

# SHAPING SME FINANCE



Investor and Analyst  
Conference Call Q1 2020

# Agenda



**1**

Update Q1 2020

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**2**

Outlook

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# 1 Update Q1 2020

# Highlights Q1 2020

We are working on our platform and take opportunities in an increasingly digital world while staying operational during the crisis

## Platform

**+57%** growth in the aggregated volume of **loans requested** in Q1 2020 to EUR 500 million (Q1 2019: EUR 319.3 million)

**-31%** decline in total **loan volume arranged** in Q1 2020 to EUR 11.6 million (Q1 2019: EUR 16.9 million)

**24.9** months of **average tenor** (Q1 2019: 26.1 months)

**EUR 773 thousand** average **ticket size** in Q1 2020 (Q1 2019: EUR 805 thousand)

**EUR 62 million** of **additional funding** by closing of creditshelf fund in cooperation with anchor investor EIF

## Financials

**-27%** **revenue decline** in Q1 2020 to EUR 685.6 thousand (Q1 2019: EUR 937 thousand)

**EUR 443 thousand** from **borrower fees**

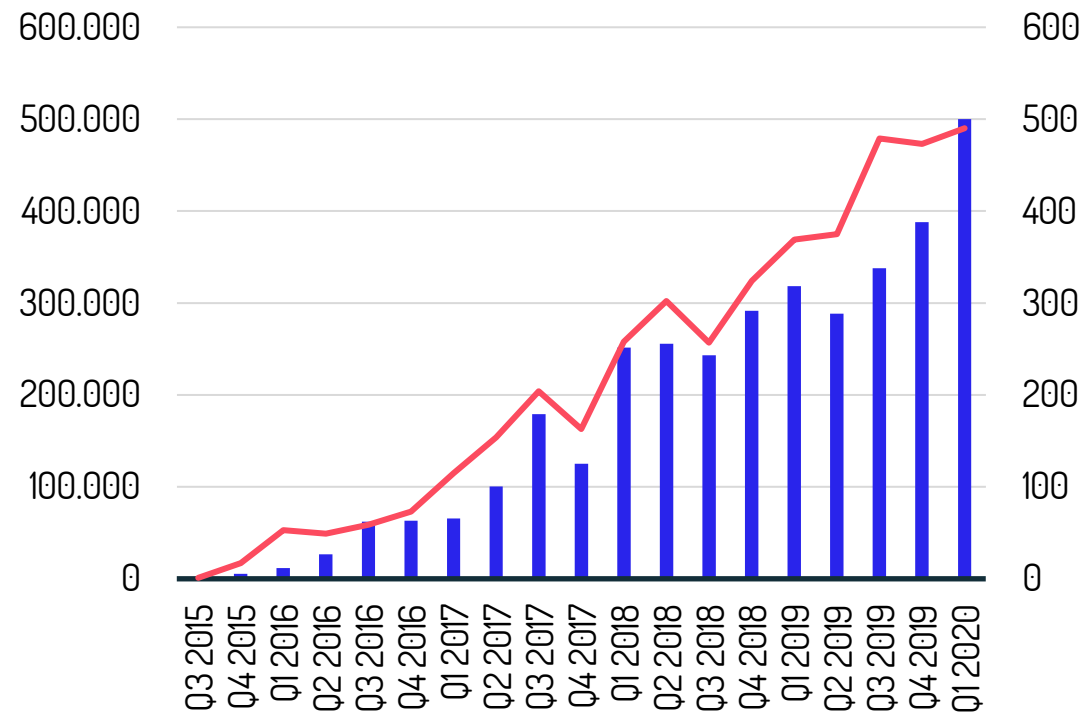
**EUR 222 thousand** from **investor fees**

**EUR -2,131 thousand** **EBIT** reflecting higher personnel expenses based on increased headcount

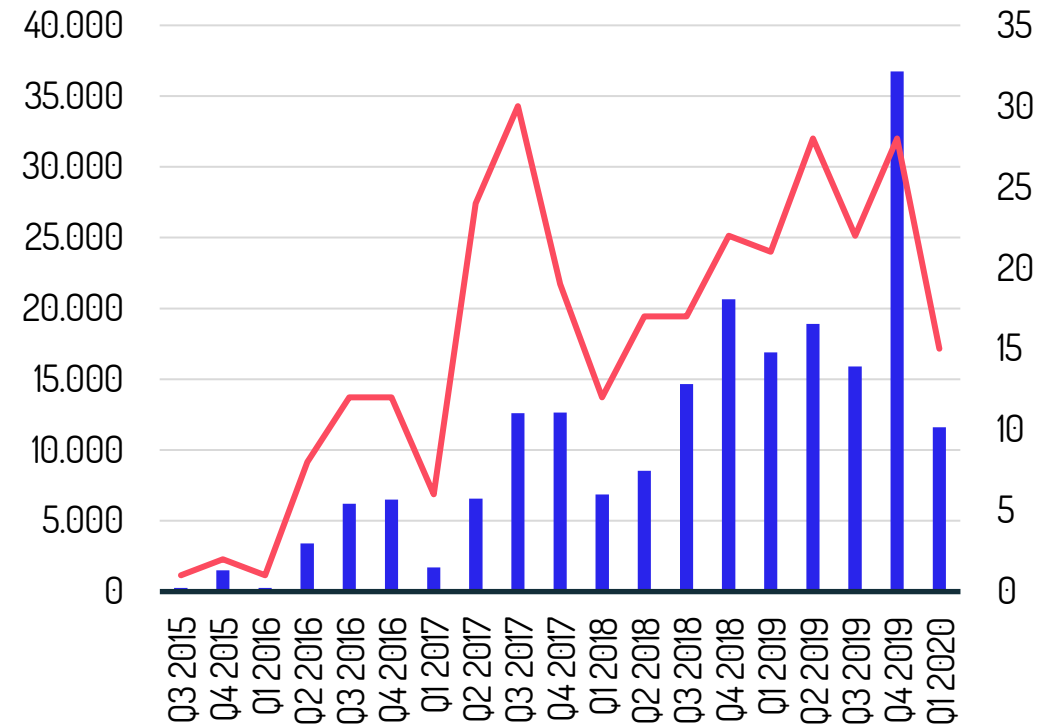
**Slowed investments** to mitigate Covid-19 pandemic impact

# Loan requests at record high in Q1 2020

## Loan Requests\*



## Executed Transactions\*\*



■ Volume of Requests (EUR thousand)    — Number of Requests (right axis)

■ Volume of Transactions (EUR thousands)    — Number of Transactions (right axis)

\* creditshelf defines "Loan Requests" as credit project applications the company has received in the respective period. creditshelf defines "Number of Requests" as the total number of credit project applications it has received. creditshelf defines "Volume of Requests" as the total loan volume requested by potential borrowers in their initial credit project applications.

\*\* creditshelf defines "Executed Transactions" as transactions in which a loan arranged through the creditshelf Platform was disbursed. creditshelf defines "Number of transactions" as the number of Executed Transactions.

# First German direct lending fund with European Investment Fund (EIF) as anchor investor closed

Additional investment format important milestone to diversify the platform's institutional funding base

## Investment Objective

- Pure-play credit exposure to thoroughly selected German small & medium enterprises (SME)
- Investing in a broadly diversified und largely uncorrelated pool of senior unsecured SME loans
- Expected yield: 5% (after fees and defaults)

## Vehicle

- Closed-end investment fund
- Luxemburg-domiciled S.C.S., SIVAV-RAIF
- Term: 6 years (1 year extension option)
- Targeted fund volume: EUR 150 million (EUR 62 million in first closing)

## Alpha Sources

- Access to an otherwise non-accessible asset class
- Underserved niche segment justifies above-market rates
- Quick credit decision due to automated scoring process
- Marketplace lender with cost-effective loan origination

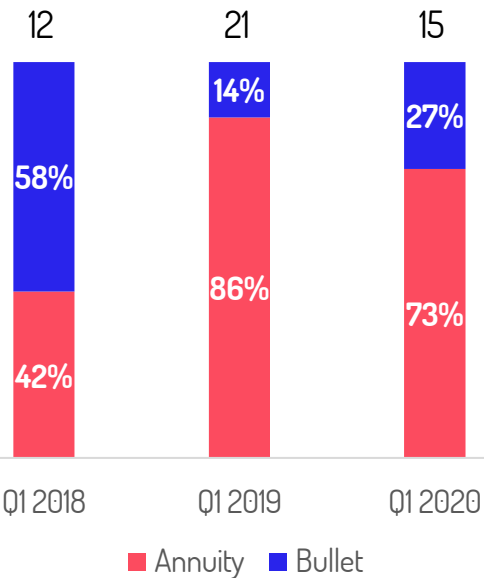
## Fund Administration

- AIFM/fund manager: LIS Luxemb. & 1741 Fund Solutions
- Investment advisor: creditshelf AG
- Depository: Sanne Group
- Auditor: KPMG

# creditshef's prudent risk management approach mitigates Covid-19 risks

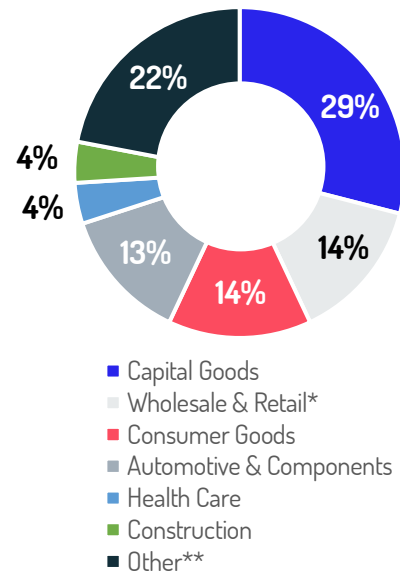
## Increased focus on cash inflow

Arranged loans by type



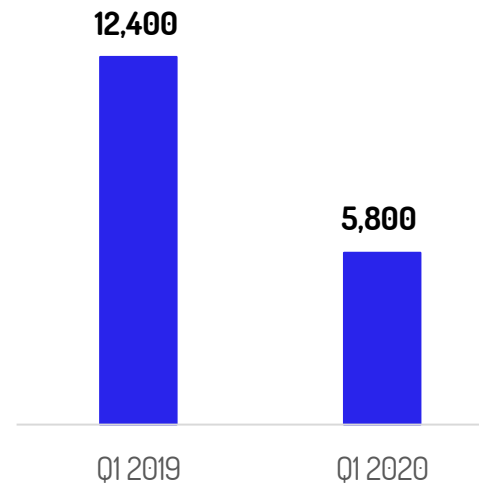
## Industry selection gains more importance

Arranged loans by industry



## Improvement of internal risk assessments

Waiver of receivables (EUR)



## Additional qualitative aspects

creditshef rarely takes a dominant position but complements existing loans of house banks.

creditshef is a partner of trust to existing customers.

Recent top-up initiative to cover for up to six installments deepens customer relationship.

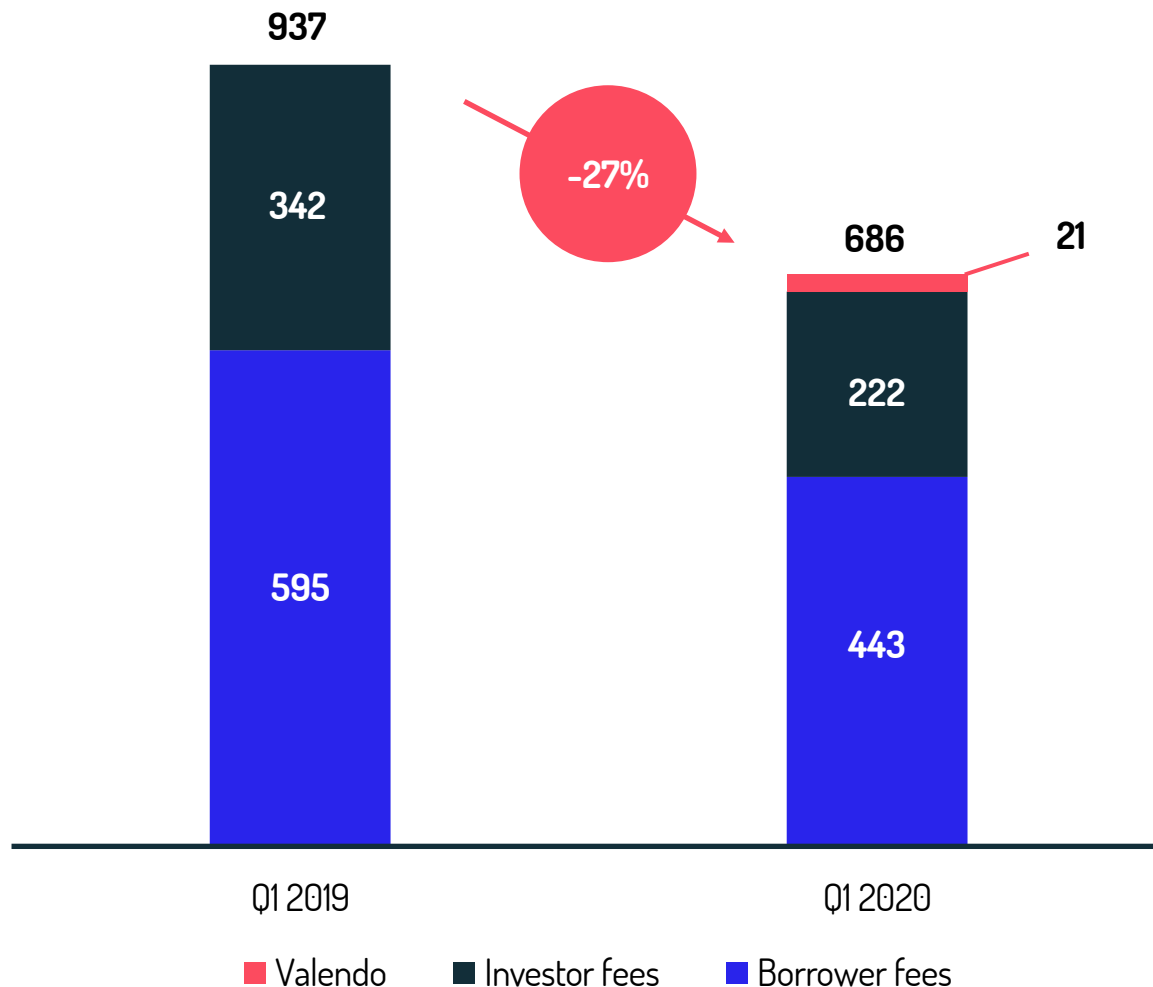
Monthly installment reduces risk exposure of investors and shortens duration.

Our active loan book is not exposed to Covid-19 heavy hit industries like tourism, restaurants, hotels, offline retail.

Constantly improved risk assessments reduce defaults and therefore to be waived investor fees.

\* Predominantly Online \*\* 'Other' includes 15 other industries

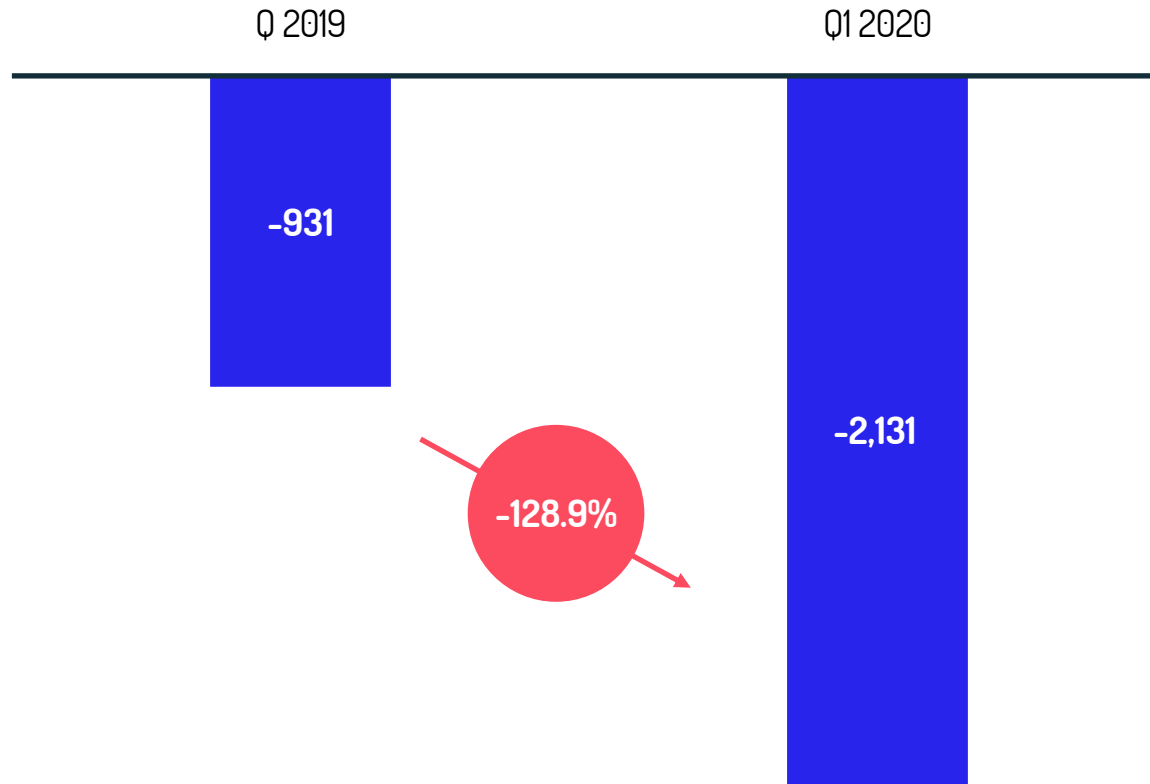
# Revenue (in EUR thousand)



- **Revenues down 27% Y-o-Y to EUR 685.6 thousand** from lower receipts of borrower and investor fees
- **Main driver: decrease in arranged loan volume** from EUR 16.9 million in Q1 2019 to EUR 11.6 million in Q1 2020
- **Slight increase in gross margins compared to FY 2019**
  - Blended gross margin Q1 2020: 5.73% (FY2019: 5.54%)
  - Borrower fees margin Q1 2020: 3.82% (FY 2019: 3.52%)
  - Investor fees margin Q1 2020: 2.02% (FY 2019: 1.91%)
- **Other operating income of EUR 300.2 thousand** include provision releases, EBIT neutral disagio bookings, VPP II valuation benefit and income from other accounting periods

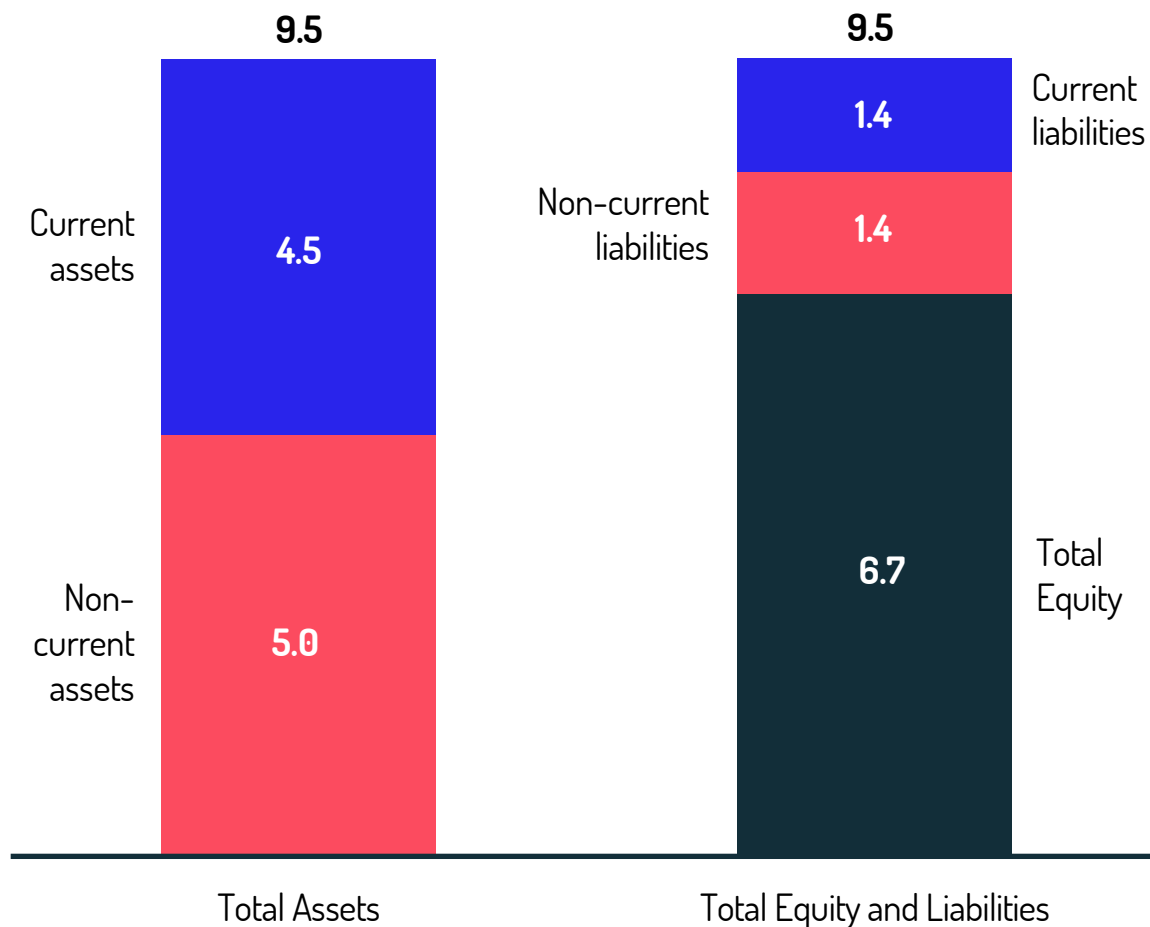


# EBIT (in EUR thousand)



- **EBIT decreased** by lower revenues and higher costs
- **Main cost drivers compared to Q1 2019:**
  - Higher personnel expenses reflect growing headcount and RSU I-III expenses, while RSU III was not yet reflected in Q1 2019
  - Marketing & Advertising costs up by upfront investments for website rework and performance marketing initiative
  - Increasing sales commissions driven by successful Commerzbank cooperation
- **Depreciation & Amortisation** increased based on amortisation of intangibles
- **Slowed investments** since end of March 2020 to mitigate Covid-19 pandemic impact

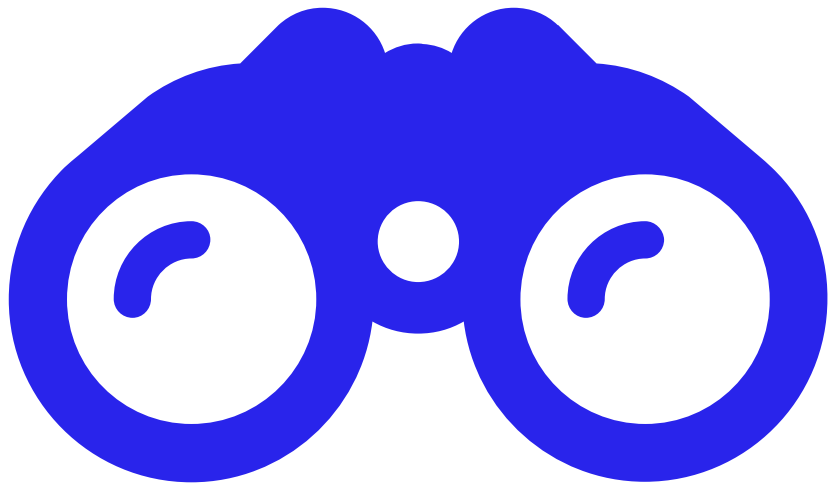
# Balance Sheet (as of March 31, 2020; in EUR million)



- **Current assets** decreased to EUR 4.5 million (2019: EUR 7.9 million) as a result of lower cash or cash equivalents of EUR 2.8 million (2019: EUR 6.6 million), while short term receivables remained at year-end 2019 level
- **Non-current assets** stood at EUR 5.0 million (2019: EUR 5.2 million), reflecting reduced intangible assets as a result of amortization and slightly lower trade receivables in light of Q1 business development
- **Total equity** decreased to EUR 6.7 million (2019: 8.5 million) driven by net loss
- **Subscribed capital** slightly increased due to first RSU vesting
- **Total liabilities** stood at EUR 2.8 million (2019: EUR 4.6 million), mainly due to lower current payables

# 2 Outlook FY 2020

# Unchanged Outlook



We will continue to build a scalable platform

Broadened and deepened partnerships will play a vital role to achieve accelerating network effects

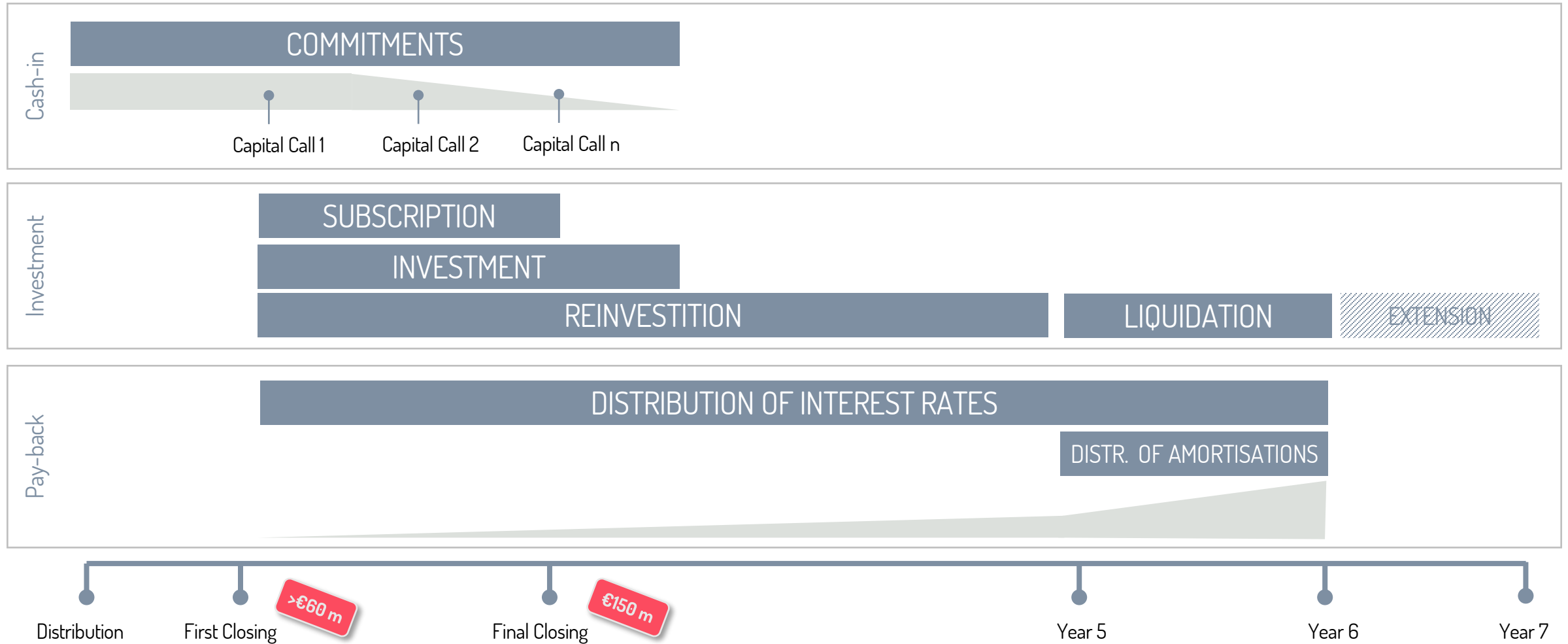
Current Corona developments harbor risks, but also opportunities: Position creditshelf for increasingly digital SME financing solutions

With growth continuing we expect group full year 2020 revenues of EUR 7.0 to 8.5 million

We expect a group full year 2020 EBIT of EUR -4.0 to -5.5 million

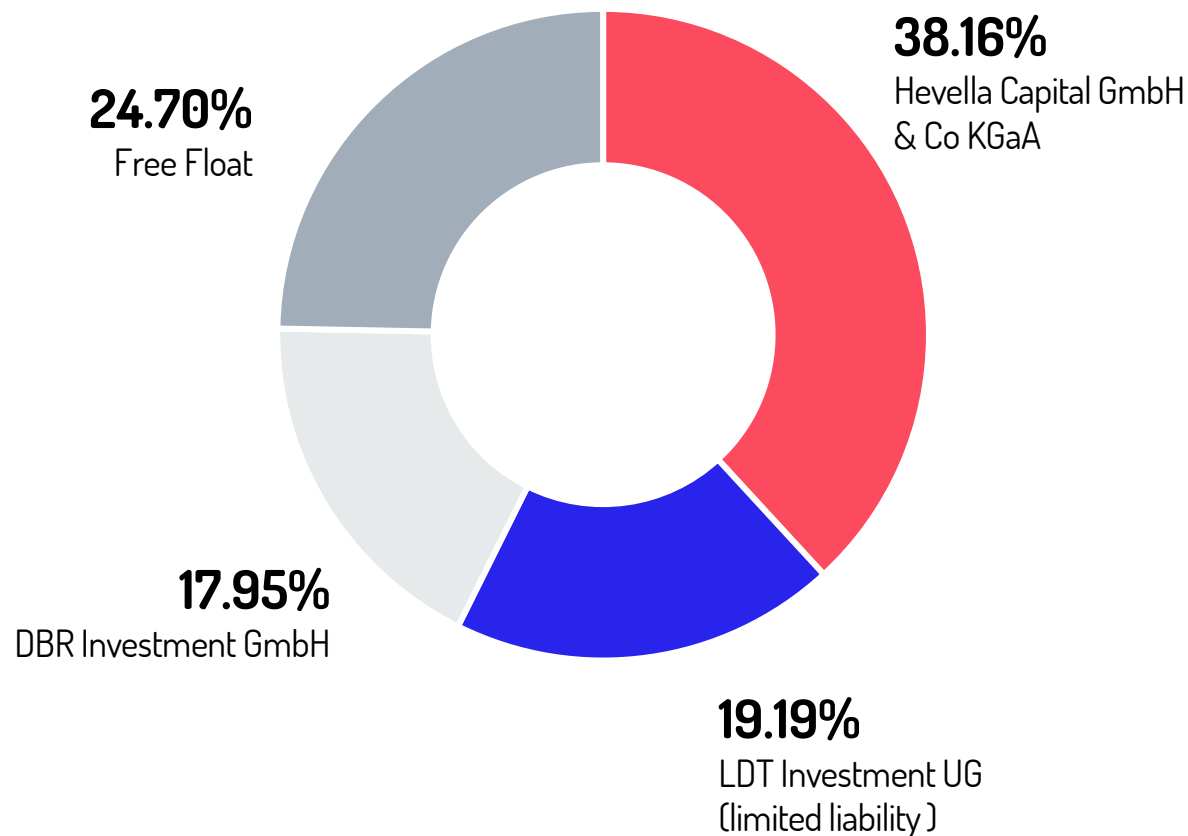
# Appendix

# Life cycle of creditsheff fund



# The creditshelf share

## Shareholder structure\*



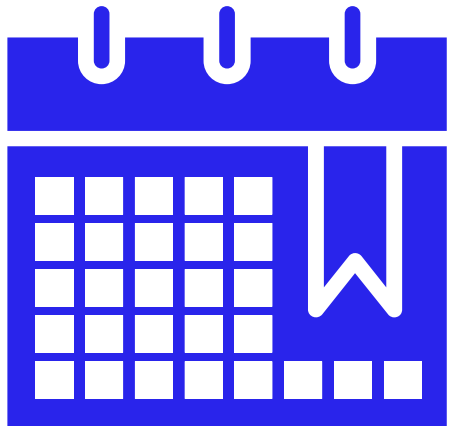
Disclosures based on voting rights notifications >5% received pursuant to the German Securities Trading Act (WpHG).

\*as of 31 March 2020

## Share information

ISIN / WKN	DE000A2LQUA5 / A2LQUA
Stock exchange symbol / Reuters symbol	CSQ
Type of Shares	Ordinary bearer shares with no-par value (auf den Inhaber lautende Stückaktien)
First day of trading	July 25, 2018
Number of Shares	1,360,339
Stock Exchanges	Regulated Market (Prime Standard) of the Frankfurt Stock Exchange
Designated Sponsor	ODDO Seydler
Research	Commerzbank, FMR, MainFirst

# Overview of Financial Calendar 2020



**March 23, 2020**

**Publication Annual Report 2019**

**May 07, 2020**

**Publication Q1 statement**

May 12, 2020

MainFirst Virtual SMID Cap One-on-One Forum

**May 26, 2020**

**Annual General Meeting (Virtual AGM)**

**September 10, 2020**

**Publication Q2 statement**

November 16-18, 2020

German Equity Forum, Frankfurt / Main

**November 12, 2020**

**Publication Q3 statement**



# Quarterly series Q1 2020

in EUR thousand	Q1 2019	Q2 2019	H1 2019	Q3 2019	9M 2019	Q4 2019	FY 2019	Q1 2020
<b>Revenues</b>	<b>936.8</b>	<b>829.4</b>	<b>1,766.2</b>	<b>694.1</b>	<b>2,460.3</b>	<b>2,104.2</b>	<b>4,564.5</b>	<b>685.6</b>
Borrower Fee	594.8	558.0	1,152.8	375.8	1,528.6	1,237.0	2,765.6	443.0
Investor Fee	342.0	271.4	613.4	318.3	931.7	844.8	1,776.5	221.8
Valendo	-	-	-	-	-	22.4	22.4	20.8
<b>Other Op. Income</b>	<b>489.2</b>	<b>291.0</b>	<b>198.2</b>	<b>98.5</b>	<b>296.7</b>	<b>1,235.4</b>	<b>1,532.1</b>	<b>300.2</b>
<b>Total expenses (gross)*</b>	<b>-2,273.3</b>	<b>-2,282.3</b>	<b>-4,555.6</b>	<b>-2,029.3</b>	<b>-6,584.9</b>	<b>-3,892.5</b>	<b>-10,477.4</b>	<b>-2,914.6</b>
<b>Personnel expenses</b>	<b>-978.7</b>	<b>-1,150.3</b>	<b>-2,129.0</b>	<b>-1,007.3</b>	<b>-3,136.3</b>	<b>-1,286.9</b>	<b>-4,423.2</b>	<b>-1,510.9</b>
Related capitalised software	77.3	78.3	155.6	33.1	188.7	37.8	226.5	71.4
<b>Other operating expenses</b>	<b>-1,294.6</b>	<b>-1,132.0</b>	<b>-2,426.6</b>	<b>-1,022.0</b>	<b>-3,448.6</b>	<b>-2,605.6</b>	<b>-6,054.2</b>	<b>-1,403.7</b>
Advertising and Marketing**	-472.6	-578.9	-1,051.5	-535.3	-1,586.8	-561.8	-2,148.5	-627.4
Legal & Consulting Services	-276.5	-285.6	-562.1	-182.2	-744.3	-494.7	-1,239.0	-225.1
Other**	-545.5	-267.5	-813.0	-304.5	-1,117.6	-1,549.1	-2,666.7	-551.0
<b>EBITDA</b>	<b>-770.0</b>	<b>-1,665.6</b>	<b>-2,435.6</b>	<b>-1,203.6</b>	<b>-3,639.2</b>	<b>-515.1</b>	<b>-4,154.3</b>	<b>-1,857.2</b>
Depreciation & Amortisation	-161.0	-186.1	-347.1	-202.3	-549.4	-250.7	-800.1	-274.0
<b>EBIT</b>	<b>-931.0</b>	<b>-1,851.7</b>	<b>-2,782.7</b>	<b>-1,405.9</b>	<b>-4,188.6</b>	<b>-765.8</b>	<b>-4,954.4</b>	<b>-2,131.2</b>

\* Gross means excluding benefit of related capitalised software; \*\* marketing restated for reclassification of travel expenses in Other

# Investor contact



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