credit shelf | Next Gen Corporate Finance

HALF-YEARLY FINANCIAL REPORT

JUNE 30, 2023

GROUP KEY FIGURES AT A GLANCE

in kEUR	H1 2023	H1 2022
Revenue	2,858	3,886
EBIT	–1,038	1,485
Arranged loan volume	42,536	65,905
Loan request volume	1,056,756	972,090
Net profit/loss	–1,159	1,351
Earnings per share (in EUR)	–0.83	0.98
Diluted earnings per share (in EUR)	–0.83	0.97

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CREDITSHELF AKTIENGESELLSCHAFT – HALF-YEARLY REPORT 2023

1 TO OUR SHAREHOLDERS

1.1 LETTER TO SHAREHOLDERS

Dear shareholders and readers,

The situation facing creditshelf in the first half of 2023 remained dominated by uncertainty. We have not yet been able to launch the Goldman Sachs financing vehicle despite in-depth talks with all parties involved. Discussions with other investors about additional funding vehicles also had yet to result in success in the first half of 2023. We are working tirelessly to remove the funding restrictions and expect a solution in the nearer course of the 2nd half of 2023.

At the same time, growth in loan requests continued, rising by 9% in the reporting period to EUR 1.1 billion, and we held in-depth discussions with a large number of new and existing borrowers regarding new credit projects, The envisaged cooperations with new partners should not only enable us to arrange our full level of loans for German SMEs again, but it would also lay the foundations for creditshelf's future growth. As soon as we have contracted a new partner on the investor side, we are going to systematically progress our growth strategy together, and continue anchoring next-generation corporate finance within SME financing structures.

In line with the situation described, on August 10, 2023, we reduced the forecast issued in the Annual Report 2023. Based on the assumption that the existing funding shortage on the creditshelf platform can be resolved in the course of the 2nd half of the year, we now expect consolidated revenues of EUR 5 to 7 million and a consolidated EBIT of minus EUR 1 to minus EUR 2 million.

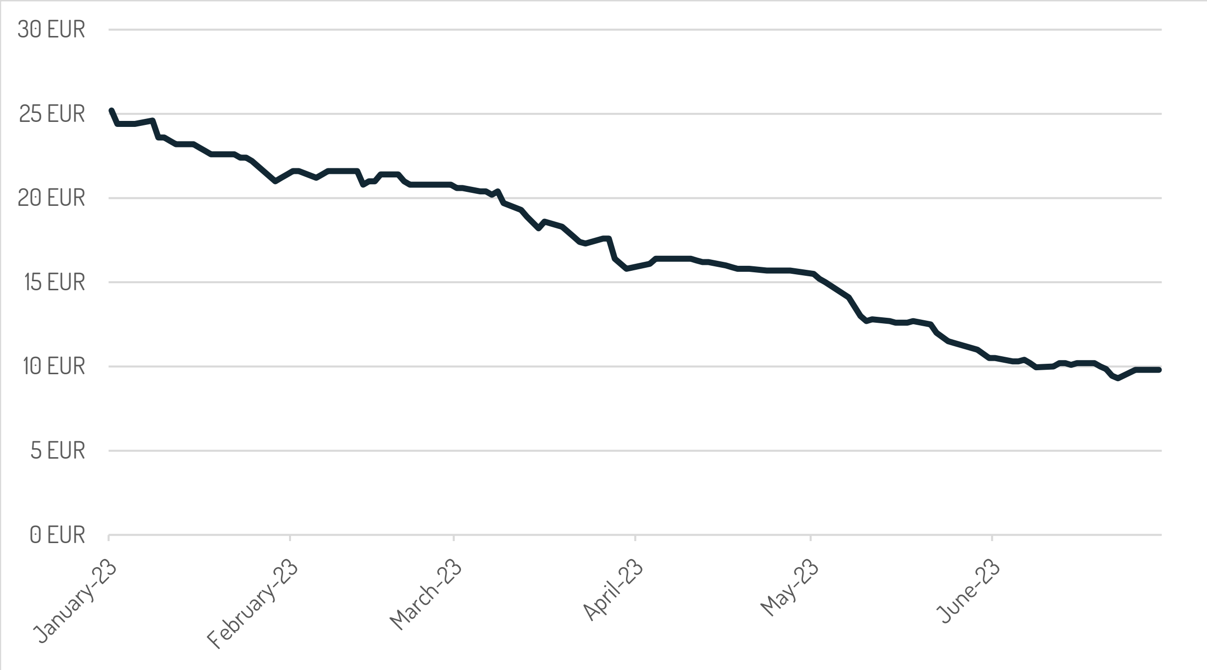
With best wishes

Your Management Board

Dr. Tim Thabe Dr. Daniel Bartsch

1.2 INFORMATION ON CREDITSHELF'S SHARES

Share Price Performance (January 1 to June 30, 2023; XETRA Closing Prices)



Basic Share Information

German securities identification number (WKN)	A2LQUA
ISIN	DE000A2LQUA5
Ticker symbol	CSQ
Type of shares	No-par value bearer shares
Initial listing	July 25, 2018
Initial issue price	EUR 80.00
Number of shares	1,395,961
Stock exchange	Frankfurt Stock Exchange's Regulated Market (Prime Standard)
Designated Sponsor	Hauck & Aufhäuser Lampe
Sell-side analysts	NuWays AG*, Kepler Cheuvreux

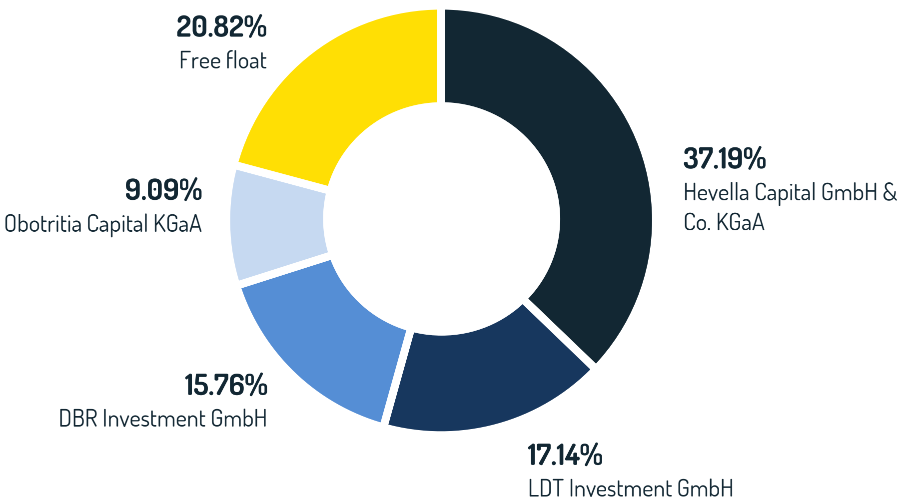
As of June 30, 2023 * A subsidiary of Hauck & Aufhäuser Lampe.

creditshelf's Shares at a Glance – January 1, 2023, to June 30, 2023*

Share price at the start of the reporting period	EUR 25.20
High (January 2, 2023)	EUR 25.20
Low (June 23, 2023)	EUR 9.30
Share price at the end of the reporting period	EUR 9.80
Trading volume (average number of shares per day)	86

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

Shareholder Structure



As of June 30, 2023. Information based on notifications of voting rights in excess of 5% received in accordance with the *Wertpapierhandelsgesetz* (German Securities Trading Act – WpHG). Stock options that had not yet been exercised as of this date were not included.

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. creditshelf published two corporate news releases during the first half of 2023 in addition to its annual report and financial statements for 2022, and its quarterly statement for Q1. Another corporate news release was issued on the occasion of the Annual General Meeting, which was held on July 4, 2023.

Investor relations is a core element of creditshelf's public relations activities. In the first half of 2023, this included a large number of one-on-one discussions with prospective investors and analysts. creditshelf Aktiengesellschaft's shares were regularly covered by analysts from two firms in the first half of 2023: NuWays AG by Hauck & Aufhäuser Lampe and Kepler Cheuvreux. creditshelf also kept in contact with investors and analysts through regular webcast conference calls and a special investor relations e-mail mailbox.

Our dedicated investor relations website, ir.creditshelf.com, provides information about our company and our shares.

Financial Calendar

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 INTERIM GROUP MANAGEMENT REPORT AS OF JUNE 30, 2023

2.1 BRIEF OVERVIEW OF THE CREDITSHELF GROUP

Business Model

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, to arrange flexible finance solutions that are not tied to specific banks for small and medium-sized enterprises ("SMEs") and growth companies. 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, it 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. To finance the loans, creditshelf's digital ecosystem links SME borrowers with institutional financing partners, giving the latter access to an attractive investment class that would otherwise be unavailable to them. These investors include well-known institutions such as the European Investment Fund. creditshelf's ecosystem is rounded off by sales partners, who can offer their clients innovative and new credit solutions via creditshelf. The product offering, which is targeted at German SMEs and growth companies, comprises corporate loans of between EUR 100,000 and EUR 5 million, and durations of between1 month and 60 months.

Growth Strategy

creditshelf's growth strategy focuses on leveraging network effects and economies of scale. Platform-based business models, which build on networks, 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:

(i) 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.

(ii) 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. We are currently engaged in promising discussions with investors to resolve the current funding bottleneck on the creditshelf platform. Some of these discussions are so advanced that we expect a solution on the investor side of our platform in the course of the second half of 2023.

(iii) 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 appetite on the funding side.

(iv) 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, there is an opportunity to offer analysis and credit services to third parties.

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 is 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 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).

There were no changes in the group structure compared to the end of fiscal year 2022. creditshelf Aktiengesellschaft did not hold any direct or indirect equity interests above and beyond creditshelf solutions GmbH as of the June 30, 2023, reporting date.

The creditshelf group employed an average of 71 permanent staff including the Management Board between January 1, 2023, and June 30, 2023 (H1 2022: 67).

Group Management 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 at regular intervals to the Management Board and are also included in the discussions held with the Supervisory Board.

Performance indicator in kEUR	**1.1.-30.6.2023**	**1.1.-30.6.2022**
Revenue	2,857.7	3,885.7
EBIT	-1,038.1	1,484.9

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 fiscal years prior to 2022 creditshelf consistently arranged a higher volume of loans in the second half of the year than in the first six months. However, this trend was not continued in 2022 due to the restrictions on funding.

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 the potential need for any adjustments are regularly reviewed and planned at group level. Employee matters were not managed in greater detail using performance indicators in the first half of fiscal year 2023.

2.2 RESEARCH AND DEVELOPMENT

The company makes a clear distinction between research and development, and its activities are 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. In the period from Q4 2022 to the start of Q3 2023, creditshelf worked together with an external software developer, which assisted its internal development activities as required ("nearshoring").

The costs of kEUR 426.7 that were incurred by the company for internal development activities in the first half of 2023 (prior-year period: kEUR 275.0) were expensed under the following intangible asset items: the "Internet platform," the "risk tool," and the "portfolio analysis platform" (software). kEUR 329.8 of this amount (prior-year period: kEUR 264.6) was attributable to own work capitalized. No research costs were incurred. As of June 30, 2023, the carrying amount of the intangible assets in use at, or under development by, the company that were attributable to development activities amounted to kEUR 2,579.0 (December 31, 2022: kEUR 2,490.2). Depreciation and amortization charged in the reporting period amounted to kEUR 337.9 (prior-year period: kEUR 234.0). kEUR 264.2 of this figure was attributable to capitalized development costs (prior-year period: kEUR 201.9). No impairment losses were required to be recognized either in the current reporting period or in the previous year.

2.3 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 creditshelf's business development.

2.3.1 MACROECONOMIC ENVIRONMENT AND COMPETITION

The macroeconomic conditions primarily influencing creditshelf's SME borrowers and impacting the behavior of creditshelf's investors were challenging in the first half of fiscal year 2023. The key trends that were already described in the annual report for 2022 continued.

After adjustment for price, calendar, and seasonal effects, German GDP fell by 0.3% in Q1 2023 compared to the previous quarter.[1] The German economy is under pressure, shrinking by 0.5% compared to the first quarter of 2022. The effects of the energy crisis, the generally weak economy and the unfavorable financing terms offered by traditional banks are continuing to have a negative impact on German businesses.[2] The stubbornly high inflation rate eased slightly in June 2023, but was still 6.4%. This is affecting purchasing power and hence the sales markets for many German SMEs.[3] At the same time, the European Central Bank has been raising interest rates, most recently lifting the rate for main refinancing operations to 4.0% in June 2023.[4] According to the ifo Business Climate Index, German economic sentiment is also suffering as a result. After recovering briefly at the start of the year, the index fell steadily in the second quarter of 2023 to close at 88.5 points – down on its opening value for the year at the end of June. The only time that economic sentiment was even more pessimistic was at the start of the Covid-19 crisis.[5]

[1] Federal Statistical Office. (2023). Gross domestic product: detailed economic performance results for the 1st quarter of 2023. May 25, 2023.
[2] German Federal Ministry for Economic Affairs and Climate Action. (2023). The economic situation in Germany in June 2023. June 2023.
[3] Federal Statistical Office. (2023). Inflation rate at +6.4% in June 2023. June 2023.
[4] European Central Bank. (2023). Monetary policy decisions, June 15, 2023. June 2023.
[5] ifo Institut. (2023). ifo Business Climate Index declines (June 2023). June 2023.

Obtaining finance from traditional banks also proved difficult for German SMEs. Even though the survey found that the banks were less restrictive in the first quarter of 2023 than at the end of 2022, the credit hurdle for SMEs was still clearly above all values measured since 2017. This also led to the percentage of SMEs engaged in loan negotiations remaining at the low level seen in 2021 and 2022.[6] This trend is particularly worrying since the German corporate loans market is one of the key ways in which companies can meet the economic challenges facing them and invest in a successful future. The impact of rising energy prices, high inflation rates, and the challenging funding environment for companies was also visible in the number of insolvencies. Credit reporting agency Creditreform is reporting a 16.2% increase in corporate insolvencies year over year in the first half of 2023. This is being fueled by the massive costs resulting from persistently high energy and materials prices.[7]

Although the macroeconomic conditions outlined above represent a major challenge to the German economy in general and to SMEs in particular, they also create 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. German SMEs need the easy access to liquidity that alternative finance providers such as creditshelf can offer if they are to fund innovative projects, go digital, and transition to a more sustainable economy. Other key advantages of credit platforms are the speed with which loans can be approved and the ease of application for enterprises[8] – factors that are particularly important when it comes to procurement and prefinancing. creditshelf has positioned itself here as an unsecured alternative that not only provides classic working capital to ensure liquidity but also offers attractive, customized finance solutions in particular for innovative growth companies and in non-standard situations.

creditshelf's competitive universe – other digital finance providers and platforms that focus on providing SMEs in Germany with debt finance – has not changed compared to the annual report for 2022. In addition to pure-play online comparison platforms, whose ability to broker loans also depends on the readiness of classic banks to provide finance, its competitors are limited to credit marketplaces such as Iwoca, Invesdor, and Teylor. These generally offer smaller lot sizes than creditshelf does. A number of market participants with similar product offerings to creditshelf, including Funding Circle (which is domiciled in the UK) or October (which is domiciled in France), have now stopped doing business in Germany. 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 of EUR 10 million or more. creditshelf focuses specifically on areas that are 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 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 the increasingly strict regulatory regimes – exacerbated by the consequences of the war in Ukraine and of the implementation of the Basel III reform package from 2023 onwards – are strengthening the market position of

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[6] KfW Research. (2023). KfW-ifo credit hurdle Q1 2023. May 2, 2023.

[7] Creditreform. (2023). Insolvenzen in Deutschland, 1.Halbjahr 2023. June 29, 2023.

[8] KfW Research. (2021). Die Bedeutung von Online-Kreditplattformen im Mittelstand: digitale Fremdfinanzierung noch Nischenprodukt.

alternative finance providers such as creditshelf. Large financing rounds such as Barclays' funding for Teylor in June 2023[9] or the credit line provided by Citigroup and others to French fintech/financing provider Silvr[10] show that the market also remains interesting for institutional investors. 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 that the company is well positioned for 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.

2.3.2 CONSOLIDATED FINANCIAL PERFORMANCE, FINANCIAL POSITION, AND CASH FLOWS

Consolidated Financial Performance

creditshelf's revenue fell by -26.5 % year-over-year in the first half of 2023 to kEUR 2,857.7 (prior-year period: kEUR 3,885.7). The main driver for this was a drop in the volume of loans arranged in the reporting period to EUR 42.5 million (prior-year period: EUR 65.9 million); this was due to the ongoing funding squeeze. creditshelf is working tirelessly to overcome these funding restrictions and expects to see a solution in the closer course of the second half of 2023. The decrease in the volume of loans arranged was partially offset by an improvement in margins: the overall margin – the ratio of revenue to the arranged loan volume – was up substantially year-over-year at 6.7% (prior-year period: 5.9 %). This clear improvement in margins was largely due to a change in the fee structure on the borrower side.

Other income declined significantly compared to the prior-year period to kEUR 705.1 (prior-year period: kEUR 1,954.2). This was largely due to a compensation payment of kEUR 1,750.0 received by creditshelf under the arrangement reached with Amsterdam Trade Bank's insolvency administrator and recognized in the prior-year period. This payment had been received by creditshelf after a profitable Q1 2022 for, among other things, costs incurred and lost revenues. In addition, the other income item for the first half of 2023 included income from the reversal of the provision for the virtual participation shares, refunds of legal costs relating to borrowers in default, and a VAT refund for past fiscal years.

[9] Finance FWD. (2023). Kreditstartup Teylor erhält 275 Millionen Euro. Article dated June 1, 2023.
[10] Handelsblatt. (2023). Fintech Silvr kann dank Citi bis zu 200 Millionen Euro an neuen Krediten vermitteln. Article dated July 3, 2023.

Own work capitalized amounted to kEUR 329.8 in the first half of 2023 (prior-year period: kEUR 264.6) and comprised personnel expenses incurred in connection with software development.

Personnel expenses rose in the first half of 2023 to kEUR 2,975.5 (H1 2022: kEUR 2,827.2). This rise is due to an increase in the headcount and the salaries associated with this. At an average of 71, the headcount including the Management Board was up year over year (prior-year period: 67). As part of a restrictive human resources policy and given the creditshelf group's challenging financial situation, 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. These staff adjustments were due to the need both to reduce the company's cost base and to align staff numbers with the lower volumes of business that could be generated due to the funding restrictions in place in the period up to August. They will roughly halve creditshelf's monthly personnel expenses from November 2023 onwards. By then, the headcount will have fallen to approximately 35 people. Expenses for share-based employee incentive programs (Restricted Stock Unit programs or RSUs) totaled kEUR 170.5 in the reporting period (prior-year period: kEUR 41.6). The lower RSU expenses in the previous year were due to the reversal of provisions for expenses that had already been recognized following staff departures. The comparatively high personnel expenses recorded in the prior-year period were largely driven by the recognition of provisions for vacation pay of kEUR 322.5 to reflect the new sabbatical rules. These permit staff who have been with the company for more than five years to take special leave. Reversals of provisions recognized under the sabbatical rules decreased personnel expenses by kEUR 8.3 in the first half of 2023.

Other operating expenses amounted to kEUR 1,526.5 in the period up to June 30 2023, on a par with the figure for the prior-year period (kEUR 1,495.7).

Legal and consulting expenses rose substantially year over year due to the company's more intensive investor acquisition activities and totaled kEUR 556.2 (prior-year period: kEUR 241.3).

Marketing and advertising expenses fell significantly to kEUR 128.8 (prior-year period: kEUR 228.6). 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 110.3 (prior-year period: kEUR 187.7) 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 rose slightly to kEUR 46.2 in the first half of 2023 (prior-year period: kEUR 44.3) as a result of higher service charges.

Sales commission payable for borrowers brokered by the creditshelf platform's partner network amounted to kEUR 28.0 in the first half of 2023 (prior-year period: kEUR 44.0).

Remeasurement effects on virtual participation shares in the first half of 2022 resulted in expenses for provisions of kEUR 74.4. In the first half of 2023, these effects generated only income, which was recognized in other income.

At kEUR 656.9, total miscellaneous other expenses in the first half of 2023 were on a par with the figure for the prior-year period (kEUR 675.4). 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, insurance costs, accrued Supervisory Board remuneration, travel costs, and association membership fees such as those for the Digital Lending Association (formerly the Verband Deutscher Kreditplattformen).

Despite lower costs, earnings before interest, taxes, and depreciation and amortization (EBITDA) deteriorated in the first half of 2023 to kEUR -609.4 (prior-year period: kEUR 1,781.6). The prior-year period benefited substantially from the compensation payment mentioned earlier as well as a profitable Q1 2022 before the start of the Ukraine war.

Depreciation and amortization amounted to kEUR 428.7 in the first half of 2023 and was higher than in the prior-year period (kEUR 296.7), 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 -1,038.1 in the first half of 2023 (prior-year period: kEUR 1,484.9) . After adjustment for net finance costs of kEUR -120.7 (prior-year period: kEUR -87.8), the net loss amounted to kEUR 1,158.8 (prior-year period: net profit of kEUR 1,351.4). The net finance costs primarily reflected the shareholder loan that was taken out and the absence of any income tax expense (prior-year period: kEUR 45.7).

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 -0.83 EUR (prior-year period: 0.98 EUR). Diluted earnings per share correspond to basic earnings per share in line with IAS 33.41 (prior-year period: EUR 0.97).

Financial Position

creditshelf's total assets amounted to kEUR 9,726.6 as of June 30, 2023 (December 31, 2022: kEUR 9,619.3).

At kEUR 3,843.8, noncurrent assets on the reporting date were on a par with the end of fiscal year 2022 (December 31, 2022: kEUR 3,906.3). Intangible assets increased slightly despite amortization to kEUR 3,181.7 (December 31, 2022: kEUR 3,125.4) due to own work capitalized and nearshoring. They accounted for the bulk of noncurrent assets as of the June 30, 2023, reporting date together with noncurrent trade receivables of kEUR 543.1 (December 31, 2022: kEUR 679.4); the latter mainly comprised investor fee receivables.

Current assets rose to kEUR 5,882.8 as of the reporting date (December 31, 2022: kEUR 5,713.0). The increase was mainly due to higher cash and cash equivalents in the amount of kEUR 4,488.5 (December 31, 2022: kEUR 4,135.1). This resulted among other things from the receipt of a total of kEUR 1,750.0 under the drawdowns of the shareholder loan made in March and June 2023. kEUR 0.1 of this item was held in pledged accounts as of June 30, 2023 (December 31, 2022: kEUR 0.1). As was the case at the end of fiscal year 2022, the settlement of transactions led to cash of kEUR 2,700.0 (December 31, 2022: kEUR 3,000.0) being held temporarily in a company account as of the June 30, 2023, reporting date, briefly increasing the cash and cash equivalents. As of December 31, 2022, this item was matched by a liability in the same amount. Current trade receivables, which consist primarily of investor fee receivables, fell to kEUR 1,081.6 as of June 30, 2023 (December 31, 2022: kEUR 1,327.5).

The group's equity declined compared to the year-end to kEUR 402.5 (December 31, 2022: kEUR 1,475.3). The equity ratio was 4.1% (December 31, 2022: 18.9%). The decrease in equity represents the balance of the net loss for the period after taxes of kEUR -1,158.8 and a slight increase in the capital reserves (June 30, 2023: kEUR 21,726.5, 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 5,261.7 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 4,740.8 (December 31, 2022: kEUR 2,863.0). This item primarily comprises the liabilities associated with the shareholder loan and accrued interest. At kEUR 520.9, noncurrent provisions were down on the end of 2022 (December 31, 2022: kEUR 829.6). In addition to a decrease in the provision for the virtual participation shares, this item mainly reflects provisions for vacation pay relating to the sabbatical program.

At kEUR 4,062.4, current liabilities fell substantially as of the June 30, 2023, reporting date compared to December 31, 2022 (kEUR 4,451.4). This was largely due to lower trade payables of kEUR 3,207.4 (December 31, 2022: kEUR 3,410.9). As already mentioned, the trade payables included a liability corresponding to the temporarily recognized cash item of kEUR 2,700.0 (December 31, 2022: kEUR 3,000.0). Other liabilities amounted to kEUR 693.5 as of the June 30, 2023, reporting date – a decline compared to the 2022 year-end figure (December 31, 2022: kEUR 873.5). At kEUR 100.1, current provisions were on a par with the prior-year period (December 31, 2022: kEUR 102.8) and consisted of provisions for human resources issues.

Cash Flows

Based on a net loss after tax for the period of kEUR -1,158.8 (June 30, 2022: kEUR 1,351.4), gross cash flow amounted to kEUR -1,219.6 at the end of the reporting period (June 30, 2022: kEUR 1,648.7) after adjustments that largely reflected amortization of intangible assets of kEUR 370.4 (June 30, 2022: kEUR 234.3), and other noncash income and expenses of kEUR -329.8 (June 30, 2022 kEUR -264.6), plus a decrease in other provisions to kEUR -311.4 (June 30, 2022: kEUR -189.0).

Based on the gross cash flow and after adjustments for items including a decrease in trade payables of kEUR 382.3 (June 30, 2022: increase of kEUR 238.9), a decrease in other liabilities of kEUR 143.2 (June 30, 2022: decrease of kEUR 344.4), and an increase in trade payables of kEUR 11.6 (June 30, 2022: decrease of kEUR 379.1), net cash used in operating activities amounted to kEUR -968.9 (June 30, 2022: net cash from operating activities of kEUR 686.3).

Net cash used in investing activities amounted to kEUR -163.9 in the reporting period (June 30, 2022: kEUR -30.6). The cash outflow was primarily attributable to payments for investments in tangible assets (kEUR 75.8, June 30, 2022: kEUR 30.7) and intangible assets (kEUR 97.0, June 30, 2022: kEUR 10.4).

Net cash from financing activities amounted to kEUR 1,701.3 in the first half of 2023 (June 30, 2022: net cash used in financing activities of kEUR -777.0). The cash inflow for the first half of 2023 mainly reflects the proceeds from the disbursement of the shareholder loan in the amount of kEUR 1,750.0 (June 30, 2022: loan repayment amount of kEUR 750.0) and payments made in connection with the repayment of lease liabilities totaling kEUR 40.0 (June 30, 2022: kEUR 36.7).

creditshelf had cash and cash equivalents of kEUR 4,488.5 as of the June 30, 2023, reporting date (June 30, 2022: kEUR 1,290.9). Cash of kEUR 0.1 was held in pledged accounts as of the reporting date (June 30, 2022: kEUR 0.1). The company had cash funds of kEUR 4,488.4 as of June 30, 2023, after adjustment for pledged accounts and client funds (June 30, 2022: kEUR 1,290.8).

The net debt disclosed in cash funds after the deduction of liabilities arising from financing activities was as follows as of June 30, 2023, not including the shareholder loan and accrued interest:

	30.6.2023 in kEUR	**30.6.2022 in kEUR**
Liabilities arising from financing activities	61.4	86.9
Cash funds	1,587.6	1,227.1
Net debt	**-1,526.2**	**-1,140.2**

2.4 REPORT ON OPPORTUNITIES AND RISKS

creditshelf Aktiengesellschaft and the creditshelf group are exposed to a large number of opportunities and risks resulting from their business model and the market on which creditshelf is active.

Risk and opportunity management is an integral component of the group-wide corporate management system. Please see the "Report on Opportunities and Risks" section of the management report in creditshelf's annual report for 2022 for a detailed presentation of our risk and opportunity management system and of the risks and opportunities to which we are exposed. The risk management system's objectives, strategies, structures, and processes that are described there, the internal control system for the financial reporting process and the risks and opportunities listed remain valid in those cases in which nothing to the contrary is indicated below.

Changes in the Risk Situation and Material Risks

The presentation of the following risks uses the internal classification of risk types and is made on a net basis.

Liquidity Risk

As explained in the annual report for 2022, the company's current persistent loss situation represents a liquidity risk. The mitigation measures described in the annual report remain in force and were expanded to include a restrictive human resources policy.

The issuer of the letter of comfort for creditshelf Aktiengesellschaft made payments totaling EUR 1.75 million under the shareholder loan framework agreement in March and June 2023; consequently, only EUR 4.3 million of the maximum amount of EUR 8 million has been drawn down to date. In addition, no notice has been given to terminate the framework agreement. As a result, the liquidity risk is still considered to be "medium."

Recruitment and Retention Risk

As part of a restrictive human resources policy and given the creditshelf group's challenging financial situation, 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. These staff adjustments were due to the need both to reduce the company's cost base and to align staff numbers with the lower volumes of business that could be generated due to the funding restrictions in place in the period up to August. They will roughly halve creditshelf's monthly personnel expenses from November 2023 onwards. By then, the headcount will have fallen to approximately 35 people. In the company's view, this step gives rise to the risk that additional staff will decide for themselves to leave the company and that this could lead to a knowledge and skills drain.

The Human Resources function is attempting to combat this risk by liaising closely with staff and to accommodate their individual needs as far as possible. As a result, the recruitment and retention risk is still considered to be "low."

Data Losses and Systems Damage

creditshelf's digital business model makes the company potentially 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 redundancies at the end of the first half of 2023 have resulted in an increased number of systems and computers that have to be disabled, and hence to an increased risk of intentional or inadvertent data theft. creditshelf has therefore stepped up its access controls to relevant system components and its checks that equipment provided has been returned above and beyond the existing standardized process. As a result, the risk of data losses and systems damage is still considered to be "low."

Procurement Risk

The investor-related procurement risks that were described in the annual report still existed as of the reporting date. It is still not possible to use the Goldman Sachs financing facility, since this is dependent on payments to be made by the junior lender, Obotritia Capital KGaA, which is also a major creditshelf shareholder and issued the letter of comfort to it. This payment has not been made to date. If the launch of the Goldman Sachs vehicle fails due to the failure of Obotritia Capital KGaA to make the payments, creditshelf Aktiengesellschaft's and the creditshelf group's going concern status would potentially be at risk. creditshelf is in discussions with other interested investors with the goal of reducing its dependence on individual refinancing vehicles and of creating the basis for further growth. creditshelf is working tirelessly to resolve the funding restrictions and expects a solution in the nearer course of the 2nd half of 2023.

The procurement risk is still considered to be "material." Equally, the going concern risk continues to exist. Please see the following section for further details.

Going Concern Risk

The default of a major credit investor on the creditshelf platform in the second quarter of 2022 and the resulting reduction in financing resources is still having a significant impact on the creditshelf group's business performance in fiscal year 2023. Both the arranged loan volume and the resulting consolidated revenues are down significantly on the prior-year period. The latter benefited from the full level of funding that was still available in the first quarter of 2022.

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 has not been possible to utilize it to date due to conditions subsequent and the fact that contractually agreed payments by the junior lender, Obotritia Capital KGaA, were still outstanding at the time these half-yearly financial statements were prepared.

The company's and the group's going concern status depends on its positive revenue development and resulting profitability, plus sufficient liquidity. In addition to continuing the measures already implemented in previous years, such as strict cost management and monthly liquidity reporting, the Management Board already took further steps in fiscal year 2022 to secure the company's status as a going concern. These include working towards implementing Obotritia Capital KGaA's contractual obligations to provide the committed amounts for the launch of the Goldman Sachs vehicle and regular discussions with all parties with the goal of launching the facility as quickly as possible. As part of a restrictive human resources policy and given the creditshelf group's challenging financial situation, 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. These staff adjustments were due to the need both to reduce the company's cost base and to align staff numbers with the lower volumes of business that could be generated due to the funding restrictions in place in the period up to August. They will roughly halve creditshelf's monthly personnel expenses from November 2023 onwards. By then, the headcount will have fallen to approximately 35 people. Furthermore, the Management Board continued to ramp up the debt investor acquisition process. creditshelf is working tirelessly to resolve the funding restrictions and expects a solution in the course of the second half of 2023.

Additional tranches of the shareholder loan in the amount of EUR 1.75 million were drawn down by creditshelf and serviced by the lender, Obotritia Capital KGaA, in the first half of 2023, so as to secure the company's and the group's concern status. At present, EUR 4.3 million has been drawn down out of a total of EUR 8.0 million available under the shareholder loan framework agreement, which was signed in January 2021 and has an unlimited term. The loan can be terminated by either party giving twelve months' notice in the period up to December 31, 2023; thereafter the notice period is three months. No notice to terminate the loan had been given as of the preparation date of these half-yearly financial statements.

If it does not prove possible to implement the measures designed to relieve the funding restrictions on the creditshelf platform – and particularly the successful launch of the Goldman Sachs vehicle as a result of the payments promised by the junior lender, Obotritia Capital KGaA – and if therefore the revenue growth planned on this basis cannot be achieved; if the cost management measures taken do not have the planned effect; if the funds still available under the shareholder loan framework agreement are insufficient, or cannot be serviced by the lender, until positive cash flows are achieved; or if the lender terminates the agreement as of the beginning of 2024, creditshelf Aktiengesellschaft and the creditshelf group's going concern status would be at risk. To this extent, there is a material uncertainty related to events or conditions 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 their assets and discharge their liabilities in the normal course of business.

Overall Position with Regard to Risks and Opportunities

A holistic view of the risk situation reveals that procurement risk is a material risk. If this risk should deteriorate, e.g., due to failure to launch the Goldman Sachs vehicle because Obotritia Capital KGaA, the junior lender, does not make the payments required, or no other junior lender could be found for additional funding vehicles, this could put the creditshelf Aktiengesellschaft's and the group's going concern status at risk. Beyond this, creditshelf considers that its overall risk situation is essentially unchanged compared to the statements in the annual report for 2022. A majority of the risks are still classified as being in the "low" or "medium" categories after risk mitigation measures.

creditshelf also considers its overall opportunities to be similarly positive to the statements made in the annual report for 2022. The growing level of digitalization at SME borrowers plus the company's successful partnerships are increasing its chances. At the same time, the company has opportunities arising from German SMEs' need for finance to meet the macroeconomic challenges they are facing, and to adapt to long-term trends such as innovation and environmental protection. As regards investors, the attractive features of the digital SME loans arranged by creditshelf and the unique access to this asset class that the company offers improve its opportunities.

2.5 REPORT ON EXPECTED DEVELOPMENTS

The Management Board published a forecast for fiscal year 2023 on April 28, 2023, in the context of the annual report. Based on business performance in fiscal year 2022, the market situation at the time, the risks and opportunities, and the expectation that the Goldman Sachs funding facility would become available in the short term, the Management Board was expecting consolidated revenue of between EUR 8 million and EUR 10 million. It was also expecting positive consolidated EBIT of between EUR 0 million and EUR 1 million.

On August 10, 2023, the Management Board adjusted the forecast for fiscal year 2023 by ad hoc announcement, taking into account preliminary revenues of EUR 2.9 million and a preliminary EBIT of minus EUR 1.0 million realized in H1 2023, as well as the funding currently available on the creditshelf platform. The Management Board now expects consolidated revenues of EUR 5 to 7 million and a consolidated EBIT of minus EUR 1 to minus EUR 2 million. The new forecast is based on the assumption of the Management Board that the resolution of the current funding bottleneck on the creditshelf platform can only be implemented in the nearer course of the second half of 2023, contrary to previous assumptions.

3 CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF JUNE 30, 2023

3.1 CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF JUNE 30, 2023

ASSETS	Note	30.6.2023 in kEUR	31.12.2022 in kEUR
Noncurrent assets			
Intangible assets	5	3,181.7	3,125.4
Property, plant, and equipment	6	119.0	101.5
Trade receivables	7	543.1	679.4
Other financial assets	7	0.0	0.0
Total noncurrent assets		**3,843.8**	**3,906.3**
Current assets			
Trade receivables	7	1,081.6	1,327.5
Other assets	7	262.7	203.3
Other financial assets	7	50.0	47.2
Cash and cash equivalents	9	4,488.5	4,135.1
Total current assets		**5,882.8**	**5,713.0**
Total assets		**9,726.6**	**9,619.3**

EQUITY AND LIABILITIES	Note	30.6.2023 in kEUR	31.12.2022 in kEUR
Capital and reserves			
Subscribed capital	10	1,396.0	1,387.9
Capital reserves	10	21,726.5	21,648.5
Retained earnings	10	-22,720.0	-21,561.1
Total equity		**402.5**	**1,475.3**
Noncurrent liabilities			
Noncurrent provisions		520.9	829.6
Other financial liabilities		4,740.8	2,863.0
Total noncurrent liabilities		**5,261.7**	**3,692.6**
Current liabilities			
Trade payables		3,207.4	3,410.9
Other financial liabilities		61.4	64.2
Current provisions		100.1	102.8
Other liabilities		693.5	873.5
Total current liabilities		**4,062.4**	**4,451.4**
Total equity and liabilities		**9,726.6**	**9,619.3**

3.2 CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD FROM JANUARY 1 TO JUNE 30, 2023

	Note	**1.1.-30.6.2023 in kEUR**	**1.1.-30.6.2022 in kEUR**
Revenue	11	2,857.7	3,885.7
Other operating income	12	705.1	1,954.2
Own work capitalized	5	329.8	264.6
Personnel expenses	13	-2,975.5	-2,827.2
Marketing and advertising expenses	14	-128.8	-228.6
Third-party services	14	-110.3	-187.7
Sales commission	14	-28.0	-44.0
Lease expenses	14	-46.2	-44.3
Legal and consulting costs	14	-556.3	-241.3
Expenses for virtual participation shares	14	0.0	-74.4
Other expenses	14	-656.9	-675.4
EBITDA		**-609.4**	**1,781.6**
Depreciation amd amotization	5/6	-428.7	-296.7
EBIT		**-1,038.1**	**1,484.9**
Financial expense		-128.7	-97.5
Other financial income		8.0	9.7
Net finance costs		-120.7	-87.8
Income tax expense/income	15	0.0	-45.7
Net loss for the period/total comprehensive income		**-1,158.8**	**1,351.4**
of which attributable to:			
Owners of the parent		**-1,158.8**	**1,351.4**
Noncontrolling interests		**0.0**	**0.0**

Earnings per share

	2023 in EUR	**2022 in EUR**
Basic earnings per share	-0.83	0.98
Diluted earnings per share	-0.83	0.97

3.3 CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD FROM JANUARY 1 TO JUNE 30, 2023

		Note	1.1.-30.6.2023 in kEUR	1.1.-30.6.2022 in kEUR
	Cash flows from operating activities			
	Net loss for the period		-1,158.8	1,351.4
	Adjustments for:			
-/+	Income tax expense/income	15	0.0	45.7
+	Depreciation of property, plant, and equipment	6	58.3	62.3
+	Amortization of intangible assets	5	370.4	234.3
-/+	Gains/losses on disposal of intangible assets and property, plant, and quipment	5/6	-0.9	-0.5
+/-	Increase/decrease in provisions		-311.4	-189.0
+/-	Other noncash expenses/income	12	-329.8	-264.6
+	Equity-settled share-based payments		94.2	301.2
+/-	Financial expense/income		120.7	87.8
+/-	Increase/decrease in other assets	7	-62.3	20.1
-/+	Income tax paid	15	0.0	0.0
	Gross cash flow		**-1,219.6**	**1,648.7**
-/+	Increase/decrease in trade receivables	7	382.3	-238.9
+/-	Increase/decrease in trade payables		11.6	-379.1
+/-	Increase/decrease in other liabilities		-143.2	-344.4
	Net cash generated by/used in operating activities		**-968.9**	**686.3**
-	Payments to acquire property, plant, and equipment	6	-75.8	-30.7
+	Proceeds from the sale of property, plant, and equipment	6	0.9	0.8
-	Payments to qcquire intangible assets	5	-97.0	-10.4
+	Interest received		8.0	9.7
	Net cash used in/generated by investing activities		**-163.9**	**-30.6**
+	Proceeds from shareholder loan	9	1,750.0	-750.0
+	Proceeds from the issuance of shares	10	8.1	11.6
-	Decrease in lease liability	17	-40.0	-36.7
-	Transaction costs for issuance of shares	10	-16.2	0.0

–	Interest paid		-0.6	-1.9
	Net cash generated by/used in financing activities		**1,701.3**	**-777.0**
+/–	Net increase/decrease in cash funds	9	568.5	-121.3
+	Cash funds at the start of the fiscal year	9	1,019.1	1,348.4
	Cash funds at the end of the fiscal year		**1,587.6**	**1,227.1**
+	Client funds		2,900.8	63.7
+	Pledged accounts		0.1	0.1
	Cash and cash equivalents		**4,488.5**	**1,290.9**

3.4 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD FROM JANUARY 1 TO JUNE 30, 2023

	Note	Subscribed capital in kEUR	Capital reserves in kEUR	Loss carry-forwards in kEUR	Total equity in kEUR
Balance as of January 1, 2022		**1,376.2**	**21,336.7**	**-20,777.4**	**1,935.5**
Net loss for the period		0.0	0.0	1,351.4	1,351.4
Issuance of equity instruments	10	11.7	301.2	0.0	312.9
Transaction costs for the issuance of equity instruments	10	0.0	0.0	0.0	0.0
Balance as of June 30, 2022		**1,387.9**	**21,637.9**	**-19,426.0**	**3,599.8**
Balance as of January 1, 2023		**1,387.9**	**21,648.5**	**-21,561.1**	**1,475.3**
Net loss for the period		0.0	0.0	-1,158.8	-1,158.8
Issuance of equity instruments	10	8.1	94.1	0.0	102.2
Transaction costs for the issuance of equity instruments	10	0.0	-16.2	0.0	-16.2
Balance as of June 30, 2023		**1,396.0**	**21,726.4**	**-22,719.9**	**402.5**

3.5 SELECTED EXPLANATORY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS OF JUNE 30, 2023

A) GENERAL INFORMATION

creditshelf Aktiengesellschaft, Frankfurt am Main, Germany ("creditshelf" or the "company," and together with its subsidiary creditshelf solutions GmbH, which is also domiciled in 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 the 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.

creditshelf Aktiengesellschaft's subscribed capital amounted to EUR1,395,961.00 as of June 30, 2023. This represents an increase of EUR 8,087.00 compared to December 31, 2022, and is due to a further conversion into shares of claims under the share-based employee incentive programs (Restricted Stock Units programs). 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.

These consolidated interim financial statements were approved for publication by creditshelf's Management Board on August 30, 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 *Aktiengesetz* (German Stock Corporation Act – AktG) and made it permanently accessible on the company's website (ir.creditshelf.com). The most recent version was issued on March 30, 2023.

Basis of Consolidation

The basis of consolidation did not change compared to the consolidated financial statements as of December 31, 2022.

Subsidiary

creditshelf Aktiengesellschaft held all the shares in its subsidiary, creditshelf solutions GmbH, as of the June 30, 2023, reporting date.

creditshelf solutions GmbH (formerly Valendo GmbH) is domiciled in Frankfurt am Main, Germany, and was formed in 2015. Its wholly-owned subsidiary 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 operate domestic and foreign Internet and technology projects for interactive financial brokerage in particular, plus the provision of related services. The company does not engage in factoring or perform any activities for which authorizations are required under the KWG, the KAGB, or the ZAG. creditshelf solutions GmbH did not have any employees within the meaning of section 314(1) no. 4 of the HGB in the first half of 2023. Following the resolution by the shareholders' meeting on July 26, 2019, its share capital amounts to EUR 39,676.00.

Functional and Presentation Currency

These consolidated financial statements were prepared in euros (EUR), the company's functional currency.

1. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

In accordance with the provisions of section 115 of the *Wertpapierhandelsgesetz* (German Securities Trading Act – WpHG), the current condensed consolidated interim financial statements for the period from January 1 to June 30, 2023, comprise condensed consolidated interim financial statements and an interim group management report. The consolidated interim financial statements comply with the requirements of IAS 34 (Interim Financial Reporting) and were prepared pursuant to the provisions of section 315e(3) of the *Handelsgesetzbuch* (German Commercial Code – HGB) and in accordance with the International Financial Reporting Standards (IFRSs) adopted and published by the International Accounting Standards Board (IASB), including the interpretations of the IFRS (IFRICs), as adopted and required to be applied by the European Union, taking into account the supplementary provisions of commercial law. The condensed consolidated interim financial statements and the condensed interim group management report have not been audited or reviewed by an auditor within the meaning of section 115(5) of the WpHG.

The condensed consolidated interim financial statements do not include all the information and notes required in the consolidated annual financial statements and should therefore be read in conjunction with the consolidated annual financial statements as of December 31, 2022.

Individual items have been combined in the statement of financial position and the consolidated statement of profit or loss and other comprehensive income in order to provide a condensed overview. In addition, the statement of financial position was classified into non-current and current items in accordance with IAS 1, and the statement of profit or loss was prepared using the total cost (nature of expense) method.

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

The company's and the group's going concern status depends on its positive revenue development and resulting profitability, plus sufficient liquidity. In addition to continuing the measures already implemented in previous years, such as strict cost management and monthly liquidity reporting, the Management Board already took further steps in fiscal year 2022 to secure the company's status as a going concern. These include working towards implementing Obotritia Capital KGaA's contractual obligations to provide the committed amounts for the launch of the Goldman Sachs vehicle and regular discussions with all parties with the goal of launching the facility as quickly as possible. As part of a restrictive human resources policy and given the creditshelf group's challenging financial situation, 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. These staff adjustments were due to the need both to reduce the company's cost base and to align staff numbers with the lower volumes of business that could be generated due to the funding restrictions in place in the period up to August. They will roughly halve creditshelf's monthly personnel expenses from November 2023 onwards. By then, the headcount will have fallen to approximately 35 people. Furthermore, the Management Board continued to ramp up the debt investor acquisition process. creditshelf is working tirelessly to resolve the funding restrictions and expects a solution in the course of the second half of 2023.

Additional tranches of the shareholder loan in the amount of EUR 1.75 million were drawn down by creditshelf and serviced by the lender, Obotritia Capital KGaA, in the first half of 2023, so as to secure the company's and the group's concern status. At present, EUR 4.3 million has been drawn down out of a total of EUR 8.0 million available under the shareholder loan framework agreement, which was signed in January 2021 and has an unlimited term. The loan can be terminated by either party giving twelve months' notice in the period up to December 31, 2023; thereafter the notice period is three months. No notice to terminate the loan had been given as of the preparation date of these half-yearly financial statements.

If it does not prove possible to implement the measures designed to relieve the funding restrictions on the creditshelf platform – and particularly the successful launch of the Goldman Sachs vehicle as a result of the payments promised by the junior lender, Obotritia Capital KGaA – and if therefore the revenue growth planned on this basis cannot be achieved; if the cost management measures taken do not have the planned effect; if the funds still available under the shareholder loan framework agreement are insufficient, or cannot be serviced by the lender, until positive cash flows are achieved; or if the lender terminates the agreement as of the beginning of 2024, creditshelf Aktiengesellschaft and the creditshelf group's going concern status would be at risk. To this extent, there is a material uncertainty related to events or conditions 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 their assets and discharge their liabilities in the normal course of business.

2. APPLICATION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

In the first half of 2023, creditshelf observed and, where relevant, applied the IASB pronouncements and amendments to pronouncements issued by the IASB and endorsed by the EU that were required to be applied for the first time as of January 1, 2023. These amendments did not have any effects on the statement of financial position, the consolidated statement of profit or loss, the statement of cash flows, or the statement of changes in equity. Equally, the future application of standards, interpretations, and amendments that have been issued but not yet applied is not expected to have any effects on the consolidated financial statements.

3. CHANGES IN MATERIAL JUDGMENTS AND BASES OF ESTIMATION IN THE FIRST HALF OF 2023

There have been no material changes in the estimates used by the Management Board since the publication of the annual report for 2022. The ongoing war in Ukraine did not have any effects on the bases of estimation in the reporting period. This applies not only to judgments relating to intangible assets, the treatment of the share-based employee incentive programs, the discounting of noncurrent trade receivables, and the expected amount of rebates on revenues, but also to the nonrecognition of deferred taxes. In the Management Board's opinion, it was still impossible in H1 2023 to supply the convincing evidence (probability of over 90%) of sufficient taxable profit that IAS 12.34 requires from loss-making entities. Furthermore, no impairment test was required to verify the value of the intangible assets as of the reporting date.

Fair Value Determination

The group has established a control framework for fair value determination. This was unchanged in the reporting period as against the principles set out in the annual report for 2022.

4. ACCOUNTING POLICIES

The material accounting policies are unchanged as against the 2022 consolidated financial statements. Please therefore refer to the comprehensive explanations given in the notes to that document.

B) DISCLOSURES ON THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

5. INTANGIBLE ASSETS

The intangible assets comprise an internally generated Internet platform and an internally generated risk engine. The risk engine is the internally generated, 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. creditshelf's work on developing this overarching architecture was assisted by an external software developer under the company's direction ("nearshoring") in the period from Q4 2022 to the beginning of Q3 2023.

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 Valendo GmbH and rights acquired for consideration from third parties.

As of June 30, 2023, intangible assets comprised the following:

	Industrial and similar rights and assets	Software	Goodwill	Internally generated intangible assets	Prepayments for intangible assets	Total
	Acquired intangible assets					
	in kEUR	in kEUR	in kEUR	in kEUR	in kEUR	in kEUR
Cost						
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
Accumulated amotization						
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
Carrying amount as of December 31, 2022	**5.1**	**112.4**	**517.7**	**2,415.1**	**75.1**	**3,125.4**
Carrying amount as of January 1, 2022	**5.7**	**1,631.4**	**517.7**	**0.0**	**888.5**	**3,043.3**

		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	in kEUR
Cost						
Balance as of January 1, 2023	8.1	2,220.2	517.7	3,886.9	75.1	6,708.0
Additions	0.0	0.0	0.0	426.7	0.0	426.7
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 June 30, 2023	8.1	2,220.2	517.7	4,313.6	75.1	7,134.7
Accumulated amortization						
Balance as of January 1, 2023	3.0	2,107.8	0.0	1,471.8	0.0	3,582.6
Additions	0.4	32.1	0.0	337.9	0.0	370.4
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 June 30, 2023	3.4	2,139.9	0.0	1,809.7	0.0	3,953.0
Carrying amount as of June 30, 2023	**4.7**	**80.3**	**517.7**	**2,503.9**	**75.1**	**3,181.7**
Carrying amount as of January 1, 2023	**5.1**	**112.4**	**517.7**	**2,415.1**	**75.1**	**3,125.4**

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 2022. 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 on recognized intangible assets is presented in the "depreciation and amortization" line of the statement of profit or loss and other comprehensive income. In accordance with IAS 36, assets are reviewed for evidence of impairment at least annually plus, 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 2022. The existing assets in this category are being amortized. The amortization period is 5 years.

Purchase price allocation in connection with the acquisition of Valendo GmbH was performed as of October 1, 2019. This led to the recognition 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 was kEUR 80.3 as of the June 30, 2023 reporting date (December 31, 2022: kEUR 112.4).

The carrying amount of the goodwill resulting from the acquisition of the former Valendo GmbH that was recognized as of June 30, 2023, was unchanged, at kEUR 517.7 (December 31, 2022: 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 2,503.9 (December 31, 2022: kEUR 2,415.1) 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 June 30, 2023, amounted to kEUR 75.1 (December 31, 2022: kEUR 75.1). The remaining assets under construction comprise an extension aimed at portfolio optimization. They had been roughly 60% completed as of the June 30, 2023, reporting date. The company expects that they will be completed in the medium to long term. Following completion, this own work capitalized will be reclassified as internally generated intangible assets and subsequently amortized over 5 years.

6. PROPERTY, PLANT, AND EQUIPMENT

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

The changes in the items of property, plant, and equipment as of June 30, 2023, can be seen from the following table:

	Right-of-use assets under leases in kEUR	Operating equipment in kEUR	Low-value assets in kEUR	Other operating and office equipment in kEUR	Total in kEUR
Gross amount					
Balance as of January 1, 2022	409.5	10.5	49.2	189.6	658.8
Additions	0.0	5.2	6.6	40.2	52.0
Disposals	0.0	-1.2	-3.2	-33.2	-37.6
Balance as of December 31, 2022	409.5	14.5	52.6	196.6	673.2
Accumulated amotization					
Balance as of January 1, 2022	292.0	4.2	49.2	137.0	482.4
Additions	73.0	1.4	5.8	45.2	125.4
Disposals	0.0	-1.0	-3.2	-31.9	-36.1
Balance as of December 31, 2022	365.0	4.6	51.8	150.3	571.7
Carrying amount as of December 31, 2022	**44.5**	**9.9**	**0.8**	**46.3**	**101.5**
Carrying amount as of January 1, 2022	**117.5**	**6.3**	**0.0**	**52.6**	**176.4**

	Right-of-use assets under leases in kEUR	Operating equipment in kEUR	Low-value assets in kEUR	Other operating and office equipment in kEUR	Total in kEUR
Gross amount					
Balance as of January 1, 2023	409.5	14.5	52.6	196.6	673.2
Additions	62.7	0.0	0.5	12.6	75.8
Disposals	0.0	0.0	0.0	-14.1	-14.1
Balance as of June 30, 2023	472.2	14.5	53.1	195.1	734.9
Accumulated amortization					
Balance as of January 1, 2023	365.0	4.6	51.8	150.3	571.7
Additions	42.7	0.9	0.4	14.3	58.3
Disposals	0.0	0.0	0.0	-14.1	-14.1
Balance as of June 30, 2023	407.7	5.5	52.2	150.5	615.9
Carrying amount as of June 30, 2023	**64.5**	**9.0**	**0.9**	**44.6**	**119.0**
Carrying amount as of January 1, 2023	**44.5**	**9.9**	**0.8**	**46.3**	**101.5**

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 June 30, 2023. No other leases requiring capitalization existed as of the reporting date. In April 2023, the existing lease for the Mainzer Landstrasse 33a building was renewed until January 31, 2024. As a result, the right-of-use assets under the lease rose to kEUR 62.7. A liability in the same amount was also recognized. The carrying amounts for the two lease assets as of June 30, 2023, amounted to kEUR 64.5 (December 31, 2022: kEUR 44.5), while the lease liabilities were kEUR 71.0 (December 31, 2022: kEUR 48.3).

The changes in the lease liabilities were as follows:

	Lease liabilities	**Change due to lease extension**	**Total lease expenses**	**Total repayments**	**Total interest**
Lease liabilities	**in TEUR**	**in TEUR**	**in TEUR**	**in TEUR**	**in TEUR**
as of December 31, 2022	48.3	0.0	78.5	75.3	3.2
as of June 30, 2023	71.0	62.7	40.6	40.0	0.6

No lease liabilities such as rental liabilities were deferred in the first half of fiscal year 2023. There were no matters requiring the recognition of impairment losses in the period from January 1 to June 30, 2023. Please see note 17 in this report for further information about IFRS 16.

7. 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 the first half of 2023 were as follows:

	30.6.2023 in kEUR	31.12.2022 in kEUR
Gross amount of receivables	615.4	733.6
Financing component	-16.8	-20.4
Net amount of receivables	598.6	713.2
Expected discount	-55.6	-33.8
Trade receivables	**543.0**	**679.4**

The borrower fee is normally retained automatically from the loan disbursement amount. Investor fees are either retained automatically from the principal repayment amounts accruing to investors or, in the case of partnerships with institutional investors, there are individual agreements providing for creditshelf to be remunerated monthly by the investment vehicles. This means that investor fees can only become overdue if the borrower defaults and hence no returns of capital at all can be expected. In the absence of any provisions to the contrary in the contract, uncollected investor fees resulting from borrower defaults 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. These amounts 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 the 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.

8. 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 in the first half of 2023 after deferred tax assets and deferred tax liabilities were offset (December 31, 2022: kEUR 0.0). Deferred tax assets can only be recognized to the extent that deferred tax liabilities have been recognized. Offset deferred tax liabilities amounted to kEUR 265.7 as of June 30, 2023 (June 30, 2022: kEUR 721.6). 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 8,067.7 as of June 30, 2023 (December 31, 2022: kEUR 7,491.5). Total unutilized deferred tax assets were kEUR 8,333.4 as of June 30, 2023 (December 31, 2022: kEUR 7,927.5), with kEUR 381.0 (December 31, 2022: kEUR 391.3) of this amount being attributable to creditshelf's subsidiary.

9. CASH AND CASH EQUIVALENTS

The creditshelf group's cash and cash equivalents amounted to kEUR 0.4 as of June 30, 2023 (December 31, 2022: kEUR 0.5). Bank balances totaled kEUR 4,488.1 (December 31, 2022: kEUR 4,134.6). As was the case at the prior year-end, the settlement of transactions led to cash of kEUR 2,700.0 (December 31, 2022: kEUR 3,000.0) being held temporarily in a company account as of the June 30, 2023, 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 200.8 (December 31, 2022: kEUR 115.9); 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 June 30, 2023, the account had a balance of kEUR 0.1 (December 31, 2022: 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 1,587.6 (December 31, 2022: kEUR 1,019.1).

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 4.3 million of this amount had been drawn down as of June 30, 2023 (December 31, 2022: EUR 2.6 million). No notice to terminate the agreement has been given.

10. EQUITY AND RESERVES

The group's equity declined compared to the year-end to kEUR 402.5 (December 31, 2022: kEUR 1,475.3). The equity ratio was 4.1 % (December 31, 2022: 15.3 %). The decrease in equity represents the balance of the net loss for the period after taxes of kEUR -1,158.8 and a slight increase in the capital reserves (June 30, 2023: kEUR 21,726.5, 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. Equity instruments in the amount of kEUR 94.2 (June 30, 2022: kEUR 301.2) were recognized in the capital reserves for the equity settlement option chosen in relation to the issuance of restricted stock units for the share-based employee incentive programs (RSU I to RSU IV).

creditshelf Aktiengesellschaft's subscribed capital was increased on a single occasion in the reporting period by EUR 8,087.00, from EUR 1,387,874.00 (as of December 31, 2022) to EUR 1,395,961.00 (as of June 30, 2023). The subscribed capital is composed of 1,395,961 no-par value bearer shares (December 31, 2023: 1,387,874 no-par value bearer shares). Each no-par value bearer share entitles the holder to one vote.

The capital increase was performed on the basis of the resolution by the Management Board dated January 10, 2023, 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 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. The share capital has been contingently increased by up to EUR 688,125.00 pursuant to the resolution passed by the General Meeting on May 10, 2021. The authorized capital amounted to EUR 668,415.00 as of June 30, 2023 (December 31, 2022: EUR 676,502.00).

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 June 30, 2023, these held a total of approximately 79.2% of the voting rights, based on the voting rights notifications submitted in accordance with the WpHG. This results in the following proportionate voting rights:

Interest	**Shareholder**					**Total**
	LDT Investment GmbH	**DBR Investment GmbH**	**Hevella Capital GmbH & Co. KGaA**	**Obotritia Capital KGaA**	**Free Float***	
December 31, 2022						
Nominal in TEUR	239.2	219.9	519.1	126.8	282.9	1,387.9
Prozentual	17.2%	15.8%	37.4%	9.1%	20.4%	100.0%

Interest	**Shareholder**					**Total**
	LDT Investment GmbH	**DBR Investment GmbH**	**Hevella Capital GmbH & Co. KGaA**	**Obotritia Capital KGaA**	**Free Float***	
June 30, 2023						
Nominal in TEUR	239.2	219.9	519.1	126.8	291.0	1,396.0
Prozentual	17.1%	15.8%	37.2%	9.1%	20.8%	100.0%

11. REVENUE

The breakdown of consolidated revenue as of June 30, 2023, was as follows:

	30.6.2023 in kEUR	30.6.2022 in kEUR
Borrower fees	1,977.0	2,705.2
Investor fees	397.2	809.0
Servicing and advisory fees	483.4	371.6
	2,857.7	**3,885.7**

creditshelf's revenue declined by -26.5 % year-over-year in the first half of 2023 to kEUR 2,857.7 (prior-year period: kEUR 3,885.7). The main driver for this was a drop in the volume of loans arranged in the reporting period to EUR 42.5 million (prior-year period: EUR 65.9 million); this was due to the ongoing funding squeeze. creditshelf is working tirelessly to overcome these funding restrictions and expects to see a solution in the nearer course of the second half of 2023. The overall margin – the ratio of revenue to the arranged loan volume – was substantially higher year-over-year at 6.7% (prior-year period: 5.9 %). This clear improvement in margins was largely due to a change in the fee structure on the borrower side.

creditshelf's revenue from borrower fees for loans disbursed amounted to kEUR 1,977.0 in the reporting period (prior-year period: kEUR 2,705.2). In line with this, the ratio of the borrower fee margin to the arranged loan volume was 4.6% in the reporting period (prior-year period: 4.1 %). Revenue from investor fees that the company generated for loans arranged via the creditshelf platform amounted to kEUR 397.2 (prior-year period: kEUR 809.0). This corresponds to a margin of 1.1% (prior-year period: 1.2 %). In addition, the creditshelf group generated revenue of kEUR 483.4 from servicing and advisory fees in the reporting period (prior-year period: kEUR 371.6). These primarily comprised 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.

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. Whereas the fronting bank generally retains the borrower fee directly when it disburses the loan amount, the investor fee is retained in installments from the repayments of the principal amount or, in the case of partnerships with institutional investors, there are individual agreements providing for creditshelf to be remunerated monthly by the investment vehicles. The revenue under both revenue streams results from applying a contractually defined percentage to the disbursed lending volume.

In the absence of any provisions to the contrary in the relevant contract, uncollected investor fees resulting from borrower defaults were corrected directly in revenue as rebates, and hence as variable consideration pursuant to IFRS 15.51, during the reporting period on the basis of individual decisions by the Management Board. In addition, potential future rebates that would negatively impact investor fees in the case of a borrower default were estimated using the expected value method pursuant to IFRS 15.53. The total rebates realized in the first half of fiscal year 2023 amounted to kEUR 87.8 (prior-year period: kEUR 15.0), in line with the level of defaults to be expected for this risk class.

12. OTHER INCOME

Other income declined significantly year over year to kEUR 705.1 (prior-year period: kEUR 1,954.2). This was largely due to a compensation payment of kEUR 1,750.0 received by creditshelf under the arrangement reached with Amsterdam Trade Bank's insolvency administrator and recognized in the prior-year period. This payment had been received by creditshelf after a profitable Q1 2022 for, among other things, costs incurred and lost revenues. In the first half of 2023, the item primarily comprised income from the reversal of the provision for the virtual participation shares in the amount of kEUR 364.8. In the prior-year period, reversals of the provision for the virtual participation shares resulted in income of kEUR 199.8 in the first quarter, whereas expenses of kEUR 74.4 were incurred in the second quarter. Above and beyond this, the item included refunds of legal costs relating to borrowers in default and a VAT refund for past fiscal years.

13. PERSONNEL EXPENSES

Personnel expenses rose in the first half of fiscal year 2023 to kEUR 2,975.5 (H1 2022: kEUR 2,827.2). This rise is due to an increase in the headcount and the salaries associated with this. At an average of 71, the headcount including the Management Board was up year over year (prior-year period: 67). As part of a restrictive human resources policy and given the creditshelf group's challenging financial situation, 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. These staff adjustments were due to the need both to reduce the company's cost base and to align staff numbers with the lower volumes of business that could be generated due to the funding restrictions in place in the period up to August. They will roughly halve creditshelf's monthly personnel expenses from November 2023 onwards. By then, the headcount will have fallen to approximately 35 people. Expenses for the share-based employee incentive programs (Restricted Stock Unit programs or RSUs) totaled kEUR 170.5 in the reporting period (prior-year period: kEUR 41.6). The lower RSU expenses in the previous year were due to the reversal of provisions for expenses that had already been recognized following staff departures. The comparatively high personnel expenses recorded in the prior-year period were largely driven by the provisions for vacation pay of kEUR 322.5, which were recognized to reflect the new sabbatical rules permitting staff who have been with the company for more than five years to take special leave. Reversals of provisions for these sabbaticals decreased personnel expenses by kEUR 0.2 in the first half of 2023.

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 each. This is paid in twelve equal monthly installments. No other cash compensation is provided for. 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"). The total compensation paid to the Management Board in the first half of 2023 amounted to kEUR 146.0 (prior-year period: kEUR 141.2).

The average number of employees during the fiscal year, broken down by groups and including student workers and interns in accordance with section 285 no. 7 of the HGB, was as follows as of June 30, 2023:

	30.6.2023	**30.6.2022**
Sales	15	12
Marketing	4	5
Risk analysis	11	11
Technology	20	20
Administration	21	19
	71	**67**

The figures given in the table above are quarterly averages pursuant to section 314(1) no. 4 of the HGB.

14. OTHER OPERATING EXPENSES

Other operating expenses amounted to kEUR 1,526.5 as of June 30, 2023, more or less on a par with the figure of kEUR 1,495.7 recognized for the prior-year period. They can be broken down as follows:

	30.6.2023 in kEUR	30.6.2022 in kEUR
Legal and consulting costs	556.3	241.3
IT costs	269.0	241.3
Marketing and advertising expenses	128.8	228.6
Third-party services in connection with loan applications	110.3	187.7
Membership fees	46.2	44.3
Supervisory Board expenses	45.0	45.0
Sales commission	28.0	44.0
Lease expenses	0.0	74.4
Other expenses	342.9	389.1
	1,526.5	**1,495.7**

Legal and consulting expenses rose substantially year over year due to the company's more intensive investor acquisition activities and totaled kEUR 556.3 (prior-year period: kEUR 241.3).

IT costs amounted to kEUR 269.0 in the first half of 2023 (prior-year period: kEUR 241.3), reflecting creditshelf's increased drive to automate its processes.

Marketing and advertising expenses declined substantially. They totaled kEUR 128.8 in the first half of 2023, down on the figure for the prior-year period of kEUR 228.6. 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 110.3 (prior-year period: kEUR 187.7) 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 rose slightly to kEUR 46.2 in the first half of 2023 (prior-year period: kEUR 44.3) as a result of service charges.

Supervisory Board expenses in the first half of 2023 were on a par with the prior-year period.

Sales commission payable for borrowers brokered by the creditshelf platform's partner network amounted to kEUR 28.0 in the first half of 2023 (prior-year period: kEUR 44.0).

Remeasurement effects on virtual participation shares in the first half of 2022 resulted in expenses for provisions of kEUR 74.4. In the first half of 2023, these effects generated only income, which was recognized in other income.

At kEUR 342.9, total miscellaneous other expenses in the first half of 2023 were below the figure for the prior-year period (kEUR 389.1). This item primarily comprises investor relations expenses, insurance costs, travel costs, and association membership fees such as those for the Digital Lending Association (formerly the Verband Deutscher Kreditplattformen).

15. INCOME TAXES

No income taxes have been disclosed for the first half of 2023 due to the loss generated. The prior-period income taxes of kEUR 45.7 comprised expenses for provisions for corporate income tax and trade tax.

16. 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) 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 June 30, 2023, reporting date was 66,465.

	Number of shares	Net loss for the period	EPS (basic/diluted)
	Number	in kEUR	in EUR
June 30, 2022			
Basic	1,384,342	1,351.4	0.98
Diluted	1,388,160	1,351.4	0.97
June 30, 2023			
Basic	1,395,961	-1,158.8	-0.83
Diluted	1,395,961	-1,158.8	-0.83

C) OTHER DISCLOSURES

17. DISCLOSURES ON LEASES (IFRS 16)

The following table contains the lease disclosures required to be made by the creditshelf group under IFRS 16.53. The disclosures made here relate to the leased premises at Mainzer Landstrasse 33a, Frankfurt am Main, and to the automobile lease:

	01.01.-30.6.2023 in kEUR	**01.01.-30.6.2022 in kEUR**
Depreciation of right-of-use assets	42.7	36.5
of which depreciation of building lease	*40.7*	*34.5*
of which depreciation of automobile lease	*2.6*	*2.6*
Interest expense for lease liabilities	0.6	1.9
Expense for short-term leases in accordance with IFRS 16.6	6.4	8.6
Expense for leases for which the underlying asset is of low value in accordance with IFRS 16.6	5.4	5.3
Total cash outflows for leases	89.5	82.6
Additions to right-of-use assets	0.0	0.0
Remeasurement of right-of-use assets	62.7	0.0
Carrying amount of right-of-use assets at the end of the reporting period	**64.6**	**81.0**
of which carrying amount of the right-of-use asset in the building	*62.2*	*74.6*
of which carrying amount of the right-of-use asset in the automobile	*2.4*	*6.4*

In contrast to the previous year, all leasing expenses including depreciation and interest expenses are now disclosed. The prior-year figures were adjusted.

The terms of the lease liabilities as of June 30, 2023, and December 31, 2022, were as follows:

	Up to 3 months	**3-12 months**	**1-5 years**	**Over 5 years**	**Total**	**Carrying amount**
Lease liabilities	**in kEUR**	**in kEUR**	**in kEUR**	**in kEUR**	**in kEUR**	**in kEUR**
31.12.2022	19.6	28.3	0.4	0.0	48.3	48.3
30.6.2023	28.1	42.9	0.0	0.0	71.0	71.0

18. 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 annual report for 2022.

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 11 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.

Net segment revenue	**30.6.2023 in kEUR**	**30.6.2022 in kEUR**
Customers accounting for > 10% of revenue	402.4	724.1
Remaining customers accounting for < 10% of revenue	2,455.3	3,161.6
Total segment revenue	**2,857.7**	**3,885.7**

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 19). These have been grouped together in the table above. As in the prior-year period, the figure for > 10% relates to a single creditshelf group customer.

19. 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 people were defined as related parties in the first half of 2023:

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 Vermögensverwaltungs 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

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. Furthermore, for details of the compensation paid to management, please see the information provided on personnel expenses (note 13).

Compensation of Key Management Personnel

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

	30.6.2023 in kEUR	30.6.2022 in kEUR
Management Board		
Short-term benefits	146.0	141.2
Other long-term benefits	0.0	0.0
	146.0	**141.2**
Supervisory Board		
Short-term benefits	63.2	51.6
	63.2	**51.6**
Total	**209.2**	**192.8**

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 creditshelf solutions GmbH in the course of the group's normal business activities. No loan sales took place. Business relationships with related parties are treated in the same way as third-party transactions and 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, 2022, to June 30, 2022, in kEUR

Name	Volume purchased	Volume sold	Investor fees
Anfang B.V.	37,150.0	0.0	608.6
Obotritia Capital KGaA	720.0	0.0	1.3
Deutsche Konsum REIT-AG	5,955.0	0.0	21.5
Midgard Beteiligungsgesellschaft mbH	4,800.0	0.0	20.3
EFa Vermögensverwaltung KG	200.0	0.0	1.0
Summe	**48,825.0**	**0.0**	**652.7**

Period from January 1, 2023, to June 30, 2023, in kEUR

Name	Volume purchased	Volume sold	Investor fees
Anfang B.V.	26,116.9	0.0	401.4
Obotritia Capital KGaA	97.4	0.0	1.5
Deutsche Konsum REIT-AG	0.0	0.0	0.0
Midgard Beteiligungsgesellschaft mbH	0.0	0.0	0.0
EFa Vermögensverwaltung KG	0.0	0.0	0.0
Total	**26,214.3**	**0.0**	**402.9**

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 37.2% 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. No notice to terminate the contract had been given as of the preparation date of these financial statements. 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 above 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. creditshelf had drawn down a total of EUR 4.3 million under the agreement as of the reporting date (prior-year period: EUR 1.55 million).

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.

20. EVENTS AFTER THE REPORTING PERIOD

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

Staff Adjustments

As part of a restrictive human resources policy and given the creditshelf group's challenging financial situation, 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. These staff adjustments were due to the need both to reduce the company's cost base and to align staff numbers with the lower volumes of business that could be generated due to the funding restrictions in place in the period up to August. They will roughly halve creditshelf's monthly personnel expenses from November 2023 onwards. By then, the headcount will have fallen to approximately 35 people.

Waiver of interest claims from the shareholder loan

On July 31, 2023, Obotritia Capital KGaA, who has signed a letter of comfort and provides a shareholder loan for creditshelf, waived interest receivables accrued from the shareholder loan. These waived interest receivables in the amount of kEUR 470.0 were recognized on July 31, 2023. As a result, non-current other financial liabilities decreased by this amount. The group's equity and retained earnings improved accordingly by the amount stated.

21. GOVERNING BODIES

The following people were members of creditshelf Aktiengesellschaft's Management Board during the first half of 2023:

- 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 the Supervisory Board during the first half of 2023:

- Rolf Elgeti, Supervisory Board Chairman (until July 2023 CEO of Deutsche Konsum REIT-AG and after that its Supervisory Board Chairman; Chairman of the Board of Directors and CEO of OboTech Acquisition SE; Supervisory Board Chairman of TAG Immobilien AG (until May 2023), 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 J² 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)

22. PPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were prepared by the Management Board on August 30, 2023.

Frankfurt am Main, August 30, 2023

The Management Board

Dr. Tim Thabe

Dr. Daniel Bartsch

4 RESPONSIBILITY STATEMENT

“To the best of our knowledge, and in accordance with the applicable 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 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, August 30, 2023

creditshelf Aktiengesellschaft

The Management Board

Dr. Tim Thabe

Dr. Daniel Bartsch

5 PUBLICATION DETAILS

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