance with the requirements of section 328 (1) HGB, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion;

» obtain an understanding of the internal controls that are relevant for the audit of the ESEF documents in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these controls;

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» assess the technical validity of the ESEF documents, i.e. whether the file containing the ESEF documents meets the requirements of Delegated Regulation (EU) 2019/815, as last amended prior to the reporting date, regarding the technical specification for that file;

» assess whether the ESEF documents provide a consistent XHTML reproduction of the audited consolidated financial statements and the audited Group management report;

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» assess whether the mark-up of the ESEF documents with inline XBRL technology (iXBRL) provides an adequate and complete machine-readable XBRL copy of the XHTML reproduction.

Further disclosures pursuant to Article 10 of the EU Audit Regulation

We were elected as Group auditor by the Annual General Meeting on 27 July 2020. We were engaged by the Supervisory Board on 5 November 2020. We have been the Group auditor of DF Deutsche Forfait AG, Grünwald, without interruption since the financial year 2014.

We declare that the audit opinions included in this audit report conform with the additional report to the Supervisory Board in accordance with Article 11 EU Audit Regulation (audit report).

German public accountant responsible for the audit

The German public accountant responsible for the audit is Andreas Schuster.

Munich, 27 April 2021

Warth & Klein Grant Thornton AG
Wirtschaftsprüfungsgesellschaft

Stephan Mauermeier	Andreas Schuster
Wirtschaftsprüfer	Wirtschaftsprüfer

RESPONSIBILITY STATEMENT BY THE MANAGEMENT BOARD

To the best of our knowledge and in accordance with the applicable accounting principles, the consolidated financial statements as of December 31, 2020 give a true and fair view of the assets, liabilities, financial position and the profit or loss of the Group. The 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.

27 April 2021

The Management Board

SUPERVISORY BOARD REPORT

DEAR SHAREHOLDERS,

The COVID-19 pandemic was the biggest challenge for all of us in the financial year 2020, with the world economy severely affected by its consequences. Even in this difficult environment, DF Group once again managed to clearly exceed break-even point in the financial year 2020. The Group more than doubled its consolidated net income to EUR 6.8 million thanks to a product portfolio that is geared to customer needs as well as a clear strategic focus.

Supervisory Board activity report

In the financial year 2020, the Supervisory Board continuously monitored the business performance of DF Deutsche Forfait AG ("**DF AG**" or "**company**") and fulfilled all the tasks imposed on it by law and by the Memorandum of Association.

The Supervisory Board regularly supervised the activities of the Management Board and provided advice. In accordance with their supervisory function, the Supervisory Board, and in particular the Chairman and the Deputy Chairman of the Supervisory Board, liaised regularly with the Management Board. The latter kept the Supervisory Board informed of all relevant business events and strategic decisions as well as the financial position of DF Group through both written and oral reports.

Changes on the Management Board and the Supervisory Board

There were no changes in the composition of the Management Board of DF AG in the financial year 2020.

The following changes occurred on the Supervisory Board in the past financial year. At the beginning of the financial year, the Supervisory Board consisted of Dr. Ludolf von Wartenberg, Prof. Dr. Wulf-W. Lapins and Ms. Bianca Engel. On 13 March 2020, Dr. Ludolf von Wartenberg and Prof. Dr. Wulf-W. Lapins were elected Chairman and Vice Chairman of the Supervisory Board. Effective 16 April 2020, Ms. Bianca Engel resigned from the Supervisory Board for personal reasons; she was replaced by Dr. Gerd-Rudolf Wehling with effect from 21 April 2020. At the company's Annual General Meeting on 30 June 2020, it was resolved, as part of the amendment of the Memorandum of Association, that the Supervisory Board should continue to consist of three members instead of four in the future.

Supervisory Board meetings

A total of five meetings and one video conference were held in the financial year 2020. These were attended by all members of the Supervisory Board.

Focus of Supervisory Board meetings

In the financial year 2020, the Supervisory Board primarily addressed the company's business policy development. Moreover, the consequences of the COVID-19 pandemic as well as other current issues were discussed regularly.

At the meeting on 13 March 2020, the Supervisory Board approved the individual country limits. In addition, decisions were made on the declaration of conformity and the updated compliance policies.

On 29 April 2020, the Supervisory Board adopted both the separate financial statements of DF AG for 2019 and the consolidated financial statements for 2019. The company's auditors attended the meeting and were available to answer all questions. In April 2020, the Supervisory Board adopted the Report of the Supervisory Board for the period ended 31 December 2019.

At the meeting on 29 June 2020, the Supervisory Board addressed, among other things, the business performance and the strategic positioning of the company. Other items on the agenda included the preparation of the Annual General Meeting and the current status of the collection of the creditor assets.

At the constituent meeting of the Supervisory Board on 30 June 2020, Dr. Ludolf von Wartenberg was elected Chairman of the Supervisory Board and Prof Wulf-W. Lapins was elected Vice Chairman of the Supervisory Board.

At the video conference on 25 November 2020, the existing certificates structure in Luxembourg was discussed.

At the Supervisory Board meeting on 15 December 2020, the members voted to dissolve the certificates structure in Luxembourg. In addition, the business development and the halfyear financial report as of June 30, 2020 were reviewed. Other items discussed included the implementation of the European Single Electronic Format (ESEF), the compensation system of the Management Board pursuant to ARUG II as well as the current status of the collection of creditor assets. Finally, the efficiency review of the Supervisory Board was also discussed.

Supervisory Board committees

As the company's Annual General Meeting on 30 June 2020 decided to limit the Supervisory Board to three members, it was also resolved in this context to no longer form committees from among the Supervisory Board members. Previously, the duties of the Supervisory Board had also been performed by all of its members.

Corporate Governance

The Supervisory Board remained committed to good corporate governance throughout the financial year 2020. For information on corporate governance, please refer to the corporate governance statement, which forms part of the Annual Report. In the financial year 2020, the declaration of conformity by the Management Board and the Supervisory Board was published in March and made permanently available on the company's website; the latest declaration of conformity by the Management Board and the Supervisory Board was issued in March 2021 and has also been made permanently available to the shareholders on the company's website.

Conflicts of interest

No conflicts of interest involving members of the Supervisory Board were made known to the Supervisory Board during the financial year 2020.

Financial statements 2020

At the Annual General Meeting on 30 June 2020, Warth & Klein Grant Thornton AG Wirtschaftsprüfungsgesellschaft, Munich, were elected auditors for the separate financial statements and the consolidated financial statements for the financial year from 1 January 2020 to 31 December 2020.

The separate financial statements and the management report for 2020 as well as the consolidated financial statements for 2020 and the Group management report of DF AG were audited by Warth & Klein Grant Thornton AG Wirtschaftsprüfungsgesellschaft, Munich.

The separate financial statements, the management report, the consolidated financial statements and the Group management report for the financial year 2020 were available to all members of the Supervisory Board for detailed examination prior to the Supervisory Board meeting on 27 April 2021. At the Supervisory Board meeting on 27 April 2021, the auditors explained all relevant items of the documents. All accounting-related questions and issues were discussed in depth. Finally, the auditors confirmed their independence. Following its own indepth examination and discussion, the Supervisory Board concurred with the result of the audit and approved the separate financial statements as well as the consolidated financial statements of DF Group on 27 April 2021. The financial statements of DF Deutsche Forfait AG were thus finalized. No objections were raised. The Supervisory Board approved the management reports and the assessment of the company's future development.

The Supervisory Board thanks the Management Board and the employees for their work in the financial year 2020.

27 April 2021

On behalf of the Supervisory Board
Dr. Ludolf von Wartenberg
Chairman of the Supervisory Board

CORPORATE GOVERNANCE STATEMENT

As part of the management report, DF Deutsche Forfait AG (also referred to as „DF AG" or „the company") reports in this statement in accordance with Sections 289 f and 315 d of the German Commercial Code (HGB) and in accordance with Principle 22 of the recommendations of the „Government Commission on the German Corporate Governance Code" in the current version dated December 16, 2019 („GCGC") on corporate management and the main elements of the company's corporate governance structures. The information in the declaration is not included in the audit of the financial statements in accordance with section 317 (2) sentence 6 of the German Commercial Code (HGB).

I. Declaration of conformity

Declaration of conformity pursuant to Section 161 of the German Stock Corporation Act (AktG) on the recommendations of the „Government Commission on the German Corporate Governance Code" as amended on December 16, 2019 for the 2020 financial year. The company's declaration of conformity of March 2020 is published in a separate section on the website of DF AG at http://www.dfag.de/investor-relations/corporate-governance/. The same applies to the declaration of conformity issued in March 2021 for the current financial year.

The GCGC is intended to make the rules for corporate management and supervision applicable in Germany transparent for national and international investors in order to strengthen confidence in the corporate management of German companies. The German Corporate Governance Code is of great importance to DF AG. DF AG is committed to compliance, transparency and integrity and has the desire to be an organisation in which these values are a core element of its corporate culture.

II. Relevant information regarding corporate governance practice

DF AG aims for corporate governance based on a sense of responsibility, transparency and value enhancement for the shareholders. The relevant principles are derived from the law, the company's articles of association and the recommendations of the GCGC.

Compliance and adherence to ethical standards are of utmost importance to DF Group. In the financial year 2020, DF Group continued to update the Group-wide compliance system in cooperation and coordination with external advisors and to adapt it to the recommendations of the GCGC and changes in the law. This included, in particular, the topics of (i) sanctions regulations, including the maintenance of the IT systems, which are used to automatically check new and existing customers on each working day with regard to their inclusion in sanctions lists relevant to DF Group's business, (ii) money laundering prevention and (iii) data protection. Verifications in accordance with the German Money Laundering Act (GwG), including know-your-customer checks, are an integral part of DF Group's compliance system, as are the Code of Conduct and Ethics for the Employees of DF Deutsche Forfait AG and its Subsidiaries and the whistleblower system of DF Deutsche Forfait AG and its Subsidiaries, which was terminated on 30 November 2020. The Code of Conduct is published in a separate section on the website of DF AG at https://www.dfag.de/corporate-governance/.

III. Work of the Management Board and the Supervisory Board

As a German stock corporation, DF AG has a dual management and control structure consisting of a Board of Management and a Supervisory Board in accordance with legal requirements.

Management Board/Executive Board

The Management Board of DF Deutsche Forfait AG consisted of two members in the 2020 financial year. The members of the Exectuive Board are appointed by the Supervisory Board. They manage the company on their own responsibility with the aim of sustainable value creation and in the company's interest, i.e. considering the interests of the shareholders, the company's employees and other groups associated with the company (stakeholders). The members of the Executive Board conduct the business of the company with due diligence of a prudent and conscientious businessman in accordance with the provisions of the law, the Articles of Association of the company and the rules of procedure for the Executive Board issued by the Supervisory Board. The cooperation between the members of the Executive Board is regulated in the rules of procedure, and the responsibilities of the members of the Executive Board are defined in the schedule of responsibilities. The rules of procedure also contain a catalogue of transactions for which the Executive Board requires the approval of the Supervisory Board. The Executive Board works together with the other bodies of the company in a spirit of trust for the benefit of the company.

In determining the composition of the Executive Board, the Supervisory Board is guided by professional knowledge and experience as well as personal suitability. It also takes into account aspects such as age, gender, educational or professional background. Diversity is only given secondary consideration, even though the Supervisory Board is fundamentally open to a diverse board composition.

Supervisory Board

The Supervisory Board of DF AG advises the Management Board of the company and monitors its management activities. In accordance with the articles of association, it consists of four members, and following the amendment of the articles of association on July 28, 2020, it now consists of three members, all of whom are elected by the Annual General Meeting. The members of the Supervisory Board are elected individually in accordance with recommendation C.15 of the GCGC.

The Supervisory Board has performed its assigned tasks regarding the risk principles and risk management of DF AG in the plenary session of the Supervisory Board since January 15, 2016. Reviews and nominations are also carried out by the full Supervisory Board. Pursuant to the resolution of the Annual General Meeting of June 30, 2020, paragraph 4 of Section 13 of the Articles of Association has expired and therefore the formation of committees is no longer provided for in the currently applicable Articles of Association of July 28, 2020.

In its composition, the Supervisory Board ensures that its members as a whole have the professional knowledge, skills and experience required for the performance of their duties. It also takes into account aspects such as age, gender, educational or professional background. Diversity is only given secondary consideration, even though the Supervisory Board is fundamentally open to a diverse board composition.

Close cooperation between the Management Board and the Supervisory Board

The Management Board and the Supervisory Board of DF AG work closely together in a spirit of trust for the benefit of the company. The Supervisory Board, in particular the Chairman of the Supervisory Board and his deputy, is in regular contact with the Board of Management in order to exercise its control function.

The Management Board develops the strategic orientation of the company, coordinates it with the Supervisory Board and ensures its implementation. Transactions and entrepreneurial measures of particular importance require the approval of the Supervisory Board. Through regular, timely and comprehensive dialogue with the Executive Board, the Supervisory Board is informed at all times about the strategy, planning, business development as well as the risk management and significant risk positions of the company.

IV. Information on the promotion of equal participation of women on the Management Board, the Supervisory Board and in management positions

In the 2020 financial year, the Executive Board of the company consisted of Dr Behrooz Abdolvand (also Chairman of the Executive Board) and Mr Hans-Joachim von Wartenberg.

As at December 31, 2020, the Executive Board consisted of two members with a female share of 0%. By resolution of March 13, 2020, the Supervisory Board set a target of 33% for the proportion of women on the Executive Board by December 31, 2020 in accordance with section 111(5) of the AktG. This target figure is higher than the current level. This is due to the fact that there is currently no management level below the Executive Board in the company, which makes the identification of suitable female candidates much more difficult.

Until April 16, 2020, the Supervisory Board consisted of three members, Dr Ludolf von Wartenberg (Deputy Chairman of the Supervisory Board), Prof. Dr Wulf-W. Lapins and Ms Bianca Engel. As of December 31, 2020 and at present, the Supervisory Board consists of three members, Dr Ludolf von Wartenberg (Chairman of the Supervisory Board), Prof. Dr Wulf-W. Lapins (Deputy Chairman of the Supervisory Board) and Dr Gerd-Rudolf Wehling; the latter was appointed by the court on April 21, 2020 at the request of the Executive Board. Ms Bianca Engel resigned from the Supervisory Board in March 2020 with effect from April 16, 2020. Due to the resignation of the former Chairman of the Supervisory Board, Mr Franz Josef Nick, on November 8, 2019, the Deputy Chairman of the Supervisory Board, Dr Ludolf von Wartenberg, took over as Chairman of the Supervisory Board until the new election on March 13, 2020. There were no other personnel changes on the Supervisory Board in the financial year from January 1, to December 31, 2020.

The proportion of women on the Supervisory Board was therefore 0% at the end of the 2020 financial year.

By resolution of 13 March 2020, the Supervisory Board set the target for the proportion of women on the Supervisory Board at 25% by December 31, 2020 in accordance with Section 111 (5) of the German Stock Corporation Act (AktG). This target figure is higher than the current level. Diversity is taken into account in the composition of the Supervisory Board, but the experience, skills and knowledge of the individual are of primary importance to the company. With a Supervisory Board consisting of only three members in accordance with the Articles of Association, the consideration of further criteria would, in the view of the Supervisory Board, lead to a disproportionate restriction in the selection of candidates.

Due to the outsourcing of the company's operating business to DF Deutsche Forfait GmbH in August 2016, there are currently no management levels below the Board of Management at DF AG. Therefore, the Management Board cannot set any targets pursuant to Section 76 (4) of the German Stock Corporation Act (AktG).

V. Other corporate governance information

Transparent communication

DF AG aims for open and transparent communication with its shareholders and its creditors. The website contains the key dates that might be of interest to shareholders in particular, including the publication dates of annual and interim reports. Further information relates, for example, to reportable securities transactions in accordance with Regulation (EC) No 596/2014 on Market Abuse (Market Abuse Regulation), ad hoc notifications, as well as press releases.

Efficiency audit

The regular review of the efficiency of the Supervisory Board represents an important building block of good corporate governance. Recommendation D.13 of the GCGC states that the Supervisory Board should regularly assess how effectively the Supervisory Board as a whole and its committees fulfil their tasks. A questionnaire tailored to the specifics of DF AG was developed for this purpose. This questionnaire is regularly sent to the members of the Supervisory Board. The results of the survey are then discussed at a Supervisory Board meeting. The questionnaire covers, in particular, the organisational processes in the Supervisory Board, the timely and sufficient provision of information to the Supervisory Board as well as personnel-related issues. The results of the efficiency review were discussed by the Supervisory Board in the meeting on December 15, 2020.

Risk management, accounting and auditing, compliance

The risk management system set up by the company serves, on the one hand, to spread risks and limit them in line with the company's risk-bearing capacity, primarily to prevent losses and to avoid jeopardising the company's existence. On the other hand, risks are to be recognised at an early stage in order to avoid them, if possible, or at least to be able to take suitable countermeasures in good time. The risk management system is continuously reviewed and further developed and adapted to changing circumstances.

The consolidated financial statements of DF Group are prepared in accordance with the International Financial Reporting Standards (IFRS) as applicable in the European Union and in accordance with Section 315e of the German Commercial Code (HGB). The separate financial statements of DF AG are prepared in accordance with the provisions of the German Commercial Code (HGB) and the German Stock Corporation Act (AktG).

Warth & Klein Grant Thornton AG Wirtschaftsprüfungsgesellschaft, Munich, was elected as auditor and group auditor for the financial year 2020 by the Annual General Meeting on June 30, 2020 and appointed as such by the Supervisory Board. Prior to the engagement, the Supervisory Board satisfied itself that the relationship between the auditor and the Company or its executive bodies does not give rise to any doubts as to the independence of the auditor. Warth & Klein Grant Thornton AG Wirtschaftsprüfungsgesellschaft, Munich, audited the individual and consolidated financial statements for the financial year from January 1, to December 31, 2020.

Compensation of the Management Board and the Supervisory Board

In the remuneration report of the consolidated financial statements, the basic principles of the remuneration of the Executive Board and the Supervisory Board are presented in detail and the remuneration of the members of the Executive Board is reported individually in accordance with the legal requirements. The remuneration report is part of the audited consolidated financial statements for the 2020 financial year.

Shareholdings and reportable transactions of the Management Board and the Supervisory Board

Shareholdings of members of the Management Board

The shareholdings of the members of the Executive Board as of December 31, 2020 were as follows:
The members of the Executive Board in office during the financial year did not directly or indirectly hold any shares in the Company as of December 31, 2020.

Shareholdings of members of the Supervisory Board

The shareholdings of the members of the Supervisory Board were as follows as of December 31, 2020:
Members of the Supervisory Board directly or indirectly held only a minor amount of shares in the company as of December 31, 2020, in total less than 0.02% of the shares of DF AG.

Reportable transactions

According to Art. 19 MAR, the members of the Board of Management and the Supervisory Board are obliged to disclose the purchase or sale of shares of DF AG by them or by persons closely related to them to DF AG and the competent supervisory authority. The transactions reported to DF AG in accordance with Art. 19 MAR are available on the website of DF AG at www.dfag.de in the „Investor Relations“ section under „Corporate Governance“.

Other information

With regard to the avoidance of potential conflicts of interest and the number of independent Supervisory Board members, the Supervisory Board has set itself the goal that, taking into account the ownership structure, at least half of the Supervisory Board members are independent. The Supervisory Board has assessed the independence of its members in accordance with the recommendation in Recommendation C.7 of the GCGC. The supervisory board considered all members of the supervisory board to be independent in the 2020 financial year. Also at present, despite the existence of a family relationship between a member of the Executive Board and a member of the Supervisory Board, the Supervisory Board considers all members of the Supervisory Board to be independent.

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