FREEDOM FOR COMPANIES

credit shelf

Annual Report

December 31, 2020

Group Key Figures at a Glance

in kEUR	FY 2020	FY 2019
Revenue	4,899	4,564
EBIT	–5,345	–4,954
Arranged loan volume	98,925	88,450
Loan request volume	1,528,223	1,340,662
Net loss for the period	–5,327	–4,968
Earnings per share (in EUR)	–3.92	–3.73
Diluted earnings per share (in EUR)	–3.92	–3.73

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creditshelf Aktiengesellschaft – 2020 Annual Report

1. To Our Shareholders

1.1. Letter to Shareholders

Dear shareholders and readers,

creditshelf recorded a large number of successes in fiscal year 2020, despite the new challenges posed by the coronavirus crisis. As a financing platform with lean digital processes, we remain an important alternative for German SMEs in these difficult times. Many company owners have recognized the opportunities this offers and are investing in developing and growing their companies. creditshelf is a reliable partner for such ventures, providing the necessary capital via the creditshelf platform.

We continued successfully diversifying our funding base in these challenging times. Well-known investors such as BNP Paribas Asset Management and Amsterdam Trade Bank became financing partners this year. In addition, the first closing of the creditshelf Loan Fund took place during the initial lockdown in May, raising EUR 62 million. The fund, which boasts the European Investment Fund as its anchor investor, provides funding for German SMEs under our auspices. This demonstrates the success of our institutional funding strategy including or especially during the crisis.

The coronavirus pandemic has fundamentally changed not just public life, but also the macroeconomic framework and hence conditions for German SMEs. The trend towards digitalization has accelerated even further, and this also applies to SME finance. At the same time, market conditions for corporate loans have changed substantially, albeit temporarily. Government intervention has enabled traditional principal banks to flood the market at times with low-cost loans backed by government guarantees distorting natural competition in the short term. At the same time, this aid is ensuring the necessary stability for many companies. We, too, are in close communication with government bodies through our membership of the Verband deutscher Kreditplattformen (the Association of German Credit Platforms), which we co-founded. We intend to play our part in stabilizing the German economy.

Thanks to the continuous enhancements made to our risk models and the fact that we have maintained our strict risk standards, which have been adapted to the current situation, our portfolio of arranged loans did not see any notable coronavirus-related increase in defaults in fiscal year 2020. The top priority for us is to ensure stable returns for our institutional investors. This is the only way in which we can guarantee access to debt capital so as to be able to supply German

SMEs with the liquidity they need in the medium term and to grow sustainably together. All in all, we arranged loans totaling EUR 98.9 million in fiscal year 2020, roughly 12% more than in the previous year. We managed costs carefully while investing strategically and sustainably in our marketing infrastructure and our platform, so as to be able to leverage the opportunities offered by an upturn as optimally as possible.

We would like to thank our employees for their hard work and dedication in what has been a challenging past fiscal year. We would also like to thank our shareholders and business partners for their ongoing trust in us. We are upbeat about the fiscal year ahead of us and look forward to continuing our sustainable growth trajectory with you.

With best wishes

The Management Board

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

1.2. Report by the Supervisory Board

Dear shareholders and readers,

creditshelf Aktiengesellschaft's Supervisory Board worked extremely hard in fiscal year 2020 to perform the tasks required of it by law and the Articles of Association. Its activities are described in the following.

The Supervisory Board obtained comprehensive and regular reports, both in writing and orally, from the Management Board on the company's strategic development, corporate planning, the course of business, trends in key performance indicators, significant transactions, human resources development, the internal control system, risk management, and compliance. In the process, the Supervisory Board also addressed the company's risk situation, liquidity planning, and equity situation in depth. It diligently supervised and advised the Management Board in its management of the company in the past fiscal year. The Supervisory Board was involved in Management Board decisions of fundamental importance for the company.

The subjects reported on by the Management Board and the scope of this reporting complied in full with the Supervisory Board's requirements. All questions to the Management Board were answered at length. The frequency of reporting on the company's financial situation was increased further by introducing monthly reports, improving the basis for the Supervisory Board's oversight during the coronavirus crisis. The Management Board was on hand during Supervisory Board meetings to provide information on the topics discussed. We examined in detail all management measures that required prior approval by the Supervisory Board by law, or due to the Articles of Association or the bylaws, and discussed them with the Management Board.

The Chairman of the Supervisory Board and the CEO were in constant contact, allowing the former to be informed without undue delay of all major events that were of material importance for the assessment of creditshelf's position and development. This also meant that the Chairman of the Supervisory Board was kept comprehensively informed between Supervisory Board meetings.

The members of the Supervisory Board ensure they receive the education and training measures that they need to perform their duties, such as courses on changes in the legal framework, on their own responsibility and are supported in this by the company. Where necessary, internal information events are held to familiarize them with specific issues. One focus during the reporting period was on holding an online training course on agile technology development methodologies and the risk analysis software deployed by the company.

Supervisory Board Meetings

Seven Supervisory Board meetings were held in fiscal year 2020, all of which were conducted as videoconferences and/or conference calls for public health reasons. In addition, resolutions were passed by circulating written documents. There were no Supervisory Board committees in existence during the reporting period. The Supervisory Board also regularly met without the Management Board. The agenda items discussed in these cases concerned the Management Board itself or required internal discussion by the Supervisory Board.

All Supervisory Board members took part in at least six Supervisory Board meetings during the reporting period. The Supervisory Board, in consultation with creditshelf's Management Board, reacted to the exceptional situation caused by the pandemic by increasing the frequency of Supervisory Board meetings year-on-year.

The following overview shows which Supervisory Board members took part in which meetings in fiscal year 2020:

Date	**Rolf Elgeti** Supervisory Board Chairman	**Rolf Hentschel** Deputy Chairman	**Julia Heraeus-Rinnert** Supervisory Board member	**Pedro Pinto Coelho** Supervisory Board member	**Dr. Joachim Rauhut** Supervisory Board member	**Prof. Dirk Schiereck** Supervisory Board member
January 9, 2020	X	X		X	X	X
March 17, 2020	X	X	X	X		X
May 25, 2020	X	X	X	X	X	X
July 14, 2020	X	X	X	X	X	X
September 1, 2020	X	X	X	X	X	X
November 3, 2020	X	X	X	X	X	X
December 17, 2020	X	X	X	X	X	

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

Focus of Supervisory Board Discussions

January Meeting (Budget Meeting)

In its meeting on January 9, 2020, the Supervisory Board discussed the preliminary results for fiscal year 2019 and the status of partnerships on both the lender and the borrower side of the business together with the Management Board. The main focus of the meeting was on an in-depth discussion of the planned budgets for fiscal years 2020 and thereafter submitted by the Management Board, and associated key investment areas such as measures to strengthen the company's marketing infrastructure. The Supervisory Board approved the planning. In addition, the management presented the developments to creditshelf's technology planned for fiscal year 2020, which the Supervisory Board reflected on in depth.

March Meeting (Board Meeting to Consider the Annual Financial Statements)

In its meeting on March 17, 2020, the Supervisory Board discussed the current business developments that had been previously presented by the Management Board. The discussion revolved around potential impacts of the coronavirus pandemic on the development of creditshelf's business and the market for digital SME finance, as well as on the precautions and other measures taken by the company in response to these impacts. Other key focuses of the discussion were on the forecast for fiscal year 2020 that the company prepared in connection with the management report, and on related party transactions. After this, the Supervisory Board and the Management Board discussed in depth, in the presence of the auditors, the annual financial statements prepared as of December 31, 2019, the results of operations for fiscal year 2019, and the audit priorities, which included the identification and measurement of the assets and liabilities assumed during the acquisition of Valendo GmbH, the accounting treatment of variable purchase price components, and impairment testing of the intangible assets. The Supervisory Board unanimously approved the annual and consolidated financial statements, the management report, and the corporate governance report, and resolved the report by the Supervisory Board for fiscal year 2019. In addition, it discussed the venue and agenda for the upcoming Annual General Meeting 2020. The Supervisory Board also proposed that, as in the previous year, Warth & Klein Grant Thornton AG should be elected as the auditors of the annual and consolidated financial statements for fiscal year 2020. The Supervisory Board Chairman was authorized to engage Warth & Klein Grant Thornton AG in line with this if the general meeting passed a majority resolution to this effect.

Resolution Passed Following the Circulation of Written Documents in April (Virtual Annual General Meeting)

On April 7, 2020, the Supervisory Board unanimously resolved, following the circulation of written documents, to approve the Management Board's resolution to postpone the annual general meeting to May 26, 2020, and to hold it as a "virtual annual general meeting" as defined by article 2, section 1(2) of the *Gesetz zur Abmilderung der Folgen der COVID-19-Pandemie im Zivil-,* *Insolvenz- und Strafverfahrensrecht* (Act to Mitigate the Consequences of the COVID-19 Pandemic under Civil, Insolvency, and Criminal Procedure Law); no changes were made to the agenda.

May Meeting

On May 25, 2020, the Supervisory Board and the Management Board discussed business developments in the second quarter of 2020 and the company's strategy. One key focus was on the impact of the development loans extended by KfW during the coronavirus crisis and their effect on creditshelf's business. The Supervisory Board and the Management Board agreed that creditshelf will provide the Supervisory Board with aggregated financial information after each month closes, allowing it to better monitor business developments and the financial situation. In addition, the Supervisory Board and Management Board discussed the first closing of the creditshelf Loan Fund and initiatives designed to automate marketing activities.

July Meeting

On July 14, 2020, the Supervisory Board and Management Board conferred about the course of business, the company's strategy, and technological developments. One key focus of the discussion was on creditshelf's risk analysis and potential changes to be made in light of the coronavirus pandemic, along with their impacts on default rates in the current loan portfolio. In addition, the Management Board and Supervisory Board discussed the preliminary financial results for H1 2020. The Management Board also presented the planned 4th Employee Share Program (Restricted Stock Unit Program IV) to the Supervisory Board. The Supervisory Board unanimously approved the Management Board's resolution to implement the program. Additionally, the Supervisory Board resolved to cap the vesting of RSUs issued under RSU Programs I, II, and IV at up to 1.5% of the current number of shares outstanding (1,360,339 no-par value shares as of the time of the meeting). Finally, the Supervisory Board resolved to establish a working group on the implementation of the new version of the German Corporate Governance Code (version dated December 16, 2019).

September Meeting (Half-yearly Financial Statements)

On September 1, 2020, the Supervisory Board and the Management Board discussed a large number of topics relating to the current course of business, including the full-year forecast, human resources and marketing expenses, partnerships, and product extensions. The Supervisory Board and Management Board also discussed the 2020 half-yearly financial statements as of June 30, 2020, together with the auditors, Warth & Klein Grant Thornton AG Wirtschaftsprüfungsgesellschaft. In addition, the auditors presented potential areas of emphasis for the 2020 audit of the annual financial statements. The working group on the German Corporate Governance Code also presented its results. Furthermore, human resources issues relating to the Management Board were discussed.

Resolution Passed Following the Circulation of Written Documents in September (Merger of Subsidiaries)

On September 29, 2020, the Supervisory Board unanimously resolved, following the circulation of written documents, to approve the Management Board's resolution to merge the creditshelf subsidiaries creditshelf service GmbH (the transferor legal entity) and Valendo GmbH (the transferring legal entity).

November Meeting

The main topic discussed in the Supervisory Board meeting on November 3, 2020, was a market and competitive analysis requested by the Supervisory Board and prepared and presented by the company. The Supervisory Board and the Management Board also discussed business developments since the last Supervisory Board meeting, plus the quarterly statement for the third quarter of 2020. A large portion of the discussion was devoted to the impacts of the coronavirus pandemic and the second lockdown (i.e., the federal government's reimposition of tougher restrictions on social contacts) on business developments with respect to both the borrower and the financier side of the business. The company also gave a presentation to the Supervisory Board on the enhanced Compliance function and provided updates on technological and human resources issues, risk, and investor relations. Another part of the meeting was devoted to the presentation of the key assumptions behind the current multiyear planning process. The Supervisory Board also unanimously approved the revised declaration of compliance with the German Corporate Governance Code pursuant to section 161 of the *Aktiengesetz* (German Stock Corporation Act – AktG). Furthermore, human resources issues relating to the Management Board were discussed.

December Meeting

The last meeting of the Supervisory Board in fiscal year 2020 took place on December 17, 2020. The main focus of the meeting was on the company's financial development planning for fiscal years 2021 to 2023, and the associated budget. The planning assumptions were discussed in depth and the planning that had been prepared was then resolved. This took into account the Management Board's assessment of the letter of comfort issued to the company by Obotritia Capital KGaA in November 2020. The objective of the letter of comfort is to meet the company's liquidity requirements and hence avoid the potential duty to file for insolvency. The Supervisory Board consented to a loan agreement being signed with Obotritia Capital KGaA as the lender in order to implement the letter of comfort. Additionally, the company gave the Supervisory Board an overview of business developments in the fourth quarter and of enhancements made to the internal control system for accounting. The Supervisory Board also discussed the skills profile developed in accordance with the requirements of the German Corporate Governance Code and the self-assessment of the effectiveness of its work which was performed.

Corporate Governance

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

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

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

Audit of the Annual and Consolidated Financial Statements for Fiscal Year 2020

The annual financial statements prepared by the Management Board in accordance with the provisions of the *Handelsgesetzbuch* (German Commercial Code – HGB) and the consolidated financial statements and group management report for fiscal year 2020 prepared pursuant to section 315e of the HGB in accordance with the International Financial Reporting Standards (IFRSs) as adopted in the EU were audited by Warth & Klein Grant Thornton AG Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, the company's auditors, and were issued with an unqualified audit opinion. The auditor considered the recoverability of the goodwill arising from the acquisition of the shares in creditshelf solutions GmbH (trading under the name of Valendo GmbH until November 2, 2020) and the recoverability of the carrying amount of the "risk tool" intangible asset to be particularly important audit issues. The abovementioned documents and the relevant audit reports were submitted to the members of the Supervisory Board in good time before, and were discussed in, the Supervisory Board meeting on March 23, 2021. The auditors took part in this meeting and reported on their key findings. Following its own examination, the Supervisory Board concurred with the auditors' findings and did not raise any objections to the annual financial statements, consolidated financial statements, and group management report for fiscal year 2020 prepared by the Management Board. The Supervisory Board approved the annual financial statements prepared by the Management Board, the consolidated financial statements, and the group management report for fiscal year 2020. The annual financial statements have therefore been adopted.

Changes to the Supervisory Board and the Management Board

Supervisory Board member Pedro Pinto Coelho informed the Management Board in December, in compliance with the notice period set out in creditshelf's Articles of Association, that he would resign from office as of December 31, 2020. However, the Supervisory Board remains quorate pursuant to section 12.3 of the Articles of Association. A proposal will be made to the next regular annual general meeting that the Supervisory Board shall comprise five members in future.

As in 2019, the Management Board was composed of Dr. Tim Thabe, Dr. Mark Währisch, and Dr. Daniel Bartsch in 2020. In the Supervisory Board meeting on November 3, 2020, Dr. Mark Währisch told the Supervisory Board that he did not want to extend his contract of service beyond April 30, 2021.

Thanks

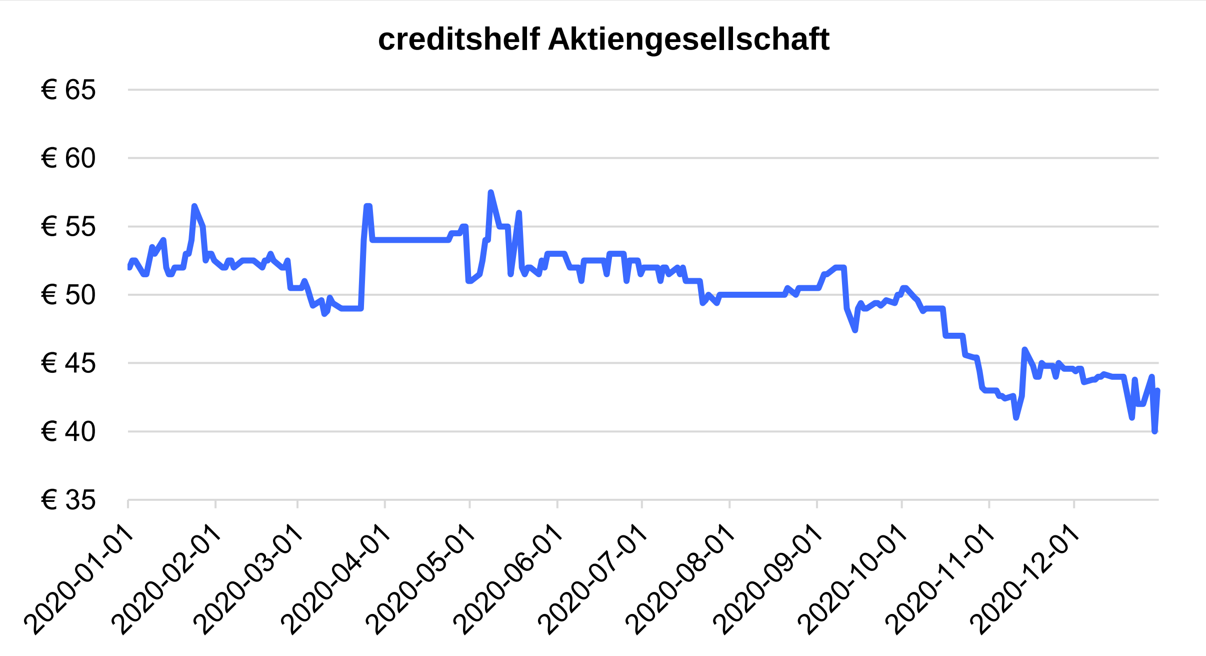
The Supervisory Board would like to thank the Management Board and all group employees for their hard work and achievements in the last fiscal year and wishes them continued success in dealing with the new fiscal year's challenges.

Frankfurt am Main, March 2021

Rolf Elgeti
Supervisory Board Chairman

1.3. Information on creditshelf's Shares

Share Price Performance (January 1 to December 30, 2020; XETRA Closing Prices)



The mood on the capital markets in 2020 was highly volatile. This was due to the outbreak of the coronavirus pandemic, which led to economies around the world coming to a halt for several weeks. In addition to the uncertainties resulting from repeated lockdowns, other political developments such as Brexit and the outcome of the US elections had a destabilizing effect on markets.

The stock markets' initial reaction to the pandemic and the imminent standstill of the global economy was a crash at the end of February. For example, the DAX shed roughly 40% of its value in only four weeks following its record high of 13,795 points in mid-February. The MDAX and the SDAX followed suit. However, the extensive support provided by many states and the major central banks had the desired effect and the markets bounced back sharply. Despite another, less pronounced blip at the end of October, the DAX closed up 3.5% on the last day of trading in 2020, while the MDAX gained 8.8% and the SDAX an even more impressive 18.0%.

creditshelf's shares closed at EUR 43.00 (XETRA) on December 30, 2020. This represents a drop of 18.1% compared to their opening price on the first trading day of the year (EUR 52.50 on January 2, 2020). The shares of the company's key UK-listed peer, Funding Circle, lost 9.9% year-on-year, while shares of German fintech Hypoport, which specializes in brokering real estate finance, jumped 56.1%.

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*	1,360,339
Stock exchange	Frankfurt Stock Exchange's Regulated Market (Prime Standard)
Designated Sponsor	Oddo Seydler
Sell-side analysts	Commerzbank, FMR, Stifel Europe Bank AG

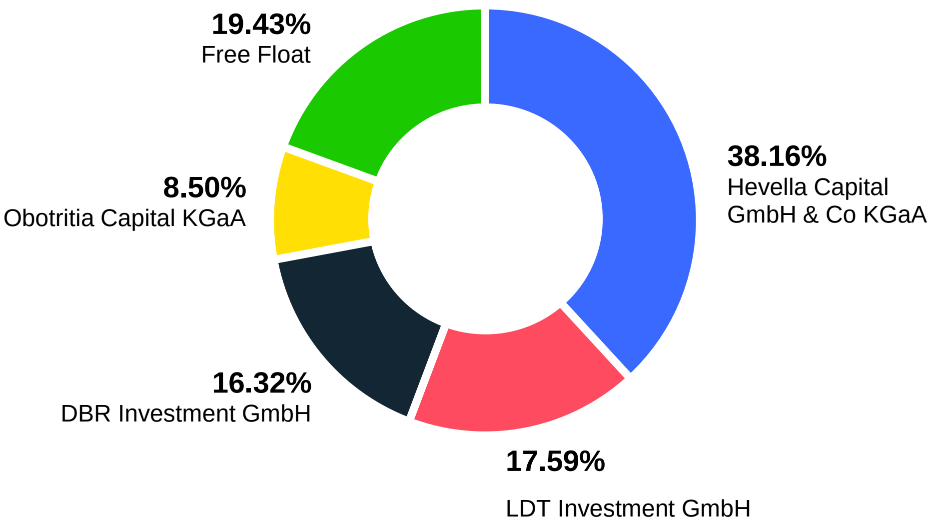
* As of December 31, 2020.

creditshelf's Shares at a Glance – January 1, 2020, to December 30, 2020*

Share price at the start of the reporting period	EUR 52.00
High (May 8, 2020)	EUR 57.50
Low (December 29, 2020)	EUR 40.00
Closing price (December 30, 2020)	EUR 43.00
Trading volume (January 1 to December 30, 2020; average number of shares)	approx. 300

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

Shareholder Structure



As of December 31, 2020. Information based on notifications of voting rights in excess of 5% received in accordance with the *Wertpapierhandelsgesetz* (German Securities Trading Act – WpHG) (effective date of the last notification of voting rights: September 11, 2020), plus company information. The main changes in the shareholder structure compared to the previous year were due to the noncash capital increase that disapplied preemptive rights and transfers of shares in relation to the first closing of the creditshelf Fund.

Investor Relations Activities

By listing on the Prime Standard, creditshelf Aktiengesellschaft deliberately chose the Frankfurt Stock Exchange's most strictly regulated segment. 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 timely dissemination via the established channels of corporate disclosures. In fiscal year 2020, creditshelf published nine corporate news releases and one ad hoc disclosure in addition to its 2019 annual report, its report for the first half of 2020, and its quarterly statements for the first and third quarters.

Investor relations is a core element of creditshelf's public relations activities. Our IR activities in fiscal year 2020 were dominated by the coronavirus pandemic and largely took place virtually. In addition to holding our first purely virtual annual general meeting on May 26, 2020, we conducted a virtual roadshow and a large number of virtual conferences over the course of the year. Events included the Commerzbank Corporate Conference, the Baader Small Cap Day, the Deutsches Eigenkapitalforum, and the KBW Innovation in Finance Conference. creditshelf Aktiengesellschaft's shares are regularly covered by analysts from three firms: Commerzbank, Frankfurt Main Research AG, and Stifel Europe Bank AG. In addition, creditshelf held regular webcast conference calls plus one-on-one discussions with investors and analysts.

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

Financial Calendar*

March 30, 2021	Publication of the annual report for 2020
May 10, 2021	Annual general meeting
May 12, 2021	Publication of the quarterly statement for Q1 2021
September 9, 2021	Publication of the half-yearly report for 2021
November 11, 2021	Publication of the quarterly statement for Q3 2021

* 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 2021.

2. Group Management Report for 2020

2.1. Fundamental Information about the Group

2.1.1. Business Model and Strategy

creditshelf Aktiengesellschaft (“creditshelf” or the “company,” and together with its subsidiary creditshelf solutions GmbH the “creditshelf group” or the “group”) is the leading platform for digital SME finance in Germany. It arranges flexible financial solutions that are not tied to specific banks for small and medium-sized enterprises (“SMEs”) via its online platform, www.creditshelf.com. In the period since its formation in 2014, the company has successfully developed an online credit marketplace platform whose processes are supported by proprietary, data-driven risk analysis software. The creditshelf platform models the entire credit process, from the loan application through credit analysis and risk management down to loan disbursement (which is performed by a regulated fronting bank) and loan servicing. A secure, easy-to-use online platform is crucial to creditshelf’s success.

As a designer of innovative financial solutions, creditshelf brings together complementary needs. It offers SMEs easy access to attractive alternative finance solutions that allow them to extend their financing mix, while also permitting institutional investors in particular to invest directly in loans to German SMEs. Investors find SME loans that they can fund efficiently and that are not available elsewhere an attractive investment class. Partners can use the creditshelf platform to support their clients as innovative providers of new lending solutions.

In the company’s opinion, one of the creditshelf platform’s key benefits for borrowers – and a major competitive advantage compared with the conventional process for extending bank loans – is the fact that its digitalized and automated processes enable extremely efficient and rapid indicative assessments of credit project applications, keeping transaction costs low. The company itself does not hold any of the loans that it arranges on its balance sheet, either as a borrower or as an investor. Rather, the loans are extended by what is known as a fronting bank. The latter has a full banking license and is needed since in Germany such a license is normally a legal prerequisite for extending loans. After the fronting bank has granted a loan to the borrower, it sells the loan receivable to creditshelf solutions GmbH (“creditshelf solutions”), a wholly-owned creditshelf Aktiengesellschaft subsidiary, and transfers the exposure to it. In turn, creditshelf solutions sells and transfers tranches of the loan receivables to investors that have issued funding commitments via the creditshelf platform, after which it provides ongoing support for the exposure in question for and in the name of the individual investors.

As from this fiscal year, investors also include the creditshelf Loan Fund, a Luxembourg-domiciled investment vehicle. This bears creditshelf’s name, although the company has not invested any of its own money in it. Rather, the fund's anchor investor is the European Investment Fund, which makes broad-based investments in the loans arranged via the creditshelf platform as part of its EU-wide mission to promote SME finance. Where loans are financed by the creditshelf Loan Fund, the portfolio manager (the 1741 Group) issues an independent funding commitment for the loan concerned. creditshelf's role is that of an advisor to the 1741 Group.

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 one month to 96 months.

Our highly focused growth strategy is based on three strategic initiatives, whose importance for the company and current stage of development are described below:

1) <u>Partnerships:</u> Our platform aims to expand our strategic alliances and partnerships that can pass on potential borrowers from their networks to creditshelf and vice versa, and that can boost our growth by funding loans via the platform. We are expecting this network momentum to accelerate.
   Examples of successful milestones in this area include the partnership agreement signed with Commerzbank in April 2019 and a variety of other such agreements with our many other partners in different segments. On the investor side, creditshelf acquired a new institutional finance partner at the end of 2020 in the form of Amsterdam Trade Bank.

2) <u>Product portfolio expansion:</u> We are planning to add flexible, complementary new products to the platform's portfolio so as to be able to offer our borrowers the right solutions every time. These new products can either be provided by creditshelf itself or they can be integrated flexibly and individually with the platform via partnerships. They offer the opportunity to attract new borrowers and expand relationships with existing ones, improving our conversion rate. Our extension of the product portfolio has included adapting the minimum annual revenue requirement for eligible borrowers from the previous figure of EUR 2.5 million to as little as EUR 1.0 million.
   The exclusive strategic partnership for fully unsecured SME loans of between EUR 500,000 and EUR 5 million with extended durations of up to 96 months that was signed with BNP Paribas Asset Management in January 2020 has successfully expanded the company's product portfolio.

3) <u>Software development:</u> We work continuously to enhance our data-driven, automated credit selection processes and our credit scoring algorithms and models to permit more in-depth and more efficient analysis. One critical success factor here is our database of rejected and arranged credit projects, which is growing continuously as we do business.

This provides a basis for our algorithms to learn and continuously improve. As a result, we can efficiently increase the number of credit projects, extend their durations, arrange larger volumes, and ultimately ensure organic growth. At the same time, it provides an opportunity to offer analysis services to third parties.

These growth opportunities result from combining internally developed and bought-in software components to produce a comprehensive systems architecture that is now being enhanced as an overall entity and is driving forward ongoing value chain automation.

2.1.2. Group Structure and Equity Investments

creditshelf Aktiengesellschaft, Frankfurt am Main, Germany, is the creditshelf group's holding 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.

creditshelf solutions GmbH, Berlin, Germany, is a wholly-owned subsidiary of creditshelf Aktiengesellschaft. creditshelf solutions GmbH's business purpose is to broker, buy, and sell loan receivables in its own name and for its own account, to develop and operate domestic and foreign Internet and technology projects for interactive financial brokerage in particular, and to provide 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).

The change in group structure compared to fiscal year 2019 is due to the merger of creditshelf Aktiengesellschaft's two subsidiaries. creditshelf service GmbH (the transferor legal entity) was merged retrospectively as of January 1, 2020, with Valendo GmbH (the transferee legal entity) by way of the merger agreement dated October 7, 2020. As the transferee legal entity, Valendo GmbH became the successor for tax purposes of creditshelf service GmbH in the course of the merger and acquired the transferred assets at their carrying amounts. In addition, the transferee was renamed creditshelf solutions GmbH following the merger. The merger was entered in the commercial register on November 2, 2020.

creditshelf Aktiengesellschaft did not hold any other direct or indirect equity interests as of the December 31, 2020, reporting date.

2.1.3. Locations and Staff

The creditshelf group is headquartered in Frankfurt am Main. In addition, creditshelf has a location in Berlin via creditshelf solutions GmbH.

As of the December 31, 2020, reporting date, the creditshelf group employed a total of 57 permanent staff (December 31, 2019: 49).

2.1.4. Management System and Performance Indicators

creditshelf Aktiengesellschaft and its three Management Board members manage the business using key financial performance indicators. These are tracked regularly and used to measure its performance, identify trends, and make strategic decisions. The key performance indicators are used for regular reporting to the Management Board and are also included in the discussions with the Supervisory Board.

Performance indicator in kEUR	January 1–December 31, 2020	January 1–December 31, 2019
Revenue	4,899.2	4,564.5
EBIT	–5,345.2	–4,954.3

creditshelf also 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 duration of loan requests made via the creditshelf platform
- The number, volume, and duration of loan transactions 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

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 cyclical business model. For example, the volume of loans arranged by creditshelf was highest in the second half of fiscal years 2018 (H1: 30.3%, H2: 69.7%) and 2019 (H1: 40.5%, H2: 59.5%). In fiscal year 2020, the volume of loans arranged in the second half of the year was also higher than in the first half, but the difference was less pronounced (H1: 46.1%, H2: 53.9%). One key reason identified by creditshelf was the reimposition of tougher restrictions on social contacts in November due to the coronavirus pandemic (second lockdown), which resulted in a short-term drop in demand for loans. Another is the company's continued application of strict risk standards, which have been adapted to the current situation, with the aim of ensuring the ongoing stability of portfolio performance. In addition, it should be noted that the coronavirus pandemic that has dominated events since March 2020, and resulting government aid measures such as KfW's support loans, have temporarily changed market conditions for creditshelf's products.

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

2.1.5. Research and Development

The company makes a clear distinction between research and development activities, and its activities are largely confined to development. They are focused on the creditshelf platform, ongoing optimization of data management and of the credit scoring algorithms, the systems and processes used in preselection, 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 past, creditshelf worked together with a software consulting and development company to achieve this goal. However, the collaboration was terminated as planned in Q1 2020 once the software had been successfully handed over.

The costs of kEUR 574.5 (previous year: kEUR 1,795.1) that were incurred by the company in the reporting period for internal development activities and for supporting the external software developer that it used until March 2020 were recognized under two intangible asset items – the "Internet platform" and the "risk tool" (software). kEUR 421.8 of this amount (previous year: kEUR 226.6) was attributable to own work capitalized. Whereas significantly greater use was made of the external software developer in the first half of 2019, the latter had largely completed its development work as of the end of fiscal year 2019. The successful handover to creditshelf's staff, who are responsible for further development, took place at the start of the first quarter of 2020. As of December 31, 2020, the carrying amount of the two "Internet platform" and "risk tool" (software) intangible asset items in use at the company was kEUR 2,669.5 (previous year: kEUR 3,104.8). Depreciation and amortization charged in the reporting period amounted to kEUR 1,009.7 (previous year: kEUR 664.8). No impairment losses were required either in the current reporting period or in the previous year.

2.2. Report on Economic Position

2.2.1. Macroeconomic Environment

creditshelf uses the creditshelf platform to offer its products to small and medium-sized enterprises in Germany, which are dependent on macroeconomic developments. Consequently, macroeconomic developments and related effects on the demand for and supply of credit can influence the course of creditshelf's operating business.

Based on the information published by Germany's Federal Statistical Office on January 14, 2021, German GDP fell by 5.0% year-on-year in 2020 as a result of the ongoing coronavirus pandemic.[1] According to the German Federal Ministry for Economic Affairs and Energy (BMWi), the economic slump was particularly pronounced in the first two quarters of the year. At the same time, economic indicators such as growth in industrial production and the ifo Business Climate Index show a consistent economic recovery in the course of Q3 and Q4 2020, although this has now slowed again as a result of the tougher restrictions on social contacts imposed in the period since November 2020. The BMWi is forecasting a continued, though muted, upturn for the first quarter of 2021.[2] The German Council of Economic Experts comes to a similar conclusion: Following a decline in economic output in 2020, it is anticipating growth of 3.7% this year. In this analysis, the economic recovery in the spring is expected to resume at a slightly higher rate than at the beginning of the year once the second wave of infections subsides. In the Council's opinion, the federal government's economic package supports this development but is not focused enough in some cases, meaning that not all companies are receiving sufficient support. It says that enhancing digital business models and innovations, particularly among SMEs, will be a key driver for manufacturing growth in 2021.[3]

The BMWi says that German industry saw a particularly strong recovery in the course of the year, buoyed up by positive momentum in the automotive industry. Manufacturing and construction also clearly bounced back starting in the second half of the year. In contrast, retailers recorded only a slight upturn.[4] According to the German Council of Economic Experts' annual report, trends in the different areas of the sector were mixed: Whereas e-commerce, mail-order businesses, and food retailers all reported increases, the coronavirus led to declines at some bricks-and-mortar retailers

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[1] Federal Statistical Office. (2021). German GDP in 2020. Supporting material for the press conference held on January 14, 2021.
[2] German Federal Ministry for Economic Affairs and Energy. (2021). Schlaglichter der Wirtschaftspolitik, monthly report for January 2021.
[3] German Council of Economic Experts. (2020). Overcoming the Coronavirus Crisis Together; Strengthening Resilience and Growth. Annual Report 2020/21.
[4] German Federal Ministry for Economic Affairs and Energy. (2021). Schlaglichter der Wirtschaftspolitik, monthly report for January 2021.

and in the hospitality industry.[5] This trend is expected to resume following the reimposition of tougher restrictions on social contacts in November 2020. A differentiated analysis of trends in different sectors and business models is therefore needed.

The support measures introduced by the German government to combat the coronavirus pandemic in the period since March 2020 also affected the macroeconomic environment in Germany. These include simplifications to the rules relating to the short-time working allowance, tax breaks aimed at providing liquidity support for companies, and extensive emergency lending programs designed to cushion the impact of the coronavirus pandemic.[6] In addition, an insolvency moratorium was imposed in the period between March and December 2020. In other words, the duty to file for insolvency, the legal consequences of material or factual insolvency, and the ability to challenge insolvency filings were partially suspended or severely curtailed.[7] These measures resulted in significantly lower levels of insolvencies overall: Between January and October 2020, the number of applications filed by German companies was down 15% on the prior-year period; all in all, 26.3% fewer applications were made.[8] For 2021, the BMWi is expecting a relatively moderate wave of insolvencies following the reintroduction of the requirement to file for insolvency for the full range of reasons.[9] The Deutscher Sparkassen- und Giroverband (DSGV – the German Savings Bank Association) is also expecting a relatively small percentage of insolvencies as a result of the coronavirus crisis. However, the chances of recovery differ widely from sector to sector. Travel agents, hotels, retailers, and the catering trade – sectors that creditshelf does not generally service – are finding it difficult to recover, but other sectors should largely have put the crisis behind them at the latest three years after the end of the crisis.[10]

On the one hand, this macroeconomic environment poses challenges for creditshelf's SME borrowers, and hence for the company itself. On the other, these challenges are offset by the opportunities that will arise with an economic recovery, and particularly in relation to innovative digital business models that offer opportunities for creditshelf's growth initiative. These are closely linked to developments on the German loan market, which are described in the following section.

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[5] German Council of Economic Experts. (2020). Overcoming the Coronavirus Crisis Together; Strengthening Resilience and Growth. Annual Report 2020/21.
[6] German Federal Finance Ministry and German Federal Ministry for Economic Affairs and Energy. (2020). Ein Schutzschild für Beschäftigte und Unternehmen. Maßnahmenpaket zur Abfederung der Auswirkungen des Corona-Virus.
[7] Federal Ministry of Justice and Consumer Affairs. (2020). Press release dated September 2, 2020.
[8] Federal Statistical Office. (2021). Press release no. 015 dated January 11, 2021.
[9] German Federal Ministry for Economic Affairs and Energy. (2020). Wie groß wird die Insolvenzwelle?
[10] Deutscher Sparkassen- und Giroverband. (2020). Diagnose Mittelstand 2020.

2.2.2. Sector-specific Environment

creditshelf is active in the field of online credit marketplace lending to small and medium-sized enterprises (SMEs) in Germany. As such, it sees itself as part of the German lending market and as belonging to the digital finance sector for SMEs.

The German lending market was materially impacted by the effects of the coronavirus pandemic in 2020, and this continues to be the case. A large number of government support programs were launched in Germany and the eurozone to meet the increase in liquidity requirements due to the crisis.[11] Apart from the insolvency moratorium[12] that ended on December 31, 2020, these include the additional liquidity that the ECB made available to banks on attractive terms[13] and the fact that these institutions have been largely insulated from any additional risks under KfW's support programs. To date, alternative financing providers only participate in these programs in isolated cases. KfW had distributed a total of EUR 50.9 billion under this measures in the period up to the end of 2020, and they are likely to cover a not inconsiderable proportion of Germany companies' lending requirements during the ongoing crisis, including for SMEs.[14]

According to KfW-Kreditmarktausblick, banks – which are the main intermediaries for the government support programs – only extended 0.3% more loans in the third quarter of 2020 than in the previous year. This represents a clear slowdown in the strong growth trend seen in Q1 (7.3%)[15] and Q2 (6.0%). Growth in the first half of the year was hit hard by the coronavirus pandemic: The resulting revenue shortfalls led to extremely high liquidity requirements at companies. The use of government credit guarantees, including KfW support programs, is likely to have been a key factor in the growth in banks loans. The summer saw a rapid recovery following the significant relaxation of restrictions on social contacts, leading to lower demand for loans in the second half of the year. Above and beyond this, the economic uncertainty caused by the pandemic – which has probably increased still further given the tougher restrictions on social contacts that have been in place since November 2020 – depressed company owners' investment appetite.[16] In addition, increasingly restrictive lending practices by banks, especially to SMEs, are also likely to have influenced the decline, even if the requirements here are only being tightened slowly.[17] One of the underlying reasons is likely to be a basic deterioration in German companies' credit ratings as a result of the crisis.[18] This means that financially sound companies are finding themselves in

[11] European Commission. (2020). European Economic Forecast. Autumn 2020.
[12] German Federal Ministry for Economic Affairs and Energy. (2020). Wie groß wird die Insolvenzwelle?
[13] European Central Bank. (2020). Press Release. Monetary policy decisions, December 10, 2020.
[14] KfW. (2021). Promotional year 2020: Coronavirus aid programmes boost KfW's business volume to an all-time high. Press release dated February 2, 2021.
[15] KfW. (2020). KfW-Kreditmarktausblick: September 2020. The reference value is a two-quarter moving average.
[16] KfW. (2020). KfW-Kreditmarktausblick: December 2020. The reference value is a two-quarter moving average.
[17] KfW. (2020). KfW-ifo credit hurdle: October 2020.
[18] Handelsblatt (Jakob Blume). (2020). Ratingagentur Moody's warnt vor Dutzenden Herabstufungen bei deutschen Unternehmen.

credit quality classes for which it is harder for banks to provide funding. An increase in investment appetite, and hence in the need for SME market loans, can be expected if the uncertainty caused by the pandemic recedes as from the spring of 2021 and the economy continues to recover.[19] This is in line with the findings of the European Central Bank's survey. Demand for loans – largely to finance working capital – rose sharply in Germany in Q2, only to fall back again in Q3 and Q4. At the same time, the rejection rate rose in tandem with demand in Q2. In Q4, the ECB recorded higher rejection rates despite the drop in demand.[20] The conclusion that can be drawn from this is that, despite the relief provided, a not insignificant volume of loan requests in Germany are still not being serviced by traditional banks. Since 99.5% of companies in Germany belong to the SME sector[21] according to a study by Barkow Consulting and solarisBank, these trends can also be taken to apply to this area. The European Central Bank is expecting corporate demand for loans to rise moderately in Q1 2021.[22]

Despite the massive government intervention in the market for SME loans, it is open to question whether these temporary government support programs will be able to cushion the long-term financial impact of the coronavirus pandemic, whether they will remain in place as financing options after the crisis, and in particular whether all eligible SMEs will be able to take advantage of KfW loans given the latter's specific lending and utilization criteria.[23] In creditshelf's opinion, this creates opportunities for financing options outside the conventional banking environment, above and beyond those areas such as growth finance for startups that banks find more difficult to provide as a matter of principle. This also includes the renaissance of unsecured working capital loans, e.g., for prefinancing rising order volumes as the economic recovery progresses – something that will offer a variety of sectors with digital business models enormous opportunities for growth.[24] At the same time, the range of clients for alternative finance providers such as creditshelf is continuing to increase due to the negative rating migrations caused by the crisis.

The trend in GDP described above assumes that 2020, which saw multiple slumps, will be followed by two years of a recovery driven by specific sectors, and that the volume of loans extended under temporary government intervention measures will decline. On this basis, creditshelf's management thinks that digital loans' market share in the period up to 2023 could even exceed the figure of 7% of total annual new business given in a study by Barkow Consulting and solarisBank. The study, which builds on Deutsche Bundesbank data, puts total SME loans in Germany as of December 2018 at around EUR 200 billion. At least part of the sales and lending process was performed automatically or digitally in 1.9% of cases in 2018 (roughly EUR 1 billion), up from roughly EUR 500

[19] KfW. (2020). KfW-Kreditmarktausblick: December 2020.
[20] European Central Bank. (2021). The Euro Area Bank Lending Survey. Fourth Quarter of 2020.
[21] Barkow Consulting & solarisBank. (2019). Der digitale SME-Kredit in Deutschland.
[22] European Central Bank. (2021). The Euro Area Bank Lending Survey. Fourth Quarter of 2020.
[23] Integer Advisors. (2020). The Covid Impact on Private & Alternative Credit in Europe.
[24] pwc. (2020). Securing your tomorrow, today. The future of financial services.

million or 1% in 2017.[25] Overall, the studies mentioned demonstrate that the market for SME lending in general and the alternative digital SME finance sector in particular are growing, even in the coronavirus crisis.

2.2.3. Competition and Market Structure

The company considers its competitors to be other digital finance providers and platforms that focus on providing SMEs in Germany with debt finance. In addition to pure-play online comparison platforms in the broader sense of the word such as Fincompare and Compeon, key players here are credit marketplaces such as October (which is based in France but has entered the German market), Teylor (which is based in Switzerland but has also expanded its focus to Germany), Kapilendo (based in Germany), and challenger banks such as RiverBank (Luxembourg). In certain areas such as growth finance, the list also includes other market players such as venture debt providers, although these tend to target larger minimum loan volumes. In contrast to our previous reporting, it should be noted that Funding Circle, a credit platform, has changed its market positioning in Germany. It now only offers loan brokerage – including to creditshelf, among others – and no longer distributes any credit products of its own. Auxmoney (which is based in Germany) has also repositioned its offering and is now focusing purely on consumer loans again. creditshelf's offering is aimed at areas that are generally not, or only partially, covered by competitors. Its uniques include the average arranged loan volume per ticket (generally around kEUR 900), the loan durations (1 month to 8 years), the target company group (revenue of EUR 1 million to EUR 100 million), the structure of the loans extended including their capital structure ranking (in creditshelf's case always senior loans), 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).

Indirect competition from traditional banks increased in the course of the coronavirus pandemic. As companies' principal banks, these serve as core intermediaries for government support programs that are designed to meet the growing need for liquidity by assuming risk. In line with this, growth in new lending by banks to companies seeking conventional working capital loans increased substantially in the first half of the year, putting a temporary brake on the need for alternative forms of finance as a result of this government intervention. Subsequently, companies' significantly lower investment appetite – a result of the crisis – coupled with their improved liquidity position, reduced demand for borrowing.[26] This further increased competition for the remaining lending business.

[25] Barkow Consulting & solarisBank. (2019). Der digitale SME-Kredit in Deutschland.
[26] KfW. (2020). KfW-Kreditmarktausblick: December 2020.

However, it should be noted that those banks that are active in creditshelf's main borrower segment generally focus on secured loans. creditshelf sees itself as a partner for banks here: One example here is its partnership with Commerzbank, which contributed significantly to its arranged loan volume during the reporting period.

Studies show that digitalizing and automating lending processes are critical success factors in a low interest rate environment, but that business lending is trailing the retail lending sector with respect to automation.[27] Banks could benefit from creditshelf's credit analysis technology and hence potentially implement a better and more efficient credit process of their own. This trend has presumably become even more pronounced due to the coronavirus pandemic.

Finally, it should be noted that management is continuing to expect strong growth in the market for digital SME finance in Germany.[28] At the same time, however, government support programs designed to combat the economic effects of the coronavirus pandemic are temporarily impacting demand for alternative forms of finance. creditshelf assumes that 2021 will see an economic recovery once vaccines become widely available and associated lockdown restrictions are eased.[29] It expects certain sectors and business models to regain or exceed their pre-crisis levels more quickly than others, and demand for working capital loans that are not covered by government support programs to rise again. In addition, growth companies with digital business models that are profiting from the crisis represent an increasingly important target group for creditshelf's products. Due to balance sheet restrictions and risk curbs, banks will be unable to fully satisfy the demand for loans resulting from the developments mentioned above,[30] a situation that offer opportunities for creditshelf.

2.2.4. Course of Business

The impact of the coronavirus pandemic on German SMEs' economic situation and hence on their financing needs led to volatile business for creditshelf in the reporting period. Although government support programs had a stabilizing effect on liquidity at German SMEs and, as a result, on the performance of creditshelf's existing portfolio, it also temporarily distorted the supply of credit to creditshelf's target market.

Despite a well-filled project pipeline, the volume of loans arranged using the creditshelf platform fell due to greater caution on the part of investors during the coronavirus pandemic and the first

[27] PwC. (2019). Industrialisierung des Kreditgeschäfts, Status Quo und Perspektive des Kreditgeschäfts in Deutschland.
[28] Barkow Consulting & solarisBank. (2019). Der digitale SME-Kredit in Deutschland.
[29] European Central Bank. (2020). Eurosystem Staff Macroeconomic Projections for the Euro Area, December 2020.
[30] pwc. (2020). Securing your tomorrow, today. The future of financial services.

lockdown from March 2020 onwards, dropping from EUR 16.9 million in Q1 2019 to EUR 11.6 million in Q1 2020. Despite improved margins, this led to revenues totaling a mere kEUR 685.6, down 26.8% year-on-year. A clear growth spurt in Q2 lifted the arranged loan volume for H1 2020 to EUR 45.6 million (H1 2019: EUR 35.8 million). This trend was driven by the successful launch of the creditshelf Loan Fund and related catch-up effects from outstanding Q1 loan projects, which were used to service new funds. As a result, creditshelf generated consolidated revenue of kEUR 2,501.3 in H1 2020, up 41.6% on H1 2019 (kEUR 1,766.2). creditshelf was also able to continue its growth in Q3 thanks to gratifying demand from SME borrowers. The arranged loan volume rose to EUR 70.3 million in the first nine months of 2020 (first nine months of 2019: EUR 51.7 million). Revenue amounted to kEUR 3,674.5, up 49.4% on the first nine months of 2019 (kEUR 2,460.3). This growth trend remained in force at the start of the final quarter. However, the tougher restrictions on social contacts in force since November depressed SME owners' investment appetite at the end of the year. The resulting clear temporary drop in demand for alternative SME loans combined with creditshelf's ongoing strict risk standards led to an arranged loan volume in Q4 of EUR 28.6 million, down 22.2% on Q4 of the previous year. This was also due to a weak December, with the start of the second hard lockdown in the middle of the month further reducing demand for SME loans. Despite a challenging year that was dominated by the coronavirus pandemic, creditshelf lifted consolidated revenue by 7.3% to kEUR 4,899.2 (previous year: kEUR 4,564.5).

The operating result (EBIT) amounted to kEUR –5,345.2 in fiscal year 2020 (previous year: kEUR –4,954.3). The company intensified its strict cost management as of the start of Q2 in order to combat the negative effects and uncertainties associated with the coronavirus pandemic. At the same time, creditshelf invested strategically in ongoing growth. This included expanding its workforce in order to strengthen its in-house expertise and reduce its dependence on external service providers, with measures being implemented as planned up to the end of H1 2020. As from the beginning of Q2, active recruitment was confined to maintaining the existing workforce, although the company did not rescind contracts that had already been signed and took on these new employees as planned. Then, after the end of Q2, there was no further net growth in the workforce. In addition, creditshelf invested strategically in strengthening its marketing infrastructure so as to be able to make the most of the economic upturn expected in fiscal year 2021.

creditshelf also continued the process of expanding its strategic partnerships with investor institutions in the past fiscal year. Its borrower-side partnership with Commerzbank, which was launched in April 2019, again contributed significantly to its positive performance in fiscal year 2020. In addition, creditshelf closed the first funding round (EUR 62 million) for the creditshelf Loan Fund – whose anchor investor is the European Investment Fund – in May 2020. creditshelf also progressed the operational implementation of its strategic partnership with BNP Paribas Asset Management in the past fiscal year, working closely with this new investor throughout. What is more, it launched its partnership with the Dutch-based Amsterdam Trade Bank – which wants to invest EUR 40 million in debt capital in creditshelf platform loans using a special funding facility – at the end of the year. Together with the stable performance of its existing portfolio, which did not see any significant rise in defaults due to the coronavirus, these developments show that partnering with creditshelf is an interesting opportunity for institutional investors, both on the financier and on the borrower sides of the business.

creditshelf laid the foundations for further growth in fiscal year 2020 thanks to its stable portfolio performance based on strict risk standards, the expansion of its strategic partnerships with institutional investors, and further developments to the company, coupled with its simultaneous strict ongoing management of non-personnel costs.

2.2.5. Consolidated Net Assets, Financial Position, and Results of Operations

2.2.5.1. Consolidated Results of Operations

creditshelf's **revenue** rose by 7.3% year-on-year in fiscal year 2020 to kEUR 4,899.2 (previous year: kEUR 4,564.5). The main driver for this was an increase in the volume of **loans arranged** via the creditshelf platform, which climbed from kEUR 88,450 in fiscal year 2019 to total kEUR 98,925 in the reporting period. Revenue development was influenced by the restrictions on social contacts introduced in the context of the coronavirus pandemic, which temporarily depressed investment appetite among both borrowers and lenders. The sustainable growth recorded in fiscal year 2020 is based both on creditshelf's continuing strict risk standards and on the successful expansion of the institutional funding partners on creditshelf's platform. This also includes the launch of the creditshelf Loan Fund, for which the European Investment Fund is the anchor investor. As a result, creditshelf was able to partially offset the revenue shortfall caused by the change in market conditions.

creditshelf's revenues in fiscal year 2020 came from three different sets of fees. The **borrower fees** that creditshelf receives from borrowers when loans are disbursed amounted to kEUR 3,391.0 (previous year: kEUR 2,765.6). Total **investor fees** that the company generated for loans arranged via the creditshelf platform were kEUR 1,333.0 (previous year: kEUR 1,776.6). The decline is due to changes in the conditions applicable to our partnerships with institutional investors, which are material to funding our growing lending volume on the creditshelf platform and which facilitate additional, sustainable growth. At the same time, one-time set-up fees of kEUR 150.4 from the transaction with Amsterdam Trade Bank at the end of the year were recognized as other operating income and not as investor fees. In addition, the creditshelf group generated revenue of kEUR 175.2 (previous year: kEUR 22.4) for **servicing and advisory fees** during the reporting period. This primarily comprises revenue for monitoring and servicing existing loans and advisory fees relating to the creditshelf Loan Fund, which started operations in May of the reporting period. Given the abovementioned changes in the conditions applicable to the company's cooperation with institutional funding partners, these servicing and advisory fees are increasingly supplementing or replacing standard investor fees. This generates ongoing, volume-dependent revenue, which is why creditshelf is actively driving forward the change in its fee structure. In line with these changes, the overall margin – the ratio of revenue to the arranged loan volume – fell year-on-year to 5.0% (previous year: 5.2%). Including the set-up fees recognized as other operating income, the overall margin was stable year-on-year, at 5.1%.

Other income fell to kEUR 940.4 in fiscal year 2020 (previous year: kEUR 1,532.1). Key changes year-on-year were the substantial decline in discounts recognized in equity (see other operating expenses) from loan purchases in the amount of kEUR 209.8 (previous year: kEUR 1,025.2) and lower income from the change in the provision for Virtual Participation Program II of kEUR 176.7 (previous year: kEUR 383.6), which is linked to the change in creditshelf's share price. Income from the reversal of other provisions rose to kEUR 114.5 (previous year: kEUR 33.9). Moreover, other income in fiscal year 2020 included the abovementioned one-time set-up fees in the amount of kEUR 150.4.

Own work capitalized in fiscal year 2020 primarily comprised intangible assets (the internally developed Internet platform and the risk tool (software)) and amounted to kEUR 421.8 (previous year: kEUR 226.5). The year-on-year rise is due to the fact that development work was performed in-house after the relationship with the external software developer was discontinued as planned in Q1 2020.

Personnel expenses for fiscal year 2020 were kEUR 6,024.3 (previous year: kEUR 4,423.2). The main reason for the rise was the increase in the number of permanent employees to 57 as of the December 31, 2020, reporting date, in line with the planned expansion of the workforce. The corresponding figure as of the prior-year reporting date was 49 permanent employees. The rise reflects both the growth in the sales team and the company's clear intention to continue reducing its reliance on external service providers in the area of technology, for example. The company instituted a temporary hiring freeze in response to the coronavirus crisis. As from the beginning of Q2, active recruitment was confined to maintaining the existing workforce, although the company did not rescind contracts that had already been signed and took on these new employees as planned. Then, after the end of Q2, there was no further net growth in the workforce. The personnel expenses item for the current reporting period includes expenses of kEUR 1,038.8 (previous year: kEUR 665.3) for share-based employee incentive programs (Restricted Stock Unit programs) designed to motivate employees and hence promote the company's long-term growth and economic success. The rise is largely due to the fact that no personnel expenses were recognized for RSU III in Q1 2019 since the first 10,000 RSUs were only awarded in Q2. By contrast, the full personnel expenses for 20,000 RSUs were incurred in fiscal year 2020.

Other operating expenses amounted to kEUR 4,366.2 in fiscal year 2020, clearly down on the prior-year figure of kEUR 6,054.2. This reflects the rigorous management of non-personnel costs, which enabled the company to avoid an increase in costs despite the rise in the loan volume and in associated expenses such as third-party services and sales commission. In addition, **premiums on loan receivables** recognized in equity and premiums from the sale of loan purchases totaled a mere kEUR 209.8 compared to the prior-year figure of kEUR 1,025.2.

Advertising and marketing expenses account for a large proportion of the other operating expenses item. They amounted to kEUR 1,329.6 in fiscal year 2020 – a decline on the previous year (kEUR 2,236.6) – despite the strategic investments made in strengthening the company's marketing infrastructure. In addition, postage costs fell due to the digital edition of the company's magazine, while the costs for trade fairs and representative events fell as a result of the prohibitions on their being held. creditshelf responded to the absence of face-to-face events by expanding its digital offerings.

Legal and consulting costs declined year-on-year to kEUR 702.0 (previous year: kEUR 1,239.0). This decrease was due to the successful establishment of internal resources and the associated reduction in the company's reliance on external service providers. This applies in particular to lower consulting costs for the preparation of the financial statements. In addition, creditshelf's strategic investments in enhancing the robustness of the creditshelf platform in the previous year led to higher legal and consulting expenses in that period.

Third-party services relating to loan applications in fiscal year 2020 resulted in expenses of kEUR 448.0, after kEUR 352.7 in the previous year. The main driver for the rise is the increase in the volume of loan requests and loans arranged via the platform, which led to higher costs for external credit checks during the loan approval process and to processing fees payable to partner banks for drawing up the loan documentation.

Sales commission payable for borrowers brokered by the growing partner network on the creditshelf platform (which includes Commerzbank) rose to kEUR 316.5 (previous year: kEUR 179.2).

Lease expenses rose to kEUR 253.6 year-on-year (previous year: kEUR 135.1) due to the additional office space leased to cater to the growth in the workforce and to the additional location in Berlin. The company reduced its leased space in the second half of 2020 as part of its rigorous measures to manage non-personnel costs.

Total other expenses climbed to kEUR 1,106.6 (previous year: kEUR 886.4). The main reasons for this are higher IT costs (kEUR 342,9; previous year: kEUR 273.8), which were largely attributable to loan analysis licenses, loan resale costs (kEUR 154.1; previous year: kEUR 0.0), and services largely relating to the company's stock market listing, such as analysts' research and designated sponsoring (kEUR 129.3; previous year: kEUR 93.7). In the previous year, this item also included the waiver of a receivable in the amount of kEUR 97.4. Where borrowers defaulted, outstanding investor fees were recognized as waivers of receivables in other comprehensive income on a case-by-case basis, following individual decisions by the Management Board. In fiscal year 2020, these fees (including an expectation component) were deducted directly from revenue as discounts (kEUR 45.0).

Consequently, **earnings before interest, taxes, and depreciation and amortization (EBITDA)** amounted to kEUR –4,129.0 in fiscal year 2020 (previous year: kEUR –4,154.2). **Depreciation and amortization** amounted to kEUR 1,216.2 in the reporting period (previous year: kEUR 800.1). The increase in this figure was due to the amortization of intangible assets. In line with this, creditshelf's **earnings before interest and taxes (EBIT)** for fiscal year 2020 amounted to kEUR –5,345.2 (prior-previous year: kEUR –4,954.3). After adjustment for the financial result of kEUR –15.8 (previous year: kEUR 57.2) and income tax income of kEUR 34.5 (previous year: income tax expense of kEUR 70.5), the **net loss** for fiscal 2020 was kEUR –5,326.6 (previous year: kEUR –4,967.5).

Basic earnings per share, which are calculated using the profit attributable to ordinary shareholders and a weighted average of the ordinary shares in circulation, amounted to EUR –3.92 for the reporting period (previous year: EUR –3.73). In accordance with IAS 33.41, **diluted earnings per share** correspond to the basic earnings, because the loss per share would be reduced by including the shares to be issued under the employee incentive programs.

2.2.5.2. Consolidated Net Assets

creditshelf's **total assets** as of December 31, 2020, amounted to kEUR 10,062.8 (December 31, 2019: kEUR 13,050.4). This was mainly due to the reduction in current assets and equity.

As of the reporting date, **noncurrent assets** totaled kEUR 4,560.7, a decrease on the figure for the end of fiscal year 2019 (kEUR 5,192.2). Amortization led to a decrease in intangible assets compared to the fiscal 2019 year-end, to kEUR 3,434.6 (December 31, 2019: kEUR 3,937.8). Together with lower noncurrent trade receivables of kEUR 876.2 (December 31, 2019: kEUR 947.0), they accounted for the bulk of noncurrent assets as of the December 31, 2020, reporting date.

Current assets totaled kEUR 5,502.1 as of the reporting date (December 31, 2019: kEUR 7,858.3). This was largely due to the lower levels of cash and cash equivalents, which totaled kEUR 3,844.3 as of December 31, 2020, down from kEUR 6,635.2 on the prior-year reporting date. Cash funds as of December 31, 2020, less pledged accounts of kEUR 0.1 (December 31, 2019: kEUR 600.1) totaled kEUR 3,844.2 (December 31, 2019: kEUR 6,035.1). The settlement of transactions led to cash of kEUR 3,136.0 being held temporarily in a company account as of the December 31, 2020, reporting date, briefly increasing the cash funds. This item is matched by a corresponding liability. Trade receivables recorded a rise to kEUR 1,355.5 as of December 31, 2020 (December 31, 2019: kEUR 1,039.7). This was mainly due to the continuing growth in creditshelf's operations and to the higher trade receivables reported as a result of the increase in investor fees.

Group **equity** declined compared to the 2019 year-end figure to kEUR 3,896.4 (December 31, 2019: kEUR 8,469.7). As a result, the **equity ratio** was 38.7% (December 31, 2019: 64.9%). The decrease in equity is attributable to the difference between the net loss after tax for the period of kEUR –5,326.6 and the increase in capital reserves (kEUR 771) made to satisfy claims under the share-based employee incentive programs by issuing equity instruments.

Noncurrent liabilities fell compared to the end of 2019 to kEUR 1,210.4 (December 31, 2019: kEUR 1,378.2). Noncurrent provisions amounted to kEUR 1,146.7 (December 31, 2019: kEUR 1,230.5). This was due to a decrease in the noncurrent wage tax provisions recognized outside profit or loss for the share-based employee incentive programs. Other noncurrent financial liabilities declined to kEUR 50.1 (December 31, 2019: kEUR 126.4), mainly as a result of repayments made in connection with the capitalized lease liability that is accounted for in accordance with IFRS 16.

Current liabilities amounted to kEUR 4,955.9 as of the December 31, 2020 reporting date, an increase on the figure of kEUR 3,202.5 reported as of December 31, 2019. This was largely due to trade payables of kEUR 3,777.8 (December 31, 2019: kEUR 1,885.9) in connection with the cash funds that were temporarily recognized in connection with the settlement of transactions. Other liabilities fell to kEUR 534.7 as of the December 31, 2020, reporting date (December 31, 2019: kEUR 748.8). This reflects lower expenses incurred for the preparation of the financial statements thanks to an increase in the internal workforce. Following the reversal of provisions for personnel matters and the recognition outside profit or loss of current wage tax provisions for the share-based employee incentive programs, current provisions amounted to kEUR 549.1 (December 31, 2019: kEUR 451.0). Tax liabilities were kEUR 22.2 as of December 31, 2020 (December 31, 2019: kEUR 48.9).

2.2.5.3. Consolidated Financial Position

Based on a net loss after tax of kEUR 5,326.6 (December 31, 2019: net loss of kEUR 4,967.5), **gross cash flow** amounted to kEUR –3,901.6 (December 31, 2019: kEUR –3,610.6) after adjustment among other things for noncash depreciation and amortization of kEUR 1,216.2 (December 31, 2019: kEUR 800.0), the share-based remuneration that was settled using equity instruments of kEUR 771.0 (December 31, 2019: kEUR 387.1), and cash outflows from, among other things, other cash expenses of kEUR 449.5 (December 31, 2019: kEUR 179.1).

Adjusting this **gross cash flow** for the decrease in trade receivables and trade payables, and the increase in other liabilities resulted in **net cash used in operating activities** of kEUR –2,479.8 (December 31, 2019: kEUR –5,277.0). In order to enhance the clarity of presentation, both RSU-related personnel expenses and discounted and compounded interest on noncurrent receivables from investors are presented as part of cash flows from operations instead of cash flows from financing activities, in contrast to the previous year.

Net cash used in investing activities amounted to kEUR –216.4 in the reporting period (December 31, 2019: kEUR –371.6). The cash outflow was attributable to payments for investments in tangible and intangible assets.

Net cash used in financing activities amounted to kEUR –94.6 in fiscal year 2020 (December 31, 2019: kEUR –141.0). The key reasons for the cash outflow were repayments of lease liabilities (kEUR 69.3; December 31, 2019: kEUR 61.8) and transaction costs for the issuance of shares (kEUR 24.8; December 31, 2019: kEUR 80.2).

creditshelf had cash and cash equivalents of kEUR 3,844.3 as of the December 31, 2020, reporting date (December 31, 2019: kEUR 6,635.2). Cash funds less pledged accounts of kEUR 0.1 (December 31, 2019: kEUR 600.1) totaled kEUR 3,844.2 (December 31, 2019: kEUR 6,035.1). The settlement of transactions led to cash of kEUR 3,136.0 being held temporarily in a company account as of the December 31, 2020, reporting date, briefly increasing the cash funds.

In view of the current 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 potential 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 holds 8.89% of the company’s share capital directly as a shareholder and 37.72% indirectly via Hevella Capital GmbH & Co. KGaA, has not acquired any opportunity to influence how the company manages its business under the letter of comfort. The letter of comfort has an unlimited term and can be terminated by giving six months’ notice to December 31 of the year, for the first time with effect as of the end of December 31, 2023. Obligations entered into before the end of the letter of comfort will remain unaffected by this. 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 into practice at the operational level; an addendum to the agreement was entered into on March 9, 2021. The agreement provides for an overall amount of up to EUR 8 million and 8% interest per annum, payable on maturity, and will end at the latest on December 31, 2027. The shareholder loan framework agreement sets out a notice period for the issuer of 12 months for the period up to and including December 31, 2023. No notice had been given to terminate the loan as of the date of this report. Thanks to the implementation of these instruments, the Management Board is of the opinion that the group’s liquidity has been secured for 12 months as from the date of preparation of these financial statements, and that the group’s status as a going concern is therefore guaranteed. The first EUR 1 million under the framework agreement was drawn down on January 11, 2021.

Net debt as of December 31, 2020, was as follows:

	Dec. 31, 2020 in kEUR	Dec.31, 2019 in kEUR	Change in kEUR	Change in %
Financial liabilities	122.3	194.3	–72.0	–37.0
Cash funds	3,844.2	6,035.1	–2,190.9	–36.3
Net debt	**–3,721.9**	**–5,840.8**	**2,118.9**	**–36.3**

2.3. Overall Assessment by the Management Board and Prior-year Comparison

In its forecast for fiscal year 2020 that was published in the company’s annual report for 2019, creditshelf’s Management Board gave both concrete targets for financial performance indicators and strategic objectives for the company’s development and products.

Given the unchanged growth target of being able to finance EUR 500 million of loans per year in the medium term, the Management Board forecast consolidated revenue of EUR 7.0 million to EUR 8.5 million for fiscal year 2020. It also expected consolidated EBIT to be negative, at EUR –4.0 million to EUR –5.5 million. The Management Board took advantage of the opportunity offered by BaFin in the course of the coronavirus pandemic to withdraw its original revenue forecast on November 11, 2020. This move was made in view of the reimposition of the tougher restrictions on social contacts (second lockdown) in November 2020 in the course of the coronavirus pandemic.

These had not been included in the company's original planning assumptions and resulted in a significant temporary reduction in demand for alternative SME loans. Material reasons for the Management Board's decision were the fact that creditshelf's business model has historically been highly dependent on the last quarter of the year, and the company's continued application of strict risk standards, which were adapted in line with the situation. The EBIT forecast remained unchanged in view of the company's early adoption of a strict cost management policy.

Due to the coronavirus crisis' effects on the market and on creditshelf's core product (senior unsecured SME loans), which are mentioned above and are also described in the group management report, creditshelf generated consolidated revenue of EUR 4.9 million, below the original target for fiscal year 2020. At EUR –5.3 million, EBIT met the company's stated operating result target due to strict cost management, despite the revenue shortfall caused by the coronavirus crisis.

The expansion of the workforce planned for fiscal year 2020 was implemented successfully in the first half of the year, increasing the company's internal expertise along the entire value chain. In the second half of the year, the temporary hiring freeze resolved in March by the Management Board in response to the coronavirus crisis took effect: As from the beginning of Q2, active recruitment was confined to maintaining the existing workforce, although the company did not rescind contracts that had already been signed and took on these new employees as planned. Then, after the end of Q2, there was no further net growth in the workforce. Within the bounds of its strict cost management policy, the company invested strategically in efficient advertising measures that are designed to position it on the market and expand its marketing infrastructure. These, too, were expressly formulated strategic management objectives for fiscal year 2020.

One successful area as defined by creditshelf's defined growth initiatives was its enhancement of the software it uses. Key milestones here were its successful completion of development work on the creditshelf platform together with an external software developer and the integration of Valendo's system components for credit monitoring with creditshelf's systems architecture. Going forward, the focus will be on enhancing the systems architecture as a whole. With respect to its partnerships growth initiative, creditshelf successfully achieved the first closing of the creditshelf Loan Fund, which has the support of the European Investment Fund as its anchor investor, in May 2020. The new fund provides EUR 62 million in finance for loans arranged via the creditshelf platform. Another success for this growth initiative is the addition in December 2020 of Dutch-based Amsterdam Trade Bank to the pool of investors on the creditshelf platform. Amsterdam Trade Bank will provide EUR 40 million in debt capital for investments in digital SME loans via a funding facility. In the products area, creditshelf expanded its target client segment to SMEs with annual revenues of EUR 1 million or more (previously at least EUR 2.5 million). In addition, it launched a growth finance initiative in fiscal year 2020 that offers young, fast-growing companies an additional financing component and investors an attractive investment opportunity.

creditshelf's market position improved in fiscal year 2020 despite the government-backed emergency loans extended during the coronavirus crisis, which frequently competed with creditshelf's products. This positive development is due to the fact that creditshelf is focused on a niche area of SME finance that is not well served by banks and other lending platforms. This is reflected in the rise in the volume of loan requests to EUR 1,528.2 million (2019: EUR 1,340.7 million). Please see section 2.2.3 of this group management report for further information on competitors and market structures.

Overall, the Management Board feels that the business has performed positively given the ongoing coronavirus pandemic. creditshelf grew sustainably in fiscal year 2020 despite the challenges arising from the crisis. The measures implemented in fiscal year 2020 to strategically expand its marketing infrastructure, the enhancements made to its software, its stable portfolio performance, and the associated expansion of the company's institutional finance partnerships are foundations on which the company can build to profit from the expected economic recovery in the coming fiscal year and to continue its growth.

2.4. Report on Events after the Balance Sheet Date

In contrast to their treatment in last year's annual report, major events occurring after the end of the fiscal year will be reported in note 42 from this year onwards.

2.5. Report on Opportunities and Risks

2.5.1. Internal Control and Risk Management System

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

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

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

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

Risk Management Structures and Processes

The Risk Manager, who reports to the Chief Risk Officer, is responsible for maintaining the risk management system. Among other things, his tasks include making quarterly updates to the risk catalog, reviewing the notifications submitted by the risk owners, documentation, and communicating with the Management Board.

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

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

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

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

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

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

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

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

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

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

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

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

Internal Control and Risk Management System for the (Consolidated) Financial Reporting Process

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

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

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

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

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

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

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

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

2.5.2. Risk Report

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

Market Risk

The company is dependent on a number of macroeconomic trends such as the performance of the economy as a whole, inflation, and changes in interest rates. These trends can lead to a rise in the number of loan defaults and to lower borrower demand. In addition, they give rise to the possibility of other low-risk investment classes, such as government bonds, for investors. Based on the statements on the macroeconomic environment made in the report on the company's economic position (section 2.2.1.), and in particular on the forecasts for the German economic area made by the BMWi[31], the German Council of Economic Experts[32], and the European Commission[33], the Management Board is expecting a challenging economic environment given the economic downturn caused by the coronavirus pandemic and the fact that a recovery is expected for the end of Q1 2021 at the earliest. The company is currently unable to assess the probability and potential impact of delayed vaccinations or new virus mutations.

In addition, the Management Board expects that monetary policy will largely continue to accommodate the challenging economic environment, and that interest rates will remain low. This can be seen from the decision by the European Central Bank (ECB) on December 10, 2020, to keep interest rates at the low level of 0% until further notice.[34]

Risk assessment: medium

[31] German Federal Ministry for Economic Affairs and Energy. (2021). Schlaglichter der Wirtschaftspolitik, monthly report for January 2021.
[32] German Council of Economic Experts. (2020). Overcoming the Coronavirus Crisis Together; Strengthening Resilience and Growth. Annual Report 2020/21.
[33] European Commission. (2020). European Economic Forecast. Autumn 2020.
[34] European Central Bank. (2020). Press Release. Monetary policy decisions, December 10, 2020.

Financial Risks

Liquidity Risk

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

Measures taken include rolling monthly cash flow forecasts and timely preparations for potential financing rounds. Budgeted and hence actual costs were cut during the coronavirus pandemic. This can be seen, among other things, from the decision not to continue expanding the company's workforce. In addition, creditshelf shareholder Obotritia Capital KGaA issued a binding letter of comfort in favor of the company in Q4 2020. On January 4, 2021, creditshelf Aktiengesellschaft signed a shareholder loan framework agreement with Obotritia Capital KGaA with the aim of putting this letter of comfort into practice at the operational level; an addendum to the agreement was entered into on March 9, 2021.. The agreement provides for an overall amount of up to EUR 8 million and 8% interest per annum, payable on maturity, and will end at the latest on December 31, 2027. The shareholder loan framework agreement sets out a notice period for the issuer of 12 months for the period up to and including December 31, 2023. No notice had been given to terminate the loan as of the date of this report. Thanks to the implementation of these instruments, the Management Board is of the opinion that the group's liquidity has been secured for 12 months as from the date of preparation of these financial statements, and that the group's status as a going concern is therefore guaranteed. The first EUR 1 million under the framework agreement was drawn down on January 11, 2021.

Risk assessment: medium

Operational Risks

Restricted Operational Ability during the Coronavirus Pandemic

The coronavirus pandemic is having an impact on creditshelf, like many other enterprises. The company's operations could be materially adversely affected both if a critical number of (key) staff were to become ill and by regional lockdowns and restrictions on contact.

creditshelf addressed the impact of the coronavirus pandemic on its business activity and operational ability at a very early stage. As a result, it took measures to avoid any danger to, and preserve, its continued operations. These included drawing up an attendance plan for the company's offices that includes hygiene protection standards and has been checked for compliance with the recommendations issued by the Robert Koch Institute and similar sources ("coronavirus plan"). This coronavirus plan is designed to prevent any spread of the virus in the company's offices and hence avoid a critical number of staff falling ill simultaneously. In addition, employees' presence in the office was regularly reviewed and a remote online strategy was adopted during the two lockdowns.

creditshelf assessed its processes, systems, and infrastructure at an early stage so as to enable substantially more work to be performed outside the office; the "New Work" methods and structures that it had already introduced permitted a largely seamless transition to the changed working environment. The company is now building on this and assessing the long-term implications of the changed world of work on the company and its employees, not least so as to continue to ensure the company remains operational at all times.

Risk assessment: low

Loss of Data and Damage to Systems

creditshelf's digital business model makes it potentially especially vulnerable to any loss of data or damage to systems resulting from external attacks on its IT systems, as well as to external and internal, intentional and unintentional data manipulation resulting from inadequate protective measures. These could result not only in consequences under data protection law but also in reputational damage and downstream financial losses.

A large number of measures have been taken to protect the IT infrastructure, the IT systems used, and the data stored. In addition, external attack recognition services are in place. Penetration tests are performed to check their effectiveness.

Risk assessment: low

Software Development Weaknesses

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

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

Risk assessment: medium

Restricted Operational Ability due to Infrastructure Malfunctions

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

We combat this threat by taking a risk-driven approach to implementing creditshelf's IT systems, hardware components, networks, and Internet connections, and operate them at very high fail-safe levels across all locations. The way creditshelf designs its systems and infrastructure has enabled it to maintain its operational ability unchanged across a greater number of remote locations, despite the restrictions resulting from the coronavirus pandemic.

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

Risk assessment: low

Compliance and Legal Risks

Claims for Damages by Investors

The group is exposed to a variety of legal risks. If, for example, investors were to lose their investment, they could try to bring claims against creditshelf. What is more, operational complexity – and hence the possibility of error – is rising as the number of institutional investors and finance partners increases.

creditshelf has implemented comprehensive processes to reduce default risks. Identifiable default risks are disclosed to investors transparently at an early stage. The risk exposures are assessed continuously from a legal and operational perspective. The investor side of the creditshelf platform was also systematically enhanced during the reporting period. Among other things, the creditshelf Loan Fund – which boasts the European Investment Fund as its anchor investor – commenced operations; in addition, the platform will focus on purely institutional investors in future.

Risk assessment: medium

Regulatory Breaches

creditshelf is governed by numerous regulatory requirements such as the provisions of the *Finanzanlagenvermittlerverordnung* (German Investment Brokerage Regulation – FinVermV) or the *Geldwäschegesetz* (German Money Laundering Act – GwG). In addition, the group is affected by a large number of data protection and data security laws and regulations, which led to the Data Protection function being further enhanced in the reporting period. Failure to comply with regulatory requirements and provisions could lead to reputational damage, restrictions on the group's business activities, or fines.

The company seeks to combat these risks by implementing compliance guidelines and procedures, including in relation to regulatory requirements for ad hoc disclosures, the maintenance of insider lists, and employee training. A compliance manager, who reports directly to the Chief Risk Officer, bundles and coordinates these measures. A money laundering reporting officer monitors compliance with the anti-money laundering requirements.

Risk assessment: low

Strategic Risks

Collectibility Risk

The creditshelf group itself does not extend any loans. In addition to the brokerage fees that it charges to borrowers, creditshelf generates income from investors in the form of investor fees. In the majority of cases, a simplified procedure means that these regularly fall due when borrowers make loan repayments and these are disbursed to the investors. Consequently, defaults by borrowers can lead to lower group income if the group waives recovery of the investor fees in these cases.

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

The creditshelf group uses analysis and scoring procedures to reduce collectibility risk. However, its short operating history means that the available input data is currently still limited.

creditshelf is taking the changes in macroeconomic conditions caused by the coronavirus crisis into account in its analysis and scoring procedures, both through its internal risk management activities (e.g., by adopting a sector-specific approach) and using specific coronavirus pandemic plans for potential borrowers. In addition, creditshelf is providing access to additional liquidity for existing borrowers in the form of a "Coronavirus Top-up" program or, in individual cases, by permitting deferrals for limited periods.

Risk assessment: medium

Procurement Risk

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

creditshelf is seeking to mitigate procurement risk by enhancing the company's funding base, which is why it is continuously integrating new investors and expanding its investment formats. The company made considerable progress towards increasing the diversity of its investor base and reducing its reliance on related parties by entering into partnerships with BNP Paribas Asset Management and, in the context of the creditshelf Loan Fund, with the European Investment Fund (EIF). In addition, another institutional finance partner – Amsterdam Trade Bank – was acquired in Q4.

Risk assessment: material

Platform Risk

The creditshelf group is dependent on the growth of its user base (e.g., borrowers and investors). In particular, the company's business activities and position would be impacted if the group were to be unable to maintain or increase the volume of loans arranged via the creditshelf platform.

Consequently, the company's success depends to a large extent on the competitiveness of its products and the success of its marketing efforts. creditshelf's business and future growth could be impaired if it were to be unable to attract (additional) borrowers and other users for its products and services.

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

In the company's opinion, the support programs launched at federal and state level to combat the coronavirus crisis, and in particular the KfW's liquidity support measures, compete with its product portfolio. creditshelf is responding to this situation by expanding its products and target groups, and by raising the impact of, and regularly evaluating, its sales channels and associated marketing measures.

It is not possible at present to fully assess the negative effects on creditshelf of the renewed lockdown in mid-December.

Risk assessment: material

Adoption of the Business Model by Competitors
The danger that competitors in general could adopt a company's business model is a (largely) sector-independent business and entrepreneurial risk, and hence also applies to creditshelf.

creditshelf is aware of the growing competition from coronavirus-related government liquidity offerings in particular (see also "Platform risks"). The company continuously optimizes and expands its products, internal organization, partnerships, and network in order to maintain its competitive advantage.

Risk assessment: medium

Lack of Synergies from Strategic Partnerships
Strategic partnerships might not develop in the way originally planned, or it might not be possible to agree them as intended. creditshelf now has a number of strategic partnerships of different types.

It has also taken appropriate organizational measures to reduce the risk from individual partnerships and has firmly integrated partner management with its sales activities in order to expand existing partnerships and acquire new ones.

Risk assessment: medium

Organizational Risks

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

creditshelf counters these risks by paying market-based salaries, and using share-based employee incentive programs. It seeks to continue positioning itself as an attractive employer for talented young recruits and experienced staff alike. The company's goal is to provide employees at all times with personalized development opportunities in line with its structural requirements.

Experienced external employees are less inclined to take risks and switch jobs than before, due to the pandemic and the resulting economic situation. At the same time, the current situation is also having a positive impact on employees' sense of belonging to, and duration of service with, the company. Above and beyond this, the recruitment situation on the labor market has not changed year-on-year. As a result, the risk can still be classified as low.

Risk assessment: low

Risks Associated with Organizational Structures

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

creditshelf addresses these risks by regularly adapting its internal structures and processes, and by selecting and developing its staff appropriately. The company's structures and processes were and are evaluated and adapted as necessary, especially in view of the changed environment caused by the coronavirus pandemic.

Risk assessment: medium

Overall Risk Position

creditshelf is of the opinion that its overall risk exposure has increased compared to the statements made in its 2020 Half-yearly Report. This is partly because developments in relation to the coronavirus pandemic, which experienced a second wave in the course of the fall, have increased existing risks.

A majority of the risks are still classified as belonging to the "low" or "medium" categories after risk mitigation measures. None of them are regarded as critical from a net perspective. A comprehensive overview of the risk situation reveals two risks that must be classified as material.

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

In the Management Board's opinion, the net risks do not threaten the company's continued existence as a going concern, either individually or in the aggregate.

2.5.3. Report on Opportunities

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

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

Alternative Finance Instead of Traditional Bank Loans

The company expects growth in digital SME finance in Germany to continue in fiscal year 2021. Loans extended to small and medium-sized companies account for over one-quarter of the German market for corporate loans. Loan portfolios are growing continuously and the share of new business attributable to digital lending is on the rise. This trend is expected to continue in the coming years.[35] creditshelf aims to continue participating in this growing market share and has expanded its target segment to include companies with annual revenue of EUR 1 million (previously EUR 2.5 million). German SMEs' liquidity positions is extremely tight, especially due to the consequences of the coronavirus pandemic, and demand for loans rose substantially in the course of 2020.[36] At the same time, German banks are increasingly tightening their lending criteria, especially for German SMEs. This trend is likely to intensify further due to the rating migrations to be expected as a result of the coronavirus crisis and higher loan default rates. This will open up opportunities for alternative

[35] Barkow Consulting & solarisBank. (2019). Der digitale SME-Kredit in Deutschland.
[36] KfW. (2020). KfW-ifo credit hurdle: October 2020.

financing partners and credit platforms, which will probably experience growing demand from a range of different sources.[37] A precondition for this is that the temporary government support measures successively expire and the credit market therefore returns to normal. At the same time, the company sees opportunities to finance growth companies that are profiting from the crisis and whose financing requirements cannot fully be met by banks.

Increasing Readiness to Invest in SME Loans

creditshelf is firmly convinced that investments in SME loans are an attractive investment class for institutional investors. Under German law, investors are prevented in many cases from extending loans to borrowers directly, since they do not have the necessary bank license. Digital credit platforms such as creditshelf help select potential borrowers and arrange loans, and hence offer potential investors the chance to invest in a German SME loan portfolio. In the company's opinion, the expansion of the investor base will have positive network effects, especially so given the high degree of professionalism and strong reputation offered by these additional institutional investors. On the one hand, the current market situation – which has been caused by the economic consequences of the coronavirus pandemic – naturally represents a challenge for all market participants. On the other, however, it also opens up opportunities since it would seem at present that the German economy may possibly recover more quickly, especially in comparison to other European countries. This will result in corresponding openings for investors. The strong resilience shown by the creditshelf platform's loan portfolio even during the crisis in 2020 and its attractive risk-return profile underscore the appeal of this investment class and are a strong argument in favor of a continued expansion of our investor base in 2021.

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

The crisis in 2020 has substantially increased the transformation rate on the German corporate finance market. German banks' readiness to seriously leverage the opportunities offered by digitalization and to break new ground as regards their product offerings is increasing significantly.[38] creditshelf sees itself as a partner for traditional principal banks and as part of a state-of-the-art financing ecosystem for German SMEs. The company feels there is considerable potential to enter into additional partnerships with banks and financial services providers that are interested in offering creditshelf's product to their clients as an add-on. Reasons for this include the growing acceptance of alternative credit offerings among SMEs and the abovementioned willingness of traditional market players such as banks and financial services providers to consider this.

[37] KfW. (2020). KfW-ifo credit hurdle: October 2020.
[38] See e.g., CAPCO. (2020). Kreditmanagement im Wandel der Digitalisierung (September 2020).

Overall Opportunities

creditshelf is of the opinion that its overall opportunities have changed compared to the statements made in its 2020 Half-yearly Report. This is due to the temporary challenges caused by developments in relation to the coronavirus pandemic but also to new, long-term opportunities that are arising at the same time. In addition to the fundamental growth of the market for digital SME finance, the company sees opportunities both in the increasing attractiveness of this investment class to investors and the growing readiness of principal banks to enter into partnerships. This applies all the more given the possibility of a sustained economic recovery starting in the spring of 2021.

2.6. Report on Expected Developments

In line with the developments described in the report on the company's economic position, opportunities, and risks, and taking into account its scenarios for the amount and distribution of arranged loan volumes in the course of the year and for potential margin trends, the Management Board is expecting consolidated revenue of EUR 6 million to EUR 8 million for fiscal year 2021. The revenue forecast for fiscal year 2021 builds on the revenue of EUR 4.9 million generated in fiscal year 2020. The Management Board is also expecting a negative figure for consolidated EBIT of EUR –3 million to EUR –4 million, based on the figure of EUR –5.3 million recorded for EBIT in fiscal year 2020.

There is still considerable uncertainty regarding how the coronavirus pandemic will continue to develop and what the macroeconomic environment will look like in fiscal year 2021. This forecast is based on the expectation that the German economy – and hence the SME ecosystem – will recover from the impact of the coronavirus pandemic in the course of 2021, starting in Q2. In particular, the forecast assumes that the coronavirus pandemic will not lead to further long-term, broad-based closures of significant parts of the German economy, and that further lockdowns can be avoided by increasing the vaccination penetration rate. The Management Board is assuming that creditshelf's target and existing clients will benefit significantly from this upturn and that banks will not be able to service the resulting demand for credit on a broad basis due to their strict lending standards and balance sheet restrictions. Consequently, creditshelf is aiming for revenue growth in clear double digits, in line with the years before the coronavirus pandemic. This forecast also depends to a significant extent on continued strict cost management. In addition, higher amortization of capitalized software compared to the previous year has been included in the forecast for fiscal year 2021. Since potential valuation effects for Virtual Participation Program II depend materially on creditshelf's share price performance, volatility in this area could have a significant effect on EBIT.

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

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

Due to the risks and opportunities described above, and especially in view of the coronavirus pandemic and how this continues to develop, the actual performance of the digital SME financing business and of creditshelf itself may deviate either positively or negatively from our forecasts (see the risk report and the report on opportunities in sections 2.5.2. and 2.5.3.). Potential effects on the company's course of business are being monitored and may lead to the forecast being modified.

The financing shortfall resulting from the forecast has been more than met by the binding letter of comfort issued in favor of the company in Q4 2020 by Obotritia Capital KGaA, the shareholder loan framework agreement entered into between creditshelf Aktiengesellschaft and Obotritia Capital KGaA on January 4, 2021, with the aim of putting this letter of comfort into practice at the operational level, and the addendum to the agreement entered into on March 9, 2021, which have a total volume of up to EUR 8 million. Given the 12-month notice period required to terminate the loan agreement that applies until December 31, 2023, the Management Board is of the opinion that the group's liquidity has been secured for 12 months as from the date of preparation of these financial statements, and that the group's status as a going concern is therefore guaranteed. No notice had been given to terminate the loan as of the date of this report.

2.7. Corporate Governance

2.7.1. Corporate Governance Report/Corporate Governance Statement in Accordance with Sections 289f and 315d of the HGB[39]

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

[39] Section 2.8.1 was not included in the content audit by the auditor of the consolidated financial statements/the auditor of creditshelf Aktiengesellschaft's annual financial statements.

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

https://ir.creditshelf.com/websites/creditshelf/English/6300/declaration-on-the-german-corporate-governance-code.html

Operating Principles for the Management Board and Supervisory Board

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

The members of the Management Board and the Supervisory Board are not permitted to pursue their own personal interests in their decisions and in connection with their work for creditshelf Aktiengesellschaft, nor may they grant others any unjustified advantages. No conflicts of interests on the part of Management Board or Supervisory Board members arose in fiscal year 2020.

Management Board

creditshelf Aktiengesellschaft's Management Board comprises the CEO and the individual Management Board members, all of whom have equal rights and whose areas of responsibility cover the various core functions. The Management Board had three members as of the end of fiscal year 2020.

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

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

Management Board meetings are held at regular intervals. They are convened by the CEO, who also sets the agenda and chairs the meetings. The Management Board is quorate if all members have been invited and at least half of the members take part in resolutions. Resolutions by the Management Board are passed by a simple majority of the votes cast. In the case of a tie, the CEO shall have the casting vote in those cases in which the Management Board comprises more than two members. Resolutions can also be taken outside meetings by submitting votes in *Textform* (written form according to section 126b of the *Bürgerliches Gesetzbuch* (German Civil Code – BGB)) or by phone if no Management Board member objects to this procedure without undue delay. Further details are set out in the bylaws for the Management Board.

The Supervisory Board and the Management Board developed a long-term succession plan with the aim of safeguarding the company in cases of emergency and ensuring talent and succession management. This provides for the following: The management evaluates the performance and potential of all creditshelf employees individually in an annual talent review, and discusses succession planning. The company then plans all further human resources development measures on this basis. The current composition of the Management Board, which comprises three people, takes planning for emergency situations into account. Given that the minimum strength is two people and that responsibilities have been distributed, stand-in responsibilities can be agreed, meaning that the Management Board can still function even in emergencies.

At present, the Supervisory Board has not set an age limit for Management Board members. creditshelf Aktiengesellschaft is young company that was formed in 2014 and whose founders – its current Management Board members – are between 44 and 51 years old. Therefore an age limit for the Management Board is not needed at present.

Supervisory Board

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

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

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

In line with the German Corporate Governance Code (the "Code"), the company attaches considerable importance to its Supervisory Board members being independent. In the Supervisory Board's opinion, the Supervisory Board has a sufficient number of independent members. All Supervisory Board members can be considered to be independent with the exception of Rolf Elgeti, who cannot be considered to be independent due to his indirect controlling interest in company shareholder Hevella Capital GmbH & Co. KGaA (which to the company's knowledge controlled 37.72% of the voting rights in the company as of the publication date for this report) and his indirect controlling interest in company shareholder Obotritia Capital KGaA (which to the company's knowledge controlled 8.89% of the voting rights in the company as of the publication date for this report). The independent Supervisory Board members are Ms. Heraeus-Rinnert, Mr. Hentschel, Prof. Schiereck, and Dr. Rauhut.

Supervisory Board meetings take place at least four times a year, with at least two meetings being held every calendar half-year, to the extent that there is a business reason for this or a member of the Supervisory Board or the Management Board requests this. Meetings are convened by the Chairman.

The Supervisory Board is only quorate if at least three members take part in resolutions. Supervisory Board resolutions may also be made in writing, by telegram, telephone, electronically, or by fax if the Chairman of the Supervisory Board so requires. Resolutions are passed by a simple majority of the votes cast. In the case of a tie, a second vote shall be held; in the case of a renewed tie the Supervisory Board Chairman shall have the casting vote.

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

The Supervisory Board did not establish any committees in fiscal year 2020; in particular, no audit committee and no nominations committee were established. The Supervisory Board comprised six members during the 2020 fiscal year, five of whom are independent of the company and who in the aggregate have many years' experience and a broad range of skills and expertise, especially in the area of finance. Communication channels are short and direct. The ability of the Supervisory Board to perform its tasks effectively is ensured even without any committees being formed. This being the case, the Supervisory Board is of the opinion that forming committees would not enhance the efficiency of its work. Equally, it does not consider this to be necessary going forward, but will rather continue to address the topics to be discussed in plenary sessions. The Supervisory Board regularly assesses the quality of the audit of the financial statements.

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

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

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

Corporate compliance is one of the key management functions performed by the company's Management Board and comprises measures designed to ensure the observance of statutory and official requirements, internal guidelines, and codes. These also include antitrust and anti-corruption policies and the provisions of capital market law. Since May 2020, a dedicated compliance officer has supported the Management Board in relation to compliance issues. In addition, creditshelf became a member of the Deutsches Institut für Compliance (DICO – the

German Institute for Compliance) in the reporting period. The company expects all employees to behave in a legally irreproachable manner when going about their work.

Compliance issues are handled rapidly and professionally. In addition, the company follows standardized, IT-based processes for onboarding companies and investors (“know your customer principle”), preparing for loans to be granted by the fronting bank, contract management, and payment process control. The principle of dual control has been established in those areas that have been identified as critical. An internal control system (ICS) comprising prevention, monitoring, and intervention has been set up as part of the continuous optimization of the company’s internal processes. A dedicated, need-to-know-based access and rights system ensures that sensitive information remains confidential. Compliance risks are monitored as part of a standardized entity risk management (ERM) process. Company employees receive documentation and training on relevant policies, procedures, and compliance topics. Existing policies and procedures are reviewed and updated as necessary on a continuous basis.

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

Targets Set in Accordance with Section 76(4) and Section 111(5) of the AktG

On December 19, 2018, the Management Board determined the following target for the percentage of women at the management level below the Management Board pursuant to section 76(4) of the AktG: 28.6%. The goal is to reach this by December 31, 2022. The target was not met in the reporting period. Since there is no second management level below the Management Board, no targets were established for this.

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

creditshelf Aktiengesellschaft is not required to make any disclosures in accordance with section 289f (2) no. 5 and no. 6 of the HGB, since the company does not meet the definition given there of a company required to make such disclosures.

Additional Corporate Governance Disclosures

Shareholders and General Meeting

creditshelf Aktiengesellschaft's shareholders exercise their rights in the company's General Meeting. Each creditshelf Aktiengesellschaft share entitles the holder to one vote. All shareholders who document their shareholdings as of a certain date prior to the General Meeting (the "record date") are entitled to take part in the General Meeting. Shareholders can exercise their voting rights in the General Meeting personally, via a proxy of their choice, or via the company's voting representative, who is bound to vote as they instruct. The company makes available all documents and information relating to the General Meeting to shareholders in a timely manner on its website. The company makes use of the option to hold general meetings virtually that was introduced by lawmakers, so as to enable its AGM to be held in a due, proper, and timely manner despite the coronavirus pandemic and the associated restrictions on gatherings.

Securities Transactions by the Management Board and the Supervisory Board, Prohibition on Insider Dealing

Art. 19 of the Market Abuse Regulation sets out a legal obligation on the part of the members of the Management Board and the Supervisory Board and their related parties to disclose purchases and sales of shares of creditshelf Aktiengesellschaft, or of financial instruments linked thereto, if the value of the transactions performed within a calendar year reaches or exceeds the amount of EUR 20,000 as from 2020. The same also applies to certain persons with managerial responsibilities.

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

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

Transparent Communication

We inform shareholders, shareholder representatives, analysts, the media, and interested members of the public regularly and in a timely manner of current business developments and the situation at the company. We used the annual report, the financial report for the first half of the year, and the interim statements for the first and third quarters to provide our shareholders in particular with regular reports on current business developments, the financial position, and the results of operations in the past fiscal year. In addition, we use our detailed website to provide information to our shareholders and everyone else who is interested in the company; this is where we publish not only our financial reports but also a financial calendar, ad hoc disclosures, investor presentations, and press releases, among other things. The last category also includes quarterly preannouncements on the volumes of business transacted in the previous quarter.

Accounting Standards and Financial Statements Audit

creditshelf Aktiengesellschaft's single-entity financial statements are prepared in accordance with the HGB and its consolidated financial statements are prepared in accordance with the International Financial Reporting Standards (IFRSs). The single-entity financial statements and consolidated financial statements were audited by Warth & Klein Grant Thornton AG Wirtschaftsprüfungsgesellschaft, Frankfurt am Main.

2.7.2. Disclosures Pursuant to Sections 289a and 315a(1) of the HGB and Explanatory Report Pursuant to Section 176(1) Sentence 1 of the AktG

In the following, the Management Board makes the disclosures required by sections 289a and 315a(1) of the HGB and also explains them as required by section 176(1) sentence 1 of the AktG.

Share Capital

creditshelf Aktiengesellschaft's share capital as of December 31, 2020, amounted to EUR 1,360,339.00 and was composed of 1,360,339 no-par value bearer shares. All shares confer the same rights and duties. Each share entitles the holder to one vote in the General Meeting. All shares have the same profit participation rights. The company did not hold any own shares as of December 31, 2020. The other rights and duties of the shareholders are set out in the provisions of the AktG and the company's Articles of Association.

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

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

Shareholdings Exceeding 10% of the Voting Rights

Please see note 15 for information on shareholdings exceeding 10% of the voting rights.

Shares with Special Rights Conveying Powers of Control

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

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

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

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

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

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

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

Powers of the Management Board to Issue or Buy Back Shares

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

Authorized Capital as of the December 31, 2020, Reporting Date

On December 17, 2019, the Management Board of creditshelf Aktiengesellschaft resolved to increase the company's share capital by EUR 7,115.00 by issuing 7,115 new no-par value bearer shares while disapplying preemptive rights in connection with the initial conversion into shares of the claims due under the share-based employee incentive programs (Restricted Stock Units Programs) that were introduced at the beginning of fiscal year 2019. In addition, it was resolved that the shares would be issued at the minimum issue price of EUR 1.00 per share and that they would carry dividend rights for the first time for the whole of fiscal year 2019. The Supervisory Board approved this resolution on December 19, 2019, by way of a resolution taken by circulating written documents. The new shares were entered in the commercial register on January 17, 2020, and were admitted to trading on Frankfurt Stock Exchange's Regulated Market on January 30, 2020, with the same German securities identification number (WKN) as the old shares.

Consequently, the Management Board is now authorized to increase the company's share capital in the period until July 10, 2023 (inclusive), with the approval of the Supervisory Board, on one or more occasions by up to a total of EUR 533,411.00 by issuing up to 533,411 new no-par value bearer shares against cash and/or noncash contributions.

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

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

- To utilize fractions while disapplying shareholders' rights;
- In the case of capital increases against noncash contributions, in particular in the context of business combinations or the acquisition (including the indirect acquisition) of companies, parts of companies, or interests in other companies, or of other assets or claims to the acquisition of assets;
- To issue shares (1.) to members of the company's Management Board or (2.) as employee shares to employees of the company or of affiliated companies of the company; in the case of employees, the requirements of section 204(3) of the AktG shall also be observed;
- If the new shares are issued against cash contributions and the issue price of the new shares is not materially less than the stock exchange price of the shares of the company

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

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

Contingent Capital

The share capital has been contingently increased by up to EUR 562,500.00. The contingent capital increase shall be implemented by issuing up to 562,500 no-par value bearer shares, which share in the profits as from the beginning of the fiscal year in which they are issued, only to the extent that the holders or creditors of convertible bonds or bonds with warrants that are issued on the basis of the authorization granted to the Management Board by the General Meeting on July 11, 2018, make use of their conversion rights or options or comply with their conversion or option obligations, or that shares are tendered, and to the extent that other forms of settlement are not used. The new shares will be issued in line with the authorization resolution mentioned above at conversion/option prices to be determined in each case. The Management Board is authorized to determine the details of the implementation of the contingent capital increase.

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

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

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

2.7.3. Remuneration Report Pursuant to Section 315a(2) in Conjunction with Section 314(1) No. 6 Letter a) Sentences 1 to 4, Letter b), and Letter c) of the HGB

The following remuneration report describes the basic features of the remuneration systems for creditshelf Aktiengesellschaft's Management Board and Supervisory Board, and the payments made to members of the Management Board and the Supervisory Board for fiscal year 2020. It should be noted in this context that the General Meeting of the company on June 18, 2018, resolved, pursuant to section 314(3) sentence 1 in conjunction with section 286(5) sentence 1 of the HGB, that no disclosures pursuant to section 314(1) no. 6 letter a) sentences 5 to 8 of the HGB are to be made.

Management Board

The Supervisory Board specified the Management Board's compensation as of June 13, 2018. It did this on the basis of general market standards, the legal requirements set out in section 87 of the AktG, and the recommendations of the German Corporate Governance Code. The Management Board's remuneration is reviewed by the Supervisory Board for appropriateness every two years, starting from the date on which the contracts take effect.

The contracts of service of the three Management Board members provide for an aggregate annual gross fixed salary of kEUR 300. 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 receive normal levels of fringe benefits. These include in particular normal contributions towards pension and health insurance, directors and officers insurance ("D&O insurance"), and accident insurance. No loans or advances have been granted to members of the Management Board. The abovementioned remuneration also covers any work for the company's subsidiaries.

A separate agreement was entered into between Dr. Mark Währisch and the company on May 8, 2019, regarding share-based payment (Restricted Stock Units Program III) designed to serve as an incentive for the members of the Management Board. Dr. Mark Währisch was granted 10,000 RSUs in an award letter dated May 8, 2019. A further 10,000 RSUs were granted in an award letter dated January 20, 2020. The vesting period runs until the end of his contract of service (April 30, 2021). The shares in the company will be awarded pro rata on each anniversary of the grant date (fiscal year-end). The RSU III program provides for a four-year lock-up period as from the grant date. It has a quarterly vesting schedule.

As already mentioned, the contracts of service do not provide for any separate remuneration to be paid if they are terminated as a result of a change of control.

The total remuneration paid to the members of creditshelf Aktiengesellschaft's Management Board for the past fiscal year was kEUR 1,038.4 (previous year: kEUR 686.0). kEUR 682.9 of this amount (previous year: kEUR 331.3) was attributable to awards of restricted stock units.

Supervisory Board

The General Meeting on July 11, 2018, resolved on the Supervisory Board's compensation. The compensation payable to creditshelf Aktiengesellschaft's Supervisory Board is set out in Article 14 of the Articles of Association.

The members of the Supervisory Board are entitled to net total compensation of kEUR 90 for the 2020 reporting period (previous year: kEUR 90). The Chairman of the Supervisory Board and another member of the Supervisory Board waived their compensation in the fiscal year, as in the previous year. In addition, travel expenses of kEUR 1.2 (previous year: kEUR 4.0) were paid to the Supervisory Board. The portion of the D&O insurance costs attributable to the Supervisory Board amounted to kEUR 8.9 in 2020 (previous year: kEUR 9.7). Total compensation paid to the Supervisory Board in fiscal year 2020 amounted to kEUR 100.1 (previous year: kEUR 103.7). The amount stated contains both the compensation and out-of-pocket expenses reimbursed to all Supervisory Board members, but not the value added tax due on the payments and out-of-pocket expenses.

No loans or advances have been granted to members of the company's Supervisory Board. Section 315(2) in conjunction with section 314(1) no. 6 letter b) of the HGB does not apply to the members of the company's Supervisory Board.

3. Consolidated Financial Statements as of December 31, 2020

3.1. Consolidated Statement of Financial Position as of December 31, 2020

ASSETS	Note	Dec. 31, 2020 in kEUR	Dec. 31, 2019 in kEUR
Noncurrent assets			
Intangible assets	8	3,434.6	3,937.8
Property, plant, and equipment	9	222.8	273.7
Trade receivables	12	876.2	947.0
Other financial assets	13	27.1	33.7
Total noncurrent assets		**4,560.7**	**5,192.2**
Current assets			
Trade receivables	12	1,355.5	1,039.7
Other assets	13	300.2	173.6
Other financial assets	13	2.1	9.7
Cash and cash equivalents	14	3,844.3	6,635.2
Total current assets		**5,502.1**	**7,858.2**
Total assets		**10,062.8**	**13,050.4**

EQUITY AND LIABILITIES	Note	Dec. 31, 2020 in kEUR	Dec. 31, 2019 in kEUR
Capital and reserves			
Subscribed capital	15	1,360.3	1,353.2
Capital reserves	15	21,020.3	20,274.1
Retained earnings	15	–18,484.2	–13,157.6
Total equity		**3,896.4**	**8,469.7**
Noncurrent liabilities			
Noncurrent provisions	18	1,146.7	1,230.4
Other financial liabilities	19	50.1	126.4
Deferred tax liabilities	11	13.6	21.4
Total noncurrent liabilities		**1,210.4**	**1,378.2**
Current liabilities			
Trade payables	20	3,777.8	1,885.9
Other financial liabilities	21	72.2	67.9
Current provisions	21	549.1	451.0

Other liabilities	21	534.7	748.8
Tax liabilities	11	22.2	48.9
Total current liabilities		**4,956.0**	**3,202.5**
Total equity and liabilities		**10,062.8**	**13,050.4**

3.2. Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Period from January 1 to December 31, 2020

	Note	Dec. 31, 2020 in kEUR	Dec. 31, 2019 in kEUR
Revenue	22	4,899.2	4,564.5
Other income	23	940.4	1,532.1
Own work capitalized	24	421.8	226.6
Personnel expenses	25	–6,024.3	–4,423.2
Depreciation and amortization		–1,216.2	–800.1
Other operating expenses	26	–4,366.2	–6,054.2
Finance costs	27	–31.1	–53.2
Financial income	27	15.3	110.5
Consolidated earnings before taxes (EBT)		**–5,361.1**	**–4,897.0**
Income taxes	11	34.5	–70.5
Net loss for the period		**–5,326.6**	**–4,967.5**
of which attributable to:			
Owners of the parent		**–5,326.6**	**–4,967.5**
Noncontrolling interests		**0.0**	**0.0**

Earnings per share

	2020 in EUR	2019 in EUR
Basic earnings per share	**–3.92**	**–3.73**
Diluted earnings per share	**–3.92**	**–3.73**

3.3. Consolidated Statement of Cash Flows for the Period from January 1 to December 31, 2020

	Note	Dec. 31, 2020 in kEUR	Dec. 31, 2019 in kEUR
Cash flows from operating activities			
Net loss for the period		–5,326.6	–4,967.5
Adjustments for:			
Income taxes paid	11	–34.5	70.3
Depreciation of property, plant, and equipment	9	141.1	117.5
Amortization of intangible assets	8	1,075.1	682.5
Gains/losses on disposal of intangible assets and property, plant, and equipment	8/9	3.8	0.4
Change in other provisions	18	14.3	200.8
Other noncash expenses/income		–449.4	–208.1
Equity-settled share-based payments	17	771.0	387.2
Financial expenses	27	31.1	53.2
Financial income	27	–15.3	–110.5
Other assets	13	–112.2	163.6
Gross cash flow		**–3,901.6**	**–3,610.6**
Increase/decrease in trade receivables	12	–253.3	–1,053.8
Increase/decrease in trade payables	20	1,891.9	–751.9
Increase/decrease in other liabilities		–216.8	139.3
Net cash generated by/used in operating activities		**–2,479.8**	**–5,277.0**
Payments to acquire property, plant, and equipment	9	–63.8	–80.1
Payments to acquire intangible assets	8	–152.6	–1,134.0
Payments from additions to entities included in the basis of consolidation		0.0	842.5
Net cash used in/generated by investing activities		**–216.4**	**–371.6**
Proceeds from the issuance of shares	15	7.1	0.0
Decrease in lease liability	33	–69.3	–61.8
Transaction costs for issuance of shares	16	–24.8	–80.2
Interest paid	27	–7.6	1.0

Net cash generated by/used in financing activities		**–94.6**	**–141.0**
Net increase in cash and cash equivalents	14	–2,790.8	–5,789.6
Cash and cash equivalents at the start of the fiscal year		6,635.2	12,424.8
Cash and cash equivalents			
Cash-in-hand	14	0.6	0.7
Bank balances	14	3,843.7	6,634.5
Less pledged accounts	14	0.1	600.1
Cash funds		**3,844.2**	**6,035.1**

3.4. Consolidated Statement of Changes in Equity for the Period from January 1 to December 31, 2020

	Note	Subscribed capital in kEUR	Capital reserves in kEUR	Loss carryforwards in kEUR	Total equity in kEUR
Balance as of January 1, 2019		**1,331.2**	**18,304.4**	**–8,190.1**	**11,445.6**
Net loss for the period		0.0	0.0	–4,967.5	–4,967.5
Noncash capital increase	15	22.0	1,662.7	0.0	1,684.7
Issuance of equity instruments	15	0.0	387.2	0.0	387.2
Transaction costs for the issuance of equity instruments	16	0.0	–80.2	0.0	–80.2
Balance as of December 31, 2019		**1,353.2**	**20,274.1**	**–13,157.6**	**8,469.7**
Balance as of January 1, 2020		**1,353.2**	**20,274.1**	**–13,157.6**	**8,469.7**
Net loss for the period		0.0	0.0	–5,326.6	–5,326.6
Issuance of equity instruments	15	7.1	771.0	0.0	778.1
Transaction costs for the issuance of equity instruments	16	0.0	–24.8	0.0	–24.8
Balance as of December 31, 2020		**1,360.3**	**21,020.3**	**–18,484.2**	**3,896.4**

3.5. Notes to creditshelf Aktiengesellschaft's Consolidated Financial Statements

A) General Information

creditshelf Aktiengesellschaft, Frankfurt am Main, Germany ("creditshelf" or the "company," and together with its subsidiary creditshelf solutions GmbH 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 subsidiary is entered in the commercial register of the local court in Frankfurt am Main, Germany under the number HRB 112087. The address of the company's registered domicile is Mainzer Landstrasse 33a, 60329 Frankfurt am Main, Germany. The company's purpose is brokering loan agreements, brokering investors for German credit institutions or insurance companies, consulting for and analysis of companies, the development of information technology to gain economic insights on credit default probabilities, and the provision of information services.

The company's subscribed capital as of December 31, 2020, amounted to EUR 1,360,339. This represents an increase of EUR 7,115 compared to December 31, 2019, and is due to the initial conversion into shares of the claims under the share-based employee incentive programs (Restricted Stock Units Programs) that were introduced as of the beginning of fiscal year 2019. The new shares were entered in the commercial register on January 17, 2020, and were admitted to trading on Frankfurt Stock Exchange's Regulated Market on January 30, 2020, with the same German securities identification number (WKN) as the old shares.

These consolidated financial statements were approved for publication by creditshelf's Management Board on March 23, 2021.

The Management Board and the Supervisory Board issued the declaration of compliance with the German Corporate Governance Code required by section 161 of the AktG and made it permanently accessible on the company's website (ir.creditshelf.com). The most recent version was issued on November 3, 2020.

Basis of Consolidation

There was one change in the basis of consolidation during the reporting period compared to the consolidated financial statements as of December 31, 2019. This was due to the merger of creditshelf Aktiengesellschaft's two subsidiaries. creditshelf service GmbH (the transferor legal entity) was merged retrospectively as of January 1, 2020, with Valendo GmbH (the transferee legal entity) by way of the merger agreement dated October 7, 2020. In addition, the transferee was renamed as creditshelf solutions GmbH following the merger. The merger was entered in the commercial register on November 2, 2020.

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

Subsidiaries

creditshelf Aktiengesellschaft had one wholly-owned subsidiary as of the December 31, 2020, reporting date: creditshelf solutions GmbH. creditshelf Aktiengesellschaft and creditshelf solutions GmbH are also referred to hereinafter as the “creditshelf group.”

creditshelf solutions GmbH (formerly Valendo GmbH) is domiciled in Berlin, Germany, and was formed in 2015. The wholly-owned subsidiary is entered in the commercial register of the local court in Charlottenburg, Berlin, under the number HRB 165018. 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 had an average of 3.5 employees within the meaning of section 314(1) no. 4 of the HGB in 2020. The share capital amounted to EUR 39,676.00 due to a resolution by the shareholders’ meeting held on July 26, 2019.

1. Basis of Preparation of the Financial Statements

Pursuant to Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of the European Union, creditshelf Aktiengesellschaft’s consolidated financial statements as of December 31, 2020, were prepared in accordance with the International Financial Reporting Standards (IFRSs), as adopted by the EU. Furthermore, the provisions of German commercial law that are also required to be applied pursuant to section 315e(1) of the HGB were taken into account in the version applicable for the fiscal year.

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

The consolidated financial statements comprise the statement of financial position, the consolidated statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows, and the notes to the consolidated financial statements.

Individual items of the statement of profit or loss and the statement of financial position have been grouped together to improve the clarity of presentation. The items are explained in the notes. The statement of profit or loss was prepared using the total cost (nature of expense) method.

The accounting treatment, discussions, and disclosures relating to the consolidated financial statements for fiscal year 2020 are based on the same accounting policies as were used for the 2019 consolidated financial statements. Amounts have been rounded where necessary.

The consolidated financial statements are based on the going concern principle. This is ensured among other things by the fact that any financing shortfall has been more than met by a binding letter of comfort issued in favor of the company in Q4 2020 by Obotritia Capital KGaA, a shareholder loan framework agreement entered into between creditshelf Aktiengesellschaft and Obotritia Capital KGaA on January 4, 2021, with the aim of putting this letter of comfort into practice at the operational level, and the addendum to the agreement entered into on March 9, 2021, which have a total volume of up to EUR 8 million. Given the 12-month notice period required to terminate the loan agreement that applies until December 31, 2023, the Management Board is of the opinion that the group’s liquidity has been secured for 12 months as from the date of preparation of these financial statements, and that the group’s status as a going concern is therefore guaranteed. No notice had been given to terminate the loan as of the date of this report.

2. Application of International Financial Reporting Standards (IFRSs)

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

Standard	**Subject matter and relevance for the financial statements**	**Mandatory adoption date for the EU**
Amendments to IAS 1 and IAS 8 – Definition of Material	The amendments to IAS 1 and IAS 8 were issued to tighten the definition of “material” and to align the various definitions contained in the Conceptual Framework and the standards themselves. These amendments do not have any material effect on the company.	January 1, 2020
Amendments to IFRS 3 “Business Combinations”: Definition of a Business	The amendments aim to solve the problems facing companies that have to decide whether activities and assets they acquire are a business or merely a group of assets. The amendments will only have an effect on the company if a situation covered by IFRS 3 occurs in the future.	January 1, 2020
Amendments to IFRS 9 “Financial Instruments,” IFRS 7 “Financial Instruments: Disclosures,” and IAS 39 “Financial Instruments: Classification and Measurement”: Interest Rate Benchmark Reform	The Interest Rate Benchmark Reform amendments modify specific hedge accounting requirements so that entities would apply those hedge accounting requirements assuming that the interest rate benchmark on which the hedged cash flows and cash flows from the hedging instruments are based will not be altered as a result of interest rate benchmark reform. These amendments do not affect creditshelf since it does not use hedge accounting. More generally, the Interest Rate Benchmark Reform does not impact creditshelf’s business.	January 1, 2020

Amendments to References to the Conceptual Framework in IFRS Standards	This comprises revised definitions of assets and liabilities and new guidance for their measurement, derecognition, presentation, and disclosure. These amendments do not have any effect on the consolidated financial statements.	January 1, 2020
Amendment to IFRS 16 "Leases": COVID-19-Related Rent Concessions	Amendment to IFRS 16 "Leases" to help lessees account for rent concessions such as payment holidays or deferrals of lease payments that have been granted as a direct consequence of the outbreak of the COVID-19 pandemic. This amendment does not have any effect on the company since it has not deferred any lease payments or taken advantage of any rent concessions.	June 1, 2020

b) <u>New Standards and Interpretations Not Yet Requiring to be Applied</u>

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

Standard	**Subject matter and relevance for the financial statements**	**Mandatory adoption date for the EU**
Amendments to IFRS 4 "Insurance Contracts": Extension of the Temporary Exemption from Applying IFRS 9	The Amendments to IFRS 4 provide for an extension to the temporary exemption for certain insurance companies from applying IFRS 9. These amendments do not have any effect on the company.	January 1, 2021
Amendments to IFRS 9 "Financial Instruments," IFRS 4 "Insurance Contracts," IFRS 7 "Financial Instruments: Disclosures," IFRS 16 "Leases," and IAS 39 "Financial Instruments: Classification and	The amendments in Interest Rate Benchmark Reform (Phase 2) address issues that might affect financial reporting when an existing interest rate benchmark is replaced.	January 1, 2021

Measurement”: Interest Rate Benchmark Reform (Phase 2)	The amendments are relevant for entities reporting financial assets, financial liabilities, or lease liabilities that are lined to an interest rate benchmark. This does not apply to creditshelf.	

c) Standards and Interpretations Not (Yet) Applicable in the EU

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

Standard	Subject matter
Amendments to IAS 37 “Provisions, Contingent Liabilities and Contingent Assets”: Onerous Contracts – Cost of Fulfilling a Contract	The amendments to IAS 37 “Provisions, Contingent Liabilities and Contingent Assets” clarifies the costs to be included when assessing whether a contract is onerous. The “cost of fulfilling a contract” must comprise all costs that relate directly to the contract. These amendments do not have any material effect on the company.
Amendment to IAS 16 “Property, Plant and Equipment”: Proceeds before Intended Use	The amendment relates to the recognition of proceeds from selling items produced while bringing an asset into the location and condition necessary for it to be capable of operating. Such proceeds must be recognized in profit or loss in future rather than being deducted from the cost of the item as was previously the case. These amendments do not have any material effect on the company.
Amendments to IFRS 3 “Business Combinations”: Reference to the Conceptual Framework	The IASB issued the new Conceptual Framework, which replaced the old 1989 Framework, in March 2018. The draft amendments are designed to adapt the references in IFRS 3 to the new Framework. These amendments do not have any material effect on the company.
Amendments to IAS 1 “Presentation of Financial Statements”: Classification of Liabilities as Current or Non-current	The IASB has clarified that the classification of liabilities as current depends on the rights of the company as at the end of the reporting period to defer settlement by at least twelve months after the end of the reporting period: where such rights exist, the liability is classified as noncurrent. These amendments do not have any material effect on the company.

IFRS 17 “Insurance Contracts”	IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. It aims to ensure that preparers provide relevant information and hence to facilitate the credible presentation of insurance contracts. These amendments do not have any effect on the company.
Amendments to IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors”	The amendments to IAS 8 provide clarifications on when to apply changes in accounting policies on the one hand and changes in accounting estimates on the other. This distinction is made because changes in estimates are recognized prospectively for transactions and other events as from the point in time at which the change was made to the estimate, whereas changes in accounting policies are generally also recognized retrospectively for transactions and other events in the past. However, these amendments do not have any material effect on the company.
Amendments to IAS 1 “Disclosure of Accounting Policies” and Amendments to IFRS Practice Statement 2	The amendments to IAS 1 require entities to disclose their “material” accounting policies instead of their “significant” accounting policies, as previously. As a supplementary measure, the IASB has published amendments to IFRS Practice Statement 2 ”Making Material Judgements.” These amendments contain guidance on the application of the concept of materiality to accounting policy information. These amendments do not have any material effect on the company.
Annual Improvements Project – 2018–2020 Cycle	The primary objective of the annual improvements projects is to enhance the quality of standards by amending existing IFRSs to clarify guidance and wording, or to correct for relatively minor unintended consequences, conflicts, or oversights. This project led to minor amendments to IFRS 1 (First-time Adoption of International Financial Reporting Standards), IFRS 9 (Financial Instruments), IAS 41 (Agriculture), and the Illustrative Examples for IFRS 16 (Leases). These amendments do not have any material effect on the company.
IFRS 14 “Regulatory Deferral Accounts”	IFRS 14 “Regulatory Deferral Accounts” permits an entity which is a first-time adopter of the International Financial Reporting Standards to continue to account, with some limited changes, for regulatory deferral account balances in accordance with its previous GAAP.

	This standard has not yet been adopted by the EU. It will not have an effect on the company since creditshelf is not a first-time adopter of the International Financial Reporting Standards.

3. Management Judgments and Estimates

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

Material Judgments

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

The group reviews the carrying amounts of the intangible assets as of each reporting date for evidence of impairment ("triggering event"). If such a triggering event is identified, creditshelf performs an impairment test in accordance with the provisions of IAS 36. In this case, the recoverable amount of the asset in question is established so as to determine the amount of any impairment loss that needs to be recognized. The recoverable amount corresponds to the higher of the fair value less costs of disposal or the value in use. Value in use corresponds to the present value of the expected cash flow. The discount rate used is the pretax rate of interest reflecting current market conditions. Where no recoverable amount can be established for individual assets, the recoverable amount for the smallest identifiable group of assets (cash-generating unit) to which the asset can be assigned is determined. The company performed a renewed impairment test as of the December 31, 2020, reporting date as a precautionary measure, in order to establish whether the coronavirus pandemic had led to any potential impairments of its intangible assets. The result was that no impairment losses needed to be recognized.

Assumptions and Estimation Uncertainty

Information on assumptions and estimation uncertainties as of December 31, 2020, that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next fiscal year are disclosed in the notes given below:

- **Note 8** – The measurement inputs used for impairment testing are subject to estimates. These are listed and explained in note 8. The same applies to the useful lives of internally generated and purchased intangible assets. These are unchanged, at five years.

- **Note 10** – Noncurrent trade receivables (> 1 year) are discounted. The discount rate used for this – Deutsche Bundesbank's long-term interest rates – is selected on the basis of an estimate, which has not changed compared to the previous year.

- **Note 11** – No recognition of deferred tax assets: The availability of future taxable profits against which tax loss carryforwards can be utilized is not sufficiently probable.

- **Note 17** – Recognition and measurement of the share-based employee incentive programs (Restricted Stock Units Programs I–IV or RSUs) introduced in 2019. The company has a contractual option to settle the claims under the programs either in the form of equity or in cash. In the management's opinion, the claims will continue to be settled using shares, as was the case for the initial conversion. In addition, a company-specific employee turnover rate is applied. Since the beginning of the current year, the remuneration paid to sales staff has been linked to qualitative and quantitative targets, which if met lead to payment of variable remuneration (a bonus) in addition to the employees' fixed salary. The company can choose to pay the bonus in whole or in part in the form of shares of the company. In this case, the employees concerned are admitted to a share-based employee incentive program, which grants them the right to be awarded shares by the company. Based on a probability-weighted scenario approach, the amount of personnel expenses and the resulting effects on wage tax provisions and capital reserves are calculated for the case that the claims are settled using RSUs, as are the provisions for personnel expenses for the case that they are settled in cash. Claims were settled entirely in RSUs in fiscal year 2020.

- **Note 22** – Expected amount of rebates on revenues: In the case of a borrower default and a subsequent discretionary decision by the Management Board, outstanding investor fees are recognized directly as rebates including an expected amount pursuant to IFRS 15.51; these are determined using the expected value pursuant to IFRS 15.53.

Changes in Material Bases of Estimation in Fiscal Year 2020

With the exception of the amendment to note 22 that has already been discussed, there have been no material changes in the estimates used by the Management Board since the publication of the 2019 Annual Report. The changes in market conditions caused by the effects of the coronavirus pandemic were taken into account when determining the fair values. This did not result in any material change in the basis of estimation.

Fair Value Determination

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

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

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

4. Accounting Policies

Changes in the Accounting Policies

The material accounting principles are unchanged as against the 2019 consolidated financial statements.

Measurement Principles as of December 31, 2020

This section describes the accounting policies applied to the consolidated financial statements as of December 31, 2020.

I. Intangible Assets

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

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

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

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

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

In subsequent periods, both internally generated and purchased intangible assets are measured at cost less amortization and impairment losses. Capitalized development costs are generally amortized using the straight-line method over a useful life of 5 years within the group. The amortization period for subsequent purchase costs is shortened in line with this.

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

Business combinations are accounted for using the purchase method, in which the purchase price is offset against the remeasured proportionate share of the acquiree’s net assets. The carrying amounts recognized are the values applicable at the acquisition date, which is defined as the date on which control of the acquiree was obtained. Any difference in value must be disclosed in full, i.e., recognizable assets, liabilities, and contingent liabilities must be reported at their fair value, irrespective of any noncontrolling interests. If the purchase price paid exceeds the remeasured proportionate net assets as at the acquisition date, the positive difference is recognized as goodwill as required by IFRS 3.32. A negative difference is recognized in profit or loss as a bargain purchase in line with IFRS 3.34.

The subsidiaries' recognizable assets, liabilities, and contingent liabilities were reported at their full fair value on initial consolidation, irrespective of the size of the interest concerned. In the case of subsequent remeasurement, the consolidated carrying amounts are rolled over, with the exception of those assets and liabilities which are required to be continuously measured at fair value.[40]

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

creditshelf tests assets for impairment at least annually and whenever there is an indication that the asset may be impaired ("triggering event"). If such a triggering event is identified, creditshelf performs an impairment test in accordance with the provisions of IAS 36. In line with the ESMA circular of May 20, 2020,[41] creditshelf performed impairment tests as of both June 30, 2020, and December 31, 2020, in response to the outbreak of the COVID-19 pandemic. Impairment tests require the carrying amount of the asset to be compared with its recoverable amount. The recoverable amount of an asset or a cash-generating unit is the higher of fair value less costs of disposal (FVlcod) and value in use (ViU).

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

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

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[40] For example in accordance with IFRS 9.
[41] European Securities and Markets Authority. (2020). Public Statement – Implications of the COVID-19 outbreak on the half-yearly financial reports (ESMA32-63-972).

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

II. Property, Plant, and Equipment

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

In addition to rights-of-use assets in land and buildings, the company recognizes other operating and office equipment with useful lives of one to three years.

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

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

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

No borrowing costs were recognized in accordance with IAS 23.11; the company was entirely equity-financed in the reporting period.

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

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

III. Impairment of Nonfinancial Assets

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

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

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

As in the previous year, no impairment losses were recognized in the reporting period.

IV. Income Taxes

Current Taxes

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

Deferred Taxes

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

Deferred taxes are calculated on the basis of the current tax rates applicable to the period in which the temporary differences are likely to reverse.

Deferred tax assets and deferred tax liabilities are offset in line with the provisions of IAS 12.

Changes in the carrying amounts of deferred taxes are recognized in profit or loss to the extent that the underlying items are also treated in profit or loss and not recognized directly in equity.

Deferred tax assets on temporary differences, unused tax losses, and unused tax credits are only recognized to the extent that it is probable that the same entity will have taxable profits in the foreseeable future relating to the same tax authority.

V. Financial Instruments

Recognition and Initial Measurement

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

Trade receivables without a significant financing component and other financial assets are measured at their transaction price (which corresponds to the fair value) on initial recognition. Trade receivables with a significant financing component are recognized at their fair value using the effective interest method.

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

Classification and Subsequent Measurement

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

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

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

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

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

Trade and Other Receivables

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

Other Financial Assets

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

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

Income and expenses in connection with financial assets measured at fair value through profit or loss are reported under financial expense and financial income. Loss allowances on trade receivables are an exception to this rule. With effect from fiscal year 2020, uncollected investor fees resulting from defaults are corrected directly in revenue as rebates, and hence as variable consideration pursuant to IFRS 15.51, on the basis of individual decisions by the Management Board and using the expected value pursuant to IFRS 15.53.

VI. Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand and bank balances for which the risk of changes in value is considered to be minor.

VII. Measurement of Nonderivative Financial Liabilities

Nonderivative financial liabilities that are not held for trading or designated as such on initial recognition are measured at fair value less directly attributable transaction costs on initial recognition.

VIII. Equity and Reserves

The minimum par value of EUR 1 for the no-par value bearer shares was recognized as subscribed capital.

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

IX. Provisions

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

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

X. Revenue Recognition

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

1. Identifying the contract(s) with the borrower
2. Identifying performance obligations in the contract
3. Determining the transaction price for the entire contract
4. Allocating the transaction price to the individual performance obligations
5. Recognizing revenue when (or as) the entity satisfies the performance obligation.

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

The creditshelf group generates revenue in the following areas:

1. Fees from brokering loans to borrowers
2. Fees from providing services to investors (primarily arranging investment opportunities)

3. Servicing and monitoring, such as consulting for the creditshelf Loan Fund and provision of the platform for collateral monitoring and for monitoring companies' business documents over time.

Whereas application of the IFRS 15 criteria reveals that the first two revenue streams in this list only result in revenue being generated at a point in time, the revenue stream in the third item are revenues recognized over time. In the first and second cases, the company performs the service at the direct point in time when the loan is granted by the fronting bank. The borrower fee is retained directly when the loan amount is disbursed by the fronting bank, whereas the investor fee is generally retained in installments from the repayments of the principal amount. In addition, individual agreements providing for creditshelf to be remunerated by investment vehicles were introduced with effect from the current fiscal year in the context of partnerships with institutional investors. In the case of the first two revenue streams, the transaction costs result from the application of a contractually defined percentage of the disbursed lending volume.

XI. Financial Income and Financial Expense

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

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

Enhanced Disclosures on Financial Instruments

Risk Management of Financial Instruments

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

Financial instruments were examined for additional evidence of impairment.

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

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

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

Fee contracts with investors in the amount of kEUR 1,333.0 (previous year: kEUR 1,776.5) contain provisions granting the group the right to claim payment of the fee directly from the investor if the borrower fails to pay it. The relevant performance indicators – primarily debt-to-equity and capital ratios – are monitored continuously and reported to the Management Board. In fiscal year 2019, uncollected investor fees were recognized in the case of borrower defaults as waivers of receivables under other operating expenses in the statement of profit or loss and other comprehensive income, following an individual decision by the Management Board and on the basis of a pure and non-binding goodwill policy. With effect from fiscal year 2020, uncollected investor fees are corrected directly in revenue as rebates, and hence as variable consideration pursuant to IFRS 15.51, once again on the basis of individual decisions by the Management Board and using the expected value pursuant to IFRS 15.53.

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

In the case of noncurrent assets, the Level 3 fair value was determined by applying a standard market discount rate appropriate to the term of the asset. In the case of noncurrent financial liabilities, the carrying amount corresponds to the fair value, as a standard market interest rate was used in the calculation (see the information provided in Note 10).

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

	IFRS 9 category	Carrying amount Dec. 31, 2020 in kEUR	Carrying amount Dec. 31, 2019 in kEUR
Noncurrent financial assets			
Trade receivables	FAAC	876.2	947.0
Other financial assets	FAAC	27.1	33.7
		903.3	**980.7**
Current financial assets			
Trade receivables	FAAC	1,355.5	1,039.7
Other financial assets	FAAC	2.1	9.8
Cash and cash equivalents	FAAC	3,844.3	6,635.2
		5,201.9	**7,684.6**
Noncurrent liabilities			
Other financial liabilities	FLAC	50.1	126.4
Current liabilities			
Trade payables	FLAC	3,777.8	1,885.9
Other financial liabilities	FLAC	72.2	67.9
		3,900.1	**2,080.2**

FAAC = financial assets measured at amortized cost
FLAC = financial liabilities measured at amortized cost

5. Consolidation Methods

The consolidated financial statements comprise the financial statements of the parent company and of its subsidiary, creditshelf solutions GmbH. The change in the basis of consolidation compared to fiscal year 2019 is due to the merger of creditshelf Aktiengesellschaft's two subsidiaries. Under the merger agreement dated October 7, 2020, creditshelf service GmbH (the transferor legal entity) was merged retrospectively as of January 1, 2020, with Valendo GmbH (the transferee legal entity) at its carrying amount. In addition, the transferee was renamed creditshelf solutions GmbH following the merger. The merger was entered in the commercial register on November 2, 2020.

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

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

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

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

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

6. Other Changes in Presentation

creditshelf has made changes to the presentation of the figures reported for the previous 2019 fiscal year in light of the fact that Commission Delegated Regulation (EU) 2018/815 (ESEF tagging) has applied to the company as from the 2020 fiscal year. The changes were made in order to enhance mapping to the ESEF taxonomy. They are disclosed here in line with IAS 8.29.

Changes in presentation made in the 2020 Annual Report for fiscal year 2019 resulting in inconsistencies with the 2019 Annual Report are given in the following table:

As of December 31, 2019, in each case	**Amount disclosed in 2020 Annual Report**	**Amount disclosed in 2019 Annual Report**
Consolidated Statement of Financial Position		
Assets		
Other financial assets[(1)]	9.7	9.8
Total current assets	7,858.2	7,858.3
Equity and liabilities		
Noncurrent provisions	1,230.4	1,230.5
Total noncurrent liabilities	1,378.2	1,378.3
Consolidated Statement of Profit or Loss and Other Comprehensive Income		
Own work capitalized	226.6	226.5
Consolidated Statement of Cash Flows		
Payments to acquire property, plant, and equipment	–80.1	–81.1

(1) In contrast to the presentation in the 2019 Annual Report, the “other receivables” asset item was renamed “other financial assets.”

In addition, the presentation of items in the consolidated statement of profit or loss and other comprehensive income was modified as follows:

a) The separate “of which” presentation of waivers of receivables under other operating expenses in the consolidated statement of profit or loss and other comprehensive income is disclosed in the notes in the 2020 Annual Report (see note 26).
b) The “total comprehensive income” item corresponding to the net loss after tax that was disclosed in the previous year has not been included in the 2020 Annual Report. This also comprises the “of which attributable to: owners of the parent” and “of which attributable to: noncontrolling interests” items.

In addition, the presentation of items in the consolidated statement of cash flows was modified as follows:

a) The “other noncash expenses/income” of kEUR 179.1 thousand disclosed in the 2019 Annual Report has been broken down in the 2020 Annual Report into “other noncash expenses/income" of kEUR –208.1 and "equity-settled share-based payments" of kEUR 387.2, and the two items have been disclosed separately.

b) The separate "of which" disclosure of lease liabilities under "financial expenses from financing activities" in the consolidated statement of cash flows is disclosed in the notes to the 2020 Annual Report (see note 33).

c) The "security deposit" (kEUR –6.6) and "other assets" (kEUR 170.2) items that were reported separately in the consolidated statement of cash flows in the 2019 Annual Report are combined in the "other assets" item (kEUR 163.6) in the 2020 Annual Report.

The presentation of items in the consolidated statement of changes in equity was modified as follows:

a) The subscribed capital as of January 1, 2019 was adjusted from kEUR 1,331.3 to kEUR 1,331.2. Consequently, there were also adjustments to the total as of December 31, 2019 from kEUR 1,353.3 to kEUR 1,352.2.

b) The "total" row following the net loss for the period in the 2019 Annual Report has been omitted in the 2020 Annual Report.

c) The "issuance of equity instruments" item reported in the 2019 Annual Report for the period from January 1, 2019, to December 31, 2019, which was broken down into subscribed capital (kEUR 22.0), capital reserves (kEUR 2,049.9), and total equity (kEUR 2,071.9), is presented for the same period in the 2020 Annual Report as a cash capital increase, which is broken down into subscribed capital (kEUR 22.0), capital reserves (kEUR 1,332.7), and total equity (kEUR 1,684.7), and an "issuance of equity instruments" item, which is broken down into subscribed capital (kEUR 0.0), capital reserves (kEUR 387.2), and total equity (kEUR 387.2).

7. Business Combinations (IFRS 3)

In the course of the acquisition by creditshelf Aktiengesellschaft of the former Valendo GmbH as of October 1, 2019, the parties to the contract agreed, in addition to the consideration for the transfer of own shares worth kEUR 1,434.7 (purchase price tranche I), a contingent purchase that was linked to earn-outs of up to kEUR 750.0 (purchase price tranche II). The contingent purchase price must be paid if up to two cooperative projects with Valendo's seller happen by the end of the earn-out period in January 2021. An additional third earn-out element depends on additional revenue realized by the former Valendo GmbH during the abovementioned earn-out period. Contingent purchase price payments of up to kEUR 250 in each case were agreed in the purchase agreement for the two joint projects and the revenue-based earn-out element.

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

The shares to be issued by creditshelf Aktiengesellschaft for purchase price tranche II, assuming that the relevant option is exercised, are determined in the case of the fair value of the contingent consideration (purchase price) using the weighted three-month average price (XETRA) on the last trading day before the letter of intent was signed and in the case of the contingent purchase price using the weighted three-month average price (XETRA) on the last trading day before the date falling 16 months after the signature of binding agreements on the transaction.

B) Disclosures on the Consolidated Financial Statements

8. Intangible Assets

The intangible assets comprise an internally generated Internet platform and an internally generated risk tool (software) that is used to assess the credit risk associated with potential borrowers. The 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. In addition, on taking over the former Valendo GmbH in 2019, creditshelf acquired another software tool designed specifically for servicing and monitoring loans. This can be used both directly and as the basis for further development. Going forward, the creditshelf team will be responsible for ongoing development of these purchased modules. creditshelf's plan is to combine the existing risk analysis software components (in total the "risk tool"), which at present run modularly and independently of each other, within a uniform architecture, the "risk engine," which will be classified as a higher-level asset in accordance with IAS 38.

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

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

As of December 31, 2020, intangible assets comprised the following:

	Acquired intangible assets			Internally generated intangible assets	Prepayments for intangible assets	Total
	Industrial and similar rights and assets	Software	Goodwill			
	in kEUR	in kEUR	in kEUR	in kEUR	in kEUR	in kEUR
Gross amount						
Balance as of January 1, 2019	10.0	1,642.3	0.0	577.1	434.5	2,663.9
Additions	0.0	45.8	0.0	152.3	1,162.5	1,360.5
Additions from business combination	3.1	321.3	517.7	0.0	0.0	842.1
Disposals	0.0	0.0	0.0	0.0	0.0	0.0
Reclassifications	0.0	1,597.0	0.0	0.0	–1,597.0	0.0
Balance as of December 31, 2019	13.1	3,606.4	517.7	729.4	0.0	4,866.5
Accumulated amortization						
Balance as of January 1, 2019	1.3	27.4	0.0	217.5	0.0	246.2
Additions	1.7	494.7	0.0	186.1	0.0	682.5
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, 2019	3.0	522.1	0.0	403.6	0.0	928.7
Carrying amount as of December 31, 2019	**10.1**	**3,084.3**	**517.7**	**325.7**	**0.0**	**3,937.8**
Carrying amount as of January 1, 2019	**8.7**	**1,614.9**	**0.0**	**359.6**	**434.5**	**2,417.7**

Gross amount						
Balance as of January 1, 2020	13.1	3,606.4	517.7	729.4	0.0	4,866.5
Additions	0.0	24.2	0.0	270.5	279.8	574.5
Disposals	–5.0	0.0	0.0	0.0	0.0	–5.0
Reclassifications	0.0	44.2	0.0	0.0	–44.2	0.0
Balance as of December 31, 2020	8.1	3,674.8	517.7	999.9	235.6	5,436.1
Accumulated amortization						
Balance as of January 1, 2020	3.0	522.1	0.0	403.6	0.0	928.7
Additions	1.2	760.4	0.0	313.7	0.0	1,075.3
Disposals	–2.5	0.0	0.0	0.0	0.0	–2.5
Reclassifications	0.0	0.0	0.0	0.0	0.0	0.0
Balance as of December 31, 2020	1.7	1,282.5	0.0	717.3	0.0	2,001.5
Carrying amount as of December 31, 2020	**6.4**	**2,392.3**	**517.7**	**282.6**	**235.6**	**3,434.6**
Carrying amount as of January 1, 2020	**10.1**	**3,084.3**	**517.7**	**325.7**	**0.0**	**3,937.8**

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

The software programs recognized 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 addition, the Internet platform and the risk tool (software) are reviewed for impairment in accordance with IAS 36 annually and, if new facts arise, in the course of the year as well.

A third-party contractor was commissioned to develop the risk tool (software) used to assess the credit risk associated with potential borrowers, work on which began in the fourth quarter of 2017. The development work performed by this third party was successfully completed in March 2020. The costs of kEUR 24.2 incurred for this work between January 1 and December 31, 2020 (previous year: kEUR 45.8), were recognized as subsequent acquisition costs as additions to purchased software. Prepayments of kEUR 44.2 (previous year: kEUR 1,162.5) for development work by the third-party contractor were reclassified in line with this. The costs are being amortized over a 5-year period.

Purchase price allocation in connection with the acquisition of the former Valendo GmbH was performed as of October 1, 2019. This led to the recognition of internally generated software – which is largely used for the monitoring of, and services for, existing loans – as a purchased intangible asset. An amortization period of 5 years was adopted for this software. The carrying amount as of the December 31, 2020, reporting date amounted to kEUR 241.0 (December 31, 2019: kEUR 305.2).

The carrying amount of the goodwill resulting from the acquisition of the former Valendo GmbH that was recognized as of December 31, 2020, was unchanged, at kEUR 517.7 (December 31, 2019: kEUR 517.7). Goodwill is not amortized as it has an indefinite useful life. The cash-generating unit to which the goodwill has been allocated is reviewed for impairment at least once a year or where indicators of this exist.

Internally generated intangible assets with a carrying amount of kEUR 282.6 (December 31, 2019: kEUR 325.7) relate to the second version of the parent company’s Internet platform. This serves as a virtual marketplace for borrowers and investors. The Internet platform was recognized at cost, which includes the development costs paid to third-party contractors to develop the platform. Further development of the Internet platform after it went live was performed by internal staff. The labor costs of kEUR 270.5 (December 31, 2019: kEUR 152.3) associated with this subsequent development work were recognized as subsequent costs. The cost was amortized.

The further development of the risk analysis software into the so-called Risk Engine, which is treated as a higher-level asset, is recognized as software under development. The costs of kEUR 279.8 (previous year: kEUR 0.0) incurred in the course of development were treated as own work capitalized and recognized as a prepayment. The percentage of completion as of the reporting date was roughly 75% (prior-year reporting date: 0%; start in 2020); the company is assuming a completion date in the medium term. Following completion, this own work capitalized will be reclassified as internally generated intangible assets and subsequently amortized over 5 years.

IAS 36 requires the company to perform an impairment test on recognized goodwill at least once a year. To date, this has been performed as of December 31 of the fiscal year concerned. creditshelf performed another impairment test as of the June 30, 2020, reporting date as a precautionary measure in order to establish whether the coronavirus pandemic had led to any potential impairments of its intangible assets. No impairment losses needed to be recognized at this time. Another impairment test was performed as of the December 31, 2020, reporting date in addition to this unscheduled impairment test.

The impairment test on recognized goodwill as of December 31, 2020, was performed in accordance with IAS 36, IDW Accounting Principle IDW RS HFA 40 “Einzelfragen zu Wertminderungen von Vermögenswerten nach IAS 36” (“Specific Questions Relating to Impairments of Assets under IAS 36”) and IFRS 13, “Fair Value Measurement.”

The group as a whole was used as the cash-generating unit for impairment testing, since it represents a homogeneous group of cash-generating assets that cannot be viewed independently of one other. creditshelf’s recoverable amount was determined on the basis of the value in use. Since creditshelf is a relatively young company with high rates of growth and investment, value in use reflects management's future expectations. This entails the use of assumptions, which can be taken from the following table. The calculations are based on cash flow forecasts used in the budgets for the years up to and including 2022, which have been approved by the management. For the period beyond that, the growth rates and margins were transformed into a perpetual terminal value (“TV”) over three transitional periods. Revenue growth beyond the detailed planning period was reduced linearly to a perpetual growth rate of 1.0% (previous year: 1.0%). The EBITDA margin for the terminal value was based on forecast data from the peer group, which were also used to calculate the cost of capital.

Inputs	creditshelf as of Dec. 31, 2020
WACC (before tax)	8.43%
Tax rate	31.93%
Growth rate (TV)	1.00%
EBITDA margin (TV)	29.88%
Carrying amount of net assets in EUR million	4.4
Evidence of impairment	**No**

Reconciliation of Net Carrying Amount

	creditshelf as of Dec. 31, 2020 in kEUR	creditshelf as of Dec. 31, 2019 in kEUR
Noncurrent assets		
Intangible assets	3,434.6	3,937.8
Property, plant, and equipment	222.8	273.7
Trade receivables	876.2	947.0
Other financial assets	0.0	33.7
Current assets		
Trade receivables	1,355.5	1,039.7
Other assets	300.2	173.7
Other financial assets	2.1	9.8
Current liabilities		
Trade payables	–641.9	–1,885.9
Other financial liabilities	–72.2	–67.9
Current provisions	–549.1	–451.0
Other liabilities	–534.6	–748.8
Tax liabilities	–22.2	–48.9
Carrying amount of net assets	**4,371.5**	**3,212.8**

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

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

Significant Estimates: Impact of Potential Changes on Key Assumptions
Although the assumptions made regarding the macroeconomic environment, developments in the sector in which creditshelf is active, and discounted cash flows are considered to be reasonable, changes in the assumptions or circumstances relating to the volatility of impairment requirements must be examined.

In line with this, creditshelf performed a sensitivity analysis as of the December 31, 2020, reporting date. The analysis assumed changes of +/– 1.5% for the WACC before tax applied, plus revenue growth rates of +/– 0.75% and changes in the EBITDA margin of +/– 3.0%. The sensitivity analysis revealed that the goodwill was not impaired even after the adjusted assumptions were taken into account. This also applies when the sensitized inputs are viewed in the aggregate.

9. Property, Plant, and Equipment

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

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

	Rights of use in land and buildings	Operating equipment	Low-value assets	Other operating and office equipment	Total
	in kEUR	in kEUR	in kEUR	in kEUR	in kEUR
Cost					
Balance as of January 1, 2019	294.9	10.5	25.6	142.5	473.5
Acquisition from business combination	0.0	8.6	0.6	0.0	9.1
Additions	0.0	0.8	9.6	71.0	81.4
Disposals	0.0	4.3	0.0	3.2	7.5
Reclassifications	0.0	0.0	0.0	0.0	0.0
Balance as of December 31, 2019	294.9	15.7	35.7	210.3	556.5
Accumulated amortization					
Balance as of January 1, 2019	83.6	1.2	25.6	51.3	161.7
Acquisition from business combination	0.0	6.7	0.6	0.0	7.3
Additions	59.0	2.9	9.6	47.9	119.3
Disposals	0.0	4.1	0.0	1.3	5.4
Reclassifications	0.0	0.0	0.0	0.0	0.0
Balance as of December 31, 2019	142.5	6.8	35.7	97.9	282.8
Carrying amount as of December 31, 2019	**152.4**	**8.9**	**0.0**	**112.4**	**273.7**
Carrying amount as of January 1, 2019	**211.4**	**9.3**	**0.0**	**91.2**	**311.9**

Cost					
Balance as of January 1, 2020	294.9	15.7	35.7	210.3	556.5
Additions	40.9	0.0	5.4	58.7	105.0
Disposals	0.0	–5.2	–2.7	–40.7	–45.8
Reclassifications	0.0	0.0	0.0	0.0	0.0
Balance as of December 31, 2020	335.8	10.5	38.4	228.3	615.7
Accumulated amortization					
Balance as of January 1, 2020	142.5	6.8	35.7	97.9	282.8
Additions	80.3	1.2	5.4	67.3	154.3
Disposals	0.0	–4.8	–2.7	–39.4	–44.2
Reclassifications	0.0	0.0	0.0	0.0	0.0
Balance as of December 31, 2020	222.8	3.2	38.4	125.8	393.0
Carrying amount as of December 31, 2020	**112.9**	**7.3**	**0.0**	**102.6**	**222.8**
Carrying amount as of January 1, 2020	**152.4**	**8.9**	**0.0**	**112.4**	**273.7**

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 group signed a lease with a noncancelable minimum term of 5 years as of August 1, 2017. In addition, the creditshelf group entered into an automobile lease in February 2020. No other leases requiring capitalization existed as of the reporting date. No lease liabilities such as rental liabilities were deferred in fiscal year 2020.

With effect from April 15, 2019, additional space in the Mainzer Landstrasse 33a building was subleased temporarily in order to accommodate the growing workforce. Due to the short-term nature of the lease, the simplification option contained in IFRS 16.5 was exercised and the right-of-use asset was not capitalized. The same also applies to the former Valendo GmbH's premises in Berlin.

A right-of-use asset was recognized for the building lease as of August 1, 2017; the cost after discounting of the minimum lease payments was kEUR 294.9. A lease liability in the same amount was also recognized. The cost of the building lease was revised in fiscal year 2020 in line with the standard inflation index review. The corrected amount for 2017 should have been kEUR 319.5. This led to the subsequent recognition of costs of kEUR 24.6. The lease liability was adjusted by kEUR 8.4. In addition, the right-of-use asset for the automobile was recognized in the amount of kEUR 16.2 after discounting of the minimum lease payments. The automobile lease liability was recognized in the same amount. The total carrying amounts as of December 31, 2020, were kEUR 112.9 (December 31, 2019: kEUR 152.4) for the two assets and kEUR 122.3 (December 31, 2019: kEUR 169.3) for the lease liabilities.

The lease payments for the building and the automobile were no longer reported under expenses and were split into interest and principal repayments. The lease liabilities were discounted and reported as of December 31, 2020. The right-of-use assets were reported at their present value under property, plant, and equipment. The present value is being depreciated over 5 years using the straight line method. The discount rate used was 3.6% (previous year: 3.6%) for the building lease and 2.6% for the automobile lease; these rates were identified by the company's management as the internal incremental borrowing rate inherent to the lease. Consequently, the statement of profit or loss contains an expense item relating to the depreciation of the right-of-use assets plus the interest expense from unwinding. The building lease also contains a price index clause, under which the lease payments are adjusted retrospectively in line with the Federal Statistical Office's consumer price index; the first such adjustment was to be made after 2 years. This index increase was implemented for the first time as of August 1, 2019, and amounted to 3.5%

for the past 2 years. No index increase was made this year. We are continuing to assume an index increase of 2% per annum for the coming years.

The changes in the lease liabilities were as follows:

	Lease liabilities	Total lease expenses	Total repayments	Total interest
	in kEUR	in kEUR	in kEUR	in kEUR
as of December 31, 2019	169.3	68.9	61.8	7.1
as of December 31, 2020	122.4	74.2	69.0	5.2

There were no matters requiring the recognition of impairment losses in the period from January 1 to December 31, 2020. Please see Note 33 in this report for further information about IFRS 16.

10. Noncurrent Receivables and Assets

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

The noncurrent receivables in fiscal year 2020 were as follows:

	Dec. 31, 2020	Dec. 31, 2019
	in kEUR	in kEUR
Gross amount of receivables	907.3	980.1
Time value of money according to the effective interest method	28.0	33.1
Net amount of receivables	879.3	947.0
Expected discount	–3.1	0.0
Trade receivables	**876.2**	**947.0**

The borrower fee is automatically retained from the loan disbursement amount. The investor fee is normally deducted automatically from the principal repayment amounts accruing to the investors. In addition, individual agreements providing for creditshelf to be remunerated by investment vehicles were introduced with effect from the current fiscal year in the context of partnerships with institutional investors. This means that such payments can only become overdue if the borrower defaults and hence no cash inflows at all can be expected. If a borrower defaults, uncollected investor fees are recognized as rebates pursuant to IFRS 15.51, and hence as variable consideration plus an expected amount, following an individual decision by the Management Board and effective fiscal year 2020 are deducted from revenue. In fiscal year 2019, these costs were recognized as waivers of receivables under other operating expenses. Consequently, creditshelf's business model does not provide for the possibility of a 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.

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 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 32. 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.

11. Income Taxes and Deferred Tax Assets

a) Income Tax Expense/Income

The following table reconciles the expected income tax expense/income with the income tax expense/income reported in the consolidated financial statements. The tax rate of 31.925% used (previous year: 31.925%) is the average income tax rate for the group company.

	Dec. 31, 2019 in kEUR
EBT	–4,897.0
Income tax given a rate of 31.925%	1,563.4
Income tax on nondeductible operating expenses	15.9
Deferred tax assets on loss carry forwards not recognized in 2019	–1,628.4
Recognition of deferred tax liabilities	21.4
Amount reported in the income statement for continuing operations	–70.5
Effective income tax rate	**1.4%**

	Dec. 31, 2020 in kEUR
EBT	–5,361.1
Income tax given a rate of 31.925%	1,711.53
Income tax on nondeductible operating expenses	14.7
Deferred tax assets on loss carry forwards not recognized in 2020	–1,683.90
Recognition of deferred tax liabilities	7.8
Amount reported in the income statement	–34.5
Effective income tax rate	**–0.6%**

Due to its tax loss carryforwards, creditshelf Aktiengesellschaft did not have to pay any corporate income tax or trade tax. This was also the case in the previous year.

The subsidiary creditshelf solutions GmbH does not have to pay any corporate income tax or trade tax due to the merger of creditshelf service GmbH with Valendo GmbH. In the previous year, corporate income tax of kEUR 24.2 and trade tax of kEUR 24.7 was recognized. The 2019 provision for corporate income tax was reversed in full and recognized as income from taxes due to the ability to recognize a loss carryback. In addition, an adjustment to the trade tax for 2019 resulted in income of kEUR 2.5.

b) Deferred Taxes

Deferred taxes are recognized for temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and their tax base.

No deferred taxes are recognized for

- Temporary differences on initial recognition of assets and liabilities in a transaction which is not a business combination and which affects neither accounting profit nor taxable profit.

- Temporary differences with respect to investments in subsidiaries, associates and joint ventures to the extent that the group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.
- Taxable temporary differences arising from initial recognition of goodwill.

Deferred tax assets are recognized for unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized. Taxable profit is determined on the basis of the reversal of taxable temporary differences. If the amount of taxable profit is insufficient to recognize deferred taxes in full, future taxable profit is determined on the basis of the individual business plans for the subsidiaries, taking the reversal of temporary differences into account. Deferred tax assets and liabilities are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that the associated tax benefits will be realized; reductions are reversed to the extent that it becomes probable that sufficient taxable profit will be available.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it is probable that future taxable profit will permit their realization or in the amount of existing deferred tax liabilities.

Deferred taxes are valued using the tax rates that are expected to apply to temporary differences when they reverse, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred taxes reflect any uncertainty as regards income taxes.

Deferred taxes are calculated on the basis of the current tax rates applicable to the period in which the temporary differences are likely to reverse. A tax rate of 31.925% (previous year: 31.925%) was used for the parent company. A tax rate of 30.175% was used for group subsidiary creditshelf solutions GmbH (until November 2, 2020: Valendo GmbH) (previous year: creditshelf service GmbH 31.925%; Valendo GmbH: 30.175%). These figures include corporate income tax of 15% (previous year: 15%) plus the solidarity surcharge of 5.5% (previous year: 5.5%) on this, a trade tax rate for Frankfurt am Main of 16.1% (previous year: 16.1%), and a trade tax rate for Berlin of 14.35% (previous year: 14.35%). The multiplier for the city of Frankfurt am Main was 460.0% (previous year: 460.0%), while the multiplier for the city of Berlin was 410.0% (previous year: 410.0%).

The measurement of deferred tax assets and liabilities reflects tax consequences following from the manner in which the entity expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and deferred tax liabilities are offset if certain conditions are met.

The tax effects of the temporary differences in the reporting period were as follows:

Deferred tax assets and liabilities:

	Dec. 31, 2020		**Dec. 31, 2019**	
	Deferred tax assets	**Deferred tax liabilities**	**Deferred tax assets**	**Deferred tax liabilities**
	in kEUR	**in kEUR**	**in kEUR**	**in kEUR**
Intangible assets	0.0	–262.9	0.0	–196.1
Property, plant, and equipment	0.0	–36.1	0.0	–48.6
Receivables	0.0	–13.6	0.0	–21.4
Provisions	357.9	0.0	358.3	0.0
Liabilities	43.8	0.0	54.1	0.0
Loss carryforwards	7,211.2	0.0	4,887.6	0.0
Total	**7,612.9**	**–312.6**	**5,299.9**	**–266.1**
Unrecognized deferred tax assets	–7,313.9	0.0	–5,055.2	0.0
After offsetting	**0.0**	**–13.6**	**0.0**	**–21.4**

A deferred tax liability of kEUR 13.6 was recognized in fiscal year 2020 (previous year: kEUR 21.4) after deferred tax assets and deferred tax liabilities were offset. Consequently, deferred tax income of kEUR 7.8 was recognized in fiscal year 2020. In the previous year, an expense of kEUR 21.4 was recognized.

The deferred tax liabilities that were offset amounted to kEUR 223.7 (previous year: kEUR 244.7).

12. Current Trade Receivables

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

Current receivables comprise trade receivables with a term of less than one year. They amounted to kEUR 1,355.5 as of December 31, 2020 (previous year: kEUR 1,039.7). 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 borrower fee is automatically retained from the loan disbursement amount. The investor fee is normally deducted automatically from the principal repayment amounts accruing to the investors. In addition, individual agreements providing for creditshelf to be remunerated by investment vehicles were introduced with effect from the current fiscal year in the context of partnerships with institutional investors. This means that such payments can only become overdue if the borrower defaults and hence no cash inflows at all can be expected. If a borrower defaults, uncollected investor fees are recognized as rebates pursuant to IFRS 15.51, and hence as variable consideration plus an expected amount, following an individual decision by the Management Board and effective fiscal year 2020 are deducted from revenue. In fiscal year 2019, these costs were recognized as waivers of receivables under other operating expenses. Consequently, creditshelf's business model does not provide for the possibility of a 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 the case of trade receivables that have been classified as current assets, the group considers the settlement amount to be a plausible estimate of the fair value. Receivables with a term of more than 12 months are discounted. The fair values were determined on the basis of the discounted cash flows using a current lending rate that will not be changed going forward.

13. Current Other Assets and Financial Assets

	Dec. 31, 2020 in kEUR	Dec. 31, 2019 in kEUR
Other assets		
Other receivables	239.3	168.3
VAT receivables	60.8	5.4
	300.2	**173.7**
Other financial assets	2.1	9.8
	2.1	**9.8**

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

If the repayment periods are in excess of six months, interest can be charged at normal market rates. No collateral is normally required. Other receivables are repaid within six months.

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

14. Cash and Cash Equivalents

As of December 31, 2020, cash in hand at the group amounted to kEUR 0.6 (previous year: kEUR 0.7), while bank balances totaled kEUR 3,843.7 (previous year: kEUR 6,634.5).

creditshelf solutions GmbH has a bank account at Raisin Bank (formerly MHB) that serves solely to provide cash cover for future loans for which the company has granted Raisin Bank a purchase undertaking in the normal course of business. As part of this cash cover, the company has permanently pledged the bank account to Raisin Bank. There is a contractual prohibition on the company disposing of the funds in this account independently. As of December 31, 2020, the account had a balance of kEUR 0.1 (previous year: kEUR 600.1). The cash funds item must be reduced by this amount and totaled kEUR 3,844.2 as of the reporting date (previous year: kEUR 6,035.1).

In addition, the settlement of transactions led to cash of kEUR 3,136.0 (previous year: kEUR 1,432.5) being held temporarily in a company account as of the December 31, 2020, reporting date, briefly increasing the cash funds. This item is matched by a corresponding liability.

15. Equity and Reserves

Equity instruments in the amount of kEUR 771.0 (previous year: kEUR 387.2) were recognized in the capital reserves as a result of the issuance of restricted stock units for the share-based employee incentive programs (RSU I to RSU IV – see also note 17), due to the decision to exercise the equity settlement option. The transaction costs of kEUR 24.8 directly allocable to the creation of these equity instruments (previous year: kEUR 80.2) were deducted from the capital reserves in accordance with IAS 32. In addition to the listing procedure for equity instruments scheduled for the beginning of the next fiscal year, such costs are also incurred in relation to the ongoing implementation of the share-based employee incentive programs; the amounts were deferred on a pro rata basis in line with this. There were four share-based employee incentive programs (Restricted Stock Units I-IV Programs) during the reporting period.

creditshelf Aktiengesellschaft's subscribed capital was increased on a single occasion by EUR 7,115.00, from EUR 1,353,224.00 (as of December 31, 2019) to EUR 1,360,339.00 (as of December 31, 2020). The subscribed capital is composed of 1,360,339 no-par value bearer shares (previous year: 1,353,224 no-par value bearer shares). Each no-par value bearer share entitles the holder to one vote.

The capital increase was performed in the basis of the resolution by the Management Board dated December 17, 2019, to increase the company's subscribed capital for the initial conversion of the claims 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 December 19, 2019, by way of a resolution taken by circulating written documents. The new shares were entered in the commercial register on January 17, 2020, and were admitted to trading on Frankfurt Stock Exchange's Regulated Market on January 30, 2020, with the same German securities identification number (WKN) as the old shares. The share capital has been contingently increased by up to EUR 562,500.00. The authorized capital amounted to kEUR 533,411.00 as of December 31, 2020 (previous year: kEUR 540,626.00).

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

creditshelf Aktiengesellschaft's main shareholders are Hevella Capital GmbH & Co. KGaA, LDT Investment GmbH, DBR Investment GmbH, and Obotritia Capital KGaA. As of December 31, 2020, these held a total of approximately 80.6% of the voting rights, based on the voting rights notifications submitted in accordance with the WpHG (previous year: 80.2%). 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*	
Dec. 31, 2019						
Nominal amount in kEUR	261.0	244.2	519.1	61.1	267.8	1,353.2
in percent	19.3%	18.0%	38.4%	4.5%	19.8%	100.0%

Interest	Shareholder					Total
	LDT Investment GmbH	DBR Investment GmbH	Hevella Capital GmbH & Co. KGaA	Obotritia Capital KGaA	Free float*	
Dec. 31, 2020						
Nominal amount in kEUR	239.2	222.0	519.1	115.6	264.3	1,360.3
in percent	17.6%	16.3%	38.2%	8.5%	19.4%	100.0%

* The free float comprises (the aggregate figure for) interests in the company amounting to less than 5% of the share capital.

16. Equity Transaction Costs Associated with Capital Increases

For fiscal year 2020, directly allocable transaction costs of kEUR 24.8 were deducted against equity in the free capital reserves in connection with cash capital increases under the share-based employee incentive programs (Restricted Stock Units Programs I–IV). This is compared with the kEUR 80.2 that was incurred for fiscal year 2019 for the noncash capital increase made in the course of the acquisition of Valendo GmbH and for the cash capital increase made in connection with the share-based employee incentive programs. Equity transaction costs primarily comprise legal and consulting costs, expenses for the banks advising on the transactions, and expenses associated with the submission and publication of information that is required to be entered in the commercial register.

17. Share-based Employee Incentive Programs (Restricted Stock Unit Programs I–IV)

The Management Board resolved to introduce three share-based employee incentive programs (Restricted Stock Unit Programs I–III) in fiscal year 2019. A further share-based employee incentive program (Restricted Stock Unit Program IV) was added in June 2020. All four programs qualify as compensation measures under IFRS 2 that are designed to align employees' and shareholders' interests and hence to generate a sustainable increase in enterprise value. In addition, the programs aim to motivate participants to contribute to the long-term growth and economic success of the company and its affiliates. Claims under the programs are to be met by issuing equity instruments. All shares in the programs that have vested as of the end of a year are delivered by implementing a cash capital increase from existing authorized capital, while disapplying existing shareholders' subscription rights, at the start of the new fiscal year. This results in what is known as an equity settlement, i.e., the personnel expenses incurred minus the payroll tax components are offset against the capital reserves. Payroll tax components were recognized as current or noncurrent liabilities, depending on when they are expected to fall due. With the exception of RSU III, the personnel expenses were reduced using a flat-rate turnover rate; they were calculated using the graded vesting method taking program-specific historical share prices into account. This reflects the turnover among the employees covered by the programs and was based on historical data.

The current payroll tax provisions for the RSU programs are measured at their intrinsic value, since the probability that employees will accept the shares to which they are entitled following vesting is assumed to be 100%. Unvested shares lapse. A dividend of 0 is assumed. For this reason, measurement is based on the price of creditshelf's shares (XETRA) on the measurement date in question. The use of an option pricing model is not required. The closing rate as of December 30, 2020, was EUR 43.00 (previous year: EUR 52.00). This figure is a directly observable Level 1 input.

The four RSU programs can be summarized as follows as of the December 31, 2020, reporting date:

<u>Restricted Stock Units Program I</u>

RSU I aims to provide a one-time incentive payment in order to enable the company to retain key employees. The vesting period for claims under this program is three years and the program has a quarterly vesting schedule. The shares in the company will be awarded to the beneficiaries pro rata on each anniversary of the grant date (fiscal year-end). The number of vested units corresponds to a proportional amount of the units granted via award letters, since a parental leave arrangement had a delaying effect in 2019.

Period	Number of units originally granted via award letters (A)	Number of lapsed units (B)	Number of remaining units (A) – (B)	Number of vested units (C)	Number of vested units already converted into shares (D)	Fair value of vested units (C) – (D) measured using the share price on the reporting date
	Number	Number	Number	Number	Number	in kEUR
Dec. 31, 2019	8,635	4,587	4,048	1,690	0	87.9
Dec. 31, 2020	8,635	4,587	4,048	2,768	1,690	46.4

The personnel expenses recognized for Restricted Stock Units Program I amounted to kEUR 78.9 for the reporting period (previous year: kEUR 183.5).

<u>Restricted Stock Units Program II</u>

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

The following table comprises the RSU II units for both case 1 and case 2. The number of case 2 shares that were included in the forthcoming vesting was fixed using the mean XETRA closing prices for creditshelf's shares in December. This was EUR 43.48 (previous year: EUR 50.64 as the average price for November).

Period	Number of units originally granted via award letters (A)	Number of lapsed units (B)	Number of remaining units (A) – (B)	Number of vested units (C)	Number of vested units already converted into shares (D)	Fair value of vested units (C) – (D) measured using the share price on the reporting date
	Number	Number	Number	Number	Number	in kEUR
Dec. 31, 2019	5,552	867	4,685	2,091	0	108.7
Dec. 31, 2020	13,013	987	12,026	5,813	2,091	160.1

The personnel expenses recognized for Restricted Stock Units Program II amounted to kEUR 241.9 for the reporting period (previous year: kEUR 150.5).

Restricted Stock Units Program III

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

Period	**Number of units originally granted via award letters (A)**	**Number of lapsed units (B)**	**Number of remaining units (A) – (B)**	**Number of vested units (C)**	**Number of vested units already converted into shares (D)**	**Fair value of vested units (C) – (D) measured using the share price on the reporting date**
	Number	**Number**	**Number**	**Number**	**Number**	**in kEUR**
Dec. 31, 2019	10,000	0	10,000	3,334	0	173.4
Dec. 31, 2020	20,000	0	20,000	14,444	3,334	477.7

The personnel expenses recognized for Restricted Stock Units Program III amounted to kEUR 683.0 for the reporting period (previous year: kEUR 331.3). It should be noted in this context that no personnel expenses were recognized in Q1 2019, since the award was only made in Q2 2019, and that the 10,000 RSUs granted in 2020 have a shorter vesting period.

Restricted Stock Units Program IV:

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

Period	Number of units originally granted via award letters (A)	Number of lapsed units (B)	Number of remaining units (A) – (B)	Number of vested units (C)	Number of vested units already converted into shares (D)	Fair value of vested units (C) – (D) measured using the share price on the reporting date
	Number	Number	Number	Number	Number	in kEUR
Dec. 31, 2019	0	0	0	0	0	0.0
Dec. 31, 2020	2,669	0	2,669	0	0	0.0

The personnel expenses recognized for Restricted Stock Units Program IV amounted to kEUR 35.0 for the reporting period (previous year: kEUR 0.0).

Pursuant to IFRS 2.51, total expenses for Restricted Stock Unit Programs I–IV in fiscal year 2020 amounted to kEUR 1,038.8 (previous year: kEUR 665.3). As in the previous year, this expense item during the reporting period is attributable solely to equity-settled instruments.

Additional Information:

The fair value given in the tables differs from the personnel expenses recognized for the period, which comply with the methodology set out in IFRS 2. The latter requires that the expenses are not assigned pro rata in equal amounts across the vesting period, but rather that earlier periods should be given a heavier weighting. This does not apply to the RSU IV, because in this case the shares will only vest at the end of the program. The 7,115 shares in the January 2020 vesting were transferred to the employees' custody accounts at an average price for all programs of EUR 52.5.

18. Noncurrent Provisions

The noncurrent provisions can be broken down as follows:

	Dec. 31, 2020 in kEUR	Dec. 31, 2019 in kEUR
Noncurrent provisions		
Provisions for Virtual Participation Program	920.4	1,097.2
Noncurrent payroll tax provision for RSU	226.3	133.3
	1,146.7	**1,230.5**

The schedule of provisions is as follows:

in kEUR	Carrying amount at the start of the reporting period	Amounts recognized	Amounts utilized	Amounts reversed	Carrying amount at the end of the reporting period
Noncurrent provisions					
Provisions for Virtual Participation Program	1,097.2	0.0	–176.8	0.0	920.4
Noncurrent payroll tax provision for RSU	133.3	93.0	0.0	0.0	226.3
	1,230.5	**93.0**	**–176.8**	**0.0**	**1,146.7**

a) Provision for Payroll Tax

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

b) Share-based Payment

Virtual Participation Program II

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

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

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

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

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

The virtual interests as of December 31, 2019, were as follows:

Date of issue	Number of shares granted	Subscription price	Underlying per share	Fair value per virtual share	Total fair value
	Number	in EUR	in EUR	in EUR	in kEUR
July 29, 2015	1,500	0.0	51.90	51.90	77.9
June 30, 2018	19,640	0.0	51.90	51.90	1,019.3
Total	**21,140**	**0.0**	**51.90**	**51.90**	**1,097.2**

The virtual interests as of December 31, 2020, were as follows:

Date of issue	Number of shares granted	Subscription price	Underlying per share	Fair value per virtual share	Total fair value
	Number	in EUR	in EUR	in EUR	in kEUR
July 29, 2015	1,500	0.0	43.54	43.54	65.3
June 30, 2018	19,640	0.0	43.54	43.54	855.1
Total	**21,140**	**0.0**	**43.54**	**43.54**	**920.4**

The income from Virtual Participation Program II that was recognized in the statement of profit or loss amounted to kEUR 176.7 in the period from January 1 to December 31, 2020 (previous year: kEUR 383.6). As was previously the case, the obligations relating to Virtual Participation Program II are classified as long-term obligations with an indefinite term.

19. Noncurrent Other Financial Liabilities

Among other things, noncurrent other financial liabilities comprise the lease liabilities relating to the previously mentioned right-of-use assets for the period of between one and five years.

	Dec. 31, 2020 in kEUR	Dec. 31, 2019 in kEUR
Noncurrent Other Financial Liabilities		
Lease liabilities	50.1	101.4
Liability from RSU	0.0	25.0
	50.1	**126.4**

Noncurrent other financial liabilities include the noncurrent portion of the lease liabilities under the lease for Mainzer Landstrasse 33a, Frankfurt and the automobile lease. Please see note 33 for other disclosures and information regarding the changes in and measurement of the lease liabilities.

20. Trade Payables

The trade payables as of December 31, 2020 (kEUR 3,777.8; previous year: kEUR 1,885.9) primarily related to the offsetting position for the cash funds that were temporarily recognized in connection with the settlement of transactions (see note 14). In addition, the item included payables for goods and services ordered of kEUR 641.8 (previous year: kEUR 446.4).

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

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

The group did not furnish any collateral.

21. Current Other Financial Liabilities, Current Provisions, and Other Liabilities

	Dec. 31, 2020 in kEUR	Dec. 31, 2019 in kEUR
Current liabilities		
Current other financial liabilities		
Lease liabilities	72.2	67.9
	72.2	**67.9**
Current provisions		
Provision for other personnel expenses	236.6	306.2
Provision for payroll tax for RSU	312.5	144.8
	549.1	**451.0**
Current other liabilities		
Liability for personnel expenses	277.3	237.0
Liabilities for financial statement preparation and audit	135.8	292.6
Liabilities for Supervisory Board compensation	90.0	90.0
Other liabilities	31.7	129.2
	534.8	**748.8**

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

The schedule of current provisions is as follows:

in kEUR	Carrying amount at the start of the reporting period	Amounts recognized	Amounts utilized	Amounts reversed	Carrying amount at the end of the reporting period
Current provisions					
Provision for other personnel expenses	306.2	29.8	–97.2	–2.2	236.6
Current payroll tax provision for RSU	144.8	312.5	–144.8	0.0	312.5
	451.0	**342.3**	**–242.0**	**–2.2**	**549.1**

Liabilities for personnel expenses largely comprised vacation liabilities, payroll liabilities, and the associated social security costs.

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

C) Disclosures on the Consolidated Statement of Profit or Loss and Other Comprehensive Income

22. Revenue

The breakdown of revenue as of December 31, 2020, is as follows:

	Dec. 31, 2020 in kEUR	Dec. 31, 2019 in kEUR
Borrower fees	3,391.0	2,765.6
Investor fees	1,333.0	1,776.5
Servicing and advisory fees	175.2	22.4
	4,899.2	**4,564.5**

creditshelf's revenue climbed by 7.1% year-on-year in fiscal year 2020 to kEUR 4,889.2 (previous year: kEUR 4,564.5). The main driver for this was a clear increase in the volume of loans arranged via the creditshelf platform during the reporting period, which jumped from kEUR 88,450 in fiscal year 2019 to total kEUR 98,925. Revenue development was influenced by the social contact restrictions introduced in the context of the coronavirus pandemic, which temporarily depressed investment appetite among both borrowers and lenders. The sustainable growth achieved in fiscal year 2020 is based both on creditshelf's continuing strict risk standards and on the successful expansion of the institutional finance partners on creditshelf's platform. This also includes the launch of the creditshelf Loan Fund, for which the European Investment Fund is the anchor investor.

creditshelf's revenues in fiscal year 2020 came from three different sources. The borrower fees that creditshelf receives from borrowers when loans are disbursed amounted to kEUR 3,391.0; thanks to robust margin development, these were up 22.6% year-on-year (previous year: kEUR 2,765.6). Total investor fees that the company generated for loans arranged via the creditshelf platform were kEUR 1,333.0 (previous year: kEUR 1,776.5). The decline is due to changes in the conditions applicable to our cooperation with institutional investors, which is material to funding our growing lending volume on the creditshelf platform and which makes additional, sustainable growth possible. In addition, the creditshelf group generated revenue of kEUR 175.3 (previous year: kEUR 22.4) for servicing and advisory fees during the reporting period. This primarily comprises revenue for monitoring and servicing existing loans, and service and advisory fees relating to the creditshelf Loan Fund, which started operations in May of the reporting period. These fees are charged and due on a quarterly basis and are calculated on the basis of a percentage of the net invested capital, which fluctuates over time. Given the abovementioned changes in the conditions applicable to the company's partnerships with institutional finance partners, these servicing and advisory fees are increasingly supplementing standard investor fees and are generating ongoing revenue recognized over time. The servicing and advisory fees in the amount of kEUR 22.4 reported for the previous year represent revenue from business activities by the former Valendo GmbH, which were completely merged with those of the rest of the group in the course of the fiscal year. They mainly related to the monitoring of and services for existing loans as described above. In addition, one-time set-up fees of kEUR 150.5 from the transaction with Amsterdam Trade Bank at the end of the year were recognized as other operating income and not as investor fees.

In line with these changes, the overall margin – the ratio of revenue to the arranged loan volume – fell year-on-year to 4.9% (previous year: 5.2%). Including the set-up fees recognized as other operating income, the overall margin was stable year-on-year, at 5.1%.

Seen from the perspective of the IFRS 15 criteria, borrower and investor fees are exclusively revenue generated at a point in time. In both cases, the company primarily performs the service immediately the loan is granted by the fronting bank. The borrower fee is retained directly when the loan amount is disbursed by the fronting bank, whereas the investor fee is generally deducted in installments from the repayments of the principal amount. In addition, individual agreements providing for creditshelf to be remunerated by investment vehicles were introduced with effect from the current fiscal year in the context of partnerships with institutional investors. In the case of both revenue streams, the revenue results from the application of a contractually defined percentage to the disbursed lending volume. In fiscal year 2019, kEUR 97.4 in uncollected investor fees were recognized in the case of default as waivers of receivables under other operating expenses in the statement of profit or loss and other comprehensive income, following an individual decision by the Management Board. In fiscal year 2020, by contrast, uncollected investor fees were still recognized following individual decisions by the Management Board but were deducted directly from revenue as rebates, and hence as variable consideration pursuant to IFRS 15.51, resulting in an adjustment of kEUR 29.3. In addition, potential future rebates that would negatively impact investor fees in the case of a borrower default were estimated pursuant to IFRS 15.53. Estimated and realized rebates led to revenue adjustments of kEUR 45.1.

23. Other Income

Other income of kEUR 940.4 (previous year: kEUR 1,532.1) mainly comprises four components: In addition to discounts recognized in equity (see other expenses) from loan purchases in the amount of kEUR 209.8 (previous year: kEUR 1,025.2) and income of kEUR 176.7 (previous year: kEUR 383.6) from the change in the provision for Virtual Participation Program II, which is linked to the change in creditshelf's share price, the item largely consists of income from the reversal of other provisions of kEUR 114.5 (previous year: kEUR 417.5) and other income in the amount of kEUR 185.4 (previous year: kEUR 0.9). kEUR 150.5 of the last item is attributable to the transaction with Amsterdam Trade Bank at the end of the year.

24. Own Work Capitalized

Other own work capitalized amounted to kEUR 421.8 in fiscal year 2020 (previous year: kEUR 226.6). It was primarily attributable to enhancements to the online platform (http://www.creditshelf.com/) and the risk analysis software. The year-on-year rise is due to the fact that development work was performed in-house after the relationship with the external software developer was discontinued in Q1 2020.

25. Personnel Expenses

Personnel expenses amounted to kEUR 6,024.3 in fiscal year 2020 (previous year: kEUR 4,423.2). The main reason for this increase was the rise in the headcount to 57 full-time equivalents as of December 31, 2020, up from 49 full-time equivalents on the prior-year reporting date. The goal of the growth in the workforce in the first half of the year was to increase the company's internal expertise so as to reduce its dependence on external service providers, e.g., in the area of IT. As from the beginning of Q2, active recruitment was confined to maintaining the existing workforce. Nevertheless, the company did not rescind contracts that had already been signed and took on these new employees as planned. The expansion of the workforce was not continued In the second half of the year in light of the COVID-19 pandemic, with greater emphasis being put on increasing internal efficiency instead.

However, the personnel expenses item in the current reporting period includes expenses of kEUR 1,038.8 for share-based employee incentive programs (Restricted Stock Unit programs) (previous year: kEUR 665.3; see also note 17) that the company launched at the beginning of fiscal year 2019. These are designed to motivate employees and hence promote the company's long-term growth and economic success.

As in fiscal year 2019, the contracts of service for the three Management Board members provide for an aggregate annual gross fixed salary of kEUR 300.0, i.e., kEUR 100.0 per person. 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 receive normal levels of fringe benefits. These include in particular normal contributions towards pension and health insurance, directors and officers insurance ("D&O insurance"), and accident insurance. In fiscal year 2020, the total compensation paid to the Management Board amounted to kEUR 1,038.4 (previous year: kEUR 686.0). The compensation paid to the Management Board in 2020 also includes the personnel expenses of kEUR 683.0 (kEUR 331.3) incurred for Dr. Mark Währisch in the context of the Restricted Stock Units Program. Additional details are provided in note 17.

26. Other Operating Expenses

Other operating expenses as of December 31, 2020, were as follows:

	Dec. 31, 2020 in kEUR	Dec. 31, 2019 in kEUR
Marketing and advertising expenses	1,329.6	2,236.6
Legal and consulting costs	702.0	1,239.0
Third-party services in connection with loan applications	448.0	352.7
IT costs	342.9	273.8
Sales commission	316.5	179.2
Lease expenses	253.6	135.1
Premiums on loan receivables	209.8	1,025.2
Supervisory Board expenses	91.2	97.5
Membership fees	61.9	75.1
Other expenses	610.7	440.0
	4,366.2	**6,054.2**

Other operating expenses amounted to kEUR 4,366.2 in fiscal year 2020, clearly down on the prior-year figure of kEUR 6,054.2. This reflects the rigorous management of non-personnel costs, which enabled the company to avoid an increase in costs despite the rise in the loan volume and in associated variable expenses such as third-party services and sales commission. In addition, premiums on loan receivables recognized in equity and premiums from loan purchases totaled a mere kEUR 209.8 compared to the prior-year figure of kEUR 1,025.2.

Advertising and marketing expenses account for a large proportion of the other operating expenses item. They amounted to kEUR 1,329.6 in fiscal year 2020 – a decline on the previous year (kEUR 2,236.6) – despite the strategic investments made in strengthening the company's marketing infrastructure. In addition, postage costs fell due to the digital edition of the company's magazine, while the costs for trade fairs and representative events fell as a result of the prohibitions on their being held. creditshelf responded to the absence of face-to-face events by expanding its digital offerings. Legal and consulting costs declined year-on-year to kEUR 702.0 (previous year:: kEUR 1,239.0). This decrease was due to the successful establishment of internal resources and the associated reduction in the company's reliance on external service providers. This applies in particular to lower consulting costs for the preparation of the financial statements. In addition, creditshelf's strategic investments in enhancing the robustness of its platform in the previous year led to higher legal and consulting expenses in that period. Third-party services relating to loan applications in fiscal year 2020 resulted in expenses of kEUR 448.0, after kEUR 352.7 in the previous year. The main driver for the rise is the increase in the volume of loan requests and loans arranged via the platform, which led to higher costs for external credit checks during the loan approval process and to processing fees payable to the fronting bank. IT costs rose to kEUR 342.9 in fiscal year 2020 (previous year: kEUR 273.8), reflecting the expansion of creditshelf's analysis capabilities. Sales commission payable for borrowers brokered by the growing partner network on the creditshelf platform (which includes Commerzbank) rose to kEUR 316.5 (previous year: kEUR 179.2). Lease expenses rose to kEUR 253.6 year-on-year (previous year: kEUR 135.1) due to the additional office space leased to cater to the growth in the workforce and to the additional location in Berlin. The company reduced its leased space in the second half of 2020 as part of its rigorous measures to manage non-personnel costs. Supervisory Board expenses declined to kEUR 91.2 in fiscal year 2020 due to reduced travel as a result of the coronavirus crisis (previous year: kEUR 97.5). Association membership fees, such as those for the Verband deutscher Kreditplattformen (the Association of German Credit Platforms), of which creditshelf is a founder member, totaled kEUR 61.9 (previous year: kEUR 75.1). Miscellaneous other expenses mainly comprise the cost of services provided in relation to the company's stock market listing and for the resale of arranged loans. The latter were largely responsible for the increase in this item compared to the previous year.

27. Financial Result

The financial result for fiscal year 2020 can be broken down as follows:

	Dec. 31, 2020 in kEUR	Dec. 31, 2019 in kEUR
Financial expense for liabilities accounted for at amortized cost		
Interest on shareholder loans	0.0	–1.0
Financial expense for lease liabilities	–5.2	–7.1
Other interest expense		
Interest and similar income	–2.4	0.0
Interest expense from discounting of liabilities	0.0	–7.1
Interest expense from discounting of receivables	–23.5	–38.1
	–31.1	**–53.3**
Other financial income		
Interest income from the unwinding of discounts on receivables	15.3	110.4
Interest income for financial assets not valued at FVTPL	**15.3**	**110.4**
Financial result	**–15.8**	**57.1**

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

28. Earnings per Share

Basic earnings per share are calculated using the profit attributable to ordinary shareholders and a weighted average of the ordinary shares in circulation. In accordance with IAS 33.21 (f), ordinary shares issued as consideration for the acquisition of an asset other than cash must be included as of the date on which the acquisition is recognized.

As set out in note 17, the company started introducing share-based employee incentive programs (Restricted Stock Units Programs) in 2019. These qualify as remuneration measures under IFRS 2, which are required by IAS 33 to be reflected in the earnings per share. IAS 33.48 specifies that all shares that have already been granted must be included as outstanding. In line with this, the calculation was based on the number of restricted stock units (RSUs) agreed by the employees and the company in the binding award letters. In addition, contractually agreed remuneration components that are settled in RSUs were converted into RSUs using the XETRA closing rates for creditshelf shares on the December 30, 2020, reporting date (EUR 43.00) and were also taken into account. The total number as of the December 31, 2020, reporting date was 31,628. Therefore, the underlying number of shares rose from 1,360,339 to 1,391,655, in contrast to the basic earnings per share.

In the following reconciliation, basic earnings correspond to diluted earnings in accordance with IAS 33.41, because the loss per share would be reduced by the adjustment for the share program:

	Number of shares	Net loss for the year	EPS (basic/diluted)
	Number	**in kEUR**	**in EUR**
December 31, 2020			
Basic	1,360,027	–5,326.6	–3.92
Diluted	1,391,655	–5,326.6	–3.92
December 31, 2019			
Basic	1,332,093	–4,967.5	–3.73
Diluted	1,350,825	–4,967.5	–3.73

D) Disclosures on the Consolidated Statement of Cash Flows

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

29. Noncash Transactions

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

30. Changes in Financial Liabilities

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

Fiscal year 2019	**Dec. 31, 2018**	**Cash flow**	**Addition**	**Change in fair value**	**Other changes**	**Dec. 31, 2019**
	in kEUR	**in kEUR**	**in kEUR**	**in kEUR**	**in kEUR**	**in kEUR**
Lease liability Mainzer Landstrasse 33a	224.1	–61.8	0.0	0.0	7.1	169.3
Total financial liabilities	224.1	–61.8	0.0	0.0	7.1	169.3

Fiscal year 2020	**Dec. 31, 2019**	**Cash flow**	**Addition**	**Change in fair value**	**Other changes**	**Dec. 31, 2020**
	in kEUR	**in kEUR**	**in kEUR**	**in kEUR**	**in kEUR**	**in kEUR**
Lease liability Mainzer Landstrasse 33a	169.3	–65.4	0.0	8.4	–2.6	109.7
Automobile lease liability	0.0	–3.6	16.2	0.0	0.0	12.6
Total financial liabilities	169.3	–69.0	16.2	8.4	–2.6	122.3

E) Other Disclosures

31. Capital Management

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

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

During fiscal year 2020, the group continued its 2019 strategy of maintaining a debt-to-equity ratio of between 2% and 20% unchanged. Greater attention was paid here to increased incidental monetary transaction costs resulting from ongoing negative interest rates.

The debt-to-equity ratios as of December 31, 2020, and December 31, 2019, were as follows:

	Dec. 31, 2020 in kEUR	Dec. 31, 2019 in kEUR	Change in kEUR	Change in %
Financial liabilities	122.3	194.3	–72.0	–37.0
Cash funds	3,844.2	6,035.1	–2,190.9	–36.3
Net debt	**–3,721.9**	**–5,840.8**	**2,118.9**	**–36.3**
Debt-to-equity ratio	3.2%	3.2%		

This indicator, which amounted to 3.2% as of December 31, 2020 (previous year: 3.2%) is highly volatile due to the company's ongoing growth. The equity position, liquidity risk exposure, and financial risk exposure are reviewed centrally within the creditshelf group. The company was financed solely by equity in fiscal year 2020, as in the previous year; in other words, it does not have any interest-bearing debt.

32. Financial Instruments

The financial liabilities designated at fair value through profit or loss relate to the provisions for Virtual Participation Program II. Please see note 18 for an explanation of the programs regarding the granting of virtual participation shares.

Objectives of Financial Risk Management

Due to the companies' size, group management has assumed responsibility for monitoring and managing the financial risks associated with their business activities, and for the related reporting. The risks are analyzed comprehensively in line with their individual severity and extent. They consist of market risk, default risk, and liquidity risk.

Market Risk

The company was not exposed to any exchange rate risk or interest rate risk in fiscal years 2019 and 2020.

Default Risk

Default risk is the risk of loss for the group if a counterparty fails to meet its contractual obligations. The company's business practices require that business relationships are only entered into with creditworthy contracting parties. In addition, internal risk ratings are performed on all business partners. The company's management monitors this rating process continuously and adapts it to market circumstances.

The default risk in relation to cash funds is also considered to be minor, since the company only enters into business relationships with banks that have a correspondingly strong credit rating for its main payments and overnight money accounts.

The carrying amounts are the maximum default amounts. No collateral is required from borrowers, as the trade receivables relate exclusively to investor fee receivables. The maturities for the investor fee receivables are the same as those given in the principal repayment plan for the loan receivables held by the individual investors. Therefore, the investor fee is deducted from the principal repayment amounts collected on behalf of investors before the relevant sums are forwarded to them. Consequently, it is not possible for these fees to become overdue. The only case in which this can occur is if a borrower defaults and does not make any principal repayments to the investor from which the investor fee that is due could be deducted.

In fiscal year 2019, kEUR 97.4 in uncollected investor fees were recognized in the case of default as waivers of receivables under other operating expenses in the statement of profit or loss and other comprehensive income, following an individual decision by the Management Board. In fiscal year 2020, by contrast, uncollected investor fees were still recognized following individual decisions by the Management Board but were deducted directly from revenue as rebates, and hence as variable consideration pursuant to IFRS 15.51, resulting in an adjustment of kEUR 29.3.

No specific valuation allowances had to be recognized on other financial assets.

Liquidity Risk

Ultimately, the management is responsible for liquidity management and has established an appropriate policy for managing the company's short-, medium- and long-term financing and liquidity requirements. The group manages liquidity risk by holding adequate reserves and by constantly monitoring forecast and actual payment streams, and matching the maturity profiles of financial assets and liabilities.

The maturity structure of derivatives table provides an overview of the residual terms of nonderivative financial obligations. Consequently, it is not possible to reconcile these with the amounts recognized in the statement of financial position.

The following table shows an overview of the residual terms of the nonderivative financial assets.

	< 3 months	3–12 months	1–5 years	Over 5 years	Total
	in kEUR	in kEUR	in kEUR	in kEUR	in kEUR
December 31, 2019					
Trade receivables	331.2	727.6	980.1	0.0	2,038.9
Other financial assets	8.6	1.1	33.7	0.0	43.4
Other assets	5.4	0.0	0.0	0.0	5.4
Cash and cash equivalents	6,635.2	0.0	0.0	0.0	6,635.2
Total	**6,980.3**	**728.7**	**1,013.8**	**0.0**	**8,722.8**
December 31, 2020					
Trade receivables	590.4	786.3	910.0	0.0	2,286.7
Other financial assets	1.0	1.1	27.1	0.0	29.2
Other assets	93.3	0.0	0.0	0.0	93.3
Cash and cash equivalents	3,844.3	0.0	0.0	0.0	3,844.3
Total	4,529.0	787.3	937.1	0.0	6,253.5

The following table gives an overview of the contractually agreed residual terms of the nonderivative financial liabilities:

	< 3 months	3–12 months	1–5 years	Over 5 years	Total
	in kEUR	in kEUR	in kEUR	kEUR	in kEUR
December 31, 2019					
Trade payables	1,885.9	0.0	0.0	0.0	1,885.9
Other financial liabilities	16.1	49.7	103.3	0.0	169.1
Other liabilities	635.1	0.0	0.0	0.0	635.1
Tax liabilities	0.0	48.9	0.0	0.0	48.9
Total	**2,537.1**	**98.6**	**103.3**	**0.0**	**2,739.0**
December 31, 2020					
Trade payables	3,669.6	110.2	0.7	0.0	3,780.5
Other financial liabilities	17.7	54.5	50.1	0.0	122.3
Other liabilities	325.0	90.0	0.0	0.0	415.0
Tax liabilities	22.2	0.0	0.0	0.0	22.2
Total	**4,034.5**	**254.7**	**50.8**	**0.0**	**4,340.0**

Fair Value Measurement

The provisions for Virtual Participation Program II in the amount of kEUR 920.4 (previous year: kEUR 1,097.2) that are reported under noncurrent provisions represent financial liabilities that are measured at fair value on a recurring basis. Fair value measurement of the virtual participation shares from Virtual Participation Program II is performed in accordance with IFRS 2 and corresponds to Level 1 measurement in the IFRS 13 hierarchy. It is based on the value of the underlying concerned (value of the real interest in creditshelf).

Fair Value of Financial Assets and Liabilities Not Measured at Fair Value but for which the Fair Value must be Disclosed

In the case of financial assets and liabilities assigned to this category, the management assumes – due to their short-term nature and interest in line with market conditions – that the carrying amounts presented in the statement of financial position can be used as a good approximation of the fair value.

33. Disclosures on Leases (IFRS 16)

The following table contains the lease disclosures required to be made by the creditshelf group under IFRS 16.53. creditshelf Aktiengesellschaft entered into an automobile lease in February 2020. As a result, the company now recognizes two right-of-use assets and two lease liabilities (see also note 9). Therefore, from 2020 onwards the disclosures made here relate to the leased premises at Mainzer Landstrasse 33a, Frankfurt am Main, and to an automobile lease that was signed in H1 2020:

	2020 in kEUR	2019 in kEUR
Depreciation of right-of-use assets	80.3	59.0
Interest expense for lease liabilities	5.2	7.1
Expense for short-term leases in accordance with IFRS 16.6	161.6	58.0
Expense for leases for which the underlying asset is of low value in accordance with IFRS 16.6	10.2	10.6
Total cash outflows for leases	253.6	135.1
Additions to right-of-use assets	16.2	0.0
Remeasurement of right-of-use assets	24.7	0.0
Carrying amount of right-of-use assets at the end of the reporting period	**113.0**	**152.4**

The terms of the lease liabilities as of December 31, 2020, were as follows:

	Up to 3 months in kEUR	3–12 months in kEUR	1–5 years in kEUR	Over 5 years in kEUR	Total in kEUR	Carrying amount in kEUR
Lease liabilities						
as of December 31, 2019	16.2	51.7	101.4	0.0	169.3	169.3
as of December 31, 2020	17.7	54.5	50.2	0.0	122.4	122.4

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

34. Disclosures under IFRS 15

The company had customer receivables of kEUR 2,227.9 as of the December 31, 2020, reporting date (previous year: kEUR 1,986.6). The receivables recognized were adjusted for a financing component of kEUR 23.5 (previous year: kEUR 38.1), which reflects the expense from the discounting of receivables in the statement of profit or loss. In the case of receivables with a residual term of less than 12 months, use was made of the simplification option under IFRS 15.63 and they were not discounted.

Additionally, liabilities to customers of kEUR 3,777.8 (previous year: kEUR 1,885.9) were reported. These were largely due to cash funds that were temporarily recognized in connection with the settlement of transactions (see note 14).

35. Contingent Assets and Liabilities

As in the previous year, creditshelf did not have any contingent assets or liabilities as of December 31, 2020.

36. Segment Reporting

The company follows 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 remains arranging loans for small and medium-sized companies 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 build on a uniform control logic and the management system described in section 2.1.4 of the Group Management Report.

Therefore, 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.

Net segment revenue	Dec. 31, 2020 in kEUR	Dec. 31, 2019 in kEUR
Borrower fees	3,391.0	2,765.6
Investor fees	1,333.0	1,776.6
Servicing and advisory fees	175.2	22.4
Total segment revenue	**4,899.2**	**4,564.5**

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

Breakdown by customer share	Dec. 31, 2020 in kEUR	Dec. 31, 2019 in kEUR
Customers accounting for > 10% of revenue	1,103.6	1,586.6
Remaining customers accounting for < 10% of revenue	3,795.6	2,977.9
Total segment revenue	**4,899.2**	**4,564.5**

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. In fiscal year 2019, this applied solely to investors, whereas in fiscal year 2020 it also applied to borrowers (see also note 37). These have been grouped together in the table above. The figure for > 10% therefore relates in this case to a single creditshelf group customer.

37. 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 have been defined as related parties:

Name	Function
Dr. Tim Thabe	CEO
Dr. Daniel Bartsch	Deputy CEO
Dr. Mark Währisch	Management Board member
Fabian Brügmann	Managing Director, creditshelf solutions GmbH
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
Pedro Pinto Coelho	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 Chairman of the Supervisory Board
Deutsche Industrie REIT-AG	Related party via Rolf Elgeti, the Chairman of the Supervisory Board
Obotritia Capital KGaA	Related party via Rolf Elgeti, the Chairman of the Supervisory Board
Bankhaus Obotritia GmbH	Related party via Rolf Elgeti, the Chairman of the Supervisory Board
Midgard Beteiligungsgesellschaft mbH	Related party via Rolf Elgeti, the Chairman of the Supervisory Board
EFa Vermögensverwaltung KG	Related party via Rolf Elgeti, the Chairman of the Supervisory Board
Edeloptics GmbH	Related party via Rolf Elgeti, the Chairman of the Supervisory Board
Anfang B.V.	Related party via Rolf Elgeti, the Chairman of the Supervisory Board

Intercompany balances and transactions between the company and its subsidiaries were eliminated during consolidation and are not discussed in this note. Details of transactions between the group and other related parties are given below. For details of the compensation paid to management, please see the information provided on personnel expenses (note 25).

a) Compensation of Key Management Personnel

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

	2020 in kEUR	2019 in kEUR
Management Board		
Short-term benefits	355.4	354.7
Other long-term benefits	683.0	331.3
	1038.4	686.0
Supervisory Board		
Short-term benefits	100.1	103.8
Other long-term benefits	–	–
	100.1	103.8
Total	**1,138.5**	**789.8**

The compensation reported also includes the remuneration paid to the members of creditshelf Aktiengesellschaft's Supervisory Board for their work.

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

Related parties have bought loans from, and sold them to, creditshelf solutions GmbH in the normal course of business. An analysis of the individual loans for the periods in question reveals the following picture:

Period from January 1, 2019, to December 31, 2019, in kEUR

Name	Volume purchased	Volume sold	Investor fees
Obotritia Capital KGaA	25,115.00	–17,980.00	227.2
Deutsche Konsum REIT-AG	19,820.00	–1,410.00	327.4
Midgard Beteiligungsgesellschaft mbH	2,340.00	–420	28.6
Bankhaus Obotritia GmbH	12,174.90	–30	296.6
Deutsche Industrie REIT AG	34,245.00	0	706.8
Total	**93,694.90**	**–19,840.00**	**1,586.60**

Period from January 1, 2020, to December 31, 2020, in kEUR

Name	Volume purchased	Volume sold	Investor fees
Bankhaus Obotritia GmbH	7,390.00	0.00	283.47
Deutsche Konsum REIT-AG	13,385.00	–1,624.25	154.76
Midgard Beteiligungsgesellschaft mbH	755.00	0.00	6.28
Obotritia Capital KGaA	8,434.25	–3,578.75	145.37
Deutsche Industrie REIT-AG	20,100.49	–60.00	160.19
Anfang B.V.	4,408.75	0.00	63.54
Total	**54,473.50**	**–5,263.01**	**813.61**

c) Borrower Fees Paid to creditshelf by Related Parties

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

Name	Dec. 31, 2020 Volume arranged in kEUR	Dec. 31, 2020 Borrower fee in kEUR	Dec. 31, 2019 Volume arranged in kEUR	Dec. 31, 2019 Borrower fee in kEUR
Edeloptics GmbH	7,000	290.0	–	–
Total	**7,000**	**290.0**	**–**	**–**

Edeloptics GmbH only became a related party within the meaning of IAS 24 in fiscal year 2020. No borrower fees were received from related parties in fiscal year 2019.

d) Letters of Comfort Issued in Favor of creditshelf Aktiengesellschaft by Related Parties

In view of the current 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 at reporting holds 8.9% of the company’s share capital directly as a shareholder and 37,7% indirectly via Hevella Capital GmbH & Co. KGaA, has not acquired any opportunity to influence how the company manages its business under the letter of comfort. The letter of comfort has an unlimited term and can be terminated by giving six months’ notice to December 31 of the year, for the first time with effect as of the end of December 31, 2023. Obligations entered into before the end of the letter of comfort will remain unaffected by this.

e) Loans Made to creditshelf Aktiengesellschaft by Related Parties

On January 4, 2021, creditshelf Aktiengesellschaft signed a shareholder loan framework agreement with Obotritia Capital KGaA with the aim of putting the letter of comfort described in subsection d) into practice at the operational level; an addendum to the agreement was entered into on March 9, 2021. The agreement provides for an overall amount of up to EUR 8 million and

8% interest per annum, payable on maturity, and will end at the latest on December 31, 2027. The first EUR 1 million under the framework agreement was drawn down on January 11, 2021.

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

38. Employee Disclosures in Accordance with Section 314(1) No. 4 of the HGB

The company had an average of 57 (previous year: 42) permanent employees in fiscal year 2020.

The average number of employees during the fiscal year, broken down by groups, was as follows as of December 31, 2020:

	Dec. 31, 2020	**Dec. 31, 2019**
Sales	13.75	8.25
Marketing	8.00	5.00
Risk analysis	10.25	5.25
Technology	19.50	17.25
Administration	17.25	12.25
Management Board	3.0	3.0
	71.75	**51.00**

The figures given in the table above are quarterly averages. To underscore the human resources measures, it should also be noted in addition that the company had 66 employees in January 2020 and 68 in December 2020.

Personnel expenses amounted to kEUR 6,024.3 (previous year: kEUR 4,423.2) in fiscal year 2020. Of this figure, kEUR 5,294.4 is attributable to payroll expenses (previous year: kEUR 3,800.2), kEUR 729.8 to social security costs (previous year: kEUR 623.0), and kEUR 0.1 to post-employment and other employee benefit costs (previous year: kEUR 0.0).

39. Information on the Declarations in Accordance with Section 314(1) No. 8 of the HGB

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

40. List of Shareholdings in Accordance with Section 313(2) of the HGB

Subsidiaries included in the consolidated financial statements:

Company	Domicile	Equity interest as of Dec. 31, 2020	Equity interest as of Dec. 31, 2019
creditshelf solutions GmbH	Berlin	100.0%	100.0%

41. Auditors' Fees

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

	Dec. 31, 2020 in kEUR	Dec. 31, 2019 kEUR
Audit services	145.0	145.0
Tax advisory services	0.0	0.0
Other assurance services	0.0	0.0
Other services	0.0	0.0
Total	**145.0**	**145.0**

As in previous years, the fees for statutory audits comprise the fee for the audit of the consolidated financial statements for creditshelf Aktiengesellschaft and for the audit of the single-entity financial statements for creditshelf Aktiengesellschaft as of December 31, 2020. In addition, the item contains the auditors' review of the condensed consolidated half-yearly financial statements and the consolidated interim management report as of June 30, 2020.

42. Events after the Reporting Period

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

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

On January 25, 2021, the Management Board of creditshelf Aktiengesellschaft resolved to increase the company's share capital by EUR 15,912.00 by issuing 15,912 new no-par value bearer shares while disapplying preemptive rights in connection with the second vesting of the share-based employee incentive programs (Restricted Stock Units Programs) that were introduced at the beginning of fiscal year 2019. In addition, it was resolved that the shares would be issued at the minimum issue price of EUR 1.00 per share, that they would carry dividend rights for the first time for the whole of fiscal year 2020, and that the preemptive rights of creditshelf Aktiengesellschaft shareholders should be disapplied. The Supervisory Board approved this resolution on January 28, 2021, by way of a resolution taken by circulating written documents.

The new shares were entered in the commercial register on February 9, 2021, and were admitted to trading on Frankfurt Stock Exchange's Regulated Market on February 17, 2021, with the same German securities identification number (WKN) as the old shares.

Signature of a Shareholder Loan Framework Agreement

On January 4, 2021, creditshelf Aktiengesellschaft signed a shareholder loan framework agreement with Obotritia Capital KGaA with the aim of putting the binding letter of comfort described in note 37 into practice at the operational level; an addendum to the agreement was entered into on March 9, 2021. The agreement provides for an overall amount of up to EUR 8 million and 8% interest per annum, payable on maturity, and will end at the latest on December 31, 2027. The first EUR 1 million under the framework agreement was drawn down on January 11, 2021. Further draw-downs can be made in the short term as needed. The borrower is entitled to make repayments of capital or interest payments ahead of schedule without incurring any penalties. This is not planned at present.

Expiration of the Earn-out Period under the Purchase Agreement for Valendo GmbH

The earn-out period under the purchase agreement for Valendo GmbH expired as of January 18, 2021. The buyer and the seller have agreed that the total earn-out payable is kEUR 250. On January 28, 2021, the Management Board of creditshelf Aktiengesellschaft resolved not to exercise the replacement option and to settle the earn-out in cash.

Extension of Management Board Contracts

The contracts of Management Board Chairman Dr. Tim Thabe and Management Board member Dr. Daniel Bartsch were extended by the Supervisory Board in March 2021 up to and including December 31, 2023.

43. Governing Bodies

Names of the Members of the Management Board

The following people were members of creditshelf Aktiengesellschaft's Management Board during fiscal year 2020:

- Dr. Tim Thabe, CEO; areas of responsibility: strategy, HR, finance, investor relations, marketing, corporate communications, and product development

- Dr. Daniel Bartsch, Chief Operating Officer (COO); areas of responsibility: front office, sales, business development, and operations
- Dr. Mark Währisch, Chief Risk Officer (CRO); areas of responsibility: risk management, loan analysis, lending business, legal and compliance

Names of the Members of the Supervisory Board

The Supervisory Board advises and oversees the Management Board. The following people were members of creditshelf Aktiengesellschaft's Supervisory Board in fiscal year 2020:

- Rolf Elgeti, Supervisory Board Chairman (CEO of Deutsche Konsum REIT-AG and of Deutsche Industrie REIT-AG. Supervisory Board chairman of TAG Immobilien AG and of Deutsche Leibrenten Grundbesitz AG. Chairman of the Board of Directors of NEXR technologies SE, member of the Board of Directors of Highlight Event and Entertainment AG, and member of the Advisory Council of Laurus Property Partners)
- Rolf Hentschel, Deputy Chairman of the Supervisory Board (independent auditor, tax advisor, and lawyer)
- Prof. Dirk Schiereck (Chair of Corporate Finance, Darmstadt Technical University)
- Julia Heraeus-Rinnert (Managing Director of J² Verwaltung GmbH)
- Dr. Joachim Rauhut (independent management consultant)
- Pedro Pinto Coelho (Chairman of Banco BNI Europa) - up to and including December 31, 2020

44. Approval of the Financial Statements

The financial statements were prepared by the Management Board on March 23, 2021, and approved by the Supervisory Board.

Frankfurt am Main, March 23, 2021

creditshelf Aktiengesellschaft

The Management Board

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

4. Independent Auditor's Report[42]

To the creditshelf Aktiengesellschaft, Frankfurt am Main

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

Audit Opinions

We have audited the consolidated financial statements of creditshelf Aktiengesellschaft, Frankfurt am Main, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit and loss and comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from 1 January 2020 to 31 December 2020, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the group management report of creditshelf Aktiengesellschaft, Frankfurt am Main, for the financial year from 1 January 2020 to 31 December 2020. In accordance with the German legal requirements we have not audited the content of the Corporate Governance Report contained in Section 8.1 of the management report, including the corporate governance statement pursuant to Sections 289f and 315d HGB [Handelsgesetzbuch: German Commercial Code].

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

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to section 315e paragraph 1 HGB and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at 31 December 2020 and of its financial performance for the financial year from 1 January 2020 to 31 December 2020, and
- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the group management report does not cover the content of the corporate governance statement listed above.

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

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

Basis for the Audit Opinions

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

Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from 1 January 2020 to 31 December 2020. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon, we do not provide a separate audit opinion on these matters.

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

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

Impairment of the intangible asset “Risk Tool”

① Financial Statement Risk

The consolidated financial statements of creditshelf Aktiengesellschaft include intangible assets in the amount of EUR 3,435 thousand. Of these, EUR 2,151 thousand relate to acquisition costs for the software “Risk Tool”, which corresponds to 21.4 % of the consolidated balance sheet total of creditshelf. The company uses the risk tool to assess the credit risk of potential borrowers. In order to ensure the recoverability of the risk tool, the legal representatives have assessed, whether an impairment to a lower fair value is required. To determine this fair value, future expected cash flows from the risk tool were derived on the basis of the Group's corporate planning and then discounted.

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

② Audit Approach

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

③ Reference to Related Disclosures

The Company's disclosures concerning the risk tool are included in Sections “4. Accounting Policies” and “8. Intangible Assets” of the notes to the consolidated financial statements.

Impairment of goodwill from the acquisition of shares in creditshelf solutions GmbH (operating as Valendo GmbH until 2 November 2020)

① Financial Statement Risk

In its consolidated financial statements, the Company reports goodwill from the acquisition of the shares in creditshelf solutions GmbH in the amount of EUR 518 thousand; this corresponds to 5.1% of total assets. In order to ensure the recoverability of the goodwill from the acquisition of the shares in creditshelf solutions GmbH, the legal representatives have assessed in an annual impairment test whether a write-down is required due to impairment. To determine the fair value, expected future cash flows from the corresponding cash-generating unit were derived and discounted on the basis of Group planning.

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

② Audit Approach

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

③ Reference to Related Disclosures

The Company's disclosures concerning the goodwill are included in Sections “4. Accounting Policies” and “8. Intangible Assets” of the notes to the consolidated financial statements.

Other Information

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

- the corporate governance report contained in section 8.1 of the management report, including the declaration on corporate governance pursuant to Sections 289f paragraph and 315d paragraph HGB; and
- the declaration of the legal representatives in accordance with 297 paragraph (2) sentence 4 HGB and 315 paragraph (1) sentence 5 HGB,

which we obtained prior to the date of this auditor's report, and the remaining parts of the annual report which are expected to be made available to us after that date, with the exception of the audited consolidated financial statements, the management report and our auditor's report.

The declaration pursuant to Section 161 of the German Stock Corporation Act (AktG) on the German Corporate Governance Code, which forms part of the corporate governance statement contained in Section 2.8.1 of the Group management report, is the responsibility of the legal representatives and the Supervisory Board. The Supervisory Board is responsible for the Report of the Supervisory Board contained in the Annual Report. Otherwise, the legal representatives are responsible for the other information.

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

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

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

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

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to section 315e paragraph 1 HGB.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express audit opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions.

- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.
- Perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

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

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

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

Other Legal and Regulatory Requirements

Report on the Assurance in Accordance with Section 317 Paragraph 3b HGB on the Electronic Re-production of the Consolidated Financial Statements and the Group Management Report Prepared for Publication Purposes

Reasonable Assurance Opinion

We have performed assurance work in accordance with section 317 paragraph 3b HGB to obtain reasonable assurance about whether the reproduction of the consolidated financial statements and the group management report (hereinafter the "ESEF documents") contained in the attached electronic file creditshelfaktiengesellschaft-2020-12-31.zip, with hash-value D64DDA04CC9898196DBB0 E438EEAB664D0BE518AF237E17B897B6EFD21358AF3, calculated with SHA256 and prepared for publication purposes complies in all material respects with the requirements of section 328 paragraph 1 HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance only extends to the conversion of the information contained in the consolidated financial statements and the group management report into the ESEF format and therefore relates neither to the information contained in this reproduction nor to any other information contained in the above-mentioned electronic file.

In our opinion, the reproduction of the consolidated financial statements and the group management report contained in the above-mentioned attached electronic file and prepared for publication purposes complies in all material respects with the requirements of section 328 paragraph 1 HGB for the electronic reporting format. We do not express any opinion on the information contained in this reproduction nor on any other information contained in the above-mentioned file beyond this reasonable assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying group management report for the financial year from 1 January 2020 to 31 December 2020 contained in the "Report on the Audit of the Consolidated Financial Statements and of the Group Management Report" above.

Basis for the Reasonable Assurance Opinion

We conducted our assurance work on the reproduction of the consolidated financial statements and the group management report contained in the above-mentioned attached electronic file in accordance with section 317 paragraph 3b HGB and the Exposure Draft of IDW Assurance Standard "Assurance in Accordance with Section 317 Paragraph 3b HGB on the Electronic Reproduction of Financial Statements and Management Reports Prepared for Publication Purposes" (ED IDW AsS 410). Accordingly, our responsibilities are further described below in the "Auditor's Responsibilities for the Assurance Work on the ESEF Documents" section. Our audit firm has applied the IDW Standard on Quality Management 1 "Requirements for Quality Management in the Audit Firm" (IDW QS 1).

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

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

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

The executive directors of the company are also responsible for the submission of the ESEF documents together with the auditor's report and the attached audited consolidated financial statements and audited group management report as well as other documents to be published to the operator of the Federal Gazette.

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

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

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

- Identify and assess the risks of material intentional or unintentional non-compliance with the requirements of section 328 paragraph 1 HGB, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- Obtain an understanding of internal control relevant to the assurance on the ESEF documents in order to design assurance procedures that are appropriate in the circum-stances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- Evaluate the technical validity of the ESEF documents, i.e., whether the electronic file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815 on the technical specification for this electronic file.
- Evaluate whether the ESEF documents enables a XHTML reproduction with content equivalent to the audited consolidated financial statements and to the audited group management report.
- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) enables an appropriate and complete machine-readable XBRL copy of the XHTML reproduction.

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as group auditor by the annual general meeting on 26 May 2020. We were engaged by the supervisory board on 8 September 2020. We have been the group auditor of the creditshelf Aktiengesellschaft, Frankfurt am Main, without interruption since the financial year 2018.

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

German Public Auditor Responsible for the Engagement

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

Frankfurt am Main, 23 March 2021

Warth & Klein Grant Thornton AG

Wirtschaftsprüfungsgesellschaft

Maximilian Meyer zu Schwabedissen	Jens Brinkoff
Wirtschaftsprüfer [German Public Auditor]	Wirtschaftsprüfer [German Public Auditor]

5. Responsibility Statement

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

Frankfurt am Main, March 23, 2021

creditshelf Aktiengesellschaft

The Management Board

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

6. Publication Details

Published by

creditshelf Aktiengesellschaft
Mainzer Landstrasse 33a
60329 Frankfurt
Germany
www.creditshelf.com

This annual report is available in German and English from:
https://ir.creditshelf.com/websites/creditshelf/English/2300/financial-reports.html

creditshelf's shares

WKN: A2LQUA
ISIN: DE000A2LQUA5