SME FINANCIER

credit shelf

Quarterly Statement

as of September 30, 2018

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creditshelf Aktiengesellschaft – Q3 Quarterly Statement

1. Statement by the Management Board

Dear shareholders and readers,

creditshelf can look back on a busy and successful third quarter. Our successful IPO on July 25, 2018, on Frankfurt Stock Exchange's Regulated Market (Prime Standard) resulted in a lot of new things for us to do. By going public, companies sign up to being public − and we are giving high priority to ensuring the transparency this requires and to interacting successfully with the market. In addition to communicating on a regular basis, this naturally involves continuing our current growth trajectory in our shareholders' interests and driving forward our operating business.

As a financier for German SMEs with a simple, rapid, and customized credit offering, creditshelf operates in an extremely dynamic market with substantial potential. We made the most of our opportunities once again in the third quarter: Revenue for the first nine months of 2018 amounted to EUR 1.55 million − a 127% increase on the first nine months of 2017 and more than double the figure as of June 30, 2018. The main driver for this is the continued high level of demand for credit recorded on creditshelf.com. Total inquiries from borrowers in the period between when the platform was launched in 2015 and September 30, 2018, amounted to just under EUR 1.4 billion. All in all, 257 individual loan inquiries for more than EUR 240 million were received in the third quarter of 2018. At approximately EUR 750 million, the aggregate volume of loans requested recorded a year-on-year increase of roughly 117% in the first nine months of 2018. In September we arranged the largest digital SME financing deal seen in Germany to date using creditshelf.com. EUR 4.75 million was placed and disbursed in less than two days to finance the buyout of an IT company with more than 500 employees. In addition, we acquired another major credit investor at the beginning of October: The listed German group involved agreed to invest EUR 20 million via creditshelf. As a result of this strong growth, the operating result (EBIT) for the first nine months of 2018 was in negative territory as had been expected, at EUR –4.5 million. This was due on the one hand to higher staff and marketing costs, and on the other to the increase in operating costs following the IPO. The impact on the operating result of bonus and retention payments and provisions for the Virtual Participation Program II following the IPO amounts to roughly EUR 2.9 million at present.

We continued systematically enhancing the cornerstones of our growth strategy in the third quarter of 2018. Day in, day out, our specialists work to optimize our software and our algorithms so as to make the automated credit analysis process even faster and more accurate. We are planning to expand our product portfolio to include complementary offerings such as factoring and analysis services. We are also maintaining our close links to classic banks with the aim of increasing our cooperation with them.

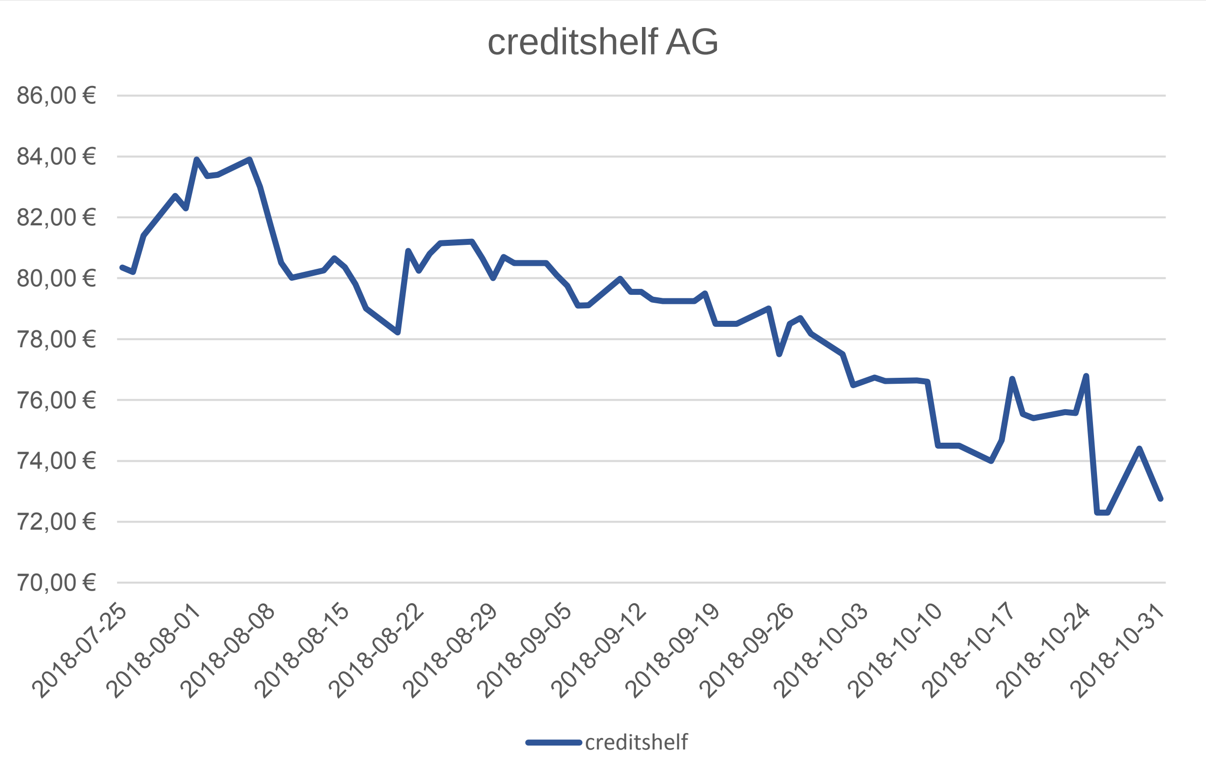
For all these reasons, we are extremely upbeat about developments, both in the current fiscal year and beyond. We have our medium-term goal of financing EUR 500 million worth of loans a year firmly in our sights. We believe that creditshelf is just at the start of its successful history. We would like to thank you for the confidence you have placed in us and look forward to continuing this journey with you going forward.

With best wishes
The Management Board

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

2. creditshelf's Shares

Share Price Performance (July 25 to October 31, 2018; XETRA Closing Prices)



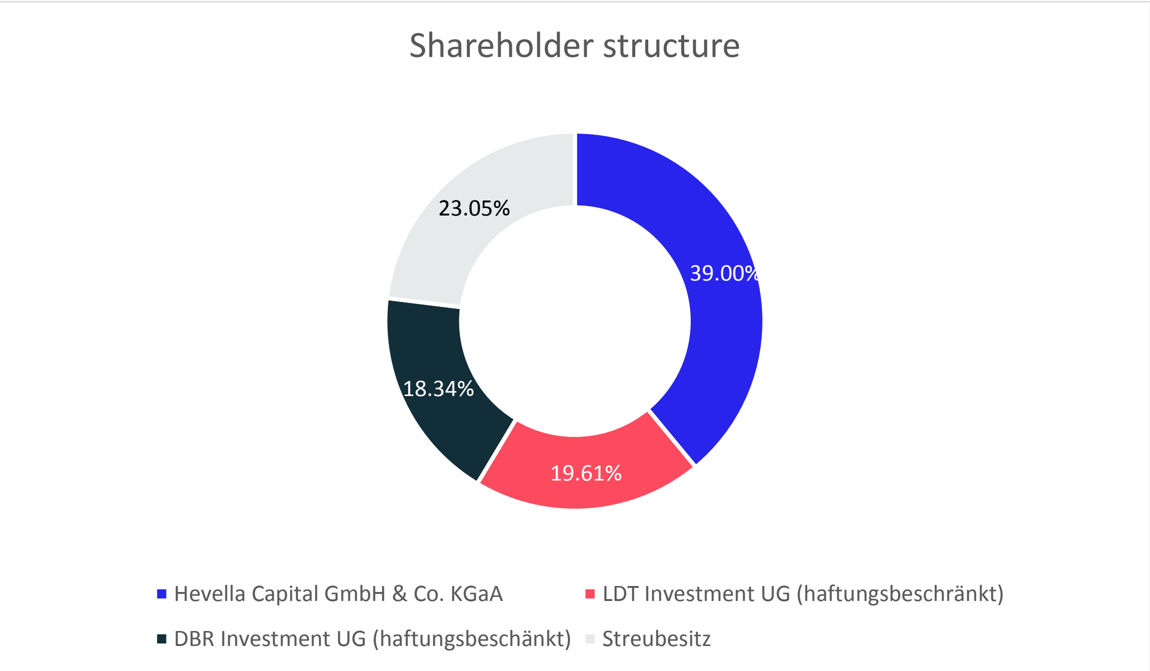
Master Data

German securities identification number (WKN)	A2LQUA
ISIN	DE000A2LQUA5
Ticker symbol	CSQ
Type of shares	No-par value bearer shares
Initial listing	July 25, 2018
Number of shares	1,331,250
Stock exchange	Frankfurt Stock Exchange's Regulated Market (Prime Standard)
Designated sponsor	Commerzbank

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

Initial share price (July 25, 2018)	EUR 80.00
High (August 2, 2018)	EUR 84.50
Low (October 26, 2018)	EUR 66.71
Closing price (October 31, 2018)	EUR 72.76
Trading volume (July 25 to October 31, 2018; average number of shares)	604.19

Shareholder Structure



Information based on voting right notifications received in accordance with the *Wertpapierhandelsgesetz* (German Securities Trading Act – WpHG) as of August 28, 2018.

Financial Calendar

November 26–28, 2018	German Equity Forum

3. Material Events

3.1. Changes in the Results of Operations

Key performance indicator	**January 1–September 30, 2018**	**January 1–September 30, 2017**
Revenue	EUR 1,547 thousand	EUR 681 thousand
EBIT	EUR –4,544 thousand	EUR –720 thousand

creditshelf Aktiengesellschaft generated consolidated revenue of EUR 1.547 million (previous year: EUR 0.681 million) in the first nine months of 2018, a rise of 127.1%. Staff costs rose to EUR 3.1 million (previous year: EUR 0.8 million), primarily as a result of new hires, the one-time payment of the exit participations, and the bonus and retention payments paid in connection with the IPO (EUR 1.4 million). Other expenses increased from EUR 0.9 million in the first nine months of the previous year to EUR 3.4 million in the period up to September 30, 2018. This was mainly due to marketing expenses associated with raising brand awareness, to operating costs following the IPO, and to the increase of EUR 1.2 million to EUR 1.9 million in the provision under the Virtual Participation Program II in favor of our fronting bank partner, which resulted from the higher enterprise valuation year-on-year.

Earnings before interest, taxes, and depreciation and amortization (EBITDA) amounted to EUR –4.4 million in the first nine months of the year (9M 2017: EUR 0.6 million). After depreciation and amortization of EUR 0.16 million (9M 2017: EUR 0.1 million), the company recorded earnings before interest and taxes (EBIT) of EUR –4.6 million (9M 2017: EUR –0.7 million).

3.2. Significant Changes in Net Assets and Financial Position

creditshelf's total assets increased to EUR 19.7 million as of September 30, 2018 (December 31, 2017: EUR 4.2 million). This was primarily due to the IPO on July 25, 2018, and to the related equity increase. EUR 16.5 million of share capital was raised. After adjustment for transaction costs of EUR 3.1 million, equity amounted to EUR 15.6 million.

Noncurrent assets rose from EUR 4.2 million to EUR 6.1 million (December 31, 2017: EUR 1.9 million). The main reasons for this increase were the changes in intangible assets, which climbed to EUR 2.0 million as of September 30, 2018 (December 31, 2017: EUR 0.5 million) and in deferred tax assets, which went from EUR 2.5 million to EUR 3.4 million (December 31, 2017: EUR 0.9 million).

Current assets rose by EUR 11.3 million to EUR 13.6 million as of September 30, 2018 (December 31, 2017: EUR 2.3 million) due to the higher volume of cash resulting from the IPO.

Noncurrent liabilities were dominated by the provision for the obligation under the company's Virtual Participation Program II. They climbed by EUR 1.2 million to EUR 1.9 million (December 31, 2017: EUR 0.7 million). The provisions of EUR 1.4 million recognized for the Retention Bonus in the second quarter of 2018 (previous year: EUR 0 million) were paid out in August and consequently reversed.

4. Consolidated Interim Financial Statements as of September 30, 2018

4.1. Consolidated Statement of Financial Position as of September 30, 2018

<u>**Assets**</u>	**Sept. 30, 2018 in EUR**	**Dec. 31, 2017 in EUR**
Noncurrent assets		
Intangible assets	2,030,214.79	513,976.70
Property, plant, and equipment	311,933.75	330,012.00
Trade receivables	346,743.56	144,930.73
Other receivables	27,053.64	27,053.64
Deferred tax assets	3,355,962.98	885,298.88
Total noncurrent assets	**6,071,908.72**	**1,901,271.95**
Current assets		
Trade receivables	369,229.53	206,490.53
Other assets	400,028.45	71,592.88
Other financial assets	19,634.20	32,407.14
Cash and cash equivalents	12,854,019.85	2,027,130.76
Total current assets	**13,642,912.03**	**2,337,621.31**
Total assets	**19,714,820.75**	**4,238,893.26**

<u>**Equity and liabilities**</u>	**Sept. 30, 2018 in EUR**	**Dec. 31, 2017 in EUR**
Capital and reserves		
Subscribed capital	1,331,250.00	76,752.00
Capital reserves	18,348,045.28	2,964,965.98
Accumulated losses brought forward	–4,031,068.66	–1,875,388.85
Total equity	**15,648,226.62**	**1,166,329.13**
Noncurrent liabilities		
Noncurrent provisions	1,652,725.20	410,505.00
Other financial liabilities	279,726.83	318,183.01
Total noncurrent liabilities	**1,932,452.03**	**728,688.01**
Current liabilities		
Trade payables	1,534,620.57	1,707,890.38
Other financial liabilities	60,815.72	58,844.00
Other liabilities	538,705.81	577,141.74
Total current liabilities	**2,134,142.10**	**2,343,876.12**
Total assets	**19,714,820.75**	**4,238,893.26**

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

January 1 to September 30, 2018

	2018 in EUR	2017 in EUR
Revenue	1,547,161.66	681,255.63
Other income	357,127.39	229,207.87
Own work capitalized	215,475.10	155,951.32
Staff costs	–3,149,823.09	–766,047.55
Depreciation and amortization	–161,067.65	–97,196.13
Other expenses	–3,353,621.46	–923,989.38
Finance costs	–57,241.06	–13,701.53
Financial income	16,939.20	0.00
Consolidated earnings before taxes (EBT)	**–4,585,049.91**	**–734,519.77**
Income taxes	2,429,370.10	237,199.73
Net loss for the period	**–2,155,679.81**	**–497,320.04**
of which attributable to:		
Owners of the parent	**–2,155,679.81**	**–497,320.04**
Noncontrolling interests	**0.00**	**0.00**
Total comprehensive income	**–2,155,679.81**	**–497,320.04**
of which attributable to:		
Owners of the parent	**–2,155,679.81**	**–497,320.04**
Noncontrolling interests	**0.00**	**0.00**

Earnings per share

	2018 in EUR	2017 in EUR
Basic and diluted earnings per share	**–1.62**	**–6.48**
from continuing operations	**–1.62**	**–6.48**

4.3. Consolidated Statement of Cash Flows

for the Period from January 1 to September 30, 2018

	2018 in EUR	2017 in EUR
Cash flows from operating activities		
Loss for the period	–2,155,679.81	–497,320.04
Adjustments for: Income taxes paid	–2,429,370.10	–237,199.73
Depreciation of property, plant, and equipment	73,980.64	21,236.81
Amortization of intangible assets	87,087.01	75,959.32
Gains/losses on disposal of intangible assets and property, plant, and equipment	0.00	311.76
Change in other provisions	1,192,568.31	54,618.07
Other noncash expenses/income	–215,475.10	–155,951.32
Financial expenses	57,241.06	13,701.53
Financial income	–16,939.20	0.00
Income taxes paid	22.10	60.04
Security deposit	5,603.58	–27,053.64
Other assets	–327,604.45	35,288.29
Interest received	16,939.20	0.00
Gross cash flow	**–3,711,626.76**	**–716,348.91**
Increase/decrease in trade receivables	–364,845.83	–181,687.70
Increase/decrease in trade payables	–167,104.61	439,495.16
Increase/decrease in other liabilities	–29,633.10	6,245.06
Net cash generated by/used in operating activities	**–4,273,210.30**	**–452,296.39**
Payments to acquire property, plant, and equipment	–55,902.39	–40,216.06
Payments to acquire intangible assets	–1,387,850.00	–84,010.00
Net cash used in/generated by investing activities	**–1,443,752.39**	**–124,226.06**
Proceeds from the issuance of shares	19,545,178.00	1,500,000.00
Decrease in lease liability	–37,234.42	–9,046.78
Interest paid	–56,491.10	–12,951.51
Transaction costs for issuance of shares	–2,907,600.70	–3,731.80
Net cash generated by/used in financing activities	**16,543,851.78**	**1,474,269.91**
Net increase in cash and cash equivalents	10,826,889.09	897,747.46
Cash and cash equivalents at the start of the fiscal year/quarter	2,027,130.76	490,182.46
Cash and cash equivalents on September 30 of the fiscal year	**12,854,019.85**	**1,387,929.92**

4.4. Consolidated Statement of Changes in Equity

for the Period from January 1 to September 30, 2018

	Subscribed capital in EUR	Capital reserves in EUR	Retained earnings in EUR	Total equity in EUR
Balance as of January 1, 2017	**71,270.00**	**1,474,179.78**	**–1,118,646.22**	**426,803.56**
Net loss for the period	–	–	–497,320.04	–497,320.04
Capital transactions	5,482.00	1,494,518.00	–	1,500,000.00
Transaction costs for issuance of shares	–	–3,731.80	–	–3,731.80
Balance as of September 30, 2017	**76,752.00**	**2,964,965.98**	**–1,615,966.26**	**1,425,751.72**
Balance as of January 1, 2018	**76,752.00**	**2,964,965.98**	**–1,875,388.85**	**1,166,329.13**
Net loss for the period	–	–	–2,155,679.81	–2,155,679.81
Capital transactions	1,254,498.00	18,496,930.00	–	19,751,428.00
Transaction costs for issuance of shares	–	–3,113,850.70	–	–3,113,850.70
Balance as of September 30, 2018	**1,331,250.00**	**18,348,045.28**	**–4,031,068.66**	**15,648,226.62**

4. Responsibility Statement

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

Frankfurt, November 23, 2018

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

5. Publication Details

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