credit shelf | Next Gen Corporate Finance

QUARTERLY STATEMENT

30 SEPTEMBER 2023

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CREDITSHELF AKTIENGESELLSCHAFT - QUARTERLY STATEMENT Q3 2023

1. STATEMENT BY THE MANAGEMENT BOARD

Dear Shareholders and readers,

In a challenging market environment for SME debt financing, alternatives to the classic bank loan, such as those offered by creditshelf, are becoming an important entrepreneurial tool: over 70% of SMEs already have had direct contact with providers of alternative financing solutions. This is a result elaborated on in creditshelf's latest market survey 'Finanzierungsmonitor'. Over 200 SME entrepreneurs were surveyed regarding matters of finance and lending. We are therefore firmly convinced that the creditshelf product will continue to be an important component in the financing structures of German SMEs.

To counteract the effects of the ongoing funding bottleneck on the creditshelf platform, we have once again lowered our cost base. We have further reduced material costs compared to the previous year. We will see significant relief in personnel expenses in the coming months, as the personnel measures taken this summer will show their full effect in Q4 2023. We continue to work at full speed to resolve the existing funding bottleneck and expect to have sufficient funds available by the end of the year. In combination with the optimized cost base, this will be the basis to operate profitably in the future.

Due to the continuation of the funding shortage on the creditshelf platform, we had to adjust our forecast on November 3, 2023. We now expect revenues of EUR 4.0 million to EUR 5.0 million for the financial year 2023. We are adhering to our EBIT forecast of minus EUR 1,0 million to minus EUR 2,0 million due to current business development and a lowered cost base. At the same time, we continue to have a positive view on future developments: Based on the current state of ongoing negotiations we are convinced that we will be able to return to a growth path in the upcoming financial year.

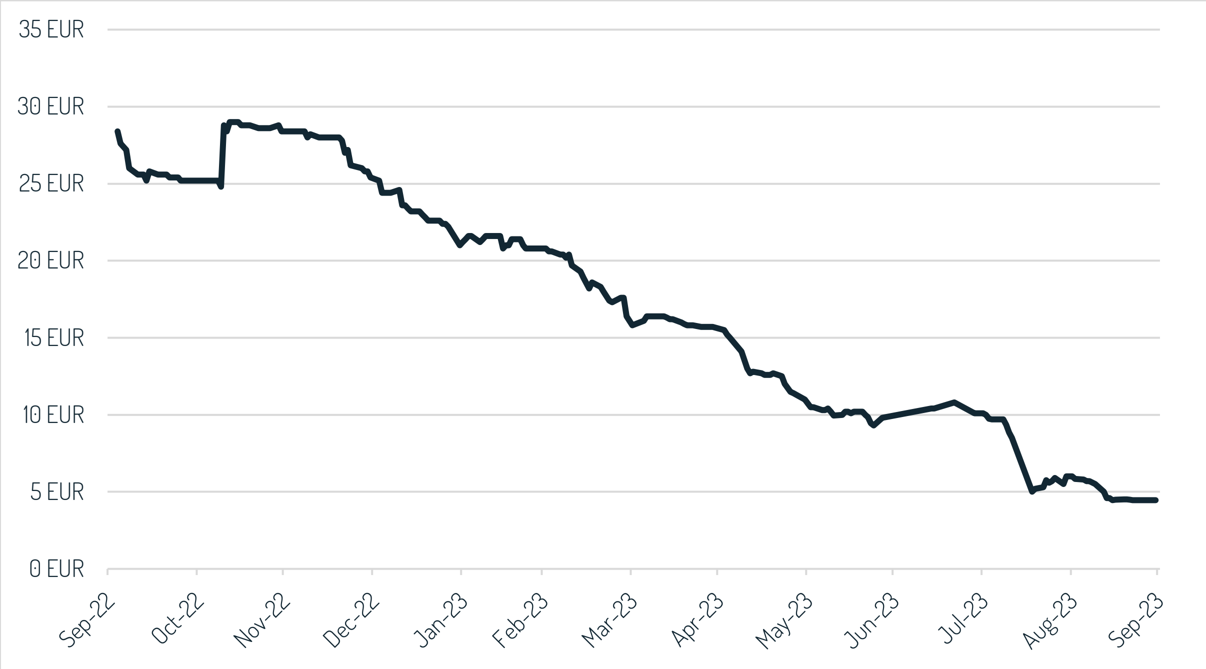
With best wishes

Your Management Board

Dr. Tim Thabe　　　　Dr. Daniel Bartsch

2. INFORMATION ON CREDITSHELF'S SHARE

Share price Performance – October 1, 2022, to September 30, 2023



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

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	80,00 EUR
Number of shares*	1,395,961
Stock exchange	Frankfurt Stock Exchange's Regulated Market (Prime Standard)
Designated Sponsors	Hauck & Aufhäuser Lampe
Sell-side analysts	NuWays AG*

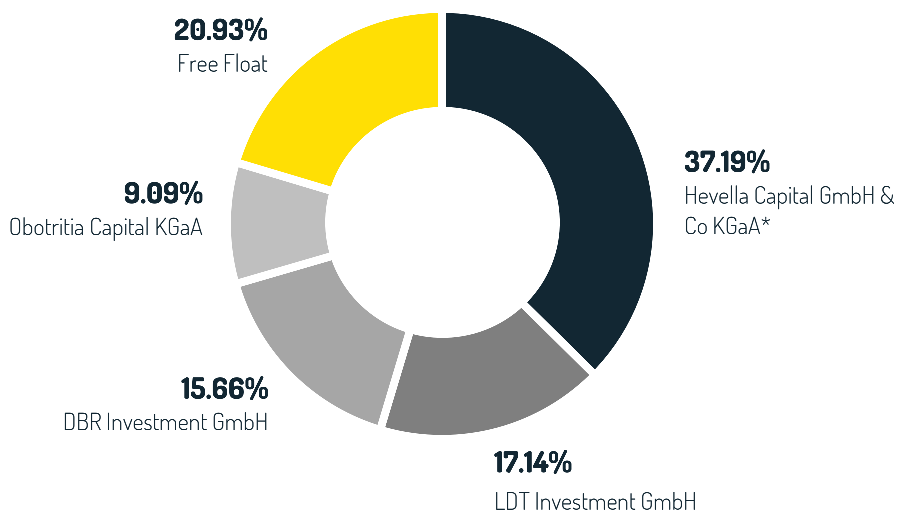
As of September 30, 2023 * Subsidiary of Hauck & Aufhäuser Lampe

creditshelf's Shares at a Glance – January 1, 2023, to 30.09 2023*

Share price at the start of the reporting period	EUR 25.20
High (Jan. 2, 2023)	EUR 25.20
Low (Sept. 21, 2023)	4,46 EUR
Share price at the end of the reporting period	4,46 EUR
Trading volume (average number of shares per day)	approx. 76

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

Shareholder structure



* Subsidiary of Obotritia Capital KGaA.

Information based on notifications of voting rights in excess of 5% received in accordance with the Wertpapierhandelsgesetz (German Securities Trading Act – WpHG). Stock options not yet exercised are not taken into account.

3. MATERIAL EVENTS

3.1 CHANGES IN THE RESULTS OF OPERATIONS

Performance indicators in kEUR	1.1.-30.09.2023	1.1.-30.9.2022
Revenue	3,579.3	5,111.7
EBIT	-1,164.3	537.4

In the first nine months of the 2023 financial year, creditshelf group's revenues fell by 30.0 % year-on-year to kEUR 3,579.3 (prior-year period: kEUR 5,111.7). The main cause was a decrease in the arranged loan volume to EUR 51 million in the reporting period (prior-year period: EUR 94 million) due to refinancing restrictions. creditshelf is working tirelessly to overcome these funding restrictions and expects to see a solution by the end of the year.

creditshelf's revenues in the first nine months came from three different sets of fees: Borrower fees, which creditshelf receives from the borrower when a loan is disbursed, amounted to kEUR 2,301.1 (prior-year period: kEUR 3,655.5). The margin, consisting of the ratio of these fees to the arranged loan volume, was 4.6% in the reporting period (prior-year period: 3.9%). This was caused by higher fees in response to developments in general market conditions for debt financing in the reporting period. Revenue from investor fees generated by the company for loans arranged via the creditshelf platform amounted to kEUR 308.1 (prior-year period: kEUR 1,000.4), which corresponds to a lower margin of 0.6% (prior-year period: 1.1%). This margin reduction is mainly attributable to increased rebates caused by loan defaults (9M 2023: kEUR 244.7, prior-year period: kEUR 96.1). The reduced investor fees were offset by higher service and advisory fees, consisting mainly of additional compensation for service and analysis services. During the reporting period, the creditshelf group generated revenue from servicing and advisory fees amounting to kEUR 970.1 (prior-year period: kEUR 455.8). This corresponds to a margin of 1.9% (prior-year period: 0.4%). In line with these developments, the overall margin – the ratio of revenue to the arranged loan volume – rose significantly year-over-year to 7.1% (prior-year period: 5.4%).

Other income, totalling kEUR 1,907.0, was at the same level as in the prior-year period (kEUR 1,968.4). This item included income from the reversal of the provision for the virtual participation shares, refunds of legal costs relating to borrowers providing recovery after default, and a VAT refund for past fiscal years. Other income in the reporting period also included income of kEUR 970.0 caused by debt waiver by the company's patron for the shareholder loan and accrued interest. In the prior-year period, this item mainly included a compensation payment of kEUR 1,750.0 received by creditshelf under an arrangement reached with Amsterdam Trade Bank's insolvency administrator.

Own work capitalised amounted to kEUR 416.9 (prior-year period: kEUR 390.4) and comprised personnel expenses incurred in connection with software development.

Personnel expenses rose slightly to kEUR 4,317.6 in the reporting period (prior-year Period: kEUR 4199.7). This reflects an increased headcount, especially in the first half of 2023. As of September 30, 2023, the headcount already decreased to 49 permanent employees (previous year's period: 60 permanent employees) including the Management Board. As part of a restrictive human resources policy and given the creditshelf group's challenges resulting from funding restrictions, the Management Board resolved between June and July to significantly reduce the number of permanent staff by regularly terminating the affected employees, and not to fill the resulting vacancies. From November 2023 onwards, the headcount will have fallen to approximately 35 people. In addition, personnel expenses include expenses for share-based employee incentive programmes (Restricted Stock Unit programs or RSUs) in the amount of kEUR 278.4 (prior-year period: kEUR 120.2). The lower RSU expenses in the prior-year period were due to the reversal of provisions for expenses that had already been recognized following staff departures.

Other operating expenses amounted to kEUR 2,076.3 in the first nine months of 2023 and were thus below the level of the prior-year period (kEUR 2,278.7).

Legal and consulting expenses rose substantially year over year due to the company's more intensive investor acquisition activities and totalled kEUR 709.7 (prior-year period: kEUR 441.3).

Marketing and advertising expenses fell significantly to kEUR 158.9 (prior-year period: kEUR 364.5). This reflects a tightly focused marketing strategy featuring efficient campaigns aimed at clearly-defined target groups and a clear emphasis on supporting partner sales, plus lower brand awareness expenses.

Third-party services in the first half of 2023 resulted in expenses of kEUR 139.5 (prior-year period: kEUR 249.4) and mainly comprised expenses incurred for fronting bank services performed during the lending process. The decrease is due to the reduction in loans brokered.

Lease expenses in the first nine months of 2023 of kEUR 68.6 stood at the same level as in the prior-year period (kEUR 68.2).

Total miscellaneous other expenses decreased to kEUR 949.1 in the reporting period (prior-year period: kEUR 1036.0). As in the previous year, this item primarily contained IT expenses for licenses and concessions to expand our digital infrastructure. Other additional expenses were investor relations costs, accrued Supervisory Board remuneration, insurance costs, travel costs, and association membership fees such as those for the Digital Lending Association (formerly the Verband Deutscher Kreditplattformen).

Earnings before interest, taxes, depreciation, and amortisation (EBITDA) amounted to kEUR -491.2 in the first nine months of 2023 and was significantly below the level of the prior-year period (kEUR 992.1).

Depreciation and amortization for the first nine months of 2023 amounted to kEUR 673.2 and was higher than the prior-year period (kEUR 454.7), due to the subsequent recognition of own work capitalized for improvements made to software components and the completion of assets under construction.

Consequently, the group's earnings before interest and taxes (EBIT) amounted to kEUR -1,164.3 in the reporting period (prior-year period: kEUR 537.4). Taking into account a financial result of kEUR -205.4 (prior-year period: kEUR -134.2), the net loss for the first nine months of 2023 amounted to kEUR 1,369.7 (prior-year period: net profit of kEUR 403.2).

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 -0.98 (prior-year period: EUR 0.29). Diluted earnings per share correspond to basic earnings per share in line with IAS 33.41 (prior-year period: EUR 0.29).

3.2 CHANGES IN THE NET ASSETS

creditshelf's total assets amounted to kEUR 8,030.3 as of September 30, 2023 (December 31, 2022: kEUR 9,619.3).

At kEUR 3,563.4, noncurrent assets were below the values recognised at the end of fiscal year 2022 (December 31, 2022: kEUR 3,906.3). At kEUR 3,081.0, intangible assets stood at the same level as at the end of fiscal year 2022 (December 30, 2022: kEUR 3,125.4). Higher regular amortisation was offset by capitalization of own work. The lower level of noncurrent assets as of September 30, 2023 resulted mainly from reduced noncurrent trade receivables of kEUR 408.9 (December 31, 2022: kEUR 679.4). The latter mainly comprised lower investor fee receivables due to the reduced business activity.

Current assets decreased to kEUR 4,466.9 as of the reporting date (December 31, 2022: kEUR 5,713.0). This was mainly due to significantly reduced cash and cash equivalents of kEUR 2,979.6 (31 December 2022: kEUR 4,135.1). Similar to the end of fiscal year 2022, the settlement of transactions led to cash of kEUR 2,000.0 (December 31, 2022: kEUR 3,000.0) being held temporarily in a company account as of the September 30, 2023, reporting date, brief temporarily increasing the cash and cash equivalents. As of December 31, 2022, this item was matched by a liability in the same amount. kEUR 0.1 of this item was held in pledged accounts as of September 30, 2023 (December 31, 2022: kEUR 0.1). Current trade receivables, which consist primarily of reduced investor fee receivables, fell to kEUR 1,249.8 as of September 30, 2023 (December 31, 2022: kEUR 1,327.5).

The group's equity declined compared to the fiscal year-end to kEUR 373.8 (December 31, 2022: kEUR 1,475.3). The equity ratio was 4.7% (December 31, 2022: 18.9%). The decrease in equity represents the balance of the net loss for the period after taxes of kEUR -1,369.7 and a slight increase in the capital reserves of kEUR 260.1 (September 30, 2023: kEUR 21,908.7, December 31, 2022: kEUR 21,648.5). The latter was made to satisfy claims under the share-based employee incentive programs by issuing equity instruments. 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 9, 2023. This increased the subscribed capital by EUR 8,087.00 to kEUR 1,396.0 (December 31, 2022: kEUR 1,387.9).

Noncurrent liabilities rose to kEUR 4,593.0 compared to the 2022 year-end (December 31, 2022: kEUR 3,692.6). The main reason for this was an increase in other financial liabilities to kEUR 4,357.7 (December 31, 2022: kEUR 2,863.0). This item primarily comprises the liabilities associated with the shareholder loan. The latter totalled EUR 4.4 million as of September 30, 2023 (December 31, 2022: EUR 2.6 million) after a waiver of receivables and interest of EUR 970.0 thousand by the lender. At kEUR 235.3, noncurrent provisions were significantly lower than at the end of 2022 (31 December 2022: kEUR 829.6). This was due to a reclassification of the provision for the virtual participation from a non-current to a current provision. In addition, this item mainly reflects provisions for vacation pay relating to the sabbatical program.

At kEUR 3,063.4, current liabilities fell substantially as of the September 30, 2023, reporting date compared to December 31, 2022 (kEUR 4,451.4). As already mentioned, the trade payables included a liability corresponding to the temporarily recognized cash item of kEUR 2,000.0 (December 31, 2022: kEUR 3,000.0), which is lower than at the end of 2022 fiscal year. Other liabilities amounted to kEUR 562.6 as of the September 30, 2023, reporting date – a decline compared to the 2022 year-end figure (December 31, 2022: kEUR 873.5). At kEUR 316.1, current provisions increased compared to the prior-year period (December 31, 2022: kEUR 102.8). The latter consisted of provisions for human resources issues as well as the virtual participation.

3.3 CHANGES IN FINANCIAL POSITION

Based on a net loss after tax of kEUR -1,369.7 (September 30, 2022: net profit of kEUR 403.2), gross cash flow amounted to kEUR -1,967.8 at the end of the reporting period (September 30, 2022: kEUR 837.8) after adjustments that reflected a waiver of receivables by the patron for the shareholder loan of kEUR -970.0, amortization of intangible assets of kEUR 573.3 (September 30, 2022: kEUR 361.4), other non-cash expenses and income of kEUR -416.9 (September 30, 2022: kEUR 390.4), a decrease in other provisions of kEUR -381.1 (September 30, 2022: kEUR 390.4), a non-cash rrelevant increase in capital reserves of kEUR 276.4 (September 30, 2022: kEUR 342.9) and financial income of kEUR 205.4 (September 30, 2022: kEUR 134.2).

Net cash used in operating activities amounted to kEUR -2,078.5 in the reporting period (September 30, 2022: net cash from operating activities of kEUR 459.6). This was mainly caused by a larger increase in trade receivables compared to the prior-year period, which was offset by a smaller decrease in trade payables. The decrease in other liabilities was on par with the prior-year period.

Net cash used in investing activities amounted to kEUR -174.1 in the reporting period (September 30, 2022: kEUR -31.7). The cash outflow was primarily attributable to payments for investments in tangible assets (kEUR 75.8, September 30, 2022: kEUR 30.7) and intangible assets (kEUR 112.0, September 30, 2022: kEUR 10.4).

Net cash from financing activities amounted to kEUR 2,171.7 (September 30, 2022: kEUR 203.2) and mainly reflects the disbursementcl of the shareholder loan in the amount of kEUR 2,250.0 (September 30, 2022: disbursement of kEUR 250.0). Furthermore, this item includes smaller cash flows from a decrease in the lease liability, the issuance of shares, transaction costs for the issuance of shares and interest paid.

creditshelf had cash and cash equivalents of kEUR 2,979.6 as of the September 30, 2023, reporting date (September 30, 2022: kEUR 2,014.0). This included temporarily held cash from transactions of kEUR 2,041.3 as of the reporting date (September 30, 2022: kEUR 34.5). Additionally, cash of kEUR 0.1 was held in pledged accounts as of the reporting date (September 30, 2022: kEUR 0.1). The company had cash funds of kEUR 938.2 as of September 30, 2023, after adjustment for pledged accounts and client funds (September 30, 2022: kEUR 1,979.5).

4. REPORT ON EXPECTED DEVELOPMENTS

The Management Board of creditshelf AG adjusted the revenue forecast for the financial year 2023 on November 3, 2023, via ad-hoc-release. The forecast reduction is taking into account preliminary revenues of EUR 3.6 million realized in 9M 2023, as well as the continuation of the funding shortage on the creditshelf platform. Management now expects consolidated revenues of EUR 4.0 to 5.0 million. Previously, the Management Board had assumed that the existing funding shortage on the creditshelf platform could be resolved well before the end of the year and had therefore anticipated revenues of EUR 5.0 million to EUR 7.0 million. Management now expects the respective funding not be usable before year-end. On the basis of a preliminary group EBIT of minus EUR 1.2 million in 9M 2023 and a lower cost base, the Management Board continues to adhere to the issued EBIT forecast range of minus EUR 1.0 million to minus EUR 2.0 million.

5. CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF SEPTEMBER 30, 2023

5.1 CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 30.9.2023

ASSETS	**30.9.2023 in kEUR**	**31.12.2022 in kEUR**
Non-current assets		
Intangible assets	3,081.0	3,125.4
Property, plant, and equipment	73.5	101.5
Trade receivables	408.9	679.4
Total noncurrent assets	**3,563.4**	**3,906.3**
Current assets		
Trade receivables	1,249.8	1,327.5
Other assets	187.5	203.2
Other financial assets	50.0	47.2
Cash and cash equivalents	2,979.6	4,135.1
Total current assets	**4,466.9**	**5,713.0**
Total assets	**8,030.3**	**9,619.3**

EQUITY ANS LIABILITIES	30.9.2023 in kEUR	31.12.2022 in kEUR
Capital and reserves		
Subscribed capital	1,396.0	1,387.9
Capital reserves	21,908.7	21,648.5
Retained earnings	-22,930.9	-21,561.1
Total equity	**373.8**	**1,475.3**
Noncurrent liabilities		
Noncurrent provisions	235.3	829.6
Other financial liabilities	4,357.7	2,863.0
Total noncurrent liabilities	**4,593.0**	**3,692.6**
Current liabilities		
Trade payables	2,156.7	3,410.9
Other financial liabilities	28.1	64.2
Current provisions	316.1	102.8
Other liabilities	562.6	873.5
Total current liabilities	**3,063.5**	**4,451.4**
Total equity and liabilities	**8,030.3**	**9,619.3**

5.2 CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER CEMPREHENSIVE INCOME

	1.1.-30.9.2023 in kEUR	1.1.-30.9.2022 in kEUR
Revenues	3,579.3	5,111.7
Other operating income	1,907.0	1,968.4
Own work capitalized	416.9	390.4
Personnel expenses	-4,317.6	-4,199.7
Legal and consulting costs	-709.7	-441.3
Marketing and advertising expenses	-158.9	-364.5
Third-party services	-139.5	-249.4
Lease expenses	-68.6	-68.2
Other expenses	-1,000.1	-1,155.3
EBITDA	**-491.2**	**992.1**
Depreciation and amortization	-673.2	-454.7
EBIT	**-1,164.3**	**537.4**
Financial expense	-217.1	-148.7
Financial income	11.7	14.5
Net finance costs	-205.4	-134.2
Net loss for the period/total comprehensive income	**-1,369.7**	**403.2**
of which attributable to:		
Owners of the parent	**-1,369.7**	**403.2**
Noncontrolling interests	**0.0**	**0.0**

Earnings per share	**30.9.2023 in EUR**	**30.9.2022 in EUR**
Basic earnings per share	-0.98	0.29
Diluted earnings per share	-0.98	0.29

5.3 CONSOLIDATED STATEMENT OF CASH FLOWS

		1.1.-30.9.2023 in kEUR	1.1.-30.9.2022 in kEUR
	Cash flows from operating activities		
	Net profit/loss for the period	-1,369.7	403.4
	Adjustments for:		
+	Depreciation of property, plant and equipment	99.9	93.3
+	Amortization of intangible assets	573.3	361.4
-/+	Gains/losses on disposal of intangible assets and property, plant, and equipment	2.0	-1.0
+/-	Increase/decrease in provisions	-381.1	-175.8
+/-	Other noncash expenses/income	-416.9	-390.4
+/-	Waiver of receivables for shareholder loan including interest	-970.0	0.0
+	Equity-settled share-based payments	276.4	342.9
+/-	Financial expenses/ income	205.4	134.2
+/-	Increase/decrease in other assets	13.0	69.9
	Gross cash flow	*-1,967.6*	*837.6*
-/+	Increase/decrease in trade receivables	348.2	210.9
+/-	Increase/decrease in trade payables	-179.6	-310.1
+/-	Increase/decrease in other liabilities	-279.3	-279.1
	Net cash generated by/ used in operating activities	**-2,078.5**	**459.6**
-	Payments to acquire property, plant, and equipment	-75.8	-37.2
+	Proceeds from the sale of property, plant, and equipment	2.0	1.4
-	Payments to acquire intangible assets	-112.0	-10.4
+	Interest received	11.7	14.5
	Net cash used in/ generated by investing activities	**-174.1**	**-31.7**
+	Proceeds from shareholder loan	2,250.0	250.0
+	Proceeds from the issuance of shares	8.1	11.6
-	Decrease in lease liability	-68.1	-55.8
+	Transaction costs for the issuance of shares	-16.3	0.0
-	Interest paid	-2.0	-2.6
	Net cash generated by / used in financing activities	**2,171.7**	**203.2**
+/-	Net increase/decrease in cash funds	-80.9	631.1
+	Cash funds at the start of the fiscal year	1,019.1	1,348.5
	Cash funds at the end of the fiscal year	**938.2**	**1,979.6**
+	Client funds	2,041.3	34.5
+	Pledged accounts	0.1	0.1
	Cash and cash equivalents	**2,979.6**	**2,014.2**

5.4 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Subscribed capital in kEUR	Capital reserves in kEUR	Loss-carryforwards in kEUR	Total equity in kEUR
Balance as of 1.1.2022	**1,376.2**	**21,336.7**	**-20,777.4**	**1,935.5**
Net profit/loss for the period	0.0	0.0	403.2	403.2
Issuance of equity instruments	11.7	342.9	0.0	354.6
Balance as of 30.9.2022	**1,387.9**	**21,679.6**	**-20,417.2**	**2,693.4**
Balance as of 1.1.2023	**1,387.9**	**21,648.5**	**-21,561.1**	**1,475.3**
Net profit/loss for the period	0.0	0.0	-1,367.7	-1,367.7
Issuance of equity instruments	8.1	276.4	0.0	284.5
Transaction costs from the issuance of equity instruments	0.0	-16.2	0.0	-16.1
Balance as of 30.9.2023	**1,396.0**	**21,908.7**	**-22,930.8**	**373.9**

6. RESPONSIBILITY STATEMENT

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

Frankfurt am Main, November 9, 2023

Dr. Tim Thabe

Dr. Daniel Bartsch

7. PUBLICATION DETAILS

Published by

creditshelf Aktiengesellschaft

Mainzer Landstr. 33a

60329 Frankfurt

Germany

www.creditshelf.com

This interim statement is available in German and English form:

https://www.creditshelf.com/de/investorrelations/veroeffentlichungen

creditshelf's shares

WKN: A2LQUA

ISIN: DE000A2LQUA5