

CORPORATE NEWS

creditshelf continues growth path in H1 2019

- Revenue more than doubles to EUR 1,766 thousand in H1 2019
- Volume of loans arranged up 132% on the prior-year period
- New partnerships, partner program, and investments in the platform drive forward growth strategy
- EBIT improves to EUR minus 2,783 thousand
- Management Board expects higher volume of arranged loans in H2 compared to the first six months and is tightening its forecast for fiscal year 2019



Frankfurt am Main, September 19, 2019 – creditshelf Aktiengesellschaft, a pioneer in the field of digital SME finance in Germany, published its results for the first half of 2019 today. The company grew rapidly in H1 2019, lifting revenue significantly to EUR 1,766 thousand (H1 2018: EUR 766 thousand). The volume of arranged loans was the main growth driver. At EUR 35,800 thousand, creditshelf recorded clear growth in this area compared with the first half of 2018 (EUR 15,370 thousand). At the same time, the company laid strong foundations for further growth by entering into partnerships with Commerzbank and finleap.

Revenue more than doubled compared to the previous year and comprised borrower fees of EUR 1,153 thousand (H1 2018: EUR 518 thousand) and investor fees of EUR 613 thousand (H1 2018: EUR 247 thousand). The figure reflects creditshelf's success in establishing alternative digital offerings as part of the financing mix for German SMEs.

“Our H1 results demonstrate that the market for digital SME finance in Germany is continuing to gain in importance. A diversified corporate finance mix gives companies the flexibility they need, especially in times when substantial investments are needed to cope with accelerating technological change and macroeconomic challenges. creditshelf offers SMEs rapid, uncomplicated alternative financing options here,” said Dr. Tim Thabe, creditshelf's CEO.

The company systematically extended its network in the first half of the year in line with its growth strategy. On the one hand, the partnership agreement signed with Commerzbank at the end of April gives creditshelf access to new borrowers, while on the other the company's new partner program target financial intermediaries as market multipliers for its products for the first time. In addition, creditshelf laid the foundations for a partnership with fintech ecosystem finleap and the acquisition of Valendo. This move gives creditshelf a location in Berlin – an innovation hub and recruitment center for new products and partnerships.

creditshelf again expanded its team in order to successfully leverage the growth opportunities offered by these developments and continue the company's positive development. As of the June 30, 2019, reporting date there were 41 full-time equivalents working for the company in Frankfurt – 17 more than on the prior-year reporting date. In line with this, personnel expenses amounted to EUR 2,129 thousand

in the first half of 2019 (H1 2018: EUR 2,206 thousand). The higher personnel expenses compared to the size of the workforce in the prior-year period were largely due to the recognition of the provision for retention bonuses that were paid to senior staff after the June 30, 2018, reporting date. creditshelf has launched three employee share programs in fiscal year 2019 in order to align employees' and shareholders' interests and increase employee retention at the company. These programs resulted in personnel expenses of EUR 437 thousand in the first half of 2019.

creditshelf continued its focused marketing activities in the first half of 2019 in order to enhance awareness of the company and its digital finance offerings for SMEs. These involve a mix of online and off-line measures. As a result, expenses in this area amounted to EUR 1,098 thousand in the first half of 2019 (H1 2018: EUR 513 thousand). Above and beyond this, as a founder member of the Verband deutscher Kreditplattformen (the Association of German Credit Platforms), creditshelf will work to raise the market profile of the credit platform business and to promote its professional, ethical, and transparent organization and compliance with uniform quality standards. The association was founded in Berlin on July 4, 2019, and is working to improve access to debt finance for companies and consumers, and to ensure fair competition in the lending business.

Otherwise, creditshelf's focus in H1 2019 was on enhancing its platform and its data-driven risk analysis. Investments here amounted to EUR 711 thousand in the reporting period (H1 2018: EUR 1,121 thousand).

As a result of these investments in growth, earnings before interest and taxes (EBIT) amounted to EUR minus 2,783 thousand in the first half of 2019 (H1 2018: EUR minus 2,877 thousand).

The Management Board is convinced that the market for digital SME loans in Germany is gaining rapidly in importance and that it offers substantial growth potential. In addition, based on the experience gained in recent fiscal years, the Management Board is assuming that the volume of loans arranged in the second half of 2019 will again exceed the figure for the first six months. At the same time, the first half of the year showed that competitive pressure has increased, especially in those segments where the product offering overlaps with other market participants, and that the economic environment, which is dominated by geopolitical tensions and barriers to trade, is impacting SMEs in Germany. As a result, and since the company aims to preserve its strict risk standards and continue to focus on the yield requirements expected by investors in creditshelf's platform, the conversion rate for the current year (i.e., the ratio of the volume of loans for which contracts were actually signed after positive preselection to the total volume of loan requests) is likely to remain below the unchanged medium-term goal of approximately 10%. In light of these developments, the Management Board is tightening the forecast that it provided at the start of the fiscal year. It is now assuming that full-year revenues will be around the lower end of the forecast range of between EUR 4.5 million and EUR 5.5 million. Given the adjusted revenue forecasts, the Management Board is expecting EBIT to be around the lower end of the forecast range of EUR minus 3.5 million to EUR minus 4.5 million.

The full report for the first half of 2019 can be downloaded as from today from the company's investor relations website at ir.creditshelf.com.

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About creditsshelf – www.creditsshelf.com

creditsshelf is a pioneer in the field of digital SME finance in Germany that arranges loans via its easy-to-use online platform, www.creditsshelf.com. The company, which was founded in 2014 and is based in Frankfurt am Main, sees itself as a market and technology leader in the fast-growing digital SME finance business in Germany. As a provider of SME finance, creditsshelf has developed its platform to meet the financing needs of German SME borrowers through loans from investors interested in this asset class. By offering to arrange corporate loans in this way, creditsshelf enables small and medium-sized companies to access highly attractive alternative finance options. At the same time, creditsshelf offers professional investors looking for attractive investment opportunities access to SME finance. The company's core competencies include the selection of suitable credit projects, credit quality analysis for potential borrowers, credit scoring, and risk-adequate pricing. creditsshelf receives fees for its services from both the SME borrowers and the investors.

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