



credit  
shelf

Next Gen  
Corporate Finance

# CONSOLIDATED ANNUAL REPORT

DECEMBER 31, 2022



<b>in kEUR</b>	<b>FY 2022</b>	<b>FY 2021</b>
Revenue	6,183.0	7,251.5
EBIT	-601.1	-2,183.1
Arranged loan volume	114,500	166,900
Loan request volume	1,958,730	1,683,723
Net profit / loss	-783.7	-2,293.3
Earnings per share (in EUR)	-0.56	-1.67
Diluted earnings per share (in EUR)	-0.56	-1.67



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# CREDITSHelf AKTIENGESELLSCHAFT – ANNUAL REPORT 2022

## 1. TO OUR SHAREHOLDERS

### 1.1. LETTER TO SHAREHOLDERS

Dear shareholders and readers,

The supply shortages and higher prices for energy and raw materials triggered by Russia's war against Ukraine dominated fiscal year 2022 for German SMEs, and hence naturally enough for creditshef, too. Notwithstanding the difficulties, we proved that we have established ourselves as a key SME finance partner even in volatile times. We arranged EUR 114.5 million in loans in 2022 despite the challenging market environment and a drop in available funding. All in all, we received more than EUR 1.9 billion in loan requests via the creditshef platform – a rise of 16% year-over-year. This underscores the need among German companies for our flexible, unsecured finance solutions and serves as the basis for our planned growth trajectory for 2023.

We took an important step at the beginning of November 2022 by signing a new funding facility with Goldman Sachs. As a new investor on our platform, Goldman Sachs has promised up to EUR 100 million in debt capital for new and existing creditshef customers. The facility is scheduled to be launched together with the junior lender Obotritia Capital in Q2 2023 and will from then on strengthen our position as the largest bank-independent SME financier in Germany. We are also in advanced discussions with other well-known institutional investors and are planning to significantly expand our financing capacities. At the same time, we are working on a variety of strategic options for accelerating our growth.

We would like to thank you for the trust you have shown in us and are approaching fiscal year 2023 with confidence. We are looking forward to actively shaping the next generation of corporate finance with you.

With best wishes

Your Management Board

Dr. Tim Thabe

Dr. Daniel Bartsch



## 1.2. REPORT BY THE SUPERVISORY BOARD

Dear shareholders and readers,

creditshelf Aktiengesellschaft's Supervisory Board continued its dedicated work performing the tasks required of it by law and the Articles of Association in fiscal year 2022. Its activities in the past fiscal year are described in the following.

The Supervisory Board obtained comprehensive and regular reports, both in writing and orally, from the Management Board on the company's strategic development, corporate planning, the course of business, changes in key financial performance indicators, significant transactions, human resources development, the internal control system, risk management, and compliance. It examined, via its Audit Committee, the Company's annual and quarterly financial statements in depth. The Supervisory Board diligently oversaw and advised the Management Board in its management of the company in the past fiscal year, and was involved in Management Board decisions of fundamental importance for the company.

The subjects reported on by the Management Board and the scope of reporting complied in full with the Supervisory Board's requirements. All questions asked of the Management Board were answered promptly and at length. The Management Board was available during Supervisory Board meetings to provide information on the topics discussed. We examined in detail all management measures that required prior approval by the Supervisory Board by law, or due to the Articles of Association or the bylaws, and discussed them with the Management Board.

The Chairman of the Supervisory Board and the CEO were in constant contact, allowing the former to always be informed without undue delay of all major events that were of material importance for the assessment of creditshelf's position and development. This also meant that the Chairman of the Supervisory Board was kept comprehensively informed in the periods between Supervisory Board meetings. In addition, the Audit Committee Chairman was in regular contact with the company's Management Board and employees, in which in particular the quality of the organizational structure and procedures as well as the process and quality of the audit of the financial statements were regularly discussed.

The members of the Supervisory Board are responsible for ensuring that they receive the education and training they need to perform their duties (such as on changes in the legal framework), and are supported in this by the company. Where necessary, internal information events are held to familiarize them with specific issues.

### **Supervisory Board Meetings**

Five Supervisory Board meetings were held in fiscal year 2022, all of which were hybrid events in which members attended either in person or via video links. The Audit Committee also met on the occasion of all meetings. In addition, three resolutions were passed following the circulation of written documents.



The Supervisory Board also met without the Management Board in fiscal year 2022. The agenda items discussed in these cases concerned the Management Board itself or required internal discussion by the Supervisory Board.

All Supervisory Board members took part in all Supervisory Board and Audit Committee meetings during the reporting period. The following overview shows the Supervisory Board meetings in fiscal year 2022:

	<b>Rolf Elgeti</b>	<b>Rolf Hentschel</b>	<b>Julia Heraeus- Rinnert</b>	<b>Dr. Joachim Rauhut</b>	<b>Prof. Dirk Schiereck</b>
	Supervisory Board Chairman	Deputy Chairman, Chairman of the Audit Committee	Supervisory Board member	Supervisory Board member, Deputy Chairman of the Audit Committee	Supervisory Board member
<b>Date</b>					
<b>March 23, 2022</b>	X	X	X	X	X
<b>May 5, 2022</b>	X	X	X	X	X
<b>August 31, 2022</b>	X	X	X	X	X
<b>November 3, 2022</b>	X	X	X	X	X
<b>December 15, 2022</b>	X	X	X	X	X

The following section provides information on the key topics discussed and other Supervisory Board activities during the past fiscal year.

### **Focus of Supervisory Board Discussions**

#### Resolution Passed Following the Circulation of Written Documents in February (Capital Increase Under the RSU Programs)

On February 2, 2022, the Supervisory Board resolved unanimously following the circulation of written documents to approve the resolution by the Management Board to partially utilize the authorized capital to service the claims existing at the time





under the share-based employee incentive programs (“Restricted Stock Units Programs” or “RSU Programs”). For this purpose, the resolution increased the company’s share capital by EUR 11,623.00 by issuing 11,623 new no-par value bearer shares. This brought the total share capital to EUR 1,387,874.00, composed of 1,387,874 no-par value shares. The company’s Articles of Association were amended in line with the resolution.

### **March Meeting (Meeting to Consider the Annual Financial Statements)**

In the meeting on March 23, 2022, the Supervisory Board initially met as the Audit Committee in the presence of the auditors, Grant Thornton, and discussed the annual and consolidated financial statements as of December 31, 2021, and the management report for 2021. The discussion largely focused on the audit priorities associated with the recoverability of the carrying amount of the intangible assets and of the goodwill arising from the acquisition of the shares in creditsshelf solutions GmbH (the former Valendo GmbH), plus the assurance provided for the ESEF documents. At the end of the discussion, the Audit Committee recommended that the Supervisory Board approve the consolidated financial statements, adopt the annual financial statements, and propose Grant Thornton to the general meeting as the auditors of the financial statements. Other topics discussed during the Audit Committee meeting were the effectiveness of the company’s internal control system and the group’s risk management system.

In the Supervisory Board meeting that followed, the Supervisory Board followed the Audit Committee’s recommendation and unanimously approved the annual and consolidated financial statements, the management reports, and the corporate governance report for fiscal year 2021. It also resolved the Report by the Supervisory Board for this period. In addition, the Supervisory Board resolved to propose Grant Thornton to the general meeting as the auditors for fiscal year 2022, in line with the Audit Committee’s recommendation. The Supervisory Board Chairman was authorized to engage Grant Thornton AG in line with this if the general meeting passed a majority resolution to this effect. The Supervisory Board also resolved the bylaws for the Audit Committee that were submitted to it. Other focus points during the Supervisory Board meeting were current developments in the company’s business and markets, the agenda and format for the forthcoming 2022 Annual General Meeting, and the European Crowdfunding Service Provider Regulation (ECSP).

### **May Meeting**

In the Audit Committee meeting on May 5, 2022, the Supervisory Board and Management Board discussed the consolidated IFRS interim financial statements as of Q1 2022. Key points addressed included the potential for scaling the company’s business model and the positive EBIT trend. In addition, the Supervisory Board and Management Board discussed compliance and changes to the group’s risk management system in view of the war in Ukraine.

The Supervisory Board meeting that followed focused on the company’s strategy and fundamental development opportunities. The Management Board was assisted here by the new Head of Strategy, who was recruited in 2022 and who presented the topics to the Supervisory Board.



### **Resolution Passed Following the Circulation of Written Documents in May (Annual General Meeting)**

Following the circulation of written documents, the Supervisory Board unanimously resolved on May 12, 2022, that creditshelf Aktiengesellschaft's annual general meeting, which had been convened for May 17, 2022, would be chaired by the Deputy Chairman of the Supervisory Board.

### **August Meeting (Half-yearly Financial Statements)**

In the Audit Committee meeting on August 31, 2022, the Supervisory Board and Management Board discussed the 2022 half-yearly financial statements for the creditshelf group as of June 30, 2022.

The Supervisory Board meeting that followed focused on the challenging macroeconomic environment for the company resulting from Russia's war in Ukraine, the performance of the loan portfolio, and the funding situation on the creditshelf platform at the time. In particular, the Supervisory Board and Management Board discussed potential solutions to the funding situation aimed at permanently broadening the platform's investor base.

### **November Meeting**

The meeting of the Audit Committee on November 3, 2022, focused on the interim consolidated IFRS financial statements for Q3 2022, plus corporate compliance. In addition to the group's risk management system – which forms part of corporate compliance – the Management Board, with the assistance of the Chief Risk Officer, informed the Supervisory Board of the successful external due diligence check performed on creditshelf's loan processes.

In the Supervisory Board meeting that followed, the Supervisory Board and Management Board discussed the current state of the market and the funding situation on the creditshelf platform. The Deputy Chairman of the Supervisory Board also ran through the procedure for the upcoming self-assessment, which was to be performed by the end of the year. In addition, the Supervisory Board discussed the draft of the updated declaration of compliance with the German Corporate Governance Code pursuant to section 161 of the *Aktiengesetz* (German Stock Corporation Act – AktG) that had been submitted to it. A revised version would be approved via a resolution following the circulation of written documents.

### **Resolution Passed Following the Circulation of Written Documents in November (Declaration of Compliance with the German Corporate Governance Code)**

On November 4, 2022, the Supervisory Board unanimously resolved the updated declaration of compliance with the German Corporate Governance Code pursuant to section 161 of the AktG following the circulation of written documents, and approved the declaration's publication by the company.

### **December Meeting (Budget Meeting)**

The last Supervisory Board meeting in fiscal year 2022 took place on December 15, 2022. The Audit Committee meeting, which was also attended by the auditors, Grant Thornton, focused on the upcoming annual financial statement audit and the



associated audit priorities for fiscal year 2022. In addition, the Audit Committee approved the audit of the financial statements for creditshelf solutions GmbH, above and beyond the prescribed audit of the creditshelf group and of creditshelf Aktiengesellschaft.

The Supervisory Board meeting that followed focused on the company's financial planning for fiscal years 2023 to 2025, and the associated budgets. The planning assumptions were discussed in depth and the Supervisory Board then took note by mutual agreement of the planning prepared. In this context, the company's options to lease new office space were also discussed. In addition, the Supervisory Board discussed the self-assessment that had been performed.

### **Corporate Governance**

The company's Management Board was in regular contact with the members of the Supervisory Board on all corporate governance topics relating to the Supervisory Board. The Management Board and the Supervisory Board report on the implementation of the Code, and the relevant measures taken, in their joint corporate governance report and the corporate governance statement that forms part of it, which are included in this annual report.

The members of the Management Board and the Supervisory Board inform the Supervisory Board of any conflicts of interests. No such conflicts of interests occurred in the period under review.

The Chairman of the Supervisory Board does not currently have a business relationship with creditshelf, either personally or via companies in which he occupies a senior position or holds a material investment, and also did not have such a relationship during the reporting period. creditshelf's related party transactions are conducted on the same terms as those with third parties. Please see the company's financial reporting for a detailed presentation of its related party disclosures.

### **Audit of the Annual and Consolidated Financial Statements for Fiscal Year 2022**

The annual financial statements prepared by the Management Board in accordance with the provisions of the *Handelsgesetzbuch* (German Commercial Code – HGB), the management report, and the consolidated financial statements and group management report for fiscal year 2022 prepared pursuant to section 315e of the HGB in accordance with the International Financial Reporting Standards (IFRSs) as adopted in the EU after adjustments due to the Company's situation with regard to a going concern risk were audited by Grant Thornton AG Wirtschaftsprüfungsgesellschaft, Düsseldorf, the company's auditors, and were issued with an unqualified audit opinion on April 28, 2023. The going concern risk results from the fact that the financing facility with Goldman Sachs had not yet been launched by the time of the audit due to the outstanding payment of initial funds by the junior lender Obotritia Capital KGaA. If the Company is unable to use this vehicle to finance loans, this could jeopardize the continued existence of creditshelf Aktiengesellschaft. The Supervisory Board and, in particular, the Audit Committee through its Chairman were regularly informed by the Company's Management Board about



the development of the discussions with Goldman Sachs and Obotritia Capital KGaA and the resulting consequences. The auditors also considered the recoverability of the goodwill arising from the acquisition of the shares in creditshelf solutions GmbH and the recoverability of the carrying amounts of the intangible assets to be particularly important audit issues. For creditshelf Aktiengesellschaft, the audit priority was on the recoverability of the carrying amount of its long-term financial assets (i.e., the equity interest in creditshelf solutions GmbH). The Chairman of the Audit Committee was in regular contact with the auditors on the progress of the audits. The auditor reported on the results of the audits at the meetings on March 22, 2023, and finally on April 28, 2023, presenting the final audit reports and audit opinions. Following its own examination, the Supervisory Board concurred with the auditors' findings and did not raise any objections to the annual financial statements, consolidated financial statements, and group management report for fiscal year 2022 prepared by the Management Board. The Supervisory Board approved the annual financial statements prepared by the Management Board, the management report, the consolidated financial statements, and the group management report for fiscal year 2022. The annual financial statements have therefore been adopted.

### **Changes to the Supervisory Board and the Management Board**

There were no changes to the composition of the Supervisory Board or Management Board in fiscal year 2022.

### **Thanks**

The Supervisory Board would like to thank the Management Board and all group employees for their hard work and achievements in the last fiscal year, and wishes them every continued success in mastering the challenges facing them in the new fiscal year.

Frankfurt am Main, April 2023

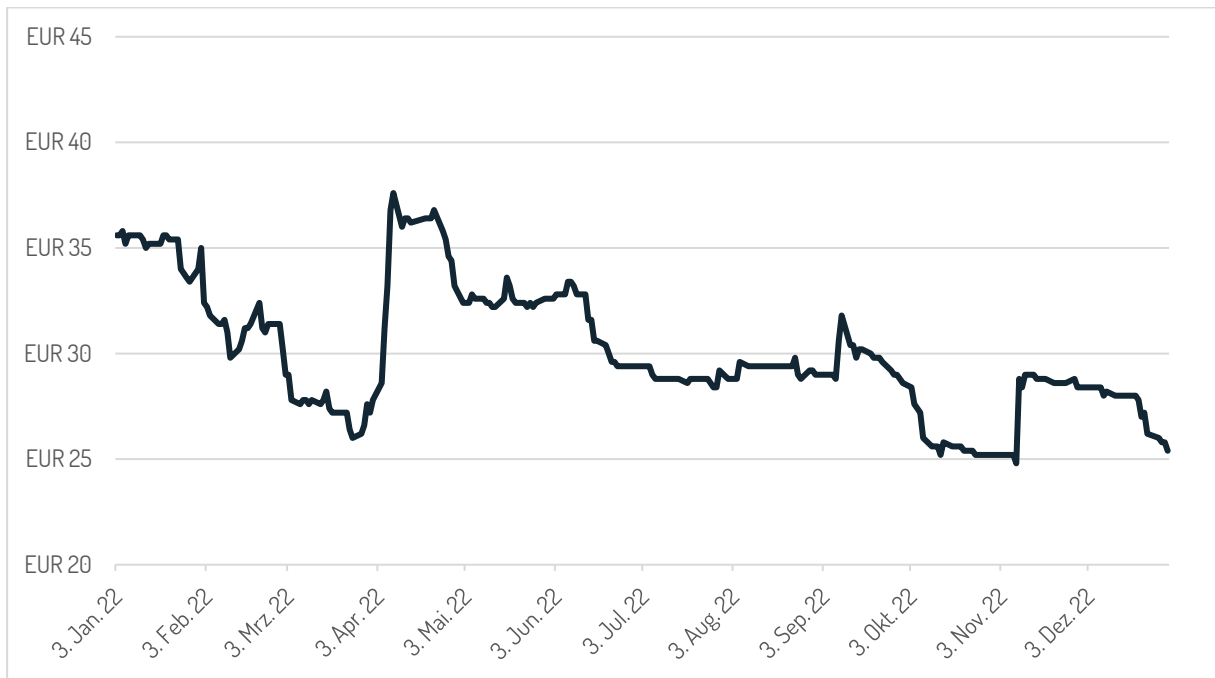
Rolf Elgeti

Supervisory Board Chairman



### 1.3. INFORMATION ON CREDITSHelf'S SHARES

#### Share Price Performance (January 1 to December 31, 2022; XETRA Closing Prices)



The capital markets were dominated by geopolitical and economic policy challenges in 2022. At the beginning of the year, supply chain problems caused by COVID-19-related lockdowns in China and higher materials costs unsettled the markets. Russia's war of aggression against Ukraine triggered a geopolitical crisis and uncertainty over European energy supplies. Finally, rising inflation and higher interest rates significantly increased the probability of a recession.

This situation clearly left its mark on the stock market. The combination of a geopolitical crisis, a massive interest rate hike, and an economic slowdown led to a clear drop in share prices. At the end of 2022, the DAX was down roughly 12%, while the MDAX and SDAX shed 28% and 27% respectively.

creditshelf's shares closed the year on XETRA at EUR 25.40 on December 30, 2022, the last day of trading. This represents a drop in value of roughly 29% compared to their opening price on the first trading day for the year (January 4, 2022: EUR 35.60). Shares of the company's leading London-listed peer, Funding Circle, dropped 51% year-over-year, while shares of German fintech Hypoport, which specializes in brokering real estate finance, lost 81% year-over-year (XETRA). Shares in Linus Digital Finance – the digital asset manager that went public in May 2021 – lost 89% of their value by the year-end (XETRA).



## Basic Share Information

German securities identification number (WKN)	A2LQUA
ISIN	DE000A2LQUA5
Ticker symbol	CSQ
Type of shares	No-par value bearer shares
Initial listing	July 25, 2018
Initial issue price	EUR 80.00
Number of shares	1,387,874
Stock exchange	Frankfurt Stock Exchange's Regulated Market (Prime Standard)
Designated Sponsors	Hauck & Aufhäuser Lampe
Sell-side analysts	FMR, NuWays AG*, Kepler Cheuvreux

As of December 31, 2022. \* A subsidiary of Hauck & Aufhäuser Lampe.

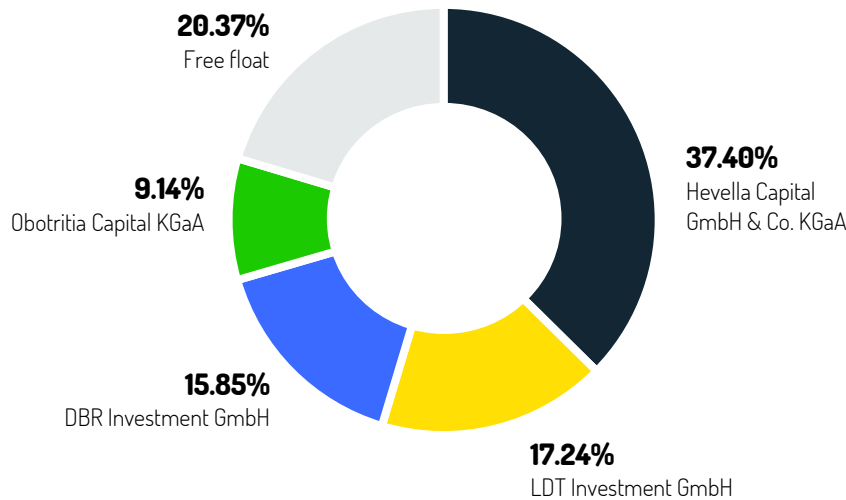
## creditsheff's Shares at a Glance – January 1, 2022, to December 31, 2022

Share price at the start of the reporting period	EUR 35.60
High (April 8, 2022)	EUR 37.60
Low (November 8, 2022)	EUR 24.80
Share price at the end of the reporting period	EUR 25.40
Trading volume (average number of shares per day)	approx. 89

Closing prices in Deutsche Börse AG's XETRA trading system.



## Shareholder Structure



As of December 31, 2022. Information based on notifications of voting rights in excess of 5% received in accordance with the *Wertpapierhandelsgesetz* (German Securities Trading Act – WpHG) plus company information.

## Investor Relations Activities

At creditshelf, we aim to ensure transparent communication with all capital market participants, our borrowers, and our business partners. This also includes the regular publication of financial reports in German and English, and the prompt dissemination of corporate disclosures via the normal channels. In the course of fiscal year 2022, creditshelf published seven corporate news releases and four ad hoc disclosures in addition to its 2021 annual report and annual financial statements, its report for the first half of 2022, and its interim statements for the first and third quarters.

Investor relations is a core element of creditshelf's public relations activities. We took part in a number of capital market conferences in fiscal year 2022, as well as holding numerous one-on-one discussions with investors. Events we attended included the Platow Euro Finance Small Cap Conference, the Hamburg Investor Day, the Commerzbank & ODDO BHF Corporate Conference, and the Deutsches Eigenkapitalforum. Analysts from three firms regularly covered creditshelf Aktiengesellschaft's shares in fiscal year 2022: NuWays AG by Hauck & Aufhäuser Lampe, Kepler Cheuvreux, and Frankfurt Main Research AG (FMR).

creditshelf also kept in continuous contact with investors and analysts through regular webcast conference calls and additional one-on-one discussions.

Our dedicated investor relations website, [ir.creditshelf.com](http://ir.creditshelf.com), provides information about our company and our shares.



## Financial Calendar

May 15, 2023	Publication of the quarterly statement for Q1 2023
July 4, 2023	Annual General Meeting
August 31, 2023	Publication of the half-yearly report for 2023
November 9, 2023	Publication of the quarterly statement for Q3 2023

Subject to changes and additions without notice.

Please see our website and investor presentation, which are constantly updated, for details of additional events and dates in 2023.





## 2. CONSOLIDATED MANAGEMENT REPORT AS OF DECEMBER 31, 2022

### 2.1. FUNDAMENTAL INFORMATION ABOUT THE GROUP

#### 2.1.1. BUSINESS MODEL AND STRATEGY

creditshelf Aktiengesellschaft (“creditshelf” or the “company,” and together with its subsidiary creditshelf solutions GmbH the “creditshelf group” or the “group”) is a leading provider of alternative SME finance in Germany. It uses its online platform, [www.creditshelf.com](http://www.creditshelf.com), to arrange flexible finance solutions that are not tied to specific banks for small and medium-sized enterprises (“SMEs”) and growth companies. The loans are financed by professional and institutional investors via the creditshelf platform. creditshelf receives fees from both the borrower and the investor in cases in which loans are successfully arranged.

As a designer of innovative financial solutions, creditshelf brings together complementary needs within a digital ecosystem. It offers SME owners easy access to attractive alternative finance solutions that allow them to extend their financing mix, while also permitting institutional investors to invest in loans to German SMEs, either directly or via customized securitization solutions. Efficiently investable SME loans that are not available through other channels are an attractive investment class for investors, since they have a good risk-reward ratio while being only weakly correlated with traditional investment classes. This makes them an attractive component for portfolio diversification.

Ever since the company was formed in 2014, creditshelf’s platform has been built around the company’s proprietary, data-driven risk analysis software, which is used for loan appraisals. In combination with creditshelf’s lean digital processes, this enables the company to rapidly process loan requests, complementing and supporting its experienced credit analysts in their work. The company has continuously and successfully enhanced its digital infrastructure, processes, and risk analysis software in the period since it was founded. The creditshelf platform models the entire credit process digitally, from the loan application through credit analysis and risk management down to loan disbursement, which is performed via a regulated fronting bank, and loan servicing. A secure, easy-to-use online platform is crucial to creditshelf’s success.

creditshelf considers the loan application review processes performed via the creditshelf platform to be a major client benefit and competitive advantage compared to conventional bank loan approval practices. According to the information available to the company, the fact that these processes are digitalized and automated means they are not only faster than the standard manual processes used by conventional finance providers with which clients are familiar, but are also more effective when it comes to risk selection and offer cheaper process unit costs.

The company itself does not currently hold any of the loans that it arranges on its balance sheet, either as a borrower or as an investor. For regulatory reasons, the loans made to creditshelf’s clients are granted by Raisin Bank, which acts as the fronting bank.



creditshelf then provides ongoing support for the exposure in question for and in the name of the individual investors.

## **Product Offering**

creditshelf's loan product offering is aimed at the SMEs of today and tomorrow in Germany. It comprises business loans of between EUR 100,000 and EUR 5 million, and durations of 1 month to 60 months. Its clients are mainly established (annual revenues of up to EUR 100 million) and fast-growing companies with forward-looking business models that need additional capital. creditshelf also offers customized finance solutions for M&A transactions, corporate successions, and non-standard situations. creditshelf's strength as a provider of alternative finance lies in its ability to leverage its technology and experience to understand its clients the best in complex situations, and hence to service them faster than conventional finance providers. Clients benefit from this speed when it comes to prefinancing orders, during M&A transactions, or when obtaining growth finance, for example. For many of creditshelf's SME clients, these qualities offered by creditshelf's product are clearly more important than the pricing, which is more expensive than in the case of the companies' principal banks since the loans extended are also unsecured. At the same time, the company's efficient processes and structures enable it to also offer smaller loans. The manual effort involved in making loans of up to EUR 5 million makes this segment unattractive for large banks and traditional private debt funds, whereas it is too complex for smaller banks' standardized servicing processes.

On the funding side of the business, creditshelf's offering is aimed at institutional investors. The partnerships here are built to last and investment decisions are taken on the basis of creditshelf's analyses and the projects it selects. A thorough due diligence process is performed before partnerships are entered into, with creditshelf giving investors a deeper insight into its processes, systems, risk selection procedures, and risk management operations. Investors can then invest in loan receivables either directly on the platform or indirectly using fund or investment vehicle structures offering a representative cross-section of the loans arranged via the creditshelf platform. The portfolio of loans arranged via the creditshelf platform demonstrates attractive performance indicators across a number of years. These include both their potential return and their weak correlation with other investment classes. As a result, creditshelf offers institutional investors access to an attractive alternative investment opportunity. The European Investment Fund is one of the investors in creditshelf's financing ecosystem. As part of its EU-wide mission to promote SME finance, this anchor investor invests broadly in the loans arranged via the creditshelf platform through the creditshelf Loan Fund, a Luxembourg-based investment vehicle. Another investor that came on board at the end of 2022 is well-known international investment bank Goldman Sachs, which makes funds available for loans to German SMEs via a funding vehicle together with a major creditshelf shareholder, Obotritia Capital KGaA. creditshelf's ecosystem is supplemented by additional professional and institutional investors, plus a wide range of sales partners. The latter include M&A boutiques, tax advisors, and corporate finance advisors who use the creditshelf platform as an innovative provider of new credit solutions to support their clients.



## Growth Strategy

creditshelf's growth strategy focuses on leveraging network effects and economies of scale. Since platform-based business models build on networks, they benefit from these effects: A process of continuous learning means that higher volumes and levels of activity enhance product quality on all sides of the platform, producing a virtuous circle. Not only do the software used, product offering, asset quality, and available data all improve in their own right, they also reinforce one another. These positive effects are accelerated by creditshelf's continuous improvements to its platform in the areas mentioned. Key focus issues include the following:

- 1) Maintenance and expansion of sales partnerships: Expanding sales partnerships boosts growth, since potential borrowers can be passed on to creditshelf from its partner network and creditshelf can itself pass on business. All in all, creditshelf's network now comprises more than 2,000 partners, and active agreements are in place with roughly 300 of them.
- 2) Expansion of the investor base: Partnerships with professional and institutional investors on the funding side ensure the availability of the debt capital needed to finance loans on the creditshelf platform. Apart from working on new partnerships based on fund solutions and financing vehicles, creditshelf is exploring strategic options with specialized consultants, including the possibility for creditshelf itself to act as an investor in newly originated loans in future.
- 3) Product portfolio expansion: creditshelf regularly explores whether there are additional or better formats for or ways of positioning its service offering, so as to be able to supply its borrowers with the right solutions every time. On the borrower side of the business, these could include providing finance for additional purposes, or offering selected cross-border finance arrangements based on specially customized products. One key issue here is how to match the right borrower profiles with suitable investment interests on the funding side.
- 4) Software development and process optimization: creditshelf works continuously to enhance its data-driven, digital processes for supporting credit selection and implementation, plus its credit scoring models, so as to permit more in-depth and more efficient analysis. One critical success factor here is its database of rejected and arranged credit projects, which is growing continuously as the company does business. This provides a basis for continuously improving the quality of loan decisions and for the efficient, automatic integration of new sources of information. These measures enable the company to efficiently increase the number of credit projects, extend their durations, arrange larger volumes, and ultimately ensure significant organic growth – always provided that funding is available, of course. These growth opportunities result from combining internally developed and purchased software components to produce an end-to-end systems architecture. This is now being enhanced as an overall entity and is driving ongoing value chain automation. At the same time, this opens up the possibility of offering analysis and credit services to third parties.



## 2.1.2. GROUP STRUCTURE, EQUITY INVESTMENTS, LOCATIONS, AND STAFF

creditshelf Aktiengesellschaft, Frankfurt am Main, Germany, is the creditshelf group's parent company. It performs certain core functions for the group as a whole, including management, strategy, finance, corporate communications, product management, marketing, investor relations, risk management, legal, compliance, and human resources. The creditshelf group's Frankfurt am Main offices serve as its headquarters.

creditshelf solutions GmbH is a wholly-owned subsidiary of creditshelf Aktiengesellschaft. It was domiciled in Berlin, Germany, until August 23, 2022. With effect from August 24, 2022, it has been domiciled in Frankfurt am Main, Germany, like its parent company. creditshelf solutions GmbH's business purpose is to broker, buy, and sell loan receivables in its own name and for its own account, and to develop and operate domestic and foreign Internet and technology projects in the area of interactive financial brokerage in particular, plus the provision of related services. This does not include factoring and activities for which authorizations are required under the *Kreditwesengesetz* (German Banking Act – KWG), the *Kapitalanlagegesetzbuch* (German Investment Code – KAGB), or the *Zahlungsdiensteaufsichtsgesetz* (German Payment Services Supervision Act – ZAG).

There were no changes in the group structure compared to fiscal year 2021. creditshelf Aktiengesellschaft did not hold any direct or indirect equity interests above and beyond creditshelf solutions GmbH as of the December 31, 2022, reporting date.

The creditshelf group employed an average of 71 permanent staff including the Management Board between January 1, 2022, and December 31, 2022 (fiscal year 2021: 63).



### 2.1.3. MANAGEMENT SYSTEM AND PERFORMANCE INDICATORS

creditshelf Aktiengesellschaft and its two Management Board members manage the business using key financial performance indicators. These are tracked regularly and used to measure the company's performance, identify trends, and make strategic decisions. They are reported regularly to the Management Board and are also included in the discussions held with the Supervisory Board.

<b>Performance indicator in kEUR</b>	<b>01.01.-31.12.2022</b>	<b>01.01.-31.12.2021</b>
Revenue	6,183.0	7,251.5
EBIT	-601.1	-2,183.1

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

- The number, volume, and transaction duration of loan requests made via the creditshelf platform
- The number, volume, and transaction duration of loans arranged via the creditshelf platform
- The conversion rate (the ratio of the number of loans for which contracts were actually signed after positive preselection to the total number of applications)
- The acceptance rate (the ratio of the number of loans after positive preselection to the total number of applications)
- Recurring borrowers (the ratio of the number of recurring borrowers to the total number of borrowers)
- The default rate
- The loss rate (loss rate from credit defaults after recovery)

Some of these indicators, which are taken from the company's internal customer relationship management (CRM) system, fluctuate over the year as a result of creditshelf's seasonal business model. For example, in past fiscal years the arranged loan volume was highest in the second half of the year. Thus the arranged loan volume in the first half of 2020 amounted to EUR 45.6 million (46.1%), whereas creditshelf placed EUR 53.3 million in loans (53.9%) in the second half of 2020. The arranged loan volume in H1 2021 was EUR 71.8 million (43.0%), while in H2 2021 it was EUR 95.1 million (57.0%). Fiscal year 2022 was an exception, since total loans of EUR 65.9 million (58%) were arranged in the first half of the year, whereas the figure for the second half of the year was a mere EUR 48.6 million (42%). This was due to limited funding that resulted indirectly from the default of a material investor on the creditshelf platform in connection with the war in Ukraine.

No environmental matters have been reported, since the Management Board is of the opinion that these are not currently relevant for assessing the company's situation or probable development. As regards employee matters, it should be noted that the total headcount and potential recruitment needs are regularly reviewed and planned at group level in line with the company's growth targets. Employee matters were not managed in detail using performance indicators in the past fiscal year.



#### **2.1.4. RESEARCH AND DEVELOPMENT**

The company makes a clear distinction between research and development, and its activities are largely confined to development. They are focused on the creditshelf platform, ongoing optimization of data management and of the credit scoring algorithms, the systems and processes used in loan decisions, ongoing monitoring of arranged loans, and enhancements to the overall system architecture. One key element of the company's strategy is enhancing its sophisticated credit project process with data-driven risk analysis software. Since Q4 2022, creditshelf has been working together with an external software developer, which assists it in its own development activities as required ("nearshoring").

The costs of kEUR 619.0 (previous year: kEUR 652.9) that were incurred by the company in the reporting period for internal development activities were recognized as costs under the following intangible asset items: the "Internet platform," the "risk tool," and the "portfolio analysis platform" (software). kEUR 556.5 of this amount (previous year: kEUR 637.0) was attributable to own work capitalized. No research costs were incurred. As of December 31, 2022, the carrying amount of the intangible assets in use at, or under development by, the company that are attributable to development activities amounted to kEUR 2,602.7 (previous year: kEUR 2,519.8). Depreciation and amortization charged in the reporting period amounted to kEUR 536.3 (previous year: kEUR 1,043.5). kEUR 179.0 of this figure was attributable to capitalized development costs (previous year: kEUR 282.6). No impairment losses were required to be recognized either in the current reporting period or in the previous year.



## 2.2. REPORT ON ECONOMIC POSITION

The creditshelf platform is targeted at small and medium-sized enterprises in Germany, which need debt capital to finance a wide range of objectives. The behavior of this target group depends on a range of different factors, including macroeconomic developments and their resulting effects. These influence business activities and can consequently also impact the demand for, and supply of, credit. At the same time, the general conditions for SME finance play an important role for institutional investors wishing to invest in loans on the creditshelf platform, for whom creditshelf offers an attractive asset class. Therefore, the general conditions in creditshelf's own sector and in the financial industry as a whole, plus overall macroeconomic developments are decisive for the development of creditshelf's business.

### 2.2.1. MACROECONOMIC ENVIRONMENT

The key macroeconomic conditions affecting creditshelf's SME borrowers and impacting the behavior of creditshelf's investors were challenging in fiscal year 2022. Price-adjusted GDP rose by 1.9% in 2022 despite the fallout from the war in Ukraine, energy price rises, material shortages, supply bottlenecks, the shortage of specialist staff, and the ongoing COVID-19 pandemic. Nevertheless, the rate growth was down year-over-year, at 2.6%.<sup>1</sup> At the same time, inflation rose by a substantial 7.9%, up from 3.1% in 2021, significantly impacting purchasing power and hence many German SMEs' sales markets.<sup>2</sup> The German Council of Economic Experts' annual report is forecasting a 0.2% drop in GDP and an inflation rate of 7.4% for 2023. In the eurozone in particular, the continuing war in Ukraine has caused significant uncertainty about energy supplies, whereas tighter monetary policy in many currency areas is leading to a deterioration in financing conditions.<sup>3</sup> The European Central Bank (ECB) repeatedly raised its key rates to 3.5% by March 16, 2023, and announced further rises for 2023.<sup>4</sup>

After declining tangibly in the first nine months of 2022, the ifo business climate index started signaling a renewed upturn in Q4 2022. The companies surveyed were clearly more upbeat about their future prospects, but relatively cautious about current business conditions.<sup>5</sup> Risks in 2023 are expected to arise from a combination of the factors already outlined: Uncertainty as to how the energy crisis will develop, supply bottlenecks, slower growth, the shortage of specialized staff, and significant inflation mean companies are facing major challenges. At the same time, the weak global economy and associated export problems, coupled with the trend away from fossil fuels<sup>6</sup> are likely to be key factors impacting German business. In addition, the ongoing digitalization of the economy and society is facilitating the rise of new business models, more efficient manufacturing

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<sup>1</sup> Federal Statistical Office. (2023). Bruttoinlandsprodukt im Jahr 2022 um 1,9 % gestiegen. January 13, 2023.

<sup>2</sup> German Federal Ministry for Economic Affairs and Climate Action. (2023). Annual Economic Report 2023.

<sup>3</sup> German Council of Economic Experts. (2022). Annual Report 2022/23. November 9, 2022.

<sup>4</sup> European Central Bank. (2023). Press release: Monetary policy decisions. March 16, 2023.

<sup>5</sup> ifo Institut. (2023). ifo Business Climate Index for Germany – Update dated January 25, 2023.

<sup>6</sup> German Federal Ministry for Economic Affairs and Climate Action. (2023). Annual Economic Report 2023.



processes, and innovative customer dialog channels. However, these developments also offer major opportunities for cybercrime – SMEs are particularly at risk here and should invest in appropriate protective measures.<sup>7</sup>

## 2.2.2. SECTOR-SPECIFIC ENVIRONMENT

The market for corporate loans in Germany – one of the fundamental bases for mastering the challenges above – was in turmoil in 2022. On the one hand, the government remained active on the market by introducing a protective shield (*Schutzschild*) on April 8, 2022, to cushion companies from the impact of the war in Ukraine. In addition, the KfW's special "UBR 2022" program aimed to secure short-term liquidity.<sup>8</sup> At the same time, these support programs do not have such a profound impact on the market as the comprehensive emergency lending programs for companies impacted by COVID-19, which were offered by the KfW in particular in 2020 and which expired in H1 2022.<sup>9</sup> The impact of higher energy prices, high inflation rates, and the challenging funding environment for companies could clearly be seen in a trend reversal in the number of insolvencies. Credit reporting agency Creditreform is reporting a moderate increase in corporate insolvencies compared to 2021. According to Creditreform, this is likely to continue in 2023 given the ECB's tighter monetary policy, higher interest expenses for corporate finance, and income erosion due to the abovementioned challenges.<sup>10</sup>

Studies of the corporate loan market suggest that many enterprises, and especially SMEs, will need significant amounts of unsecured liquidity to master the challenges posed by the current environment. Whereas demand for loans rose moderately over the course of 2022 according to the KfW-ifo credit hurdle, access to bank loans deteriorated significantly for German SMEs in particular. Roughly 28 % of companies engaged in loan negotiations in Q3 2022 reported restrictive behavior by banks – the highest figure since 2017.<sup>11</sup> This observation is in line with the *Finanzierungsmonitor 2022*, a creditshelf study performed with the assistance of Darmstadt Technical University: 72 % of respondents said that SME access to loans deteriorated in 2022.<sup>12</sup> The European Central Bank also observed stricter lending requirements in Germany in Q3 2022, whereas demand for loans rose.<sup>13</sup> This development has led to companies looking around for alternatives to classic bank loans: The *Finanzierungsmonitor 2022* revealed that 93 % of respondents were open to such solutions.<sup>14</sup>

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<sup>7</sup> Bitkom. (2022). 203 Milliarden Euro Schaden pro Jahr durch Angriffe auf deutsche Unternehmen. Press release, August 31, 2022.

<sup>8</sup> German Federal Finance Ministry. (2022). *Schutzschild der Bundesregierung für von Kriegsfolgen betroffene Unternehmen startet Schritt für Schritt*. May 2022.

<sup>9</sup> German Federal Finance Ministry. (2022). *Umfassende Corona-Hilfen für Unternehmen und Soloselbstständige*. July 2022.

<sup>10</sup> Creditreform. (2022). *Insolvenzen in Deutschland*. December 13, 2022.

<sup>11</sup> KfW Research. (2022). *KfW-ifo credit hurdle Q3 2022*: October 13, 2022.

<sup>12</sup> creditshelf. (2022). *Finanzierungsmonitor 2022*.

<sup>13</sup> European Central Bank. (2022). *The Euro Area Bank Lending Survey*. Third Quarter of 2022.

<sup>14</sup> creditshelf. (2022). *Finanzierungsmonitor 2022*.





The macroeconomic conditions outlined above are creating opportunities for alternative finance providers such as creditshelf to plug the financing gap for German SMEs. This applies in particular to arrangements outside the secured loan segment traditionally addressed by companies' principal banks. Other key advantages of credit platforms are the speed with which loans can be approved and the ease of application for enterprises.<sup>15</sup> creditshelf has positioned itself here as an unsecured alternative that not only provides classic working capital to ensure liquidity but can also offer attractive, customized finance solutions in particular for innovative growth companies and in non-standard situations.

### **2.2.3. COMPETITION AND MARKET STRUCTURE**

The company considers its competitors to be other digital finance providers and platforms that focus on providing SMEs in Germany with debt finance. On the one hand, there are pure-play online comparison platforms such as Compeon, Fincompare, FinMatch, Deutsche Firmenkredit Partner, and Fundingport, whose ability to provide brokerage services also depends on the mainstream banks' willingness to offer finance. Otherwise, competition is limited to credit marketplaces such as Iwoca (which is based in the UK and which started offering working capital finance of up to EUR 500,000 in Germany in the reporting period), Invesdor (which has merged with Kapilendo and is headquartered in Finland and Germany), and Taylor AG (based in Switzerland and offering SME loans of up to EUR 500,000 – or more in special cases – in Germany). Funding Circle (which is based in the UK) had merely acted as a broker in Germany since mid-2020 and did not offer a proprietary credit product; it has now withdrawn completely from the German market. The same goes for October (based in France), which targets a similar borrower segment to creditshelf but which discontinued its new business in Germany for the time being at the end of 2022. The peer-to-peer platform Lendico, which was acquired by the Dutch bank ING Groep in 2018, has already disappeared as a brand at the time of publication of this report. The existing product offering (corporate loans of up to EUR 750,000) is now marketed under the ING brand. In addition to this competition, classic venture debt players are active in certain areas such as scale-up finance, although they generally focus on larger minimum loan volumes. What is more, a number of venture debt market players such as Riverside Acceleration Capital, Round2 Capital, and Uncapped offer revenue-based finance products, complementing creditshelf's product range in the target group of innovative growth companies (scale-up segment). Traditional credit funds, on the other hand, tend to serve mid-cap customer segments in the German market, with loan exposures of more than EUR 10 million, and therefore do not overlap with creditshelf's target customer group.

creditshelf focuses specifically on areas that are generally not or only partially addressed by competitors. Its uniques include the target company group (revenue of EUR 2.5 million to EUR 100 million), the structure of the loans extended, including their capital structure ranking (in creditshelf's case always pari passu with other financing providers), the security furnished (in

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<sup>15</sup> KfW Research. (2021). Die Bedeutung von Online-Kreditplattformen im Mittelstand: digitale Fremdfinanzierung noch Nischenprodukt.



creditshelf's case mainly unsecured), the size of the loans (EUR 100,000 to EUR 5 million), and the nature of the investors involved (primarily institutional investors).

Banks' restrictive lending practices and stricter regulatory regimes – further reinforced by the fallout from the war in Ukraine and the consequences of the implementation of the Basel III reform package from 2023 onwards – have led to corporate private debt becoming established on the market as an alternative means of financing, and to it experiencing significant growth. It consists of non-bank corporate finance, with a focus on debt capital, that is supplied by professional and institutional investors and finance providers. Based on an average annual growth rate of more than 10% in the last 10 years, global private debt assets under management amounted to slightly less than USD 1.12 trillion in March 2021.<sup>16</sup> USD 33 billion of this figure was already attributable to direct lending in June 2020<sup>17</sup> – a figure the company thinks is likely to have increased further by the end of the reporting period. The digital SME loans arranged by creditshelf also fall within the direct lending category. This asset class offers investors the opportunity to diversify their portfolios by investing in low-volatility assets offering adequate returns.<sup>18</sup> In light of this, the business environment for providers of corporate private debt finance will probably continue to see positive development in the coming years, with more capital becoming available.

All in all, creditshelf's management feels the company is well positioned for further growth. Although the current crises and their impact on the economy as a whole and the market for SME loans in particular remain sources of uncertainty for the company, the Management Board is assuming that the market for digital SME finance in Germany will see strong growth in the medium and long term. This assumption is based on structural trends, which have been accelerated in some cases by the crises. Growing acceptance among investors of the "digital SME loans" asset class is likely to provide long-term support for this development.

#### **2.2.4. COURSE OF BUSINESS**

The creditshelf group was able to lay the foundations for further growth in fiscal year 2022, despite the clear impact of the ongoing COVID-19 pandemic and macroeconomic uncertainties that were largely due to the war in Ukraine. creditshelf grew its arranged loan volume in Q1 2022 (EUR 41.3 million; Q1 2021: EUR 37.6 million) along with its resulting revenues (kEUR 2,366.4; Q1 2021: kEUR 1,657.5). However, developments over the rest of the year were impacted in particular by the default of a major investor on the creditshelf platform. In the period up to June 30, 2022, creditshelf was able to offset the slower growth caused by the reduction in available funding (arranged loan volume: EUR 65.9 million; H1 2021: EUR 71.8 million) through strong margins, and to grow its revenue (kEUR 3,885.7; H1 2021: kEUR 3,380.1). However, H2 2022 in particular saw a slowdown in its business performance despite strong demand (total loan requests in 2022: EUR 1.96 billion; fully-year 2021: EUR 1.68 billion)

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<sup>16</sup> Bundesverband Alternative Investments. (2022). Fact Sheet – Corporate Private Debt, version dated March 2022.

<sup>17</sup> Bundesverband Alternative Investments. (2021). Fact Sheet – Corporate Private Debt, version dated March 2021.

<sup>18</sup> Exaloan. (2021). Small is beautiful. How Digital SME Lending adds Value to an Investor's Asset Mix.



and the successful funding partnership signed in November 2022 with international investment bank Goldman Sachs, which established a funding vehicle with up to EUR 140 million in fresh debt capital. As a result, numerous loan arrangements that had already been signed with borrowers have been postponed to fiscal year 2023. All in all, creditshelf arranged loans totaling EUR 114.5 million in fiscal year 2022 ((2021: EUR 166.9 million) and generated revenues of kEUR 6,183.0 (2021: kEUR 7,251.5).

creditshelf lifted its consolidated EBIT significantly in the course of the year and, at kEUR -601.1 for full-year 2022, narrowed its losses very clearly year-over-year on an EBIT basis (full-year 2021: kEUR -2,183.1). This positive EBIT trend was achieved by strict management of non-personnel costs, a resulting reduction in other operating expenses (fiscal year 2022: kEUR 3,174.2; 2021: kEUR 3,698.4), and in particular by compensation in the amount of kEUR 1,750.0 received from the insolvency administrator for the defaulted investor on the creditshelf platform. This last amount was paid to creditshelf to compensate for new business lost because of the insolvency, plus additional expenses.

At the same time, creditshelf enhanced its software, expanded its partner and sales network, and held numerous discussions with well-known investors to broaden its funding base in the course of fiscal year 2022. In addition to the funding facility with Goldman Sachs that has already been signed, creditshelf worked on additional partnerships in fiscal year 2022 and is confident that it will be able to close these in fiscal year 2023. At the same time, creditshelf began to explore strategic options in Q4 2022, including the possibility of it acting as an investor in arranged loans.



## 2.2.5. CONSOLIDATED FINANCIAL PERFORMANCE, FINANCIAL POSITION, AND CASH FLOWS

### Consolidated Financial Performance

creditshelf's revenue fell by 14.7 % year-over-year in fiscal year 2022 to kEUR 6,183.0 (previous year: kEUR 7,251.5). This was due to the reduction in available funding following the default of a major investor on the creditshelf platform in light of the war in Ukraine. Although creditshelf secured up to EUR 140 million in new funding thanks to an agreement with Goldman Sachs in Q4 2022, its reduced disbursement capacity meant it was only able to arrange loans totaling EUR 114.5 million (previous year: EUR 166.9 million) over the course of the year despite the increase in loan requests (2022: EUR 1,958.7 million; previous year: EUR 1,683.7 million).

creditshelf's revenue in fiscal year 2022 came from three different sets of fees. The borrower fees that creditshelf receives from borrowers when loans are disbursed amounted to kEUR 4,508.6 (previous year: kEUR 5,344.1). This corresponds to a margin of 3.9 % (previous year: 3.2 %) on the volume of arranged loans. The clear improvement in margins was largely due to a change in the fee structure on the borrower side. Investor fees that the company generated for loans arranged via the creditshelf platform amounted to kEUR 1,103.3 (previous year: kEUR 1,573.5). The investor fee margin was 1.0 % (previous year: 0.9 %). The total rebates realized in fiscal year 2022 amounted to kEUR 164.0 (previous year: kEUR 209.7), in line with the level of defaults to be expected for this risk class. Revenue from servicing and advisory fees increased to kEUR 571.1 (previous year: kEUR 333.9). These items primarily comprise fees for services provided for the creditshelf Loan Fund, the introduction of a new servicing fee for borrowers, plus fees for other analyses, monitoring, and servicing. In line with these changes, the overall sales margin – the ratio of revenue to the arranged loan volume – rose clearly year-over-year to 5.4 % (previous year: 4.3 %).

The significant increase in other income to kEUR 2,052.4 (previous year: kEUR 145.0) was largely due to compensation of kEUR 1,750.0 for lost revenue and expenses incurred, among other things, that creditshelf received under the arrangement reached with its defaulted investor's insolvency administrator. Above and beyond this, the item primarily included income from the reversal of the provision for the virtual participation shares in the amount of kEUR 247.1. In the previous year, total income of kEUR 143.3 was recognized. Expenses also arose for this provision in the course of fiscal year 2022, depending on creditshelf's share price. These are described in the relevant expense item.

Own work capitalized in fiscal year 2022 amounted to kEUR 556.5 (previous year: kEUR 637.0) and comprised personnel expenses incurred in connection with software development. The year-over-year decrease is due to a short-term drop in staff numbers in the software development team, which was combated by stepping up recruitment activities for the department.

Personnel expenses in fiscal year 2022 were kEUR 5,556.6, up slightly on the figure for the previous year (kEUR 5,333.7). This reflects the increased average headcount of 71 (prior-year period: 63) permanent staff including the Management Board. The comparatively slight rise in expenses compared to the headcount was mainly attributable to lower expenses for Restricted Stock Units Programs, which totaled kEUR 111.2 (previous year: kEUR 464.7). This decrease resulted from income associated with employee departures that was generated in relation to the personnel expenses recognized for the incentive programs in



previous years. The income reduced the expenses item in the reporting period. In addition, the personnel expenses item included higher expenses relating to provisions for vacation pay of kEUR 279.2 (prior-year period: kEUR 12.1), reflecting new sabbatical rules that were introduced in fiscal year 2022. These are designed to aid long-term employee retention by permitting staff who have been with the company for more than five years to take several weeks of paid special leave.

Other operating expenses amounted to kEUR 3,174.2 in fiscal year 2022, clearly down on the prior-year figure (kEUR 3,698.4).

At kEUR 751.8, legal and consulting expenses were on a par with the previous year (kEUR 770.1). As in the previous year, this item comprised the costs of external legal advice, costs relating to the preparation and audit of the financial statements, and external accounting costs.

One major reason for the decrease in other operating expenses was the reduction in marketing and advertising expenses. These amounted to kEUR 472.8 in fiscal year 2022, a significant drop compared to the figure for the previous year (kEUR 783.8). Among other things, this reflects a tightly focused marketing strategy featuring efficient campaigns aimed at clearly-defined target groups and a clear emphasis on supporting partner sales.

Third-party services relating to loan applications resulted in expenses of kEUR 279.0 in fiscal year 2022 (previous year: kEUR 436.2). This primarily consists of expenses for fronting bank services rendered during the lending process.

Lease expenses fell to kEUR 90.6 in fiscal year 2022 (previous year: kEUR 196.5). This was due to a combination of a reduction in the space leased by the company and state-of-the-art hybrid working models.

Sales commission payable for borrowers brokered by the creditshelf platform's partner network amounted to kEUR 86.5 in fiscal year 2022 (previous year: kEUR 190.4). The loans arranged in the reporting period benefited significantly from sales partnerships for which no fees were paid.

Remeasurement effects on virtual participation shares in fiscal year 2022 resulted in expenses of kEUR 74.4 (previous year: kEUR 0.0). Income from remeasurement effects relating to the provision for the virtual participation share program is recognized in other income.

At kEUR 1,419.1, total miscellaneous other expenses were up somewhat year-over-year in fiscal year 2022 (previous year: kEUR 1,321.4). As in the previous year, this item primarily contained IT expenses, investor relations costs, and accrued Supervisory Board remuneration. Insurance expenses rose year-over-year (due among other things to increased premium costs), as did travel and entertainment costs, which rose in fiscal year 2022 as in-person sales events resumed.

As a result, earnings before interest, taxes, and depreciation and amortization (EBITDA) improved sharply to kEUR 61.1 in fiscal year 2022 (previous year: kEUR -998.6).

Depreciation and amortization – which was largely attributable to the amortization of intangible assets – totaled kEUR 662.2 in fiscal year 2022; this was below the prior-year figure (kEUR 1,184.5) due to software system integration and a resulting change



in amortization periods. Consequently, the group's earnings before interest and taxes (EBIT) improved significantly to kEUR -601.1 (previous year: kEUR -2,183.1). After adjustment for net finance costs of kEUR 182.6 (previous year: kEUR 102.0), which were mainly due to interest expenses connected with the shareholder loan, and an income tax expense of kEUR 0.0 (previous year: income of kEUR 8.2), the net loss for fiscal year 2022 was kEUR 783.7 (previous year: kEUR 2,293.3).

Basic earnings per share, which are calculated using the profit attributable to ordinary shareholders and a weighted average of the ordinary shares in circulation, amounted to EUR -0.56 (previous year: EUR -1.67). Diluted earnings per share correspond to basic earnings per share in line with IAS 33.41.

### **Consolidated Financial Position**

creditshelf's total assets amounted to kEUR 9,619.3 as of December 31, 2022 (previous year: kEUR 10,232.4).

Noncurrent assets totaled kEUR 3,906.3 as of the reporting date, a decrease on the figure for the end of fiscal year 2021 (December 31, 2021: kEUR 4,279.7). Intangible assets climbed despite amortization to kEUR 3,125.4 (December 31, 2021: kEUR 3,043.2) due to own work capitalized. They accounted for the bulk of noncurrent assets as of the December 31, 2022, reporting date together with noncurrent trade receivables of kEUR 679.4 (December 31, 2021: kEUR 1,033.0); the latter mainly comprised lower investor fee receivables. In addition, depreciation of property, plant, and equipment led to this item falling to kEUR 101.5 as of December 31, 2022 (December 31, 2021: kEUR 176.4).

Current assets declined to kEUR 5,713.0 as of the reporting date (December 31, 2021: kEUR 5,952.6). The drop was mainly due to a slight decrease in cash and cash equivalents. This item amounted to kEUR 4,135.1 as of December 31, 2022 (December 31, 2021: kEUR 4,458.7). kEUR 0.1 of this amount was held in pledged accounts as of December 31, 2022 (December 31, 2021: kEUR 0.1). At the same time, the settlement of transactions led to cash of kEUR 3,000.0 (December 31, 2021: kEUR 3,000.0) being held temporarily in a company account as of the December 31, 2022, reporting date. As was the case in the previous year, the cash funds that were temporarily recognized were offset by a corresponding liability. Current trade receivables, which consist primarily of investor fee receivables, amounted to kEUR 1,327.5 as of December 31, 2022 (previous year: kEUR 1,262.1).

Group equity declined compared to the 2021 year-end figure to kEUR 1,475.3 (December 31, 2021: kEUR 1,935.5). The equity ratio was 15.3 % (previous year: 18.9 %). The decrease in equity represents the sum of the net loss for the period after taxes of kEUR 783.7 and the increase in capital reserves made to satisfy claims under the share-based employee incentive programs by issuing equity instruments (December 31, 2022: kEUR 21,648.5, December 31, 2021: kEUR 21,336.7). In addition, a capital increase was implemented to satisfy claims under the share-based employee incentive programs and was entered in the commercial register on February 17, 2022. This led to an increase in the subscribed capital of EUR 11,674.00 as of December 31, 2022, to kEUR 1,387.9 (December 31, 2021: kEUR 1,376.2).



Noncurrent liabilities rose to kEUR 3,692.6 compared to the 2021 year-end (December 31, 2021: kEUR 3,457.6). This was mainly due to an increase in other noncurrent financial liabilities to kEUR 2,863.0 (previous year: kEUR 2,463.2). The change is primarily attributable to the shareholder loan of EUR 2.6 million that had been taken out by the company in the period up to the December 31, 2022, reporting date; the loan was actually repaid in the course of the year and then taken out again. At kEUR 829.6, noncurrent provisions were somewhat lower than at the end of fiscal year 2021 (previous year: kEUR 994.4). In addition to a slight decrease in the provision for virtual participation shares, this item reflects payroll tax provisions for the RSU programs and provisions for vacation pay relating to the sabbatical program.

Current liabilities as of December 31, 2022, decreased year-over-year to kEUR 4,451.4 (December 31, 2021: kEUR 4,839.2). The trade payables of kEUR 3,410.9 (December 31, 2021: kEUR 3,694.3) reflected the abovementioned cash funds of kEUR 3,000.0 that were temporarily recognized at the end of 2021 (December 31, 2021: kEUR 3,000.0). Other liabilities amounted to kEUR 873.5 as of the December 31, 2022, reporting date and were therefore lower than the 2021 year-end figure (December 31, 2021: kEUR 878.3). The decrease in current provisions to kEUR 102.8 was due to the utilization of current payroll tax provisions for share-based employee incentive programs and provisions for vacation pay (previous year: kEUR 191.3).

### **Consolidated Cash Flows**

Based on a net loss after tax for the period of kEUR 783.7 (previous year: kEUR 2,293.3), gross cash flow at the end of the reporting period amounted to kEUR -428.4 (previous year: kEUR -1,597.6) after adjustments that largely reflected other noncash income (kEUR -556.5, previous year: kEUR -710.7), amortization of intangible assets (kEUR 536.8, previous year: kEUR 1,044.2), a noncash increase in the capital reserves (kEUR 311.8, previous year: kEUR 588.8), a decrease in other provisions (kEUR -253.3, previous year: kEUR -510.1), and financial expenses (kEUR 182.6, previous year: kEUR 102.0).

Based on the gross cash flow and after adjustments for items including a decrease in trade payables of kEUR 289.1 (previous year: increase of kEUR 218.9) and a decrease in trade receivables (kEUR 288.2; previous year: increase of kEUR 63.4), net cash used in operating activities amounted to kEUR 417.8 (previous year: kEUR 1,025.1).

Net cash used in investing activities amounted to kEUR 94.7 at the end of the reporting period (previous year: kEUR 275.1). The cash outflows were mainly due to payments to acquire intangible assets (kEUR 62.4, previous year: kEUR 15.9), payments to acquire property, plant, and equipment (kEUR 52.0, previous year: kEUR 28.3), and interest received (kEUR 18.3, previous year: kEUR 17.5).

Net cash from financing activities amounted to kEUR 183.2 in fiscal year 2022 (previous year: kEUR 2,216.8). The cash inflows primarily reflect proceeds from the shareholder loan in the amount of kEUR 250.0 (previous year: kEUR 2,300.0). In addition, this item contains payments made in connection with the repayment of lease liabilities (kEUR 75.3, previous year: kEUR 72.2).



and proceeds from the issuance of shares relating to the share-based employee incentive programs (kEUR 11.6, previous year: kEUR 15.9).

creditshelf had cash and cash equivalents of kEUR 4,135.1 as of the December 31, 2022, reporting date (previous year: kEUR 4,458.7). Cash of kEUR 0.1 was held in pledged accounts as of the reporting date (previous year: kEUR 0.1). The company had cash funds of kEUR 4,135.1 as of December 31, 2022, after adjustment for pledged accounts and client funds (previous year: kEUR 4,458.7).

The net debt disclosed in cash funds after the deduction of liabilities arising from financing activities and less shareholder loan plus accrued interest was as follows as of December 31, 2022:

	<b>31.12.2022</b>	<b>31.12.2021</b>
	<b>in kEUR</b>	<b>in kEUR</b>
Liabilities arising from financing activities	64.5	123.6
Cash funds	4,135.1	4,458.7
	<hr/>	<hr/>
<b>Net debt</b>	<b>-4,070.6</b>	<b>-4,335.1</b>
	<hr/> <hr/>	<hr/> <hr/>





## 2.3. OVERALL ASSESSMENT BY THE MANAGEMENT BOARD AND PRIOR-YEAR COMPARISON

In its forecast for fiscal year 2022 that was published in the company's annual report for 2021, creditshelf's Management Board announced concrete targets for financial performance indicators and strategic objectives for the company's development and products.

Based on the dynamic growth recorded in previous years, the Management Board had originally expected consolidated revenue of between EUR 10 million and EUR 12 million for fiscal year 2022. It had also expected consolidated EBIT of EUR -0.5 million to EUR 0.5 million. On June 10, 2022, the Management Board issued an ad hoc disclosure revising its original EBIT forecast after reaching an agreement on outstanding funds with the administrator of the company's defaulted funding partner and an associated reimbursement payment for lost revenue and expenses incurred, among other things, which was recognized in income. Based on its unchanged forecast of revenue in the range of EUR 10 million to EUR 12 million, the reimbursement, and increased expenses, the company at that point expected EBIT of between EUR 0.0 and EUR 1.0 million for fiscal year 2022. The Management Board again adjusted its forecast on November 8, 2022, after signing the funding facility contracts with Goldman Sachs. Despite this success, the delays meant that the revenue forecast had to be adjusted downwards in the challenging funding environment to EUR 7-8 million, based on the new business expected for the remaining weeks of the 2022 financial year and the associated fees. On December 27, 2022, the Management Board issued another ad hoc disclosure revising the forecast due to the delays in implementing downstream conditions for an agreed funding facility, and especially in signing a back-up servicing agreement, since the facility could not yet be used as planned. As a result, processing of part of the new business that had originally still been planned for 2022, based on the agreements that had already been negotiated, was postponed until 2023. This led to the revenue forecast being adjusted downwards to EUR 6-7 million and the EBIT forecast to between EUR -1.0 million and EUR 0.0 million.

creditshelf generated consolidated revenue of EUR 6.2 million in fiscal year 2022 due to the business developments described in the group management report. This was within its revised target corridor but below the figure of EUR 7.3 million generated in the previous year, during which creditshelf had a stronger funding base to fall back on. Despite the drop in revenue, lower expenses and a high level of other income allowed creditshelf to generate EBIT of EUR -0.6 million. This was a clear improvement on the prior-year figure of EUR -2.2 million and in the middle of the forecast range as adjusted in December. In particular, creditshelf succeeded in heavily pruning marketing and advertising expenses, whereas loan requests continued to rise.

creditshelf systematically implemented its defined growth strategy in fiscal year 2022. In the area of software development, the company successfully enhanced both individual system components and the systems architecture as a whole. It also cooperated successfully with new investors under its partnerships growth initiative. One example is the funding facility agreed with Goldman Sachs that was mentioned earlier. Under this arrangement, the investment bank will provide EUR 100 million to fund loans on the creditshelf platform. In addition, creditshelf continued to expand its sales partner network. The partner database now has more than 2,000 contacts. For the first time since the COVID-19 pandemic, the company also successfully held series of events that focused on its partner network and growth companies.



creditshelf's market position developed positively in fiscal year 2022. This assessment is based on the fact that creditshelf is focused on a niche area of SME finance that is not well served by banks and other finance providers. This is reflected in the rise in the volume of loan requests to EUR 1.96 billion (previous year: EUR 1.68 billion). Please see section 2.2.3 of this group management report for further information on competitors and market structures.

Overall, the Management Board feels that business performance has been stable to positive. creditshelf again made major strides towards scaling up its operations and generating a profit in fiscal year 2022, despite the challenges resulting from the crisis. The further optimization of its partner and direct sales strategy in fiscal year 2022, its stable portfolio performance, the associated expansion of institutional financing partnerships, and the company's growing track record with more than EUR 100 million of new business generated during the year have laid the foundations for it to return to growth and to support German SMEs as a next-generation finance provider.



## 2.4. REPORT ON OPPORTUNITIES AND RISKS

### 2.4.1. INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM<sup>19</sup>

#### **Objectives and Strategies of Risk Management**

Risks are identified, and the probability of their occurrence and the extent of the associated losses assessed, using a regularly reviewed and constantly enhanced risk management system.

The creditshelf group has to expose itself to risks in the course of its business activities in order to take advantage of the associated opportunities. The objective of risk management is to increase the probability that the company will meet its objectives, to establish a sound basis for decision-making and planning, and to improve the organization's resilience to threats and negative events.

creditshelf's strategy is to ensure that it can identify risks as adequately as possible, assess them realistically, and above all combat them effectively in the course of its risk management activities, so as to minimize the negative effects that they could actually have on the company. Comprehensive risk identification serves to minimize the proportion of unidentifiable risks that the company has to bear involuntarily.

To ensure it meets these objectives, the system has been designed in compliance with available good practices in this area. Chief among these is the COSO-Framework. At present, the risk management system does not include a formalized process for capturing opportunities. This is performed as part of business planning and strategy development.

#### **Risk Management Structures and Processes**

A Chief Risk Officer, who reports to the member of the Management Board responsible for risk management, has been responsible for this area since May 1, 2022, further strengthening the Risk Management function. The Chief Risk Officer's tasks as a risk manager include coordinating the quarterly updates of the risk catalog, reviewing the notifications submitted by the risk owners, documentation, and communicating with the Management Board ("ERM process").

The job of the risk owners, with the assistance of clearly assigned control owners, is to identify and assess risk-related issues (including operational risk), to communicate them as quickly as possible, and to monitor the risks. Risk owners play a decisive role in identifying, assessing, and managing risks at source and at an early stage, due to their closeness to operations.

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<sup>19</sup> Section 2.4.1 was not included in the content audit by the auditor of the consolidated financial statements/the auditor of creditshelf Aktiengesellschaft's annual financial statements.



creditshelf's risk management process is broken down into the following phases: risk identification, risk assessment, risk management, risk communication, and risk monitoring and improvement.

Both a top-down analysis from the corporate management perspective and a bottom-up assessment from the perspective of the areas that identify and manage the risks at an operational level are performed.

In a first step, a gross risk assessment (i.e., not including risk-mitigating aspects) is made by the risk owners; this expresses the maximum potential threat. A net risk assessment is produced by deducting the effects of the risk management measures already implemented from the gross assessment.

The (gross/net) risk level to which creditshelf is exposed is the product of the (gross/net) probability of occurrence multiplied by the (gross/net) loss. Probabilities of occurrence are classified into four categories.

The potential loss represents the severity of the threat to creditshelf if the event in question were to occur. The focus is on the impact on creditshelf's financial performance.

When performing its risk assessment, the Management Board classifies risk levels as low, medium, material, or critical, depending on their probability of occurrence and the extent of the associated losses. Whereas all identifiable risks are captured as a matter of principle, only decision-relevant risks are disclosed. Going concern risks are labeled as such and flagged accordingly.

The importance to creditshelf of the risks described in the risk report can be seen from the following overview:

	Probability			
Impact on financial performance in kEUR	Highly improbable	Improbable	Probable	Highly probable
Low (< 100)	Low	Low	Low	Low
Medium (> 100)	Low	Low	Low	Medium
High (> 1,500)	Low	Medium	Material	Material
Very high (> 4,000)	Medium	Material	Critical	Critical



Knowledge of the relative importance of the individual risks and the total extent of the threat is used during risk management to determine suitable risk control measures for material individual risks. Risk control options include avoiding, mitigating, transferring, and accepting risk.

creditshelf has decided to accept risks with a net risk level of “medium” or below. In other words, risk-mitigating measures can be taken but do not have to be taken for risks with a gross risk level of “medium” or less. Nevertheless, the Management Board regularly seeks to implement risk-mitigating measures in these cases as well. Risk-mitigating measures are always defined, implemented, and monitored in the case of material and critical risks. Critical risks are given top priority here.

The risk management system uses a simulation-based risk aggregation function that takes the effects of combining individual risks into account, and that serves as the basis for an analysis of the company’s risk-bearing capacity.

Standardized internal communications on risk management at creditshelf take the form of quarterly discussions between the Chief Risk Officer and the risk owners, and the submission of a subsequent report to the Management Board. New risks that appear to be significant or circumstances that could substantially increase the potential of a risk are reported ad hoc to the Management Board outside of the standardized communication process. Any risk owners who leave the company are rapidly replaced.

The Management Board drew on a large number of different information sources when reviewing the appropriateness and effectiveness of the internal control and risk management system and when formulating the statement given below. These sources included reports on the results of the internal control and risk management system regarding the (consolidated) financial reporting process, participation in and reports on the results of the ERM process, information on current issues identified by the risk owners, and the appropriateness and effectiveness review of the risk management and control system performed by the Chief Risk Officer. This information was used to examine whether internal control weaknesses exist and what effect these could have on the company’s business.

To the best of its knowledge, and in accordance with the information provided resulted from the abovementioned internal control and risk management monitoring system, the Management Board was of the opinion that, as of December 31, 2022, no internal control weaknesses existed that could have material effects on the company’s business. To the best of its knowledge, no material issues existed in the period up to December 31, 2022, that threatened the company’s ability to achieve its most important goals and that were not adequately addressed by the ERM process. Based on the results of the internal control and risk management system, the Management Board is not aware of any issues causing them to assume that the enterprise-wide internal control and risk management system is inadequate or that it was not functioning effectively as of December 31, 2022.



## **2.4.2. INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM FOR THE (CONSOLIDATED) FINANCIAL REPORTING PROCESS**

creditshelf has an internal control and risk management system for the (consolidated) financial reporting process that is also based on the COSO-Framework. The internal control system for the financial reporting process aims to ensure uniform accounting that complies with the statutory requirements, generally accepted accounting principles, the German Accounting Standards (GASs), and the International Financial Reporting Standards (IFRSs), as well as to provide the users of the consolidated and annual financial statements with accurate, reliable, and timely information.

Suitable structures and processes have been defined within the system and implemented at an organizational level. The organizational structure is based on functions and areas of responsibility. These include financial reporting preparation processes using a uniform chart of accounts and a defined time frame for the individual work packages. Appropriate, clearly distinct human resources are allocated to the different functions and areas of responsibilities based on content-related criteria. In addition, creditshelf has established appropriate selection processes to ensure that staff employed in accounting and reporting are suitably qualified. The internal control system for the financial reporting process and the organizational processes implemented in relation to it are regularly reviewed for completeness and effectiveness, and modified or expanded as necessary. The accounting process has been implemented in such a way that timely, uniform, and correct recognition of all business processes and transactions is guaranteed.

The control system comprises both preventive and detective (i.e., post hoc investigative) controls. These are performed both automatically within the system and manually; in addition, an appropriate separation of functions at all levels ensures that the principle of dual control is observed. The controls are supplemented by random sampling and plausibility checks at regular intervals. Due to the group's size, the company does not maintain a separate internal audit function.

creditshelf Aktiengesellschaft's financial accounting function also performs financial accounting for the company's subsidiary, creditshelf solutions GmbH, centrally and uniformly at group level.

creditshelf's Management Board is responsible for implementing and monitoring the internal control system; this also includes the internal control system for the (consolidated) financial reporting process.

The risk management system for the financial reporting process is part of the group's risk management activities and comprises all organizational rules and measures designed to identify and deal with financial reporting risks.

The responsible risk owners monitor the risks that are relevant for continuously tracking risk trends and for ongoing checking of the financial reporting data. The results of this regular monitoring process are identified, documented, and assessed on a quarterly basis together with the Risk Manager.

Group Risk Management has taken suitable measures to monitor and improve financial reporting risks.



### 2.4.3. RISK REPORT

The presentation of the following risks uses the internal classification of risk types and is made on a net basis. Due to the Group's non-complex structure, the risks presented below relate to both creditshelF Aktiengesellschaft and the Group.

#### Market Risk

The company is dependent on various macroeconomic trends, such as the development of the overall economy in general and the financial sector as well as inflation and interest rate developments in particular. If these trends develop negatively for the company, it may experience increased loan defaults and lower demand from borrowers. In addition, rising interest rates may open up other asset classes with a low risk profile to investors, such as government bonds. Furthermore, a negative development of the financial sector could affect the liquidity of investors who invest or could invest in loans on the creditshelF platform.

With reference to the comments on the macroeconomic environment in the Report on Economic Position (section 2.2. 1) and in particular to the forecasts of the Deutsche Bundesbank<sup>20</sup> and the Federal Ministry of Economics and Climate Protection<sup>21</sup> for the German economic area, the Management Board expects weaker economic growth both in Germany and in the European Union and the economic environment to remain challenging in view of the ongoing challenges resulting from Russia's war of aggression against Ukraine, considerable uncertainty regarding energy supplies coupled with the spike in energy prices, increased material shortages and delivery bottlenecks, and high inflation.

The Management Board also assumes that monetary policy will continue to follow inflationary dynamics with a slight increase in interest rates. This can be seen in the decisions of the European Central Bank (ECB) on February 2 and March 16, 2023, to raise the key rate to 3.0 % and 3.5 % respectively. The ECB announced further rises for 2023.<sup>22</sup>

In March 2023, there were also upheavals in the financial sector, mainly surrounding the insolvency of Silicon Valley Bank and the acquisition of Credit Suisse by UBS. The extent to which this will impact the entire financial sector and the company's business model cannot yet be fully assessed at the time of preparing this report. However, the company is in close contact with customers, investors and all parties involved and strives to address emerging issues at an early stage. In addition to close monitoring of the market situation, this also includes a check of the bank balance sheets and liabilities of borrower customers for business relationships with banks at risk. On the investor side, the existing regular exchange was further intensified in order to mitigate any investment resentment.

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<sup>20</sup> Deutsche Bundesbank. (2022). Perspektiven der deutschen Wirtschaft für die Jahre 2023 bis 2025. Monthly report for December 2022.

<sup>21</sup> German Federal Ministry for Economic Affairs and Climate Action. (2023). Annual Economic Report 2023.

<sup>22</sup> European Central Bank. (2023). Press release: Monetary policy decisions. February 2, 2023; European Central Bank. (2023). Press release: Monetary policy decisions. March 16, 2023.



Due to its digital business model and product, creditshelf is only indirectly affected by climate risk, via collectibility risk.

Risk assessment: medium

## **Financial Risks**

### **Liquidity Risk**

creditshelf group has generated losses in the past and could do so again in the future. Increased operating expenses, decisions to make further investments in future growth, and lower-than-forecast revenue volumes, coupled with a resulting lack of income, could play a role here. Persistent losses could give rise to liquidity risk in the longer term.

Measures taken by the company are weekly liquidity reports with short-term cash flow forecasts, and continuously reviewing and evaluating potential financing options. Budgets were reduced in line with the current economic challenges (COVID-19 pandemic, the war in Ukraine), hence also cutting actual costs.

In addition, creditshelf shareholder Obotritia Capital KGaA issued a binding letter of comfort in favor of the company in Q4 2020. The liquidity of the company is secured within the scope of the letter of comfort by the shareholder loan framework agreement concluded between creditshelf Aktiengesellschaft and Obotritia Capital KGaA on January 4, 2021, together with the addendum dated March 9, 2021, with a total amount of up to EUR 8 million. As of the reporting date a balance of EUR 2.55 million was recognized in relation to the shareholder loan. A further tranche of EUR 1.00 million was drawn by creditshelf and serviced by the patron in March 2023. As of the date of this report, the loan, which is subject to a 12-month notice period until December 31, 2023, was uncanceled. Thereafter the notice period is 3 months.

On June 10, 2022 the company received, as part of the settlement with the insolvency administrator for the investor that had defaulted in connection with the war in Ukraine, a compensation of EUR 1.75 million for lost revenue and expenses incurred, which was recognized in income; this has strengthened the group's liquidity in addition to the statements above.

Moreover, creditshelf's general meeting on May 10, 2021, resolved contingent and approved capital in the amount of up to 50% of subscribed capital in the period up to May 2026.

Risk assessment: medium

### **Accounting Errors and Payments**

The company is required by law and as a result of its listing on the Frankfurt Stock Exchange's Prime Standard segment to comply with the relevant financial reporting requirements. Errors in the financial reporting process can lead on the one hand





to decisions being made on the basis of incorrect information or to faulty forecasting and planning, and on the other to problems during the audit of the annual financial statements (see also “Regulatory Breaches”).

creditsheff has established standardized processes and an internal control system for the financial reporting process so as to avoid errors in the financial reporting process.

creditsheff not only handles its own payments transactions but is also responsible for transferring money between borrowers and investors. Incorrect payments made during this process could lead both to direct financial losses and to reputational damage.

creditsheff has established multilayered controls within the process so as to minimize this risk.

Risk assessment: low

## **Operational Risks**

### **Loss of data and Damage to Systems**

creditsheff’s digital business model makes it potentially especially vulnerable to any loss of data or damage to systems resulting from external attacks on its IT systems, as well as to external and internal, intentional and unintentional data manipulation resulting from inadequate protective measures. The company has taken note of the increased global threat of external attacks in this context, including as a result of the vulnerability that was discovered in the Log4j<sup>23</sup> Java library. These could result not only in consequences under data protection law but also in reputational damage and downstream financial losses.

A large number of measures have been taken to protect the IT infrastructure, the IT systems used, and the data stored, and the incident response plans used to react to IT security incidents have been modified. In addition, external attack recognition services are in place. Penetration tests are performed to check their effectiveness. Cyber insurance has also been taken out to cover costs that could arise and to support the company in dealing with IT security incidents in the case of any losses. In line with these measures, the net risk was reduced compared with the 2022 half-year report.

Risk assessment: low

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<sup>23</sup> Bundesamt für Sicherheit in der Informationstechnik. (2022). Kritische “Log4Shell” Schwachstelle in weit verbreiteter Protokollbibliothek Log4j (CVE-2021-44228).



### **Software development Weaknesses**

The company's products and services and its internal systems depend on technically complex software, some of which is internally generated. If creditshelf were to be unable to ensure error-free operation of the platform; to preserve, maintain, integrate, and scale up the creditshelf group's Internet networks and IT systems; or to continue developing them in line with operational requirements, this could have a material adverse effect on the creditshelf group's business, and consequently on its financial performance, financial position, and cash flows. In particular, increasing automation could reveal weaknesses in software development.

creditshelf has taken appropriate measures to avoid errors during software development. These include the use of established, standardized processes that incorporate control loops and test procedures and that are regularly modified, especially to increase their degree of automation. New products, systems, and associated processes are developed by the responsible product managers in cooperation with the target groups concerned, enabling potential errors to be identified in good time and suitable measures to be taken. Above and beyond this, material software development activities are defined in an overall IT systems/platform development plan ("road map") that is closely aligned with creditshelf's business objectives. This also provides for individual development components to be reviewed regularly for relevance and for the contribution they make to development as a whole. In addition, the company commissions penetration tests on its internally generated software.

Risk assessment: medium

### **Restricted Operational Ability due to Infrastructure Malfunctions**

Outages or disruptions to the power grid, to network and Internet connections, or to IT systems operations could restrict the company's business activities very severely.

We combat this threat by taking a risk-driven approach to implementing creditshelf's IT systems, hardware components, networks, and Internet connections, and operate them at very high fail-safe levels across all locations. The way creditshelf designs its systems and infrastructure enables it to maintain its operational ability unchanged across a greater number of remote locations, despite potential restrictions on staff accessing its offices. The IT architecture plays a key role here: It has been largely cloud-based ever since the company was formed, resulting in decentralized structures.

Wherever feasible and economically justified, creditshelf maintains resources to handle failures or unforeseen peak loads (especially in relation to platform operations).

Risk assessment: low



## **Compliance and Legal Risks**

### Legal Disputes and Claims for Damages

The group is exposed to a variety of legal risks. In addition to labor law risks, for example, investors could attempt to bring claims against creditshelf if they were to lose their investments. What is more, operational complexity – and hence the possibility of error – rises as the number of institutional investors and financing partners increases.

creditshelf has implemented comprehensive processes, structures, and systems to adequately manage an increasingly complex operating environment. Identifiable risks are disclosed to investors transparently at an early stage. The risk exposures are assessed continuously from a legal and operational perspective.

Risk assessment: medium

### Regulatory Breaches

creditshelf is governed by numerous regulatory requirements such as the provisions of the *Finanzanlagenvermittlerverordnung* (German Investment Brokerage Regulation – FinVermV) and the *Geldwäschegesetz* (German Money Laundering Act – GwG). What is more, the company has to meet a number of requirements due to its listing on the Prime Standard. In addition, the group is subject to a large number of data protection and data security laws and regulations. Failure to comply with regulatory requirements and provisions could lead to reputational damage, restrictions on the group's business activities, or fines.

A compliance manager, who reports directly to the CEO, bundles and coordinates these measures. A money laundering reporting officer monitors compliance with anti-money laundering requirements, while a data protection officer monitors data protection requirements.

In addition, creditshelf proactively and continuously monitors potential regulatory developments, with a particular focus on lending and loan finance.

Risk assessment: low

## **Strategic Risks**

### Collectibility Risk

The creditshelf group itself currently does not extend any loans. In addition to the brokerage fees that it charges to borrowers, creditshelf generates revenue from investors in the form of investor fees. In the majority of cases, a simplified procedure



means that these regularly fall due when borrowers make loan repayments that are disbursed to the investors. Consequently, defaults by borrowers can lead to lower consolidated revenue if the group voluntarily waives recovery of the investor fees in these cases, or if it is contractually obliged to do so. In this regard, some borrowers are exposed to various climate risks, depending on their business model, which may have an impact on their ability to repay and thus indirectly on creditshelf.

If borrowers were to get into arrears with, or default on, loans arranged by creditshelf, this would lead to an adverse change in the yield for the investors who had invested in the loans in question. This could damage creditshelf's reputation and negatively impact its expected revenue and income growth.

The creditshelf group uses analysis and scoring procedures to reduce collectibility risk.

creditshelf takes the deterioration in macroeconomic conditions caused by the COVID-19 crisis and in particular by Russia's war of aggression against Ukraine – and especially the hike in energy prices, inflation, and higher borrowing costs – into account in its analysis and scoring procedures. Both internal risk management (e.g., sector-specific considerations) and risk analysis ensure that current planning uncertainty is adequately catered for when determining potential borrowers' future ability to service their debts. To the extent that a potential borrower's business model means that climate risks are relevant to a loan arrangement, these are assessed on a case-by-case basis and included in decision-making.

To date, a slight increase in defaults, in line with the company's expectations, has been observed.

Risk assessment: medium

### **Procurement Risk**

The creditshelf group has several different investors. However, in euro terms a relatively small number of them – a not insignificant number of whom are related parties – are responsible for a relatively large volume of the investments in loans arranged via the creditshelf platform. If these investors should no longer use the creditshelf platform to offer debt capital in future, it might not be possible to service borrower demand to the extent originally planned.

A not inconsiderable proportion of loans are financed by core investors. Whether these and other investors will continue to provide substantial volumes of funds in the future depends largely on whether additional partnerships can be signed and expanded in the coming periods. For this reason, creditshelf is seeking to enhance the company's funding base by continuously integrating new investors and expanding its investment formats. The processes and documentation needed for this were continuously revised and an investment bank was commissioned to further assist with the process. These efforts led to a contract for a new funding facility being signed with Goldman Sachs on the course of Q4 2022. The new facility will provide up to EUR 140 million to fund loans on the creditshelf platform. The main part of the funds are provided by Goldman Sachs. At the same time, the use of the funding facility is dependent on payments from the junior lender, namely Obotritia Capital KGaA, which is also a major shareholder and patron of creditshelf. By the time the annual and consolidated financial statements were



prepared, the facility could not be launched due to conditions subsequent to the agreement and, in particular, due to contractually agreed but not yet made payments by the junior lender Obotritia Capital KGaA. If the launch of the vehicle with Goldman Sachs fails due to the lack of payments by Obotritia Capital KGaA, there is a risk that creditshelf Aktiengesellschaft and the Group's going concern status will be jeopardized. To reduce the dependence on individual refinancing vehicles and to create the basis for further growth, creditshelf is in discussions with other interested investors.

Risk assessment: material

If, for example, the launch of the vehicle with Goldman Sachs were to fail due to a lack of payments by Obotritia Capital KGaA as junior lender, this could jeopardize the going concern status of creditshelf Aktiengesellschaft and thus of the Group. For further information, please refer to section 2.4.4 of this Group management report.

### **Platform Risk**

The creditshelf group is dependent on the growth of its user base (e.g., borrowers and investors). In particular, the company's business activities and position would be impacted if the group were to be unable to maintain or increase the volume of loans arranged via the creditshelf platform. Consequently, the company's success depends to a large extent on the competitiveness of its products and the success of its marketing efforts. creditshelf's business and future growth could be impaired if it were to be unable to attract (additional) borrowers and other users for its products and services.

creditshelf intends to continuously enhance and extend its services and products, to expand its funding base, and to improve the terms and conditions for its financing offerings.

One important aspect here is its successful cooperation with its fronting bank, which creditshelf secures by ensuring close ties and appropriate contractual agreements.

The government-backed liquidity programs that were offered during the COVID-19 pandemic expired as of April 30, 2022. A large proportion of KfW's COVID-19 support loans are repayable on maturity. This means that companies generally need follow-up finance, which will in turn positively impact demand on the creditshelf platform. A new special KfW program provided support for companies impacted by the war in Ukraine; this assistance was restricted until December 31, 2022. However, it did not have anything like the scale of the broad-based support provided during the COVID-19 pandemic.

In addition, creditshelf continuously monitors the market and regularly polls German SMEs on their financing requirements, including in view of higher interest rates and potential negative impacts on customer demand. Companies' demand for loans rose in general in Germany in 2022 despite multiple shocks, and growth is expected to continue in 2023.<sup>24</sup> creditshelf took specific measures to combat this trend by training its sales team early on and developing customized finance solutions for a

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<sup>24</sup> KfW (2022). KfW Credit Market Outlook: December 2022.



variety of situations. This also included judiciously expanding its products and target groups, plus increasing the focus of, and regularly evaluating, its sales channels and associated marketing measures.

creditshelf's experience is that clients accept the higher interest rates passed through to them.

Risk assessment: medium

#### **Adoption of the Business Model by Competitors**

The danger that competitors in general could adopt a company's business model is a (largely) sector-independent business and entrepreneurial risk, and hence also applies to creditshelf. At the same time, the company assumes that the competition to which it is exposed in its market segment is manageable, thanks to the lead that its data and experience give it, the low volume of business done by other alternative finance providers, and the design of their products.

The company continuously optimizes and expands its products, internal organization, partnerships, and network in order to maintain its competitive advantage.

Risk assessment: low

#### **Lack of Synergies from Strategic Partnerships**

Strategic partnerships might not develop in the way originally planned, or they might not materialize as intended.

creditshelf now has a number of strategic partnerships of different types.

The company has reduced the risk from individual partnerships by establishing appropriate organizational structures and processes, firmly integrating partner management with its sales activities, and increasing the number of staff in this area in order to expand existing partnerships and acquire new ones.

Risk assessment: low



## **Organizational Risks**

### **Recruitment and Retention Risk**

creditshelf depends continuously both on recruiting new staff and on its key employees to ensure it remains on its intended growth path. If creditshelf does not succeed in developing or finding suitable staff for positions to be filled while also retaining key employees at the company, it runs the risk of not being able to implement its (strategic) development as planned.

creditshelf addresses these risks by paying salaries that are in line with the market and offering share-based employee incentive programs. In addition, the company uses innovative offerings to position itself as an attractive employer to both talented young employees and experienced staff. These offerings include mobile working abroad, individual mobility allowances, and the opportunity for staff who have been with the company for five years to take a sabbatical. creditshelf regularly evaluates additional options and implements them as necessary. The company's goal is to provide employees at all times with individual development opportunities in line with its structural requirements.

In addition, a sophisticated remote working concept opens up other recruitment opportunities, since potential employees are only tied to the company's Frankfurt am Main location to a limited extent.

Risk assessment: low

### **Risks Associated with Organizational Structures**

creditshelf needs to continue its current growth trajectory if it is to achieve its goals. The group's continued success depends to a significant extent on whether it can successfully manage the growth in organizational structures accompanying its growth in revenue. In particular, the company must meet the organizational, structural, and compliance requirements associated with partnerships.

creditshelf addresses these risks by regularly adapting its internal structures and processes, and by selecting and developing its staff appropriately.

Risk assessment: medium

## **Overall Risk Position**

A holistic view of the risk situation reveals the procurement risk as a significant risk. If this risk should develop negatively, e.g., due to a failure of the launch of the vehicle with Goldman Sachs because of a lack of payments by Obotritia Capital KGaA as junior lender, the going concern of creditshelf Aktiengesellschaft and the Group would be at risk. For further details, please



refer to section 2.4.4 of this Group Management Report. In addition, creditshelf is exposed to an essentially unchanged overall risk situation compared to the statements in the Annual Report 2021. Following risk-reducing measures, the majority of risks continue to be assessed as low or medium.

The assessment of the overall risk is based on creditshelf's risk management. Relevant measures were taken where necessary in the case of manageable risks. In addition, the company faces exogenous macroeconomic risks that it cannot influence but that it monitors continuously.

#### **2.4.4. GOING CONCERN RISK**

The default of a major credit investor on the creditshelf platform in Q2 2022 and the resulting reduction in financing resources had a significant impact on the business development of the creditshelf Group in the financial year 2022. As a result, both the arranged loan volume and the resulting consolidated revenues decreased significantly compared to the previous year. Although a contract for a new source of funding for the loans arranged via the creditshelf platform was signed with Goldman Sachs in November 2022, it could not yet be used due to subsequent conditions and outstanding payments by the junior lender Obotritia Capital KGaA, which were contractually assured but not made by the time the annual and consolidated financial statements were prepared.

Positive revenue development and the resulting profitability as well as sufficient liquidity are the basis for going concern of the company and the Group. In addition to continuing measures already implemented in previous years, such as consistent cost management and a monthly liquidity report, the Management Board already initiated further steps in fiscal year 2022 to secure the company's going concern. These include working towards the implementation of the contractually stipulated obligations of Obotritia Capital KGaA to provide the committed amounts for the launch of the vehicle with Goldman Sachs and regular conferring with all parties to launch the facility as quickly as possible. In addition, the Management Board initiated a further intensification of the acquisition process on the debt investor side. In addition to the establishment of new funding vehicles, this also includes measures that would enable creditshelf to act as an investor in arranged loans itself.

To secure going concern of the company and the Group, a further tranche drawn by creditshelf from the shareholder loan in the amount of EUR 1.0 million was serviced by the lender Obotritia Capital KGaA in March 2023. From the shareholder loan framework agreement, which has an unlimited term and has been in place since January 2021, EUR 3.55 million of a total of EUR 8.0 million available have currently been drawn. The loan can be terminated by either party with twelve months' notice until December 31, 2023. Thereafter the notice period is 3 months. At the time of preparation of the annual and consolidated financial statements, the loan was uncanceled.





If the measures to dissolve the funding restrictions on the creditshelf platform – in particular the successful launch of the Goldman Sachs vehicle through corresponding and committed payments by the junior lender Obotritia Capital KGaA – and the revenue development planned on this basis cannot be implemented, the cost management measures taken do not achieve the planned effect and the funds still available under the shareholder loan framework agreement are not sufficient or are cannot be serviced by the lender, until positive cash flows are achieved, or the lender terminates the agreement at the beginning of 2024, the going concern of creditshelf Aktiengesellschaft and the Group would be at risk. In this respect, there is a material uncertainty related to events or circumstances that may cast significant doubt on creditshelf Aktiengesellschaft's and the Group's ability to continue as a going concern, and creditshelf Aktiengesellschaft and the Group may therefore not be able to realize its assets and settle its liabilities in the ordinary course of business.

#### **2.4.5. REPORT ON OPPORTUNITIES**

In addition to the risks described in the section above, a number of opportunities arise in connection with the group's business activities. These need to be leveraged rapidly and in specific contexts in some cases. In line with this, creditshelf sees opportunity management as an ongoing task that has to be performed by the entire company, but particularly by management personnel. It is based on continuous market and competitive analysis, the company's own market surveys such as the Finanzierungsmonitor, analyses of comparable markets abroad and of other digital credit markets such as that for consumer credit, the continuous assessment of technological developments in relation to the platform business, and digital risk analysis. The top priority when analyzing potential opportunities is always to view things from the perspective of our platform clients – i.e., our borrowers and debt capital providers.

The order in which the opportunities below are listed reflects the Management Board's current opinion as to their relative size for creditshelf and hence gives an indication of their current importance. Opportunities have been included in our forecast to the extent that it is probable that they will occur.

#### **Alternative Finance Instead of Traditional Bank Loans**

The company expects growth in digital SME finance in Germany to continue in fiscal year 2023. Loans extended to small and medium-sized companies account for roughly one-quarter of the German corporate loan market. Loan portfolios are growing continuously<sup>25</sup> and the share of new business attributable to digital lending is on the rise. This trend is expected to continue in

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<sup>25</sup> Bundesverband deutscher Banken. (2022). Zahlen, Daten, Fakten. Kreditvergabe.



the coming years, especially when it comes to financing forward-looking investments in the future, such as in digital transformation and climate protection.<sup>26</sup> creditshelf is planning to continue participating in this growing market segment.

Massive government support programs provided German SMEs with large amounts of liquidity during the COVID-19 pandemic to offset revenue losses. After that, German SMEs' demand for loans reached a historical low. Although a positive turnaround in demand for loans by SMEs has been seen since the end of 2021, it was still significantly lower at the end of 2022 than in previous years. This development is also likely to be largely attributable to the strong growth seen in German banks' lending business in 2022. Companies initially relied mainly on existing credit lines, which do not entail new negotiations, to meet the substantial need to finance working capital and inventories resulting from the massive increase in energy prices and ongoing supply chain bottlenecks. In addition, large loans were made by KfW on behalf of the federal government to support utilities. Nevertheless, SMEs wishing to take out loans are now facing considerable hurdles. The KfW-ifo credit hurdle for SMEs has reached its highest point since its inception in 2017.<sup>27</sup> Rising interest rates and the increasing regulation of traditional banks under the Basel programs – possibly also as a result of the current developments surrounding the insolvency of Silicon Valley Bank and the takeover of Credit Suisse by UBS – plus uncertainty as to how many SMEs' the sales markets will perform are likely to boost this trend even further. In parallel, many companies are reacting to the tight situation on the energy market by investing in enhancing their energy efficiency and building up liquidity buffers. Equally, many business owners will be focusing over the next two years on greater digitalization and on entering new business areas<sup>28</sup> – investments that were postponed during the COVID-19 pandemic and that now need to be financed.<sup>29</sup>

In the company's opinion, this creates opportunities for alternative, technology-driven finance providers such as creditshelf. On the one hand, the fact that creditshelf's loans are unsecured offers a more flexible financing structure for companies that are no longer able to obtain loans from banks due to the latter's restrictive lending criteria, while on the other the in-depth, data-driven risk analysis performed permits greater affinity for risk in the case of borrowers with average credit ratings, an area in which banks are already cautious in any case. At the same time, alternative finance providers can extend the financing available to German SMEs, especially where these are looking to invest in forward-looking strategic issues.<sup>30</sup> In addition, creditshelf sees opportunities to finance innovative growth companies with digital, forward-looking business models whose financing requirements cannot fully be met by banks.

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<sup>26</sup> KfW Research. (2021). Die Bedeutung von Online-Kreditplattformen im Mittelstand: digitale Finanzierung noch Nischenprodukt.

<sup>27</sup> KfW Research. (2022). KfW-ifo credit hurdle: October 2022.

<sup>28</sup> creditshelf. (2022). Finanzierungsmonitor 2022.

<sup>29</sup> creditshelf. (2021). Finanzierungsmonitor 2021.

<sup>30</sup> KfW Research. (2021). Die Bedeutung von Online-Kreditplattformen im Mittelstand: digitale Finanzierung noch Nischenprodukt.



## **Increasing Willingness to Invest in SME Loans**

creditshelf is firmly convinced that SME loans can be an attractive investment class for institutional investors and can usefully expand their investment universe by offering a mix of adequate potential returns and stable portfolio performance. Portfolio analysts Exaloan confirmed this in a study based on data from the creditshelf Loan Fund.<sup>31</sup> Under German law, many investors are prevented from extending loans to borrowers directly, since they do not have the necessary bank license. Digital credit platforms such as the one operated by creditshelf help select potential borrowers and arrange loans, and hence offer potential investors the chance to invest in a German SME loan portfolio. In the company's opinion, broadening the investor base will have positive network effects, especially given the high degree of professionalism and strong reputation offered by these additional institutional investors. The high degree of resilience shown by the creditshelf platform's loan portfolio even during the "pandemic years" of 2020 and 2021, its adequate risk-return profile, and its cooperation with well-known investors such as the European Investment Fund and international investment bank Goldman Sachs underscore the appeal of this asset class, and are strong arguments in favor of continued expansion of our investor base in 2023. In addition, creditshelf is examining the strategic option of itself investing in the loans it arranges, among other things. Not only would this offer the company additional funding, it would also enable it to benefit directly from the interest income generated by these loan arrangements.

## **Opportunities for Cooperative Sales Channels due to the Financial Sector's Growing Realization of the Need to Extend Digitalization to its SME Business**

The exceptional situation in 2020 and 2021 substantially increased the transformation rate on the German corporate finance market. The entire financial sector's readiness to seriously leverage the opportunities offered by digital transformation and to adopt new approaches with its product offerings is increasing significantly. This can be seen among other things from the creditshelf platform's growing partner ecosystem, which clearly benefits from its medium-sized alliances with consulting firms, financial services providers, and boutique finance providers.

creditshelf sees itself as a partner in challenging financing situations and as part of a state-of-the-art financing mix for German SMEs. The company feels there is considerable potential for additional partnerships offering creditshelf's product as an add-on or tailor-made solution. Reasons for this include the growing acceptance of alternative credit offerings among SMEs and the willingness of other market players to work together with creditshelf in financing projects.

## **Overall Opportunities**

Overall, creditshelf considers that its opportunities are similarly positive to the situation described in its 2022 Half-yearly Report. The increasing digitalization of SME borrowers plus the company's successful partnerships are increasing its chances. At the

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<sup>31</sup> Exaloan. (2021). Small is beautiful: How Digital SME Lending adds Value to an Investor's Asset Mix.



same time, the company has opportunities arising from German SMEs' need for finance given the macroeconomic challenges they are facing and long-term trends such as innovation and environmental protection. In addition, the addressable market is expanding due to the growing need for growth finance. From an investor perspective, enhanced opportunities for investment and the attractive features offered by the digital SME loans arranged by creditshelf enhance their opportunities.

## **2.5. REPORT ON EXPECTED DEVELOPMENTS**

In line with the developments described in the report on the company's economic position, opportunities, and risks, and taking into account its scenarios for the amount and breakdown of arranged loan volumes in the course of the year and for potential margin trends, the Management Board is expecting consolidated revenue of EUR 8 million to EUR 10 million for fiscal year 2023. The revenue forecast for fiscal year 2023 is based not only on the revenue of EUR 6.2 million generated in fiscal year 2022 but also on the revenue of EUR 7.3 million generated in fiscal year 2021, when the company's funding capacity was not restricted in any way, plus the dynamic growth seen in previous years. In this context, the Management Board expects extensive use of the funding facility with Goldman Sachs in fiscal year 2023, into which funds are to be deposited by the junior lender in Q2 2023 on the basis of contractual obligations, which will serve as a basis for the disbursement of initial loans. The Management Board is also expecting consolidated EBIT of EUR 0.0 million to EUR 1.0 million, based on the figure of EUR -0.6 million recorded for EBIT in fiscal year 2022 and after adjustment for clear economies of scale. Assuming that business develops in line with this forecast, the Management Board does not expect any further injection of debt via the shareholder loan or comparable instruments to be necessary in 2023 beyond the tranche of EUR 1.00 million serviced by the lender in March.

There is still uncertainty in fiscal year 2023 regarding how the war between Russia and Ukraine will develop going forward, and as to the macroeconomic environment. This forecast is based on the expectation that the German economy – and hence the SME finance ecosystem – will not be hit even harder than at present by uncertain energy supplies in the course of 2023, and that the investor base on the creditshelf platform can supply sufficient funding. In particular, creditshelf's ability to achieve the forecast is based on the assumption that its loan portfolio does not experience any excessive defaults and that creditshelf can actively broaden its investor base. A failure of the launch of the vehicle with Goldman Sachs due to a lack of payments by Obotritia Capital KGaA as junior lender represents a significant risk for a positive business development of creditshelf. The Management Board is assuming that creditshelf's target and existing clients will require significant amounts of liquidity to finance investments in the future and to compensate for supply chain difficulties and higher energy prices, and that banks will not be able to service the resulting demand for credit on a broad basis due to their strict lending standards and balance sheet restrictions. Consequently, creditshelf is aiming for clear double-digit percentage revenue growth.



This forecast also depends to a significant extent on continued strict cost management. Since potential valuation effects for creditshelf's Virtual Participation Program II depend materially on the company's share price performance, volatility in this area could have a material effect on EBIT.

In keeping with its defined growth initiatives, creditshelf plans to continue developing the software it deploys, to enter into additional partnerships and cooperative ventures in order to achieve positive network effects, to acquire additional finance partners, and to extend its product portfolio in order to expand its market position.

Overall, the Management Board considers the group to be well-positioned for future growth. The company has a highly adaptable business model, is able to assert itself in its dynamic market environment – in which digital SME finance is likely to account for a growing proportion of overall new SME lending in the coming years – and can react flexibly to specific circumstances.

The liquidity of the company is additionally secured by the shareholder loan framework agreement entered into between creditshelf Aktiengesellschaft and Obotritia Capital KGaA on January 4, 2021, and the addendum to the agreement entered into on March 9, 2021, which have a total volume of up to EUR 8 million. Funds in the amount of EUR 2.55 million were recognized under the shareholder loan as of the reporting date. A further tranche of EUR 1.00 million was drawn by creditshelf and in March 2023 serviced by the patron. As of the date of this report, the shareholder loan, for which there is a 12-month period of notice until December 31, 2023, was uncanceled.

The risks and opportunities described above, and especially future developments in the war in Ukraine, mean that the actual performance of the digital SME financing business and of creditshelf itself may deviate either positively or negatively from forecasts (see the risk report and the report on opportunities in sections from 2.4.3. to 2.4.5.). Potential effects on the company's course of business are being monitored and may lead to the forecast being modified.



## 2.6. CORPORATE GOVERNANCE STATEMENT

### 2.6.1. CORPORATE GOVERNANCE STATEMENT IN ACCORDANCE WITH SECTIONS 289F AND 315D OF THE HGB<sup>32</sup>

The following section reports on key corporate governance principles at creditshelf Aktiengesellschaft, including the declaration of compliance with the German Corporate Governance Code and other disclosures required by the HGB.

The company makes declarations of compliance with the recommendations of the German Corporate Governance Code available on its website for at least five years after publication. Please see the company's Investor Relations website for the current versions of the declaration of compliance:

<https://www.creditshelf.com/de/investorrelations/corporate-governance>

#### **Operating Principles for the Management Board and Supervisory Board**

At creditshelf Aktiengesellschaft, the Management Board is responsible for group strategy and management. The Supervisory Board advises the Management Board and oversees its management of the business. The Management Board and Supervisory Board work closely together in the interests of the company with the aim of achieving a permanent increase in its enterprise value. The Management Board reports regularly, comprehensively, and in a timely manner to the Supervisory Board on all questions relating to strategy, planning, business performance, the risk position and risk developments, and compliance that are relevant to the company. Any variances compared to targets or forecasts are explained to the Supervisory Board. The group's strategic focus and future development are also discussed and agreed with the Supervisory Board.

The members of the Management Board and the Supervisory Board are not permitted to pursue their own personal interests in their decisions and in connection with their work for creditshelf Aktiengesellschaft, nor may they grant others any unjustified advantages. No conflicts of interests on the part of Management Board or Supervisory Board members arose in fiscal year 2022.

#### **Management Board**

creditshelf Aktiengesellschaft's Management Board comprises the CEO and the individual Management Board members; all have equal rights and their areas of responsibility cover the various core functions. The Management Board had two members as of the end of fiscal year 2022.

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<sup>32</sup> Section 2.6.1 was not included in the content audit by the auditor of the consolidated financial statements/the auditor of creditshelf Aktiengesellschaft's annual financial statements.



The creditshelf group is managed by the Management Board of creditshelf Aktiengesellschaft, the parent company. This bundles all management functions within it. The Management Board's core tasks include determining the company's strategy, corporate finance, risk management, and sales management. It is also responsible for preparing the annual, consolidated, and interim financial statements and for establishing and overseeing the risk management system. The Management Board reports regularly, comprehensively, and in a timely manner to the Supervisory Board within the framework laid down by the law on all topics that are relevant to the company. These include planning, the course of business, the company's financial performance, financial position, and cash flows, its risk position, risk management, and compliance. The Supervisory Board is directly involved in decisions that are of fundamental importance for the company. In addition, it must approve such decisions. The Management Board ensures open, transparent corporate communications.

The Management Board is responsible for managing the company's business. The principle of collective responsibility applies here, i.e., the members of the Management Board are jointly responsible for managing the company. Each Management Board member has been assigned specific focus tasks within the schedule of responsibilities. The bylaws reserve certain decisions – and especially those for which Supervisory Board approval is required or for which the Management Board has been assigned responsibility by law or the Articles of Association – for the full Management Board. In addition, resolutions on matters that are submitted for decision to the Management Board by a Management Board member must be taken by the full Management Board.

Management Board meetings are held at regular intervals or when specific issues require them. They are convened by the CEO or, in his absence, by the Deputy CEO. The Management Board member convening the meeting sets the agenda and chairs the meetings. The Management Board is quorate if both members have been invited and both take part in the resolutions. The Management Board passes resolutions unanimously. Resolutions can also be taken outside meetings by submitting votes in *Textform* (written form according to section 126b of the *Bürgerliches Gesetzbuch* (German Civil Code – BGB)) or by phone, provided that no Management Board member objects to this procedure without undue delay. Further details are set out in the bylaws for the Management Board.

The Supervisory Board and Management Board have jointly developed a long-term succession plan with the aim of safeguarding the company in emergency situations and of ensuring talent and succession management. This provides for the following: The management evaluates the performance and potential of all creditshelf employees individually in an annual talent review, and discusses succession planning. The company then plans all further human resources development measures on this basis. Representation rules covering dealings with third parties ensure that emergencies can be dealt with. The existence of a number of *Prokuristen* (authorized signatories) means that the company can still function in such cases.

The Supervisory Board has not currently set an age limit for Management Board members. creditshelf Aktiengesellschaft is a young company that was formed in 2014. The two co-founders make up the current Management Board and are 46 and 47 years old respectively. This means that an age limit for the Management Board is not needed at present.



## Supervisory Board

creditshelf Aktiengesellschaft's Supervisory Board appoints the members of the Management Board and advises and oversees the Management Board in its management of the company. The tasks to be performed by the Supervisory Board, and in particular its internal organization and the Management Board decisions that it must approve, are set out in bylaws. The Supervisory Board had five members at the time this annual report was published.

The members of creditshelf Aktiengesellschaft's Supervisory Board have the necessary knowledge, skills, and professional expertise to perform their tasks. The Supervisory Board developed a competencies profile for the overall board in fiscal year 2020 to evaluate its knowledge, skills, and professional expertise. The profile covers both diversity and professional suitability with respect to innovation, research and development, the sector, finance, investor relations, strategy, human resources, oversight, control, and corporate governance. It details the abilities of the individual Supervisory Board members, based on a critical self-evaluation. In addition, the Supervisory Board performed self-assessments in October 2020 and November 2022 to assess the efficiency of its own work as a body.

These self-assessments were performed internally using a comprehensive questionnaire, with support being provided by the head of Legal/Human Resources. The results confirm that the Supervisory Board works together in a professional, constructive, and highly open manner.

In line with the German Corporate Governance Code (the "Code"), the company attaches considerable importance to its Supervisory Board members being independent. In the Supervisory Board's opinion, the Supervisory Board has a sufficient number of independent members. All Supervisory Board members can be considered to be independent with the exception of Rolf Elgeti, who cannot be considered to be independent due to his indirect controlling interest in company shareholder Hevella Capital GmbH & Co. KGaA (which to the company's knowledge controlled 37.2% of the voting rights in the company as of the publication date for this report) and his indirect controlling interest in company shareholder Obotritia Capital KGaA (which to the company's knowledge controlled 9.1% of the voting rights in the company<sup>33</sup> as of the publication date for this report). The independent Supervisory Board members are Ms. Heraeus-Rinnert, Mr. Hentschel, Prof. Schiereck, and Dr. Rauhut.

Supervisory Board meetings take place at least four times a year, with at least two meetings being held every calendar half-year, when there is a business reason for this or a member of the Supervisory Board or the Management Board requests this. One meeting should be held on the same day as the annual general meeting. Meetings are convened by the Supervisory Board Chairman.

The Supervisory Board is only quorate if at least three members take part in resolutions. Supervisory Board resolutions may be made in writing, by telegram, by phone, electronically, or by fax if the Chairman of the Supervisory Board so requires.

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<sup>33</sup> Not including stock options that had not yet been exercised at the time this report was published.





Resolutions are passed by a simple majority of the votes cast. In the case of a tie, a second vote shall be held; in the case of a renewed tie the Supervisory Board Chairman shall have the casting vote.

The Supervisory Board shall meet without the members of the Management Board if the Chairman of the Supervisory Board requires this in individual cases (e.g., to the extent that this is necessary to ensure independent discussion and decision-making). Additional details are set out in the bylaws for the Supervisory Board.

The Supervisory Board established an Audit Committee in fiscal year 2022. No Nomination Committee or other committees were established. The Supervisory Board comprised five members during the 2022 fiscal year, four of whom are independent of the company. All members have many years' experience and a broad range of skills and expertise, especially in the area of finance. Communication channels are short and direct. The ability of the Supervisory Board to perform its tasks effectively is ensured even without any committees being formed. This being the case, the Supervisory Board is of the opinion that forming additional committees would not enhance the efficiency of its work. Equally, it does not consider this to be necessary going forward, and will continue to address the topics to be discussed in its entirety, including in the Audit Committee. The Supervisory Board regularly assesses the quality of the audit of the financial statements.

The Supervisory Board has resolved that a maximum age limit of 75 will apply to its members in the future. This will be reviewed regularly going forward for appropriateness.

### **Corporate Governance Practices Applied Over and Above Those Required by Law – Especially Corporate Compliance**

The company is aware of its responsibility towards its employees, society, and the environment. Responsible, sustainable actions are a key precondition for its competitiveness and long-term business success. The company discharges its corporate responsibility in line with the applicable legal framework and its internal guidelines.

Corporate compliance is one of the key management functions performed by the company's Management Board and comprises measures designed to ensure the observance of statutory and official requirements, internal guidelines, and codes. These also include antitrust and anti-corruption policies and the provisions of capital market law. In addition, creditshelF became a member of the Deutsches Institut für Compliance (DICO – the German Institute for Compliance) in 2020. The company expects all employees to behave in a legally irreproachable manner when going about their work.

Compliance issues are addressed rapidly and professionally. In addition, the company follows standardized, IT-based processes for onboarding companies and investors ("know your customer principle"), when preparing for loans to be granted by the fronting bank, and during contract management and payment process control. The principle of dual control applies in areas that have been identified as critical. An internal control system (ICS) comprising prevention, monitoring, and intervention has been set up as part of the continuous optimization of the company's internal processes. A dedicated, need-to-know-based



access and rights system ensures that sensitive information remains confidential. Compliance risks are monitored as part of a standardized entity risk management (ERM) process. Company employees receive documentation and training on relevant policies, procedures, and compliance topics. Existing policies and procedures are reviewed and updated as necessary on a continuous basis.

An externally hosted electronic whistleblower system provides employees with a suitable way to report breaches of the law or of compliance rules within the company in a protected manner.

### **Targets Pursuant to Section 76(4) and Section 111(5) of the AktG**

On December 19, 2018, the Management Board determined the following target for the percentage of women at the management level below the Management Board pursuant to section 76(4) of the AktG: 28.6%. This target was reached by December 31, 2022, as planned.

In its meeting on March 11, 2019, the Supervisory Board resolved that the target for women on the Supervisory Board should not fall below the then figure of 16.6% in the five-year period following the resolution. The Supervisory Board already has one female member, Julia Heraeus-Rinnert. In the same meeting, the Supervisory Board also resolved that the target for women on the Management Board should be at least 0.0% in the five-year period following the resolution. There are no female members of the Management Board at present.

creditshelf Aktiengesellschaft is not required to make any disclosures in accordance with section 289f(2) nos. 5 and 6 of the HGB, since the company does not meet the definition of companies required to make such disclosures that is given there.

### **Additional Corporate Governance Disclosures**

#### **Shareholders and General Meeting**

creditshelf Aktiengesellschaft's shareholders exercise their rights in the company's general meeting. Each creditshelf Aktiengesellschaft share entitles the holder to one vote. All shareholders who provide evidence of their shareholdings as of a certain date prior to the general meeting (the "record date") are entitled to take part in the general meeting. Shareholders can exercise their voting rights in the general meeting personally, via a proxy of their choice, or via the company's voting representative, who is bound to vote in accordance with their instructions. The company also makes available all documents and information relating to the general meeting to shareholders in a timely manner on its website. The company's Articles of Association permit virtual general meetings as defined by section 118a of the AktG, should restrictions on the freedom of association or health risks for shareholders make this necessary.



### **Securities Transactions by the Management Board and the Supervisory Board. Prohibition on Insider Dealing**

Article 19 of the Market Abuse Regulation sets out a legal obligation on the part of the members of the Management Board and Supervisory Board and their related parties to disclose purchases and sales of shares of creditshelf Aktiengesellschaft, or of financial instruments linked thereto, if the value of the transactions performed within a calendar year reaches or exceeds the amount of EUR 20,000.00.

In order to avoid any possible breaches of the prohibition on insider dealing in accordance with Article 14 of the Market Abuse Regulation, creditshelf Aktiengesellschaft informs all persons who are legally classified as insiders in a suitable manner of the relevant statutory provisions on dealing in shares of the company and, at the same time, requires them in writing to confirm, also in writing, that they have been informed of the relevant statutory provisions relating to dealings in shares of the company. The insider lists, which comply with the legal requirements, contain details of those persons in the group and external service providers who have access to inside information by virtue of their activities and powers.

In addition, the company maintains restricted trading lists of everyone who, due to their work with the company's databases, may potentially have access to non-public financial information relating to the company's capital market-oriented clients, i.e., borrowers and potential borrowers. These people are informed in writing of the issues involved and then continuously informed of whether the lists are still being maintained or whether they have been closed following the end of the project or the publication of the financial information concerned.

### **Transparent Communication**

We inform shareholders, shareholder representatives, analysts, the media, and interested members of the public regularly and in a timely manner of current business developments and the situation at the company. In the past fiscal year we used the annual report, the financial report for the first half of the year, and the interim statements for the first and third quarters to provide our shareholders in particular with regular reports on current business developments, and the company's cash flows and financial performance. In addition, we use our comprehensive website to provide information to our shareholders and everyone else who is interested in the company. This is where we publish not only our financial reports but also a financial calendar, ad hoc disclosures, investor presentations, and press releases, among other things.

### **Accounting and Financial Statements Audit**

creditshelf Aktiengesellschaft's consolidated financial statements and group management report are prepared in accordance with the International Financial Reporting Standards (IFRSs); the company's annual financial statements and management report, plus the financial statements for creditshelf Aktiengesellschaft's subsidiary, creditshelf solutions GmbH, are prepared



in accordance with the HGB. All financial statements were audited by Grant Thornton AG Wirtschaftsprüfungsgesellschaft, Düsseldorf.

## **2.6.2. DISCLOSURES PURSUANT TO SECTIONS 289A AND 315A(1) OF THE HGB AND EXPLANATORY REPORT PURSUANT TO SECTION 176(1) SENTENCE 1 OF THE AKTG**

The following section contains the disclosures by the Management Board required to be made under sections 289a and 315a(1) of the HGB, and explains them as required by section 176(1) sentence 1 of the AktG.

### **Share Capital**

creditshelF Aktiengesellschaft's share capital as of December 31, 2022, amounted to EUR 1,387,874.00 and was composed of 1,387,874 no-par value bearer shares. All shares confer the same rights and duties. Each share entitles the holder to one vote in the general meeting. All shares have the same profit participation rights. The company did not hold any own shares as of December 31, 2022. The other rights and duties of the shareholders are set out in the provisions of the AktG and the company's Articles of Association.

### **Direct and Indirect Restrictions on Voting Rights or the Transfer of Shares**

Obotritia Capital KGaA, which held 9.1% of the shares in creditshelF Aktiengesellschaft, and hence also voting rights, as of the publication date for this report, has entered into two call options for up to 22,000 shares each. The extent to which the stock options granted can be exercised is limited in that the option taker or its affiliated companies as defined by sections 15ff. of the AktG are not permitted to obtain a majority of the voting rights.

creditshelF Aktiengesellschaft's Management Board is not aware of any other direct or indirect restrictions on voting rights or the transfer of shares.

### **Shareholdings Exceeding 10% of the Voting Rights**

Please see note 14 for information on shareholdings exceeding 10% of the voting rights.



### **Shares with Special Rights Conveying Powers of Control**

The company does not have any shares with special rights conveying powers of control.

### **System of Control of Voting Rights if Employees are Shareholders and do not Exercise their Rights Directly**

To the knowledge of the Management Board, employees who are shareholders of creditshelf Aktiengesellschaft can exercise the control rights conferred on them by their shares directly in accordance with the provisions of the Articles of Association and of the law.

### **Legal Requirements and Provisions of the Articles of Association Governing the Appointment and Removal of Members of the Management Board and Changes to the Articles of Association**

The appointment and removal of members of the Management Board are regulated in sections 84 and 85 of the AktG in conjunction with article 6.1 of the Articles of Association. These specify that the members of the Management Board are appointed by the Supervisory Board for a maximum of five years. Their appointment may be renewed, or their term of office prolonged, for a maximum of five years in each case. Article 6 of the company's Articles of Association sets out that the Management Board shall consist of one or more persons. The Supervisory Board determines the number of members of the Management Board. The Supervisory Board can appoint one of the Management Board members as the CEO.

Changes to the Articles of Association are regulated by law in sections 133 ff. and 179 ff. of the AktG. As a matter of principle, they require a resolution by the general meeting. The resolution by the general meeting must be passed by a majority of at least three-quarters of the share capital represented at the time it is passed. The Articles of Association can specify another majority of the share capital, although in the case of a change to the company's purpose only a larger majority may be specified. However, no use was made of this right in creditshelf Aktiengesellschaft's Articles of Association. Under article 13.2 of the Articles of Association, the Supervisory Board is authorized to resolve changes or additions to the Articles of Association that relate to the form only.

Pursuant to article 18 of the company's Articles of Association, resolutions by the general meeting are passed by a simple majority of the votes cast and, to the extent that a majority of the capital is required, by a simple majority of the share capital, unless statutory provisions or the company's Articles of Association require a larger majority. Abstaining does not count as casting a vote.



## **Powers of the Management Board to Issue or Buy Back Shares**

The Management Board can only issue new shares on the basis of resolutions by the general meeting to increase the share capital, or by utilizing authorized and contingent capital. The acquisition of own shares is regulated in sections 71ff. of the AktG and is permitted in certain cases by law or on the basis of an authorization by the general meeting. The Management Board has not been authorized to acquire own shares of the company.

## **Authorized Capital as of the December 31, 2022, Reporting Date**

On January 31, 2022, the Management Board of creditshelF Aktiengesellschaft resolved to increase the company's share capital by EUR 11,623.00 by issuing 11,623 new no-par value bearer shares while disapplying preemptive rights. This took place in connection with a further conversion into shares of the claims already due under the share-based employee incentive programs (Restricted Stock Units Programs) that had been introduced at the beginning of fiscal year 2019. In addition, it was resolved that the shares would be issued at the minimum issue price of EUR 1.00 per share and that they would carry dividend rights for the first time for the whole of fiscal year 2022. The Supervisory Board approved this resolution on February 1, 2022, following the circulation of written documents. The new shares were entered in the commercial register on February 17, 2022, and were admitted to trading on Frankfurt Stock Exchange's Regulated Market on February 24, 2022, with the same German securities identification number (WKN) as the old shares.

Consequently, the Management Board is now authorized to increase the company's share capital in the period until May 9, 2026 (inclusive), with the approval of the Supervisory Board, on one or more occasions by up to a total of EUR 676,502.00 by issuing up to 676,502 new no-par value bearer shares against cash and/or noncash contributions.

In principle, the new shares must be offered to the shareholders for subscription; they can also be acquired by credit institutions or enterprises within the meaning of section 186(5) sentence 1 of the AktG subject to an undertaking to offer them to the shareholders for subscription.

The Management Board is authorized to disapply shareholders' subscription rights in whole or in part with the approval of the Supervisory Board:

- (i) To utilize fractions while disapplying shareholders' rights;
- (ii) In the case of capital increases against noncash contributions, in particular in the context of business combinations or the acquisition (including the indirect acquisition) of companies, parts of companies, or interests in other companies, or of other assets or claims to the acquisition of assets;
- (iii) To issue shares (1.) to members of the company's Management Board or (2.) as employee shares to employees of the company or of affiliated companies of the company; in the case of employees, the requirements of section 204(3) of the AktG shall also be observed;



- (iv) If the new shares are issued against cash contributions and the issue price of the new shares is not materially less than the stock exchange price of the shares of the company that are already listed at the time when the issue price is finally determined (such time being as close to the placement of the shares as possible), and the notional interest in the share capital attributable to the new shares does not exceed, in the aggregate, 10% of the company's share capital either at the time the authorization takes effect or at the time it is exercised. Shares that have been issued or sold, or that are to be issued, while disapplying shareholders' rights on the basis of other authorizations by applying section 186(3) sentence 4 of the AktG (either directly or with the necessary modifications) in the period between the authorization coming into force and it being exercised in each case shall be counted towards this limit. Equally, shares that have been issued, or can still be issued, by the company on the basis of convertible bonds/bonds with warrants in issue at the time the authorization is exercised in each case must be counted towards this limit, to the extent that the convertible bonds/bonds with warrants were issued by the company or its group companies, while disapplying shareholders' rights, after this authorization took effect by applying section 186(3) sentence 4 of the AktG (either directly or with the necessary modifications).

The Management Board is authorized, with the approval of the Supervisory Board, to determine the details of the capital increases from authorized capital and their implementation, and in particular the specifics of the rights attached to the shares and the conditions for their issuance.

### **Contingent Capital**

The share capital has been contingently increased by up to EUR 688,125.00. The contingent capital increase shall be implemented by issuing up to 688,125 no-par value bearer shares, which shall share in the profits as from the beginning of the fiscal year in which they are issued, only to the extent that the holders or creditors of convertible bonds or of warrants under bonds with warrants that are issued on the basis of the authorization granted to the Management Board by the general meeting on May 9, 2026 (inclusive), make use of their conversion rights or options or comply with their conversion or option obligations, or that shares are tendered, and to the extent that other forms of settlement are not used. The new shares will be issued in line with the authorization resolution mentioned above at conversion/option prices to be determined in each case.

The Management Board is authorized to determine the additional details of the implementation of the contingent capital increase.



## **Material Agreements by the Company that Take Effect in the Event of a Change of Control Following a Takeover Bid**

The company and Raisin Bank AG – the fronting bank with a full banking license that grants the loans – have entered into a partnership agreement, including arrangements on the compensation to be paid, that also provides for payments or for rights of termination in certain cases of a change of control.

No compensation agreements exist with the members of the Management Board or employees in the case of a takeover bid as defined by section 315a(1) sentence 1 no. 9 of the HGB.





### 3. CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2022

#### 3.1. CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2022

<b>ASSETS</b>	<b>Note</b>	<b>31.12.2022 in kEUR</b>	<b>31.12.2021 in kEUR</b>
<b>Noncurrent assets</b>			
Intangible assets	7	3,125.4	3,043.2
Property, plant, and equipment	8	101.5	176.4
Trade receivables	9	679.4	1,033.0
Other financial assets	9	0.0	27.1
<b>Total noncurrent assets</b>		<b>3,906.3</b>	<b>4,279.7</b>
<b>Current assets</b>			
Trade receivables	11	1,327.5	1,262.1
Other assets	12	203.2	206.3
Other financial assets	12	47.2	25.5
Cash and cash equivalents	13	4,135.1	4,458.7
<b>Total current assets</b>		<b>5,713.0</b>	<b>5,952.6</b>
<b>Total assets</b>		<b>9,619.3</b>	<b>10,232.3</b>
<b>EQUITY AND LIABILITIES</b>			
	<b>Note</b>	<b>31.12.2022 in kEUR</b>	<b>31.12.2021 in kEUR</b>
<b>Capital and reserves</b>			
Subscribed capital	14	1,387.9	1,376.2
Capital reserves	14	21,648.5	21,336.7
Retained earnings	14	-21,561.1	-20,777.4
<b>Total equity</b>		<b>1,475.3</b>	<b>1,935.5</b>
<b>Noncurrent liabilities</b>			
Noncurrent provisions	17	829.6	994.4
Other financial liabilities	18	2,863.0	2,463.2
<b>Total noncurrent liabilities</b>		<b>3,692.6</b>	<b>3,457.6</b>
<b>Current liabilities</b>			
Trade payables	19	3,410.9	3,694.3
Other financial liabilities	20	64.2	75.3
Current provisions	20	102.8	191.3
Other liabilities	20	873.5	878.3
<b>Total current liabilities</b>		<b>4,451.4</b>	<b>4,839.2</b>
<b>Total equity and liabilities</b>		<b>9,619.3</b>	<b>10,232.4</b>



### 3.2. CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR FISCAL YEAR 2022

	Note	01.01.-31.12.2022 in kEUR	01.01.-31.12.2021 in kEUR
Revenue	21	6,183.0	7,251.5
Other operating income	22	2,052.4	145.0
Own work capitalized	23	556.5	637.0
Personnel expenses	24	-5,556.6	-5,333.7
Marketing and advertising expenses	25	-472.8	-783.8
Third-party services	25	-279.0	-436.2
Sales commission	25	-86.5	-190.4
Lease expenses	25	-90.6	-196.5
Legal and consulting costs	25	-751.8	-770.1
Expenses for virtual participation shares	25	-74.4	0.0
Other expenses	25	-1,419.1	-1,321.4
<b>EBITDA</b>		<b>61.1</b>	<b>-998.6</b>
Depreciation and amortization	7/8	-662.2	-1,184.5
<b>EBIT</b>		<b>-601.1</b>	<b>-2,183.1</b>
Financial expense	27	-200.9	-119.5
Other financial income	27	18.3	17.5
Net finance costs		-182.6	-102.0
Income tax expense/income	26	0.0	-8.2
<b>Net loss for the period/total comprehensive income</b>		<b>-783.7</b>	<b>-2,293.3</b>
of which attributable to:			
<b>Owners of the parent</b>		<b>-783.7</b>	<b>-2,293.3</b>
<b>Noncontrolling interests</b>		<b>0.0</b>	<b>0.0</b>
<b>Earnings per share</b>		<b>2022</b>	<b>2021</b>
		<b>in kEUR</b>	<b>in kEUR</b>
Basic earnings per share		-0.56	-1.67
Diluted earnings per share		-0.56	-1.67





+	Proceeds from the issuance of shares	14	11.6	15.9
-	Decrease in lease liability	32	-75.3	-72.2
-	Transaction costs for issuance of shares	15	0.0	-22.4
-	Interest paid	27	-3.1	-4.5
	<b>Net cash generated by/used in financing activities</b>		<b>183.2</b>	<b>2,216.8</b>
+/-	Net increase/decrease in cash funds	13	-329.3	916.6
+	Cash funds at the start of the fiscal year		1,348.4	431.8
	<b>Cash funds at the end of the fiscal year</b>		<b>1,019.1</b>	<b>1,348.4</b>
+	Client funds		3,115.9	3,110.2
+	Pledged accounts	13	0.1	0.1
	<b>Cash and cash equivalents</b>		<b>4,135.1</b>	<b>4,458.7</b>



### 3.4. CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR FISCAL YEAR 2022

	Note	Subscribed capital in kEUR	Capital reserves in kEUR	Loss carryforwards in kEUR	Total equity in kEUR
<b>Balance as of January 1, 2021</b>		<b>1,369.3</b>	<b>21,029.3</b>	<b>-18,484.1</b>	<b>3,896.5</b>
Net loss for the period		0.0	0.0	-2,293.3	-2,293.3
Issuance of equity instruments	14	15.9	588.8	0.0	604.7
Earn-Out		0.0	-250.0	0.0	-250.0
Transaction costs for the issuance of equity instruments	15	0.0	-22.4	0.0	-22.4
<b>Balance as of December 31, 2021</b>		<b>1,376.2</b>	<b>21,336.7</b>	<b>-20,777.4</b>	<b>1,935.5</b>
<b>Balance as of January 1, 2022</b>		<b>1,376.2</b>	<b>21,336.7</b>	<b>-20,777.4</b>	<b>1,935.5</b>
Net loss for the period		0.0	0.0	-783.7	-783.7
Issuance of equity instruments	14	11.7	311.8	0.0	323.5
<b>Balance as of December 31, 2022</b>		<b>1,387.9</b>	<b>21,648.5</b>	<b>-21,561.1</b>	<b>1,475.3</b>



### 3.5. NOTES TO CREDITSHelf AKTIENGESELLSCHAFT'S CONSOLIDATED FINANCIAL STATEMENTS

#### A) GENERAL INFORMATION

creditshelf Aktiengesellschaft, Frankfurt am Main, Germany ("creditshelf" or the "company," and together with its subsidiary creditshelf solutions GmbH, Frankfurt am Main, the "creditshelf group" or the "group") is a stock corporation under German law whose shares have been publicly traded on Frankfurt Stock Exchange's Regulated Market (Prime Standard) since July 25, 2018. The parent company is entered in the commercial register of the local court in Frankfurt am Main, Germany, under the number HRB 112087. The company's registered domicile is Mainzer Landstrasse 33a, 60329 Frankfurt am Main, Germany. The company's purpose is brokering loan agreements, brokering investors for German credit institutions or insurance companies, consulting for and analysis of companies, the development of information technology to gain economic insights on credit default probabilities, information services, and the provision of ancillary information services.

The company's subscribed capital amounted to EUR 1,387,874 as of December 31, 2022. This represents an increase of EUR 11,674 compared to December 31, 2021, which is due to a further conversion into shares of the claims under the share-based employee incentive programs (Restricted Stock Units Programs) that were introduced as of the beginning of fiscal year 2019. The new shares were entered in the commercial register on February 17, 2022, and were admitted to trading on Frankfurt Stock Exchange's Regulated Market on February 24, 2022, with the same German securities identification number (WKN) as the old shares.

These consolidated financial statements were approved for publication by creditshelf's Management Board on March 31, 2023.

The Management Board and the Supervisory Board issued the declaration of compliance with the German Corporate Governance Code required by section 161 of the AktG and made it permanently accessible on the company's website ([ir.creditshelf.com](http://ir.creditshelf.com)). The most recent version was issued on November 3, 2022.

#### **Basis of Consolidation**

There were no changes in the basis of consolidation in the reporting period compared to the consolidated financial statements as of December 31, 2021.

creditshelf Aktiengesellschaft, Frankfurt am Main, in its role as the parent company, prepares the consolidated financial statements in accordance with the IFRSs for the largest and smallest group of companies for which group accounts are drawn up. The consolidated financial statements are accessible on the *Bundesanzeiger* (Federal Gazette) website.



## Subsidiary

creditshelf Aktiengesellschaft had one wholly-owned subsidiary as of the December 31, 2022, reporting date: creditshelf solutions GmbH. creditshelf Aktiengesellschaft and creditshelf solutions GmbH are also referred to hereinafter as the "creditshelf group."

creditshelf solutions GmbH is a wholly-owned subsidiary of creditshelf Aktiengesellschaft. It was domiciled in Berlin, Germany, until August 23, 2022. With effect from August 24, 2022, it has been domiciled in Frankfurt am Main, Germany, like its parent company. It is entered in the commercial register of the local court in Frankfurt am Main, Germany, under the number HRB 128453. creditshelf solutions GmbH's business purpose is to broker, buy, and sell loan receivables in its own name and for its own account, and to develop and run domestic and foreign Internet and technology projects for interactive financial brokerage in particular, plus the provision of related services. This does not include factoring and activities for which authorizations are required under the *Kreditwesengesetz* (German Banking Act – KWG), the *Kapitalanlagegesetzbuch* (German Investment Code – KAGB), or the *Zahlungsdiensteaufsichtsgesetz* (German Payment Services Supervision Act – ZAG). creditshelf solutions GmbH did not have any own employees within the meaning of section 314(1) no. 4 of the HGB. Following the resolution by the shareholders' meeting on July 26, 2019, its share capital amounts to EUR 39,676.00.



## 1. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

Pursuant to Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of the European Union, creditshelf Aktiengesellschaft's consolidated financial statements as of December 31, 2022, were prepared in accordance with the International Financial Reporting Standards, as adopted by the EU. Furthermore, the provisions of German commercial law that are also required to be applied pursuant to section 315e(1) of the HGB in the version applicable for the fiscal year were taken into account.

The consolidated financial statements are prepared in euros (EUR), the company's functional currency. The group's fiscal year is the calendar year.

The consolidated financial statements comprise the statement of financial position, the consolidated statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows, and the notes to the consolidated financial statements. Individual items of the statement of profit or loss and the statement of financial position have been grouped together to improve the clarity of presentation. The items are explained in the notes. The statement of profit or loss was prepared using the total cost (nature of expense) method.

With the exception of the new IFRSs required to be applied, which did not have an effect on the company in the fiscal year under review, the accounting treatment, discussions, and disclosures relating to the consolidated financial statements for fiscal year 2022 are based on the same accounting policies as were used for the 2021 consolidated financial statements. Amounts have been rounded to one decimal place where necessary.

The consolidated financial statements have been prepared on a going concern basis.

Positive revenue development and the resulting profitability as well as sufficient liquidity are the basis for going concern of the company and the Group. In addition to continuing measures already implemented in previous years, such as consistent cost management and a monthly liquidity report, the Management Board already initiated further steps in fiscal year 2022 to secure the company's going concern. These include working towards the implementation of the contractually stipulated obligations of Obotritia Capital KGaA to provide the committed amounts for the launch of the vehicle with Goldman Sachs and regular conferring with all parties to launch the facility as quickly as possible. In addition, the Management Board initiated a further intensification of the acquisition process on the debt investor side. In addition to the establishment of new funding vehicles, this also includes measures that would enable creditshelf to act as an investor in arranged loans itself.

To secure going concern of the company and the Group, a further tranche drawn by creditshelf from the shareholder loan in the amount of EUR 1.0 million was serviced by the lender Obotritia Capital KGaA in March 2023. From the shareholder loan framework agreement, which has an unlimited term and has been in place since January 2021, EUR 3.55 million of a total of EUR 8.0 million available have currently been drawn. The loan can be terminated by either party with twelve months' notice until December 31, 2023. Thereafter the notice period is 3 months. At the time of preparation of the annual and consolidated financial statements, the loan was uncanceled.





If the measures to dissolve the funding restrictions on the creditshelf platform – in particular the successful launch of the Goldman Sachs vehicle through corresponding and committed payments by the junior lender Obotritia Capital KGaA – and the revenue development planned on this basis cannot be implemented, the cost management measures taken do not achieve the planned effect and the funds still available under the shareholder loan framework agreement are not sufficient or are cannot be serviced by the lender, until positive cash flows are achieved, or the lender terminates the agreement at the beginning of 2024, the going concern of creditshelf Aktiengesellschaft and the Group would be at risk. In this respect, there is a material uncertainty related to events or circumstances that may cast significant doubt on creditshelf Aktiengesellschaft's and the Group's ability to continue as a going concern, and creditshelf Aktiengesellschaft and the Group may therefore not be able to realize its assets and settle its liabilities in the ordinary course of business.



## 2. APPLICATION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSS)

### a) Standards and Interpretations Required to be Applied for the First Time in the Reporting Period

Standard	Subject matter and relevance for the financial statements	Mandatory adoption date for the EU
Amendments to IFRS 3 "Business Combinations": Reference to the Conceptual Framework	<p>The IASB issued the new Conceptual Framework, replacing the old 1989 Framework, in March 2018. The amendments are designed to adapt the references in IFRS 3 to the new Framework.</p> <p>These amendments do not have any effect on the company at present.</p>	January 1, 2022
Amendments to IAS 16 "Property, Plant and Equipment": Proceeds before Intended Use	<p>The amendments relate to the recognition of proceeds from selling items produced while bringing an asset into the location and condition necessary for it to be capable of operating. Such proceeds must be recognized in profit or loss in future rather than being deducted from the cost of the item as was previously the case.</p> <p>These amendments do not have any effect on the company.</p>	January 1, 2022
Amendments to IAS 37 "Provisions, Contingent Liabilities and Contingent Assets": Onerous Contracts – Cost of Fulfilling a Contract	<p>The amendments to IAS 37 specify that the "cost of fulfilling a contract" comprises the "costs that relate directly to the contract". Such costs can either be incremental costs of fulfilling that contract or an allocation of other costs that relate directly to fulfilling contracts.</p> <p>These amendments do not have any effect on the company.</p>	January 1, 2022
Annual Improvements Project 2018–2020 Cycle	<p>The primary objective of the annual improvements projects is to enhance the quality of the standards by amending existing IFRSs to clarify guidance and wording, or to correct for relatively minor unintended consequences,</p>	January 1, 2022



	<p>conflicts, or oversights. This project led to minor amendments to IFRS 1 (First-time Adoption of International Financial Reporting Standards), IFRS 9 (Financial Instruments), IAS 41 (Agriculture), and the Illustrative Examples for IFRS 16 (Leases).</p> <p>These amendments do not have any material effect on the company.</p>	
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### **b) New Standards and Interpretations Not Yet Requiring to be Applied**

Standards, amendments to standards, and interpretations that have already been adopted by the European Union but are not yet required to be applied are listed in the following table. The company will apply the following standards as from the mandatory adoption date:

<b>Standard</b>	<b>Subject matter and relevance for the financial statements</b>	<b>Mandatory adoption date for the EU</b>
IFRS 17 "Insurance Contracts"	<p>IFRS 17 establishes the principles for the recognition, measurement, presentation, and disclosure of insurance contracts within the scope of the standard. It aims to ensure that preparers provide relevant information and hence to facilitate the credible presentation of insurance contracts.</p> <p>These amendments do not have any effect on the company.</p>	January 1, 2023
"Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)"	<p>The amendments to IAS 1 "Presentation of Financial Statements" require entities to disclose their "material" accounting policies instead of their "significant" accounting policies, as previously. In addition, the standard was expanded in order to explain how an entity can identify material accounting policy information.</p>	January 1, 2023



	<p>As a supplementary measure, the IASB has published amendments (“Disclosure of Accounting Policies”) to IFRS Practice Statement 2 “Making Materiality Judgements.” These amendments contain guidance on the application of the concept of materiality to accounting policy information, in order to bring them into line with the amendments to IAS 1.</p> <p>These amendments do not have any material effect on the company.</p>	
<p>“Definition of Accounting Estimates (Amendments to IAS 8)”</p>	<p>The amendments to IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” clarify the distinction between when to apply changes in accounting policies on the one hand and changes in accounting estimates on the other. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates.</p> <p>These amendments do not have any material effect on the company.</p>	<p>January 1, 2023</p>
<p>“Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)”</p>	<p>The amendments to IAS 12 “Income Taxes” relate to the prohibition on recognizing deferred taxes on initial recognition of an asset or a liability. Previously, a prohibition on recognizing deferred taxes applied to transactions that are neither a business combination nor impact accounting profit or taxable profit. The amendment states that the initial recognition exemption does not apply to such transactions if equal amounts of deductible and taxable temporary differences arise at the time of the transaction.</p> <p>These amendments do not have any material effect on the company.</p>	<p>January 1, 2023</p>
<p>Amendments to IFRS 17 “Insurance Contracts”: “Initial Application of IFRS 17 and IFRS 9 – Comparative Information”</p>	<p>This addition to IFRS 17 permits first-time adopters of IFRS 17 and IFRS 9 to present financial assets relating to contracts falling within the scope of IFRS 17 in the comparative period as if the</p>	<p>January 1, 2023</p>



	<p>classification and measurement rules set out in IFRS 9 had been applied to these financial assets.</p> <p>These amendments do not have any effect on the company.</p>	
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### c) Standards and Interpretations Not (Yet) Applicable in the EU

The following standards, amendments to standards, and interpretations had not (yet) been adopted by the European Union as of the date of preparation of the consolidated financial statements. Application is therefore not permitted.

Standard	Subject matter
IFRS 14 "Regulatory Deferral Accounts"	<p>IFRS 14 permits an entity that is a first-time adopter of the International Financial Reporting Standards and that provides good or services to customers at a price or rate that is subject to rate regulation to continue to account for regulatory deferral account balances in accordance with its previous GAAP. If an entity elects to apply IFRS 14 on initial adoption of the IFRSs, it must continue to apply it in subsequent financial statements.</p> <p>The standard has not yet been adopted by the EU and therefore does not have any effect on the company.</p>
Amendments to IAS 1: "Presentation of Financial Statements": "Classification of Liabilities as Current or Non-current" and "Non-current Liabilities with Covenants"	<p>The amendments clarify how an entity should classify debts and other financial liabilities as current or noncurrent under certain circumstances. Liabilities that are based on rights that are in existence at the end of the reporting period to defer settlement by at least 12 months after the end of the reporting period must be classified as noncurrent.</p> <p>In addition, the amendments to IAS 1 describe how covenants with which an entity is required to comply on or before the reporting date affect the classification of a liability as current or non-current. Entities must disclose in the notes information on such covenants that enables users of financial statements to understand the risk that non-current liabilities with covenants could become repayable within 12 months.</p> <p>In addition, the effective date of the classification of liabilities as current or noncurrent was deferred for a further year and now applies to reporting periods beginning on or after January 1, 2024.</p>



	These amendments do not have any effect on the company at present.
“Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)”	<p>This pronouncement specifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The seller-lessee must subsequently measure the lease liability in such a way that it does not recognize any amount of the gain or loss that relates to the right of use it retains.</p> <p>These amendments do not have any effect on the company.</p>

### 3. MANAGEMENT JUDGMENTS AND ESTIMATES

Preparation of the consolidated financial statements requires the Management Board to make judgments and estimates regarding the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

#### Material Judgments

creditshelf has recognized the internally generated and directly attributable cost of the creditshelf platform ([www.creditshelf.com](http://www.creditshelf.com)) as an asset in accordance with IAS 38.65–38.67. This reflects the expectation by management that future economic benefits will accrue from the use of the asset and that its cost can be determined reliably. Potential borrowers submit their documents via this platform while investors can use it to register for credit projects – activities that demonstrate the existence of a market. The platform generates a direct economic benefit and is therefore considered to be a material asset in the group’s value creation process. The company has the necessary resources to develop and utilize the asset. The platform comprises individual microservices and the IT infrastructure, which supplement it with individual functionality. Subsequent costs are treated as enhancing the existing software and are capitalized in line with this. The amortization period for subsequent purchase costs is shortened in line with this. Expenses incurred for activities attributable to the set-up stages of the project, feasibility studies, preparatory activities, and maintenance are not capitalized.

The group reviews the carrying amounts of the intangible assets as of each reporting date for any evidence of impairment (“triggering event”). If such a triggering event is identified, creditshelf performs an impairment test in accordance with IAS 36. In this case, the recoverable amount of the asset in question is established so as to determine the amount of any impairment loss that needs to be recognized. The recoverable amount corresponds to the higher of the fair value less costs of disposal or the value in use. Value in use corresponds to the present value of the expected cash flow. The discount rate used is the pretax rate of interest reflecting current market conditions. Where no recoverable amount can be established for individual assets,



the recoverable amount for the smallest identifiable group of assets (cash-generating unit) to which the asset can be assigned is determined. The company performed an impairment test as of the December 31, 2022, reporting date as a precautionary measure, in order to establish whether the COVID-19 pandemic had led to any potential impairments of its intangible assets. The result was that no impairment losses needed to be recognized.

### **Assumptions and Estimation Uncertainty**

Information on assumptions and estimation uncertainties as of December 31, 2022, that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next fiscal year are disclosed in the notes given below:

- Note 7 – Measurement inputs used for impairment testing are subject to estimates. These are listed and explained in note 7. The same applies to the useful lives of internally generated and purchased intangible assets. These are unchanged, at five years.
- Note 9 – Noncurrent trade receivables (> 1 year) are discounted. The discount rate used for this – Deutsche Bundesbank's long-term interest rates – is selected on the basis of an estimate, which has not changed compared to the previous year.
- Note 10 – No recognition of deferred tax assets: The availability of future taxable profits against which tax loss carryforwards can be utilized is not sufficiently probable.
- Note 16 – Recognition and measurement of the share-based employee incentive programs (Restricted Stock Units Programs I–IV, or RSUs) introduced in 2019 and 2020. The company has a contractual option to settle the claims under the programs either in the form of equity or in cash. In the management's opinion, the claims will continue to be settled using shares, as was the case for the initial conversion. In addition, a company-specific employee turnover rate is applied. Since 2020, the remuneration paid to sales staff has been linked to qualitative and quantitative targets, which if met lead to payment of variable remuneration (a bonus) on top of the employees' fixed salary. The company can choose to pay the bonus in whole or in part in the form of shares of the company. In this case, the employees concerned are admitted to a share-based employee incentive program, which grants them the right to be awarded shares by the company. Based on a probability-weighted scenario approach, the personnel expenses and the resulting effects on wage tax provisions and capital reserves are calculated for the case that the claims are settled using RSUs, as are the provisions for personnel expenses for the case that they are settled in cash.
- Note 21 – Expected amount of rebates on revenues: In the case of a borrower default and a subsequent discretionary decision by the Management Board, uncollected investor fees are recognized directly as rebates pursuant to IFRS 15.51; these include an expected amount that is determined using the expected value method pursuant to IFRS 15.53.



As a matter of principle, estimates are subject to increased uncertainty due to the changed macroeconomic situation and particularly to the interest rate environment. However, this does not have any material concrete effects on the creditshelf group.

### **Changes in Material Bases of Estimation in Fiscal Year 2022**

No material changes were made in the past fiscal year in the estimates used by the Management Board since the publication of the 2021 Annual Report.

### **Fair Value Determination**

The group has established a control framework for fair value determination.

As far as possible, the group uses observable market data when determining the fair value of assets or liabilities. The fair values are assigned to different levels in the fair value hierarchy on the basis of the input factors used in the valuation techniques:

- Level 1: (Unadjusted) quoted prices in active markets for identical assets and liabilities
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (i.e., as prices) or indirectly (i.e., derived from prices)
- Level 3: Inputs for assets or liabilities that are not based on observable market data

## **4. ACCOUNTING POLICIES**

### **Changes in the Accounting Policies**

The material accounting principles are largely unchanged as against the 2021 consolidated financial statements.

### **Accounting Policies as of December 31, 2022**

This section describes the accounting policies applied to the consolidated financial statements as of December 31, 2022.





## Intangible Assets

With the exception of goodwill, purchased intangible assets are measured at cost and amortized using the straight-line method over the useful life of the asset concerned. Any impairment losses that occur are recognized. The amounts concerned are recognized in amortization in the statement of profit or loss; additional details are given in the disclosures on the statement of profit or loss. The expected useful life and the amortization method used are reviewed on each reporting date and all revisions to estimates are applied prospectively.

An internally generated asset arising from development or from the development phase of an internal project is recognized if, and only if, the entity can demonstrate all of the following:

- The technical feasibility of the intangible asset, so that it will be available for use or sale.
- The intention to complete the intangible asset and to use or sell it.
- The ability to use or sell the intangible asset.
- How the intangible asset will probably generate future economic benefits.
- The availability of adequate technical, financial, and other resources to complete development and to use or sell the intangible asset.
- The ability to measure reliably the expenses attributable to the intangible asset during its development.

Research costs are recognized as expenses in the period in which they are incurred. Research costs may not be capitalized.

The amount capitalized on first-time recognition of an internally generated asset is the sum of expenditure incurred from the date when the intangible asset first meets the abovementioned recognition criteria. If an internally generated asset does not meet the abovementioned recognition criteria, the development costs are expensed in the period in which they are incurred.

In subsequent periods, both internally generated and purchased intangible assets are measured at cost less amortization and impairment losses. Capitalized development costs are generally amortized using the straight-line method over a useful life of 5 years within the group. The amortization period for subsequent purchase costs is shortened in line with this. Prepayments for assets under construction have an indefinite useful life. Following its completion, this own work capitalized is reclassified as internally generated intangible assets and subsequently amortized over 5 years.

Intangible assets are derecognized on disposal or if no further economic benefit is to be expected from their use. The gain or loss arising from the derecognition of an intangible asset, determined as the difference between the net disposal gain or loss and the carrying amount of the asset, is recognized in profit or loss when the asset is derecognized. The gain or loss is reported in other income or other operating expenses.

Business combinations are accounted for using the purchase method, in which the purchase price is offset against the remeasured proportionate share of the acquiree's net assets. The carrying amounts recognized are the values applicable at the acquisition date, which is defined as the date on which control of the acquiree was obtained. Any difference in value must



be disclosed in full, i.e., recognizable assets, liabilities, and contingent liabilities must be reported at their fair value, irrespective of any noncontrolling interests. If the purchase price paid exceeds the remeasured proportionate net assets as at the acquisition date, the positive difference is recognized as goodwill as required by IFRS 3.32. A negative difference is recognized as a bargain purchase in profit or loss in line with IFRS 3.34.

The subsidiaries' recognizable assets, liabilities, and contingent liabilities were reported at their full fair value on initial consolidation, irrespective of the size of the interest concerned. On subsequent remeasurement, the consolidated carrying amounts are rolled over, with the exception of those assets and liabilities which are required to be continuously measured at fair value.<sup>34</sup>

Goodwill is not amortized as it has an indefinite useful life. Cash-generating units to which goodwill has been allocated are tested for impairment annually and whenever there is an indication that the unit may be impaired (see III. Impairment of Nonfinancial Assets).

creditshelf tests assets for impairment annually as of the reporting date and whenever there is an indication that the asset may be impaired ("triggering event"). If such a triggering event is identified, creditshelf performs an impairment test in accordance with the provisions of IAS 36. Impairment tests require the carrying amount of the asset to be compared with its recoverable amount. The recoverable amount of an asset or a cash-generating unit is the higher of fair value less costs of disposal (FVLcod) and value in use (ViU).

Value in use is determined by discounting the expected future cash flows to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. As required by IAS 36.44, future cash flows were based on assets in their current condition. The fair value less costs of disposal is determined using an appropriate measurement model. This is based on multiples or other available fair value indicators.

Any reversals of impairment losses that become necessary are recognized in profit or loss in subsequent periods up to the permissible limit. The limit is the carrying amount that would have applied as of the reporting date in question if the asset concerned had been written down in the regular way.

In line with creditshelf's management reporting, assets were not allocated across multiple different cash-generating units. creditshelf's subsidiary, creditshelf solutions GmbH, does not generate any material cash inflows of its own, although it contributes materially to cash inflows at the parent company. Thus the creditshelf group as a whole is the sole – and hence the smallest – cash-generating unit. Consequently, all internally generated and purchased intangible assets and goodwill must be allocated to the group as a whole. Impairment testing of goodwill is performed at group level.

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<sup>34</sup> According to IFRS 9, among others.



## Property, Plant, and Equipment

Property, plant, and equipment are measured at cost less accumulated depreciation and any impairment losses are recognized. Straight-line depreciation is used, with the cost of assets less their residual value being written down in equal amounts over their useful lives. The expected useful lives, residual values, and depreciation methods used are reviewed at every fiscal year-end. All necessary revisions to estimates are applied prospectively. Gains or losses on the disposal of items of property, plant, and equipment are reported in other income or other operating expenses.

In addition to right-of-use assets in leased assets with useful lives of four and six years, the company recognizes other operating and office equipment with useful lives of one to three years.

Low-value goods with carrying amounts of up to EUR 800 are written off immediately.

Items of property, plant, and equipment are derecognized on disposal or when no future economic benefits are expected from their continued use. The gain or loss on the sale or retirement of an item of property, plant, and equipment is determined as the difference between the disposal gain or loss and the carrying amount of the asset, and is included in profit or loss when the item is derecognized.

The cost of repairing an item of property, plant, and equipment is included in profit or loss. Costs are capitalized if they expand or materially enhance the asset in question.

No borrowing costs are capitalized, in accordance with IAS 23.11.

In addition, the property, plant, and equipment items contains recognized right-of-use assets as defined in IFRS 16 "Leases"; this standard has been required to be applied since January 1, 2019, and creditshelF applied it early as of fiscal year 2017.

The group recognizes right-of-use assets under two leases plus the corresponding lease liabilities. The value of the right-of-use assets at the time of recognition corresponds to the value of the lease liabilities plus any initial direct costs. In subsequent periods, right-of-use assets are measured at amortized cost and depreciated over the lease term. The amount of the lease liabilities is determined on the basis of the present value of the lease payments for the lease term agreed in the lease. The carrying amount of the lease liabilities is discounted using the previously applied discount rate and reduced by the amount of the lease payments. If the lease payments change, the lease liability is remeasured.

The exemption options set out in IFRS 16.5 were exercised for short-term leases and leases for which the underlying asset is of low value.



### **Impairment of Nonfinancial Assets**

The group reviews the carrying amounts of property, plant, and equipment, intangible assets, and goodwill as of each reporting date for any indication of impairment. If any such indication exists, the recoverable amount of the asset in question is estimated so as to determine the amount of any impairment loss. If it is not possible to estimate the recoverable amount for an individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is estimated, based on the current multiyear planning.

Assets with an indefinite useful life (such as goodwill) are not depreciated or amortized. Instead, the “impairment only” approach is applied, in which they are tested annually for impairment and additionally if corresponding indicators exist.

The group as a whole was used as the cash-generating unit for impairment testing, since it represents a homogeneous group of cash-generating assets that cannot be viewed independently of one other. The recoverable amount is the higher of an asset’s fair value less costs of disposal and its value in use. Value in use is determined by discounting the net cash inflows by the cost of capital. The cost of capital corresponds to the shareholders’ expected return and represents the terms on which comparable companies can obtain long-term financing. IAS 36 prohibits reversals in subsequent periods of impairment losses that have been recognized for goodwill. Amortization, depreciation and impairment losses charged on revenue-generating assets are recognized as depreciation and amortization in the consolidated statement of profit or loss and other comprehensive income, and are reported as amortization of intangible assets in the consolidated statement of cash flows. The carrying amount of the asset is written up if there is an indication that an impairment loss recognized in prior periods no longer applies. The reversal shall not exceed the carrying amount that would have been determined had no impairment loss been recognized. Where there was a need in subsequent periods to reverse the impairment loss on an impaired asset, this was recognized immediately in profit or loss in accordance with IAS 36.

No impairment losses were recognized in either the reporting period or the previous year.

### **Income Taxes**

Current taxes are the amount of income taxes expected to be paid or recovered in respect of the taxable profit or loss for the fiscal year. They are based on tax rates that have been enacted or substantively enacted by the end of the reporting period, and on all adjustments to tax liabilities made for previous years. The amount of income taxes expected to be paid or recovered represents the best estimate after adjustment for any uncertain tax positions. Current tax assets and liabilities are only offset under certain specific circumstances. Income taxes relate to deferred taxes and the recognition of provisions for taxes on the net profit or loss for the fiscal year.

Deferred taxes are accounted for using the balance sheet method. This requires that they be recognized on all (quasi-) temporary differences in recognition and measurement between the amounts reported in the IFRS statement of financial



position and the value for tax purposes. Deferred taxes are calculated on the basis of the current tax rates applicable to the period in which the temporary differences are likely to reverse. Deferred tax assets and deferred tax liabilities are offset in line with the provisions of IAS 12. Changes in the carrying amounts of deferred taxes are recognized in profit or loss to the extent that the underlying items are also treated in profit or loss and not recognized directly in equity. Deferred tax assets on temporary differences, unused tax losses, and unused tax credits are only recognized to the extent that it is probable that the same entity will have taxable profits in the foreseeable future relating to the same tax authority.

## **Financial Instruments**

### Recognition and Initial Measurement

Trade receivables are recognized as from the time they arise. All other financial assets and liabilities are recognized for the first time on the trading date if the entity becomes party to the contractual provisions of the instrument.

Trade receivables without a significant financing component and other financial assets are measured at their transaction price (which corresponds to the fair value) on initial recognition. Trade receivables with a significant financing component are recognized at their fair value using the effective interest method. The simplification option under IFRS 15.63 was applied in the case of receivables with a residual term of less than 12 months, and they were not discounted.

In the case of items that are not measured at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to their acquisition or issue are also included.

### Classification and Subsequent Measurement

Financial assets are classified and measured as follows on initial recognition:

- At amortized cost
- FVOCI debt instruments (investments in debt instruments that are measured at fair value, with changes being taken to other comprehensive income)
- FVOCI investments in equity instruments (investments in equity instruments that are measured at fair value, with changes being taken to other comprehensive income)
- FVTPL (measured at fair value with changes being recognized in profit or loss)

Financial assets are not reclassified following initial recognition unless the group changes its business model for managing the financial assets. In this case, all affected financial assets are reclassified on the first day of the reporting period following the change in the business model.



A financial asset is measured at amortized cost if both of the following conditions are met and it was not designated as FVTPL:

- It is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### Trade and Other Receivables

Trade and other receivables are measured at fair value on the date of initial recognition less any impairment losses; the effective interest method may be used where appropriate. Noncurrent other receivables are measured at amortized cost using the effective interest method.

#### Other Financial Assets

Debt instruments are measured at amortized cost if they are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and they also meet the cash flows requirement. The cash flows requirement is met if the cash flows are solely payments of principal and interest on the principal amount outstanding. Debt instruments are measured at fair value through other comprehensive income (FVOCI) if they are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. In addition, the cash flows requirement has to be met. Under IFRS 9, debt instruments must be measured at fair value through profit or loss (FVTPL) if they are not held either within a business model whose objective is to hold financial assets in order to collect contractual cash flows or within a business model whose objective is achieved by collecting contractual cash flows and selling financial assets. Other financial assets are reported as current or noncurrent assets, depending on management intent with respect to disposal.

Financial assets are only derecognized if the contractual rights to the cash flows have expired or the assets have been transferred to a third party along with the risks and rewards of ownership.

Income and expenses in connection with financial assets measured at fair value through profit or loss are reported under financial expense and financial income. Loss allowances on trade receivables are an exception to this rule. Uncollected investor fees resulting from defaults are corrected directly in revenue as rebates, and hence as variable consideration pursuant to IFRS 15.51, on the basis of individual decisions by the Management Board and using the expected value method pursuant to IFRS 15.53.



### **Cash and Cash Equivalents**

Cash and cash equivalents comprise cash in hand and bank balances that are denominated in euros in all cases.

### **Measurement of Nonderivative Financial Liabilities**

Nonderivative financial liabilities that are not held for trading or designated as such on initial recognition are measured at fair value less directly attributable transaction costs on initial recognition. Thereafter they are measured at amortized cost using the effective interest method.

### **Equity and Reserves**

The minimum par value of EUR1 for the no-par value bearer shares was recognized as subscribed capital.

The excess of the issuing price over the minimum par value for the no-par value bearer shares is recognized in equity under the capital reserves.

### **Provisions**

Provisions are nonfinancial liabilities of uncertain timing or amount. They are recognized for legal or factual obligations of the company arising from past events. A precondition for recognition is that the obligation is expected to result in an outflow from the entity of resources embodying economic benefits, and that a reliable estimate of the obligation can be made.

The amount recognized is the best estimate of the obligation based on past experience and market expectations, taking specific risks into account.

### **Revenue Recognition**

The company has applied the principles set out in IFRS 15 to all new contracts with borrowers since fiscal year 2017. In line with this, all borrower contracts are assessed using a five-step model, and the timing and period of revenue recognition are determined. The model comprises the following steps:

- identifying the contract(s) with the borrower
- identifying performance obligations in the contract



- determining the transaction price for the entire contract
- allocating the transaction price to the individual performance obligations
- recognizing revenue when (or as) the entity satisfies the performance obligation

The point in time at which revenue is realized is determined by determining when the borrower obtains control of the asset. Specific criteria are used to clarify whether control is transferred either over time or at a point in time. For example, one indication of this is whether the significant opportunities and risks have been transferred.

The creditshelf group generates revenue in the following areas:

- fees from brokering loans to borrowers
- fees from providing services to investors (primarily arranging investment opportunities)
- servicing and monitoring activities, such as consulting for the creditshelf Loan Fund and provision of the platform for collateral monitoring and for monitoring companies' business documents over time.

Whereas application of the IFRS 15 criteria reveals that the first two revenue streams in this list only result in revenue being generated at a point in time, the revenue stream in the third item comprises revenues recognized over time. In this case, the company receives a predefined fee over the fixed contractual period based on the loan amount originally arranged. In the first and second cases, the service is performed by the company immediately the loan is granted by the fronting bank. The borrower fee is retained directly when the loan amount is disbursed by the fronting bank, whereas the investor fee is generally retained in installments from the repayments of the principal amount. In addition, individual agreements providing for creditshelf to be remunerated by investment vehicles exist under partnerships with institutional investors. In the case of the first two revenue streams, the transaction costs result from the application of a contractually defined percentage of the disbursed lending volume.

### **Financial Income and Financial Expense**

The group's financial income and financial expense consist of interest income and interest expense.

These are measured using the effective interest rate and recognized in the statement of profit or loss as other financial income or financial expense.

### **Enhanced Disclosures on Financial Instruments**

Risk Management of Financial Instruments





The group's main financial instruments comprise receivables and cash at banks. No derivative financial instruments as defined by IFRS 9 were entered into or held.

Financial instruments were examined for additional evidence of impairment.

The lifetime expected credit loss is used in all cases to measure loss allowances on trade receivables and contractual assets.

When determining whether the default risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the group uses reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analyses that are based on the group's historical loss experience and well-founded assessments, including forward-looking information.

The group assumes that the default risk of a financial asset has increased significantly if it has been overdue for more than 30 days.

Fee contracts with investors in the amount of kEUR 1,103.3 (previous year: kEUR 1,573.5) contain provisions granting the group the right to claim payment of the fee directly from the investor if the borrower fails to pay it. The relevant performance indicators – primarily debt-to-equity and capital ratios – are monitored continuously and reported to the Management Board. Uncollected investor fees are corrected directly in revenue as rebates, and hence as variable consideration pursuant to IFRS 15.51, on the basis of individual decisions by the Management Board and using the expected value method pursuant to IFRS 15.53.

Financial assets and liabilities are measured at amortized cost. They comprise recognized trade receivables (both current and noncurrent), other receivables, other financial assets, cash and cash equivalents, trade payables, and other financial liabilities (both current and noncurrent). The carrying amounts of current financial assets and liabilities are reported as a reasonable approximation of their fair value.

In the case of noncurrent assets, the Level 3 fair value was determined by applying a standard market discount rate appropriate to the term of the asset. In the case of noncurrent financial liabilities, the carrying amount corresponds to the fair value, as a standard market interest rate was used in the calculation (see the information provided in note 9).

The following table and information give the carrying amounts (and hence the fair values) of financial assets and liabilities, and the levels in the fair value hierarchy to which they have been assigned.



Category	IFRS 9	Carrying amount	Carrying amount
		Dec. 31, 2022	Dec. 31, 2021
		in kEUR	in kEUR
<b>Noncurrent financial assets</b>			
Trade receivables	FAAC	679.4	1,033.0
Other financial assets	FAAC	0.0	27.1
		<b>679.4</b>	<b>1,060.1</b>
<b>Current financial assets</b>			
Trade receivables	FAAC	1,327.5	1,262.1
Other financial assets	FAAC	47.2	25.5
Cash and cash equivalents	FAAC	4,135.1	4,458.7
		<b>5,509.8</b>	<b>5,746.3</b>
<b>Noncurrent liabilities</b>			
Other financial liabilities	FLAC	2,863.0	2,463.2
		<b>2,863.0</b>	<b>2,463.2</b>
<b>Current liabilities</b>			
Trade payables	FLAC	3,410.9	3,694.3
Other financial liabilities	FLAC	64.2	75.3
		<b>3,475.1</b>	<b>3,769.6</b>



## 5. CONSOLIDATION METHODS

As was the case in the previous year, the consolidated financial statements comprise the financial statements of the parent company and of its subsidiary, creditshelf solutions GmbH.

creditshelf tests assets annually for impairment and whenever there is an indication that the asset may be impaired ("triggering event"). This also applies to the goodwill recognized at group level, which resulted from the residual amount following purchase price allocation in accordance with IFRS 3 "Business Combinations" that was performed on acquisition of all the shares in Valendo GmbH in fiscal year 2019.

Hidden reserves and hidden liabilities realized on fair value measurement of the assets and liabilities in the course of initial recognition are rolled over, amortized, and reversed in subsequent periods in line with the changes in the assets and liabilities.

Profit and loss and all components of other comprehensive income are attributed to the owners of the parent.

All intercompany transactions are eliminated in the course of the consolidation of intercompany balances. This means that all receivables and liabilities for companies included in consolidation are offset against each other. Equally, all transactions recognized in profit or loss are eliminated during the consolidation of income and expenses. No elimination of intercompany profits needs to be performed at creditshelf since these do not exist.

The financial statements of the subsidiary were prepared as of the same reporting date as the financial statements of the parent company.

## 6. BUSINESS COMBINATIONS (IFRS 3)

In the course of the acquisition by creditshelf Aktiengesellschaft of the former Valendo GmbH as of October 1, 2019, the parties to the contract agreed a contingent purchase price that was linked to earn-out provisions (purchase price tranche II) in addition to the consideration for the transfer of own shares worth kEUR 1,434.7 (purchase price tranche I).

Following the expiration of the earn-out period on January 18, 2021, the targets for the revenue-based earn-out element were reached, in line with management expectations. The buyer and the seller agreed that the first two earn-out elements do not apply and that the earn-out payable is kEUR 250. Equally, other purchase price adjustment mechanisms defined in the purchase agreement for the company taking the form of a reduction did not apply. In January 2021, creditshelf Aktiengesellschaft's Management Board resolved not to apply the replacement option and to settle the earn-out due in cash.

No new transactions requiring to be reported under IFRS 3 arose in fiscal year 2022.



## **B) DISCLOSURES ON THE CONSOLIDATED FINANCIAL STATEMENTS**

### **7. INTANGIBLE ASSETS**

The intangible assets comprise an internally generated Internet platform and an internally generated risk engine. The risk engine is the overarching architecture that is used to support the digital risk analysis process. Following their completion as of January 1, 2022, the previously independent, modular software components used for risk analysis were combined to produce a single higher-level asset in accordance with IAS 38. The previous risk tool (software) was developed in the period up to March 2020 by an external service provider under the company's supervision and with input from the company's employees. Since Q4 2022, creditshelf's work on developing this overarching architecture has been assisted by an external software developer under the company's direction ("nearshoring").

In addition, on taking over the former Valendo GmbH in 2019, creditshelf acquired other software that focuses primarily on servicing and monitoring loans. This can be used both directly and as the basis for further development. The creditshelf team is responsible for ongoing developments to these purchased modules.

In accordance with IAS 38, these intangible assets have only been capitalized because there is a probability of future economic benefits accruing to creditshelf and the cost of the asset can be determined reliably.

In addition, intangible assets include the goodwill resulting from the acquisition of the former Valendo GmbH and rights acquired for consideration from third parties.

As of December 31, 2022, intangible assets comprised the following:



	Acquired intangible assets		Internally generated intangible assets	Prepayments for intangible assets	Total	
	Industrial and similar rights and assets	Software	Goodwill			
	in kEUR	in kEUR	in kEUR	in kEUR	in kEUR	
<b>Gross amount</b>						
Balance as of January 1, 2021	8.1	3,674.8	517.7	999.9	235.6	5,436.1
Additions	0.0	0.0	0.0	0.0	652.9	652.9
Disposals	0.0	0.0	0.0	0.0	0.0	0.0
Reclassifications	0.0	0.0	0.0	0.0	0.0	0.0
Balance as of December 31, 2021	8.1	3,674.8	517.7	999.9	888.5	6,089.0
<b>Accumulated amortization</b>						
Balance as of January 1, 2021	1.7	1,282.5	0.0	717.3	0.0	2,001.5
Additions	0.7	760.9	0.0	282.6	0.0	1,044.2
Disposals	0.0	0.0	0.0	0.0	0.0	0.0
Reclassifications	0.0	0.0	0.0	0.0	0.0	0.0
Balance as of December 31, 2021	2.4	2,043.4	0.0	999.9	0.0	3,045.7
<b>Carrying amount as of December 31, 2021</b>	<b>5.7</b>	<b>1,631.4</b>	<b>517.7</b>	<b>0.0</b>	<b>888.5</b>	<b>3,043.3</b>
<b>Carrying amount as of January 1, 2021</b>	<b>6.4</b>	<b>2,392.3</b>	<b>517.7</b>	<b>282.6</b>	<b>235.6</b>	<b>3,434.6</b>



	Acquired intangible assets		Internally generated intangible assets	Prepayments for intangible assets	Total	
	Industrial and similar rights and assets	Software	Goodwill			
	in kEUR	in kEUR	in kEUR	in kEUR	in kEUR	
<b>Gross amount</b>						
Balance as of January 1, 2022	8.1	3,674.8	517.7	999.9	888.5	6,089.0
Additions	0.0	0.0	0.0	373.0	246.0	619.0
Disposals	0.0	0.0	0.0	0.0	0.0	0.0
Reclassifications	0.0	-1,454.6	0.0	2,514.0	-1,059.4	0.0
Balance as of December 31, 2022	8.1	2,220.2	517.7	3,886.9	75.1	6,708.0
<b>Accumulated amortization</b>						
Balance as of January 1, 2022	2.4	2,043.4	0.0	999.9	0.0	3,045.7
Additions	0.6	64.4	0.0	471.9	0.0	536.9
Disposals	0.0	0.0	0.0	0.0	0.0	0.0
Reclassifications	0.0	0.0	0.0	0.0	0.0	0.0
Balance as of December 31, 2022	3.0	2,107.8	0.0	1,471.8	0.0	3,582.6
<b>Carrying amount as of December 31, 2022</b>	<b>5.1</b>	<b>112.4</b>	<b>517.7</b>	<b>2,415.1</b>	<b>75.1</b>	<b>3,125.4</b>
<b>Carrying amount as of January 1, 2022</b>	<b>5.7</b>	<b>1,631.4</b>	<b>517.7</b>	<b>0.0</b>	<b>888.5</b>	<b>3,043.3</b>



Based on the structure of the table above, the changes in the individual intangible asset components were as follows:

No additions to or disposals of purchased industrial and similar rights and assets were recorded in the reporting period compared to the end of 2021. The existing assets in this category are being amortized. The amortization period is 5 years.

The software programs capitalized have finite lives and are presented after adjustment for prepayments. Amortization of capitalized intangible assets is presented in the “depreciation and amortization” line of the statement of profit or loss. In accordance with IAS 36, assets are reviewed for evidence of impairment and, if new facts arise, in the course of the year as well. The most recent impairment test was performed as of December 31, 2022, and did not result in any impairment losses being recognized.

No additions to or disposals of purchased software were recorded in the reporting period compared to the end of 2021. As described earlier, the components making up the risk tool were incorporated into the internally generated risk engine. Consequently, the relevant residual carrying amount was reclassified from capitalized software to the internally generated intangible assets item. This led to the creation of a new, higher-level asset for which a new amortization period was recognized. The existing assets in this category are being amortized. The amortization period is 5 years.

Purchase price allocation was performed in connection with the acquisition of the former Valendo GmbH as of October 1, 2019. This led to the capitalization of internally generated software – which is largely used for monitoring and servicing existing loans – as a purchased intangible asset. An amortization period of 5 years was adopted for this software. The carrying amount as of the December 31, 2022, reporting date was kEUR 112.5 (previous year: kEUR 176.7).

The carrying amount of the goodwill resulting from the acquisition of the former Valendo GmbH that was recognized as of December 31, 2022, was unchanged, at kEUR 517.7 (previous year: kEUR 517.7). Goodwill is not amortized as it has an indefinite useful life. The cash generating unit (CGU) to which the goodwill has been allocated is reviewed for impairment once a year or where evidence of impairment exists. The most recent impairment test was performed as of December 31, 2022, and did not result in any impairment losses being recognized.

Internally generated intangible assets with a carrying amount of kEUR 2,415.1 (December 31, 2021: kEUR 0.0) related firstly to the risk engine and secondly to a tool for optimizing and expanding the digital lending process. The amortization period in each case is 5 years. No non-capitalizable development costs are included in the statement of profit or loss.

Ongoing development of the systems architecture is recognized as assets under construction or prepayments for intangible assets. The costs incurred in the course of development were recognized as own work capitalized and booked as a prepayment. The carrying amount as of December 31, 2022, amounted to kEUR 75.1 (December 31, 2021: kEUR 888.5). The decrease was due to completion of the risk engine and to the tool for optimizing and expanding the digital lending process, and their resulting reclassification to internally generated intangible assets. The remaining assets under construction comprise an extension for portfolio optimization. This had been roughly 60% completed as of the December 31, 2022, reporting date. The company



expects that it will be completed in the medium term. Following completion, this own work capitalized will be reclassified as internally generated intangible assets and subsequently amortized over 5 years.

## Impairment Testing

Impairment testing of assets and goodwill recognized as of December 31, 2022, was performed in accordance with IAS 36, IDW Accounting Principle IDW RS HFA 40 "Einzelfragen zu Wertminderungen von Vermögenswerten nach IAS 36" ("Specific Questions Relating to Impairments of Assets under IAS 36"), and IFRS 13, "Fair Value Measurement."

The group as a whole was used as the cash-generating unit for impairment testing, since it represents a homogeneous group of cash-generating assets that consequently cannot be viewed independently of one other. creditshelf's recoverable amount was determined on the basis of its value in use. Since creditshelf is a relatively young company with high rates of growth and investment, value in use reflects management's future expectations. This entails the use of assumptions, which can be taken from the following table. The calculations are based on cash flow forecasts used in the budgets for the years up to and including 2024, which have been approved by the management. For the period beyond that, the growth rates and margins were transformed into a perpetual terminal value ("TV") over three transitional periods. Revenue growth beyond the detailed planning period was reduced linearly to a perpetual growth rate of 1.0% (previous year: 1.0%). The EBITDA margin for the terminal value was based on forecast data from the peer group, which was also used to calculate the cost of capital. The higher interest rate environment led to an increase in the WACC.

<b>Inputs</b>	<b>creditshelf as of Dec. 31, 2022</b>	<b>creditshelf as of Dec. 31, 2021</b>
WACC (before tax)	17.06%	9.53%
Tax rate	31.93%	31.93%
Growth rate (TV)	1.00%	1.00%
EBITDA margin (TV)	25.52%	28.44%
Carrying amount of net assets in EUR million	4.0	3.9
<b>Evidence of impairment</b>	<b>No</b>	<b>No</b>





	creditshelf as of Dec. 31, 2022	creditshelf as of Dec. 31, 2021
	in kEUR	in kEUR
<b>Noncurrent assets</b>		
Intangible assets	3,125.4	3,043.2
Property, plant, and equipment	101.5	176.4
Trade receivables	679.4	1,033.0
<hr/>		
<b>Current assets</b>		
Trade receivables	1,327.5	1,262.1
Other assets	203.2	206.3
Other financial assets	47.2	25.5
<hr/>		
<b>Current liabilities</b>		
Trade payables	-410.9	-694.3
Other financial liabilities	-64.2	-75.3
Other provisions	-102.8	-191.3
Other liabilities	-873.5	-878.3
Tax liabilities	0.0	0.0
<hr/>		
<b>Carrying amount of net assets</b>	<b>4,932.8</b>	<b>3,987.3</b>
<hr/> <hr/>		

The carrying amount of the assets comprises noncurrent assets, current assets, and current liabilities. The item does not include cash and cash equivalents, equity, or noncurrent liabilities.

The impairment test performed by creditshelf did not lead to any impairment losses being charged on the recognized goodwill, since the recoverable amount was in excess of the carrying amount of the net assets.

### Significant Estimates: Impact of Potential Changes on Key Assumptions

Although the assumptions made regarding the macroeconomic environment, developments in the sector in which creditshelf is active, and discounted cash flows are considered to be reasonable, changes in the assumptions or circumstances relating to the volatility of impairment requirements must be examined.

In line with this, creditshelf performed a sensitivity analysis as of the December 31, 2022, reporting date. The analysis assumed changes of +/- 1.5 percentage points for the WACC before tax applied, plus revenue growth rates of +/- 0.75 percentage points in the terminal value period and changes in the EBITDA margin of +/- 3.0 percentage points in the terminal value period. The



sensitivity analysis revealed that the goodwill was not impaired even after the adjusted assumptions were taken into account. This also applies when the inputs to which the sensitivity analysis were applied are viewed in the aggregate.

## **8. PROPERTY, PLANT, AND EQUIPMENT**

Property, plant, and equipment comprises normal operating and office equipment and right-of-use assets in land and buildings held by the company.

The changes in property, plant, and equipment can be seen from the following table:



	<b>Acquired intangible assets</b>	<b>Internally generated intangible assets</b>		<b>Prepayments for intangible assets</b>	<b>Total</b>
	<b>in kEUR</b>	<b>in kEUR</b>	<b>in kEUR</b>	<b>in kEUR</b>	<b>in kEUR</b>
<b>Gross amount</b>					
Balance as of January 1, 2021	335.80	10.50	38.40	228.30	613.00
Additions	73.70	0.00	12.90	15.40	102.00
Disposals	0.00	0.00	-2.10	-54.10	-56.20
Balance as of December 31, 2021	409.50	10.50	49.20	189.60	658.80
<b>Accumulated amortization</b>					
Balance as of January 1, 2021	222.80	3.20	38.40	125.80	390.20
Additions	69.20	1.00	12.90	57.30	140.40
Disposals	0.00	0.00	-2.10	-46.10	-48.20
Balance as of December 31, 2021	292.00	4.20	49.20	137.00	482.40
<b>Carrying amount as of December 31, 2021</b>	<b>117.50</b>	<b>6.30</b>	<b>0.00</b>	<b>52.60</b>	<b>176.40</b>
<b>Carrying amount as of January 1, 2021</b>	<b>113.00</b>	<b>7.30</b>	<b>0.00</b>	<b>102.50</b>	<b>222.80</b>



	<b>Acquired intangible assets</b>	<b>Internally generated intangible assets</b>		<b>Prepayments for intangible assets</b>	<b>Total</b>
	<b>in kEUR</b>	<b>in kEUR</b>	<b>in kEUR</b>	<b>in kEUR</b>	<b>in kEUR</b>
<b>Gross amount</b>					
Balance as of January 1, 2022	409.50	10.50	49.20	189.60	658.80
Additions	0.00	5.20	6.60	40.20	52.00
Disposals	0.00	-1.20	-3.20	-33.20	-37.60
Balance as of December 31, 2022	409.50	14.50	52.60	196.60	673.20
<b>Accumulated amortization</b>					
Balance as of January 1, 2022	292.00	4.20	49.20	137.00	482.40
Additions	73.00	1.40	5.80	45.20	125.40
Disposals	0.00	-1.00	-3.20	-31.90	-36.10
Balance as of December 31, 2022	365.00	4.60	51.80	150.30	571.70
<b>Carrying amount as of December 31, 2022</b>	<b>44.50</b>	<b>9.90</b>	<b>0.80</b>	<b>46.30</b>	<b>101.50</b>
<b>Carrying amount as of January 1, 2022</b>	<b>117.50</b>	<b>6.30</b>	<b>0.00</b>	<b>52.60</b>	<b>176.40</b>

## Operating and Office Equipment

Operating and office equipment and low-value assets largely relate to IT equipment and office furniture. The disposals mainly relate to defective IT equipment.

## Right-of-use Assets Under Leases

The creditshelf group had two leases covered by IFRS 16 – a building lease and an automobile lease – as of December 31, 2022. No other leases requiring capitalization existed as of the reporting date. The carrying amounts as of December 31, 2022, were kEUR 44.5 (previous year: kEUR 117.5) for the two lease assets and kEUR 48.3 (previous year: kEUR 123.6) for the lease liabilities.

The changes in the lease liabilities were as follows:

	<b>Lease liabilities</b>	<b>Change due to lease extension</b>	<b>Total lease expenses</b>	<b>Total repayments</b>	<b>Total interest</b>
<b>Lease liabilities</b>	<b>in kEUR</b>	<b>in kEUR</b>	<b>in kEUR</b>	<b>in kEUR</b>	<b>in kEUR</b>
<b>as of December 31, 2021</b>	123.6	72.2	75.8	72.3	3.5
<b>as of December 31, 2022</b>	48.3	0.0	78.5	75.3	3.2

No lease liabilities such as rental liabilities were deferred in fiscal year 2022. Equally, there were no matters requiring the recognition of impairment losses in the period from January 1 to December 31, 2022. Please see note 32 in this report for further information about IFRS 16.



## 9. NONCURRENT RECEIVABLES AND ASSETS

Noncurrent receivables comprise trade receivables with a term of more than one year. Trade receivables must be initially recognized in the amount of the noncontingent consideration. However, if they contain a significant financing component they must be recognized at fair value instead. The group holds trade receivables in order to collect contractual cash flows and consequently recognizes these at amortized cost using the effective interest method. The net amount reported is considered to be a plausible estimate of the fair value.

The noncurrent receivables in fiscal year 2022 were as follows:

	<b>31.12.2022</b> <b>in kEUR</b>	<b>31.12.2021</b> <b>in kEUR</b>
Gross amount of receivables	733.6	1,080.5
Financing component	-20.4	-25.5
Net amount of receivables	713.2	1,055.0
Expected discount	-33.8	-22.0
<b>Trade receivables</b>	<b>679.4</b>	<b>1,033.0</b>

The borrower fee is automatically retained from the loan disbursement amount. The investor fee is normally deducted automatically from the principal repayment amounts accruing to investors. In addition, individual agreements providing for creditshelf to be remunerated by investment vehicles exist under partnerships with institutional investors. This means that noncurrent receivables can only become overdue if the borrower defaults and hence no cash inflows at all can be expected. If a borrower defaults, uncollected investor fees are recognized as rebates pursuant to IFRS 15.51, and hence as variable consideration plus an expected amount, following an individual decision by the Management Board, and are deducted from revenue. Consequently, creditshelf's business model does not provide for the possibility of a noncurrent receivable becoming overdue without a Level 3 waiver of a receivable under the IFRS 9 level model being recognized at the same time. As a result, the group has not recognized any Level 3 valuation allowances in this context.

The carrying amount of trade receivables that are classified as current assets corresponds to the fair value. Receivables with a term of more than 12 months are discounted. The financing portion is corrected directly in revenue. The fair values were determined on the basis of the discounted cash flows using a current lending rate.

### Impairment Losses and Risks

Information on impairment losses on trade receivables that are attributable to default risk can be found in note 21. No currency risk or interest rate risk exists.



## **Other Receivables**

The other receivables item includes lease security deposits for the premises at Mainzer Landstrasse 33a, Frankfurt am Main. In line with the nature of this other receivable, the carrying amount corresponds to the fair value.

## **10. DEFERRED TAXES**

The company evaluated the usability of the loss carryforwards using the criteria set out in IAS 12. Deferred taxes of kEUR 0.0 were recognized as of December 31, 2022 (previous year: kEUR 0.0) after deferred tax assets and deferred tax liabilities were offset. Deferred tax assets can only be recognized to the extent that deferred tax liabilities have been recognized. Offset deferred tax liabilities amounted to kEUR 628.1 as of December 31, 2022 (previous year: kEUR 404.4). As in the previous year, deferred tax assets have not been recognized since the management believes that it remains impossible to supply the convincing other evidence of the probability that such deferred tax assets will be used which loss-making entities are required to provide for recognition to be possible. The unrecognized deferred taxes on loss carryforwards, which do not lapse under German law, amounted to kEUR 7,491.5 as of December 31, 2022 (previous year: kEUR 7,096.3). Total unutilized deferred tax assets were kEUR 7,927.5 as of December 31, 2022 (previous year: kEUR 7,696.7), with kEUR 391.3 (previous year: kEUR 261.0) of this amount being attributable to creditshelf's subsidiary. Deferred taxes are due to temporary differences between the tax base and the IFRS carrying amounts, and to income tax loss carryforwards. These temporary differences totaled kEUR 1,365.7 as of December 31, 2022 (previous year: kEUR 1,880.8). No deferred taxes were recognized on corporation tax loss carryforwards of kEUR 23,561.9 (previous year: kEUR 22,277.6) and trade tax loss carryforwards of kEUR 23,512.4 (previous year: kEUR 22,273.3).

## **11. CURRENT TRADE RECEIVABLES**

Trade receivables comprise fees owed by investors that creditshelf largely charges for brokering loans or shares of loans. Their due dates are linked to the borrower repayments. Since creditshelf arranges loans with different durations, the terms of the receivables also vary. As a result, receivables are classified as both current and noncurrent.

Current receivables comprise trade receivables with a term of less than one year. They amounted to kEUR 1,327.5 as of December 31, 2022 (previous year: kEUR 1,262.1). Trade receivables must be initially recognized in the amount of the noncontingent consideration. Under the IFRSs, however, receivables that contain a significant financing component must be



recognized at fair value instead. Use is made of the simplification option under IFRS 15.63 for receivables with a residual term of less than 12 months, which are not discounted due to their short-term nature.

The group holds trade receivables in order to collect contractual cash flows and consequently recognizes these at amortized cost using the effective interest method. The net amount reported is considered to be a plausible estimate of the fair value.

The borrower fee is normally retained automatically from the loan disbursement amount. The investor fee is normally deducted automatically from the principal repayment amounts accruing to investors. In addition, individual agreements providing for creditsheff to be remunerated by investment vehicles exist as part of partnerships with institutional investors. This means that such payments can generally only become overdue if the borrower defaults and hence no cash inflows at all can be expected. If a borrower defaults, uncollected investor fees are recognized as rebates pursuant to IFRS 15.51, and hence as variable consideration plus an expected amount, following an individual decision by the Management Board, and are deducted from revenue. If the term of a loan is extended but the loan volume is not reissued, the borrower refunds creditsheff the borrower fee due. No specific valuation allowances were recognized for potential defaults in fiscal year 2022 (previous year: kEUR 100.5). An impairment loss was recognized in the case of a moratorium (under which the borrower pays a separate fee to prolong the payment period), once again following an individual decision by the Management Board. Specific valuation allowances in the amount of kEUR 100.0 (previous year: kEUR 0.0) were recognized on potential defaults resulting from moratoria.

In the case of trade receivables that have been classified as current assets, the group considers the settlement amount to be a plausible estimate of the fair value. Receivables with a term of more than 12 months are discounted. The fair values were determined on the basis of the discounted cash flows using a current lending rate that will not be changed going forward.

## 12. CURRENT OTHER ASSETS AND FINANCIAL ASSETS

	<b>31.12.2022</b> in kEUR	<b>31.12.2021</b> in kEUR
<b>Other assets</b>		
Other receivables	203.2	206.3
	<b>203.2</b>	<b>206.3</b>
<b>Other financial assets</b>		
	47.2	25.5
	<b>47.2</b>	<b>25.5</b>





Other receivables primarily comprise accrued insurance payments and prepaid invoices. The other financial assets primarily relate to receivables from health insurance providers and current lease security deposits.

Due to the short-term nature of the other receivables, the group considers the settlement amount to be a plausible estimate of the fair value.

### **13. CASH AND CASH EQUIVALENTS**

creditshelf's cash and cash equivalents amounted to kEUR 0.5 as of December 31, 2022 (previous year: kEUR 0.7). Bank balances totaled kEUR 4,134.6 (previous year: kEUR 4,458.0). As in the previous year, the settlement of transactions led to cash of kEUR 3,000.0 (previous year: kEUR 3,000.0) being held temporarily in a company account as of the December 31, 2022, reporting date, briefly increasing the cash and cash equivalents. This item was matched by a liability in the same amount.

In addition, accounts held by creditshelf solutions GmbH at Raisin Bank contained undisbursed payments due to investors of kEUR 115.9 (previous year: kEUR 110.2); these amounts increased the cash and cash equivalents and must be deducted from the cash funds. This item was also matched by a liability in the same amount. creditshelf solutions GmbH also has a bank account at Raisin Bank that serves solely to provide cash cover for future loans for which the company has granted Raisin Bank a purchase undertaking in the normal course of business. As part of this cash cover, the company has permanently pledged the bank account to Raisin Bank. There is a contractual prohibition on the company disposing of the funds in this account independently. As of December 31, 2022, the account had a balance of kEUR 0.1 (previous year: kEUR 0.1). The cash funds item must be reduced by this amount.

After adjustment for the abovementioned amounts, total cash funds as of the reporting date were kEUR 4,135.1 (previous year: kEUR 4,458.7).

On January 4, 2021, creditshelf Aktiengesellschaft signed a shareholder loan framework agreement with Obotritia Capital KGaA; an addendum to the agreement was entered into on March 9, 2021. The agreement provides for an overall amount of up to EUR 8 million and 8% interest per annum, payable on maturity, and will end at the latest on December 31, 2027. Only EUR 2.6 million (previous year: EUR 2.3 million) of this amount had been drawn down as of December 31, 2022. No notice to terminate the agreement has been given.



## 14. EQUITY AND RESERVES

Equity instruments in the amount of kEUR 311.8 (previous year: kEUR 588.8) were recognized in the capital reserves as a result of the issuance of restricted stock units for the share-based employee incentive programs (RSU I to RSU IV – see also note 16), due to the decision to exercise the equity settlement option. Transaction costs of kEUR 0.0 (previous year: kEUR 22.4) and earn-out obligations relating to the acquisition of the former Valendo GmbH of kEUR 0.0 (previous year: kEUR 250.0) were incurred in relation to the equity instruments recognized in the capital reserves; pursuant to IAS 32, these are directly attributable to the creation of these equity instruments. No transaction costs or earn-out obligations were incurred in fiscal year 2022. In addition to the listing procedure for equity instruments scheduled for the beginning of the coming fiscal year, transaction costs are also incurred in relation to the ongoing implementation of the share-based employee incentive programs; the relevant amounts were deferred on a pro rata basis. There were four share-based employee incentive programs (Restricted Stock Units Programs I-IV) in existence during the reporting period.

creditshelF Aktiengesellschaft's subscribed capital was increased on a single occasion in the reporting period by EUR 11,674.00 from EUR 1,376,200.00 (as of December 31, 2021) to EUR 1,387,874.00 (as of December 31, 2022). The subscribed capital is composed of 1,387,874 no-par value bearer shares (previous year: 1,376,251 no-par value bearer shares). Each no-par value bearer share entitles the holder to one vote.

The capital increase was performed in the basis of the resolution by the Management Board dated January 31, 2022, to increase the company's subscribed capital in order to perform a further conversion of the claims already due under the share-based employee incentive programs (Restricted Stock Units Programs) that were introduced at the beginning of fiscal year 2019. The Supervisory Board approved this resolution on February 1, 2022, following the circulation of written documents. The new shares were entered in the commercial register on February 17, 2022, and were admitted to trading on Frankfurt Stock Exchange's Regulated Market on February 24, 2022, with the same German securities identification number (WKN) as the old shares. The share capital has been contingently increased by up to EUR 688,125.00 (previous year: EUR 688,125.00) pursuant to the resolution passed by the General Meeting on May 10, 2021. The authorized capital amounted to EUR 676,502.00 as of December 31, 2022 (previous year: EUR 688,125.00).

The changes in equity are shown in the statement of changes in equity.

creditshelF Aktiengesellschaft's main shareholders are Hevella Capital GmbH & Co. KGaA, LDT Investment GmbH, DBR Investment GmbH, and Obotritia Capital KGaA. As of December 31, 2022, these held a total of approximately 80.6% of the voting rights, based on the voting rights notifications submitted in accordance with the WpHG (previous year: 80.0%). This results in the following proportionate voting rights:



Interest	Shareholder					Free Float*	Total
	LDT Investment GmbH	DBR Investment GmbH	Hevella Capital GmbH & Co. KGaA	Obotritia Capital KGaA			
<b>Dec. 31, 2021</b>							
Nominal amount in kEUR	239.2	219.9	519.1	122.3	275.7	1,376.2	
in percent	17.4%	16.0%	37.7%	8.9%	20.0%	100.0%	
Interest	Shareholder					Free Float*	Total
	LDT Investment GmbH	DBR Investment GmbH	Hevella Capital GmbH & Co. KGaA	Obotritia Capital KGaA			
<b>Dec. 31, 2022</b>							
Nominal amount in kEUR	239.2	219.9	519.1	126.8	282.9	1,387.9	
in percent	17.2%	15.8%	37.4%	9.1%	20.4%	100.0%	

## 15. EQUITY TRANSACTION COSTS ASSOCIATED WITH CAPITAL INCREASES

For fiscal year 2022, directly allocable transaction costs of kEUR 0.0 (previous year: kEUR 22.4) were deducted against equity in the free capital reserves in connection with cash capital increases under the share-based employee incentive programs (Restricted Stock Units Programs I-IV). The transaction costs primarily comprised expenses for the banks advising on the transactions.

## 16. SHARE-BASED EMPLOYEE INCENTIVE PROGRAMS (RESTRICTED STOCK UNITS PROGRAMS I-IV)

The Management Board resolved to introduce three share-based employee incentive programs (Restricted Stock Units Programs I-III) in fiscal year 2019. A further share-based employee incentive program (Restricted Stock Units Program IV) was added in June 2020. All four programs qualify as compensation measures under IFRS 2 that are designed to align employees' and shareholders' interests and hence to generate a sustainable increase in enterprise value. In addition, the programs aim to motivate participants to contribute to the long-term growth and economic success of the company and its affiliates. Claims



under the programs are to be met by issuing equity instruments. All shares under the programs that have vested as of the end of a year are serviced by implementing a cash capital increase from existing authorized capital, while disapplying existing shareholders' subscription rights, at the start of the new fiscal year. This results in what is known as an equity settlement, i.e., the personnel expenses incurred minus the payroll tax components are offset against the capital reserves. Payroll tax components were recognized as current or noncurrent liabilities, depending on when they are expected to fall due. With the exception of RSU III, the personnel expenses were reduced using a blanket staff turnover rate; they were calculated on each grant date using the graded vesting method taking program-specific historical share prices into account. The staff turnover rate reflects the turnover among the employees covered by the programs and was determined using historical data.

The current payroll tax provisions for the RSU programs are measured at their intrinsic value, since the probability that the employees concerned will accept the shares to which they are entitled following vesting is assumed to be 100%. Unvested shares lapse. A dividend of 0 is assumed. For these reasons, measurement is based on the price for creditshef's shares (XETRA) on the measurement date in question. The use of an option pricing model is not required. The price on December 30, 2022, was EUR 25.40 (previous year: EUR 36.20). This figure is a directly observable Level 1 input.

The four RSU programs can be summarized as follows as of the December 31, 2022, reporting date:

### Restricted Stock Units Program I

RSU I aims to provide a one-time incentive payment in order to enable the company to retain key employees. The vesting period for claims under this program is three years and the program has a quarterly vesting schedule. The shares in the company will be awarded to the beneficiaries pro rata on each anniversary of the grant date (fiscal year-end). The number of vested units corresponds to the proportionate number of the units granted in award letters.

Period	Number of units originally granted via award letters (A)	Number of lapsed units (B)	Number of remaining units (A) - (B)	Number of vested units (C)	Number of vested units already converted into shares (D)	Fair value of vested units (C) - (D) measured using the share price on the reporting date
	Number	Number	Number	Number	Number	in kEUR
<b>Dec. 31, 2021</b>	8,635	4,869	3,766	3,766	2,768	35.1
<b>Dec. 31, 2022</b>	8,635	4,869	3,766	3,766	3,766	0.0

The personnel expenses recognized for Restricted Stock Units Program I in the period amounted to kEUR 0.0 (previous year: kEUR 19.7), since this program has now finished.



## Restricted Stock Units Program II

In contrast to RSU I, RSU II is an annual program that aims not only to enable the company to retain staff but also to ensure they are remunerated appropriately and competitively. It is put into practice in two forms. Firstly, the Management Board can decide at its own discretion whether and to which staff it is going to grant RSU IIs (case 1) while secondly, certain staff are entitled under their contracts of employment to receive part of their overall remuneration, or part of their variable remuneration in the case of sales staff who meet their targets, in the form of RSUs (case 2). Whereas the vesting period for RSU I claims is three years, RSU II claims have an annual vesting schedule. The shares in the company will be awarded to the beneficiaries pro rata on each anniversary of the grant date (fiscal year-end).

The following table comprises the RSU II units for both case 1 and case 2. The number of case 2 shares that were included in the forthcoming vesting was determined using the mean of the XETRA closing prices for creditshef's shares in December. This was EUR 27.7 in fiscal year 2022 (previous year: EUR 39.9 – the average price for November).

<b>Period</b>	<b>Number of units originally granted via award letters (A)</b>	<b>Number of lapsed units (B)</b>	<b>Number of remaining units (A) - (B)</b>	<b>Number of vested units (C)</b>	<b>Number of vested units already converted into shares (D)</b>	<b>Fair value of vested units (C) - (D) measured using the share price on the reporting date</b>
	<b>Number</b>	<b>Number</b>	<b>Number</b>	<b>Number</b>	<b>Number</b>	<b>in kEUR</b>
<b>Dec. 31, 2021</b>	18,711	3,400	15,311	10,884	5,813	178.5
<b>Dec. 31, 2022</b>	28,919	4,883	24,036	16,302	10,884	135.5

The personnel expenses recognized for Restricted Stock Units Program II amounted to kEUR 43.1 for the reporting period (previous year: kEUR 299.2). The premature departure of employees with claims under the program led to income of kEUR 160.5 that was offset against the expense for current beneficiaries of kEUR 203.6.

## Restricted Stock Units Program III

RSU III creates a remuneration incentive for members of the Management Board. In its meeting on March 11, 2019, the Supervisory Board approved the RSU III program and authorized in principle a ceiling of 20,000 RSUs for Dr. Mark Währisch over the term of his contract of service. Dr. Mark Währisch was granted 10,000 RSUs in an award letter dated May 8, 2019. He was granted a further 10,000 RSUs in a second award letter dated January 20, 2020. This means that the ceiling of 20,000 RSUs over the term of his contract that was authorized by the Supervisory Board was fully utilized. The vesting period for the units under the two award letters ran until the end of his contract of service (April 30, 2021). The shares in the company were to be awarded pro rata on each anniversary of the grant date (fiscal year-end) and at the end of his contract of service in 2021. The RSU III Program provides for a four-year lock-up period as from the grant date. It has a quarterly vesting schedule.



<b>Period</b>	<b>Number of units originally granted via award letters (A)</b>	<b>Number of lapsed units (B)</b>	<b>Number of remaining units (A) - (B)</b>	<b>Number of vested units (C)</b>	<b>Number of vested units already converted into shares (D)</b>	<b>Fair value of vested units (C) - (D) measured using the share price on the reporting date</b>
	<b>Number</b>	<b>Number</b>	<b>Number</b>	<b>Number</b>	<b>Number</b>	<b>in kEUR</b>
<b>Dec. 31, 2021</b>	20,000	0	20,000	20,000	14,444	238.9
<b>Dec. 31, 2022</b>	20,000	0	20,000	20,000	20,000	0.0

The personnel expenses recognized for Restricted Stock Units Program III amounted to kEUR 0.0 for the reporting period (previous year: kEUR 78.0), since this program has now finished.

### **Restricted Stock Units Program IV**

On June 19, 2020, the Management Board resolved a further share-based employee incentive program (RSU IV). The sole objective of this program is to retain participating employees for the company and to reward their future loyalty to it so as to contribute to the long-term growth and financial success of the company and its affiliates, and to align the employees' interests with those of the company's shareholders. Shares in the company will vest and be awarded on one occasion only at the end of the program, i.e., at the earliest after 3 years.

<b>Period</b>	<b>Number of units originally granted via award letters (A)</b>	<b>Number of lapsed units (B)</b>	<b>Number of remaining units (A) - (B)</b>	<b>Number of vested units (C)</b>	<b>Number of vested units already converted into shares (D)</b>	<b>Fair value of vested units (C) - (D) measured using the share price on the reporting date</b>
	<b>Number</b>	<b>Number</b>	<b>Number</b>	<b>Number</b>	<b>Number</b>	<b>in kEUR</b>
<b>Dec. 31, 2021</b>	7,903	0	7,903	0	0	0.0
<b>Dec. 31, 2022</b>	7,903	1,600	6,303	2,669	0	66.7

The personnel expenses recognized for Restricted Stock Units Program IV amounted to kEUR 68.1 for the reporting period (previous year: kEUR 107.3). The premature departure of employees with claims under the program led to income of kEUR 5.2 that was offset against the expense for current beneficiaries of kEUR 73.3.

Pursuant to IFRS 2.51, total expenses for Restricted Stock Unit Programs I-IV in fiscal year 2022 amounted to kEUR 111.2 (previous year: kEUR 464.7).



### Additional Information:

The fair value given in the tables differs from the personnel expenses recognized for the period, which comply with the methodology set out in IFRS 2. The latter requires that the expenses are not assigned pro rata in equal amounts across the vesting period, but rather that earlier periods should be given a heavier weighting. This does not apply to the RSU IV, because in this case the shares will only vest at the end of the program.

## 17. NONCURRENT PROVISIONS

The noncurrent provisions can be broken down as follows:

	<b>31.12.2022</b>	<b>31.12.2021</b>
	<b>in kEUR</b>	<b>in kEUR</b>
<b>Noncurrent provisions</b>		
Provisions for Virtual Participation Program	580.3	777.1
Noncurrent payroll tax provisions for RSUs	100.1	217.3
Provisions for holidays	149.2	0.0
	<b>829.6</b>	<b>994.4</b>

The schedule of provisions is as follows:

<b>in kEUR</b>	<b>Carrying amount at the start of the reporting period</b>	<b>Amounts recognized</b>	<b>Amounts utilized</b>	<b>Amounts reversed</b>	<b>Carrying amount at the end of the period</b>
	<b>Jan. 1, 2022</b>				<b>Dec. 31, 2022</b>
<b>Noncurrent provisions</b>					
Provisions for Virtual Participation Program	777.1	74.4	0.0	271.2	580.3
Noncurrent payroll tax provisions for RSUs	217.3	0.0	0.0	117.2	100.1
Provisions for holidays	0.0	149.2	0.0	0.0	149.2
<b>Total</b>	<b>994.4</b>	<b>223.6</b>	<b>0.0</b>	<b>388.4</b>	<b>829.6</b>

Noncurrent provisions for vacation pay were discounted by kEUR 2.5 (previous year: kEUR 0.0).



## **Provision for Payroll Tax**

The noncurrent provisions comprise the noncurrent component of the payroll tax provision under the RSU program.

## **Share-based Payment**

### Virtual Participation Program II

On July 29, 2015, the company agreed a contract with an institutional partner – in addition to a partnership agreement – granting it virtual shares in the company. The objective was to allow it to share in the growth in the company's value and to preserve its relationship with the company for the long term. The partner was granted 1,500 virtual shares in the company with a par value of EUR 1.00 per share. In a follow-up agreement, the partner was granted a further 19,640 virtual shares of the company with a par value of EUR 1.00 per share as of June 30, 2018.

All rights under Virtual Participation Program II are purely contractual and will only be settled in cash. In other words, the partner has not acquired any voting rights, nor has it acquired the right to take part in the company's general meeting, or to exercise other management rights. Under Virtual Participation Program II, payments are made if the company distributes profits or if a contractually agreed exit event (a loss of control over the parent company by the existing shareholders) occurs. The valuation was based on this exit event. The company does not currently expect any dividend payments to be made.

The provisions recognized for Virtual Participation Program II are measured at their intrinsic value, since the probability that the partner will accept the shares to which it is entitled following vesting is assumed to be 100%. This is because the shares are clearly in the money compared to the par value of EUR 1 – the value at which they were granted and that represents the strike price. A dividend of 0 is assumed. Consequently, the use of an option pricing model is not required.

For these reasons and due to the contractual provisions underpinning Virtual Participation Program II, the fair value of a single virtual share corresponds economically and from a financial mathematics perspective to the fair value of the corresponding real shares. Since the IPO, the XETRA share price has been used as the basis for measurement. However, the contractual provisions specify that a 20-day average rather than the price on the reporting date is taken as a basis.

The liability resulting from the participation program is remeasured on every financial statement reporting date and on the settlement date using the fair value of the shares in issue. All changes in obligations are recognized in profit or loss.

The virtual interests as of the end of the fiscal year and the prior-year reporting date were as follows:





### Virtual Participation Program II 2021

Date of issue	Number of shares granted	Subscription price	Underlying per share	Fair value per virtual share	Total fair value
	Number	in EUR	in EUR	in EUR	in kEUR
July 29, 2015	1,500	0.0	36.76	36.76	55.1
June 30, 2018	19,640	0.0	36.76	36.76	722.0
<b>Total</b>	<b>21,140</b>	<b>0.0</b>	<b>36.76</b>	<b>36.76</b>	<b>777.1</b>

### Virtual Participation Program II 2022

Date of issue	Number of shares granted	Subscription price	Underlying per share	Fair value per virtual share	Total fair value
	Number	in EUR	in EUR	in EUR	in kEUR
July 29, 2015	1,500	0.0	27.45	27.45	41.2
June 30, 2018	19,640	0.0	27.45	27.45	539.1
<b>Total</b>	<b>21,140</b>	<b>0.0</b>	<b>27.45</b>	<b>27.45</b>	<b>580.3</b>

The income from Virtual Participation Program II that was recognized in the statement of profit or loss amounted to kEUR 271.2 in the period from January 1 to December 31, 2022 (previous year: kEUR 143.3). As was previously the case, the obligations relating to Virtual Participation Program II are classified as long-term obligations with an indefinite term.

## 18. NONCURRENT OTHER FINANCIAL LIABILITIES

Since 2021, noncurrent other financial liabilities have comprised a shareholder loan agreement entered into with Obotritia Capital KGaA and the interest payable on its redemption, plus the lease liabilities relating to the previously mentioned right-of-use assets for the period of between one and five years.

On January 4, 2021, creditshelf Aktiengesellschaft signed a shareholder loan framework agreement with Obotritia Capital KGaA, which was expanded by an addendum on March 9, 2021. The framework agreement provides for an overall loan amount of up



to EUR 8 million and 8% interest per annum, payable on maturity, and will end at the latest on December 31, 2027. The company had drawn down EUR 2.6 million (previous year: EUR 2.3 million) under the agreement as of December 31, 2022.

The change in the lease liability is due to the agreement reached with the landlord and the resulting lease extension for Mainzer Landstrasse 33a, Frankfurt, in October 2021. Under this agreement, the lease was extended until July 31, 2023. Please see notes 8 and 32 for other disclosures and information regarding the changes in and measurement of the lease liabilities.

	<b>31.12.2022</b>	<b>31.12.2021</b>
	<b>in kEUR</b>	<b>in kEUR</b>
<b>Noncurrent Other Financial Liabilities</b>		
Shareholder loan	2,550.0	2,300.0
Interest on shareholder loan	312.6	114.9
Lease liabilities	0.4	48.3
	<b>2,863.0</b>	<b>2,463.2</b>

## 19. TRADE PAYABLES

The trade payables as of December 31, 2022 (kEUR 3,410.9; previous year: kEUR 3,694.3) primarily related to the offsetting position for the cash funds that were temporarily recognized in connection with the settlement of transactions (see note 13). In addition, the item included payables for goods and services ordered of kEUR 410.9 (previous year: kEUR 694.3).

Trade payables are not secured and are normally paid within 30 days of receipt.

Due to the short-term nature of the trade payables, the group considers the settlement amount to be a plausible estimate of the fair value.

The group did not furnish any collateral.



## 20. CURRENT OTHER FINANCIAL LIABILITIES, CURRENT PROVISIONS, AND OTHER LIABILITIES

	<b>31.12.2022</b>	<b>31.12.2021</b>
	<b>in kEUR</b>	<b>in kEUR</b>
<b>Current liabilities</b>		
<b>Current other financial liabilities</b>		
Lease liabilities	47.9	75.3
Credit card statement	16.3	0.0
	<b>64.2</b>	<b>75.3</b>
<b>Current provisions</b>		
Provision for payroll tax for RSUs	87.1	182.2
Provision for other personnel expenses	15.7	9.1
	<b>102.8</b>	<b>191.3</b>
<b>Current other liabilities</b>		
Liabilities for personnel expenses	350.0	271.2
Liabilities for financial statement preparation and audit	216.0	158.5
Liabilities for Supervisory Board compensation	90.0	90.0
VAT liability	87.9	263.5
Other liabilities	129.5	95.2
	<b>873.5</b>	<b>878.3</b>

Current other financial liabilities comprise the lease liabilities relating to the previously mentioned right-of-use assets for the period of up to one year.

Liabilities for personnel expenses largely comprise liabilities for vacation entitlements, which also reflect a new sabbatical rule that was introduced in fiscal year 2022, plus payroll liabilities and the associated social security costs. Under the new sabbatical rule, staff who have been with the company for a certain length of time can take several weeks of special leave.

VAT liabilities totaled kEUR 87.9 (previous year: kEUR 263.5) due to the performance of the business during the reporting period and subsequent payments from the previous year. Of this amount, kEUR 53.8 related to 2022 and kEUR 34.2 to VAT liabilities from previous years.

The schedule of current provisions is as follows:



<b>in kEUR</b>	<b>Carrying amount at the start of the reporting period Jan. 1, 2022</b>	<b>Amounts recognized</b>	<b>Amounts utilized</b>	<b>Amounts reversed</b>	<b>Carrying amount at the end of the reporting period Dec. 31, 2022</b>
<b>Current provisions</b>					
Current payroll tax provision for RSUs	182.2	43.7	138.7	0.0	87.1
Provision for other personnel expenses	9.1	15.7	9.1	0.0	15.7
<b>Total</b>	<b>191.3</b>	<b>59.4</b>	<b>147.8</b>	<b>0.0</b>	<b>102.8</b>

The group considers the settlement amount to be the most plausible estimate of the fair value. The group did not furnish any collateral.



## C) DISCLOSURES ON THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

### 21. REVENUE

Revenue can be broken down as follows:

	<b>01.01.-31.12.2022</b>	<b>01.01.-31.12.2021</b>
	<b>in kEUR</b>	<b>in kEUR</b>
Borrower fees	4,508.6	5,344.1
Investor fees	1,103.3	1,573.5
Servicing and advisory fees	571.1	333.9
	<b>6,183.0</b>	<b>7,251.5</b>

creditshelf's revenue fell by 14.7 % year-over-year in fiscal year 2022 to kEUR 6,183.0 (previous year: kEUR 7,251.5). This was due to the reduction in available funding following the default of a major investor on the creditshelf platform in light of the war in Ukraine. Although creditshelf secured up to EUR 140 million in new funding thanks to a partnership with Goldman Sachs in Q4 2022, its reduced disbursement capacity meant it was only able to arrange loans totaling EUR 114.5 million (previous year: EUR 166.9 million) over the course of the year despite the increase in loan requests (2022: EUR 1,958.7 million; previous year: EUR 1,683.7 million).

creditshelf's revenue in fiscal year 2022 came from three different sets of fees. The borrower fees that creditshelf receives from borrowers when loans are disbursed amounted to kEUR 4,508.6 (previous year: kEUR 5,344.1). This corresponds to a margin of 3.9 % (previous year: 3.2 %) on the volume of arranged loans. The clear improvement in margins was largely due to a change in the fee structure on the borrower side. Investor fees that the company generated for loans arranged via the creditshelf platform amounted to kEUR 1,103.3 (previous year: kEUR 1,573.5). The investor fee margin was 1.0 % (previous year: 0.9 %). Revenue from servicing and advisory fees increased to kEUR 571.1 (previous year: kEUR 333.9). These primarily comprise fees for services provided for the creditshelf Loan Fund, the introduction of a new servicing fee for borrowers, plus fees for other analyses, monitoring, and servicing. In line with these changes, the overall sales margin – the ratio of revenue to the arranged loan volume – amounted to 5.4 % in fiscal year 2022 (previous year: 4.3 %).

Seen from the perspective of the IFRS 15 criteria, borrower and investor fees consist solely of revenue generated at a point in time. In both cases, the company primarily performs the service immediately the loan is granted by the fronting bank. The borrower fee is retained directly when the loan amount is disbursed by the fronting bank, whereas the investor fee is generally withheld in installments from the repayments of the principal amount. In addition, individual agreements providing for creditshelf to be remunerated on a monthly basis by investment vehicles exist under partnerships with institutional investors.



In the case of both revenue streams, the revenue results from applying a contractually defined percentage to the disbursed lending volume.

The total rebates realized in fiscal year 2022 amounted to kEUR 164.0 (previous year: kEUR 209.7), in line with the level of defaults to be expected for this risk class. A significant portion of the previous year's item (kEUR 116.7) is attributable to a major, one-time loan restructuring. Due to a new loan that was originated in this context, this amount was offset by new investor fees. Depending on the situation, such restructurings are not necessarily associated with a loan default from a portfolio perspective. Potential future rebates, which are estimated using the expected value method pursuant to IFRS 15.53, amounted to kEUR 52.9 in the reporting period (previous year: kEUR 24.6). As in the past, the classification of uncollected investor fees as rebates in cases of default depends on individual decisions by the Management Board.

## **22. OTHER OPERATING INCOME**

The significant increase in other operating income to kEUR 2,052.4 (previous year: kEUR 145.0) was largely due to compensation of kEUR 1,750.0 for lost revenue and expenses incurred, among other things, that creditshelf received under the arrangement reached with its defaulted investor's insolvency administrator. Above and beyond this, the item primarily included income of kEUR 271.2 from the reversal of the provision for the virtual participation shares. In the previous year, income of kEUR 143.3 was recognized. Expenses also arose for this provision in the course of fiscal year 2022, depending on creditshelf's share price. These are described in the relevant expense item.

## **23. OWN WORK CAPITALIZED**

Own work capitalized amounted to kEUR 556.5 in fiscal year 2022 (previous year: kEUR 637.0) and comprised personnel expenses incurred in connection with software development. The year-over-year decrease is due to a short-term drop in staff numbers in the software development team, which was combated by stepping up recruitment activities for the department.



## 24. PERSONNEL EXPENSES

Personnel expenses in fiscal year 2022 were kEUR 5,556.6, up slightly on the figure for the previous year (kEUR 5,333.7). This reflects the increased average headcount of 71 (prior-year period: 63) permanent staff including the Management Board. The comparatively slight rise in expenses compared to the headcount was mainly attributable to lower expenses for Restricted Stock Units Programs, which totaled kEUR 111.2 (previous year: kEUR 464.7). This decrease resulted from income associated with employee departures that was generated in relation to the personnel expenses recognized for the incentive programs in previous years. The income reduced the expenses item in the reporting period. In addition, the personnel expenses item included higher expenses relating to provisions for vacation pay of kEUR 279.2 (prior-year period: kEUR 12.1), reflecting new sabbatical rules that were introduced in fiscal year 2022. These are designed to aid long-term employee retention by permitting staff who have been with the company for more than five years to take several weeks of paid special leave.

Since fiscal year 2021, the contracts of service for Management Board members Dr. Tim Thabe and Dr. Daniel Bartsch have provided for an annual gross fixed salary of kEUR 120.0 each. This is paid in twelve equal monthly installments. No other cash compensation is provided for. An annual gross fixed salary of kEUR 100.0 had been agreed with Dr. Mark Währisch until his departure as of April 30, 2021. In addition to their cash compensation, the members of the Management Board received normal levels of fringe benefits. These include in particular normal contributions towards pension and health insurance, and directors and officers insurance ("D&O insurance"). In fiscal year 2022, the total compensation paid to the Management Board amounted to kEUR 283.2 (previous year: kEUR 402.2). The compensation paid to the Management Board in 2021 also includes personnel expenses of kEUR 78.0 incurred for Dr. Mark Währisch under the Restricted Stock Units program. Additional details are provided in note 16.



## 25. OTHER OPERATING EXPENSES

Other operating expenses amounted to kEUR 3,174.2 in fiscal year 2022, clearly down on the prior-year figure (kEUR 3,698.4).

In more detail, other operating expenses were as follows:

	<b>01.01.-31.12.2022</b>	<b>01.01.-31.12.2021</b>
	<b>in kEUR</b>	<b>in kEUR</b>
Legal and consulting costs	751.8	770.1
IT costs	487.1	446.1
Marketing and advertising expenses	472.8	783.8
Third-party services in connection with loan applications	279.0	436.2
Lease expenses	90.6	196.5
Supervisory Board expenses	90.0	90.6
Sales commission	86.5	190.4
Aufwendungen aus virtueller Beteiligung	74.4	0.0
Membership fees	65.7	59.4
Other expenses	776.3	725.3
	<b>3,174.2</b>	<b>3,698.4</b>

At kEUR 751.8, legal and consulting expenses were on a par with the previous year (kEUR 770.1). As in the previous year, this item comprised the costs of external legal advice, costs relating to the preparation and audit of the financial statements, and external accounting costs.

IT costs rose in fiscal year 2022 to kEUR 487.1 (previous year: kEUR 446.1). The rise is due to higher costs for licenses and concessions and reflects the expansion of creditshelF's analysis capabilities and the work it is doing to automate its processes.

One major reason for the decrease in other operating expenses was the reduction in marketing and advertising expenses. These amounted to kEUR 472.8 in fiscal year 2022, a clear drop compared to the figure for the previous year (kEUR 783.8). Among other things, this reflects a tightly focused marketing strategy featuring efficient campaigns aimed at clearly-defined target groups and a clear emphasis on supporting partner sales.

Third-party services relating to loan applications resulted in expenses of kEUR 279.0 in fiscal year 2022 (previous year: kEUR 436.2). This primarily consists of expenses for fronting bank services performed during the lending process.

Lease expenses fell to kEUR 90.6 in fiscal year 2022 (previous year: kEUR 196.5). This was due to a combination of a reduction in the space leased by the company and state-of-the-art hybrid working models.

Supervisory Board expenses in fiscal year 2022 were on a par with the previous year.





Sales commission payable for borrowers brokered by the creditshelf platform's partner network amounted to kEUR 86.5 in fiscal year 2022 (previous year: kEUR 190.4). The loans arranged in the reporting period benefited significantly from sales partnerships for which no fees were paid.

Remeasurement effects on virtual participation shares in fiscal year 2022 resulted in expenses of kEUR 74.4 (previous year: kEUR 0.0). Income from remeasurement effects relating to the provision for the virtual participation share program is recognized in other income.

Association membership fees, such as those for the Verband deutscher Kreditplattformen (the Association of German Credit Platforms), of which creditshelf is a founder member, totaled kEUR 65.7 (prior-year period: kEUR 59.4).

Miscellaneous other expenses amounted to kEUR 776.3 (previous year: kEUR 725.3). This item includes expenses for third-party investor relations services of kEUR 123.3 (previous year: kEUR 169.0), insurance expenses of kEUR 104.8 (previous year: kEUR 56.8), travel and entertainment costs of kEUR 85.2 (previous year: kEUR 24.7) and recruitment expenses of kEUR 65.3 (previous year: kEUR 126.4).

## 26. INCOME TAXES

No income tax expense was incurred in fiscal year 2022. The income tax expense of kEUR 8.2 recognized in the previous year related to prior-year income tax expenses at subsidiaries of kEUR 21.8 and income from the reversal of deferred taxes of kEUR 13.6.

	<b>01.01.-31.12.2022</b>	<b>01.01.-31.12.2021</b>
	<b>in kEUR</b>	<b>in kEUR</b>
Net loss for the period	-783.7	-2,285.0
Tax rate	31.93%	31.96%
<b>Expected tax expense/income</b>	<b>-250.3</b>	<b>-730.2</b>
Adjustment for non-deductible expenses	16.9	14.7
<b>Actual tax expense/income before valuation</b>	<b>-233.4</b>	<b>-715.5</b>
Income tax expense for prior years	0.0	21.8
Deferred taxes on temporary differences	-179.0	50.5
Valuation of current loss	412.4	651.4
<b>Recognized tax expense</b>	<b>0.0</b>	<b>8.2</b>



## 27. NET FINANCE COSTS

Net finance costs for fiscal year 2022 can be broken down as follows:

	01.01.-31.12.2022	01.01.-31.12.2021
	in kEUR	in kEUR
<b>Financial expense for liabilities accounted for amortized cost</b>		
Interest on shareholder loan	-197.8	-115.0
<b>Financial expense for lease liabilities</b>	<b>-3.1</b>	<b>-3.3</b>
<b>Other interest expense</b>		
Interest and similar expenses	0.0	-1.2
	<b>-200.9</b>	<b>-119.5</b>
<b>Other financial income</b>		
Other interest and similar income	4.2	0.4
Interest income from the unwinding of discounts on receivables	14.1	17.1
<b>Interest income for financial assets not valued at FVTPL</b>	<b>18.3</b>	<b>17.5</b>
<b>Net finance costs</b>	<b>-182.6</b>	<b>-102.9</b>

The financial expense for lease liabilities was wrongly reported in last year's annual report. As a result, the prior-year figure has been corrected in this report.

The interest income from the unwinding of discounts on receivables relates to the effective interest charged under IFRS 9.

## 28. EARNINGS PER SHARE

The (basic and diluted) earnings per share performance indicator is based on creditshelf's gross revenue for the period, since it includes all operational and non-operational elements of the company's financial performance plus any potential income tax expense. It is based on the net profit/loss for the period attributable to creditshelf AG shareholders, expressed in relation to creditshelf's shares outstanding.



Since the company generated a loss, potentially dilutive shares from the shareholder incentive programs (Restricted Stock Units Programs) described in note 16 are not used to calculate the earnings per share, since they would reduce the net loss per share. The total number of shares granted and all potentially issuable shares as of the December 31, 2022, reporting date was 18,733.

Please see note 38 for information about corporate actions implemented after the reporting date.

	<b>Number of shares</b>	<b>Net loss for the period</b>	<b>EPS</b>
	<b>Number</b>	<b>in kEUR</b>	<b>(basic/diluted)</b> <b>in EUR</b>
<b>December 31, 2022</b>			
Basic	1,387,874	-783.7	-0.56
Diluted	1,387,874	-783.7	-0.56
<b>December 31, 2021</b>			
Basic	1,376,251	-2,293.3	-1.67
Diluted	1,376,251	-2,293.3	-1.67



## D) DISCLOSURES ON THE CONSOLIDATED STATEMENT OF CASH FLOWS

A statement of cash flows was prepared to present the changes in liquidity and the company's financial situation. Information on the payment streams in the statement of cash flows is broken down into cash flows from operating activities, investing activities (including divestments), and financing activities (IAS 7), with the sum of the cash flows from these three activities corresponding to the change in cash and cash equivalents in the reporting period.

### 29. NONCASH TRANSACTIONS

Noncash operating expenses and income, income from the disposal of assets and equity-settled share-based payments that are recognized directly in the capital reserves were eliminated.

### 30. CHANGES IN FINANCIAL LIABILITIES

The changes in liabilities arising from financing activities in accordance with IAS 7.44A ff. are shown in the following.

<b>Fiscal year 2021</b>	<b>31.12.2020</b>	<b>Cash flow</b>	<b>Addition</b>	<b>Change in fair value</b>	<b>Other changes</b>	<b>31.12.2021</b>
	<b>in kEUR</b>	<b>in kEUR</b>	<b>in kEUR</b>	<b>in kEUR</b>	<b>in kEUR</b>	<b>in kEUR</b>
<b>Lease liability</b>						
Mainzer Landstrasse 33a	109.7	-68.3	0.0	73.6	0.0	115.0
Automobile lease liability	12.6	-4.0	0.0	0.0	0.0	8.6
<b>Total financial liabilities</b>	<b>122.3</b>	<b>-72.3</b>	<b>0.0</b>	<b>73.6</b>	<b>0.0</b>	<b>123.6</b>

<b>Fiscal year 2022</b>	<b>31.12.2021</b>	<b>Cash flow</b>	<b>Addition</b>	<b>Change in fair value</b>	<b>Other changes</b>	<b>31.12.2022</b>
	<b>in kEUR</b>	<b>in kEUR</b>	<b>in kEUR</b>	<b>in kEUR</b>	<b>in kEUR</b>	<b>in kEUR</b>
<b>Lease liability</b>						
Mainzer Landstrasse 33a	115.0	-71.3	0.0	0.0	0.0	43.7
Automobile lease liability	8.6	-4.0	0.0	0.0	0.0	4.6
<b>Total financial liabilities</b>	<b>123.6</b>	<b>-75.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>48.3</b>



## E) OTHER DISCLOSURES

### 31. CAPITAL MANAGEMENT

The group is not subject to any external capital requirements; however, the following key capital management goals have been defined for the group:

- To ensure that the group can be continued as a going concern and to maintain its growth course, based on its strategic growth initiatives
- To regularly review its capital structure with a view to optimizing the cost of capital

During fiscal year 2022, the group continued its 2021 strategy of maintaining a debt-to-equity ratio of between 2% and 20% unchanged.

The debt-to-equity ratios as of December 31, 2022, and December 31, 2021, were as follows:

	<b>31.12.2022</b>	<b>31.12.2021</b>	<b>Change</b>	<b>Change</b>
	<b>in kEUR</b>	<b>in kEUR</b>	<b>in kEUR</b>	<b>in %</b>
Liabilities arising from financing activities less shareholder loan including accrued interest	64.5	123.6	-59.1	-47.8%
Cash funds	4,135.1	4,458.7	-323.6	-7.3%
<b>Net debt</b>	<b>-4,070.6</b>	<b>-4,335.1</b>	<b>264.5</b>	<b>-6.1%</b>
<b>Debt-to-equity ratio</b>	<b>1.6%</b>	<b>2.8%</b>		

This indicator, which amounted to 1.6 % as of December 31, 2022 (previous year: 2.8 %) is highly volatile due to the company's dynamic development. The equity position, liquidity risk exposure, and financial risk exposure are monitored centrally within the creditsheff group. In fiscal year 2022, in contrast to the previous year, the company was financed by interest-bearing debt in the form of the shareholder loan as well as by equity. Additional information on the financial risks can be found in the management report.

Please see note 13 for information about changes in the disclosures on cash funds.



### 32. DISCLOSURES ON LEASES (IFRS 16)

The following table contains the lease disclosures required to be made by the creditshelf group under IFRS 16.53. Since February 2020, the company has recognized two right-of-use assets and two lease liabilities (see also note 8). The disclosures made here relate to the leased premises at Mainzer Landstrasse 33a, Frankfurt am Main, and to the automobile lease:

	<b>01.01.-31.12.2022</b>	<b>01.01.-31.12.2021</b>
	<b>in kEUR</b>	<b>in kEUR</b>
Depreciation of right-of-use assets	72.9	69.2
<i>of which depreciation of building lease</i>	68.8	65.1
<i>of which depreciation of automobile lease</i>	4.1	4.1
Interest expense for lease liabilities	3.1	3.3
Expense for short-term leases in accordance with IFRS 16.6	15.2	109.5
Expense for leases for which the underlying asset is of low value in accordance with IFRS 16.6	9.8	10.0
Total cash outflows for leases	168.5	272.2
Additions to right-of-use assets	0.0	0.0
Remeasurement of right-of-use assets	0.0	73.7
<b>Carrying amount of right-of-use assets at the end of the reporting period</b>	<b>44.6</b>	<b>117.5</b>
<i>of which carrying amount of the right-of-use asset in the building</i>	40.2	109.0
<i>of which carrying amount of the right-of-use asset in the automobile</i>	4.4	8.5

The terms of the lease liabilities as of December 31, 2022, were as follows:

	<b>Up to 3 months</b>	<b>3-12 months</b>	<b>1-5 years</b>	<b>Over 5 years</b>	<b>Total</b>	<b>Carrying amount</b>
<b>Lease liabilities</b>	<b>in kEUR</b>	<b>in kEUR</b>	<b>in kEUR</b>	<b>in kEUR</b>	<b>in kEUR</b>	<b>in kEUR</b>
31.12.2021	18.3	57.0	48.3	0.0	123.6	123.6
31.12.2022	19.6	28.3	0.4	0.0	48.3	48.3

No changes in lease payments, such as deferrals of rental liabilities as a result of the COVID-19 pandemic, were made.

### 33. SEGMENT REPORTING

The company applies the management approach when defining segments. This is based on the assumption that all the group's assets and liabilities, expenses and income can be allocated to defined segments either on the basis of where they originated or using objective ratios. The creditshelf group's main business is arranging loans for small and medium-sized companies in



Germany that are subscribed by institutional investors after being issued via a fronting bank. creditshelf receives fees for this from both borrowers and investors. The loan arranged must be seen as a single investment product over the entire life of the transaction.

Internal performance and cost control takes place at group level and builds on a uniform control logic and the management system described in section 2.1.4 of the group management report.

Consequently, creditshelf's management has identified a single segment only, both from a product-related and from a market perspective. IFRS 8 reporting is therefore limited to the disclosures in accordance with IFRS 8.31ff. (a single reporting segment). The same measurement principles are used as for the consolidated financial statements. Please see note 21 for the net revenue figures for different sets of fees.

Segment revenue was primarily generated on the German market. Consequently, all noncurrent assets must be assigned to the revenue generated on this market.

	<b>01.01.-31.12.2022</b>	<b>01.01.-31.12.2021</b>
<b>Net segment revenue</b>	<b>in kEUR</b>	<b>in kEUR</b>
Customers accounting for > 10% of revenue	1,039.5	1,726.8
Remaining customers accounting for < 10% of revenue	5,143.5	5,524.7
<b>Total segment revenue</b>	<b>6,183.0</b>	<b>7,251.5</b>

IFRS 8.34 requires entities to provide information on the extent of their reliance on major customers. This is the case if revenues from transactions with a single external customer amount to 10% or more of an entity's revenues. A number of creditshelf customers are under common control. As in the previous year, this affects both the investor side and the borrower side of the business (see also note 34). These have been grouped together in the table above. As in the previous year, the figure for > 10% relates to a single creditshelf group customer.

### **34. RELATED PARTIES (IAS 24)**

Related parties comprise both affiliated companies and shareholders and other natural persons who have a significant influence on the group and its financial and business policies. Persons who have a significant influence on the group's financial and business policies consist of all key management personnel and their close family members. The following companies and individuals have been defined as related parties:



Name	Function
Dr. Tim Thabe	CEO
Dr. Daniel Bartsch	Deputy CEO
Rolf Elgeti	Supervisory Board Chairman
Rolf Hentschel	Deputy Chairman of the Supervisory Board
Prof. Dirk Schiereck	Supervisory Board member
Julia Heraeus-Rinnert	Supervisory Board member
Dr. Joachim Rauhut	Supervisory Board member
DBR Investment GmbH	Shareholder, Dr. Daniel Bartsch
LDT Investment GmbH	Shareholder, Dr. Tim Thabe
Hevella Capital GmbH & Co. KGaA	Shareholder
Deutsche Konsum REIT-AG	Related party via Rolf Elgeti, the Supervisory Board Chairman
Obotritia Capital KGaA	Related party via Rolf Elgeti, the Supervisory Board Chairman
Bankhaus Obotritia GmbH	Related party via Rolf Elgeti, the Supervisory Board Chairman
Midgard Beteiligungsgesellschaft mbH	Related party via Rolf Elgeti, the Supervisory Board Chairman
EFa Vermögensverwaltung KG	Related party via Rolf Elgeti, the Supervisory Board Chairman
Anfang B. V.	Related party via Rolf Elgeti, the Supervisory Board Chairman





Silver Bullet Funding DAC	Related party via Rolf Elgeti, the Supervisory Board Chairman
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Intercompany balances and transactions between the company and its subsidiaries were eliminated during consolidation and are not discussed in this note. Details of transactions between the group and other related parties are given below. For details of the compensation paid to management, please see the information provided on personnel expenses (note 24).

### Compensation of Key Management Personnel

The compensation of key management personnel – i.e., the Management Board and the Supervisory Board – was as follows:

	<b>2022</b> in KEUR	<b>2021</b> in KEUR
<b>Management Board</b>		
Short-term benefits	280.5	324.3
Other long-term benefits	2.7	81.3
	<b>283.2</b>	<b>405.6</b>
<b>Supervisory Board</b>		
Short-term benefits	106.9	98.8
	<b>106.9</b>	<b>98.8</b>
<b>Total</b>	<b>390.1</b>	<b>504.4</b>

The compensation paid to members of the Management Board consisted solely of their fixed remuneration plus normal levels of fringe benefits.

### Purchase and Sale of Loans by Related Parties in the Normal Course of Business and Associated Investor Fees

Related parties have bought loans from, and sold them to, creditshef solutions GmbH in the course of the group's normal business activities. Business relationships with related parties are treated in the same way as third-party transactions



conducted on the basis of market prices. An analysis of the individual loans for the periods in question reveals the following picture:

**Period from January 1, 2021, to December 31, 2021,  
in kEUR**

<b>Name</b>	<b>Volume purchased</b>	<b>Volume sold</b>	<b>Investor fees</b>	<b>Loan receivables as of the reporting date</b>
Anfang B.V.	68,750.0	0.0	964.9	807.4
Bankhaus Obotritia GmbH	2,000.0	0.0	80.0	364.9
Obotritia Capital KGaA	27,560.0	0.0	91.0	80.0
Deutsche Konsum REIT-AG	7,865.0	0.0	76.5	83.2
Midgard Beteiligungsgesellschaft mbH	2,180.0	0.0	5.4	5.1
EFa Vermögensverwaltung KG	0.0	0.0	0.0	0.0
Deutsche Industrie REIT AG	13,920.0	0.0	165.2	182.4
<b>Summe</b>	<b>122,275.0</b>	<b>0.0</b>	<b>1,383.0</b>	<b>1,523.0</b>

**Period from January 1, 2022, to December 31, 2022,  
in kEUR**

<b>Name</b>	<b>Volume purchased</b>	<b>Volume sold</b>	<b>Investor fees</b>	<b>Loan receivables as of the reporting date</b>
Anfang B.V.	57,400.0	0.0	928.8	907.3
Bankhaus Obotritia GmbH	0.0	0.0	0.0	222.4
Obotritia Capital KGaA	8,700.0	0.0	49.5	88.8
Deutsche Konsum REIT-AG	12,370.0	0.0	44.2	27.1
Midgard Beteiligungsgesellschaft mbH	4,800.0	1,800.0	16.4	11.3
EFa Vermögensverwaltung KG	200.0	200.0	0.6	0.0
Deutsche Industrie REIT-AG	0.0	0.0	0.0	0.0
<b>Total</b>	<b>83,470.0</b>	<b>2,000.0</b>	<b>1,039.5</b>	<b>1,256.9</b>



### **Borrower Fees Paid to creditshelf by Related Parties**

Borrower fees were received in full from the following related parties as part of the group's normal business activities.

<b>Name</b>	<b>31.12.2022</b>		<b>31.12.2021</b>	
	<b>Volume arranged in kEUR</b>	<b>Borrowers fee in kEUR</b>	<b>Volume arranged in kEUR</b>	<b>Borrowers fee in kEUR</b>
Edeloptics GmbH	0.0	0.0	8,150.0	343.8
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>8,150.0</b>	<b>343.8</b>

### **Letters of Comfort Issued by Related Parties in Favor of creditshelf Aktiengesellschaft**

In view of the company's liquidity situation, Obotritia Capital KGaA ("the issuer") issued a binding letter of comfort in favor of the company in November 2020. The object of the letter of comfort is to avoid the duty to file for insolvency proceedings to be opened on the company's assets, to meet its liquidity requirements, and to satisfy claims brought by third parties against the company. The Management Board assessed the issuer's credit quality. The issuer, which held 9.1% of the company's share capital directly as a shareholder and 37.4% indirectly via Hevella Capital GmbH & Co. KGaA at the time of reporting, did not acquire any opportunity to influence how the company manages its business under the letter of comfort. The letter of comfort has an unlimited term and can be terminated by giving six months' notice to December 31 of the year, for the first time with effect as of the end of December 31, 2023. Obligations entered into before the end of the letter of comfort will remain unaffected by this.

### **Loans Made by Related Parties to creditshelf Aktiengesellschaft**

On January 4, 2021, creditshelf Aktiengesellschaft signed a shareholder loan framework agreement with Obotritia Capital KGaA with the aim of putting the letter of comfort described in subsection d) into practice at the operational level; an addendum to the agreement was entered into on March 9, 2021. The agreement provides for an overall amount of up to EUR 8 million and 8% interest per annum, payable on maturity, and will end at the latest on December 31, 2027. The company had drawn down EUR 2.6 million (previous year: EUR 2.3 million) under the agreement as of the reporting date.

No other loans made by related parties to creditshelf Aktiengesellschaft existed during the reporting period. Services are performed in the same way as if they had been agreed with third parties.



### 35. EMPLOYEE DISCLOSURES IN ACCORDANCE WITH SECTION 314(1) NO. 4 OF THE HGB

The company had an average of 69 (previous year: 60) employees in fiscal year 2022.

The average number of employees during the fiscal year, broken down by groups, was as follows as of December 31, 2022:

	01.01.-31.12.2022	01.01.-31.12.2021
Sales	10	11
Marketing	6	6
Risk analysis	11	10
Technology	20	17
Administration	21	16
	<b>69</b>	<b>60</b>

The figures given in the table above are quarterly averages.

Personnel expenses amounted to kEUR 5,556.6 (previous year: kEUR 5,333.7) in fiscal year 2022. Of this figure, kEUR 4,786.1 is attributable to payroll expenses (previous year: kEUR 4,603.4) and kEUR 770.5 is attributable to social security costs (previous year: kEUR 730.3). The post-employment benefit costs amounted to kEUR 0.3 (previous year: kEUR 0.0).

### 36. LIST OF SHAREHOLDINGS IN ACCORDANCE WITH SECTION 313(2) OF THE HGB

Subsidiaries included in the consolidated financial statements:

Company	Domicile	Equity interest as of 31.12.2022	Equity interest as of 31.12.2021
creditshelf solutions GmbH	Frankfurt / Main	100%	100%

### 37. AUDITORS' FEES

The following fees were incurred for auditing services provided in the fiscal year by the auditors of the consolidated financial statements, Grant Thornton AG:



	<b>01.01.-31.12.2022</b>	<b>01.01.-31.12.2021</b>
	<b>in kEUR</b>	<b>in kEUR</b>
Audit services	187.7	164.5
Tax advisory fees	0.0	0.0
Other assurance services	0.0	0.0
Other services	0.0	0.0
<b>Total</b>	<b>187.7</b>	<b>164.5</b>

As in the previous year, the fees for statutory audits comprise the fee for the audit of the consolidated financial statements for creditshef Aktiengesellschaft and for the audit of the annual financial statements for creditshef Aktiengesellschaft as of December 31, 2022. What is more, the audit of the annual financial statements of creditshef solutions GmbH is included in fiscal year 2022, in contrast to the previous year. In addition, the item contains the voluntary review of the condensed consolidated half-yearly financial statements and the consolidated interim management report as of June 30, 2022, that was commissioned by the Management Board. A similar review was also performed as of June 30, 2021.

### **38. EVENTS AFTER THE REPORTING PERIOD**

The events described below are non-adjusting events within the meaning of IAS 10.10ff.

#### **Successful Cash Capital Increase to Implement the Fourth Vesting of Share-based Employee Incentive Programs (Restricted Stock Units Programs I-IV)**

On January 10, 2023, the Management Board of creditshef Aktiengesellschaft resolved to increase the company's share capital by EUR 8,087.00 by issuing 8,087 new no-par value bearer shares while disapplying preemptive rights. This was done in connection with the fourth vesting of the share-based employee incentive programs (Restricted Stock Units Programs) that were introduced at the beginning of fiscal year 2019. In addition, it was resolved that the shares would be issued at the minimum issue price of EUR 1.00 per share, that they would carry dividend rights for the first time for the whole of fiscal year 2023, and that the preemptive rights of creditshef Aktiengesellschaft shareholders would be disappplied. The Supervisory Board approved this resolution on January 12, 2023, following the circulation of written documents.

The new shares were entered in the commercial register on February 9, 2023, and were admitted to trading on Frankfurt Stock Exchange's Regulated Market on February 23, 2023, with the same German securities identification number (WKN) as the old shares.



### 39. GOVERNING BODIES

The following people were members of creditshelf Aktiengesellschaft's Management Board during fiscal year 2022:

- Dr. Tim Thabe, Chairman of the Management Board and Chief Executive Officer (CEO); areas of responsibility: strategy and communications, HR, risk management, credit analysis and portfolio management, legal and compliance, technology and data, and platform management
- Dr. Daniel Bartsch, Chief Financial Officer (CFO) and Deputy Chairman of the Management Board; areas of responsibility: finance, taxes and financial control, equity investor relations, sales, partner management, business development and product development, debt investor relations, and marketing

The Supervisory Board advises and oversees the Management Board. The following people were members of creditshelf Aktiengesellschaft's Supervisory Board in fiscal year 2022:

- Rolf Elgeti, Supervisory Board Chairman (CEO of Deutsche Konsum REIT-AG; CEO of Deutsche Industrie REIT-AG until January 2022, and CEO of Deutsche Industrie Grundbesitz AG until February 2022; Chairman of the Board of Directors and CEO of OboTech Acquisition SE. Supervisory Board Chairman of TAG Immobilien AG, Deutsche Leibrenten Grundbesitz AG, and Obotritia Hotel SE; Chairman of the Board of Directors of NEXR technologies SE, member of the Board of Directors of Highlight Event and Entertainment AG (until March 2023), member of the Advisory Council of Laurus Property Partners, and member of the Audit Committee of Bankhaus Obotritia GmbH)
- Rolf Hentschel, Deputy Chairman of the Supervisory Board (independent auditor, tax advisor, and lawyer; member of the Supervisory Board of HGV Hamburger Gesellschaft für Vermögens- und Beteiligungsmanagement mbH)
- Prof. Dirk Schiereck (Chair of Corporate Finance, Darmstadt Technical University; member of the Supervisory Board of BayernInvest Kapitalverwaltungsgesellschaft mbH)
- Julia Heraeus-Rinnert (Managing Director of J<sup>2</sup> Verwaltung GmbH; member of the Shareholders' Committee of Heraeus Holding GmbH)
- Dr. Joachim Rauhut (independent management consultant; member of the Supervisory Boards of Stabilus SE and MTU Aero Engines AG; member of the Advisory Board of J. Heinrich Kramer Holding GmbH & Co. KG until March 2022)



#### 40. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were prepared by the Management Board on March 31, 2023, and supplemented by an addendum on April 28, 2023. They are scheduled to be approved by the Supervisory Board on April 28, 2023.

Frankfurt am Main, April 28, 2023

creditshelF Aktiengesellschaft

The Management Board

Dr. Tim Thabe

Dr. Daniel Bartsch



## 4. INDEPENDENT AUDITOR'S REPORT

[Note: This document is a convenience translation of the German original. The original German language document is the authoritative version.]

To creditshef Aktiengesellschaft, Frankfurt am Main

### **Report on the Audit of the Consolidated Financial Statements and of the Group Management Report**

#### **Audit Opinions**

We have audited the consolidated financial statements of creditshef Aktiengesellschaft, Frankfurt am Main, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2022, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from 1 January 2022 to 31 December 2022, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the group management report of creditshef Aktiengesellschaft, Frankfurt am Main, for the financial year from 1 January 2022 to 31 December 2022. In accordance with the German legal requirements we have not audited the corporate governance statement pursuant to sections 289f and 315d HGB [Handelsgesetzbuch: German Commercial Code] contained in section 6.1 of the group management report as well as section 4.1 "Internal Control and Risk Management System" of the group management report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to section 315e paragraph 1 HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at 31 December 2022 and of its financial performance for the financial year from 1 January 2022 to 31 December 2022, and
- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the group management report does not cover the above listed content of the parts of the group management report that were not audited.





Pursuant to section 322 paragraph 3 sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

### **Basis for the Audit Opinions**

We conducted our audit of the consolidated financial statements and of the group management report in accordance with section 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as “EU Audit Regulation”) and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the “Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report” section of our auditor’s report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the group management report.

### **Material uncertainty related to Going concern**

We refer to section “1. Basis of Preparation of the Financial Statements” in the notes to the consolidated financial statements and to the disclosures in section “4.4 GOING CONCERN RISK” of the group management report. Herein, the legal representatives of creditshelf Aktiengesellschaft describe that, if the measures to dissolve the funding restrictions on the creditshelf platform – in particular the successful launch of the Goldman Sachs vehicle through corresponding and committed payments by the junior lender Obotritia Capital KGaA – and the revenue development planned on this basis cannot be implemented, the cost management measures taken do not achieve the planned effect and the funds still available under the shareholder loan framework agreement are not sufficient or cannot be serviced by the lender, until positive cashflows are achieved, or the lender terminates the agreement at the beginning of 2024, the going concern of creditshelf Aktiengesellschaft and the Group would be at risk.

As disclosed in sections “1. Basis of Preparation of the Financial Statements” and “4.4 GOING CONCERN RISK” of the group management report, there is a material uncertainty related to events or circumstances that may cast significant doubt on creditshelf Aktiengesellschaft’s and the Group’s ability to continue as a going concern and that constitutes a going concern risk within the meaning of section 322 paragraph 2 sentence 3 HGB.

In accordance with Article 10 (2) point c) ii) EU Audit Regulation we summarize our audit response as follows:

As part of our audit, we first obtained from the legal representatives of creditshelf Aktiengesellschaft their assessment of the ability of creditshelf Aktiengesellschaft and its subsidiary to continue as a going concern. Taking into account the events and circumstances identified by the legal representatives that may cast significant doubt creditshelf Aktiengesellschaft’s and its



subsidiary's ability to continue as a going concern, we have assessed whether the legal representatives' use of the going concern basis of accounting in the preparation of the consolidated financial statements is appropriate and whether, in relation to the events or circumstances identified, a material uncertainty exists related to the entity's ability to continue as a going concern.

The starting point for our assessment of the material procurement risks and the resulting liquidity risks was the planning prepared by the legal representatives of creditshelf Aktiengesellschaft for the financial year 2023 and its update for the financial year 2024. We assessed the plausibility and the comprehensibility of the planning assumptions made and the reliability of the underlying data.

Furthermore, we assessed whether the measures initiated by creditshelf Aktiengesellschaft's legal representatives, in particular the Goldman Sachs vehicle to counteract the increased procurement risks and the cost reduction measures initiated or to be initiated in the future to reduce the existing liquidity requirement, are suitable for sustainably improving the liquidity situation of creditshelf Aktiengesellschaft and its subsidiary.

We have obtained a written representation from the legal representatives of creditshelf Aktiengesellschaft on the measures initiated to address the procurement risks with the resulting liquidity risks and on their feasibility. On the basis of the knowledge obtained from our audit procedures, we have assessed whether the presentation of the material uncertainty related to going concern in the consolidated financial statement and the group management report is appropriate under the circumstances.

Our audit opinions on the consolidated financial statement and the group management report have not been modified with respect to this matter.

## **Key Audit Matters in the Audit of the Consolidated Financial Statements**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from 1 January 2022 to 31 December 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon, we do not provide a separate audit opinion on these matters.

In our view, the following matters were of most significance in our audit of the financial statements. Our presentation of the key audit matters has been structured as follows:

- ① Financial statement risk
- ② Audit approach
- ③ Reference to related disclosures



## **Impairment of the intangible assets regarding IT software "creditshelf platform"**

### **① Financial Statement Risk**

The consolidated financial statements of creditshelf Aktiengesellschaft include intangible assets in the amount of EUR 2,415.1 thousand, that fully relate to the carrying amount for the IT software "creditshelf platform". It corresponds to 25.1 % of the consolidated balance sheet total of creditshelf. The company uses the "creditshelf platform" in the context of brokering loans. In order to ensure the recoverability of the IT software "creditshelf platform", the legal representatives have assessed, whether an impairment to a lower fair value is required. To determine the recoverable amount, future expected cash flows from the creditshelf platform were derived on the basis of the Group's corporate planning and then discounted.

The result of the valuation of the creditshelf platform by the legal representatives of creditshelf Aktiengesellschaft highly depends on expectations of future cash flows of the creditshelf platform and the applied discount rate and is therefore subject to a high uncertainty. Based on this and due to the underlying complexity of the valuation method applied, this matter was of particular significance in our audit.

### **② Audit Approach**

As part of our audit of the recoverability of the intangible asset IT software "creditshelf platform", we first reperformed the applied procedure for the impairment test. On the basis of the corporate planning prepared by the legal representatives and approved by the supervisory board, we assessed the appropriateness of the expected future cash flows included in the valuation by assessing the key assumptions on which the legal representatives based their planning and checked it for plausibility using general and sector-specific market expectations. Knowing that relatively small changes in the discount rate used in the valuation model can have a significant effect on the recoverable amount, we assessed the parameters used in determining the discount rate by involving our internal valuation specialists and reperformed the calculation scheme.

### **③ Reference to Related Disclosures**

The Company's disclosures concerning the "creditshelf platform" are included in sections "4. Accounting Policies" and "7. Intangible Assets" of the notes to the consolidated financial statements.

## **Impairment of goodwill from the acquisition of shares in creditshelf solutions GmbH**

### **① Financial Statement Risk**

In its consolidated financial statements, the Company reports goodwill from the acquisition of the shares in creditshelf solutions GmbH in the amount of EUR 518 thousand; this corresponds to 5.4% of total assets. In order to ensure the recoverability of the goodwill from the acquisition of the shares in creditshelf solutions GmbH, the legal representatives have assessed in an annual



impairment test whether a write-down is required due to impairment. To determine the recoverable amount, expected future cash flows from the corresponding cash-generating unit were derived and discounted on the basis of Group planning.

The result of the measurement of the goodwill from the acquisition of the shares in creditshef solutions GmbH by the legal representatives of creditshef Aktiengesellschaft is highly dependent on the expected cash flows from the corresponding cash-generating unit and the discount rate applied, and is therefore subject to considerable estimation uncertainty. Against this background and due to the underlying complexity of the applied valuation model, this matter was of particular importance in the context of our audit.

## ② **Audit Approach**

As part of our impairment test of the goodwill arising from the acquisition of the shares in creditshef solutions GmbH, we first traced the methodological approach used to perform the impairment test. From the Group planning prepared by the legal representatives and approved by the Supervisory Board, we assessed the appropriateness of the expected future cash flows from the corresponding cash-generating unit included in the valuation by acknowledging the key assumptions on which the legal representatives based the planning of the expected future cash flows and checking their plausibility with general and industry-specific market expectations. Knowing that even relatively small changes in the discount rate used in the valuation model can have a material impact on the amount of the recoverable amount determined, we assessed the parameters used in determining the discount rate with the involvement of our internal valuation specialists and understood the calculation scheme.

## ③ **Reference to Related Disclosures**

The Company's disclosures concerning the goodwill are included in sections "4. Accounting Policies" and "7. Intangible Assets" of the notes to the consolidated financial statements.

## **Other Information**

The executive directors and the supervisory board, respectively, are responsible for the other information. The other information comprises:

- the declaration on corporate governance contained in section 6.1 of the group management report pursuant to sections 289f and 315d HGB; and
- section 4.1 "Internal Control and Risk Management System" of the group management report
- the declaration of the legal representatives in accordance with section 297 paragraph 2 sentence 4 HGB and 315 paragraph 1 sentence 5 HGB.



- the compensation report contained in the annual report pursuant to section 162 of the German Stock Corporation Act (AktG), and
- the other parts of the Annual Report,
- but not the consolidated financial statements, the audited content of the group management report, or our audit opinion thereon.

The declaration pursuant to section 161 of the German Stock Corporation Act (AktG) on the German Corporate Governance Code, which forms part of the corporate governance statement contained in section 6.1 of the group management report, and the compensation report is the responsibility of the legal representatives and the Supervisory Board. The Supervisory Board is responsible for the Report of the Supervisory Board contained in the Annual Report. Otherwise, the legal representatives are responsible for the other information.

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

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the group management report information audited for content or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of the Executive Directors and the Supervisory Board for the Consolidated Financial Statements and the Group Management Report**

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to section 315e paragraph 1 HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.



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

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

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

## **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report**

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

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with section 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material



misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to section 315e paragraph 1 HGB.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express audit opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions.
- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.
- Perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken or safeguards applied to eliminate independence threats related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

## **Other Legal and Regulatory Requirements**

### **Report on the Assurance of Electronic Rendering, of the Consolidated Financial Statements and the Group Management Report, Prepared for Publication Purposes in Accordance with Section 317 Paragraph 3a HGB**

#### **Assurance Opinion**

We have performed assurance work in accordance with section 317 paragraph 3a HGB to obtain reasonable assurance about whether the rendering of the consolidated financial statements and the group management report (hereinafter the "ESEF documents") contained in in the electronic file „5299003LVPXHGHTWP936-2022-12-31-de.zip" with hash value 191b39591c2393b7df512f072b1f3b4fc816fb589f4044093aef8af1ef6090c4 calculated using SHA256, and prepared for publication purposes complies in all material respects with the requirements of section 328 paragraph 1 HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance only extends to the conversion of the information contained in the consolidated financial statements and the group management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the file identified above.

In our opinion, the rendering of the consolidated financial statements and the group management report contained in the electronic file identified above and prepared for publication purposes complies in all material respects with the requirements of section 328 paragraph 1 HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying group management report for the financial year from 1 January 2022 to 31 December 2022 contained in the "Report on the Audit of the Consolidated Financial Statements and of the Group Management Report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the file identified above.





### **Basis for the Assurance Opinion**

We conducted our assurance work on the rendering, of the consolidated financial statements and the group management report, contained in the file identified above in accordance with section 317 paragraph 3a HGB and the IDW Assurance Standard "Assurance on the Electronic Rendering, of Financial Statements and Management Reports, Prepared for Publication Purposes in Accordance with Section 317 Paragraph 3a HGB" (IDW AsS 410) (06.2022). Our responsibility in accordance therewith is further described in the "Auditor's Responsibilities for the Assurance Work on the ESEF Documents" section. Our audit firm applies the IDW Standard on Quality Management 1 "Requirements for Quality Management in the Audit Firm" (IDW QMS 1 (09.2022)).

### **Responsibilities of the Executive Directors and the Supervisory Board for the ESEF Documents**

The executive directors of the company are responsible for the preparation of the ESEF documents with the electronic renderings of the consolidated financial statements and the group management report in accordance with section 328 paragraph 1 sentence 4 no. 1 HGB and for the tagging of the consolidated financial statements in accordance with section 328 paragraph 1 sentence 4 no. 2 HGB.

In addition, the executive directors of the company are responsible for such internal control as they have considered necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of section 328 paragraph 1 HGB for the electronic reporting format.

The supervisory board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

### **Auditor's Responsibilities for the Assurance Work on the ESEF Documents**

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of section 328 paragraph 1 HGB. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also:

- Identify and assess the risks of material intentional or unintentional non-compliance with the requirements of section 328 paragraph 1 HGB, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- Obtain an understanding of internal control relevant to the assurance on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.



- Evaluate the technical validity of the ESEF documents, i.e., whether the file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815, in the version in force at the date of the financial statements, on the technical specification for this electronic file.
- Evaluate whether the ESEF documents enables a XHTML rendering with content equivalent to the audited consolidated financial statements and to the audited group management report.
- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL), in accordance with the requirements of Articles 4 and 6 of the Delegated Regulation (EU) 2019/815, in the version in force at the date of the financial statements, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as group auditor by the annual general meeting on 17 May 2022. We were engaged by the supervisory board on 7 July 2022. We have been the group auditor of the creditshelf Aktiengesellschaft, Frankfurt am Main, without interruption since the financial year 2018.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

#### **Other Matter – Use of the Auditor's Report**

Our auditor's report must always be read together with the audited consolidated financial statements and the audited group management report as well as the assured ESEF documents. The consolidated financial statements and the group management report converted to the ESEF format – including the versions to be published in the Federal Gazette – are merely electronic renderings of the audited consolidated financial statements and the audited group management report and do not take their place. In particular, the ESEF report and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.



## **German Public Auditor Responsible for the Engagement**

The German Public Auditor responsible for the engagement is Jens Brinkhoff.

Düsseldorf, 28 April 2023

Grant Thornton AG

Wirtschaftsprüfungsgesellschaft

Eckhard Lewe

Wirtschaftsprüfer

[German Public Auditor]

Jens Brinkhoff

Wirtschaftsprüfer

[German Public Auditor]



## 5. RESPONSIBILITY STATEMENT

“To the best of our knowledge, and in accordance with the applicable international reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position, and profit or loss of the group, and the group management report includes a fair review of the development and performance of the business and the position of the creditshelf group, together with a description of the material opportunities and risks associated with the expected development of the creditshelf group.”

Frankfurt am Main, April 28, 2023

creditshelf Aktiengesellschaft

The Management Board

Dr. Tim Thabe

Dr. Daniel Bartsch



## 6. REMUNERATION REPORT PURSUANT TO SECTION 162 OF THE AKTG

In the following, the Management Board and Supervisory Board of creditshelf Aktiengesellschaft explain the remuneration awarded and due in fiscal year 2022 to each individual current or former member of the Management Board and the Supervisory Board of the company and of companies belonging to the same group. The relevant company within the meaning of section 290 of the HGB during the reporting period was creditshelf Aktiengesellschaft.

This remuneration report covers the following people:

<b>Name</b>	<b>Governing body</b>	<b>Function</b>	<b>Departure date</b>
Dr. Tim Thabe	Management Board	CEO	n.a.
Dr. Daniel Bartsch	Management Board	Deputy CEO	n.a.
Dr. Mark Währisch	Management Board	Chief Risk Officer	April 30, 2021
Rolf Elgeti	Supervisory Board	Supervisory Board Chairman	n.a.
Rolf Hentschel	Supervisory Board	Deputy Chairman of the Supervisory Board	n.a.
Prof. Dirk Schiereck	Supervisory Board	Supervisory Board member	n.a.
Julia Heraeus-Rinnert	Supervisory Board	Supervisory Board member	n.a.
Dr. Joachim Rauhut	Supervisory Board	Supervisory Board member	n.a.

### 6.1. MANAGEMENT BOARD REMUNERATION

The remuneration system for the members of creditshelf Aktiengesellschaft's Management Board approved by the General Meeting on May 10, 2021, makes a major contribution towards implementing and driving forward the company's business strategy, towards systematically boosting the company's market position as a pioneer of digital SME finance in Germany and, in the medium term, towards expanding into selected European markets. It focuses in its entirety on the company's sustainable, long-term development. To achieve this objective, the Management Board is granted market-based, performance-driven, and competitive remuneration.

The basic remuneration system provides for Management Board members to receive both fixed remuneration and performance-based, long-term variable remuneration in the form of share-based employee incentive programs ("Restricted



Stock Units Programs” or “RSU Programs”). Depending on the extent to which Management Board members meet the predefined targets determining the award of the RSUs, the ratio of fixed remuneration to total remuneration is 40–100% and the ratio of variable remuneration to total remuneration is 0–60%. The part of the remuneration system, which relates to variable remuneration components, was not yet applied in fiscal year 2021 and 2022.

The company’s two founders, Dr. Tim Thabe and Dr. Daniel Bartsch, who are also members of the Management Board, hold not insignificant volumes of shares in the company and identify strongly with its business model, which they implemented and have progressed from the very start. Their many years of experience and their know-how are extremely important for the company’s continued business development. This special importance has been taken into account by granting them fixed remuneration only, bearing in mind that the interests of the company’s two founders are already aligned with those of the remaining shareholders due to their existing equity interests. Therefore, the ratio of fixed remuneration to total remuneration for these Management Board members is 100%. The fixed remuneration amounts to kEUR 120 per annum in each case, and is payable in twelve equal monthly installments.

No use was made of the right to reclaim variable remuneration components. In addition, the members of the Management Board received normal levels of fringe benefits. The maximum possible remuneration of kEUR 500 per annum set for Management Board members was complied with.

After taking all the abovementioned information into account, the total remuneration awarded and due in fiscal year 2022 for current and former members of creditshelf Aktiengesellschaft’s Management Board is as follows:



in kEUR	2022		2021	
	Remuneration awarded	Remuneration due	Remuneration awarded	Remuneration due
<b>Vorstand</b>				
Dr. Tim Thabe	143,3	0,0	141,0	0,0
<i>Davon Festvergütung</i>	<i>120,0</i>	<i>0,0</i>	<i>120,0</i>	<i>0,0</i>
<i>Davon variable Vergütungsbestandteile</i>	<i>0,0</i>	<i>0,0</i>	<i>0,0</i>	<i>0,0</i>
<i>Davon Nebenleistungen</i>	<i>23,3</i>	<i>0,0</i>	<i>21,0</i>	<i>0,0</i>
Dr. Daniel Bartsch	139,9	0,0	137,8	0,0
<i>Davon Festvergütung</i>	<i>120,0</i>	<i>0,0</i>	<i>120,0</i>	<i>0,0</i>
<i>Davon variable Vergütungsbestandteile</i>	<i>0,0</i>	<i>0,0</i>	<i>0,0</i>	<i>0,0</i>
<i>Davon Nebenleistungen</i>	<i>19,9</i>	<i>0,0</i>	<i>17,8</i>	<i>0,0</i>
Dr. Mark Währisch (bis 30. April 2021)	0,0	0,0	123,4	0,0
<i>Davon Festvergütung</i>	<i>0,0</i>	<i>0,0</i>	<i>33,3</i>	<i>0,0</i>
<i>Davon Karenzentschädigung</i>	<i>0,0</i>	<i>0,0</i>	<i>4,2</i>	<i>0,0</i>
<i>Davon variable Vergütungsbestandteile</i>	<i>0,0</i>	<i>0,0</i>	<i>78,0</i>	<i>0,0</i>
<i>Davon Nebenleistungen</i>	<i>0,0</i>	<i>0,0</i>	<i>7,9</i>	<i>0,0</i>



## 6.2. SUPERVISORY BOARD COMPENSATION

creditshelf Aktiengesellschaft's Articles of Association specify that the members of the company's Supervisory Board receive fixed compensation of kEUR 20.0 per fiscal year in addition to being reimbursed their expenses. In derogation of the above, the Chairman receives fixed compensation of kEUR 40.0 per fiscal year plus expenses and the Deputy Chairman receives fixed compensation of kEUR 30.0 per fiscal year plus expenses. The Supervisory Board Chairman voluntarily waived his fixed remuneration in fiscal year 2022, as in the previous year. Supervisory Board members who only belong to the Supervisory Board for part of a fiscal year receive pro rata remuneration. In addition, Supervisory Board members receive normal levels of fringe benefits. No variable remuneration components are provided for.

After taking all the abovementioned information into account, the remuneration for current and former members of creditshelf Aktiengesellschaft's Supervisory Board in fiscal year 2022 is as follows. Since only fixed remuneration is paid, no further distinction is made between remuneration awarded and due.

<b>in kEUR</b>	<b>2022</b>	<b>2021</b>
<b>Supervisory board</b>		
Rolf Elgeti	3,4 kEUR	2,1 kEUR
Rolf Hentschel	33,4 kEUR	31,7 kEUR
Prof. Dr. Dirk Schiereck	23,4 kEUR	21,7 kEUR
Julia Heraeus-Rinnert	23,4 kEUR	21,7 kEUR
Dr. Joachim Rauhut	23,4 kEUR	21,7 kEUR

## 6.3. FINANCIAL PERFORMANCE AND AVERAGE EMPLOYEE REMUNERATION

creditshelf's annual performance is as follows:

<b>in kEUR</b>	<b>2022</b>	<b>2021</b>
Revenue	6,183.0	7,251.5
EBIT	-601.1	-2,183.1
Net loss for the year	-783.7	-2,293.3





The average annual employee remuneration on a full-time equivalent basis, i.e., not including student workers and interns, amounted to kEUR 70.4 in fiscal year 2022 (previous year: kEUR 68.8). The average is calculated on the basis of gross annual salaries not including variable remuneration components. The annual gross salaries of employees joining or leaving the company in the course of the reporting period are annualized to enhance comparison.



## 7. PUBLICATION DETAILS

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### **creditshelf's shares**

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