

SME FINANCIER



Quarterly Statement as of March 31, 2020



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Quarterly Statement for Q1 2020

1. Statement by the Management Board

Dear shareholders and readers,

The ongoing coronavirus pandemic manifesting itself since the first quarter of 2020 shows how important digital solutions are for our society. Whether through the home office or digital training and education offerings, we are now more than ever dependent on advanced digitization. The fact that we as a company have started out with a major focus on digital solutions is now paying off: Our colleagues work from home without hindrance. We are not tied to any fixed branch offices and therefore fully available to our SME customers.

Especially in corporate finance, it is important that liquidity reaches companies quickly and with a minimum of bureaucracy. As a pioneer of digital SME financing, we want to be part of the solution to this challenge. With the help of our largely automated risk analysis software, we do not primarily assess creditworthiness based on annual or quarterly financial statements but evaluate in particular the companies' current trading data. This enables us to understand the individual situation of a company at the current time, even during economic uncertainty.

In the first quarter of 2020, we saw loan requests with a volume of almost EUR 500 million – a 60% increase compared to the same quarter of the previous year and a new record in creditshelf's history. At the same time, we are noticing uncertainties in the market as a result of the corona crisis, which is expressed not only by the sharp rise in the loan volumes requested by borrowers, but also by increased caution on the investor side. Therefore, we are working on solutions together with institutional partners such as the European Investment Fund to support both our existing and new customers with much needed liquidity. Furthermore, we optimize our products and processes in order to comply with bank regulation supervisory requirements and thus broaden our institutional investor base.

After a strong fourth quarter of 2019, we filled our pipeline with new projects in the first quarter of 2020 and were able to arrange loans with a volume of EUR 11.6 million by the end of March. The cooperation with Commerzbank again contributed strongly to this.

We are confident that we will be able to take advantage of the opportunities available in the market, to play our part in ensuring funding to German SMEs in a difficult phase and thus to successfully continue our company's growth in the following quarters. At the same time, we are closely monitoring the effects and development of the Covid-19 pandemic and, where necessary, are taking operational and financial precautions to minimize the impact on our net assets, financial



position, and result of operations. We would like to express our special thanks to our employees, who are fully committed to shaping the future of creditshelF even in these difficult times.

The Board of Management stands by its forecast for the current fiscal year published on March 23, 2020.

With best wishes

The Management Board

A blue ink signature consisting of several overlapping, horizontal, wavy lines.

Dr. Tim Thabe

A blue ink signature in cursive script that reads "Daniel Bartsch".

Dr. Daniel Bartsch

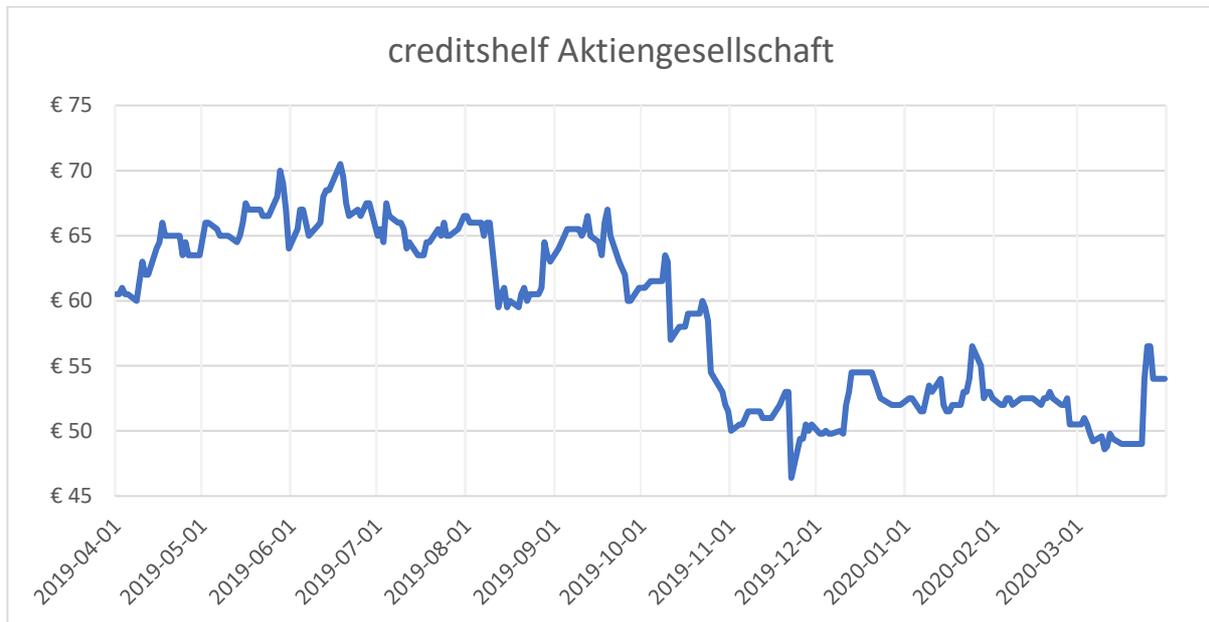
A blue ink signature in cursive script that reads "Mark Währisch".

Dr. Mark Währisch



2. creditshelf's Shares

Share Price Performance (April 1, 2019, to March 31, 2020; XETRA Closing Prices)



Basic Share Information

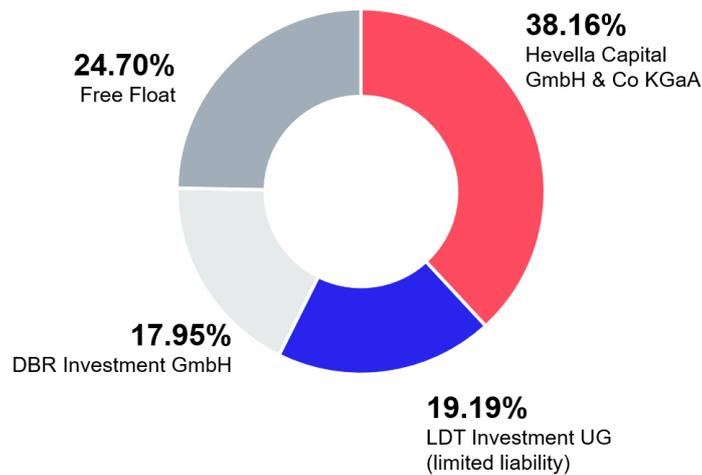
German securities identification number (WKN)	A2LQUA
ISIN	DE000A2LQUA5
Ticker symbol	CSQ
Type of shares	No-par value bearer shares
Initial listing	July 25, 2018
Number of shares	1,360,339
Stock exchange	Frankfurt Stock Exchange's Regulated Market (Prime Standard)
Designated Sponsors	ODDO Seydler
Sell-side research coverage	Commerzbank, FMR, MAINFIRST



creditshelf's Shares at a Glance (XETRA, Intraday)

Initial share price (July 25, 2018)	EUR 80.00
High (August 2, 2018)	EUR 84.50
Low (March 12, 2019)	EUR 41.80
Closing price (March 31, 2020)	EUR 54.00
Trading volume (April 1, 2019, to March 31, 2020; average number of shares)	approx. 412

Shareholder Structure



Information based on notifications of voting rights in excess of 5% received in accordance with the Wertpapierhandelsgesetz (German Securities Trading Act – WpHG) (effective date of the last notification of voting rights: February 7, 2020), plus company information.

Financial Calendar*

May 7, 2020	Publication of the quarterly statement for Q1
May 26, 2020	Annual General Meeting 2020
September 10, 2020	Publication of the half-yearly financial report
November 12, 2020	Publication of the quarterly statement for Q3

Please see our website and investor presentation, which are constantly updated, for details of the conferences and roadshows we shall be attending in 2020.

* Subject to changes and additions without notice.



3. Material Events

3.1. Changes in the Results of Operations

Key performance indicator	January 1 – March 31, 2020	January 1 – March 31, 2019
Revenue	EUR 685.6 thousand	EUR 936.8 thousand
EBIT	EUR –2,131.2 thousand	EUR –931.0 thousand

creditshelf Group's **revenue** decreased by 26.8% year-on-year to EUR 685.6 thousand (prior-year period: EUR 936.8 thousand) in the first three months of fiscal year 2020 despite a slight increase in margins. This was caused by lower arranged loan volumes of EUR 11.6 million compared with the same period of the previous year (EUR 16.9 million). Consequently, **borrower fees** amounted to EUR 443.0 thousand in the first three months of 2020 (prior-year period: EUR 594.8 thousand). **Investor fees** also decreased to EUR 221.8 thousand (prior-year period: EUR 342.0 thousand). In addition, Valendo GmbH's revenue of EUR 20.8 thousand in the first quarter of 2020 contributed to group revenues. Valendo GmbH has been part of the consolidated group since the fourth quarter of 2019 and therefore did not yet contribute to group revenues in the prior-year quarter.

Other income totaled EUR 300.2 thousand (prior-year period: EUR 489.2 thousand). This primarily includes income from the reversal of provisions, income relating to other periods, income from positive remeasurement effects and the resulting reversal of long-term provisions for the Virtual Participation Program II and from discounts on the sale of loans. In the same period of the previous year, other income was composed of significantly higher income from positive remeasurement effects for the Virtual Participation Program II and higher discounts on the sale of loans.

Own work capitalized amounted to EUR 71.4 thousand in the reporting period (prior-year period: EUR 77.3 thousand) and comprised personnel expenses incurred in connection with software development.

Key cost drivers were personnel expenses and marketing and advertising expenditure. **Personnel expenses** increased to EUR 1,510.9 thousand (prior-year period: EUR 978.7 thousand). Besides the inclusion of the share-based employee incentive program III (Restricted Stock Units Program III), which was not yet included in the figures for the first quarter of 2019, the main reason for the increase in personnel expenses is the higher number of employees. creditshelf employed 54 permanent employees as of the end of the first quarter (March 31, 2019: 40 full-time equivalents). For the current reporting period, the personnel expenses item includes expenses for



share-based employee incentive programs (Restricted Stock Units Programs I-III) amounting to EUR 292.0 thousand (prior-year period: EUR 155.2 thousand).

Marketing and advertising expenses rose to EUR 627.4 thousand (prior-year period: EUR 472.6 thousand), reflecting upfront investments in the company website and performance marketing measures. Postage costs for the creditshelf magazine, which is increasingly being shifted towards a digital distribution, only amounted to EUR 75.3 thousand (prior-year period: EUR 131.4 thousand). Travel and business entertainment expenses previously reported under marketing expenses are now allocated to other expenses.

Expenses for **third-party services** amounted to EUR 70.6 thousand (prior-year period: EUR 78.4 thousand).

Sales commission paid to partners like Commerzbank for brokering loans totaled EUR 82.4 thousand (prior-year period: EUR 15.0 thousand). In the previous quarter these costs were reported as marketing and advertising expenses.

Lease expenses rose to EUR 61.6 thousand (prior-year period: EUR 21.9 thousand). This is largely driven by an extension of the office premises leased, a move that became necessary following the systematic additions to the workforce. This figure also includes lease expenses for the premises in Berlin.

The expenses for **premiums on loan receivables** or agios from sale of loans totaled EUR 8.1 thousand (prior-year period: EUR 195.6 thousand).

Legal and consulting costs decreased to EUR 225.1 thousand (prior-year period: EUR 276.5 thousand).

Total **other expenses** increased to EUR 328.3 thousand (prior-year period: EUR 234.6 thousand). This was caused by higher expenses for licenses and concessions, increased expenses for membership fees, such as for the Verband Deutscher Kreditplattformen (Association of German Credit Platforms), and higher expenses for maintenance costs for hardware and software. In addition, other expenses include travel and entertainment expenses of EUR 20.1 thousand (prior-year period: EUR 13.0 thousand), which were previously reported under marketing expenses. Other expenses also include a waiver of receivables in the amount of only EUR 5.8 thousand (prior-year period: EUR 12.4 thousand). Investor fees not yet received in the event of default by a borrower are taken into account as a waiver of receivables in the statement of comprehensive income following a case-by-case decision by the Management Board.



Earnings before interest, taxes, and depreciation and amortization (EBITDA) amounted to EUR –1,857.2 thousand at the end of the first quarter of 2020 (prior-year period: EUR –770.0 thousand). After **depreciation and amortization** of EUR 274.0 thousand for the first three months of 2020 (prior-year period: EUR 161.0 thousand), the Group reported **earnings before interest and taxes (EBIT)** of EUR –2,131.2 thousand (prior-year period: EUR –931.0 thousand). The year-on-year increase in regular depreciation and amortization was due to higher amortization of intangible assets resulting from the capitalization of software (EUR 239.9 thousand; prior-year period: EUR 131.3 thousand). The **net loss** for the first three months of the fiscal year 2020 after adjustment for the financial result totaling EUR –8.8 thousand (prior-year period: EUR –14.6 thousand) amounted to EUR –2,140.0 thousand (prior-year period: EUR –945.6 thousand). No income taxes were incurred.

Basic earnings per share, which are calculated using the profit attributable to ordinary shareholders and a weighted average of the ordinary shares in circulation, amounted to EUR –1.57 (prior-year period: EUR –0.71). According to IAS 33.41, the **diluted earnings per share** correspond to the basic earnings per share because the loss per share would be reduced when taking into account the shares issued as part of the employee incentive programs.

3.2. Changes in Net Assets

Total assets decreased to EUR 9,454.0 thousand as of March 31, 2020 (December 31, 2019: EUR 13,050.4 thousand). This was mainly driven by a reduction in cash and cash equivalents.

Current assets fell to EUR 4,451.7 thousand as of the March 31, 2020 (December 31, 2019: EUR 7,858.3 thousand). The primary driver was the decrease in cash and cash equivalents, which totaled EUR 2,783.2 thousand at the end of the first quarter of 2020 (December 31, 2019: EUR 6,635.2 thousand). In addition to the result of operations, this reflects an outstanding fronting of EUR 240.0 thousand at the end of the quarter, whereby for a short period of time instead of outstanding investor payments creditsheff fills in for the successful disbursement of a loan within the framework of a so-called "settlement line". Other factors contributing to this development were a lower level of cash and cash equivalents in clearing accounts compared to December 31, 2019 and reduced current liabilities.

Noncurrent assets amounted to EUR 5,002.3 thousand as of March 31, 2020 (December 31, 2019: EUR 5,192.2 thousand). Intangible assets amounted to EUR 3,813.5 thousand as of March 31, 2020 (December 31, 2019: EUR 3,937.8 thousand). This change resulted from the ordinary amortization of software, while goodwill from the Valendo acquisition continues to be



balanced at EUR 517.8 thousand. Trade receivables decreased to EUR 836.1 thousand (December 31, 2019: EUR 947.0 thousand) as a result of lower arranged loan volume. Property, plant and equipment increased to EUR 319.0 thousand (December 31, 2019: EUR 273.7 thousand) as of the reporting date due to new lease components subject to IFRS 16.

The lower level of **current liabilities**, which totaled EUR 1,347.7 thousand (December 31, 2019: EUR 3,202.5 thousand), was largely caused by a reduction in trade payables. The latter figure fell to EUR 183.5 thousand (December 31, 2019: EUR 1,885.9 thousand). In addition, other liabilities rose to EUR 310.2 thousand (December 31, 2019: EUR 67.9 thousand) in line with the corresponding item in current assets for an outstanding fronting. Current provisions, which primarily include provisions for personnel expenses, decreased to EUR 265.3 thousand (December 31, 2019: EUR 451.0 thousand), as did other current liabilities. As of March 31, 2020, they amounted to EUR 539.8 thousand (December 31, 2019: EUR 748.8 thousand).

The Group's **noncurrent liabilities**, which totaled EUR 1,435.4 thousand (December 31, 2019: EUR 1,378.3 thousand), are dominated by non-current provisions. These increased to EUR 1,302.1 thousand (December 31, 2019: EUR 1,230.5 thousand) through increased wage tax provisions of EUR 225.4 thousand (December 31, 2019: EUR 133.3 thousand) in connection with the employee incentive programs (Restricted Stock Units Programs I-III). In contrast, provisions for the obligation under the company's Virtual Participation Program II decreased to EUR 1,076.8 thousand (December 31, 2019: EUR 1,097.2 thousand). The drop is associated with the measurement of this virtual participation program, which is linked to creditshelf's share price performance.

Equity totaled EUR 6,670.9 thousand as of the March 31, 2020 (December 31, 2019: EUR 8,469.7 thousand). The decrease in this item is attributable to the net loss for the first quarter of EUR 2,140.0 thousand and the resulting reduction in retained earnings to EUR –15,297.7 thousand as of 31 March 2020 (31 December 2019: EUR –13,157.6 thousand). At the same time, the subscribed capital as of March 31, 2020 increased to EUR 1,360.4 thousand (December 31, 2019: EUR 1,353.2 thousand) due to the issue of new shares from authorized capital in connection with the first vesting of the employee incentive programs (Restricted Stock Units Programs I-III) in January 2020. Capital reserves increased during the reporting period as a result of ongoing and newly established employee incentive programs.

3.3. Changes in Financial Position

Based on a **net result for the period** of EUR –2,140.0 thousand (December 31, 2019: EUR –4,967.5 thousand), **gross cash flow** at the end of the reporting period totaled EUR –2,154.1



thousand (December 31, 2019: EUR –3,610.6 thousand) after adjustments primarily for depreciation of property, plant and equipment, amortization of intangible assets, non-cash increases in capital reserves as well as changes in other provisions, other non-cash expenses and interest payments.

Cash flow from operating activities amounted to EUR –3,745.3 thousand at the end of the first quarter of 2020 (December 31, 2019: EUR –5,277.0 thousand). This was mainly caused by cash inflows from trade receivables and other liabilities as well as significant cash outflows from trade payables.

Cash flow from investing activities totaled EUR –93.7 thousand at the end of the reporting period (December 31, 2019: EUR –371.6 thousand). This was linked to cash outflows for investments in property, plant and equipment and intangible assets.

Cash flow from financing activities in the amount of EUR –13.0 thousand (December 31, 2019: EUR –141.0 thousand) primarily reflects proceeds from the capital increase carried out in January, cash outflows related to transaction costs and payments for the repayment of lease liabilities.

As of 31 March 2020, creditshelf had **cash and cash equivalents** of EUR 2,783.2 thousand (December 31, 2019: EUR 6,635.2 thousand).

As of March 31 of the current financial year, **cash funds** excluding cash and cash equivalents in a bank account pledged to the Raisin Bank, which is used exclusively to provide cash cover for future loans, amounted to EUR 2,763.1 thousand (December 31, 2019: EUR 6,035.1 thousand).



4. Consolidated Interim Financial Statements as of March 31, 2020

4.1. Consolidated Statement of Financial Position as of March 31, 2020

ASSETS	Mar. 31, 2020	Dec. 31, 2019
	in EUR	in EUR
	thousand	thousand
Noncurrent assets		
Intangible assets	3,813.5	3,937.8
Property, plant, and equipment	319.0	273.7
Trade receivables	836.1	947.0
Other receivables	33.7	33.7
Deferred tax assets	0.0	0.0
Total noncurrent assets	5,002.3	5,192.2
Current assets		
Trade receivables	1,050.3	1,039.7
Other assets	376.7	173.7
Other financial assets	241.5	9.8
Cash and cash equivalents	2,783.2	6,635.2
Total current assets	4,451.7	7,858.3
Total assets	9,454.0	13,050.4



EQUITY AND LIABILITIES

	Mar. 31, 2020	Dec. 31, 2019
	in EUR	in EUR
	thousand	thousand
Capital and reserves		
Subscribed capital	1,360.3	1,353.2
Capital reserves	20,608.2	20,274.1
Retained earnings	-15,297.7	-13,157.6
Total equity	6,670.9	8,469.7
Noncurrent liabilities		
Noncurrent provisions	1,302.1	1,230.5
Other financial liabilities	111.9	126.4
Deferred tax liabilities	21.4	21.4
Total noncurrent liabilities	1,435.4	1,378.3
Current liabilities		
Trade payables	183.5	1,885.9
Other financial liabilities	310.2	67.9
Current provisions	265.3	451.0
Other liabilities	539.8	748.8
Tax liabilities	48.9	48.9
Total current liabilities	1,347.7	3,202.5
Total equity and liabilities	9,454.0	13,050.4



4.2. Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the Period from January 1 to March 31, 2020

	Mar. 31, 2020	Mar. 31, 2019	Change
	in EUR	in EUR	in EUR
	thousand	thousand	thousand
Revenue	685.6	936.8	-251.2
– Borrower fees	443.0	594.8	-151.8
– Investor fees	221.8	342.0	-120.2
– Income Valendo	20.8	0,0	20.8
Other income	300.2	489.2	-189.0
Own work capitalized	71.4	77.3	-5.9
Personnel expenses	-1,510.9	-978.7	-532.2
Marketing and advertising expenses	-627.4	-472.6	-154.8
Third-party services	-70.6	-78.4	7.8
Sales commission	-82.4	-15,0	-67.4
Lease expenses	-61.6	-21.9	-39.7
Premiums on loan receivables	-8.1	-195.6	187.5
Legal and consulting costs	-225.1	-276.5	51.4
Other expenses	-328.3	-234.6	-93.7
- of which waivers of receivables	-5.8	-12.4	6.6
EBITDA	-1,857.2	-770.0	-1,087.2
Depreciation and amortization	-274.0	-161.0	-113.0
EBIT	-2,131.2	-931.0	-1,200.2
Finance costs	-12.4	-25.6	13.2
Other financial income	3.6	11.0	-7.4
Financial result	-8.8	-14.6	5.8
Income tax expense	0.0	0.0	0.0
Net loss for the period	-2,140.0	-945.6	-1,194.4
of which attributable to:			
Owners of the parent	-2,140.0	-945.6	-1,194.4
Noncontrolling interests	0.0	0.0	0.0
Total comprehensive income	-2,140.0	-945.6	-1,194.4



of which attributable to:

Owners of the parent	-2,140.0	-945.6	-1,194.4
Noncontrolling interests	0.00	0.0	0.0

Earnings per share

	2020	2019
	in EUR	in EUR
Basic earnings per share	-1.57	-0.71
Diluted earnings per share	-1.57	-0.71



4.3. Consolidated Statement of Cash Flows

for the Period from January 1 to March 31, 2020

	Mar. 31, 2020	Dec. 31, 2019
	in EUR	in EUR
	thousand	thousand
Cash flows from operating activities		
Net loss for the period	-2,140.0	-4,967.5
Adjustments for:		
Income taxes paid	0.0	70.3
Depreciation of property, plant, and equipment	34.1	117.5
Amortization of intangible assets	239.9	682.5
Gains/losses on disposal of intangible assets and property, plant, and equipment	0.0	0.4
Change in other provisions	-114.0	200.8
Other noncash expenses/income	-87.1	179.1
Non-cash increase in capital reserve	339.0	0.0
Financial expenses from financing activities	12.4	53.2
Financial income	-3.6	-110.5
Income taxes paid	0.0	0.0
Security deposit	-0.1	-6.6
Other assets	-434.7	170.2
Interest received	0.0	0.0
Gross cash flow	-2,154.1	-3,610.6
Increase/decrease in trade receivables	100.2	-1,053.8
Increase/decrease in trade payables	-1,702.4	-751.9
Increase/decrease in other liabilities	11.0	139.3
Net cash used in/generated by operating activities	-3,745.3	-5,277.0
Payments to acquire property, plant, and equipment	-49.1	-81.1
Payments to acquire intangible assets	-44.6	-1,134.0
Payments from additions to consolidation	0.0	842.5
Net cash used in/generated by investing activities	-93.7	-371.6
Proceeds from the issuance of shares	7.1	0.0
Decrease in lease liability	-16.8	-61.8
Transaction costs for issuance of shares	-4.8	-80.2
Interest paid	1.5	1.0
Net cash generated by/used in financing activities	-13.0	-141.0



Net increase in cash and cash equivalents	-3,852.0	-5,789.6
Cash and cash equivalents at the start of the fiscal year/quarter	6,635.2	12,424.8

Cash and cash equivalents

Cash-in-hand	0.8	0.7
Bank balances	2,782.4	6,634.5
Less pledged accounts	20.1	600.1
Cash funds	2,763.1	6,035.1



4.4. Consolidated Statement of Changes in Equity

	Subscribed capital in EUR thousand	Capital reserves in EUR thousand	Loss carryforwards in EUR thousand	Total equity in EUR thousand
Balance as of January 1, 2019	1,331.3	18,304.4	-8,190.1	11,445.6
Net loss for the period	0.0	0.0	-4,967.5	-4,967.5
Total	1,331.3	18,304.4	-13,157.6	6,478.1
Capital transactions	0.0	0.0	0.0	0.0
Issuance of equity instruments	22.0	2,049.9	0.0	2,071.9
Transaction costs for the issuance of equity instruments	0.0	-80.2	0.0	-80.2
Balance as of December 31, 2019	1,353.3	20,274.1	-13,157.6	8,469.8
Balance as of January 1, 2020	1,353.3	20,274.1	-13,157.6	8,469.8
Net loss for the period	0.0	0.0	0.0	0.0
Total	1,353.3	20,274.1	-13,157.6	8,469.8
Capital transactions	0.0	0.0	-2,140.1	-2,140.1
Issuance of equity instruments	7.1	339.0	0.0	346.1
Transaction costs for the issuance of equity instruments	0.0	-4.8	0.0	-4.8
Balance as of March 31, 2020	1,360.3	20,608.2	-15,297.7	6,670.9



5. Responsibility Statement

“To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position, and profit or loss of the Group in accordance with German accepted accounting principles.”

Frankfurt, May 06, 2020

Dr. Tim Thabe

Dr. Daniel Bartsch

Dr. Mark Währisch



6. Publication Details

Published by

creditshelf Aktiengesellschaft
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60329 Frankfurt
www.creditshelf.com

This interim statement is available in German and English from:

<https://ir.creditshelf.com/websites/creditshelf/English/2300/financial-reports.html>

creditshelf's shares

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