



DF Deutsche Forfait AG

Diversification-Transparency-Flexibility

Annual Report for the fiscal year
1 January to 31 December 2023



DF Deutsche Forfait AG

CONTENT

FOREWORD BY THE MANAGEMENT BOARD	3
COMBINED MANAGEMENT REPORT AND GROUP MANAGEMENT REPORT	
I. Fundamentals of the Group	5
II. Economic report	9
III. Report of the Management Board on the disclosures pursuant to Sections 289a and 315a of the German Commercial Code (HGB)	16
IV. Corporate governance statement pursuant to Sections 289f and 315d of the German Commercial Code (HGB)	19
V. Opportunity and risk report	19
VI. Forecast	28
VII. Additional disclosures for DF Deutsche Forfait AG	31
CONSOLIDATED FINANCIAL STATEMENTS	
Consolidated Balance Sheet – Assets	35
Consolidated Balance Sheet – Equity and Liabilities	36
Consolidated Income Statement	37
Consolidated Statement of Comprehensive Income	38
Consolidated Cash Flow Statement	39
Consolidated Statement of Equity Changes	40
Notes to the consolidated financial statements	41
INDEPENDENT AUDITOR'S REPORT	75
RESPONSIBILITY STATEMENT BY THE BOARD OF MANAGEMENT	85
SUPERVISORY BOARD REPORT	86
CORPORATE GOVERNANCE REPORT	90

FOREWORD BY THE MANAGEMENT BOARD

DEAR SHAREHOLDERS, DEAR READERS,

The year 2023 began very promisingly for us, in line with our principle of “Moving forward”. The trading product was launched and we were able to realize our first transactions. This product gives DF Group more flexibility. Following the introduction of the factoring product in 2022, we have thus taken a further step towards diversification with Trading.

Even though the new year began on a positive note, we cannot ignore the fact that the events at a correspondent bank have kept us busy since the middle of the year. The special audit ordered at the correspondent bank in June 2023 significantly restricted our business planning in the following months. This was mainly due to the fact that our funds were blocked in the bank's account for months. Thanks to our intensive investigative work in the second half of 2023, we were able to obtain the release of our blocked funds by the special auditors and achieve the disbursement of our funds in December 2023. As a result, we have successfully proved the unfounded suspicion of money laundering against Deutsche Forfait GmbH to be absurd.

Apart from this, geopolitical and therefore economic uncertainties in foreign trade increased compared to the previous year. Russia's war against Ukraine entered its second year in February 2023 and there is no end in sight. On 7 October 2023, the terrorist organization Hamas carried out a massive and cruel attack from the Gaza Strip on civilians and defense forces in Israel, whereupon Israel launched significant counterattacks against Hamas in the Gaza Strip. At the end of 2023, the Houthi militias launched their first attacks on international container ships in the Red Sea, which led to counter-attacks by the United States and the United Kingdom against the Houthi militias. In addition, there was an increase in military clashes between Israel and Hezbollah. Despite the increased geopolitical tensions and risks, DF Group was repeatedly able to assert itself profitably thanks to its business focus in the humanitarian sector, its market knowledge in the Near and Middle East and its strategic partnerships.

Overall, DF Group generated a gross profit of EUR 8.4 million in the financial year 2023, i.e. down 20.4% on the previous year. Earnings before taxes amounted to EUR 3.5 million, down 44.1% on the previous year. Despite the decline, the figures show that we remain profitable even in difficult times.

In short, thanks to its transparent approach to politics and the authorities and the diversification of its product portfolio, DF Group continued to make progress in the financial year 2023. By launching as a trader, we have created an additional opportunity to use our own operating funds profitably. In this respect, we will continue to focus on progress in the financial year 2024 by focusing on **“transparency & flexibility through diversification”**. We will keep you posted!

Kind regards,

The Board of Management of DF Deutsche Forfait AG

I. FUNDAMENTALS OF THE GROUP

1) Business model of the Group

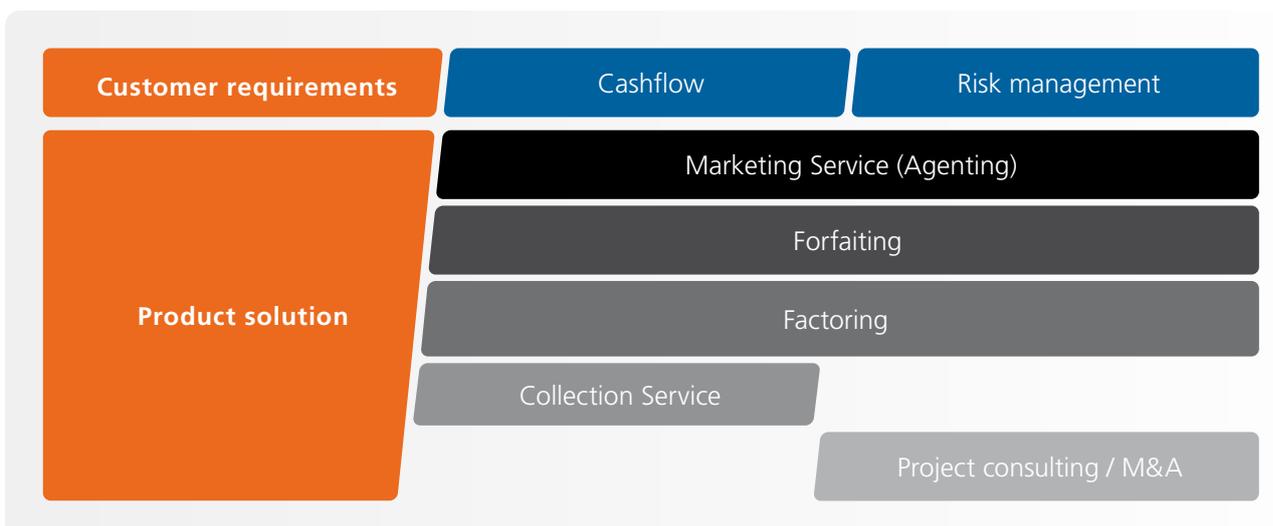
DF Group is a specialist for foreign trade finance and related services. Its customers include exporters, importers and other financial companies. DF Group has specialized in the countries of the Near and Middle East, with the main focus on Iran. Where trade with Iran is concerned, it has focused its activities exclusively on humanitarian goods since the summer of 2018 for business policy reasons.

Since 2023, DF Group has also acted as an independent trader of agricultural products. As of the financial year 2024, DF Group will additionally focus on selected Eastern European countries to diversify its target countries. The main focus will be placed on Ukraine, Uzbekistan and Kazakhstan.

DF Group’s product portfolio is tailored to the geographical focus and specific customer needs. In the context of its marketing services, the Group – 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. The Group also collects foreign trade receivables, which is done via its Czech subsidiary, DF Deutsche Forfait Middle East s.r.o., for the Near and Middle East region. DF Deutsche Forfait s.r.o. covers the remaining geographies with a focus on Eastern Europe and emerging markets.

Factoring services, which were added to DF Group’s product portfolio in late 2020, are also provided by the Prague-based subsidiary, primarily to Czech customers. Forfaiting – where receivables are purchased by Deutsche Forfait GmbH or DF ME s.r.o. taking into account the specific risks of each individual transaction – also made a contribution to revenues in the reporting period. 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 and training services.

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



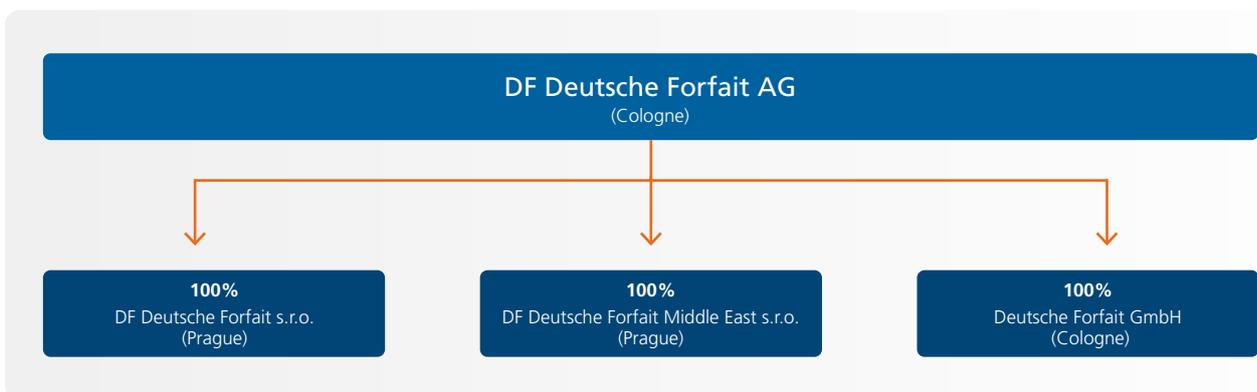
With the aim of further diversification, DF Group has added M&A activities to its project consulting portfolio (formerly project finance consulting). The focus of project consulting remains on consulting and other services in the context of project financing, which are also offered beyond the target region – primarily in emerging markets. This increases the geographical diversification of DF Group’s business activity. In addition, own M&A activities have been added to the portfolio.

Since 2023, DF Group has additionally been acting as an independent trader of agricultural products in the new Trading segment in compliance with applicable regulations. In this business segment, DF Group buys and sells agricultural products on its own account, takes care of transportation and handles all business-related activities independently. Ownership of the goods is transferred to DF Group and held in its own inventory for a certain period of time. The first transaction was successfully completed in mid-2023. The opportunities arising here are gradually being seized, constantly taking into account all laws, compliance guidelines and risk factors.

DF Group’s business model is influenced by legal, political and economic factors, especially with regard to sanctions and trade restrictions. The company’s internal Compliance Team primarily monitors compliance with restrictions and performs checks of the parties involved (KYC).

Structure of DF Group

DF Deutsche Forfait AG (“DF AG” or “company”), headquartered in Cologne, is the holding company and ultimate parent of DF Group. DF AG has three operating subsidiaries, namely Deutsche Forfait GmbH (“DF GmbH”) in Cologne, Germany, as well as DF Deutsche Forfait s.r.o. (“DF s.r.o.”) and DF Deutsche Forfait Middle East s.r.o. (“DF ME s.r.o.”), based in Prague, Czech Republic.



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

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

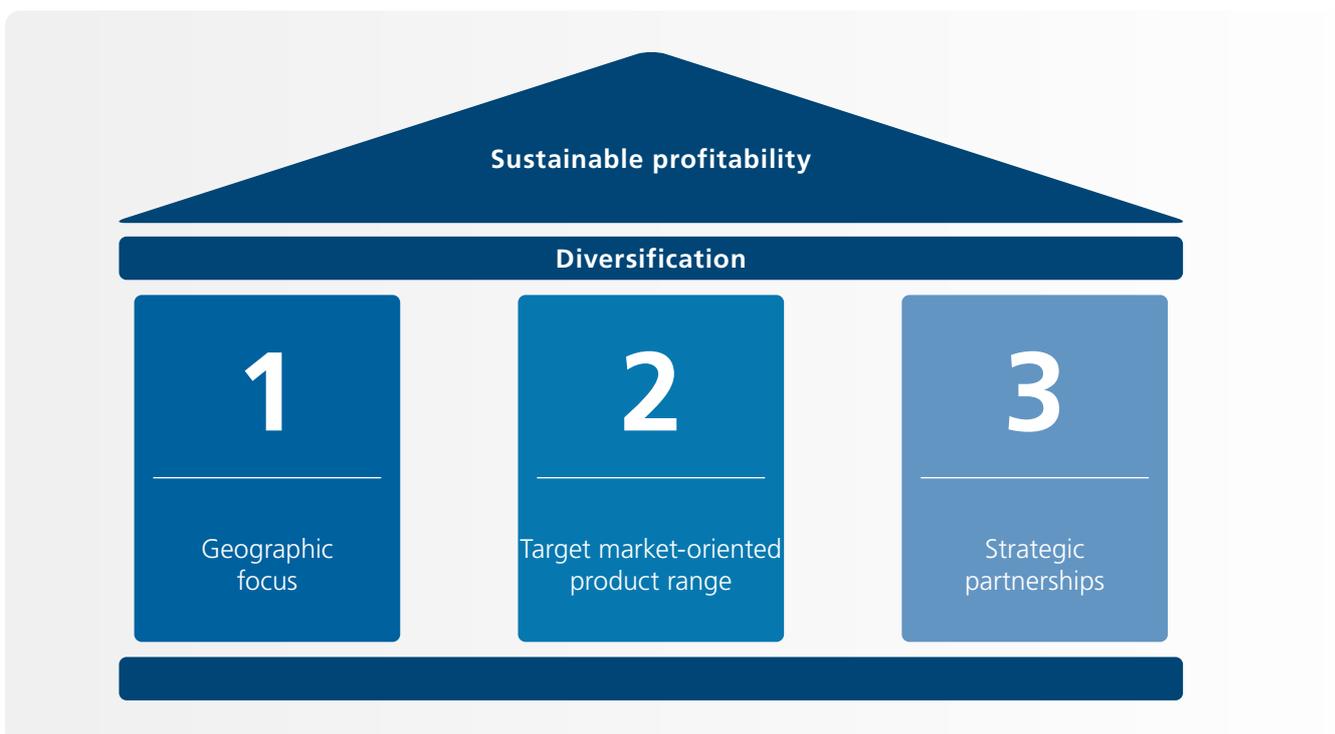
Employees:

In the financial year 2023, DF Group employed an average of 18 people, including the Board of Management (previous year: 21 people).

2) Objectives and strategies

DF Group provides its consulting and other services primarily in the field of foreign trade finance and has additionally acted as a trader of agricultural products since 2023. After its return to profitability in 2019 and the subsequent positive operating performance, DF Group aims to expand its sustainable profitability and will continue to pursue the defined diversification strategy as in the past financial years. This way, DF Group wants to become more attractive to equity and debt capital providers as well as for potential strategic partners. Consistent profitability is to be achieved in the medium to long term through the marketing of DF Group’s know-how and the expansion of its network in the market for foreign trade finance and related services, especially in the geographical target region of the Near and Mid-dle East as well as Eastern Europe and Central Asia.

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. Demand for DF Group's product solutions in these product groups of the humanitarian sector remains high. To reduce the dependence on a single market, DF Group plans to use the funds generated to push ahead with its geographical diversification and for expanding the product portfolio. When entering a new market, selective use can then be made of the existing expertise and network, which improves the chances of success. The focus on selected regions is also intended to generate economies of scale. This applies in particular with regard to the country-specific expertise required to meet the increasingly complex compliance requirements.

The product portfolio is primarily geared to customer and market needs in the target regions of Eastern Europe, Central Asia, and Near and Middle East. The already established collection and marketing services, which include compliance consulting services in addition to the agenting of transactions, offer desired foreign trade financing solutions in the target region. The factoring business, which is primarily offered in Czechia, is also an integral element of the product portfolio. The product portfolio has also been expanded through DF Group's entry in the market for project finance consulting as well as its own M&A activities; at the beginning of 2023, the Trading segment was additionally established, with DF Group itself acting as a trader in the food sector.

Building and establishing strategic partnerships is 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 aims to establish long-term partnerships also with other banks in which the respective strengths ideally complement each other and well-coordinated processes contribute to the fast and smooth settlement of transactions.

Besides DF Group's medium and long-term economic targets, a stronger focus is being placed on the definition of environmental and social goals and the adequate and reasonable anchoring of these goals in the company's strategy and planning.

3) Controlling system

DF Group controls its business in the context of an internal control system via the originated business volume and the funds available for the product solutions. This is defined as the sum total of the nominal values of all transactions closed by the marketing services and collection segments in a reporting period as well as the nominal values of all factoring transactions closed in a reporting period. The forfaiting and trading transactions are included in DF Group's total business volume at the average investment volume per transaction for the financial year.

The corporate planning process for the Marketing Services, Forfaiting, Trading and Debt Collection products, which takes about two months, is exclusively handled by DF Group's Board of Management. Planning for the Factoring product takes place in close coordination with the management of DF s.r.o. in Prague.

In addition to the business volume, the gross result is an important performance indicator for DF Group. The gross result is derived from the commission income of the aforementioned types of business less directly attributable expenses. In its reporting system, DF Group also uses earnings before taxes as a performance indicator. The above performance indicators are monitored within DF Group through internal monthly standardized reports, which are submitted to the Supervisory Board. In addition, a report on the transactions concluded and the income generated as well as a cash overview are prepared at the request of the Board of Management.

In its external reporting, DF Group uses the total business volume as well as the consolidated gross result and consolidated profit before taxes as performance indicators.

II. ECONOMIC REPORT

1) Macroeconomic and industry-related environment

In 2023, the global economic situation continued to be influenced by the effects of the war against Ukraine and the conflict between Hamas and Israel, which flared up again in October 2023.

At the beginning of 2023, the IMF expected the world economy to grow by 2.9% and 3.1% in 2023 and 2024, respectively. Compared with the last forecast from October 2022, this represents an upward revision of 0.2 percentage points for 2023 and a downward revision of 0.1 percentage points for 2024. This means, however, that growth is expected to slow down markedly by another 0.5 percentage points compared to 2022 and to remain well below the long-term average of 3.8% in the period from 2000 to 2019.

The slowdown in economic momentum is attributable in particular to the industrialized countries, which are projected to grow by only 1.2% this year, compared to 2.7% last year. The situation is different in the emerging and developing countries, which, according to IMF calculations, bottomed out already in 2022. Accordingly, a very slight recovery is expected from 2023 onwards – partly as a result of the opening of the Chinese economy after the pandemic. In 2023, China and India could account for more than 50% of global economic growth.

In 2022, the IMF still expected the volume of world trade to grow by 2.2% and 3.3% in 2023 and 2024, respectively. According to a WTO publication released in April 2023, global trade is expected to grow by only 1.7% in 2023. While this is more than previously estimated in October 2022, when the WTO had assumed an increase in trade volume of only one percent, it is still very low. For comparison: Trade volume grew by 10.4% in 2021 and still by 5.6% in 2022.

At the end of 2023, the WTO raised its forecast for 2023 from 2.3% to 2.4% as the outlook for global economic growth improved. A growth rate of 3.2% is projected for 2024, subject to the caveat that factors such as geopolitical tensions, supply shortages on the food market and negative effects of the interest rate hikes may still reduce this rate.

In the World Economic Outlook (WEO) update from July 2023, the experts of the International Monetary Fund (IMF) also upgraded last year's estimate of global economic growth for 2023 by 0.2% to 3% and maintained their forecast for 2024 at 3%. According to the IMF, there are still many problems, though, with high global inflation giving particular cause for concern. Growth is driven primarily by the major emerging countries such as China and India, with the emerging countries as a whole expected to grow by 4% in both 2023 and 2024.

For the eurozone, the experts project a decline to 0.9% and 1.4% in 2023 and 2024, respectively (from 3.5% in 2022). The German economy is forecast to contract by 0.3% in 2023 and then to pick up again by 1.2% in 2024. Growth in the USA is expected to slow from 2.1% in 2022 to 1.8% in 2023 and 1.0% in 2024. The IMF attributes the slowdown to the fact that US consumers used up most of their savings during the COVID-19 pandemic.

Core inflation is projected to decline to 6.8% in 2023 (from 8.7% in 2022) and to fall to 5.2% in 2024.

In April 2023, the Czech Ministry of Finance forecast "mini growth" of 0.1% in 2023 and a 3.0% increase in gross domestic product in 2024 for the Czech market relevant to DF Group. The annual rate of inflation is expected to be just over 10% in 2023 and to drop sharply to 2.4% in 2024.

Estimates for the financial year 2022/23 in Iran, an important target market for DF Group, ranged from an increase by 2.5% (IMF) to 2.7% (World Bank) and assumed an inflation rate of around 50%. According to preliminary calculations by the Iranian Central Bank, the economy in Iran grew by 5.3% in 2022/23. After three years of strong declines, Iran's foreign trade has also picked up again since 2021/22. According to Iranian customs data, imports, for example, increased by 12.6% to USD 59.7 billion in 2022/23.

According to a publication by the Federal Ministry for Economic Affairs and Climate Action dated 28 November 2023, the European economy is stagnating and showing a weak trend. Based on the latest IMF forecasts, growth in the euro area will decline from 3.3% in 2022 to 0.7% in 2023 (downgraded by 0.2 percentage points), before rising to 1.2% in 2024 (down-graded by 0.3 percentage points).

In its press release dated 23 February 2024, the Federal Statistical Office confirmed the 0.3% decline in Germany's economic output for 2023. In the last quarter of 2023, GDP decreased by 0.3% compared to the previous quarter in price, seasonally and calendar-adjusted terms. Declining investments weighed on the economy in the final quarter, while consumption increased slightly.

The economy in the euro area as a whole also slowed down in the fourth quarter of 2023. While Spain and Italy recorded an increase by 0.6% and 0.2%, respectively, in the third quarter, GDP in France and in the euro area as a whole stagnated (0.0%). In the USA, economic output was up by 0.8% on the previous quarter – a stronger increase than in most European countries.

According to Eurostat data, annual inflation in the euro area stood at 2.9% in December 2023 (Dec. 2022 = 9.2%) and at 2.8% in January 2024 (Jan. 2023 = 8.6%). In Germany, inflation declined from 9.2% in January 2023 to 3.8% in December 2023 and in Czechia from 19.2% to 7.6%. Statista forecasts an inflation rate of 47.01% for Iran for 2023.

According to the latest statistical report “Trade of agricultural commodities” by the United Nations Food and Agriculture Organization (FAO) dated December 2022, the monetary value of global food exports increased 2.7-fold in nominal terms between 2005 and 2021, from about USD 620 billion in 2005 to nearly USD 1,750 billion in 2021. Trade excluding fish accounted for the bulk of this, rising from USD 531 billion to USD 1,495 billion. Brazil was the main net exporter, followed by New Zealand, while the main net importers were China and Japan.

2) Business performance

a. Results of operation

In the financial year 2023, DF Group generated a positive consolidated result for the fifth consecutive time; this time, it amounted to kEUR 1,664 (previous year: kEUR 5,402). The lower profit after taxes is due to a reduced consolidated operating profit before taxes in the amount of kEUR 3,527 (previous year: kEUR 6,312) as well as to the utilization of deferred taxes in the amount of kEUR 1,146 resulting from the Group’s changed profitability analysis and budgeting. The change in the profitability analysis and budgeting is due to the market uncertainty resulting from the special audit at one of DF Group’s correspondent banks as well as to the lower margin from marketing services.

The business volume, which was mainly generated in the Near and Middle East target region, rose to EUR 182.1 million in 2023 (previous year: EUR 145.8 million). The higher business volume is mainly attributable to the increased business volume for marketing services.

The fact that the gross result was lower than in the previous year is due, on the one hand, to the months-long blockage of our funds and the overall market uncertainty caused by the special audit at a former correspondent bank of two DF companies. On the other hand, the margins in DF Group’s core business declined.

The marketing services segment, whose commission income had been the main revenue driver already in the previous years, generated earnings from a volume of kEUR 132,976 (previous year: kEUR 103,598). In addition, income was generated from the forfaiting business with a volume of kEUR 25,580 (previous year: kEUR 34,103), from the trading business with kEUR 20,675 (previous year: 0.00) and the factoring business, whose business volume of kEUR 2,025 was lower than in the previous year (kEUR 7,286). Collection services contributed kEUR 840 (previous year: kEUR 762) to the company's result in the financial year 2023. The gross result amounted to kEUR 8,422, compared to kEUR 10,588 in the previous year, which was in line with the downgraded forecast published on 27 July 2023.

Due to the successful completion of the first trading transactions, transaction-related income rose from kEUR 11,104 in 2022 to kEUR 29,537 in the reporting period, with commission income declining from kEUR 10,114 in 2022 to kEUR 8,553 in 2023 due to the aforementioned external factors. Commission income essentially included income from consulting and other services in the area of payment transactions, which comprises marketing income (kEUR 8,473; previous year: kEUR 9,841) as well as income from the factoring business (kEUR 36; previous year: kEUR 229) and from debt collection activities (kEUR 44; previous year: kEUR 44). For the same reasons, forfaiting income declined from kEUR 816 to kEUR 298.

Other operating income rose from kEUR 55 in the previous year to kEUR 142. This includes, among other things, income from the allocation of charges to the trustee and the fee for the sale in the amount of kEUR 12.

Administrative expenses consisting of personnel expenses, depreciation/amortization and other operating expenses totaled kEUR 4,977 in the financial year 2023 (previous year: kEUR 4,550). While personnel expenses declined by kEUR 318 from the previous year to kEUR 2,082, other operating expenses rose sharply from kEUR 1,929 to kEUR 2,684. The main reason were the provisions for the legal dispute with a correspondent bank in connection with the special audit (kEUR 429) and the regular increase in expenses for auditing and tax consulting services (kEUR 411) and for the stock exchange listing (kEUR 123).

The fact that personnel expenses declined slightly in spite of the growing business volume is due to an optimized personnel structure and a lower bonus for the Board of Management.

Depreciation on tangible and intangible assets remained almost unchanged at kEUR 221.

The financial result, resulting from interest income of kEUR 721 and the offsetting interest expenses of kEUR 782, amounted to kEUR -61 in the financial year 2023 (previous year: kEUR 220) and essentially comprised income from interest on arrears from the forfaiting business as well as interest on the loan granted by the majority shareholder of DF AG to DF GmbH. The change in the interest burden is exclusively due to the increase in the underlying key interest rate.

Due to the aforementioned factors, the consolidated profit before taxes remained clearly below the downgraded forecast of 27 July 2023. The consolidated profit after taxes declined commensurately due to the effects mentioned. Unlike the previous year, there were no positive tax effects in the reporting year.

b. Financial position

In the financial year 2023, DF Group generated operating cash flow of kEUR 18,294 (previous year: kEUR 16,246). The increase is essentially due to the sharp rise in trade receivables to kEUR 14,477, up from kEUR 9,975 on the reporting date of the previous year.

Cash flow from investing activities amounted to kEUR -17 (previous year: kEUR -54) due to reduced investments in the company's non-current assets. Cash flow from financing activities stood at kEUR -661 in the financial year 2023 (previous year: kEUR -183) and includes repayments of lease liabilities and the dividend payment to shareholders.

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 kEUR 28,804 as of 31 December 2023 (previous year: kEUR 27,559) is attributable to the increase in revenue reserves. The equity ratio stood at 58.1% (previous year: 58.7%). As at the balance sheet date, creditor liabilities declined only marginally to kEUR 31 (previous year: kEUR 31).

As at the balance sheet date of 31 December 2023, DF Group had no liabilities to banks or credit lines with banks or other persons, except for the loan of EUR 15.0 million granted by the majority shareholder of DF AG.

c. Net assets position

As at the balance sheet date of 31 December 2023, DF Group's assets totaled kEUR 49,579 million (previous year: kEUR 46,962). Deferred taxes declined from kEUR 5,028 to kEUR 3,882 due to the utilization resulting from the market uncertainty caused by the special audit at a correspondent bank of DF Group and the related change in the Group's profitability analysis and budgeting.

At kEUR 1,284, tangible assets, which essentially comprise the rights of use for DF Group's offices, were slightly lower than in the previous year due to depreciation. The increase in total assets is mainly attributable to the rise in cash and cash equivalents to kEUR 41,909 (previous year: kEUR 23,565).

Trade receivables moved in the opposite direction and stood at kEUR 1,271 million (previous year: kEUR 15,747); other current assets climbed from kEUR 681 to kEUR 790. The changes in cash and cash equivalents as well as trade receivables are due to the prior year reporting date, on which a material receivable was due from a strategic partner, which no longer existed at this reporting date.

Creditor assets, which according to DF AG's insolvency plan comprise assets from the restructuring and trading portfolio that are attributable to the creditors, amounted to kEUR 18 as at the balance sheet date of 31 December 2023 (previous year: kEUR 31). The decline is attributable to currency translation and services provided to the trustee.

As in the previous years, DF Group's net assets position showed a positive trend in the financial year. Cash and cash equivalents must be kept at a high level in relation to total assets in order to make them available for operating activities and to take advantage of business opportunities at short notice.

d. Impact of the war against Ukraine and the Middle East conflict

The Ukraine war launched in February 2022 continues to have negative political and economic repercussions worldwide. However, as DF Group again had no direct customers in Russia or Ukraine in the reporting year, there was hardly any impact on the company's operating business in the financial year 2023.

On 7 October 2023, terrorist organization Hamas launched an attack from the Gaza Strip on civilians and defense forces in Israel, to which Israel responded with considerable counterattacks against Hamas in the Gaza Strip. In late 2023, this was followed by the first attacks of the Houthi militias against international container ships in the Red Sea, which led to counterattacks by the United States and the United Kingdom against the Houthi militias. Moreover, there have been increased military conflicts between Israel and Hezbollah in the region.

In spite of the increased geopolitical tensions and risks, DF Group again operated profitably thanks to its business focus on humanitarian products, its market knowledge of the Near and Middle East and its strategic partnerships. The conflict had no direct impact on current operations.

3) Financial performance indicators

The financial performance indicators of DF Group, in non-prioritized order, are:

- » Business volume
- » Gross result
- » Consolidated profit before taxes

The business volume is the nominal value of the transactions closed in a period. Following the implementation of the known goals and strategies as well as the continuation of the diversification exercise, the company expects to generate a business volume in the range from EUR 200.0 million to EUR 250.0 million p.a. in the medium term.

At EUR 182.1 million, the business volume in the reporting year exceeded the company's expectations. The company expects the business volume from marketing services, factoring, forfaiting and trading to increase further in 2024.

The gross result, i.e. the result from operating activities, is another financial performance indicator. In the reporting period, the latter amounted to kEUR 8,422, down from the previous year's kEUR 10,588, for the reasons stated under 2.a). In the medium term, the gross result is expected to remain constantly above the kEUR 10,000 mark.

The third performance indicator, earnings before taxes, declined from kEUR 6,312 to kEUR 3,527 in the reporting year for the reasons stated under 2.a).

Considering the economic, legal and geopolitical conditions, DF Group's business performance in the 2023 reporting year showed a positive trend on balance. The goal of generating a 20% lower gross result than in the previous year was achieved; this goal had been adjusted in the second half of 2023 due to a special audit carried out at a correspondent bank of DF Group. Unfortunately, the earnings before taxes forecast of kEUR 4,700 was not achieved due to higher provisions for legal consulting costs and the increased costs for the annual audit, the stock exchange listing and interest expenses.

4) Performance of the DF share

2023 was a mixed year for the DF share. While the share price showed a positive trend already during the first half of 2023, starting the year at EUR 1.96 and then moving sideways between EUR 2.10 and EUR 2.30, with an outlier at EUR 1.93, it closed at EUR 2.32 on 30 June 2023, EUR 0.36 or 18.4% up on year-end 2022, only to hit a high of EUR 2.74 (Xetra) in July 2023.

The reason for the positive performance was certainly the again very strong consolidated profit in 2022, the announced payment of a dividend and the good outlook for the current year.

The special audit at a correspondent bank of DF Group caused uncertainty in the market for transactions with Iran in Germany from around June 2023. Due to this uncertainty, DF AG published an ad-hoc announcement on 27 July 2023 and downgraded the forecasts for the current financial year.

As a result, the share price declined steadily on mostly low revenues until it reached the low for the year at EUR 1.68 on 28 November 2023. The share closed the year at EUR 1.86 (Xetra) on 29 December 2023. The loss for the year thus amounted to EUR 0.10 or 5%.

As at the reporting date of 29 December 2023, DF Deutsche Forfait AG had a market capitalization of EUR 22.1 million (previous year: EUR 23.3 million). With some 304 thousand DF shares traded on the Frankfurt and Xetra stock exchanges and about 230 thousand DF shares traded via other trading platforms, a total of around 534 thousand shares were traded in 2023. This corresponds to an average daily turnover of around 2,110 shares.

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

(1) Composition of the subscribed capital

On 31 December 2023, 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 Board of Management 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 2023 to 31 December 2023.

(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 Board of Management and the amendment of the Memorandum of Association

According to Section 6 (1) of the Memorandum of Association, the Board of Management consists of at least two persons; the Supervisory Board may establish a higher number or appoint deputy members of the Board of Management. 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 Board of Management as chairperson or speaker of the Board of Management and another mem-

ber as deputy chairperson or speaker. According to Section 84 of the Stock Corporation Act (AktG), members of the Board of Management 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 resolution 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 Board of Management to issue or repurchase shares

Purchase and use of own shares

The Annual General Meeting of 30 June 2020 decided the following authorization to purchase and use 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 abovementioned 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 Board of Management shall be authorized to sell the treasury shares acquired as a result of the abovementioned 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 Board of Management 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 Board of Management 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 Board of Management granted by the 2016 Annual General Meeting.
 - f) The Board of Management shall be authorized to recall the treasury shares acquired as a result of the abovementioned 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 Board of Management 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 Board of Management 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."
- (8) Material agreements subject to a change of control resulting from a takeover bid

The company has no material agreements subject to a change of control.

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

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

IV. CORPORATE GOVERNANCE STATEMENT PURSUANT TO SECTIONS 289F AND 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 April 2024 and posted on the company's website in the Investor Relations section under "Corporate Governance" (<https://dfag.de/en/investor-relations/corporate-governance/>) together with an addendum.

V. OPPORTUNITY AND RISK REPORT

1) 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 I. (1).

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 Board of Management 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, the account allocation policy as well as all accounting requirements and processes within DF Group. Country-specific requirements and laws are taken into account. The basis of consolidation currently comprises DF AG as well as the subsidiary, DF GmbH,

DF s.r.o. and DF ME s.r.o. Accounting for DF AG and DF GmbH is performed 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, which is closely assisted by the central Accounting Department in Cologne, especially in the preparation of the financial statements.

Standard software installed on a central server in Cologne is used for financial accounting. DF s.r.o. and DF ME s.r.o. have online access to this software. The central Accounting Department in Cologne thus 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. In accordance with DF Group's data backup policy, a daily backup of the current accounting is carried out. Backup systems are in place to manage the IT continuity risk.

The consolidated financial statements are prepared by the central accounting department in Cologne, which is also responsible for the consolidation processes.

The internal control system takes into account the special features of DF Group's business activity. The effectiveness of the system is regularly reviewed by the Accounting and Compliance Departments.

2) 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. cooperate with a large number of counterparties in different countries (sellers and buyers of export receivables, 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). This exposes DF Group to compliance risks.

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 (a.) 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 (temporarily) not allowed or unable to do (any more) business with individual companies of DF Group and/or DF Group as a whole due to their own internal and/or statutory regulations – this comprises the purchase and sale of receivables, the collection of receivables and the provision of services for individual companies of DF Group. In addition, there is (b.) a risk that penalties and fines are imposed and (c.) a risk that culpable violations or breaches of these regulations result in a loss of reputation.

To avoid and/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 (a.) processes to identify the company's business partners; (b.) awareness creation and regular targeted 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; (c.) a well-trained Compliance Department as well as a Compliance Committee and the appointment of a Money Laundering Officer; and (d.) additionally the REFINITIV World Check One software for a more in-depth examination of new and potential business partners and/or parties participating in the potential transaction before closing a transaction.

DF AG has installed a Compliance Committee to deal with the implementation of the company's internal Code of Conduct. With regard to ESG (Environmental, Social, Governance) requirements, the Code of Conduct already includes aspects of corporate social responsibility and good corporate governance. Work is underway to expand the compliance system and the Code of Conduct with regard to sustainability and environmental goals.

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 participating in the underlying transaction on a sanctions list will be detected also during the holding period of a receivable.

The audits required under the German Money Laundering Act (GwG) are an integral element of DF Group's compliance system. DF AG and its subsidiaries conduct their business in accordance with applicable regulations on the prevention of money laundering. 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 in addition to 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 report directly to the full Board of Management.

At the start of a business relationship, the business partner and the ultimate beneficial owner ("Know Your Customer" principle) are 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 im-

sed 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.

3) Opportunities

DF Group sees its main opportunities for the current financial year 2024 in the continued marketing of its marketing services, forfaiting and factoring products as well as the newly launched trading product. Besides this, the company continues its geographical diversification to Eastern Europe, e.g. Ukraine, Kazakhstan and Uzbekistan. To a certain extent, the company also engages in M&A activities with a view to further diversifying its business activities and potentially improving its result through constant income from investments.

In the Near East region, DF Group continues to focus its products essentially on trading sanction-exempt humanitarian goods such as food, pharmaceuticals and healthcare products. There is high demand among importers and exporters for these goods and DF Group's specially developed product services. In 2023, DF Group generated essential parts of its revenues with marketing services, forfaiting, trading and factoring and assumes that this will also be the case in the current financial year 2024.

Compared to 2023, there will be good opportunities for DF Group in 2024 to increase the business volume with the help of the existing product portfolio.

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 2024. Together with its long-standing know-how in trade finance and its regularly reviewed compliance system, this opens up good opportunities for DF Group to expand its business activities.

In the area of project consulting activities, another new business segment opened up for DF Group in financial year 2021 that stands to benefit from the know-how of the Business Development unit in combination with DF Group's existing expertise. The Business Development Department is working intensively to develop new business segments. The focus is on projects in the agricultural, industrial and other sectors.

4) 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. The risks described below generally apply to both the old business and the new business, albeit with different effects for DF Group, as DF Group bears the risk only for the new business. Revenues are generated mainly with products from marketing services, forfaiting, factoring, collection services and, starting 2023, "Trading". In the current financial year, this essentially results in country and counterparty risks as well as earnings risks, followed by compliance and operational risks.

a. Earnings risks

The main earnings risks – besides market-related declines in demand – mainly lie in the dependence on individual customers and sectors.

To be successful, DF Group must originate a large portion of its business anew each financial year, as it has no investment portfolio that generates recurring income year after year.

In addition to offering market-oriented products at competitive prices, a good network on the supply and demand side is critical for the successful origination 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.

The political tensions between the USA and Iran continued in the financial year 2023. The situation was aggravated by Hamas' attack on Israel and the ensuing war, which escalated into a military conflict between Israel and Iran in 2024. The tensions and protests throughout the region have hardly changed the market situation in Iran for DF Group. As a result, the business volumes generated by marketing services and forfeiting in the humanitarian goods sector (food and medical goods) remained stable at shrinking margins compared to the previous year. 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 geographical 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 above.

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 depends to a large extent on the partner and the duration of the loss or non-availability.

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 considerable effects on DF Group's business with Iran and DF Group as a whole. DF Group is closely monitoring the political-diplomatic perspective of the JCPOA, especially with a view to the USA.

Due to the wars in Ukraine, Israel and Gaza, the food supply situation remains tight and prices of food – as well as oil and gas – remain high. For DF Group, this means another year of sufficient income from marketing services, trading and forfeiting, as Iran, which is an exporter of oil, can guarantee food imports under these conditions. By contrast, our factoring product, which is offered exclusively by the DF subsidiary in Prague, now focuses only on countries that are not directly affected by the war in Ukraine.

As outlined under “b. Country and counterparty risk” below, DF Group also has overdue receivables on its books, e.g. receivables that form part of the insolvency 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 kEUR 120 from the trustee as a one-time advance on administrative expenses at that time. This amount is considered fully adequate.

b. Country and counterparty risk

In line with its business model and strategy, DF Group focused on the Near and Middle East as well as emerging and developing countries in the reporting period. Political, financial, economic and social conditions in these regions are usually less stable than in the 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 2023, the country risks in the Near and Middle East markets, in which DF Group is primarily active, increased further. This is due, in particular, to the USA's adherence to its withdrawal from the nuclear deal (JCPOA) with Iran and partly also to the government's response to the protests in the country. Iran's economic situation continued to deteriorate as a result of ever new sanctions. If the foreign trade restrictions on Iran intensify or the conflict in the region escalates, this might have a negative impact on DF Group's business in the short to medium term.

In the forfaiting business, DF Group also assumes the debtor's credit risk for the acquired receivable (counterparty risk) in addition to the country 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.

In a trading transaction, DF Group is exposed to a country risk if goods are exported to a third-party country and temporarily stored there before they are accepted by the buyer.

A counterparty risk may generally also arise when granting a loan or pre-financing a transaction. This risk may increase in the current financial year 2024 when it comes to securing business transactions, especially with regard to business partners in the Near and Middle East.

As of 31 December 2023, DF Group had no receivables from the forfaiting and factoring business in its own portfolio. There were no contingent liabilities, e.g. from purchase commitments, as at the balance sheet date of 31 December 2023.

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 2023.

c. Risks resulting from non-compliance as well as violations of money laundering and/or sanctions regulations and a growing focus on sustainability

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 also has to fulfil special obligations under capital market law. Violations of statutory, regulatory or voting rights regulations may have far-reaching consequences and may entail high penalties or even the withdrawal of licenses and the closure of operations.

Since 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, TÜV SÜD Akademie GmbH 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 advises DF Group's Prague-based entities on 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 V. (2) "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.

Also, the growing ESG requirements made by governments, investors and customers may lead to additional costs. Business activities in areas that are in the focus of social debate on sustainability may be perceived negatively and cause reputational damage with investors and customers, resulting in negative effects on DF Group's business objectives.

d. Operational risks

In the context of the collection and forfeiting business, DF Group transfers large amounts in some cases. A transfer to the wrong account could cause high damage. This risk is minimized by a multilevel 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 Board of Management and the two Managing Directors of the Czech subsidiaries.

The Board of Management sees a minor risk for the project financing and M&A segments.

For the trading segment, there is a risk that DF Group's merchandise deteriorates or is destroyed between the purchase and the sale, which would make the resale more difficult or impossible. If the buyer defaults, DF Group would have to find a new buyer. In these cases, the transaction may result in reduced income or a loss. The risks are largely covered by insurance.

e. Legal risk

DF Group buys receivables (on a non-recourse basis) usually with the aim of reselling or outplacing them. Individual receivables remain in DF Group's books until their contractually agreed maturity only in special cases involving a low risk. 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.

f. 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 2023, DF AG had no current credit lines from banks. 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.

If there are no sufficient refinancing resources and/or placement possibilities, this would constrain the growth opportunities in the forfaiting segment.

In the trading segment, there is a possibility that large amounts of cash are tied up for an extended period and would thus not be available for other transactions. This means that in this segment, too, the growth opportunities would be constrained without further refinancing.

g. Summary risk assessment

The assessment of individual operational risks within DF Group is based on two criteria, namely the amount of the potential damage and the probability of a risk occurring. 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 impact 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 assessed. 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.

The country and counterparty risk and the operational risk may constitute existential risks, while the probability of occurrence is very low. As in the past, material and relevant risks for DF Group exist on the earnings side. Due to DF Group's geographical specialization, there is a high dependence on future political and economic developments in the Near and Middle East as well as in Eastern Europe and on the cooperation with the 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 already outlined, further extraordinary risk factors arose in 2023. The Hamas attack on Israel in October 2023 considerably exacerbated the global impact on trade. Should the conflict spread in the region, this may have a negative impact on the business volume.

However, the humanitarian sector of food, pharmaceuticals and healthcare, which is the focus of DF Group's marketing services, forfaying and trading activities as the most important earnings components, has been less affected by the effects of the two wars than other sectors so far. As this is likely to be the case also in the current financial year 2024, DF Group expects a comparable risk situation. Likewise, there remains the 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 lead to a reduction in DF Group's business volume.

The conflict in the Middle East escalated in April 2024. This new, higher level of escalation affects DF Group's business activity only marginally, as the company still operates only in the food and pharmaceutical sectors in the region and these goods continue to be in demand and traded.

VI. FORECAST

In its latest forecast, the International Monetary Fund (IMF) assumes that the world economy will grow by 3.1% this year. This is 0.2 percentage points higher than predicted in the World Economic Outlook (WEO) of October 2023. The adjustment reflects the resilience of the United States and some major emerging and developing countries as well as the support measures by the Chinese government. In view of the high level of debt, the IMF experts believe that high interest rates aimed at fighting inflation and a withdrawal of fiscal support will weigh on growth in 2024. As in the previous year, the growth forecast is therefore below the historical (2000–2019) average of 3.8%.

According to the IMF, the global economic recovery from the coronavirus pandemic was slowed down not only by the long-term effects of the pandemic but also by various other factors. These include Russia's invasion of Ukraine, the conflict in the Middle East and the increasing geoeconomic fragmentation. The IMF emphasizes that economic factors also play a role, including the effects of monetary tightening by central banks to fight inflation. According to the latest estimates, global inflation will decline from 6.8% in 2023 to 5.8% in 2024, which is still clearly above the pre-COVID level of about 3.5%.

The latest IMF forecasts see economic growth in the industrialized countries in 2024 at a moderate 1.5% on the previous year. By contrast, the emerging and developing countries are expected to grow by 4.1%, which would be in line with the estimated growth rate for 2023. According to the IMF, the emerging countries within Europe will grow by 2.8% this year (2023: 2.7%). The more optimistic outlook and 0.6% upgrade on the October 2023 forecast is attributed to the fact that the economic downturn in Russia is less strong than previously assumed because of the existing sanctions. Growth of 0.9% is projected for the euro area, with 0.5% GDP growth assumed by the IMF for Germany in 2024. By contrast, the latest economic forecast by the Ifo Institute sees Germany's GDP growth at only 0.2%.

According to the IMF forecast, world trade growth will accelerate from 0.4% in the previous year to 3.3% in 2024 and 3.6% in 2025, with rising trade distortions and geoeconomic fragmentation expected to continue to weigh on the level of global trade.

The IMF experts assume that the Middle Eastern and Central Asian economies will grow by 2.9% in 2024, compared to 2.0% in the previous year. Compared to the October 2023 forecast, however, this means a downgrade by 0.5 percentage points for 2024, which is mainly attributable to Saudi Arabia and reflects temporarily lower oil production in 2024, whereas non-oil growth is expected to remain robust. While economic growth of 5.4% is assumed for Iran for 2023, the IMF experts expect lower growth of 3.7% for 2024.

The IMF assumes economic growth of 1.3% for the Eastern European region, which is becoming increasingly important for DF Group. For the Czech Republic, the IMF projects 2.3% growth on the previous year.

In view of current developments in Ukraine, there is a lot to suggest that the country's economy will continue to recover in spite of the ongoing conflicts with Russia. The strong growth since spring 2023 – driven mainly by government investment – allows for optimistic forecasts for the coming decade. The reconstruction of infrastructure, the securing of energy supplies and the stabilization of transport routes will be the main drivers of economic growth. German companies, which have great interest in the Ukrainian market, are ready to participate in the reconstruction and increase their investments.

Moreover, there will be opportunities for cooperation and investment in the food industry, the energy, construction and healthcare sectors, and agriculture. The markets in Uzbekistan and Kazakhstan, which traditionally have close ties with Ukraine, offer potential for expanding business activities, as they have proven to be relatively stable and economically robust regions since the start of the Russia-Ukraine conflict.

The focus of DF Group's business activities in the Near and Middle East remains on the food, pharmaceutical and healthcare product groups. These goods are essential for the basic supply of the population and therefore remain unaffected by the existing sanctions against Iran. In spite of the slower economic growth in the region, DF Group expects to see continued strong demand as in the previous year. Due to the changed market conditions, the implementation of the forfeiting business will probably decline in the future in favor of the new Trading product.

While existing and new US sanctions continue to make the use of existing financial resources in Iran difficult, diplomatic talks on the Joint Comprehensive Plan of Action (JCPOA), which started in April 2021, are continuing, which might result in the existing sanctions imposed by the US government against Iran being eased. Moreover, economic relationships between Iran and China are continuously improving, and China is supporting the Iran-Saudi Arabian reconciliation. Since a diplomatic deal was brokered by China between Iran and Saudi Arabia in March 2023, both countries have taken steps to maintain the dialog, even amid crises such as the Israel-Gaza war. Any improvement in Iran's relations with the USA, China and Saudi Arabia could increase the future business volume of DF Group.

The Middle East conflict, in the form of a war between Israel and the Gaza Strip that escalated in April 2024, has considerable effects on trade routes and political stability in the region. These new tensions have led to a freeze on many business deals in the Arab region, as companies are hesitant to enter into new partnerships. Moreover, there is now great uncertainty and the risk of the conflict spreading to neighboring countries. While there had previously been a rapprochement between Israel and some Arab countries, the relations are now being put to the test. These developments and, most importantly, a potential escalation between Israel and Iran represent a serious challenge to economic stability and the willingness to invest in the region.

The impacts of the conflict on the German economy are also being discussed, especially the turbulence in the financial and oil markets since October 2023. This turbulence has led to increased risk premiums and higher financing costs, which has increased the uncertainty in the world economy. While the situation in the oil markets has eased somewhat, geopolitical uncertainty remains a major brake on the recovery of the global economy and the investment activities of many companies.

In view of Russia's ongoing military action against Ukraine and the resulting sanctions imposed on Russia by countries such as the USA, the EU and the United Kingdom, negative effects on the world economy and global trade continue to be expected. The conflict has also influenced DF Group's strategic positioning. The planned geographical expansion into the Russian market has been suspended for the time being due to the events; instead, the company is now planning to diversify geographically to Ukraine, Uzbekistan and Kazakhstan, where we see great opportunities to contribute our expertise and open up new business segments.

The Group is pushing forward not only with its geographical diversification but is also diversifying its product portfolio, taking into account changing conditions. In 2023, the new Trading product was added to DF Group's portfolio; it was designed by the Business Development unit and further developed by the Sales Department, also with a view to changed market conditions. Here, DF Group acts as a trader and – in compliance with applicable regulations – enters into direct contact with its respective customers. The product has so far been offered in the Near and Middle East region and been confined to food trading up to now. Management believes that the geographical diversification to Ukraine and Central Asia will open up opportunities for expanding the product portfolio accordingly.

Assuming that the economic and political conditions, especially in the target region, remain stable in the coming months and the adverse effects of the Ukraine war and the Middle East conflict will not increase, DF Group expects the business volume, the gross result and earnings before taxes to rise sharply at a low double-digit percentage rate in the current year. The expanded project consulting and M&A activities are not expected to make a profit contribution in 2024.

VII. 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. Due to a profit transfer agreement and the pro-rated cost contributions as well as dividend payments, the business performance of DF Group is important for DF AG as the latter has no business operations of its own. 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.

1. Results of operation

In kEUR (HGB)	1-1 – 31-12-23	1-1 – 31-12-22	Difference
Sales revenues	551	458	93
Other operating income	122	223	-101
Cost of purchased services	304	387	-83
Personnel expenses	681	1,017	-336
Other operating expenses	1,290	1,141	149
Income from investments and profit transfer agreements	5,840	8,586	-2,746
Net income for the year	4,515	6,003	-1,488

In the financial year 2023, DF AG generated net income in the amount of kEUR 4,515 million (previous year: kEUR 6,003). This mainly resulted from the profit transfer of the wholly owned subsidiary, DF GmbH, in the amount of kEUR 5,840 (previous year: kEUR 8,585). Sales revenues amounted to kEUR 551 in the financial year 2023 (previous year: kEUR 458) and essentially comprised management services to other Group companies as well as service fees for the sale of the designated assets. Other operating income totaled kEUR 122 (previous year: kEUR 223) and essentially comprised exchange gains.

At kEUR 304, the cost of purchased services was below the previous year and relates to services sourced from other Group companies. Personnel expenses of kEUR 681 were also below the prior year level, essentially due to a lower bonus for the Board of Management. Other operating expenses in the amount of kEUR 1,290 (previous year: kEUR 1,141) essentially comprised administrative expenses as well as exchange losses. The kEUR 149 increase is essentially attributable to increased expenses for legal advice, auditing services and the stock exchange listing.

2. Net assets position

In kEUR (HGB)	31-12-2023	31-12-2022	Difference
Fixed assets	19,065	11,154	7,911
Current assets	8,446	12,039	-3,593
<i>Thereof: assets designated under the insolvency plan</i>	281	311	-30
<i>Thereof: cash and bank deposits</i>	538	1,393	-855
Total assets	27,599	23,258	4,341
Equity	24,214	20,174	4,040
Provisions	2,842	2,664	178
<i>Thereof: provisions for insolvency liabilities</i>	335	335	0,00
Liabilities	543	419	124
Total liabilities	27,599	23,258	4,341

As at the balance sheet date of 31 December 2023, DF AG's assets amounted to kEUR 27,599 (previous year: kEUR 23,258). At kEUR 7,001, receivables from affiliated companies represented the biggest item and mainly result from the profit transfer agreement between DF AG and DF GmbH. The assets designated under the insolvency plan amounted to kEUR 281, which is slightly below 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. Fixed assets amounted to kEUR 19,065 at the balance sheet date (previous year: kEUR 11,154) and included increased loans to affiliated companies in the amount of kEUR 16,921 as well as unchanged shares in affiliated companies in the amount of kEUR 2,128, which consist of the carrying amounts of the investments in Deutsche Forfait GmbH ("DF GmbH"), DF Deutsche Forfait Middle East s.r.o. ("DF ME") and DF Deutsche Forfait s.r.o. ("DF s.r.o.").

Cash and cash equivalents amounted to kEUR 538 as at the balance sheet date, down from the previous year's kEUR 1,393.

3. Financial position

DF AG's equity capital amounted to kEUR 24,214 as at the balance sheet date of 31 December 2023 (previous year: kEUR 20,174). The equity ratio thus stood at 87.7% (previous year: 86.7%).

DF AG posted operating cash flow of kEUR 6,657 for the financial year 2023, compared to kEUR 875 in the financial year 2022. As in the previous years, operating cash flow is essentially influenced by transac-

tions within DF Group, which means that the profit transfer by Deutsche Forfait GmbH in the amount of kEUR 5,840 (previous year: kEUR 8,585) and the change in working capital of kEUR 2,715 (previous year: kEUR -5,293) are the main drivers of operating cash flow. To reduce the clearing account between DF AG and DF GmbH, an amount of kEUR 7,922 was regulated by a loan agreement (borrowings).

The liabilities to insolvency creditors are comprised in the provisions for insolvency liabilities and remained unchanged at kEUR 335 on 31 December 2023. 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.

As at the balance sheet date of 31 December 2023, DF AG had no liabilities to banks or credit lines with banks or other persons.

DF AG's result for the financial year 2023 failed to meet the company's expectations at the beginning of 2023, as the market uncertainty caused by the special audit at a correspondent bank of DF Group and the lower margin of the marketing services product had a negative influence not only on the financial year 2023 but also on the profitability analysis and the annual planning. For the financial year 2024, DF AG projects a solid increase in net income compared to the previous year. The prerequisites for this are a continued good performance of the subsidiaries, no further restrictions due to the wars in Ukraine, Israel and Gaza, unchanged political and economic conditions in the geographical target region of the Near and Middle East and Eastern Europe and a continuation of the close cooperation with the strategic partners.

4. Related party disclosures (dependency report)

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

The Board of Management's related party disclosures for the financial year 2023, 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 2023 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."

Cologne, 25 April 2024

The Board of Management

CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD OF 1 JANUARY - 31 DECEMBER 2023

Consolidated Balance Sheet – Assets
Consolidated Balance Sheet – Equity and Liabilities
Consolidated Income Statement
Consolidated Statement of Comprehensive Income
Consolidated Cash Flow Statement
Consolidated Statement of Equity Changes
Notes to the consolidated financial statements

Assets (in EUR)	Notes No.	31-12-2023	31-12-2022
Non-current assets			
Intangible assets	(16)	24,550.93	43,165.08
Tangible assets	(16)	1,284,299.01	1,427,550.63
Non-current financial assets	(17)	55,824.78	54,968.68
Deferred taxes	(15)	3,881,576.61	5,028,155.32
		5,246,251.33	6,553,839.71
Current assets			
Creditor assets	(26)	18,432.51	31,378.58
Trade receivables	(18)	1,270,591.61	15,747,234.88
Tax receivables	(15)	345,615.46	383,189.29
Other current assets	(19)	789,543.86	681,477.30
Cash and cash equivalents	(20)	41,908,830.62	23,565,133.35
		44,333,014.06	40,408,413.40
		49,579,265.39	46,962,253.11

Liabilities (in EUR)	Notes No.	31-12-2023	31-12-2022
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		17,655,850.75	16,467,287.22
Adjustment item from currency translation		-115,885.60	-172,241.37
		28,803,967.11	27,559,047.81
Non-current liabilities	(23)		
Loan		15,000,000.00	15,000,000.00
Provisions		19,853.58	19,975.95
Lease obligations		1,018,189.83	1,133,409.66
		16,038,043.41	16,153,385.61
Current liabilities			
Creditor liabilities	(26)	30,608.58	31,378.58
Liabilities to banks		0.00	4.33
Income tax liabilities	(15)	2,223,553.10	1,511,537.00
Trade accounts payables	(24)	503,612.60	218,616.09
Other current debt	(25)	1,979,480.59	1,488,283.69
		4,737,254.87	3,249,819.69
		49,579,265.39	46,962,253.11

Consolidated Income Statement (in EUR)	Notes No.	1-1 - 31-12-2023	1-1 - 31-12-2022
Transaction-related income	(7)		
a) Forfeiting income		298,325.73	815,488.09
b) Commission income		8,552,779.80	10,114,676.50
c) Exchange gains		0.00	57,294.31
d) Trading income		20,675,267.97	0.00
e) Write-up of receivables		10,648.09	116,771.57
		29,537,021.59	11,104,230.46
Transaction-related expenses	(8)		
a) Forfeiting expenses		303.38	0.00
b) Commission expenses		503,757.49	465,126.10
c) Exchange losses		65,615.86	34,486.08
d) Trading expenses		20,541,195.06	0.00
e) Value adjustments on receivables		3,674.10	16,898.11
		21,114,545.90	516,510.29
Gross result	(9)	8,422,475.69	10,587,720.17
Other income	(10)	141,784.65	54,965.54
Personnel expenses	(11)		
a) Wages and salaries		1,790,504.25	2,107,547.36
b) Social security contributions and expenditure for pensions and social welfare		291,729.03	292,822.10
		2,082,233.28	2,400,369.46
Amortization of intangible assets and tangible assets	(12)	210,922.95	221,106.57
Other operating expenses	(13)	2,683,640.03	1,928,889.79
Interest income	(14)	721,326.32	620,251.32
Interest paid	(14)	782,068.73	400,526.70
Profit before income tax		3,526,721.67	6,312,044.51
Income tax	(15)		
a) Income and earnings tax		716,850.11	707,136.41
b) Deferred taxes		1,145,808.72	203,080.23
		1,664,062.84	5,401,827.86
Consolidated profit		1,664,062.84	5,401,827.86
Undiluted earnings per share		0.14	0.45
Diluted earnings per share		0.14	0.45

Consolidated Statement of Comprehensive Income (in EUR)	Notes No.	1-1 - 31-12-2023	1-1 - 31-12-2022
Consolidated profit		1,664,062.84	5,401,827.86
Other income			
Components, which may be reclassified to the income statement in the future			
Currency translation differences from the inclusion of foreign subsidiaries	(21)	56,355.77	(4,391.89)
		56,355.77	(4,391.89)
Comprehensive income		1,720,418.61	5,397,435.97

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

Consolidated cash flow statement 2023 (in EUR)		Notes No.	1-1-2022 - 31-12-2023	1-1-2021 - 31-12-2022
	Consolidated income		1,664,062.84	5,401,827.86
+	Amortization/depreciation of intangible and tangible assets		210,922.95	221,106.57
+	Income tax		1,862,658.83	910,216.64
+	Interest paid		782,068.73	400,526.70
-	Interest income		-721,326.32	-620,251.32
+/-	Result from disposals of non-current assets		1.00	635.25
+/-	Other non-cash transactions		-1,431,219.84	-1,012,443.00
+/-	Changes in creditor assets		12,946.07	-2,446.95
+/-	Changes in trade receivables		14,476,643.27	9,975,257.86
+/-	Changes in other assets		-71,348.83	-92,654.24
+/-	Changes in creditor liabilities		-770.00	2,446.95
+/-	Changes in provisions		-122.37	19,975.95
+/-	Changes in trade accounts payable		284,996.52	31,896.00
+/-	Changes in other liabilities		1,273,652.11	1,041,693.73
-	Income tax paid		-48,936.19	-31,722.70
=	Operating cash flow		18,294,228.78	16,246,065.31
-	Interest paid		-17,992.83	-55,957.00
+	Interest received		721,326.32	612,710.91
=	Cash flow from operating activities		18,997,562.27	16,802,819.22
-	Payments for investments in non-current assets		-16,849.52	-53,545.86
=	Cash flow from investing activities		-16,849.52	-53,545.86
-	Repayment portion of lease liabilities		-185,663.27	-183,833.27
+	Dividends paid to the shareholders of the company		-475,499.32	0.00
=	Cash flow from financing activities		-661,162.59	-183,833.27
	Net changes in cash and cash equivalents		18,319,550.16	16,565,440.08
+	Cash and cash equivalents at beginning of the period		23,565,133.35	6,993,617.34
+/-	Currency translation effects		24,147.11	6,075.93
=	Cash and cash equivalents at end of the period		41,908,830.62	23,565,133.35
-	Bank balances pledged		-55,000.00	-55,000.00
=	Free cash and cash equivalents at end of the period	(33)	41,853,830.62	23,510,133.35

Consolidated Statement of Changes in Equity 1-1-2023 - 31-12-2023 (in EUR)	Notes No.	Subscribed capital	Capital earmarked for capital increase	Capital reserves	Costs of the capital increase	Revenue reserves	Adjustment item from currency translation¹	Total
As at 1 January 2022		11,887,483.00	-	-	(623,481.04)	11,065,459.36	(167,849.48)	22,161,611.84
Comprehensive income						5,401,827.86	(4,391.89)	5,397,435.97
As at 31 December 2022		11,887,483.00	-	-	(623,481.04)	16,467,287.22	(172,241.37)	27,559,047.81
As at 1 January 2023		11,887,483.00	-	-	(623,481.04)	16,467,287.22	(172,241.37)	27,559,047.81
Comprehensive income						1,664,062.84	56,355.78	1,720,418.62
Dividend payment						(475,499.32)		(475,499.32)
As at 31 December 2023	(21)	11,887,483.00	-	-	(623,481.04)	17,655,850.74	(115,885.59)	28,803,967.11

¹ Other Comprehensive Income (OCI)

I. POLICIES

(1) General information

DF Deutsche Forfait AG (also referred to as “DF AG” or “the company”) is the parent company of DF Group (also referred to as “Group”) and has the legal status of a joint stock company. The company’s address is Gustav-Heinemann-Ufer 56, 50968 Köln. It is registered at Cologne Local Court (“Amtsgericht”) under HRB 112638.

DF Group 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 2023 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 2023 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 forfeiting company.

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

The Board of Management 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 Board of Management on 25 April 2024.

(2) Amendments to the standards made by the IASB

Application of new standards and interpretations in the financial year 2023

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 IAS 12 "Income Taxes"

In May 2021, the IASB published "Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)". If assets and liabilities are recognized for the first time, deferred tax previously did not have to be recognized under certain conditions. The amendments to IAS 12 have eliminated this exception, which was significant for the accounting of finance leases by the lessee, among others. DF Group applied these amendments for the first time to the financial year commencing on 1 January 2023. This had no effect on the net assets, financial position and results of operation.

First-time adoption of IFRS 17 "Insurance Contracts"

In May 2017, the IASB published the standard IFRS 17 "Insurance Contracts". IFRS 17 is to increase transparency and comparability with regard to the recognition, measurement, presentation and disclosure of insurance contracts at the insurer. IFRS 17 is mandatory for financial years commencing on or after 1 January 2023. The first-time adoption of IFRS 17 had no effect on DF Group's net assets, financial position and results of operation.

In addition, further standards and interpretations have been published which are not expected to have a material impact on the consolidated financial statements.

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 2023 were adopted early by the Group. First-time adoption is planned as of the financial year in which such adoption becomes mandatory.

(3) Basis of consolidation, reporting date

The basis of consolidation of DF AG is shown below and has not changed compared to the previous year. The reporting date of the parent company and the subsidiaries is 31 December. The shares in equity have remained unchanged from the previous year.

Basis of consolidation	Share in equity	Consolidation
DF Deutsche Forfait AG, Cologne (parent company)	-	fully consolidated
Deutsche Forfait GmbH, Cologne ("DF GmbH")	100%	fully consolidated
DF Deutsche Forfait s.r.o., Prague / Czech Republic ("DF s.r.o.")	100%	fully consolidated
DF Deutsche Forfait Middle East s.r.o., Prague / Czech Republic ("DF ME")	100%	fully consolidated

(4) Consolidation procedures

The basis for the consolidated financial statements are the financial statements of the consolidated companies prepared as of 31 December 2023 under uniform accounting and valuation policies according to IFRS 10 "Consolidated Financial Statements".

The consolidated subsidiaries were newly established. 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 measured at the cost of acquisition on accrual. Exchange gains and losses on the balance sheet date are shown in the income statement.

The exchange rates on which translation into euros is based correspond to the euro reference rates published by the European Central Bank and are as follows:

	Closing rate		Average rate	
	31-12-2023	31-12-2022	1-1 - 31-12-2023	1-1 - 31-12-2022
Czech koruna	24.724	24.116	24.004	24.556

(6) Accounting and valuation policies

The key financial performance indicators for DF Group – business volume, gross result and consolidated profit before taxes – proved to be robust in the financial year 2023. DF Group assumes a comparable risk situation as in the previous year and does not see any need to deviate from the accounting and valuation policies presented below.

- a) Sales revenues relate to **transaction-related income**, which is composed of the following subitems: forfeiting and commission income, interest income from services provided, exchange gains, and, for the first time, trading income. Forfeiting income also includes the positive effects from the measurement of receivables at fair value through profit or loss (FVtPL). Forfeiting 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 forfeiting risks recognized in previous periods as a value adjustment on receivables classified as loans and receivables or as obligations for forfeiting 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. Forfeiting expenses also include the negative effects from the fair value measurements of receivables from the forfeiting business (FVtPL).
- c) **Other 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 and the establishment of the homepage, as intangible assets acquired for consideration, are recognized at cost and regularly amortized using the straight-line method over their 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 - 31-12-2023	1-1 - 31-12-2022
	<i>Years</i>	<i>Years</i>
Other equipment, factory and office equipment		
- <i>Building rights of use, IT hardware</i>	3-10	3-10
- <i>Cars</i>	4-6	4-6
- <i>Fixtures</i>	3-8	3-8
- <i>Tenants' installations</i>	5-7	5-7
- <i>Office equipment</i>	10-23	10-23

h) **Leases**

When a contract is signed, the Group determines whether the contract constitutes or contains a lease. A contract constitutes or contains a lease if the contract conveys the right to use an asset (or assets) in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group examines whether:

- » the contract contains the use of an identified asset. This may be explicitly or implicitly defined and should be physically separable or represent substantially all of the capacity of a physically separable asset. If the supplier has a substantive substitution right, the asset is not identified as a lease;
- » the Group has the right to obtain substantially all of the economic benefits from the use of the asset throughout its useful life; and

- » the Group has the right to determine the use of the asset. The Group has this right if it has the decision-making rights that are most relevant for changing the manner and purpose of use of the asset. In rare cases, where the decision on how and for what purpose the asset should be used is predetermined, the Group has the right to determine the use of the asset if:
 - » the Group has the right to operate the asset; or
 - » the Group has designed the asset in such a way that it is determined in advance how and for what purpose the asset is used.

When entering into or reassessing a contract that contains a lease component, the Group allocates the consideration contained in the contract to each lease component based on its relative stand-alone prices. For leases of buildings and other equipment, furniture and fixtures where DF AG is the lessee, the Group has decided not to separate non-lease and lease components and instead to account for each lease component and all related non-lease components as a single lease component.

The Group recognizes a right of use and a lease liability at the inception date of the lease. The right of use is initially measured at cost. The latter is calculated as the initial amount of the lease liability, adjusted for any lease payments made before or at the inception date of the lease, plus any initial direct costs incurred and an estimate of the costs of dismantling, removing, or restoring the underlying asset or the site on which it is located, less any lease incentives received.

The right of use is amortized on a straight-line basis as of the inception date until the earlier of the end of its useful life or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right of use is regularly reduced by any impairment losses and adjusted accordingly when the lease liability is remeasured.

At the inception date, the lease liability is measured at the present value of the lease payments not yet made, discounted at the interest rate implicit in the lease or, if this rate cannot be readily determined, at the Group's incremental borrowing rate. The Group generally uses its incremental borrowing rate as the discount rate.

The lease payments to be considered in measuring the lease liability break down into the following:

- » fixed payments, including significant fixed payments; variable lease instalments that are linked to an index or (interest) rate and whose initial measurement is based on the index or (interest) rate in effect on the inception date;
- » amounts expected to be paid by the lessee under residual value guarantees;

» the exercise price of a call option if the Group is reasonably certain to exercise it, lease payments of an optional renewal period if the Group is reasonably certain to exercise the renewal option, and penalties for early termination of the lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments due to a change in the index or interest rate, or when there is a change in the Group's estimate of the amount expected to be paid under a residual value guarantee, or when the Group changes its estimate of whether a purchase, renewal or termination option will be exercised. If the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right of use or is recognized in the income statement if the carrying amount of the right of use has been reduced to zero.

Payments for short-term leases or low-value leases are recognized in profit or loss on a straight-line basis. Leases with a term of up to 12 months are classified as short-term leases.

The Group recognizes rights of use as property, plant and equipment and lease liabilities as financial liabilities in the balance sheet.

i) **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 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 debtor
- » 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.

- j) **Other current assets** are loans and receivables recognized at amortized cost using the effective interest method.
- k) **Cash and cash equivalents** are recognized at nominal value. The item includes cash on hand and bank deposits with a maturity of up to three months.
- l) **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).

m) 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.

n) **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 as 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.

o) **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.

p) **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.

q) 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 regarded as immaterial for the consolidated financial statements. In isolated cases, the actual values may deviate from the assumptions and estimates made. Changes are included in income at the point in time when more accurate information becomes available.

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 profit, given that the fair value of the creditor liabilities would be reduced by the same amount due to the situation described above.

The recognition of deferred tax assets on unused tax loss carryforwards is based on estimates made in connection with corporate and Group planning. To take into account positive and negative factors influencing future income and to determine mainly probable amounts, the planning calculation uses time-period-based weighting.

Due to the highly dynamic macroeconomic environment, the uncertainty in the preparation of the consolidated financial statements is much higher than this used to be the case in the past. Factors of uncertainty relate in particular to the inflation trend, changes in interest rates, the geopolitical challenges as well as to trade restrictions and sanctions. Based on current knowledge, there have been no indications of material impairment to date.

II. NOTES TO THE INCOME STATEMENT

(7) Transaction-related income

Transaction-related income includes:

Transaction-related income in kEUR	1-1 - 31-12-2023	1-1 - 31-12-2022
Commission income	8,553	10,115
<i>thereof marketing revenues (brokerage commissions)</i>	8,473	9,841
<i>thereof income from debt collection activities</i>	44	44
<i>thereof factoring income</i>	36	229
Forfeiting income	298	815
Exchange gains	0	57
Trading income	20,675	-
Write-up of receivables	11	117
Total	29,537	11,104

Commission income mainly results from brokerage, consulting and other services provided in connection with payment transactions.

Marketing revenues and forfeiting income are generated by DF GmbH exclusively with one external customer each in the Near East region.

The factoring business is operated exclusively by DF s.r.o. 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.

DF GmbH generated income of kEUR 298 (previous year: kEUR 815) from the forfeiting business.

Since 2023, DF Group has been acting as an independent trader of agricultural products in the new Trading segment in compliance with applicable regulations. In this segment, DF Group buys and sells the goods for its own account and at its own risk, organizes transport itself, identifies potential buyers and conducts the sales and contract negotiations itself. The opportunities arising here are gradually being seized, constantly taking into account all laws, compliance guidelines and risk factors. Income in the amount of kEUR 20,675 was generated for the first time in the financial year. The business was conducted by DF ME in the financial year. In the future, it may also be conducted by another Group company.

(8) Transaction-related expenses

Transaction-related expenses include:

Transaction-related expenses in kEUR	1-1 - 31-12-2023	1-1 - 31-12-2022
Commission expenses	(504)	(465)
Exchange losses	(66)	(34)
Trading expenses	(20,541)	0
Depreciation and value adjustments on receivables	(4)	(16)
Total	(21,115)	(515)

The commission expenses are causally linked to the corresponding income. Commission expenses mainly result from brokerage services provided for DF Group and mainly relate to marketing services in the amount of kEUR 467 (previous year: kEUR 307) and bank commissions in the amount of kEUR 37 (previous year: kEUR 157). The trading expenses of kEUR 20,541 (previous year: kEUR 0) are directly related to the trading income.

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

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

Gross result in kEUR	1-1 - 31-12-2023	1-1 - 31-12-2022
Net commission income	8,049	9,650
Net forfeiting income	298	815
Trading result	134	-
Net valuation	7	100
Result from exchange gains and losses	(66)	23
Total	8,422	10,588

(10) Other income

Other income breaks down as follows:

Other operating income in kEUR	1-1 - 31-12-2023	1-1 - 31-12-2022
Income from the reversal of other liabilities	54	1
Income from the allocation of charges	5	9
Income from fees for the sale of the creditor assets	12	29
Miscellaneous other operating income	71	16
Total	142	55

(11) Personnel expenses

Personnel expenses break down as follows:

Personnel expenses in kEUR	1-1 - 31-12-2023	1-1 - 31-12-2022
Salaries	1,791	2,108
Total salaries	1,791	2,108
Social security contributions	143	136
Pensions	147	154
Other social security expenses	2	2
Total social security expenses	292	293
Total	2,082	2,400

Pension expenses essentially include contributions to state pension providers in the amount of kEUR 120 (previous year: kEUR 120) as well as to defined contribution plans in the amount of kEUR 27 (previous year: kEUR 28).

(12) Depreciation on tangible and intangible assets

The table below shows systematic depreciation/amortization:

Depreciation on tangible and intangible assets in kEUR	1-1 - 31-12-2023	1-1 - 31-12-2022
Amortization of intangible assets	12	10
Depreciation of tangible assets	198	211
- thereof rights of use	163	162
Total	211	221

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 - 31-12-2023	1-1 - 31-12-2022
Legal and consultation fees, accounting expenses	1,123	541
Investor relations, AGM	237	238
Travel expenses	145	146
Insurance, fees, contributions	139	130
IT costs	139	129
Payment transaction fees	123	88
Cost of premises	81	104
Administrative expenses / cooperation partners	59	51
Miscellaneous other expenses	637	503
Total	2,684	1,929

Legal and consultation fees as well as accounting expenses mainly include expenses for annual and quarterly audits as well as for legal and tax advice. In the financial year, these include legal fees for advice in connection with a legal dispute with a correspondent bank of DF Group in the amount of kEUR 429.

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.

Miscellaneous other expenses mainly include expenses for the compensation of the members of the Supervisory Board (kEUR 113, previous year: kEUR 110).

(14) Financial result

The financial result breaks down as follows:

Financial result in kEUR	1-1 - 31-12-2023	1-1 - 31-12-2022
Interest income from loans and receivables	721	620
Other interest income	-	-
Total interest income	721	620
Interest expenses payable to banks	1	56
- thereof other interest	1	56
Miscellaneous interest expenses	775	345
- therefore from lease liabilities	40	36
- thereof other interest	735	308
Total interest expenses	776	401
Net interest = financial result	(55)	219

Interest income results from interest on arrears charged in the trading (kEUR 607, previous year: kEUR 0), forfeiting and service business. Interest expenses in the reporting period in particular include interest on the loan granted by the majority shareholder (kEUR 729, previous year: kEUR 308).

(15) Income tax

Deferred tax assets from temporary differences may not be recognized if it is not sufficiently probable that taxable results will be available against which the deductible temporary differences can be utilized (IAS 12.27).

Of the income tax liabilities recognized in the amount of kEUR 2,224 (previous year: kEUR 1,512), kEUR 731 (previous year: kEUR 306) relate to trade tax for the result generated by DF AG in the previous year and kEUR 255 relate to corporation tax, kEUR 14 to solidarity surcharge and kEUR 325 to trade tax for the result generated in the reporting year.

At the same time, there are tax receivables of kEUR 346 (previous year: kEUR 383), of which kEUR 335 result from offsetting paid capital gains tax plus solidarity surcharge against corporate income tax plus solidarity surcharge of DF AG calculated for the financial year 2021.

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-advantaged 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 by entry in the Commercial Register on 3 August 2020, DF AG generated income of kEUR 5,840 (previous year: kEUR 8,586) in the reporting year based on the above agreement and used previously unused tax losses of kEUR 3,852 (previous year: kEUR 4,492) against the taxable income.

As of 31 December 2023, DF AG had corporation tax loss-carryforwards in the amount of kEUR 12,677 (previous year: kEUR 16,529) and trade tax loss-carryforwards in the amount of kEUR 12,654 (previous year: kEUR 16,506). In addition, the temporary differences on trade tax and corporation tax amount to kEUR 1 each (previous year: kEUR 1 each).

Given that the loss history ended 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 2023, DF Group recognized deferred tax assets corresponding to the expected usability of unused tax loss-carryforwards (IAS 12.34 and 12.82) in the amount of kEUR 3,840 (previous year: kEUR 4,970).

Group income taxes break down as follows:

Income tax in kEUR	1-1 - 31-12-2023	1-1 - 31-12-2022
Income tax expenses of the current year	716	707
Adjustments for previous years	0	0
Current tax expenses	716	707
Deferred taxes from temporary differences	1	1
Deferred taxes in the context of tax loss carried forward	1,145	202
Deferred tax expenses (income)	1,146	203
Total	1,863	910

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 16.6%, this results in a tax rate of approximately 32.5% for domestic companies (previous year: 31.5%). 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 38 (previous year: kEUR 54) if realized.

The status of deferred tax assets and liabilities as of 31 December 2023 is detailed in the table below:

Allocation of deferred tax assets and liabilities in kEUR	Assets		Liabilities	
	31-12-2023	31-12-2022	31-12-2023	31-12-2022
Investment	-	-	-	-
Pension obligations	6	22	-	-
Tax loss carryforward	3,839	4,970	-	-
Other liabilities	37	37	-	-
Total	3,882	5,028	-	-
Offsetting	-	-	-	-
Balance sheet value	3,882	5,028	-	-

Tax reconciliation:

in kEUR	1-1 - 31-12-2023	1-1 - 31-12-2022
Profit before income tax	3,527	6,315
Nominal tax rate	32.45%	31.50%
Expected income tax	1,145	1,988
Effects from deviating local tax rates	387	114
Tax effects from changes in value adjustments of deferred tax assets	156	-1,220
Non-deductible expenses	154	28
Other effects	21	0
Income tax	1,862	910

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 2023, rights of use pursuant to IFRS 16 in the amount of kEUR 1,148 (previous year: kEUR 1,272) are recognized as tangible assets. At the same time, non-current lease liabilities in the amount of kEUR 1,018 (previous year: kEUR 1,100) and current lease liabilities assigned to other liabilities in the amount of kEUR 153 (previous year: kEUR 145) are recognized as liabilities in the amount of their present values. Interest expenses in the amount of kEUR 40 (previous year: kEUR 36) were incurred in the financial year. Leasing expenses in the amount of kEUR 163 (previous year: kEUR 162) are shown under depreciation/amortization of tangible assets.

As a lessee, DF Group primarily leases office space. Leases which had a remaining term of less than 12 months as of 31 December 2023 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 1 (previous year: kEUR 40) were recorded in the reporting period.

Non-current assets in Euro	Intangible assets	Tangible assets		Total
	(Rights, software)	(Other equipment, factory and office equipment)	(Rights of use to buildings)	
Acquisition costs				
As of 1 January 2023	291,626.83	1,483,151.89	585,582.48	2,360,361.20
Currency translation differences	-327.58	0.00	-441.32	-768.90
Additions	373.42	41,654.51	16,849.52	58,877.45
Disposals	138,973.83	0.00	253,566.48	392,540.31
As of 31 December 2023	152,698.83	1,524,806.40	348,424.20	2,025,929.43
Depreciation/amortization				
As of 1 January 2023	248,461.75	211,550.84	429,632.90	889,645.49
Currency translation differences	34.83	2,478.06	-413.18	2,099.72
Additions	11,897.50	162,509.95	36,526.50	210,933.95
Disposals	132,246.18	0.00	253,353.48	385,599.66
As of 31 December 2022	128,147.90	376,538.85	212,392.74	717,079.50
Carrying amounts				
As of 31 December 2023	24,550.93	1,148,267.55	136,031.46	1,308,849.94
As of 31 December 2022	43,165.08	1,271,601.05	155,949.58	1,470,715.71

(17) Non-current financial assets

Non-current financial assets include rent deposits in the amount of kEUR 55 (previous year: kEUR 54) for the offices used by DF Group.

(18) Trade receivables

Trade receivables in the amount of kEUR 1,271 (previous year: kEUR 15,747) are measured at amortized cost. They mainly result from the trading, forfaiting and factoring business. Compared to the previous year, only a few transactions were active at the reporting date. Value adjustments were only required on factoring receivables in the amount of kEUR 16 (previous year: kEUR 27) to account for default risks customary in the market.

(19) Other current assets

Other current assets break down as follows:

Current assets in kEUR	1-1 - 31-12-2023	1-1 - 31-12-2022
Tax receivables	280	304
Prepaid expenses	110	85
Miscellaneous other assets	400	292
Total	790	681
- thereof financial assets	400	292
- thereof non-financial assets	390	389

Tax receivables relate to value-added tax. Miscellaneous other assets mainly include commission advances and the deposit of a security with the court.

(20) Cash and cash equivalents

Cash and cash equivalents amounted to kEUR 41,909 (previous year: kEUR 23,565) and related to bank deposits with a maturity of up to three months. Compared to the previous year, only a few trading, forfaiting and factoring transactions were active at the reporting date.

(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.

Dividend

According to the German Stock Corporation Act, the dividend is distributed from the unappropriated profits shown in the annual financial statements of DF Deutsche Forfait AG (separate financial statements) under commercial law. It will be proposed to the Annual General Meeting that EUR 0 (previous year: EUR 475,499.32) be distributed to the shareholders from DF Deutsche Forfait AG's net income for 2023. This corresponds to EUR 0.00 (previous year: EUR 0.04) per dividend-bearing share.

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 116 (previous year: kEUR 172). The change in the item amounted to kEUR 56 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 0.14 (basic and

diluted) (previous year: EUR 0.45). Equity instruments with a potentially dilutive effect have not been issued.

Right to purchase own shares

The Annual General Meeting of 18 August 2022 approved the cancellation of the authorization to buy and sell treasury shares, which had been resolved by the Annual General Meeting on 6 July 2016 and been extended by the Annual General Meeting on 30 June 2020:

- a) The conditional capital 2016/I and the conditional capital 2016/II will be cancelled.
- b) Sections 8 (4) and 6 of the Memorandum of Association will be deleted without replacement.

(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 two former members of the Board of Management. According to the benefit plans, benefits are payable when a member of the Board of Management passes away or retires due to age. Mr Franke will receive a capital payment in this case. In contrast, Ms Attawar has 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 %	31-12-2023	31-12-2022
Discount rate	3.57	4.21
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	31-12-2023	31-12-2022
Accumulated benefit obligation as of 1 January	290	397
Current service cost	-	-
Interest paid	12	5
Expected pension payments	(1)	(1)
Actual pension payments	205	0
Actuarial loss (gain)	18	(112)
- thereof accounted for by changes in financial assumptions	5	(112)
- thereof accounted for by changes in demographic assumptions	-	-
- thereof accounted for by experience-based assumptions	13	-

Accumulated benefit obligation as of 31 December	115	290
Changes in plan assets in kEUR		
	31-12-2023	31-12-2022
Fair value of plan assets as of 1 January	290	397
Typifying investment income	12	5
Income from plan assets	18	(112)
Actual pension payments	(205)	-
Value of plan assets as of 31 December	115	290

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	31-12-2023	31-12-2022
Accumulated benefit obligation as of 31 December	115	290
Fair value of plan assets as of 31 December	115	290
Asset ceiling effect as of 31 December	-	-
Actuarial (gains) losses from accumulated benefit obligation	(18)	(112)
Profit (loss) from plan assets	18	112
Asset ceiling effect as of 31 December	-	-

in kEUR	2023	2022	2021	2020	2019	2018
Accumulated benefit obligation	115	290	397	857	811	715
- Included impacts of deviations	(18)	(112)	(107)	35	81	(3)
Plan assets	115	290	397	857	811	715
- Included impacts of deviations	(18)	(112)	(107)	35	81	11
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 115 (previous year: kEUR 290) and the liability value of the obligation of kEUR 115 (previous year: kEUR 290) 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	31-12-2023	31-12-2022
Accumulated benefit obligation	(115)	(290)
Fair value of the pension plan assets	115	290
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 2023, a discount rate that differs by +0.5% results in interest expenses of

kEUR 5 and an accumulated benefit obligation of kEUR 111 and a discount rate that differs by -0.5% results in interest expenses of kEUR 4 and an accumulated benefit obligation of kEUR 120.

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 - 31-12-2023	1-1 - 31-12-2022
Current service cost	-	-
Interest expense	12	5
Interest income from plan assets	(12)	(5)
Interest on asset ceiling effect	-	-
Recognized in the income statement	0	0

Components of other comprehensive income (OCI) in kEUR	31-12-2023	31-12-2022
Actuarial losses (gains)	(112)	(112)
Interest income from plan assets	112	112
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 7.73 years (previous year: 10.96 years), pension payments in the amount of kEUR 1 are expected for the following period under the pension benefit plans that existed as of 31 December 2023.

(23) Non-current liabilities

Non-current liabilities result from a loan of EUR 15.0 million (previous year: EUR 15.0 million) measured at amortized cost, which the majority shareholder of DF AG granted to the subsidiary DF GmbH, and from the prorata lease liabilities of kEUR 1,018 (previous year: kEUR 1,100) recognized at present value.

DF AG is obliged to restore the leased premises to their original condition after the end of the respective lease term. A provision has been established for the present value of the estimated expenditures required to remove any tenants' installations. These costs have been capitalized as a component of the rights of use and are amortized over the term of the lease.

(24) Trade accounts payable

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

Trade accounts payable in kEUR	1-1 - 31-12-2023	1-1 - 31-12-2022
Deferred liabilities	415	172
Liabilities from services received	88	47
Total	504	219

Deferred liabilities mainly include outstanding invoices. A pending legal matter accounted for kEUR 270

thereof.

(25) Other current debt

Other current liabilities include the following individual items:

Other current debt in kEUR	1-1 - 31-12-2023	1-1 - 31-12-2022
Interest liabilities	1,139	410
Other tax liabilities	228	46
Accounting and audit expenses	187	216
Liabilities to employees	162	533
Lease liability	153	145
Holiday pay	51	72
Liabilities from duties and premiums	7	7
Miscellaneous other liabilities	52	61
Total	1,979	1,488
- thereof financial liabilities	1,746	1,430
- thereof non-financial liabilities	233	58

Liabilities to employees mainly result from bonus claims. The lease liability results from the adoption of IFRS 16. Interest liabilities relate to the loan granted by the majority shareholder, while other tax liabilities mainly include 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 forfeiting business prior to the insolvency, comprising the trading and restructuring portfolio, and is composed as follows:

Creditor assets in kEUR	1-1 - 31-12-2023	1-1 - 31-12-2022
Restructuring portfolio	18	18
Bank balances	-	13
Total	18	31

With regard to the trading portfolio that relates to receivables from current forfeiting 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 change in value of the trading and restructuring portfolio mainly results from fair value adjustments. 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 gains of kEUR 0 in the reporting period (previous year: net gains of kEUR 1).

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	31-12-2023	31-12-2022
As of 1 January	31	29
Payment to the trustee	-	-
Utilization of short-term provisions	-	-
Expenses/income from the fair value measurement of the creditor liabilities	-	2
As of 31 December	31	31

The reductions in creditor liabilities through payout to the trustee and/or offsetting against counterclaims 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 settled exclusively to the extent that, and at such times when, DF AG's assets existing at the time of the official adoption of the insolvency plan are liquidated. Under the regulations of the insolvency plan, all opportunities and risks resulting from the liquidation of the creditor assets thus pass to the creditors. This means that the creditor liabilities may at no time exceed the creditor assets. To avoid an accounting mismatch, the creditor liabilities are recognized at the fair value resulting from the change in the value of the assets (IFRS 9.4.2.2). In the reporting period, this resulted in a change in value through profit/loss of kEUR 0 (previous year: kEUR 1).

IV. OTHER INFORMATION

(27) Employees

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

Number of employees	1-1 - 31-12-2023	1-1 - 31-12-2022
Salaried employees	16	19
- of which in trade/sales	6	6
- of which in contract management	2	2
- of which in controlling/accounting	4	5
- of which in compliance	2	3
- of which in other/internal administration	2	3

(28) Other financial obligations

As in the previous year, the Group made no forfeiting and purchase commitments as of 31 December 2023, which means that it has no other financial obligations.

(29) Total fee of the auditor

The total fee of the auditor, Grant Thornton AG, exclusively related to audit services and amounted to kEUR 264 (previous year: kEUR 199).

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

Due to his share ownership, Dr. Shahab Manzouri is a person with substantial influence and represents the highest controlling level of the Group. In February 2019, Dr. Manzouri granted DF GmbH a loan of EUR 15.0 million with a minimum term of three years, which bears interest at the 12-month EURIBOR plus 1.0% and minus any credit fees (negative interest). In the reporting period, DF GmbH expensed interest on the loan in the amount of kEUR 729 (previous year: kEUR 308) and reported it as other current liabilities as of 31 December 2023. As at the balance sheet date, a total of kEUR 16,139 (previous year: kEUR 15,410) were outstanding.

The Board of Management was composed as follows in the financial year from 1 January to 31 December 2023:

Management Board	Position
Dr. Behrooz Abdolvand Hans-Joachim von Wartenberg	<i>Political scientist, Chairman of the Board of Management since 1 November 2017 Lawyer, Board member since 1 December 2019</i>

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

Management compensation in kEUR	Dr. B. Abdolvand	H.-J. von Wartenberg
1-1 - 31-12-2023		
Fixed salary	250	225
Other compensation	26	26
Variable compensation	75	75
Total	351	326
1-1 - 31-12-2022		
Fixed salary	237	212
Other compensation	26	26
Variable compensation	255	255
Total	561	536

With regard to the compensation for the reporting period, balances of kEUR 153 (previous year: kEUR 510) were outstanding as at the balance sheet date.

Pension commitments in the form of defined benefit plans exist for two former members of the Board of Management (Ms Attawar, resigned with effect from 31 December 2015, and Mr Franke, resigned with effect from 30 September 2013). According to the benefit plans, benefits are payable when a member of the Board of Management passes away or retires due to age. Mr Franke will receive a capital payment in this case. In contrast, Ms Attawar has 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 member of the Board of Management receives a guaranteed old age pension from DF AG. The amounts are as follows:

» Jochen Franke: One-time capital payment of EUR 152,301.00

In the financial year, Ms Attawar exercised her right to choose and received a one-off capital payment of EUR 205,338.50 instead of an annual pension of EUR 11,176.08.

In addition, Ms Marina Attawar received a one-off capital payment from a reinsured benevolent fund in the amount of EUR 210,669.81.

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

No post-employment benefits were paid to Mr Franke in the financial year from 1 January to 31 December 2023 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 - 31-12-2023	1-1 - 31-12-2022
Fixed compensation	98	98
Attendance remuneration	15	12
VAT	9	11
Total	122	121

(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), which continued to apply as at the balance sheet date of 31 December 2023:

» Dr. Shahab Manzouri, 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 Kevin Robert Steele, Great Britain, notified us in accordance with Section 21 (1) of the Securities Trading Act (WpHG) on 29 December 2022 that his voting interest in DF Deutsche Forfait AG, Gustav-Heinemann-Ufer 56, 50968 Köln, Germany exceeded the thresholds of 3% on 28 December 2022 and amounted to 3% (which corresponds to 356,628 voting rights) on that date. 0.22% of these voting rights are attributable to him via Living Cells Unlimited, while 2.78% are held by him as Mr Kevin Robert Steele.

(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. Market risk and most of all 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	1-1 - 31-12-2023	1-1 - 31-12-2022
up to 1 month	539	261
over 1 month to 3 months	1,215	505
over 3 months to 6 months	378	762
over 6 months to 12 months	118	121
Total	2,250	1,649

The financial liabilities shown comprise trade accounts payable in the amount of kEUR 504 (previous year: kEUR 219) and other current financial liabilities in the amount of kEUR 1,746 (previous year: kEUR 1,430).

As of 31 December, non-current financial liabilities with a maturity of more than one year amount to kEUR 16,038 (previous year: kEUR 16,153) 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 1,018 (previous year: kEUR 1,133).

All financial liabilities are covered by cash at banks and current assets.

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 pre-dominantly 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 2023, there were receivables from forfaiting and factoring transactions from new business that is not available for distribution to the insolvency creditors in the amount

of kEUR 98 (previous year: kEUR 15,697). 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. However, DF Group is dependent on a few specialized partners to offer its marketing services and forfaiting products and is therefore exposed to a concentration risk.

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, 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, 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.

DF Group is exposed to risks resulting from changes in market prices (e.g. for raw materials) related to the purchase of merchandise. DF Group generally mitigates the risk arising from short-term fluctuations in such market prices by turning over merchandise quickly or by fixing sales prices. DF Group has decided not to enter into any hedging transactions for commodity prices.

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 other financial assets (“at fair value through profit or loss” category) as at the effective measurement day and no representative alternative prices can be determined or observed. DF AG therefore measures other financial assets at the amount of the expected return flows.

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. This relates to fair value changes in the amount of kEUR 0 (previous period: kEUR 1).

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

There were no non-listed equity instruments (shares in non-consolidated affiliated companies, other financial assets) in the reporting year.

Measurement processes

With respect 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 the current country rating of credit assessment agencies 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 2023, receivables from the operating forfaiting business in the amount of EUR 0 million (previous year: EUR 15 million) were recognized.

In accordance with IFRS 9.4.1.2, the Group reports receivables from the factoring business in the amount of kEUR 98, for which value adjustments in the amount of kEUR 16 have been recognized in accordance with IFRS 9.5.5.1 et seq.

In the case of non-current financial liabilities, there are no uncertainties regarding future cash flows.

Disclosure of the value of financial instruments

The following table shows the carrying amounts of financial instruments (IFRS 7.6) compared to their fair values (IFRS 7.25) as well as their measurement categories (at amortized cost – AC, at fair value through profit or loss – FVtPL).

Carrying amounts of financial instruments in kEUR	Measure- ment category	Fair value Hierarchy level			Carrying amount 31-12-2023	Fair value 31-12-2023
		Level 1	Level 2	Level 3		
Assets						
Other non-current financial assets	FVtPL		55		55	55
Creditor assets	FVtPL		18		18	18
Trade receivables	AC		1,271		1,271	1,271
Other current assets	AC		400		400	400
Cash and cash equivalents	AC	41,909			41,909	41,909
Liabilities						
Loan	AC		15,000		15,000	15,000
Lease obligations	AC		1,332		1,332	1,172
Creditor liabilities	FVtPL		31		31	31
Trade accounts payable	AC		504		504	504
Other current liabilities	AC		1,593		1,593	1,593

Carrying amounts of financial instruments in kEUR	Measure- ment category	Fair value Hierarchy level			Carrying amount 31-12-2022	Fair value 31-12-2022
		Level 1	Level 2	Level 3		
Assets						
Other non-current financial assets	FVtPL		16		16	16
Creditor assets	FVtPL		31		31	31
Trade receivables	AC		15,697		15,697	15,697
Other current assets	AC		292		292	292
Cash and cash equivalents	AC	23,565			23,565	23,565
Liabilities						
Loan	AC		15,000		15,000	15,000
Lease obligations	AC		1,278		1,478	1,278
Creditor liabilities	FVtPL		31		31	31
Trade accounts payable	AC		9		219	9
Other current liabilities	AC		1,285		1,285	1,285

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 41,909 (previous year: kEUR 23,565) are offset by interest-bearing liabilities in the amount of kEUR 16,108 (previous year: kEUR 16,153) and current financial liabilities of kEUR 153 (previous year: kEUR 145).

The comparison shows no net financial debt, resulting in a dynamic debt ratio of 0 after 0 in the previous year. As of 31 December 2023, net financial debt amounted to kEUR -25,737 (previous year: kEUR -7,267), resulting in a debt ratio of -6.89 after -1.11 in the previous year. 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 2023, DF Group's equity capital amounted to EUR 28.8 million (previous year: EUR 27.6 million). The insolvency creditor liabilities amounted to kEUR 18 (previous year: kEUR 31) and represented 0.2% (previous year: 0.2%) of the debt capital. As of 31 December 2023, 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
1-1-2022	15,000	-	1,457	16,457
Cash flows				
- Repayments			(184)	(184)
- Increases	-	-	-	-
Non-cash flows				
- Fair value	-	-	5	5
- Increases	-	-	-	-
31-12-2022	15,000	-	1,278	16,278
1-1-2023	15,000	-	1,278	16,278
Cash flows				
- Repayments			(186)	(186)
- Increases	-	-	-	-
Non-cash flows				
- Fair value	-	-	38	5
- Increases	-	-	41	-
31-12-2023	15,000	-	1,171	16,018

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

The Middle East conflict escalated in April 2024. This new, higher level of escalation only marginally affects DF Group's business activities, as the company continues to operate in the region only in the non-sanctioned food and pharma sectors and these goods continue to be in demand and traded.

Cologne, 25 April 2024

The Board of Management

AUDITOR'S REVIEW REPORT

**RESPONSIBILITY STATEMENT
BY THE BOARD OF MANAGEMENT**

SUPERVISORY BOARD REPORT

CORPORATE GOVERNANCE REPORT

INDEPENDENT AUDITOR'S REPORT

To DF Deutsche Forfait AG, Cologne

Report on the Audit of the Consolidated Financial Statements and the Combined Management Report

Audit Opinions

We have audited the consolidated financial statements of DF Deutsche Forfait AG, Cologne, and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2023, 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 2023 to 31 December 2023, 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, Cologne, for the financial year from 1 January 2023 to 31 December 2023. 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 IV. of the combined 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 2023 and of its results of operation for the fiscal year from 1 January 2023 to 31 December 2023 and
- » the accompanying combined management report as a whole provides an appropriate view of the Group's position. In all material respects, this combined 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 combined 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 combined management report.

Basis for the audit opinions

We conducted our audit of the consolidated financial statements and of the combined 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 combined 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 combined 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 2023 to 31 December 2023. 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.

The key audit matter that we consider to be most significant is presented below. We have structured our presentation of the key audit matter as follows:

1. *Risk to the consolidated 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 consolidated financial statements*

After netting with deferred tax liabilities, deferred tax assets in the amount of kEUR 3,882 are reported in the consolidated financial statements of DF Deutsche Forfait AG for the period ended 31 December 2023, of which kEUR 3,839 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 of Deutsche Forfait AG to assess the recognition and measurement of deferred tax assets on tax loss carryforwards. We also checked the plans and budgets prepared by the legal representatives of Deutsche Forfait AG for plausibility and mathematical accuracy. In addition, the mathematical accuracy of the calculation used to determine deferred tax assets was verified.

We also assessed the appropriateness of the assumptions made by the legal representatives of Deutsche Forfait AG 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 (14) "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 HGB and section 315d HGB, to which reference is made in the combined management report;
- » 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 on the consolidated financial statements and the combined management report;

- » the report of the Supervisory Board as well as
- » the remaining parts of the 2023 Annual Report,
- » but not the consolidated financial statements, not the disclosures in the combined management report whose content has been audited and not our related auditor's report.

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. The Supervisory Board is responsible for the Report of the Supervisory Board. Otherwise, the legal representatives are responsible for providing other information.

Our opinions on the consolidated financial statements and on the combined 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 disclosures in the combined management report whose content has been audited 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 combined 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 (i.e. accounting manipulations and misappropriation of assets) 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 combined 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 combined 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 combined 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 combined management report.

Auditor's responsibilities for the audit of the consolidated financial statements and of the combined 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 combined 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 combined 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 combined 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 combined 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 due to fraud are not detected is higher than the risk that material misstatements due to error are not detected, as fraud may involve collusion, forgery, intentional omissions, misleading representations and/or the override 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 combined 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 combined 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 combined 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 combined 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 combined 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, and, where relevant, the actions taken or safeguards implemented to eliminate threats to our independence.

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 combined management report prepared for the purpose of disclosure in accordance with section 317 (3a) HGB

Audit opinion

We performed a reasonable assurance audit pursuant to section 317 (3a) HGB to determine whether the reproductions of the consolidated financial statements and the combined management report (hereinafter also referred to as "ESEF documents") contained in "529900CY6JKIFT9GH610-2023-12-31-de.zip, 3c0852f453351eb6b17582b1213127542378d47979a2ec7f72e34e074e090345, SHA256" 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 combined 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 combined management report contained in the aforementioned 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 combined management report for the financial year from 1 January 2023 to 31 December 2023 included in the "Report on the audit of the consolidated financial statements and the combined 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 combined management report contained in the above-mentioned file in accordance with section 317 (3a) HGB and in compliance with the IDW Auditing Standard: "Prüfung der für Zwecke der Offenlegung erstellten elektronischen Wiedergaben von Abschlüssen und Lageberichten nach § 317 Abs. 3a HGB" ("Audit of Electronic Reproductions of Financial Statements and Management Reports Prepared for the Purpose of Disclosure pursuant to Section 317 (3a) HGB") (IDW EPS 410 (06.2022)). 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 management system requirements of the IDW Quality Management Standard: "Anforderungen an das Qualitätsmanagement in der Wirtschaftsprüferpraxis" ("Requirements for Quality Management in Auditing Practice") (IDW QMS 1 (09.2022)).

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

The legal representatives of the company are responsible for the preparation of the ESEF documents containing the electronic reproductions of the consolidated financial statements and the combined 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 of the company 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.

The Supervisory Board is responsible for monitoring the process of preparing 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;
- » 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 combined management report;
- » we assess whether the markup of the ESEF documents with inline XBRL technology (iXBRL) pursuant to Articles 4 and 6 of Delegated Regulation (EU) 2019/815 as last amended as of the reporting date 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 29 June 2023. We were engaged by the Supervisory Board on 18 December 2023. We have been the Group auditor of DF Deutsche Forfait AG, Cologne, 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).

Other matter – Use of the auditor's report

Our auditor's report should always be read in conjunction with the audited combined management report and the audited ESEF documents. The consolidated financial statements and the combined management report converted into ESEF format – including the versions to be entered in the Company Register – are merely electronic reproductions of the audited consolidated financial statements and the combined management report and do not replace them. In particular, the ESEF report and our audit opinion contained therein may be used only in conjunction with the audited ESEF documents provided in electronic form.

German Public Auditor responsible for the engagement

The German Public Auditor responsible for the engagement is Fabian Kuhn.

Frankfurt am Main, 26 April 2024

Grant Thornton AG
Wirtschaftsprüfungsgesellschaft

Maximilian Meyer zu Schwabedissen
Wirtschaftsprüfer
[German Public Auditor]

Fabian Kuhn
Wirtschaftsprüfer
[German Public Auditor]

RESPONSIBILITY STATEMENT BY THE BOARD OF MANAGEMENT

To the best of our knowledge and in accordance with the applicable accounting principles, the consolidated financial statements for the period ended 31 December 2023 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.

25 April 2024

The Board of Management

SUPERVISORY BOARD REPORT

DEAR SHAREHOLDERS,

There could have been no bigger difference between the first and the second half of the financial year 2023. At the beginning of 2023, DF Group successfully launched the new Trading product, which further underlined its diversification strategy. In the second half of the year, DF Group unfortunately had to downgrade its forecast. The reason was the special audit at a correspondent bank of DF Group due to suspected compliance deficiencies in transactions with Iran. Over the following months, this led to uncertainty among market participants in DF Deutsche Forfait AG's business area, which adversely affected the company's business activities. Fortunately, the special auditors released the blocked funds of Deutsche Forfait GmbH in December 2023. The year thus ended with the positive finding for the company that the business activities of Deutsche GmbH comply with existing laws and sanctions. In spite of the negative market events, DF Group generated consolidated profit of kEUR 1,664 in 2023.

Cooperation between the Supervisory Board and the Board of Management

In the financial year 2023, 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 of DF AG also addressed in detail the situation and performance of the company and DF Group as a whole.

The Supervisory Board regularly supervised the activities of the Board of Management and provided advice. The cooperation between the Supervisory Board and the Board of Management was always constructive and characterized by open and trusting discussions. 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 Board of Management. The latter kept the Supervisory Board informed of all relevant business events and the financial position of DF Group through both written and oral reports.

Based on the reports received from the Board of Management, the Supervisory Board supervised the activities of the Board of Management and decided on projects requiring its approval. On the basis of the detailed information provided by the Board of Management as well as independent audits, the Supervisory Board was able to fully perform its monitoring and advisory function at all times.

Changes on the Board of Management and the Supervisory Board

There were no changes in the composition of the Board of Management in the financial year 2023.

The following changes in the composition of DF AG's Supervisory Board occurred in the financial year 2023. At the beginning of the financial year, the Supervisory Board was composed of Dr. Ludolf von Wartenberg, Prof. Dr. Wulf-W. Lapins and Dr. Gerd-Rudolf Wehling. At the company's Annual General Meeting on 29

July 2023, Mr Wolfgang Habermann was elected to the Supervisory Board of DF AG. At the same time, the term of office of Dr. Gerd-Rudolf Wehling ended, which means that the Supervisory Board continues to be composed of three members.

Supervisory Board meetings

A total of five meetings of the Supervisory Board were held in the financial year 2023, at which the Board of Management informed the Supervisory Board about the economic situation and business trend. All meetings were attended by all members of the Supervisory Board. In addition to the meetings, further resolutions on current topics were passed by way of written vote.

Focus of the consultations

In the financial year 2023, the consultations focused on the long-term strategic development of the company and the effects of the special audit at a correspondent bank of DF Group and the related legal dispute between Deutsche Forfait GmbH and said bank. In particular, the following topics were also discussed at the meetings:

At the meeting on 2 March 2023, the Supervisory Board discussed the profit appropriation and the distribution of a dividend to the shareholders as well as the selection of new auditors from the financial year 2024.

At its meeting on 28 April 2023, the Supervisory Board adopted both the separate financial statements of DF AG for 2022 and the consolidated financial statements for 2022. The company's auditors attended the meeting and were available to answer all questions. The Supervisory Board also approved the invitation and the items on the agenda for the 2023 ordinary Annual General Meeting. A decision on bonus payments to the Board of Management for the financial year 2022 was made. Finally, the Supervisory Board approved the distribution of a dividend.

Topics addressed by the Supervisory Board at the meeting on 28 June 2023 included the new Trading product, the selection of new auditors and the preparations for the Annual General Meeting.

At the constituent meeting of the Supervisory Board on 29 June 2023, 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 meeting on 12 December 2023, the Supervisory Board approved the individual country limits. Moreover, the Supervisory Board discussed its annual efficiency review and the targets for the share of women on the Supervisory Board and the Board of Management.

Supervisory Board committees

The Supervisory Board has formed no committees. The Supervisory Board is composed of three members. In a body of this size, the efficient performance of the Supervisory Board's tasks is ensured without the formation of specialist committees.

Corporate governance

The Supervisory Board remained committed to good corporate governance throughout the financial year 2023. Information on corporate governance at the company can be found in the corporate governance statement made permanently available on the company's website in the Investor Relations section under "Corporate Governance" (<https://dfag.de/en/investor-relations/corporate-governance/>). In the financial year 2023, the declaration of conformity by the Board of Management and the Supervisory Board was published in March, updated in April and made permanently available on the company's website; the latest declaration of conformity by the Board of Management and the Supervisory Board was issued in April 2024 with an addendum and has also been made permanently available to the shareholders on the company's website.

Report on compensation of the Board of Management and the Supervisory Board (compensation report)

The compensation report for 2023 was prepared by the Board of Management and the Supervisory Board. The auditors reviewed the compensation report and determined that it contains the information required by Section 162 (1) and (2) of the German Stock Corporation Act (AktG). The corresponding report on the audit of the compensation report in accordance with Section 162 (3) AktG is attached to the separate compensation report.

Conflicts of interest

No conflicts of interest involving members of the Supervisory Board were made known to the Supervisory Board during the financial year 2023.

Financial statements 2023

At the Annual General Meeting on 29 June 2023, Grant Thornton AG Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, were elected auditors for the separate financial statements and the consolidated financial statements for the financial year from 1 January 2023 to 31 December 2023.

The separate financial statements for 2023 and the consolidated financial statements for 2023 as well as the combined management report for the company and the Group were audited by Grant Thornton AG Wirtschaftsprüfungsgesellschaft, Frankfurt am Main. In the course of the audit, the Supervisory Board discussed the audit strategy and the audit plan with the auditors.

The separate financial statements for 2023, the consolidated financial statements for 2023 as well as the combined management report for the company and the Group for the financial year 2023 were available to all members of the Supervisory Board for detailed examination sufficiently in advance of the Supervisory Board meeting on 26 April 2024. At the Supervisory Board meeting on 26 April 2024, 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 in-depth 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 26 April 2024. The financial statements of DF Deutsche Forfait AG were thus finalized. No objections were raised. The Supervisory Board approved the combined management report for the company and the Group and the assessment of the company's future development.

The Supervisory Board would like to thank the employees and the Board of Management for their commitment and their achievements in the financial year 2023. Our thanks also go to our shareholders for the trust placed in us.

26 April 2024

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

CORPORATE GOVERNANCE STATEMENT

In this statement, the Board of Management and the Supervisory Board of DF Deutsche Forfait AG (also referred to as “**DF AG**” or “**company**”) report on corporate governance and the main elements of the company’s corporate governance structures in accordance with Sections 289f and 315d of the German Commercial Code (HGB) and in accordance with principle 23 of the recommendations of the Government Commission on the German Corporate Governance Code (“**GCGC**”) as amended on 28 April 2022 in the financial year from 1 January to 31 December 2023.

I. Declaration of conformity

The purpose of the German Corporate Governance Code is to make the rules for corporate management and supervision in Germany transparent to national and international investors in order to boost confidence in the management of German companies. The German Corporate Governance Code is of great importance for DF AG. DF AG is committed to compliance with laws and regulations as well as to transparency and integrity and aims to be an organization in which these values are core elements of the corporate culture.

Declaration by the Board of Management and the Supervisory Board of DF Deutsche Forfait AG according to Section 161 of the German Stock Corporation Act (AktG) regarding the recommendations of the “Government Commission on the German Corporate Governance Code”

The Board of Management and the Supervisory Board of DF Deutsche Forfait AG hereby declare that since the issue of the last declaration of conformity on 2 March 2023 and the update on 27 April 2023, the recommendations of the Government Commission on the German Corporate Governance Code as amended on 28 April 2022 and published in the official section of the Federal Gazette on 27 June 2022 (“GCGC 2022”), have been complied with and will be complied with in the future save for the following exceptions:

» Recommendations A.2, B.1 and C.1 sentence 2 GCGC 2022 (diversity)

The Board of Management and the Supervisory Board expressly welcome the fact that the GCGC aims for diversity and are open to diverse appointments to management functions and board composition. However, when filling management functions and Board of Management positions and when proposing candidates for election to the Supervisory Board, the knowledge, skills and professional experience of the individual are the prime criteria that are considered. Diversity is only a secondary criterion.

» Recommendation B.2 GCGC 2022 (description of succession planning)

The Board of Management and the Supervisory Board will regularly address succession planning issues, but will refrain from describing the approach taken in this regard in the corporate governance statement (Section 289a HGB). In view of the size of the company and its corporate bodies, a formalized procedure is not necessary in this respect and would merely increase the administrative effort for the company.

» Recommendations B.5 and C.2 GCGC 2022 (age limit for members of the Board of Management and the Supervisory Board)

DF Deutsche Forfait AG does not have and does not plan to set any age limits for members of the Board of Management and the Supervisory Board.

The members of the corporate bodies of DF Deutsche Forfait AG are chosen exclusively on the basis of the knowledge, skills and professional experience required to perform their duties. Setting age limits would unduly restrict the choice of suitable candidates.

» Recommendation C.1 GCGC 2022 (profile of required skills and expertise of the Supervisory Board)

The Supervisory Board of DF Deutsche Forfait AG has currently not drawn up a formal profile of required skills and expertise for the Supervisory Board and its composition.

The members of the Supervisory Board are chosen on the basis of the skills and expertise required for their office. The Supervisory Board of DF Deutsche Forfait AG is of the opinion that the existence of knowledge and skills in certain specialist areas, such as accounting and auditing, foreign trade finance, corporate and capital market law, sanctions law as well as sustainability issues that are of importance for the company, is useful and necessary. On the other hand, it considers the strict definition of expertise criteria to be unnecessary and potentially even counterproductive given the small size of the company and its Supervisory Board.

» Recommendation D.1 GCGC 2022 (publication of the rules of procedure of the Supervisory Board)

The Supervisory Board has adopted its own rules of procedure. Contrary to recommendation D.1 of the GCGC 2022, the Supervisory Board has not published the rules of procedure on the website of DF Deutsche Forfait AG. The main procedural rules for the Supervisory Board are prescribed by the German Stock Corporation Act (AktG) and the Memorandum of Association and are thus already publicly available. The Supervisory Board therefore believes that publication of the rules of procedure on the website does not add any value.

» Recommendations D.2 and D.4 GCGC 2022 (formation of Supervisory Board committees)

At present, the Supervisory Board of DF Deutsche Forfait AG has not formed any committees. As the Supervisory Board is currently composed of only three members, the formation of such committees does not appear expedient. The formation of committees cannot reasonably increase the efficiency of the activity of such a small Supervisory Board. The tasks for which the GCGC recommends the formation of specialist committees are performed by the full Supervisory Board.

» Recommendation D.11 GCGC 2022 (report on training and professional development measures)

The members of the Supervisory Board take responsibility for undertaking any training or professional development measures necessary to fulfil their duties. Upon their appointment, they are supported by the incumbent Supervisory Board members in familiarizing themselves with the company's affairs that are important for their activities. However, in view of the size of the company and the fact that the Supervisory Board is

composed of only three members and that all matters are decided by the full Supervisory Board (without committees), a formalized procedure and a corresponding description in the report of the Supervisory Board do not appear necessary in this respect.

» [Recommendation F.2 GCGC 2022 \(publication of financial information\)](#)

DF Deutsche Forfait AG does not publish the annual report within 90 days from the end of the financial year and does not publish the mandatory interim financial information within 45 days from the end of the reporting period. Instead, DF Deutsche Forfait AG complies with the deadlines prescribed by the provisions of the Rules and Regulations of the Frankfurt Stock Exchange for the General Standard sub-segment and of the Securities Trading Act, as the Board of Management and the Supervisory Board consider these deadlines to be appropriate. DF Deutsche Forfait AG intends to continue this practice in the future.

» [Recommendation G.3 GCGC 2022 \(horizontal remuneration comparison\)](#)

At present, the Board of Management does not assess whether the remuneration of Board of Management members is in line with usual levels compared to other enterprises. Due to the specific industry and the recent history of the company, the Supervisory Board is of the opinion that there is no suitable peer group of other enterprises that it could use for this purpose. Should this change in the future, the Supervisory Board will use a peer group of enterprises that are comparable in terms of size, revenue, number of employees, market capitalization and industry to assess whether the Board of Management remuneration is in line with usual levels.

» [Recommendation G.4 GCGC 2022 \(vertical remuneration comparison\)](#)

In assessing whether remuneration is in line with usual levels, the Supervisory Board does not take into account the remuneration structure within the company, either. Being a holding company, DF Deutsche Forfait AG does not provide suitable benchmarks either for senior managers or for the workforce as a whole.

» [Recommendations G.6 and G.7 GCGC 2022 \(multi-year assessment basis for variable Board of Management remuneration\)](#)

The variable remuneration of the Board of Management members (bonus) currently has no multi-year assessment basis, but is measured on the basis of short-term targets. The members of the Board of Management participate in the annual profit of DF Deutsche Forfait AG on a percentage basis. The total bonus is capped at 150% of the fixed annual salary of the respective Board of Management member.

The Supervisory Board considers such an arrangement to be appropriate in the current phase of the company. The activity of the Board of Management currently focuses on the company's short to medium-term success and will continue to do so in the coming years. The Supervisory Board is therefore convinced that the performance of the Board of Management can best be measured on the basis of the company's results for the year. However, the Supervisory Board will regularly review this decision and also consider long-term remuneration components if this appears appropriate in view of the continued successful performance of the company.

As the Board of Management does not currently receive any long-term remuneration components, recommendation G.10 GCGC 2022 is not applied, either.

» [Recommendation G.10 GCGC 2022 \(share-based remuneration\)](#)

The variable remuneration component is currently not invested in shares of the company or granted on a share-based basis, but is settled in cash.

Share-based remuneration components primarily reflect the long-term development of the company. As the short to medium-term success of the company is currently the main focus of the Board of Management's activities and the variable remuneration is therefore limited to an annual bonus (see above regarding recommendations G.6 and G.7 GCGC 2022), the Supervisory Board of DF Deutsche Forfait AG is of the opinion that share-based remuneration is not expedient at present.

Cologne, 12 April 2024

The Board of Management

The Supervisory Board

Update of the Declaration by the Board of Management and the Supervisory Board of DF Deutsche Forfait AG according to Section 161 of the German Stock Corporation Act (AktG) regarding the recommendations of the "Government Commission on the German Corporate Governance Code"

The Board of Management and the Supervisory Board of DF Deutsche Forfait AG declared on 12 April 2024 that since the issue of the declaration of conformity on 2 March 2023 and the update on 27 April 2023, the recommendations of the Government Commission on the German Corporate Governance Code as amended on 28 April 2022 and published in the official section of the Federal Gazette on 27 June 2022 ("GCGC 2022"), have been complied with and will be complied with in the future.

The declaration of 12 April 2024 has been updated to the effect that since the issue of the declaration of conformity on 2 March 2023 and the update on 27 April 2023 the recommendations of the GCGC 2022 have been complied with and will be complied with in the future, save for the exceptions stated in the declaration dated 2 March 2023 and the update dated 27 April 2023:

» [Recommendation A.5 \(description of the entire internal control system and risk management system\)](#)

The Board of Management has set up an appropriate and effective internal control system and risk management system in accordance with legal requirements. Given that the detailed description of the entire internal control system and risk management system was not and did not previously have to be part of the manage-

ment report, the management report for the financial year 2023 does not contain such a description. The detailed description and the comment upon the appropriateness and effectiveness of these systems will be included in the management report for the financial year 2024.

Cologne, 24 April 2024

The Board of Management

The Supervisory Board

II. Compensation report, audit opinion, Board of Management compensation system and compensation resolution pursuant to Section 113 (3) of the German Stock Corporation Act (AktG)

The compensation report for 2023 and the corresponding audit opinion pursuant to Section 162 (1), (2) and (3) of the German Stock Corporation Act (AktG) will be made publicly available on the company's website at <https://dfag.de/en/investor-relations/corporate-governance/> immediately after the ordinary Annual General Meeting on 2 July 2024.

The applicable compensation system for the members of the Board of Management pursuant to Section 87a (1) and (2) sentence 1 of the German Stock Corporation Act (AktG), which was approved by the Annual General Meeting on 29 June 2021, and the resolution adopted by the Annual General Meeting on 29 June 2021 pursuant to Section 113 (3) AktG on the compensation of the members of the Supervisory Board are also publicly accessible at <https://dfag.de/en/investor-relations/corporate-governance/>.

III. Relevant information regarding corporate governance practice

DF AG aims for corporate governance that is characterized by responsibility, transparency and value creation for the shareholders. The relevant policies arise from the law, the company's Memorandum of Association and the recommendations of the German Corporate Governance Code.

Compliance with laws and ethical standards is of major importance to DF Group. In the financial year 2023, DF Group continued to update the Groupwide compliance system and adjusted it to reflect the recommendations of the German Corporate Governance Code and statutory amendments in cooperation and consultation with external consultants. This applied, in particular, to (i) sanction regulations including the maintenance of the IT systems which are used every working day to automatically check new and existing customers with regard to their appearance on sanctions lists; (ii) money laundering prevention; and (iii) data protection. Audits in accordance with the German Anti Money Laundering Act, including know-your-customer audits, are an integral part of the compliance system of DF Group, as is the Code of Conduct and Ethics for the Employees of DF Deutsche Forfait AG and its Subsidiaries. The Code of Conduct is publicly available in a separate section of the website of DF AG at <https://www.dfag.de/en/investor-relations/corporate-governance/>.

IV. Work and composition of the Board of Management and the Supervisory Board

In accordance with applicable statutory provisions for German joint stock companies, DF AG has a dual management and supervisory structure consisting of the Board of Management and the Supervisory Board.

Board of Management

In the financial year 2023, the Board of Management of DF AG consisted of two members. The members of the Board of Management are appointed by the Supervisory Board. They are responsible for independently managing the company with the aim of creating sustainable value to its benefit, thus taking into account the interests of its shareholders, employees and other stakeholders. The members of the Board of Management conduct the company's business with the due care of a prudent businessman in accordance with the laws, the company's Memorandum of Association and the rules of procedure issued by the Supervisory Board for the Board of Management. The cooperation between the members of the Board of Management is governed by the rules of procedure, while the responsibilities of the Board of Management members are defined in the schedule of responsibilities. The rules of procedure also contain a list of transactions for which the Board of Management requires the approval of the Supervisory Board. The Board of Management cooperates in a trusting manner with the other bodies of the company in the interest of the latter.

In the composition of the Board of Management, the Supervisory Board attaches importance to professional knowledge and experience as well as personal suitability. In addition, the Supervisory Board also takes aspects such as age, gender, educational or professional background into account. Diversity is considered only as a secondary criterion, even though the Supervisory Board is generally open to a diverse composition of the company's bodies.

Supervisory Board

The Supervisory Board of DF AG advises the company's Board of Management and supervises its management activities. According to the Memorandum of Association, it is composed of three members, all of whom are elected by the Annual General Meeting. In accordance with recommendation C.15 of the German Corporate Governance Code, the members of the Supervisory Board are elected individually.

The Supervisory Board performs its assigned duties in plenary session. The formation of committees is currently not planned. The efficient performance of the tasks of a Supervisory Board of this size is ensured without the formation of specialist committees.

The Supervisory Board complies with the requirements set out in principle 15 and recommendation D.3 of the GCGC for the Audit Committee. Thanks to his many years of business experience, the Chairman of the Supervisory Board, Dr. Ludolf von Wartenberg, who was reelected at the ordinary Annual General Meeting on 27 June 2023, has appropriate expertise in the field of auditing. Newly elected at the same General Meeting, Mr Wolfgang Habermann is a financial expert with expertise in field of accounting.

In its composition, the Supervisory Board ensures that its members as a whole possess the professional knowledge, skills and experience required for the performance of their duties. In addition, the Supervisory Board also takes aspects such as age, gender, educational or professional background into account. Diversity is considered only as a secondary criterion, even though the Supervisory Board is generally open to a diverse composition of the company's bodies.

Close cooperation between the Board of Management and the Supervisory Board

The Board of Management and the Supervisory Board of DF AG cooperate closely and in a trusting manner to the benefit of the company. To exercise its supervisory function, the Supervisory Board, and in particular the Chairman and the Deputy Chairman of the Supervisory Board, liaise regularly with the Board of Management.

The Board of Management determines the strategic direction of the company, obtains approval from the Supervisory Board and implements strategic decisions. Transactions and corporate measures of special significance require approval from the Supervisory Board. Thanks to a regular, timely and comprehensive dialog with the Board of Management, the Supervisory Board is at all times informed about the strategy, plans, business developments as well as the risk management and the material risk positions of the company.

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

In the financial year 2023, the company's Board of Management was composed of Dr. Behrooz Abdolvand (Chairman of the Board of Management) and Mr Hans-Joachim von Wartenberg.

As of 31 December 2023, the Board of Management was composed of two members, with a share of women of 0%. The target was to have a share of women of 33% as of 31 December 2023. As there was no change on the Board of Management during the period from December 2020 to December 2023 and it is currently not planned to expand the Board to three members, this target was not met.

According to a resolution dated 12 December 2023 and in accordance with Section 111 (5) AktG, the Supervisory Board defined a target of 33% for the share of women on the Board of Management to be reached by 31 December 2026. This target figure exceeds the current level.

As of 31 December 2023, the Supervisory Board was composed of three members, namely Dr. Ludolf von Wartenberg (Chairman), Prof. Dr. Wulf-W. Lapins (Deputy Chairman) and, since the ordinary General Meeting on 29 June 2023, Wolfgang Habermann. The term of office of Dr. Gerd-Rudolf Wehling ended at the above General Meeting on 29 June 2023.

The share of women on the Supervisory Board at the end of the financial year 2023 was 0%. The target set for 31 December 2023 was to have a share of women of 25%. When making proposals for the election of new Supervisory Board members in the period from December 2020 to December 2023, the Supervisory Board focused on the legal requirements and the requirements of the GCGC regarding the professional and

qualified suitability of the proposed candidates. The candidates who were ultimately considered and elected by the General Meeting made it impossible to reach the target share.

According to a resolution dated 12 December 2023 and in accordance with Section 111 (5) AktG, the Supervisory Board defined a target of 33% for the share of women on the Supervisory Board to be reached by 31 December 2026. This target figure exceeds the current level.

As the company's operations were spun off to DF Deutsche Forfait GmbH in August 2016, which affected all employees of the company, there are currently no management levels below the Board of Management at DF AG. Consequently, the Board of Management is currently not in a position to define any targets in accordance with Section 76 (4) AktG.

VI. Other corporate governance information

Transparent communication

DF AG aims for open and transparent communication with its shareholders and investors. All dates of special interest to shareholders are found on the company website, including publication dates for annual and interim reports. Additional information relates, for instance, to reportable securities transactions, ad hoc announcements and press releases.

Efficiency audit

The regular audit regarding the efficiency of the Supervisory Board represents an important pillar of good corporate governance. Recommendation D.12 of the German Corporate Governance Code stipulates that the Supervisory Board shall regularly assess how efficiently the Supervisory Board as a whole and its committees perform their duties. To do this, a questionnaire tailored to the special characteristics of DF AG has been developed. The questionnaire is regularly sent to the members of the Supervisory Board. The results of this survey are then discussed at a Supervisory Board meeting. The questionnaire primarily encompasses organizational processes in the Supervisory Board, the timely and sufficient supply of information to the Supervisory Board as well as personnel-related questions. The results of the efficiency audit were discussed by the Supervisory Board at its meeting on 12 December 2023.

Risk management, accounting and auditing, compliance

On the one hand, the risk management system established by the company serves to spread risks and to limit them in accordance with the company's risk-bearing capacity, primarily in order to avoid losses and jeopardizing the company's continued existence. On the other hand, risks shall be identified at an early stage in order to avoid them to the extent possible or to at least initiate counter-measures. The risk management system is reviewed and refined regularly and adjusted to changing conditions on an ongoing basis.

The consolidated financial statements of DF Group are prepared in accordance with International Financial Reporting Standards (IFRS), such as they have been endorsed by the European Union, as well as 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).

Grant Thornton AG Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, were elected auditors and Group auditors for the financial year 2023 by the Annual General Meeting held on 27 June 2023 and appointed by the Supervisory Board. Prior to the appointment, the Supervisory Board ensured that the relationships between the auditors and the company or its institutions do not give reason to doubt the independence of the auditors. Grant Thornton AG Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, audited the separate financial statements and the consolidated financial statements as well as the combined management report for the company and the Group for the financial year from 1 January to 31 December 2023. In accordance with recommendation D.10 of the GCGC, the Chairman of the Supervisory Board regularly discussed the progress of the audit with the auditors and reported it to the Supervisory Board. The Supervisory Board consulted with the auditors also without participation of the Board of Management.

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

Shareholdings of members of the Board of Management

As of 31 December 2023, the members of the Board of Management held the following shares:

The members of the Board of Management who were in office in the financial year did not directly or indirectly hold any shares in the company as of 31 December 2023.

Shareholdings of members of the Supervisory Board

As of 31 December 2023, the members of the Supervisory Board held the following shares:

As of 31 December 2023, the members of the Supervisory Board who were in office during the financial year directly or indirectly held only a small number of shares in the company, in total 0.02% of the shares of DF AG.

Reportable transactions

According to Section 19 of the Market Abuse Regulation (MAR), the members of the Board of Management and the Supervisory Board are obliged to notify DF AG and the competent supervisory authority of the purchase or sale of shares in DF AG made by themselves or by closely associated persons. Transactions reported to DF AG according to Section 19 of the Market Abuse Regulation (MAR) are published on the DF AG website at www.dfag.de under "Corporate Governance" in the "Investor Relations" section.

There were no reportable transactions in the reporting year 2023.

Other information

With a view to avoiding potential conflicts of interest and to the number of independent Supervisory Board members, the Supervisory Board has set itself the objective that – taking the ownership structure into account – more than half of the Supervisory Board members should be independent. The Supervisory Board assessed the independence of its members in accordance with recommendation C.7 of the German Corporate Governance Code. In the financial year 2023, the Supervisory Board considered all of its current members to be independent. Despite the existence of a family relationship between a member of the Board of Management and a member of the Supervisory Board and the fact that this Supervisory Board member has been a member of the Supervisory Board for more than twelve years, there was no reason to doubt the independence of the Supervisory Board members in the financial year 2023.



DF Deutsche Forfait AG

Gustav-Heinemann-Ufer 56
50968 Cologne

Phone +49 2 21 9 73 76-0
Fax +49 2 21 7 90 761 063

Email dfag@dfag.de
Internet www.dfag.de