# SME FINANCIER

credit shelf

Half-year financial report

as of June 30, 2018

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# creditshelf Aktiengesellschaft – Half-year financial report 2018

## 1. To our shareholders

### 1.1. creditshelf at a glance

#### 1.1.1. Our business model: Shaping SME financing

creditshelf AG is a pioneer in the field of digital SME financing in Germany, which makes loans possible with its easy-to-use online platform www.creditshelf.com. The company was founded in Frankfurt/Main in 2014 and is still at home in the financial metropolis today.

At creditshelf, we see ourselves as the market and technology leader in the fast-growing business of digital SME financing in Germany. We developed the company's own online platform – or "creditshelf platform" for short – to meet the financing needs of small and medium-sized enterprises (SMEs). We create real added value for SMEs by arranging highly attractive financing solutions over our platform.

The creditshelf platform is a fully integrated, cloud-based platform that maps the entire credit process from application, credit analysis and risk management to the disbursement and servicing of a loan. The core of our platform is a self-developed, data-controlled risk management algorithm. Compared to traditional linear credit analysis models based on quantitative factors such as historical financial ratios and third-party credit data, creditshelf uses a multidimensional risk analysis that combines accounting information, payment transactions and sophisticated network analysis.

This process enables us to sort out ineligible credit requests in a first step, making our analysis significantly faster than conventional models. In a second step, our credit experts evaluate the remaining loan applications and make a final selection including a price indication for the credit projects.

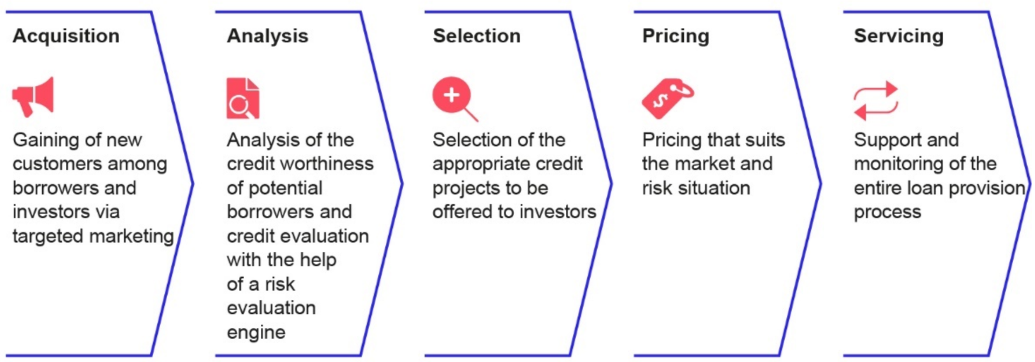
With the help of this credit analysis, we break through the barriers of a traditional credit process in digital SME financing and enable credit decisions and the disbursement of loans within short periods of time. In the best case, these periods are currently one to two weeks. This gives our customers a clear advantage compared to most other financing alternatives.

### 1.1.2. Our market: Consistently exploiting high potential in an attractive market for SME loans

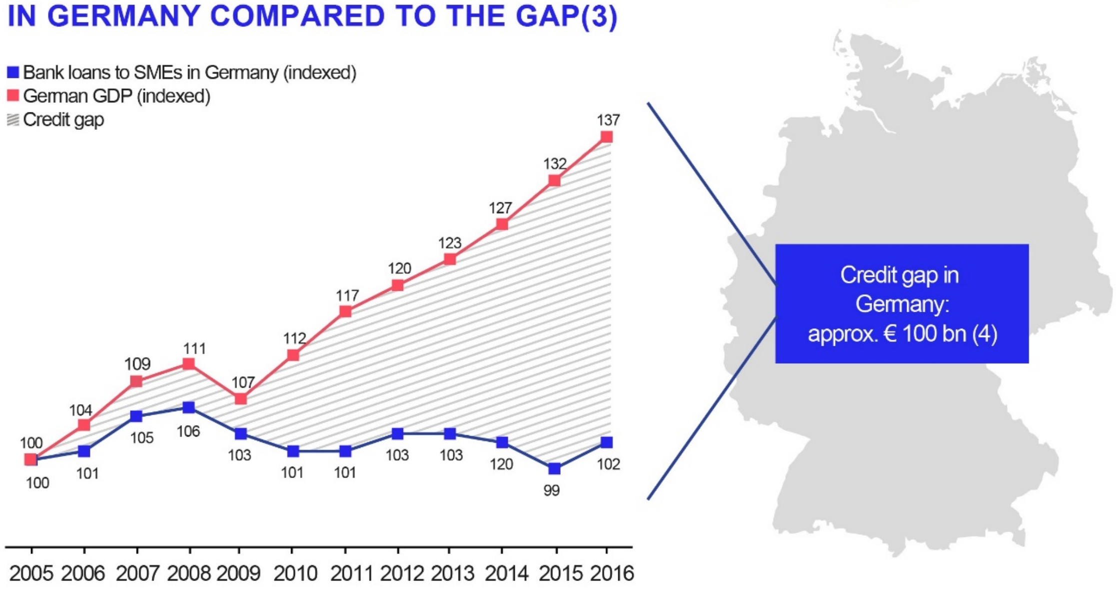
We are active in the attractive market for digital SME financing in Germany, which offers our company far-reaching market opportunities. While the SME lending segment that includes digital financing solutions such as ours is still underrepresented in Continental Europe, it offers significant growth potential in view of the growing demand from SME borrowers for financing alternatives. This is impressively confirmed by recent studies: Zeppelin University Friedrichshafen(1) found that the total volume of loans to SMEs in Germany(2) amounted to EUR 293 billion in 2016 and remained almost unchanged compared to 2005 (EUR 287 billion) despite significant growth in nominal GDP over the same period (+37%). This has resulted in a "credit gap" arising that, according to our estimates, amounts to a further EUR 100 billion. This has been caused in large part by a more restrictive lending policy from traditional banks since the financial crisis due to increasing regulation and the high process costs involved in granting SME loans.

Accordingly, we are addressing a potential total volume of SME lending in Germany of around EUR 393 billion (existing SME lending volume plus implied credit gap). Assuming a market penetration potential for online financing solutions in the SME segment of 10%, which is a conservative estimate compared to more advanced markets such as the UK (13.9% in 2015), the addressable market amounts to approximately EUR 39 billion.

**BUSINESS MODEL**



## DEVELOPMENT OF THE BANK LOANS GRANTED TO SMES (2) IN GERMANY COMPARED TO THE GAP(3)




(1) Mietzner, Mark – "Die globale Fintech-Revolution: eine Chance für KMUs", Zeppelin Universität Working Paper / Finance & Accounting, April, 2018.
(2) SMEs are defined here as companies with annual sales below EUR 50 million
(3) Indexed based on the value from 2005
(4) Calculation of bank loans to SMEs in Germany in 2005x (Growth of GDP - Growth of loan banks = EUR 287 billion (37% - 2%)

### 1.1.3. Our strategy: Targeted investment in further growth

In order to do justice to this growth dynamic and to make optimal use of the resulting opportunities, we at creditshelf are pursuing a multidimensional growth strategy. In the following, we have summarized the three pillars of our strategy:

**MULTIDIMENSIONAL GROWTH STRATEGY**

**Software, algorithm and model development**

We are constantly working on our self-developed, data-driven pro-cesses to support credit selection and on credit scoring algorithms and models to enable deeper, more efficient and futher automated analysis. This especially concerns the implementation of artificial intelligence and machine learning.

**Cooperation with private and commerical banks**

Our goal is strategic cooperation with banks in the procurement of potential borrowers from their networks to creditshelf. If the banks themselves cannot grant unsecured loans to their customers, creditshelf becomes a partner. We have already entered into talks with number of private and commercial banks.

**Expansion of the product portfolio**

We plan to expand our product portfolio to include complementary products such as factoring and analysis services in order to make our offering to our customers even more flexible and individual.

## 1.2. Letter to the shareholders

Ladies and gentlemen,
Dear shareholders,

The first half of fiscal year 2018 was heavily influenced by the extensive preparations for the successful IPO. Since July 25, 2018, the shares of creditshelf Aktiengesellschaft have been listed on the regulated market (Prime Standard) of the Frankfurt Stock Exchange. We are very proud of this achievement, as it represents a unique highlight in the history of our young company and an important milestone on our growth path.

In the first half of 2018, we took the latest important steps in our development to establish ourselves as a reliable partner for SMEs and to arrange attractive financing solutions over our platform. This is also reflected in our operating business development in the first six months of 2018. The loan volume we arranged for German SMEs amounted to EUR 15.37 million in the reporting period. This represents a significant increase of 86% on last year. Accordingly, we were also able to significantly increase revenues from brokerage fees received from borrowers and servicing fees agreed with investors. We more than tripled last year's figure of EUR 197.6 thousand to EUR 765.5 thousand in the first six months of 2018. At the same time, we achieved a new record in the volume of loans requested through creditshelf. In the first half of the year, loans totaling EUR 507 million were requested over our platform. In total, we have received loan applications of more than EUR 1 billion since the platform launched.

We see great growth potential in the market for digital SME financing. While the German economy is growing and gross domestic product is continuously on the rise – by +0.7% in 2017 according to the Federal Ministry of Economics and Energy – the volume of loans granted by banks to German SMEs has remained almost unchanged. According to our estimates, there is a financing gap of around EUR 100 billion. If this credit gap is added to the approximately EUR 300 billion issued by banks through loans, the financing requirements of German SMEs would amount to approximately EUR 400 billion. To date, less than 1% of total financing requirements have been met using digital financing alternatives such as those we arrange on our platform. In other countries, such as the UK, the figure has already surpassed13%. We are convinced that fast, simple and digital financing solutions will established themselves in Germany as well and expect a market potential of at least EUR 40 billion for our financing solutions in Germany.

Against the backdrop of our positive operating development and successful IPO, we are concentrating on a multidimensional growth strategy based on three pillars: 1) we are constantly developing our software, algorithms and models to make our credit risk analysis even faster and more precise; 2) we are also in constant dialogue with banks in order to position creditshelf as a partner for loans that the banks cannot or do not want to grant for various reasons; 3) and we are working on expanding our product range and offering our customers further financing solutions. Thanks to the high scalability of our platform, the dynamic market environment and our consistent growth strategy, we are confident that we will be able to finance loans totaling EUR 500 million per year in the medium term.

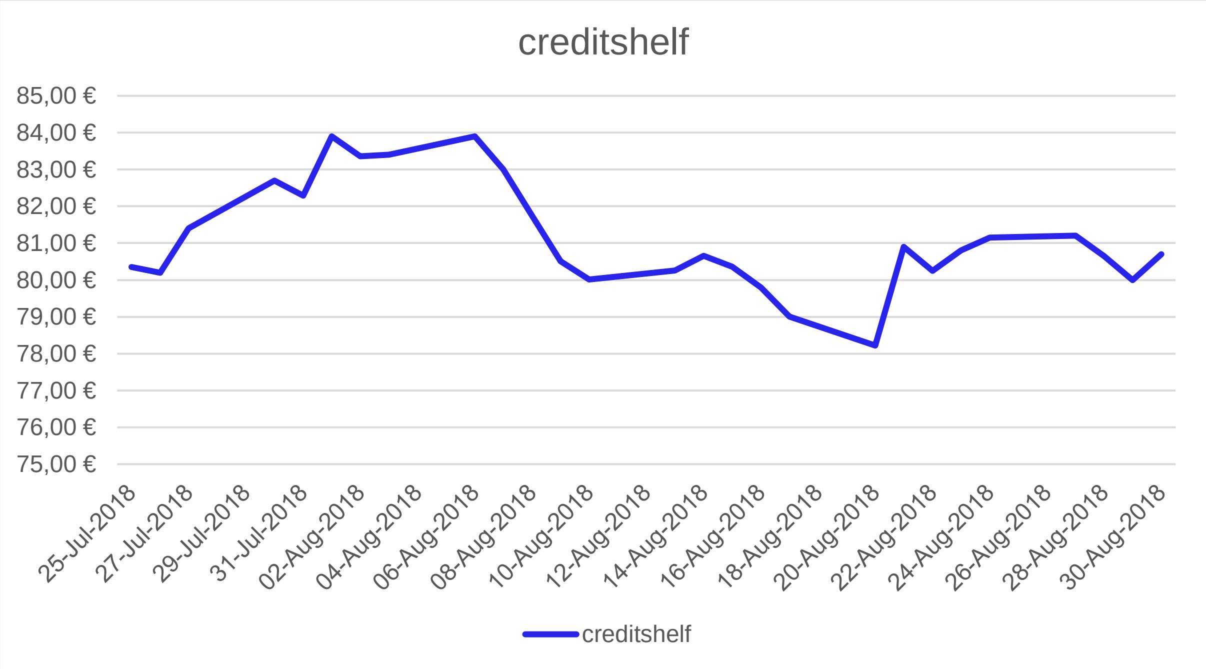
We believe in digital, fast and simple SME financing and look forward to developing creditshelf with you in the current fiscal year and beyond. Finally, we would like to thank all shareholders who invested in creditshelf during our IPO, choosing to join us on our path in pursuit of our goals.

The Management Board

Dr. Tim Thabe | Dr. Daniel Bartsch | Dr. Mark Währisch

## 1.3. Information on the share

### Price development



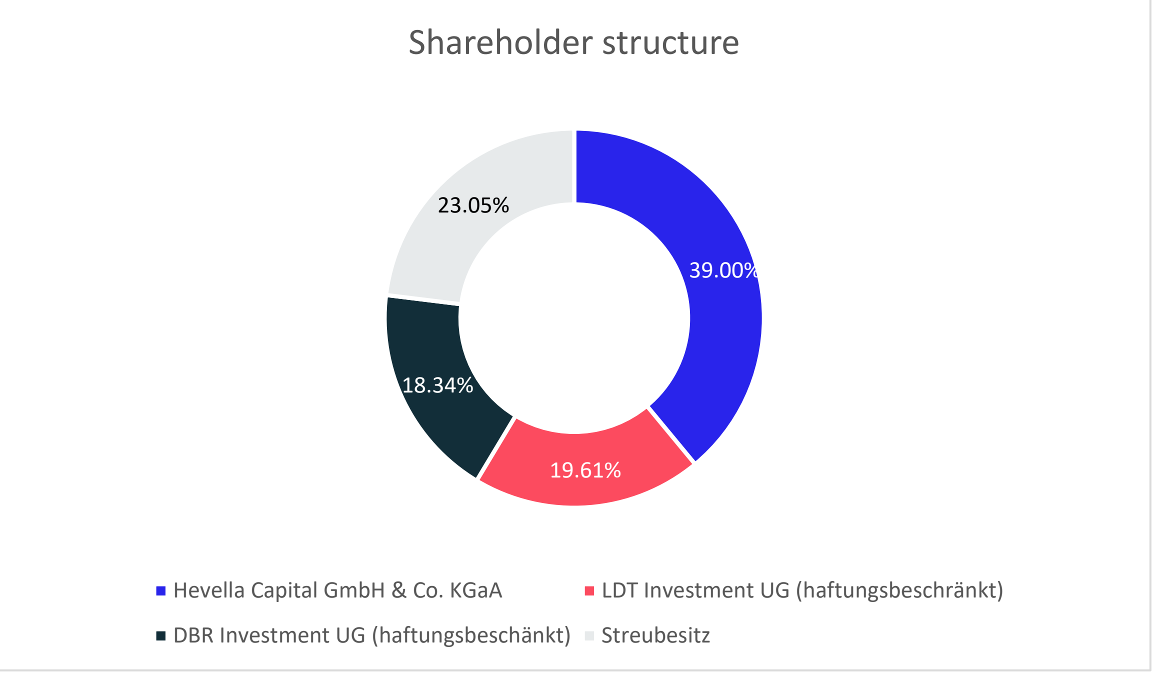

### Master data

| | |
|---|---|
| Security identification number (WKN) | A2LQUA |
| ISIN | DE000A2LQUA5 |
| Ticker symbol | CSQ |
| Type of share | No-par value bearer shares |
| First listing | July 25, 2018 |
| Number of shares | 1,331,250 |
| Stock exchange | Regulated Market (Prime Standard) of the Frankfurt Stock Exchange |
| Designated sponsor | Commerzbank |

### The share at a glance (XETRA)

| | |
|---|---|
| First price (7/25/2018) | € 80.00 |
| High (8/2/2018) | € 84.50 |
| Low (8/21/2018) | € 77.00 |
| Closing price (8/31/2018) | € 80.50 |
| Trading volume (7/25 to 8/31/2018, average number of shares) | 1,059.5 |

## Shareholder structure




Disclosures based on voting rights notifications received pursuant to the German Securities Trading Act (WpHG) (as of August 1, 2018).

## IR activities

With its listing in the Prime Standard on July 25, 2018, creditshelf AG deliberately opted for the most strictly regulated segment of the Frankfurt Stock Exchange. At creditshelf, we aim to ensure transparent communication with all capital market participants, our customers and our business partners. That includes regularly publishing German and English financial reports as well as the timely dissemination of company-relevant reports through established channels. By participating in investor conferences and one-on-one meetings, we strive for further IR activities that exceed legal obligations.

Detailed information on our company and the share is available on the specially created investor relations website ir.creditshelf.com.

## Successful IPO

July 25, 2018, marked a unique highlight in the history of creditshelf AG: since that day, the creditshelf share has been listed on the Regulated Market (Prime Standard) of the Frankfurt Stock Exchange. CEO Dr. Tim Thabe, COO Dr. Daniel Bartsch and CRO Dr. Mark Währisch were on the trading floor at 9:18 a.m. to ring the trading bell together for the first price. This successful step about four years after the company was founded indicates that creditshelf, a pioneer of digital SME financing, has the potential to inspire investors' imagination and motivates us to continue down the path we have selected.

The IPO placed 206,250 creditshelf shares with investors, a total volume of approx. EUR 16.5 million at a fixed offer price of EUR 80.00. Based on the orders placed with Commerzbank, around 20% of the placement volume was allocated to private investors. All orders placed with Commerzbank by private investors were met with approx. 90% of the demand. This resulted in a stock market valuation of creditshelf AG of approx. EUR 106.5 million. The proceeds from the IPO will go entirely to the company and are to be invested in the further development of our software, algorithms and models, in partnerships with private and commercial banks and in the expansion of the product portfolio.

**Financial calendar**

| | |
|---|---|
| 11/23/2018 | Quarterly Report on the Third Quarter 2018 |
| 11/26-11/28/2018 | German Equity Forum |

# 2. Interim Management Report

## 2.1. Principles of the Group

### 2.1.1. Business model

creditshelf Aktiengesellschaft ("creditshelf" or the "Company" and together with its subsidiary creditshelf Service GmbH the "creditshelf Group") is a pioneer of online market place lending for the small and medium sized enterprises ("SME") segment in Germany through a fast and easy to use online platform, www.creditshelf.com. Since it was founded in 2014, the Company has successfully developed its platform for arranging loans via online credit marketplaces, whose processes are supported by self-developed, data-driven risk management algorithms for credit analysis. The fully integrated platform covers the entire credit process from application, credit analysis and risk management to auctioning, disbursement and loan management. A secure and user-friendly online platform is vital to the success of creditshelf.

As a credit intermediary, creditshelf connects medium-sized borrowers looking for alternative financing solutions with institutional and professional investors looking for efficient ways to invest in SMEs. creditshelf considers the fact that the creditshelf platform, based on the partially digitalized and automated process, enables a very efficient and fast examination of credit project applications with low transaction costs to be a clear customer benefit and competitive advantage over the classical lending practice of bank loans. With regard to the process of generating creditshelf sales, we refer to the detailed presentation of the accounting policies in the notes to the consolidated financial statements as of December 31, 2017. The Company itself does not hold any brokered loans - neither as a borrower nor as an investor - in its own balance sheet. The loans are granted by a so-called fronting bank. This fronting bank has a banking license under applicable German law and is necessary because, under applicable German law, such a banking license is generally required for the granting of loans. After the fronting bank has granted a loan to the borrower, it sells the loan receivables to creditshelf service GmbH ("creditshelf service"), a 100% subsidiary of creditshelf, which in turn sells the loan receivables in tranches to investors who have entered into financing commitments via the creditshelf platform and subsequently form a consortium with creditshelf service.

The product range includes unsecured loans with terms ranging from one to 60 months. Its highly automated credit analysis enables creditshelf to make a credit decision and pay out the loans within a short period of time, usually only one to two weeks.

creditshelf's multidimensional growth strategy is based on three pillars:

**MULTIDIMENSIONAL GROWTH STRATEGY**

**Software development**

Further development of self-developed, data-driven processes to support credit selection and credit scoring algorithms and models to enable deeper, more efficient and further automated analysis. This concerns in particular the implementation of artificial intelligence and machine learning.

**Cooperation with banks**

Strategic cooperation with banks in referring potential borrowers from their networks to the creditshelf platform.

**Expansion of the produkt portfolio**

Expansion of the product portfilio to include complementary products such as factoring and analysis services.

Despite its current focus on Germany, the Company has also started to examine options for future international expansion into select European markets in the medium term. However, such international expansion depends above all on whether the proposed pan-European crowdfunding regulation can be applied to the creditshelf business model.

### 2.1.2. Group structure and shareholdings

creditshelf, Frankfurt/Main, Germany, is the holding company of the creditshelf Group. It performs certain central functions for the entire Group, including management, budgeting, controlling, accounting, corporate communications, marketing, investor relations, risk management, internal auditing and human resources.

creditshelf service, Frankfurt/Main, Germany, is a 100% subsidiary of creditshelf. The business purpose of creditshelf service is the purchase and sale of credit receivables in its own name and for its own account. It does not include any activities that require approval under the German Banking Act (Kreditwesengesetz, KWG), the German Capital Investment Act (Kapitalanlagegesetz, KAG) or the German Payment Services Oversight Act (Zahlungsdiensteaufsichtsgesetz, ZAG), nor does it include factoring.

As of June 30, 2018, creditshelf held no other direct or indirect investments.

### 2.1.3. Sites and employees

The creditshelf Group currently operates its headquarters in Frankfurt/Main as its only site.

As of June 30, 2018, the creditshelf Group employed a total of 24 full-time equivalents (December 31, 2017: 17.5 employees).

### 2.1.4. Control system and performance indicators

creditshelf and its three Management Board members manage the business on the basis of key financial performance indicators. The Company regularly reviews the following key performance indicators to manage its business, measure performance, identify trends and make strategic decisions. The figures shown in the following table are unaudited data from the Company's internal reporting system. Besides ongoing reporting to the Management Board, the key performance indicators are also included in the discussions with the Supervisory Board.

| **Performance indicators** | **01/01 - 06/30/2018** | **01/01 - 06/30/2017** |
|---|---:|---:|
| Sales revenues | EUR 766 thousand | EUR 198 thousand |
| EBIT | EUR - 2,877 thousand | EUR - 725 thousand |

creditshelf also uses the following selected other performance indicators to manage its business operations, measure its success, identify trends and support strategic decisions:

- Number, volume and terms of transactions (brokered loans) via the creditshelf platform
- Conversion rate (number of credit applications after the first review process in relation to total applications)
- Acceptance rate (number of credit applications finally accepted in relation to total applications)
- Recurring borrowers (number of recurring borrowers in relation to total number of borrowers)
- Default rate

Some of these indicators change during the year due to cyclicality in the business model (e.g. the brokered loan volume in the past reached its maximum in the last quarter).

### 2.1.5. Research and development

The research and development activities of creditshelf focus on the creditshelf platform, the ongoing optimization of algorithms in the area of credit worthiness assessment and the systems to support credit decisions. The further development of an advanced credit project process with a self-developed, data-controlled risk analysis and risk management algorithm is an important component of the company strategy. To this end, creditshelf works together with a software consulting and development company.

Capitalized development costs amounted to EUR 1,121 thousand in the first half of 2018 (previous year: EUR 121 thousand).

creditshelf also intends to invest approx. 20-35% of the net proceeds from the IPO in research and development and thus in software development in order to improve the underlying algorithm and carry out a deeper, more efficient and automated analysis of credit applications. At the same time, the Company intends to increase automation with a view to quantitative evaluation of a potential borrower and to implement technologies such as artificial intelligence and machine learning.

## 2.2. Economic report

### 2.2.1. Overall economic environment and industry-specific conditions

**Macroeconomic environment**

Via the creditshelf platform, creditshelf targets small and medium-sized enterprises in Germany that are dependent on the overall economic development. Accordingly, the overall economic development can have an influence on the course of creditshelf's operating business. Based on the information published by the Federal Ministry of Economics and Energy (BMWi) up to July 2018, the price, calendar and seasonally adjusted growth of the gross domestic product for the first quarter of 2018 was at 0.4% compared to the previous quarter. Although the German economy also grew in the first three months of the current year, the GDP growth in the first quarter of 2018 was significantly lower than the average quarterly GDP growth of +0.7% in 2017. The German economy got off to a cautious start in the second quarter of 2018, with industrial production dropping by 1.7% in April compared to the previous period and industrial order intake falling by 2.5%. According to the BMWi, developments in the foreign trade environment had a particularly dampening effect. According to the BMWi, a wait-and-see attitude was noticeable, especially with regard to investment decisions.[1]

The EU Commission also believes that the headwind for economic development is primarily the result of sustained trade tensions. Although the direct economic effects have thus far been limited, they indirectly contribute to a restrained development due to increasing uncertainty among the players, as investment decisions in particular are burdened by increasing uncertainty.[2]

The credit market outlook of KfW Bankengruppe, however, states that the economic environment continues to be above average despite the previously mentioned loss of momentum.[3] A persistently robust economy in Germany and worldwide and the associated increase in willingness to invest represent generally favorable framework conditions for creditshelf's business model.

**Industry-specific conditions**

creditshelf is active in the area of lending to small and medium-sized enterprises (SMEs) in Germany via online credit marketplaces.

According to KPMG, there was a total demand for credit of EUR 410 billion in Europe in the third quarter of 2016, which was not met by lending from traditional banks. [4]

[1] Federal Ministry of Economics and Energy (2018), Highlights of Economic Policy. Monthly Report July 2018
[2] European Commission (2018), European Economic Forecast. Summer 2018
[3] KfW (2018), KfW-Kreditmarktausblick: Juni 2018
[4] KPMG (2017), TWINO Alternative Lending Index 2016

It is also becoming increasingly difficult for SMEs in Germany to obtain bank loans: According to a publication by Zeppelin University, EUR 287 billion in bank loans were granted to German SMEs in 2005. At EUR 284 billion, this figure remained almost unchanged in 2015. At the same time, the share of bank loans in the total liabilities of these companies fell from 42.4% in 2005 to 36.0% in 2015, and the volume of loans granted to German SMEs is estimated at EUR 293 billion for 2016[5]. Assuming that the growth of the German gross domestic product (GDP) is an indicator of the expected growth in the financing requirements of German SMEs, there is also a clear gap in the supply of credit here: Germany's nominal GDP rose by 36.6% between 2005 and 2016[6], but the volume of bank loans granted to SMEs grew by only 2.1%.[7] The gap of around 35 percentage points, based on the volume of bank loans granted to SMEs in 2005, results in a financing gap of around EUR 100 billion for 2016.

Due to the increasing difficulties for SMEs in obtaining bank financing, companies are looking for alternatives to traditional bank financing. The emergence of innovative FinTech business models, including the creditshelf platform from the management's point of view, has expanded the possibilities of debt financing for SMEs.

According to a study by Ernst & Young, 35% of digitally active consumers in Germany used FinTech services in 2017. Especially in the area of borrowing via FinTech services, the usage rate rose from 2.9% in 2015 to 12% in 2017.[8] [9]

In the above-mentioned publication by Zeppelin University, the market potential for FinTechs in the area of lending to SMEs in Germany is estimated to be 10% of the lending volume granted to SMEs. Taking into account the estimated volume of bank loans to SMEs in the amount of EUR 293 billion for 2016 and the estimated credit gap of EUR 100 billion, the target market for creditshelf in Germany is approximately EUR 39 billion.

Compared to the previous period, from creditshelf’s perspective, competition in the banking sector for granting loans with more aggressive interest rates and easing of underwriting standards has intensified in some areas. From a risk perspective, credit risks may not be adequately priced in some cases. creditshelf’s objective here is to offer investors only credit projects with a fair interest rate adapted to market conditions.

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[5] Mietzner (2018), Die globale Fintech-Revolution: eine Chance für KMUs, Zeppelin Universität Working Paper / Finance & Accounting
[6] International Monetary Fund (2018), World Economic Outlook April 2018
[7] Mietzner (2018), Die globale Fintech-Revolution: eine Chance für KMUs, Zeppelin Universität Working Paper / Finance & Accounting
[8] Ernst & Young (2017), EY FinTech Adoption Index 2017
[9] Ernst & Young (2016), EY FinTech adoption index - Germany

**Competition and market structure**

From the Company's point of view, creditshelf's competitors are primarily other P2P lending platforms with a focus on small to medium-sized companies in Germany. Selected competitors include Funding Circle (UK), Lendix (France), Lendico (Germany), Kapilendo (Germany) and challenger banks such as RiverBank (Luxembourg). In this market segment, creditshelf focuses on areas that are usually not or only partially covered by competitors (exception here: Lendix). These include the target audience companies (sales of EUR 2.5 to 100 million), loan volume (EUR 2.5 to 5 million) and investors (exclusively professional institutional market participants). The market structure has not changed significantly compared to the previous period.

In addition, traditional banks as so-called "balance sheet lenders" are also potential competitors, with banks generally focusing more on secured loans.

creditshelf considers itself in the context with banks rather in a position as a potential cooperation partner. The reasons for this are the following:

Banks could efficiently place loans that they do not wish to finance themselves for risk, concentration or other reasons via the creditshelf platform and its investors. This means that one's own customer relationship can be maintained without business flowing to another competitor bank.

Banks can actively build up credit exposure for small and medium-sized enterprises via creditshelf without setting up their own sales network or additional internal processes.

Banks could benefit from the creditshelf technology in terms of credit analysis and thus implement a better and more efficient credit process.

### 2.2.2. Earnings, assets and financial position

#### 2.2.2.1. Earnings situation

In the first half of 2018, sales revenues of creditshelf rose by 287.4% to EUR 765.5 thousand (previous year: EUR 197.6 thousand). The main reason for this was a significant increase in the credit volume brokered via the creditshelf platform from EUR 8,270 thousand in the first half of 2017 to EUR 15,370 thousand in the first six months of the current fiscal year. This resulted in a corresponding increase in brokerage fees received from borrowers and service fees received from investors. creditshelf has only begun to charge such service fees from investors after the end of the first quarter of 2017. Since August 1, 2017, creditshelf has also expanded its existing product portfolio of short-term loans (usually up to 12 months) in response to increasing demand from investors and borrowers and now also offers longer loan terms of up to five years. In addition, creditshelf is seeing increasing demand for larger volumes on both the borrower and the investor sides. creditshelf generated sales revenues exclusively in Germany in the reporting period.

Other income rose to EUR 349.1 thousand in the first half of 2018 after EUR 201.7 thousand in the same period of the previous year. This includes income from the release of provisions for employees' virtual shareholdings as a result of the capital increase, which led to this significant increase.

Personnel expenses for the first half of 2018 amounted to EUR 2,205.7 thousand compared to EUR 493.3 thousand in the first half of the previous year. This rise is partly due to the increase in personnel, which takes into account the growth that creditshelf has already achieved and expects for the future. As of June 30, 2018, the number of employees was 24 full-time equivalents (June 30, 2017: 11.75 full-time equivalents). The increase in personnel expenses mainly resulted from the formation of the provision for the retention bonus in the amount of EUR 1,395.5 thousand (previous year: EUR 0.0 thousand). This bonus was paid out to senior employees in order to recognize the special achievements in connection with the IPO and at the same time to provide an incentive to continue to perform accordingly in the future. In addition, the increase in personnel in the Sales, IT, Marketing, Risk and Back Office departments as well as the inclusion of Management Board member salaries in personnel costs led to higher personnel expenses.

Other operating expenses amounted to EUR 1,823.8 thousand as of June 30, 2018, and were thus significantly higher than the previous year's figure of EUR 661.7 thousand.

Legal and consulting expenses increased to EUR 308.3 thousand compared to the previous year (previous year: EUR 60.6 thousand); increased expenses in the area of labor law and legal representation of the Company had a particularly significant impact. Expenses in connection with a capital increase are recognized directly in equity or, if the capital increase has not yet taken place, in other assets.

The Company maintains two programs for granting virtual shareholdings. The capital increase by EUR 1,045,178 from EUR 79,822 to EUR 1,125,000, resolved at the Extraordinary General Meeting on June 18, 2018, had a dilutive effect on the shares of the Virtual Participation Program from the Company's perspective. Due to the impending exit event, additional agreements were concluded regarding the exit agreement. These agreements stipulate that all shares not yet vested expire and that the respective employee receives a one-time remuneration for his shares already allotted, with which all claims of the employee under Virtual Participation Program I are fully and finally settled.

The Virtual Participation Programs of the creditshelf Group resulted in total expenses of EUR 567.9 thousand (previous year: EUR 23.3 thousand) for the first half of 2018. Due to the dilutive effect of the capital increase, income of EUR 234.6 thousand (previous year: EUR 0.0 thousand) results for the Virtual Participation Program I for the reporting period from the reversal of the provision. In the previous year, provisions for the Virtual Participation Program I of EUR 23.3 thousand were allocated. Due to an increase in the number of shares granted, the Virtual Participation Program II will result in expenses of EUR 567.9 thousand for the first half of 2018 (previous year: EUR 0.0 thousand).

Advertising expenses for the first half of 2018 amounted to EUR 376.2 thousand compared to EUR 80.1 thousand in the previous year. In this area, investments were made in particular in online performance marketing, the customer magazine, brand relaunch including relaunch of the online presence, radio and video advertising in order to raise creditshelf's profile in the market.

Other expenses, which include insurance, maintenance costs for hardware and software, postage, training costs and expenses for licenses, rose from EUR 214.0 thousand in the first half of 2017 to EUR 341.7 thousand for the first six months of the current fiscal year. The main reason for the increase was the increased postage for mailing our customer magazine and letter mailing campaigns. Postage costs in connection with these measures increased from EUR 14 thousand in the first half of 2017 to EUR 136 thousand in the reporting period.

Earnings before interest, taxes, depreciation and amortization (EBITDA) thus amounted to EUR -2,774.6 thousand for the first half of 2018 after EUR - 678.4 thousand in the same period of the previous year.

Depreciation and amortization rose to EUR 102.0 thousand in the first half of 2018 (previous year: EUR 46.3 thousand). Depreciation on internally generated intangible assets and the right to use leases in particular led to an increase in this item.

Earnings before interest and taxes (EBIT) thus reached EUR -2,876.6 thousand for the first half of 2018 (previous year: EUR -724.7 thousand).

Earnings before taxes for the first half of 2018 were thus EUR -2,896.2 thousand (previous year: EUR -726.8 thousand). In the first six months of 2018, creditshelf achieved earnings after taxes of EUR -1,516.5 thousand (previous year: EUR -493.1 thousand).

### 2.2.2.2.Financial position

**Asset and capital structure**

**as of June 30, 2018**

| | 06/30/2018 in EUR thousands | 12/31/2017 in EUR thousands | Change in EUR thousands | Change in% |
|---|---|---|---|---|
| Non-current assets | 4,401.1 | 1,901.3 | 2,499.8 | 131.5% |
| Current assets | 3,057.8 | 2,337.6 | 720.2 | 30.8% |
| **Assets** | **7,458.9** | **4,238.9** | **3,220.0** | **76.0%** |
| Equity | 2,688.9 | 1,166.3 | 1,522.6 | 130.6% |
| Provisions | 978.4 | 410.5 | 567.9 | 138.3% |
| Financial liabilities | 1,148.8 | 377.0 | 771.8 | 204.7% |
| Other liabilities | 2,642.8 | 2,285.1 | 357.7 | 15.7% |
| **Liabilities** | **7,458.9** | **4,238.9** | **3,220.0** | **76.0%** |

creditshelf's total assets as of June 30, 2018, amounted to EUR 7,458.9 thousand (December 31, 2017: EUR 4,238.9 thousand).

Non-current assets were EUR 4,401.1 thousand higher than the respective figure at the end of 2017 (December 31, 2017: EUR 1,901.3 thousand). Intangible assets of EUR 1,587.2 thousand (December 31, 2017: EUR 514.0 thousand) and deferred tax assets of EUR 2,277.8 thousand (December 31, 2017: EUR 885.3 thousand) accounted for the largest share of non-current assets as of June 30, 2018. Intangible assets include a self-created Internet platform and a self-created risk tool (software) for checking the credit risk of potential borrowers. The main reasons for this year-on-year increase are additional investments in technology and the risk platform. The increase in deferred tax assets is mainly due to the change in the tax loss carryforward as of June 30, 2018, in the amount of EUR 4,990.2 thousand (June 30, 2017: EUR 1,995.0 thousand) and to the different valuation between the balance sheet in accordance with IFRS and the tax balance sheet of the provisions for virtual investments and the retention bonus. The relevant deviation amounts to EUR 2,521.90 thousand (June 30, 2017: EUR 588.8 thousand) as of the reporting date.

Current assets amounted to EUR 3,057.8 thousand as of the reporting date (December 31, 2017: EUR 2,337.6 thousand). The main reasons for the increase are the other assets due to deferred IPO costs and the sales tax receivable for the first and second quarters of 2018. This is reflected in other assets, which increased to EUR 1,811.2 thousand (December 31, 2017: EUR 71.6

thousand). There was also an increase in trade receivables and cash and cash equivalents compared to the previous year's reporting date. Trade receivables increased to EUR 289.8 thousand as of June 30, 2018, (December 31, 2017: EUR 206.5 thousand) and cash and cash equivalents to EUR 940.0 thousand (December 31, 2017: EUR 2,027.1 thousand). The increase in trade receivables is mainly due to the fact that creditshelf Service did not charge investor fees until the second quarter of 2017, which means that they are not comparable with the same period of the previous year.

The Company's equity increased to EUR 2,688.9 thousand compared to the reporting date of the previous year (December 31, 2017: EUR 1,166.3 thousand). The equity ratio was thus 36% (December 31, 2017: 27.5%). This increase is partly due to two capital increases. In February 2018, a capital increase was carried out in which the Company was provided equity financing in the amount of EUR 2,000 thousand. A further capital increase of EUR 1,045 thousand was carried out in June 2018.

Compared to the previous year, non-current liabilities increased to EUR 1,271.4 thousand (December 31, 2017: EUR 728.7 thousand). Non-current provisions increased by EUR 567.9 thousand to EUR 978.4 thousand (December 31, 2017: EUR 410.5 thousand). The main reason for this was the increase in the provision for the Virtual Participation Program II. Other non-current financial liabilities decreased by EUR 25.2 thousand to EUR 293.0 thousand (December 31: EUR 318.2 thousand), which is mainly due to the repayment of the capitalized rental liability.

At EUR 3,498.6 thousand, current liabilities as of the reporting date were higher than on the previous year's reporting date December 31, 2017, of EUR 2,343.9 thousand. Trade payables decreased to EUR 626.0 thousand (December 31, 2017: EUR 1,707.9 thousand). Other current financial liabilities amounted to EUR 855.8 thousand (December 31, 2017: EUR 58.8 thousand). This includes provisions for the costs of outstanding invoices for services received in connection with the preparation of the IPO. Other liabilities increased significantly from EUR 577.1 thousand on the previous year's reporting date December 31, 2017, to EUR 2,016.8 thousand on June 30, 2018. The main reason was an increase in liabilities for wages taxes, as more employees were employed. In addition, the provision for the virtual shareholding of employees was reclassified from a non-current to a current liability and a retention bonus for employees was set aside.

#### 2.2.2.3. Financial position

In view of gross cash flow of EUR -1,839.7 thousand (previous year: EUR -1,482.3 thousand), cash flow from operating activities in the first half of 2018 amounted to EUR -3,060.9 thousand (previous year: EUR -1,372.7 thousand).

Based on an after-tax result of EUR -1,517 thousand (previous year: EUR -493 thousand) the IPO costs of EUR -1,419 thousand (previous year: EUR 0), which were not included due to deferred taxation, mainly affected the gross cash flow, of which EUR 623 thousand (previous year: EUR 0) have been cash-effective so far. Taking into account the non-cash income from the allocation to deferred tax assets of EUR 1,379 thousand (previous year: EUR 233 thousand) as well as the non-cash expenses from the allocation to provisions for personnel (EUR 1,392 thousand, previous year EUR 0), for outstanding invoices (EUR 795 thousand, previous year EUR 0) and for the Virtual Participation Program II (EUR 567 thousand, previous year EUR 0) and other non-cash expenses and income (EUR -140 thousand, previous year EUR 70 thousand), a gross cash flow of EUR -1,840 thousand results.
In addition, increased cash outflows from trade payables had an impact on cash flow from operating activities.

Cash flow from investing activities amounted to EUR -1,013.6 thousand in the reporting period (previous year: EUR -46.7 thousand). The cash outflow mainly resulted from payments for investments in intangible assets amounting to EUR -985.9 thousand.

Cash flow from financing activities amounted to EUR 2,987.4 thousand in the first half of 2018 (previous year: EUR 1,494.6 thousand). The main reason for this are the two capital increases in February and June 2018 with net capital deposits in the amount of EUR 3,045.2 thousand.

As of June 30, 2018, creditshelf had cash and cash equivalents of EUR 940.0 thousand (June 30, 2017: EUR 565.4 thousand).

Net debt as of June 30, 2018, was as follows:

**Net debt**

**as of June 30, 2018**

| | 06/30/2018 in EUR thousands | 06/30/2017 in EUR thousands | Change in EUR thousands | Change in% |
|---|---|---|---|---|
| Financial debt | 1,148.8 | 102.3 | 1,046.5 | 1023.0% |
| Cash and cash equivalents | 940.0 | 565.4 | 374.6 | 66.2% |
| **Net debt** | **208.8** | **-463.1** | **671.9** | **-145.1%** |

## 2.3. Supplementary report

Successful IPO on the Regulated Market (Prime Standard) of the Frankfurt Stock Exchange

creditshelf has placed 206,250 shares with investors at a fixed offer price of EUR 80.00 per share. On July 25, 2018, the shares were admitted to trading on the Regulated Market (Prime Standard) of the Frankfurt Stock Exchange. The securities identification number (WKN) is A2LQUA, the international securities identification number (ISIN) DE000A2LQUA5 and the trading symbol CSQ. The first price was also EUR 80.00.

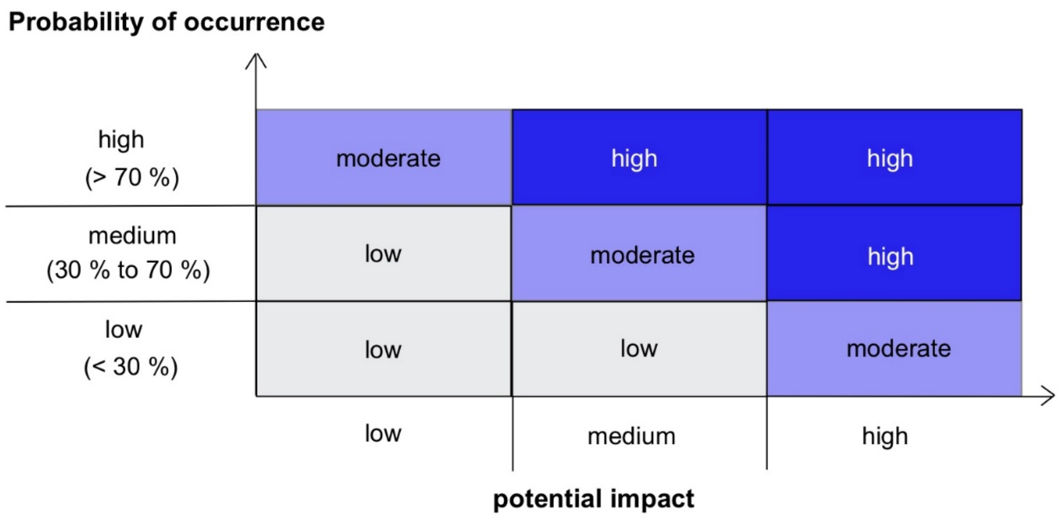
With total market capitalization of approximately EUR 106.5 million, the free float amounts to more than 20%. As the largest shareholder, Hevella Capital GmbH & Co. KGaA (controlled by Rolf Elgeti) will continue to act as a long-term partner of creditshelf. Due to the high demand, Hevella Capital's backstop order placed in connection with the IPO was not utilized. Obotritia Capital KGaA (controlled by Rolf Elgeti) subscribed for additional shares with a volume of approximately EUR 1.5 million as part of the IPO, demonstrating its sustained support for the Company. The co-founders Dr. Tim Thabe (via LDT Investment GmbH) and Dr. Daniel Bartsch (via DBR Investment GmbH) hold 19.6% and 18.3% respectively after the IPO.

Based on the orders placed with Commerzbank, around 20% of the placement volume of a total of 206,250 shares was allocated to private investors. All orders placed with Commerzbank by private investors were met with approx. 90% of the demand. The "Principles for the Allocation of Share Issues to Private Investors" were observed and the allocation within the framework of the offer to private investors was made according to uniform criteria for Commerzbank and its affiliated institutes. Commerzbank acted as sole global coordinator and sole bookrunner, while Lazard acted as financial advisor to creditshelf.

## 2.4. Risk and opportunity report

### 2.4.1. Internal control and risk management system

For the purpose of producing the Risk Report, risks are classified to risks of high, moderate or low significance for the creditshelf Group as follows. The risk management system is currently still being set up and corresponding risk management processes will be implemented soon. In relation to the half-year financial report, the risks up to December 31, 2018, are estimated as follows.




Low potential impact on the creditshelf Group are considered minor potential effects, while medium potential effects represent moderate negative effects. High potential impact means considerable or considerable potential negative effects on the creditshelf Group.

The effects of the risks are presented after the measures taken to limit the risk.

### 2.4.2. Risk report

#### Market risks

The Company is dependent on various macroeconomic trends, such as the development of the overall economy and inflation and interest rates. Rising interest rates can lead to increased loan defaults and lower demand on the part of borrowers. In addition, this opens up further asset classes with a low risk profile for investors, such as government bonds. Based on current publications by the Bundesbank, the Management Board is assuming a sustained positive economic development and bank interest rates at a very low level with a slight upward trend. Market risks are therefore considered to be low for the forecast period.

#### Financial risks

Bad debt risk

The creditshelf Group itself does not grant any loans. In addition to a brokerage fee from the borrower, further income is generated from the investors, which is due when the borrower makes repayments on the loan. Borrowers' defaults therefore lead to lower Group revenues.

If borrowers default on their loans or fall behind on their payments, the returns for investors who have invested in these loans would change adversely and the reputation of creditshelf could be damaged and the expected sales and earnings growth impaired.

The creditshelf Group uses analysis and scoring procedures to reduce default risks. However, due to the short operational history, the input data available is still limited. Lump-sum individual value adjustments are made in the balance sheet on the basis of the experience gained. The risks of bad debts are considered moderate.

Liquidity risks:

The creditshelf Group has generated losses in the past and could, contrary to expectations, continue to generate such losses in the future. Rising operating expenses in particular, which are not offset by correspondingly rising sales, can play a role here. A sustained loss situation can lead to a liquidity risk. Due to the successful IPO in the second half of 2018 and the corresponding cash inflow, the Management Board considers this risk to be insignificantly low.

**Operating risks**

Organizational risk:

The planned corporate development could be hindered by the fact that internal structures cannot keep pace with corporate growth. The tense situation on the labor market for hiring skilled and qualified employees contributes to this. The possible departures of important employees or managers can also affect business activities.

The same applies to internal processes that also grow with the Company, such as IT, as well as the maintenance and expansion of internal controls, which must be continously adapted to the Company's growth. For the remaining period up to the end of the fiscal year, the organizational risks are considered to be low.

Procurement risks:

Although the creditshelf Group has a large number of investors, a relatively small number of investors are responsible for a relatively high volume of investments in loans brokered via the creditshelf platform. If these investors fail to offer debt capital via the creditshelf platform in the future, it may not be possible to meet the demand from borrowers to the extent planned. creditshelf assesses the procurement risk as low.

Platform risks:

The creditshelf Group depends on the growth of its user base such as borrowers and investors. In particular, if the Group should not be in a position to maintain or increase the volume of loans brokered via the creditshelf platform, this would impair the business activities and position of the Company.

The success of the Company therefore depends to a large extent on the success of its marketing efforts. If creditshelf is unable to win (additional) customers and other users for its products and services, this could impair its business and its future growth. Platform risks are considered to be moderate with a view to the next reporting date December 31, 2018.

IT risk:

The Company's products and services as well as its internal systems depend on technically complex software. If creditshelf is unable to operate the platform in an error-free manner, maintain, integrate and scale the creditshelf Group's Internet networks and IT systems, this could have a significant negative impact on the Company's business, financial and earnings position. creditshelf has taken appropriate measures to ensure stable IT security and operation. IT risks are considered to be low overall.

Reputational risks:

As a loan intermediary, creditshelf is exposed to reputational risks. The business model is largely based on the trust of both loan-seeking companies and investors in the professional support and supervision of business relationships. In addition, the respective economic parameters of each transaction are relevant for all parties involved. The Management Board currently considers the reputational risk to be low.

**Compliance and legal risks**

Legal risks:

The Group is exposed to a large number of legal risks. If, for example, investors should suffer losses of their investment, they could then seek to assert claims against creditshelf. Currently, no claims have been made. The Management Board assumes a low risk with regard to legal risks.

Regulatory and compliance risks:

creditshelf is subject to numerous regulatory requirements such as the Financial Investment Broker Ordinance. In addition, the Group is affected by the many laws and regulations on data protection and data security, many of which are still in development. Failure to comply with regulatory requirements and regulations can lead to reputational losses, business restrictions or fines. Due to the compliance guidelines and procedures implemented, also with regard to the ad-hoc disclosure requirements required by regulations, the Management Board considers these risks to be low.

### 2.4.3. Opportunities report

There are **many opportunities** in connection with the Group's business activities. Opportunities are understood as possible future developments or events that could lead to a positive development for the creditshelf Group.

#### Financing alternative to traditional bank loans

More and more small and medium-sized enterprises are looking for financing alternatives to traditional bank loans. Such borrowers are also increasingly open to digital offers, especially for loans brokered via so-called marketplace lending platforms.

#### Increasing willingness to invest in loans to small and medium-sized enterprises

creditshelf believes that investing in loans to small and medium-sized enterprises can be an attractive asset class for investors seeking higher returns. Online credit platforms help in selecting potential borrowers and offer potential investors the opportunity to invest in a loan portfolio.

#### Banks evaluate their strategy with regard to small and medium-sized borrowing companies

More and more banks have expressed their intention to work with young Fin-Tech companies to improve their own offering. Operators of marketplace lending platforms are therefore regarded as potential cooperation partners for large banks. creditshelf believes that the traditional process of credit application review and decision used by many banks is too costly and inefficient from the banks' point of view and too time-consuming and uncertain from the borrower's point of view. These trends explain why the importance of traditional bank loans in the financing mix of many small and medium-sized enterprises has declined in recent years.

# 3. Consolidated interim financial statements as of June 30, 2018

## 3.1. Consolidated balance sheet as of June 30, 2018

| Assets | Notes | 06/30/2018 in EUR | 12/31/2017 in EUR |
|---|---|---|---|
| **Non-current assets** | | | |
| Intangible assets | 8 | 1,587,227.81 | 513,976.70 |
| Property, plant and equipment | | 308,710.13 | 330,012.00 |
| Trade account receivables | | 200,242.51 | 144,930.73 |
| Other receivables | | 27,053.64 | 27,053.64 |
| Deferred tax assets | 10 | 2,277,828.76 | 885,298.88 |
| **Total non-current assets** | | **4,401,062.85** | **1,901,271.95** |
| **Current assets** | | | |
| Trade account receivables | | 289,822.60 | 206,490.53 |
| Other assets | | 1,811,218.69 | 71,592.88 |
| Other financial assets | | 16,780.12 | 32,407.14 |
| Cash and cash equivalents | | 940,019.98 | 2,027,130.76 |
| **Total current assets** | | **3,057,841.39** | **2,337,621.31** |
| **Balance sheet total** | | **7,458,904.24** | **4,238,893.26** |

| Liabilities | Notes | 06/30/2018 in EUR | 12/31/2017 in EUR |
|---|---|---|---|
| **Capital and provisions** | | | |
| Subscribed capital | 13 | 1,125,000.00 | 76,752.00 |
| Capital provisions | 13 | 4,955,812.78 | 2,964,965.98 |
| Loss carried forward | | -3,391,890.23 | -1,875,388.85 |
| **Total equity** | | **2,688,922.55** | **1,166,329.13** |
| **Non-current liabilities** | | | |
| Non-current provisions | 14 | 978,360.03 | 410,505.00 |
| Other financial liabilities | | 293,023.74 | 318,183.01 |
| **Total non-current liabilities** | | **1,271,383.77** | **728,688.01** |

| | | |
|---|---|---|
| **Current liabilities** | | |
| Trade account payables | 625,979.72 | 1,707,890.38 |
| Other financial liabilities | 855,793.52 | 58,844.00 |
| Other liabilities | 2,016,824.67 | 577,141.74 |
| **Total current liabilities** | **3,498,597.92** | **2,343,876.12** |
| **Balance sheet total** | **7,458,904.24** | **4,238,893.26** |

## 3.2. Consolidated statement of comprehensive income January 1 to June 30, 2018

| | Notes | first half-year 2018 in EUR | first half-year 2017 in EUR |
|---|---|---|---|
| Revenue | 5 | 765,514.86 | 197,573.42 |
| Other income | | 349,069.86 | 201,732.08 |
| Own work capitalized | | 140,329.00 | 77,229.11 |
| Personnel expenses | | -2,205,649.43 | -493,254.67 |
| Scheduled depreciation | | -101,995.53 | -46,270.02 |
| Other expenses | | -1,823,835.06 | -661,677.83 |
| Financing costs | | -27,617.71 | -2,128.80 |
| Financial income | | 8,019.75 | 0.00 |
| **Consolidated earnings before taxes (EBT)** | | **-2,896,164.26** | **-726,796.71** |
| Taxes on income and earnings | | 1,379,662.88 | 233,689.09 |
| **Loss for the year** | | **-1,516,501.38** | **-493,107.62** |
| **of which attributable to:** | | | |
| **Shareholders of the parent company** | | **-1,516,501.38** | **-493,107.62** |
| **Non-controlling shareholders** | | **0.00** | **0.00** |
| **Overall result** | | **-1,516,501.38** | **-493,107.62** |
| **of which attributable to:** | | | |
| **Shareholders of the parent company** | | **-1,516,501.38** | **-493,107.62** |
| **Non-controlling shareholders** | | **0.00** | **0.00** |

**Earnings per share**

| | 2018 in EUR | 2017 in EUR |
|---|---|---|
| **Undiluted and diluted earnings per share** | **-1.35** | **-6.42** |
| **from continuing operations** | **-1.35** | **-6.42** |

## 3.3. Consolidated cash flow statement from January 1 to June 30, 2018

| | first half-year 2018 in EUR | first half-year 2017 in EUR |
|---|---|---|
| **Cash flow from operating activities** | | |
| Profit after tax | -1,516,501.38 | -493,107.62 |
| Adjustments: | | |
| Income taxes | -1,379,662.88 | -233,689.09 |
| Depreciation of property, plant and equipment | 49,067.64 | 6,569.11 |
| Depreciation and amortization of intangible assets | 52,927.89 | 39,700.91 |
| Change in other provisions | 2,801,830.10 | 29,003.77 |
| Other non-cash expenses/income | -140,329.00 | -77,229.11 |
| Financial expenses | 27,617.71 | 2,128.80 |
| Financial income | -8,019.75 | 0.00 |
| Income tax payments made | 0.00 | 60.04 |
| Security | 5,603.58 | 0.00 |
| Other assets | -1,740,252.02 | -755,694.12 |
| Interest payments received | 8,019.75 | 0.00 |
| **Gross cash flow** | **-1,839,698.36** | **-1,482,257.31** |
| Increase/decrease in trade account receivables | -138,937.85 | -41,010.32 |
| Increase/decrease in trade account payables | -1,071,411.95 | 148,492.66 |
| Increase/decrease in other liabilities | -10,820.78 | 2,070.81 |
| **Net cash provided by / used in operating activities** | **-3,060,868.94** | **-1,372,704.16** |
| Payments for investments in property, plant and equipment | -27,765.77 | -2,923.50 |
| Payments for investments in intangible assets | -985,850.00 | -43,750.00 |
| **Net cash outflow / inflow from investing activities** | **-1,013,615.77** | **-46,673.50** |
| Proceeds from the issue of shares | 3,045,178.00 | 1,500,000.00 |
| Decrease in leasing liability | -24,603.16 | 0.00 |
| Interest payments made | -27,117.71 | -1,628.80 |
| Transaction costs for the issue of shares | -6,083.20 | -3,731.80 |
| **Net cash provided by / used in financing activities** | **2,987,373.93** | **1,494,639.40** |

| | | |
|---|---|---|
| Net increase in cash and cash equivalents | -1,087,110.78 | 75,261.74 |
| Cash and cash equivalents at the beginning of the fiscal year/quarter | 2,027,130.76 | 490,182.46 |
| **Cash and cash equivalents as of June 30 of the fiscal year** | **940,019.98** | **565,444.20** |

## 3.4. Consolidated Statement of Changes in Equity from January 1 to June 30, 2018

| | **Subscribed capital in EUR** | **Capital reserve in EUR** | **Loss carried forward in EUR** | **Total equity in EUR** |
|---|---|---|---|---|
| **As of 01/01/2017** | 71,270.00 | 1,474,179.78 | -1,118,646.22 | 426,803.56 |
| Net profit for the period | - | - | -493,107.62 | -493,107.62 |
| Capital transactions | 5,482.00 | 1,494,518.00 | - | 1,500,000.00 |
| Transaction costs from the issue of shares | - | -3,731.80 | - | -3,731.80 |
| **As of 06/30/2017** | **76,752.00** | **2,964,965.98** | **-1,611,753.84** | **1,429,964.14** |
| **As of 01/01/2018** | **76,752.00** | **2,964,965.98** | **-1,875,388.85** | **1,166,329.13** |
| Net profit for the period | - | - | -1,516,501.38 | -1,516,501.38 |
| Capital transactions | 1,048,248.00 | 1,996,930.00 | - | 3,045,178.00 |
| Transaction costs from the issue of shares | - | -6,083.20 | - | -6,083.20 |
| **As of 06/30/2018** | **1,125,000.00** | **4,955,812.78** | **-3,391,890.23** | **2,688,922.55** |

## 3.5. Notes to the consolidated financial statements for the half year ended June 30, 2018

### A) creditshelf

#### 1. General information

creditshelf Aktiengesellschaft ("creditshelf" or the "Company" and together with its subsidiary creditshelf Service GmbH the "creditshelf Group") is a stock corporation registered under German law whose shares have been publicly traded on the Regulated Market (Prime Standard) of the Frankfurt Stock Exchange since July 25, 2018. The conversion from creditshelf GmbH to creditshelf Aktiengesellschaft was entered in the Frankfurt Commercial Register of the Frankfurt/Main Local Court (Commercial Register number HRB 112087) on June 13, 2018. At the time of the conversion, the Company's share capital amounted to EUR 79,822 and is divided into 79,822 registered no-par value shares with an arithmetical share in the share capital of EUR 1.00 each.

The previous shareholders participated in the share capital of the stock corporation in proportion to their previous shareholdings. The number and extent of the shareholders' investment in the share capital of the stock corporation correspond to the number and extent of the shares previously held in the Company.

Following the successful conversion, the Extraordinary General Meeting on June 18, 2018, resolved to increase the share capital of the Company by an additional EUR 1,045,178.00 by issuing new no-par value bearer shares against cash contributions. Shareholders were admitted to subscribe to the 1,045,178 new shares in proportion to their participation in the share capital of creditshelf.

The condensed interim consolidated financial statements as of June 30, 2018, have been approved by the Management Board on September 25, 2018.

**Information on the scope of consolidation**

There were no changes in the scope of consolidation in the reporting period compared with the consolidated financial statements as of December 31, 2017.

### Subsidiary

creditshelf Service GmbH, which was founded in 2015, is the only subsidiary of creditshelf Aktiengesellschaft. creditshelf Aktiengesellschaft and creditshelf Service GmbH are also referred to below as "creditshelf Group" or the "Group". The subsidiary creditshelf Service GmbH is hereinafter also referred to as the "network company." The subsidiary is registered under the registration number HRB 103351 at the Local Court of Frankfurt/Main. The business purpose of creditshelf Service GmbH is the purchase and sale of credit receivables in its own name and for its own account, with the exception of performing factoring and all other activities requiring authorization in accordance with the German Banking Act, the German Investment Code or the German Payment Services Supervision Act. The wholly owned subsidiary was founded with a share capital of EUR 25,000.00. The share capital was paid in full by bank transfer to an account of creditshelf Service GmbH.

The subsidiary's eligible assets, liabilities and contingent liabilities were recognized at their full fair values when they were first consolidated, irrespective of the amount of the equity interest. In subsequent measurement, the Group carrying amounts are carried forward except for those assets and liabilities for which a current measurement at fair value is required.[10]

## 2. Basis of preparation of the financial statements

These condensed consolidated interim financial statements of creditshelf for the period January 1 to June 30, 2018, comprise the condensed interim consolidated financial statements and an interim Group management report in accordance with the provisions of Section 115 of the German Securities Trading Act (WpHG). The interim consolidated financial statements comply with the requirements of IAS 34 (Interim Financial Reporting) and were prepared in accordance with the provisions of Section 315e (3) German Commercial Code HGB and in accordance with the International Financial Reporting Standards (IFRS) adopted and published by the International Accounting Standards Board (IASB), including the interpretations of the IFRS (IFRIC) as adopted and required to be applied by the European Union, taking into account the supplementary provisions of commercial law. The condensed interim consolidated financial statements and the condensed group management report have not been audited or reviewed by an auditor within the meaning of Section 115 (5) WpHG.

The condensed consolidated interim financial statements do not include all the information and notes required in the consolidated annual financial statements and should therefore be read in conjunction with the consolidated annual financial statements as of December 31, 2017. These consolidated financial statements have been prepared in accordance with the International

[10] Among other measures in accordance with IFRS 9

Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB) as adopted by the European Union (EU) and the interpretations of the IFRS Interpretations Committee (IFRS IC) approved by the IASB.

For a condensed overview, individual items have been combined in the balance sheet and the statement of comprehensive income. In addition, the balance sheet was classified into non-current and current items in accordance with IAS 1 and the income statement was prepared using the nature of expense method.

The consolidated interim financial statements are based on the going concern principle.

## 3. Application of International Financial Reporting Standards (IFRS)

**Standards to be applied by creditshelf for the first time in the fiscal year**

The following standards were applied by the Group for the first time in the reporting period:

| Standard | Content and significance for the financial statements | Mandatory date of application |
|---|---|---|
| IFRS 9<br>Financial instruments | Complete replacement for IAS 39. There are effects for creditshelf in the presentation and the information in the notes, but not for the valuation and subsequent valuation of financial instruments. | January 1, 2018 |
| Amendment to IFRS 2 | Classification and measurement of particular share-based payment transactions | January 1, 2018 |
| Amendment to IFRS 4 | Application of IFRS 9, Financial Instruments with IFRS 4, Insurance Contracts | January 1, 2018 |
| Amendment to IAS 40 | Transfers of Investment Property | January 1, 2018 |
| Annual Improvements to IFRS Standards Cycle 2014–2016 | Amendments to IFRS 12, IFRS 1 and IAS 28 | January 1, 2018 |
| IFRIC 22<br>Foreign currency transactions | IFRIC 22 clarifies the accounting for transactions that include the receipt or payment of advance consideration in a foreign currency. | January 1, 2018 |

IFRS 15, which is required to be applied for the first time in reporting periods beginning on or after January 1, 2018, was already applied early by the Group in fiscal year 2017. With regard to the effects of IFRS 15, we refer to the consolidated financial statements of creditshelf GmbH as of December 31, 2017.

Please refer to the explanations in this report on accounting and valuation principles under IFRS 9 Financial Instruments for the scope of IFRS 9 as of January 1, 2018.

The other standards to be applied for the first time as of January 1, 2018, were observed in the preparation of the interim financial statements. This is a pure presentation adjustment without any effect on earnings.

## 4. Accounting and valuation principles

### Valuation principles as of June 30, 2018

The new accounting and valuation principles applied for the interim consolidated financial statements as of June 30, 2018, are presented below in this chapter. With the exception of the following items discussed, the main accounting and valuation principles are the same as in the consolidated financial statements for 2017. We therefore refer to the accounting and valuation principles explained in detail there in the notes to the consolidated financial statements.

### Changes in accounting and valuation principles

In previous periods, the consolidated statement of comprehensive income was prepared using the cost of sales method. Due to the corporate character of the creditshelf Group as a financial services provider, no production costs are incurred, while all other expense items are combined under other operating expenses. As this is not meaningful for the reporting recipients, the Management Board of creditshelf has decided to change the presentation of the consolidated statement of comprehensive income from the cost of sales method retroactively as of January 1, 2018, to the nature of expense method in the course of the half-year financial report as of June 30, 2018. This is only a matter of presentation adjustment without any effect on the net loss or on the comprehensive income.

In addition, the valuation method for the provisions for the Virtual Participation Program I was changed to the calculation of intrinsic value as of June 30, 2018. In the preliminary financial statements, the valuation was carried out using an option-price model based on the Black-Scholes formula. Due to the fact that, through various additional agreements with the beneficiaries, all shares not yet vested in the event of an exit event lapse and that an IPO can still be assumed as an exit event with an occurrence probability of 100%, the Management Board of creditshelf considers the valuation at intrinsic value to be appropriate.[11] The change in the valuation methodology is a pure presentation adjustment with no material impact.

[11] See "Virtual Participation Program I" in 14 Long-term provisions - Share-based payments with cash settlement (Virtual Participation Programs) for further information

### Significant discretionary decisions

In preparing the consolidated financial statements, management makes discretionary decisions, estimates and assumptions concerning the application of accounting methods and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and discretionary decisions are continually reassessed based on management's experience and other factors, such as expectations of future results that are currently considered reasonable.

Information on assumptions and estimation uncertainties that have a material impact on the amounts in the interim consolidated financial statements and could lead to significant adjustments in the carrying amounts of the assets or liabilities concerned in the coming fiscal years relate to the accounting treatment of the Virtual participation programs on page 49 and deferred taxes on page 46. Further explanations of any estimation uncertainties can be found in the 2017 consolidated financial statements.

### IFRS 9 Financial Instruments

Scope of application at creditshelf

IFRS 9 is the new standard for accounting for financial instruments, which Creditshelf applied retrospectively for the first time as of January 1, 2018, without changing the previous year's figures.

IFRS 9 introduces new requirements for classifying and measuring financial assets and replaces the current requirements for impairment of financial assets. The new standard requires a change in accounting for the effects of the change in own credit risk for financial liabilities designated at fair value and changes the hedge accounting rules. In addition, the classification and measurement of financial obligations remain largely unchanged from the current regulations.

According to IFRS 9, the classification and measurement of financial assets is determined by the Company's business model and the characteristics of the cash flows of the respective financial asset.

The classification of assets and liabilities resulting from the first-time adoption of IFRS 9 did not result in any changes in the carrying amounts of financial assets.

Risk management of financial instruments

The Group's current financial instruments mainly include receivables, liabilities and bank balances.

IFRS 9 introduces a new impairment model with the expected loss approach. In accordance with the standard, the Company estimated the loss incurred within a 12-month period for each financial instrument and weighted it with a probability. The estimated value determined was expensed as incurred. The Company does not make use of the option to recognize the entire loss as an expense. Furthermore, all financial instruments were examined for indications of further impairment.

The transition to the impairment model of IFRS 9 did not have any material effects for the Company. In the interim reporting period January 1 to June 30, 2018, the expected losses within 12 months or over the entire term of financial assets were estimated at 2.28% based on past experience and risk factors (previous year: 1.74%). The expenses recorded in this context in the interim report for the reporting period amount to EUR 2,666.07 (previous year: EUR 776.70).

A risk for the Group is an unexpected event or possible development that has a negative impact on the achievement of planned targets. A significant relevance applies to the supervision of risks that have an effect on the achievement of objectives with regard to the net assets, financial position and results of operations of the Company. Liabilities are paid within the agreed payment periods.

### IFRS 15 Revenue from Contracts with Customers

As explained on page 42, creditshelf is applying IFRS 15 for the first time starting with the 2017 reporting year. The application of IFRS 15 did not have any material impact on the carrying amounts and subsequent valuations or the presentation of the interim financial statements.[12] IFRS 15 has no significant effect on cash flow.

## B) Notes to the Interim Consolidated Financial Statements

### 5. Revenues

creditshelf Aktiengesellschaft generates revenues from the brokerage of loans and service fees from investors.

The Group's revenues as of June 30, 2018, are broken down as follows:

| | 06/30/2018 in EUR | 06/30/2017 in EUR |
|---|---|---|
| Commission income from credit brokerage | 518,412.90 | 148,612.95 |
| Service fees from investors | 247,101.96 | 48,960.47 |
| | 765,514.86 | 197,573.42 |

[12] The presentation of the sales revenues of creditshelf is shown on page 42.

Revenues in the reporting period from January to June 2018 rose from EUR 197,573.42 in the first half of the previous year to EUR 765,514.86 in the first half of 2018, representing a percentage increase of 387.46%. However, investors' service fees cannot be compared with each other, as the service fees were not charged until the second quarter of the previous year.

In both revenue streams, only time-related revenues are generated using the criteria from IFRS 15. In both cases, the services provided by the Company arise directly at the time the loan is granted by the fronting bank. While the agency fee is retained directly when the loan amount is paid out by the fronting bank, the investor fee is retained ratably from the repayment amounts as part of the loan repayment. In both revenue streams, the transaction costs result from the application of a contractually defined percentage rate to the volume of credit issued.

## 6. Personnel expenses

Personnel expenses of EUR 2,205,649.43 increased by EUR 1,712,394.76 compared to the previous year. The main reason for the increase in personnel expenses is the granting of a retention bonus in the amount of EUR 1,395,500.00 (previous year: EUR 0.00) to senior employees in connection with the forthcoming IPO and the increased number of employees. Please refer to our detailed descriptions of the retention bonus on page 51.

## 7. Other operating expenses

Other operating expenses break down as follows:

| | 06/30/2018 in EUR | 06/30/2017 in EUR |
|---|---|---|
| Third-party services | 86,671.31 | 56,952.61 |
| Legal and consulting costs | 308,292.03 | 60,630.55 |
| Expenses for the Virtual Participation Program | 577,375.03 | 23,301.00 |
| Advertising costs | 376,173.74 | 80,139.18 |
| Other operating expenses | 341,730.94 | 213,965.30 |
| Rental expenses | 25,470.12 | 27,931.38 |
| Premium on credit sales | 108,121.89 | 198,757.81 |
| | 1,823,835.06 | 661,677.83 |

Expenses for external services mainly comprise commissions and administrative expenses paid to cooperation partners.

## 8. Intangible assets

Intangible assets include a proprietary Internet platform and a proprietary risk tool (software) for checking the credit risk of potential borrowers.

Intangible assets also include rights acquired from third parties in return for payment, which were recognized at cost less scheduled straight-line amortization. They are only recognized in accordance with IAS 38 if it is reasonably probable that future economic benefits will flow to creditshelf and the cost of the asset can be reliably determined.

The depreciation period for the assets acquired against payment is 5 to 8 years. In the case of the Internet platform and the risk tool, the recoverability in accordance with IAS 36 is checked once a year or, if new facts arise, also during the year.

Intangible assets are composed as follows:

| | Acquired intangible assets in EUR | Internally generated intangible assets in EUR | Advance payments for intangible assets in EUR | Total in EUR |
|---|---|---|---|---|
| **Acquisition and production costs** | | | | |
| As of 01/01/2017 | 0.00 | 146,267.15 | 0.00 | 146,267.15 |
| Increase | 0.00 | 120,979.11 | 0.00 | 120,979.11 |
| Decrease | 0.00 | 0.00 | 0.00 | 0.00 |
| Transfers | 0.00 | 0.00 | 0.00 | 0.00 |
| As of 06/30/2017 | 0.00 | 267,246.26 | 0.00 | 267,246.26 |
| **Cumulated depreciation** | | | | |
| As of 01/01/2017 | 0.00 | 7,314.15 | 0.00 | 7,314.15 |
| Increase | 0.00 | 39,700.91 | 0.00 | 39,700.91 |
| Decrease | 0.00 | 0.00 | 0.00 | 0.00 |
| Transfers | 0.00 | 0.00 | 0.00 | 0.00 |
| As of 06/30/2017 | 0.00 | 47,015.06 | 0.00 | 47,015.06 |
| **Carrying amount 06/30/2017** | **0.00** | **220,231.20** | **0.00** | **220,231.20** |
| **Carrying amount 01/01/2017** | **0.00** | **138,953.00** | **0.00** | **138,953.00** |
| **Acquisition and production costs** | | | | |
| As of 01/01/2018 | 0.00 | 384,469.98 | 216,222.70 | 600,692.68 |
| Increase | 5,000.00 | 90,623.80 | 1,030,555.20 | 1,126,179.00 |
| Decrease | 0.00 | 0.00 | 0.00 | 0.00 |
| Transfers | 5,000.00 | 0.00 | -5,000.00 | 0.00 |
| As of 06/30/2018 | 10,000.00 | 475,093.78 | 1,241,777.90 | 1,726,871.68 |

| **Cumulated depreciation** | | | | |
|---|---|---|---|---|
| As of 01/01/2018 | 0.00 | 86,715.98 | 0.00 | 86,715.98 |
| Increase | 471.81 | 52,456.08 | 0.00 | 52,927.89 |
| Decrease | 0.00 | 0.00 | 0.00 | 0.00 |
| Transfers | 0.00 | 0.00 | 0.00 | 0.00 |
| As of 06/30/2018 | 471.81 | 139,172.06 | 0.00 | 139,643.87 |
| | | | | |
| **Carrying amount 06/30/2018** | **9,528.19** | **335,921.72** | **1,241,777.90** | **1,587,227.81** |
| **Carrying amount 01/01/2018** | **0.00** | **297,754.00** | **216,222.70** | **513,976.70** |

The capitalized intangible assets are exclusively depreciable assets.

The internally generated intangible assets with a carrying amount of EUR 335,921.72 (previous year EUR 220,231.20) relate to the second version of the parent company's Internet platform. This serves as a virtual marketplace for potential borrowers and credit investors.

The Internet platform was capitalized at its production costs. Production costs include the development costs of externally commissioned companies for the creation of the platform. Cooperation with the externally commissioned company was discontinued at the end of the first quarter of 2018. In accordance with the contractual regulations with these companies, the risk of failure to create the platform is borne by the Company and not the contractor; therefore, the Internet platform was treated as a self-created intangible asset.

Production costs were reduced by scheduled depreciation.

In the fourth quarter of the 2017 reporting year, the parent company began developing a risk tool for checking the credit risk of potential borrowers. An external company was commissioned with the development. In accordance with the contractual provisions with the latter, the external company bears the risk of failure to develop the risk tool, so payments already made were classified as prepayments on intangible assets.

In addition to the external company, employees of the parent company were also involved in the development of the risk tool. The wage costs attributable to these activities in the period from January 1 to June 30, 2018, were added to the carrying amount of the risk tool as additional costs of EUR 58,705.20 (previous year EUR 0.00) due to the acquisition.

## 9. Rights of use to land and buildings

IFRS 16 was applied early by creditshelf in fiscal year 2017. For information on the early application of IFRS 16, please refer to the notes to the consolidated financial statements for 2017.

The Group entered into a rental agreement with a non-cancellable basic rental period of 5 years as of August 1, 2017. As of the balance sheet date, there were no other contracts that can be considered leases requiring capitalization within the meaning of IFRS 16.

The leased asset was recognized as of August 1, 2017, after discounting the minimum lease payments at cost in the amount of EUR 294,913.12. The lease liability was recognized in the same amount. The carrying amounts as of June 30, 2018, are EUR 240,845.50 (prior year: EUR 0.00) for the leased asset and EUR 249,595.37 (prior year: EUR 0.00) for the leasing liability.

The development of the value in use for property, plant and equipment is as follows:

| | **Rights of use to land and buildings in EUR** |
|---|---|
| **Acquisition and production costs** | |
| As of 01/01/2017 | 0.00 |
| Increase | 0.00 |
| Decrease | 0.00 |
| As of 06/30/2017 | 0.00 |
| **Cumulated depreciation** | |
| As of 01/01/2017 | 0.00 |
| Increase | 0.00 |
| Decrease | 0.00 |
| As of 06/30/2017 | 0.00 |
| **Carrying amount 06/30/2017** | **0.00** |
| **Carrying amount 01/01/2017** | **0.00** |
| **Acquisition and production costs** | |
| As of 01/01/2018 | 294,913.12 |
| Increase | 0.00 |
| Decrease | 0.00 |
| As of 06/30/2018 | 294,913.12 |
| **Cumulated depreciation** | |
| As of 01/01/2018 | 24,576.12 |
| Increase | 29,491.50 |
| Decrease | 0.00 |
| As of 06/30/2018 | 54,067.62 |

| | |
|---|---|
| **Carrying amount 06/30/2018** | **240,845.50** |
| **Carrying amount 01/01/2018** | **270,337.00** |

The corresponding rental liability developed as follows:

| | Rental liability in EUR | Rental in EUR | Repayment in EUR | Interest in EUR |
|---|---|---|---|---|
| 08/01/2017 | 294,913.12 | | | |
| 08/31/2017 | 290,124.51 | 5,659.08 | 4,788.61 | 870.47 |
| 09/30/2017 | 286,178.10 | 5,659.08 | 4,802.75 | 856.33 |
| 10/31/2017 | 282,208.39 | 5,659.08 | 4,814.39 | 844.69 |
| 11/30/2017 | 278,215.25 | 5,659.08 | 4,826.11 | 832.97 |
| 12/31/2017 | 274,198.53 | 5,659.08 | 4,837.90 | 821.18 |
| 01/31/2018 | 270,158.11 | 5,659.08 | 4,849.75 | 809.33 |
| 02/28/2018 | 266,093.83 | 5,659.08 | 4,861.68 | 797.40 |
| 03/31/2018 | 262,005.56 | 5,659.08 | 4,873.67 | 785.41 |
| 04/30/2018 | 257,893.15 | 5,659.08 | 4,885.74 | 773.34 |
| 05/31/2018 | 253,756.47 | 5,659.08 | 4,897.88 | 761.20 |
| 06/30/2018 | 249,595.37 | 5,659.08 | 4,910.09 | 748.99 |

There were no topics that required unscheduled depreciation in the period from January 1 to June 30, 2018.

## 10. Deferred tax assets

Differences between IFRS and statutory tax regulations lead to temporary differences between the carrying amount of assets and liabilities in the consolidated interim balance sheet and their tax base.

The calculations of deferred taxes are based on the current tax rates applicable for the period in which temporary differences are expected to reverse. A tax rate of 31.925% was applied. In addition to the corporation tax of 15% and the solidarity surcharge of 5.5%, a trade tax rate of 16.1% was taken into account for Frankfurt/Main. The collection rate of the City of Frankfurt/Main is 460%.

The tax effects of temporary differences and unused tax loss carryforwards in the reporting period are as follows:

Deferred tax assets and liabilities

| | 06/30/2018 | | 06/30/2017 | |
|---|---|---|---|---|
| | Deferred tax assets<br>in EUR | Deferred tax liabilities<br>in EUR | Deferred tax assets<br>in EUR | Deferred tax liabilities<br>in EUR |
| Intangible assets | 0.00 | 107,243.01 | 0.00 | 70,308.81 |
| Property, plant and equipment | 0.00 | 76,889.93 | 0.00 | 0.00 |
| Deferrals and accruals | 0.00 | 0.00 | 0.00 | 0.00 |
| Provisions | 805,128.08 | 0.00 | 187,989.73 | 0.00 |
| Liabilities | 79,683.32 | 15,962.50 | 0.00 | 15,962.50 |
| Loss and interest carryforwards | 1,593,112.79 | 0.00 | 660,419.10 | 0.00 |
| Total | 2,477,924.19 | 200,095.43 | 848,408.83 | 86,271.31 |
| **Balancing** | **2,277,828.75** | **0.00** | **762,137.52** | **0.00** |

In accordance with IAS 12.74, deferred tax assets relating to corporation tax and trade tax were offset against deferred tax liabilities for the individual tax types.

The changes in deferred taxes were recognized in the income statement to the extent that the items on which they were based were also recognized in the income statement.

## 11. Tax loss carryforwards

As of June 30, 2018, there were deferred tax assets on principally usable corporate income tax and trade tax loss carryforwards in the amount of EUR 4,990,173.19 (previous year: EUR 1,995,003.16). The fully consolidated network company reported a balance sheet profit as of June 30, 2018, so that no deferred tax assets result from this. In the previous year, there were tax loss carryforwards of EUR 73,654.95 as of June 30, 2017.

The Company has evaluated the usability of the loss carryforwards on the basis of various criteria. Management estimates that the recoverability of tax assets of EUR 1,593,112.79 (previous year EUR 660,419.10) capitalized within the Group from loss carryforwards is secured by future cash flows from business activities. Information on this is provided by the Company's corporate planning, which assumes positive earnings in the medium term and the corresponding use of loss carryforwards. This is evidenced by the steady increase in creditshelf's business volume. Further indications can be found in the sector development, which shows consistently high double-digit growth rates. It should also be noted that the Company's operating result in the year under review was significantly influenced by special effects, such as the formation of provisions for obligations from the programs for granting virtual shareholdings.

## 12. Capital transaction costs in connection with the IPO

Capital transaction costs mainly include expenses for the preparation of the securities prospectus, legal and consultancy fees, expenses for the preparation and review of interim financial statements and expenses for the filing or publication of facts requiring registration.

Under IFRS, capital transaction costs must be offset directly against free reserves. The costs incurred by the planned IPO were already generated before the official IPO on July 25, 2018. Since the inflow of capital did not occur until July 25, 2018, the IPO expenses were recorded in the amount of EUR 1,419,301.15 under prepaid expenses.

## 13. Equity and provisions

The share capital was increased several times in the reporting period from January 1 to June 30, 2018. By resolution of February 8, 2018, the Company's cash capital was increased by EUR 3,070.00 from EUR 76,752.00 to EUR 79,822.00. Of these shares, 3,032 were acquired by Hevella Capital GmbH & Co. KGaA and 38 shares by Purum AG. In addition, EUR 1,971,968.00 was received from Hevella Capital GmbH & Co. KGaA and EUR 24,962.00 was paid into the free capital reserve by Purum AG. Upon change of legal form to a stock corporation, DBR Investment GmbH sold and transferred 1,596 shares and LDT Investment GmbH sold and transferred 399 shares to Hevella Capital GmbH & Co. KGaA on June 15, 2018.

Following the Extraordinary General Meeting of the Company on June 18, 2018, resolved to increase the share capital of the Company by an additional EUR 1,045,178.00 by issuing new no-par value bearer shares against cash contributions. Shareholders were admitted subscribing to the 1,045,178 new shares in proportion to their investment in the share capital of creditshelf. No payments into the free capital reserve were resolved.

The development of equity is shown in the statement of changes in equity.

The share capital is divided as follows:

| Share | Shareholder | | | | | Total |
|---|---|---|---|---|---|---|
| | LDT Investment GmbH | DBR Investment GmbH | Wahtari GmbH | Hevella Capital GmbH & Co. KGaA | Other[1] | |
| 06/30/2017 | | | | | | |
| Nominal in EUR | 20,000.00 | 20,000.00 | 6,330.00 | 29,776.00 | 646.00 | 76,752.00 |
| Percentage | 26.06% | 26.06% | 8.25% | 38.79% | 0.84% | 100.00% |
| 06/30/2018 | | | | | | |
| Nominal in EUR | 261,047.00 | 244,176.00 | 65,508.00 | 519,129.00 | 35,140.00 | 1,125,000.00 |
| Percentage | 23.20% | 21.71% | 5.82% | 46.15% | 3.12% | 100.00% |

[1]The position "Other" contains the shareholders Purum AG with 9,640 shares which corresponds to 0.86% of the share capital (previous year: 646 shares, 0.84%), and J² Verwaltung GmbH with 1,500 shares which corresponds to 0.13% of the share capital, as well as other shareholders with less than 3% of the share capital.

The costs in connection with the capital increases of EUR 6,083.20 carried out on February 8, 2018, and June 18, 2018, were recognized directly in equity as capital transaction costs.

## 14. Long-term provisions - Share-based payments with cash settlement (Virtual Participation Programs)

The Group has two programs for granting virtual shareholdings through which it enables employees, consultants and cooperation partners of the Company to participate in the increase in value of the Company in order to bind them to the Company in the long term.

The capital increase by EUR 1,045,178 from EUR 79,822 to EUR 1,125,000 resolved by the Extraordinary General Meeting on June 18, 2018, had a dilutive effect on the shares of the Virtual participation program from the Company's perspective and led to a corresponding need to adjust the value of the provisions formed for this purpose.

Virtual investments are generally measured at fair value. This is determined by reference to the fair value of a real investment. The basis for the valuation of the shares in the Virtual Participation Programs was an enterprise value resulting from the post-money valuation of the last capital increase of June 18, 2018. In accordance with the general principles of company valuation, the underlying value per share of EUR 47.15 was determined. The resulting change is reflected in the respective provision. All changes in provisions were recognized in profit or loss.

Virtual Participation Program I

In the period from January 1 to June 30, 2018, another 300 virtual shares were granted to an external consultant on the basis of the "Virtual Participation Program I" as of April 1, 2018.

The "Virtual Participation Program I" can be summarized as follows as of June 30, 2018:

| Period | Number of shares owed | Number of shares earned | Fair value at the balance sheet date | Total recognized expense for the period | Net asset value of earned shares |
|---|---|---|---|---|---|
| | Number | Number | in EUR | in EUR | in EUR |
| 06/30/2018 | 6,000 | 3,717 | 148,076.07 | -234,626.00 | 148,076.07 |
| 06/30/2017 | 4,400 | 1,617 | 178,343.35 | 23,301.41 | 353,226.13 |

**Measurement at fair value was based on the following parameters:**

| Period | Share capital of the Company | Share value | Remaining term of the virtual shares | Probability of exit | Risk-free interest rate | Dividend |
|---|---|---|---|---|---|---|
| | in EUR | in EUR | in years | | in EUR | in EUR |
| 06/30/2018 | 1,125,000.00 | 47.15 | 0 | 100% | -0.40% | 0.00 |
| 06/30/2017 | 76,752.00 | 273.67 | 1 | 25% | -0.30% | 0.00 |

Due to the imminent exit event, which is assumed to be 100%, supplementary agreements on exit investments were concluded. The agreements provide for unvested shares to lapse and the beneficiary to receive a one-time remuneration for his already earned shares on the basis of the following calculation method, with which all further claims of the employee under Virtual Participation Program I have been fully and finally settled. A new employee program will be launched after the IPO.

The virtual participations were valued at intrinsic value, as an exit event within the meaning of the investment program is imminent and can therefore be assumed to be 100% probable and all non-vested shares expire after the exit event, which is why it can no longer be assumed that they are purely options. With regard to the change in valuation methods, we refer to the comments on the accounting and valuation methods. The provisions of EUR 148,076.00 (previous year: EUR 178,343.00) formed for obligations under "Virtual Participation Program I" were classified as current provisions due to an exit event planned for 2018.

Virtual Participation Program II

On July 29, 2015, the Company entered into an agreement with a cooperation partner - in addition to a cooperation agreement - for the granting of virtual shares in the business. The cooperation partner has been granted 1,500 virtual shares in the Company, each with a nominal value of 1.00 EUR. Under a supplementary agreement, the business partner was granted another 19,640 virtual shares with a nominal value of EUR 1.00 each as of June 30, 2018.

The following virtual investments have been issued to date:

| Issue date | Number of shares granted | Subscription price | Base value per share | Fair value per virtual share | Fair value at the balance sheet date in total |
|---|---|---|---|---|---|
| | Number | in EUR | in EUR | in EUR | in EUR |
| 07/29/2015 | 1,500 | 0.00 | 46.28 | 46.28 | 69,420.05 |
| 06/30/2018 | 19,640 | 0.00 | 46.28 | 46.28 | 908,939.98 |
| **Total** | **21,140** | **0.00** | **46.28** | **46.28** | **978,360.03** |

Expenses recognized in the balance sheet for the "Virtual Participation Program II" for the period January 1 to June 30, 2018, amounted to EUR 586,272.83. The expenses for the comparable period amounted to EUR 0.00 due to an unchanged company valuation in previous years.

Provisions from the "Virtual Participation Program II" continue to be classified as long-term.

**Retention Bonus**

The retention bonus is intended to be granted to executive employees in order to recognize the special achievements in connection with the forthcoming IPO and at the same time to provide an incentive to continue to perform accordingly in the future and to support the Company in the upcoming change processes and further business development. The retention bonus is a one-time bonus from creditshelf on the occasion of the IPO. The Company's Supervisory Board may increase the bonus by up to 100% at its own discretion. The prerequisites for the granting of the bonus are that the employees are still working for the company as of August 1, 2018, and the IPO was completed by September 1, 2018, at the latest. The payment of the retention bonus is due with the salary statement following August 1, 2018. For the retention bonus, creditshelf set up a provision in the amount of EUR 1,395,500.00 (previous year: EUR 0.00) as of June 30, 2018.

## C) Other information

### 15. Information on leasing liabilities

In accordance with IFRS 16.5, the Company did not recognize rent and lease agreements for low-value leased assets and short-term leases in accordance with the provisions of IFRS 16.22, but recognized them as expenses in the fiscal year in accordance with IFRS 16.6. In the reporting period from January 1 to June 30, 2018, EUR 4,669.28 (prior year: EUR 13,676.98) for low-value leased assets were expensed by the Company.

Depreciation of EUR 29,491.50 (prior year: EUR 0.00) was recognized in the reporting period from January 1 to June 30, 2018, for the right to use leases, which was capitalized for the first time from the third quarter of the 2017 reporting year.

Furthermore, the accounting for leasing resulted in interest expense of EUR 4,675.63 (previous year: EUR 0.00).

Overall, rental and leasing agreements resulted in cash outflows of EUR 49,782.82 (prior year: EUR 25,239.68).

The lease liabilities existing as of June 30, 2018, have the following maturities:

| | < 1 month in EUR | 1-3 months in EUR | 3-12 months in EUR | 1 - 5 years in EUR | Over 5 years in EUR | Total in EUR | Carrying amount in EUR |
|---|---|---|---|---|---|---|---|
| 06/30/2018 | | | | | | | |
| Leasing liability Mainzer Landstraße 33a | 4,922.37 | 9,881.88 | 45,095.86 | 189,695.26 | 0.00 | 249,595.37 | 249,595.37 |

When IFRS 16 was first adopted in 2017, the transition method of the modified retrospective approach was used, which is why no lease liabilities were recognized in the same period of the previous year.

### 16. Relationships with related parties

Related parties include not only affiliated companies but also shareholders and other natural persons who have a significant influence on the Group and its financial and business policies. Persons with a significant influence on the financial and business policy of the Group include all persons in key positions and their close family members. Within the Group, this applies to the members of the Management Board (until conversion: members of the management) of the parent company. With the following related parties transactions took place during the reporting period.

| Name | Role |
|---|---|
| Dr. Tim Thabe | Managing Director/Chairman of the Board |
| Dr. Daniel Bartsch | Managing Director/Member of the Board |
| Christoph Maichel (until September 19, 2017) | Managing Director |
| DBR Investment GmbH; formerly: DBR Investment UG (limited liability) | Shareholder |
| LDT Investment GmbH; formerly: LDT Investment UG (limited liability) | Shareholder |
| Wahtari GmbH | Shareholder |
| Hevella Capital GmbH & Co. KGaA | Shareholder |

Balances and transactions between the Company and its subsidiary were eliminated in the course of consolidation and are not explained in these notes. Details of transactions between the Group and other related parties are provided below.

### a) Trading transactions

As part of the agreements concluded on October 6, 2015, between DBR Investment UG and LDT Investment UG on the provision of management capacity, various management services were provided to the Group in the reporting period January 1 to June 30, 2018. The contracts have a term of 2 years and are extended by 6 months each, subject to a 3-month notice period. The agreement with Wahtari GmbH on the provision of management capacities was terminated with effect from mid-July 2017. The agreements on the provision of management capacity between LDT Investment GmbH and DBR Investment GmbH and the Company were terminated with effect from June 15, 2018.

Furthermore, creditshelf GmbH and Wahtari GmbH concluded an agreement for the provision of development services until the end of the first quarter of 2018.

| | Sale of property, plant and equipment in EUR | Provision of development services in EUR | Provision of management services in EUR | Total in EUR |
|---|---|---|---|---|
| 06/30/2017 | | | | |
| DBR Investment UG (limited liability) | 0.00 | 0.00 | 49,999.98 | 49,999.98 |
| LDT Investment UG (limited liability) | 0.00 | 0.00 | 49,999.98 | 49,999.98 |
| Wahtari GmbH | 399.16 | 43,750.00 | 41,666.32 | 85,815.48 |
| 06/30/2018 | | | | |
| DBR Investment GmbH | 0.00 | 0.00 | 44,999.93 | 44,999.93 |
| LDT Investment GmbH | 0.00 | 0.00 | 44,999.99 | 44,999.99 |
| Wahtari GmbH | 0.00 | 9,000.00 | 0.00 | 9,000.00 |

### b) Sales of loans to related parties in the course of ordinary business activities

In the course of the Group's normal business activities, loans were purchased from creditshelf service GmbH by the related parties listed below.

| | 06/30/2017 | | 06/30/2018 | |
|---|---|---|---|---|
| Company | Number of purchased loans | Volume of purchased receivables in EUR | Number of purchased loans | Volume of purchased receivables in EUR |
| DBR Investment GmbH | 1 | 10,000.00 | 0 | 0.00 |
| LDT Investment GmbH | 1 | 10,000.00 | 0 | 0.00 |
| Wahtari GmbH | 0 | 0.00 | 2 | 30,000.000 |

#### c) Repurchase of loans receivable from creditshelf in the course of ordinary business activities

In the course of the Group's normal business activities, loans were sold back to creditshelf Service GmbH by the related parties listed below.

| | 06/30/2017 | | 06/30/2018 | |
|---|---|---|---|---|
| | **Number of resold loans sold** | **Volume of resold receivables in EUR** | **Number of resold loans sold** | **Volume of resold receivables in EUR** |
| Hevella Capital GmbH & Co. KGaA | 27 | 1,465,000.00 | 0 | 0.00 |

#### d) Loans from related parties

| | 06/30/2018 in EUR | 06/30/2017 in EUR |
|---|---|---|
| Loan DBR Investment GmbH | 51,665.28 | 51,165.28 |
| Loan LDT Investment GmbH | 51,663.20 | 51,163.20 |
| | 103,328.48 | 102,328.48 |

Business relations with related parties are contractually agreed, services are rendered as they would have been agreed with third parties.

### 17. Events after the balance sheet date

No events have occurred that would lead to an adjustment of the amounts recognized in the financial statements in accordance with IAS 10.8 ff.

During the preparation period of this report, creditshelf Aktiengesellschaft went public on July 25, 2018, in the Prime Standard of the German Stock Exchange. Shares with issue proceeds of EUR 16.5 million were successfully placed.

## 18. Governing bodies of the Company

Names of the members of the Management Board

The following persons were members of the Management Board during the quarter:

- Dr. Tim Thabe, Chief Executive Officer (CEO); areas of responsibility: definition and implementation of corporate strategy, human resources, finance, taxes, Group accounting, marketing and corporate communications
- Dr. Daniel Bartsch, Chief Operating Officer (COO); areas of responsibility: business development, operations and sales
- Dr. Mark Währisch, Chief Risk Officer (CRO); areas of responsibility: product development, risk management, credit analysis, lending, legal and compliance

Names of the members of the Supervisory Board

The Supervisory Board advises and monitors the Management Board. As of June 30, 2018, the following persons were members of the Supervisory Board:

- Rolf Elgeti, Chairman of the Supervisory Board (general partner of Obotritia Capital KGaA, Chairman of the Management Board of Deutsche Konsum REIT-AG and Deutsche Industrie REIT-AG
- Rolf Hentschel, Deputy Chairman of the Supervisory Board (independent auditor, tax consultant and lawyer)
- Prof. Dr. Dirk Schiereck (Head of the Chair of Corporate Finance at the Technical University of Darmstadt)
- Julia Heraeus-Rinnert (Managing Director of J² Verwaltung GmbH)
- Dr. Joachim Rauhut (independent management consultant)
- Pedro Pinto Coelho (Member of the Board of Banco BNI Europe)

## 4. Responsibility statement by the legal representatives

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the condensed interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the interim management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group for the remaining months of the fiscal year.

Frankfurt, September 25, 2018

Dr. Daniel Bartsch Dr. Tim Thabe Dr. Mark Währisch

# 5. Imprint

Publisher

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