Prospectus dated July 10, 2018

creditshelf Aktiengesellschaft

Prospectus

for the initial public offering

of

250,000 newly issued ordinary bearer shares with no-par value (*auf den Inhaber lautende Stückaktien*) from a capital increase against contribution in cash to be resolved by an extraordinary shareholders' meeting under exclusion of subscription rights of existing shareholders

and at the same time

for the admission to trading on the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) with simultaneous admission to the sub-segment of the regulated market with additional post-admission obligations (Prime Standard) of the Frankfurt Stock Exchange

of

1,125,000 ordinary bearer shares with no-par value (existing share capital)

and

up to 250,000 ordinary bearer shares with no-par value from a capital increase against contribution in cash to be resolved by an extraordinary shareholders' meeting under exclusion of subscription rights of existing shareholders

– each such share with a notional value of EUR 1.00 in the share capital
and with full dividend rights as from January 1, 2018 –

of

creditshelf Aktiengesellschaft
Frankfurt/Main, Germany

International Securities Identification Number (ISIN): DE000A2LQUA5
German Securities Code (*Wertpapierkennnummer (WKN)*): A2LQUA
Common Code: 185490971
Trading Symbol: CSQ
Legal Entity Identifier: 5299003LVPXHGHTWP936

Sole Global Coordinator and Sole Bookrunner
COMMERZBANK

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1. SUMMARY OF THE PROSPECTUS

*Summaries are made up of disclosure requirements known as elements ("**Elements**"). These Elements are numbered in Paragraphs A – E (A.1 – E.7) of this Section 1 "Summary of the Prospectus". This summary contains all the Elements required to be included in a summary for this type of security and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in the summary because of the type of security and issuer, it is possible that no relevant information can be given regarding the Element. In such cases, the summary includes a short description of the Element with the words "not applicable".*	
A. Introduction and Warnings	
A.1 Warnings.	This summary should be read as an introduction to this prospectus (the "**Prospectus**"). The investor should base any decision to invest in the shares of the Company on the review of this Prospectus as a whole. In case a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the member states of the European Economic Area (the "**EEA**"), have to bear the costs of translating this Prospectus before the legal proceedings are initiated. Those persons who are responsible for the summary, including any translation thereof, or for its issuing (*von denen der Erlass ausgeht*), can be held liable but only if this summary is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus or if it does not provide, when read together with the other parts of this Prospectus, all necessary key information. creditshelf Aktiengesellschaft (formerly creditshelf GmbH), Frankfurt/Main, Germany ("**creditshelf**" or the "**Company**") and COMMERZBANK Aktiengesellschaft, Frankfurt/Main, Germany ("**Commerzbank**", the "**Sole Global Coordinator**" and "**Sole Bookrunner**" or the "**Underwriter**") have assumed responsibility for the content of this summary including any translations pursuant to Section 5(2b) No. 4 of the German Securities Prospectus Act (*Wertpapierprospektgesetz* – "**WpPG**").
A.2 Information regarding the subsequent use of this Prospectus.	Not applicable. Consent by the Company regarding the use of this Prospectus for a subsequent resale or final placement of the Company's shares by financial intermediaries has not been granted.
B. Issuer	
B.1 Legal and commercial name.	The Company's legal name is "creditshelf Aktiengesellschaft". The Company's commercial name is "creditshelf".
B.2 Domicile, legal form,	The Company has been founded in Germany and has its registered office in

	legislation under which the issuer operates, country of incorporation.	Frankfurt/Main, Germany. The business address is Mainzer Landstraße 33a, 60329 Frankfurt/Main, Germany. The Company is registered with the commercial register of the local court of Frankfurt/Main, Germany, under HRB 112087. The Company is a stock corporation (*Aktiengesellschaft*) incorporated in Germany and governed by German law.
B.3	**Current operations and principal business activities and principal markets in which the issuer competes.**	***Current Operations and Principal Business Activities*** The Company and its subsidiary creditshelf service GmbH ("**creditshelf service**" and together with the Company the "**creditshelf Group**" or "**We**") are primarily engaged in the operation of an online credit marketplace lending platform for small- and medium-sized enterprises in Germany (the "**creditshelf Platform**"). creditshelf does not extend any loans itself and is thus no balance sheet lender. Rather, through the creditshelf Platform, suitable borrowers seeking loans and suitable investors willing to invest in such loans are brought together. The loans are not issued by potential investors directly but are instead originated through a so-called fronting bank (the "**Fronting Bank**"). Such Fronting Bank has a banking license under applicable German law. A Fronting Bank is used, because under applicable German law, originating loans generally requires a banking license. Currently, creditshelf works with only one Fronting Bank, *i.e.* MHB-Bank Aktiengesellschaft, Frankfurt/Main, Germany. If investors have submitted sufficient funding offers through the creditshelf Platform for a borrower's credit project, the Fronting Bank makes an independent credit decision. In case of a positive credit decision, the Fronting Bank issues the loan to the borrower and the resulting receivables (including claims for interest) are sold and transferred to the investors who have submitted financing commitments through creditshelf service (and which form a syndicate with creditshelf service). creditshelf's principal business activities include: • selecting suitable credit projects that shall be admitted to the creditshelf Platform and offered to registered investors; • analyzing the creditworthiness of potential borrowers and providing a credit scoring based on creditshelf's proprietary intelligent data-driven risk management algorithms and models; • pricing a potential credit project by suggesting a pricing for a potential loan to investors by specifying a range for interest rates; • assisting borrowers to obtain a loan from the Fronting Bank if sufficient funding commitments are made by investors on the creditshelf Platform, provided that in any case the Fronting Bank makes its own credit decision; and • servicing the credit project if the Fronting Bank decides to issue the loan to the borrower, these services include the following: After

creditshelf service has purchased the loan receivables from the Fronting Bank and sold them (in tranches) to the investors, creditshelf service then collects payments from the borrower on the loan including interest and distributes such payments net of servicing fees to the respective investors.

For this reason, creditshelf service and the investors enter into a syndicate which holds the loan receivables and which is managed by creditshelf service. In case of a potential default of the borrower, creditshelf service will perform limited workout services. Such limited workout services include reaching out to the borrower, inquiring about the status of the repayment and requesting payment. Neither creditshelf nor creditshelf service will, however, engage in any further enforcement actions. Rather, creditshelf service has servicing agreements with a third-party service provider (HmcS Gesellschaft für Forderungsmanagement mbH ("**HmcS**")) in place. HmcS will provide services for distressed debt collections and also performs standing back-up servicing. This means that in case that creditshelf service should no longer be able to service the loans as described above, HmcS would take such services over to avoid any disruptions of services.

The selection, analysis and pricing services are performed by creditshelf only in order to maintain the integrity and quality of the creditshelf Platform. Neither creditshelf nor creditshelf service provide any investment or other advice to borrowers or investors whatsoever.

The creditshelf Group generates revenues by charging (i) a brokerage fee from the borrower that becomes due when the Fronting Bank issues a loan to a borrower and (ii) servicing fees from the investors that become due when the borrower makes repayments on the loan (principal amount and accrued interest) for which the investors have submitted a financing commitment.

The creditshelf Group currently focusses on the German lending market and does only broker loans to German borrowers while investors on the creditshelf Platform may be German or international.

Company's Key Strengths

The Company considers the following to be its key strengths:

- the creditshelf Platform is scalable and can match the interests of borrowers and investors;
- the Company has proprietary know-how with a data-driven risk management algorithm;
- the creditshelf Platform allows investors to invest in loans to German small- and medium-sized enterprises, this is an asset class that creditshelf considers to be attractive to investors;

	• a number of larger and institutional investors invest in loans brokered through the creditshelf Platform and their willingness to invest enables a faster loan processing and disbursement; and • the Company has a dedicated and qualified team. ***Strategy*** The Company's strategy focuses on the following current projects: • ongoing development of an advanced credit project process with a proprietary, data-driven risk analysis and risk management algorithm; and • potential cooperations with banks which may either refer potential borrowers to creditshelf or which could use services offered by creditshelf for their own loan processes. The Company's strategy further foresees in the future the pursuit of the following projects: • potential product and service portfolio expansion; and • prospective geographical expansion.
B.4a Most significant recent trends affecting the issuer and the industry in which it operates.	The Company considers the following recent trends to be material for its business and the industry in which it operates: ***Small- and Medium-Sized Enterprises are Increasingly Looking for Financing Alternatives to Traditional Bank Loans.*** Based on the Company's perception, more and more small- and medium-sized enterprises are seeking financing alternatives to the "traditional" bank loans. Such borrowers are also increasingly open to digital offerings, in particular loans brokered through so-called peer-to-peer ("**P2P**") lending platforms, including the one operated by creditshelf. In the Company's view, P2P lending describes the practice of lending money from one person in the role of "P2P lender" to another person in the role of "P2P borrower" as compared to a bank lending money to a borrower. P2P lending can be done directly from the "P2P lender" to the "P2P borrower" (if this is permitted under applicable law) or indirectly through a Fronting Bank (the latter is the case for the creditshelf Platform). ***Investors are Increasingly Open to Invest in Loans to Small- and Medium-Sized Enterprises.*** • creditshelf believes that investments in loans to small- and medium-sized enterprises can be an attractive asset class to investors seeking higher returns. For many potential investors direct loans by an investor to a borrower are, however, no viable option as such direct loans might require a bank license under applicable German law, and the

	transaction costs would therefore likely be prohibitive. Under applicable German law, investors would in many cases be barred from extending loans directly to borrowers unless they have a corresponding bank license. • P2P lending platforms such as the creditshelf Platform help investors to address these issues, because they allow investors to purchase receivables from loans that have been originated by a licensed Fronting Bank. Purchasing such receivables does not fulfill the criteria for business requiring a bank license as set forth in the German Banking Act (*Kreditwesengesetz*). The P2P lending platforms help to select potential borrowers and to find a pricing based on an assessment of the creditworthiness of the borrower (*i.e.* interest rate) in a (partly) digitalized and automated way and offer potential investors the option to invest in a portfolio of loans. ***An Increasing Number of Banks are Re-Evaluating their Strategy with Regard to Small- and Medium-Sized Enterprise Borrowers.*** • An increasing number of banks has expressed an intention to cooperate with young FinTech companies to improve their own offerings (Source: PwC – "PwC Global FinTech Report 2017"). • The Company believes that the traditional loan application review and decisioning process applied by many banks is too costly and inefficient from the perspective of the banks and too time consuming and uncertain from the borrower's perspective. These trends help to explain why over the recent years the importance of traditional bank loans has decreased in the financing mix of many small- and medium-sized enterprises. • Traditional banks follow various strategies to address these challenges, including to digitize and (partially) automate the own credit scoring and decisioning process for loan applications from small- and medium-sized enterprises and make these processes faster and more cost-efficient without increasing the default risk in the own loan portfolio. Here, operators of P2P lending platforms have been identified as potential cooperation partners. ***The European Legislator is Considering Options to Enable P2P Lending Platforms as an Alternative for the Financing of Small- and Medium-Sized Enterprises.*** Key regulatory reforms that may impact the creditshelf Group include a European Union ("**EU**") initiative titled "Legislative proposal for an EU framework on crowd and peer to peer finance" (REF.Ares/20175288649). In the fourth quarter of 2017, the European Commission has launched a so-called inception impact assessment to inform stakeholders about the European Commission's work in order to allow them to provide feedback on the intended initiative and to participate effectively in future consultation activities. This

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<td>initiative is part of the European Commission's priority of establishing a Capital Market Union (the "CMU"). The CMU Action Plan places great emphasis on strengthening the different sources of alternative finance, including crowdfunding. In this context, the European Commission has identified two main problems that it seeks to tackle with its recent initiative: (i) the market fragmentation and the lack of scale of crowdfunding and P2P lending platforms as well as (ii) the perceived lack of reliability of these platforms. In its initiative the European Commission has outlined a number of policy options to tackle these problems and help crowdfunding and P2P lending platforms to scale cross-border and provide them with a proportionate and effective risk management framework. However, the Company believes that the current proposal does not offer a viable option for the creditshelf Group. The current proposal foresees that an operator of a P2P lending platform such as creditshelf could chose to be governed under a European regulatory framework (so-called opt-in approach) that could make cross-border business easier. The current proposal provides the opt-in only for crowdfunding offers that do not exceed an amount of EUR 1,000,000.00, calculated for a period of 12 months. Such a threshold does not correspond to the business model of the creditshelf Group as creditshelf brokers also loans with principal amounts in excess of EUR 1,000,000.00.</td>
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<td>B.5 Description of the group and the issuer's position within the group.</td>
<td>The Company is the parent company of the creditshelf Group. The Company is the sole shareholder of creditshelf service. The Company does neither directly nor indirectly hold any further participation in any other company.</td>
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<td>B.6 Persons who, directly or indirectly, have a (notifiable) interest in the issuer's capital and voting rights.</td>
<td>The following table shows the direct participation of the shareholders in the share capital of the Company as of the date of this Prospectus to the knowledge of the Company:
<table>
<tr><th>Name of Shareholder</th><th>Shares</th><th>% of Share Capital (rounded)</th></tr>
<tr><td>Hevella Capital GmbH & Co. KGaA</td><td>519,129</td><td>46.145</td></tr>
<tr><td>LDT Investment UG (haftungsbeschränkt)</td><td>261,047</td><td>23.204</td></tr>
<tr><td>DBR Investment UG (haftungsbeschränkt)</td><td>244,176</td><td>21.705</td></tr>
<tr><td>Wahtari GmbH</td><td>65,508</td><td>5.823</td></tr>
<tr><td>Other[1]</td><td>35,140</td><td>3.124</td></tr>
<tr><td>Share Capital..</td><td>1,125,000</td><td>100.00</td></tr>
</table>
[1]The position "Other" includes Purum AG which holds 9,640 shares (0.857% of the Company's share capital (rounded)) and J^2 Verwaltung GmbH which holds 1,500 shares (0.133% of the Company's share capital (rounded)) and other shareholdings of less than three percent of the Company's share capital.</td>
</tr>
</table>

	As of the date of this Prospectus, the Company has to its knowledge the following significant indirect shareholders: • Obotritia Capital KGaA ("**Obotritia Capital**") indirectly holds 519,129 shares in the Company which corresponds to 46.145% of the voting rights. This indirect participation is based on Obotritia Capital's control of the direct shareholder Hevella Capital GmbH & Co. KGaA ("**Hevella**"). Obotritia Capital is the majority limited partner (*Kommanditaktionär*) of Hevella, holding 99.98% of all Hevella shares. • Mr. Rolf Elgeti indirectly holds 519,129 shares in the Company which corresponds to 46.145% of the voting rights. This indirect participation is based on Mr. Rolf Elgeti's control of the indirect shareholder Obotritia Capital which controls the direct shareholder Hevella. As personally liable shareholder of Obotritia Capital, he is responsible for the management of Obotritia Capital, and he also holds 20.8992% of the limited partnership shares of Obotritia Capital directly and another 4.0582% of the limited partnership shares indirectly via Midgard Beteiligungsgesellschaft mbH, of which all shares are held by Mr. Rolf Elgeti, and 1.9174% of the limited partnership shares indirectly via EFa Vermögensverwaltung KG, of which he is the personally liable shareholder. • Dr. Tim Thabe indirectly holds 261,047 shares in the Company which corresponds to 23.204% of the voting rights. This indirect participation is based on Dr. Tim Thabe's control of the direct shareholder LDT Investment UG (haftungsbeschränkt) ("**LDT**") in which Dr. Tim Thabe holds all shares. • Dr. Daniel Bartsch indirectly holds 244,176 shares in the Company which corresponds to 21.705% of the voting rights. This indirect participation is based on Dr. Daniel Bartsch's control of the direct shareholder DBR Investment UG (haftungsbeschränkt) ("**DBR**") in which Dr. Daniel Bartsch holds 75% of the share capital while the remaining shares are held by his wife Ms. Nina Sulzbacher. • Christoph Maichel indirectly holds 65,508 shares in the Company which corresponds to 5.823% of the voting rights. This indirect participation is based on Christoph Maichel's control of the direct shareholder Wahtari GmbH ("**Wahtari**") in which Christoph Maichel holds all shares. • Yuzu Holding AG ("**Yuzu**") indirectly holds 9,640 shares in the Company which corresponds to 0.857% of the voting rights. This indirect participation is based on Yuzu's control of the direct shareholder Purum AG ("**Purum**") in which Yuzu holds all shares. • Michael Hobmeier indirectly holds 9,640 shares in the Company which corresponds to 0.857% of the voting rights. This indirect participation is based on Michael Hobmeier's control of the indirect shareholder Yuzu which is in control of the direct shareholder Purum and in which Michael

		Hobmeier holds all shares. • Julia Heraeus-Rinnert indirectly holds 1,500 shares in the Company which corresponds to 0.133% of the voting rights. This indirect participation is based on her control of J^2 Verwaltung GmbH, of which Ms. Heraeus-Rinnert is the managing director and holds 50% of the shares.
	Different voting rights (if any).	Not applicable. Each share of the Company grants one vote in the general shareholders' meeting (*Hauptversammlung*) of the Company. There are no different voting rights and no voting restrictions. In particular, there are no different voting rights of the main shareholders of the Company.
	Direct or indirect control over the issuer and nature of such control.	Hevella controls more than 30% of the voting rights in the Company and is therefore considered to hold a controlling interest in the Company pursuant to the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz* – "**WpÜG**"). Obotritia Capital controls more than 50% of the voting rights in Hevella and is therefore considered to hold a controlling interest in the Company pursuant to the WpÜG. Mr. Rolf Elgeti is the personally liable shareholder of Obotritia Capital, he is responsible for the management of Obotritia Capital, and he also holds 20.8992% of the limited partnership shares of Obotritia Capital directly and another 4.0582% of the limited partnership shares indirectly via Midgard Beteiligungsgesellschaft mbH, of which all shares are held by Rolf Elgeti, and 1.9174% of the limited partnership shares indirectly via EFa Vermögensverwaltung KG, of which he is personally liable shareholder. Mr. Rolf Elgeti is therefore considered to hold a controlling interest in the Company pursuant to the WpÜG.
B.7	**Selected key historical financial information.**	The following selected historical financial and business information of the creditshelf Group is taken from the audited consolidated financial statements of creditshelf GmbH (now creditshelf Aktiengesellschaft) as of and for the financial years ended December 31, 2015, December 31, 2016, and December 31, 2017 (together, the "**Audited Consolidated Financial Statements**") and the unaudited consolidated interim financial statements as of and for the three-month period ended March 31, 2018 of creditshelf GmbH (now creditshelf Aktiengesellschaft) (the "**Unaudited Consolidated Interim Financial Statements**" and together with the Audited Consolidated Financial Statements, the "**creditshelf Financial Statements**"). The Audited Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("**IFRS**") and the additional requirements of German commercial law pursuant to Section 315e(1) or Section 315a(1) of the German Commercial Code (Handelsgesetzbuch – "**HGB**"). They have been audited by

	Warth & Klein Grant Thornton AG Wirtschaftsprüfungsgesellschaft, Niederlassung Frankfurt/Main, Ulmenstraße 37-39, 60325 Frankfurt/Main, Germany ("**WKGT**") in accordance with Section 317 HGB and the principles of proper auditing prepared by the Institute of Public Auditors (*Institut der Wirtschaftsprüfer*) in Germany and each have been provided with an unqualified audit opinion (*unbeschränkter Bestätigungsvermerk*). The Unaudited Consolidated Interim Financial Statements have been prepared in accordance with IFRS, as adopted by the European Union, for interim financial reporting (IAS 34). Where financial information in this Prospectus is labeled as "audited", this means that it has been taken from the applicable Audited Consolidated Financial Statements mentioned above. The label "unaudited" is used to indicate financial information that has not been taken from the Audited Consolidated Financial Statements mentioned above, but rather was derived from the Audited Consolidated Financial Statements, or taken or derived from either the Unaudited Consolidated Interim Financial Statements or creditshelf's internal reporting system, or has been calculated based on figures from the sources mentioned before. Some figures (including percentages) in this Prospectus have been rounded in accordance with standard commercial practice, whereby aggregate amounts (sum totals, sub-totals, differences or amounts put in relation) are calculated based on either the underlying un-rounded amounts or the underlying amounts rounded to EUR thousands. As a result, the aggregate amounts in the tables may not correspond in all cases to the corresponding rounded amounts in those tables. In some instances, such rounded figures and percentages may not add up to 100%, or to the totals or subtotals contained in tables or stated elsewhere in this Prospectus. Furthermore, totals and subtotals in tables may differ slightly from unrounded figures stated elsewhere in this Prospectus due to rounding off in accordance with commercial practice. Figures shown as 0.00 (referring to a positive amount) or -0.00 (referring to a negative amount) result of rounding to EUR million for purposes of this Prospectus. In respect of financial information set out in this Prospectus a dash ("-") signifies that the relevant figure is not available, while a zero ("0.00") signifies that the relevant figure is available but has been rounded to or equals zero. The following tables also contain certain alternative performance measures (as defined by the European Securities and Markets Authority ("**ESMA**")), and non-IFRS financial measures and ratios that our management use, including EBITDA, that are not required by or presented in accordance with IFRS. Each such measure is defined specifically in footnotes to the tables below the first time it appears. We present these alternative performance measures as supplemental information for the specific reasons outlined below with respect to certain measures, and generally because we believe they may contribute to a better understanding of our cash generation capacity and the growth of our business and brand. We believe that the presentation of the alternative perfor-

	mance measures included in this Prospectus complies with the ESMA Guidelines. The alternative performance measures are not defined by IFRS or under any other internationally accepted accounting principles, and investors should not consider such items as an alternative to the historical financial results or other indicators of our performance, liabilities or net assets based on IFRS measures. These measures may not be comparable to similarly titled measures as presented by other companies due to differences in the way our measures are calculated. Even though these measures are used by management to assess ongoing operating performance they have important limitations as analytical tools, and prospective investors should not consider them in isolation or as substitutes for analysis of our results, cash flows or assets and liabilities as reported under IFRS.

Selected Financial Information from the Consolidated Statement of Profit or Loss and Other Comprehensive Income

IFRS	**Financial year ended December 31, 2015**	**Financial year ended December 31, 2016**	**Financial year ended December 31, 2017**	**Three-month period ended March 31, 2017**	**Three-month period ended March 31, 2018**
in EUR	**(audited)[1]**	**(audited)[1]**	**(audited)[1]**	**(unaudited)**	**(unaudited)**
Total revenues	10,625.00	247,619.99	1,201,929.67	30,364.09	316,967.16
Other operating income	5,113.80	22,458.45	267,091.24	23,741.70	31,882.37
Gross profit[2]	**15,738.80**	**270,078.44**	**1,469,020.91**	**54,105.79**	**348,849.53**
Personnel expenses[3]	-12,875.78	-391,780.98	-1,066,451.25	-211,954.22	-284,257.25
Remaining operating expenses[4]	-349,033.22	-1,078,487.81	-1,357,541.43	-221,003.72	-2,113,248.46
EBITDA[5]	**-346,170.20**	**-1,200,190.35**	**-954,971.77**	**-378,852.15**	**-2,048,656.18**
Depreciation and amortization	-7,214.32	-37,232.37	-130,743.78	-23,186.73	-46,632.36
EBIT[6]	**-353,384.52**	**-1,237,422.72**	**-1,085,715.55**	**-402,038.88**	**-2,095,288.54**
Financial income	226.19	83.58	0.00	0.00	4,424.33
Interest expenditures	-800.70	-1,000.00	-27,877.53	-250.00	-9,095.68
EBT[7]	**-353,959.03**	**-1,238,339.14**	**-1,113,593.08**	**-402,288.88**	**-2,099,959.89**
Income taxes	113,296.39	397,692.88	356,850.45	130,007.98	670,384.26
Annual result	**-240,662.64**	**-840,646.26**	**-756,742.63**	**-272,280.90**	**-1,429,575.63**
Other comprehensive income	0.00	0.00	0.00	0.00	0.00
Overall financial result	**-240,662.64**	**-840,646.26**	**-756,742.63**	**-272,280.90**	**-1,429,575.63**

1 The statement "audited" indicates that the figures contained in this column have been audited, unless it is indicated that these figures have been derived from the applicable Audited Consolidated Financial Statements and are therefore unaudited.

2 "Gross profit" has been derived from the financial statements and is not directly contained in these statements and is therefore unaudited. "Gross profit" is calculated as the sum of "revenue" and "other operating income".

3 "Personnel expenses" are part of the „other operating expenses“ and are presented in the notes to the financial statements.

4 These figures have been derived from the notes to the financial statements and are not directly contained in these statements and are therefore unaudited. "Remaining operating expenses" have been calculated based on "other operating expenses" less "depreciation" and "personnel expenses". "Remaining operating expenses" is not an IFRS-recognized measure of the profitability of a company and has been defined solely by the Company itself.

5 These figures have been derived from the financial statements and are not directly contained in these statements and are therefore unaudited. The Company has defined EBITDA (earnings before interest and taxes and depreciation and amortization) as income before income taxes and other taxes, interest and other financial results and depreciation and amortization.

6 The Company has defined EBIT (earnings before interest and taxes) as income before income taxes and other taxes, interest and other financial results.

7 The Company has defined EBT (earnings before taxes) as income before income taxes and other taxes.

Selected Financial Information from the Consolidated Statement of Financial Position

IFRS	As of December 31, 2015	As of December 31, 2016	As of December 31, 2017	As of March 31, 2018
in EUR	**(audited)**	**(audited)**	**(audited)**	**(unaudited)**
Assets				
Total non-current assets	**160,345.68**	**699,493.43**	**1,901,271.95**	**3,156,899.34**
Intangible assets	26,751.00	138,953.00	513,976.70	1,113,319.11
Property, plant and equipment	2,839.00	32,092.00	330,012.00	326,657.80
Accounts receivables	0.00	0.00	144,930.73	134,185.65
Other non-current assets	0.00	0.00	27,053.64	27,053.64
Deferred tax assets	130,755.68	528,448.43	885,298.88	1,555,683.14
Total current assets	**348,095.49**	**574,915.04**	**2,337,621.31**	**2,998,287.68**
Accounts receivables	0.00	4,000.00	206,490.53	258,549.62
Other current assets	17,146.12	74,069.02	71,592.88	746,783.91
Other financial assets	2,822.54	6,663.56	32,407.14	3,839.54
Cash and cash equivalents	328,126.83	490,182.46	2,027,130.76	1,989,114.61
Total assets	**508,441.17**	**1,274,408.47**	**4,238,893.26**	**6,155,187.02**

IFRS	As of December 31, 2015	As of December 31, 2016	As of December 31, 2017	As of March 31, 2018
in EUR	**(audited)**	**(audited)**	**(audited)**	**(unaudited)**
LIABILITIES				
Total equity	**270,568.39**	**426,803.56**	**1,166,329.13**	**1,736,623,50**
Subscribed capital	60,002.00	71,270.00	76,752.00	79,822.00
Capital reserves	488,566.35	1,474,179.78	2,964,965.98	4,961,765.98
Retained earnings	-277,999.96	-1,118,646.22	-1,875,388.85	-3,304,964.48
Non-current liabilities	**175,813.48**	**667,375.48**	**728,668.01**	**1,273,459.03**
Non-current provisions	74,985.00	565,547.00	410,505.00	959,055.44
Other non-current financial liabilities	100,828.48	101,828.48	318,183.01	314,403.59
Current Liabilities	**62,059.30**	**180,229.43**	**2,343,876.12**	**3,145,104.49**
Accounts payables	56,524.72	119,370.80	1,707,890.38	1,101,889.28
Other financial liabilities	0.00	0.00	58,844.00	282,361.45
Other liabilities	5,534.58	60,858.63	577,141.74	1,760,853.76
TOTAL LIABILITIES	**508,441.17**	**1,274,408.47**	**4,238,893.26**	**6,155,187.02**

Selected Financial Information from the Consolidated Statement of Cash Flows

in EUR	Financial year ended December 31, 2015 (audited)	Financial year ended December 31, 2016 (audited)	Financial year ended December 31, 2017 (audited)	Three-month period ended March 31, 2017 (unaudited)	Three-month period ended March 31, 2018 (unaudited)
Loss for the period	**-240,662.64**	**-840,646.26**	**-756,742.63**	**-272,280.90**	**-1,429,575.63**
Cash flow used in operating activities	**-237,731.78**	**-656,138.43**	**573,524.22**	**-1,916,242.25**	**-1,440,872.85**
Cash flow used in investing activities	**-33,477.32**	**-178,687.37**	**-508,774.36**	**-23,372.40**	**-575,974.65**
Cash flow generated from financing activities	**573,568.35**	**996,881.43**	**1,472,198.44**	**1,496,268.20**	**1,978,831.35**
Net increase in cash and cash equivalents	302,359.25	162,055.63	1,536,948.30	-443,346.45	-38,016.15
Cash and cash equivalents at the beginning of the period	25,767.58	328,126.83	490,182.46	490,182.46	2,027,130.76
Cash and cash equivalents at the end of the period	**328,126.83**	**490,182.46**	**2,027,130.76**	**46,836.01**	**1,989,114.61**

Significant changes to the issuer's financial condition and operating results during and subsequent to the period covered by the historical key financial information.

Financial Years 2015, 2016 and 2017

The creditshelf Group was able to increase its revenue continuously by developing its online lending platform business. As creditshelf Group started its operative business in 2015, first revenues from brokerage activities were realized in an amount of EUR 10,625.00 in such financial year. In the following financial year, creditshelf Group was able to expand its business and realize revenues amounting to EUR 247,619.99; that revenue was generated from brokerage fees paid by borrowers. In comparison to 2015, the revenues increased by EUR 236,994.99 (2,230.54%). The high increase resulted from the launch and extension of creditshelf Group's business. In 2017, creditshelf Group added a second revenue stream to its business starting to charge servicing fees to investors. Due to the ongoing development of the creditshelf Group business it was able to realize revenues from brokerage fees in an amount of EUR 774,249.94 and investor servicing fees of EUR 427,679.73 in the financial year 2017. This was an overall increase of EUR 954,309.68 (385.39%) compared to 2016.

Furthermore, the creditshelf Group's EBIT was significantly influenced by the expenses in the financial years ended December 31, 2015, December 31, 2016, and December 31, 2017 as follows:

- Personnel expenses increased from EUR 12,875.78 in the financial year 2015 by EUR 378,905.20 (2,942.77%) to EUR 391,780.98 in 2016. They increased from 2016 to 2017 by EUR 674,670.27 (172.19%) to an amount

	of EUR 1,066,451.25. This substantial increase is mainly due to the launch and extension of creditshelf Group's business as the average number of employees correspondingly increased from 1 in 2015 to 6 in 2016 and respectively 14.5 in 2017 (such figures representing the average number of FTEs for the respective financial year). • Furthermore, the expenses accrued for two share based participation programs with cash settlement, the so-called Virtual Participation Programs I and II, led to a substantial increase of the other operating expenses. In 2015, expenses have been realized for the Virtual Participation Program II with EUR 74,985.00; whilst there have been no expenses realized for the Virtual Participation Program I as virtual shares have only been granted in 2016 and 2017. In 2016, for both programs expenses have been realized with a total amount of EUR 440,562.00. In the financial year ended December 31, 2017, additional expenses for the Virtual Participation Program I have been realized with an amount of EUR 227,660.00 due to the grant of new virtual shares and vesting effects; whilst no expenses have been realized for the Virtual Participation Program II. All the EBIT results of creditshelf Group in the three financial years ended December 31, 2015, December 31, 2016 and December 31, 2017 were negative and amounted, in 2015 to EUR -353,384.52, in 2016 to EUR -1,237,422.72 and in 2017 to EUR -1,085,715.55. ***Three-Month Period ended March 31, 2018*** On February 8, 2018, the Company's shareholders' meeting resolved to increase the registered share capital of the Company from EUR 76,752 by EUR 3,070 to EUR 79,822, against cash contribution of in total EUR 2,000,000.00; this capital increase became effective on February 23, 2018. This results in an equity position of EUR 1,736,623.50 as per March 31, 2018. In the three-month period ended March 31, 2018, the non-current liabilities increased from EUR 728,668.01 as of December 31, 2017 by EUR 544,791.02 to EUR 1,273,459.03. In addition, the current liabilities increased from EUR 2,343,876.12 as of December 31, 2017 by EUR 801,228.37 to EUR 3,145,104.49. As a result, the creditshelf Group realized a negative result of EUR 1,429,575.63 compared to a loss of EUR 272,280.90 realized in the corresponding first three-month period of 2017. Furthermore, the creditshelf Group's EBIT continued to be negative. These results were significantly influenced by the following expenses in the three-month period ended March 31, 2018: • Personnel expenses continued to grow and amounted to EUR 284,257.25 in the three-month period ended March 31, 2018 compared to EUR 211,954.22 (approx. 34.11%) in the three-month

period ended March 31, 2017.

- The expenses resulting from the increase in the provisions for obligations from creditshelf Group's so-called Virtual Participation Programs I and II increased in the three-month period ended March 31, 2018 from EUR 11,641.00 by EUR 1,717,868.45 to EUR 1,729,509.45 compared to the three-month period ended March 31, 2017. Besides some minor vesting effects the major increase is caused by a higher value of the underlying shares due to a higher company valuation resulting from the capital increase in February 2018.
- The additional increase of current liabilities was mainly due to the increase in the accounts payables reflecting liabilities to investors. Such liabilities are booked when investors have made advance payments under their financial commitments made on the creditshelf Platform but the corresponding loan has not yet been disbursed by the Fronting Bank at the end of the accounting period. In addition, the increase in current liabilities as of March 31, 2018 also reflects higher payables towards service providers that have not been invoiced as of such date.

Recent Business Development and Outlook

On May 11, 2018, the shareholders' meeting of the Company resolved to change the legal form of creditshelf GmbH into a German stock corporation, under the corporate name creditshelf Aktiengesellschaft. The change of form became effective as of June 13, 2018.

On June 18, 2018, the extraordinary general shareholders' meeting of the Company resolved on a capital increase from EUR 79,822 by EUR 1,045,178 to EUR 1,125,000 against issuance of 1,045,178 ordinary bearer shares with no-par value for a cash contribution in the nominal amount of EUR 1,045,178. Such capital increase was registered with the Company's commercial register on June 21, 2018. Now the Company has a share capital (*Grundkapital*) of EUR 1,125,000, divided into 1,125,000 ordinary bearer shares with no-par value, each with a notional value of EUR 1.00 in the share capital.

In addition, the following relevant trends and developments influenced the financial condition and operating results of the Company in the period following March 31, 2018:

- The capital increase resolved by the extraordinary general shareholders' meeting of creditshelf on June 18, 2018 from EUR 79,822 by EUR 1,045,178 to EUR 1,125,000, had in the Company's view a diluting effect on the value of the virtual shares granted to several employees of creditshelf under the so-called Virtual Participation Program I. Therefore, the accruals built for the obligations in connection with the Virtual Participation Program I have been reversed from EUR 1,559,660.82 by EUR 1,411,681.56 to the amount of

	EUR 147,979.26 as of the date of this Prospectus. • Personnel expenses continued to grow in the period following March 31, 2018, which is primarily related to the fact that the Company has 24 employees as of the date of this Prospectus (including its management). This development contributed to a further growth of personnel expenses which amounted to approx. EUR 376,000 between March 31, 2018 and the date of this Prospectus. • creditshelf and several of its key employees entered into retention bonus agreements to reward them for their efforts in the process leading up to the Offering and to provide them with an incentive to continue working for the Company. Under such agreements, the respective beneficiaries are in case of a completion of the Offering entitled to a certain minimum cash payment as agreed with the respective beneficiary. Dr. Mark Währisch, a member of the Management Board, also entered into such a retention bonus agreement. The Company's management board (*Vorstand* – "**Management Board**") may decide in its sole discretion to increase the respective bonus by up to 100% of the respective minimum bonus. For Dr. Mark Währisch, the (*Aufsichtsrat* – "**Supervisory Board**") will decide upon whether and to what extent the respective minimum bonus will be increased. The agreements provide for an obligation of the respective beneficiary to repay a certain portion of the bonus if the beneficiary should leave the Company within a certain period of time without cause. For the obligations regarding the retention bonus agreements the Company has built accruals with an amount of EUR 1,415,000 as of the date of this Prospectus. • The Company continued to invest in software development to further improve the creditshelf Platform, which lead to continued capitalized expenses for software development and an increase in the intangible assets. Between March 31, 2018 and the date of this Prospectus, these capitalized expenses amounted to approx. EUR 499,000. Apart from these, there have been no significant changes in the financial or trading position or operating results of the creditshelf Group which has occurred since the end of the three-month period ended March 31, 2018 for which the interim financial information is displayed.
B.8 **Selected key pro forma financial information.**	Not applicable. No pro forma financial information has been prepared by the Company.
B.9 **Profit forecast or estimate.**	Not applicable. No profit forecast or profit estimate is being presented by the Company.

B.10	**Qualifications in the audit report on the historical financial information.**	Not applicable. The audit reports on the historical financial information included in this Prospectus have been issued without qualifications.
B.11	**Insufficiency of the issuer's working capital for its present requirements.**	Not applicable. The Company's working capital is sufficient for its present requirements.
C.	**Securities**	
C.1	**Type and class of the securities being offered and/or admitted to trading.**	Ordinary bearer shares with no-par value (*auf den Inhaber lautende Stückaktien*), each such share with a notional value of EUR 1.00 in the share capital of the Company with full dividend rights as from January 1, 2018.
	Security identification number.	International Securities Identification Number, ISIN: ....DE000A2LQUA5 German Securities Code (*Wertpapierkennnummer – WKN*): ....A2LQUA Trading Symbol: ....CSQ Common Code: ....185490971 Legal Entity Identifier 5299003LVPXHGHTWP936
C.2	**Currency.**	Euro.
C.3	**The number of shares issued and fully paid.**	The share capital of the Company as of the date of this Prospectus amounts to EUR 1,125,000 and is divided into 1,125,000 ordinary bearer shares with no-par value (*Stückaktien*).
	Notional value.	Each share has a notional value of EUR 1.00 in the share capital of the Company.
C.4	**A description of the rights attached to the securities.**	Each share entitles the shareholder to one vote at the general shareholders' meeting (*Hauptversammlung*) of the Company and carries full dividend rights as from January 1, 2018, *i.e.* for the full financial year ending December 31, 2018 and for all subsequent financial years.
C.5	**A description of any restrictions on the free transferability of the securities.**	Not applicable. There are no restrictions on the transferability of the shares other than the lock-up agreements described below under E.5.
C.6	**Application for admission to trading on**	The Company expects to apply for the admission of its shares to trading on the

	a regulated market and identity of regulated markets where the securities are to be traded.	regulated market segment (*regulierter Markt*) of the "**Frankfurt Stock Exchange**" (*Frankfurter Wertpapierbörse*) and, simultaneously, on the sub-segment thereof with additional post-admission obligations (Prime Standard) on July 11, 2018. An admission decision regarding the shares of the Company is expected to be announced on July 20, 2018. Trading of the shares of the Company on the Frankfurt Stock Exchange is expected to commence on July 25, 2018.
C.7	**A description of dividend policy.**	Dividends may only be paid out of the accumulated profit as resulting from the respective annual financial statements of the Company. In the past, no dividend was distributed by the Company. The Company intends to propose to shareholders in the next few years that all of the distributable profit available to the Company will be invested in the Company's business.
D.	**Risks**	
		An investment in the Company's shares is subject to a number of risks. Prospective investors should carefully consider the following risks together with all the other information contained in this Prospectus prior to making any investment decision regarding the Company's shares. The following risks, alone or together with additional risks and uncertainties not currently known to the Company, or that the Company might currently deem immaterial, could have a material adverse effect on the Company's business, financial condition and results of operations. The market price of the Company's shares could decline if any or all of these risks were to materialize, in which case prospective investors could lose all or part of their investment. The order in which the following risks are presented is not an indication of the likelihood of these risks actually materializing, or their likely significance or degree, or the scope of any potential harm to the Company's business, financial condition, or results of operations that might result.
D.1	**Key risks specific to the issuer's investments and business.**	***Risks Relating to the Company's Market Environment and Business*** • The Company has incurred net losses in the past and may incur net losses in the future. This may be influenced in particular by increasing operating expenses, which may not be matched by increasing revenues. There is a risk of insolvency of the Company that may result in a full loss of the investment made by investors in the Company. • The Company is a young company with limited corporate history that is still in the course of building up its business. The development of the Company and its business so far may not be considered as providing relevant information for the future development of the Company. The Company's future development and the success of its business model is therefore very difficult to foresee. • The Company has limited business and market experience and may not

	be able to react to market developments or business challenges appropriately. • The Company, as a young company, may not be able to scale its internal structures in accordance with the development of its business which may lead to a lack of internal capacities, inappropriate governance frameworks or unclear divisions of competencies and responsibilities. • There is a risk that competitors could copy the Company's business model. • The Company depends on the development of innovative products and services, for which the market has not been fully developed yet. The Company operates in a rapidly changing market, which may result in decreasing demand for its products and services or in its redundancy. • The Company depends on growing its base of investors, borrowers and support partners (together the "**Users**") and its target audiences choosing and preferring to utilize the creditshelf Platform and the Company's other products and services over those of its competitors, which could require additional investments. In particular if the Company is unable to maintain or increase loans facilitated through the creditshelf Platform or if existing Users do not continue to participate in the platform, the Company's business and results of operations will be adversely affected. • A relatively small number of investors account for a significant EUR amount of investment in loans brokered through the creditshelf Platform. • The success of the Company very much depends on the success of its marketing efforts. Should the Company be unable to gain (further) customers for its products and services, this could harm its business and its future growth. • Negative press coverage through customer complaints, legal disputes and other factors as well as a negative public perception of the Company's business or its sector in general could have a significant negative affect on the demand for the Company's products and services. • The Company relies on Fronting Bank(s), especially with regard to regulated financial services, and may fail to maintain these important relationships. • The Company is heavily dependent on its management team and key personnel and needs additional key personnel to expand its business. The loss of key personnel or the failure to recruit additional key personnel could damage the Company's business. • The Company's risk management efforts may not be effective.

	• If borrowers default on their loans, the Company may be unable to collect its entire servicing fee. In addition, the return on investment for investors in those loans would be adversely affected and the Company's reputation may be harmed. • The models and algorithms that the Company uses for its credit decisioning support and credit scoring services can contain errors or can otherwise be ineffective. This might harm the Company's reputation and relationships with Users and other business partners such as the Fronting Bank(s) and result in a decline of the Company's market share, and adversely affect creditshelf's operating results. • The Company may receive inaccurate, misleading or incomplete credit information and other information from borrowers or third parties about a borrower and such information may not accurately reflect the borrower's creditworthiness. This may cause the Company to inaccurately price loans brokered through the creditshelf Platform which in turn might hurt the Company's reputation and results of operation. • The Company is subject to cyber-security risks and any successful cyberattack or security breach could have a material adverse effect on its business, financial condition and results of operations. • The integrity of user information stored by the creditshelf Group, or the effectiveness of the creditshelf Group's technology and systems in general may be compromised. A breach of data security regarding User or other third-party information saved with the creditshelf Group may damage its reputation and brand and lead to a loss in customer or market confidence and the demand for the Company's products and services. • The Company's products and services as well as its internal systems rely on complex software, and if it contains undetected errors, the Company's business could be adversely affected. creditshelf's inability to operate, maintain, integrate and scale the creditshelf Group's internet networks and IT systems could have a material adverse effect on its business, financial condition and results of operations. • Any business interruption caused by, for example, internet outages, third-party providers, creditshelf, natural disasters or security breaches could adversely affect or delay the Company's ability to deliver its products or services. • The Company is subject to various macroeconomic trends such as the development of the overall economy as well as the development of inflation and interest rates. • The Company's potential strategic partnerships with cooperation banks regarding the referrals of borrowers to the creditshelf Platform may not materialize or not deliver the expected results; they will likely be non-exclusive and subject to termination options that, if exercised, could

	harm the growth of the creditshelf Group. • The Company's management team has no experience managing a public company, which may negatively affect its ability to manage the day-to-day business and the transition into a public company. • The insurance coverage of the creditshelf Group may be inadequate. ***Legal, Regulatory and Taxation Risks*** • The Company is subject to numerous regulatory requirements which might increase in the future, in particular from the regulation of the financial industry, which leads to increased expenditure and potential difficulties with business activity. Insufficient compliance as well as change or altered interpretation of such regulatory requirements by the relevant authorities could have significant adverse effects on the Company's business. • Regulatory reforms in the EU and internationally expose the Company to increasing regulatory burdens. • The Company is affected by a variety of laws and regulations around privacy and data security, many of which are still developing and could lead to a negative impact on the Company's business. • The Company may not have the necessary permissions for its business operations or may lose granted permissions in the future. In addition, it may have difficulties with obtaining the necessary approvals or with renewing existing permissions. • Compliance with consumer protection laws may be required. In case consumer protection laws would apply and/or individual Users would qualify as consumers, the Company may be subject to claims. • The Company may fail to adequately protect its intellectual property, or it may infringe the intellectual property of third parties. • The Company's intellectual property and know-how regarding its software, algorithms and models could be inadequately protected or the Company could violate the rights of third parties. • The Company's compliance policies and procedures may fail to protect it from risks. • The creditshelf Group use standardized documents, standard-form contracts as well as standardized terms and conditions, which increase the potential risk that such contract terms may be invalid or unenforceable if any clause is held to be void. • The entities of the creditshelf Group could be required to pay additional taxes and other duties as a result of tax audits, changes in tax law and/or its interpretation and application or changes in its effective tax rate.

	Changes in the organization of tax affairs could lead to higher expenditure. • The creditshelf Group may be subject to litigation proceedings.
D.3 Key risks specific to the securities.	***Risks Related to the Shareholder Structure, the Offering and the Stock Exchange Listing*** • There is a risk that existing major shareholders will have a significant impact on resolutions of the Company as well as on resolutions of the Supervisory Board of the Company via its majority vote cast. • Shares of the Company have not been publicly traded and a liquid trading market for its shares may fail to develop or may not be maintained after the Offering. The issue price is not indicative with respect to future market prices. • The capital increase to create new shares in the Company could fail or only very few shares could be subscribed for and, nevertheless, the capital increase could be implemented. • The Offering or stock exchange listing of the Company's shares might not be completed, in which case investors could lose security commissions paid and be exposed to risks from any short selling of the shares. • Shareholders are at risk of future dilution of their shareholding in the Company. • The share price or the trading volume of shares of the Company could fluctuate significantly and investors could lose all or part of their investment. • Future offerings of debt or equity securities by the Company could adversely affect the market price of its shares, and future capitalization measures could substantially dilute shareholders' interests in the Company. • Future sales or anticipated sales of a substantial number of shares or similar transactions conducted by the current majority shareholders or other groups of shareholders of the Company could have a negative effect on the price of the Company's shares. • creditshelf will face additional legal requirements and incur higher costs as a result of the Company's operation as a publicly traded company.
E. Offer	
E.1 Total net proceeds and estimate of the to-	The Company will only receive the proceeds of the Offering resulting from the sale of the Offer Shares (as defined in E.3 below). Assuming that the maximum number of Offer Shares is placed at the Offer Price

	tal expenses of the offering and listing.	(as defined in E.3 below), the Company will receive gross proceeds of the Offering in an amount of thousands of EUR ("**kEUR**") 20,000. The costs of the Company related to the Offering of the Offer Shares and listing of the Company's entire share capital are expected to total kEUR 3,726 (assuming a placement of all Offer Shares and including underwriting and placement commissions payable to the Underwriter). Assuming that the maximum number of Offer Shares is placed and assuming further payment in full of the discretionary fee of up to kEUR 300 the commission payable to the Underwriter will amount to kEUR 1,000. The other expenses related to the Offering in an amount of approx. kEUR 2,726 comprise in particular costs for legal, tax, accounting and other advisors and consultants. Against this background and assuming that the maximum number of Offer Shares is placed, the Company will receive net proceeds of the Offering in an amount of kEUR 16,274. Investors will not be charged expenses by the Company or the Underwriter. Investors will have to bear customary transaction and handling fees charged by their brokers or other financial institutions through which they hold their securities.
E.2a	**Reasons for the offering, use of proceeds, estimated net amount of the proceeds.**	***Reasons for the Offering*** The Company intends to list its shares on the regulated market segment of the Frankfurt Stock Exchange and, simultaneously, on the sub-segment thereof with additional post-admission obligations (Prime Standard) to achieve better access to the capital markets. The Company also intends to pursue the Offering to receive the proceeds from the placement of the Offer Shares to finance the growth and development of its business. ***Use of Proceeds, Estimated Net Amount of the Proceeds*** The Company intends to use the net proceeds resulting from the Offering of up to kEUR 16,274 (assuming a placement of all Offer Shares) to fund the further development of its business including in particular to invest in the development of its credit decisioning support and credit scoring algorithms and models and the improvement of the creditshelf Platform. The Company intends to further use the net proceeds to realize growth opportunities, including the development and marketing of new products and services and potentially the entering of new international markets as well as to finance its larger corporate set-up and to pay costs and expenses related to the Offering (including payments to certain employees under the Virtual Participation Program I and other bonus agreements with employees).
E.3	**Description of the terms and conditions**	This public offering (the "**Offering**") relates to 250,000 bearer shares with no-par value (*auf den Inhaber lautende Stückaktien*) of the Company, each such

of the offer.	share with a notional value of EUR 1.00 of the share capital of the Company and full dividend rights as from January 1, 2018, consisting of 250,000 newly issued ordinary bearer shares from the capital increase against cash contributions (the "**IPO Capital Increase**") to be resolved by an extraordinary general shareholders' meeting of the Company on or about July 11, 2018 (the "**Offer Shares**"). The Offering consists of an initial public offer in Germany and Luxembourg and private placements in certain jurisdictions outside Germany and Luxembourg. The Offer Shares are being offered and sold only outside the United States of America (the "**United States**" or the "**U.S.**") in offshore transactions in reliance on Regulation S under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"). The Offer Shares have not been and will not be registered under the Securities Act, or the securities laws of any other state or jurisdiction of the United States and may not be offered or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. The Offering shall occur upon the publication of this Prospectus in electronic form on the website of the Company (ir.creditshelf.com). ***Offer Period*** The period, during which investors may submit purchase orders for the Offer Shares is expected to commence on July 11, 2018 and to end on July 18, 2018 at (i) 12:00 (CEST) for retail investors (natural persons) and (ii) at 14:00 (CEST) for institutional investors (the "**Offer Period**"). Purchase orders must be for at least 10 shares and be expressed in full Euro amounts or cent figures of 25, 50 or 75 cents. Multiple purchase orders are permitted. ***Offer Price*** The price set for the Offering for which purchase orders may be placed is EUR 80.00 per Offer Share (the "**Offer Price**"). ***Final Number of Shares*** The final number of shares placed in the Offering (that is, the result of the Offering) is expected to be published on or about July 18, 2018 by means of an ad hoc release on an electronic information dissemination system and on the Company's website (ir.creditshelf.com). Should the placement volume prove insufficient to satisfy all orders placed at the Offer Price, the Underwriter reserves the right to reject orders, or to accept them only in part. ***Amendments to the Term of the Offering*** Reductions in the number of Offer Shares, changes to the Offer Price or an

	extension or shortening of the Offer Period will not invalidate any offers to purchase Offer Shares that have already been submitted. If such changes require the publication of a supplement to this Prospectus, investors who submitted purchase orders prior to the publication of the supplement have the right to withdraw such offers to purchase within two business days (Frankfurt/Main, Germany) following the publication of the supplement (Section 16(3) WpPG). Instead of withdrawing their offers to purchase Offer Shares placed prior to the publication of the supplement, investors may change their orders or place new limited or unlimited offers to purchase within two business days (Frankfurt/Main, Germany) following the publication of the supplement. ***Delivery and Payment*** The delivery of the Offer Shares against payment of the Offer Price is expected to take place on July 25, 2018. The Offer Shares will be made available to the shareholders as co-ownership interests in a global share certificate representing the Company's shares (the "**Global Share Certificate**"). ***Back Stop Agreement*** Under an agreement entered into between Hevella and the Company on July 4, 2018 (the "**Back Stop Agreement**"), Hevella has committed itself irrevocably for the term of the Back Stop Agreement (i.e. until July 31, 2018) to purchase Offer Shares at the Offer Price for a total amount of up to EUR 15,000,000 if and to the extent the Offer Shares are not subscribed for by investors in the course of the Offering. The ordinary termination of the Back Stop Agreement is excluded. An extraordinary termination is in particular possible if there is an important reason which would also entitle the Underwriter to an extraordinary termination under the Underwriting Agreement (as defined in E.5).
E.4 **Interests and conflicts of interest material to the issue/offer.**	In connection with the Offering and the stock exchange listing of the Company's shares, the Underwriter has a contractual relationship with the Company. The Underwriter acts for the Company on the Offering and coordinate the structuring and execution of the Offering. Upon successful implementation of the Offering, the Underwriter will receive a commission. As a result of this contractual relationship, the Underwriter has a financial interest in the success of the Offering. Furthermore, in connection with the Offering, the Underwriter and any of its respective affiliates, acting as an investor for their own account, may acquire shares in the Offering and in that capacity may retain, purchase or sell for its own account such shares or related investments and may offer or sell such shares or other investments otherwise than in connection with the Offering. In addition, the Underwriter or certain of their affiliates may enter into financing arrangements (including swaps or contracts for differences) with investors in connection with which Underwriter (or its affiliates) may from time to time acquire, hold or dispose of shares in the Company. Also as a result of these

	circumstances, the Underwriter has a financial interest in the success of the Offering. The Underwriter or its affiliates may from time to time in the future have business relations with the creditshelf Group (including lending activities) or may perform services for the creditshelf Group in the ordinary course of business. In addition, the Company plans to enter into a cooperation agreement with Commerzbank regarding, amongst others, the referral of certain potential borrowers from its network to the creditshelf Platform. Also as a result of these circumstances, the Underwriter has a financial interest in the success of the Offering. One of the members of the Management Board, Dr. Mark Währisch, has received so-called virtual shares by the Company under a virtual participation program (the "**Virtual Shares**"). Such Virtual Shares will entitle Dr. Mark Währisch as well as other beneficiaries under such virtual participation program to cash payments in case of a completion of the Offering. In addition, certain key employees of the Company and Dr. Mark Währisch are entitled to cash payments under retention bonus agreements that are subject to the completion of the Offering. As a result, such employees (including Dr. Mark Währisch) have a financial interest in the completion of the Offering. The existing direct and indirect shareholders of the Company have an interest in the completion of the Offering at the best possible terms, as their shares will become tradeable and fungible and net proceeds from the Offering received by the Company will strengthen the financial position and equity base of the Company. Under the Back Stop Agreement Hevella has committed itself, irrevocably for the term of the Back Stop Agreement (i.e. until July 31, 2018), to purchase Offer Shares at the Offer Price for a total amount of up to EUR 15,000,000 if and to the extent the Offer Shares are not subscribed for in the course of the Offering. As a result, Hevella has a financial interest in the success of the Offering. As Obotritia Capital controls Hevella and Mr. Rolf Elgeti controls Obotritia Capital, Obotritia Capital and Mr. Rolf Elgeti also have a financial interest in the success of the Offering. Other than the interests described above, there are no material interests, in particular no material conflicts of interest, with respect to the Offering.
E.5 **Name of the person or entity offering to sell the security, lock-up agreements.**	The Offer Shares are being offered for sale by the Underwriter. In the underwriting agreement, to be entered into by the Company, and the Underwriter on or about July 10, 2018 (the "**Underwriting Agreement**"), the Company will agree with the Sole Bookrunner for a period commencing on the date hereof and ending six months after the commencement of trading of the Company's shares on the Frankfurt Stock Exchange (currently expected to take place on July 25, 2018), and for a period of another six months immediately subsequent to such initial six-month period without the prior consent of

	the Sole Global Coordinator, not to (i) announce or effect an increase of the share capital of the Company from authorized capital, (ii) submit a proposal to its shareholders' meeting for an increase of the share capital, (iii) announce to issue, effect or submit a proposal for the issuance of any securities with conversion or option rights on shares of the Company, (iv) offer, pledge, allot, issue (unless required by applicable law), sell, contract to sell, sell any option or contract to purchase, purchase any option to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any shares in its capital or any securities convertible into or exercisable or exchangeable for shares in its capital or enter into any swap or other arrangement that transfers to another, in whole or in part, the economic risk of ownership of shares in its capital; or (v) enter into a transaction or perform any action economically similar to those described in (i) through (iv) above. These restrictions shall not apply to the IPO Capital Increase and the sale of Offer Shares issued in such IPO Capital Increase. Furthermore, the foregoing shall not apply to the issue and exercise of options pursuant to the employee or management stock participation programs described in the Prospectus. The existing shareholders Hevella will agree with the Sole Bookrunner for a period commencing on the date hereof and ending 12 months after the commencement of trading of the Company's shares on the Frankfurt Stock Exchange (currently expected to take place on July 25, 2018), and for a period of another six months subsequent to such initial 12-month period without the prior consent of the Sole Global Coordinator, not to offer, pledge, allot, distribute, sell, contract to sell, sell any option or contract to purchase, purchase any option to sell, grant any option, right or warrant to purchase, transfer or otherwise dispose of, directly or indirectly (including, but not limited to, the issuance or sale of any securities exchangeable into shares of the Company), any shares held by it or to be acquired in accordance with the Back Stop Agreement, or enter into or perform any economically equivalent transaction. The foregoing shall not apply to the IPO Capital Increase and the sale of New Shares issued in such IPO Capital Increase. The members of the Management Board will agree with the Sole Bookrunner for a period commencing on the date hereof and ending 18 months after the commencement of trading of the Company's shares on the Frankfurt Stock Exchange (currently expected to take place on July 25, 2018), and for a period of six months subsequent to such initial 18-month period without the prior consent of the Sole Global Coordinator, not to offer, pledge, allot, distribute, sell, contract to sell, sell any option or contract to purchase, purchase any option to sell, grant any option, right or warrant to purchase, transfer or otherwise dispose of, directly or indirectly (including, but not limited to, the issuance or sale of any securities exchangeable into shares of the Company), any shares held by it, or enter into or perform any economically equivalent transaction. The foregoing shall not apply to the IPO Capital Increase and the sale of New Shares issued in such IPO Capital Increase.

E.6	**Amount and percentage of immediate dilution resulting from the offering.**	The net book value attributable to shareholders of the Company (before the capital increase resolved on June 18, 2018) amounted to approx. kEUR 1,737 as of March 31, 2018 (calculated as follows: total assets approx. kEUR 6,155 less non-current liabilities approx. kEUR 1,273 and current liabilities approx. kEUR 3,145, as set forth in the Unaudited Interim Condensed Financial Statements as of March 31, 2018), and would amount to EUR 21.76 per Share, based on 79,822 outstanding Shares of the Company (all data unaudited). By a resolution of the extraordinary General Shareholders' Meeting on June 18, 2018 the Company's share capital was increased from approx. kEUR 80 against contributions in cash in the amount of approx. kEUR 1,045 to an aggregate of approx. kEUR 1,125. As a result, the Company's total assets, and our net book value, increased by approx. kEUR 1,045 following the capital increase resolved on June 18, 2018. After full implementation of the Offering and assuming that all 250,000 Offer Shares are sold in the Offering for an Offer Price of EUR 80.00, the aggregate net proceeds received by the Company from the issuance of the Offer Shares (after subtracting the maximum estimated costs of the Offering to be borne by the Company in the amount of approx. kEUR 3,726) would amount to approx. kEUR 16,274. On the assumption that these proceeds had already been received at that date, the net book value attributable to the Company's shareholders on March 31, 2018 would have been approx. kEUR 19,056, or approx. EUR 13.86 per share. This would correspond to a direct dilution of EUR 66.14, corresponding to 82.68%, per share for the parties acquiring the Offer Shares, based on 1,375,000 outstanding shares following the full implementation of the Offering (assuming a placement of all Offer Shares).
E.7	**Estimated expenses charged to the investor by the issuer.**	Not applicable. Investors will not be charged expenses by the Company or the Underwriter.

2. ZUSAMMENFASSUNG DES PROSPEKTS

*Zusammenfassungen bestehen aus offenzulegenden Angaben, die als "**Elemente**" bezeichnet werden. Diese Elemente sind in den Abschnitten A bis E (A.1 bis E.7) aufgeführt. Diese Zusammenfassung enthält alle Elemente, die für diese Art von Wertpapieren und den Emittenten in die Zusammenfassung aufzunehmen sind. Weil einige Elemente nicht aufgeführt werden müssen, können sich Lücken in der fortlaufenden Nummerierung der Elemente ergeben. Selbst wenn ein Element auf Grund der Art des Wertpapiers und auf Grund des Emittenten in die Zusammenfassung aufgenommen werden muss, ist es möglich, dass hinsichtlich dieses Elements keine relevante Information angegeben werden kann. In diesem Fall ist eine kurze Beschreibung des Elements zusammen mit dem Hinweis "entfällt" in die Zusammenfassung aufgenommen worden.*	
A. Einleitung und Warnhinweise	
A.1 Warnhinweise	Diese Zusammenfassung sollte als Einleitung zu diesem Prospekt ("**Prospekt**") verstanden werden. Bei jeder Anlageentscheidung sollte sich der Anleger auf die Prüfung des gesamten Prospekts stützen. Für den Fall, dass vor einem Gericht Ansprüche auf Grund der in diesem Prospekt enthaltenen Informationen geltend gemacht werden, könnte der als Kläger auftretende Anleger in Anwendung der einzelstaatlichen Rechtsvorschriften der Staaten des Europäischen Wirtschaftsraums ("**EWR**") die Kosten für die Übersetzung dieses Prospekts vor Prozessbeginn zu tragen haben. Diejenigen Personen, die die Verantwortung für die Zusammenfassung einschließlich etwaiger Übersetzungen hiervon übernommen haben oder von denen der Erlass ausgeht, können haftbar gemacht werden, jedoch nur für den Fall, dass die Zusammenfassung irreführend, unrichtig oder widersprüchlich ist, wenn sie zusammen mit den anderen Teilen des Prospekts gelesen wird, oder sie, wenn sie zusammen mit den anderen Teilen des Prospekts gelesen wird, nicht alle erforderlichen Schlüsselinformationen vermittelt. Die creditshelf Aktiengesellschaft (vormals creditshelf GmbH), Frankfurt/Main, Deutschland ("**creditshelf**" oder die "**Gesellschaft**") und die COMMERZBANK Aktiengesellschaft, Frankfurt/Main, Deutschland ("**Commerzbank**", "**Sole Global Coordinator**" und "**Sole Bookrunner**" oder "**Underwriter**")) haben nach § 5 Abs. 2b Nr. 4 Wertpapierprospektgesetz ("**WpPG**") die Verantwortung für den Inhalt dieser Zusammenfassung, einschließlich etwaiger Übersetzungen übernommen.
A.2 Angabe über spätere Verwendung des Prospekts.	Entfällt. Eine Zustimmung zur Verwendung dieses Prospekts für eine spätere Weiterveräußerung oder endgültige Platzierung von Aktien durch Finanzintermediäre wurde nicht erteilt.

B. Emittent		
B.1	**Juristische und kommerzielle Bezeichnung**	Die Firma der Gesellschaft lautet "creditshelf Aktiengesellschaft". Die kommerzielle Bezeichnung der Gesellschaft lautet "creditshelf".
B.2	**Sitz und Rechtsform des Emittenten, geltendes Recht, Land der Gründung.**	Die Gesellschaft wurde in Deutschland gegründet und hat ihren Sitz in Frankfurt/Main, Deutschland. Ihre Geschäftsanschrift lautet Mainzer Landstraße 33a, 60329 Frankfurt/Main, Deutschland. Sie ist im Handelsregister des Amtsgerichts Frankfurt/Main, Deutschland, unter HRB 112087 eingetragen. Die Gesellschaft ist eine in Deutschland gegründete Aktiengesellschaft, welche deutschem Recht unterliegt.
B.3	**Art der derzeitigen Geschäftstätigkeit und Haupttätigkeiten des Emittenten sowie Hauptmärkte, auf denen der Emittent vertreten ist.**	***Derzeitige Geschäftstätigkeit und Haupttätigkeiten der Gesellschaft*** Die Gesellschaft und ihre Tochtergesellschaft creditshelf service GmbH ("**creditshelf service**" und zusammen mit der Gesellschaft die "**creditshelf Gruppe**" oder "**Wir**") betreiben in erster Linie einen Online Kreditmarktplatz zur Vermittlung von Krediten für Kreditnehmer, die kleine und mittlere Unternehmen sind (die "**creditshelf Plattform**"). creditshelf gewährt selbst keine Kredite und ist somit kein in einer Bilanz aufzuführender Kreditgeber. Vielmehr werden über die creditshelf Plattform geeignete Kreditnehmer, die Kredite suchen, und geeignete Investoren, die bereit sind, in solche Kredite zu investieren, zusammengeführt. Solche Kredite werden nicht direkt von potenziellen Investoren vergeben, sondern über eine so genannte Fronting Bank (die "**Fronting Bank**"). Diese Fronting Bank besitzt eine Banklizenz nach dem geltenden deutschen Recht. Eine Fronting Bank wird deshalb eingesetzt, weil nach dem geltenden deutschen Recht die Vergabe von Krediten im Allgemeinen eine Banklizenz erfordert. Derzeit arbeitet creditshelf mit lediglich einer Fronting Bank zusammen, der MHB Bank Aktiengesellschaft, Frankfurt/Main, Deutschland. Haben Investoren über die creditshelf Plattform ausreichende Finanzierungsangebote eingereicht, trifft die Fronting Bank eine unabhängige Kreditentscheidung. Im Falle einer positiven Kreditentscheidung vergibt die Fronting Bank den Kredit an den Kreditnehmer und die daraus resultierenden Forderungen (inklusive Zinsansprüchen) werden über creditshelf service an die Investoren, die eine Finanzierungszusage abgegeben haben, verkauft und übertragen (und die mit der creditshelf service ein Konsortium bilden). Die hauptsächliche Geschäftstätigkeit von creditshelf umfasst: • Auswahl geeigneter Kreditprojekte, die auf der creditshelf Plattform zugelassen und registrierten Investoren angeboten werden sollen; • Analyse der Kreditwürdigkeit potenzieller Antragsteller und Vor-

	nahme eines Bonitätsscorings auf Basis der von creditshelf entwickelten intelligenten, datengesteuerten Algorithmen; • Bewertung eines potenziellen Kreditprojekts durch Vorschlag einer Zinsbandbreite für Investoren; • Unterstützung von Kreditnehmern bei der Aufnahme eines Kredits bei der Fronting Bank, wenn die Investoren auf der creditshelf Plattform ausreichende Finanzierungszusagen abgeben, wobei die Fronting Bank in jedem Fall ihre eigene Kreditentscheidung trifft; und • die Begleitung des Kreditprojekts, wenn die Fronting Bank entscheidet, den Kredit an den Kreditnehmer auszugeben, wobei diese Dienstleistungen Folgendes umfassen: Nachdem creditshelf service die Kreditforderungen von der Fronting Bank angekauft und diese (in Tranchen) an die Investoren verkauft hat, zieht creditshelf service die Zahlungen des Kreditnehmers auf den Kredit einschließlich der Zinsen ein und gibt diese Zahlungen abzüglich der Servicegebühren an die Investoren weiter. Aus diesem Grund gehen creditshelf service und die Investoren ein Konsortium ein, das die Kreditforderungen hält und welches von creditshelf service verwaltet wird. Im Falle eines möglichen Ausfalls des Kreditnehmers führt creditshelf service begrenzte Abwicklungsleistungen durch. Solche begrenzten Abwicklungsleistungen umfassen die Kontaktaufnahme zu dem Kreditnehmer, das Abfragen des Status der Rückzahlung und das Anfordern der Zahlung. Weder creditshelf noch creditshelf service werden jedoch weitere Vollstreckungsmaßnahmen durchführen. Vielmehr hat creditshelf service Dienstleistungsverträge mit einem externen Dienstleister (HmcS Gesellschaft für Forderungsmanagement mbH ("**HmcS**")) abgeschlossen. HmcS erbringt Dienstleistungen zur Einziehung notleidender Kredite und steht auch als Back-up-Dienstleister zur Verfügung. Dies bedeutet, dass für den Fall, dass creditshelf service nicht mehr in der Lage sein sollte, die Kredite wie oben beschrieben zu bewirtschaften, HmcS diese Dienste übernehmen würde, um Unterbrechungen der Dienstleistungen zu vermeiden. Die Leistungserbringung in den Bereichen Auswahl, Analyse und Preisgestaltung erfolgt durch creditshelf ausschließlich, um die Integrität und Qualität der creditshelf Plattform zu erhalten. Weder creditshelf noch creditshelf service bieten eine Anlage- oder sonstige Beratung für Kreditnehmer oder Investoren. Die creditshelf Gruppe erzielt Erträge, indem sie (i) eine Vermittlungsgebühr vom Kreditnehmer erhebt, die fällig wird, wenn die Fronting Bank ein Darlehen an einen Kreditnehmer vergibt, und (ii) Gebühren von den Investoren erhebt, die fällig werden, wenn der Kreditnehmer Rückzahlungen auf das Darlehen leistet (Nominaldarlehensbetrag und aufgelaufene Zinsen), für das die

	Investoren eine Finanzierungszusage abgegeben haben. Die creditshelf Gruppe konzentriert sich derzeit auf den deutschen Kreditmarkt und vermittelt nur Kredite an deutsche Kreditnehmer, während die Investoren auf der creditshelf Plattform deutsch oder international sein können. ***Wesentliche Stärken der Gesellschaft*** Die Gesellschaft sieht in den folgenden Aspekten ihre wesentlichen Stärken: • die creditshelf Plattform ist sehr skalierbar und kann die Interessen von Kreditnehmern und Investoren in Einklang bringen; • die Gesellschaft hat selbstentwickeltes Know-how mit einem datenbasierten Risikomanagement-Algorithmus; • die creditshelf Plattform ermöglicht es Investoren, in Kredite an deutsche kleine und mittelständische Unternehmen zu investieren, eine Anlageklasse, die creditshelf als attraktiv für Investoren erachtet; • eine Reihe von größeren und institutionellen Investoren investieren in über die creditshelf Plattform vermittelte Kredite und ihre Investitionsbereitschaft ermöglicht eine schnellere Kreditbearbeitung und -auszahlung; und • die Gesellschaft hat ein engagiertes und hochqualifiziertes Team. ***Strategie*** Die Strategie der Gesellschaft konzentriert sich auf die folgenden derzeitigen Projekte: • die Weiterentwicklung eines fortschrittlichen Kreditprojektprozesses mit einem selbstentwickelten, datengesteuerten Risikoanalyse- und Risikomanagement-Algorithmus; und • die Verfolgung potenzieller Kooperationen mit Banken, die entweder potenzielle Kreditnehmer auf creditshelf verweisen oder die Dienstleistungsangebote von creditshelf für ihre eigenen Kreditprozesse verwenden. In der Strategie der Gesellschaft ist zudem künftig die Verfolgung der folgenden Projekte absehbar: • die mögliche Erweiterung des Produkt- und Dienstleistungsportfolios; und • die geografische Expansion in der Zukunft.
B.4a Wichtigste jüngste Trends, die sich auf den Emittenten und	Die Gesellschaft betrachtet die folgenden aktuellen Trends als wesentlich für ihr Geschäft und die Branche, in der sie tätig ist:

die Branchen, in denen er tätig ist, auswirken.	***Kleine und mittlere Unternehmen suchen zunehmend nach Finanzierungsalternativen zu traditionellen Bankkrediten.*** Aus der Sicht der Gesellschaft suchen immer mehr kleine und mittlere Unternehmen nach Finanzierungsalternativen zu den "klassischen" Bankkrediten. Solche Kreditnehmer sind auch zunehmend offen für digitale Angebote, insbesondere für Kredite, die über so genannte Peer-to-Peer ("**P2P**")-Kreditplattformen vermittelt werden, einschließlich der von creditshelf betriebenen. Nach Ansicht der Gesellschaft beschreibt die P2P-Kreditvergabe die Praxis, Geld von einer Person in der Rolle des "P2P-Kreditgebers" an eine andere Person in der Rolle des "P2P-Kreditnehmers" zu verleihen, im Gegensatz zu einer Bank, die Geld an einen Kreditnehmer verleiht. P2P-Darlehen können direkt vom "P2P-Kreditgeber" an den "P2P-Kreditnehmer" (sofern dies nach geltendem Recht zulässig ist) oder indirekt über eine Fronting Bank (letzteres ist bei der creditshelf Plattform der Fall) vergeben werden. ***Investoren sind zunehmend bereit, in Kredite an kleine und mittlere Unternehmen zu investieren.*** • creditshelf glaubt, dass Investitionen in Kredite an kleine und mittlere Unternehmen eine attraktive Anlageklasse für Investoren sein können, die eine höhere Rendite anstreben. Für viele potenzielle Investoren sind direkte Darlehen eines Investors an einen Kreditnehmer jedoch keine praktikable Option, da eine Darlehensvergabe eine Banklizenz nach geltendem deutschem Recht erfordern könnte und die Transaktionskosten daher wahrscheinlich abschreckend hoch wären. Nach geltendem deutschem Recht wären Investoren in vielen Fällen von der direkten Kreditvergabe an Kreditnehmer ausgeschlossen, wenn sie nicht über eine entsprechende Banklizenz verfügen. • P2P-Kreditplattformen wie die creditshelf Plattform helfen Investoren, diese Probleme anzugehen, weil sie Investoren ermöglichen, Forderungen aus Darlehen zu kaufen, die von einer lizenzierten Fronting Bank vergeben wurden. Der Erwerb solcher Forderungen erfüllt nicht die Kriterien einer Geschäftstätigkeit, die eine Banklizenz nach dem Kreditwesengesetz erfordert. Die P2P-Kreditplattformen helfen bei der Auswahl potenzieller Kreditnehmer und der Preisfindung (d.h. des Zinssatzes) auf Basis einer Bonitätsbeurteilung des Kreditnehmers in (teilweise) digitalisierter und automatisierter Form und bieten potenziellen Investoren die Möglichkeit, in ein Kreditportfolio zu investieren. ***Immer mehr Banken evaluieren ihre Strategie im Hinblick auf kleine und mittlere kreditnehmende Unternehmen.*** • Immer mehr Banken haben die Absicht geäußert, mit jungen FinTech-Unternehmen zusammenzuarbeiten, um ihr eigenes Angebot zu verbessern (Quelle: PwC – "PwC Global FinTech Report 2017").

	• Die Gesellschaft ist der Ansicht, dass der von vielen Banken angewandte traditionelle Prozess der Kreditantragsprüfung und -entscheidung aus Sicht der Banken zu kostspielig und ineffizient und aus Sicht des Kreditnehmers zu zeitaufwendig und unsicher ist. Diese Trends erklären, warum in den letzten Jahren die Bedeutung der traditionellen Bankkredite im Finanzierungsmix vieler kleiner und mittlerer Unternehmen abgenommen hat. • Traditionelle Großbanken verfolgen verschiedene Strategien, um diesen Herausforderungen zu begegnen, u.a. die eigene Kreditbewertung und -entscheidung für Kreditanträge kleiner und mittlerer Unternehmen zu digitalisieren und (teilweise) zu automatisieren und diese Prozesse schneller und kostengünstiger zu gestalten, ohne das Ausfallrisiko im eigenen Kreditportfolio zu erhöhen. Hier wurden Betreiber von P2P-Kreditplattformen als potenzielle Kooperationspartner identifiziert. ***Der europäische Gesetzgeber prüft Möglichkeiten, P2P-Kreditplattformen als Alternative für die Finanzierung kleiner und mittlerer Unternehmen zu ermöglichen.*** Zu den wichtigsten regulatorischen Reformen, die sich auf die creditshelf Gruppe auswirken können, gehört eine Initiative der Europäischen Union ("**EU**") mit dem Titel "Legislative proposal for an EU framework on crowd and peer to peer finance" (REF.Ares/20175288649). Im vierten Quartal von 2017 hat die Europäische Kommission eine sogenannte "Inception Impact Assessment" gestartet, um Stakeholder über die Arbeit der Europäischen Kommission zu informieren, damit sie ihre Rückmeldung zu der geplanten Initiative geben und sich effektiv an künftigen Beratungsrunden beteiligen können. Diese Initiative ist Teil des Bestrebens der Europäischen Kommission, eine Kapitalmarktunion (*Capital Market Union*, die "**CMU**") zu schaffen. Der CMU-Aktionsplan legt großen Wert auf die Stärkung der verschiedenen alternativen Finanzierungsquellen, einschließlich Crowdfunding. In diesem Zusammenhang hat die Europäische Kommission zwei Hauptprobleme identifiziert, die sie mit ihrer jüngsten Initiative angehen will: (i) die Fragmentierung des Marktes und die fehlende Größe von Crowdfunding- und P2P-Kreditplattformen sowie (ii) die wahrgenommene mangelnde Zuverlässigkeit dieser Plattformen. In ihrer Initiative hat die Europäische Kommission eine Reihe von politischen Optionen skizziert, um diese Probleme anzugehen und Crowdfunding- und P2P-Kreditplattformen dabei zu unterstützen, grenzüberschreitend zu skalieren und ihnen einen angemessenen und effektiven Rahmen für das Risikomanagement zur Verfügung zu stellen. Die Gesellschaft ist jedoch der Ansicht, dass der aktuelle Vorschlag keine tragfähige Option für die creditshelf Gruppe darstellt. Der aktuelle Vorschlag sieht vor, dass ein Betreiber einer P2P-Kreditplattform wie creditshelf sich entscheiden kann, sich einem europäischen Regelungswerk zu unterwerfen (sogenannter Opt-in-Ansatz),

<table>
<tr><td></td><td></td><td>was grenzüberschreitende Geschäfte erleichtern könnte. Der derzeitige Vorschlag gewährt das Opt-in nur für Crowdfunding-Angebote, die einen Betrag von EUR 1.000.000,00 nicht überschreiten, berechnet über einen Zeitraum von 12 Monaten. Ein solcher Schwellenwert entspricht nicht dem Geschäftsmodell der creditshelf Gruppe, da creditshelf auch Kredite mit Darlehensbeträgen oberhalb von EUR 1.000.000,00 vermittelt.</td></tr>
<tr><td>B.5</td><td>Beschreibung des Konzerns und der Stellung des Emittenten innerhalb dieses Konzerns.</td><td>Die Gesellschaft ist die Konzernobergesellschaft der creditshelf Gruppe. Die Gesellschaft ist alleinige Gesellschafterin der creditshelf service. Die Gesellschaft hält weder direkt noch indirekt irgendeine weitere Beteiligung in irgendeiner anderen Gesellschaft.</td></tr>
<tr><td>B.6</td><td>Personen, die eine (meldepflichtige) direkte oder indirekte Beteiligung am Eigenkapital des Emittenten oder einen Teil der Stimmrechte halten.</td><td>Die folgende Tabelle zeigt die direkte Beteiligung der Aktionäre am Grundkapital der Gesellschaft zum Datum dieses Prospektes nach Kenntnis der Gesellschaft:
<table>
<tr><th>Name des Aktionärs</th><th>Aktien</th><th>% des Grundkapitals (gerundet)</th></tr>
<tr><td>Hevella Capital GmbH & Co. KGaA</td><td>519.129</td><td>46,145</td></tr>
<tr><td>LDT Investment UG (haftungsbeschränkt)</td><td>261.047</td><td>23,204</td></tr>
<tr><td>DBR Investment UG (haftungsbeschränkt)</td><td>244.176</td><td>21,705</td></tr>
<tr><td>Wahtari GmbH</td><td>65.508</td><td>5,823</td></tr>
<tr><td>Sonstige[1]</td><td>51.140</td><td>3,124</td></tr>
<tr><td>Grundkapital...</td><td>1.125.000</td><td>100,00</td></tr>
</table>
[1]Die Position "Sonstige" umfasst die Purum AG, welche 9.640 Aktien hält (0,857% des Grundkapitals der Gesellschaft (gerundet)) und die J^2 Verwaltung GmbH, welche 1.500 Aktien hält (0,133% des Grundkapitals der Gesellschaft (gerundet)) und andere Beteiligungen unterhalb von drei Prozent des Grundkapitals der Gesellschaft.

Die Gesellschaft verfügt zum Datum dieses Prospektes nach Kenntnis der Gesellschaft über die folgenden wesentlichen mittelbaren Gesellschafter:

• Obotritia Capital KGaA ("Obotritia Capital") hält indirekt 519.129 Aktien der Gesellschaft, was 46,145% der Stimmrechte entspricht. Diese indirekte Beteiligung basiert auf der Kontrolle des direkt beteiligten Gesellschafters Hevella Capital GmbH & Co. KGaA ("Hevella"). Obotritia Capital ist mehrheitlich beteiligter Kommanditaktionär der Hevella und hält 99,98% aller Aktien der Hevella.

• Herr Rolf Elgeti hält indirekt 519.129 Aktien der Gesellschaft, was 46,145% der Stimmrechte entspricht. Diese indirekte Beteiligung basiert</td></tr>
</table>

	auf der Kontrolle von Rolf Elgeti über den indirekt beteiligten Gesellschafter Obotritia Capital, welche den direkt beteiligten Aktionär Hevella kontrolliert. Herrn Elgeti obliegt als persönlich haftendem Gesellschafter die Geschäftsführung der Obotritia Capital; er hält zudem 20,8992% der Kommanditaktien der Obotritia Capital unmittelbar und weitere 4,0582% der Kommanditaktien mittelbar über die Midgard Beteiligungsgesellschaft mbH, deren sämtliche Geschäftsanteile von Herrn Rolf Elgeti gehalten werden, und 1,9174% der Kommanditaktien mittelbar über die EFa Vermögensverwaltung KG, deren persönlich haftender Gesellschafter er ist. • Dr. Tim Thabe hält indirekt 261.047 Aktien der Gesellschaft, was 23,204% der Stimmrechte entspricht. Die indirekte Beteiligung basiert auf der Kontrolle von Dr. Tim Thabe über den direkt beteiligten Aktionär LDT Investment UG (haftungsbeschränkt) ("**LDT**"), an welchem Dr. Tim Thabe alle Geschäftsanteile hält. • Dr. Daniel Bartsch hält indirekt 244.176 Aktien der Gesellschaft, was 21,705% der Stimmrechte entspricht. Die indirekte Beteiligung basiert auf der Kontrolle von Dr. Daniel Bartsch über den direkt beteiligten Aktionär DBR Investment UG (haftungsbeschränkt) ("**DBR**"), an welchem Dr. Daniel Bartsch 75% des Stammkapitals hält, während die restlichen Geschäftsanteile von seiner Ehefrau, Frau Nina Sulzbacher, gehalten werden. • Herr Christoph Maichel hält indirekt 65.508 Aktien der Gesellschaft, was 5,823% der Stimmrechte entspricht. Die indirekte Beteiligung basiert auf der Kontrolle von Christoph Maichel über den direkt beteiligten Aktionär Wahtari GmbH ("**Wahtari**"), an welchem Christoph Maichel alle Geschäftsanteile hält. • Yuzu Holding AG ("**Yuzu**") hält indirekt 9.640 Aktien der Gesellschaft, was 0,857% der Stimmrechte entspricht. Die indirekte Beteiligung basiert auf der Kontrolle von Yuzu über den direkt beteiligten Aktionär Purum AG ("**Purum**"), an welchem Yuzu alle Aktien hält. • Herr Michael Hobmeier hält indirekt 9.640 Aktien der Gesellschaft, was 0,857% der Stimmrechte entspricht. Die indirekte Beteiligung basiert auf der Kontrolle von Michael Hobmeier über den indirekt beteiligten Aktionär Yuzu, der den direkt beteiligten Aktionär Purum kontrolliert und an welchem Michael Hobmeier alle Aktien hält. • Frau Julia Heraeus-Rinnert hält indirekt 1.500 Aktien der Gesellschaft, was 0,133% der Stimmrechte entspricht. Die indirekte Beteiligung basiert auf der Kontrolle von Julia Heraeus-Rinnert über den direkt beteiligten Aktionär J^2 Verwaltung GmbH, deren Geschäftsführerin Frau Heraeus-Rinnert ist und an der sie 50% der Anteile hält.

	Unterschiedliche Stimmrechte.	Entfällt. Jede Aktie der Gesellschaft gewährt eine Stimme in der Hauptversammlung der Gesellschaft. Es bestehen keine unterschiedlichen Stimmrechte und keine Stimmrechtsbeschränkungen. Insbesondere bestehen keine unterschiedlichen Stimmrechte der Hauptaktionäre der Gesellschaft.
	Unmittelbare oder mittelbare Beherrschung des Emittenten und Art der Beherrschung.	Hevella kontrolliert mehr als 30% der Stimmrechte in der Gesellschaft und hat die Kontrolle über die Gesellschaft gemäß dem Wertpapiererwerbs- und Übernahmegesetz ("**WpÜG**"). Obotritia Capital kontrolliert mehr als 50% der Stimmrechte in Hevella und hat daher ebenfalls die Kontrolle über die Gesellschaft gemäß dem WpÜG. Herr Rolf Elgeti ist persönlich haftender Gesellschafter der Obotritia Capital, er ist verantwortlich für die Geschäftsführung der Obotritia Capital und er hält zudem 20,8992% der Kommanditaktien der Obotritia Capital unmittelbar und weitere 4,0582% der Kommanditaktien mittelbar über die Midgard Beteiligungsgesellschaft mbH, deren sämtliche Geschäftsanteile von Herrn Rolf Elgeti gehalten werden, und 1,9174% der Kommanditaktien mittelbar über die EFa Vermögensverwaltung KG, deren persönlich haftender Gesellschafter er ist. Herr Rolf Elgeti hat daher ebenfalls die Kontrolle über die Gesellschaft gemäß dem WpÜG.
B.7	**Ausgewählte wesentliche historische Finanzinformationen.**	Die nachstehenden ausgewählten historischen Finanzinformationen der creditshelf Gruppe sind den geprüften Konzernabschlüssen der creditshelf GmbH (jetzt creditshelf Aktiengesellschaft) für die am 31. Dezember 2015, 2016 und 2017 endenden Geschäftsjahre (gemeinsam die "**Geprüften Konzernabschlüsse**") sowie dem ungeprüften Konzernzwischenabschluss der creditshelf GmbH (jetzt creditshelf Aktiengesellschaft) mit Stand und für den am 31. März 2018 endenden Dreimonatszeitraum entnommen worden (der "**Ungeprüfte Konzernzwischenabschluss**" und zusammen mit den Geprüften Konzernabschlüssen die "**creditshelf-Abschlüsse**"). Die Geprüften Konzernabschlüsse wurden in Übereinstimmung mit den International Financial Reporting Standards, wie sie in der Europäischen Union anzuwenden sind ("**IFRS**"), sowie den zusätzlichen Vorgaben der § 315(e) Abs. 1 bzw. § 315(a) Abs. 1 HGB erstellt. Sie wurden nach § 317 HGB und den vom Institut der Wirtschaftsprüfer in Deutschland erstellten Grundsätzen ordnungsgemäßer Abschlussprüfung von der Warth & Klein Grant Thornton AG Wirtschaftsprüfungsgesellschaft, Niederlassung Frankfurt/Main, Ulmenstraße 37-39, 60325 Frankfurt/Main, Deutschland ("**WKGT**") geprüft und jeweils mit einem uneingeschränkten Bestätigungsvermerk versehen. Der Ungeprüfte Konzernzwischenabschluss wurde in Übereinstimmung mit den IFRS für Zwischenberichterstattung, wie sie in der Europäischen Union anzuwenden sind (IAS 34), erstellt. Soweit Finanzinformationen im Prospekt als "geprüft" dargestellt werden, bedeutet dies, dass die betreffende Information aus dem vorgenannten jeweili-

	gen Geprüften Konzernabschluss entnommen wurde. Der Hinweis "ungeprüft" wird verwendet, um Finanzinformationen zu kennzeichnen, die nicht den vorgenannten Geprüften Konzernabschlüssen entnommen wurden, sondern entweder aus den Geprüften Konzernabschlüssen abgeleitet wurden oder aus dem Ungeprüften Konzernzwischenabschluss oder aus creditshelfs internem Berichtswesen abgeleitet oder entnommen wurden oder auf Grundlage von Zahlen aus den vorgenannten Quellen berechnet wurden. Einige Zahlen (einschließlich Prozentangaben) in diesem Prospekt wurden kaufmännisch gerundet, wobei die Summen (Summen, Zwischensummen, Differenzen oder in Bezug gesetzte Beträge) entweder auf Basis der zugrunde liegenden ungerundeten Beträge oder der zugrunde liegenden Beträge gerundet auf TEUR berechnet werden. Infolgedessen kann es sein, dass die Summen in den Tabellen nicht in allen Fällen mit den entsprechenden gerundeten Beträgen in diesen Tabellen korrespondieren. In einigen Fällen kann es sein, dass die Addition solcher gerundeten Zahlen und Prozentangaben nicht 100% oder die in diesem Prospekt in Tabellen oder an anderen Stellen enthaltenen Gesamt- oder Zwischensummen ergibt. Ferner können in Tabellen angegebene kaufmännisch abgerundete Gesamt- und Zwischensummen leicht von an anderer Stelle des Prospekts genannten nicht gerundeten Zahlen abweichen. Zahlen, die mit 0,00 (im Hinblick auf einen positiven Betrag) und -0,00 (im Hinblick auf einen negativen Betrag) angegeben sind, resultieren aus der Aufrundung auf EUR-Millionen für Zwecke dieses Prospekts. Bezüglich der Finanzinformationen bedeutet ein Strich ("-"), dass die jeweilige Zahl nicht verfügbar ist, wohingegen eine Null ("0,00") bedeutet, dass die Zahl entweder gerundet oder genau Null entspricht. Die nachstehenden Tabellen enthalten zudem alternative Leistungskennzahlen (wie von der Europäischen Wertpapieraufsichtsbehörde (European Securities and Markets Authority – "**ESMA**") definiert) sowie bestimmte Nicht-IFRS Kennzahlen, wie EBITDA, welche von unserer Geschäftsleitung verwendet werden, welche aber nach IFRS nicht erforderlich sind oder welche nicht gemäß IFRS berechnet wurden. Alle solche Kennzahlen sind bei ihrem erstmaligen Erscheinen in Fußnoten zu den Tabellen unten einzeln definiert. Wir verwenden diese alternativen Leistungskennzahlen als ergänzende Informationen aus den im Folgenden in Bezug auf einzelne Leistungskennzahlen dargelegten Gründen. Im Allgemeinen glauben wir jedoch, dass sie zu einem besseren Verständnis von dem Wachstum unseres Geschäfts und unserer Marke sowie von unserer Fähigkeit, Liquidität zu generieren, beitragen können. Wir glauben, dass die Darstellung der in diesem Prospekt enthaltenen alternativen Leistungskennzahlen den Vorgaben der ESMA-Leitlinien entspricht. Da die alternativen Leistungskennzahlen nicht nach IFRS oder nach anderen international anerkannten Rechnungslegungsgrundsätzen anerkannt sind, sollten diese nicht als Alternative zu den historischen Konzernabschlüssen oder den IFRS-Kennzahlen, die unsere Leistung, Verbindlichkeiten und Nettovermögen betreffen, verstanden werden. Aufgrund von Unterschieden

	in der Art und Weise der Berechnung solcher Kennzahlen, könnten diese ferner möglicherweise nicht vergleichbar mit ähnlich betitelten Kennzahlen anderer Unternehmen sein. Wenngleich diese Kennzahlen von der Geschäftsführung verwendet werden, um die laufende operative Leistungsfähigkeit und den Verschuldungsgrad zu beurteilen, haben sie wichtige Einschränkungen als analytische Instrumente und sollten von potenziellen Investoren nicht isoliert oder als Ersatz für die Analyse unserer nach IFRS abgeleiteten Ergebnisse, Zahlungsströme oder Vermögenswerte und Verbindlichkeiten betrachtet werden.

Ausgewählte Finanzinformationen der Gesamtergebnisrechnung

IFRS	Geschäftsjahr zum 31. Dezember 2015	Geschäftsjahr zum 31. Dezember 2016	Geschäftsjahr zum 31. Dezember 2017	Dreimonatszeitraum zum 31. März, 2017	Dreimonatszeitraum zum 31. März, 2018
in EUR	**(geprüft)[1]**	**(geprüft)[1]**	**(geprüft)[1]**	**(ungeprüft)**	**(ungeprüft)**
Gesamte Umsatzerlöse	10.625,00	247.619,99	1.201.929,67	30.364,09	316.967,16
Sonstige Erträge	5.113,80	22.458,45	267.091,24	23.741,70	31.882,37
Rohergebnis[2]	**15.738,80**	**270.078,44**	**1.469.020,91**	**54.105,79**	**348.849,53**
Personalaufwand[3]	-12.875,78	-391.780,98	-1.066.451,25	-211.954,22	-284.257,25
Verbleibende betriebliche Aufwendungen[4]	-349.033,22	-1.078.487,81	-1.357.541,43	-221.003,72	-2.113.248,46
EBITDA[5]	**-346.170,20**	**-1.200.190,35**	**-954.971,77**	**-378.852,15**	**-2.048.656,18**
Abschreibungen	-7.214,32	-37.232,37	-130.743,78	-23.186,73	-46.632,36
EBIT[6]	**-353.384,52**	**-1.237.422,72**	**-1.085.715,55**	**-402.038,88**	**-2.095.288,54**
Zinsertrag	226,19	83,58	0,00	0,00	4.424,33
Zinsaufwand	-800,70	-1.000,00	-27.877,53	-250,00	-9.095,68
EBT[7]	**-353.959,03**	**-1.238.339,14**	**-1.113.593,08**	-402.288,88	-2.099.959,89
Ertragsteuern	113.296,39	397.692,88	356.850,45	130.007,98	670.384,26
Jahresergebnis	**-240.662,64**	**-840.646,26**	**-756.742,63**	-272.280,90	-1.429.575,63
Sonstiges Ergebnis	0,00	0,00	0,00	0,00	0,00
Gesamtergebnis	**-240.662,64**	**-840.646,26**	**-756.742,63**	**-272.280,90**	**-1.429.575,63**

1 Die Angabe "geprüft" bedeutet, dass die in dieser Spalte enthaltenen Zahlen geprüft sind, sofern nicht gesondert darauf hingewiesen wird, dass diese Zahlen aus den jeweiligen Geprüften Konzernabschlüssen abgeleitet und damit ungeprüft sind.

2 Das "Rohergebnis" ist aus den Konzernabschlüssen abgeleitet und ist nicht direkt darin enthalten und damit ungeprüft. Das "Rohergebnis" berechnet sich aus der Summe der Erlöse (*revenue*) und sonstigen betrieblichen Erträge (*other operating income*).

3 Der "Personalaufwand" ist Teil der sonstigen betrieblichen Aufwände (*other operating expenses*) und in den Notes zu den Konzernabschlüssen abgebildet.

4 Diese Zahlen sind aus den Konzernabschlüssen abgeleitet und sind nicht direkt darin enthalten und ungeprüft. "Verbleibende betriebliche Aufwendungen" sind errechnet aus den "sonstigen betrieblichen Aufwendungen" (*other operating income*) (wie im Konzernabschluss dargestellt) abzüglich der Abschreibungen und des Personalaufwands. "Verbleibende betriebliche Aufwendungen" ist keine nach IFRS anerkannte Kennzahl für die Ertragskraft eines Unternehmens und wurde allein von der Gesellschaft selbst definiert.

5 Diese Zahlen sind aus den Konzernabschlüssen abgeleitet und sind nicht direkt darin enthalten und ungeprüft. Die Gesellschaft hat EBITDA (*earnings before interest and taxes and depreciation and amortization)* als Ergebnis vor Ertragsteuern und sonstigen Steuern, Zinsen und sonstigen Finanzergebnissen sowie Abschreibungen definiert.

6 Die Gesellschaft hat EBIT (*earnings before interest and taxes*) definiert als Ergebnis vor Ertragsteuern und sonstigen Steuern, Zinsen und sonstigen Finanzergebnissen.

7 Die Gesellschaft hat EBT (*earnings before taxes*) definiert als Ergebnis vor Ertragsteuern und sonstigen Steuern.

Ausgewählte Finanzinformationen der Bilanzen

IFRS	Zum 31. Dezember 2015	Zum 31. Dezember 2016	Zum 31. Dezember 2017	Zum 31. März, 2018
in EUR	**(geprüft)**	**(geprüft)**	**(geprüft)**	**(ungeprüft)**
AKTIVA				
Langfristige Vermögenswerte	**160.345,68**	**699.493,43**	**1.901.271,95**	**3.156.899,34**
Immaterielle Vermögenswerte	26.751,00	138.953,00	513.976,70	1.113.319,11
Anlagevermögen	2.839,00	32.092,00	330.012,00	326.657,80
Forderungen aus Lieferungen und Leistungen	0,00	0,00	144.930,73	134.185,65
Sonstige Vermögenswerte	0,00	0,00	27.053,64	27.053,64
Aktive latente Steuern	130.755,68	528.448,43	885.298,88	1.555.683,14
Kurzfristige Vermögenswerte	**348.095,49**	**574.915,04**	**2.337.621,31**	**2.998.287,68**
Forderungen aus Lieferungen und Leistungen	0,00	4.000,00	206.490,53	258.549,62
Sonstige kurzfristige Vermögenswerte	17.146,12	74.069,02	71.592,88	746.783,91
Sonstige finanzielle Vermögenswerte	2.822,54	6.663,56	32.407,14	3.839,54
Liquide Mittel	328.126,83	490.182,46	2.027.130,76	1.989.114,61
SUMME AKTIVA	**508.441,17**	**1.274.408,47**	**4.238.893,26**	**6.155.187,02**

IFRS in EUR	Zum 31. Dezember 2015 (geprüft)	Zum 31. Dezember 2016 (geprüft)	Zum 31. Dezember 2017 (geprüft)	Zum 31. März, 2018 (ungeprüft)
PASSIVA				
Summe Eigenkapital	**270.568,39**	**426.803,56**	**1.166.329,13**	**1.736.623,50**
gezeichnetes Kapital	60.002,00	71.270,00	76.752,00	79.822,00
Kapitalrücklage	488.566,35	1.474.179,78	2.964.965,98	4.961.765,98
Bilanzgewinn	-277.999,96	-1.118.646,22	-1.875.388,85	-3.304.964,48
Langfristige Verbindlichkeiten	**175.813,48**	**667.375,48**	**728.668,01**	**1.273.459,03**
sonstige Rückstellungen	74.985,00	565.547,00	410.505,00	959.055,44
sonstige langfristige Verbindlichkeiten	100.828,48	101.828,48	318.183,01	314.403,59
Kurzfristige Verbindlichkeiten	**62.059,30**	**180.229,43**	**2.343.876,12**	**3.145.104,49**
Verbindlichkeiten aus Lieferungen und Leistungen	56.524,72	119.370,80	1.707.890,38	1.101.889,28
sonstige Verpflichtungen	0,00	0,00	58.844,00	282.361,45
sonstige kurzfristige Verbindlichkeiten	5.534,58	60.858,63	577.141,74	1.760.853,76
SUMME PASSIVA	**508.441,17**	**1.274.408,47**	**4.238.893,26**	**6.155.187,02**

Ausgewählte Informationen der Kapitalflussrechnung

in EUR	Geschäftsjahr zum 31. Dezember 2015 (geprüft)	Geschäftsjahr zum 31. Dezember 2016 (geprüft)	Geschäftsjahr zum 31. Dezember 2017 (geprüft)	Dreimonatszeitraum zum 31. März, 2017 (ungeprüft)	Dreimonatszeitraum zum 31. März, 2018 (ungeprüft)
Jahresergebnis	**-240.662,64**	**-840.646,26**	**-756.742,63**	**-272.280,90**	**-1.429.575,63**
Cashflow aus der betrieblichen Geschäftstätigkeit	**-237.731,78**	**-656.138,43**	**573.524,22**	**-1.916.242,25**	**-1.440.872,85**
Cashflow aus der Investitionstätigkeit	**-33.477,32**	**-178.687,37**	**-508.774,36**	**-23.372,40**	**-575.974,65**
Cashflow aus der Finanzierungstätigkeit	**573.568,35**	**996.881,43**	**1.472.198,44**	**1.496.268,20**	**1.978.831,35**
Zahlungswirksame Veränderungen der liquiden Mittel	302.359,25	162.055,63	1.536.948,30	-443.346,45	-38.016,15
Liquide Mittel am Anfang der Periode	25.767,58	328.126,83	490.182,46	490.182,46	2.027.130,76
Liquide Mittel am Ende der Periode	**328.126,83**	**490.182,46**	**2.027.130,76**	**46.836,01**	**1.989.114,61**

Wesentliche Änderungen der Finanzlage und des Betriebsergebnisses des Emittenten in dem oder nach dem von den wesentlichen historischen Finanzinformationen abgedeckten Zeitraum.	***Geschäftsjahre 2015, 2016 und 2017*** Die creditshelf Gruppe konnte ihren Umsatz durch den Ausbau ihres über die Online-Kreditvermittlungsplattform abgewickelten Geschäfts kontinuierlich steigern. Da die creditshelf Gruppe ihr operatives Geschäft im Jahr 2015 begann, konnten in diesem Geschäftsjahr erste Einnahmen aus der Vermittlungstätigkeit in Höhe von EUR 10.625,00 erzielt werden. Im folgenden Geschäftsjahr konnte die creditshelf Gruppe ihr Geschäft ausbauen und Einnahmen in Höhe von EUR 247.619,99 erzielen; diese Einnahmen wurden aus den Vermittlungsgebühren erzielt, die von den Darlehensnehmern gezahlt wurden. Im Vergleich zu 2015 stiegen die Einnahmen um EUR 236.994,99 (2.230,54%). Der starke Anstieg resultierte aus der Aufnahme und dem Ausbau der Geschäftstätigkeit der creditshelf Gruppe. Im Jahr 2017 erschloss die creditshelf Gruppe eine zweite Einnahmequelle durch die Einführung von Servicegebühren für Investoren. Aufgrund der fortlaufenden Entwicklung des Geschäfts der creditshelf Gruppe konnte diese im Geschäftsjahr 2017 aus den Vermittlungsgebühren Einnahmen in Höhe von rund EUR 774.249,94 und aus den Servicegebühren von Investoren Einnahmen in Höhe von rund EUR 427.679,73 realisieren. Dies stellt insgesamt einen Anstieg um EUR 954.309,68 (385,39%) im Vergleich zu 2016 dar. Überdies wurde das EBIT der creditshelf Gruppe in den am 31. Dezember 2015, 31. Dezember 2016 und 31. Dezember 2017 endenden Geschäftsjahren wesentlich von den folgenden Ausgaben beeinflusst: • Der Personalaufwand stieg von EUR 12.875,78 im Geschäftsjahr 2015 um EUR 378.905,20 (2.942,77%) auf EUR 391.780,98 im Geschäftsjahr 2016. Vom Geschäftsjahr 2016 zum Geschäftsjahr 2017 stieg dieser Posten um EUR 674.670,27 (172,19%) auf einen Betrag von EUR 1.066.451,25 an. Dieser wesentliche Anstieg ist vorrangig auf die Aufnahme und den Ausbau der Geschäftstätigkeit der creditshelf Gruppe zurückzuführen, da die durchschnittliche Anzahl der Beschäftigten entsprechend von 1 im Geschäftsjahr 2015 auf 6 im Geschäftsjahr 2016 und 14,5 im Geschäftsjahr 2017 anstieg (die Zahlen basieren auf der durchschnittlichen Anzahl der Angestellten, berechnet auf Vollzeitbasis im jeweiligen Geschäftsjahr). • Zudem stiegen die Aufwendungen für zwei anteilsbasierte Mitarbeiterbeteiligungsprogramme mit Barausgleich, die sogenannten virtuellen Beteiligungsprogramme I und II, und sorgten für einen wesentlichen Anstieg der sonstigen betrieblichen Aufwendungen. 2015 betrugen die Aufwendungen für das virtuelle Beteiligungsprogramm II EUR 74.985,00, während für das virtuelle Beteiligungsprogramm I keine Aufwendungen anfielen, da virtuelle Anteile unter diesem Programm erst in den Jahren 2016 und 2017 gewährt wurden. 2016 fielen für beide Programme Aufwendungen in Höhe von EUR 440.562,00 an. In dem am 31. Dezember 2017 endenden Ge-

	schäftsjahr fielen zusätzliche Aufwendungen für das virtuelle Beteiligungsprogramm I in Höhe von EUR 227.660,00 auf Grund der Ausgabe neuer virtueller Anteile und von Auswirkungen der Ausübungsbedingungen (Vesting) an, während für das virtuelle Beteiligungsprogramm II keine Aufwendungen anfielen. Alle EBIT Ergebnisse der creditshelf Gruppe in den am 31. Dezember 2015, 31. Dezember 2016 und 31. Dezember 2017 endenden Geschäftsjahren waren negativ und betrugen 2015 EUR -353.384,52, 2016 EUR -1.237.422,72 und 2017 EUR -1.085.715,55. ***Dreimonatszeitraum zum 31. März 2018*** Am 8. Februar 2018 beschloss die Gesellschafterversammlung der Gesellschaft eine Erhöhung des Stammkapitals der Gesellschaft von EUR 76.752,00 um EUR 3.070,00 auf EUR 79.822,00 gegen Bareinlagen in Höhe von insgesamt EUR 2.000.000,00. Diese Kapitalerhöhung wurde am 23. Februar 2018 wirksam. Daraus resultiert zum 31. März 2018 eine Eigenkapitalausstattung in Höhe von EUR 1.736.623,50. In dem am 31. März 2018 abgelaufenen Dreimonatszeitraum erhöhten sich die langfristigen Verbindlichkeiten von EUR 728.668,01 zum 31. Dezember 2017 um EUR 594.791,02 auf EUR 1.273.459,03. Zudem erhöhten sich die kurzfristigen Verbindlichkeiten von EUR 2.343.876,12 zum 31. Dezember 2017 um EUR 801.228,37 auf EUR 3.145.104,49. Im Ergebnis erzielte die creditshelf Gruppe ein negatives Ergebnis von EUR 1.429.575,63, im Vergleich zu einem Gesamtverlust von EUR 756.742,63 zum 31. Dezember 2017. Darüber hinaus ist das EBIT der creditshelf Gruppe weiterhin negativ. Die Ergebnisse wurden maßgeblich durch folgende Aufwendungen in dem am 31. März 2018 abgelaufenen Dreimonatszeitraum beeinflusst: • Der Personalaufwand stieg in dem am 31. März 2018 abgelaufenen Dreimonatszeitraum weiter und betrug EUR 284.257,25, im Vergleich zu EUR 211.954,22 (rund 34,11%) in dem am 31. März 2017 abgelaufenen Dreimonatszeitraum. • Der aus den Rückstellungen für die sogenannten virtuellen Beteiligungsprogramme I und II der creditshelf Gruppe resultierende Aufwand erhöhte sich in dem am 31. März 2018 abgelaufenen Dreimonatszeitraum von EUR 11.641,00 um EUR 1.717.868,45 auf EUR 1.729.509,45 gegenüber dem am 31. März 2017 abgelaufenen Dreimonatszeitraum. Neben geringfügigen Auswirkungen der Ansparbedingungen (Vesting) resultiert der Anstieg im Wesentlichen auf einer höheren Bewertung der Anteile der Gesellschaft, die auf der Bewertung im Rahmen der Kapitalerhöhung im Februar 2018 basiert. • Der zusätzliche Anstieg der kurzfristigen Verbindlichkeiten ist im

	Wesentlichen auf den Anstieg der Verbindlichkeiten aus Lieferungen und Leistungen aufgrund von Verbindlichkeiten gegenüber Investoren zurückzuführen. Solche Verbindlichkeiten werden verbucht, wenn Investoren im Rahmen ihrer Investitionen auf der creditshelf-Plattform Vorauszahlungen geleistet haben, das entsprechende Darlehen von der Fronting Bank am Ende der Rechnungsperiode aber noch nicht ausgezahlt wurde. Darüber hinaus spiegelt der Anstieg der kurzfristigen Verbindlichkeiten zum 31. März 2018 auch höhere Verbindlichkeiten gegenüber Dienstleistern wider, die zu diesem Zeitpunkt noch nicht fakturiert wurden. ***Jüngster Geschäftsgang und Ausblick*** Am 11. Mai 2018 beschloss die Gesellschafterversammlung der Gesellschaft einen Formwechsel der creditshelf GmbH in eine Aktiengesellschaft mit der Firma creditshelf Aktiengesellschaft. Der Formwechsel wurde am 13. Juni 2018 wirksam. Am 18. Juni 2018 beschloss die außerordentliche Hauptversammlung der Gesellschaft eine Kapitalerhöhung von EUR 79.822 um EUR 1.045.178 auf EUR 1.125.000 durch Ausgabe von 1.045.178 auf den Inhaber lautende Stückaktien gegen Bareinlage zum Nominalbetrag von EUR 1.045.178. Diese Kapitalerhöhung wurde am 21. Juni 2018 in das Handelsregister der Gesellschaft eingetragen. Die Gesellschaft hat jetzt ein Grundkapital von EUR 1.125.000, eingeteilt in 1.125.000 auf den Inhaber lautende Stückaktien, jeweils mit einem rechnerischen Anteil am Grundkapital in Höhe von EUR 1,00. Überdies hatten die folgenden Entwicklungen und Trends einen maßgeblichen Einfluss auf die Finanzlage und das Betriebsergebnis der Gesellschaft im Zeitraum nach dem 31. März 2018: • Die von der außerordentlichen Hauptversammlung der creditshelf am 18. Juni 2018 beschlossene Kapitalerhöhung von EUR 79.822 um EUR 1.045.178 auf EUR 1.125.000 hatte aus Sicht der Gesellschaft einen verwässernden Effekt auf den Wert der virtuellen Anteile, die mehreren Mitarbeitern von creditshelf im Rahmen des sogenannten virtuellen Beteiligungsprogramms I gewährt wurden. Daher wurden die für die Verpflichtungen im Zusammenhang mit dem virtuellen Beteiligungsprogramm I gebildeten Rückstellungen zum Zeitpunkt dieses Prospekts von EUR 1.559.660,82 um EUR 1.411.681,56 auf EUR 147.979,26 reduziert. • Der Personalaufwand stieg in dem auf den 31. März 2018 folgenden Zeitraum weiter an, was im Wesentlichen darauf zurückzuführen ist, dass die Gesellschaft zum Datum des Prospekts 24 Angestellte (einschließlich des Managements) hat. Diese Entwicklung trug zu einem weiteren Anstieg der Personalkosten bei, die zwischen dem 31. März 2018 und dem Datum dieses Prospekts etwa EUR 376.000 betrugen.

	• creditshelf und einige ihrer Schlüsselmitarbeiter schlossen Bonus- und Mitarbeiterbindungsvereinbarungen, um sie für ihre Anstrengungen im Vorfeld des Angebots zu belohnen und ihnen einen Anreiz zu geben, weiterhin für die Gesellschaft zu arbeiten. Nach diesen Vereinbarungen haben die jeweiligen Begünstigten im Falle eines Vollzugs des Angebots Anspruch auf eine bestimmte, mit dem jeweiligen Begünstigten vereinbarte Mindestzahlung in bar. Dr. Mark Währisch, Mitglied des Vorstands, hat ebenfalls einen solchen Bonus- und Mitarbeiterbindungsvertrag abgeschlossen. Der Vorstand der Gesellschaft (der "**Vorstand**") kann nach seinem eigenen Ermessen den jeweiligen Bonus um bis zu 100% anheben. Im Hinblick auf Dr. Mark Währisch entscheidet der Aufsichtsrats der Gesellschaft ("**Aufsichtsrat**"), ob und in welchem Umfang der jeweilige Mindestbonus angehoben wird. Die Vereinbarungen sehen eine Verpflichtung des jeweiligen Begünstigten zur Rückzahlung eines bestimmten Teils des Bonus vor, wenn der Begünstigte das Unternehmen innerhalb eines bestimmten Zeitraums ohne wichtigen Grund verlässt. Für die Verpflichtungen aus den Bonus- und Mitarbeiterbindungsvereinbarungen hat die Gesellschaft zum Datum dieses Prospekts Rückstellungen in Höhe von EUR 1.415.000 gebildet. • Die Gesellschaft investierte auch weiterhin in die Softwareentwicklung zur weiteren Verbesserung der creditshelf Plattform, was zur fortlaufenden Aktivierung von Aufwendungen für die Softwareentwicklung und einer weiteren Erhöhung der immateriellen Vermögenswerte führte. Zwischen dem 31. März 2018 und dem Datum dieses Prospektes betrugen diese aktivierten Aufwendungen etwa EUR 499.000. Darüber hinaus haben sich seit dem Ende des am 31. März 2018 abgelaufenen Dreimonatszeitraums, für den der Zwischenbericht dargestellt wird, keine wesentlichen Änderungen in der Finanz- und Handelsposition oder dem Betriebsergebnis der creditshelf Gruppe ergeben.
B.8 **Ausgewählte wesentliche Pro-forma-Finanzinformationen.**	Entfällt. Die Gesellschaft hat keine Pro-forma-Finanzinformationen erstellt.
B.9 **Gewinnprognosen oder -schätzungen.**	Entfällt. Dieser Prospekt enthält keine Gewinnprognosen oder -schätzungen.
B.10 **Beschränkungen im Bestätigungsvermerk zu den historischen Finanzinformationen.**	Entfällt. Der Bestätigungsvermerk des Abschlussprüfers enthält im Hinblick auf die historischen Finanzinformationen keine Beschränkungen.

B.11	**Nichtausreichen des Geschäftskapitals des Emittenten zur Erfüllung bestehender Anforderungen.**	Entfällt. Das Geschäftskapital der Gesellschaft reicht für ihre derzeitigen Bedürfnisse aus.
C.	**Wertpapiere**	
C.1	**Beschreibung von Art und Gattung der angebotenen und/oder zum Handel zuzulassenden Wertpapiere.**	Auf den Inhaber lautende Stückaktien ohne Nennbetrag, jeweils mit einem anteiligen Betrag am Grundkapital von EUR 1,00 und voller Gewinnanteilsberechtigung ab dem 1. Januar 2018.
	Wertpapierkennung.	Internationale Wertpapier-Identifikationsnummer (*International Securities Identification Number – ISIN*): ...DE000A2LQUA5 Wertpapierkennnummer (WKN): .... A2LQUA Börsenkürzel: .... CSQ Common Code: .... 185490971 Legal Entity Identifier: 5299003LVPXHGHTWP936
C.2	**Währung der Wertpapieremission.**	Euro.
C.3	**Zahl der ausgegebenen und voll eingezahlten Aktien.**	Zum Datum dieses Prospekts beträgt das Grundkapital der Gesellschaft EUR 1.125.000 und ist in 1.125.000 auf den Inhaber lautende Stückaktien ohne Nennbetrag eingeteilt. Das Grundkapital ist vollständig eingezahlt.
	Nennwert je Aktie.	Jede Aktie der Gesellschaft repräsentiert einen anteiligen Betrag des Grundkapitals der Gesellschaft von EUR 1,00.
C.4	**Beschreibung der mit den Wertpapieren verbundenen Rechte.**	Jede Aktie gewährt in der Hauptversammlung der Gesellschaft eine Stimme. Die Aktien sind ab dem 1. Januar 2018 gewinnanteilsberechtigt, also für das volle, am 31. Dezember 2018 endende Geschäftsjahr und für alle späteren Geschäftsjahre.
C.5	**Beschreibung aller etwaigen Beschränkungen für die freie Übertragbarkeit der Wertpapiere.**	Entfällt. Außer der unter E.5 beschriebenen Lock-up Vereinbarung bestehen keine Einschränkungen der Übertragbarkeit der Aktien der Gesellschaft.

C.6	**Angabe, ob für die angebotenen Wertpapiere die Zulassung zum Handel an einem geregelten Markt beantragt wurde bzw. werden soll, und Nennung aller geregelten Märkte, an denen die Wertpapiere gehandelt werden oder werden sollen.**	Die Zulassung sämtlicher Aktien der Gesellschaft zum Handel am regulierten Markt mit gleichzeitiger Zulassung zum Teilbereich des regulierten Marktes mit weiteren Zulassungsfolgepflichten (Prime Standard) an der Frankfurter Wertpapierbörse wird voraussichtlich am 11. Juli 2018 beantragt werden. Eine Entscheidung über die Zulassung der Aktien wird voraussichtlich am 12. Juli 2018 verkündet werden. Der Handel mit Aktien der Gesellschaft an der Frankfurter Wertpapierbörse wird voraussichtlich am 25. Juli 2018 beginnen.
C.7	**Dividendenpolitik.**	Dividenden dürfen nur aus dem Bilanzgewinn, wie er sich aus dem Jahresabschluss der Gesellschaft ergibt, gezahlt werden. In der Vergangenheit wurde durch die Gesellschaft keine Dividende ausgeschüttet. Die Gesellschaft beabsichtigt, den Aktionären in den nächsten Jahren vorzuschlagen, dass sämtliche verwendungsfähigen Bilanzgewinne, welche die Gesellschaft erzielt, in die Geschäftstätigkeit der Gesellschaft investiert werden.
D.	**Risiken**	
		Der Erwerb von Aktien der Gesellschaft ist mit verschiedenen Risiken verbunden. Potenzielle Anleger sollten vor der Entscheidung über eine Investition in Aktien der Gesellschaft die nachfolgend beschriebenen Risiken sowie alle sonstigen in diesem Prospekt enthaltenen Informationen sorgfältig prüfen. Die folgenden Risiken könnten allein oder zusammen mit weiteren Risiken und Unwägbarkeiten, die der Gesellschaft derzeit nicht bekannt sind oder die diese derzeit als unwesentlich erachtet, erhebliche beeinträchtigende Auswirkungen auf die Geschäfts-, Finanz- und Ertragslage der Gesellschaft haben. Der Marktpreis der Aktien der Gesellschaft könnte sinken, wenn sich einzelne oder alle diese Risiken verwirklichen sollten; in diesem Fall könnten die Anleger ihre Investition ganz oder teilweise verlieren. Die Reihenfolge, in der die Risikofaktoren dargestellt sind, stellt weder eine Aussage über die Eintrittswahrscheinlichkeit noch über die Bedeutung und Höhe der Risiken oder das Ausmaß der sich daraus möglicherweise ergebenden Beeinträchtigung der Geschäfts-, Finanz- oder Ertragslage der Gesellschaft dar.
D.1	**Zentrale Risiken, die dem Emittenten oder seiner Branche eigen sind.**	***Risiken in Bezug auf das Marktumfeld und die Geschäftstätigkeit der Gesellschaft*** • Die Gesellschaft hat in der Vergangenheit Fehlbeträge erwirtschaftet und kann auch in Zukunft solche Fehlbeträge generieren. Hierbei können insbesondere steigende Betriebsausgaben eine Rolle spielen, denen

	keine entsprechend steigenden Umsätze gegenüberstehen. Es besteht ein Insolvenzrisiko der Gesellschaft, welches den vollständigen Verlust des Investments der Investoren in die Gesellschaft bedeuten kann. • Die Gesellschaft ist ein junges Unternehmen mit beschränkter Historie, das sich noch im Geschäftsaufbau befindet. Die Entwicklung der Gesellschaft und ihre bisherige Geschäftstätigkeit könnten nicht als relevante Information für die zukünftige Entwicklung der Gesellschaft angesehen werden. Die künftige Entwicklung der Gesellschaft und der Erfolg ihres Geschäftsmodells sind daher sehr schwer vorherzusehen. • Die Gesellschaft hat nur begrenzte Geschäfts- und Markterfahrung und könnte daher nicht in der Lage sein, auf Marktentwicklungen und geschäftliche Herausforderungen angemessen zu reagieren. • Der Gesellschaft, als junges Unternehmen, könnte es nicht gelingen, die internen Strukturen entsprechend der Geschäftsentwicklung anzupassen, was zu einem Mangel an internen Kapazitäten, unzureichenden Governance-Rahmenbedingungen oder unklaren Zuständigkeiten und Verantwortlichkeiten führen könnte. • Es besteht das Risiko, dass Wettbewerber das Geschäftsmodell kopieren. • Die Gesellschaft ist von der Entwicklung innovativer Produkte und Dienstleistungen abhängig, für welche sich der Markt noch nicht weit genug entwickelt hat. Die Gesellschaft agiert in einem sich schnell verändernden Markt, was zu einer sinkenden Nachfrage nach ihren Produkten und Dienstleistungen führen oder was diese überflüssig machen könnte. • Die Gesellschaft ist auf das Wachstum ihrer Nutzerbasis (Investoren, Kreditnehmer und unterstützende Partner) angewiesen, die die creditshelf Plattform und die anderen Produkte und Dienstleistungen der Gesellschaft den Angeboten ihrer Wettbewerber vorzieht, was zusätzliche Investitionen erfordern könnte. Insbesondere wenn die Gesellschaft nicht in der Lage sein sollte, das Volumen der über die creditshelf Plattform vermittelten Kredite aufrechtzuerhalten oder zu erhöhen oder wenn bestehende Nutzer die creditshelf Plattform nicht mehr benutzen, werden die Geschäftstätigkeit und das Betriebsergebnis der Gesellschaft beeinträchtigt. • Eine relativ geringe Anzahl an Investoren ist für ein relativ hohes Euro-Volumen der Investitionen in über die creditshelf Plattform vermittelte Kredite verantwortlich. • Der Erfolg der Gesellschaft hängt erheblich von dem Erfolg ihrer Marketinganstrengungen ab. Sollte die Gesellschaft nicht in der Lage sein, (weitere) Kunden und andere Nutzer für ihre Produkte und Dienstleis-

	tungen zu gewinnen, könnte dies ihr Geschäft und ihr künftiges Wachstum beeinträchtigen. • Negative Berichterstattung infolge von Nutzerbeschwerden, Rechtsstreitigkeiten oder anderer Faktoren sowie eine negative öffentliche Wahrnehmung des Geschäfts oder des Geschäftsfeldes der Gesellschaft im Allgemeinen könnten eine erhebliche negative Wirkung für die Nachfrage nach den Produkten und Dienstleistungen der Gesellschaft haben. • Die Gesellschaft ist auf Fronting Banken angewiesen, insbesondere im Hinblick auf regulierte Finanzdienstleistungen, und könnte es nicht schaffen, diese wichtigen Beziehungen aufrechtzuerhalten. • Die Gesellschaft ist in hohem Maße abhängig von ihren Vorstandsmitgliedern und anderem Schlüsselpersonal, um das Geschäft zu vergrößern. Der Verlust von Schlüsselpersonal oder die Nichtgewinnung zusätzlichen Schlüsselpersonals könnte das Geschäft der Gesellschaft schädigen. • Die Risikomanagement-Anstrengungen der Gesellschaft könnten nicht effektiv sein. • Wenn Kreditnehmer mit ihren Krediten in Verzug geraten, könnte die creditshelf Gruppe möglicherweise nicht in der Lage sein, ihre Bearbeitungsgebühr in voller Höhe einzuziehen. Darüber hinaus würde sich die Rendite für Investoren, die in diese Darlehen investiert haben, nachteilig verändern und der Ruf der Gesellschaft könnte geschädigt werden. • Die Modelle und Algorithmen, welche die Gesellschaft für ihre Unterstützung bei der Kreditentscheidung und Kreditwürdigkeitsprüfung verwendet, könnten Fehler enthalten oder anderweitig ineffektiv sein. Dies könnte das Ansehen der Gesellschaft und die Beziehungen zu Nutzern und anderen Geschäftspartnern wie den Fronting Banken schädigen, zu einem Rückgang des Marktanteils der Gesellschaft führen und sich negativ auf die Ertragslage von creditshelf auswirken. • Die Gesellschaft kann ungenaue, irreführende oder unvollständige Kreditinformationen und andere Informationen von Kreditnehmern oder Dritten über einen Kreditnehmer erhalten, welche die Kreditwürdigkeit des Kreditnehmers nicht richtig wiedergeben. Dies könnte dazu führen, dass die Gesellschaft über die creditshelf Plattform zu vermittelnde Kredite unangemessen bepreist, was wiederum den Ruf und die Ertragslage der Gesellschaft beeinträchtigen könnte. • Die Gesellschaft ist Cybersicherheitsrisiken ausgesetzt und jede erfolgreiche Cyberattacke oder jeder Sicherheitsverstoß könnte erhebliche nachteilige Auswirkungen auf ihre Geschäfts-, Finanz- und Ertragslage haben.

	• Die Integrität der von der creditshelf Gruppe gespeicherten Benutzerinformationen oder die Effektivität der Technologie und Systeme der creditshelf Gruppe im Allgemeinen könnte beeinträchtigt werden. Eine Verletzung der Datensicherheit in Bezug auf Nutzer- oder andere bei der creditshelf Gruppe gespeicherte Informationen Dritter könnte ihren Ruf und ihre Marke schädigen und zu einem Verlust des Kunden- oder Marktvertrauens und einen Rückgang der Nachfrage nach den Produkten und Dienstleistungen der Gesellschaft führen. • Die Produkte und Dienstleistungen der Gesellschaft sowie ihre internen Systeme sind auf technisch komplexe Software angewiesen, welche unentdeckte Fehler enthalten kann, die das Geschäft der Gesellschaft beeinträchtigen könnten. Wenn creditshelf nicht in der Lage sein sollte, die Internetnetzwerke und IT-Systeme der creditshelf Gruppe zu betreiben, zu warten, einzubinden und zu skalieren, könnte dies einen wesentlichen negativen Einfluss auf die Geschäfts-, Finanz- und Ertragslage der Gesellschaft haben. • Jede Unterbrechung der Geschäftstätigkeit, die z.B. durch Internetausfälle, Drittanbieter, creditshelf, Naturkatastrophen oder Sicherheitsverletzungen verursacht wird, könnte die Fähigkeit der Gesellschaft, ihre Produkte oder Dienstleistungen zu liefern, beeinträchtigen oder verzögern. • Die Gesellschaft ist von verschiedenen makroökonomischen Trends abhängig, wie etwa der Entwicklung der Gesamtwirtschaft sowie der Inflations- und Zinsentwicklung. • Die potentiellen Kooperationsvereinbarungen der Gesellschaft mit Banken im Hinblick auf die Gewinnung von Kreditnehmern für die creditshelf Plattform könnten möglicherweise nicht zustande kommen oder nicht die erwarteten Ergebnisse liefern; diese Partnerschaften werden wahrscheinlich nicht exklusiv sein und unterliegen Kündigungsmöglichkeiten, welche im Falle ihrer Wahrnehmung das Wachstum der creditshelf Gruppe beeinträchtigen könnten. • Das Managementteam der Gesellschaft hat keine Erfahrung in der Leitung eines börsennotierten Unternehmens, was seine Fähigkeiten, das Tagesgeschäft und den Übergang in ein börsennotiertes Unternehmen zu managen, beeinträchtigen könnte. • Der Versicherungsschutz der creditshelf Gruppe könnte unzureichend sein. ***Rechtliche, regulatorische und steuerliche Risiken*** • Die Gesellschaft unterliegt zahlreichen regulatorischen Anforderungen, die in der Zukunft noch zunehmen könnten, insbesondere aufgrund der Regulierung der Finanzindustrie, die zu erhöhten Aufwendungen und potenziellen Schwierigkeiten bei der Ausübung der Geschäftstätigkeit

	führen. Eine unzureichende Einhaltung sowie eine Änderung oder geänderte Auslegung dieser regulatorischen Anforderungen durch die zuständigen Behörden könnten erhebliche nachteilige Auswirkungen auf die Geschäftstätigkeit der Gesellschaft haben. • Regulatorische Reformen in der EU und auf internationaler Ebene setzen die Gesellschaft zunehmenden regulatorischen Belastungen aus. • Die Gesellschaft ist von einer Vielzahl von Gesetzen und Vorschriften zum Datenschutz und zur Datensicherheit betroffen, von denen sich viele noch in der Entwicklung befinden und die negative Auswirkungen auf das Geschäft der Gesellschaft haben könnten. • Die Gesellschaft verfügt möglicherweise nicht über die erforderlichen Genehmigungen für ihren Geschäftsbetrieb oder verliert erteilte Genehmigungen in der Zukunft. Darüber hinaus könnte sie Schwierigkeiten haben, die erforderlichen Genehmigungen zu erhalten oder bestehende Genehmigungen zu erneuern. • Die Einhaltung von Verbraucherschutzgesetzen könnte erforderlich sein. Sollten Verbraucherschutzgesetze gelten und/oder einzelne Nutzer als Verbraucher gelten, könnte die Gesellschaft Ansprüchen ausgesetzt sein. • Die Gesellschaft könnte ihr geistiges Eigentum nicht angemessen schützen oder das geistige Eigentum Dritter verletzen. • Das geistige Eigentum und Know-how der Gesellschaft in Bezug auf ihre Software, Algorithmen und Modelle könnte unzureichend geschützt sein oder die Gesellschaft könnte die Rechte Dritter verletzen. • Die Compliance-Richtlinien und -Verfahren der Gesellschaft könnten die Gesellschaft nicht ausreichend vor Risiken schützen. • Die creditshelf Gruppe verwendet standardisierte Dokumente, Musterverträge sowie standardisierte Geschäftsbedingungen, die das potenzielle Risiko erhöhen, dass solche Vertragsbedingungen ungültig oder nicht durchsetzbar sind, wenn eine der Klauseln für ungültig erklärt wird. • Die Unternehmen der creditshelf Gruppe könnten aufgrund von Steuerprüfungen, Änderungen im Steuerrecht und/oder dessen Auslegung und Anwendung oder Änderungen des effektiven Steuersatzes zur Zahlung zusätzlicher Steuern und anderer Abgaben verpflichtet sein. Änderungen im Hinblick auf die Bearbeitung der Steuerangelegenheiten könnten zu höheren Aufwendungen führen. • Die creditshelf Gruppe könnte in Rechtsstreitigkeiten verwickelt werden.
D.3 Zentrale Risiken, die	***Risiken im Zusammenhang mit der Aktionärsstruktur, dem Angebot und***

	den Wertpapieren eigen sind.	***der Börsennotierung*** • Es besteht das Risiko, dass bestehende Großaktionäre durch ihre Mehrheitsentscheidung wesentlichen Einfluss auf Beschlüsse der Gesellschaft sowie auf Beschlüsse des Aufsichtsrats nehmen. • Aktien der Gesellschaft wurden bislang nicht öffentlich gehandelt und es könnte sich kein liquider Handelsmarkt für die Aktien der Gesellschaft entwickeln oder nach dem Angebot aufrechterhalten werden. Der Ausgabepreis ist kein Indikator für zukünftige Marktpreise. • Eine Kapitalerhöhung zur Schaffung neuer Aktien der Gesellschaft könnte scheitern oder es könnten nur sehr wenige Aktien bei Durchführung einer solchen Kapitalerhöhung gezeichnet werden und die Kapitalerhöhung könnte dennoch durchgesetzt werden. • Das Angebot oder das Börsenlisting der Aktien der Gesellschaft könnten nicht durchgeführt werden. In diesem Fall könnten Anleger bereits gezahlte Provisionen verlieren und Risiken aus möglichen Leerverkäufen der Aktien ausgesetzt sein. • Die Beteiligung der Aktionäre an der Gesellschaft könnte verwässert werden. • Der Aktienkurs oder das Handelsvolumen der Aktien der Gesellschaft könnten erheblich schwanken und Anleger könnten ihre Investments ganz oder teilweise verlieren. • Die zukünftige Begebung von Schuldverschreibungen oder Eigenkapitalinstrumenten der Gesellschaft könnten den Marktpreis ihrer Aktien negativ beeinflussen, und künftige Kapitalmaßnahmen könnten die Anteile der Aktionäre an der Gesellschaft erheblich verwässern. • Zukünftige Verkäufe oder erwartete Verkäufe einer erheblichen Anzahl von Aktien oder ähnliche Transaktionen der derzeitigen Großaktionäre oder anderer Gruppen von Aktionären der Gesellschaft könnten sich negativ auf den Kurs der Aktien der Gesellschaft auswirken. • creditshelf wird als börsennotiertes Unternehmen zusätzlichen rechtlichen Anforderungen unterliegen und einen höheren Kostenaufwand haben.
E.	**Angebot**	
E.1	**Gesamterlös und geschätzte Gesamtkosten des Angebots**	Die Gesellschaft erhält aus dem Angebot nur den Erlös, der sich aus dem Verkauf der Neuen Aktien (wie in E.3 definiert) ergibt. Unter Annahme einer vollständigen Platzierung der Angebotsaktien zum Angebotspreis (wie in E.3 definiert) werden der Gesellschaft Bruttoerlöse aus dem Angebot in Höhe von (Angaben in tausend EUR, "**TEUR**")

	TEUR 20.000 zufließen. Die Kosten für die Gesellschaft bezüglich des Angebots der Angebotsaktien und der Börsennotierung sämtlicher Aktien der Gesellschaft werden sich voraussichtlich auf TEUR 3.726 belaufen (unter der Annahme, dass alle Angebotsaktien platziert werden und einschließlich der an den Underwriter zu zahlenden Zeichnungs- und Platzierungsprovisionen). Unter der Annahme, dass die maximale Anzahl der Angebotsaktien platziert wird, und unter der Annahme einer weiteren vollständigen Zahlung der im Ermessen stehenden Gebühr von TEUR 300, beträgt die an den Underwriter zu zahlende Provision TEUR 1.000. Die sonstigen Aufwendungen im Zusammenhang mit dem Angebot in Höhe von ca. 2.726 umfassen insbesondere Kosten für Rechts-, Steuer-, Buchhaltungs- und sonstige Berater. Vor diesem Hintergrund und unter der Annahme, dass die maximale Anzahl der Angebotsaktien platziert wird, wird die Gesellschaft einen Nettoemissionserlös aus dem Angebot in Höhe von ca. TEUR 16.274 erzielen. Den Investoren werden von der Gesellschaft oder dem Underwriter keine Kosten in Rechnung gestellt. Die Investoren haben die üblichen Transaktions- und Bearbeitungsgebühren zu tragen, die von ihren Brokern oder anderen Finanzinstituten, über die sie ihre Wertpapiere halten, erhoben werden.
E.2a Gründe für das Angebot und Zweckbestimmung der Erlöse, geschätzte Nettoerlöse.	***Gründe für das Angebot*** Die Gesellschaft beabsichtigt die Zulassung ihrer Aktien am regulierten Markt mit gleichzeitiger Zulassung zum Teilbereich des regulierten Marktes mit weiteren Zulassungsfolgepflichten (Prime Standard) an der Frankfurter Wertpapierbörse, um einen besseren Zugang zum Kapitalmarkt zu erhalten. Die Gesellschaft beabsichtigt mit dem Angebot außerdem, die Erlöse aus der Platzierung der Neuen Aktien zur Finanzierung weiteren Wachstums und der Entwicklung ihrer Geschäftstätigkeit zu verwenden. ***Zweckbestimmung der Erlöse, geschätzter Nennwert*** Die Gesellschaft beabsichtigt, den Nettoemissionserlös aus dem Angebot in Höhe von bis zu ca. TEUR 16.274 (unter Annahme einer vollständigen Platzierung der Angebotsaktien) zur Weiterentwicklung ihrer Geschäftstätigkeit, insbesondere zur Investition in die Entwicklung ihrer zur Unterstützung bei der Kreditentscheidung und Kreditwürdigkeitsprüfung verwendeten Algorithmen und Modelle und zur Verbesserung der creditshelf Plattform, einzusetzen. Die Gesellschaft beabsichtigt außerdem, die Erlöse zur Realisierung von Wachstumsmöglichkeiten zu nutzen, einschließlich der Entwicklung und der Vermarktung neuer Produkte und Dienstleistungen und möglicherweise der Erschließung neuer internationaler Märkte, sowie zur Finanzierung ihrer größeren Unternehmensstruktur und zur Begleichung von Kosten und Ausga-

	ben im Zusammenhang mit dem Angebot (einschließlich Zahlungen an bestimmte Mitarbeiter unter dem virtuellen Beteiligungsprogramm I und sonstigen Bonusvereinbarungen mit Angestellten) zu verwenden.
E.3 Angebotskonditionen	Gegenstand dieses öffentlichen Angebots (das "**Angebot**") sind 250.000, auf den Inhaber lautende Stückaktien der Gesellschaft, jeweils mit einem anteiligen Betrag am Grundkapital der Gesellschaft von EUR 1,00 und mit voller Gewinnanteilsberechtigung ab dem 1. Januar 2018, bestehend aus 250.000 neu ausgegebenen, auf den Inhaber lautenden Stammaktien ohne Nennbetrag (die "**Neuen Aktien**" oder die "**Angebotsaktien**") aus einer am oder um den 11. Juli 2018 durch eine außerordentliche Hauptversammlung der Gesellschaft beschlossenen Barkapitalerhöhung (die "**IPO Kapitalerhöhung**"). Das Angebot besteht aus öffentlichen Angeboten in der Bundesrepublik Deutschland und im Großherzogtum Luxemburg sowie Privatplatzierungen in bestimmten Rechtsordnungen außerhalb Deutschlands und Luxemburgs. Die Angebotsaktien werden nur außerhalb der Vereinigten Staaten von Amerika (die "**Vereinigten Staaten**" oder die "**U.S.**") im Rahmen von Offshore-Geschäften gemäß der Regulation S nach dem U.S. Securities Act von 1933 in der derzeit gültigen Fassung (der "**Securities Act**") angeboten und verkauft. Die Angebotsaktien sind und werden nicht nach dem Securities Act oder den Wertpapiergesetzen irgendeines Bundesstaates oder anderen Jurisdiktion der Vereinigten Staaten registriert und dürfen in den Vereinigten Staaten nicht angeboten oder verkauft werden, außer auf Grundlage einer Ausnahme von den Registrierungsbestimmungen des Securities Act oder in einer Transaktion, auf welche diese Bestimmungen keine Anwendung finden, sowie im Einklang mit den anwendbaren wertpapierrechtlichen Bestimmungen des jeweiligen Bundesstaates oder anderen Jurisdiktion der Vereinigten Staaten. Das Angebot gilt ab der Veröffentlichung dieses Prospekts in elektronischer Form auf der Webseite der Gesellschaft (ir.creditshelf.com). ***Angebotszeitraum*** Der Zeitraum, in dem Anleger ihre Kaufangebote für die Angebotsaktien abgeben können, beginnt voraussichtlich am 11. Juli 2018 und endet voraussichtlich am 18. Juli 2018 (i) um 12:00 Uhr (CEST) für Privatanleger (natürliche Personen) und (ii) um 14:00 (CEST) für institutionelle Investoren (der "**Angebotszeitraum**"). Kaufangebote müssen sich auf mindestens 10 Aktien beziehen und in vollen Eurobeträgen oder Eurocent-Beträgen von 25, 50 oder 75 Eurocent abgegeben werden. Mehrfache Kaufangebote sind zulässig. ***Angebotspreis*** Der Preis für das Angebot, zu dem Kaufangebote abgegeben werden dürfen, liegt bei EUR 80,00 je Angebotsaktie (der "**Angebotspreis**"). ***Endgültige Zahl an Aktien***

	Die endgültige Anzahl der Aktien, die im Rahmen des Angebots platziert werden sollen (d.h. die Ergebnisse des Angebots), werden voraussichtlich am oder um den 18. Juli 2018 mittels einer Ad-hoc-Mitteilung in einem elektronischen Informationsverbreitungssystem und auf der Webseite der Gesellschaft (ir.creditshelf.com) veröffentlicht. Sollte sich das Platzierungsvolumen als unzureichend erweisen, um alle zum Angebotspreis platzierten Angebote zu bedienen, behält sich der Underwriter das Recht vor, Angebote zurückzuweisen oder nur teilweise anzunehmen. ***Änderungen der Angebotskonditionen*** Eine Verringerung der Anzahl der Angebotsaktien, Änderungen des Angebotspreises oder eine Verlängerung oder Verkürzung des Angebotszeitraums führt nicht zur Ungültigkeit von bereits abgegebenen Kaufangeboten. Falls solche Änderungen einen Nachtrag zu diesem Prospekt erfordern, können Investoren, die vor der Veröffentlichung des Nachtrags Kaufangebote abgegeben haben, diese Kaufangebote innerhalb von zwei Werktagen (Frankfurt/Main, Deutschland) nach Veröffentlichung des Nachtrags (§ 16 Abs. 3 WpPG) widerrufen. Anstelle des Widerrufs der vor der Veröffentlichung des Nachtrags abgegebenen Kaufangebote für Angebotsaktien können Investoren ihre Angebote abändern oder neue limitierte oder unlimitierte Kaufangebote innerhalb von zwei Werktagen (Frankfurt/Main, Deutschland) nach Veröffentlichung des Nachtrags abgeben. ***Lieferung und Abrechnung*** Die Angebotsaktien werden voraussichtlich am 25. Juli 2018 gegen Zahlung des Angebotspreises geliefert. Die Angebotsaktien werden den Aktionären als Miteigentumsanteile an einer Globalurkunde, welche die Aktien der Gesellschaft vertritt, zur Verfügung gestellt. ***Back Stop-Vereinbarung*** Gemäß einer zwischen der Hevella und der Gesellschaft am 4. Juli 2018 abgeschlossenen Vereinbarung (die "**Back Stop-Vereinbarung**") hat sich Hevella unwiderruflich für die Laufzeit der Back Stop-Vereinbarung (d.h. bis zum 31. Juli 2018 dazu verpflichtet, Angebotsaktien zum Angebotspreis für einen Betrag von insgesamt bis zu EUR 15.000.000 für den Fall und in dem Umfang zu erwerben, wie Angebotsaktien nicht im Rahmen des Angebots von Investoren gezeichnet werden. Die ordentliche Kündigung der Back Stop-Vereinbarung ist ausgeschlossen. Eine außerordentliche Kündigung ist insbesondere möglich, soweit ein wichtiger Grund vorliegt, der auch den Underwriter zur außerordentlichen Kündigung nach der Zeichnungsvereinbarung (wie in E.5 definiert) berechtigen würde.
E.4 Beschreibung aller für die Emission wesentlichen Interessen	Im Zusammenhang mit dem Angebot und der Börsennotierung der Aktien der Gesellschaft hat der Underwriter eine vertragliche Beziehung mit der Gesellschaft.

und Interessenkonflikte.	Der Underwriter handelt bei dem Angebot für die Gesellschaft und koordiniert die Strukturierung und die Durchführung des Angebots. Nach erfolgreicher Durchführung des Angebots erhält der Underwriter eine Provision. Aufgrund dieser vertraglichen Beziehungen besteht seitens des Underwriter ein finanzielles Interesse an einem erfolgreichen Angebot. Im Zusammenhang mit dem Angebot kann zudem der Underwriter und jedes mit ihr verbundene Unternehmen als Anleger auf eigene Rechnung Aktien aus dem Angebot erwerben und in dieser Eigenschaft diese Aktien und damit verbundene Finanzanlagen auf eigene Rechnung erwerben, halten oder veräußern und diese Aktien oder sonstige Finanzanlagen außerhalb des Angebots anbieten oder verkaufen. Zusätzlich kann der Underwriter oder bestimmte mit ihnen verbundenen Unternehmen Finanzierungsvereinbarungen (einschließlich Swaps und Differenzkontrakte) mit Anlegern abschließen, aufgrund derer der Underwriter (oder mit ihnen verbundene Unternehmen) von Zeit zu Zeit Aktien der Gesellschaft erwerben, halten oder veräußern können. Auch auf Grund dieser Umstände besteht seitens des Underwriter ein finanzielles Interesse an einem erfolgreichen Angebot. Der Underwriter bzw. mit ihm verbundene Unternehmen unterhalten gegenwärtig, oder werden zukünftig gelegentlich, Geschäftsbeziehungen mit der creditshelf Gruppe (einschließlich Darlehensgeschäften) unterhalten oder Dienstleistungen für die creditshelf Gruppe im Rahmen ihrer gewöhnlichen Geschäftstätigkeit erbringen. Darüber hinaus plant die Gesellschaft den Abschluss eines Kooperationsvertrags mit dem Underwriter, der unter anderem die Vermittlung bestimmter potenzieller Kreditnehmer aus dem Netzwerk an die creditshelf Plattform beinhaltet. Auch auf Grund dieser Umstände besteht seitens des Underwriter ein finanzielles Interesse an einem erfolgreichen Angebot. Eines der Mitglieder des Vorstands, Dr. Mark Währisch, hat auf Grundlage eines virtuellen Mitarbeiterbeteiligungsprogramms sogenannte virtuelle Anteile durch die Gesellschaft erhalten (die "**Virtuellen Anteile**"). Diese Virtuellen Anteile berechtigen Dr. Mark Währisch sowie andere nach diesem virtuellen Mitarbeiterbeteiligungsprogramm Begünstigte zu Barzahlungen im Falle einer Durchführung des Angebots. Überdies haben bestimmte wesentliche Mitarbeiter der Gesellschaft und Dr. Mark Währisch einen Anspruch auf Barzahlungen nach einer Bonusvereinbarung zur Mitarbeiterbindung (*Retention Bonus Agreement)* für den Fall einer erfolgreichen Durchführung des Angebots. Dies führt dazu, dass diese Mitarbeiter (einschließlich Dr. Mark Währisch) ein wirtschaftliches Interesse an der Durchführung des Angebots haben. Die bestehenden direkten und indirekten Aktionäre der Gesellschaft haben ein Interesse an der Durchführung des Angebots zu den bestmöglichen Bedingungen, da ihre Aktien handelbar und fungibel werden und der Nettoerlös aus dem Angebot der Gesellschaft die Finanzlage und die Eigenkapitalbasis der Gesellschaft stärken wird.

	Gemäß der Back Stop-Vereinbarung hat sich Hevella dazu verpflichtet, unwiderruflich für die Laufzeit der Back Stop-Vereinbarung (d.h. bis zum 31. Juli 2018 Angebotsaktien zum Angebotspreis für einen Betrag von insgesamt bis zu EUR 15.000.000 für den Fall und in dem Umfang zu erwerben, wie Angebotsaktien nicht im Rahmen des Angebots gezeichnet werden. Vor diesem Hintergrund besteht seitens der Hevella ein finanzielles Interesse an einem erfolgreichen Angebot. Da Obotritia Capital Hevella kontrolliert und Herr Rolf Elgeti die Obotritia Capital kontrolliert, haben Obotritia Capital und Herr Rolf Elgeti ebenfalls ein finanzielles Interesse an einem erfolgreichen Angebot. Abgesehen von den oben beschriebenen Interessen bestehen keine weiteren wesentlichen Interessen und insbesondere keine wesentlichen Interessenkonflikte in Bezug auf das Angebot.
E.5 **Verkäufer der Aktien und Lock-up Vereinbarungen.**	Die Angebotsaktien werden von dem Underwriter zum Verkauf angeboten. In dem voraussichtlich am oder um den 10. Juli 2018 abzuschließenden Zeichnungsvereinbarung zwischen der Gesellschaft und des Underwriter ("**Zeichnungsvereinbarung**") wird sich die Gesellschaft gegenüber dem Sole Global Coordinator verpflichten, innerhalb eines Zeitraums beginnend an diesem Tag und endend sechs Monate nach dem Beginn des Handels der Aktien der Gesellschaft an der Frankfurter Wertpapierbörse (derzeit für den 25. Juli 2018 erwartet), sowie für einen Zeitraum von weiteren sechs Monaten unmittelbar nach diesem anfänglichen Sechsmonatszeitraum ohne die vorherige schriftliche Zustimmung des Sole Global Coordinators, weder (i) eine Erhöhung des Grundkapitals der Gesellschaft aus genehmigtem Kapital anzukündigen oder durchzuführen, noch (ii) der Hauptversammlung einen Vorschlag für eine Erhöhung des Grundkapitals zu unterbreiten, noch (iii) einen Vorschlag für die Ausgabe von Wertpapieren mit Wandlungs- oder Optionsrechten auf Aktien der Gesellschaft zu veröffentlichen, noch (iv) unmittelbar oder mittelbar Anteile an ihrem Kapital oder Wertpapiere, die in Anteile an ihrem Kapital wandelbar, ausübbar oder umtauschbar sind, anzubieten, zu verpfänden, zuzuteilen, auszugeben (soweit nicht nach anwendbarem Recht erforderlich), zu verkaufen, Vereinbarungen über einen Verkauf abzuschließen, Optionen zu verkaufen oder Vereinbarungen über einen Kauf abzuschließen, Verkaufsoptionen zu kaufen, Optionen oder Rechte zum Kauf zu gewähren, oder in sonstiger Weise zu übertragen oder zu verfügen, oder einen Tausch oder eine andere Vereinbarung einzugehen, die das wirtschaftliche Risiko des Eigentums an Anteilen an ihrem Kapital ganz oder teilweise auf einen anderen überträgt, noch (v) eine Transaktion abzuschließen oder eine Handlung durchzuführen, die den unter (i) bis (iv) beschriebenen wirtschaftlich ähnlich ist. Diese Beschränkungen gelten nicht für die IPO Kapitalerhöhung und den Verkauf von im Rahmen der IPO Kapitalerhöhung ausgegebenen Angebotsaktien. Diese Beschränkungen gelten ferner nicht für die Ausgabe und Ausübung von Optionen für die in diesem Prospekt beschriebenen Mitarbeiter- oder Managementbeteiligungsprogramme.

	Der bestehende Aktionär Hevella wird mit dem Sole Global Coordinator vereinbaren, dass er für einen Zeitraum, der am heutigen Tag beginnt und 12 Monate nach Beginn des Handels der Aktien der Gesellschaft an der Frankfurter Wertpapierbörse (derzeit voraussichtlich am 25. Juli 2018) endet, und für einen Zeitraum von weiteren sechs Monaten nach Ablauf dieser ersten 12 Monate ohne vorherige Zustimmung des Sole Global Coordinators verpflichtet ist, weder unmittelbar noch mittelbar von ihm gehaltene oder gemäß der Back Stop-Vereinbarung zu erwerbende Aktien anzubieten, zu verpfänden, zuzuteilen, auszuschütten, zu verkaufen, eine Verkaufsvereinbarung abzuschließen, Optionen zu verkaufen oder Kaufvereinbarungen abzuschließen, Verkaufsoptionen zu kaufen, Optionen oder Rechte zum Kauf zu gewähren, oder in sonstiger Weise zu übertragen oder zu verfügen (einschließlich, aber nicht beschränkt auf die Ausgabe oder den Verkauf von Wertpapieren, die in Aktien der Gesellschaft eingetauscht werden können), noch eine wirtschaftlich gleichwertige Transaktion abzuschließen oder durchzuführen. Die vorstehenden Ausführungen gelten nicht für die IPO Kapitalerhöhung und den Verkauf von im Rahmen dieser IPO Kapitalerhöhung ausgegebenen Angebotsaktien. Die Mitglieder des Vorstands werden mit dem Sole Global Coordinator vereinbaren, dass sie für einen Zeitraum, der am heutigen Tag beginnt und 18 Monate nach Aufnahme des Handels der Aktien der Gesellschaft an der Frankfurter Wertpapierbörse (derzeit voraussichtlich am 25. Juli 2018) endet, und für einen Zeitraum von sechs Monaten nach diesem Zeitraum ohne vorherige Zustimmung des Sole Global Coordinators verpflichtet sind, weder unmittelbar noch mittelbar von ihnen gehaltene Aktien anzubieten, zu verpfänden, zuzuteilen, auszuschütten, zu verkaufen, eine Verkaufsvereinbarung abzuschließen, Optionen zu verkaufen oder Kaufvereinbarungen abzuschließen, Verkaufsoptionen zu kaufen, Optionen oder Rechte zum Kauf zu gewähren, oder in sonstiger Weise zu übertragen oder zu verfügen (einschließlich, aber nicht beschränkt auf die Ausgabe oder den Verkauf von Wertpapieren, die in Aktien der Gesellschaft eingetauscht werden können), noch eine wirtschaftlich gleichwertige Transaktion abzuschließen oder durchzuführen. Die vorstehenden Ausführungen gelten nicht für die IPO Kapitalerhöhung und den Verkauf von im Rahmen dieser IPO Kapitalerhöhung ausgegebenen Angebotsaktien.
E.6 **Betrag und Prozentsatz der aus dem Angebot resultierenden unmittelbaren Verwässerung.**	Der den Aktionären der Gesellschaft zurechenbare Nettobuchwert (vor der am 18. Juni 2018 beschlossenen Kapitalerhöhung) betrug zum 31. März 2018 ca. TEUR 1.737 (berechnet wie folgt: Bilanzsumme ca. TEUR 6.155 abzüglich langfristiger Verbindlichkeiten ca. TEUR 1.273 und kurzfristiger Verbindlichkeiten ca. TEUR 3.145, wie im Ungeprüften Konzernzwischenabschluss zum 31. März 2018 dargestellt) und würde auf Basis von 79.822 ausgegebenen Aktien der Gesellschaft EUR 21,76 je Aktie betragen (alle Angaben ungeprüft). Durch Beschluss der außerordentlichen Hauptversammlung vom 18. Juni 2018 wurde das Grundkapital der Gesellschaft von ca. TEUR 80 gegen Bareinlagen in Höhe von ca. TEUR 1.045 auf insgesamt ca. TEUR 1.125 erhöht. Die Bilanzsumme und der Nettobuchwert erhöhten sich dadurch um ca. TEUR 1.045

	nach der am 18. Juni 2018 beschlossenen Kapitalerhöhung. Nach vollständiger Umsetzung des Angebots und unter der Annahme, dass alle 250.000 Neuen Aktien im Rahmen des Angebots zu einem Angebotspreis von EUR 80,00 verkauft werden, würde sich der gesamte Nettoerlös, den die Gesellschaft aus der Ausgabe der Neuen Aktien (nach Abzug der von der Gesellschaft zu tragenden maximal erwarteten Kosten des Angebots in Höhe von ca. TEUR 3.726) erhält, auf ca. TEUR 16.274 belaufen. Unter der Annahme, dass diese Erlöse bereits zu diesem Zeitpunkt vereinnahmt worden wären, hätte das den Aktionären der Gesellschaft zuzuordnende Eigenkapital am 31. März 2018 ca. TEUR 19.056 bzw. ca. EUR 13,86 je Aktie betragen. Dies entspräche einer direkten Verwässerung von EUR 66,14 (dies entspräche 82,68%) je Aktie für die Erwerber der Angebotsaktien, basierend auf 1.375.000 ausgegebenen Aktien nach der vollständigen Durchführung des Angebots (unter der Annahme einer Platzierung aller Neuen Aktien).
E.7 **Schätzung der Ausgaben, die dem Anleger vom Emittenten in Rechnung gestellt werden.**	Entfällt. Anlegern werden keine Kosten durch die Gesellschaft oder den Underwriter in Rechnung gestellt.

3. RISK FACTORS

An investment in the shares of creditshelf Aktiengesellschaft (formerly creditshelf GmbH) (hereinafter "creditshelf" or the "Company" and, together with its subsidiary creditshelf service GmbH ("creditshelf service") the "creditshelf Group" or "We") is subject to a number of risks. Prospective investors should carefully consider the following risks together with all the other information contained in this prospectus (the "Prospectus") prior to making any investment decision regarding the Company's shares. The following risks, alone or together with additional risks and uncertainties not currently known to the Company, or that the Company might currently deem immaterial, could have a material adverse effect on the Company's business, financial condition and results of operations.

Various statements in the following risk factors are based on assumptions or judgments that could turn out to be incorrect, and contain forward-looking statements. Furthermore, other risks, facts or circumstances not currently known to the Company or which the Company does currently deem immaterial could prove to be important and could have a material adverse effect on the Company's business, results of operations, cash flow and financial position. The market price of the Company's shares could decline if any of these risks were to materialize, in which case investors could lose all or part of their investment.

The order in which the following risks are presented is not an indication of the likelihood of these risks actually materializing, or their likely significance or degree, or the scope of any potential harm to the Company's business, financial condition, or results of operations that might result.

3.1. Risks Related to the Company's Market Environment and Business

3.1.1. The Company has incurred net losses in the past and may incur net losses in the future. This may be influenced in particular by increasing operating expenses, which may not be matched by increasing revenues. There is a risk of insolvency of the Company that may result in a full loss of the investment made by the investors in the Company.

The Company has according to its audited consolidated financial statements as of and for the financial years ended December 31, 2017, December 31, 2016, and December 31, 2015 accumulated losses in amounts of EUR -756,742.63 (financial year 2017), EUR -840,646.26 (financial year 2016) and EUR -240,662.64 (financial year 2015). The Company anticipates that its operating expenses will increase considerably in the foreseeable future, in particular as it seeks to continue to

- grow its business,
- develop and further enhance creditshelf's products and services, in particular its online credit marketplace lending platform for small- and medium-sized enterprises (the "**creditshelf Platform**"), and
- attract and retain more borrowers, investors and partners supporting potential borrowers (together "**Users**") to the creditshelf Platform.

These efforts may prove more expensive than the Company currently anticipates, and the Company may not succeed in increasing its revenue sufficiently to offset these higher expenses. The Company may incur additional net losses in the future and may not maintain profitability on a quarterly or annual basis. The creditshelf Group also reports negative cash flows from operating activities and relies on external financing. If the Company's assumptions regarding the growth and operating plan of the creditshelf Group are incorrect, the Company may need to slow its investment spending and/or find new funding. Any delay in securing, or failing to secure, any necessary funding could result in delays and operational slowdowns that could adversely affect the Company's business. Ultimately, the aforementioned risks may individually or cumulatively cause the insolvency of the Company or other entities of the creditshelf Group.

This may not only lead to dramatic losses for the shareholders or even to the non-salability of the Company's shares. As an investment in shares entails an equity risk, shareholders may lose all of their invested capital in the event of the Company's insolvency. In particular, the creditors hold priority claims which would be paid off first and only after these claims are settled in full (and under the prerequisite that any liquidity would remain with the Company), shareholders would have any entitlement to payments.

3.1.2. The Company is a young company with limited corporate history that is still in the course of building up its business. The development of the Company and its business so far may not be considered as providing relevant information for the future development of the Company. The Company's future development and the success of its business model is therefore very difficult to foresee.

The Company itself was founded only in 2014 and has launched the creditshelf Platform and started to become active in its market segment only in 2015. creditshelf therefore has a very limited operating history and no record of success that could facilitate the investors to anticipate the future development of the creditshelf Group and thus to assess risks linked to an investment in shares of the Company. This is especially true, as the Company had to build up its business in these first years from the ground and the limited business volume in the early years may not be indicative for the future. The customer base was only built up since 2015, which was also the first year any turnover was achieved. Due to the limited transaction volumes in the beginning of the corporate history and the limited market reach, these early years may therefore not be considered as providing relevant information for the Company's future business development.

3.1.3. The Company has limited business and market experience and may not be able to react to market developments or business challenges appropriately.

As a young company, the Company, its representatives and employees have not been able to gather business experience and know-how with regards to the market segment it operates in for a longer period. This may lead to less prudent or experienced assessments of the market or less considerate business decisions. The Company, its representatives or employees may therefore take decisions or actions which may turn out to be subpar and/or may react to challenges or market developments with less experience or expert knowledge than other companies.

The materialization of any of the risks described above could have a material adverse effect on the Company's business, the net assets, financial condition and earnings position of the creditshelf Group and thus have an impact on the Company.

3.1.4. The Company, as a young company, may not be able to scale its internal structures in accordance with the development of its business which may lead to a lack of internal capacities,

inappropriate governance frameworks or unclear divisions of competencies and responsibilities.

The Company highly depends on its ability to quickly adapt its internal structures in accordance with the development of its business. Should the business operations require additional personnel, the Company may not be able to find sufficiently skilled employees in due time. In such case, the Company may not be able to sufficiently cope with increasing workloads which may lead to errors, the inability to perform its duties and/or dissatisfied customers. In addition, the Company may not be able to quickly scale its internal hierarchy, control frameworks to support operations, its governance frameworks and its internal division of competencies to appropriately reflect the development of the Company and its business. In such case, inefficiencies, redundancies, gaps, errors and mistakes may occur, which may directly and indirectly lead to liabilities, losses and further problems affecting the creditshelf Group. Future growth will continue to pose other challenges as well, such as finding and/or retaining suitable employees, *e.g.* it will require the Company to simultaneously expand and improve its operational, IT, financial, accounting, compliance and management controls, and enhance its reporting systems and procedures, which may not always be possible or prove lengthy or costly. The Company may not be able to scale and adapt its existing technology and network infrastructure to match its growth.

The materialization of any of the risks described above could have a material adverse effect on the Company's business, the net assets, financial condition and earnings position of the creditshelf Group and thus have an impact on the Company.

3.1.5. There is a risk that competitors could copy the Company's business model.

The business model of creditshelf comprises the development, marketing and promotion of products and services among others in the business segment of online financial brokerage, which in the opinion of creditshelf innovates certain parts of the lending process and makes credit for certain borrower segments more accessible. Some of creditshelf's current or potential competitors have significantly more financial, technical, marketing and other resources than creditshelf and may be able to devote greater resources to the development, promotion, sale and support of their platforms or other competing offers and distribution channels. The potential competitors may also have longer operating histories, more extensive customer bases, greater brand recognition and brand loyalty and broader customer and partner relationships than creditshelf has. There is a risk that such companies could enter the market as a competitor and then could copy the business model of creditshelf or develop a business model that is superior to creditshelf's business model. These companies could offer more attractive and competitive products and services and/or gain larger market penetration and growth rates by superior marketing resources. Such competitors may use their experience and resources in different ways, in order to compete with creditshelf, *e.g.* through acquisitions, aggressive investment in marketing or the offer of more attractive conditions for Users, services and business partners. In addition, other start-up companies could get access to equity and debt capital significantly easier than creditshelf and enter into creditshelf's markets. As a consequence, creditshelf might not grow as expected, or Users could move to competitors.

The materialization of any of the risks described above could have a material adverse effect on the Company's business, the net assets, financial condition and earnings position of the creditshelf Group and thus have an impact on the Company.

3.1.6. The Company depends on the development of innovative products and services, for which the market has not been fully developed yet. The Company operates in a rapidly changing

market, which may result in decreasing demand for its products and services or in its redundancy.

As of the date of this Prospectus, the success of the business model of the Company is unpredictable. creditshelf operates in a market segment that is subject to a permanent process of change and marked by rapidly evolving technologies with short product cycles. It can therefore not be predicted whether there is a sustained market for the products and services provided by creditshelf that enables profitable activity. The Company's products and services may therefore quickly become outdated or outperformed by competing companies or services. Against the background of the rapid development and given short product cycles in the modern internet and financial services industries, it is difficult to assess creditshelf's future prospects. The Company may be unable to enhance the effectiveness of promotional measures, successfully develop new products and services and introduce them on the market and/or successfully compete with other companies that are currently active on the market or plan to enter the market, and to successfully develop, maintain, use and modify new technologies.

The Company does not provide established products or services to the market but rather depends on a newly developed business model which is still subject to adjustments. In addition to providing its products and services, creditshelf therefore needs to further develop the market and highly depends on successfully increasing the demand for its products and services. creditshelf has encountered and will continue to encounter risks, uncertainties, expenses and difficulties. If the Company is not able to timely and effectively mitigate these and particularly improve the market acceptance of the Company's business model in general, as well as the economic attractiveness of its offerings, in particular with regard to the creditshelf Platform, its business and results of operations may be harmed.

Given the continuous change of the product standard and the relatively low technical and financial barriers to enter creditshelf's market segment, the ability to predict technological changes and trends and to respond early to the needs of potential and existing Users through the development of innovative solutions and the adaptation of old or the introduction of new products and services is of crucial importance. The success of creditshelf in the future will also depend on whether it will be able to offer products and services that are superior in quality, user friendliness and in user experience by contrast to competing products and services. A demand for other new products and services can result in a loss of market acceptance of creditshelf's products and services. The further development of existing technologies and products and services or the development of new technologies and products and services are subject to certain risks and uncertainties and require a considerable amount of time and financial effort, including marketing and legal costs even if they are based on existing procedures and systems. creditshelf could not be in a position to retain costs for the further development of existing and the development of new technologies, products and services and could not have sufficient resources to keep up with the development of the technology and the needs of its customers. Existing or future competitors could leverage their user base, technological capabilities, superior financial resources or other factors to increase their market share to the detriment of creditshelf.

The materialization of any of the risks described above could have a material adverse effect on the Company's business, the net assets, financial condition and earnings position of the creditshelf Group and thus have an impact on the Company.

3.1.7. The Company depends on growing its base of Users and its target audiences choosing and preferring to utilize the creditshelf Platform and the Company's other products and services over those of its competitors, which could require additional investments. In particular if the Company is unable to maintain or increase loans facilitated through the creditshelf Platform

or if existing Users do not continue to participate in the platform, the Company's business and results of operations will be adversely affected.

The development of creditshelf currently crucially depends on whether it will succeed in establishing its products and services, in particular the creditshelf Platform, as a profitable and sustainable business. In order to achieve profitability, creditshelf depends, amongst others, on growing its base of Users, in particular attracting increasing numbers of investors and borrowers using the creditshelf Platform and a growing degree of overall transaction volume. As the creditshelf Platform is a market place that brings suitable borrowers and investors together, the Company will need to grow both the demand side (*i.e.* borrowers) and the supply side (*i.e.* investors with sufficient willingness to fund credit projects) in parallel. The growth in these areas since the launch of the creditshelf Platform in 2015 and its relaunch in 2016, is no indication as to whether this growth is sustainable and whether creditshelf in this regard has the ability to continue growing. There is a risk that there will be a decline in the growth rate upon obtaining, for example, greater market penetration.

If creditshelf is not able to attract investors and borrowers that meet creditshelf's business selection criteria in sufficient numbers and with sufficient demand or existing borrowers and investors do not continue to participate in the creditshelf Platform at least at the current rates, creditshelf will be unable to increase its loan brokerages and the creditshelf Group's revenue may grow more slowly than expected or decline. In the past, creditshelf has received a high number of inquiries from potential borrowers who do not meet its selection criteria for credit project approval. If there are not sufficiently qualified borrowers or qualified borrowers do not submit sufficient loan requests, investors may be unable to deploy their capital in a timely or efficient manner and may seek other investment opportunities or use offerings from creditshelf's competitors rather than the creditshelf Platform. If there are not sufficient investor commitments, borrowers may be unable to obtain investment capital for their loans and stop using the creditshelf Platform for their borrowing needs. Additionally, existing borrowers and investors must also continue to participate in the creditshelf Platform.

The degree of overall transaction volume may be affected by several factors, including the interest rates offered to borrowers and investors relative to market rates, the efficiency and cost-effectiveness of the creditshelf Platform and the fees charged by creditshelf, the macroeconomic environment and other factors, or by a large number of investors or certain investors which are responsible for a large portion of the EUR amounts invested in loans brokered through the creditshelf Platform ceasing to use the creditshelf Platform over a short period of time.

Should there be such a decline in the growth rate, the business development of creditshelf is to an increasing extent dependent upon the ability to operate cost efficiently, as well as the ability to bring other innovative products and services to market and maintaining the level of innovation of its services and products.

The materialization of any of the risks described above could have a material adverse effect on the Company's business, the net assets, financial condition and earnings position of the creditshelf Group and thus have an impact on the Company.

3.1.8. A relatively small number of investors account for a significant EUR amount of investment in loans brokered through the creditshelf Platform.

Although the Company currently has a wide variety of types of investors, a relatively small number of investors account for a large Euro amount of investment in loans brokered through the creditshelf Platform. In particular, up until December 31, 2017, Hevella Capital GmbH & Co. KGaA ("**Hevella**") and Obotritia Capital KGaA

("**Obotritia Capital**") have funded approx. 50% of the loan volume that has been brokered through the creditshelf Platform and paid out by the Fronting Bank until December 31, 2017 (this figure is net of any loan receivables that were divested by Hevella or Obotritia through the creditshelf Platform until December 31, 2017). Hevella is a major shareholder in the Company and Obotritia Capital in turn is the majority limited partner of Hevella.

If Hevella, Obotritia Capital or any other current or future investor that is responsible for a significant amount of investment in loans brokered through the creditshelf Platform should cease or decrease its investment activity on the creditshelf Platform, borrowers may be unable to obtain investment capital for their loans and stop using the creditshelf Platform for their borrowing needs.

The materialization of any of the risks described above could have a material adverse effect on the Company's business, the net assets, financial condition and earnings position of the creditshelf Group and thus have an impact on the Company.

3.1.9. The success of the Company very much depends on the success of its marketing efforts. Should the Company be unable to gain (further) customers for its products and services, this could harm its business and its future growth.

creditshelf intends to further acquire new customers, in particular Users for the creditshelf Platform and expects to invest significant resources and efforts to introduce new products and services into the market, to stronger promote its existing products and services, including the creditshelf Platform, and to penetrate new geographical markets. creditshelf's ability to succeed in these endeavors depends to a large extent on the success of its marketing efforts. The success of its marketing efforts depends amongst others heavily on the success of the marketing channels, which creditshelf uses for positioning of its offerings in the market. The currently used marketing channels include social media, press, online partnerships, search engine optimization, search engine marketing, market education and networking meetings (*e.g.* held as business breakfasts), creditshelf print magazine, content marketing (expert articles and presentations), merchandising and an ambassador program. If some or all of the currently used marketing channels turn out to be less effective, some of them can no longer be used, the costs for their use should increase or the Company is not able to successfully open new marketing channels, the Company could not or to a lesser extent than expected succeed to acquire new Users or to keep existing Users.

The materialization of any of the risks described above could have a material adverse effect on the Company's business, the net assets, financial condition and earnings position of the creditshelf Group and thus have an impact on the Company.

3.1.10. Negative press coverage through customer complaints, legal disputes and other factors as well as a negative public perception of the Company's business or its sector in general could have a significant negative effect on the demand for the Company's products and services.

The reputation of creditshelf is of great importance to acquire new and to keep existing customers, in particular Users of the creditshelf Platform. This is particularly true because creditshelf offers finance-related services, which require a high level of trust. Therefore, awareness and perceived quality associated with creditshelf is a critical aspect to attract and expand the number of customers.

Harm to creditshelf's reputation can arise from many sources, including employees' misconduct, misconduct by the Company's partners (including the Fronting Bank (as defined in Section 3.1.11 below)), service providers or other counterparties, failure by the Company and the creditshelf Platform or partners to meet minimum standards of service and quality, inadequate protection of user information (in particular from borrowers and investors using the creditshelf Platform) and compliance failures and claims.

Negative publicity about the Company's industry or the Company itself, including the quality and reliability of its products and services, in particular the effectiveness of the Company's credit decisioning support services and credit scoring models and algorithms, changes to the creditshelf Platform, creditshelf's ability to effectively manage and resolve complaints, privacy and security practices, litigation, regulatory activity, and the user experience with creditshelf's products and services and in particular the creditshelf Platform, even if inaccurate, could adversely affect the Company's reputation and the confidence in, and the use of, its products and services.

In addition, the failure or negative performance of products and services offered by competitors may cause demand for similar products and services offered by creditshelf to decline irrespective of the Company's performance. The Company's current and future competitors offer comparable products and services to those the Company offers, *e.g.* operate online credit market places. The failure or negative performance of competitors' products and services could lead to a loss of confidence in similar products and services offered by the Company, in particular the creditshelf Platform, irrespective of the performance of such products and services.

If creditshelf fails to maintain, protect or enhance its brand, creditshelf may be required to increase its marketing or sales efforts, which could come at a significant cost or prove unsuccessful in avoiding customer churn. If, for instance, any of the risks described in this Prospectus materialize and result in negative media publicity about creditshelf and its business, this may damage its reputation, lead to a loss of trust amongst its existing and potential customers, who may in turn curtail use of the products and services of creditshelf, significantly tarnish its brand, or require expensive campaigns to mitigate and reverse the effects of such media fallout.

The materialization of any of the risks described above could have a material adverse effect on the Company's business, the net assets, financial condition and earnings position of the creditshelf Group and thus have an impact on the Company.

3.1.11. The Company relies on Fronting Bank(s), especially with regard to regulated financial services, and may fail to maintain these important relationships.

creditshelf relies on a licensed bank to originate all loans, in particular those that have been brokered through the creditshelf Platform, and to comply with various regulatory laws and provisions (the "**Fronting Bank**"). As of the date of this Prospectus, creditshelf only cooperates with MHB-Bank Aktiengesellschaft, Frankfurt/Main, Germany, ("**MHB**") as loan granting bank for the creditshelf Platform. With this bank creditshelf maintains a non-exclusive relationship and MHB would not be prohibited from working with creditshelf's competitors or to develop competing products and services itself. The cooperation with MHB can be terminated with a regular notice period of six months to the end of a quarter; in certain circumstances, the cooperation agreement can be terminated without observing any notice periods. In addition, MHB has a special termination right with a notice period of two weeks in case it is forced via administrative act of a regulatory authority to terminate the business relationship with the Company.

MHB or other potential future Fronting Banks could decide to suspend, cease or decrease its cooperation with the creditshelf Group or decide to enter into exclusive or more favorable relationships with creditshelf's competitors. In addition, MHB or other future Fronting Banks may not perform as expected and future disputes and disagreements with any Fronting Bank cannot be excluded, which could negatively impact or threaten the Company's relationship with such Fronting Banks.

If any of the existing or future Fronting Banks were to suspend or cease its operations or its relationship with the creditshelf Group or were to otherwise terminate or be unable (*e.g.* because of regulatory requirements) or be unwilling to scale its loan engagement in line with the growth of the creditshelf Platform or any other future services or products launched by creditshelf, the Company would need to implement a substantially similar arrangement with one or more other Fronting Banks or curtail its operations. Such a transition to one or more new Fronting Banks may result in delays in the brokerage of loans or, if the creditshelf Platform becomes inoperable, may result in creditshelf's inability to broker loans through the creditshelf Platform. Such risk is of particular importance as long as creditshelf remains to solely rely on MHB as its Fronting Bank. In addition, if creditshelf needs to enter into alternative arrangements with a different Fronting Bank to replace the existing arrangement with MHB or negotiate new arrangements with MHB or another Fronting Bank, the Company may not be able to negotiate a comparable favorable arrangement. If creditshelf were unable to enter into an alternative arrangement with a different Fronting Bank, it would need to obtain a license or permission in each state in which it operates in order to enable creditshelf to originate loans, as well as comply with other regulatory laws, which would be costly and time-consuming.

The materialization of any of the risks described above could have a material adverse effect on the Company's business, the net assets, financial condition and earnings position of the creditshelf Group and thus have an impact on the Company.

3.1.12. The Company is heavily dependent on its management team and key personnel and needs additional key personnel to expand its business. The loss of key personnel or the failure to recruit additional key personnel could damage the Company's business.

The success of creditshelf depends to a large extent on its management team and the skills of its staff. creditshelf in particular depends on the knowledge, contacts and capabilities of its senior management team. creditshelf's members of the management board (*Vorstand* – "**Management Board**"), *i.e.* Dr. Tim Thabe, Dr. Daniel Bartsch and Dr. Mark Währisch as well as certain other key employees, have a deep understanding of the business segment in which creditshelf is active and know the challenges of it. All members of the Management Board are appointed until April 30, 2021.

The loss of any member of the Management Board as well as other important key employees or the inability of creditshelf to attract, develop, motivate and retain skilled and talented officers and employees could have a negative effect on the further development of creditshelf. Competition for highly skilled technical and financial personnel, particularly in creditshelf's business sector and in the Frankfurt/Main area in Germany, is extremely intense. In addition, employees hired and trained by creditshelf may become attractive targets for recruitment by third parties that can offer more attractive terms of employment. creditshelf may not be able to hire and retain these personnel in sufficient quantities or at compensation levels with its existing compensation and salary structure.

The materialization of any of the risks described above could have a material adverse effect on the Company's business, the net assets, financial condition and earnings position of the creditshelf Group and thus have an impact on the Company.

3.1.13. The Company's risk management efforts may not be effective.

There is a risk that the creditshelf Group could incur substantial losses, and its business operations could be disrupted if creditshelf is unable to effectively identify, manage, monitor, and mitigate financial risks, such as credit risk, interest rate risk, liquidity risk, and other market-related risk, as well as operational risks related to its business, assets, and liabilities. creditshelf's risk management policies, procedures and techniques may not be sufficient to identify all of the risks it is exposed to, mitigate the risks that creditshelf has identified, or identify concentrations of risk or additional risks to which it may become subject in the future.

The materialization of any of the risks described above could have a material adverse effect on the Company's business, the net assets, financial condition and earnings position of the creditshelf Group and thus have an impact on the Company.

3.1.14. If borrowers default on their loans, the Company may be unable to collect its entire servicing fee. In addition, the return on investment for investors in those loans would be adversely affected and the Company's reputation may be harmed.

Under the current business model, investors in loans brokered through the creditshelf Platform generally only owe creditshelf a fee when the respective loan and interest accrued thereon is being repaid. Thus, creditshelf will be unable to collect its servicing fee from the investors if loans are not being repaid, which could adversely affect creditshelf's revenue and its financial position.

Furthermore, an investor may become dissatisfied with the creditshelf Platform or creditshelf's other products and services if a loan investment is not repaid and it does not receive full payment. Loans facilitated through the creditshelf Platform are generally not secured by any collateral or insured by any third party in any way. Only in rare cases, if at all, there may be personal guarantees by the shareholders or executives of the borrower or notarial acknowledgements of debt by the borrower. However, even in such cases the securities or collaterals may not suffice to secure the repayment of the loans. The Company, acting on behalf of the investors in the respective loans, is therefore limited in its ability to collect on the loans if a borrower is unwilling or unable to repay. If a borrower defaults or files for insolvency, creditshelf typically delegates subsequent servicing efforts to a third-party collection agency, which may be unsuccessful in its efforts to collect the amount of the loan. As a result, the Company's reputation may suffer and it may lose investor confidence.

The materialization of any of the risks described above could have a material adverse effect on the Company's business, the net assets, financial condition and earnings position of the creditshelf Group and thus have an impact on the Company.

3.1.15. The models and algorithms that the Company uses for its credit decisioning support and credit scoring services can contain errors or can otherwise be ineffective. This might harm the Company's reputation and relationships with Users and other business partners such as the Fronting Banks and result in a decline of the Company's market share, and adversely affect creditshelf's operating results.

creditshelf's ability to attract interest and build trust in its products and services, in particular Users to trust in the creditshelf Platform, is significantly dependent on its ability to effectively and correctly evaluate a borrower's credit profile and likelihood of default. To conduct this evaluation, creditshelf utilizes credit analysis and scoring models and algorithms that assign a grade to each credit project. For example, for the creditshelf

Platform such grade is important for the determination of an interest rate range for a certain credit project. Such credit analysis and credit scoring models are based on algorithms that evaluate a number of factors, accounting information, bank statement data, behavioral information, information from external data providers such as credit scores, payment history, insolvency information, organizational structure and legal relationships, which may not effectively predict future loan losses. Due to creditshelf's limited operational history, it has limited historical performance data regarding borrower performance and the accuracy of its credit decisioning and credit scoring models, and creditshelf does not yet know what the long-term loss experience may be. In particular, creditshelf does not yet have sufficient data from a complete credit cycle through all stages of economy from expansion through contraction and recession periods. In addition, default rates for existing and new loan products brokered may be higher than expected, in particular because in the current phase of the credit cycle unusually low default rates can be observed.

If creditshelf is unable to effectively segment borrowers into relative risk profiles, it may be unable to make available attractive interests rates for borrowers and returns for investors. If the credit analysis and credit scoring models contain errors or otherwise are ineffective and the data provided to borrowers and investors is incorrect, creditshelf's loan pricing proposals and the loan decision process by the Fronting Bank could be negatively affected, resulting in misclassified loans, incorrect admission or denials of credit projects to the creditshelf Platform or incorrect decisions to grant or reject a loan by the Fronting Bank. If these errors were to occur, investors may decide not to invest in loans, borrowers may reduce their usage of the creditshelf Platform or the Fronting Bank may reduce or terminate its cooperation with the Company.

The materialization of any of the risks described above could have a material adverse effect on the Company's business, the net assets, financial condition and earnings position of the creditshelf Group and thus have an impact on the Company.

3.1.16. The Company may receive inaccurate, misleading or incomplete credit information and other information from borrowers or third parties about a borrower and such information may not accurately reflect the borrower's creditworthiness. This may cause the Company to inaccurately price loans brokered through the creditshelf Platform which in turn might harm the Company's reputation and results of operation.

A credit score or loan grade assigned to a borrower may not reflect that borrower's actual creditworthiness because the credit score may be based on outdated, incomplete, inaccurate or misleading data reported by credit agencies or Users, in particular borrowers.

creditshelf obtains borrower credit and other relevant information from certain credit agencies and other providers such as Creditreform, Bürgel, Schufa, KantWert and FinTechSystems. creditshelf does not independently verify this information. Additionally, there is a risk that, following the date of the report that creditshelf obtains from the credit agency, a borrower may have become delinquent in the payment of an outstanding obligation, defaulted on a pre-existing debt obligation, taken on additional debt, or sustained other adverse financial events that are not reflected in the report. The Company's credit decisioning and credit scoring models and algorithms take into account the reported credit scores and other information reported by the credit agencies, in addition to a variety of other factors.

Borrowers supply a variety of commercial information that is included in the display of credit projects on the creditshelf Platform and is reflected in the interest range stated by creditshelf for each credit project on the creditshelf Platform. creditshelf conducts a credit analysis based on the information provided, but does generally not verify or audit this information, and it may be inaccurate or incomplete.

The Company may experience various forms of fraudulent and other criminal conduct by Users, potentially leading to a negative financial impact on its operations and profits. For example, borrowers may engage in fraudulent conduct or collude with other Users, in particular support partners using the creditshelf Platform, in order to get monetary benefits. For example, borrowers with no other or only limited access to credits from banks and saving institutes may by intentionally providing inaccurate, misleading or incomplete information or by other means try to get access to the creditshelf Platform and obtain a loan brokered through the creditshelf Platform, although such borrowers do not fulfill the creditshelf business selection criteria or their credit projects would have only been admitted at higher interest rate ranges. Borrowers could also try to incentivize other Users, in particular partners supporting their respective credit projects, to provide inaccurate, incomplete or misleading information supporting a credit project and this might result in such borrower or such credit project being erroneously admitted to the creditshelf Platform or being priced at an inadequate interest rate range.

If borrowers default on loans that are not priced correctly, investors may try to rescind their investments in loans brokered on the creditshelf Platform and the Company's reputation may be harmed. If borrowers are admitted to the creditshelf Platform, although they do not fulfill the creditshelf business selection criteria and investors invest in loans through the creditshelf Platform based on information supplied by borrowers that is inaccurate, misleading or incomplete, those investors may not receive their expected returns and the Company's reputation may be harmed.

The materialization of any of the risks described above could have a material adverse effect on the Company's business, the net assets, financial condition and earnings position of the creditshelf Group and thus have an impact on the Company.

3.1.17. The Company is subject to cyber-security risks and any successful cyberattack or security breach could have a material adverse effect on its business, financial condition and results of operations.

Due to the diverse use of automated processes, digital storage systems and controls, creditshelf's IT systems are an essential component of creditshelf's business. creditshelf is therefore dependent on the smooth functioning of its IT systems, in particular its internet infrastructure, which is critical to creditshelf's business and inherently subject to various operating risks. creditshelf needs to maintain reliable internet networks with the necessary speed, data capacity and security, as well as ensuring timely development of complementary products and services.

Due to the automated nature of the creditshelf Platform and many of its other offerings, all of creditshelf's web-based services are potentially vulnerable to cyber-security risks such as system failures, denial-of-service attacks, computer viruses, physical or electronic break-ins and similar disruptions as well as online theft through fraudulent transactions and inappropriate use of access codes, user IDs, usernames, PINs, and passwords.

While creditshelf has, to the best of its knowledge, not incurred successful cyberattacks or security breaches to date, many other companies have disclosed cyberattacks and security breaches. Attacks may be targeted at creditshelf, Users and other business partners including service providers that creditshelf uses to provide its products and services such as Amazon Web Services. There is no assurance that creditshelf's security measures will provide absolute security. It is possible that creditshelf may not be able to anticipate or to implement effective preventive measures against cyberattacks and security breaches, especially because the techniques used for security attacks change frequently or are not recognized until launched, because security attacks target vulnerabilities in software or hardware components which are unknown to the Company or out of its sphere of control and because cyberattacks can originate from a wide variety of sources, including third parties outside the creditshelf Group such as persons who are involved with organized crime or associated with external service providers or who may be linked to terrorist organizations or hostile foreign governments.

If an actual or perceived breach of security occurs, the market perception of the effectiveness of creditshelf's security measures could be harmed and this in turn could result in the loss of Users or other business partners. Actual or anticipated attacks and risks may further cause creditshelf to incur increased costs, including costs to deploy additional personnel and protection technologies, train employees, and engage third-party experts and consultants.

The materialization of any of the risks described above could have a material adverse effect on the Company's business, the net assets, financial condition and earnings position of the creditshelf Group and thus have an impact on the Company.

3.1.18. The integrity of user information stored by the creditshelf Group, or the effectiveness of the creditshelf Group's technology and systems in general may be compromised. A breach of data security regarding User or other third-party information saved with the creditshelf Group may damage its reputation and brand and lead to a loss in customer or market confidence and the demand for the Company's products and services.

The business of creditshelf involves the storage and transfer of third parties' data, including of Users of the creditshelf Platform, and other sensitive information. Any accidental or intentional breach of data security or any other unauthorized access to such confidential information could cause a risk of loss or misuse of such information, negative media coverage, fines, litigation or civil liability for creditshelf. If the data security on the basis of the actions of third parties, errors by staff, criminal offenses or in any other way is violated or software errors are disclosed and as a result third parties gain unauthorized access to this data, relationships with Users and other third parties could be damaged, creditshelf could be held liable towards Users or other third parties in this connection and authorities could impose fines against creditshelf.

The methods and techniques employed to gain unauthorized access to such data or other confidential information constantly evolve and are often only detected after an unauthorized access to IT systems has occurred. Therefore, it could be that creditshelf or third-party service providers it uses in the provision of its products and services such as Amazon Web Services may not be able to anticipate these methods and techniques and may thus not adopt adequate precautionary measures. In addition, there is a legal obligation in many countries to inform affected individuals about the breaches of data security. These notification obligations come at considerable cost and often lead to negative media coverage. As a result, Users or other third parties could terminate their business relationships with creditshelf and creditshelf's ability to attract new Users or business partners may be negatively affected.

Against that background, the IT systems of the creditshelf Group are an essential component of its business. If there is a successful cyberattack or breach of the data security at the creditshelf Group, this might damage the market and User perception of creditshelf's efforts as well as the reputation of creditshelf. This could lead to a loss of Users and other business partners. Actual or attempted cyberattacks could also result in an increase of the cost, *e.g.* for additional staff and security technology.

The materialization of any of the risks described above could have a material adverse effect on the Company's business, the net assets, financial condition and earnings position of the creditshelf Group and thus have an impact on the Company.

3.1.19. The Company's products and services as well as its internal systems rely on complex software, and if it contains undetected errors, the Company's business could be adversely affected. creditshelf's inability to operate, maintain, integrate and scale the creditshelf Group's networks and IT systems could have a material adverse effect on its business, financial condition and results of operations.

creditshelf's products and services as well as its networks and IT systems rely on technically complex software. In addition, creditshelf's products and services and its networks and IT systems depend on the ability of such software to store, retrieve, process and manage immense amounts of data. The software on which the Company relies has contained, and may now or in the future contain, undetected errors or bugs. Some errors may only be discovered after the code has been released for external or internal use. Errors or other design defects within the software may cause creditshelf's networks and IT systems to fail, result in a loss of data or intellectual property, or in erroneous calculations of loan payments for borrowers or receivables for investors. Furthermore, any failure of creditshelf's IT systems could cause an interruption in operations, affect the security or availability of creditshelf's websites (in particular the creditshelf Platform), result in errors, prevent Users and other business partners from accessing its websites or use its products and services and result in limited capacity, reduced demand, processing delays, delays in the introduction of new products and services and loss of Users and other business partners.

The materialization of any of the risks described above could have a material adverse effect on the Company's business, the net assets, financial condition and earnings position of the creditshelf Group and thus have an impact on the Company.

3.1.20. Any business interruption caused by for example internet outages, third-party providers, creditshelf, natural disasters or security breaches could adversely affect or delay the Company's ability to deliver its products or services.

creditshelf is in the provision of its products and services to a large extent dependent on the availability of the internet and the services rendered by established third-party service providers. The constant availability of the services of creditshelf depends on the permanent availability of internet in general and the systems operated by these third-party service providers. In addition, the Company depends on the ability of its third-party facility providers to protect the facilities against damage or interruption from natural disasters, power or telecommunications failures, computer viruses and cyberattacks, criminal acts and similar events. If there are any lapses of service or damage to the facilities, this could affect, delay or temporarily completely disable creditshelf to offer its products and services and creditshelf could experience lengthy interruptions in its products and service as well as delays and additional expenses in arranging new facilities and products and services.

creditshelf designed its system infrastructure and procures and owns or leases the computer hardware used for its services. Design and mechanical errors, failure to follow operations protocols and procedures could cause creditshelf's systems to fail, resulting in interruptions of the creditshelf Platform and other products and services. Any such interruptions or delays, whether as a result of third-party error, creditshelf's own errors, natural disasters or security breaches, whether accidental or willful, could harm the Company's relationships with Users and other business partners and cause the Company's revenue to decrease and/or its expenses to increase.

The creditshelf Group does currently not maintain a disaster recovery plan with respect to its IT operations and the occurrence of any incidents with respect to its IT systems could lead to interruptions, delays or website shutdowns, potentially causing lost business, temporary inaccessibility of critical data, or account details, including personal data, being stolen or released.

The materialization of any of the risks described above could have a material adverse effect on the Company's business, the net assets, financial condition and earnings position of the creditshelf Group and thus have an impact on the Company.

3.1.21. The Company is subject to various macroeconomic trends such as the development of the overall economy as well as the development of inflation and interest rates.

The Company's performance is subject to economic conditions in its markets and the impact of these conditions on the economic situations of its customers and other business partners, in particular investors and borrowers using the creditshelf Platform. Some of the factors having an impact on borrower's willingness or ability to take out loans and repay them or investors' willingness or ability to invest include general economic conditions, unemployment, debt levels, reductions in net worth, volatility and changes in the valuations of stock markets or mortgage markets, of bonds or fixed income securities, of natural resources and other asset classes such as real estate. Also, a change in tax regimes, energy prices, interest rates, general User confidence or other macroeconomic factors could have an impact on the Users.

There can be no assurance that economic conditions will remain favorable for the Company's business. While the Company aims to adequately assess the creditworthiness of borrowers using the creditshelf Platform, loans brokered through the creditshelf Platform can be expected to have a higher risk of default, a risk that can be increased even further in cases of economic downturns. A sustained weak economic development and/or economic deterioration, especially in Germany, may result in decreased demand for the Company's products and services and impact in particular the creditshelf Platform. A period of sustained weak economic development and/or economic deterioration could negatively affect borrowers and result in higher default rates regarding loans that have been brokered through the creditshelf Platform. Such higher default rates can cause investors to scale back or suspend their investment in loans through the creditshelf platform. Furthermore, an investor may become dissatisfied with the creditshelf Platform or creditshelf's other products and services if a loan investment is not repaid and it does not receive full payment.

There is also a risk that the inflation rate in one or more of the markets in which creditshelf operates today or may operate in the future actually exceeds the level of inflation assumed by creditshelf or the investors in loans brokered by creditshelf. For example, the respective central bank(s) could target higher inflation or financial measures and/or fiscal and monetary policies could lead to increasing levels of inflation. Foreign and domestic supply or demand shocks, in particular with regard to energy, food or commodity prices, or foreign inflation spillovers, could also drive higher inflation, in addition to limiting economic growth. If inflation increases and the respective interest rates for the loans brokered through the creditshelf Platform do no longer match such higher levels of inflation, the actual value of the loans to be repaid and of the interest payable thereon would diminish and may, in the worst case, even become lower than the value of the principal amounts initially invested by the investors. In such event, the margins that investors could earn by investing in loan receivables through creditshelf's products and services, in particular the creditshelf Platform, could significantly decline or even become negative. While creditshelf does not provide loans itself, such developments could have a material adverse effect on the trust in the Company's business and the capability and willingness of third parties to invest in loan receivables through the creditshelf Platform. In addition, the Company cannot exclude that investors would attempt to hold the Company liable in such cases.

As of the date of this Prospectus, all loans facilitated through the creditshelf Platform are issued with fixed interest rates. Fluctuations in the interest rate environment may negatively affect the creditshelf Platform in various ways. Such fluctuations could discourage investors and borrowers from using creditshelf's products and services. If interest rates rise, this might negatively affect the creditshelf Platform both with respect to the borrower and the investor side. For example, higher interest rates may cause borrowers to default on existing loans and potential borrowers could seek to defer loans as they wait for interest rates to settle. Higher interest rates could make other asset classes with generally lower risk profiles such as government bonds more attractive for investors and investors may thus delay or reduce future loan investments on the creditshelf Platform.

The materialization of any of the risks described above could have a material adverse effect on the Company's business, the net assets, financial condition and earnings position of the creditshelf Group and thus have an impact on the Company.

3.1.22. The Company's potential strategic partnerships with cooperation banks regarding the referrals of borrowers to the creditshelf Platform may not materialize or not deliver the expected results; they will likely be non-exclusive and subject to termination options that, if exercised, could harm the growth of the creditshelf Group.

The Company's growth targets for the creditshelf Platform rely amongst others on strategic partnerships with cooperation banks for referrals of an increasing portion of potential borrowers to the creditshelf Platform. These strategic partnerships are still subject to negotiations and may not materialize at all or may not deliver the expected number of referred borrowers or referred loan request volume. The strategic partnerships will usually not contain exclusivity provisions that would prevent such cooperation banks from providing leads to companies competing with creditshelf. These agreements also contain no requirement that a cooperation bank refers any minimum number of leads to creditshelf. Furthermore, the referred borrowers and the requested loans may not match the business selection criteria of the Company and may therefore not qualify to be brokered through the creditshelf Platform. In addition, the agreements governing these cooperations will contain termination provisions that, if exercised, would terminate the Company's relationship with these cooperation banks. There can be no assurance that these cooperation banks will not terminate their relationship with creditshelf or will refer a certain business volume to the Company.

The materialization of any of the risks described above could have a material adverse effect on the Company's business, the net assets, financial condition and earnings position of the creditshelf Group and thus have an impact on the Company.

3.1.23. The Company's management team has no experience managing a public company, which may negatively affect its ability to manage the day-to-day business and the transition into a public company.

The Company's management team, in particular the members of the Management Board, has no experience in managing a publicly traded company and complying with the increasingly complex laws pertaining to public companies, covering areas such as reporting obligations, public disclosure, corporate governance and accounting standards. These new obligations will require substantial attention from the Company's senior management and could divert their attention away from the day-to-day management of the Company's business. Also, there is no assurance that the management team will be able to provide for a smooth and efficient transition to being a public company and compliance with and satisfaction of all obligations and regulations applicable to the Company as a public corporation.

The materialization of any of the risks described above could have a material adverse effect on the Company's business, the net assets, financial condition and earnings position of the creditshelf Group and thus have an impact on the Company.

3.1.24. The insurance coverage of the creditshelf Group may be inadequate.

The insurance coverage of the creditshelf Group may prove to be inadequate. In addition, certain insurance coverage may not be available or may only be available at prohibitive costs. As the Company renews the insurance coverage, it may be subject to additional costs caused by premium increases, higher deductibles, co-insurance liability, changes in the size of the creditshelf Group's business or nature of its operations, litigation or acquisitions or dispositions. The Company may also obtain additional forms of coverage resulting from being a public company (including for additional liability insurance for the creditshelf Group's directors and officers).

If a material claim is successfully brought against an entity of the creditshelf Group relating to a self-insured liability or a liability that is in excess of the existing insurance coverage, or for which insurance coverage is denied or limited, the Company could have to pay substantial damages.

The materialization of any of the risks described above could have a material adverse effect on the Company's business, the net assets, financial condition and earnings position of the creditshelf Group and thus have an impact on the Company.

3.2. Legal, Regulatory and Taxation Risks

3.2.1. The Company is subject to numerous regulatory requirements which might increase in the future, in particular from the regulation of the financial industry, which lead to increased expenditure and potential difficulties in its business activities. Insufficient compliance with as well as change or altered interpretation of such regulatory requirements could have significant adverse effects on the Company's business.

The regulatory environment in the financial sector, in which creditshelf is active, is increasingly complex. As a result of the economic and financial crisis in the years 2008 and 2009 and subsequent more local crises affecting certain segments of the capital markets, a large number of laws and other regulations were adopted in this field. The existing regulation leads to increased costs and potential difficulties for creditshelf in its business activities. The lack of or insufficient compliance with this regulation as well as changes to laws and regulations applicable to creditshelf, their application or legal interpretation by supervisory authorities, could affect the ability of creditshelf to carry out its business as currently planned. Such changes might even lead to current or planned business activities of creditshelf being unprofitable in certain business areas or jurisdictions so that creditshelf therefore refrains from such business activities.

Due to adapted laws and regulations it is possible that creditshelf cannot carry out its existing business or not as planned. In particular, the trade with financial instruments and the public offer of loan tranches is subject to ongoing changes in law, regulation and its interpretation.

As loan broker (*Darlehensvermittler*) and financial investment broker (*Finanzanlagenvermittler*) the Company holds licenses under Sections 34c and 34f of the German Trade Code (*Gewerbeordnung* – "**GewO**"), is subject to the supervision of the local trade supervision (*Gewerbeaufsicht*) and has to observe certain provisions on diligence, notification and organization under German law, especially the German Financial Investment Broker Regulation (*Finanzanlagenvermittlerverordnung* – "**FinVermV**"). This includes certain requirements relating to professional competence, expertise and reliability of its business managers and supervisory board members as well as notification obligations. If an entity of the creditshelf Group will be classified as financial instruments broker requiring a permission under the German Banking Act (*Kreditwesengesetz* – "**KWG**") or will qualify as payment service provider under the German Payment Service Supervision Act (*Zahlungsdiensteaufsichtsgesetz* – "**ZAG**"), such obligations will increase and need to be obeyed with regard to the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht* – the "**BaFin**") and the Deutsche Bundesbank including notification obligations regarding its business managers, supervisory board members and the corporate and group structure. In addition, should the services conducted by creditshelf or its subsidiary qualify as professional debt collection services within the meaning of the German Legal Services Act (*Rechtsdienstleistungsgesetz* – "**RDG**"), such services would require a registration with the competent local authority, which is possible for attorneys at law or companies having particular expertise in such field only. Thus a registration requirement results in additional regulatory burden for the creditshelf Group as the creditshelf Group might have to build up and maintain the relevant particular expertise.

Currently, creditshelf primarily addresses investors in Germany and, to the extent legally permissible, across Europe. Further, creditshelf currently addresses borrowers only in Germany. creditshelf may expand to other jurisdictions in the future. These potential business activities in several jurisdictions with various legal and regulatory requirements, *e.g.* in connection with money laundering, investors and consumer protection and other special laws, require the careful management of the various legal and regulatory requirements. The various legal framework conditions include the various legal and regulatory risks, especially when entering new markets. The legal requirements for the entry into new markets could significantly differ from the requirements in the German market in which creditshelf is active so far.

It is possible that creditshelf cannot manage successfully all or part of the aforementioned legal and regulatory requirements or will rather spend a considerable amount of time and costs for its compliance. In addition, the future development of the regulatory environment cannot be anticipated with certainty. In particular in the segment in which creditshelf is active (FinTech), there is still no reliable administrative practice of the supervisory authorities and regulatory requirements may change in the short term. It is possible that such adjustments could not be financially feasible or might result in unsustainable impairments on creditshelf's business model. creditshelf could be forced to withdraw from individual markets, in which it is active, if there are changes in the regulatory framework of these individual markets that cannot be met by adjustments of its products or services in an economically reasonable manner. If creditshelf should be forced, due to such changes of the regulatory framework, to withdraw from substantial core markets, it cannot be predicted, whether creditshelf will be able to find fitting attractive additional business fields that could compensate such withdrawal. This could have a negative impact on the business of creditshelf as a whole.

The materialization of any of the risks described above could have a material adverse effect on the Company's business, the net assets, financial condition and earnings position of the creditshelf Group and thus have an impact on the Company.

3.2.2. Regulatory reforms in the EU and internationally expose the Company to increasing regulatory burdens.

In recent years, a number of regulatory reforms have been adopted or proposed, and it is expected that the level of regulatory scrutiny to which the creditshelf Group is subject will continue to increase. Such reforms may require the creditshelf Group to alter its business or operating activities, which could be time consuming and costly and may impede the creditshelf Group's growth. Regulatory reforms may also impact the creditshelf Group's business partners, including Users of the creditshelf Platform and the Fronting Banks, which could cause them to change their business strategies or allocations in manners that may be adverse to the creditshelf Group. Key regulatory reforms that may impact the creditshelf Group include the following:

- A European Union ("**EU**") initiative titled "Legislative proposal for an EU framework on crowd and peer to peer finance" (REF.Ares/20175288649). In the fourth quarter of 2017, the European Commission has launched a so-called inception impact assessment to inform stakeholders about the European Commission's work in order to allow them to provide feedback on the intended initiative and to participate effectively in future consultation activities. This initiative is part of the European Commission's priority of establishing a Capital Market Union (the "**CMU**"). The CMU Action Plan places great emphasis on strengthening the different sources of alternative finance, including crowdfunding. In this context the European Commission has identified two main problems that it seeks to tackle with its recent initiative: (i) the market fragmentation and the lack of scale of crowdfunding and peer-to-peer ("**P2P**") platforms as well as (ii) the perceived lack of reliability of these platforms. Recently, the EU Commission put forward a "Proposal for a Regulation of the European Parliament and of the Council on European Crowdfunding Service Providers (ECSP) for Business" (COM(2018) 113 final, 2018/0048 (COD)). While the current proposal suggests a voluntary opt-in regulatory framework (see under Section 13.14.3 "*Ongoing Legislative Initiatives that might be Relevant for the Company*") it cannot yet be foreseen with certainty what the final regulation will look like and whether or not it will increase the regulatory compliance efforts for the creditshelf Group.
- In its coalition agreement (*Koalitionsvertrag*) dated March 14, 2018 for the 19th legislative term, the ruling parties in Germany, *i.e.* CDU, CSU and SPD, agreed to transfer the supervision over independent financial brokers (*freie Finanzanlagenvermittler*) in steps from the chambers of industry and commerce (*Industrie- und Handelskammern*) to the BaFin in order to achieve a uniform and high quality financial supervision. If this understanding among the ruling parties should be implemented this would also affect creditshelf as it holds a permission as a financial broker pursuant to Section 34f GewO. However, it is currently unclear what such transfer of the supervision over financial brokers would mean in practice. The coalition agreement does not provide any details. Possible scenarios may range from a mere transfer of the competence to supervise to stricter regulatory requirements. The latter scenario could mean that financial brokers might have to comply with additional requirements and obtain additional regulatory approvals which currently only banks have to obtain and to comply with.

The materialization of any of the risks described above could have a material adverse effect on the Company's business, the net assets, financial condition and earnings position of the creditshelf Group and thus have an impact on the Company.

3.2.3. The Company is affected by a variety of laws and regulations around privacy and data security, many of which are still developing and could lead to a negative impact on the Company's business.

The regulatory framework for the laws of the protection of privacy in the various countries that creditshelf currently operates in or may operate in in the future is complex and is subject to constant changes. Existing laws and proposed legislation in this area could only be observed and complied with by incurring considerable cost and may delay the development or introduction of new or the enhancement of existing products and services as well as the expansion into new markets.

Despite security measures, it cannot be ruled out that the confidentiality of such data and information may be breached, as a result of cybersecurity attacks or otherwise, or that doubts may arise regarding the security of the data and information collected and managed by or for the creditshelf Group. Particularly within the EEA, data protection legislation is comprehensive and complex and there has been a recent trend toward more stringent enforcement of requirements regarding protection and confidentiality of personal data. Furthermore, enforcement of data protection and privacy laws is likely to increase in the future after Regulation 2016/679/EU of the European Parliament and of the Council of April 27, 2016 (the "**General Data Protection Regulation**") became enforceable in May 2018 following a transitional period.

Due to the General Data Protection Regulation and other privacy and data security laws and provisions to which currently no administrative practice or body of case law is available, the legal situation in this area is currently particularly uncertain. It is possible that these laws or privacy standards may be interpreted and applied in a manner that is inconsistent with the practices of the creditshelf Group. The creditshelf Group's failure to comply with applicable privacy laws and regulations or any compromise of security that results in the unauthorized release of personally identifiable information or other user data could damage creditshelf's reputation, discourage potential borrowers or investors from using the creditshelf Platform or its other products or services or result in fines or proceedings brought against the Company or third parties by governmental agencies, Users or other third parties. creditshelf could also be forced to amend its operational structure and its business model because of violation of data protection regulations.

The materialization of any of the risks described above could have a material adverse effect on the Company's business, the net assets, financial condition and earnings position of the creditshelf Group and thus have an impact on the Company.

3.2.4. The Company may not have the necessary permissions for its business operations or may lose granted permissions in the future. In addition, it may have difficulties with obtaining the necessary approvals or with renewing existing permissions.

creditshelf can be qualified as a financial investment broker (*Finanzanlagenvermittler*) for non-securities investment assets (*Vermögensanlagen*) and as loan broker (*Darlehensvermittler*). In this respect creditshelf holds financial investment broker licenses under Sections 34f and 34c GewO and is therefore subject to the supervision of the local trade supervision and has to comply with certain provisions on diligence, notification and organization obligations, especially under the FinVermV. There is a risk that the local trade supervision authority may revoke, restrict or in any other way change the granted permissions, for example due to non-compliance with existing or new regulatory requirements.

There is also a risk that the business of the creditshelf Group, as currently conducted, may require further permissions, which the Company may not recognize or assess differently from the supervisory authorities and as a result may operate without the necessary permits. For example, a qualification of an entity of the creditshelf Group as a financial instruments broker requiring a license under the KWG or provider of payment services under the ZAG would amongst others result in an increase of organizational requirements and costs for creditshelf.

With regard to any future expansion of creditshelf's business, there is also a risk that creditshelf does not recognize applicable permission requirements or assesses such requirements differently than the supervisory authorities and may therefore not meet the respective requirements. Further, it is uncertain that creditshelf will be granted all necessary permits for its existing or future business activity. Any non-issuance of required permits and any restriction or any withdrawal of any existing permits of an entity of the creditshelf Group could restrict or make the existing and future business activities of the Company impossible. Should there be delays in the granting of licenses or should other problems in this context arise, this could lead to delays in the operation of the business or even cause creditshelf to fully discontinue its business activities.

The materialization of any of the risks described above could have a material adverse effect on the Company's business, the net assets, financial condition and earnings position of the creditshelf Group and thus have an impact on the Company.

3.2.5. Compliance with consumer protection laws may be required. In case consumer protection laws would apply and/or individual Users would qualify as consumers, the Company may be subject to claims.

While creditshelf's terms and conditions restrict using the creditshelf Platform as borrowers or investors to entrepreneurs (*Unternehmer*) within the meaning of the German Civil Code (*Bürgerliches Gesetzbuch* – "**BGB**") while restricting consumers (*Verbraucher*) within the meaning of the BGB from using the creditshelf Platform as borrowers or investors (while the access of partners supporting a potential borrower is not limited to entrepreneurs), creditshelf cannot exclude the possibility that certain persons that creditshelf considers to be entrepreneurs would ultimately be qualified by competent courts as consumers. In such a scenario, creditshelf would become subject to complex and constantly changing and reinforcing consumer protection regulations various aspects of which might be untested as applied to the creditshelf Platform. The Company may not always have been, and may not always be, in compliance with these laws and provisions. The qualification of certain Users as consumers could, also retroactively, lead to alleged or existing rights of withdrawal and/or claims from such Users attempting to withdraw from the concluded agreements.

Compliance with these laws with respect to borrowers and investors using the creditshelf Platform is also costly, time-consuming and limits the Company's operational flexibility. Consumers, consumer protection organizations, courts or supervisory authorities could question the observance of existing, new or modified consumer protection rules by creditshelf or start relevant investigations or legal proceedings. Judgements due to possible infringements could lead to claims of third parties against creditshelf and could damage the reputation of creditshelf.

The materialization of any of the risks described above could have a material adverse effect on the Company's business, the net assets, financial condition and earnings position of the creditshelf Group and thus have an impact on the Company.

3.2.6. The Company may fail to adequately protect its intellectual property, or it may infringe the intellectual property of third parties.

creditshelf's business depends on its intellectual property whose protection is crucial to the success of the Company's business. creditshelf relies on a combination of trademark, trade secret, and copyright law and contractual restrictions to protect its intellectual property. In addition, creditshelf attempts to protect its intellectual property, technology, and confidential information by requiring its employees and consultants to enter into confidentiality and assignment of inventions agreements and third parties to enter into nondisclosure agreements respectively by including similar covenants into the employment agreements of its employees. These agreements may not effectively prevent unauthorized use or disclosure of creditshelf's confidential information, intellectual property, or technology and may not provide an adequate remedy in the event of unauthorized use or disclosure of its confidential information, intellectual property, or technology. Despite the Company's efforts to protect its proprietary rights, unauthorized parties may attempt to copy aspects of its website or platform features, software, and functionality or obtain and use information that the Company considers proprietary (including with respect to its credit decisioning support and credit scoring algorithms and models).

In principle, creditshelf pursues the registration of its domain names and trademarks in all countries where the Company operates (including by means of applying for community marks (*Gemeinschaftsmarken*)). However, competitors may adopt names similar to creditshelf's, thereby harming the Company's ability to build brand identity and possibly leading to user confusion. Further, creditshelf's intellectual property rights may be challenged, leading to a cancelation of such rights and, consequently allowing third parties to make use of certain domains names, trademarks etc. These and other reasons might stop the Company from using the domain names and/or trademarks that the Company currently uses in its business.

Similarly, creditshelf may infringe on or misappropriate the intellectual property rights or other proprietary rights of third parties, who may take legal or other action against the Company. In the future, others may claim that creditshelf's products and services and underlying technology infringe or violate their intellectual property rights. The Company may, however, be unaware of the intellectual property rights that others may claim over some or all of creditshelf's products, services and technology. Any such claim could adversely affect creditshelf's business, and defending against such claims could be costly even if the Company was eventually to prevail on the merits.

Failure to enforce or protect the Company's proprietary rights, or to defend against allegations of infringement of proprietary rights of third parties, may result in legal liability, the incurrence of substantial costs and the diversion of other valuable resources, each of which could materially adversely affect the Company's business, financial position and results of operations.

The materialization of any of the risks described above could have a material adverse effect on the Company's business, the net assets, financial condition and earnings position of the creditshelf Group and thus have an impact on the Company.

3.2.7. The Company's intellectual property and know-how regarding its software, algorithms and models could be inadequately protected or the Company could violate the rights of third parties.

The activities of creditshelf comprise the development of software, in particular with regard to its creditshelf Platform. Software is subject to the protection of copyright law, if the software goes beyond the programing of an average programmer. Even creditshelf's credit decisioning support and credit scoring algorithms and models could be subject to copyright protection. It is nevertheless conceivable that this software, algorithms and models are copied and used by third parties and creditshelf may not be able to successfully defend against such third-party use.

The programing of the Company's software and the development of its algorithms and models was partly done by creditshelf employees and partly through freelancers engaged by creditshelf as well as predominantly with one third-party IT service provider who also engaged freelancers. The same applies for other ongoing programing projects. Such third parties may not acknowledge the Company's rights to the software, algorithms and models. These third parties may use the software, algorithms and models themselves and creditshelf may not be able to successfully defend against such third-party use. On the other hand such third parties may themselves seek to limit or even prohibit the use of such software, algorithms and models by creditshelf and claim damages against creditshelf because of such usage. If the business relationship with such other partner(s) is terminated, there is a risk that planned or necessary programing or development measures cannot be completed in a timely manner. Hence, plans to launch improvements to existing products and services or new products and services may be delayed and as a result start-up losses could be higher than planned.

In addition, it is possible that creditshelf does not own the rights in or hold sufficient licenses for the software, algorithms and models used in its business and which it might potentially provide to others in the future, and hence infringes copyrights or other intellectual property rights of third parties. Such third parties may take legal action against the Company (and/or others using its software, models or algorithms) and the Company might be obliged to pay damages, enter into costly license agreements or be prohibited from offering its products or services, including its software.

The Company has used open source software for the development of its software and may thus face claims from third parties that claim ownership of the open source software or derivative works that were developed using such software, or otherwise seek to enforce the terms of the applicable open source license. These risks have been amplified by the increase in intellectual property claims in the United States by third parties whose sole or primary business is to assert such claims. While this trend originated on the United States, it is not limited anymore to that territory. The prevention of such risks is – due to the partially very wide formulation of the open source licenses – generally very difficult, especially as there is currently no comprehensive body of case law regarding the difficult delimitation questions. It can also not be excluded that the open source licenses are interpreted differently against the background of the different national copyrights in different countries. There is also a risk that any open source software that creditshelf uses is not further developed by the free software developers, for example because they lose interest in the open source project. This can mean that the software is out of date or that considerable costs must be incurred to keep the software up to date.

Failure to enforce or protect the Company's proprietary rights, or to defend against allegations of infringement of proprietary rights of third parties, may result in legal liability, the incurrence of substantial costs and the diversion of other valuable resources, each of which could materially adversely affect the Company's business, financial position and results of operations.

The materialization of any of the risks described above could have a material adverse effect on the Company's business, the net assets, financial condition and earnings position of the creditshelf Group and thus have an impact on the Company.

3.2.8. The Company's compliance policies and procedures may fail to protect it from risks.

creditshelf has established a compliance system to minimize the risk of legal infringements, which, *inter alia*, includes standards of conduct, corruption prevention, prevention of conflicts of interest, information and data processing. This system may fail in whole or in part, and the existing policies and procedures may be insufficient to prevent all unauthorized practices, legal infringements, corruption and fraud, including purchasing practices, or other adverse consequences of non-compliance within the Company's organization or by or on behalf of the Company's employees. Any failure in compliance, or any failure in its compliance policies and procedures, could harm creditshelf's reputation and result in fines and other forms of liability.

The materialization of any of the risks described above could have a material adverse effect on the Company's business, the net assets, financial condition and earnings position of the creditshelf Group and thus have an impact on the Company.

3.2.9. The creditshelf Group uses standardized documents, standard-form contracts as well as standardized terms and conditions, which increase the potential risk that such contract terms may be invalid or unenforceable if any clause is held to be void.

The entities of the creditshelf Group maintain legal relationships with a large number of persons, primarily Users. In this context, they also use standardized documents, standard-form contracts and standardized terms and conditions. If such documents, contracts or terms and conditions are found to contain provisions which are declared invalid and thus replaced by statutory provisions which are unfavorable to the creditshelf Group, a large number of standardized documents, contracts or terms and conditions could be affected.

Additionally, standardized terms and conditions under German law have to comply with the statutory law on general terms and conditions which means they are subject to rigid fairness control by the courts regarding their content and the way they, or legal concepts described therein, are presented to the other contractual party by the person using them. The standard is even stricter if they are used vis-à-vis consumers (if that should be the case for certain Users of the creditshelf Platform). As a general rule, standardized terms and conditions are invalid if they are not transparent, clearly worded, or if they are unbalanced or discriminate against the other party inappropriately. Due to the frequent changes to the legal framework, particularly with regard to court decisions relating to general terms and conditions, creditshelf may fail to fully protect itself against risks from the use of such standardized contractual terms. Even if documents, contracts and terms and conditions are prepared with legal advice, it is impossible to avoid problems of this nature from the outset or in the future, as the changes may continue to occur in the legal framework, particularly via case law.

The materialization of any of the risks described above could have a material adverse effect on the Company's business, the net assets, financial condition and earnings position of the creditshelf Group and thus have an impact on the Company.

3.2.10. The entities of the creditshelf Group could be required to pay additional taxes and other duties as a result of tax audits, changes in tax law and/or its interpretation and application or changes in its effective tax rate. Changes in the organization of tax affairs could lead to higher expenditure.

Given its short history, so far none of the entities was subject to a tax audit. However, the entities of the creditshelf Group will be regularly subject to tax audits in the future. Tax audits for periods being currently reviewed or not yet reviewed may lead to tax assessments in Germany or in foreign jurisdictions resulting in higher tax payments (for example, in connection with restructuring measures, transaction costs or transfer pricing issues). Changes in tax laws and/or uncertainty over their application and interpretation may adversely affect creditshelf's results. In addition, creditshelf's effective tax rate could increase in the future up to the then applicable effective tax rate. As a consequence of any or all aspects described above, the creditshelf Group could be obliged to pay additional taxes or other duties or have additional expenditure.

The materialization of any of the risks described above could have a material adverse effect on the Company's business, the net assets, financial condition and earnings position of the creditshelf Group and thus have an impact on the Company.

3.2.11. The creditshelf Group may be subject to litigation proceedings.

From time to time, the creditshelf Group may be involved in, or threatened with, legal, arbitration and governmental proceedings in the ordinary course of its business, including disputes with employees, competitors, Users and other business partners such as service providers or Fronting Banks, competition authorities, regulators and other authorities, concerning, among other things, breaches of contract, intellectual property infringement, employment issues, termination of business relationship, and/or alleged or suspected violations of applicable laws and regulations.

For example, neither creditshelf nor creditshelf service provide any investment advice (*Investitions- und Anlagenberatung*) to any third party, in particular not to the Users of the creditshelf Platform. Rather creditshelf brokers investment opportunities to investors on the creditshelf Platform. In this context the Company cannot exclude the risk that a third party, in particular investors that have invested in loans brokered through the creditshelf Platform, claim that creditshelf and or creditshelf service have provided investment advice, which would be subject to strict legal requirements, including client categorization, compliance with certain information rules, appropriateness test and other legal requirements (which neither creditshelf nor creditshelf service fulfill). Such third parties could claim damages for losses suffered in the course of their investments. In addition, if investors suffer significant losses or otherwise are dissatisfied with the Company's products and services, the creditshelf Group could be subject to the risk of legal liability or actions alleging deliberate or negligent misconduct, breach of fiduciary duty, breach of contract, unjust enrichment and/or fraud. These risks often are difficult to assess or quantify and their existence and magnitude often remain unknown for substantial periods of time, even after an action has been commenced.

creditshelf service is currently involved in a litigation with an insolvency administrator. The parties disagree whether or not the conditions precedent for a security trust agreement have been fulfilled pursuant to which certain collateral granted by a third party for a loan in a total amount of EUR 3,600,000 that was brokered by creditshelf is held for the benefit of the investors who have invested in such loan. After the Düsseldorf Regional Court (*Landgericht Düsseldorf*) ruled against creditshelf service in November 2017, creditshelf service lodged an appeal with the Düsseldorf Higher Regional Court (*Oberlandesgericht Düsseldorf*), which is still pending, an oral hearing has not yet taken place. One of the investors, who invested EUR 750,000 in the aforementioned loan, joined the procedure on the creditshelf service side as a secondary intervener (*Nebenintervenient*). In addition, creditshelf and creditshelf service have entered into an agreement with one investor who invested in the aforesaid loan to temporarily waive the plea of limitation (*zeitlich befristeter Verzicht auf die Einrede der Verjährung*) with respect to any claims of this investor against creditshelf or creditshelf service, in particular any warranty claims under the purchase agreement regarding partial loan claims entered into between creditshelf service and such investor. If the creditshelf Group should ultimately lose this litigation, it cannot be excluded that the investors who have invested in the respective loan will bring forward damage claims against creditshelf and/or creditshelf service. If all investors who have invested in the aforesaid loan would pursue damage claims against the creditshelf Group the Company considers the theoretical maximum exposure to be EUR 3,600,000 plus costs of potential legal proceedings. In case of the materialization of such risk investors could lose all or part of their investment.

The Company has granted virtual shares to certain beneficiaries under an employee participation program (the so-called Virtual Participation Program I). These virtual shares, to the extent such virtual shares have been vested pursuant to the terms of of the underlying program, entitle the beneficiaries to a one-time cash payment from the Company upon the occurrence of a so-called "exit event" with a successful Offering qualifying as an exit event. In June 2018, the share capital of the Company was increased from EUR 79,822 by EUR 1,045,178.00 to EUR 1,125,000. While the Company believes that the beneficiaries under the aforesaid employee participation program are not entitled to any compensation for potential dilutive effects resulting from this capital increase, it cannot rule out that one or more beneficiaries under such program will try to claim compensation for any dilution suffered by them and that such disputes may ultimate result in litigation and that a competent court could reject the Company's position. So far, the Company has entered into agreements with all but one of the beneficiaries to determine the cash amount they are entitled to in case of an Offering under the participation program. If such remaining beneficiary should dispute the Company's calculation of his entitlements under the participation program and successfully claim a dilution compensation the Company might be forced to pay to such beneficiary a higher amount than anticipated. The Company considers the theoretical maximum exposure to amount to approx. EUR 1,900,000 plus costs of potential legal proceedings. In case of the materialization of such risk investors could lose all or part of their investment. However, the Company is of the opinion that such amount will be significantly reduced as a result of a reduction of the beneficiary's payment claims pursuant to the terms of the participation program which provides for such reductions if the vesting of the claims was suspended for certain time periods which the Company considers to be the case with respect to such beneficiary's claims. Against this background, the Company has booked reserves for such beneficiary's claims in an amount of approx. EUR 135,000.

Complaints to supervisory authorities regarding, for example, the non-compliance with legal requirements for investment advice could also result in supervisory and other governmental authorities launch investigations and proceedings against entities of the creditshelf Group. If an entity of the creditshelf Group violates any applicable law or regulation, governmental authorities may take legal action against the creditshelf Group or the members of its respective governing bodies or employees. An unfavorable ruling may result in damage claims by third parties or other adverse legal consequences, including criminal and civil sanctions, injunctions against future conduct, profit disgorgements, occupational and employment bans, the loss of business licenses or permits or other restrictions. In addition to monetary and non-monetary sanctions, monitors could be appointed to review future business practices in order to ensure compliance with applicable laws, and the Company may otherwise be required to modify its business practices and compliance program.

Regardless of the outcome, potential litigation or administrative proceedings can be costly and may also damage the Company's reputation and have a material adverse impact on its ability to compete for business.

The materialization of any of the risks described above could have a material adverse effect on the Company's business, the net assets, financial condition and earnings position of the creditshelf Group and thus have an impact on the Company.

3.3. Risks Related to the Shareholder Structure, the Offering and the Stock Exchange Listing

3.3.1. There is a risk that existing major shareholders will have a significant impact on resolutions of the Company as well as on resolutions of the supervisory board of the Company via its majority vote cast.

After the implementation of the Offering existing shareholders will hold approx. 81.82% of the shares of the Company even with full placement of all shares subject to the Offering and assuming that the existing shareholders will not acquire Offer Shares in the course of the Offering. The existing shareholders can therefore have a significant influence on important decisions of the Company. This particularly includes decisions on crucial business measures to be submitted to the shareholders' meeting (*Hauptversammlung*) of the Company, decisions concerning amendments to the articles of association of the Company (*Satzung* – "**Articles of Association**") as well as decisions on the future composition of the Company's supervisory board (*Aufsichtsrat* –

"**Supervisory Board**") and therefore also indirectly of the Management Board. In this context, the existing shareholders have significant stake in the election of Supervisory Board members, which are supervising the Company and appoint its Management Board members.

Further, it can also not be excluded that there might be conflicts of interest between the existing shareholders and other investors or amongst the existing shareholders. Due to such circumstances, the business development and the development of the share price of the Company may be significantly affected.

The materialization of any of the risks described above could have a material adverse effect on the Company's business, the net assets, financial condition and earnings position of the creditshelf Group and thus have an impact on the Company.

3.3.2. Shares of the Company have not been publicly traded and a liquid trading market for its shares may fail to develop or may not be maintained after the Offering. The issue price is not indicative with respect to future market prices.

Prior to the Offering, there has been no public trading market for the Company's shares. The issue price will be determined through a bookbuilding process. There can be no assurance that the issue price will correspond to the price at which creditshelf's shares will be traded on the "**Frankfurt Stock Exchange**" (*Frankfurter Wertpapierbörse*) after the Offering or that, following the listing, a liquid trading in the Company's shares will develop and become established or be maintained after the Offering. If there is no active trading in the Company's shares, investors might be unable to sell their shares quickly at the then-applicable market price or at all under certain circumstances.

3.3.3. The capital increase to create new shares in the Company could fail or only very few shares could be allocated and, nevertheless, the capital increase could be implemented

The Offer Shares, *i.e.* the newly issued ordinary bearer shares that are subject to the Offering, will exist upon registration in the Company's commercial register following the implementation of the capital increase resolved by the Company's general shareholders' meeting (the "**IPO Capital Increase**") on or about July 11, 2018. The IPO Capital Increase may also be entirely unsuccessful or only to a much lesser extent than assumed by the Company or an investor. As a result, the Company would not have the funds available for its intended use of the proceeds of the issue. The intended expansion of the business would not be ensured. In addition, the number of shares traded on the regulated market of the Frankfurt Stock Exchange could be reduced as there are less shares in the Company that could potentially be traded there.

3.3.4. The Offering or stock exchange listing of the Company's shares might not be completed, in which case investors could lose security commissions paid and be exposed to risks from any short selling of the shares.

The Underwriting Agreement will provide that the Underwriter may terminate the Offering under certain circumstances. Any allocations to investors that have already occurred will be invalid. In this case investors will not have a claim for delivery of the shares of the Company. Claims with regard to any subscription fees that have already been paid and costs incurred in connection with the subscription by an investor are governed solely by the legal relationship between the investor and the institution with which the investor has submitted its offer to purchase. To the extent investors may directly subscribe for Offer Shares, any sich claims, including claims with respect to Offer Shares which may already have been created, will be governed solely by the legal relationship between the investor and the Company. If an investor has engaged in short selling, the investor bears the risk of not being able to fulfill its delivery obligations.

3.3.5. Shareholders are at risk of future dilution of their shareholding in the Company

In the future, the Company may carry out further capital operations in order to strengthen its equity or to finance its business and growth. The Company is expected to have authorized capital (*genehmigtes Kapital*) of EUR 562,500, in particular after completion of the Offering. The authorization permits the exclusion of shareholders' subscription rights (*Bezugsrechte*) in relevant acknowledged cases.

Depending on the structure of future capital operations, these may lead to a dilution of shareholders' participations in the case of a waiver to use subscription rights or in the event of the exclusion from subscription rights.

3.3.6. The share price or the trading volume of shares of the Company could fluctuate significantly and investors could lose all or part of their investment.

Following the listing of the Company's shares, the price and the trading volume of the Company's shares may be subject to substantial fluctuations as these will be determined by market supply and demand for the shares. Such supply and demand will depend on a variety of factors, including, but not limited to, fluctuations in the Company's actual or projected operating results or those of its competitors, changes in earnings projections, failure to meet the earnings expectations of investors and analysts, changes in macroeconomic conditions, the activities of competitors and customers, and changes to the statutory framework under which creditshelf operates. In addition, general market conditions and fluctuations of share prices, particularly those of companies in the same industry that the Company operates in, or a general downturn in worldwide or local stock markets, could lead to pricing pressure on the Company's shares even though there may not be a reason for this in the Company's business or earnings outlook.

3.3.7. Future offerings of debt or equity securities by the Company could adversely affect the market price of its shares, and future capitalization measures could substantially dilute shareholders' interests in the Company.

In the future, creditshelf may need additional capital to finance its business operations and growth. The Company may therefore seek to raise capital through offerings of debt securities (potentially including convertible debt securities) or additional equity securities. An issuance of additional equity securities or securities with rights to convert into equity could reduce the market price of the shares, and would dilute the economic and voting rights of existing shareholders if made without granting subscription rights to existing shareholders. creditshelf cannot predict or estimate the amount, timing or nature of future offerings because the timing and nature of any future offering would depend in part on market conditions at the time of such an offering. Therefore, the shareholders of the Company bear the risk that such future offerings could reduce the market price of the Company's shares and potentially dilute their shareholdings in the Company. In addition, the acquisition of other companies, or investments in other companies in exchange for newly issued shares, or the exercise of stock options by employees of an entity of the creditshelf Group or other beneficiaries in the context of possible future stock participation programs could dilute the economic and voting rights of the shareholders.

3.3.8. Future sales or anticipated sales of a substantial number of shares or similar transactions conducted by the current majority shareholders or other groups of shareholders of the Company could have a negative effect on the price of the Company's shares.

The market price of the Company's shares could fall significantly, if the majority shareholders or other groups of shareholders sell a substantial number of the shares in the market, or if the market believes that such sales might occur. Such sales might occur after the end of the lock-up period, *i.e.* 24 months in case of the members of the Management Board and 18 months in case of the other shareholders, after the first day of trading of the shares of the Company as will be agreed among the Company and the underwriter of the Offering, *i.e.* COMMERZBANK Aktiengesellschaft, Kaiserstraße 16, 60311, Frankfurt/Main, Germany ("**Commerzbank**", the "**Underwriter**") for the benefit of the underwriter in an underwriting agreement on or about July 10, 2018 (the "**Underwriting Agreement**") or in case the lock-up is waived by the Underwriter. In addition, the sale or market expectation of a sale of a large number of shares by the majority shareholders or other significant shareholders could make it difficult for the Company to issue new shares on favorable terms in the future.

3.3.9. creditshelf will face additional legal requirements and incur higher costs as a result of the Company's operation as a publicly traded company.

After the Offering, creditshelf will be subject to the legal requirements for German stock corporations listed on a public exchange. These requirements include periodic financial reporting and other public disclosures of information (including those required by the stock exchange listing authorities), regular calls with securities and industry analysts, and other required disclosures. There is no guarantee that creditshelf's accounting, controlling, legal or other corporate administrative functions and processes will be capable of responding to these new requirements without experiencing difficulties or inefficiencies that cause creditshelf to incur significant additional expenditures and/or exposure to legal, regulatory or civil costs or penalties. Furthermore, the preparation, convening and conducting of general shareholders' meetings and the Company's regular communications with shareholders and potential investors will entail substantially greater expense. creditshelf's management will need to devote time to these additional requirements that it could otherwise devote to other aspects of managing the Company's operations. These additional requirements could also result in substantially increased time commitments and costs for the accounting, controlling and legal departments and creditshelf's other administrative functions.

The materialization of any of the risks described above could have a material adverse effect on the Company's business, the net assets, financial condition and earnings position of the creditshelf Group and thus have an impact on the Company.

There is no guarantee that creditshelf's accounting, controlling, legal, compliance or other corporate administrative functions will be capable of responding to these additional requirements without difficulties and inefficiencies that cause the Company to incur significant additional expenditures and/or expose the Company to legal, regulatory or civil costs or penalties. Furthermore, the Company's management will need to devote time to these additional requirements that it could have otherwise devoted to other aspects of managing creditshelf's operations, and these additional requirements could also entail substantially increased time commitments and costs for the accounting, controlling and legal departments and other administrative functions. Any inability of creditshelf's administrative functions to handle the additional demands placed on the Company by becoming a company with listed shares, as well as any costs resulting therefrom, may have a material adverse effect on the Company's business, net assets, financial condition and earnings position and thus have an impact on the Company.

4. GENERAL INFORMATION

4.1. Responsibility for the Content of this Prospectus

creditshelf Aktiengesellschaft (formerly creditshelf GmbH), with its registered office at Mainzer Landstraße 33a, 60329 Frankfurt/Main, Germany, and registered with the commercial register of the local court (*Amtsgericht*) of Frankfurt/Main, Germany under HRB 112087 (hereinafter "**creditshelf**" or the "**Company**" and, together with its subsidiary creditshelf service GmbH ("**creditshelf service**") the "**creditshelf Group**" or "**We**"), together with COMMERZBANK Aktiengesellschaft, Kaiserstraße 16, 60311, Frankfurt/Main, Germany, assume responsibility for the contents of this Prospectus pursuant to Section 5(4) German Securities Prospectus Act (*Wertpapierprospektgesetz* – "**WpPG**") and hereby declare that, to the best of their knowledge, the information contained in this Prospectus is in accordance with the facts and that no material circumstances have been omitted.

Notwithstanding Section 16 WpPG, which stipulates that every significant factor or material mistake relating to the information included in this Prospectus which is capable of affecting the assessment of the securities and which arises or is noted after the time this Prospectus is approved and before the final closing of the offer to the public or the time when trading on an organized market begins shall be mentioned in a supplement to this Prospectus, neither the Company nor the Underwriter are required by law to update this Prospectus.

Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under the respective national legislation of the relevant member state of the European Economic Area ("EEA"), have to bear the costs of translating this Prospectus before the legal proceedings are initiated.

4.2. Subject Matter of this Prospectus

For purposes of this public offering ("**Offering**"), this Prospectus relates to the sale of 250,000 bearer shares with no-par value (*auf den Inhaber lautende Stückaktien*) of the Company, each such share with a notional value of EUR 1.00 of the share capital of the Company and each carrying full dividend rights as from January 1, 2018, consisting of 250,000 newly issued ordinary bearer shares with no-par value from the IPO Capital Increase to be resolved by an extraordinary general shareholders' meeting of the Company on or about July 11 (the "**Offer Shares**").

For purposes of admission to trading on the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange, with simultaneous admission to the sub-segment of the regulated market with additional post-admission obligations (Prime Standard) of the Frankfurt Stock Exchange, this Prospectus relates to:

- 1,125,000 ordinary bearer shares with no-par value (the Company's entire share capital prior to the IPO Capital Increase); and
- up to 250,000 newly issued ordinary bearer shares with no-par value from IPO Capital Increase.

This Prospectus has been approved solely by the BaFin. The BaFin has approved this Prospectus after having performed an assessment of the completeness of the Prospectus, including an assessment of the coherence and comprehensibility of the information presented.

4.3. Forward-Looking Statements

This Prospectus contains certain forward-looking statements. A forward-looking statement is any statement that does not relate to historical facts or events or facts or events as of the date of this Prospectus. This applies, in particular, to statements in this Prospectus containing information on future earnings capacity, plans and expectations regarding the Company's business, such as its growth and profitability, as well as the general economic and legal conditions and other factors to which the creditshelf Group is exposed.

The forward-looking statements contained in this Prospectus are based on the Company's current estimates and assessments. These forward-looking statements are based on assumptions and are subject to risks, uncertainties and other factors, the occurrence or non-occurrence of which could cause actual circumstances – including with regard to the assets, business, financial condition and results of operations as well as profitability of its subsidiary – to differ materially from or fail to meet the expectations expressed or implied in the forward-looking statements. Even if future results of the Company meet the expectations expressed herein, they may not be indicative of the results of any succeeding periods.

The Company's business is also subject to a number of risks and uncertainties that could cause any forward-looking statement, estimate or prediction in this Prospectus to become inaccurate. Accordingly, investors are strongly advised to consider this Prospectus as a whole and, in particular, to ensure that they have read each of the following sections of this Prospectus: Section 3 "*Risk Factors*" and Section 11 "*Management Discussion and Analysis of Assets, Financial Position and Results of Operations*" (especially Section 11.2 "*Key Factors Affecting the Results of Operations*") as well as Section 13 "*Business Description*" and Section 22 "*Recent Developments and Outlook*" in its entirety, which include more detailed descriptions of factors that might influence the Company's business performance and the markets where it operates.

The same applies to the forward-looking estimates and forecasts reproduced in this Prospectus from third-party sources (see Section 4.4 "*Information from Third Parties and Information about Sources*").

In light of the uncertainties and assumptions, it is also possible that the future events mentioned in this Prospectus may not occur or may differ materially from actual events. In addition, the forward-looking estimates and forecasts reproduced in this Prospectus from third-party sources could prove to be inaccurate. The foregoing may prevent the Company from achieving its financial and strategic objectives.

The forward-looking statements contained in this Prospectus are only current as of the date on which they were made. Investors are advised that neither the Company nor the Underwriter assume any obligation to and do not intend to, except where required by law, publicly release any updates or revisions to these forward-looking statements to reflect any change in the Company's expectations with regard thereto, or any change in events, conditions or circumstances on which any such statement is based, or to adjust them in line with future events or developments.

The obligation of the Company pursuant to Section 16 WpPG to produce and publish a supplement to this Prospectus if new circumstances arise or a significant inaccuracy with regard to the information contained in this Prospectus becomes known which could influence the assessment of the Company shares and which arises or is established after this Prospectus is approved remains unaffected.

4.4. Information from Third Parties and Information about Sources

Unless otherwise indicated, statements in this Prospectus regarding the market environment, market developments, growth rates, market trends and the competitive situation within the markets and segments in which the

Company operates are based on data, statistical information, sector reports and third-party studies as well as its estimates. Management estimates – unless otherwise indicated – are based on internal market observations.

In drafting this Prospectus, the following sources were used:

- Creditreform – "Default Study – Ausfallraten in der deutschen Wirtschaft", 2013-2017;
- Deutsche Bundesbank – "Zeitreihen-Datenbank, Neugeschäft, Kredite an nichtfinanzielle Kapitalgesellschaften, Neugeschäft", April 2018;
- Deutsche Bundesbank – "Die langfristige Entwicklung der Unternehmensfinanzierung in Deutschland – Ergebnisse der gesamtwirtschaftlichen Finanzierungsrechnung", monthly report, January 2012;
- Deutsche Bundesbank – "Entwicklung der Unternehmensfinanzierung im Euroraum seit der Finanz- und Wirtschaftskrise", monthly report, January 2018;
- Dorfleitner, Gregor/Hornuf, Lars – "The FinTech Market in Germany" a study commissioned by the German Federal Ministry of Finance, Final Report October 17, 2016;
- European Central Bank – "Press Release: Monetary policy decisions", March 2018;
- EY – "EY FinTech Adoption Index 2017", 2017;
- EY – “EY FinTech adoption index – Germany”, 2016;
- EY – "Germany FinTech Landscape – Insights into the response of financial institutions into FinTechs and inter-FinTech collaboration", September 2017;
- EY – "Mittelstandsbarometer Januar 2018", 2018;
- EY – "Unleashing the potential of FinTech in banking", 2017;
- IMF – "World Economic Outlook", April 2018;
- KfW Research – "KfW-ifo-Mittelstandsbarometer: März 2018", March 2018;
- King, Brett – "Augmented: Life in the Smart Lane", 2016;
- KPMG – "The Pulse of FinTech Q4/2017 – Global analysis of investments in fintech", February 2018;
- KPMG – "TWINO Alternative Lending Index", Spring 2017;
- Liberum – "Direct Lending: Finding value/minimising risk", October 20, 2015;
- Mietzner, Mark – "Die globale Fintech-Revolution: eine Chance für KMUs", Zeppelin Universität Working Paper / Finance & Accounting, April 2018;
- Mietzner, Mark/Proelss, Juliane/Schweizer, Denis – "Hidden Champions or Black Sheep? Evidence from German Mini-Bonds", June 2015;
- Prof. Schiereck from the Technical University Darmstadt in cooperation with the Company – "Finanzierungsmonitor 2018", (survey) 2018;
- PwC – "PwC Global FinTech Report 2017", 2017;
- Statista – "Anteil der Online-Käufer an der Bevölkerung in Deutschland von 2000 bis 2016", 2018;

- University of Cambridge – "Breaking New Ground – The Americas Alternative Finance Benchmarking Report", April 2016;
- University of Cambridge – "Harnessing Potential – The Asia-Pacific Alternative Finance Benchmarking Report", March 2016;
- University of Cambridge – "Sustaining Momentum – The 2nd European Alternative Finance Industry Report", September 2016;
- World Bank Group – "Alternative Data Transforming SME Finance", May 2017; and
- Zhang, B./Baeck, P./Ziegler, T./Bone, J./Garvey, K. – "Pushing Boundaries – The 2015 UK Alternative Finance Industry Report". Cambridge Centre for Alternative Finance, February 2016.

The Company confirms that all third-party data contained in this Prospectus has been accurately reproduced and, so far as the Company is aware and able to ascertain from information published by these third parties, no facts have been omitted that would render the reproduced information inaccurate or misleading. However, market studies and analyses are frequently based on information and assumptions that may not be accurate or technically correct, and their methodology is, by nature, forward-looking and speculative.

Irrespective of the assumption of responsibility for the contents of this Prospectus by the Company and the Underwriter (see Section 4.1 "*Responsibility for the Contents of this Prospectus*"), neither the Company nor the Underwriter have verified the figures, market data and other information used by third parties in their studies, publications and financial information, or the external sources on which the Company's estimates are based. The Company and the Underwriter therefore assume no liability for and offer no guarantee of the accuracy of the data from studies and third-party sources contained in this Prospectus and/or for the accuracy of data on which the estimates are based.

This Prospectus also contains estimates of market and other data and information derived from such data, which cannot be obtained from publications by market research institutes or from other independent sources. Such information is partly based on the Company's market observations, the evaluation of industry information (from conferences, sector events, etc.) or internal assessments. The Company believes that its estimates of market and other data and the information it has derived from such data assists investors in gaining a better understanding of the industry in which the Company operates in and the Company's position therein.

The Company's own estimates have not been checked or verified externally. The Company nevertheless assumes that its own market observations are reliable. However, they may differ from estimates made by competitors of the Company or from future studies conducted by market research institutes or other independent sources. The Company and the Underwriter give no guarantee that their estimates do not differ materially from actual events.

4.5. Documents Available for Inspection

For as long as this Prospectus is valid, copies of the following documents are available for inspection during regular business hours at the Company's offices at Mainzer Landstraße 33a, 60329 Frankfurt/Main, Germany:

- the Articles of Association;
- the audited consolidated financial statements of the Company as of and for the financial year ended December 31, 2015, prepared in accordance with the International Financial Reporting Standards as

adopted by the European Union ("**IFRS**");

- the audited consolidated financial statements of the Company as of and for the financial year ended December 31, 2016, prepared in accordance with IFRS as adopted by the European Union;
- the audited consolidated financial statements of the Company as of and for the financial year ended December 31, 2017, prepared in accordance with IFRS as adopted by the European Union;
- the unaudited consolidated interim financial statements as of and for the three-month period ended March 31, 2018, prepared in accordance with IFRS as adopted by the European Union, for interim financial reporting (IAS 34); and
- the audited annual financial statements of the Company as of and for the financial year ended December 31, 2017, prepared in accordance with the German Commercial Code (*Handelsgesetzbuch* – "**HGB**").

Future annual and interim financial reports of the Company will be available on the website of the Company (ir.creditshelf.com), from the "**German Company Register**" (*Unternehmensregister*) (www.unternehmensregister.de) and from the Company, Mainzer Landstraße 33a, 60329 Frankfurt/Main, Germany. Annual financial reports will also be published in the "**German Federal Gazette**" (*Bundesanzeiger*).

4.6. Note on Information Relating to Financial Data and Currencies

The financial information contained in this Prospectus is mainly taken from the audited consolidated financial statements of the Company as of and for the financial years ended December 31, 2015, December 31, 2016, and December 31, 2017 prepared in accordance with IFRS as adopted by the European Union (together, the "**Audited Consolidated Financial Statements**"), the unaudited consolidated interim financial statements as of and for the three-month period ended March 31, 2018 (including comparative figures for the three-month period ended March 31, 2017) prepared in accordance with IFRS as adopted by the European Union for interim financial reporting (IAS 34) (the "**Unaudited Consolidated Interim Financial Statements**" and together with the Audited Consolidated Financial Statements, the "**creditshelf Financial Statements**") and from the audited annual financial statements of the Company as of and for the financial year ended December 31, 2017, prepared in accordance with HGB.

The amounts set forth in this Prospectus in "EUR", "Euro" or "€" refer to the single currency of the participating member states in the third state of the European Union pursuant to the Treaty Establishing the European Community unless explicitly stated otherwise.

Where financial information in this Prospectus is labeled "audited", this means that it has been taken from the applicable Audited Consolidated Financial Statements mentioned above. The label "unaudited" is used to indicate financial information that has not been taken from the Audited Consolidated Financial Statements mentioned above, but rather was taken from either the Unaudited Consolidated Interim Financial Statements or creditshelf's internal reporting system, or has been calculated based on figures from the sources mentioned before.

4.7. Note Regarding Figures and Technical and Financial Terms

Some figures (including percentages) in this Prospectus have been rounded in accordance with standard commercial practice, whereby aggregate amounts (sum totals, sub-totals, differences or amounts put in relation) are calculated based on either the underlying unrounded amounts or the underlying amounts rounded to EUR thousands. As a result, the aggregate amounts in the following tables may not correspond in all cases to the corresponding rounded amounts contained in the following tables. In some instances, such rounded figures and percentages may not add up to 100%, or to the totals or subtotals contained in tables or stated elsewhere in this Prospectus. Furthermore, totals and subtotals in tables may differ slightly from unrounded figures stated elsewhere in this Prospectus due to rounding off in accordance with commercial practice. Figures shown as 0.0 (referring to a positive amount) or -0.0 (referring to a negative amount) result of rounding to EUR million for purposes of this Prospectus. In respect of financial information set out in this Prospectus a dash ("-") signifies that the relevant figure is not available, while a zero ("0.0") signifies that the relevant figure is available but has been rounded to or equals zero.

A glossary of certain technical and financial terms and abbreviations used in this Prospectus is provided at the end of this Prospectus in Section 23 "*Glossary*".

4.8. Alternative Performance Measures, and Operating and Non-Financial Measures

In this Prospectus, the Company presents certain alternative performance measures, which are financial measures and ratios that creditshelf's management and certain of its peers in creditshelf's industry use to monitor performance or which management regards as being useful for investors. These figures are not recognized measures under IFRS as adopted in the European Union and should, for this reason, not be considered as an alternative to the applicable IFRS measures. None of these alternative performance measures have been subject to audit, except for EBIT and EBT included in the Consolidated Statement of Profit or Loss and Other Comprehensive Income of the Audited Consolidated Financial Statements. These are alternative performance measures as defined in the guidelines issued by the European Securities and Markets Authority (the "**ESMA**") on October 5, 2015 on alternative performance measures (the "**ESMA Guidelines**"). creditshelf believes that the presentation of the alternative performance measures included in this Prospectus complies with the ESMA Guidelines.

creditshelf provided these measures, because creditshelf believes they provide investors with additional information to measure the operating performance of creditshelf's business activities. The Company regularly reviews these to evaluate its business, measure its performance, identify trends and make strategic decisions. The use of these measures by creditshelf may vary from the use of such measures by other companies in creditshelf's industry. The measures creditshelf uses should not be considered as an alternative to revenue, results of operations, result for the period or any other performance measure derived in accordance with IFRS as adopted by the European Union, nor should these measures be considered as an alternative to net cash used in/generated by operating activities as measure of liquidity. These measures have limitations as analytical tools and should not be considered in isolation or as substitutes for analysis of creditshelf's results as reported under IFRS as adopted by the European Union. They may exclude or include amounts that are included or excluded, as applicable, in the calculation of the most directly comparable measures in accordance with IFRS as adopted by the European Union. Their usefulness is therefore subject to limitations. Such measures should be considered in conjunction with the Audited Consolidated Financial Statements and the Unaudited Consolidated Interim Financial Statements, respectively, prepared in accordance with IFRS as adopted by the European Union and the respective notes thereto as reproduced in this Prospectus in the Section 24 "*Financial Information*".

5. THE OFFERING

5.1. Subject Matter of the Offering

This Offering and this Prospectus relate to the offering of 250,000 bearer shares with no-par value (*auf den Inhaber lautende Stückaktien*) of the Company, each such share with a notional value of EUR 1.00 of the share capital of the Company and full dividend rights as from January 1, 2018, consisting of 250,000 Offer Shares from the IPO Capital Increase.

The Offering consists of an initial public offer in Germany and Luxembourg and private placements in certain jurisdictions outside Germany and Luxembourg. The Offer Shares are being offered and sold only outside the United States of America (the "**United States**" or the "**U.S.**") in offshore transactions in reliance on Regulation S under the U.S. Securities Act of 1933, as amended (the "**Securities Act**").

The Offer Shares have not been and will not be registered under the Securities Act, or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States.

The IPO Capital Increase, which is expected to be resolved by an extraordinary shareholders' meeting of the Company on or about July 11, 2018 and expected to be registered with the commercial register of the local court (*Amtsgericht*) of Frankfurt/Main, Germany, on or about July 20, 2018, would result in a capital increase of the Company's share capital of up to EUR 250,000. The share capital of the Company represented by the Offer Shares that are the subject of the Offering will total EUR 250,000 (assuming that all Offer Shares will be placed); thus, approx. 18.18% of the Company's out-standing share capital.

The Company will receive the proceeds of the Offering resulting from the sale of the Offer Shares (after deduction of payable commissions and expenses).

The Sole Global Coordinator will be offering the Offer Shares for sale.

The currency of the Offering is Euro (EUR or €).

5.2. Expected Timetable for the Offering

The anticipated timetable for the Offering is as follows, subject to extension or shortening:

July 10, 2018	Approval of this Prospectus by the BaFin.
	Publication of the approved Prospectus on the Company's website (ir.creditshelf.com) and provision of printed copies at the Company's offices at Mainzer Landstraße 33a, 60329 Frankfurt/Main, Germany, free of charge.
	Notification of the approved Prospectus to the Luxembourg Commission for the Supervision of the Financial Sector (*Commission de Surveillance du Secteur Financier*).
July 11, 2018	Commencement of marketing (roadshow).
	Commencement of the Offer Period.

	Listing application filed with the Frankfurt Stock Exchange.
	An extraordinary general shareholders' meeting of the Company resolves on the IPO Capital Increase, *i.e.* the issuance of up to 250,000 Offer Shares.
July 18, 2018	Close of the Offer Period for retail investors at 12:00 (Central European Summer Time – "**CEST**") and for institutional investors at 14:00 (CEST).
	Calculation of the Offer Shares allocated under the Back Stop Agreement (as defined in Section 5.11 *"Back Stop Agreement"*) .
	Publication of the final number of Offer Shares as an ad hoc announcement in various media distributed across the entire EEA (*Medienbündel*) and on the Company's website (ir.creditshelf.com).
	Publication of the allocation results.
July 19, 2018	Filing of IPO Capital Increase with the commercial register of the Company.
July 20, 2018	Registration of the IPO Capital Increase with the commercial register of the Company.
	Admission approval issued by the Frankfurt Stock Exchange.
July 25, 2018	First day of trading.
July 25, 2018	Book-entry delivery of the Offer Shares against payment of the Offer Price.

This Prospectus will be published on the Company's website (ir.creditshelf.com). Printed copies of this Prospectus and any supplements thereto are available upon publication free of charge during regular business hours at the Company's office at creditshelf Aktiengesellschaft, Mainzer Landstraße 33a, 60329 Frankfurt/Main, Germany (tel. +49 (0) 69 3487724-0).

Information on the Company's website (www.creditshelf.com) and information accessible via the Company's website is neither part of nor incorporated by reference into this Prospectus.

5.3. Designated Sponsor

Commerzbank has agreed to assume the function of a designated sponsor of the Company's shares traded on the Frankfurt Stock Exchange for a period of at least two years. Pursuant to the designated sponsor agreement expected to be concluded among the designated sponsor and the Company, the designated sponsor will, among other things, place limited buy and sell orders for the Company's shares in the electronic trading system of the Frankfurt Stock Exchange during regular trading hours. This is intended to achieve greater liquidity in the market for the Company's shares.

5.4. ISIN/WKN, Trading Symbol

International Securities Identification Number (ISIN):	DE000A2LQUA5
German Securities Code (WKN):	A2LQUA
Trading Symbol:	CSQ
Common Code:	185490971
Legal Entity Identifier:	5299003LVPXHGHTWP936.

5.5. Paying and Registration Agent

Paying and registration agent is Commerzbank.

5.6. Information on the Company's Existing Shareholders

Immediately prior to the Offering, the Company's existing shareholders hold 100% of the Company's outstanding share capital. It is expected that the Company's existing shareholders will continue to hold approx. 81.82% of the Company's outstanding share capital upon completion of the Offering (assuming full placement of all Offer Shares and that none of the existing shareholders will acquire Offer Shares in the course of the Offering). For further details on the ownership structure of the Company, see Section 16 "*Shareholder Structure*".

5.7. Offer Period, Offer Price, and Change of Offer Terms

5.7.1. Offer Period

The period, during which investors may submit purchase orders for the Offer Shares is expected to commence on July 11, 2018 and to end on July 18, 2018 at (i) 12:00 (CEST) for retail investors (natural persons) and (ii) at 14:00 (CEST) for institutional investors (the "**Offer Period**"). Retail investors may submit purchase orders for the public offering in Germany and Luxembourg during the Offer Period at the branch offices of the Underwriter as well as at Commerzbank's subsidiary, comdirect bank Aktiengesellschaft. Purchase orders must be expressed in full Euro amounts or cent figures of 25, 50 or 75 cents. Multiple purchase orders are permitted.

5.7.2. Offer Price

The price set for the Offering for which purchase orders may be placed is EUR 80.00 per Offer Share (the "**Offer Price**").

5.7.3. Final Number of Shares

The final number of Offer Shares (*i.e.*, the results of the Offering) are expected to be published on or about July 18, 2018, by means of an ad-hoc release on an electronic information dissemination system and on the Company's website at ir.creditshelf.com.

Investors who have placed orders to purchase Offer Shares with the Sole Global Coordinator can obtain information from the Sole Global Coordinator about the number of Offer Shares allotted to them on the business day following the setting of the Offer Price.

The Company will not charge investors any expenses or taxes incurred in connection with the Offering. Investors will have to bear customary transaction and handling fees charged by their brokers, including the Sole Global Coordinator, or other financial institutions through which they hold their securities.

5.7.4. Change of Offer Terms

Subject to the publication of a supplement to this Prospectus, if required, the Company and the Sole Global Coordinator reserve the right to decrease the total number of Offer Shares, to increase or decrease the Offer Price and/or to extend or shorten the Offer Period. If the number of Offer Shares, the Offer Price and/or the Offer Period (collectively referred to as the "**Offer Terms**") is or are, as the case may be, changed, the change will be announced on the website of the Company (ir.creditshelf.com) and be published via various media distributed across the entire European Economic Area (*Medienbündel*). To the extent required under the WpPG, a supplement to this Prospectus will be submitted to the BaFin and published, after being approved by the BaFin, on the website of the Company (ir.creditshelf.com). Any changes of the Offer Terms will also be published by way of an ad-hoc announcement, if required under Art. 17 MAR. Investors will not be notified individually. Changes to the Offer Terms will not invalidate purchase orders already submitted. Under the WpPG, investors that have submitted a purchase order before a supplement is published have the right to revoke their purchase order within two business days after publication of the supplement. The revocation does not require any statement of grounds and is to be declared in text form to the person designated in the supplement as recipient of the revocation. Alternatively, investors that have submitted purchase orders prior to the publication of the supplement may, within two days after the publication of the supplement, change their purchase orders or submit new limited or unlimited purchase orders.

5.8. Allotment Criteria

The allotment of Offer Shares to private investors and institutional investors will be decided by the Company and the Sole Bookrunner jointly.

Allotments to institutional investors will be made on the basis of the quality of the individual institutional investors (including with respect to their expected holding strategy and order size) and individual orders and other important allotment criteria to be determined by the Company after consultation with the Sole Bookrunner. The allocation to retail investors will be compatible with the "Principles for the Allotment of Share Issues to Private Investors" (*Grundsätze für die Zuteilung von Aktienemissionen an Privatanleger*) issued on June 7, 2000 by the Commission of Stock Exchange Experts (*Börsensachverständigenkommission*) of the German Federal Ministry of Finance (*Bundesministerium der Finanzen*). "Qualified Investors" (*qualifizierte Anleger*) under the WpPG, as well as "professional clients" (*professionelle Kunden*) and "suitable counterparties" (*geeignete Gegenparteien*) as defined under the WpHG, are not viewed as "private investors" within the meaning of the allocation rules. The details of the allotment procedure with respect to subscription offers will be stipulated after expiration of the Offer Period and published in accordance with the allotment principles. Multiple subscriptions by the same investors are permitted.

5.9. Target Market Information

The following disclosure is directed to distributors of the Offer Shares:

Solely for the purpose of fulfilling the requirements of Article 24(2) of EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"), the following criteria characterizing the target market for shares in the Company have been identified: (i) target clients include retail clients, professional clients and eligible counterparties, (ii) who should be able and willing to carry losses of up to the total amounts invested, (iii) who have any type of investment horizon bearing in mind that acquisition costs reduce the potential earnings, (iv) who have a medium to high-risk tolerance and are willing to accept price fluctuations, (v) who have an investment strategy focused on asset accumulation or disproportionate participation, (vi) who possess basic knowledge and experience with respect to capital markets or shares, and (vii) who exploit any type of distribution strategy (*e.g.* investment advice, portfolio management, non-advised sales and pure execution services). The shares are deemed incompatible for clients which are fully risk averse. For the avoidance of doubt, this assessment does not constitute an assessment of the suitability or appropriateness of an investment in shares of the Company, or a recommendation to any investor to purchase, sell or take any other action with respect to the Company's shares.

5.10. Delivery and Settlement

The registration of the consummation of the IPO Capital Increase with the commercial register and the issuance of the Offer Shares is expected to take place on or about July 20, 2018. The Offer Shares will be represented by one or more global share certificate(s) (the "**Global Share Certificate**"), the Global Share Certificate relating to the Offer Shares will then be delivered to Clearstream Banking Aktiengesellschaft, Mergenthalerallee 61, 65760 Eschborn, Germany ("**Clearstream Banking AG**").

The delivery of the Offer Shares against payment of the Offer Price is expected to take place on July 25, 2018. The Offer Shares will be made available to the shareholders as co-ownership interests in the Global Share Certificate.

At the shareholder's option, the Offer Shares purchased in the Offering will be credited either to a securities deposit account maintained by a German bank with Clearstream Banking AG or to a securities account of a participant in Euroclear Bank S.A./N.V., 1, Boulevard du Roi Albert II, 1210 Brussels, Belgium ("**Euroclear**"), as the operator of the Euroclear system, or to Clearstream Banking S.A., 42, Avenue John F. Kennedy, L 1855 Luxembourg Kirchberg, Luxembourg.

5.11. Back Stop Agreement

Under an agreement entered into between Hevella and the Company on July 4, 2018 (the "**Back Stop Agreement**"), Hevella has committed itself irrevocably for the term of the Back Stop Agreement (i.e. until July 31, 2018) to purchase Offer Shares at the Offer Price for a total amount of up to EUR 15,000,000 if and to the extent the Offer Shares are not subscribed for by investors in the course of the Offering. The ordinary termination of the Back Stop Agreement is excluded. An extraordinary termination is in particular possible if there is an important reason which would also entitle the Underwriter to an extraordinary termination under the Underwriting Agreement (as defined in Section 19.1 "*Underwriting Agreement*").

5.12. Information on the Shares and Their Listing

5.12.1. Voting Rights

Each share grants one vote at the Company's general shareholders' meeting. There are no restrictions on voting rights. There are no different voting rights.

5.12.2. Dividend Rights and Participation in Liquidation Proceeds

Each share carries full dividend rights as from January 1, 2018, *i.e.* for the full financial year ending December 31, 2018 and for all subsequent financial years.

Besides liquidation as a result of insolvency proceedings, the Company may be liquidated, in particular by a resolution of the Company's general shareholders' meeting to dissolve the Company followed by a liquidation procedure. The resolution of the Company's general shareholders' meeting requires a simple majority of the votes cast, as well as a majority of at least three quarters of the share capital represented at the time the resolution is adopted. In the liquidation procedure, the assets remaining after all Company liabilities have been satisfied are divided among the shareholders in proportion to their interest in the Company's share capital. Certain restrictions, in particular restrictions for the benefit of creditors, must be observed.

5.12.3. Form and Certification

As of the date of this Prospectus, all of the Company's shares are ordinary bearer shares with no-par value (*auf den Inhaber lautende Stückaktien ohne Nennbetrag*). The Company's shares will be represented by one or more Global Share Certificate(s), which will be deposited with Clearstream Banking AG.

Section 5 of the Articles of Association excludes, to the extent legally permissible and not required by the rules and procedures of a stock exchange on which the Company's shares are admitted for trading, the right of the shareholders to receive share certificates.

5.12.4. Admission to the Stock Exchange and Commencement of Trading

The Company will apply for admission of its shares to trading on the regulated market segment of the Frankfurt Stock Exchange and, simultaneously, to the sub segment thereof with additional post admission obligations (Prime Standard) on or about July 11, 2018. The listing approval for the Company's shares is expected to be granted on July 20, 2018. Trading in the Company's shares on the Frankfurt Stock Exchange is planned to commence on July 25, 2018.

5.12.5. Transferability

The shares of the Company are freely transferable in accordance with the law applicable for no-par value ordinary bearer shares (*auf den Inhaber lautende Stückaktien*). There are no restrictions on the transferability of the Company's shares other than the restrictions set forth in Section 5.13 "*Lock-up Agreements of certain Existing Shareholders of the Company*" and Section 19.4 "*Selling Restrictions*".

5.13. Lock-up Agreements of the Company, an Existing Shareholder of the Company and the Management Board Members of the Company

In the Underwriting Agreement, the Company will agree with the Sole Bookrunner for a period commencing on the date hereof and ending six months after the commencement of trading of the Company's shares on the Frankfurt Stock Exchange (currently expected to take place on July 25, 2018), and for a period of another six months immediately subsequent to such initial six-month period without the prior consent of the Sole Global Coordinator, not to (i) announce or effect an increase of the share capital of the Company from authorized capital, (ii) submit a proposal to its shareholders' meeting for an increase of the share capital, (iii) announce to issue, effect or submit a proposal for the issuance of any securities with conversion or option rights on shares of the Company, (iv) offer, pledge, allot, issue (unless required by applicable law), sell, contract to sell, sell any option or contract to purchase, purchase any option to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any shares in its capital or any securities convertible into or exercisable or exchangeable for shares in its capital or enter into any swap or other arrangement that transfers to another, in whole or in part, the economic risk of ownership of shares in its capital; or (v) enter into a transaction or perform any action economically similar to those described in (i) through (iv) above. These restrictions shall not apply to the IPO Capital Increase and the sale of New Shares issued in such IPO Capital Increase. Furthermore, the foregoing shall not apply to the issue and exercise of options pursuant to the employee or management stock participation programs described in this Prospectus.

The existing shareholder Hevella will agree with the Sole Global Coordinator for a period commencing on the date hereof and ending 12 months after the commencement of trading of the Company's shares on the Frankfurt Stock Exchange (currently expected to take place on July 25, 2018), and for a period of another six months subsequent to such initial 12-month period without the prior consent of the Sole Global Coordinator, not to offer, pledge, allot, distribute, sell, contract to sell, sell any option or contract to purchase, purchase any option to sell, grant any option, right or warrant to purchase, transfer or otherwise dispose of, directly or indirectly (including, but not limited to, the issuance or sale of any securities exchangeable into shares of the Company), any shares held by it or to be acquired in accordance with the Back Stop Agreement, or enter into or perform any economically equivalent transaction. The foregoing shall not apply to the IPO Capital Increase and the sale of the New Shares issued in such Capital Increase.

The members of the Management Board will agree with the Sole Bookrunner for a period commencing on the date hereof and ending 18 months after the commencement of trading of the Company's shares on the Frankfurt Stock Exchange (currently expected to take place on July 25, 2018), and for a period of six months subsequent to such initial 18-month period without the prior consent of the Sole Global Coordinator, not to offer, pledge, allot, distribute, sell, contract to sell, sell any option or contract to purchase, purchase any option to sell, grant any option, right or warrant to purchase, transfer or otherwise dispose of, directly or indirectly (including, but not limited to, the issuance or sale of any securities exchangeable into shares of the Company), any shares held by it, or enter into or perform any economically equivalent transaction. The foregoing shall not apply to the IPO Capital Increase and the sale of the New Shares issued in such Capital Increase.

5.14. Interests of Parties Participating in the Offering

In connection with the Offering and the admission of the Company's shares, the Underwriter has formed a contractual relationship with the Company.

The Underwriter acts for the Company on the Offering and coordinates the structuring and execution of the Offering. Upon successful implementation of the Offering, the Underwriter will receive a commission. As a result of this contractual relationship, the Underwriter has a financial interest in the success of the Offering.

Furthermore, in connection with the Offering, the Underwriter and any of its affiliates, acting as an investor for their own account, may acquire shares in the Offering and in that capacity may retain, purchase or sell for its own account such shares or related investments and may offer or sell such shares or other investments otherwise than in connection with the Offering. In addition, the Underwriter or certain of their affiliates may enter into financing arrangements (including swaps or contracts for differences) with investors in connection with which the Underwriter (or its affiliates) may from time to time acquire, hold or dispose of shares in the Company. Also as a result of these circumstances, the Underwriter has a financial interest in the success of the Offering.

The Underwriter or its affiliates have, and may from time to time in the future continue to have, business relations with the creditshelf Group (including lending activities) or may perform services for the creditshelf Group in the ordinary course of business. In addition, the Company plans to enter into a cooperation agreement with Commerzbank regarding amongst others the referral of certain potential borrowers from its network to the creditshelf Platform. Also as a result of these circumstances, the Underwriter has a financial interest in the success of the Offering.

One of the members of the Company's Management Board, Dr. Mark Währisch, has received so-called virtual shares by the Company under a virtual participation program, the so-called Virtual Participation Program I ("**Virtual Shares**"). Such Virtual Shares will entitle Dr. Mark Währisch as well as other beneficiaries under such virtual participation program to cash payments in case of a completion of the Offering. As a result, Dr. Mark Währisch and other holders of Virtual Shares have a financial interest in the completion of the Offering. In addition, certain key employees of the Company and Dr. Mark Währisch are entitled to cash payments under retention bonus agreements that are subject to the completion of the Offering (for details see Section 13.8.2 "*Employee Participation Program and Retention Bonus Agreements*". As a result, such employees and Dr. Mark Währisch have a financial interest in the completion of the Offering.

The existing direct and indirect shareholders of the Company have an interest in the completion of the Offering at the best possible terms, as their shares will become tradeable and fungible and net proceeds from the Offering received by the Company will strengthen the financial position and equity base of the Company.

Under the Back Stop Agreement, Hevella has committed itself irrevocably for the term of the Back Stop Agreement (i.e. until July 31, 2018) to purchase Offer Shares at the Offer Price for a total amount of up to EUR 15,000,000 if and to the extent the Offer Shares are not subscribed for by investors in the course of the Offering. As a result, Hevella has a financial interest in the success of the Offering. As Obotritia Capital controls Hevella and Mr. Rolf Elgeti controls Obotritia Capital, Obotritia Capital and Mr. Rolf Elgeti also have a financial interest in the success of the Offering.

Other than the interests described above, there are no material interests, in particular no material conflicts of interest, with respect to the Offering.

6. REASONS FOR THE OFFERING AND USE OF PROCEEDS, COSTS OF THE OFFERING

6.1. Reasons for the Offering and Use of Proceeds

The Company intends to list its shares to trading on the regulated market segment (*regulierter Markt*) of the Frankfurt Stock Exchange and, simultaneously, on the sub-segment thereof with additional post-admission obligations (Prime Standard) to access the capital markets.

The Company intends to use the net proceeds it receives from the Offering for the following purposes:

- Subject to a successful Offering, the Company intends to invest in software development to improve the underlying algorithm and to conduct a deeper, more efficient and automated analysis of credit applications; to increase the automation with respect to a quantitative assessment of a potential borrower and to implement artificial intelligence and machine learning technologies. The Company anticipates to use approx. 20-35% of the net proceeds it receives from the Offering for these purposes. Assuming full placement of the Offer Shares this would be approx. (in an amount of thousands of EUR ("**kEUR**")) approx. kEUR 3,255 to approx. kEUR 5,696.
- Subject to a successful Offering, the Company intends to invest in the development of new products and services, including revolver credits or guarantees and/or factoring; alternatively the Company might contemplate the acquisition of a factoring company. The Company anticipates to use approx. 10-13% of the net proceeds it receives from the Offering for these purposes. Assuming full placement of the Offer Shares this would be approx. kEUR 1,627 to approx. kEUR 2,116.
- Subject to a successful Offering, the Company intends to invest in marketing, including activities to increase brand awareness, as well as personnel, including hiring additional sales and risk analysis employees and other employees. Subject to a successful Offering, the Company may therefore take decisions which could result in increased working capital requirements, for which proceeds may also be used in such case. The Company anticipates to use approx. 18-30% of the net proceeds it receives from the Offering for these purposes. Assuming full placement of the Offer Shares this would be approx. kEUR 2,929 to approx. kEUR 4,882.
- Subject to a successful Offering, the Company intends to invest in IT requirements to align its own IT infrastructure with those of potential bank cooperation partners. The Company anticipates to use approx. 6-9% of the net proceeds it receives from the Offering for this purpose. Assuming full placement of the Offer Shares this would be approx. kEUR 976 to approx. kEUR 1,465.
- Subject to a successful Offering, the Company will further use a portion of the net proceeds to settle payment claims by certain of its employees under the Virtual Participation Program I and other incentive payments promised to certain employees in case of a successful Offering as well as to fund an expansion of the Company's organizational set-up. The Company anticipates to use approx. 15-22% of the net proceeds it receives from the Offering for these purposes. Payment claims under the Virtual Participation Program I and other incentive payments will only become due in case of a successful Offering and the exact amounts of these payments will depend in particular amongst others on the Offer Price. Assuming full placement of the Offer Shares at the Offer Price the Company anticipates that such payments would in total be approx. kEUR 2,441 to approx. kEUR 3,580. For details see Section 13.8.2 "*Employee Participation Program and Retention Bonus Agreements*".

Should the Company be required to prioritize regarding the use of the net proceeds, it would prioritize the other uses described above over marketing investments. With regard to the costs related to the Offering see Section 6.2 "*Proceeds and Costs of the Offering*".

6.2. Proceeds and Costs of the Offering

The Company will only receive the proceeds of the Offering resulting from the sale of the Offer Shares.

Assuming that the maximum number of Offer Shares is placed at the Offer Price, the Company will receive gross proceeds of the Offering in an amount of kEUR 20,000.

The costs of the Company related to the Offering of the Offer Shares and listing of the Company's entire share capital are expected to total approx. kEUR 3,726 (assuming a placement of all Offer Shares and including underwriting and placement commissions payable to the Underwriter).

Assuming that the maximum number of Offer Shares is placed and assuming further payment in full of the discretionary fee of up to kEUR 300 the commission payable to the Underwriter will amount to kEUR 1,000. The other expenses related to the Offering in an amount of approx. kEUR 2,726 comprise in particular costs for legal, tax, accounting and other advisors and consultants.

Against this background and assuming that the maximum number of Offer Shares is placed, the Company will receive net proceeds of the Offering in an amount of approx. kEUR 16,274.

Investors will not be charged expenses by the Company or the Underwriter. Investors will have to bear customary transaction and handling fees charged by their brokers or other financial institutions through which they hold their securities.

7. USE OF PROFITS, DIVIDEND POLICY, RESULTS AND EARNINGS PER SHARE

7.1. General Provisions Relating to Profit Allocation and Dividend Payments

Shareholders have a share in the Company's distributable profits determined in proportion to their interest in the Company's share capital. According to Section 21.3 of the Articles of Association, the participation of new shares in the profits may be determined in a deviating manner. Distributions of dividends on shares of the Company for a given financial year are generally determined by the Management Board and the Supervisory Board submitting a proposal for the distribution of dividends to the ordinary general shareholders' meeting held in the subsequent financial year. The general shareholders' meeting then adopts a resolution on such distribution without being bound by the proposal of the Management Board and the Supervisory Board.

A dividend decided on will be due and payable on the third business day after the date of the general shareholders' meeting in which the respective resolution has been passed. Under the rules applicable to the Company, resolutions regarding the distribution of dividends can only be adopted based on the distributable profits (*Bilanzgewinn*) shown in the Company's audited annual financial statements in accordance with German generally accepted accounting principles of the HGB. The audited annual financial statements of the Company are approved by the Management Board and the Supervisory Board unless the approval is referred to the general shareholders' meeting by the Management Board and the Supervisory Board. In determining the distributable profits, the profit or loss for the financial year is adjusted for profits or losses carried forward from previous financial years as well as for withdrawals from and transfers to reserves. Certain reserves are required to be formed by law and must be deducted when calculating the distributable profits. Subject to certain statutory restrictions, the general shareholders' meeting is entitled to transfer additional amounts to the reserves or carry them forward. If the Management Board and the Supervisory Board approve the annual financial statements, they may, pursuant to the Articles of Association, transfer the net profit for the year, which remains after deduction of the amounts to be transferred to the statutory reserve and any loss carried forward, to other revenues reserves in whole or in part. The transfer of more than half of the net profit for the year shall not be permitted if the other revenue reserves exceed half the amount of the share capital or would do so following the transfer.

The Offer Shares will be entitled to profit participation beginning January 1, 2018, *i.e.*, for the full financial year ending December 31, 2018 and for all subsequent financial years. The dividends will be paid out in accordance with the rules of the clearing system of Clearstream Banking AG. Details on dividend payments and the respective payment agent will be published in the German Federal Gazette. Neither German law nor the Articles of Association provide for a special procedure for the exercise of dividend rights by shareholders not resident in Germany. Under German law, the right to dividend payments is generally time-barred after three years for the benefit of the Company. For the taxation of dividend distributions see Section 20 "*Taxation in the Federal Republic of Germany*" and Section 21 "*Taxation in Luxembourg*".

7.2. Dividend Policy

The Company has been incorporated in 2014 and its form has been changed into a stock corporation (*Aktiengesellschaft*) by shareholders' resolution dated May 11, 2018 with the change of form becoming effective on June 13, 2018. The Company has not paid any dividends to its shareholders in the past. The ability to pay dividends in future years will depend on the amount of distributable net earnings that are available. creditshelf can provide no assurance regarding the amounts of future net earnings, if any, and consequently, creditshelf can provide no assurance that it will pay dividends in future years. Moreover, creditshelf's results of operations set out in the audited consolidated financial statements may not be indicative of the amounts of future dividend payments. The Company intends to propose to shareholders in the next few years that all of the distributable profit available to the Company be reinvested and invested in the Company's business.

8. CAPITALIZATION AND INDEBTEDNESS

The following table provides an overview of the capitalization and indebtedness of the Company as of April 30, 2018. The figures were determined on the basis of the accounting standards in accordance with IFRS as adopted by the European Union. They are unaudited data from the Company's accounting.

8.1. Capitalization and Indebtedness

In EUR	As of April 30, 2018	Adjustments for the capital increase resolved on June 18, 2018	Adjustments for the net proceeds assuming a full placement of the Offer Shares[1]	Sum total after adjustments
	(unaudited)	(unaudited)	(unaudited)	
Total current debt[2]..........	**6,075,355.48**	**-**	**-**	**6,075,355.48**
Of which guaranteed....	0.00	-	-	0.00
Of which secured	0.00	-	-	0.00
Of which unguaranteed/unsecured............	6,075,355.48	-	-	6,075,355.48
Total non-current debt[3]...	**1,268,826.41**	**-**	**-**	**1,268,826.41**
Of which guaranteed....	0.00	-	-	0.00
Of which secured	0.00	-	-	0.00
Of which unguaranteed/unsecured............	1,268,826.41	-	-	1,268,826.41
Shareholder's equity	**1,518,871.11**	**1,045,178.00**	**16,274,272.35**	**18,838,321.46**
Share capital[4]...................	79,822.00	1,045,178.00	250,000.00	1,375,000.00
Legal Reserve[5]	4,961,765.98	-	16,024,272.35	20,986,038.33
Other Reserve[6].................	-3,522,716.87	-	-	-3,522,716.87
Total...............................	**8,863,053.00**	**1,045,178.00**	**16,274,272.35**	**26,182,503.35**

1 The adjustments presented in this column illustrate the potential future effect of an assumed full placement of the Offer Shares. This illustration shall not give the impression that the full placement of the Offer Shares would be certain.

2 "Total current debt" is shown as current liabilities in the consolidated statement of financial position of the Unaudited Consolidated Interim Financial Statements as of and for the four-month period ended April 30, 2018.

[3] "Total non-current debt" is shown as non-current liabilities in the consolidated statement of financial position of the Unaudited Consolidated Interim Financial Statements as of and for the four-month period ended April 30, 2018.

[4] "Share capital" is referred to as subscribed capital in the consolidated statement of financial position of the Unaudited Consolidated Interim Financial Statements as of and for the four-month period ended April 30, 2018.

[5] "Legal reserve" is referred to as capital reserves in the consolidated statement of financial position of the Unaudited Consolidated Interim Financial Statements as of and for the four-month period ended April 30, 2018.

[6] "Other reserve" is referred to as retained earnings in the consolidated statement of financial position of the Unaudited Consolidated Interim Financial Statements as of and for the three-month period ended April 30, 2018.

In the course of the increase of the Company's share capital resolved on June 18, 2018 no payments into the legal reserves of the Company (*keine Zuzahlung in die freie Kapitalrücklage*) were made.

8.2. Net Financial Debt

The following table shows the liquidity and net financial debt of the Company as of April 30, 2018. The figures were determined on the basis of the accounting standards in accordance with IFRS as adopted by the European Union.

In EUR		As of April 30, 2018	Adjustments for the capital increase resolved on June 18, 2018	Adjustments for the net proceeds assuming a full placement of the Offer Shares[1]	Sum total after adjustments
		(unaudited)	**(unaudited)**	**(unaudited)**	**(unaudited)**
A.	Cash[2]	937.22	1,045,178.00	16,274,272.35	17,320,387.57
B.	Cash equivalent[3]	4,157,978.40	-	-	4,157,978.40
C.	Trading securities	0.00	-	-	0.00
D.	**Liquidity (A. + B. + C.)**	**4,158,915.62**	**1,045,178.00**	**16,274,272.35**	**21,478,365.97**
E.	**Current financial receivable[4]**	**257,190.52**	-	-	**257,190.52**
F.	Current bank debt	0.00	-	-	0.00
G.	Current portion of non-current debt[5]	51,284.00	-	-	51,284.00
H.	Other current financial debt[6]	4,179,970.87	-	-	4,179,970.87
I.	**Current financial debt (F. + G. + H.)**	**4,231,254.87**	-	-	**4,231,254.87**
J.	**Net current financial indebtedness (I. - D. - E.)**	**-184,851.25**	**-1,045,178.00**	**-16,274,272.35**	**-17,504,301.62**
K.	Non-current bank loans	0.00	-	-	0.00
L.	Bonds issued	0.00	-	-	0.00
M.	Other non-current loans[7]	309,770.97	-	-	309,770.97
N.	**Non-current financial indebtedness (K. +L. + M.)**	**309,770.97**	-	-	309,770.97
=	**Net financial debt (J. + N.)**	**124,919.72**	**-1,045,178.00**	**-16,274,272.35**	**-17,194,530.65**

1 The adjustments presented in this column illustrate the potential future effect of an assumed full placement of the Offer Shares.

This illustration shall not give the impression that the full placement of the Offer Shares would be certain.

[2] "Cash" is shown together with cash equivalents as cash and cash equivalents in the consolidated statement of financial position of the Unaudited Consolidated Interim Financial Statements as of and for the four-month period ended April 30, 2018.

[3] "Cash equivalent" is shown together with cash as cash and cash equivalents in the consolidated statement of financial position of the Unaudited Consolidated Interim Financial Statements as of and for the four-month period ended April 30, 2018.

[4] "Current financial receivable" is shown as accounts receivables in the consolidated statement of financial position of the Unaudited Consolidated Interim Financial Statements as of and for the four-month period ended April 30, 2018.

[5] "Current portion of non-current debt" refers to the current portion of the leasing liability and is included in the other financial liabilities in the consolidated statement of financial position of the Unaudited Consolidated Interim Financial Statements as of and for the four-month period ended April 30, 2018.

[6] "Other current financial debt" refers to the current portion of "accounts payables" and "other financial liabilities" (less the current portion of the leasing liability as it is already shown in G. in the consolidated statement of financial position of the Unaudited Consolidated Interim Financial Statements as of and for the four-month period ended April 30, 2018.

[7] "Other non-current loans" is shown as other non-current financial liabilities in the consolidated statement of financial position of the Unaudited Consolidated Interim Financial Statements as of and for the four-month period ended April 30, 2018.

In the course of the increase of the Company's share capital resolved on June 18, 2018 no payments into the legal reserves of the Company (*keine Zuzahlung in die freie Kapitalrücklage*) were made.

8.3. Indirect Liabilities and Contingent Liabilities

The Company had no indirect liabilities or contingent liabilities at April 30, 2018.

8.4. Statement on Working Capital

The Company is of the opinion that the creditshelf Group is in a position to meet its payment obligations that become due within at least the next 12 months from the date of this Prospectus.

9. DILUTION

The net book value attributable to shareholders of the Company (before the capital increase resolved on June 18, 2018) amounted to approx. kEUR 1,737 as of March 31, 2018 (calculated as follows: total assets approx. kEUR 6,155 less non-current liabilities approx. kEUR 1,273 and current liabilities approx. kEUR 3,145, as set forth in the Unaudited Interim Condensed Financial Statements as of March 31, 2018, and would amount to EUR 21.76 per Share, based on 79,822 outstanding Shares of the Company (all data unaudited)). By a resolution of the extraordinary General Shareholders' Meeting on June 18, 2018 the Company's share capital was increased from approx. kEUR 80 against contributions in cash in the amount of approx. kEUR 1,045 to an aggregate of approx. kEUR 1,125. As a result, the Company's total assets, and the Company's net book value, increased by approx. kEUR 1,045 following the capital increase resolved on June 18, 2018.

After full implementation of the Offering and assuming that all 250,000 Offer Shares are placed in the Offering for an Offer Price of EUR 80.00, the aggregate net proceeds received by the Company from the issuance of the Offer Shares (after subtracting the maximum estimated costs of the Offering to be borne by the Company in the amount of approx. kEUR 3,726) would amount to approx. kEUR 16,274. On the assumption that these proceeds had already been received at that date, the net book value attributable to the Company's shareholders on March 31, 2018 would have been approx. kEUR 19,056, or approx. EUR 13.86 per share. This would correspond to a direct dilution of EUR 66.14, corresponding to 82.68%, per share for the parties acquiring the Offer Shares, based on 1,375,000 outstanding shares following the full implementation of the Offering (assuming a placement of all Offer Shares).

The table below illustrates the dilution effect of the Offering (assuming all 250,000 Offer Shares are placed in the Offering):

Offer Price per share:	EUR 80.00
Total equity attributable to shareholders per share as of March 31, 2018 (assuming 1,125,000 outstanding shares immediately prior to the Offering; the number of 1,125,000 outstanding shares already includes the increase of the Company's share capital by an amount of EUR 1,045,178 against issuance of 1,045,178 shares as resolved by the Company's extraordinary shareholders' meeting on June 18, 2018 (see Section 14.2.1 "Capital Measures prior to the IPO Capital Increase")):	EUR 2.47
Total equity attributable to shareholders per share following the Offering (assuming 1,375,000 outstanding shares after implementation of the Offering):	EUR 13.86
Immediate dilution per share (*i.e.* the amount by which the Offer Price per share differs from the total equity attributable to shareholders per share following the Offering):	EUR 66.14
Difference between the Offer Price per share and the net asset value per share:	82.68%

Each of the Offer Shares will have the same voting rights as the Company's existing shares.

10. SELECTED FINANCIAL AND BUSINESS INFORMATION

The financial and business information contained in the following tables is taken or derived from the Company's audited consolidated financial statements as of and for the financial years ended December 31, 2015, December 31, 2016, and December 31, 2017 (together, the "**Audited Consolidated Financial Statements**"), the unaudited consolidated interim financial statements as of and for the three-month period ended March 31, 2018 (including comparative figures for the three-month period ended March 31, 2017) (the "**Unaudited Consolidated Interim Financial Statements**" and together with the Audited Consolidated Financial Statements, the "**creditshelf Financial Statements**") and the Company's internal reporting system. The creditshelf Financial Statements have been prepared in accordance with IFRS as adopted by the European Union. The Audited Consolidated Financial Statements have been prepared in accordance with IFRS as adopted by the European Union and the additional requirements of German commercial law pursuant to Section 315e(1) or Section 315a(1) of the German Commercial Code (*Handelsgesetzbuch* – "**HGB**"). The Unaudited Consolidated Interim Financial Statements have been prepared in accordance with IFRS as adopted by the European Union for interim financial reporting (IAS 34).

Warth & Klein Grant Thornton AG Wirtschaftsprüfungsgesellschaft, Niederlassung Frankfurt/Main, Ulmenstraße 37-39, 60325 Frankfurt/Main, Germany ("**WKGT**") has audited in accordance with Section 317 HGB and the principles of proper auditing prepared by the Institute of Public Auditors (*Institut der Wirtschaftsprüfer*) in Germany and issued an unqualified audit certificate (*unbeschränkter Bestätigungsvermerk*) with respect to each of the Audited Consolidated Financial Statements as included in Section 24 "*Financial Information*". WKGT is a member of the German Chamber of Public Accountants (*Wirtschaftsprüferkammer*) Frankfurt/Main, Germany.

Where the financial information stated in the following tables is labeled as "audited", this means that it has been taken from the applicable Audited Consolidated Financial Statements mentioned above. The label "unaudited" is used to indicate financial information that has not been taken from the Audited Consolidated Financial Statements mentioned above, but rather has been taken from the Unaudited Consolidated Interim Financial Statements mentioned above or the Company's internal reporting system, or has been calculated based on figures from the sources mentioned before.

Some of the figures are commercially rounded. As a result of rounding effects, the aggregated figures in the tables may differ from the totals shown and the aggregated percentages may not exactly equal 100.0%. In some instances, such rounded figures may not add up to the totals or subtotals contained in tables or stated elsewhere in this Prospectus. Furthermore, totals and subtotals in the tables may differ slightly from un-rounded figures stated elsewhere in this Prospectus due to rounding off in accordance with commercial practice. Figures shown as 0.0 (referring to a positive amount) or -0.0 (referring to a negative amount) result from rounding to EUR million for purposes of this Prospectus. In respect of financial information set out in the tables below a dash ("-") signifies that the relevant figure is not available, while a zero ("0.0") signifies that the relevant figure is available but has been rounded to or equals zero.

The following tables also contain certain alternative performance measures (as defined by the European Securities and Markets Authority ("**ESMA**")), and non-IFRS financial measures and ratios that our management use, including EBITDA, that are not required by or presented in accordance with IFRS. Each such measure is defined specifically in footnotes to the tables below the first time it appears. We present these alternative performance measures as supplemental information for the specific reasons outlined below with respect to certain measures, and generally because we believe they may contribute to a better understanding of our cash generation capacity and the growth of our business and brand. We believe that the presentation of the alternative performance measures included in this Prospectus complies with the guidelines issued by the ESMA on October 5, 2015 on alternative performance measures (the "**ESMA Guidelines**").

In addition to the financial information presented herein prepared under IFRS and the alternative performance measures as defined in the ESMA Guidelines, we also present certain operating and non-financial measures such as executed transactions, conversion rate, acceptance rate, default rate, average interest rate or average ticket size.

Neither the alternative performance measures nor the aforementioned operating and non-financial measures are defined by IFRS or under any other internationally accepted accounting principles, and investors should not consider such items as an alternative to the historical financial results or other indicators of our performance, liabilities or net assets based on IFRS measures. These measures may not be comparable to similarly titled measures as presented by other companies due to differences in the way our measures are calculated. Even though these measures are used by management to assess ongoing operating performance they have important limitations as analytical tools, and prospective investors should not consider them in isolation or as substitutes for analysis of our results, cash flows or assets and liabilities as reported under IFRS.

The following financial information should be read in conjunction with the Audited Consolidated Financial Statements and the Unaudited Consolidated Interim Financial Statements, including the notes thereto reproduced in this Prospectus in Section 24 "*Financial Information*", as well as the other information to be found elsewhere in this Prospectus, in particular Section 3 "*Risk Factors*", Section 11 "*Management Discussion and Analysis of Assets, Financial Position and Results of Operations*" and Section 13 "*Business Description*".

10.1. Selected Financial Information from the Consolidated Statement of Profit and Loss and Other Comprehensive Income

IFRS	Financial year ended December 31, 2015	Financial year ended December 31, 2016	Financial year ended December 31, 2017	Three-month period ended March 31, 2017	Three-month period ended March 31, 2018
in EUR	**(audited)[1]**	**(audited)[1]**	**(audited)[1]**	**(unaudited)**	**(unaudited)**
Total revenues	10,625.00	247,619.99	1,201,929.67	30,364.09	316,967.16
Other operating income	5,113.80	22,458.45	267,091.24	23,741.70	31,882.37
Gross profit[2]	**15,738.80**	**270,078.44**	**1,469,020.91**	**54,105.79**	**348,849.53**
Personnel expenses[3]	-12,875.78	-391,780.98	-1,066,451.25	-211,954.22	-284,257.25
Remaining operating expenses[4]	-349,033.22	-1,078,487.81	-1,357,541.43	-221,003.72	-2,113,248.46
EBITDA[5]	**-346,170.20**	**-1,200,190.35**	**-954,971.77**	**-378,852.15**	**-2,048,656.18**
Depreciation and amortization	-7,214.32	-37,232.37	-130,743.78	-23,186.73	-46,632.36
EBIT[6]	**-353,384.52**	**-1,237,422.72**	**-1,085,715.55**	**-402,038.88**	**-2,095,288.54**
Financial income	226.19	83.58	0.00	0.00	4,424.33
Interest expenditures	-800.70	-1,000.00	-27,877.53	-250.00	-9,095.68
EBT[7]	**-353,959.03**	**-1,238,339.14**	**-1,113,593.08**	**-402,288.88**	**-2,099,959.89**
Income taxes	113,296.39	397,692.88	356,850.45	130,007.98	670,384.26
Annual result	**-240,662.64**	**-840,646.26**	**-756,742.63**	**-272,280.90**	**-1,429,575.63**
Other comprehensive income	0.00	0.00	0.00	0.00	0.00
Overall financial result	**-240,662.64**	**-840,646.26**	**-756,742.63**	**-272,280.90**	**-1,429,575.63**

1 The statement "audited" indicates that the figures contained in this column have been audited, unless it is indicated that these figures have been derived from the applicable Audited Consolidated Financial Statements and are therefore unaudited.

2 "Gross profit" has been derived from the financial statements and is not directly contained in these statements and is therefore unaudited. "Gross profit" is calculated as the sum of "revenue" and "other operating income".

3 "Personnel expenses" are part of the "other operating expenses" and are presented in the notes to the financial statements.

4 These figures have been derived from the notes to the financial statements and are neither directly contained in these statements nor audited themselves. "Remaining operating expenses" have been calculated based on "other operating expenses" less "depreciation" and "personnel expenses". "Remaining operating expenses" is not an IFRS-recognized measure of the profitability of a company and has been defined solely by the Company itself.

5 These figures have been derived from the financial statements and are neither directly contained in these statements nor audited themselves. The Company has defined EBITDA (earnings before interest and taxes and depreciation and amortization) as income before income taxes and other taxes, interest and other financial results and depreciation and amortization.

6 The Company has defined EBIT (earnings before interest and taxes) as income before income taxes and other taxes, interest and other financial results.

7 The Company has defined EBT (earnings before taxes) as income before income taxes and other taxes.

10.2. Selected Financial Information from the Consolidated Statement of Financial Position

IFRS	As of December 31, 2015	As of December 31, 2016	As of December 31, 2017	As of March 31, 2017	As of March 31, 2018
in EUR	**(audited)**	**(audited)**	**(audited)**	**(unaudited)**	**(unaudited)**
Assets					
Total non-current assets	**160,345.68**	**699,493.43**	**1,901,271.95**	**875,521.16**	**3,156,899.34**
Intangible assets	26,751.00	138,953.00	513,976.70	187,436.63	1,113,319.11
Property, plant and equipment	2,839.00	32,092.00	330,012.00	29,628.12	326,657.80
Accounts receivables	0.00	0.00	144,930.73	0.00	134,185.65
Other non-current assets	0.00	0.00	27,053.64	0.00	27,053.64
Deferred tax assets	130,755.68	528,448.43	885,298.88	658,456.41	1,555,683.14
Total current assets	**348,095.49**	**574,915.04**	**2,337,621.31**	**1,674,361.64**	**2,998,287.68**
Accounts receivables	0.00	4,000.00	206,490.53	0.00	258,549.62
Other current assets	17,146.12	74,069.02	71,592.88	120,799.28	746,783.91
Other financial assets	2,822.54	6,663.56	32,407.14	1,506,726.35	3,839.54
Cash and cash equivalents	328,126.83	490,182.46	2,027,130.76	46,836.01	1,989,114.61
Total assets	**508,441.17**	**1,274,408.47**	**4,238,893.26**	**2,549,882.80**	**6,155,187.02**

IFRS	As of December 31, 2015	As of December 31, 2016	As of December 31, 2017	As of March 31, 2017	As of March 31, 2018
in EUR	**(audited)**	**(audited)**	**(audited)**	**(unaudited)**	**(unaudited)**
Liabilities					
Total equity	**270,568.39**	**426,803.56**	**1,166,329.13**	**1,650,790.86**	**1,736,623,50**
Subscribed capital	60,002.00	71,270.00	76,752.00	76,752.00	79,822.00
Capital reserves	488,566.35	1,474,179.78	2,964,965.98	2,964,965.98	4,961,765.98
Retained earnings	-277,999.96	-1,118,646.22	-1,875,388.85	-1,390,927.12	-3,304,964.48
Non-current liabilities	**175,813.48**	**667,375.48**	**728,668.01**	**679,266.48**	**1,273,459.03**
Non-current provisions	74,985.00	565,547.00	410,505.00	577,188.00	959,055.44
Other non-current financial liabilities	100,828.48	101,828.48	318,183.01	102,078.48	314,403.59
Current liabilities	**62,059.30**	**180,229.43**	**2,343,876.12**	**219,825.46**	**3,145,104.49**
Accounts payables	56,524.72	119,370.80	1,707,890.38	137,968.96	1,101,889.28
Other financial liabilities	0.00	0.00	58,844.00	0.00	282,361.45
Other liabilities	5,534.58	60,858.63	577,141.74	81,856.50	1,760,853.76
Total liabilities	**508,441.17**	**1,274,408.47**	**4,238,893.26**	**2,549,882.80**	**6,155,187.02**

10.3. Selected Financial Information from the Consolidated Statement of Cash Flows

in EUR	Financial year ended December 31, 2015 (audited)	Financial year ended December 31, 2016 (audited)	Financial year ended December 31, 2017 (audited)	Three-month period ended March 31, 2017 (unaudited)	Three-month period ended March 31, 2018 (unaudited)
Loss for the period	**-240,662.64**	**-840,646.26**	**-756,742.63**	**-272,280.90**	**-1,429,575.63**
Cash used in operating activities	**-237,731.78**	**-656,138.43**	**573,524.22**	**-1,916,242.25**	**-1,440,872.85**
Cash used in investing activities	**-33,477.32**	**-178,687.37**	**-508,774.36**	**-23,372.40**	**-575,974.65**
Cash generated from financing activities	**573,568.35**	**996,881.43**	**1,472,198.44**	**1,496,268.20**	**1,978,831.35**
Net increase in cash and cash equivalents	302,359.25	162,055.63	1,536,948.30	-443,346.45	-38,016.15
Cash and cash equivalents at the beginning of the period	25,767.58	328,126.83	490,182.46	490,182.46	2,027,130.76
Cash and cash equivalents at the end of the period	**328,126.83**	**490,182.46**	**2,027,130.76**	**46,836.01**	**1,989,114.61**

10.4. Additional Performance Indicators

The Company regularly reviews the following key performance indicators to evaluate its business, measure its performance, identify trends and make strategic decisions. They are unaudited data from the Company's internal reporting system.

	Six-month period ended 31 December			As of 31 December		
Key performance indicator	**2015**	**2016**	**2017**	**2015**	**2016**	**2017**
Executed Transactions[1]						
Number of Transactions	3	24	49	3	33	79
Volume of Transactions (EUR)	1,750,000.00	12,700,000.00	25,250,000.00	1,750,000.00	16,350,000.00	33,520,000.00
Average Volume (EUR)	583,333.33	529,166.67	515,306.12	583,333.33	495,454.55	424,303.80
Average Tenor (months)	7.00	10.42	16.73	7.00	10.48	14.52
Conversion Rate[2] **(%)**	-	-	30.25	-	-	-
Acceptance Rate[3] **(%)**	-	-	-	16.67	14.10	12.42
Recurring Borrowers (%)[4]	-	-	-	-	100	80
Default Rate[5] **(%)**	-	-	-	0.00	15.15	2.53

Average Interest Rate[6] (%)	-	-	-	11.83	9.86	9.75
Average Credit Score[7]	-	-	-	274.7	245.6	252.1
Average Brokerage Fee[8] (%)	-	-	-	1.00	1.10	2.25
Average Servicing Fee[9] (%)	-	-	-	0.00	0.00	0.86
Average Ticket Size[10] (EUR)	-	-	-	54,687.50	83,846.15	79,056.60

1 The Company defines "Executed Transactions" as transactions in which a loan brokered through the creditshelf Platform was disbursed. The Company defines "Number of Transactions" as the number of Executed Transactions. The Company defines "Volume of Transactions" as the total volume of the principal loan amounts of the Executed Transactions. The Company defines "Average Volume" as the average volume of the principal loan amounts of the Executed Transactions. The Company defines "Average Tenor" as the average term of the loans constituting Executed Transactions in the respective period.

2 The Company defines "Conversion Rate" as the ratio of number of credit project applications left after the first review step (as described in Section 13.4.5 "*Staged Review Process*") and number of all credit project applications creditshelf has received in the respective period.

3 The Company defines "Acceptance Rate" as the ratio of numbers of credit project applications and the number of disbursed loans that were brokered through the creditshelf Platform in the respective period.

4 The Company defines "Recurring Borrowers (%)" as the ratio of (i) number of borrowers who requested another loan after the borrower's previous loan was disbursed or within 12 months after the previous loan was successfully paid off, and (ii) the number of borrowers with a fully repaid loan for the loans of one cohort by date of complete repayment.

5 The Company defines "Default Rate" as the ratio of numbers of insolvencies, non-performing loans following special termination or loans handed over to special servicer of one cohort and the total number of disbursed loans of the same cohort by date of disbursement.

6 The Company defines "Average Interest Rate" as the average interest rate *p.a.* of the loans of one cohort by date of disbursement.

7 The Company defines "Average Credit Score" as the borrowers' average CrefoScore for the loans brokered through the creditshelf Platform of one cohort by date of disbursement.

8 The Company defines "Average Brokerage Fee" as the average total commission creditshelf is paid by the borrowers for a respective cohort by disbursement date, calculated as percentage of the principle loan amount.

9 The Company defines "Average Servicing Fee" as the average of the servicing fees *p.a.* recognized upon investment by investors as percentage of their respective invested amounts.

10 The Company defines "Average Ticket Size" as the average amount invested by a single investor in one loan.

	For the three-month periods ended March 31 (Q1), June 30 (Q2), September 30 (Q3) and December 31 (Q4)										
	Q3 2015	**Q4 2015**	**Q1 2016**	**Q2 2016**	**Q3 2016**	**Q4 2016**	**Q1 2017**	**Q2 2017**	**Q3 2017**	**Q4 2017**	**Q1 2018**
Key performance indicator											
Loan Requests[1]											
Number of Requests	1	17	53	49	59	73	115	154	204	163	258
Volume of Requests (EUR)	250,000.00	5,390,000.00	11,590,006.00	26,590,000.00	62,160,000.00	63,265,000.00	65,750,000.00	100,610,000.00	179,222,000.00	125,090,000.00	251,470,000.00
Average Volume of Requests (EUR)	250,000.00	317,058.82	218,679.36	542,653.06	1.053.559.32	866,643.84	571,739.13	657,581.70	882,867.00	767,423.31	978,482.49
Average Tenor of Requests (months)	6	8.47	13.53	23.27	14.98	11.90	14.05	22.69	22.71	23.85	33.45
Executed Transactions[2]											
Number of Transactions	1	2	1	8	12	12	6	24	30	19	12
Volume of Transactions (EUR)	250,000.00	1,500,000.00	250,000.00	3,400,000.00	6,200,000.00	6,500,000.00	1,700,000.00	6,570,000.00	12,600,000.00	12,650,000.00	6,850,000.00
Average Volume (EUR)	250,000.00	750,000.00	250,000.00	425,000.00	516,666.67	541,666.67	283,333.33	273,750.00	420,000.00	665,789.47	570,833.33
Average Tenor (months)	6	7.5	12	10.5	9.67	11.17	9.5	11.25	16.7	16.79	14.58
Outstanding Loan Volume[3] **(EUR)**	-	-	-	-	-	-	-	-	-	-	33,874,635.21

[1] The Company defines "Loan Requests" as credit project applications creditshelf has received in the respective period. The Company defines "Number of Requests" as the total number of credit project applications it has received. The Company defines "Volume of Requests" as the total loan volume requested by potential borrowers in their initial credit project applications. The Company defines "Average Volume Request" as the average loan volume requested by a potential borrower in its initial credit project application. The Company defines "Average Tenor Requests" as the average tenor for a loan requested by a potential borrower in its initial credit project application.

[2] The Company defines "Executed Transactions" as transactions in which a loan brokered through the creditshelf Platform was disbursed. The Company defines "Number of transactions" as the number of Executed Transactions. The Company defines "Average Volume" as the average volume of the principal loan amounts of the Executed Transactions. The Company defines "Average Tenor" as the average term of the loans constituting Executed Transactions in the respective period.

[3] The Company defines "Outstanding Loan Volume" as total amount owed by borrowers to investors (at principal) at a given date.

	Borrowers & Investors
	As of March 31, 2018
Number of Registered Borrowers[1]	**457**
Number of Active Borrowers[2]	**664**
Recurring Borrowers (%)[3]	**78**
Registered Investors[4]	**235**
Active Investors[5]	**54**

1 The Company defines "Number of Registered Borrowers" as the total number of borrowers registered on the creditshelf Platform at a given date.

2 The Company defines "Number of Active Borrowers" as the number of borrowers who applied for a loan within the last 12 months at a given date.

3 The Company defines "Recurring Borrowers (%)" as the ratio of (i) number of borrowers who requested another loan after the borrower's previous loan was disbursed or within 12 months after the previous loan was successfully paid off, and (ii) the number of borrowers with a fully repaid loan for the loans of one cohort by date of complete repayment.

4 The Company defines "Registered Investors" as investors registered on the creditshelf Platform at a given date.

5 The Company defines "Active Investors" as investors who invested in at least one loan brokered through the creditshelf Platform at a given date.

	Borrowers by industry
	As of March 31, 2018
Automobile & components	**4**
Construction industry	**3**
Building materials	**3**
Chemicals	**1**
Energy	**1**
Consumer Goods	**20**
Health	**4**
Wholesale & retail	**23**
Hardware & equipment	**4**
Hotels, restaurants & leisure	**1**
Real estate	**2**
Capital goods	**41**
Aviation & Defense	**3**
Metals & Mining	**1**
Consumer discretionary	**6**
Paper & forest products	**2**
Pharmaceuticals, biotechnology & life sciences	**1**
Services	**2**
Software	**1**
Transportation	**4**
Total	**127**

11. MANAGEMENT'S DISCUSSION AND ANALYSIS OF ASSETS, FINANCIAL POSITION AND RESULTS OF OPERATIONS

The financial information contained in the text and tables below is taken or derived from the creditshelf Financial Statements, the audited annual financial statements as of and for the financial year ended December 31, 2017 and the Company's internal reporting system. The Audited Consolidated Financial Statements have been prepared in accordance with IFRS as adopted by the European Union and the additional requirements of German commercial law pursuant to Section 315e(1) or Section 315a(1) HGB. The Unaudited Consolidated Interim Financial Statements have been prepared in accordance with IFRS as adopted by the European Union for interim financial reporting (IAS 34). The audited annual financial statements have been prepared in accordance with the German generally accepted accounting principles of the HGB.

Where the financial information stated in the following tables is labeled as "audited", this means that it has been taken from the applicable Audited Consolidated Financial Statements mentioned above. The label "unaudited" is used to indicate financial information that has not been taken from the Audited Consolidated Financial Statements mentioned above, but rather has been taken from the Unaudited Consolidated Interim Financial Statements mentioned above or the Company's internal reporting system, or has been calculated based on figures from the sources mentioned before.

Some of the figures are commercially rounded. As a result of rounding effects, the aggregated figures in the tables may differ from the totals shown and the aggregated percentages may not exactly equal 100.0%. In some instances, such rounded figures may not add up to the totals or subtotals contained in tables or stated elsewhere in this Prospectus. Furthermore, totals and subtotals in the tables may differ slightly from unrounded figures stated elsewhere in this Prospectus due to rounding off in accordance with commercial practice. Figures shown as 0.0 (referring to a positive amount) or -0.0 (referring to a negative amount) result from rounding to EUR million for purposes of this Prospectus. In respect of financial information set out in the tables below a dash ("-") signifies that the relevant figure is not available, while a zero ("0.0") signifies that the relevant figure is available but has been rounded to or equals zero.

Certain information in the discussion and analysis set forth below contains forward-looking statements that reflect the creditshelf Group's plans, estimates and beliefs and involves risks and uncertainties. The creditshelf Group's actual results may differ materially from those discussed in these forward-looking statements. Factors that could cause or contribute to these differences include, but are not limited to, those discussed below and elsewhere in this Prospectus, particularly in Sections 3 "*Risk Factors*" and 4.3 "*Forward-Looking Statements*". This discussion and analysis should also be read in conjunction with the financial statements described above, including the notes thereto, and financial information appearing in Section 4.6 "*Note on Information Relating to Financial Data and Currencies*" and Section 10 "*Selected Financial and Business Information*".

References below to 2015, 2016 and 2017 are to the financial years ended December 31, 2015, December 31, 2016, and December 31, 2017, respectively.

11.1. Overview of the Business Operations

The Company is registered with the commercial register of the local court of Frankfurt/Main, Germany, under HRB 112087. creditshelf is based in Frankfurt/Main, Germany. The Company is the holding company of creditshelf service, Frankfurt/Main, Germany (registered with the commercial register of the local court of Frankfurt/Main, Germany, under HRB 103351).

The Company is a pioneer of online market place lending for the SME (as defined in Section 13.3.5 "*creditshelf's Understanding of the SME Market*") segment in Germany that connects through the creditshelf Platform borrowers and investors and considers itself as the market- and technology leader in the fast-growing German market place lending segment for SME loans.

The creditshelf Group is primarily engaged in the operation of the creditshelf Platform. In brief, the creditshelf Platform is a curated online credit market place that is accessible via the website www.creditshelf.com. The creditshelf Platform is designed to match the financing needs of SME borrowers with investors willing to invest in loan receivables and to broker the corresponding loans. creditshelf does not issue any loans itself and is thus no balance sheet lender. Rather, through the creditshelf Platform suitable borrowers seeking loans and suitable investors willing to invest in such loans are brought together. For regulatory reasons such loans are not issued by creditshelf directly but are instead originated through the Fronting Bank. Such Fronting Bank has a banking license under applicable German law. A Fronting Bank is used because under applicable German law originating loans generally requires a banking license. If investors have submitted sufficient funding offers through the creditshelf Platform the Fronting Bank takes an independent credit decision. In case of a positive credit decision by the Fronting Bank the Fronting Bank issues a loan to the borrower and the resulting receivables (including claims for repayment and for payment of interest) are sold to the respective investors through creditshelf service and transferred to a syndicate formed by creditshelf service and the respective investors.

creditshelf's principal business activities as a service provider include:

- selecting suitable credit projects that shall be admitted to the creditshelf Platform and offered to registered investors;
- analyzing the creditworthiness of potential borrowers and providing a credit scoring based on creditshelf's proprietary intelligent data-driven risk management algorithms and models;
- pricing a potential credit project by suggesting a pricing for a potential loan to investors by specifying a range for interest rates;
- assisting borrowers to obtain a loan from the Fronting Bank if sufficient funding commitments are made by investors on the creditshelf Platform, provided that in any case the Fronting Bank makes its own credit decision; and
- servicing the credit project if the Fronting Bank decides to issue the loan to the borrower, these services include the following: After creditshelf service has purchased the loan receivables from the Fronting Bank and sold them (in tranches) to the investors, creditshelf service then collects payments from the borrower on the loan including interest and distributes such payments net of servicing fees to the respective investors. For this reason, creditshelf service and the investors enter into a syndicate which holds the loan receivables and which is managed by creditshelf service. In case of a potential default of the borrower, creditshelf service will perform limited workout services. Such limited workout services include reaching out to the borrower, inquiring about the status of the repayment and requesting payment. Neither creditshelf nor creditshelf service will, however, engage in any further enforcement actions. Rather, creditshelf service has servicing agreements with a third-party service provider (HmcS Gesellschaft für Forderungsmanagement mbH ("**HmcS**")) in place. HmcS will provide services for distressed debt collections and also performs standing back-up servicing. This means that in case that creditshelf service should no longer be able to service the loans as described above, HmcS would take such services over to avoid any disruptions of services.

These selection, analysis and pricing services are performed by creditshelf only in order to maintain the integrity and quality of the creditshelf Platform. Neither creditshelf nor creditshelf service provide any investment or other advice to borrowers or investors whatsoever.

The creditshelf Group generates revenues by charging (i) a brokerage fee from the borrower that becomes due when the Fronting Bank issues a loan to a borrower and (ii) servicing fees from the investors that become due when the borrower makes repayments on the loan (principal amount and accrued interest) for which the investors have submitted a financing commitment (for details see 13.5 "*Revenue Streams*").

The creditshelf Group currently focusses on the German lending market and does only broker loans to German borrowers while investors on the creditshelf Platform may be German or international.

The creditshelf Group does not operate physical branches and does therefore incur significantly less expenses related to infrastructure compared to traditional banks or consumer finance institutions.

11.2. Key Factors Affecting the Results of Operations

The creditshelf Group's results of operations have been affected during the periods under review, and will continue to be affected in the future, by, amongst others, the following factors:

11.2.1. Market Factors

The Company offers alternative lending solutions for certain small- and medium-sized enterprises via an internet-based marketplace. The Company aims to address the structural gap in credit supply in the small- and medium-sized enterprises segment which has developed due to the partial withdrawal of banks from this segment since the financial crisis. Bank financing volume for the small- and medium-sized enterprises segment in Germany has been stable at around EUR 290 billion over the years between 2010 to 2015 (Source: Mietzner, Mark – "Die globale Fintech-Revolution: eine Chance für KMUs", Zeppelin Universität Working Paper / Finance & Accounting, April 2018) but the share of bank lending as a percentage of total assets and total liabilities has fallen from 30.2% of total assets and 42.4% of total liabilities to 22.6% and 36%, respectively (see Section 12.3.2 "*Bank Financing for Small- and Medium-Sized Enterprises*"), indicating a decline in relative importance of this financing source. The partial withdrawal of traditional banks from lending to the small- and medium-sized enterprises segment is considered by the Company to be an increasing market opportunity for its business. In light of this development the Company considers the following market factors to be of relevance for its business:

- typically sub-investment grade credit ratings for small- and medium-sized enterprises demand high and increasing regulatory capital (risk weighted assets) for banks under Basel II and III regimes;
- relatively smaller loan sizes and corresponding revenues compared to large corporations reduce attractiveness of small- and medium-sized enterprises as focus clients for banks;
- high process costs and lengthy approval times due to low standardization in credit processing in bank organizations; and
- shift in client preferences from analog (client advisors in bank branches) to digital solutions.

11.2.2. Pricing and Fee Structure

The pricing and fee structure for creditshelf's services has been a significant factor for the revenues generated by the Company in the past. This has been demonstrated, amongst others, by the introduction in 2017 of the servicing fees charged to investors which significantly increased revenues and resulted in the current two-sided revenue stream model creditshelf pursues for the creditshelf Platform:

- The Company receives a brokerage fee from the borrower that falls due in case of the successful payout of a loan. The fee amount generally ranges from 1% to 5% of the principal loan amount, depending on the credit scoring of the borrower and the term of the loan. The brokerage fee will typically amount to 1% per year of loan duration plus a listing fee that increases with a decreasing credit score (indicatively 1.25% in the case of a B+ rating, for creditshelf's internal credit scoring see Section 13.3.5 "*creditshelf's Understanding of the SME Market*")). The entire fee is deducted from the loan at the disbursement of the loan amount.

- creditshelf service also receives a servicing fee from the investor which is generally 1% *p.a.* of the invested amount and which falls due when the loan is repaid by the borrower. For details of the pricing of the creditshelf loan products and in particular the revenue model see also Section 13.5 "*Revenue Streams*".

Potential changes in the pricing and fee structure for the creditshelf Platform, *e.g.* additional fees for new services and products that the creditshelf Platform may introduce, may also have a significant effect on the Company's future revenues and results of operations.

11.2.3. Competition and Market Structure

creditshelf considers other P2P lending platforms with a focus on small- and medium-sized borrowers in Germany to be its main competitors. Selected competitors comprise the lending market places Funding Circle (UK), Lendix (France), Lendico (Germany) and Kapilendo (Germany) as well as challenger bank RiverBank (Luxembourg, the latter being a balance sheet lender, rather than a P2P platform, for details see Section 12.5 "*Competitive Environment*"). However, creditshelf believes that it has a distinguished positioning in a market segment that is not yet covered by the aforementioned players, in particular with regards to target borrower size, loan volumes and targeted investors.

Banks, which originate loans themselves and are referred to as "balance sheet lenders", may also be considered as competitors.

However, creditshelf considers itself not only to be a potential competitor of such loan originating banks but also as a potential cooperation partner for these banks because of the following reasons:

- banks that do not wish to extent certain loans to borrowers in the small- and medium-sized enterprises lending segment could refer such loan requests to creditshelf for a fee;

- banks that wish to continue to be engaged in the origination of loans to small- and medium-sized enterprises may cooperate with creditshelf and use the products and services of creditshelf (in particular the credit decisioning support and credit scoring algorithms) to make their own processes for reviewing and deciding on loan applications faster and more efficient; and

- banks which are currently not originating loans from small- and medium-sized enterprises borrowers may want to offer such customers loan products without operating an own full range credit team.

creditshelf could offer such banks its technology to support their processes. Such banks may also sell and transfer the loan receivables to investors using the creditshelf Platform.

11.2.4. Research and Development Costs

The creditshelf Group has incurred significant development and implementation costs in relation to the creditshelf Platform. These include the remuneration of external service providers engaged to create the creditshelf Platform (including the underlying software) and the expenses of its own personnel. The creditshelf Group capitalized EUR 297,754.00 in 2017, EUR 138,953.00 in 2016 and EUR 5,000.00 in 2015 in relation to the development of the creditshelf Platform. In 2017, the creditshelf Group also began the development of a new risk assessment tool with amongst others enhanced fraud protection functionality which aims to better evaluate the credit risk of potential borrowers. EUR 216,222.70 have been capitalized for this new credit risk tool as asset under construction including down payments made to a contractor in relation to the development of the new risk assessment tool as well as EUR 52,762.70 of compensation expenses relating to the commitment of own personnel.

11.2.5. Marketing Expenses and Brand Recognition

Another key factor for the success of the ramping up of the business of creditshelf Group is its marketing approach, which incurred advertising and marketing expenses of EUR 202,845.20 in the financial year ended December 31, 2017, after EUR 103,403.15 in 2016 and EUR 26,501.48 in 2015. Currently, the market penetration for P2P lending in the small- and medium-sized enterprises segment in Germany is low due to the limited knowledge and familiarity of German small- and medium-sized borrowers with P2P lending. In order to reach a better understanding for P2P lending products and services and a higher brand recognition for creditshelf, the Company engages in direct and online marketing activities investing mainly in a presence at "multiplier" events like business breakfasts, business lunch & learn events, fairs and forums mostly in cooperation with partners such as accountants, tax advisors or financial advisors that help potential borrowers with credit projects. The Company is also engaged in online performance marketing measures that address the potential small- and medium-sized corporate client base in a more direct and flexible and cost-efficient way than large-scale advertising campaigns.

11.3. Components of creditshelf Group's Results of Operations

11.3.1. Revenue

creditshelf Group's revenue is derived from the following two revenue streams: (i) creditshelf charges a brokerage fee for loan brokerage services to the borrowers, and (ii) creditshelf service charges servicing fees to the investors for collection and other services.

For both revenue streams, revenue recognition takes place at the point in time of the loan disbursement by the Fronting Bank. Whilst the brokerage fee is payable by the borrower at the time of loan disbursement and will be deducted from the payout to the borrower, the cash flow of the investor servicing fee is realized as part of the loan repayment. When the borrower makes a repayment creditshelf service deducts its fee when forwarding the funds to the investors. Therefore, the majority of creditshelf Group's accounts receivables is related to investor servicing fees.

11.3.2. Other Operation Expenses

The Company uses the cost of sales method for presentation in its income statement. As the Company has no direct costs to be classified as cost of sales, all expenses are displayed in other operating expenses. This includes personnel expenses, expenses for the Virtual Participation Programs I and II, depreciation and fees charged by the Fronting Bank for the rendered banking services. Also part of other operating expenses are premia on pre-funded loan receivables repurchased by creditshelf service. With the corresponding secondary sale of loans to investors offsetting discounts are applied in the same amount as the premia from the repurchase of loans. Such discounts on sale of loans represent the major part of other operating income.

11.3.3. Income Taxes

Income taxes mainly consist of income from the capitalization of deferred taxes on creditshelf Group's loss carryforwards. Due to the accrued loss carryforwards, the creditshelf Group companies currently are not obligated to pay income taxes. Furthermore, creditshelf Group has capitalized deferred taxes on provisions for the Virtual Participation Programs I and II (as defined below in Section 11.10.5 "*Share Based Compensation with Cash Settlement (Virtual Participation Program)*") that are not balanced for tax purposes.

11.4. Results of Operations

The following table provides an overview of the creditshelf Group's consolidated results of operations for the periods presented:

in EUR	Financial year ended December 31, 2015 (audited)	Financial year ended December 31, 2016 (audited)	Financial year ended December 31, 2017 (audited)	Three-month period ended March 31, 2017 (unaudited)	Three-month period ended March 31, 2018 (unaudited)
Revenue	10,625.00	247,619.99	1,201,929.67	30,364.09	316,967.16
Revenue	**10,625.00**	**247,619.99**	**1,201,929.67**	**30,364.09**	**316,967.16**
Other operating income	5,113.80	22,458.45	267,091.24	23,741.70	31,882.37
Other operating expenses	-369,123.32	-1,507,501.16	-2,554,736.46	-456,144.67	-2,444,138.07
EBIT[1]	**-353,384.52**	**-1,237,422.72**	**-1,085,715.55**	**-402,038.88**	**-2,095,288.54**
Financial expenses	-800.70	-1,000.00	-27,877.53	-250.00	-9,905.68
Financial income	226.19	83.58	0.00	0.00	4,424.33
EBT[2]	**-353,959.03**	**-1,238,339.14**	**-1,113,593.08**	**-402,288.88**	**-2,099,959.89**
Income taxes	113,296.39	397,692.88	356,850.45	130,007.98	670,384.26
Loss for the period (Net loss)	**-240,662.64**	**-840,646.26**	**-756,742.63**	**-272,280.90**	**-1,429,575.63**
attributable to:					
Owners of the company	**-240,662.64**	**-840,646.26**	**-756,742.63**	**-272,280.90**	**-1,429,575.63**
Non-controlling interests	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
Total comprehensive income	**-240,662.64**	**-840,646.26**	**-756,742.63**	**-272,280.90**	**-1,429,575.63**

1 The Company has defined EBIT (earnings before interest and taxes) as income before income taxes and other taxes, interest and other financial results. EBIT is not an IFRS-recognized measure of the profitability of a company. The EBIT reported by the Company is not necessarily comparable to the earnings performance measures reported by other companies as EBIT or the like.

2 The Company has defined EBT (earnings before taxes) as income before income taxes and other taxes. EBT is not an IFRS recognized measure of the profitability of a company. The EBT reported by the Company is not necessarily comparable to the earnings performance figures reported by other companies as EBT or the like.

11.4.1. Revenue

The following table provides an overview of the Revenue split between brokerage fees and servicing fees:

	Financial year ended December 31, 2015	Financial year ended December 31, 2016	Financial year ended December 31, 2017	Three-month period ended March 31, 2017	Three-month period ended March 31, 2018
in EUR	**(audited)**	**(audited)**	**(audited)**	**(unaudited)**	**(unaudited)**
Brokerage fees	10,625.00	247,619.99	774,249.94	30,364.09	241,147.79
Servicing fees	0.00	0.00	427,679.73	0.00	75,819.37
Total Revenues	**10,625.00**	**247,619.99**	**1,201,929.67**	**30,364.09**	**316,967.16**

Financial Years 2015 to 2017

Revenue increased from EUR 10,625.00 in 2015 by EUR 236,994.99 (approx. 2,230.54%) to EUR 247,619.99 in 2016 and by EUR 954,309.68 (approx. 385.39%) to EUR 1,201,929.67 in 2017. Such increases were primarily due to the following reasons: The creditshelf Group's revenue is mainly derived from brokerage fees from borrowers and servicing fees from investors. Servicing fees charged to investors have only been introduced in the financial year 2017. From 2015 to 2016, revenue solely represented fees charged to borrowers. In 2017, revenue comprised borrowers' fees of EUR 774,249.94 and investors' fees of EUR 427,679.73. These increases mainly result from the general growth of the creditshelf Group's business with an increased Volume of Transactions and Outstanding Loan Volume (as defined in Section 10.4 "*Additional Performance Indicators*"). From 2015 to 2016, Volume of Transactions increased from EUR 1,750,000 by EUR 14,600,000 to EUR 16,350,000 (an increase of approx. 834.25%). From 2016 to 2017, Volume of Transactions increased by EUR 17.170,000 to EUR 33.520,000 (an increase of approx. 105.01%) (such numbers are based on unaudited accounting information which only serves as the Company's internal management information).

Three-Month Period Ended March 31, 2017 and 2018

Revenue increased from EUR 30,364.09 in the first quarter of 2017 by EUR 286,603.70 (approx. 943.89%) to EUR 316,967.79 in the first quarter of 2018. This increase resulted primarily from increases in new Volume of Transactions of EUR 6.850,000 in the first quarter of 2018 from EUR 1.700,000 of new Volume of Transactions in the first quarter of 2017. Accordingly, brokerage fees from borrowers increased to EUR 241,147.79 in the first quarter of 2018 from EUR 30,364.09 in the first quarter of 2017. Servicing fees from investors were EUR 75,819.37 in the first quarter of 2018, up from EUR 0.00 in the first quarter of 2017. Servicing fees from investors were introduced in the financial year 2017 but only after the first quarter of 2017.

11.4.2. Other Operating Income

Financial Years 2015 to 2017

Other operating income increased from EUR 5,113.80 in 2015 by EUR 17,344.65 (approx. 339.17%) to EUR 22,458.45 in 2016 and by EUR 244,632.79 (approx. 1,089.25%) to EUR 267,091.24 in 2017. Other operating income across all three years was primarily driven by the sale of loan receivables by investors through a secondary auction in case of prefunded credit projects (see also Section 13.4.7 "*Options for a Credit Project* *to be Funded*") or in case existing investors sell loan receivables through the creditshelf Platform to new investors that wish to purchase an initial portfolio of loan receivables. A discount (*disagio*) on the sale of loan receivables might result from different buying and selling prices for the loan receivables. The increase of the other operating income corresponded to a larger number and/or higher volume of such transactions in the relevant periods. As the average selling price of the loan receivables equals the purchase price, the income from discounting is balanced by a premium (*agio*) on the sale of the loan receivables. As the creditshelf Group passes through any discount or premium and does not assume principal risk on the loans, an increase or decrease of the premium directly corresponds with an equal increase or decrease of the discounts.

Three-Month Period Ended March 31, 2017 and 2018

Other operating income increased from EUR 23,741.70 in the first quarter of 2017 by EUR 8,140.67 (approx. 34.28%) to EUR 31,882.37 in the first quarter of 2018. This increase was primarily due to increases in volume of secondary sales of loan receivables from prefunded credit projects.

11.4.3. Other Operating Expenses

	Financial year ended December 31, 2015	Financial year ended December 31, 2016	Financial year ended December 31, 2017	Three-month period ended March 31, 2017	Three-month period ended March 31, 2018
in EUR	**(audited)**	**(audited)**	**(audited)**	**(unaudited)**	**(unaudited)**
Personnel expenses	12,875.78	391,780.98	1,066,451.25	211,954.22	284,257.25
Third-party services	102,500.02	260,930.28	147,012.25	2,000.00	45,299.14
Legal and consulting fees	101,726.57	171,415.66	266,221.11	24,286.60	39,759.17
Expenses for virtual participation program	74,985.00	440,562.00	227,660.00	11,641.00	1,729,509.45
Expenses for advertising and marketing expenses	26,501.48	103,403.15	202,845.20	37,657.00	131,857.30
Other operating expenses	20,545.99	60,125.41	183,696.39	107,277.10	123,853.04
Rental expenses	17,660.67	30,303.90	66,080.38	17,374.32	12,154.02
Depreciation	7,214.32	37,232.37	130,743.78	23,186.73	46,632.36
Premium from loan receivable sale	5,113.49	11,747.41	264,026.10	20,767.70	30,816.35
Total operating expenses	**369,123.32**	**1,507,501.16**	**2,554,736.46**	**456,144.67**	**2,444,138.08**

Financial Years 2015 to 2017

The creditshelf Group does not incur any "costs of material" but rather incurs its main expenses under "other operating expenses". Other operating expenses of the creditshelf Group primarily consist of personnel expenses, expenses for third-party services, comprising paid commissions and administrative commissions, as well as legal and consulting fees, marketing and advertising expenses, expenses for the so-called Virtual Participation Programs I and II and rental expenses.

Other operating expenses increased from EUR 369,123.32 in 2015 by EUR 1,138,377.84 (approx. 308.4%) to EUR 1,507,501.16 in 2016 and by EUR 1,047,235.30 (approx. 69.47%) to EUR 2,554,736.46 in 2017. In general, all components of other operating expense increased from 2015 to 2017 due to the growth of the creditshelf Group's business and in line with the increase in revenues, with the exception of expenses for the Virtual

Participation Program I and II (as defined below in Section 11.10.5 "*Share Based Compensation with Cash Settlement (Virtual Participation Program)*") and for third-party services. While the expenses for the Virtual Participation Program I increased from EUR 105,042.00 in 2016 to EUR 227,660.00 in 2017 due to new grants and vestings in the respective accounting period, the expenses for the Virtual Participation Program II decreased from EUR 335,520.00 in 2016 to EUR 0.00 in 2017. This is due to the fact that the accruals built for the obligations resulting from the Virtual Participation Program II did not change from 2016 to 2017, so no additional accruals had to be booked. In 2017, the largest other operating expenses were personnel expenses, accounting for 41.74% of the total other operating expenses, *i.e.* EUR 1,066,451.25 which compares to EUR 391,780.98 for the financial year 2016 and EUR 12,875.78 for the financial year 2015. Such increases were primarily due to a general growth in average number of employees on a full-time equivalent ("**FTE**") basis of the Company to 14.5 FTE in the financial year 2017 compared to 6 FTE in 2016 and 1 FTE in 2015.

Three-Month Period Ended March 31, 2017 and 2018

Other operating expenses increased from EUR 456,144.67 in the first quarter of 2017 by EUR 1,987,993.40 (approx. 435.82%) to EUR 2,444,138.07 in the first quarter of 2018. This increase primarily resulted from higher expenses for the Virtual Participation Programs I with EUR 1,176,959.00 and the Virtual Participation Program II with EUR 548,550.44, as well as an increase in the average number of employees of the creditshelf Group to 21.75 FTE in the first quarter of 2018 up from 11.75 FTE in the first quarter of 2017.

11.4.4. Financial Expenses

Financial Years 2015 to 2017

Financial expenses increased from EUR 800.70 in 2015 by EUR 199.30 (approx. 24.89%) to EUR 1,000.00 in 2016 and by EUR 26,877.53 (approx. 2,687.75%) to EUR 27,877.53 in 2017. The increase from 2016 to 2017 was primarily due to the introduction of servicing fees for the investors in 2017, which only become payable with the repayment(s) of the loan including accrued interest. If such receivables have a term of more than one year, they must be discounted in accordance with IFRS principles as adopted by the European Union resulting in an expense item.

Three-Month Period Ended March 31, 2017 and 2018

In the first quarter of 2018, financial expenses were EUR 9,095.68, compared to EUR 250.00 in the first quarter of 2017, an increase of EUR 8,845.68. Financial expenses in the first quarter of 2017 were only related to interest on shareholder loans but no expenses from the discounting of long term receivables against investors because investor fees were only introduced in 2017 after the expiration of the first quarter of 2017. In the first quarter of 2018, such financial expenses resulting from discounting of such receivables were incurred and are reflected in the increase of financial expenses.

11.4.5. Financial Income

Financial Years 2015 to 2017

From 2015 to 2016, financial income decreased from EUR 226.19 by EUR 142.61 to EUR 83.58 (a decrease of approx. 63.05%). From 2016 to 2017, the financial income was reduced to zero. The decreases in the periods described were caused by the reduction of interest rates on the Company's bank account.

Three-Month Period Ended March 31, 2017 and 2018

Financial income increased from EUR 0.00 in the first quarter of 2017 by EUR 4,424.33 to EUR 4,424.33 in the first quarter of 2018. The creditshelf Group started to charge servicing fees from investors only in the period after the expiration of the first quarter of 2017. As described above, for as long as such receivables have a remaining term of more than 12 months, they must be discounted pursuant to the IFRS as adopted by the European Union. Once such receivables have a remaining term of 12 months or less, such discounting must be reversed resulting in a financial income for the creditshelf Group.

11.4.6. Income Taxes

Financial Years 2015 - 2017

Income taxes increased from EUR 113,296.39 in 2015 by EUR 284,396.49 (approx. 251.02%) to EUR 397,692.88 in 2016. From 2016 to 2017, income taxes decreased by EUR 40,842.43 to EUR 356,850.45 (a decrease of approx. 10.27%). Income taxes represent the net position following the payment of any tax, with income being obtained from additions to deferred tax. The income taxes described above almost exclusively consist of deferred tax due to the accumulated losses. The initial increase of income taxes in 2016 followed by a decrease in 2017 despite continuing net losses is due to the fact that contributions in accruals for the Virtual Participation Program I and II were higher in 2016 than in 2017. Such contributions have a deferred tax effect which in turn results in income taxes.

Three-Month Period Ended March 31, 2017 and 2018

Income taxes increased from EUR 130,007.98 in the first quarter of 2017 by EUR 540,376.28 (approx. 415.65%) to EUR 670,384.26 in the first quarter of 2018. This increase mainly resulted from income effects from additional contributions to the accruals booked for the Virtual Participation Programs I and II that result in an increase of deferred tax assets built on loss carry forwards during the first quarter of 2018 compared to the same period in 2017.

11.4.7. Net Loss

Financial Years 2015 to 2017

Net loss increased from EUR 240,662.64 in 2015 by EUR 599,983.62 (approx. 249.30%) to EUR 840,646.26 in 2016. From 2016 to 2017, net loss decreased by EUR 83,903.63 to EUR 756,742.63 (a decrease of approx. 9.98%). The increased losses from 2015 to 2016 primarily relate to increased operating expenses (as described in Section 11.4.3 "*Other Operating Expenses*"*).* The decrease from 2016 to 2017 primarily related to increased revenue (as described in Section 11.4.1 "*Revenue*"), which – in absolute figures – increased stronger than the Company's operating expenses due to an increase of credit volume brokered through the creditshelf Platform (measured by the Company as Volume of Transactions, see Section 10.4 "*Additional Performance Indicators*") and the creation of a second revenue stream due to the introduction of the servicing fee charged to investors in 2017 and additional contributions to the accruals for the Virtual Participation Programs I and II.

Three-Month Period Ended March 31, 2017 and 2018

In the first quarter of 2018, income taxes were EUR 670,384.26, compared to EUR 130,007.98 in the first quarter of 2017. This increase of EUR 540,376.28 (approx. 415.65%) mainly resulted from income effects from additional contributions to the accruals booked for the Virtual Participation Programs I and II that result in an increase of deferred tax assets resulting from loss carry forwards during the first quarter of 2018 compared to the same period in 2017.

11.5. Components of Assets, Equity and Liabilities

11.5.1. Non-Current Assets

The capitalized intangible assets represent the creditshelf Group's online platform and the new risk assessment tool. Together, these two assets form the basis of creditshelf Group's operations.

Since 2017, property plant and equipment includes a capitalized leasing asset representing the Company's leasing obligations resulting from a five-year leasing contract for the office used by creditshelf Group at Mainzer Landstraße 33a, 60329 Frankfurt/Main, Germany. The Company has also recorded a corresponding leasing liability shown in non-current liabilities representing the part with a maturity of more than one year and in current liabilities with the part of the liability due within the following 12 months.

The other part of non-current provisions represent provisions for the so-called Virtual Participation Program II granted to MHB. As the corresponding exit event has long term character, it was classified as a non-current liability.

11.5.2. Liabilities

Other liabilities mainly represent the provisions made for the so-called Virtual Participation Program I relating to certain employees of the Company. Due to the corresponding short term exit event these provisions are shown as current liabilities.

11.6. Assets, Equity and Liabilities

The following table provides an overview of the creditshelf Group's consolidated statement of financial position information as of the dates presented:

in EUR	As of December 31, 2015 (audited)	As of December 31, 2016 (audited)	As of December 31, 2017 (audited)	As of March 31, 2017 (unaudited)	As of March 31, 2018 (unaudited)
<u>**Assets**</u>					
Non-current assets					
Intangible assets	26,751.00	138,953.00	513,976.70	187,436.63	1,113,319.11
Property, plant and equipment	2,839.00	32,092.00	330,012.00	29,628.12	326,657.80
Accounts receivables	0.00	0.00	144,930.73	0.00	134,185.65
Other non-current assets	0.00	0.00	27,053.64	0.00	27,053.64
Deferred tax assets	130,755.68	528,448.43	885,298.88	658,456.41	1,555,683.14

Total non-current assets	**160,345.68**	**699,493.43**	**1,901,271.95**	**875,521.16**	**3,156,899.34**
Current assets					
Accounts receivables	0.00	4,000.00	206,490.53	0.00	258,549.62
Other current assets	17,146.12	74,069.02	71,592.88	120,799.28	746,783.91
Other financial assets	2,822.54	6,663.56	32,407.14	1,506,726.35	3,839.54
Cash and cash equivalents	328,126.83	490,182.46	2,027,130.76	46,836.01	1,989,114.61
Total current assets	**348,095.49**	**574,915.04**	**2,337,621.31**	**1,674,361.64**	**2,998,287.68**
Total Assets	**508,441.17**	**1,274,408.47**	**4,238,893.26**	**2,549,882.80**	**6,155,187.02**
Liabilities and Equity					
Capital and reserves					
Subscribed capital	60,002.00	71,270.00	76,752.00	76,752.00	79,822.00
Capital reserves	488,566.35	1,474,179.78	2,964,965.98	2,964,965.98	4,961,765.98
Retained earnings	-277,999.96	-1,118,646.22	-1,875,388.85	-1,390,927.12	-3,304,964.48
Total equity	**270,568.39**	**426,803.56**	**1,166,329.13**	**1,650,790.86**	**1,736,623.50**
Non-current liabilities					
Non-current provisions	74,985.00	565,547.00	410,505.00	577,188.00	959,055.44
Other non-current financial liabilities	100,828.48	101,828.48	318,183.01	102,078.48	314,403.59
Total non-current liabilities	**175,813.48**	**667,375.48**	**728,668.01**	**679,266.48**	**1,273,459.03**
Current liabilities					
Accounts payables	56,524.72	119,370.80	1,707,890.38	137,968.96	1,101,889.28
Other financial liabilities	0.00	0.00	58,844.00	0.00	282,361.45
Other liabilities	5,534.58	60,858.63	577,141.74	81,856.50	1,760,853.76
Total current liabilities	**62,059.30**	**180,229.43**	**2,343,876.12**	**219,825.46**	**3,145,104.49**
Total liabilities and equity	**508,441.17**	**1,274,408.47**	**4,238,893.26**	**2,549,882.80**	**6,155,187.02**

11.6.1. Assets

11.6.1.1. Non-Current Assets

December 31, 2015, 2016 and 2017

Non-current assets increased from EUR 160,345.68 as of December 31, 2015 by EUR 539,147.75 (approx. 336.24%) to EUR 699,493.43 as of December 31, 2016 and by EUR 1,201.778,33 (approx. 171.81%) to EUR 1,901,271.95 as of December 31, 2017. The increase from 2015 to 2016 was in line with the growth of the business of the creditshelf Group. The increase from 2016 to 2017 primarily resulted from the increase in intangible assets due to the capitalization of the creditshelf Platform and the new risk assessment tool and deferred tax assets.

March 31, 2017 and 2018

As of March 31, 2017, non-current assets were EUR 875,521.16 and increased by EUR 2,281,378.18 (approx. 260.57%) to EUR 3,156,899.34 as of March 31, 2018. This increase reflected the continued capitalization of work undertaken on the creditshelf's risk assessment tool, higher deferred tax assets and the capitalization of the lease of the office location which was only signed in August 2017.

(1) Intangible Assets

December 31, 2015, 2016 and 2017

Intangible assets increased from EUR 26,751.00 as of December 31, 2015 by EUR 112,202.00 (approx. 419.43%) to EUR 138,953.00 as of December 31, 2016 and by EUR 375,023.70 (approx. 269.89%) to EUR 513,976.7 as of December 31, 2017. These increases primarily represent the capitalization of the creditshelf Platform and the new risk assessment tool.

The creditshelf Platform was capitalized at cost. The production costs include, *inter alia*, the remuneration of external IT service providers engaged to create the creditshelf Platform and the creditshelf Group's own personnel expenses. As the creditshelf Group, and not the IT service provider, bears the risk of failure, the creditshelf Platform is treated as an internally generated intangible asset.

In 2017, the creditshelf Group started the development of a new risk assessment tool. The tool shall evaluate the credit risk of potential borrowers. A third party has been engaged to develop the tool and bears the risk of failure. The down payments to the third party on the new risk assessment tool have therefore been accounted for as a prepayment and capitalized as an intangible asset. The creditshelf Group's employees also worked on the development of the new risk assessment tool, providing assistance to the external IT service provider. The related employee compensation expenses in an amount of EUR 52,672.70 have been capitalized as incidental acquisition costs of the new risk assessment tool.

March 31, 2017 and 2018

As of March 31, 2017, intangible assets were EUR 187,436.63 and increased by EUR 925,882.48 (approx. 493.97%) to EUR 1,113,319.11 as of March 31, 2018. This increase primarily resulted from the continued development of creditshelf's risk assessment tool by a third-party IT service provider. As the development was only started in mid of 2017 there had been no expenses capitalized for this undertaking as at March 31, 2017.

(2) Property, Plant and Equipment

December 31, 2015, 2016 and 2017

The Company does not own any real estate or similar rights (*Grundstücke und grundstücksgleiche Rechte*) and does neither own any other material fixed assets other than certain IT equipment.

Property, plant and equipment increased from EUR 2,839.00 as of December 31, 2015 by EUR 29,253.00 to EUR 32,092.00 as of December 31, 2016 and by EUR 297,920.00 to EUR 330,012.00 as of December 31, 2017. The significant increase from 2016 to 2017 is attributed to the signing of a five-year rental contract (from August 1, 2017) for the new office location in Frankfurt/Main, Germany, which has been reflected in the accounts as the right of use of land and building and which has accounted for 81.92% of the total for property, plant and equipment before depreciation calculations, whereas the remaining 18.08% relate to office equipment. Under IFRS 16, leases are generally to be recognized on the lessee's balance sheet. A lessee recognizes a right-of-use asset representing its right to use a lease asset, as well as a liability resulting from the lease, which represents its obligation to make lease payments. There are exemptions for short-term leases and leases of low-value assets. Accordingly, in its consolidated financial statements for the financial year 2017, the Company has recorded a new tangible asset and a liability for the lease for the newly rented office at Mainzer Landstraße 33a, 60329 Frankfurt/Main, Germany (as summarized below under Section 13.10.2 "*Leases*").

March 31, 2017 and 2018

As of March 31, 2017, property, plant and equipment were EUR 29,628.12 and increased by EUR 297,029.68 (approx. 1,002.52%) to EUR 326,657.80 as of March 31, 2018. This increase resulted in the most part from the signing of the new lease contract for the Company's offices at Mainzer Landstraße 33a, 60329 Frankfurt/Main, Germany, as described above, which has been reflected in the accounts as the right of use of land and building and which has accounted for approx. 78.24% of the total for property, plant and equipment before depreciation calculations, whereas the remaining approx. 21.76% relate to office equipment.

(3) Accounts Receivables (Non-Current)

December 31, 2015, 2016 and 2017

Non-current accounts receivables as of December 31, 2017 were EUR 144,930.73, compared to EUR 0.00 as of December 31, 2016 and as of December 31, 2015. Non-current accounts receivables reflect the portion of the servicing fees owed by investors during the course of the loan term with a maturity of more than one year. The servicing fees charged to investors were introduced in 2017 and only become due with the repayment of the loan tranches by the borrower.

March 31, 2017 and 2018

As of March 31, 2017, non-current accounts receivable were EUR 0.00 and increased by EUR 134,185.65 to EUR 134,185.65 as of March 31, 2018. This increase was due to the fact that the creditshelf Group only introduced servicing fees charged to investors after the end of the first quarter in 2017. Accordingly, no accounts receivables reflecting the portion of the servicing fees owed by investors during the course of the loan term with a maturity of more than one year had to be recorded as of March 31, 2017.

(4) Other Non-Current Assets

December 31, 2015, 2016 and 2017

Other non-current assets as of December 31, 2017 were EUR 27,053.64, compared to EUR 0.00 as of December 31, 2016 and as of December 31, 2015. This position comprises the security deposit paid by the Company for the office lease in 2017.

March 31, 2017 and 2018

As of March 31, 2017, non-current assets were EUR 0.00 and increased by EUR 27,053.64 to EUR 27,053.64 as of March 31, 2018. This increase reflects the lease deposit for the office space at Mainzer Landstraße 33a in Frankfurt/Main, Germany, for which a lease agreement became effective only after the expiration of the first quarter of 2017. The lease deposit for the office space that the Company had rented prior to the new lease becoming effective had not to be shown as non-current assets as of March 31, 2017 given that the underlying lease agreement had already been terminated as of such date resulting in the lease deposit for the terminated lease agreement being shown not as non-current asset but as current asset as of such date.

(5) Deferred Tax Assets

December 31, 2015, 2016 and 2017

Deferred tax assets increased from EUR 130,755.68 as of December 31, 2015 by EUR 397,692.75 (approx. 304.15%) to EUR 528,448.43 as of December 31, 2016 and by EUR 356,850.45 (approx. 67.53%) to EUR 885,298.88 as of December 31, 2017. These figures are net of any relevant deferred tax liabilities. The deferred tax assets are primarily due to accumulated tax loss carry-forwards.

March 31, 2017 and 2018

As of March 31, 2017, deferred tax assets were EUR 658,456.41 and increased by EUR 897,226.73 (approx. 136.26%) to EUR 1,555,683.14 as of March 31, 2018. This increase is due to an increase in loss carry-forwards and contributions to the accruals for the Virtual Participation Program I and II.

11.6.1.2. Current Assets

December 31, 2015, 2016 and 2017

Current assets increased from EUR 348,095.49 as of December 31, 2015 by EUR 226,819.55 (approx. 65.16%) to EUR 574,915.04 as of December 31, 2016 and by EUR 1,762,706.27 (approx. 306.60%) to EUR 2,337,621.31 as of December 31, 2017. The increase in current assets in the financial year 2017 was mainly driven by the introduction of the servicing fee which is reflected in accounts receivables and increased cash positions of creditshelf Group, partly due to loan settlement amounts awaiting disbursement as of December 31, 2017.

March 31, 2017 and 2018

As of March 31, 2017, current assets were EUR 1,674,361.64 and increased by EUR 1,323,926.04 (approx. 79.07%) to EUR 2,998,287.68 as of March 31, 2018. This increase was mainly due to higher executed loan volumes (measured by the Company as Volume of Transactions, see Section 10.4 "*Additional Performance Indicators*") and related higher servicing fees which are reflected in accounts receivables as well as an increased cash position from an equity financing by certain shareholders in the first quarter of 2018. In addition, under applicable IFRS as adopted by the European Union, the creditshelf Group had to show certain costs related to the Offering as a deferment item under current assets. The creditshelf Group did not incur such costs in the first quarter of 2017 as preparatory work for the Offering was only commenced at a later point in time.

(1) Accounts Receivables (Current)

December 31, 2015, 2016 and 2017

Current accounts receivables (short term) increased from EUR 0.00 as of December 31, 2015 by EUR 4,000 to EUR 4,000 as of December 31, 2016 and by EUR 202,490.53 (approx. 5,062.26%) to EUR 206,490.53 as of December 31, 2017. Accounts receivables primarily comprise the portion of the servicing fees owed by the investors that will become due within one year. Such servicing fees were only introduced in the course of 2017.

March 31, 2017 and 2018

As of March 31, 2017, accounts receivable were EUR 0.00 and increased by EUR 258,549.62 to EUR 258,549.62 as of March 31, 2018. The accounts receivables are due to investor servicing fees with a maturity of less than one year. As the creditshelf Group only introduced servicing fees charged to investors after the end of the first quarter in 2017 no such accounts receivables have been accounted as of March 31, 2017.

(2) Other Current Assets

December 31, 2015, 2016 and 2017

Other current assets increased from EUR 17,146.12 as of December 31, 2015 by EUR 56,922.90 (approx. 331.99%) to EUR 74,069.02 as of December 31, 2016. From December 31, 2016 to December 31, 2017, other current assets decreased by EUR 2,476.14 to EUR 71,592.88 (a decrease of approx. 3.34%). The main items in the category consist of not yet paid out value added tax ("**VAT**") claims and deferred tax expenses.

March 31, 2017 and 2018

As of March 31, 2017, other current assets were EUR 120,799.28 and increased by EUR 625,984.63 (approx. 518.20%) to EUR 746,783.91 as of March 31, 2018. This increase was mainly driven by a deferment for transaction costs of EUR 499,913.80 for the planned Offering, an amount which in case of the Offering being successful will be released against equity and will reduce the balance sheet by the same amount. As preparatory work for the Offering only commenced in the period after the first quarter of 2017 no such costs had to be accounted for as of March 31, 2017.

(3) Other Financial Assets

December 31, 2015, 2016 and 2017

Other financial assets increased from EUR 2,822.54 as of December 31, 2015 by EUR 3,841.02 (approx. 136.08%) to EUR 6,663.56 as of December 31, 2016 and by EUR 25,743.58 (approx. 386.33%) to EUR 32,407.14 as of December 31, 2017. The main items in this category derive from creditors with debit accounts, including a onetime receivable against investors who had received erroneously a repayment too early.

March 31, 2017 and 2018

As of March 31, 2017, other financial assets were EUR 1,506,726.35 and decreased by EUR 1,502,886.81 to EUR 3,839.54 as of March 31, 2018. This decrease of was mainly caused by an equity financing that had been resolved as of March 2017 but which had not yet been fully paid in as of March 31, 2017 which lead to a corresponding receivable to be accounted for.

(4) Cash and Cash Equivalents

December 31, 2015, 2016 and 2017

Cash and cash equivalents increased from EUR 328,126.83 as of December 31, 2015 by EUR 162,055.63 (approx. 49.39%) to EUR 490,182.46 as of December 31, 2016 and by EUR 1,536,948.30 (approx. 313.54%) to EUR 2,027,130.76 as of December 31, 2017. Such cash amounts partly reflect sums paid by investors for credit projects that had been brokered through the creditshelf Platform but for which the respective loan had not been disbursed by the Fronting Bank as of the respective balance sheet date. The increase is primarily due to the increased business volume of the creditshelf Group.

March 31, 2017 and 2018

As of March 31, 2017, cash and cash equivalents were EUR 46,836.01 and increased by EUR 1,942,278.60 (approx. 4,146.98%) to EUR 1,989,114.61 as of March 31, 2018. This increase primarily resulted from proceeds of an equity financing provided by certain shareholders of the Company in February 2018.

11.6.2. Total Assets

December 31, 2015, 2016 and 2017

Total assets increased from EUR 508,441.17 as of December 31, 2015 by EUR 765,967.30 (approx. 150.65%) to EUR 1,274,408.47 as of December 31, 2016 and by EUR 2,964,484.79 (approx. 232.61%) to EUR 4,238,893.26 as of December 31, 2017. The increase from 2015 to 2016 was mainly driven by the increase in deferred tax assets built on tax loss carry forwards with EUR 397,692.75 as well as the extension of the creditshelf Group's tangible and intangible assets with EUR 141,455.00. The major factors that lead to the increase from 2016 to 2017 were the continuous development of the creditshelf Group's online platform and risk assessment tool with EUR 375,023.70 as well as a significant increase in the Company's cash position by EUR 1,536,948.30.

March 31, 2017 and 2018

As of March 31, 2017, total assets were EUR 2,549,882.80 and increased by EUR 3,605,304.22 (approx. 141.39%) to EUR 6,155,187.02 as of March 31, 2018. This increase primarily resulted from higher intangible assets, higher deferred tax assets and higher cash balances as described above.

11.6.3. Liabilities and Equity

11.6.3.1. Equity

December 31, 2015, 2016 and 2017

Equity increased from EUR 270,568.39 as of December 31, 2015 by EUR 156,235.17 (approx. 57.74%) to EUR 426,803.56 as of December 31, 2016 and by EUR 739,525.57 (approx. 173.27%) to EUR 1,166,329.13 as of December 31, 2017.

The increase from 2015 to 2016 was mainly driven by three equity financings proceeded in 2016 with a total amount of EUR 1,006,666.00. Furthermore, the loss of the financial year 2016 with EUR 840,646.26 had an opposing effect. The increase from 2016 to 2017 reflected on the one hand an additional capital increase proceeded in 2017 with a total amount of EUR 1,500,000.00 partly compensated, on the other hand by the opposing effect of the loss for the period 2017 in the amount of EUR 756,742.63.

March 31, 2017 and 2018

As of March 31, 2017, equity was EUR 1,650,790.86 and increased by EUR 85,832.64 (approx. 5.19%) to EUR 1,736,623.50 as of March 31, 2018. This increase was due to a capital increase in February 2018 in which the Company implemented an equity financing with an amount of EUR 2,000,000.00 which had a compensating effect to the losses carried forward.

11.6.3.2. Non-Current Liabilities

December 31, 2015, 2016 and 2017

Non-current liabilities increased from EUR 175,813.48 as of December 31, 2015 by EUR 491,562.00 (approx. 279.59%) to EUR 667,375.48 as of December 31, 2016 and by EUR 61,292.53 (approx. 9.18%) to

EUR 728,668.01 as of December 31, 2017. The increase from 2015 to 2016 was mainly due to the increase in the accruals built for the Virtual Participation Programs I and II with EUR 490,562.00 in 2016. The increase from 2016 to 2017 reflected the first-time record of a leasing liability booked for the new leasing contract for the Company's offices at Mainzer Landstraße 33a, 60329 Frankfurt/Main, Germany, with an amount of EUR 215,354.53. The expenses accrued show the long-term part of the liability while another EUR 58,844.00 are shown under other current financial liabilities. Furthermore, the reclassification of the accrual for the Virtual Participation Program I from long term to short term liabilities with EUR 155,042.00 had an opposing effect.

March 31, 2017 and 2018

As of March 31, 2017, non-current liabilities were EUR 679,266.48 and increased by EUR 594,192.55 (approx. 87.47%) to EUR 1,273,459.03 as of March 31, 2018. This increase was mainly due to additional accruals built for the Virtual Participation Programs II and a leasing liability under a new office lease agreement which was only signed in August 2017. As of March 31, 2018, the accruals booked for the Virtual Participation Program I were due to the ongoing Offering process shown as current liabilities and no longer as non-current liabilities.

11.6.3.3. Current Liabilities

December 31, 2015, 2016 and 2017

Current liabilities increased from EUR 62,059.30 as of December 31, 2015 by EUR 118,170.13 (approx. 190.42%) to EUR 180,229.43 as of December 31, 2016 and by EUR 2,163,646.69 (approx. 1,200.50%) to EUR 2,343,876.12 as of December 31, 2017. The increase from 2015 to 2016 was mainly due to an increase in accounts payables from EUR 56,524.72 in 2015 to EUR 119,370.80 in 2016. The development is related to the growth of business in 2016. The increase from 2016 to 2017 was mainly due to the increase in the accounts payables reflecting liabilities to investors with a total amount of EUR 1,707,890.38 as of December 31, 2017. Such liabilities are booked when investors have made advance payments under their financial commitments made on the creditshelf Platform but the corresponding loan has not yet been disbursed by the Fronting Bank at the end of the accounting period. Furthermore, the new classification of the accruals for the Virtual Participation Program I as short term liability with a total amount of EUR 382,702.00 (EUR 155,042.00 in 2016) led to the presented increase in 2017.

March 31, 2017 and 2018

As of March 31, 2017, current liabilities were EUR 219,825.46 and increased by EUR 2,925,279.03 (approx. 1,330.72%) to EUR 3,145,104.49 as of March 31, 2018. This increase was mainly due to continued increased accounts payables reflecting liabilities to investors and an increase of accruals for the Virtual Participation Program I. Accruals for the Virtual Participation Program I were shown as non-current liabilities as of March 31, 2017 but were shown as current liabilities as of March 31, 2018 due to the ongoing Offering process. Finally the increase in current liabilities as of March 31, 2018 reflects higher payables towards service providers that have not been invoiced as of such date.

11.6.3.4. Total Liabilities

December 31, 2015, 2016 and 2017

Total liabilities increased from EUR 508,441.17 as of December 31, 2015 by EUR 765,967.30 (approx. 150.65%) to EUR 1,274,408.47 as of December 31, 2016 and by EUR 2,964,484.79 (approx. 232.61%) to EUR 4,238,893.26 as of December 31, 2017. The increase from 2015 to 2016 was mainly driven by the increase in accruals for the Virtual Participation Programs I and II with EUR 490,562.00 and the increase in equity with EUR 156,235.17. The major factors that lead to the increase from 2016 to 2017 have been the increase in equity with EUR 739,525.57 as well as a significant increase in accounts payables with EUR 1,588,519.58 as further described above.

March 31, 2017 and 2018

As of March 31, 2017, total liabilities were EUR 2,549,882.80 and increased by EUR 3,605,304.22 (approx. 141.39%) to 6,155,187.02 as of March 31, 2018. This increase was primarily due to increases in non-current provisions due to the new lease contract for the new office spaces at Mainzer Landstraße 33a, Frankfurt/Main, Germany, higher accruals for the Virtual Participation Programs I and II, as well as higher accounts payables to investors for a higher volume of loans brokered through the creditshelf Platform for which payments on financial commitments by investors had been received by the creditshelf Group as of March 31, 2018 but for which the Fronting Bank had not disbursed the underlying loan as of such date. Finally, the accruals for payables towards service providers for services that had not been invoiced yet were higher in the first quarter of 2018 than in the first quarter of 2017.

11.7. Liquidity and Capital Resources

11.7.1. Overview

Historically, the creditshelf Group's principal source of funding has been cash from equity raises which has been regularly increased by additional investments from certain existing and new shareholders. Due to the ongoing establishment of the business of the creditshelf Group, it was decided not to make use of loans or other debt instruments to finance the creditshelf Group (with the exception of a relatively small amount funded through shareholder loans which were granted by two shareholders, for details see Section 18.2.4 "*Loans from Related Parties*").

The principal use of the creditshelf Group's funds has been the funding of its operating costs and expenses, including the development of the creditshelf Platform and the risk analysis tool. The creditshelf Group expects to continue the development of its new risk analysis tool and the utilization of artificial intelligence and machine learning technologies (for details see Section 13.3 "*Corporate Strategy*").

11.7.2. Cash Flows

The following table summarizes the principal components of the creditshelf Group's cash flows for the periods under review:

in EUR	Financial year ended December 31, 2015 (audited)	Financial year ended December 31, 2016 (audited)	Financial year ended December 31, 2017 (audited)	Three-Month period ended March 31, 2017 (unaudited)	Three-Month period ended March 31, 2018 (unaudited)
Cash flow from operating activities					
Loss for the period	-240,662.64	-840,646.26	-756,742.63	-272,280.90	-1,429,575.63
Adjustments for:					
Income taxes	-113,296.39	-397,692.88	-356,850.45	-130,007.98	-670,384.26
Depreciation of property, plant and equipment	1,540.32	8,167.22	50,908.95	3,336.28	23,278.85
Amortization of intangible assets	5,674.00	12,043.15	54,825.71	19,850.45	23,353.51
Gain / loss from disposal of intangible assets and fixed assets	0.00	17,022.00	433.00	0.00	0.00
Increase (+)/decrease (-) in other provisions	77,875.00	534,411.13	334,500.98	29,232.49	1,973,379.32
Other non-cash related expenses/income	-5,573.66	-1,339.83	19,623.30	-45,834.08	-71,067.27
Interest expense	800.70	1,000.00	27,877.53	250.00	9,095.68
Interest income	-226.19	-83.58	0.00	0.00	-4,424.33
Income taxes paid	-60.04	-17.78	60.04	60.04	0.00
Deposit	0.00	-3,878.10	-26,053.64	0.00	5,603.58
Increase (-)/decrease (+) in other assets	-2,517.86	-53,044.80	-20,810.67	-1.546,891.26	-652,227.01
Interest received	226.19	83.58	0.00	0.00	4,424.33
Operating cash flows before movements in working capital	**-276,220.57**	**-723,976.15**	**-672,227.88**	**-1,942,284.96**	**-788,543.23**
Increase (-)/decrease (+) in accounts receivables	0.00	-4,000.00	-347,421.26	4,000.00	-41,676.90
Increase (+)/decrease (-) in accounts payables	39,754.21	60,362.80	1,566,433.23	18,485.39	-606,001.10
Increase (+)/decrease (-) in other liabilities	-1,265.42	11,474.92	26,740.13	3,557.32	-4,651.62
Cash used in operating activities	**-237,731.78**	**-656,138.43**	**573,524.22**	**-1,916,242.25**	**-1,440,872.85**
Purchase of property, plant and equipment	-4,379.32	-37,420.22	-54,348.83	-872.40	-19,924.65
Purchase of other intangible assets	-29,098.00	-141,267.15	-454,425.53	-22,500.00	-556,050.00
Cash used in investing activities	**-33,477.32**	**-178,687.37**	**-508,774.36**	**-23,372.40**	**-575,974.65**
Proceeds from issuance of shares	500,003.00	1,006,666.00	1,500,000.00	1,500,000.00	2,000,000.00
Amortization of leasing liabilities	0.00	0.00	-24,069.76	0.00	-12,192.97
Transaction cost on issuance of shares	-1,434.65	-9,784.57	-3,731.80	0.00	-8,845.68

Proceeds from financial liabilities	75.000.00	0.00	0.00	-3,731.80	-130.00
Cash generated from financing activities	**573,568.35**	**996,881.43**	**1,472,198.44**	**1,496,268.20**	**1,978,831.35**
Net increase in cash and cash equivalents	302,359.25	162,055.63	1,536,948.30	-443,346.45	-38,016.15
Cash and cash equivalents at the beginning of the period	25,767.58	328,126.83	490,182.46	490,182.46	2,027,130.76
Cash and cash equivalents at the end of the period	**328,126.83**	**490,182.46**	**2,027,130.76**	**46,836.01**	**1,989,114.61**

11.7.3. Operating Cash Flows before Movements in Working Capital

Financial Years 2015 to 2017

Operating cash flows before movements in working capital decreased from EUR -276,220.57 in 2015 by EUR -447,755.58 (approx. 162.10%) to EUR -723,976.15 in 2016. The decrease from 2015 to 2016 was mainly due to a higher loss for the period of EUR -840,646.26 in 2016 compared to EUR -240,622.64 in 2015. Furthermore, gains from income taxes increased from EUR -113,296.39 in 2015 to EUR -397,692.88 in 2016. The extended gains from income taxes resulted from the capitalization of deferred tax assets on loss carry forwards.

From 2016 to 2017, operating cash flows before movements in working capital increased by EUR 51,748.27 to EUR -672,227.88 (an increase of approx. 7.14%). The relatively small change of 7.14% between 2016 and 2017, compared to a change of 162.10% between 2015 and 2016 was due to the reduced loss for the period as a result of the introduction of servicing fees charged to investors in 2017 and an increase in depreciation on intangible assets.

Three-Month Period Ended March 31, 2018

In the first quarter of 2018, operating cash flows before movements in working capital were EUR -788,543.23, compared to EUR -1,942,284.96 in the first quarter of 2017. This increase of EUR 1,153,741.73 (approx. 59.40%) was mainly driven by non-cash related increases in other provisions (*i.e.* a higher provisioning due to the Virtual Participation Programs I and II) with EUR 1,973,379.32 which were partly compensated by a significantly higher loss in the period from January 1 to March 31, 2018, compared to the previous period and the reduction in financial assets after payment of receivables resulting from equity financing (see also Section 11.7.6 "*Cash Generated from Financing Activities*").

11.7.4. Cash used in Operating Activities

Financial Years 2015 to 2017

Cash used in operating activities decreased from EUR -237,731.78 in 2015 by EUR -418,406.65 (approx. 176.00%) to EUR -656,138.43 in 2016. This was mainly due to a lower operating cash flow before movements in working capital with EUR -723,976.15 in 2016 compared to EUR -276,220.57 in 2015.

From 2016 to 2017, cash used in operating activities increased by EUR 1,229,662.65 to EUR 573,524.22. The change between 2016 and 2017 was mainly attributable to an increase in accounts payables, which increased from EUR 60,362.80 in 2016 to EUR 1,566,433.23 in 2017.

Three-Month Period Ended March 31, 2018

In the first quarter of 2018 cash used in operating activities was EUR -1,440,872.85, compared to EUR -1,916,242.25 in the first quarter of 2017. This decrease by EUR 475,369.40 (approx. 24.81%) was attributable to an increase in accounts payables which was due to loans brokered through the creditshelf Platform for which payments on financial commitments by investors had been received by the creditshelf Group as of March 31, 2018 but for which the Fronting Bank had not disbursed the underlying loan as of such date.

11.7.5. Cash used in Investing Activities

Financial Years 2015 to 2017

Cash used in investing activities decreased from EUR -33,477.32 in 2015 by EUR -145,210.05 (approx. 433.76%) to EUR -178,687.37 in 2016 and by EUR -330,086.99 (approx. 184.73%) to EUR -508,774.36 in 2017. The decrease from 2015 to 2016 was mainly due to the additions to capitalized intangible assets with EUR -141,267.15 in 2016 compared to EUR -29,098.00 in 2015 as well as the additions to property, plant and equipment with EUR -37,420.22 compared to EUR -4,379.32 in 2015. Additions to intangible assets mainly reflect the continuous development of the creditshelf Group's online Platform and risk assessment tool while additions to plant, property and equipment mainly reflect the purchase of office equipment. In 2017, 89.32% of the cash used in investing activities was attributable to the capitalization of intangible assets. This reflects the extension of the Company's online and risk assessment capacities which formed its main business assets. Furthermore, the cash used on the purchase of other tangible assets decreased from EUR -37,420.22 in 2016 to EUR -54,348.83 in 2017 (approx. 45.32%) due to the purchase of IT and office equipment needed for new staff.

Three-Month Period Ended March 31, 2018

In the first quarter of 2018, cash used in investing activities was EUR -575,974.65 compared to EUR -23,372.40 in the first quarter of 2017. This decrease by EUR -552,602.25 (approx. 2,264.33%) was mainly due to higher development costs incurred by the creditshelf Group and capitalized for the development of the risk assessment tool.

11.7.6. Cash Generated from Financing Activities

Financial Years 2015 to 2017

Cash generated from financing activities increased from EUR 573,568.35 in 2015 by EUR 423,313.08 (approx. 73.8%) to EUR 996,881.43 in 2016 and by EUR 475,317.01 (approx. 47.68%) to EUR 1,472,198.44 in 2017.

The increase from 2015 to 2016 reflected three capital increases proceeded in financial year 2016 with a total capital injection of EUR 1,006,666.00. The amount was reduced by transaction costs directly booked to equity with EUR 9,784.57. In 2015, cash flow from financing activities was influenced by another capital increase with a net amount of EUR 498,568.35. Furthermore, in 2015 the Company generated cash from receiving shareholder loans with a total principal amount of EUR 75,000.00. The increase from 2016 to 2017 is attributed to an increase in capital issued with a net capital injection of EUR 1,496,268.20. Furthermore, the cash flow from financing activities was influenced in 2017 by the repayment of leasing liabilities with an amount of

EUR 24,069.76.

Three-Month Period Ended March 31, 2018

In the first quarter of 2018, cash generated from financing activities was EUR 1,978,831.35, compared to EUR 1,496,268.20 in the first quarter of 2017. This increase by EUR 482,563.15 (approx. 32.25%) was mainly due to higher proceeds from equity financings received by the Company in the respective period.

11.7.7. Cash and Cash Equivalent at the End of the Period

Financial Years 2015 to 2017

As a result of the factors described above, cash and cash equivalents at the end of the period increased between 2015 and 2016 from EUR 328,126.83 by EUR 162,055.63 to EUR 490,182.46 (an increase of approx. 49.39%). From 2016 to 2017, cash and cash equivalents at the end of the period increased by EUR 1,536,948.30 to EUR 2,027,130.76 (an increase of approx. 313.54%).

Three-Month Period Ended March 31, 2018

As of March 31, 2018, cash and cash equivalents were EUR 1,989,114.61 compared to EUR 46,836.01 as of March 31, 2017. This increase of EUR 1,942,278.60 reflected the increases in cash flows from operating activities and from financing activities whilst the decrease in cash flow from investing activities had an opposite effect.

11.7.8. Commitments and Contingencies

The creditshelf Group had no lease liabilities in 2015 or 2016. At the end of 2017, the creditshelf Group had the following obligations in respect of lease liabilities:

in EUR	> than 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Total	Book value
Lease liabilities Mainzer Landstraße 33a, Frankfurt/Main, Germany	4,836.11	9,672.21	43,524.97	216,165.24	-	274,198.53	274,198.53

The creditshelf Group had no obligations from contingent liabilities during the period under review.

11.7.9. Off-Balance Sheet Arrangements

The creditshelf Group has had no off-balance sheet arrangements during the periods under review.

11.8. Investments

11.8.1. Historic Investments

In the financial years that ended December 31, 2015, 2016 and 2017, creditshelf has made the following principal investments:

- In the financial year 2015, creditshelf invested a total amount of EUR 33,477.32 with such investments being primarily made into the development of the first version of the creditshelf Platform. These investments were financed from equity capital of creditshelf and partially shareholder loans.
- In the financial year 2016, creditshelf invested a total amount of EUR 178,687.37 with such investments being primarily made into the development of the first and second version of the creditshelf Platform (a relaunch of the creditshelf Platform was made in 2016) and the further development of the credit decisioning support and credit scoring algorithms including its fraud detection capabilities. These investments were financed from equity capital of creditshelf and partially shareholder loans.
- In the financial year 2017, creditshelf invested a total amount of EUR 508,774.76 with such investments being primarily made into the development of the creditshelf Platform and the further development of the credit decisioning support and credit scoring algorithms. These investments were financed from equity capital of creditshelf.

In the period from January 1, 2018 to the date of this Prospectus, creditshelf invested a total amount of approx. EUR 1,180,000 with such investments being primarily made into the further development of the credit decisioning support and credit scoring algorithms and models and their incorporation into the creditshelf Platform.

11.8.2. Investments that are in Progress

Since December 31, 2017, principal investments in the amount of approx. EUR 1,180,000 have been approved. The Company's investments primarily focus on the further development of the credit decisioning support and credit scoring algorithms and models and their incorporation into the creditshelf Platform. The Company has engaged a third-party IT service provider to help with these development projects. The development project is still ongoing and follows a staged process whereby the Company decides every two weeks about the development work to be undertaken by the IT service provider (if any).

These investments are funded from equity capital of creditshelf. Apart from these, there have not been and there are no principal investments that are in progress. Accordingly, creditshelf does not require funding for investments that are in progress.

11.8.3. Principal Future Investments

As of the date of this Prospectus, there are no principal future investments on which creditshelf's Management Board has already made a firm commitment. Accordingly, creditshelf does not require funding for investments that are in progress.

11.9. Information from the Annual Financial Statements for the Financial Year 2017 Prepared in Accordance with HGB

The annual financial statements of the Company for the financial year ended December 31, 2017 have been audited in accordance with Section 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institute of Public Auditors in Germany (*Institut der Wirtschaftsprüfer*) in Germany (together "**German GAAP**") by WKGT. Because of deviating accounting rules between IFRS as adopted by the European Union and HGB the equity under HGB is lower than under IFRS as adopted by the European Union. The financial statements under IFRS as adopted by the European Union relate to the consolidated creditshelf Group whereas the financial statements under HGB relate to creditshelf Aktiengesellschaft (formerly creditshelf GmbH) as a single entity, the latter being transformed into a German stock corporation (*Aktiengesellschaft, AG*) and decisive for dividend distribution.

creditshelf GmbH (referred to as creditshelf) made a loss of EUR 759,815.72 in 2017, 2.59% less than the loss of EUR 779,989.92 made in 2016. Revenues in 2017 amounted to EUR 1,041,049.92 compared to EUR 247,619.99 in 2016, an increase of 320.42% being due to the ramp up of the creditshelf Platform and the introduction of a servicing fee charged to investors. Expenses for purchased services of EUR 115,061.51 were incurred in 2017 compared to EUR 385,111.90 in 2016, being a reduction of 70.12%, due to the building of accruals for corresponding payments in previous years. Salary expenses amounted to EUR 1,113,742.06 in 2017, an increase of EUR 681,726.25 or 157.80% from the EUR 432,015.81 incurred in 2016 in line with the growth of the creditshelf Platform. Social security and pension contributions also increased from EUR 64,807.17 in 2016 to EUR 180,369.19 in 2017, an increase of EUR 115,562.02 or 178.32%. Overall return on sales in 2017 was approx. -73%, compared to approx. -315% in 2016.

Total assets increased by 96.40% from EUR 1,232,772.56 as of December 31, 2016 to EUR 2,421,207.37 as of December 31, 2017. This is due in large part to the increase of 269.89% in the book value of intangible fixed assets from EUR 138,953.00 to EUR 513,976.70, which represented the development of second version of the creditshelf Platform and the development of the Company's new risk assessment tool. In addition, receivables from creditshelf service increased by 7,987.57% from EUR 4,154.50 to EUR 335,997.95. This increase relates partly to proceeds which are attributable to creditshelf but which have been paid to its subsidiary creditshelf service, but the major part (EUR 266,000.00 in 2017, EUR 0.00 in 2016) relates to a one-off administration fee of EUR 3,500.00 per loan originated which creditshelf charges to creditshelf service for the day-to-day handling of its loan servicing obligations under a servicing contract between creditshelf service and creditshelf. In total, 76 such fees were charged in 2017.

Total liabilities increased by 96.40% from EUR 1,232,772.56 as of December 31, 2016 to EUR 2,421,207.37 at December 31, 2017. This increase mainly results from a capital injection proceeded in 2017 leading to an increase in equity of EUR 1,500,000.00. Furthermore, accruals for Virtual Participation Programs I and II have increased by EUR 227,660.00 in 2017.

11.10. Key Accounting and Valuation Principles

The following explanations about the key accounting and valuation principles represent the accounting policies used for the preparation of the Audited Consolidated Financial Statements under IFRS as adopted by the European Union. The accounts of the consolidated IFRS financial statements of creditshelf were prepared under going concern assumption and the profit and loss statement was prepared in accordance with the cost of sales method. The Company has identified the following key accounting policies of the creditshelf Financial Statements:

11.10.1. Intangible Assets

Intangible assets acquired are recognized at cost of purchase and will be depreciated using the straight line method according to their useful life. Impairments will be recognized if required. The depreciation is included in other operating expenses on the face of the financial statements and separately disclosed in the notes to the financial statements. The expected useful life and method of depreciation will be reviewed at the end of the reporting period and estimate changes are accounted for prospectively.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognized if, and only if, all of the following criteria have been met:

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

Costs for research activities are recognized as an expense in the respective period in which they have been incurred.

The amount initially recognized for internally-generated assets is the sum of the expenditure incurred from the date when the intangible asset first meets the criteria listed above. If an internally-generated intangible asset cannot be recognized, development expenditures are recognized in profit or loss in the period in which they are incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately. Capitalized development costs are generally amortized in the creditshelf Group over a useful life of five years.

An intangible asset is derecognized on disposal or when no further economic benefits are expected from its use. Gains or losses from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in the income statement when the assets are derecognized. They are reported under other operating income or other operating expenses.

11.10.2. Impairment of Non-Financial Assets

At the end of each reporting period the creditshelf Group reviews the carrying amounts of its tangible and intangible assets and whether there is any indication that those assets have to be impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to determine the recoverable amount of the individual asset, the creditshelf Group estimates the recoverable amount of the cash-generating unit to which the assets belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Tangible and intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have been adjusted.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized immediately in the profit and loss.

No impairment losses were recognized in 2017 or 2015. In 2016, an impairment of EUR 17,022 was recognized when the first version of the creditshelf Platform was retired and replaced with the newly developed and much more capable second generation that is currently in use and undergoing continuous improvements.

11.10.3. Deferred Taxes

Deferred taxes are accounted for using the balance sheet approach, which accounts for all recognition and measurement differences between the value in the IFRS balance sheet and the taxable value.

Basis of the calculation of deferred assets are the current tax rates for the period in which timely differences have been determined. A total tax rate of 31.925% has been applied for calculating deferred taxes. The total tax rate is made up of corporate tax of 15%, solidarity surcharge of 5.5% and a trade tax of 16.1%. The rate of assessment for the city of Frankfurt/Main, Germany, is 460%. Deferred tax assets and deferred tax liabilities are presented net in accordance with the provisions of IAS 12.

Changes in deferred taxes are generally recognized through profit or loss if the underlying items are also recognized through profit or loss and are not offset against equity.

Deferred tax assets on tax-deductible temporary differences, unused tax losses and unused tax credits are only recognized to the extent that it is probable that taxable profits will be available and could be utilized by the same taxable entity and the same tax authority in the foreseeable future.

11.10.4. Revenue Recognition

For 2017

The creditshelf Group has early adopted IFRS 15 and applied the standard in 2017 for the first time. Therefore, the accounting policy regarding revenue recognition has been changed from the principles of IAS 18 to the principles of IFRS 15. These principles have been applied to all new contracts with customers established in

2017. Subsequently, each contract with customers is evaluated using a five-step model and the time or period for revenue recognition is determined. The model contains the following steps:

1. determination of contracts with customers;
2. identification of independent services in the respective contract;
3. determination of the transaction price of the entire contract;
4. distribution of the total transaction price among the individual contractual services; and
5. revenue recording to the extent that the service obligation has been fulfilled.

In step 1, the transfer of control of the service to the customer must be determined. Certain criteria must be used to determine whether the power of disposition is transferred at a certain point in time or over a period of time. An indicator of this is, for example, the transfer of significant opportunities and risks.

The creditshelf Group generates sales in the following areas:

- fees to creditshelf from the brokerage of loans from borrowers; and
- fees to creditshelf service from the provision of services to investors.

In both revenue streams, only time-related revenues are generated using the criteria from IFRS 15. There were no revenues relating to a specific period in the financial year. In the Company's estimation, there are therefore no significant deviations from the revenue recognition procedure applied to date.

The standard was not applied retrospectively.

For 2015 and 2016

In the financial years 2015 and 2016, the Company has used the principles of IAS 18 to account for revenue recognition. Following these principles, revenues have been recognized when the creditshelf Group had provided its services and the creditshelf Group was able to reliably estimate the revenues. Furthermore, revenue was measured at fair value or the fair value of the consideration received considering the contractual obligations and other risks of default. Taxes and other levies are not considered in measuring revenues.

11.10.5. Share Based Compensation with Cash Settlement (Virtual Participation Programs)

Virtual Participation Program I

On November 4, 2015, the creditshelf Group implemented a virtual participation program (herein also referred to as "**Virtual Participation Program I**") for the benefit of its employees and/or advisors. The Virtual Shares under the Virtual Participation Program I, to the extent such Virtual Shares have been vested, entitle the beneficiaries to a one-time cash payment from the Company upon the occurrence of a so-called "exit event" with a successful Offering qualifying as an exit event, but not to any payments in case of dividends (please refer to Section 13.8.2 "*Employee Participation Program and Retention Bonus Agreements*" for a detailed description of the Virtual Participation Program I).

The amounts to be paid to the beneficiaries under this program shall only be settled in cash and are recognized at their fair value. This fair value is determined with the aid of an option pricing model based on the so-called Black-Scholes method. The Black–Scholes model is a mathematical model to evaluate amongst others the value of an option or other derivatives at a certain point in time. When calculating the fair value, the exit probability as assessed by the management for each individual effective date has been taken into account.

Dividend payments will not be taken into account when calculating the fair value. Expenditures resulting from entitlements earned by beneficiaries based on vested Virtual Shares under the Virtual Participation Program I will be reflected in provisions. Such provisions are built up on a monthly basis during the vesting periods for the Virtual Shares.

Virtual Shares which have not been fully vested yet will not be considered as expenditures.

The following Virtual Shares have been issued under this Virtual Participation Program I:

	Number of issued shares	**Number of the vested shares (pc)**	**Fair value (in EUR)**	**Total expenditure of the period (in EUR)**	**Inner value of the vested shares (in EUR)**
December 31, 2017	5,700	2,725	382,702.00	227,660.00	535,777.00
December 31, 2016	4,400	1,233	155,041.94	105,042.00	284,650.00

The valuation of the underlying time value on the basis of the following parameters is as follows:

	Subscribed capital (in EUR)	**Fair value per issued share[1] (in EUR)**	**Remaining time (in years)**	**Exit probability**	**Risk-free interest rate**	**Volatility**	**Dividends (in EUR)**
December 31, 2017	76,752.00	273.67	0.5	50.00%	-0.30%	46%	0.00
December 31, 2016	71,270.00	273.67	1.5	25.00%	-0.50%	66%	0.00

[1] Determined based upon the respective most recent capital increase at the time of issuing the shares.

The volatility is determined in the light of a peer-group of listed companies with similar business models as the creditshelf Group.

The capital increase resolved by the extraordinary general shareholders' meeting of creditshelf on June 18, 2018 from EUR 79,822 by EUR 1,045,178 to EUR 1,125,000, had in the Company's view a diluting effect on the value of the virtual shares granted to several employees of creditshelf under the Virtual Participation Program I. Therefore, the accruals built for the obligations in connection with the Virtual Participation Program I have been reversed from EUR 1,559,660.82 by EUR 1,411,681.56 to the amount of EUR 147,979.26 as of the date of this Prospectus.

Virtual Participation Program II

As of July 29, 2015, the Company entered into a virtual participation agreement with a cooperation partner (*i.e.*, MHB) granting it virtual participation in the Company's subscribed capital (herein also referred to as "**Virtual Participation Program II**") in addition to an existing cooperation agreement entered into by and between the aforementioned parties. The cooperation partner was initially granted 1,500 virtual shares with a nominal value of EUR 1.00 per virtual share entitling MHB to certain cash payments from the Company in certain pre-determined cases, including the payment of dividends or any transaction that results in a change-of-control on the level of the Company's shareholders (including cases in which a third party acquires more than 50% of the Company's share capital or voting rights in the Company or assets of the Company or the shareholders DBR, LDT, Wahtari and Hevella should together hold less than 50%, 25% or 5% of the Company's share capital or voting rights)) or in case that the Company is liquidated.

Based on the contractual structure of this Virtual Participation Program II, the fair value of a virtual share corresponds to the fair value of the corresponding actual shareholding in accordance with economic and financial mathematical principles. The calculation of the fair value of the virtual participation rights will be assessed in accordance with the general principles for carrying out company valuation and is based on the value of the respective corresponding share participation in creditshelf as it has been defined in the last funding round provided that such valuation was based on an arm's length principle and that the funding round has taken place within a period of one year.

Provisions for this Virtual Participation Program II will be re-assessed based on time-adjusted fair value of the newly issued share appreciation rights for each financial year. All changes in the provision will be taken into the profit or loss statements.

The following virtual shares have been issued under the Virtual Participation Program II (figures present the status as of December 31, 2017):

Issue date	Number of issued shares	Strike price (in EUR)	Value of underlying asset (in EUR)	Fair value per issued share (in EUR)	Total fair value (in EUR)
July 29, 2015	1,500.00	0.00	273.67	273.67	410,505.00

The expenses recorded in the balance sheet for Virtual Participation Program II in the financial year 2017 amount to EUR 0.00, in the financial year 2016 to EUR 335,520.00 and in the financial year 2015 to EUR 74,985.00.

For detail regarding the agreement with MHB including a recent amendment agreement that was entered into between MHB and the Company after March 31, 2018, please see Section 13.11.1 "*Cooperation Agreement with MHB*". Under such amendment, MHB was granted another 19,640 virtual shares to compensate the dilutive effect of the capital increase from EUR 79,822 to EUR 1,125,000 that the general shareholders' meeting of the Company resolved upon on June 18, 2018. Otherwise, the commercial terms of the contract remained unchanged.

12. MARKET ENVIRONMENT

Certain market and industry data and forecasts used and statements regarding creditshelf's position in the relevant market or market segment made in this Prospectus are based on various government, market research and other publicly available information, including from certain competitors, as well as reports by independent industry publications and own analysis of multiple sources, see Section 4.4 "*Information from Third Parties and Information about Sources*". creditshelf has made certain adjustments to such third-party data based on internal information, assumptions and estimates in order to present what it believes is a more accurate description of the addressed and adjacent markets and market segments.

12.1. Introduction

The Company regards itself as a FinTech company, with "FinTech" being the abbreviation for *financial technology*.

The term FinTech describes a group of companies that combine financial services with modern, innovative technologies (Source: Dorfleitner, Gregor/Hornuf, Lars – "The FinTech Market in Germany" a study commissioned by the German Federal Ministry of Finance, Final Report October 17, 2016). FinTech companies aim to attract customers with more user-friendly, efficient, transparent and automated products and services compared to those of traditional banks. The market place/P2P online lending market can be described as a sub segment of the FinTech market. In the Company's view, P2P lending describes the practice of lending money from one person in the role of "P2P lender" to another person in the role of "P2P borrower" as compared to a bank lending money to a borrower. P2P lending can be done directly from the "P2P lender" to the "P2P borrower" (if this is permitted under applicable law) or indirectly through a Fronting Bank (the latter is the case for the creditshelf Platform).

The Company has identified a structural gap in unsecured credit supply in the segment of small- and medium-sized enterprises as banks are increasingly retrenching from lending to small- and medium-sized borrowers due to increased capital and liquidity requirements as well as the relatively high process costs. creditshelf offers alternative financing solutions for small- and medium-sized companies with a focus on the German market (for more information on creditshelf's understanding of "SME borrowers" that are its target market, see Section 13.3.5 "*creditshelf's Understanding of the SME Market*"). Via its P2P market place, the creditshelf Platform, the Company brings together SME borrowers looking for unsecured credit and professional investors looking for investment opportunities in this asset class. The creditshelf Platform offers a highly efficient, automated credit process for both, SME borrowers and suitable investors. The services offered on the creditshelf Platform focus on the Business to Business (B2B) market, *i.e.* consumers are explicitly excluded as borrowers and investors.

12.2. Overall Economic Environment

Through the creditshelf Platform, creditshelf addresses SME borrowers from Germany who are exposed to the overall economic development in Germany. The German economy is characterized by robust and supportive fundamentals. Based on data by the International Monetary Fund (the "**IMF**") (Source: IMF – "World Economic Outlook", April 2018), the German economy has been constantly growing since 2008 (based on real gross domestic product – the "**GDP**") except for the crisis year 2009. Germany has achieved a real GDP growth of +2.5% in 2017 which is also expected for 2018. Likewise, the unemployment rate has developed positively, decreasing from 7.4% in 2008 to 3.8% in 2017 which is expected to further decrease to 3.5% in 2020.

The positive market characteristics contribute to the overall low default rates of German corporates. According to data from Creditreform, the aggregated default rate of German corporates peaked in 2009 with 2.2% and have since then improved to 1.5% in 2016 (Source: Creditreform – "Default Study – Ausfallraten in der deutschen Wirtschaft", 2013-2017). For German corporates with revenues between EUR 20,000,000 and EUR 50,000,000, creditshelf's core clients, the default rates are even lower with 1.0% in 2011 and 0.6% in 2016, as the probability of default decreases with the size of the company.

This underlines the attractive market fundamentals of the German economy which is characterized by high resilience, steady growth, low unemployment and resulting low default rates of German corporates.

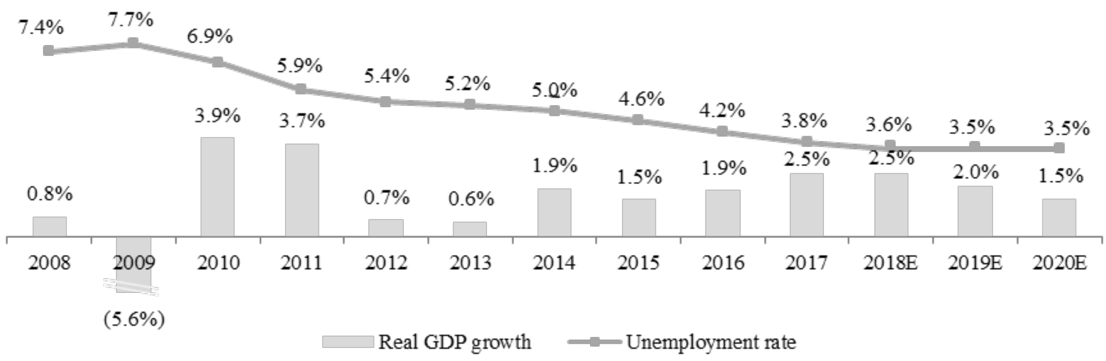

Figure 1 – Development of Real GDP and unemployment rates in Germany

(Source: IMF – "World Economic Outlook, April 2018", 2018)

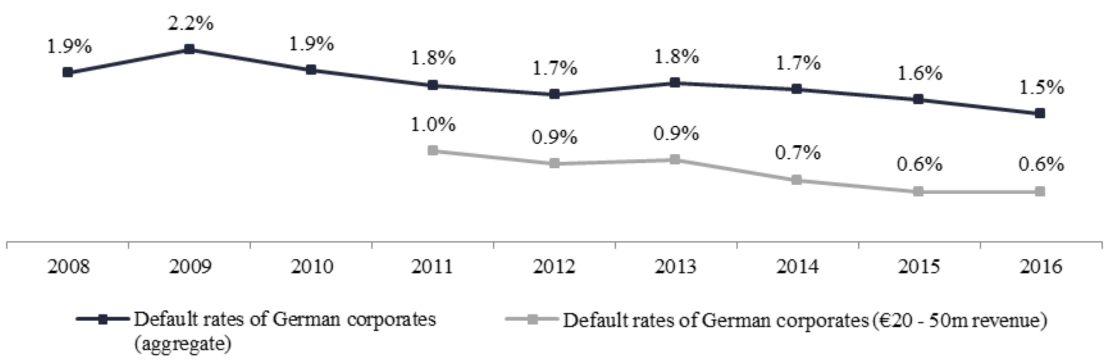

Figure 2 – Default rates of German corporates (by number)

(Source: Creditreform – "Default Study – Ausfallraten in der deutschen Wirtschaft", 2013-2017; Creditreform

– "Ausfallraten in der deutschen Wirtschaft 2014", 2015; Creditreform – "Ausfallraten in der deutschen Wirtschaft", 2013)

According to a study by EY, 93% of small- and medium-sized enterprises report positive or very positive current market sentiment (Source: "EY – Mittelstandsbarometer Januar 2018", January 2018). 60% of German small- and medium-sized enterprises expect increasing revenues for 2018. The positive sentiment translates into 94% of German small- and medium-sized enterprises expecting increasing or stable investments which marks an all-time high since inception of the study in 2007. Furthermore, 36% of small- and medium-sized enterprises are planning to hire additional employees, which represents as well an all-time high.

12.3. Financing of Small- and Medium-Sized Companies in Germany

12.3.1. The Credit Gap – Increasing in Credit Demand and Supply

In the wake of the financial crisis, banks have been facing increased regulations (*e.g.* Basel III) leading to increased capital and liquidity requirements and shrinking returns on equity which had a direct impact on their lending behavior, in particular to small- and medium-sized companies (Source: The World Bank – "Alternative Data Transforming SME Finance", 2017). This led to a mismatch between overall credit demand and credit supply – the so-called "credit gap". According to data from KPMG (Source: KPMG – "TWINO Alternative Lending Index 2016", 2017), the aggregate credit gap in Europe has significantly increased in recent years. Whilst in 2010 credit demand exceeded supply by EUR 20 billion, as per Q3/2016 the credit gap had increased to EUR 410 billion representing 11.3% of total GDP. More precisely, the credit gap represents excess demand for credit that traditional banks are not able or not willing to meet which has an adverse impact on the ability of potential borrowers to obtain bank financing.

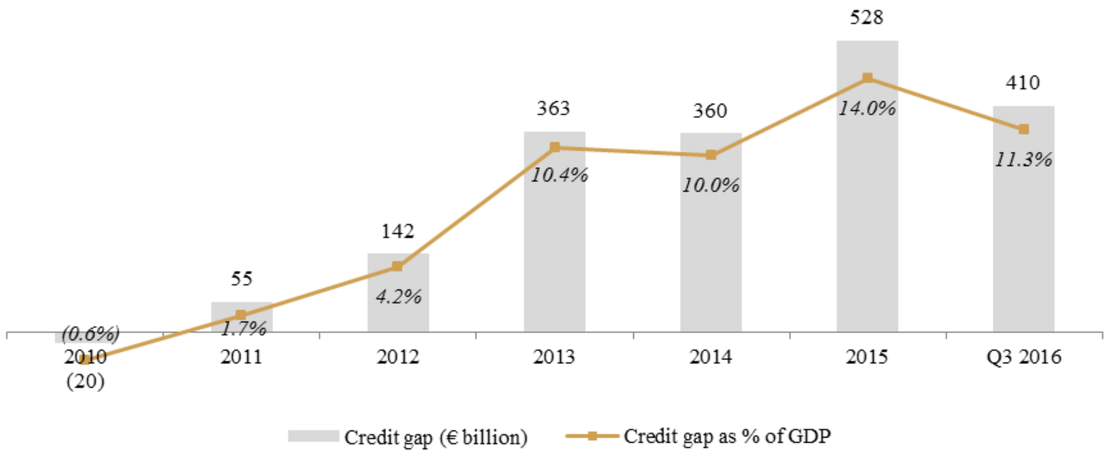

Figure 3 – Development of the European credit gap

(Source: KPMG – "TWINO Alternative Lending Index 2016", Spring 2017)

The Company estimates the credit gap of German small- and medium-sized enterprises by comparing the growth of the German nominal GDP, as a proxy for small- and medium-sized enterprise growth, and the growth of bank loans to small- and medium-sized enterprises in Germany. Following the financial crisis in 2008, bank loan volumes to German small- and medium-sized enterprises with revenues below EUR 50,000,000 have stagnated and only grew by 2.1% from 2005 to 2016 (Source: Mietzner, Mark – "Die globale Fintech-Revolution: eine Chance für KMUs", Zeppelin Universität Working Paper / Finance & Accounting, 04/2018). On the other hand, German nominal GDP has grown by 36.6% over the same time period (Source: IMF – "World Economic Outlook", April 2018). Assuming that small- and medium-sized enterprise financing should grow broadly in line with nominal GDP, an implied credit gap is observable. Applying the gap of approx. 35% between small- and medium-sized enterprise bank loan growth and nominal GDP growth to the 2005 German small- and medium-sized enterprise bank loan volumes of EUR 287 billion, the small- and medium-sized enterprise credit gap amounts to EUR 100 billion as per 2016. This credit gap reflects small- and medium-sized enterprise financing needs that have either been replaced by alternative forms of financing or could not been met at all (please refer to Section 12.3.2 "*Bank Financing for Small- and Medium-Sized Enterprises*"). small- and medium-sized enterprises have in particular increased the share of equity financing, *i.e.* the most expensive form of financing, which has subsequently increased the creditworthiness of small- and medium-sized enterprises. Other forms of financing alternatives include working capital financing or supplier credits.

12.3.2. Bank Financing for Small- and Medium-Sized Enterprises

According to data from the Deutsche Bundesbank, in 2015 German enterprises with annual revenues of up to EUR 50,000,000 had approx. EUR 284 billion liabilities towards banks and other financial institutions. Although official statistics are not yet available, estimates assume a potential of approx. EUR 293 billion for 2016 (Source: Mietzner, Mark – "Die globale Fintech-Revolution: eine Chance für KMUs", Zeppelin Universität Working Paper / Finance & Accounting, 04/2018).

Total bank loan volumes to this group of enterprises have remained stable over recent years (EUR 287 billion in 2005 versus EUR 284 billion in 2015), however, the relative importance of this financing source has steadily declined. Whilst bank loans represented 30.2% of total assets and 42.4% of total liabilities of enterprises with annual revenues of up to EUR 50,000,000 in 2005, these shares have decreased to 22.6% and 36.0% in 2015 respectively, indicating that this group of borrowers faced increasing hurdles to get bank financing following the financial crisis.

In EUR billion	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
	as % of total assets										
Equity	16.8	17.7	18.2	19.0	20.8	22.0	22.8	23.9	25.3	25.9	27.3
Total liabilities	71.2	70.1	70.2	69.7	68.0	67.7	67.1	66.4	64.9	64.3	62.8
Bank borrowings	30.2	29.5	28.4	28.5	27.2	26.0	25.3	25.0	24.5	23.9	22.6
Other liabilities	41.0	40.6	41.9	41.3	40.7	41.7	41.9	41.4	40.4	40.4	40.2
Provisions	11.3	11.5	10.9	10.6	10.5	9.6	9.3	9.1	9.1	9.1	9.2
Accruals	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
	as % of total liabilities										
Bank borrowings	42.4	42.1	40.4	40.8	40.1	38.4	37.7	37.7	37.8	37.2	36.0
thereof short-term	17.2	16.7	16.3	16.8	16.6	16.6	15.9	16.1	16.3	16.1	15.8
thereof long-term	25.2	25.4	24.1	24.1	23.4	21.8	21.8	21.5	21.5	21.1	20.3
Total bank borrowings	287	291	300	305	294	289	289	294	294	293	284
Financing costs	8.1	8.2	8.5	8.8	8.4	8.3	8.3	8.0	7.7	7.3	7.2

Selected financial items of German corporates with revenues up to EUR 50,000,000
(Source: Mietzner, Mark – "Die globale Fintech-Revolution: eine Chance für KMUs", Zeppelin Universität Working Paper / Finance & Accounting, March 2018)

in EUR thousand	2010	2011	2012	2013	2014	2015	2016
Corporate with annual revenues between EUR 5,000,000 to EUR 10,000,000							
Bank borrowings as % of total liabilities	30.0	29.2	30.8	32.5	27.5	42.4	17.6
Corporate with annual revenues between EUR 10,000,000 to EUR 25,000,000							
Bank borrowings as % of total liabilities	35.0	29.8	30.5	28.9	28.7	24.5	22.0
Corporate with annual revenues between EUR 25,000,000 to EUR 50,000,000							
Bank borrowings as % of total liabilities	35.2	32.1	30.1	29.9	31.3	29.1	31.6

Share of bank financing as percentage of total liabilities by revenue brackets of German corporates with annual revenues of up to EUR 50,000,000
(Source: Mietzner, Mark – "Die globale Fintech-Revolution: eine Chance für KMUs", Zeppelin Universität Working Paper / Finance & Accounting, March 2018)

There is a range of particular reasons that explain increased difficulties for small- and medium-sized businesses to obtain classic bank financing. These include among others:

- typically sub-investment grade credit ratings for small- and medium-sized enterprises demand high and increasing regulatory capital (risk weighted assets) for banks under Basel II and III regimes;

- relatively smaller loan sizes and corresponding revenues compared to large corporations reduce attractiveness of small- and medium-sized enterprises as focus clients for banks;
- high process cost and lengthy approval times due to low standardization in credit processing in bank organizations; and
- shift in client preferences from analog (client advisors in bank branches) to digital solutions.

With regard to financing costs, available data suggests that enterprises with revenues below EUR 50,000,000 face substantial interest costs for bank financing. These amounted on average to 7.2% in 2015, down from 8.8% in 2008 (Source: Mietzner, Mark – "Die globale Fintech-Revolution: eine Chance für KMUs", Zeppelin Universität Working Paper / Finance & Accounting, March 2018). This represents a significant premium to financing costs of large enterprises and lies within creditshelf's indicative coupon range of 6.0% to 12.0% *p.a.* (approx. 87% of loans brokered via the creditshelf Platform carry coupons within this range).

12.3.3. Trends to Alternative Financing

Based on the increasing difficulties for small- and medium-sized enterprises to obtain bank financing as described under Section 12.3.2 "*Bank Financing for Small- and Medium-Sized Enterprises*", corporates are increasingly exploring alternatives to traditional bank financing. These may include internal financing by means of equity, notably by not distributing available profits but reinvesting them in the business or maintaining and building up liquidity reserves (Source: Deutsche Bundesbank – "Entwicklung der Unternehmensfinanzierung im Euroraum seit der Finanz- und Wirtschaftskrise", monthly report January 2018). Moreover, efficient working capital management and factoring (German market volume of EUR 210 billion in 2015) complement the financing mix of corporates (Source: Mietzner, Mark – "Die globale Fintech-Revolution: eine Chance für KMUs", Zeppelin Universität Working Paper / Finance & Accounting, March 2018).

In addition, the rise of innovative (digital) FinTech business models has broadened the debt financing options available to small- and medium-sized enterprises. Please refer to Section 12.4 "*The FinTech Industry*" below for a detailed description of the latter and the relevance for financings of small- and medium-sized enterprises.

12.4. The FinTech Industry

12.4.1. Introduction to FinTech

The term "FinTech", a short-form for *financial technology*, describes a group of companies that combine financial services with modern, innovative technologies (Source: Dorfleitner, Gregor/Hornuf, Lars – "The FinTech Market in Germany" a study commissioned by the German Federal Ministry of Finance, Final Report October 17, 2016). According to this definition, companies in the FinTech industry can be divided into four major segments in accordance with their distinctive business models. By analogy with traditional value-adding areas of a universal bank, FinTech companies can be classified on the basis of their involvement in *financing*, *asset management*, *payment transactions*, as well as *other FinTechs* as a loose assortment of companies that perform other services.

12.4.2. FinTech Adoption Rates

Whilst there is only limited data available for the adoption rate of FinTech among corporates, in many key markets around the world, including Germany, the percentage of digitally active consumers using FinTech services has achieved initial mass adoption and is expected to continue to increase significantly. EY found an average adoption rate in 2017 across all twenty survey markets of 33%, with 35% for Germany (Source: EY – "EY FinTech Adoption Index 2017", 2017). In the sub-segment of *FinTech Borrowing*, adoption rates in key markets vary (China: 46%, India: 20%, Brazil: 15%, US: 13% and Germany: 12% versus 2.9% in 2015) (Source: EY – "EY FinTech adoption index – Germany", 2016).

Moreover, adoption rates of other technologic innovations have shown strong momentum in Germany. As an example, the share of online purchasers as percentage of total population has increased from 9.7% in 2000 to 49.6% in 2005 (Source: Statista – "Anteil der Online-Käufer an der Bevölkerung in Deutschland von 2000 bis 2016", 2018).

Although the studies mentioned above only surveyed the online adoption rates in the B2C space, the Company considers it likely that the adoption rates for marketplace lending for small- and medium-sized enterprises will show similar trends. This is supported by the observation that many tech trends have started in the B2C markets with adoption in B2B following with a certain delay.

This assumption is supported by figures from the more mature online P2P lending market in the United Kingdom of Great Britain and Northern Ireland (the "**United Kingdom**" or the "**UK**") where a survey published in 2016 showed that already about 13.9% of small- and medium-sized companies (as defined by the authors of the survey) used offers from FinTech companies to finance their operations (Source: Dorfleitner, Gregor/Hornuf, Lars – "The FinTech Market in Germany" a study commissioned by the German Federal Ministry of Finance, Final Report October 17, 2016).

This corresponds with an overall trend in mass adoption of technologic innovations: While it took 16 years until 25% of the US population were using a PC, the respective adoption time frame in the case of the iPhone corresponded to only 2.5 years (Source: King, Brett – "Augmented: Life in the Smart Lane", 2016).

12.4.3. Online P2P/Marketplace Lending

Introduction of Marketplace Lending

Marketplace lending (or P2P lending) is a direct alternative to a bank loan with the difference that, instead of borrowing from a single source, companies and private individuals can borrow directly or indirectly (through a Fronting Bank) from several investors. Borrowers and investors are brought together via online platforms for loan transactions, resulting in the disintermediation of more traditional financial institutions. By utilizing web-based services and big data processing, the online P2P lending model has developed efficient and effective ways to analyze and categorize credit risk. Big data processing is the technologically driven foundation that allows the platforms to design models utilizing large amounts of data and information obtained through third-party sources, to make educated decisions on a borrower's creditworthiness.

Forms of Marketplace Lending

The concept of the online marketplace lending covers a broad range of product offerings, including the following:

- **Consumer loans**: Consumer marketplace lending platforms match retail borrowers with retail as well as institutional investors and can represent a cost effective alternative to traditional bank lending.

- **Small- and medium-sized enterprise loans**: Platforms operating in this asset class (such as creditshelf) focus on connecting institutional and/or retail capital to small- and medium-sized enterprises requiring debt finance. Typically, small- and medium-sized enterprises that are accepted as potential borrower are established businesses. Compared to consumer loan focused platforms, ticket sizes of the brokered loans and minimum financial commitments of the investors are significantly higher.

- **Factoring**: Factoring, or invoice discounting, has emerged as a lending asset class whereby a platform enables advances to be made against invoices or purchases of invoice receivables. This form of financing allows businesses to optimize working capital and receive advances on cash due from their customers. For 2015, the volume of factoring that was executed via FinTechs in Germany amounted to over EUR 500,000,000 (Source: Dorfleitner, Gregor/Hornuf, Lars – "The FinTech Market in Germany" a study commissioned by the German Federal Ministry of Finance, Final Report October 17, 2016).

12.4.4. Online Marketplace Lending for Small- and Medium-Sized Enterprises

Against the background of the increasing availability of alternative forms of small- and medium-sized enterprise financing coupled with restricted access to bank loans, FinTechs and in particular market place lending platforms nowadays play an important role for small- and medium-sized enterprises to complement existing sources of financing and to address the credit gap. The rapidly growing group of marketplace lenders are putting the use of digital data and advanced analytics at the center of their business models, thereby materially improving the small- and medium-sized enterprise lending status quo leading to more transparent, faster, easier, and better-tailored financing solutions for small- and medium-sized enterprises (Source: The World Bank – "Alternative Data Transforming SME Finance", 2017).

Key benefits of market place lending models versus traditional bank lending include, among others:

- short timeframe required for credit decisions due to efficient credit approval process;
- reduced process costs, due to a high degree of automatization and standardization;
- advanced, multi-dimensional data-driven analysis beyond the sole analysis of financial statements; and
- adequate loan pricing based on a high degree of transparency.

In a study conducted by the Company in cooperation with the University of Darmstadt, citing the most relevant features for the SME sector that make marketplace lending attractive, respondents listed prompt credit decisions (56% of respondents), alternative to overdraft facility (45%), broadening of the financing base (42%), independence from banks (42%) and access to unsecured loans (40%) as key criteria (Source: creditshelf in cooperation with Prof. Schiereck from the Technical University Darmstadt – "Finanzierungsmonitor 2018", (survey) 2018).

Accordingly, the market volume for small- and medium-sized enterprise market place lending has been strongly increasing globally over recent years: The respective market volumes in 2015 amounted to USD 41.7 billion in China (CAGR 2013-2015: +433%), USD 4.8 billion in the US (CAGR 2013-2015: +140%), USD 1.8 billion in the UK (CAGR 2013-2015: +101%) and EUR 0.3 billion in Europe excluding the UK (CAGR 2013-

2015: +168%) (Source: University of Cambridge – "The Asia-Pacific Alternative Finance Benchmarking Report 2016", 2016; University of Cambridge – "The Americas Alternative Finance Benchmarking Report 2016", 2016; University of Cambridge – "The 2nd European Alternative Finance Industry Report 2016", 2016; The World Bank – "Alternative Data Transforming SME Finance", 2017). According to a study of Liberum, the market potential for online direct lending (defined as smaller loan size direct lending to small- and medium-sized enterprises and consumers) in Europe (excluding the UK) has a growth potential of up to EUR 250 billion until 2025 (Liberum – "Direct Lending: Finding value/minimising risk", October 20, 2015).

12.4.5. Assessment of Market Potential in Germany

A study by Zeppelin University Friedrichshafen that has analyzed bank lending to small- and medium-sized enterprises in Germany (author's definition of small- and medium-sized enterprises: enterprises with annual revenues up to EUR 50,000,000) estimates a total volume EUR 293 billion of bank loans to this group of corporates for 2016 (Source: Mietzner, Mark – "Die globale Fintech-Revolution: eine Chance für KMUs", Zeppelin Universität Working Paper / Finance & Accounting, April, 2018). The author conservatively estimates the market penetration potential for FinTechs in this space to amount to 10% still representing a discount to the observed SME penetration rate in the UK of 13.9% in 2015 (Source: Dorfleitner, Gregor/Hornuf, Lars – "The FinTech Market in Germany" a study commissioned by the German Federal Ministry of Finance, Final Report October 17, 2016).

Taking into account the additional market potential from the credit gap in Germany of EUR 100 billion (please refer to Section 12.3.1 "*The Credit Gap – Increasing in Credit Demand and Supply*" for the calculation) and applying the same 10.0% market penetration potential, the resulting addressable target market of German SME marketplace lending, creditshelf's target market, amounts to approx. EUR 39 billion.

12.4.6. Increasing Importance of FinTech Cooperations with Traditional Banks

In response to the growing presence of FinTechs in the market, financial institutions in Germany have been ramping up their activities aiming at dealing with the FinTech challenge.

In a recent survey the consulting firm EY identified a trend in the German FinTech market to business models that are more cooperation based. FinTechs operating B2B models are likely to face more cooperative response with established industry players (Source: EY – "Germany FinTech Landscape", 2017). These findings are in line with the PwC Global FinTech Report 2017, according to which 82% of incumbent financial institutions expect to increase FinTech partnerships in the next three to five years (Source: PwC – "PwC Global FinTech Report 2017", 2017).

According to the consulting firm EY, in 2016 the average return on equity ("**ROE**") for the largest 200 global banks was just over 7.1% (Source: EY – "Unleashing the potential of FinTech in banking", 2017). To achieve a ROE of 12%, the top 200 global banks need to increase their revenues by 15% and reduce costs by 13.7%. EY considers it an imperative for banks looking to rebuild sustainable ROE that they build better ecosystems that will be founded on collaboration with FinTech firms, industry utilities and an array of other service providers to help reduce structural costs, enable enhanced regulatory compliance and better serve customers.

Cooperations between traditional banks and FinTechs may carry significant benefits for both banks as well as FinTechs. While partnerships allow banks to outsource part of their R&D and develop innovative solutions quickly, FinTechs benefit from access to large sets of relevant data (Source: PwC – "PwC Global FinTech

Report 2017", 2017). Moreover, partnerships enable FinTechs to get access to banks' large customer bases, thereby reducing customer acquisition costs. In addition, challenges resulting from cross-border expansion of FinTechs can be addressed through cooperations.

Against this background creditshelf plans to significantly expand its bank cooperations, for example by entering into cooperation agreements with Commerzbank regarding amongst others the referral of certain potential borrowers from its network to the creditshelf Platform. In addition, the Company has initiated discussions regarding potential cooperations with a number of other private and commercial banks (for details see Section 13.3.2 "*Potential Bank Cooperations*").

12.5. Competitive Environment

With the creditshelf Platform the Company addresses SME companies (as defined by the Company, for details see Section 13.3.5 "*creditshelf's Understanding of the SME Market*") primarily in Germany. As such it faces competition amongst others from banks and financial institutions that apply FinTech tools and technologies to originate loans with increasingly shorter decision cycles. As these competitors originate the loans themselves, they are not P2P lending platforms and are often referred to as so-called "balance sheet lenders". In addition, creditshelf considers other P2P lending platforms with a special focus on small- and medium-sized borrowers in Germany to be its main competitors. Selected competitors comprise the market place lenders Funding Circle (UK), Lendix (France), Lendico (Germany) and Kapilendo (Germany) as well as challenger bank RiverBank (Luxembourg). However, creditshelf believes that it has a distinguished positioning in a market segment that is not yet covered by the aforementioned players, in particular with regards to target borrower size, loan volumes and targeted investors.

Banks, which originate loans themselves and referred to as "balance sheet lenders" may also be considered as competitors.

However, creditshelf considers itself not only to be a potential competitor of such loan originating banks but also as a potential cooperation partner for these banks because of the following reasons:

- banks that do not wish to extent loans to borrowers in the small- and medium-sized enterprises lending segment could refer an expression of interests for such loans resulting from their network to creditshelf;
- banks that wish to continue to be engaged in the origination of loans to small- and medium-sized enterprises may cooperate with creditshelf and use the products and services of creditshelf (in particular the credit decisioning support and credit scoring algorithms) to make their own processes for reviewing and deciding on loan applications faster and more efficient; and
- banks which are currently not originating loans to small- and medium-sized enterprises borrowers may want to offer such customers loan products without operating an own full range credit team. creditshelf could offer such banks its technology to support their processes. Such banks may also sell and transfer the loan receivables to investors using the creditshelf Platform.

13. BUSINESS DESCRIPTION

13.1. Overview

The Company is a pioneer of online market place lending for the small- and medium-sized enterprises segment in Germany that connects through the creditshelf Platform borrowers and investors and considers itself as the market- and technology leader in the fast-growing German market place lending segment for loans to small- and medium-sized enterprises. creditshelf targets a certain segment of the small- and medium-sized enterprise market in Germany as further described in Section 13.3.5 "*creditshelf's Understanding of the SME Market*".

The creditshelf Group is primarily engaged in the operation of the creditshelf Platform. In brief, the creditshelf Platform is a curated online credit market place that is accessible via the website www.creditshelf.com. The creditshelf Platform is designed (i) to match the financing needs of SME borrowers with investors willing to invest in loan receivables and (ii) to broker the corresponding loans. creditshelf does not issue any loans itself for regulatory reasons and is thus no balance sheet lender. Rather, through the creditshelf Platform suitable borrowers seeking loans and suitable investors willing to invest in such loans are brought together. The loans themselves are originated through the Fronting Bank. If investors have submitted sufficient funding offers through the creditshelf Platform, the Fronting Bank takes an independent credit decision. In case of a positive credit decision, the Fronting Bank issues a loan to the borrower and the resulting receivables (including claims for repayment and for payment of interest) are sold to the respective investors through creditshelf service and transferred to a syndicate formed by creditshelf service and the respective investors.

creditshelf's principal business activities as a service provider include:

- selecting suitable credit projects that shall be admitted to the creditshelf Platform and offered to registered investors;
- analyzing the creditworthiness of potential borrowers and providing a credit scoring based on creditshelf's proprietary intelligent data-driven risk management algorithms and models;
- pricing a potential credit project by suggesting a pricing for a potential loan to investors by specifying a range for interest rates;
- assisting borrowers to obtain a loan from the Fronting Bank if sufficient funding commitments are made by investors on the creditshelf Platform, provided that in any case the Fronting Bank makes its own credit decision; and
- servicing the credit project if the Fronting Bank decides to issue the loan to the borrower. These services include the following: After creditshelf service has purchased the loan receivables from the Fronting Bank and sold them (in tranches) to the investors, creditshelf service then collects payments from the borrower on the loan including interest and distributes such payments net of servicing fees to the respective investors. For this reason, creditshelf service and the investors enter into a syndicate which holds the loan receivables and which is managed by creditshelf service. In case of a potential default of the borrower, creditshelf service will perform limited workout services. Such limited workout services include reaching out to the borrower, inquiring about the status of the repayment and requesting payment. Neither creditshelf nor creditshelf service will, however, engage in any further enforcement actions. Rather, creditshelf service has servicing agreements with a third-party service provider (HmcS Gesellschaft für Forderungsmanagement mbH ("**HmcS**")) in place. HmcS will provide services for distressed debt collections and also performs standing back-up servicing. This means that in case that creditshelf service should no longer be able to service the loans as described

above, HmcS would take such services over to avoid any disruptions of services.

These selection, analysis and pricing services are performed by creditshelf only in order to maintain the integrity and quality of the creditshelf Platform. Neither creditshelf nor creditshelf service provide any investment or other advice to borrowers or investors whatsoever. Neither creditshelf nor creditshelf service assume any liability whatsoever for the repayment of the loan including accrued interest. creditshelf service is only affected by a potential default of a borrower on its payment obligation in that it may lose the servicing fees it charges to investors which only becomes payable when the borrower repays on the respective loan receivables (see Section 13.5 "*Revenue Streams*").

The creditshelf Group generates revenues by charging (i) a brokerage fee from the borrower that becomes due when the Fronting Bank issues a loan to a borrower and (ii) servicing fees from the investors that become due when the borrower repays on the loan (principal amount and accrued interest) for which the investors have submitted a financing commitment (for details see Section 13.5 "*Revenue Streams*").

The creditshelf Group currently focusses on the German lending market and does only broker loans to German borrowers while investors on the creditshelf Platform may be German or international.

Pursuant to the Audited Consolidated Financial Statements, creditshelf Group generated revenues in amounts of EUR 10,625 in the financial year ended on December 31, 2015, EUR 247,619.99 in the financial year ended December 31, 2016 and EUR 1,201,929.67 in the financial year ended December 31, 2017. In the three-month period ended on March 31, 2018, the creditshelf Group's revenues amounted to EUR 316,967.16. The net losses of the creditshelf Group amounted to EUR 240,662.64 in the financial year ended December 31, 2015, EUR 840,646.26 in the financial year ended December 31, 2016 and EUR 756,742.63 for the financial year ended December 31, 2017. In the three-month period ended on March 31, 2018, the creditshelf Group's net loss amounted to EUR -1,429,575.63.

The Company tracks the Euro amount of requests for credit projects it receives, *i.e.* the initial amounts in credit project applications made by potential borrowers to the Company prior to any review processes. In total, the Company received more than 1,100 requests for credit projects with a total amount of approx. EUR 900,000,000 in the period from the launch of the creditshelf Platform until March 31, 2018. In total, 127 loans were brokered through the creditshelf Platform in the period from the launch of the creditshelf Platform until March 31, 2018 with a total volume of approx. EUR 58,470,000. In the second half year ("**H2**") of 2017, the brokered loans had an average volume of approx. EUR 540,000, an average interest rate of approx. 9% and an average tenor of approx. 17 months.

13.2. Competitive Strengths

13.2.1. Scalable creditshelf Platform with Attractive Value Proposition

Value Proposition

creditshelf's goal is to enable SME borrowers to request and access credits at adequate rates on the one hand, while providing investors the opportunity to invest in loans granted to SMEs with attractive risk-adjusted rates of return on the other hand.

The Company believes that its online market place model has key advantages relative to traditional banks, including (i) an innovative market place model that efficiently connects qualified supply and demand of capital, (ii) online operations that substantially reduce the need for physical infrastructure and improve convenience,

(iii) data and technology driven automation that increases efficiency and provides better borrower and investor experience, and (iv) a data-driven approach to business selection and risk assessment that improves risk/return characteristics of loan portfolios compared to traditional methods.

With its creditshelf Platform, the Company addresses the following key issues for SME borrowers.

- SME borrowers may have significant short-term financing needs, *e.g.* to finance working capital requirements or small/short-term investments and require a fast decision for their credit project. In the Company's perception, traditional banks often rely on review processes that are either not or only to a very limited extent automated and are thus rather time consuming.

- SME borrowers may lack access to capital market funding, *e.g.* because of their limited size or a lack of a sufficient track record.

- SME borrowers may lack access to bank lending for a variety of reasons including (i) the inability to offer sufficient security to banks, (ii) unwillingness of banks to extend credit to this customer class due to high costs for their risk assessment, and (iii) economic inability of banks to extend credit due to high capital costs induced by statutory equity requirements.

- Other financing options may be economically less attractive or not available, *e.g.* due to high costs for factoring or supplier credit.

Investors using the creditshelf Platform are seeking investment opportunities that may offer higher yields than other alternative asset classes. For example, in the current market and interest environment investments in traditional debt products such as governmental or corporate bonds often yield only returns that are considered unattractive by many investors. While investments in a portfolio of SME loans may offer more attractive financial returns, investors may have no or only limited access to the investment market of SME loans or may only indirectly tap into this market through investments in debt funds. An investment in a debt fund will, due to minimum investment amounts, often require significant resources and such debt funds often focus on larger corporations. The extension of credits directly to SME borrowers is often not a feasible option for investors given the high transaction costs an investor might face for evaluating and pricing a credit application. In addition, under mandatory German rules, investors would be generally barred from extending loans directly to borrowers unless they have the required license under the KWG.

The Company believes that the creditshelf Platform provides an attractive option to match these interests of borrowers and investors in an efficient way. The creditshelf Platform is designed to allow an efficient and fast review of credit project applications based on a partly digitalized and automated process with low transaction costs. Potential borrowers submit their information and documentation online through the creditshelf Platform. The staged review process allows creditshelf to give a first indication whether the credit project can potentially be admitted to the creditshelf Platform and what a potential interest rate range could look like within a period of usually no more than one to two business days. This process allows the Company to efficiently filter out credit applications that do not merit a further detailed review. creditshelf believes that its proprietary credit decisioning support and credit scoring algorithms and models are designed to provide an adequate assessment of the creditworthiness of a potential borrower and an appropriate risk-adjusted interest rate. Investors get access to the asset class of SME loan receivables at relatively low transaction costs and can invest in SME loan receivables in accordance with their own investment criteria, *e.g.* ticket sizes.

Scalable creditshelf Platform at the Core

creditshelf addresses the entire credit lifecycle from loan application to repayment for all parties involved in a single system tailored to the needs of SME borrowers. At the heart of its system is the creditshelf Platform, a scalable and (in many process steps already) automated platform, laying the foundation for future growth. The Company believes that the creditshelf Platform enables a high degree of future automation and thus allows high, cost-efficient scalability of the Company's business model. Modularly built, the creditshelf Platform handles most parts of the User relationship and lead management, the handling of credit project applications, the risk analysis support, the loan processing, the auction process including the bid allocation, portfolio management, and the management and control of payments.

The vast majority of credit related information, data, and documents including those provided by Users are managed exclusively through the creditshelf Platform, including the following:

- Borrowers are able to manage their credit projects, upload documents, and approve the credit report created by creditshelf. A fast decision about the admission of a credit project to the creditshelf Platform is supported by the integrated retrieval of a borrower's bank account information and transactions as well as information from external sources to evaluate the borrower's creditworthiness and determine credit scoring.
- Verified investors are able to access credit project information, bid on and invest in loan receivables, and access information on their portfolio.
- Partners such as accountants, tax advisors or financial advisors are able to request credit projects on behalf of potential borrowers they support and provide information for such credit projects.
- The Fronting Bank is able to access information and documents subject to the stage of a credit project.

As further described in Section 13.4.5 "*Staged Review Process*", creditshelf's staged review process for credit project applications is highly data driven and relies on information submitted through the creditshelf Platform. This allows for an almost automated initial review and filtering of a large number of applications in a largely automated detailed review process. Consequently, the second stage with the involvement of human credit experts is limited to the most promising credit project applications in the final phase prior to the decision about the admission of the credit project to the creditshelf Platform and the determination of the interest rate range for the auction process.

The creditshelf Platform is set up in an Amazon Web Services (AWS) environment including storage, database and servers that is scalable to support future growth of data to be handled through the creditshelf Platform. All traffic is handled via a load balancer which distributes traffic to servers and also secures those servers from direct access from the outside. Pursuant to the current agreements with Amazon Web Services, all services the creditshelf Group receives from Amazon Web Services are hosted exclusively in Frankfurt/Main, Germany, in accordance with applicable German and EU data privacy rules.

13.2.2. Proprietary Know-How with Data-Driven Risk Management Algorithm

The data-driven risk management approach is at the core of creditshelf's processes to select and price credit projects. Cross-functional teams, including the Company's management, which has long-standing experience in the bank lending and credit-rating business, allow technical expertise and credit risk analysis to be incorporated into the creditshelf Platform.

The Company has developed proprietary credit decisioning support and credit scoring algorithms and models. It seeks to improve the creditshelf Platform and its data-driven risk analysis management on an ongoing basis fostering creditshelf's competitive edge. These algorithms and models also use artificial intelligence and a network analysis of potential borrowers to assess the borrower's creditworthiness. Such network analysis seeks to identify and analyze amongst others (i) cash flow streams around the borrower, (ii) relationships with customers, as well as (iii) past and present legal interdependencies.

Together with outside forensic experts from PwC, creditshelf has also identified a number of data points that can help to identify fraudulent credit applications. The Company incorporated these insights into its review process and seeks to constantly improve its capabilities to identify potentially fraudulent applications.

13.2.3. The creditshelf Platform Allows Investors to Invest in SME Loans

Due to its niche focus on unsecured loans for SMEs, creditshelf offers its investors the opportunity to invest in an asset class that would otherwise not be accessible to many investors due to regulatory restrictions or prohibitively high transaction costs. Most recently, as a result of increasing investor and borrower demand, creditshelf has expanded its traditional product portfolio of short-term loans (typically up to 12 months) now also offering longer maturities of up to five years. In addition, creditshelf experiences increasing demand for larger volumes from both the borrower and the investor side.

creditshelf experienced a strong increase in the number of brokered loans of 139% from the financial year ended December 31, 2016 to the financial year ended December 31, 2017. During the financial year 2017, creditshelf reviewed over 600 applications for credit projects. The average requested loan volume in the financial year 2017 amounted to EUR 742,384.86 with an average requested loan period of approx. 21 months. In the financial year 2017, approx. 12% of all credit project applications were ultimately admitted to and published on the creditshelf Platform, compared to approx. 14% in the financial year 2016. In 2017, the Fronting Bank issued approx. 80 loans with a total volume of EUR 33,520,000.00 and an average interest rate of approx. 9.75% *p.a.* that were brokered through the creditshelf Platform.

creditshelf also saw a decline in default rates regarding loans brokered through the creditshelf Platform over time. For example, the default rate of loans that have been paid out in 2017 currently stands at <1% based on loan volume and about 2.53% based on the number of brokered loans, while the long-term goal for the default rate through the circle is set at 3% by creditshelf. In the Company's view, its dynamically learning credit decisioning support and credit scoring algorithms that become increasingly more sophisticated based on the growing amount of data generated, have contributed to these low default rates.

For more details regarding the development to activities on the creditshelf Platform, please see Section 13.6 "*Development of Activities in the creditshelf Platform*".

In the period up until March 31, 2018, approx. 74% of investors were recurring investors, *i.e.* invested in more than one credit project. In the Company's view this high retention rate demonstrates investors' trust in and satisfaction with creditshelf's services.

13.2.4. A Number of Larger and Institutional Investors Invest through the creditshelf Platform and their Willingness to Invest Enables Faster Loan Processing and Disbursement

In the past, Hevella and Obotritia Capital have acted as a *de facto* backstop and stepped in to fill incomplete funding commitments for credit projects that have been auctioned on the creditshelf Platform. Of the loan volume that has been brokered through the creditshelf Platform and paid out by the Fronting Bank in the period up until December 31, 2017, 42.60% were funded by institutional investors (including Hevella), whereas 15.69% were funded by high net worth individuals or other individual investors and 41.71% were funded by Obotritia (these figures are net of any loan receivables that were divested through the creditshelf Platform until

March 31, 2018). In addition, creditshelf has attracted a number of larger and institutional investors to the creditshelf Platform, including

- a French asset manager focused on the online lending market;
- a debt investment fund of a Swiss-based asset management firm;
- an investment fund of a UK-based alternative asset manager that is focused on UK/European-based debt investments in small- and medium-sized companies; as well as a
- Banco BNI Europa, which is the Portuguese online banking subsidiary of a transnational bank with strong interest in SME lending.

Although there is no commitment by the aforesaid investors to fund any credit projects in the future, creditshelf believes that they will continue to invest significant amounts in loans brokered via the creditshelf Platform and that other large investors will be attracted to creditshelf's products and services. Such kind of investors can be expected to be willing to invest larger sums in credit projects and are often also willing to act as (one of selected) initial investor(s) in credit projects for which borrowers chose the "Prefunding Option". As further described in Section 13.4.7 "*Options for a Credit Project to be Funded*", in the Prefunding Option certain investors can be given the right to decide to fund entire credit projects rather than to submit bids for funding commitments in an auction process. A high amount of such "institutional funding" would enable creditshelf to broker loans that are disbursed by the Fronting Bank within short periods of time of currently often only between one and two weeks following an application for a credit project.

13.2.5. Dedicated and Qualified Team

Two of the Company's founders, *i.e.* Dr. Tim Thabe and Dr. Daniel Bartsch, have known each other since their student days at University of Mannheim in the 1990s. Their respective careers span different positions within the financial services sector and as a result they have accumulated profound market and sector insights. Dr. Tim Thabe has 15 years of experience in the banking industry on an international level and held various senior roles at UBS AG and worked as credit officer and rating agent at Goldman Sachs, where he met Dr. Mark Währisch who joined creditshelf as managing director in 2016. Dr. Mark Währisch has more than 17 years of industry experience and worked for Standard & Poor's where he was their analytical head of the rating and credit research for small- and medium-sized companies. Dr. Daniel Bartsch has more than 15 years of international experience both in consulting and banking and headed, amongst others, institutional sales teams across fixed income and equities products at UBS AG. For details regarding the professional background of the members of the Management Board see also Section 17.2.2 "*Members of the Management Board*".

creditshelf's workforce, including freelancers and programmers provided to creditshelf by an outside software development and consulting firm, comprises members from approx. ten nations including approx. ten PhDs as well as a number of scientists and experts in the field of artificial intelligence (AI).

In line with its goal to be a leader in the segment of credit decisioning support and credit scoring algorithms and models and to continuously improve the creditshelf Platform, creditshelf's organizational setup sets a clear focus on technology and development-oriented staff who, as of March 31, 2018, and on a full-time equivalent ("**FTE**") basis make up approx. 45% of all employees of creditshelf. To achieve a high quality of its assessment of the creditworthiness of potential borrowers, creditshelf also employs, as of the date of this Prospectus and on an FTE basis, three credit officers in addition to the Chief Risk Officer Dr. Mark Währisch, each with multiple years of industry experience who review credit projects in the final steps of the review process. creditshelf's sales experts work with borrowers, partners and investors from kick-off until successful implementation and can draw on extensive knowledge from previous advisor roles with clients from the SME segment at leading banks.

13.3. Corporate Strategy

13.3.1. Ongoing Development of an Advanced Credit Project Process with Proprietary, Data-Driven Risk Analysis and Risk Management Algorithm

creditshelf plans to further develop its proprietary, data-driven credit decisioning support and credit scoring algorithms and models. creditshelf receives comprehensive accounting and payment data as well as other company data from its (potential) borrowers. creditshelf uses this data to continuously develop its algorithms and to conduct deeper, more efficient and automated analysis by processing more information and levering more data points. The goal is to enable an increasingly comprehensive, quantitative analysis of a potential borrower within a very short period of time. The intention is to automate to the extent possible the role of a risk expert with respect to a quantitative assessment of a potential borrower. As part of such risk analysis, creditshelf also plans and has started to implement artificial intelligence (AI) and machine learning technologies. With such an automation of data analysis, creditshelf strives for a cost-efficient, scalable and in-depth analysis of a potential borrower and its financial situation.

The improvements of creditshelf's technology as outlined above will also benefit creditshelf's proprietary algorithm to detect potentially fraudulent applications as creditshelf will be able to improve the predictive quality of its fraud identification tools with more data points. In addition to fraud detection, creditshelf believes that an in-depth reconciliation of various data types will also enable a working capital analysis as well as a working capital forecasting of potential borrowers. Information that creditshelf hopes to lever for the development of its services and products.

Besides improving its credit decisioning support and credit scoring algorithms and models, the Company seeks to continuously improve other parts of its processes to further shorten the period between the admission of a credit project to the creditshelf Platform to the actual disbursement of the loan amount from the Fronting Bank (assuming a positive loan decision by the Fronting Bank).

13.3.2. Potential Bank Cooperations

The Company believes that the creditshelf Platform and underlying technology can be adapted to be offered to banks in a number of cooperation models:

- Banks that do not wish to extend loans to borrowers from the SME segment could refer any expression of interests for such loans from their network to creditshelf.
- Banks that wish to continue to be engaged in the origination of loans to small- and medium-sized enterprises can use the products and services of creditshelf to make their own processes for the review of and decisions on loan applications faster and more efficient.
- Other banks might want to offer their customers from the SME segment certain loan products without operating their own credit team. creditshelf could offer such banks its technology. Such banks could

also sell and transfer the loan receivables from the loans they originated to investors through the creditshelf Platform.

Ongoing Projects – in Particular with Commerzbank

In October 2017, the Company has entered into a cooperation agreement with a private bank regarding amongst others the referral of potential borrowers to the Company on an opportunistic basis. This agreement is not yet active, *i.e.* the Company has not yet brokered any loans for potential borrowers that were referred to it.

The Company plans to significantly expand its bank cooperations, for example by entering into a cooperation agreement with Commerzbank regarding amongst others the referral of certain potential borrowers from its network to the creditshelf Platform. In addition, the Company has initiated discussions regarding potential cooperations with a number of other private and commercial banks.

13.3.3. Potential Product and Service Portfolio Expansion

creditshelf's insights and proprietary technology regarding the assessment of credit risks can be utilized to expand the Company's offerings to various other financial products and services. Building on the existing creditshelf credit decisioning support and credit scoring algorithms and models, that will, however, require some modifications, creditshelf believes to be able to cost-efficiently analyze an SME's creditworthiness for alternative financial products such as revolver loans, bank guaranties, factoring, or other lending products. Such new products and services could allow creditshelf to deepen existing customer relationships and to enter new market segments although the Company realizes that for certain products and services such as factoring it will require additional permissions from the competent supervisory authorities.

Another service that the Company considers to offer is analysis as a service (AaaS), *i.e.* offering its proprietary algorithms and models to provide credit assessments for third parties.

13.3.4. Prospective Geographical Expansion

creditshelf's process has been developed for the needs and characteristics of the German SME lending market and creditshelf currently focuses on increasing penetration of its home market for future growth and expects to do so for the foreseeable future. Notwithstanding its current focus on Germany, the Company has commenced to evaluate options for future international expansion into selected European markets, in particular economies that are characterized by a large number of small- and medium-sized enterprises. The Company notes, however, that such expansion into new markets will amongst others also bring additional complexity, *e.g.* with respect to different regulatory regimes applicable in such countries that might require additional permissions or the adaption of the existing business model. It is therefore likely that any medium-term international expansion will also depend on the suitability of the proposed upcoming pan European crowdfunding regulation for the creditshelf business model (for details see Section 13.14.3 "*Ongoing Legislative Initiatives that might be Relevant for the Company*").

13.3.5. creditshelf's Understanding of the SME Market

creditshelf primarily targets customers from the small- and medium-sized enterprises segment ("**SME**") that fulfill the following criteria:

- the enterprise draws up financial statements and can provide financial statements for at least the last three financial years; and
- the enterprise generated in its last financial year revenues between EUR 2,500,000 and EUR 100,000,000; and
- the enterprise has an implied credit rating between BB and B as described below.

  creditshelf is not a rating agency, in particular not a rating agency within the meaning of Regulations (EC) Nr. 1060/2009, (EU) 513/2011 and (EU) 462/2013. Accordingly, creditshelf does not provide ratings like rating agencies such as Standard & Poor's or Moody's. Rather creditshelf uses its own internal credit decisioning support and scoring algorithms and models to assign solely for its own purposes credit scorings (such internal scorings follow in creditshelf's view the rating system used by Standard & Poor's as described below) that creditshelf then uses as one of several business selection criteria to decide whether or not to admit a credit project to the credit Platform.

  creditshelf focusses on potential borrowers that creditshelf believes would potentially receive a credit rating of BB to B by Standard & Poor's if such potential borrower would be rated similar to Standard & Poor's classification (Long-Term Issuer Credit Rating as published by Standard & Poor's, cf. https://www.standardandpoors.com/en_US/web/guest/article/-/view/sourceId/504352). As of the date of this Prospectus, Standard & Poor has published the following definitions for its ratings:

  - An obligation rated 'AAA' has the highest rating assigned by S&P Global Ratings. The obligor's capacity to meet its financial commitments on the obligation is extremely strong.
  - An obligation rated 'AA' differs from the highest-rated obligations only to a small degree. The obligor's capacity to meet its financial commitments on the obligation is very strong.
  - An obligation rated 'A' is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher-rated categories. However, the obligor's capacity to meet its financial commitments on the obligation is still strong.
  - An obligation rated 'BBB' exhibits adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to weaken the obligor's capacity to meet its financial commitments on the obligation.
  - Obligations rated 'BB', 'B', 'CCC', 'CC', and 'C' are regarded as having significant speculative characteristics. 'BB' indicates the least degree of speculation and 'C' the highest. While such obligations will likely have some quality and protective characteristics, these may be outweighed by large uncertainties or major exposure to adverse conditions.
  - An obligation rated 'BB' is less vulnerable to nonpayment than other speculative issues. However, it faces major ongoing uncertainties or exposure to adverse business, financial, or economic conditions that could lead to the obligor's inadequate capacity to meet its financial commitments on the obligation.
  - An obligation rated 'B' is more vulnerable to nonpayment than obligations rated 'BB', but the obligor currently has the capacity to meet its financial commitments on the obligation. Adverse business, financial, or economic conditions will likely impair the obligor's capacity or willingness to meet its financial commitments on the obligation.
  - An obligation rated 'CCC' is currently vulnerable to nonpayment and is dependent upon favorable business, financial, and economic conditions for the obligor to meet its financial

commitments on the obligation. In the event of adverse business, financial, or economic conditions, the obligor is not likely to have the capacity to meet its financial commitments on the obligation.

- An obligation rated 'CC' is currently highly vulnerable to nonpayment. The 'CC' rating is used when a default has not yet occurred but S&P Global Ratings expects default to be a virtual certainty, regardless of the anticipated time to default.
- An obligation rated 'C' is currently highly vulnerable to nonpayment, and the obligation is expected to have lower relative seniority or lower ultimate recovery compared with obligations that are rated higher.
- An obligation rated 'D' is in default or in breach of an imputed promise. For non-hybrid capital instruments, the 'D' rating category is used when payments on an obligation are not made on the date due, unless S&P Global Ratings believes that such payments will be made within five business days in the absence of a stated grace period or within the earlier of the stated grace period or 30 calendar days. The 'D' rating also will be used upon the filing of a bankruptcy petition or the taking of similar action and where default on an obligation is a virtual certainty, for example due to automatic stay provisions. An obligation's rating is lowered to 'D' if it is subject to a distressed exchange offer.

However, the scorings that creditshelf assigns to potential borrowers are only an element of internal assessment by creditshelf that it uses as business selection criteria for its own purposes and not a credit rating assigned by a rating agency, including Standard & Poor's. Users (in particular investors) cannot assume or rely upon that a potential borrower would be rated by Standard & Poor's or any other rating agency in a way that would correspond to creditshelf's internal credit scoring.

The Company points out that the criteria above constitute creditshelf's own definition of SME, which it considers appropriate for its purposes. The Company's understanding of SME does not correspond to other definitions and understandings of small- and medium-sized enterprises that are used by third parties, *e.g.* creditshelf's understanding of SME does not correspond to the definition of small- and medium-sized enterprises set forth in the EU Commission Recommendation of May 6, 2003 concerning the definition of micro, small- and medium-sized enterprises (2003/361/EC).

The Company may amend its definition of SMEs and change its target market at any time. In addition, the Company may also decide to admit borrowers to the creditshelf Platform that may not fulfil the criteria stated above.

13.4. Summary of the creditshelf Platform

The following provides a brief and high-level summary of how the creditshelf Platform works as of the date of this Prospectus. It should be noted that the Company may, in its sole discretion, amend or change its business model, the creditshelf Platform or any of the procedures summarized below at any point in time.

13.4.1. Admissible Users

The following groups of Users are generally admissible to the creditshelf Platform:

Borrowers

Borrowers submit credit projects to creditshelf for review that following a positive review decision can be admitted to the creditshelf Platform. If sufficient funding commitments from investors are received, the Fronting Bank can decide to grant the borrower a loan. Borrowers must fulfill the following criteria:

- act as an entrepreneur within the meaning of Section 14 BGB (*Unternehmer*) and be an SME (according to the Company's criteria as defined above in Section 13.3.5 "*creditshelf's Understanding of the SME Market*");
- be either a sole proprietor (*Einzelkaufmann*), a legal entity or a partnership having legal capacity (*rechtsfähige Personengesellschaften*);
- be registered with the commercial register in Germany for a period of at least two years and have its administrative headquarters in Germany; and
- comply with any other requirements that might be imposed by the Company.

Investors

Registered investors can see credit projects that have been admitted to the creditshelf Platform and can submit bids with funding commitments if they wish to invest in a certain credit project (for details please see below). Investors must fulfill the following criteria:

- be either a natural person, a legal entity or a business partnership, provided that the investor acts as an entrepreneur within the meaning of Section 14 BGB and not as a consumer within the meaning of Section 13 BGB (*Verbraucher*); and
- have, either themselves or through their own advisors, the necessary knowledge, abilities and the financial resources to assess a credit project.

Support Partners

creditshelf can admit so-called support partners to the creditshelf Platform, *e.g.*, financial or tax advisors. Such support partners can either be a natural person, a legal entity or a business partnership. These support partners are important for introducing potential borrowers to creditshelf, the so-called lead generation. Potential borrowers can also make use of support partners that have been admitted by the Company to the creditshelf Platform and that support the borrowers with their credit projects, *e.g.* by helping them prepare and submit the necessary information and documentation. The use of a support partner is optional for a borrower, *i.e.* borrowers are not required to rely on assistance by a support partner.

13.4.2. Registration

All Users must register themselves on the creditshelf Platform and agree to the terms and conditions applicable for the use of the creditshelf Platform (which are available in the German language at the Company's website at www.creditshelf.com), including agreement to conduct transactions and receive disclosures and other communications electronically.

As part of the registration process, creditshelf verifies the identity of Users but does not perform any "know your customers" ("**KYC**") review as banks are legally obliged to perform. However, mandatory KYC checks of borrowers are completed by the Fronting Bank.

As part of the registration process, the suitability and identity of investors are checked by creditshelf. Potential new investors have to provide information regarding their prior investment experience. Based on this information, suitability is either confirmed automatically or the request enters a queue for assessment by creditshelf staff. Investors (in case of natural persons) or their acting legal representatives also have to provide electronic copies of their identity documents. To complete verification, creditshelf staff calls prospective investors to verify the provided information and enquire about any missing information for the suitability assessment. Only following successful completion of the verification process, investors are able to see the identity and specific information about potential borrowers (as described in more detail in Section 13.4.6 "*Admission of a Credit Project to the creditshelf Platform*") on the creditshelf Platform and to place bids on credit projects.

13.4.3. Role of the Fronting Bank and Business Relationship with MHB

Neither creditshelf nor creditshelf service originate any loans themselves. The creditshelf Group does not act as a balance sheet lender. Furthermore, investors on the creditshelf Platform do not extend loans to borrowers directly. Rather, creditshelf only assists borrowers whose credit projects have been admitted to the creditshelf Platform and have received sufficient funding commitments from investors (as described in more detail below) to receive a loan offer from the Fronting Bank pursuant to the terms of a brokerage agreement (*Kreditvermittlungsvertrag*).

The Fronting Bank may then – in its sole discretion – decide to offer a loan to the borrower at the terms and conditions offered by the investor(s) in their funding commitments. The Fronting Bank takes an independent credit decision based on information and documents mainly provided by creditshelf. This includes the "vetting" of the borrower as well as certain information to allow the Fronting Bank to perform its legally required KYC check. Neither creditshelf nor the Users of its creditshelf Platform can request that a loan is originated even if there are sufficient suitable interested investors and funding commitments.

If the Fronting Bank decides to offer a loan to a borrower, the Fronting Bank will immediately following acceptance by the borrower sell and transfer all receivables relating to such loan (including claims to future interest payments) and transfer the loan agreement by way of discharging transfer of contract (*befreiende Vertragsübernahme*) to creditshelf service as described in more detail in Section 13.4.9 "*Brokerage of Loans and Sale and Transfer of Loan Receivables*".

Currently, the creditshelf Group works with only one Fronting Bank, *i.e.* MHB. The creditshelf Group has entered into a cooperation agreement with MHB. This agreement is mutually non-exclusive and described in more detail in Section 13.11.1 "*Cooperation Agreement with MHB*". In its role as a Fronting Bank, MHB makes its own credit decision. If MHB decides to grant a loan to the borrower, it will sell and transfer all receivables under such loan (including for payment of interest) to creditshelf service (for details please refer to Section 13.4.9 "*Brokerage of Loans and Sale and Transfer of Loan Receivables*").

13.4.4. Terms of the Loans Brokered on the creditshelf Platform

Currently, the loans that creditshelf brokers through the creditshelf Platform:

- are generally not collaterized, though in rare cases the Company can request certain risk mitigating measures such as an acknowledgement of debt by the borrower or a private guarantee by the owner or managing director of the borrower;

- usually have an interest rate between 6.0% and 12.0% p.a.;
- usually have a term of one month up to 60 months; and
- have in general a principal loan amount of between EUR 100,000 and EUR 5,000,000.

The Company offers currently primarily to broker two loan products:

- for loans with terms of up to one year, repayment of the principal including accrued interest usually becomes due and payable only at maturity (bullet payment loans); and
- for loans with longer terms, repayments including accrued interest usually have to be made over the term of the loan (amortization loans).

Such criteria may, however, be changed by creditshelf on an *ad hoc* basis for individual cases or generally for all future credit projects.

13.4.5. Staged Review Process

After successful registration on the creditshelf Platform, potential borrowers can submit a credit project to creditshelf. In a first step, the potential borrower submits its loan application online via the creditshelf Platform and ideally provides already its annual financial statements, accounting and transactional information, as well as specific company information. Further information may be requested by the Company as part of the review process. All credit projects that are submitted to the Company for admission to the creditshelf Platform are reviewed by the Company in a structured process that is briefly summarized below:

First Review Step

creditshelf automatically enriches the data provided by the potential borrower with selected third-party information and performs a first data-driven risk analysis based on a scoring algorithm taking into account a number of business selection and credit risk factors including key ratios regarding debt and free cash flow to analyze the borrower's creditworthiness. The business selection analysis is based on a proprietary scoring algorithm that seeks to identify potentially fraudulent credit project applications. For that purpose, creditshelf also conducts a network analysis of the potential borrower, identifying certain past and existing economic and legal dependencies and relationships.

Based on this first stage review creditshelf typically filters out a large number of applications for credit projects that do not fulfill its business selection criteria for admission to the creditshelf Platform and do thus not merit the second more detailed and more qualitative review step summarized below.

If creditshelf considers a credit project suitable for the next review step it indicates to the respective applicant a potential credit limit and a range of interest rates subject to which the credit project might be admitted to the creditshelf Platform subject to successful completion of the further review process. Based on this indication, the applicant can decide whether or not it wishes to further pursue its credit project.

With this automated and standardized approach, creditshelf is able to assess credit projects based on quantitative criteria usually within one to two business days and often within a few hours upon application and thus conduct a cost-efficient pre-selection. creditshelf pursues the mid-term objective to filter approx. 70% of credit project applications out at this stage without creating further review costs. Actual rejections and admissions are only based on creditshelf's assessment whether or not an application for a credit project meets its business selection criteria.

Second Review Step

If an application has passed the first review step and the potential borrower is willing to pursue the project based on the indicated credit limit and range of interest rates, the credit project is reviewed in a second step involving a deeper risk analysis which is supported by creditshelf's proprietary credit decisioning support models and algorithms. This analysis under the lead of creditshelf's risk experts includes a further automated quantitative analysis of the borrower. creditshelf also conducts a due diligence call or site visit with the borrower prepared by the insights the risk experts already collected up to this point. Upon this due diligence and depending on its creditworthiness and the potential loan amount, the decision to admit the credit project to the creditshelf Platform and thus to present it to potential investors is taken by a risk committee whose composition is adjusted to the potential risk and size of the respective credit project. This review step concludes with a decision whether or not to admit the credit project and the final determination of a range for potential interest rates at which investors can submit bids for funding commitments. The determination of the range of interest rates (referred to by the Company as pricing for a credit project) is based on a linear credit scoring algorithm which also incorporates a qualitative overlay. creditshelf pursues the mid-term objective to admit approx. 15% of credit project applications to the creditshelf Platform.

13.4.6. Admission of a Credit Project to the creditshelf Platform

If the credit project meets creditshelf's business selection criteria and the borrower agrees to the potential range of interest rates at which the investors can submit bids for funding commitments, the credit project is admitted to the creditshelf Platform. With its publication on the creditshelf Platform, the credit project becomes visible to registered and verified potential investors. Investors are in particular able to view the following information for a credit project (in case the Prefunding Option is used and creditshelf does not request the initial investor(s) to offer their loan receivables in a subsequent auction (as described below) the following information may only be accessible to the initial investor(s)):

- identity of the borrower;
- summary of the Company's credit analysis;
- risk scoring; and
- key investment highlights and selected company and business financials of the borrower.

13.4.7. Options for a Credit Project to be Funded

When a credit project meets creditshelf's business selection criteria, borrowers are usually offered two options, *i.e.* the standard "Auction Option" and potentially a "Prefunding Option" as described in more detail below. The "Auction Option" is by default always available while the Company can decide for each credit project whether or not to offer the "Prefunding Option" in addition.

"**Auction Option**"

For each credit project creditshelf assigns a range of potential interest rates and conducts an auction on the creditshelf Platform. In this auction investors can submit bids with funding commitments. Such bids must state a specific amount for the investors funding commitment and the interest rate at which the investor is willing to make such investment. The interest rate stated in the bid must be within the range of potential interest rates as assigned to the credit project. The minimum amount to be offered by a potential investor is currently EUR 10,000 per credit project. If an investor submits a bid for the entire amount of the credit project at the lowest end of the range of interest rates, the auction ends automatically. Otherwise, creditshelf will, following the end of the auction period (which normally lasts ten days but may be shortened or extended by the Company) and assuming investors have made sufficient bids for the minimum amount of the respective credit project, allocate investment tranches to the investors for the respective credit project based on the size of their bids and the offered interest rates. While the minimum amount of successful investors in an auction is one (if one investor has offered the full loan amount at the lowest interest rate), the Company has decided to limit the maximum number of tranches resulting from any auction that can be sold and transferred to investors to 20 tranches in order to avoid the legal requirement of a prospectus for such offering. To provide the borrower with the lowest possible interest rates, creditshelf will allocate the tranches to investors with lower interest rate bids first and allocate tranches to investors with higher interest rate bids only if required for the successful funding of a project, but will always seek to ensure that the entire credit project can be funded based on the accepted bids.

"**Prefunding Option**"

creditshelf can agree with certain investors that such investors can decide to fund entire credit projects other than through submitting bids for funding commitments in an auction process (as described above), provided that the respective credit projects fulfill certain criteria. In the past, creditshelf had such arrangements with Hevella and Obotritia Capital; generally, creditshelf intends to enter into such arrangements only with larger investors.

In such cases, creditshelf may offer the borrower the option to have its entire credit project funded by one or few investor(s) only with a pre-determined fixed interest rate that is marginally higher than the highest interest rate of the range of potential interest rates that creditshelf would assign the credit project for purposes of the "Auction Option". If the borrower accepts the "Prefunding Option" and the Fronting Bank takes a positive loan decision, the "Prefunding Option" offers the borrower two benefits: (i) there is no uncertainty whether investors will submit sufficient bids for funding commitments as in the Auction Option and (ii) the loan amount will usually be distributed earlier to the borrower.

creditshelf usually requires the initial investor(s) from the "Prefunding Option" to subsequently offer the loan receivables it has/they have purchased from the Fronting Bank (for details see below) again to other investors on the creditshelf Platform in an auction process subject to the same interest rate range that the underlying credit project would have been offered at if the borrower had chosen the "Auction Option". Other investors may then submit bids that would be allocated by creditshelf in a similar way as in the "Auction Option". Hence, there would be a subsequent auction in which the investor(s) who has/have made the prefunding commitment and other investors would participate, but which would not affect the loan terms applicable to the borrower. Investors are always made aware whether they invest in a prefunded loan or not. In this case again, the maximum number of tranches resulting from such auction that can be sold and transferred to investors is capped at 20.

13.4.8. Portfolio Tool and Automated Investing

In making funding commitments in auctions on the creditshelf Platform, investors may use a search tool that creates a list of available loans that meet all of the selected investment criteria. The portfolio tool is provided for informational purposes only and should not be considered investment advice regarding an investor's particular investment situation.

creditshelf also provides an automated investing tool which is a service for the submission of bids on behalf of an investor in auctions conducted on the creditshelf Platform that matches the investor's predefined investment criteria. Investors are able to update their investment criteria and are able to turn on and off this service at any time.

13.4.9. Brokerage of Loans and Sale and Transfer of Loan Receivables

After a successful funding of a credit project via the creditshelf Platform, creditshelf will attempt to assist the borrower in receiving a loan offer from the Fronting Bank. This means that the Fronting Bank will be asked whether it wishes to grant a loan to the respective borrower with the principal amount and at the interest rate that correspond to the outcome of either the "Prefunding Option" or the "Auction Option". The Fronting Bank makes an independent decision and can also decide not to grant the loan irrespective of the underlying credit project having received sufficient funding commitments on the creditshelf Platform. To assist the Fronting Bank in making its decision, creditshelf provides the Fronting Bank with certain information and documents. This includes the "vetting" of the borrower as well as certain information to allow the Fronting Bank to perform its legally required KYC check.

If the Fronting Bank decides to grant a loan to the borrower, the Fronting Bank will (immediately following conclusion of the loan contract with the borrower) sell and transfer all receivables relating to such loan (including claims for repayment of principal and payment of future interest) and transfer the loan agreement by way of discharging transfer of contract (*befreiende Vertragsübernahme*) to creditshelf service under a single sale agreement (true sale). "True sale" is a term used to describe the sale of a receivable by the owner to another person, such that the receivable is protected from claims against the seller's assets in the event of the seller's insolvency. The "true sale" element means that the assets are transferred by the seller to the acquirer as a result of which the acquirer becomes legally entitled to the cash flows that are generated by the assets (including those resulting from a subsequent sale of the assets). The true sale agreement needs to be distinguished from other financing arrangements such as for example factoring where usually receivables are sold to a financier under a framework agreement but that lack the true sale element as described above.

creditshelf service then sells fractions of the loan receivables, which correspond to the funding commitments made by the respective investor that had been accepted with respect to the respective credit project. Such sale is made on the basis of a secondary true sale subject to the general terms of creditshelf service for the sale and assignment of syndicated loans and a secondary loan sale agreement. In this step creditshelf service splits up the loan receivables into smaller tranches (under the Company's current business model, a maximum of 20 tranches) which it then sells, but not transfers, to the investors. The investors and creditshelf service form a syndicate with respect to the loan receivables and tranches by executing the secondary true sale agreement. The syndicate is formed as a civil law partnership (*Gesellschaft bürgerlichen Rechts*) under German law. The purpose of the syndicate is the administration, holding and realization of the loan and the tranches. creditshelf service transfers the loan receivable tranches and all of its obligations under or in connection with the underlying loan agreement to the syndicate by way of discharging transfer of contract (*befreiende Vertragsübernahme*). In this step, creditshelf service finally transfers the loan receivable tranches and the loan to the partnership, thereby fulfilling its obligations towards the investors under the terms and conditions and the secondary true sale agreement and the investors' obligations towards the partnership to make contributions to the partnership. Eventually, the partnership holds all loan receivable tranches and all obligations under or in connection with the underlying loan agreement. creditshelf service as its leader can assert all claims of the syndicate. While creditshelf service usually does not hold any equity participation in the syndicate, the equity participation of each investor in the partnership corresponds to the commitment of the investor in relation to the loan. creditshelf service services the loan in accordance with the terms of the loan agreement and the secondary true sale agreement on behalf of the syndicate.

- In case of the "Auction Option", the investors purchase and acquire such receivables either entirely (if one investor has submitted a successful bid for the entire amount of the credit project) or parts thereof. In case of a partial acquisition, the size of the tranches the investors purchase and acquire also reflects the interest rate they offered in their successful bid. As explained above, creditshelf will rank and allocate the bids in the "Auction Option" pursuant to, amongst others, the interest rate offered by the investors. If the Fronting Bank makes a positive loan decision, its loan agreement with the borrower will provide for a specific interest rate that will reflect the interest rates offered by the investors. Thus, unless all investors have submitted bids stating the same interest rates, the interest rate agreed between the Fronting Bank and the borrower will differ from the interest rate that is relevant for the tranche that the respective investor will purchase from creditshelf service.
- In case of the "Prefunding Option", the investor(s) who initially funded the entire credit project will in a first step acquire all receivables resulting from the loan between the Fronting Bank and the borrower from creditshelf service. In case such investor(s) is/are requested to offer such receivables in a subsequent auction as described above, creditshelf service would purchase and acquire such loan receivables from the initial investor(s) based on the outcome of such subsequent auction applying the syndicate structure described above and sell and transfer them to other investors based on their successful bids in this auction and form with them a syndicate as described above.

13.4.10. Overview of Contractual Relationships and Payment Flows

Figure 4 below provides a simplified overview of the contractual relationships summarized above (leaving out the subsequent auction in the "Prefunding Option"):

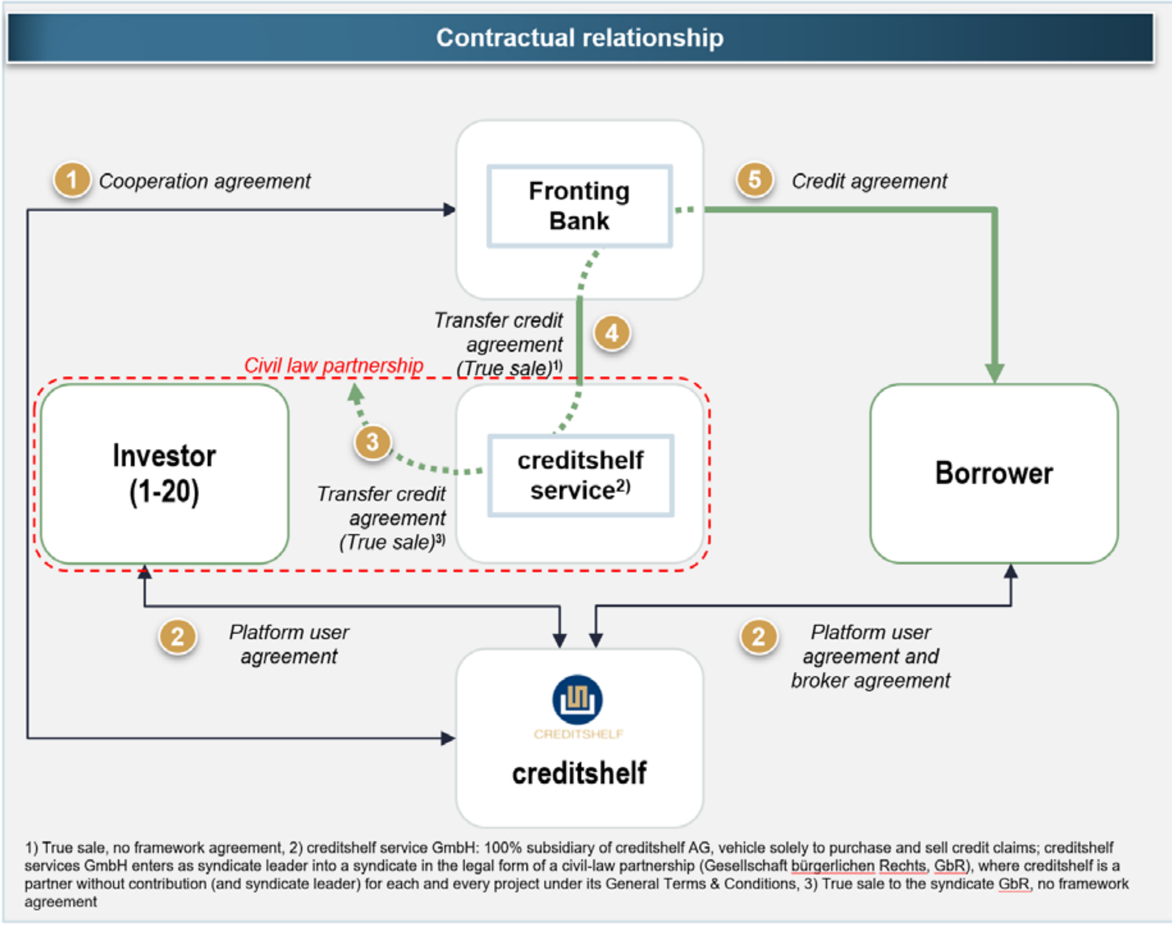

Figure 4 – Contractual relationships
(Source: Company information)

Explanation:

Step 1 creditshelf and the Fronting Bank agree on a cooperation, outlining the rights and obligations of the cooperation.

Step 2 Credit investors and borrowers enter into contract with creditshelf based on creditshelf's terms and conditions.

Step 3 After the auction, investors enter into a secondary true sale credit agreement with creditshelf service, involving suspensory conditions. Investors and creditshelf service form a syndicate to which the loan receivables are sold and transferred.

Step 4 creditshelf service enters into a true sale credit agreement with the Fronting Bank involving suspensory conditions and gives purchase commitment.

Step 5 The Fronting Bank then can sign a credit agreement (no framework agreement) with the borrower in presence of certain minimum requirements, which triggers the suspensory conditions of Step 3 and 4.

Figure 5 below provides a simplified overview of the revenue and fee flows summarized above (leaving out the subsequent auction in the "Prefunding Option"):

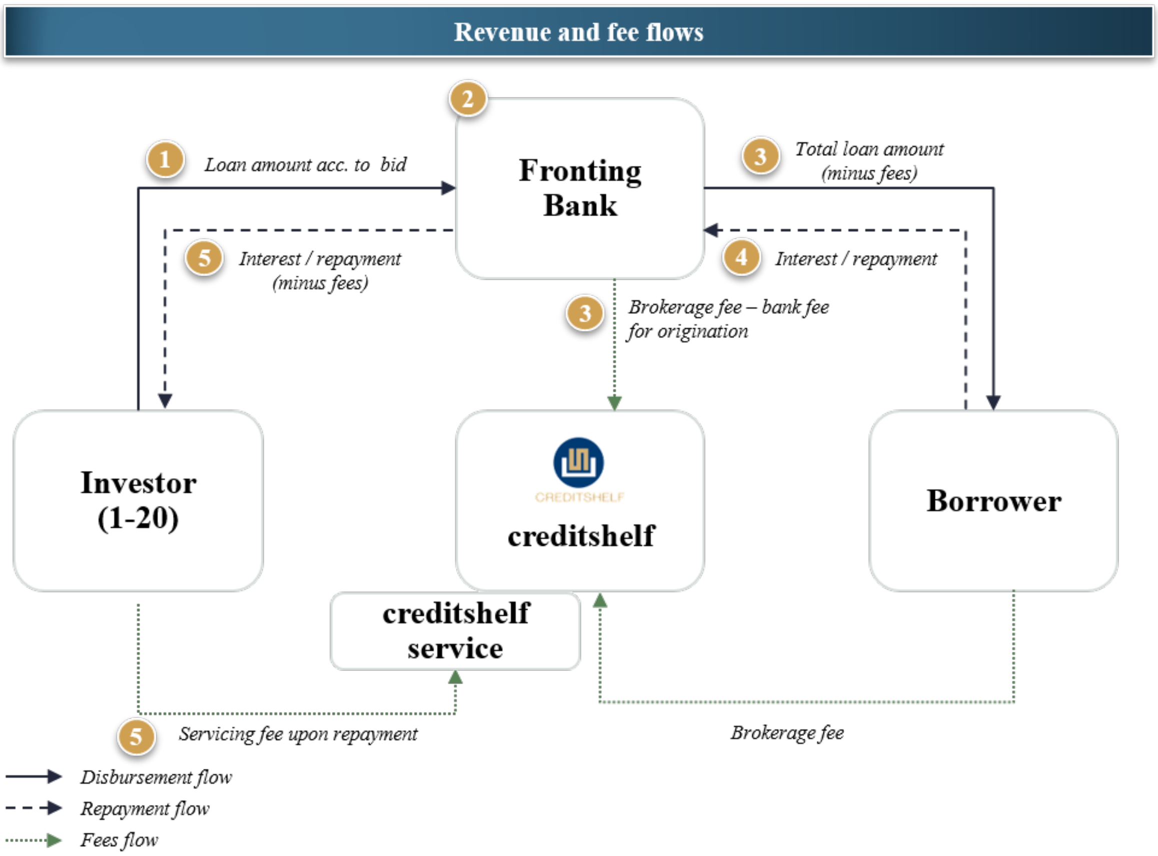

Figure 5 – Revenue and fee flows
(Source: Company information)

Explanation:

Step 1 Investors whose bids were successful transfer the amount corresponding to their successful bid to a pledged account (in the name of creditshelf service) at the Fronting Bank (cash collateral).

Step 2 Investor payments are collected on an account with Fronting Bank.

Step 3 After entering into a loan agreement, the Fronting Bank is allowed to disburse the collected amount as loan to the borrower. The Fronting Bank subtracts the pre-determined brokerage fee of creditshelf.

Step 4 The borrower makes payments (interest and repayments) of principal to the Fronting Bank's account.

Step 5 The Fronting Bank forwards the respective amounts on a *pro rata* basis to the investor(s) and subtracts the pre-determined servicing fee of creditshelf service (the respective account is held by creditshelf service).

creditshelf requires all payments to be made from and to bank accounts with banks resident in a member state of the EEA.

13.4.11. Administrative Tasks and Servicing of the Loans

creditshelf service assumes also certain administrative tasks in the loan life cycle on behalf of the syndicate and supports the Fronting Bank and investors in the operational management of the loan processes and provides certain reports to the investors. Borrowers make repayments of the loan including accrued interest into a bank account of creditshelf service and creditshelf service forwards such payments on behalf of the syndicate to the respective investor(s) in accordance with the terms and conditions of its/their sales agreement(s) with creditshelf service. creditshelf service informs the borrowers ahead of each repayment due date, but does not debit borrowers.

If a borrower should not make the repayments as agreed in the loan agreement with the Fronting Bank, creditshelf service will approach the respective borrower in order to ensure (re-) payments. Pursuant to the underlying agreements, creditshelf service is entitled to terminate the respective loan if certain conditions are met which would result in the entire outstanding loan amount including any accrued and unpaid interest becoming immediately due and payable. Neither creditshelf nor creditshelf service will, however, engage in any further enforcement actions. Rather, creditshelf service has servicing agreements with a third-party service provider in place for both distressed debt collections as well as a standing back-up servicing (for details see Section 13.11.3 "*Agreements with HmcS*").

13.4.12. No Consulting or Investment Advice by creditshelf

creditshelf does not operate the creditshelf Platform for the benefit of any third party (in particular the Fronting Bank or the investors). All services rendered by the creditshelf Group are performed only for the benefit of the creditshelf Group in order to achieve acceptable levels for the quality of transactions conducted on the creditshelf Platform. Neither creditshelf nor creditshelf service provides any consulting services or investment advice to Users. Neither creditshelf nor creditshelf service assumes any liability for the information provided by or on behalf of the borrowers. In particular, any selection decision to admit credit projects to the creditshelf Platform and any credit assessment done by creditshelf is for its own account only and is not performed in the interest of any third party and third parties cannot rely on such assessments.

13.5. Revenue Streams

For its creditshelf Platform, the creditshelf Group pursues a two-sided revenue stream model.

- creditshelf receives a brokerage fee from the borrower that becomes only due and payable in case of a successful extension of a loan by the Fronting Bank. The brokerage fee comprises a listing fee (which depends on the borrower's credit score) and a tenor fee (which depends on the term of the loan) and ranges between 1% and 5% of the principal loan amount. The tenor fee will typically amount to 1% per year of loan duration while the listing fee that increases with a decreasing credit score. The entire fee is deducted from the loan amount at disbursement of the loan amount by the Fronting Bank and forwarded to creditshelf service.
- creditshelf service charges a servicing fee from the investor which is generally 1% *p.a.* of the invested amount and becomes due and payable only when the loan is repaid by the borrower. The fee is then deducted from the loan repayment amounts to be paid out to the investors.

  With certain investors the Company has entered into specific fee arrangements that deviate from the model described above.

Since the implementation of the current fee model in 2017 up until March 31, 2018, the average fee that the creditshelf Group earned per loan brokered through the creditshelf Platform and that was successfully repaid amounted to approx. 3.5% of the respective loan volume.

The entire amount of the brokerage fee and the servicing fee are booked as revenues upon disbursement of the loan by the Fronting Bank while receipt of the cash payment on the servicing fee occur only if and when the respective repayment is made by the borrower.

Unless stated otherwise above, the following services are currently free of charge:

- review of credit project applications including any analysis and the processing of a potential borrower's application; and
- usage of the creditshelf Platform as such by the Users.

According to the Company's assessment, creditshelf's revenue model combines two effects:

- borrower-sided brokerage fees provide an incentive for creditshelf to ensure short response and processing times for credit project applications; and
- investor-sided servicing fees provide for partial predictability of future cash inflows and, at the same time, for an incentive to strive for adequate risk selection, as servicing fees are only payable upon successful repayment. Since loan repayments on annuity loans are partially due with each repayment, they also mitigate seasonal effects.

13.6. Development of Activities on the creditshelf Platform

The following sections provide a brief summary of the development of certain activities on the creditshelf Platform since its launch in late 2015 until March 31, 2018. The figures are mostly derived from the Company's management information system ("**MIS**"). It should be noted that such MIS was only implemented in 2016, while data from prior periods could only be manually and to a limited extent be added to the figures from the MIS.

13.6.1. Certain Information on Users

As of March 31, 2018, more than 230 investors were registered on the creditshelf Platform. The number of (i) registered investors and (ii) borrowers who had at least submitted one request for a credit project exceeded 1,200.

Approx. 200 of the investors are considered by the Company to be high net worth individuals or family offices. Thereof approx. 40 are considered as "active" (this means that according to the Company's definition they have made at least one investment through the creditshelf Platform); the average investment of this group amounted to approx. EUR 210,000.00 and approx. 25 are considered as "highly active" (this means that according to the Company's definition, they have made at least three investments through the creditshelf Platform) with an average investment of the members of this group amounting to approx. EUR 260,000.00.

Of the borrowers whose credit projects were previously admitted to the creditshelf Platform and that had received a loan from the Fronting Bank, approx. 78% are recurring and submitted another credit project request as of March 31, 2018. The Company defines "Recurring Borrowers (%)" as the ratio of (i) number of borrowers who requested another loan after the borrower's previous loan was disbursed or within 12 months after the previous loan was successfully paid off, and (ii) the number of borrowers with a fully repaid loan for the loans of one cohort by date of complete repayment.

13.6.2. Requests for Credit Projects and Review Process

The Company tracks the Euro amount of requests for credit projects it receives, *i.e.* the initial amounts in credit project applications expressed by potential borrowers to the Company prior to any review processes. In total, the Company received more than 1,100 requests for credit projects with a total amount of approx. EUR 900,000,000. Figure 6 below shows the actual development of the requested loan volume received by the Company on a quarterly basis.

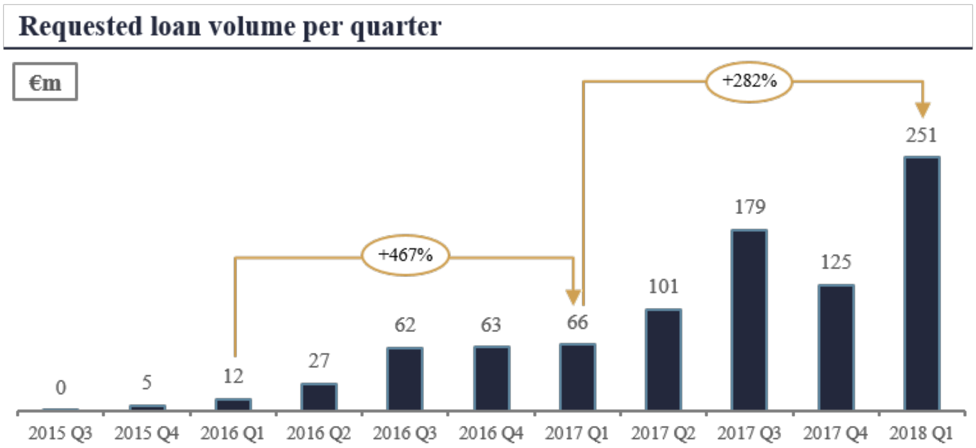

Figure 6 –Requested loan volume per quarter (Q3/2015 through Q1/2018)
(Source: Company information)

The requested loan volume per quarter rose from approx. EUR 12,000,000 in Q1/2016 to approx. EUR 66,000,000 in Q1/2017 and to approx. EUR 251,470,000 in Q1/2018.

13.6.3. Brokered Loans, Credit Score and Default Rates

In total, 127 loans were brokered through the creditshelf Platform in the period from the launch of the creditshelf Platform until March 31, 2018 with a total volume of approx. EUR 58,470,000. The Euro amount volume of loans brokered through the creditshelf Platform rose from approx. EUR 1,750,000 in 2015 to approx. EUR 16,350,000 in 2016 and approx. EUR 33,520,000 in 2017.

For all loans brokered in 2017, creditshelf's borrowers have a good-to-medium credit-worthiness with an average credit score of 252.1 (as defined in Section 10.4 "*Additional Performance Indicators*").

Assuming, amongst others, a further positive development of the overall credit cycle and the creditshelf Platform as well as that the anticipated partnerships with cooperation banks as set forth in Section 13.3.2 "*Potential*

Bank Cooperations" will prove to be successful, the Company plans for a mid-term target of approx. EUR 500,000,000 p.a. of loans brokered through the creditshelf Platform, including any loans brokered by third-parties which use the creditshelf Platform technology.

In H2/2017, the brokered loans had an average volume of approx. EUR 540,000, an average interest rate of approx. 9% and an average tenor of approx. 17 months. The figures below show the distribution of loan tenors (Figure 7), interest rates (Figure 8), and the volume (Figure 9) of the brokered loans.

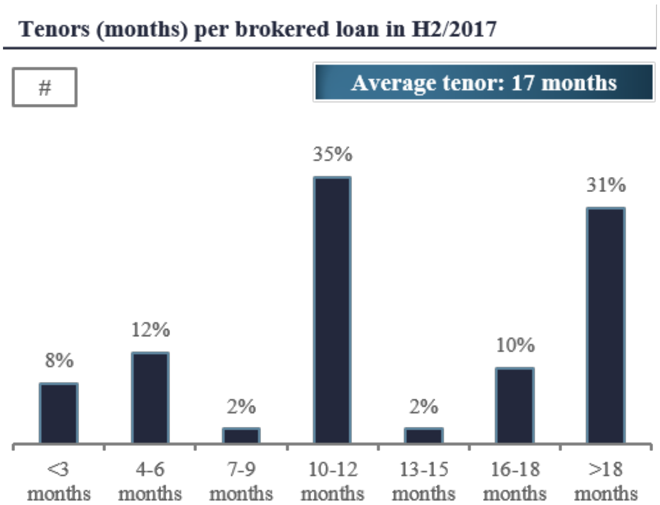

Figure 7 – Tenors per brokered loan in H2/2017
(Source: Company information)

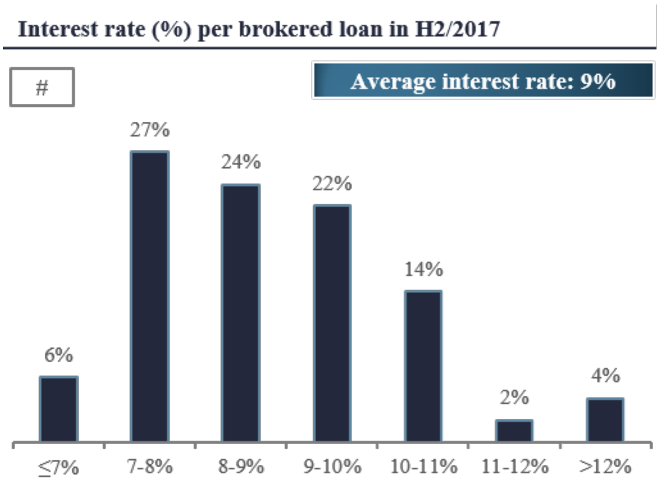

Figure 8 – Interest rate per brokered loan in H2/2017
(Source: Company information)

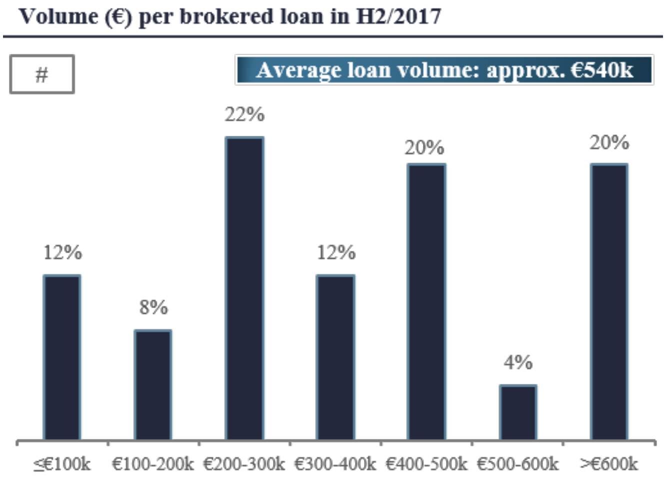

Figure 9 – Volume per brokered loan in H2/2017
(Source: Company information)

creditshelf saw a decline in default rates regarding loans brokered through the creditshelf Platform over time. For example, the default rate of loans disbursed in 2017 currently stands at approx. 2.53% based on the number of brokered loans, while the long-term goal for the default rate through the cycle is set at 3% based on the number of brokered loans by creditshelf. In the Company's view, its dynamically learning credit decisioning support and scoring algorithm, that become increasingly sophisticated based on the growing amount of data generated, have contributed to these low default rates. Figure 10 below shows the actual and planned development of the default rate for loans brokered through the creditshelf Platform (based on the number of brokered loans).

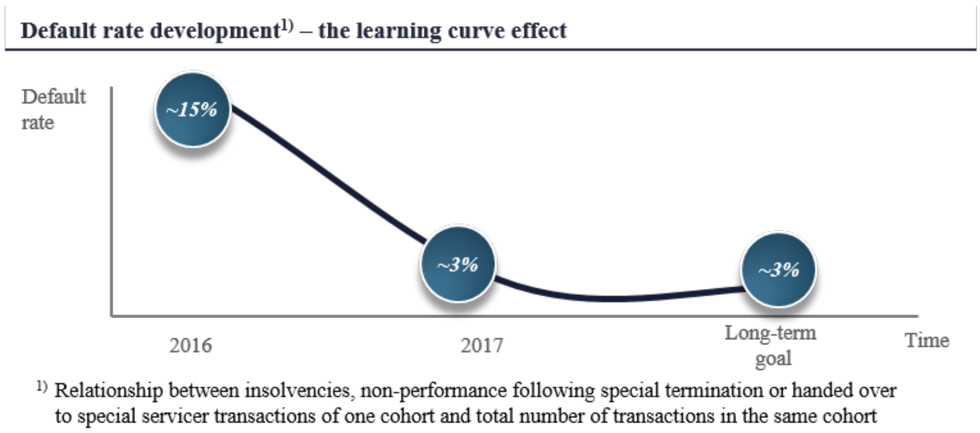

Figure 10 – Default rate development
(Source: Company information)

For loans disbursed in the period from January 1, 2018 to March 31, 2018, the average brokerage fee charged to borrowers was 3.14% of the principal amounts of the loans.

13.7. Intellectual Property

creditshelf has purchased and developed software including its credit decisioning support and credit scoring algorithms and models. The business model of creditshelf is currently based on this software to a significant degree. Consequently, creditshelf depends on its software and on the market's acceptance of the creditshelf Platform developed on the basis of this software. creditshelf does not depend on any patents or licenses (other than ordinary IT licenses, *e.g.* for standard, off-the-shelf office software) for its business.

The Company seeks to protect proprietary trademarks and domains through certain national and international applications and registrations. The Company is the registered owner of the word mark (*Wortmarke*) "creditshelf" (registered as a community trademark (*Gemeinschaftsmarke*) under no. 013205571) and a figurative mark (*Bildmarke*) for the creditshelf logo (registered as a community trademark under no. 014527618). In March of 2018, creditshelf filed for a community trade mark for a potential new logo with the EUIPO. As of the date of this Prospectus, the filing is still pending and a trade mark has not yet been granted.

The Company is also the owner of amongst others the following domains: creditshelf.com, creditshelf.de, credit-shelf.de, credit-shelf.com, creditshelf.net, creditshelf.be, creditshelf.ch, creditshelf.co.uk, creditshelf.eu, creditshelf.info, creditshelf.org, cshelf.de, kreditregal.com, kreditregal.de and creditshelf.biz.

13.8. Employees and Certain Employee Incentive Programs

13.8.1. Employees

13.8.1.1. Current Figures

As of the date of this Prospectus, creditshelf and its subsidiary creditshelf service together have 24 salaried employees (figures are on the basis of FTE). In addition, they have engaged three freelancers to render services to the creditshelf Group.

While neither being salaried employees nor directly engaged by the creditshelf Group, the creditshelf Group has engaged a software development and consulting firm (see Section 13.11.2 *"Service Contract with a Specialized Software Developer"*) which currently provides 7 additional programmers to the creditshelf Group.

13.8.1.2. Development

At the end of the financial years covered by the Audited Consolidated Financial Statements, creditshelf and its subsidiary creditshelf service together had the following staff counts (all figures are stated in FTE):

- as of December 31, 2015: 1, while the average number of employees for the financial year ended December 31, 2015 was 1;
- as of December 31, 2016: 9, while the average number of employees for the financial year ended December 31, 2016 was 6;
- as of December 31, 2017: 17.5 while the average number of employees for the financial year ended

December 31, 2017 was 14.5.

The aforesaid numbers of salaried employees include the managing director Dr. Mark Währisch who joined the Company in 2016 and entered into a managing director service agreement with the Company but not the other managing directors Dr. Tim Thabe and Dr. Daniel Bartsch who did not enter into managing director service agreements with creditshelf or creditshelf service. For the service agreements, the members of the Management Board have entered into following the change of form of creditshelf GmbH into creditshelf Aktiengesellschaft, see Section 17.2.3 "*Service Agreements*".

13.8.2. Employee Participation Program and Retention Bonus Agreements

13.8.2.1. Virtual Participation Program I and Contemplated new Employee Participation Program

On November 4, 2015, the Company implemented the Virtual Participation Program I for employees and/or advisors in order to strengthen their commitment to the Company. The Virtual Participation Program I is set up as a so-called virtual share plan. This means that the respective beneficiaries do not receive any equity participation in the subscribed capital of the Company. Rather, beneficiaries are granted so-called Virtual Shares which are usually subject to a vesting schedule and certain forfeiture provisions in case the beneficiaries leave the Company at some later point in time. The Virtual Shares, to the extent such Virtual Shares have been vested, shall entitle the beneficiaries to a cash payment from the Company upon the occurrence of a so-called "exit event". A successful Offering would qualify as such an exit event. The beneficiary is, however, not entitled to a payment if the Company pays dividends. The shareholders' meeting of the Company has authorized the issuance of up to 6,000 Virtual Shares with a nominal value of EUR 1.00 per Virtual Share under the Virtual Participation Program I. In its audited consolidated financial statements for the financial year ended December 31, 2017 the Company has booked accruals in an amount of EUR 382,702.00 for the Virtual Participation Program I. In case of a successful Offering, the beneficiaries under the existing program will be entitled to a certain cash payment.

Such payment amount is, amongst others, calculated on the basis on the amount of the share capital prior to the Offering. As described in Section 14.2 "*Development of the Company and History*", in June 2018, the share capital of the Company was increased from EUR 79,822 by EUR 1,045,178 to EUR 1,125,000. The Virtual Participation Program I does not provide for an adjustment of the payment claims of the beneficiaries in case of such a capital increase against a cash contribution. The Company anticipates that the payment amount would, in total, be approx. EUR 270,000.

Following completion of the Offering the Company plans to replace the Virtual Participation Program I with a new employee participation program. No final decision regarding such new employee participation program has been taken as of the date of this Prospectus and the details of any new program are still under discussion. One option under consideration is that the respective beneficiaries under the new program will acquire over a certain period of time the right to get at certain points in time shares in the Company allocated to them against contribution of the nominal amount of such shares.

13.8.2.2. Retention Bonus Agreements

In June 2018, creditshelf and several of its key employees, including Dr. Mark Währisch, entered into retention bonus agreements to reward them for their efforts in the process leading up to the Offering and to provide them with an incentive to continue working for the Company. Under such agreements, the respective beneficiaries are in case of a completion of the Offering entitled to a certain minimum cash payment as agreed with the respective beneficiary. In case of a completed Offering the minimum payments under all such retention bonus agreements would amount to approx. EUR 1,415,000. The Management Board may decide in its sole discretion to increase the respective bonus by up to 100% of the respective minimum bonus. For Dr. Mark Währisch, the Supervisory Board will decide upon whether and to what extent to increase the respective minimum bonus. The agreements provide for an obligation of the respective beneficiary to repay a certain portion of the bonus if the beneficiary should leave the Company within a certain period of time without cause. For the obligations regarding the retention bonus agreements the Company has built accruals with an amount of EUR 1,415,000 as of the date of this Prospectus.

13.9. Research and Development

In the financial years covered by the Audited Consolidated Financial Statements, creditshelf's research and development were concentrated on the development of the creditshelf Platform as well as the credit decisioning support and the credit scoring algorithms. Such developments were carried out by own employees as well as by third-party IT service providers.

In these three financial years, the following amounts were spent on research and development:

- financial year ended December 31, 2015: EUR 26,751.00;
- financial year ended December 31, 2016: EUR 112,202.00; and
- financial year ended December 31, 2017: EUR 375,023.70.

In the three-month period ended March 31, 2018, the Company has capitalized additional expenses for the development of the creditshelf Platform as well as the credit decisioning support and the credit scoring algorithms in the amount of net EUR 599,342.41.

13.9.1. Financial Year Ended December 31, 2015

During the financial year ended December 31, 2015, the research and development strategy of creditshelf consisted of building up the technological infrastructure for the first version of the creditshelf Platform.

13.9.2. Financial Year Ended December 31, 2016

In the financial year ended December 31, 2016, the research and development strategy of creditshelf consisted of the further development of the technologies for the creditshelf Platform and of the development of its credit decisioning support and credit scoring algorithms and models, including its fraud detection capabilities.

13.9.3. Financial Year Ended December 31, 2017

In the financial year ended December 31, 2017, the research and development strategy of creditshelf consisted of the further technological development of the creditshelf Platform and the further development of its credit decisioning support and credit scoring algorithms and models, which allows the assessment of the credit risk of potential borrowers, see also information under Section 11.8 "*Investments*".

13.9.4. Three-Month Period Ended March 31, 2018

In the three-month period ended March 31, 2018, the research and development strategy of creditshelf consisted of the further technological development of the creditshelf Platform and the further development of its credit decisioning support and credit scoring algorithms and models.

13.10. Fixed Assets and Leases

13.10.1. Property, Plant and Equipment

The Company does not own any real estate or similar rights (*Grundstücke und grundstücksgleiche Rechte*) and does neither own any other material fixed assets other than certain information technology and office equipment. With respect to the recognition of the long-term lease agreement of the Company for its office space at Mainzer Landstraße 33a, Frankfurt/Main, Germany, as asset under the applicable IFRS rules as adopted by the European Union, see above under Section 11.6.1.1 *"Non-Current Assets – (2) Property, Plant and Equipment*".

13.10.2. Leases

The Company has entered into two lease agreements for office space in Frankfurt/Main. Of these two agreements, the Company considers only one to be material under which the Company leases office space at its registered office in Mainzer Landstraße 33a, 60329 Frankfurt/Main, Germany of about approx. 405 sqm. The lease agreement has a fixed term until July 31, 2022 and provides for a two-times option term of further three years each time, as well as a subsequent automatic renewal for a period of two years each time. The monthly lease rate (including ancillary costs, excluding VAT) currently amounts to approx. EUR 7,580. According to the Company's view, the lease contracts provide for appropriate and reasonable lease conditions.

13.11. Material Agreements

The following presents the agreements still effective and/or in existence, to which creditshelf or creditshelf service is a party and which are of material importance to creditshelf or creditshelf service, in the financial years ended December 31, 2015, December 31, 2016, and December 31, 2017:

13.11.1. Cooperation Agreement with MHB

creditshelf currently relies on MHB as its only Fronting Bank to originate the loans brokered through the creditshelf Platform, creditshelf currently cooperates with MHB as loan granting bank. With this bank, creditshelf maintains a non-exclusive relationship. The existing cooperation agreement with MHB dated July 29, 2015 has an unlimited term and can be terminated by each party with a notice period of six months to the end of a calendar quarter, and is in addition subject to certain early termination provisions as set forth in the agreement. In each case, MHB makes its own decision whether or not to grant a loan. In general, MHB is entitled to a monthly commitment fee (*Bereitstellungsgebühr*), as well as annual cooperation fee. In addition, for each loan application MHB receives a processing fee depending on the principal amount of the envisaged the term of the potential loan. Neither creditshelf nor the Users of its creditshelf Platform can request that a loan is originated even if there are sufficient suitable interested investors and funding commitments.

The cooperation agreement also provides for a further remuneration component for MHB. Therefore, the Company has entered into the Virtual Participation Program II with MHB as of July 29, 2015 granting it a virtual participation in the Company's subscribed share capital. MHB has been granted with 1,500 virtual shares with a nominal value of EUR 1.00 entitling MHB to certain cash payments from the Company in certain pre-determined cases, *i.e.* the payment of dividends or any transaction that results in a change-of-control on the level of the Company's shareholders (including cases in which a third party acquires more than 50% of the Company's share capital or voting rights in the Company or assets of the Company) or in case that the Company is liquidated or the shareholders DBR, LDT, Wahtari and Hevella should together hold less than 50% and certain other thresholds of the Company's share capital or voting rights). MHB has no voting rights nor the right to participate in the shareholders' meeting of the Company and, furthermore, is not entitled to any statutory shareholders' rights. On July 5/6 2018, MHB and the Company entered into an addendum to the Virtual Participation Program II in which the parties agreed to amend the Virtual Participation Program II and to compensate MHB for the dilution of its rights under the Virtual Participation Program II due to the capital increase that the general shareholders' meeting of the Company resolved upon on June 18, 2018 (for details see Section 14.2.1 "*Capital Measures prior to the IPO Capital Increase*"). Under this amendment agreement, MHB was granted another 19,640 virtual shares. Otherwise, the commercial terms of the contract remained unchanged.

The Company is of the opinion that the total remuneration of MHB constitutes a customary market-based remuneration.

13.11.2. Service Contract with a Specialized Software Developer

The Company has entered into a service agreement dated September 20, 2017 with a specialized software developer. The developer is currently developing a software for automated analysis and forecast of business data for the Company to be used for the creditshelf Platform, including consulting services. It is envisaged to complete the software project within the period of 12 months in a staged process implemented by so-called sprints, which take two weeks each. The service agreement has an unlimited term and can be terminated with a notice period of four weeks to the end of a calendar month. Any and all rights resulting from the outcomes of the software development process are transferred to the Company. In particular, intellectual property rights have been transferred exclusively and irrevocably and to an unlimited extent in terms of content, time and territorial application. In case of patentable computer-implemented inventions, the software developer has transferred any rights on such inventions to the Company as well. Should an ownership protection be legally not feasible, the software developer has granted the Company any and all proprietary rights of use and exploitation on an exclusive basis. The software developer is entitled to an adjusted remuneration on the basis of daily rates for its programmers. The Company is of the opinion that the remuneration constitutes a customary market-based remuneration.

13.11.3. Agreements with HmcS

The Company has entered into a debt collection framework agreement (*Inkassorahmenvertrag*) with HmcS Gesellschaft für Forderungsmanagement mbH ("**HmcS**") dated September 14/19, 2017. HmcS shall collect debts in respect to certain credit claims in cooperation with creditshelf and on the basis of a specific power of attorney (*Inkassovollmacht*). Acting as lead manager (*Konsortialführerin*), creditshelf service has been previously granted rights to alter a legal relationship (*Gestaltungsrechte*) in respect to such claims. creditshelf instructs the service partner to collect such unrecoverable and declared due and payable receivables (*inkassofähige Forderungen*) for debt collection at its own discretion. HmcS is entitled to certain fees including success fees subject to certain terms and conditions, in particular to a remuneration fee of 1.0 (*Geschäftsgebühr*) pursuant to Section 13 German Attorney Remuneration Act (*Rechtsanwaltsvergütungsgesetz*) for each operation, as well as a success fee ranging from 10-30% of the net payments the service provider can recoup on the respective claims as well as compensation for certain costs and expenses. The agreement has an unlimited term and can be terminated with a notice period of six months to the end of a calendar year, at the earliest with effect as of December 31, 2018.

creditshelf and HmcS also entered into a stand-by servicing agreement dated September 20, 2017 to secure continued servicing of the existing portfolio of loans brokered by the Company and serviced by creditshelf service in case that creditshelf service should no longer be in a position to perform the servicing itself. HmcS has to maintain the necessary infrastructure to take over the loan processing at any time based on a regularly updated emergency plan. For such stand-by performance, the service partner receives a monthly fee of EUR 500.00. In case of an actual take-over by HmcS, a separate servicing agreement will be entered into by the parties. HmcS also offers consulting service regarding credit processing and termination matters. The agreement has an unlimited term and can be terminated by each party with a notice period of six months to the end of a calendar quarter, at the earliest with effect as of December 31, 2018.

13.11.4. Loan Agreements with Shareholders and other Related Party Agreements

Furthermore, the Company has received four shareholder loans from LDT and four shareholder loans from DBR each in an amount of EUR 12,500. Such shareholder loans of DBR and LDT are dated (i) November 20/21, 2014, (ii) January 20/23, 2015, (iii) April 15/20, 2015 and (iv) June 1/4, 2015. Such loans have a term until December 31, 2019 and carry an interest rate of 1% *p.a.* As of the date of this Prospectus, the loans granted by DBR including accrued and unpaid interest amounted to EUR 51,679.16 and the loans granted by LDT including accrued and unpaid interest amounted to EUR 51,677.08. In addition, LDT, DBR and Wahtari entered into service agreements with the Company. The aforesaid shareholders as well as Hevella and Obotritia Capital also invested in loans brokered through the creditshelf Platform for details see Section 18.2 "*Other Transactions with Related Parties*").

Also, under the Back Stop Agreement entered into between Hevella and the Company on July 4, 2018, Hevella has committed itself to acquire Offer Shares for a total amount of up to EUR 15,000,000 in case and to the extent the Offer Shares are not subscribed for in the course of the Offering.

13.12. Insurance

The Company and its affiliated companies hold:

- A contents insurance policy (*Inhaltsversicherung/Gebündelte Geschäftsversicherung*) with a total coverage of up to EUR 200,000;
- Business liability insurance policy (*Betriebshaftpflichtversicherung*) with a sum insured of EUR 3,000,000 per insurance event and a maximal deductible of EUR 2,500 per insurance event and EUR 9,000,000 for all insured events within one insurance year;

- A financial loss liability insurance policy (*Vermögensschadenhaftpflichtversicherung – für Vermittler von Finanzdienstleistungen gegen Fehler der gesetzlichen Haftpflicht*) with a sum insured of EUR 2,500,000 and a deductible of EUR 10,000 per insurance event, and EUR 5,000,000 for all insured events within one insurance year;

- A financial loss liability insurance policy (*Vermögensschadenhaftpflichtversicherung – Pflichtversicherung*) for financial brokerage under Section 34f GewO with a sum insured of EUR 1,500,000 and a deductible of EUR 1,500 per insurance event, and EUR 3,000,000 for all insured events within one insurance year;

- A penal protection insurance policy (*Strafrechtsschutzversicherung*) with a sum insured of EUR 1,000,000 per insurance event, including EUR 300 per day in the event of pretrial detention (*Untersuchungshaft*) not exceeding an amount of EUR 100,000;

- An accident insurance in respect to three members of the Management Board with a sum insured of EUR 250,000 in the event of invalidity and of EUR 150,000 in the event of accidental death; and

- A Prospectus Insurance with a sum insured of EUR 15,000,000.

Furthermore, the Company has taken out a directors and officers ("**D&O**") insurance policy for the members of its Management Board and Supervisory Board as well as the managing directors of its subsidiary creditshelf service with a deductible in accordance with Section 93(2) sentence 3 of the German Stock Corporation Act (*Aktiengesetz* – "**AktG**") and a sum insured of EUR 7,500,000 per insured event and insurance year. Also, a cyber insurance is being negotiated.

13.13. Legal and Arbitration Proceedings

As of the date of this Prospectus, creditshelf and its subsidiary creditshelf service were involved in the following governmental, legal or arbitration proceedings:

creditshelf service has filed a declaratory action (*Feststellungsklage*) against the insolvency administrator of Strauss Verwaltungs GmbH ("**Strauss Alt**"). Strauss Innovation GmbH ("**Strauss Neu**") as borrower has concluded a loan agreement with MHB as creditshelf's Fronting Bank for a nominal amount of EUR 3,600,000. On the basis of creditshelf's standard business model (see Section 13.4 "*Summary of the creditshelf Platform*"), MHB sold the loan claim by way of a true sale and transferred the loan claim by way of discharging transfer of contract to creditshelf service. In accordance with the syndicated model set out in creditshelf service's general terms and conditions, creditshelf service sold partial loan claims to various investors and transferred the loan claims and the loan to the syndicate. This loan from Strauss Neu was to be secured by certain collateral under a security trust agreement (*Sicherheitentreuhandvertrag*) concluded by the insolvency administrator of Strauss Alt ("**Insolvency Administrator**"), MHB and Strauss Neu under certain conditions precedent, including the conclusion of the loan agreement. While the Insolvency Administrator is of the opinion that such a condition precedent requires the conclusion of a loan agreement in the amount of EUR 4,500,000 and is therefore not fulfilled, creditshelf service argues that the condition precedent only requires the granting of a loan in the amount of up to (and not exactly or more than) EUR 4,500,000 and is thus fulfilled. If the Insolvency Administrator's opinion were correct, the credit granted to Strauss Innovation GmbH would be unsecured with regard to the securities granted by the Insolvency Administrator. After the Düsseldorf Regional Court (*Landgericht Düsseldorf*) ruled against creditshelf service in November 2017 that the condition precedent of the security trust agreement had not been fulfilled and that therefore the securities held by the Insolvency

Administrator were not held by him as trustees for the investors, creditshelf service lodged an appeal with the Düsseldorf Higher Regional Court (*Oberlandesgericht Düsseldorf*), which is still pending, an oral hearing has not yet taken place. One of the investors, who invested EUR 750,000 in the aforementioned loan, joined the procedure on the creditshelf service side as a secondary intervener (*Nebenintervenient*). In addition, creditshelf and creditshelf service have entered into an agreement with one investor to temporarily waive the plea of limitation (*zeitlich befristeter Verzicht auf die Einrede der Verjährung*) with respect to any claims of this investor against creditshelf or creditshelf service, in particular any warranty claims under the purchase agreement regarding partial loan claims entered into between creditshelf service and such investor. If the creditshelf Group should ultimately lose this litigation, it cannot be excluded that the investors who have invested in the respective loan will bring forward damage claims against creditshelf and/or creditshelf service. If all investors who have invested in the aforesaid loan would pursue damage claims against the creditshelf Group the Company considers the theoretical maximum exposure to be EUR 3,600,000 plus costs of potential legal proceedings.

While the Company believes that the beneficiaries under the Virtual Participation Program I are not entitled to any compensation for potential dilutive effects resulting from the capital increase that the Company's general shareholder meeting resolved on June 18, 2018 (see Section 14.2.1 "*Capital Measures prior to the IPO Capital Increase*"), it cannot rule out one or more beneficiaries under such program will try to claim compensation for any dilution suffered by them and that such disputes may ultimate result in litigation and that a competent court could reject the Company's position. So far, the Company has entered into agreements with all but one of the beneficiaries to determine the cash amount they are entitled to in case of an Offering under the participation program. If such remaining beneficiary should dispute the Company's calculation of his entitlements under the participation program and successfully claim a dilution compensation the Company might be forced to pay to such beneficiary a higher amount than anticipated. The Company considers the theoretical maximum exposure to amount to approx. EUR 1,900,000 plus costs of potential legal proceedings. However, the Company is of the opinion that such amount will be significantly reduced as a result of a reduction of the beneficiary's payment claims pursuant to the terms of the participation program which provides for such reductions if the vesting of the claims was suspended for certain time periods which the Company considers to be the case with respect to such beneficiary's claims. Against this background, the Company has booked reserves for such beneficiary's claims in an amount of approx. EUR 135,000.

Apart from the aforementioned, the creditshelf Group was not involved in any governmental, legal or arbitration proceedings, including any such proceedings which are pending or threatened of which the Company is aware, during the previous 12 months which may have, or have had in the recent past significant effects on the creditshelf Group's financial position or profitability.

13.14. Regulatory Environment

In Germany, the rendering of financial services is particularly regulated by the KWG, the WpHG and the Asset Investment Act (*Vermögensanlagengesetz* – "**VermAnlG**") among other regulations, all supervised by the competent German Federal Financial Supervisory Authority (the "**BaFin**"). Other countries in which creditshelf may become active may have similar licensing requirements.

Financial brokerage services, as rendered by creditshelf may be regarded as the rendering of bank or financial services in or into Germany and thus require a respective investment brokerage license. As all types of investments are regarded as financial instruments under the KWG, any brokerage services may be seen as investment brokerage (*Anlagevermittlung*), a regulated activity if rendered in or into Germany. In case non-transferable securities/assets are presented, brokered, or offered only, a license under Section 34f GewO, as obtained by creditshelf would be sufficient. Further, the brokerage of loans (*Kreditvermittlung*), as carried out by creditshelf on the creditshelf Platform requires a license under Section 34c GewO, which creditshelf obtained as well.

The Company believes that its current business model, that is the brokering of loans and the provision of certain administration services, does not require a permission under the KWG but only licenses under Sections 34c and 34f GewO.

13.14.1. Permission Requirements for Financial Services Rendered in Germany

According to the KWG and ZAG, banking, financial and payment services provided in or into Germany are subject to the supervision of the BaFin and the Deutsche Bundesbank (German Federal Bank). Parties which, professionally or in a volume requiring commercial business operations, provide banking or financial services within the framework of the KWG (and as defined in Section 1(1) and (1a) KWG), in principle require for this purpose, according to Section 32(1) KWG, permission from the BaFin and Deutsche Bundesbank. The conduct of payment services requires a German payment services license (Sections 1 and 10 ZAG). The permit is granted only if the enterprise wishing to provide banking or financial services meets the requirements of the KWG, the ZAG and other laws, regulations and administrative provisions on which the Act is based. These requirements relate, *inter alia*, to the competence and reliability of the managing directors of the company, its compliance with comprehensive organizational stipulations, *inter alia*, in relation to compliance and risk management as well as sufficient equity capital. Even after the permit for provision of banking and financial or payment services is issued, the company is obligated to ensure continuous supervision of compliance with the above conditions. In this context, the company is subject to regular reporting obligations *vis-à-vis* the BaFin and Deutsche Bundesbank.

The banking transactions requiring a permit pursuant to Section 1(1) sentence 2 KWG include, for example, acceptance of external funds as deposits (deposit business), granting of loans (credit business) or purchase and sale of financial instruments in the institution's own name for the account of third parties (principal broking services). Financial services requiring a permit pursuant to Section 1(1a) sentence 2 KWG include intermediation of business transactions for purchase and sale of financial instruments (investment brokerage), personal recommendations to clients related to transactions with certain financial instruments and based on examination of the personal circumstances of the investor or represented as suitable for this purpose (investment advice), purchase and sale of financial instruments in the name of and for the account of third parties (contract brokerage), management of individual assets invested in financial instruments for others with decision-making leeway (financial portfolio management) or purchase or sale of financial instruments for own account as a service for others (proprietary trading). Section 1(1) sentence 2 no. 6 ZAG requires a license if services, by which money is transferred, received or will be made available (finance transfer business) is conducted, whereby the mere initiation of a payment transfer does not qualify as a payment service and is therefore not subject to any permission requirement.

Brokerage of financial instruments will be regarded as the rendering of bank or financial services in Germany and thus require a respective investment brokerage license. All securities categories (including non-transferable securities and VermAnl Assets, see Section 13.14.2 "*Offer Restrictions and Prospectus Requirement*"), as well as alternative investment fund (AIF) units under the applicable European directive and its local implementation are regarded as financial instruments under the KWG and any brokerage services may be seen as investment brokerage (*Anlagevermittlung*), a regulated activity under the KWG if rendered in or into Germany. According to the relevant regulator's circular, any activity supporting the conclusion of an investment contract in financial instruments is regarded as brokerage. However, if non-transferable securities/assets are presented, brokered, or offered only, a license under the Section 34f GewO, as obtained by creditshelf would be sufficient according to an exemption in Section 2(6) no. 8 KWG. creditshelf also obtained a license under Section 34c GewO for the loan brokerage service rendered.

In both cases, additional obligations for investment brokerage and investment advice under MiFiD II, implemented in the WpHG, and under the FinVermV apply. Registration will be made in a financial broker register (*Vermittlerregister*). Employees rendering brokerage services must be professional (*sachkundig*) and trustworthy (*zuverlässig*) and will be registered with the competent authorities. The investors need to be informed about status related information under Section 12 FinVermV. Extended obligations, such as the categorization of customers and sustainability test, apply for investment advice (*Anlageberatung*), which will not be carried out by creditshelf.

If banking, financial or payment services are provided without the required permit pursuant to Section 32(1) KWG or Section 10(1) ZAG, the BaFin is empowered to prohibit such business activities and demand rescission of said transactions made without the required permit. Measures taken by this authority against a company for infringement of the KWG, ZAG and related legislation may be made public by the BaFin. The provision of banking or financial services without the required permit pursuant to Section 32(1) KWG or Section 10(1) ZAG also meets the definition of a criminal offense. A violation may thus also entail criminal liability of the managing directors of the company concerned.

Companies located in the EEA (such as creditshelf in Germany) who wish to provide banking or financial services by way of the cross-border provision of services in other member or treaty states party to the EEA, may do so on the basis of the permits they have acquired for their home country without having to apply for a permit in the relevant foreign country in which they intend to offer their services if the competent supervisory authority in their home country will be notified of their intention (so-called European Passport).

The collection of debt receivables on behalf of a third person will constitute professional debt collection services (*Inkassodienstleistungen*) within the meaning of Section 2(2) sentence RDG and may only be carried out by companies having particular expertise in such field and being registered with the relevant authority in accordance with Section 10(1) no. 1 RDG. As this does not apply for own receivables collected by creditshelf service, no license has been applied for.

13.14.2. Offer Restrictions and Prospectus Requirement

In Germany, securities and certain other investment products may generally not be offered for public sale without a prospectus and publication of such prospectuses requires the prior permission of the BaFin. The BaFin examines whether the prospectus contains the minimum information required by law and whether it has been written in a readily understandable manner.

German law in principle distinguishes between (i) securities within the meaning of the WpPG (the "**WpPG Securities**"), *i.e.* transferable but not necessarily listed securities including bonds, and (ii) assets within the meaning of the VermAnlG (the "**VermAnlG Assets**"), such as certain loans, loan tranches and partnership interests.

If offered to the public, WpPG Securities generally require a prospectus under the WpPG (and from 2019 on Regulation (EU) 1149/2017), whereas VermAnlG Assets offered to the public generally require a prospectus under the VermAnlG. Both are regarded financial instruments under the WpHG and the KWG.

For the purposes of the WpPG loans, loan tranches and German civil law partnership interests brokered by creditshelf are not regarded as WpPG Securities, in case the loans are not securitized in a bond. The term "offer" is not defined precisely and understood differently with regard to the different types of financial instruments. Generally, the term is construed very broadly under German law. Even a combination of company information with a trading possibility (*i.e.* a securities number) may qualify as a public offer. Such offer needs to address an unlimited circle of persons to be regarded "public". This is regularly the case with online platforms like the one being maintained by creditshelf. Also, the rendering of platform services may be regarded as support of an offer of third parties and, hence, be restricted.

Certain exceptions to the prospectus requirements may apply depending on the type of financial instrument.

For VermAnlG securities, Section 2(1) no. 3 VermAnlG makes exemptions from the obligation to issue a prospectus for a public offer (i) if a maximum of 20 units per investment for each separate offer are offered, (ii) if the total consideration of the offer is at maximum the equivalent of EUR 100,000 within 12 months, or (iii) if the total consideration is at least the equivalent of EUR 200,000 per investor (which is fulfilled with a EUR 200,000 minimum investment requirement per investment). Further, under Section 2(1) no. 4 VermAnlG, offers to persons, who professionally or commercially purchase and sell securities and assets investments are exempted from the prospectus issuance obligation. Beyond this no exemption for qualified investors exists for VermAnlG Assets.

13.14.3. Ongoing Legislative Initiatives that might be Relevant for the Company

Of the various currently ongoing legislative initiatives that could affect the Company and its business is the EU initiative titled "Legislative proposal for an EU framework on crowd and peer to peer finance" (REF.Ares/20175288649) launched in the fourth quarter of 2017.

This initiative is part of the European Commission's priority of establishing the CMU broadening access to finance for small- and medium-sized enterprises (as defined in the legislative proposal, *i.e.* does not correspond to the definition used by creditshelf), in particular for innovative companies, start-ups and scale-ups (2015 CMU Action Plan).

On March 8, 2018 the EU Commission put forward a "Proposal for a Regulation of the European Parliament and of the Council on European Crowdfunding Service Providers (ECSP) for Business" (Ref: COM(2018) 113 final) that provides for a stand-alone opt-in EU framework, which leaves the rules for platforms conducting only national business unchanged. The proposal does not intend to interfere with national bespoke regimes or existing licenses, including those under the EU Directive 2014/65/EU on markets in financial instruments, as amended, but rather to provide crowdfunding service providers with the possibility to apply for an EU label that empowers them to scale up their operations throughout the EU. This option combines flexibility towards business models (companies can freely choose either to opt for the EU label or to stay with the national regime) with proportionate investor protection and organizational rules. Under the proposal, a crowdfunding service provider can choose to either provide or continue providing services on domestic basis under applicable national law (including where an EU member state chooses to apply MiFID II to crowdfunding activities) or seek authorization to provide crowdfunding services under the proposed regulation. In case of an authorization under EU rules, such authorization covers both the provision of services in a single EU member state and on a cross-border basis. If the provider chooses to apply the EU rules, authorization under the applicable national rules is withdrawn. In the current version of the proposal, a maximum consideration for each crowdfunding offer has been set at EUR 1,000,000.00, calculated over a period of 12 months.

The Company notes that the discussions around this EU initiative are still ongoing and it cannot be determined with certainty what final provisions might materialize, including the final threshold amount for the crowd lending project. While the current threshold of EUR 1,000,000 million for a credit project would not be compatible with the business model of the creditshelf Group (see Section 13 "*Business Description*"), the Company believes that an opt-in framework with a higher threshold amount might make its expansion to other EU Member States somewhat less complex.

14. GENERAL INFORMATION ABOUT THE COMPANY

14.1. Name, Recording in the Commercial Register, Formation, Term, Financial Year and Registered Office

The Company is a stock corporation under German law (*Aktiengesellschaft*).

The Company's registered office is located in Frankfurt/Main, Germany. Its business address is Mainzer Landstraße 33a, 60329 Frankfurt/Main, Germany, telephone number +49 (0) 69 3487724-0. The Company is registered with the commercial register at the local court (*Amtsgericht*) of Frankfurt/Main, Germany, under the number HRB 112087.

The Company was established for an unlimited period of time. The financial year of the Company runs from January 1 to December 31 of the same year.

The Company's legal name is creditshelf Aktiengesellschaft. The Company primarily operates under the brand creditshelf.

14.2. Development of the Company and History

14.2.1. Capital Measures prior to the IPO Capital Increase.

The Company's predecessor was established by an incorporation deed, dated October 6, 2014, as a German limited liability company (*Gesellschaft mit beschränkter Haftung*) with the name "creditshelf GmbH", formerly registered with the commercial register of the local court of Frankfurt/Main, Germany, under HRB 100955 and with a share capital of EUR 50,000. The founders of creditshelf GmbH were Wahtari GmbH (Am Wellenhaag 10, 61250 Usingen, Germany), DBR Investment UG (Daniel-Seizinger-Weg 2, 68307 Mannheim, Germany) and LDT Investment UG (Daniel-Seizinger-Weg 2, 68307 Mannheim, Germany). Since its incorporation, the shareholders' meeting of creditshelf GmbH resolved, among other matters, on the following capital measures:

- On May 22, 2015, the shareholders' meeting of creditshelf GmbH resolved to increase the share capital of the Company from EUR 50,000 by EUR 10,002 to EUR 60,002, against cash contribution. The capital increase was registered with the commercial register of the local court of Frankfurt/Main, Germany, and became effective on June 17, 2015.
- On May 11, 2016, the shareholders' meeting of creditshelf GmbH resolved to increase the share capital of the Company from EUR 60,002 by EUR 6,666 to EUR 66,668, against cash contribution. The capital increase was registered with the commercial register of the local court of Frankfurt/Main, Germany, and became effective on June 14, 2016.
- On June 1, 2016, the shareholders' meeting of creditshelf GmbH resolved to increase the share capital of the Company from EUR 66,668 by EUR 2,775 to EUR 69,443, against cash contribution. The capital increase was registered with the commercial register of the local court of Frankfurt/Main, Germany, and became effective on June 29, 2016.
- On December 6, 2016, the shareholders' meeting of creditshelf GmbH resolved to increase the share capital of the Company from EUR 69,443 by EUR 1,827 to EUR 71,270, against cash contribution. The

capital increase was registered with the commercial register of the local court of Frankfurt/Main, Germany, and became effective on January 3, 2017.

- On March 28, 2017, the shareholders' meeting of creditshelf GmbH resolved to increase the share capital of the Company from EUR 71,270 by EUR 5,482 to EUR 76,752, against cash contribution. The capital increase was registered with the commercial register of the local court of Frankfurt/Main, Germany, and became effective on April 25, 2017.
- On February 8, 2018, the shareholders' meeting of creditshelf GmbH resolved to increase the share capital of the Company from EUR 76,752 by EUR 3,070 to EUR 79,822, against cash contribution. The capital increase was registered with the commercial register of the local court of Frankfurt/Main, Germany, and became effective on February 23, 2018.
- On June 18, 2018, the general shareholders' meeting of creditshelf Aktiengesellschaft resolved to increase the share capital of the Company from EUR 79,822 to EUR 1,125,000, against cash contribution in the amount of EUR 1.00 per share. The existing shareholders of the Company were permitted to subscribe in proportion of their existing share in the total share capital of the Company. The capital increase was registered with the commercial register of the local court of Frankfurt/Main, Germany, and became effective on June 21, 2018.

On May 11, 2018, the shareholders' meeting resolved to change the legal form of the Company to a stock corporation with the name "creditshelf Aktiengesellschaft". The transformation was registered with the commercial register of the local court of Frankfurt/Main, Germany, and became effective on June 13, 2018. On June 15, 2018, DBR Investment UG (haftungsbeschränkt) sold and transferred 1,596 shares and LDT Investment UG (haftungsbeschränkt) sold and transferred 399 shares to Hevella each for a purchase price of EUR 626.39 per share. This purchase price of EUR 626.39 per share was based on a valuation of the Company of EUR 50,000,000 divided by 79,822 (which was the number of outstanding shares of the Company at the time of the share sale and transfer). The aforementioned valuation of the Company of EUR 50,000,000 was derived from the pre-money valuation of the Company in the capital increase resolved on February 8, 2018.

14.2.2. Company History

The list below summarizes certain events in the Company's history that the Company considers to be relevant:

- The Company (at that time acting as creditshelf GmbH) was incorporated in 2014.
- In 2015, the Company launched the first version of the creditshelf Platform with the credit project application process still mostly being done manually.
- In 2016, the Company started to intensify the development of its data-driven credit decisioning and scoring algorithms and models.
- In 2016, creditshelf re-launched the creditshelf Platform.
- In 2017, creditshelf changed its pricing scheme and introduced servicing fees charged to investors.

14.3. Corporate Purpose of the Company

Pursuant to Section 2 of the Company's Articles of Association, the corporate purpose (*Unternehmensgegenstand*) is the brokerage of loan agreements, the mediation of investors and German credit institutes or insurance companies, consulting and analysis of companies, development of information technologies to obtain economic insight into credit default probabilities, information services, provision of services regarding information services. The Company may engage in all related fields of business and may participate in, or acquire any other companies of the same or similar business in any suitable form.

14.4. Group Structure and Equity Holding, Company's Position within the creditshelf Group

The Company is the sole shareholder of creditshelf service, a German limited liability company that was incorporated by the Company in 2015 and is registered with the commercial register of the local court of Frankfurt/Main, Germany, under HRB 103351 with a share capital of EUR 25,000. Besides that, the Company does not hold (either directly or indirectly) any other participations. As holding company creditshelf provides certain central services for the creditshelf Group, *e.g.* group management, budgeting, controlling, accounting, communications & marketing, investor relations, risk management and internal audit as well as human resources.

14.5. Announcements, Paying Agent

In accordance with its Articles of Association, announcements of the Company are published in the German Federal Gazette.

Announcements in connection with the approval of this Prospectus or any supplements thereto are to be made in accordance with the regulations of the WpPG and in the form of publications stipulated for in this Prospectus, in particular through publication on the Company's website (ir.creditshelf.com). Printed copies of this Prospectus are available at the offices of the Company at Mainzer Landstraße 33a, 60329 Frankfurt/Main, Germany.

The paying agent is Commerzbank. The mailing address of the paying agent is Kaiserstraße 16 (Kaiserplatz), 60311 Frankfurt/Main, Germany.

14.6. Independent Auditor

The Company has appointed WKGT, a member of the German Chamber of Public Accountants (*Wirtschaftsprüferkammer*) Frankfurt, as auditor of the Company. The consolidated financial statements of the Company for the financial years ended December 31, 2015, December 31, 2016, and December 31, 2017, prepared in accordance with IFRS as adopted by the European Union and the annual financial statements of the Company for the financial year ended December 31, 2017 prepared in accordance with HGB have been audited by WKGT in accordance with German GAAP.

WKGT has issued an unqualified audit opinion (*uneingeschränkter Bestätigungsvermerk*) on the annual financial statements as of and for the financial year ended December 31, 2017 and has issued unqualified audit opinions on each of the consolidated financial statements as of and for the financial years ended December 31, 2015, December 31, 2016, and December 31, 2017.

15. INFORMATION ABOUT THE COMPANY'S CAPITAL AND APPLICABLE REGULATIONS

15.1. Share Capital and Shares

The Company's share capital currently amounts to EUR 1,125,000. It is divided into 1,125,000 bearer shares with no-par value (*Stückaktien*), each such share with a notional value of EUR 1.00. The share capital has been fully paid in. The shares were created pursuant to German law.

15.1.1. Incorporation and Capital Measures

The Company was established by an incorporation deed, dated October 6, 2014, as a German limited liability company (at that time, registered with the commercial register of the local court of Frankfurt/Main, Germany, under HRB 100955) with an initial share capital of EUR 50,000. For an overview of relevant capital measures of the Company prior to the Offering please refer to Section 14.2 "*Development of the Company and History*".

15.1.2. Change of Legal Form

On May 11, 2018 the extraordinary general shareholders' meeting of creditshelf GmbH resolved to change the legal form of creditshelf GmbH into a German stock corporation, under the corporate name creditshelf Aktiengesellschaft. The change of legal form was registered with the commercial register of the Company at the local court of Frankfurt/Main, Germany, and became effective on June 13, 2018.

15.1.3. IPO Capital Increase

On or about July 11, 2018, the extraordinary shareholders' meeting of the Company will resolve on the IPO Capital Increase, *i.e.* to increase the Company's share capital by up to EUR 250,000 to up to EUR 1,375,000 against cash contributions through the issuance of up to 250,000 Offer Shares. Registration of the IPO Capital Increase in the commercial register is expected to occur on July 20, 2018.

Following consummation of the IPO Capital Increase, the Company's share capital will amount to up to EUR 1,375,000, divided into up to 1,375,000 ordinary bearer shares with no-par value and a notional value of EUR 1.00 each in the share capital. The share capital will be fully paid up.

15.1.4. Description of Shares

Each share entitles the shareholder to one vote at the general shareholders' meeting of the Company. There are no restrictions on voting rights. Voting rights are the same for all of the Company's shareholders. Voting rights, however, do not attach until the respective capital contribution has been fully paid up. The shares carry full dividend rights as from January 1, 2018, *i.e.* for the full financial year ending December 31, 2018 and for all subsequent financial years. In the event of the Company's liquidation, the Company's assets remaining after satisfaction of all liabilities of the Company will be distributed to the shareholders in proportion to their interest in the Company's share capital.

As of the date of this Prospectus, the Company and its only subsidiary creditshelf service hold no shares in the

Company. No shares in the Company are held on behalf of or for the account of the Company or creditshelf service.

15.2. General Provisions Governing a Change in the Share Capital

The share capital of the Company may be increased against cash contributions or against contributions in kind by a resolution of the Company's general shareholders' meeting. According to the AktG, such resolution requires a simple majority of the votes cast, as well as a majority of at least three quarters of the share capital represented at the time the resolution is adopted, unless the stock corporation's articles of association provide for a different majority. Section 18.1 of the Articles of Association generally provides for a simple majority of the votes cast for resolutions of the Company's general shareholders' meeting to be adopted. In cases where the majority of the share capital represented during the adoption of the resolution is required by statutory law, the simple majority of the represented share capital shall be sufficient unless a larger majority is stipulated by mandatory statutory law.

In addition, the Company's general shareholders' meeting may create authorized capital (*genehmigtes Kapital*) by a resolution requiring a simple majority of the votes cast, as well as a majority of at least three quarters of the share capital represented at the time the resolution is adopted. The authorized capital gives the Management Board authority to issue shares up to a certain amount within a period of not more than five years after registration of the authorization with the commercial register with the approval of the Supervisory Board. The notional value of the authorized capital may not exceed one half of the share capital in existence at the time the authorization is registered with the commercial register. For details on the Company's authorized capital see Section 15.3 "*Authorized Capital*".

Furthermore, the Company's general shareholders' meeting may resolve to create contingent capital (*bedingtes Kapital*) with a simple majority of the votes cast, as well as a majority of at least three quarters of the share capital represented at the time the resolution is adopted. Contingent capital should only be created in order to grant exchange or subscription rights to holders of convertible bonds (regarding the Management Board's authorization to issue convertible bonds or warrants see Section 15.6 "*Issuance of Convertible Bonds*"), to prepare for a business combination with one or more other companies or to grant subscription rights to employees and members of the management of the creditshelf Group. In case contingent capital is created for the purpose of granting subscription rights to employees and members of the management, its nominal amount may not exceed 10% of the share capital in existence at the time the resolution is adopted, in all other cases, the nominal amount must not exceed 50%, provided, however, in both cases that it does not exceed 50% in the aggregate. For details on the Company's contingent capital see Section 15.4 "*Contingent Capital*".

The Company's general shareholders' meeting may also resolve to decrease the share capital of the Company. Again, such resolution requires a simple majority of the votes cast, as well as a majority of at least three quarters of the share capital represented at the time the resolution is adopted. A decrease of the share capital is also possible upon cancelation of treasury shares if the authorization granted to the Management Board by the Company's general shareholders' meeting to acquire treasury shares explicitly allows for such cancelation. For details on the authorization to acquire treasury shares see Section 15.5 "*Treasury Stock*".

15.3. Authorized Capital

It is expected that the extraordinary shareholders' meeting of the Company resolving on the IPO Capital Increase on or around July 11, 2018, will resolve on an authorized capital by which the Management Board is authorized to increase the Company's share capital with the approval of the Supervisory Board in one or several tranches up until (and including) July 10, 2023, by issuing new no-par value ordinary bearer shares against contributions in cash and/or in kind, by an amount of up to EUR 562,500 in total (the "**Authorized Capital 2018**"). In this regard, the shareholders of the Company shall generally be granted a subscription right. Pursuant to Section 186(5) AktG, the new shares may also be assumed by a credit institution or an enterprise, active in the banking sector in accordance with Section 53(1) sentence 1 or Section 53b(1) sentence 1 or Section 53b(7) KWG, with the obligation to offer them to the shareholders for subscription (indirect subscription right). The Management Board shall, however, be authorized to exclude the shareholders' subscription right in whole or in part with the approval of the Supervisory Board in the following cases:

- for fractional amounts;
- if the shares of the Company are issued against contributions in kind;
- if the aggregate notional par value of the shares of the Company to be issued for contribution in cash with the exclusion of the subscription rights does not exceed 10% of the total share capital both at the time when the authorization takes effect and when the authorization is used and the issue price is not significantly lower than the market price of the Company’s shares which are already listed at the time when the issue price is fixed. Towards the above limit of 10% of the total share capital any shares of the Company shall count which were or are to be issued or disposed of excluding shareholders’ subscription rights in application, directly or by analogy, of Section 186(3), sentence 4 AktG during the term of the authorization until each date on which the relevant authorization is exercised. Furthermore, shares of the Company or subordinated affiliated entities shall count towards such limit which were or may be issued to honor convertible bonds or warrant bonds issued by the Company under the exclusion of shareholders’ subscription rights in application, directly or by analogy, of Section 186(3) sentence 4 AktG at the time when the authorization is exercised but after this authorization has become effective;
- for the issuance of shares in the Company (i) to members of the Management Board and (ii) to employees of the Company and employees of subordinated affiliated entities, with regard to employees also under the requirements set out in Section 204(3) AktG.

15.4. Contingent Capital

It is expected that the extraordinary shareholders' meeting of the Company resolving on the IPO Capital Increase on or around July 11, 2018, will resolve on a contingent capital by which the share capital of the Company is conditionally increased by up to EUR 562,500 (the "**Contingent Capital 2018**"). The contingent capital increase is to be effected by issuing up to 562,500 ordinary bearer shares with no-par value with a notional value of EUR 1.00 with the right to participate in the profits as from the beginning of the financial year of their issuance. The new shares from the contingent capital shall be issued at a conversion or option price which meets the requirements stipulated in the aforementioned authorization. The Management Board is authorized to determine the further details of the contingent capital increase and its execution.

The Contingent Capital 2018 serves for the granting of shares in connection with the exercise of conversion rights or obligations and option rights or obligations that serve, in accordance with the issued authorization hereinafter described under Section 15.6 "*Issuance of Convertible Bonds*", for the issuance of convertible bonds by the Company.

15.5. Treasury Stock

The Company does not currently have any own shares (*eigene Aktien*) and is not authorized for the acquisition or sale of own shares.

15.6. Issuance of Convertible Bonds

It is expected that the extraordinary shareholders' meeting of the Company resolving on the IPO Capital Increase on or around July 11, 2018, will pass a resolution authorizing the Management Board to issue bearer bonds or registered bonds in an aggregate nominal amount of up to EUR 562,500 with conversion rights or warrant rights represented by bearer or registered warrant bonds (or a combination of such instruments) for up to 562,500 no-par-value bearer shares of the Company representing an aggregate fraction of the bearer share capital of up to EUR 562,500.

The terms and conditions of the bonds or the warrants may also provide for an obligation of the bondholder to exercise the conversion or warrant right or for a put option for the Company to deliver shares in the Company (in any combination), in each case to be satisfied or exercised, as the case may be, at the end of the term or earlier. The bonds are to be issued against cash consideration. The authorization also includes the possibility to guarantee bonds issued by a member of the creditshelf Group other than the Company and to make any declarations and perform any actions that are necessary for a successful issuance. The authorization further includes the possibility to grant shares of the Company to the extent that holders or creditors of convertible bonds or warrant rights from warrant bonds make use of their conversion or warrant rights or discharge their conversion or option obligations or shares are offered in exercise of the put option. The authorization is expected to be valid until (including) July 10, 2023. The bonds as well as the warrants can be issued once or several times, in full or in part or at the same time in separate fractional bonds with equally ranked rights and obligations within each tranche. The notional amount of the share capital of the shares to be issued for each fractional bond may not exceed the nominal amount or, if lower, the issue price of the fractional bond.

The conversion/option price may not fall short of 80% of the price of the shares of the Company quoted in the XETRA trading system (or a comparable successor system) of the Frankfurt Stock Exchange. The relevant price is the average closing price on the ten trading days before the final decision of the Management Board on the offer to subscribe for bonds or the declaration of acceptance by the Company following a public invitation to submit subscription offers. In case of a trading in subscription rights, the days of such subscription rights trading are relevant except for the last two trading days. In case of bonds with a conversion/option obligation of the bondholder or a put option of the Company, the conversion/option price may equal at least either the above minimum price or the average closing price of the shares of the Company on the ten trading days in the XETRA trading system (or a comparable successor system) of the Frankfurt Stock Exchange before or after the date of final maturity of the bonds, even if such average closing price is below the minimum price set out above (80%). Sections 9(1) and 199(2) AktG remain unaffected.

In case of warrant bonds being issued, one or several warrants shall attach to each fractional bond entitling and/or obliging the holder or creditor to subscribe to shares of the Company or including a put option entitling the issuer to deliver shares in the Company, subject in each case to the terms and conditions of the bonds or the warrants. The respective warrants may be detachable from the respective fractional bonds. The terms and conditions of the bonds or the warrants may also provide that payment of the option price can also be fulfilled by transferring fractional bonds and, as the case may be, with an additional cash payment. The notional amount of the share capital of the shares to be issued for each warrant bond must not exceed the nominal amount or, if lower, the issue price of the warrant bond.

In case of convertible bonds being issued, the holders/creditors of the convertible bonds shall be entitled and/or obliged to convert the convertible bonds into shares of the Company, subject to the terms and conditions of the convertible bonds. The conversion ratio is obtained by dividing the nominal amount or, if lower, the issue price of a convertible bond by the conversion price stipulated for one new share of the Company. The notional amount of the share capital of the shares in the Company to be issued for each convertible bond must not exceed the nominal amount or, if lower, the issue price of the convertible bond.

The authorization shall also include the possibility, subject to the terms and conditions of the bonds or warrants, to provide dilution protection and/or other adjustments under certain circumstances. Dilution protection or other adjustments may be provided for, in particular, if the Company changes its capital structure during the term of the bonds or the warrants (*e.g.* through a capital increase, a capital decrease or a stock split), but also in connection with dividend payouts, the issue of additional convertible and/or warrant bonds and in the case of extraordinary events that may occur during the term of the bonds or warrants (*e.g.* control gained by a third party). Dilution protection or other adjustments may be provided by granting subscription rights, by changing the conversion or exercise price, and by amending or introducing cash components.

The Management Board shall be authorized to determine the further terms and conditions of the bond or warrant issues or to establish such terms and conditions. The terms and conditions may, *inter alia,* include the following aspects:

- whether, rather than using the Company's contingent capital, consideration should be offered in the form of shares of the Company held in treasury, by payment of the equivalent amount in cash or by transfer of other listed securities;
- whether the conversion or exercise price or the conversion ratio should be determined at the time of bond issue or by means of future market prices within a predetermined range;
- whether and how a conversion ratio should be rounded;
- whether an additional cash payment or a compensation in cash should be specified in the case of fractional amounts;
- how, in the case of mandatory conversions, the fulfillment of obligations to exercise the option right or delivery rights under a put option, details are to be determined regarding the exercise, fulfillment or obligations or rights, deadlines and determination of conversion or exercise prices; and/or
- whether the bonds should be issued in EUR or in the legal currency of an OECD country other than EUR, subject to limitation to the EUR value equivalent.

The bonds must generally be offered to shareholders for subscription, including the possibility of issuing them to banks with the obligation that they must be offered to the shareholders for subscription. However, the Management Board is authorized to exclude shareholders' subscription rights with the approval of the Supervisory Board,

- if the issue price of the bonds is not significantly lower than their theoretical market price computed in accordance with generally accepted financial methods, provided that the total number of shares to be issued on the basis of bond issues under this authorization or otherwise in application, directly or by analogy, of Section 186(3) sentence 4 AktG (against cash contributions, with shareholders' subscription rights being excluded) during the term of this authorization, does not exceed 10% of the total share capital at the time this authorization becomes effective or is exercised; any shares of the Company issued prior to the issuance of bonds on the basis of the Authorized Capital 2018, of any other authorized capital or by way of sale of treasury shares excluding the subscription rights of the shareholders pursuant to Section 186(3) sentence 4 AktG, if applicable in connection with Section 71(1) no. 8 sentence 5 AktG, shall count towards such limit;

- to the extent that the exclusion is necessary with regard to fractional amounts resulting from the subscription ratio; or
- in order to grant holders or creditors of conversion or option rights or conversion or option obligations in respect of shares in the Company subscription rights as compensation for the effects of dilution to the extent to which they would be entitled to subscription rights upon exercising such rights or fulfilling such obligations.

The Supervisory Board shall be authorized to adjust the wording of the respective provision in the Articles of Association according to the actual use of the Contingent Capital 2018 and to the extent that the Contingent Capital 2018 and the authorization to issue convertible bonds or warrant bonds have not been used upon the expiry of all conversion/option periods or of the authorization, respectively.

15.7. Notification Requirements for Share Ownership

After the Company's shares have been admitted to trading on the regulated market with simultaneous admission to the sub-segment of the regulated market with additional post-admission obligations (Prime Standard) of the Frankfurt Stock Exchange, the Company, as a listed company, will become subject to the provisions of the WpHG governing disclosure requirements for shareholdings.

15.7.1. Voting Rights Notifications

The general rule requires that anyone who, due to an acquisition, sale or other event, obtains, exceeds, or no longer holds 3%, 5%, 10%, 15%, 20%, 25%, 30%, 50% or 75% of the voting rights in an issuer whose home country (*Herkunftsstaat*) is Germany must promptly, and within no later than four trading days, notify the issuer and simultaneously the BaFin (Section 33(1) WpHG). The notice must include, among other things, the address of the notifying person, the share of voting rights held and the date on which its shareholding reached, exceeded or fell below the respective threshold. In connection with the notice requirements, the WpHG contains various provisions designed to ensure that shareholdings in listed companies are attributed to the person who actually controls the voting rights associated with such shares (Section 34 WpHG). Such attribution applies, *inter alia*, to the voting rights attached to shares owned by a subsidiary of the notifying person (Section 34(1) sentence 1 no. 1 WpHG). The same applies to shares owned by a third party for the account of the notifying person (Section 34(1) sentence 1 no. 2 WpHG).

A German issuer must publish any notification of changes in voting rights which it receives without undue delay, and no later than three trading days after having received the information. The publication has to be realized by means of media, including media that can be expected to distribute the information throughout the whole of the European Union and the rest of the member states of the EEA. If a shareholder who holds voting rights does not comply with the disclosure requirements, he will pursuant to Section 44 WpHG be precluded from exercising any rights associated with his shares until proper notice has been given (including voting rights and the right to draw dividends; but in relation to the latter only if the disclosure was omitted willfully and has not been rectified by subsequent notification). This also applies if voting rights of a subsidiary or a third party, who holds the voting rights for the account of the person responsible for disclosure, are attributed to the shareholder. As far as the proportion of voting rights is concerned, the period is extended by six months if the breach has been committed willfully or with gross negligence. If the disclosure requirements for notifications of changes in voting rights are not complied with, the BaFin can impose a fine irrespective of the relevant attribution provisions.

15.7.2. Notification Requirements for Holding Financial Instruments and other Instruments

Anyone who directly or indirectly holds financial or other instruments which entitle their holder to acquire, unilaterally under a legally binding agreement, shares in an issuer whose home state is Germany that carry voting rights and have already been issued, must promptly upon obtaining, exceeding, or no longer holding 5%, 10%, 15%, 20%, 25%, 30%, 50% or 75% of voting rights, and within no later than four trading days, provide notice thereof to the issuer and simultaneously to the BaFin (Section 38 WpHG). The voting rights from shares that are to be notified in a voting rights notification will be aggregated for the purposes of the calculation. Financial or other instruments that may be acquired by the notifying person by a declaration of intent will be accounted for only once in the calculation.

15.7.3. Notification Requirements of Persons Holding Material Interests

In general, any person whose shareholding reaches or exceeds the threshold of 10% or more of the voting rights is obliged to inform an issuer, whose country of origin is Germany, within 20 trading days of the purpose of its investment and the origin of the funds used for such investment. A change of these purposes must be disclosed within 20 trading days (Section 43 WpHG).

15.7.4. Directors' Dealings – Managers' Transactions

With the announcement of and the admission of the shares for trading in the regulated market of the Frankfurt Stock Exchange the rules of the MAR apply to the Company. Under Article 19 MAR, a Manager (as defined below in this Section 15.7.4 "*Directors' Dealings – Managers' Transactions*") is required to notify the Company and BaFin within three working days regarding any of his or her transactions (including lending in shares, debt securities or financial instruments of the Company or financial instruments linked to them, particularly derivatives). This obligation also applies to persons closely associated to a Manager. The Company is obliged to immediately (no later than three days after the transaction) publish the information received in accordance with the foregoing and to simultaneously notify the BaFin of the publication. Furthermore, the Company shall immediately transmit the information to the German Company Register for storage. Notification is not required if the sum of all transactions involving a Manager and persons closely related to him or her is less than EUR 5,000 in a given calendar year.

A "**Manager**" is any member of the Company's administrative, management or supervisory bodies and any other person who has regular access to insider information directly or indirectly related to the Company within the meaning of Article 19 MAR and is authorized to make entrepreneurial managerial decisions about future developments and business prospects. Persons closely associated to a Manager are spouses or partners, considered to be equivalent to spouses under national law, dependent children as well as other relatives who have shared the same household as the Manager for at least one year when the relevant transaction is made. Notification is also required for transactions by legal entities, trust or partnership in which a Manager or any of the aforementioned parties holds management responsibilities, which are directly or indirectly controlled by a Manager or such a party, which were established for the benefit of a Manager or such a party or whose economic interests are substantially equivalent to those of a Manager or such party. Non-compliance with the notification requirements may result in a fine.

15.7.5. Publication of Assumption of Control

Furthermore, any person who acquires direct or indirect control of a company listed in Germany must publish this fact and specify the percentage of the acquired voting rights without undue delay, and in any case, within seven calendar days of such acquisition. "Control" in the sense of the German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz* – "**WpÜG**") means an interest of at least 30% of the voting rights of a company listed in Germany. Subsequently, a mandatory bid must be made to all shareholders of the company unless an exemption from this requirement has been granted by the BaFin. As with disclosure requirements concerning notification of changes in voting rights, the WpÜG contains a number of provisions according to which shareholdings are attributed to those who actually control the voting rights attached to the shares.

15.8. Exclusion of Minority Shareholders

According to Sections 327a *et seq.* AktG which govern the so-called "squeeze-out under stock corporation law", the general shareholders' meeting of a stock corporation is able, at the request of a shareholder holding at least 95% of the share capital (the "**Principal Shareholder**"), to resolve to transfer the shares of the minority shareholders to the Principal Shareholder against payment of an adequate cash settlement. The amount of cash compensation to be granted to the minority shareholders has to take into account the situation of the company on the date of the resolution of the shareholders' meeting. The true value of the company determines the amount of cash compensation, which is generally calculated using the capitalized earnings method (*Ertragswertmethode*) or similar generally recognized valuation methods, provided however that, in the absence of certain circumstances, the compensation must not fall short of the weighted average stock price over the last three months prior to the publication of the intention to have a "squeeze-out" resolution be passed. The minority shareholders are entitled to initiate valuation proceedings (*Spruchverfahren*), in the course of which the adequateness (*Angemessenheit*) of the cash payment is reviewed.

If the Principal Shareholder of the company is in turn, a stock corporation, a partnership limited by shares (*Kommanditgesellschaft auf Aktien*), or an European company (*Societas Europaea (SE)*), in each case having its registered office in Germany, a squeeze-out in accordance with Sections 327a *et seq.* AktG can be effectuated, under certain circumstances, in order to facilitate an upstream merger of the stock corporation into the majority shareholder. Pursuant to Section 62 German Transformation Act (*Umwandlungsgesetz* – "**UmwG**"), providing for this so-called "squeeze-out under transformation law", in deviation to the 95% threshold mentioned above, the Principal Shareholder holding at least 90% of the share capital is able to request the shareholders' meeting to approve the squeeze-out within three months of the conclusion of the merger agreement.

The procedure for a squeeze-out under the UmwG is essentially identical to the "squeeze-out under stock corporation law" described above, including the minority shareholders' right to judicial review of the appropriateness of the cash compensation.

In addition, according to Sections 39a and 39b WpÜG, providing for a so-called "squeeze-out under takeover law", an offer or holding of at least 95% of the voting share capital of the target company (as defined in the WpÜG) after a takeover or mandatory public offer, may within three months of the expiry of the deadline for acceptance of the offer, request the transfer of the remaining voting shares to it by court order against payment of an adequate compensation. To this end, the compensation guaranteed as part of the takeover or mandatory public offer is deemed adequate if, on the basis of the respective offer, the bidder has acquired shares amounting to at least 90% of the share capital affected by such offer.

Furthermore, according to Section 39c WpÜG, the shareholders of a target company who have not accepted the offer can accept it within further three months after the acceptance period of the takeover or mandatory public offer has expired ("sell-out"), if the offeror has the right to file an application for the transfer of the outstanding voting shares in accordance with Section 39a WpÜG.

The provisions for a squeeze-out under stock corporation law cease to apply once an offeror has petitioned for a squeeze-out under takeover law, and only apply again when these proceedings have been completed.

In addition to the legal provisions on the exclusion of minority shareholders, in Sections 319 *et seq.* AktG, the AktG provides for what is called the integration of stock corporations (*Eingliederung*). According to these provisions, the shareholders' meeting of a stock corporation can approve the integration of a company if 95% of the shares of the company to be integrated are held by the future principal company. The former shareholders of the integrated company are entitled to an adequate compensation that generally must be granted in the form of shares of the principal company while, if the principal company is a controlled company (*i.e.* a legally separate company over which another company is able to exert, directly or indirectly, a controlling influence), the former shareholders may also demand an adequate compensation in cash instead of a compensation in the form of shares. Such integration is, however, only possible if the future principal company is a stock corporation with its registered office in Germany.

15.9. General Provisions Relating to a Liquidation of the Company

Apart from a liquidation as a result of insolvency proceedings, the Company may be liquidated only with a vote of 75% or more of the share capital represented at the Company's general shareholders' meeting at which such vote is taken. Pursuant to the AktG, in the event of the Company's liquidation, any assets remaining after all of the Company's liabilities have been settled will be distributed pro rata among its shareholders. The AktG provides certain protections for creditors which must be observed in the event of liquidation.

15.10. EU Short Selling Regulation (Ban on Naked Short-Selling)

Pursuant to Regulation (EU) No. 236/2012 of the European Parliament and of the Council of March 14, 2014, on short selling and certain aspects of credit default swaps (the "**EU Short Selling Regulation**"), the European Commission's delegated regulation for the purposes of detailing the EU Short Selling Regulation, and the German EU Short Selling Implementation Act (*EU-Leerverkaufs-Ausführungsgesetz*) of November 15, 2012, the short-selling of the Company's shares is only permitted under certain conditions. Additionally, under the provisions of the EU Short Selling Regulation, significant net-short selling positions in the Company's shares must be reported to the BaFin and published if they exceed a specific percentage. The reporting and publication process is detailed in the German Regulation on Net-Short Positions (*Netto-Leerverkauf-Positionsverordnung*) of December 17, 2012. The net short-selling positions are calculated by offsetting the short positions of a natural person or legal entity in the Company's shares with its long positions in such shares. The details are regulated in the EU Short Selling Regulation and the other regulations the European Commission enacted on short-selling. In certain situations described in the EU Short Selling Regulation, the BaFin may restrict short-selling and comparable transactions.

16. SHAREHOLDER STRUCTURE

16.1. Current Shareholders

The following tables set forth the direct and indirect shareholders (within the meaning of Sections 34, 35 WpHG) of the Company immediately prior to the Offering, and their expected shareholding, together with the expected shareholding after the public float upon completion of the Offering based on the Company's knowledge as of the date of this Prospectus (assuming a placement of all Offer Shares and that the direct or indirect shareholders immediately prior to the Offer do not acquire any Offer Shares in the course of the Offering).

Direct Shareholders	**Prior to Offering (rounded)**		**Upon Completion of Offering (rounded)**	
	Shares	**% of registered share capital**	**Shares**	**% of registered share capital**
Hevella Capital GmbH & Co. KGaA	519,129	46.145	519,129	37,755
LDT Investment UG (haftungsbeschränkt)	261,047	23.204	261,047	18,985
DBR Investment UG (haftungsbeschränkt)	244,176	21.705	244,176	17,758
Wahtari GmbH	65,508	5.823	65,508	4,764
Other[1]	35,140	3.124	35,140	2,556

[1]The Position "Other" contains the following shareholders, which do not hold a notifiable interest in the Company's share capital but are to be considered a related party and therefore are not part of the free float: Purum AG holds 9,640 Shares which corresponds to 0.857% of the share capital (rounded) and J[2] Verwaltung GmbH holds 1,500 Shares which corresponds to 0.133% of the share capital (rounded).

Indirect Shareholders	**Prior to Offering (rounded)**		**Upon Completion of Offering (rounded)**	
	Shares	**% of registered share capital and voting rights**	**Shares**	**% of registered share capital**
Obotritia Capital KGaA[1]	519,129	46.145	519,129	37.755
Rolf Elgeti[2]	519,129	46.145	519,129	37.755
Dr. Tim Thabe[3]	261,047	23.204	261,047	18.985
Dr. Daniel Bartsch[4]	244,176	21.705	244,176	17.758
Christoph Maichel[5]	65,508	5.823	65,508	4.764

Yuzu Holding AG[6]	9,640	0.857	9,640	0.701
Michael Hobmeier[7]	9,640	0.857	9,640	0.701
Julia Heraeus-Rinnert[8]	1,500	0.133	1,500	0.109

[1] Obotritia Capital is the majority limited partner (*Kommanditaktionär*) of Hevella, holding 99.98% of all Hevella shares.

[2] Rolf Elgeti's indirect participation is based on his control of the indirect shareholder Obotritia Capital which is in control of the direct shareholder Hevella. As personally liable shareholder of Obotritia Capital, he is responsible for the management of Obotritia Capital, and he also holds 20.8992% of the limited partnership shares of Obotritia Capital directly and another 4.0582% of the limited partnership shares indirectly via Midgard Beteiligungsgesellschaft mbH, of which all shares are held by Rolf Elgeti, and 1.9174% of the limited partnership shares indirectly via EFa Vermögensverwaltung KG, of which he is a personally liable shareholder.

[3] Dr. Tim Thabe is the controlling shareholder of the direct shareholder LDT Investment UG (haftungsbeschränkt) ("**LDT**") holding all shares of LDT.

[4] Dr. Daniel Bartsch is the controlling shareholder of the direct shareholder DBR Investment UG (haftungsbeschränkt) ("**DBR**"), in which Dr. Daniel Bartsch holds 75% of the share capital while the remaining shares are held by his wife Ms. Nina Sulzbacher.

[5] Christoph Maichel is the controlling shareholder of the direct shareholder Wahtari GmbH ("**Wahtari**"), holding all shares of Wahtari.

[6] Yuzu Holding AG ("**Yuzu**") is the controlling shareholder of the direct shareholder Purum AG ("**Purum**"), holding all shares of Purum.

[7] Michael Hobmeier's indirect participation is based on his control of the indirect shareholder Yuzu which is in control of the direct shareholder Purum. Michael Hobmeier holds all shares of Yuzu.

[8] Julia Heraeus-Rinnert’s indirect participation is based on her control of J^2 Verwaltung GmbH, of which Ms. Heraeus-Rinnert is the managing director and holds 50% of the shares.

16.2. Controlling Interest

Hevella directly holds 519,129 shares in the Company which corresponds to 46.145% of the voting rights. Therefore, Hevella controls more than 30% of the voting rights in the Company and is, therefore, considered to hold a controlling interest in the Company pursuant to the WpÜG. Hevella in turn is controlled by Obotritia Capital as its majority limited partner (holding 99.98% of all Hevella shares) which is also considered to hold a controlling interest in the Company pursuant to the WpÜG. Obotritia Capital in turn is controlled by Rolf Elgeti. As personally liable shareholder of Obotritia Capital, he is responsible for the management of Obotritia Capital, and he also holds 20.8992% of the limited partnership shares of Obotritia Capital directly and another 4.0582% of the limited partnership shares indirectly via Midgard Beteiligungsgesellschaft mbH, of which all shares are held by Rolf Elgeti, and 1.9174% of the limited partnership shares indirectly via EFa Vermögensverwaltung KG, of which he is a personally liable shareholder. Therefore, Rolf Elgeti is also considered to hold a controlling interest in the Company pursuant to the WpÜG.

17. CORPORATE BODIES AND EMPLOYEES

17.1. Overview

The Company's corporate bodies are the Management Board, the Supervisory Board and the general shareholders' meeting. The Company has a two-tier management and control system, consisting of the Management Board and the Supervisory Board. The powers of these governing bodies are determined by the AktG, the Articles of Association and the internal rules of procedure of both the Supervisory Board and the Management Board.

The Management Board is responsible for managing the Company in accordance with applicable law, the Articles of Association and its internal rules of procedure, including the business responsibility plan (*Geschäftsverteilungsplan*). The Management Board represents the Company in and out of court vis-à-vis third parties.

The Supervisory Board determines the number of members of the Management Board in accordance with the Articles of Association. Pursuant to the Articles of Association, the Management Board consists of one or more members. The Supervisory Board appoints the members of the Management Board and is entitled to dismiss each of them under certain circumstances. Simultaneous management and supervisory board membership in a German stock corporation is not permitted under the AktG. However, in exceptional cases and for an interim period a member of the supervisory board may take a vacant seat on the management board of the same German stock corporation. During this period, such individual may not perform any duties for the supervisory board. Such stand-in arrangement is limited in time for a maximum period of one year.

As set out in the AktG, the Supervisory Board consists of a minimum of three board members and advises and oversees the Management Board's administration of the Company, but is not itself authorized to manage the Company. The Articles of Association and/or the Supervisory Board shall stipulate the types of transactions that shall only be made with the approval of the Supervisory Board. Matters subject to the prior consent of the Supervisory Board pursuant to the internal rules of procedure of the Supervisory Board currently include, in particular:

- fundamental changes of the Company's business;
- entering into, amendment and termination of enterprise agreements (*Unternehmensverträge*) or joint ventures (except for the entering into, amendment and termination of individual cooperation agreements with banks);
- acquisition or disposal of fixed assets of the Company, if the value of the fixed assets in questions exceeds 20% of the Company's registered share capital;
- establishment and liquidation of sites, branch offices and business premises;
- acquisition or disposal of shares in enterprises, parts of an enterprises or a direct or indirect interest in an enterprise;
- capital measures to the extent they require the approval of the Supervisory Board according to statutory law or a resolution of the general shareholders' meeting;
- assumption of suretyships, guaranties or any similar liability outside the normal course of business;
- transactions which exceed the value amount of EUR 500,000 (excluding VAT) on a case-by-case basis (except for the entering into, amendment and termination of individual cooperation agreements

with banks); and

- any measures which sustainably and fundamentally change the Company's assets, financial condition or results of operations or its risk position.

Each member of the Management Board and Supervisory Board owes a duty of loyalty, duty of legality and duty of care to the Company. Each member of these bodies must consider a broad spectrum of interests, particularly those of the Company and its shareholders, employees and creditors. In addition, the Management Board must also take into consideration the shareholders' rights to equal treatment and equal access to information. If members of the Management Board or Supervisory Board breach their duties, they may be individually or jointly and severally liable with the other members of the Management Board or the Supervisory Board to the Company for compensatory damages, as the case may be.

Under the laws of Germany, a shareholder generally has no right to take legal actions directly against members of the Management Board or Supervisory Board if he believes they have breached their duties to the Company. In general, only the Company has the right to enforce claims for damages against the members of the Management Board or Supervisory Board. With respect to claims against Supervisory Board members, the Company is represented by the Management Board, and with respect to claims against members of the Management Board, the Company is represented by the Supervisory Board.

Under a decision of the German Federal Supreme Court (*Bundesgerichtshof*), a supervisory board of a stock corporation is required to assert damages claims against the management board of such stock corporation if they are likely to succeed unless significant interests of the stock corporation conflict with such claims and outweigh the reasons for bringing such claim. If the governing body authorized to represent the company decides not to pursue a claim, the company's claims for damages against members of its management board or supervisory board must nevertheless be asserted if the general shareholders' meeting adopts a resolution to this effect by a simple majority. The general shareholders' meeting may appoint a special representative (*besonderer Vertreter*) to assert the claims. Shareholders whose shares cumulatively make up 10% of the share capital or a pro rata share of EUR 1,000,000 may also petition the court to appoint a special representative. In addition, the general shareholders' meeting may appoint special auditors (*Sonderprüfer*) to audit transactions, particularly management transactions, by simple majority vote. If the general shareholders' meeting rejects a motion to appoint a special auditor, the court must appoint a special auditor upon the petition of shareholders whose shares cumulatively constitute 1% of the share capital at the time the petition is filed or constitute a pro rata share of EUR 100,000 if facts exist that justify the suspicion that the transaction was accompanied by dishonesty or gross violations of the law or the articles of association. If the general shareholders' meeting appoints a special auditor, the court must appoint another special auditor upon the petition of shareholders whose shares cumulatively constitute 1% of the share capital at the time the petition is filed or constitute a pro rata share of EUR 100,000 if this appears necessary due to reasons inherent in the person of the special auditor who was appointed.

Shareholders and shareholder associations can solicit other shareholders to file a petition, jointly or by proxy, for a special audit or for the appointment of a special representative, or to convene a general shareholders' meeting or exercise voting rights in a general shareholders' meeting in the shareholders' forum of the German Federal Gazette, which is also accessible via the website of the German Company Register. If there are facts that justify the suspicion that the respective company was harmed by dishonesty or a gross violation of law or the articles of association, shareholders who collectively hold 1% of the share capital or a pro rata share of EUR 100,000 may also, under certain further conditions, seek damages from members of the company's governing bodies in their own names through court proceedings seeking leave to file a claim for damages. Such claims, however, become inadmissible if the company itself files a claim for damages.

The company may only waive or settle claims for damages against members of its management board or supervisory board three years after such claims arose if the shareholders grant their consent at the general shareholders' meeting by simple majority vote unless a minority of the shareholders whose shares cumulatively constitute 10% of the share capital objects to the minutes.

Under the laws of Germany, individual shareholders and all other persons are prohibited from using their influence on a stock corporation to cause a member of its management board or its supervisory board to take an action detrimental to the company. A shareholder with a controlling influence may not use that influence to cause the company to act contrary to its own interests unless there is a controlling agreement (*Beherrschungsvertrag*) between the shareholder and the company and the influence remains within the boundaries of certain mandatory provisions of law or compensation is paid for the disadvantages that arise. Any person who uses his or her influence on the company to cause a member of the management board or the supervisory board, an authorized representative (*Prokurist*) or an authorized agent (*Handlungsbevollmächtigter*) to act to the detriment of the company or its shareholders may be liable to compensate the company and the affected shareholders for the resulting losses. Moreover, in this context, the members of the management board and supervisory board are jointly and severally liable if their actions or omissions amount to a violation of their duty of care.

17.2. Management Board

17.2.1. Introduction

Under the Articles of Association, the Management Board consists of one or more members. The Supervisory Board determines the exact number of the members of the Management Board. The Supervisory Board appoints members of the Management Board for a maximum term of five years. The Supervisory Board may appoint a member of the Management Board as chairman of the Management Board and another member as deputy chairman. Currently, the Management Board consists of three members with equal rights, with Dr. Tim Thabe being appointed as chairman and Dr. Daniel Bartsch as deputy chairman.

Reappointment or extension, each for a maximum period of up to five years, is permissible. The Supervisory Board may revoke the appointment of a member of the Management Board prior to the expiration of the member's term for good cause, such as a gross breach of fiduciary duty, or if the Company's general shareholders' meeting passes a vote of no-confidence with respect to such member, unless the no-confidence vote was clearly unreasonable. The Supervisory Board is also responsible for entering into, amending and terminating service agreements with members of the Management Board and, in general, for representing the Company in and out of court vis-à-vis the Management Board.

Resolutions of the Management Board are regularly adopted in meetings, which the members of the Management Board attend in person. Resolutions of the Management Board may also be adopted outside of meetings by casting the vote in writing, by telefax, by e-mail or any other customary means of communication, including by video conference if no other member objects to this procedure without undue delay. Resolutions of the Management Board are passed with a simple majority of the votes cast by the participating members, unless other majorities are required by compulsory law, the Articles of Association or the internal rules of procedure of the Management Board. Further details, particularly regarding composition, duties, overall responsibility, allocation of responsibility for particular functions and internal organization are governed by the rules of procedure of the Management Board which were issued by the Supervisory Board on June 26, 2018.

The Company is represented vis-à-vis third parties and in court proceedings by two members of the Management Board or a member of the Management Board jointly with an authorized signatory (*Prokurist*), if the

Management Board consists of several members. If only one member of the Management Board is appointed or if the Supervisory Board has granted one member of the Management Board sole power to represent the Company, such member solely represents the Company.

The internal rules of procedure of the Management Board require that the delegation of responsibilities to individual members of the Management Board is established on the basis of the business responsibility plan. The business responsibility plan is an annex to the rules of procedure of the Management Board and determined by the Supervisory Board. The business responsibility plan can also be amended or revoked by the Supervisory Board.

17.2.2. Members of the Management Board

Name	Member since	Appointed until	Responsibilities
Dr. Tim Thabe	May 25, 2018	April 30, 2021	Chief Executive Officer: defining and implementing business strategy, human resources, finance/tax/group accounting, marketing and corporate communication
Dr. Daniel Bartsch	May 25, 2018	April 30, 2021	Chief Operating Officer: business development, operational business and sales
Dr. Mark Währisch	May 25, 2018	April 30, 2021	Chief Risk Officer: product development, risk management, credit analytics, credit operations, legal and compliance

The following description provides summaries of the *curricula vitae* of the current members of the Management Board and indicates their principal activities outside the Company to the extent those activities are significant with respect to the Company.

17.2.2.1. Dr. Tim Thabe

Dr. Tim Thabe was born in Dortmund, Germany, in 1977. From 1996 until 2005, Dr. Tim Thabe studied business management and worked as research assistant at the University of Mannheim, Germany, where he obtained his doctorate in business administration in 2005. From 2012 until 2014, he studied at the Kellogg School of Management at Northwestern University and WHU Otto Beisheim School of Management in the U.S. and Germany, obtaining his master degree (Executive MBA) in 2014.

From 2005 until 2011, Dr. Tim Thabe worked as credit risk officer and rating advisor at Goldman Sachs, London, United Kingdom. From 2011 until 2014, he was head of risk control structured business and financial institutions at UBS AG, Zurich, Switzerland. In 2014, he became chief operating officer in the "Bank for Banks" segment of UBS AG, where he led several teams of up to 20 people in Switzerland and was, *inter alia*, responsible for the transformation of the UBS Bank for Banks segment into a performance segment including organizational restructuring and creation of a risk governance framework for the global segment. In 2015, he became chief operating officer of the "Corporate and Institutional Clients International" segment at UBS AG, Zurich, Switzerland, leading several teams of up to 25 people globally.

Dr. Tim Thabe co-founded the Company and is its chief executive officer.

Alongside his office as a member of the Management Board, Dr. Tim Thabe is, or was within the last five years, a member of the administrative, management or supervisory bodies of and/or a partner in the following companies or partnerships outside the Company:

Currently:

- creditshelf service GmbH (managing director)
- LDT Investment UG (haftungsbeschränkt) (managing director)

Previously:

None

17.2.2.2. Dr. Daniel Bartsch

Dr. Daniel Bartsch was born in Freiburg/Breisgau, Germany, in 1975. From 1997 until 2002, he studied business administration with majors in finance and marketing at the University of Mannheim, Germany and graduated in 2002. He completed his doctorate with research into capital markets at the University of Düsseldorf, Germany in 2005.

Dr. Daniel Bartsch worked as project manager and management consultant at Kienbaum Consultants International, Munich, Germany, from 2005 until 2008 and as project manager and senior consultant at Bain & Company, Munich, Germany, in 2008. Afterwards, he worked at UBS AG, Zurich, Switzerland, as executive director and, *inter alia*, global head of client relationship and distribution for the "Securities Lending & Financing business across Equities and Fixed Income" unit from 2008 until 2013 and in 2015. From 2014 until 2015, he was assigned to the Singapore branch of UBS AG in order to build up an Asian and Pacific (APAC) business for UBS AG.

Dr. Daniel Bartsch co-founded the Company and is its chief operating officer.

Alongside his office as a member of the Management Board, Dr. Daniel Bartsch is, or was within the last five years, a member of the administrative, management or supervisory bodies of and/or a partner in the following companies or partnerships outside the Company:

Currently:

- creditshelf service GmbH (managing director)
- DBR Investment UG (haftungsbeschränkt) (managing director)
- Kienbaum und Partner GmbH (member of the advisory board)

Previously:

None

17.2.2.3. Dr. Mark Währisch

Dr. Mark Währisch was born in Offenbach, Germany, in 1969. As of 1991, he studied business administration at the University of Wisconsin / Madison, U.S., and obtained his master's degree (Master of Science in Business Administration) in 1992. In the years 1992 and 1993, he wrote his diploma thesis at the Institute for International Accounting at the Goethe-University, Frankfurt/Main, Germany. Afterwards, he worked as academic instructor and research fellow at the Institute for International Accounting at the Goethe-University, Frankfurt/Main, Germany (1993 until 1999). During this time, he wrote his dissertation in accounting and financing also at the Goethe-University Frankfurt/Main, Germany.

Dr. Mark Währisch worked as an expert in credit risk and corporate finance for KPMG, Frankfurt/Main, Germany (from 1999 until 2005), for Moody's Investor Service, London, United Kingdom (from 2005 until 2007) and Goldman Sachs (from 2007 until 2013). Before Dr. Mark Währisch took over the risk management at creditshelf as chief risk officer in 2016, he worked for Standard & Poor's, London and Frankfurt/Main, Germany (as of 2013), and was the analytical head of Moody's rating and credit research for small- and medium-sized enterprises.

Alongside his office as a member of the Management Board, Dr. Mark Währisch is, or was within the last five years, a member of the administrative, management or supervisory bodies of and/or a partner in the following companies or partnerships outside the Company:

Currently:

- creditshelf service GmbH (managing director)

Previously:

None

17.2.3. Service Agreements

Dr. Tim Thabe, Dr. Daniel Bartsch and Dr. Mark Währisch each entered into service agreements with the Company based on essentially equivalent terms.

Under these service agreements, each of the aforesaid persons is employed for a period from the date the change of form of the Company from a limited liability company to a stock corporation became effective, *i.e.* June 13, 2018 to April 30, 2021. The service agreements automatically extend, if and for the period for which Dr. Tim Thabe, Dr. Daniel Bartsch or Dr. Mark Währisch, as the case may be, are respectively re-appointed as members of the Management Board. If either Dr. Tim Thabe, Dr. Daniel Bartsch or Dr. Mark Währisch becomes permanently incapable to work during the term of their respective service agreement, such service agreement ends to the end of the calendar quarter in which the permanent incapacity to work has been determined.

The relevant service agreement may be terminated separately by Dr. Tim Thabe, Dr. Daniel Bartsch or Dr. Mark Währisch as well as by the Company in the event that their appointment as member of the Management Board ends prematurely due to removal or resignation as a member of the Management Board, irrespective of the right to terminate each service agreement for good cause, with the notice period pursuant to Section 622(2) BGB, which depends on the employment term in the Company. In case of permanent invalidity the respective service agreement terminates to the end of the calendar quarter in which the permanent invalidity has been determined.

Dr. Tim Thabe, Dr. Daniel Bartsch and Dr. Mark Währisch are subject to a non-competition obligation for the term of their respective service agreement. However, shareholdings in a company in the course of the private management of assets and direct and indirect shareholdings which do not enable entrepreneurial influence are exempt from the non-competition obligation. Shareholdings in an enterprise other than those mentioned above require the prior approval of the Supervisory Board. Dr. Tim Thabe, Dr. Daniel Bartsch and Dr. Mark Währisch are each subject to a post-contractual non-competition obligation for the duration of 12 months after the termination of the respective service agreement pursuant to which each of the aforesaid persons undertakes to refrain from holding a participation in, acting for or providing certain services to a competitor of the creditshelf Group, and substantially in respect to all businesses in which the Company is engaged at the time of the termination of the respective service agreement, in particular in the areas of FinTech or market place lending. The post-contractual non-competition obligation applies territorially to all countries in which any entity of the creditshelf Group undertakes business at the time the relevant service agreement is terminated. In return, Dr. Tim Thabe, Dr. Daniel Bartsch or Dr. Mark Währisch, as the case may be, shall receive a monthly compensation payment in the amount of 50% of the previously received remuneration. Other income received during the period of the non-competition obligation through other use of their work capacity will be set-off against such compensation.

17.2.4. Compensation and Benefits

The compensation under the new management service agreements for the members of the Management Board, which commenced on June 13, 2018, was approved by the Supervisory Board taking into account general market practice, legal requirements in accordance with Section 87 AktG and additional recommendations of the German Corporate Governance Code (*Deutscher Corporate Governance Kodex* – "**DCGK**").

Under the respective management service agreement, Dr. Tim Thabe, Dr. Daniel Bartsch and Dr. Mark Währisch are each entitled to an annual fixed gross salary of EUR 100,000 paid out in 12 equal monthly instalments at the end of each month, respectively. The adequacy of the fixed gross salary of members of the Management Board shall be verified by the Supervisory Board every two years.

Long-term incentives exist only concerning Dr. Mark Währisch, who currently participates in the Virtual Participation Program I (for more information see Section 11.10.5 "*Share Based Compensation with Cash Settlement (Virtual Participation Programs)*"). In case of a completed Offering, Dr. Mark Währisch is also entitled to certain cash payments from the Company under a retention bonus agreement (for details see Section 13.8.2.2 "*Retention Bonus Agreements*"). If the Management Board decides to replace following completion of the Offering the existing Virtual Participation Program I with a new employee participation program as further described in Section 13.8.2.1 "*Virtual Participation Program I and Contemplated new Employee Participation Program*", it is considered, subject to the legal prerequisites on the compensation of management board members and the decision by the Supervisory Board, to have Dr. Mark Währisch participate in such future employee participation program (if any) or a similar (equity-based) incentive program on terms yet to be agreed with the Supervisory Board by September 30, 2018.

In addition, travel expenses and other reasonable expenses incurred by a member of the Management Board in the interest of the creditshelf Group are reimbursed upon proof in accordance with the respective guidelines applicable for the creditshelf Group.

The Company also grants monthly grants for health and pension insurance to Dr. Tim Thabe, Dr. Daniel Bartsch and Dr. Mark Währisch.

In case of a temporary inability to work due to illness, accident or another reason for which the relevant Management Board member is not responsible for, the fixed gross salary of the respective member of the Management Board shall be continuously paid for the period of six months, at the longest until the end of the respective service agreement. In addition, Management Board members are insured against accidents (including private accidents) for the term of his or her appointment, with a sum insured of EUR 250,000 in the event of invalidity and of EUR 150,000 in the event of accidental death.

Finally, in the case of a Management Board member's death during the term of the relevant service agreement, the Management Board member's spouse is entitled to the relevant salary package for the month of death occurrence and the following six months, at the longest until the end of the respective service agreement.

Each member of the Management Board is covered by D&O insurance policies with coverage in line with Section 93(2) sentence 3 AktG.

Prior to the change of form of the Company from a German limited liability company into a German stock corporation, Dr. Mark Währisch as managing director of creditshelf GmbH received a fixed remuneration. The salary paid to Dr. Mark Währisch for the financial year ended December 31, 2017 amounted to approx. EUR 80,707.56. In addition, Dr. Mark Währisch received Virtual Shares under the Virtual Participation Program I (for details, see Section 13.8.2 *"Employee Participation Program and Retention Bonus Agreements"*). Prior to the change of form of creditshelf GmbH, Dr. Tim Thabe and Dr. Mark Währisch had not entered into managing director service agreements with the Company. Rather, DBR Investment UG (haftungsbeschränkt) ("**DBR**") (a company controlled by Dr. Daniel Bartsch) and LDT Investment UG Haftungsbeschränkt) ("**LDT**") (a company controlled by Dr. Tim Thabe) as service providers each entered into agreements with the Company about the provision of management capacities. Under these agreements the respective service provider undertook to make the services of Dr. Daniel Bartsch and Dr. Tim Thabe, respectively, as managing directors available to the Company. For the financial year ended December 31, 2017 the fees paid by the Company to each of DBR and LDT amounted to EUR 62,500.02 (see also Section 18.2.1 "*Services Rendered*").

17.2.5. Shareholdings of the Management Board Members

17.2.5.1. Shareholdings of Dr. Tim Thabe

Dr. Tim Thabe does not directly hold shares in the Company. However, Dr. Tim Thabe indirectly holds shares in the Company as controlling shareholder of LDT. LDT holds a total of 261,047 shares in the Company, representing approx. 23.204% of the Company's share capital prior to the Offering.

17.2.5.2. Shareholdings of Dr. Daniel Bartsch

Dr. Daniel Bartsch does not directly hold shares in the Company. However, Dr. Daniel Bartsch indirectly holds shares in the Company as controlling shareholder of DBR. DBR holds a total of 244,176 shares in the Company, representing approx. 21.705% of the Company's share capital prior to the Offering.

17.2.5.3. Shareholdings of Dr. Mark Währisch

Dr. Mark Währisch holds neither directly nor indirectly shares in the Company but has received a certain number of so-called Virtual Shares under the Virtual Participation Program I (for details of the Virtual Participation Program I see Section 13.8.2.1 "*Virtual Participation Program I and New Employee Participation Program*" and also under Section 17.2.6.3 "*Credit Relationships, other Relationships and Conflicts of Interest with Dr. Mark Währisch*").

17.2.6. Credit Relationships, other Relationships and Conflicts of Interest

17.2.6.1. Credit Relationships, other Relationships and Conflicts of Interest with Dr. Tim Thabe

Dr. Tim Thabe is the controlling shareholder of LDT which holds a direct participation in the Company. Therefore, in view of Dr. Tim Thabe's indirect participation in the Company, potential conflicts of interest exist as Dr. Tim Thabe has a personal interest in the development of the value of his indirectly held shares in the Company which is not necessarily identical with the Company's interest in all cases.

Furthermore, the Company has received four shareholder loans from LDT in an amount of EUR 12,500 each. The shareholder loans are dated (i) November 20/21, 2014, (ii) January 20/23, 2015, (iii) April 15/20, 2015 and (iv) June 1/4, 2015. Such loans have a term until December 31, 2019 and carry an interest rate of 1% *p.a.* As of the date of this Prospectus the loans granted by LDT including accrued and unpaid interest amounted to EUR 51,677.08. In addition, LDT entered into service agreements with the Company and invested in loans brokered through the creditshelf Platform. For these and other transactions between the Company and LDT, see Section 18.2 "*Other Transactions with Related Parties*".

In view of these contractual relationships, there is a potential conflict of interest insofar as Dr. Tim Thabe, as controlling shareholder of LDT, may have a personal interest in having LDT assert its rights arising from the relevant agreements against the Company or creditshelf service, while it may not be in the best interest of the Company or creditshelf service in all cases to comply with such assertion of rights. This potential conflict of interest may become an actual conflict of interest in case of a potential breach of contract by a contractual party or in case of other disruptions when executing a contract.

17.2.6.2. Credit Relationships, other Relationships and Conflicts of Interest with Dr. Daniel Bartsch

Dr. Daniel Bartsch is the controlling shareholder of DBR which holds a direct participation in the Company. Therefore, in view of Dr. Daniel Bartsch's indirect participation in the Company, potential conflicts of interest exist as Dr. Daniel Bartsch has a personal interest in the development of the value of his indirectly held shares in the Company which is not necessarily identical with the Company's interest in all cases.

Furthermore, the Company has received four shareholder loans from DBR in an amount of EUR 12,500 each. Such shareholder loans are dated (i) November 20/21, 2014, (ii) January 20/23, 2015, (iii) April 15/20, 2015 and (iv) June 1/4, 2015. Such loans have a term until December 31, 2019 and carry an interest rate of 1% *p.a*. As of the date of this Prospectus the loans granted by DBR including accrued and unpaid interest amounted to EUR 51,679.16. In addition, DBR entered into service agreements with the Company and invested in loans brokered through the creditshelf Platform. For these and other transactions between the Company and DBR, see Section 18.2 "*Other Transactions with Related Parties*".

In view of these contractual relationships, there is a potential conflict of interest insofar as Dr. Daniel Bartsch, as controlling shareholder of DBR, may have a personal interest in having DBR assert its rights arising from the relevant agreements against the Company or creditshelf service, while it may not be in the best interest of the Company or creditshelf service in all cases to comply with such assertion of rights. This potential conflict of interest may become an actual conflict of interest in case of a potential breach of contract by a contractual party or in case of other disruptions when executing a contract.

17.2.6.3. Credit Relationships, other Relationships and Conflicts of Interest with Dr. Mark Währisch

Dr. Mark Währisch has received Virtual Shares by the Company under the Virtual Participation Program I. Such Virtual Shares will entitle Dr. Mark Währisch as well as other beneficiaries under the Virtual Participation Program I to cash payments in case of a completion of the Offering. In addition, certain key employees of the Company and Dr. Mark Währisch are entitled to cash payments under bonus and retention agreements that are subject to the completion of the Offering (for details see Section 13.8.2 "*Employee Participation Program and Bonus and Retention Agreements*"). As a result, Dr. Mark Währisch and other holders of Virtual Shares and beneficiaries under the retention bonus agreements have a financial interest in the completion of the Offering. Further, there is a potential conflict of interest insofar as Dr. Mark Währisch may have a personal interest in claiming rights under the relevant agreements (in particular rights with regard to cash payments against the Company to be calculated under the relevant agreement) while it may not be in the best interest of the Company in all cases to comply with such assertion of rights (in particular in case of a dispute on the accuracy of the payment amount calculation).

17.2.6.4. No Convictions

Neither Dr. Tim Thabe, nor Dr. Daniel Bartsch nor Dr. Mark Währisch has been convicted in relation to fraudulent offences for at least the previous five years, nor associated with any bankruptcies, receiverships or liquidations for at least the last previous five years, nor subject to public incrimination and/or sanctions. None of the members of the Management Board has been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for at least the previous five years. None of the members of the Management Board is related to any of the other members of the Management Board or Supervisory Board.

17.3. Supervisory Board

17.3.1. Introduction

In accordance with the Articles of Association, the Supervisory Board consists of five members. The Company's general shareholders' meeting may appoint substitute members for one or more Supervisory Board members, who, in accordance with specific determinations by the general shareholders' meeting, may become members of the Supervisory Board if the elected Supervisory Board members leave office before the end of their term. The term of the substitute member expires as soon as a successor for the departing Supervisory Board member is appointed, but no later than the expiration of the departing Supervisory Board member's term. Re-election of members of the Supervisory Board is possible.

At least one member of the supervisory board of publicly traded companies must have expertise in the fields of accounting or auditing. On the Supervisory Board, Mr. Rolf Hentschel, Dr. Dirk Schiereck and Dr. Joachim Rauhut have the required financial expertise. The Supervisory Board as a whole needs to be familiar with the business sector in which the Company is active.

The Supervisory Board members, as well as each substitute member, if any, are elected by the Company's general shareholders' meeting with simple majority of the votes cast for a period which terminates at the end of the annual general shareholders' meeting discharging the members of the Supervisory Board for the fourth year following the commencement of the member's term of office, unless the general shareholders' meeting has set a shorter term. The year in which the term of office begins shall not be included in this calculation. The appointment of a successor for a member leaving his or her office before the end of his or her term of office is valid for the remainder of the term of office of the departing member, provided that the general shareholders' meeting has not determined a different term of office for the successor.

Supervisory Board members elected by the Company's general shareholders' meeting may be removed by a resolution of the general shareholders' meeting if such resolution is approved by the simple majority of the votes cast. In addition, regular and substitute members of the Supervisory Board may resign, without good cause, by giving four weeks' notice to the Company, represented by a member of the Management Board. The right to resign for good cause without any notice period remains unaffected by the foregoing. Following the general shareholders' meeting, in the course of which the members of the Supervisory Board are elected by the general shareholders' meeting for a new term, the Supervisory Board will elect a chairman and a deputy chairman from among its members to serve for the duration of those members' terms. Should the chairman or deputy chairman leave office prior to the expiration of his or her term, the Supervisory Board must elect a new chairman or a deputy chairman from among its members without delay to complete the remaining term of the departing chairman or deputy chairman.

The Supervisory Board shall adopt internal rules of procedure in accordance with the law and the provisions of the Articles of Association. It can further set up committees in accordance with the law. To the extent permitted by law or by the Articles of Association, the Supervisory Board may delegate any of its duties, decision-making powers and rights to its chairman, to one of its members or to committees established from among its members. The Supervisory Board shall determine the composition, competences and procedures of the committees. The current version of the Supervisory Board's internal rules of procedure was adopted by resolution of the Supervisory Board on June 26, 2018. The Supervisory Board is entitled to resolve amendments to the Articles of Association if such amendments only relate to the wording.

17.3.2. Supervisory Board Meetings and Resolutions

The Supervisory Board must hold at least two meetings in each calendar half-year. Meetings of the Supervisory Board are usually called at least two weeks in advance by the chairman of the Supervisory Board, not including the day on which the invitation is sent and the day of the meeting itself. Notice of meetings may be given in writing, by telefax, by e-mail or any other customary means of communication (including electronic communication). In urgent cases the chairman may shorten this period and may call the meeting orally or by telephone.

The Articles of Association and the internal rules of procedure of the Supervisory Board provide that resolutions of the Supervisory Board shall generally be passed in meetings. At the order of the chairman, the meetings of the Supervisory Board may also be held in the form of a telephone conference or by other electronic means of communication (especially by video conference). Individual members of the Supervisory Board may be connected to the meetings via telephone or by other electronic means of communication (especially by video conference). In such cases resolutions may also be passed by way of telephone conference or by other electronic means of communication (especially by video conference). Absent members of the Supervisory Board or members who do not participate in, or are not connected to the telephone or video conference can also participate in the passing of resolutions by submitting their votes in writing through another Supervisory Board member. In addition, they may also cast their vote prior to or during the meeting or following the meeting within a reasonable period as determined by the chairman of the Supervisory Board in oral form, by telephone, by telefax, by e-mail or any other customary means of communication (including electronic means of communication). Resolutions may also be adopted outside of meetings in writing, orally, by telephone, by telefax or by e-mail or any other comparable means of communication, whereas the aforementioned forms may also be combined, including by way of circular resolution, or in combination with adopting the resolution in a meeting at the order of the chairman of the Supervisory Board if preceded by reasonable notice or if all members of the Supervisory Board participate in the adoption of the resolution. Members who abstain from voting are considered to take part in the resolution. Objections to the form of voting determined by the chairman are not permitted.

The Articles of Association and the rules of procedure of the Supervisory Board provide that the Supervisory Board has a quorum if at least three members take part in the voting. Absent members of the Supervisory Board or members who neither participate nor are connected via telephone or via other electronic means of communication (especially via video conference) who cast their vote in the aforementioned ways, as well as members who abstain from voting, are considered to take part in the voting for purposes of the required quorum. Unless otherwise provided by mandatory law, resolutions of the Supervisory Board are passed with a simple majority of the votes cast. For purposes of passing a resolution, abstentions do not count as votes cast. If a vote in the Supervisory Board results in a tie, the vote of the chairman is decisive. In the absence of the chairman of the Supervisory Board, the deputy chairman's vote shall be decisive.

17.3.3. Members of the Supervisory Board

The members of the Company's Supervisory Board, their principal occupation outside the Company and their activities as members of corporate bodies in other entities within the last five years are listed below.

Name	Member since	Appointed until	Principal occupation
Rolf Elgeti (Chairman of the Supervisory Board)	May 11, 2018	the end of the annual general shareholders' meeting discharging the members of the Supervisory Board for the fourth year following the commencement of the member's term of office, *i.e.* 2023.	General partner of Obotritia Capital KGaA, board member of Deutsche Konsum REIT-AG and Deutsche Industrie REIT-AG
Rolf Hentschel (Deputy chairman of the Supervisory Board)	May 11, 2018	the end of the annual general shareholders' meeting discharging the members of the Supervisory Board for the fourth year following the commencement of the member's term of office, *i.e.* 2023.	Independent auditor, tax Advisor and lawyer
Dirk Schiereck	May 11, 2018	the end of the annual general shareholders' meeting discharging the members of the Supervisory Board for the fourth year following the commencement of the member's term of office, *i.e.* 2023.	Head of the field corporate finance at the Darmstadt University of Technology
Julia Heraeus-Rinnert	May 11, 2018	the end of the annual general shareholders' meeting discharging the members of the Supervisory Board for the fourth year following the commencement of the member's term of office, *i.e.* 2023.	Managing director of J² Verwaltung GmbH

Dr. Joachim Rauhut	June 18, 2018	the end of the annual general shareholders' meeting discharging the members of the Supervisory Board for the fourth year following the commencement of the member's term of office, *i.e.* 2023.	Independent consultant
Mr. Pedro Pinto Coelho	June 18, 2018	the end of the annual general shareholders' meeting discharging the members of the Supervisory Board for the fourth year following the commencement of the member's term of office, *i.e.* 2023.	Chairman of Banco BNI Europa

All members of the Supervisory Board have been appointed for a period terminating at the end of the Company's general shareholders' meeting that resolves on the formal approval of the members' acts (*Entlastung*) for the financial year 2023. All members of the Supervisory Board can be reached at the Company's registered office.

The following description provides summaries of the *curricula vitae* of the current members of the Supervisory Board and indicates their principal occupation outside the Company and further positions as member of administrative, management or supervisory bodies and/or as partner in comparable domestic and foreign companies and partnerships within the last five years.

17.3.3.1. Mr. Rolf Elgeti

Rolf Elgeti has been appointed as chairman of the Supervisory Board.

Following his studies of business administration in Mannheim and Paris, which he completed in 1999 with a diploma, Rolf Elgeti worked from 1999 to 2000 as an equity strategist at UBS Warburg in London. From 2000 to 2004 he worked as an equity strategist at Commerzbank in London and became chief equity strategist from 2004 to 2007 at ABN AMRO. In addition, he has founded and managed various German real estate investment companies as an independent businessman since 2003 and was active from April 2007 until 2009 as a self-employed real estate fund manager and founder of Elgeti Ashdown Advisers Ltd.

Alongside his office as a member of the Supervisory Board, Rolf Elgeti is, or was within the last five years, a member of the administrative, management or supervisory bodies and/or a partner of comparable domestic or foreign companies and partnerships:

General Partner of Obotritia Capital KGaA

Since its founding in November 2014, Rolf Elgeti has been the general partner of Obotritia Capital. Obotritia Capital is the sole shareholder of Obotritia Alpha Invest GmbH, Obotritia Beta Invest GmbH, Babelsberger Beteiligungs GmbH, Försterweg Beteiligungs GmbH, Obotritia Hansa Vermögensverwaltungs GmbH, Obotritia Hotel GmbH, Obotritia Hotel Betriebs GmbH, Obotritia Hotel Bautzen GmbH and the majority shareholder of Hevella Capital GmbH & Co. KGaA, who is also a shareholder of creditshelf. Rolf Elgeti is managing director of the following direct and indirect subsidiaries of Obotritia Capital:

- Babelsberger Beteiligungs GmbH
- Callirius GP S.à r.l.
- Callirius HoldCo S.à r.l.
- Callirius PropCo 1 S.à r.l.
- Callirius PropCo 2 S.à r.l.
- Callirius PropCo 3 S.à r.l.
- Callirius PropCo 4 S.à r.l.
- Callirius S.C.S.
- Diana Immobilienkontor GmbH
- Diana Contracting GmbH
- Hevella Beteiligungen GmbH
- Försterweg Beteiligungs GmbH
- Nerthus Grundbesitz Leipzig GmbH
- Nerthus Grundbesitz GmbH
- Nerthus Grundbesitz Rhein GmbH
- Nerthus Grundbesitz Elbe GmbH
- Nerthus Grundbesitz Sachsen GmbH
- Nerthus Grundbesitz West GmbH
- Obotritia Alpha Invest GmbH
- Obotritia Beta Invest GmbH
- Obotritia Hotel GmbH
- Obotritia Hotel Bautzen GmbH
- Obotritia Hotel Betriebs GmbH
- Platin 1374. GmbH

Furthermore, he is personally liable partner of EAA Grundbesitz Hamburg KG and EAA Grundbesitz Perleberg KG, which also belong to the group of Obotritia Capital.

Board Member of Deutsche Konsum REIT-AG and Deutsche Industrie REIT-AG

Rolf Elgeti is a member of the board of Deutsche Industrie REIT-AG. He was appointed to the executive board in the course of the transformation and renaming of Jägersteig Beteiligungsgesellschaft mbH into Deutsche Industrie Grundbesitz AG in August 2017 and has held this mandate ever since. Since obtaining the REIT (*real estate investment trust*) status in January 2018, the company is registered as Deutsche Industrie REIT-AG. Before its transformation into a stock corporation, Rolf Elgeti was the managing director of Jägersteig Beteiligungsgesellschaft mbH.

Rolf Elgeti is also a member of the board of Deutsche Konsum REIT-AG. He was appointed to the Executive Board in November 2014 in the course of the transformation and renaming of Stafford Grundbesitz GmbH into Deutsche Konsum Grundbesitz AG and has held this mandate ever since. Since obtaining the REIT status in January 2016, the company is registered as Deutsche Konsum REIT-AG. Before its transformation into a stock corporation, Rolf Elgeti was the managing director of Stafford Grundbesitz GmbH.

CEO of TAG Immobilien AG

From June 1, 2009 to October 31, 2014, Rolf Elgeti was CEO of TAG Immobilien AG. During this time, he has held mandates with numerous companies belonging to the TAG Group. He was CEO of Bau-Verein zu Hamburg AG (now Bau-Verein zu Hamburg Immobilien GmbH). In February 2011, Rolf Elgeti was appointed to the management board of Colonia Real Estate AG. Effective March 30, 2012, Rolf Elgeti was appointed as the executive board member of DKB Immobilien Aktiengesellschaft and after its change of legal form and changing the name to TAG Potsdam-Immobilien GmbH, became its managing director. Since December 21, 2012, after the takeover of the former TLG Wohnen GmbH (now TAG Wohnen GmbH), Rolf Elgeti was also its managing director. In addition to these mandates at the major group companies of the TAG group, Rolf Elgeti also held executive board and other executive mandates at the following other companies of the TAG group:

- Bau-Verein zu Hamburg "Junges Wohnen" GmbH
- Bau-Verein zu Hamburg Altbau-Immobilien GmbH
- Bau-Verein zu Hamburg Wohnungsgesellschaft mbH
- BV Hamburger Wohnimmobilien GmbH
- BV Steckelhörn Verwaltungs GmbH
- Colonia Immobilien Verwaltung GmbH
- Colonia Portfolio Berlin GmbH
- TAG Immobilien Service GmbH
- Colonia Portfolio Ost GmbH
- Colonia Wohnen GmbH
- Colonia Wohnen Siebte GmbH
- Domus Grundstücksverwaltungsgesellschaft mbH
- Bau-Verein zu Hamburg Eigenheim-Immobilien GmbH
- Emersion Grundstücksverwaltungsgesellschaft mbH
- FÜRSTENBERG'SCHE HÄUSER Ges. mbH
- Patrona Saxoniae Grundbesitz GmbH
- POLARES Real Estate Asset Management GmbH
- TAG Asset Management GmbH (now: TAG Wohnen & Service GmbH)
- TAG Chemnitz-Immobilien GmbH
- TAG Gewerbeimmobilien-Aktiengesellschaft
- TAG Logistik Immobilien Verwaltungs GmbH (now: TAG Finance Holding GmbH)
- TAG Marzahn-Immobilien GmbH
- TAG Nordimmobilien S.à r.l.
- TAG Spreewaldviertel-Immobilien GmbH
- TAG Stuttgart-Südtor Verwaltungs GmbH
- URANIA Grundstücksgesellschaft mbH
- Verwaltung GIB Grundbesitz Investitionsges. Bergedorf mbH
- VFHG Verwaltungs GmbH
- WENZELSPLATZ Grundstücks GmbH und Wohnanlage Ottobrunn GmbH

Managing Director of Midgard Beteiligungsgesellschaft mbH and Hotel FFP GmbH

In addition, Rolf Elgeti has been the sole shareholder and sole director of Midgard Beteiligungsgesellschaft mbH since 2007 and of Hotel FFP GmbH since 2017. Rolf Elgeti is also managing director of the following subsidiaries of Midgard Beteiligungsgesellschaft mbH:

- WIT GmbH
- Ryder Grundbesitz GmbH
- Ventana Grundbesitz GmbH
- 13. Ostdeutschland Invest KG
- Stavro Grundbesitz GmbH
- Auric Grundbesitz GmbH
- Wohntowers Amundsenstraße Rostock GmbH
- Elgeti Brothers GmbH

During the past five years, Rolf Elgeti has also been managing director of Brecht-Tower Rostock GmbH.

General Partner of Various Property Companies

Finally, Rolf Elgeti is a personally liable partner of the following companies:

- Elgeti Grundbesitz Alpha KG
- Elgeti Grundbesitz Caprice KG
- Elgeti Maenz Grundbesitz KG
- Rolf Elgeti & Co Invest KG
- Elgeti Grundbesitz Hellersdorf KG
- Elgeti Grundbesitz Tierpark KG
- EFa Vermögensverwaltung KG
- 5. Elgeti Ostdeutschland Invest KG
- Elgeti Grundbesitz Ostdeutschland KG
- Elgeti Grundbesitz Nordost KG
- Elgeti Grundbesitz Warnemünde KG
- Elgeti Grundbesitz Spandau KG
- Elgeti Grundbesitz Brunnenhof KG
- Kiel Erste Grundbesitz KG
- Kiel Zweite Grundbesitz KG

During the past five years, Mr. Elgeti also was general partner of Baltic Memorial KG. In addition, Rolf Elgeti is the managing director of Obotritia Alpha Invest GmbH, which is the general partner of TecCenter Vermietungs GmbH & Co. KG.

Current Supervisory Board Mandates

Rolf Elgeti is currently chairman of the supervisory board of TAG Immobilien AG (since November 28, 2014) and chairman of the supervisory board of Deutsche Leibrenten Grundbesitz AG (since June 16, 2015). In addition, Rolf Elgeti is a member of the advisory board of Laurus Property Partners and since July 28, 2016 member of the board of directors of Staramba SE. Since July 5, 2018, he is also a non-executive member of the board of directors of Highlight Event and Entertainment AG.

Additional Former Supervisory Board Mandates

In addition to his membership in the aforementioned supervisory boards, Rolf Elgeti has also been a member of the supervisory board of the following companies over the past five years:

- Estavis AG
- FranconoWest AG
- Treveria plc (member of the board of directors)
- AGP AG Allgemeine Gewerbebau- und Projektentwicklungsgesellschaft
- GAG Grundstücksverwaltungs-Aktiengesellschaft
- Sirius Real Estate Limited

- Fair Value REIT-AG

Apart from the above, Rolf Elgeti has not worked in any other administrative, management or supervisory body or as a partner of an outside company during the last five years.

17.3.3.2. Mr. Rolf Hentschel

Rolf Hentschel has been appointed as deputy chairman of the Supervisory Board.

After his legal education from 1979 to 1986, Mr. Rolf Hentschel was admitted to the German Bar in 1986 and joined Arthur Andersen GmbH, where he eventually became partner and branch manager. Since 1990 he was admitted as tax advisor and since 1992 as auditor. In 2002, Arthur Andersen GmbH merged with Ernst & Young GmbH, where Mr. Hentschel remained branch manager and partner. Mr. Hentschel left Ernst & Young in 2014 and works as an independent auditor, tax advisor and lawyer since then.

Alongside his office as a member of the Supervisory Board, Rolf Hentschel is a member of the supervisory board of HGV Hamburger Gesellschaft für Vermögens- und Beteiligungsmanagement mbH since September 2014.

Apart from the above, Mr. Hentschel has not worked in any other administrative, management or supervisory body or as a partner of an outside company during the last five years.

17.3.3.3. Mr. Dirk Schiereck

Following his education as a banker from 1982 to 1984, Mr. Dirk Schiereck studied economics at the Christian-Albrechts-University Kiel, from which he graduated as certified political economist (*Diplom-Volkswirt*) in 1990. In 1995 he received his doctorate degree from the University of Mannheim and finished his habilitation at the University of Mannheim in 2000. From 2000 to 2002, he held the academic chair for capital markets and corporate governance at the institute for mergers and acquisitions of the private University of Witten/Herdecke, where he also was a director. From 2002 to 2008, Mr. Schiereck held the endowment chair for bank and finance management at the European Business School, Oestrich-Winkel. Since 2008, he is the head of the field corporate finance at the Darmstadt University of Technology.

Alongside his office as a member of the Supervisory Board, Mr. Schiereck is a member of the supervisory board of BayernInvest Kapitalverwaltungsgesellschaft mbH, to which he was appointed in October 2016.

Apart from the above, Mr. Schiereck has not worked in any other administrative, management or supervisory body or as a partner of an outside company during the last five years.

17.3.3.4. Ms. Julia Heraeus-Rinnert

After graduating from high school in Frankfurt/Main, Julia Heraeus-Rinnert went to the United States of Ameri for a bachelor's degree. At the College of William and Mary, Virgina, she studied Business Administration with a focus on Operations and Finance. After returning, she gained several years of professional experience as a management consultant in a leading international consulting firm. Afterwards she worked as a project manager in the cement industry. In 2004/2005, Julia Heraeus-Rinnert completed a Master of Business Administration (MBA) in a joint program of the Universities of Mannheim, Warwick (UK) and Essec (Paris). She then took on responsibility for the further development of MBA programs, corporate relations and marketing activities at the Business School in Mannheim.

Julia Heraeus-Rinnert is a shareholder in the family-owned Heraeus business based in Hanau and is involved in shareholder matters, foundation work and long-term investments. Since 2014, she has been a member of the shareholders' committee. Since 2009, Julia Heraeus-Rinnert has been a volunteer member of the board of Freunde und Förderer der Goethe-University, Frankfurt/Main, Germany. In addition, Ms. Heraeus-Rinnert is managing director of J^2 Verwaltung GmbH (since 2005), Jubilia GmbH (since 2013), Wir4 Projektentwicklungsgesellschaft mbH (since 2014) and 2-Gather GmbH (since 2014).

Apart from the above, Ms. Heraeus-Rinnert has not worked in any other administrative, management or supervisory body or as a partner of an outside company during the last five years.

17.3.3.5. Dr. Joachim Rauhut

After graduating as industrial engineer (*Diplom-Wirtschaftsingenieur*) from Karlsruhe University of Technology in 1979, Dr. Rauhut began his career in the business planning department of Mannesmann Demag AG, Duisburg, in 1982. In the following years, Dr. Rauhut held various national and international positions in the controlling and accounting departments and as commercial director of companies of the Mannesmann Group, until he joined Krauss-Maffei AG, Munich, in 1997 as a commercial member of the executive board. In 1999 Dr. Rauhut became CFO of Mannesmann AG and Atecs Mannesmann AG, Düsseldorf, before he joined Wacker Chemie GmbH, Munich, as member of the management in 2001. In 2005, when Wacker Chemie GmbH converted into a stock corporation, he became CFO of Wacker Chemie AG, which he remained until October 2015.

In addition to the positions described above, Dr. Rauhut is a current member of the supervisory boards of MTU Aero Engines AG (since 2009), of B. Braun Melsungen AG (since 2011) and Stabilus S.A. (since 2015). In addition, he is a member of the advisory board of J. Heinrich Kramer Holding GmbH & Co. KG (since 1997) and the regional advisory board south (*Regionalbeirat Süd*) of Commerzbank AG (since 2009).

During the last five years, Dr. Rauhut was a member of the supervisory boards of Pensionskasse der Wacker Chemie VVaG (until October 2015) and Siltronic AG (until December 2015).

Apart from the above, Dr. Rauhut has not worked in any other administrative, management or supervisory body or as a partner of an outside company during the last five years.

17.3.3.6. Mr. Pedro Pinto Coelho

After graduating from Universidade Nova de Lisboa (*MSc and BSc in Industrial Engineering*) in 1987 and ISCTE Business School (*MSc in Management Information Systems*) in 1991, Mr. Pinto Coelho completed a Master of Business Administration (MBA) at HEC Paris with a specialization in finance in 1993.

Today, Mr. Pinto Coelho is the Executive Chairman of Banco BNI Europa (since 2015), a new challenger bank based in Portugal focused on innovation and Fintech partnerships creating an ecosystem of financial products and services. He is also Chairman of the Portuguese Fintech and Insurtech Association (since 2017).

Mr. Pinto Coelho has more than 20 years of international experience in the financial services industry across three continents. Before joining BNI Europa, he held several leadership positions such as CEO of Azure Wealth (until 2015), a Wealth manager based in Switzerland; he was founder and CEO of Standard Bank Angola (until 2014), a board member of Standard Bank Mozambique (until 2014), a member of the Corporate and Investment Banking Africa Executive Committee of Standard Bank Group in South Africa (until 2014), founder and CEO of Amorim Global Investors (until 2009), a private equity firm, Global Head of Financial Advisory at Banif Investment Banking Group (until 2008) and Executive Board Member of Banif Investment Banking Brazil (until 2006) and Head of Investment Banking for Portugal at Citigroup (until 2003).

In addition, Mr. Pinto Coelho currently is a non-executive board member of European Pensions & Property Asset Release Group (EPPARG) (since 2017).

Apart from the above, Mr. Pinto Coelho has not worked in any other administrative, management or supervisory body or as a partner of an outside company during the last five years.

17.3.4. Supervisory Board Committees

Given the number of members of the Supervisory Board, the Supervisory Board has, as of the date of this Prospectus, not established any committees.

17.3.5. Compensation and Benefits

Each regular member of the Supervisory Board shall receive an annual compensation of EUR 20,000, while the deputy chairman of the Supervisory Board shall receive an annual compensation of EUR 30,000 and the chairman of the Supervisory Board shall receive an annual compensation of EUR 40,000. In addition, each member of the Supervisory Board is entitled to compensation for costs and expenses incurred in the course of his or her role as member of the Supervisory Board.

17.3.6. Shareholdings of the Supervisory Board Members

17.3.6.1. Shareholdings of Mr. Rolf Elgeti

Rolf Elgeti holds no direct shares in the Company.

However, Mr. Rolf Elgeti indirectly holds 519,129 shares in the Company which corresponds to 46.145% of the voting rights. This indirect participation is based on Mr. Rolf Elgeti's control of the indirect shareholder Obotritia Capital which controls the direct shareholder Hevella. As personally liable shareholder of Obotritia Capital, he is responsible for the management of Obotritia Capital, and he also holds 20.8992% of the limited partnership shares of Obotritia Capital directly and another 4.0582% of the limited partnership shares indirectly via Midgard Beteiligungsgesellschaft mbH, of which all shares are held by Mr. Rolf Elgeti, and 1.9174% of the limited partnership shares indirectly via EFa Vermögensverwaltung KG, of which he is the personally liable shareholder.

17.3.6.2. Shareholdings of Mr. Rolf Hentschel

Rolf Hentschel holds no direct or indirect shares in the Company.

17.3.6.3. Shareholdings of Mr. Dirk Schiereck

Dirk Schiereck holds no direct or indirect shares in the Company.

17.3.6.4. Shareholdings of Ms. Julia Heraeus-Rinnert

Julia Heraeus-Rinnert holds no direct shares in the Company. However, she indirectly holds 1,500 shares in the Company. These shares are held by J^2 Verwaltung GmbH, of which Ms. Heraeus-Rinnert is the managing director and holds 50% of the shares.

17.3.6.5. Shareholdings of Dr. Joachim Rauhut

Dr. Joachim Rauhut holds no direct or indirect shares in the Company.

17.3.6.6. Shareholdings of Mr. Pedro Pinto Coelho

Mr. Peholds no direct or indirect shares in the Company.

17.3.7. Credit Relationships, other Relationships and Conflicts of Interest

17.3.7.1. Credit Relationships, other Relationships and Conflicts of Interest with Mr. Rolf Elgeti

Rolf Elgeti controls Obotritia Capital which in turn is the majority limited partner of Hevella. Hevella holds a direct participation in the Company (see Section 16.1 "*Current Shareholders*"). Therefore, in view of Rolf Elgeti's indirect participation in the Company, potential conflicts of interest exist as Rolf Elgeti has a personal interest in the development of the value of his indirectly held shares in the Company which is not necessarily identical with the Company's interest in all cases.

In addition, Obotritia Capital and Hevella invested significant amounts in loans brokered through the creditshelf Platform (for these and other transactions involving Obotritia Capital and Hevella, see Section 18.2 "*Other Transactions with Related Parties*"). In view of these contractual relationships, there is a potential conflict of interest insofar as Rolf Elgeti, as shareholder of Obotritia Capital and Hevella, may have a personal interest in having these entities assert rights arising from the relevant agreements against the Company or creditshelf service, while it may not be in the best interest of the Company or creditshelf service in all cases to comply with such assertion of rights. This potential conflict of interest may become an actual conflict of interest in case of breach of contract by a party or in case of other disruptions when executing a contract.

Finally, under the Back Stop Agreement, Hevella has committed itself irrevocably for the term of the Back Stop Agreement (i.e. until July 31, 2018) to purchase Offer Shares at the Offer Price for a total amount of up to

EUR 15,000,000 if and to the extent the Offer Shares are not subscribed for by investors in the course of the Offering (see Section 5.11 "*Back Stop Agreement*").

17.3.7.2. Credit Relationships, other Relationships and Conflicts of Interest with Mr. Rolf Hentschel

No credit relationships, other relationships or conflicts of interest exist with Rolf Hentschel.

17.3.7.3. Credit Relationships, other Relationships and Conflicts of Interest with Mr. Dirk Schiereck

No credit relationships, other relationships or conflicts of interest exist with Dirk Schiereck.

17.3.7.4. Credit Relationships, other Relationships and Conflicts of Interest with Ms. Julia Heraeus-Rinnert

No credit relationships, other relationships or conflicts of interest exist with Julia Heraeus-Rinnert.

17.3.7.5. Credit Relationships, other Relationships and Conflicts of Interest with Dr. Joachim Rauhut

No credit relationships, other relationships or conflicts of interest exist with Dr. Joachim Rauhut.

17.3.7.6. Credit Relationships, other Relationships and Conflicts of Interest with Mr. Pedro Pinto Coelho

Banco BNI Europa invested in loans brokered through the creditshelf Platform. In view of these contractual relationships, there is a potential conflict of interest insofar as Pedro Pinto Coelho, as CEO of Banco BNI Europa, may have an interest and/or a professional duty in having Banco BNI Europa assert rights arising from the relevant agreements against the Company or creditshelf service, while it may not be in the best interest of the Company or creditshelf service in all cases to comply with such assertion of rights. This potential conflict of interest may become an actual conflict of interest in case of breach of contract by a party or in case of other disruptions when executing a contract.

17.3.7.7. No Convictions

None of the current members of the Supervisory Board has been convicted in relation to fraudulent offences for at least the previous five years, nor associated with any bankruptcies, receiverships or liquidations for at least the last previous five years, nor subject to public incrimination and/or sanctions. None of the members of the Management Board has been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for at least the previous five years. None of the members of the Supervisory Board is related to any of the other members of the Management Board or Supervisory Board.

17.4. General Shareholders' Meeting

17.4.1. Introduction

Pursuant to Section 175 AktG and pursuant to the Articles of Association, the annual general shareholders' meeting takes place within the first eight months of each financial year and must be held, as the convening body shall decide, at the Company's registered seat or at the place of a German stock exchange. Except where other persons are authorized to do so by law and by the Articles of Association, the general shareholders' meeting shall be convened by the Management Board. Notice must be issued in the German Federal Gazette at least 30 days before the end of the day on which shareholders must register to take part, the day of the meeting itself and the last day of the period of notice not being included when calculating this period.

A general shareholders' meeting may also be convened by the Supervisory Board or may be requested by shareholders whose shares in aggregate account for 5% of the capital stock. Shareholders or shareholder associations may solicit other shareholders to make such a request, jointly or by proxy, in the shareholders' forum of the German Federal Gazette, which is also accessible via the website of the German Company Register. If, following a request made by shareholders whose shares in aggregate account for 5% of the capital stock, a general shareholders' meeting is not held in due time, the competent local court may authorize the shareholders who have requested it or their representatives to convene a general shareholders' meeting.

Pursuant to the Articles of Association, all shareholders who have duly submitted notification of attendance shall be entitled to attend the general shareholders' meeting and exercise their voting rights. The registration for participation must be received by the Company at the address specified in the convening notice by the end of the sixth day prior to the date of the general shareholders' meeting. When calculating this period, the day of the general shareholders' meeting itself and the day of the receipt of the notice shall not be included. The shareholder's registration must be in text form or by way of other electronic means as specified by the Company in greater detail in German or English. Voting rights may be exercised by proxy. The granting of the proxy, its revocation and the evidence of authority to be provided to the Company must be in text form unless the convening notice provides for a less strict form. Details on the granting of the proxy, its revocation and the evidence to be provided to the Company shall be provided together with the notice convening the general shareholders' meeting. The Management Board is authorized to provide that shareholders may cast their votes in writing or by electronic communication without attending the general shareholders' meeting (absentee vote). The Management Board is further authorized to provide that shareholders may participate in the general shareholders' meeting without being present in person at the place of the general shareholders' meeting or being represented and may exercise all or specific shareholders rights in total or in part by electronic communication (online participation). The Management Board is authorized to allow an audio-visual transmission of the general shareholders' meeting.

The general shareholders' meeting is chaired by the chairman of the Supervisory Board or by another member of the Supervisory Board appointed by the chairman (chairman of the general shareholders' meeting). In the event that neither the chairman of the Supervisory Board nor another member of the Supervisory Board appointed by the chairman takes over the position of the chairman of the general shareholders' meeting, the chairman of the general shareholders' meeting is to be elected by the Supervisory Board. In the event that the Supervisory Board does not elect the chairman of the general shareholders' meeting, the chairman of the general shareholders' meeting shall be elected by the general shareholders' meeting. The chairman of the general shareholders' meeting chairs the proceedings of the meeting and directs the course of the proceedings. He may determine the sequence of speakers and the consideration of the items on the agenda as well as the form, the procedure and the further details of voting. He may also, to the extent permitted by law, decide on the bundling of factually related items for resolution into a single voting item. He is further authorized to impose a reasonable time limit on the right to ask questions and to speak. In particular, he may establish at the beginning of or at any time during the general shareholders' meeting, a limit on the time allowed to speak or ask questions or on the combined time to speak and ask questions, determine an appropriate time frame for the course of the entire general shareholders' meeting, for individual items on the agenda or individual speakers. He may also, if necessary, close the list of requests to speak and order the end of the debate.

17.4.2. Resolutions

Each share carries one vote in the general shareholders' meeting. Unless otherwise stipulated by mandatory statutory provisions or provisions of the Articles of Association, resolutions of the general shareholders' meeting are adopted by a simple majority of the votes cast or, if a capital majority is required in addition to a majority of votes, a simple majority of the registered share capital represented at the meeting is sufficient, to the extent that this is legally possible.

According to the AktG, resolutions of fundamental importance (*grundlegende Bedeutung*) require both a majority of votes cast and a majority of at least 75% of the registered share capital represented at the vote on the resolution. Resolutions of fundamental importance include:

- capital increases, including the creation of conditional or authorized capital;
- issuance of, or authorization to issue, convertible and profit-sharing certificates and other profit-sharing rights;
- exclusion of subscription rights as part of an authorization on the use of treasury stock;
- capital reductions;
- approval of contracts within the meaning of Section 179a AktG (transfer of the entire assets of the company);
- liquidation of the company;
- continuation of the liquidated company after the resolution on liquidation or expiry of the time period;
- approval to conclude, amend or terminate enterprise agreements (*Unternehmensverträge*);
- integration of a stock corporation into another stock corporation and squeeze-out of the minority shareholders; and
- actions within the meaning of the UmwG.

17.5. German Corporate Governance Code

The DCGK contains recommendations and suggestions for the management and supervision of German companies listed on a stock exchange. The DCGK incorporates nationally and internationally recognized standards of good and responsible corporate governance. The purpose of the DCGK is to make the German system of corporate governance and supervision transparent for investors. The DCGK includes recommendations and suggestions for management and supervision with regard to shareholders and general shareholders' meetings, management and supervisory boards, transparency, accounting and auditing.

There is no obligation to comply with the recommendations or suggestions of the DCGK. However, the AktG requires that the management board and supervisory board of a German listed company declare in the German Federal Gazette, every year, either that the recommendations have been or will be applied, or which recommendations have not been or will not be applied and explain why the management board and the supervisory board do not/will not apply the recommendations that have not been or will not be applied. This declaration is to be made permanently accessible to shareholders. However, deviations from the suggestions contained in the DCGK need not be disclosed.

As of the date of this Prospectus, the Company complies with all recommendations in the DCGK apart from the following deviations:

- Section 4.2.2 paragraph 2 sentence 3 DCGK (Consideration of the ratio of management board remuneration to the remuneration paid to the senior management and entire staff);
- Section 4.2.3 paragraph 2 sentences 2 and 3 DCGK (Monetary remuneration of the management board shall comprise fixed and variable components) and Section 4.2.3 paragraph 2 sentences 3 and 4 DCGK (Cap of maximum levels for amount of remuneration) regarding Dr. Tim Thabe and Dr. Daniel Bartsch whose service agreements do not contain variable components as they hold a significant number of shares in the Company and Dr. Mark Währisch for whom a variable consideration (other than those set forth in Section 17.2.4 "*Compensation and Benefits*") is still under discussion;
- Section 4.2.3 paragraph 4 sentences 1 and 3 DCGK (Payments, including fringe benefits, made to a management board member due to early termination shall not exceed twice the annual remuneration (severance cap) and do not constitute remuneration for more than the remaining term of the service contract and the severance cap shall be calculated on the basis of the total remuneration paid for the previous financial year taking into account the expected total remuneration for the current financial year);
- Section 4.2.3 paragraph 6 DCGK (Information of general meeting about salient points of the remuneration system) and Section 4.2.5 sentences 3 through 6 DCGK (Remuneration report disclosure), as the Company was not addressee of the DCGK in the past, but intends to comply with this recommendation in the future to the extend applicable;
- Section 5.1.2 sentence 2 DCGK (Diversity of management board members);
- Section 5.1.2 sentence 3 DCGK (Long-term succession planning);
- Section 5.1.2 paragraph 2 sentence 3 DCGK (Age limit for the members of the management board);
- Section 5.3.1 sentence 1, 5.3.2 paragraph 1 and 3, 5.3.3 DCGK (Supervisory board committees, audit committee, specific knowledge, experience and independence of chairman of the audit committee, intendance of chairman of the supervisory board, nomination committee); and
- Section 5.4.1 paragraph 2 DCGK (Concrete objectives regarding its composition, and shall prepare a profile of skills and expertise for the entire board).

The deviations are based on the company-specific situation of a young company with a limited number of board members.

18. TRANSACTIONS AND LEGAL RELATIONSHIPS WITH RELATED PARTIES

In the following Section, the Company describes transactions with persons or companies which are, *inter alia*, members of the same group as the Company or which are in control of or controlled by the Company. Control exists if a shareholder owns more than one half of the voting rights in the Company or, by virtue of an agreement, has the power to control the financial and operating policies of the Company's management. The Company also discloses transactions with associated companies (including joint ventures) as well as transactions with persons who have significant influence on the Company's financial and operating policies, including close family members and intermediate entities. This includes the members of the Management Board and Supervisory Board and close members of their families, as well as those entities over which the members of the Management Board and Supervisory Board or their close family members are able to exercise a significant influence or in which they hold a significant share of voting rights. Set forth below is a description of such transactions with related parties for the financial years ended December 31, 2017, December 31, 2016, and December 31, 2015 up to and including the date of this Prospectus for

- Hevella Capital GmbH & Co. KGaA ("**Hevella**") which is a material shareholder of the Company which is a shareholder in the Company;
- Dr. Tim Thabe who is a member of the Management Board and the controlling shareholder of LDT Investment UG (haftungsbeschränkt) ("**LDT**") which is a shareholder in the Company;
- Dr. Daniel Bartsch who is a member of the Management Board and the controlling shareholder of DBR Investment UG (haftungsbeschränkt) ("**DBR**") which is a shareholder in the Company;
- Christoph Maichel who was a managing director of creditshelf GmbH until 2017 and who is the controlling shareholder Wahtari GmbH ("**Wahtari**") which is a shareholder in the Company; as well as
- Purum AG ("**Purum**") which is a shareholder in the Company.

Although Obotritia Capital KGaA ("**Obotritia Capital**") is not considered a related party as defined above, it is the majority limited partner of Hevella and the Company has thus decided to provide information about purchases of loan receivables from creditshelf service in the financial years ended December 31, 2015, December 31, 2016, and December 31, 2017 and certain other contractual relationships as well.

18.1. Investment Agreement and Shareholders' Agreement

By agreement dated May 22, 2015, Hevella (at that time still acting under its former name "Obotritia Beteiligungs GmbH"), LDT, DBR and Wahtari, the Company and certain other parties entered into an investment and shareholders' agreement. Key provisions related to the investment of certain funds by Hevella in the Company against issuance of shares and certain provisions setting forth the rights and obligations of Hevella and the other shareholders of the Company at that point in time (such investment and shareholders' agreement replaced an earlier investment and shareholders' agreement that the founding shareholders, the Company and certain other parties had entered into when the Company was established in 2014). When Purum became a shareholder in the Company in 2016, it acceded to such investment and shareholders' agreement. The investment and shareholders' agreement was mutually terminated by termination agreement in June 2018.

18.2. Other Transactions with Related Parties

18.2.1. Services Rendered

On October 6, 2015, DBR, LDT and Wahtari as service providers each entered into agreements with the Company about the provision of management capacities. The agreement has each a duration of two years and will be extended by another six months, which is subject to a three-month notice period. The Company has also entered into another service agreement with Wahtari regarding the provision of certain IT development services by Wahtari. Under these agreements, the aforesaid parties have received the following payments in the financial years ended December 31, 2015, December 31, 2016, and December 31, 2017 and in the period from January 1, 2018 to the date of this Prospectus.

Party	Financial Year	Fees for IT services received in financial year (in EUR)	Fees for management services received in financial year (in EUR)	Total (in EUR)
DBR	2015	0.00	14,875.02	14,875.02
	2016	0.00	39,666.66	39,666.66
	2017	0.00	62,500.02	62,500.02
	January 1, 2018 until July 10, 2018	0.00	49,999.93	49,999.93
LDT	2015	0.00	14,875.02	14,875.02
	2016	0.00	39,666.66	39,666.66
	2017	0.00	62,500.02	62,500.02
	January 1, 2018 until July 10, 2018	0.00	49,999.99	49,999.99
Wahtari	2015	25,215.00	43,750.00	68,965.00
	2016	74,500.00	80,503.33	155,003.33
	2017	74,500.00	77,083.33	151,583.33
	January 1, 2018 until July 10, 2018	9,000.00	0.00	9,000.00

Prior to the date of this Prospectus, all of the aforesaid service agreements with DBR, LDT and Wahtari were terminated.

18.2.2. Investments by Related Parties and Obotritia Capital in Loan Receivables

In the financial years ended December 31, 2015, December 31, 2016, and December 31, 2017 and in the period from January 1, 2018 to the date of this Prospectus, related parties have purchased and acquired loan receivables from creditshelf service as listed below.

Party	Financial Year	New number of purchased receivables in financial year (in items)	Amount of loan receivables purchased in financial year (in EUR)
Hevella (including its legal predecessor Obotritia Beteiligungs GmbH)	2015	1	50,000.00
	2016	24	6,940,000.00
	2017	0	0.00
	January 1, 2018 until July 10, 2018	0	0.00
DBR	2015	2	20,000.00
	2016	10	140,000.00
	2017	2	20,00.00
	January 1, 2018 until July 10, 2018	0	0.00
LDT	2015	2	20,000.00
	2016	8	120,000.00
	2017	2	20,000.00
	January 1, 2018 until July 10, 2018	0	0.00
Wahtari	2015	0	
	2016	1	10,000.00
	2017	0	0.00
	January 1, 2018 until July 10, 2018	2	30,000.00
Purum	2015	0	0.00
	2016	4	60,000.00
	2017	0	0.00
	January 1, 2018 until July 10, 2018	0	0.00

Although Obotritia Capital is not considered a related party as defined above, it is the majority limited partner of Hevella and the Company has thus decided to provide information about purchases of loan receivables from creditshelf service in the financial years ended December 31, 2015, December 31, 2016, and December 31, 2017 and in the period from January 1, 2018 to the date of this Prospectus as well:

Party	Financial Year	Number of purchased receivables in financial year (in items)	Amount of loan receivables purchased in financial year (in EUR)
Obotritia Capital	2015	0	0.00
	2016	9	4,700,000.00
	2017	78	26,610,000.00
	January 1, 2018 until July 10, 2018	27	12,755,000.00

18.2.3. Divestments of Loan Receivables by Related Parties and Obotritia Capital

In the financial years ended December 31, 2015, December 31, 2016, and December 31, 2017 and in the period from January 1, 2018 to the date of this Prospectus, related parties have sold and transferred loan receivables that had originally been acquired from creditshelf service back to creditshelf service (which then sold them in certain tranches to other investors) as listed below.

Party	Financial Year	Number of sold receivables in financial year (in items)	Amount of sold receivables purchased in financial year (in EUR)
Hevella (including its legal predecessor Obotritia Beteiligungs GmbH)	2015	0	0.00
	2016	3	300,000.00
	2017	13	1,475,000.00
	January 1, 2018 until July 10, 2018	0	0.00

Although Obotritia Capital is not considered a related party as defined above, it is the majority limited partner of Hevella and the Company has thus decided to provide information for Obotritia Capital. In the financial years ended December 31, 2015, December 31, 2016, and December 31, 2017 and in the period from January 1, 2018 to the date of this Prospectus, Obotritia Capital has sold and transferred loan receivables that had originally been acquired from creditshelf service back to creditshelf service (which then sold them in certain tranches to other investors) as listed below.

Party	Financial Year	Number of sold receivables in financial year (in items)	Amount of loan receivables sold in financial year (in EUR)
Obotritia Capital	2015	0	0.00
	2016	0	0.00
	2017	54	8,309,998.36
	January 1, 2018 until July 10, 2018	41	4,640,000.00

18.2.4. Loans from Related Parties

The Company has received four shareholder loans in an amount of EUR 12,500 each from DBR and four shareholder loans in an amount of EUR 12,500 each from LDT. Such shareholder loans of DBR and LDT are dated (i) November 20/21, 2014, (ii) January 20/23, 2015, (iii) April 15/20, 2015 and (iv) June 1/4, 2015. Such loans have a term until December 31, 2019 and carry an interest rate of 1% *p.a.* As of the date of this Prospectus the loans granted by DBR including accrued and unpaid interest amounted to EUR 51,679.16 and the loans granted by LDT including accrued and unpaid interest amounted to EUR 51,677.08.

18.2.5. Back Stop Agreement

Under the Back Stop Agreement, Hevella has committed itself irrevocably for the term of the Back Stop Agreement (i.e. until July 31, 2018) to purchase Offer Shares at the Offer Price for a total amount of up to EUR 15,000,000 if and to the extent the Offer Shares are not subscribed for by investors in the course of the Offering. The ordinary termination of the Back Stop Agreement is excluded. An extraordinary termination is in particular possible if there is an important reason which would also entitle the Underwriter to an extraordinary termination under the Underwriting Agreement (as defined in Section 19.1 "*Underwriting Agreement*").

18.2.6. Other Information

No expenses were incurred for the remuneration of the Supervisory Board in the financial years ended December 31, 2015, December 31, 2016, and December 31, 2017, as the Supervisory Board was only established in 2018. For the period from January 1, 2018 to the date of this Prospectus the members of the Supervisory Board are entitled to their compensation as set forth in Section 17.3.5 "*Compensation and Benefits*".

Apart from the relationships stated above, the Company did not have any other significant business relationships with related parties in the financial years ended December 31, 2015, December 31, 2016, and December 31, 2017 and in the period from January 1, 2018 to the date of this Prospectus.

19. UNDERWRITING

19.1. Underwriting Agreement

On or around July 10, 2018, the Company and the Underwriter will enter into an underwriting agreement with respect to the Offering (the "**Underwriting Agreement**").

Under the envisaged terms of the Underwriting Agreement and subject to certain conditions, the Underwriter will be obliged to underwrite and subscribe for such number of Offer Shares as will be specified in the pricing agreement, up to the maximum number of Offer Shares. A certain number of Offer Shares may be acquired directly from the Company and directly subscribed for by certain investors in the course of the Offering (the "**Direct Subscription Shares**").

In the Underwriting Agreement, the Underwriter agrees to underwrite and purchase the Offer Shares (less any Direct Subscription Shares) with a view to offering them to investors in the Offering. The Underwriter agrees to remit to the Company the Offer Price of such Offer Shares (less agreed commissions and expenses), at the time such Offer Shares are delivered, which is expected to be two bank working days after the admission to trading of the Company's shares on the Frankfurt Stock Exchange.

The obligations of the Underwriter are subject to various conditions, including, among other things, (i) the agreement of the Company and the Underwriter on the Offer Price and the final volume of Offer Shares to be purchased by the Underwriter, (ii) the absence of a material event, *e.g.,* a reasonably likely material adverse change in or affecting the condition, business, prospects, management, consolidated financial position, shareholders' equity or results of operations of the creditshelf Group, or a suspension or material limitation in trading in securities of the Company or in securities in generally on the Frankfurt Stock Exchange, the London Stock Exchange or the New York Stock Exchange, (iii) receipt of customary certificates, legal opinions and auditor letters, and (iv) the introduction of the Company's shares to trading on the Frankfurt Stock Exchange.

The Underwriter may, from time to time, provide services to the Company in the ordinary course of business and may extend credit to and have regular business dealings with the Company in its capacity as a financial institution (for a more detailed description of the interests of the Underwriter in the Offering, see Section 5.14 "*Interests of Parties Participating in the Offering*").

19.2. Commissions

The Underwriter will offer the Offer Shares at the Offer Price. The Company will pay the Underwriter a commission of 3.5% of the gross proceeds of the Offering, but at least EUR 500,000 (the "**Base Fee**"). In addition to the Base Fee, the Company may, in its absolute discretion, decide to pay the Underwriter an additional fee of up to 1.5% of the gross proceeds of the Offering (the "**Discretionary Fee**"). Any Discretionary Fee will be decided on by the Company upon closing of the Offering. The Base Fee and, if any, the Incentive Fee, may be deducted from the gross proceeds from the Offering before payment to the Company. The Company has also agreed to reimburse the Underwriter for certain costs and expenses in connection with the Offering.

19.3. Termination/Indemnification

The Underwriting Agreement provides that the Underwriter may, under certain circumstances, terminate the Underwriting Agreement, including after the Offer Shares have been allotted and listed, up to delivery and settlement. Grounds for termination include, in particular, if:

- the creditshelf Group has sustained a loss or interference with respect to its business from fire, explosion, flood or other calamity (whether or not covered by insurance), or from any labor dispute or court or governmental action, order or decree;
- there has been any material change or development reasonably likely to result in a material change to the share capital of the Company;
- there has been any material change or development reasonably likely to result in a material change in the long-term debt of the Company or the creditshelf Group;
- there has been any material adverse change, or any development involving a reasonably likely prospective material adverse change, in or affecting the condition, business, prospects, management, consolidated financial position, shareholders' equity or results of operations of the Company or the creditshelf Group or such as would prevent the Company from performing any of its obligations pursuant to the Underwriting Agreement;
- the Company or the creditshelf Group has incurred any liability or obligation, direct or contingent, or entered into any material transaction not in the ordinary course of business;
- a suspension in trading on the Frankfurt, London or New York stock exchanges occurs;
- a general moratorium on banking activities is imposed in Frankfurt/Main, London, or New York by the relevant authorities;
- a change in German taxation affecting the Company, the Offer Shares or the transfer thereof or the imposition of exchange controls by Germany, the United Kingdom or the United States;
- an outbreak or escalation of hostilities or the declaration of a national emergency or war which have a material adverse impact on the financial markets in Germany, the United Kingdom or the United States occurs; or
- any acts of terrorism or any other calamity or crisis or any change in financial, political or economic conditions or currency exchange rates or currency control which have a material adverse impact on the financial markets in Germany, the United Kingdom or the United States occur.

If the Underwriting Agreement is terminated, the Offering will not take place, in which case any allotments already made to investors will be invalidated and investors will have no claim for delivery. Claims with respect to subscription fees already paid and costs incurred by an investor in connection with the subscription will be governed solely by the legal relationship between the investor and the financial intermediary to which the investor submitted its purchase order. Investors who engage in short-selling bear the risk of being unable to satisfy their delivery obligations.

The Company will agree in the Underwriting Agreement to indemnify the Underwriter against certain liabilities that may arise in connection with the Offering, including liabilities under applicable securities laws.

19.4. Selling Restrictions

The distribution of this Prospectus and the sale of the Offer Shares may be restricted by law in certain jurisdictions. No action has been or will be taken by the Company or the Underwriter to permit a public offering of the Offers Shares anywhere other than Germany and Luxembourg or the possession or distribution of this document in any other jurisdiction, where action for that purpose may be required.

The Offer Shares may not be publicly distributed in Switzerland. This Prospectus may not be mailed, made available in copy or in another form and the securities may not be offered for subscription in Switzerland other than to qualified investors according to Swiss law. This document does not constitute an offering prospectus within the meaning of Articles 652a or 1156 of the Swiss Law of Obligations (*Schweizerisches Obligationenrecht*) nor a listing prospectus within the meaning of the SIX Swiss Exchange listing regulations.

The Offer Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended, or the securities laws of any state or other jurisdiction of the United States of America and may not be offered or sold in the United States of America except pursuant to an exemption from, or in transactions not subject to, the registration requirements of the U.S. securities laws and in compliance with any applicable securities laws of any state or other jurisdiction of the United States of America.

The Company does not intend to register either the Offering or any portion of the Offering in the United States or to conduct a public offering of shares in the United States.

Accordingly, neither this document nor any advertisement or any other offering material may be distributed or published in any jurisdiction other than Germany and Luxembourg except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus comes are required to inform themselves about and observe any such restrictions, including those set out in the preceding paragraphs. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

Sales in the United Kingdom are also subject to restrictions. In the United Kingdom, this Prospectus is only addressed to and directed to Qualified Investors (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**"), and/or (ii) who are high net worth entities falling within Article 49(2) lit. (a) through (d) of the Order, and other persons to whom it may otherwise lawfully be communicated (all such persons together being referred to as "**Relevant Persons**"). The securities described herein are only available in the United Kingdom to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such securities in the United Kingdom will be engaged in only with, Relevant Persons. Any person in the United Kingdom who is not a Relevant Person should not act or rely on this Prospectus or any of its contents.

In relation to each member state of the EEA which has implemented the Prospectus Directive from the date of the implementation of the Prospectus Directive (each a "**Relevant Member State**") no offer to the public of any Offer Shares which are the subject of this Offering have been and will be made in that Relevant Member State, other than the offers contemplated in this Prospectus in Germany (and Luxembourg once the prospectus has been approved by the BaFin, notified to the Commission de Surveillance du Secteur Financier (CSSF)) and published in accordance with the Prospectus Directive as implemented in Germany, except that it may make an offer to the public in that Relevant Member State of any Offer Shares at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

- to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;

- to any legal entity which has two or more of (i) an average of at least 250 employees during the last financial year; (ii) a total balance sheet of more than EUR 43,000,000 and (iii) an annual net turnover of more than EUR 50,000,000, as shown in its last annual or consolidated accounts;
- to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the Sole Bookrunner for any such offer; or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive.

For the purposes of this Prospectus, the expression an "offer to the public" in relation to any shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any shares to be offered so as to enable an investor to decide to purchase or subscribe for any shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State.

Persons receiving offers to the public contemplated in the German and Luxembourg public offerings, who receive any communication in respect of, or who acquires any shares which are the subject of the Offering contemplated by this Prospectus will be deemed to have represented, warranted and agreed to and with each Underwriter that:

- it is a qualified investor within the meaning of the law in that Relevant Member State implementing Article 2(1) lit. (I) of the Prospectus Directive; and
- in the case of any shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, (i) the shares acquired by it in the Offering have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than to "qualified investors" as defined in the Prospectus Directive, or in circumstances in which the prior consent of the Underwriter has been given to the offer or resale; or (ii) where shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those shares to it is not treated under the Prospectus Directive as having been made to such persons.

19.5. Other Interests of the Underwriter in the Offering

The Underwriter or its affiliates have, and may from time to time in the future continue to have, business relations with the creditshelf Group (including lending activities) or may perform services for the creditshelf Group in the ordinary course of business. In addition, the Company plans to enter into a cooperation agreement with Commerzbank regarding amongst others the referral of certain potential borrowers from its network to the creditshelf Platform (for details see Section 13.3.2 "*Potential Bank Cooperations*").

20. TAXATION IN THE FEDERAL REPUBLIC OF GERMANY

The following Section outlines certain key German tax principles that may be relevant with respect to the acquisition, holding or transfer of Offer Shares. This summary does not purport to be a comprehensive or exhaustive description of all German tax considerations that may be relevant to shareholders. This presentation is based upon domestic German tax law in effect as of the date of this Prospectus and the provisions of double taxation treaties currently in force between Germany and other countries. It is important to note that the legal situation may change, possibly with retroactive effect.

This Section 20 ("*Taxation in the Federal Republic of Germany*") does not replace the need for individual shareholders to seek personal tax advice. It is therefore recommended that investors consult their own tax advisors regarding the tax implications of acquiring, holding or transferring Offer Shares in the Company and what procedures are necessary to secure the repayment of German withholding tax, if possible. Only qualified tax advisors are in the position to adequately consider the particular tax situation of individual shareholders.

The law as currently in effect provides for a reduced tax rate for certain investment income. There is an ongoing discussion in Germany whether the reduced tax rate should be increased or abolished altogether so that investment income would be taxed at regular rates. It is still unclear, whether, how and when the current discussion may result in any legislative change.

20.1. Taxation of the Company

The Company has its statutory seat and is tax resident in Germany and therefore subject to German corporate income tax ("**CIT**"), in principal, with its worldwide income and regardless of whether distributed or retained. The CIT rate amounts to 15% plus the solidarity surcharge of 5.5% thereon, resulting in a total tax rate of 15.825%.

The basis for determining the CIT base is the profit (as determined by applying German GAAP) for a respective assessment period. However, for CIT purposes, certain adjustments need to be made. Dividends and other shares in profits which the Company receives from domestic and foreign corporations are not generally subject to CIT; however, 5% of each type of income is deemed to be a non-deductible business expense. The same applies to profits earned by the Company from the sale of shares in another domestic or foreign corporation. Different rules apply to free floating dividends, *i.e.*, dividends earned on direct shareholdings in a distributing corporation equal to less than 10% of its share capital at the start of the respective calendar year. Such free floating dividends are fully taxed at the CIT rate (including the solidarity surcharge rate). The acquisition of a shareholding of at least 10% is deemed to have occurred at the start of the calendar year. Losses incurred from the sale of such shares are not deductible for tax purposes, regardless of the percentage of shares held.

Moreover, the deductibility of interest expenses may be restricted. According to the so-called interest barrier rules, net interest expense (the interest expense minus the interest income in a financial year) of EUR 3,000,000 or more of the Company is generally only deductible up to 30% of the taxable EBITDA (taxable earnings adjusted for interest costs, interest income, and certain depreciation and amortization), although there are certain exceptions to this rule. Interest expense that is not deductible in a given year may be carried forward to subsequent financial years of the Company (interest carry-forward) and will increase the interest expense in those subsequent years (and count towards the EUR 3,000,000 threshold). Under certain conditions, non-offsettable EBITDA can also be carried forward to subsequent years (EBITDA carry-forward) up to five financial years.

If the Company suffers taxable losses in a given year these losses may be carried back to the previous year up to an amount of EUR 1,000,000. Any remaining taxable losses may be carried forward. Tax loss carry forwards will reduce income in a subsequent year up to a total amount of EUR 1,000,000 without limitation, but will only reduce 60% of income exceeding EUR 1,000,000 in any such year, until exhaustion of the tax loss carry forwards. The remaining 40% of income exceeding EUR 1,000,000 is subject to tax (minimum taxation). Unused tax carry-forwards can generally continue to be carried forward without time limitation.

If more than 50% of the subscribed capital, the membership interests, equity interests or voting rights are transferred to an acquirer (including parties related to the acquirer in a certain way) within five years directly or indirectly or comparable acquisition occurs (*e.g.* the issuance of new shares in the company to new shareholders), all intra-year losses until the relevant transfer date, tax loss carry forwards and interest carry forwards from previous tax periods are forfeited. A group of acquirers with aligned interests is also considered to be an acquiring party for these purposes. In addition, any current year losses incurred prior to the acquisition will not be deductible. If more than 25% up to and including 50% of the subscribed capital, membership interests, equity interests or voting rights of the Company are transferred to an acquirer (including parties related to the acquirer) or a comparable acquisition occurs, a fractional amount of tax loss carry forwards, the unused losses and interest carry-forwards is forfeited in proportion to the percentage of the shares transferred. Intra-year losses, tax loss carry forwards, unused losses and interest carry-forwards taxable in Germany will not be forfeit to the extent that they are covered by hidden reserves taxable in Germany at the time of the share transfer or if an intra-group transfer occurs under certain conditions.

In addition, the Company is subject to trade tax with respect to its taxable trade profits. The trade tax rate depends on the local municipalities in which the Company maintains permanent establishments. For Frankfurt/Main, Germany, where the Company is headquartered, the trade tax rate is 16.1% (consisting of the statutory base rate of 3.5% multiplied by the local multiplier of Frankfurt/Main, Germany, of 460%).

Basis for the calculation of the trade tax assessment base is the taxable profit for CIT purposes. However, further adjustments have to be made. Dividends received from domestic and foreign corporations and capital gains from the sale of shares in other corporations are treated in principle in the same manner as for CIT purposes. However, shares in profits received from domestic and foreign corporations are effectively 95% exempt from trade tax only if the Company held and continues to hold at least 15% (at least 10% in the case of certain companies resident for tax purposes in EU member states other than Germany) of the registered share capital of the distributing corporation at the beginning or – in the case of foreign corporations to which the aforementioned 10% minimum threshold does not apply – since the beginning of the relevant tax assessment period. Additional limitations apply with respect to shares in profits received from corporations to which the aforementioned 10% minimum threshold does not apply.

Moreover, 25% of the CIT-deductible interest expenses will increase the trade tax basis to the extent that the sum of all trade taxable add-back items exceeds EUR 100,000. Note in respect of the use of losses that trade tax rules regarding the Company are equivalent to the CIT rules on losses, but that a loss carry-back into a previous year is not allowed for trade tax purposes.

20.2. Taxation of Shareholders

Shareholders are taxed particularly in connection with the holding of Offer Shares (taxation of dividend income), upon the sale of Offer Shares (taxation of capital gains) and the gratuitous transfer of Offer Shares (inheritance and gift tax).

20.2.1. Taxation of Dividend Income

To the extent that the Company pays dividends for which the tax-recognized contribution account of the Company is used (and the use is certified accordingly by the Company), subject to the following, the payments are generally not subject to withholding tax, income or CIT. However, dividends for which the tax-recognized contribution account is used (and the use is certified accordingly by the Company) lower the acquisition costs of the Offer Shares, which may result in a greater amount of taxable capital gain upon the shareholder's sale of the Offer Shares. To the extent that dividends from the tax-recognized contribution account exceed then lowered acquisition costs of the Offer Shares, a capital gain is recognized by the shareholder, which may be subject to tax in accordance with the provisions regarding the disposal of Offer Shares outlined below.

20.2.2. Withholding Tax

Dividends distributed by the Company are subject to a withholding tax at a 25% rate on dividends distributed by the Company plus a solidarity surcharge of 5.5% on the amount of withholding tax (amounting in total to a rate of 26.375%). For individual shareholders who are subject to church tax an electronic information system for church withholding tax purposes applies in relation to investment income, with the effect that church tax will be collected by the Dividend Paying Agent (as defined below) by way of withholding unless the investor has filed a blocking notice (*Sperrvermerk*) with the German Federal Central Tax Office (*Bundeszentralamt für Steuern,* with its registered office in Bonn-Beuel, An der Küppe 1, 53225 Bonn, Germany) in which case the investor will be assessed to church tax.

Dividend withholding tax is withheld regardless of whether and, if so, to what extent the shareholder must report the dividend for tax purposes and regardless of whether the shareholder is a resident of Germany or of a foreign country.

As the Offer Shares are admitted to be held in collective safe custody (*Sammelverwahrung*) with a central securities depository (*Wertpapiersammelbank*) and are entrusted to such central securities depository for collective safe custody in Germany, the Company is not responsible for withholding the withholding tax; rather, it is, for the account of the shareholders, the responsibility of one of the following entities in Germany authorized to collect withholding tax do so and remit it to the relevant tax authority (each of these entities a "**Dividend Paying Agent**"): (i) a domestic bank or financial service institution, a domestic securities trading company or a domestic securities trading bank (including the domestic branches of foreign banks) that holds the Offer Shares in custody or that manages them and pays out or credits the shareholders' investment income or that pays the investment income to a foreign entity, or (ii) the securities depository holding the collective deposit shares in custody if it pays the investment income to a foreign entity.

Where dividends are distributed to a company resident in another member state of the European Union within the meaning of Article 2 of the EU Parent-Subsidiary Directive (EC Directive 2011/96/EU of November 30, 2011, as amended, the "**EU Parent-Subsidiary Directive**"), the withholding of the dividend withholding tax may not be required, upon application, provided that additional requirements are met (withholding tax exemption). This also applies to dividends distributed to a permanent establishment located in another EU member state of such a parent company or of a parent company that is a tax resident in Germany if the interest in the dividend-paying subsidiary is part of the respective permanent establishment's business assets. An important prerequisite for the exemption from withholding at source under the EU Parent-Subsidiary Directive is that the shareholder has directly held at least 10% of the company's registered share capital continuously for one year and that the German Federal Central Tax Office has, based upon an application filed by the creditor on the officially prescribed form, certified to him that the prerequisites for exemption have been met. As an alternative to applying for an exemption from withholding tax as per the above, the shareholder may seek a refund of withholding tax under corresponding conditions from the German Federal Central Tax Office once withholding tax has been withheld from a dividend in his respect.

The dividend withholding tax rate for dividends paid to other shareholders without a tax domicile in Germany will be reduced in accordance with the applicable double taxation treaty, if any, between Germany and the shareholder's country of residence, provided that the Offer Shares are neither held as part of the business assets of a permanent establishment or a fixed base in Germany nor as part of the business assets for which a permanent representative in Germany has been appointed. The reduction in the dividend withholding tax is generally obtained by applying to the German Federal Central Tax Office for a refund of the difference between the dividend withholding tax withheld, including the solidarity surcharge, and the amount of withholding tax actually owed under the applicable double taxation treaty, which is usually between 5-15%. Forms for the refund procedure may be obtained from the German Federal Central Tax Office (http://www.bzst.bund.de), as well as German embassies and consulates.

The basis for determining the dividend withholding tax is the dividend approved for distribution by the Company's general shareholders' meeting. Actual expenses are not deductible; non-business shareholders are entitled to an annual allowance (*Sparer-Pauschbetrag*) of EUR 801.00 (EUR 1,602.00 for couples and partners filing jointly) for all investment income received in a given year. Upon the non-business shareholder filing an exemption certificate (*Freistellungsauftrag*) with the Dividend Paying Agent, the Dividend Paying Agent will take the allowance into account when computing the amount of tax to be withheld. No withholding tax will be deducted if the shareholder has submitted to the Dividend Paying Agent a certificate of non-assessment (*Nichtveranlagungs-Bescheinigung*) issued by the competent local tax office.

Corporations that are not tax resident in Germany will receive upon application a refund of two fifths of the dividend withholding tax that was withheld and remitted to the tax authorities subject to certain requirements. This could be in addition to any further reduction or exemption provided under the EU Parent-Subsidiary Directive or a double taxation treaty.

Foreign corporations will generally have to meet certain substance and activity criteria defined by statute in order to receive a (partial) exemption from or a (partial) refund of German dividend withholding tax in all cases described above.

The Company assumes liability for the withholding of taxes on distributions, in accordance with statutory provisions.

20.3. Taxation of Dividends of Shareholders with a Tax Domicile in Germany

20.3.1. Individuals who hold the Offer Shares as Private Assets

For individuals who are tax resident in Germany (generally, individuals whose domicile or usual residence is located in Germany) and who hold the Offer Shares as private assets, the withholding tax will generally serve as a final tax. In other words, once deducted, the shareholder's income tax liability on the dividends will be settled, and he or she will no longer have to declare them on his or her annual tax return (the "**Flat Tax**").

The purpose of the Flat Tax is to provide for separate and final taxation of capital investment income earned; in other words, taxation that is irrespective of the individual's personal income tax rate. Shareholders may apply to have their capital investment income assessed in accordance with the general rules and with an individual's personal income tax rate if this would result in a lower tax burden. In this case, the base for taxation would be the gross dividend income less the savers' allowance of EUR 801.00 (EUR 1,602.00 for married couples and for partners in accordance with the registered partnership law jointly filling). Any tax and solidarity surcharge already withheld would be credited against the income tax and solidarity surcharge so determined and any overpayment refunded. Income-related expenses cannot be deducted from investment income in either case.

If the individual directly or indirectly holds (i) at least 1% of the shares in the Company and can exert a significant entrepreneurial influence on the Company's economic performance through his or her professional activities for the Company or (ii) at least 25% of the shares, upon application by the taxpayer, the dividends shall be taxed under the partial-income method (see Section 20.3.4 "*Sole Proprietors (Individuals)*").

Entities required to collect withholding taxes on capital investment income are required to also withhold the church tax on shareholders who are subject to church tax, unless the shareholder objects in writing to the German tax authorities sharing his or her private information regarding his or her affiliation with a religious denomination. If church tax is withheld and remitted to the tax authority as part of the withholding tax deduction, then the church tax on the dividends is also deemed to be discharged when it is deducted. The withheld church tax cannot be deducted in the tax assessment as a special expense; however, 26.375% of the church tax withheld on the dividends is deducted from the withholding tax (including the solidarity surcharge) withheld. If no church taxes are withheld along with the withholding tax, the shareholder who pays church tax is required to report his dividends in his or her income tax return. The church tax on the dividends will then be imposed during the assessment.

20.3.2. Shares held as Business Assets

The Flat Tax does not apply to dividends from Offer Shares held as business assets of shareholders who are tax resident in Germany. The taxation is based on whether the shareholder is a corporation, an individual or a partnership. The withholding tax paid to the tax authorities, including the solidarity surcharge, is credited against the income or CIT and the solidarity surcharge of the shareholder and any over-payment will be refunded.

20.3.3. Corporations

Dividends received by corporations resident in Germany are generally exempt from CIT and solidarity surcharge. However, 5% of the dividend is treated as a non-deductible business expense and, as such, is subject to CIT (plus the solidarity surcharge) with a total tax rate of 15.825%.

Different rules apply to free-floating dividends, *i.e.*, dividends earned on direct shareholdings in the Company equal to less than 10% of its share capital at the start of the respective calendar year. Such free floating dividends are fully taxed at the CIT rate. The acquisition of a shareholding of at least 10% is deemed to have occurred at the start of the calendar year.

Business expenses actually incurred and having a direct business relationship to the dividends may be fully deducted.

The amount of any dividends (after deducting business expenses economically related to the dividends) is fully subject to trade tax, unless the corporation held at least 15% of the Company's registered share capital at the beginning of the relevant tax assessment period, entitling it to an intra-group privilege for trade tax purposes.

In the latter case, the aforementioned exemption of 95% of the dividend income applies analogously for trade tax purposes, but the business expenses directly related to the dividends (for example, financing costs) are not deductible unless they exceed the amount of dividend income exempted.

20.3.4. Sole Proprietors (Individuals)

If the shares are held as part of the business assets of a sole proprietor (individual) with his or her tax domicile in Germany, 40% of any dividend is tax exempt (so-called partial-income method). Only 60% of the expenses economically related to the dividends are tax deductible. The partial-income method will also apply when individuals hold the shares indirectly through a partnership (with the exception of individual investors who hold their shares as private assets taxwise through a non-trading partnership (*nicht-betriebliche, z.B. gewerblich entprägte Personengesellschaft*)). If the shares are held as business assets of a domestic commercial permanent establishment, the full amount of the dividend income (after deducting business expenses that are economically related to the dividends) is also subject to trade tax, unless the taxpayer held at least 15% of the Company's registered share capital at the beginning of the relevant tax assessment period. In the latter case, the net dividends (after deducting directly related expenses) are exempt from the trade tax. However, trade tax is generally credited – fully or in part – as a lump sum against the shareholder's personal income tax liability.

20.3.5. Partnerships

If the shareholder is a trading, or deemed to be a trading, partnership with its tax domicile in Germany, the personal income tax or CIT, as the case may be, and the solidarity surcharge are levied at the level of each partner rather than at the level of the partnership. The taxation of each partner depends upon whether the partner is a corporation or an individual. If the partner is a corporation, then the dividend is generally 95% tax exempt; however, dividends from a shareholding representing less than 10% of the share capital for the relevant partner are fully subject to taxation (see above Section 20.3.3 "*Corporations*"). If the partner is an individual, only 60% of the dividend income is subject to income tax (see above Section 20.3.4 "*Sole Proprietors (Individuals)*").

Additionally, if the shares are held as business assets of a domestic permanent establishment (including of a deemed trading partnership), the full amount of the dividend income is also subject to trade tax at the level of the partnership. In the case of partners who are individuals, the trade tax that the partnership pays on his or her proportion of the partnership's income is generally credited as a lump sum – fully or in part – against the individual's personal income tax liability. If the partnership held at least 15% of the Company's registered share capital at the beginning of the relevant tax assessment period, the dividends are not subject to trade tax. The business expenses directly related to the dividends (for example, financing costs) are not deductible unless they exceed the amount of dividend income exempted. However, if the partners are corporations, the 5% of the dividend income treated as non-deductible business expenses will be subject to trade tax.

20.3.6. Financial and Insurance Sector

Special rules apply to companies operating in the financial and insurance sector (see Section 20.7 "*Special Treatment of Companies in the Financial and Insurance Sectors and Pension Funds*").

20.4. Taxation of Dividends of Shareholders without a Tax Domicile in Germany

The dividends paid to shareholders (individuals and corporations) without a tax domicile in Germany are taxed in Germany, provided that the shares are held as part of the business assets of a permanent establishment or a fixed base in Germany or as part of the business assets for which a permanent representative in Germany has been appointed. The withholding tax (including solidarity surcharge) withheld and remitted to the German tax authorities is credited against the respective shareholder's personal income tax or CIT liability, and any overpayment will be refunded. The same applies to the solidarity surcharge. These shareholders are essentially subject to the same rules applicable to resident shareholders, as discussed above.

In all other cases, the withholding of the dividend withholding tax discharges any tax liability of the shareholder in Germany. A refund or exemption is granted only as discussed in Section 20.2.2 "*Withholding Tax*" above.

20.5. Taxation of Capital Gains of Shareholders with a Tax Domicile in Germany

20.5.1. Shares held as Private Assets

Gains on the sale of Offer Shares that are held as private assets by shareholders with a tax domicile in Germany are generally taxable regardless of the length of time held. The tax rate is a uniform 25% plus the 5.5% solidarity surcharge thereon (as well as church tax if applicable).

The taxable capital gains are the difference between (i) the proceeds from the disposal of Offer Shares after de-ducting the direct sales costs and (ii) the acquisition cost of the Offer Shares. Under certain conditions, prior payments from the tax-recognized contribution account may lead to reduced acquisition costs of the Offer Shares held as personal assets and, as a consequence, increase the taxable capital gain. Losses on the sale of Offer Shares may only be netted against gains on the sale of shares.

If a domestic bank or financial service provider, a domestic securities trading company or a domestic securities trading bank (the "**Domestic Paying Agent**") sells the Offer Shares and pays out or credits the capital gains, said Domestic Paying Agent withholds a withholding tax of 25% (plus 5.5% solidarity surcharge and any church tax if applicable) and remits this to the tax authority, the tax on the capital gain will generally be discharged. If the Offer Shares were only held in safekeeping or administered by the respective Domestic Paying Agent after acquisition, the amount of tax withheld is generally based on the difference between the proceeds from the sale, after deducting expenses directly related to the sale, and the amount paid to acquire the Offer Shares. However, the withholding tax rate of 25% (plus the 5.5% solidarity surcharge thereon and any church tax if applicable), will be applied to 30% of the gross sales proceeds if the shares were not administered by the same custodian bank since acquisition and the original cost of the Offer Shares cannot be verified or such verification is not admissible. In this case, the shareholder is entitled to verify the original costs of the shares in his or her annual tax return.

Church tax may also be withheld as described above (see Section 20.2.2 "*Withholding Tax*"). If church tax is withheld and remitted to the tax authority as part of the withholding tax deduction, then the church tax on the capital gain is also deemed to be discharged when it is deducted. The withheld church tax cannot be deducted in the tax assessment as a special expense; however, 26.375% of the church tax withheld on the capital gain is deducted from the withholding tax (including the solidarity surcharge) withheld by the Company.

A shareholder may request that all his or her items of capital investment income, along with his or her other taxable income, be subject to the progressive income tax rate instead of the uniform tax rate for private capital investment income if this lowers his or her tax burden. The base for taxation would be the gross income less the savers' allowance of EUR 801.00 (EUR 1,602.00 for married couples and for partners in accordance with the registered partnership law jointly filling). The prohibition on deducting income-related costs and the restrictions on offsetting losses also apply to tax assessments based on the progressive income tax rate. Any tax already withheld would be credited against the income tax so determined and any overpayment refunded.

One exception to this rule is that a shareholder's capital gain is subject to the partial-income method and not the Flat Tax. Consequently, 60% of the proceeds from the sale of Offer Shares are subject to the individual income tax rate, if the shareholder, or his or her legal predecessor in case of acquisition without consideration, has directly or indirectly held Offer Shares equal to at least 1% of the Company's share capital at any time during the previous five years ("**Qualified Participation**"). Of the expenses economically related to the proceeds of the sale of Offer Shares, 60% is tax deductible.

In the case of a Qualified Participation, withholding tax (including the solidarity surcharge) is also withheld by the Domestic Paying Agent. The tax withheld, however, is not treated as a final tax. Hence, the shareholder is obligated to recognize the gain in the sale on his or her income tax return. The withholding tax (including solidarity surcharge) withheld and remitted to the German tax authorities is credited against the respective shareholder's personal income tax or CIT liability in the tax assessment, and any overpayment will be refunded.

20.5.2. Shares held as Business Assets

The Flat Tax does not apply to proceeds from the sale of shares held as business assets by shareholders domiciled in Germany. If the Offer Shares form part of a shareholder's business assets, taxation of the capital gains realized will then depend upon whether the shareholder is a corporation, sole proprietor or partnership.

- **Corporations:** In general, capital gains earned on the sale of Offer Shares by corporations domiciled in Germany are exempt from CIT (including the solidarity surcharge) and trade tax, irrespective of the stake represented by the Offer Shares and the length of time the Offer Shares are held. However, 5% of the capital gains are treated as a non-deductible business expense and, as such, are subject to CIT (plus the solidarity surcharge) and to trade tax. Losses from the sale of Offer Shares and any other reductions in profit do not qualify as tax-deductible business expenses.
- **Sole proprietors (individuals):** If the Offer Shares form part of the business assets of a sole proprietor (individual) who is a tax resident of Germany, 60% of the capital gains on their sale is subject to the individual's tax bracket plus the solidarity surcharge (partial-income method). Correspondingly, only 60% of losses from such sales and 60% of expenses economically related to such sales are deductible. For church tax, if applicable, the partial-income method also applies. If the Offer Shares are held as business assets of a commercial permanent establishment located in Germany, 60% of the capital gains are also subject to trade tax. The trade tax is fully or partially credited as a lump sum against the shareholder's personal income tax liability.
- **Commercial partnerships:** If the shareholder is a trading, or deemed to be a trading, partnership, personal income tax or CIT, as the case may be, is assessed at the level of each partner rather than at the level of the partnership. The taxation of each partner depends upon whether the respective partner is a corporation or an individual. If the partner is a corporation, the tax principles applying to capital gains which are outlined above in the paragraph regarding "Corporations" in this Section 20.5.2 "*Shares held as Business Assets*" apply. If the partner is an individual, the tax principles applying to capital gains

which are outlined above in the paragraph regarding "Sole proprietors (individuals)" in this Section 20.5.2 "*Shares held as Business Assets*" apply. Upon application and provided that additional prerequisites are met, an individual who is a partner can obtain a reduction of his or her personal income tax rate for profits not withdrawn from the partnership. In addition, capital gains from the sale of Offer Shares attributable to a permanent establishment maintained in Germany by a trading or deemed trading partnership are subject to trade tax at the level of the partnership. As a rule, only 60% of the gains in this case are subject to trade tax if the partners in the partnership are individuals, while 5% are subject to trade tax if the partners are corporations and Offer Shares are sold. Under the principles discussed under the paragraphs regarding "Corporations" and "Sole proprietors (individuals)" above in this Section 20.5.2 "*Shares held as Business Assets*", losses on sales and other reductions in profit related to the shares sold are generally not deductible, or only partially deductible, if the partner is a corporation. If the partner is an individual, the trade tax the partnership pays on his or her Offer Share of the partnership's income is generally credited as a lump sum – fully or in part – against his or her personal income tax liability, depending on the tax rate imposed by the local municipality and certain individual tax-relevant circumstances of the taxpayer.

Special rules apply to capital gains realized by companies active in the financial and insurance sectors, as well as pension funds (see Section 20.7 "*Special Treatment of Companies in the Financial and Insurance Sectors and Pension Funds*").

When a Domestic Paying Agent is involved, the proceeds from the sale of Offer Shares held in business assets are generally subject to the same withholding tax rate as if the Offer Shares were held as private assets (see Section 20.6 "*Taxation of Capital Gains of Shareholders with a Tax Domicile in Germany*"). However, the Domestic Paying Agent may refrain from withholding the withholding tax if (i) the shareholder is a corporation, association or estate resident for tax purposes in Germany, or (ii) the Offer Shares form part of the shareholder's domestic business assets, and the shareholder informs the Domestic Paying Agent of this on the officially prescribed form and meets certain additional prerequisites. If the Domestic Paying Agent appropriately withholds taxes, the withholding tax withheld and remitted (including the solidarity surcharge) will be credited against the shareholder's income tax or CIT liability and any excess amount will be refunded.

20.6. Taxation of Capital Gains of Shareholders without a Tax Domicile in Germany

Capital gains realized by a shareholder not being tax resident in Germany are subject to German income tax only if the selling shareholder holds a Qualified Participation or if the Offer Shares form part of the business assets of a permanent establishment in Germany or of business assets for which a permanent representative is appointed.

Most double taxation treaties provide for an exemption from German taxes and assign the right of taxation to the shareholder's country of domicile in the former case. However, certain double taxation treaties contain special provisions for shareholdings in a real estate company. In the latter case, the taxation of capital gains is governed by the same rules that apply to shareholders resident in Germany.

20.7. Special Treatment of Companies in the Financial and Insurance Sectors and Pension Funds

If financial institutions or financial service providers hold or sell Offer Shares that are allocable to their trading book pursuant to Section 1a KWG, they will neither be able to use the partial-income method nor have 60% of their gains exempted from taxation nor be entitled to an exemption from CIT plus the solidarity surcharge and any applicable trade tax. Thus, dividend income and capital gains are fully taxable. The same applies to Offer Shares acquired by financial enterprises (*Finanzunternehmen*) in the meaning of the KWG for the purpose of generating profits from short-term proprietary trading if the majority of the shares in such financial enterprise is directly or indirectly held by credit institutions or financial service providers. The preceding sentence applies accordingly for Offer Shares held in a permanent establishment in Germany by financial institutions, financial service providers and finance companies domiciled in another member state of the European Union or in other signatory states of the agreement on the EEA. Likewise, the tax exemption described earlier afforded to corporations for dividend income and capital gains from the sale of Offer Shares does not apply to Offer Shares that qualify as a capital investment in the case of life insurance and health insurance companies, or those which are held by pension funds.

However, an exemption to the foregoing applies to dividends obtained by the aforementioned companies, to which the EU Parent-Subsidiary Directive applies. As a result, such dividends will be tax exempt in Germany (with the re-addition of 5% as deemed non-deductible expenses not applying in most of these cases).

20.8. Inheritance and Gift Tax

The transfer of Offer Shares to another person by will or by gift is generally subject to German inheritance and gift tax only if

- the decedent, donor, heir, beneficiary or other transferee maintained his or her domicile or usual residence in Germany, or had its place of management or registered office in Germany at the time of the transfer, or is a German citizen who has spent no more than five consecutive years outside Germany without maintaining a residence in Germany (special rules apply to certain former German citizens who neither maintain their domicile nor have their usual residence in Germany);
- the Offer Shares were held by the decedent or donor as part of business assets for which a permanent establishment was maintained in Germany or for which a permanent representative in Germany had been appointed; or
- the decedent or donor, either individually or collectively with related parties, held, directly or indirectly, at least 10% of the Company's registered share capital at the time of the inheritance or gift.

The fair value represents the tax assessment base. In general that is the stock exchange price. A special discount on this amount applies to direct shareholdings of more than 25% in the Company depending on the composition of the business assets and future business figures, if, *inter alia*, the heir or beneficiary meets a five-year holding period. Depending on the degree of relationship between decedent or donor and recipient, different tax free allowances and tax rates apply.

The few German double taxation treaties relating to inheritance tax and gift tax currently in force usually provide that the German inheritance tax or gift tax can only be levied in the cases described in the first bullet above, and also with certain restrictions in case described in the second bullet above. Special provisions apply to certain German nationals living outside of Germany and former German nationals.

20.9. Other Taxes

No German transfer tax, VAT, stamp duty or similar taxes are assessed on the purchase, sale or other transfer of Offer Shares. Provided that certain requirements are met, an entrepreneur may, however, opt for the payment of VAT on transactions that are otherwise tax exempt. Net wealth tax is currently not imposed in Germany.

On January 22, 2013, the Council of the European Union approved the resolution of the ministers of finance from 11 EU member states (including Germany) aiming to introduce a financial transaction tax. However, the financial transaction tax proposal remains subject to negotiation between the participating member states and was and most probably will be the subject of legal challenge. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU member states may decide to participate. Prospective holders of the Offer Shares are advised to seek their own professional advice in relation to the financial transaction tax.

21. TAXATION IN LUXEMBOURG

The following information is of a general nature only and is based on the laws in force in Luxembourg as of the date of the Prospectus and is subject to any change in law that may take effect after such date. It does not purport to be a comprehensive description of all tax considerations that might be relevant to an investment decision. It is not intended to be, nor should it be construed to be, legal or tax advice. It is a description of the essential material Luxembourg tax consequences with respect to the listing and may not include tax considerations that arise from rules of general application or that are generally assumed to be known to shareholders. Prospective shareholders should consult their professional advisors with respect to particular circumstances, the effects of state, local or foreign laws to which they may be subject, and as to their tax position.

Please be aware that the residence concept used under the respective headings applies for Luxembourg income tax assessment purposes only. Any reference in this Section 21 ("*Taxation in Luxembourg*") to a tax, duty, levy impost or other charge or withholding of a similar nature refers to Luxembourg tax law and/or concepts only. Also, please note that a reference to Luxembourg income tax generally encompasses corporate income tax (*impôt sur le revenu des collectivités*), municipal business tax (*impôt commercial communal*), a solidarity surcharge (*contribution au fonds pour l'emploi*) as well as personal income tax (*impôt sur le revenu*). Corporate shareholders may further be subject to net wealth tax (*impôt sur la fortune*) as well as other duties, levies or taxes. Corporate income tax, municipal business tax, the solidarity surcharge and the net wealth tax invariably apply to most corporate taxpayers resident in Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax and the solidarity surcharge. Under certain circumstances, where an individual taxpayer acts in the course of the management of a professional or business undertaking, municipal business tax may apply as well.

Also, tax considerations relevant to shareholders that are subject to a special tax regime such as, *e.g.*, private foundations (*Privatstiftungen*), governmental authorities, investment or pension funds or credit institutions are not addressed herein.

The Company assumes no responsibility for the retention of Luxembourg taxes at the source.

21.1. Withholding Taxes

Dividend payments made to shareholders by a non-resident company, such as the Company, as well as liquidation proceeds and capital gains derived therefrom, are not subject to a withholding tax in Luxembourg. Therefore, the Company does not assume liability for withholding taxes at the source.

21.2. Taxation of Dividend Income

Under certain conditions, a corresponding tax credit may be granted to the shareholders of the Company for foreign withholding taxes against Luxembourg income tax due on these dividends, without exceeding in any case Luxembourg tax on such income.

21.2.1. Luxembourg Resident Shareholders

Dividends and other payments derived from the shares of the Company held by resident individual shareholders, who act in the course of the management of either their private wealth or their professional/business activity, are subject to income tax at the ordinary progressive rates with a current top effective marginal tax rate of 42% (45.78% including the maximum 9% solidarity surcharge), depending on the annual level of income of the shareholders.

Under current Luxembourg tax laws, 50% of the gross amount of dividends received by resident individuals from the Company may however be exempt from income tax, since the Company is a company based in the European Union and covered by Article 2 of the EU Parent-Subsidiary Directive. In addition, a total lump-sum of EUR 1,500 (doubled for individual taxpayers who are jointly taxable) is deductible from total investment income (dividends and interest) received during the tax year. Also, actual income related expenses (*e.g.*, bank fees) are deducted, provided that they are supported by documents or a lump-sum deduction of EUR 25.00 applies (doubled for individual taxpayers who are jointly taxable).

Dividends derived from the shares of the Company by Luxembourg resident fully taxable companies are subject to income taxes, unless the conditions of the participation exemption regime are satisfied.

Subject to the anti-abuse provisions of Article 166 (2bis) of the Luxembourg Income Tax Law, the participation exemption regime provides that dividends derived from the shares of the Company may be exempt from income tax at the level of the shareholder if cumulatively:

- at the date on which the income is made available, the shareholder receiving the dividends is either (i) a fully taxable Luxembourg resident company, or (ii) a domestic permanent establishment of a company resident in the European Union falling under Article 2 of the EU Parent-Subsidiary Directive, or (iii) a domestic permanent establishment of a joint-stock company limited by shares (*société de capitaux*) that is resident in a state with which Luxembourg has concluded a double taxation treaty, or (iv) a domestic permanent establishment of a joint-stock company limited by shares or of a cooperative company which is a resident of an EEA Member State (other than a member state of the European Union);
- the Company is (i) a Luxembourg resident fully-taxable joint-stock company limited by shares, or (ii) a company covered by Article 2 of the EU Parent-Subsidiary Directive, or (iii) a non-resident joint-stock company limited by shares liable to a tax corresponding to Luxembourg corporate income tax at a rate of a minimum of 9%, applied on a tax base determined by application of rules similar to those existing in Luxembourg (as from January 1, 2018) (the "**Qualified Subsidiary**"); and
- the shareholder of the Qualified Subsidiary directly holds or commits to hold for an uninterrupted period of at least 12 months shares representing a direct participation of at least 10% in the share capital of the Qualified Subsidiary or a direct participation in the Qualified Subsidiary of an acquisition price of at least EUR 1,200,000, or an equivalent amount in another currency (the "**Qualified Shareholding**").

Liquidation proceeds are assimilated to a dividend received and may be exempt under the same conditions. Shares held through a tax transparent entity are considered as being a direct participation proportionally to the percentage held in the net assets of the transparent entity. To the extent that expenses related to the participation in the Company have reduced the relevant shareholder's taxable profits (during the year of receipt of the dividend), the deductions from these related expenses will not be tax deductible.

If the participation exemption does not apply, dividends may benefit from the 50% exemption under the relevant conditions set out above.

Any shareholder of the Company which is a Luxembourg resident entity governed by the Luxembourg Law of December 17, 2010 on undertakings for collective investment, as amended, by the Luxembourg Law of February 13, 2007 on specialized investment funds, as amended, by the Luxembourg Law of May 11, 2007 on the family wealth management company, as amended, or by the Luxembourg Law of July 23, 2016 on reserved alternative investment funds and treated as a specialized investment fund for Luxembourg tax purposes, is not subject to any Luxembourg corporate income taxes in respect of dividends received from the Company.

21.2.2. Non-Resident Shareholders

Shareholders of the Company who are non-residents of Luxembourg and who have neither a permanent establishment nor a fixed place of business or a permanent representative in Luxembourg to which the shares are attributable are not liable to any Luxembourg income tax on dividends received from the Company.

Subject to the provisions of double taxation treaties, dividends on the shares received by non-resident shareholders holding the shares through a Luxembourg permanent establishment or through a Luxembourg permanent representative to which or whom the shares are attributable are subject to income tax at ordinary rates unless the conditions of the participation exemption as described above apply.

21.3. Taxation of Capital Gains

21.3.1. Luxembourg Resident Shareholders

Capital gains realized on the disposal of shares of the Company by individual shareholders resident in Luxembourg, who act in the course of the management of their private wealth, are not subject to income tax, unless said capital gains qualify either as speculative gains or as gains on a substantial participation (the "**Substantial Participation**"). Capital gains are deemed to be speculative and are subject to income tax at ordinary rates if the shares are disposed of within six months after their acquisition or if their disposal precedes their acquisition. A disposal may include a sale, an exchange, a contribution or any other kind of alienation of the shares.

A participation is deemed to be substantial where a resident individual shareholder holds, either alone or together with his spouse or partner and/or minor children, directly or indirectly at any time within the five years preceding the disposal, more than 10% of the share capital of the Company. A shareholder is also deemed to transfer a Substantial Participation if within the five years preceding the transfer the acquired free of charge a participation that constituted a Substantial Participation in the hands of the transferor (or the transferors in case of successive transfers free of charge within the same five-year period). Capital gains realized on a Substantial Participation are subject to Luxembourg income tax according to the half-global rate method (*i.e.*, the average rate applicable to the total income is calculated according to progressive income tax rates and half of the average rate is applied to the capital gains realized on a Substantial Participation) and may benefit from an allowance of up to EUR 50,000.00 (doubled for individual taxpayers who are jointly taxable) granted for a ten-year period.

Capital gains realized on the disposal of shares of the Company by individual shareholders resident in Luxembourg, who act in the course of their professional/business activity, are subject to income tax at ordinary rates.

Capital gains realized by (i) a Luxembourg fully-taxable resident company or (ii) the Luxembourg permanent establishment of a non-resident foreign company on the shares of the Company are subject to income tax at the maximum global rate of 26.01% (in Luxembourg-City in 2018), unless the conditions of the participation exemption regime, as described above, are satisfied, provided that the alternative minimum acquisition price must amount to at least EUR 6,000,000 for capital gain exemption purposes. Shares held through a tax transparent entity are considered as a direct participation holding proportionally to the percentage held in the assets of the transparent entity. To the extent that expenses related to the (exempt) shareholding or write-downs deducted in relation to the participation have reduced the relevant shareholder's taxable profits (during the year of the sale or in prior years), the exempt amount of the capital gain will be reduced by the sum of the excess expenses and capital write-downs which are in direct economic connection with the participation and were deducted over current and previous years.

Taxable gains are determined as being the difference between the price for which the shares have been disposed of and the lower of their cost or book value. Any expenses in excess of the capital gains remain fully tax deductible.

Any shareholder of the Company which is a Luxembourg resident entity governed (i) by the Luxembourg Law of December 17, 2010 on undertakings for collective investment, as amended, (ii) by the Luxembourg Law of February 13, 2007 on specialized investment funds, as amended, (iii) by the Luxembourg Law of May 11, 2007 on the family wealth management company, as amended, or (iv) by the Luxembourg Law of July 23, 2016 on reserved alternative investment funds and treated as a specialized investment fund for Luxembourg tax purposes, is not subject to any Luxembourg corporation taxes in respect of capital gains realized upon disposal of its shares.

21.3.2. Non-Resident Shareholders

Under Luxembourg tax and subject to the provisions of double taxation treaties, capital gains realized on the disposal of shares of the Company by a non-resident shareholder holding the shares through a Luxembourg permanent establishment or through a Luxembourg permanent representative to which or whom the shares are attributable are subject to income tax at ordinary rates unless the conditions of the participation exemption as described above apply. Taxable gains are determined as being the difference between the price for which the shares have been disposed of and the lower of their cost or book value.

21.4. Net Wealth Tax

Luxembourg resident shareholders of the Company, as well as non-resident shareholders who have a permanent establishment or a permanent representative in Luxembourg to which or whom the shares are attributable, are subject to Luxembourg net wealth tax on their net assets as determined for net wealth tax purposes on the net wealth tax assessment date (January 1 of each year), except if the relevant shareholder is (i) a resident or non-resident individual, or (ii) governed by the Luxembourg Law of May 11, 2007 on family wealth management companies, as amended, (iii) by the Luxembourg Law of December 17, 2010 on undertakings for collective investment, as amended, (iv) by the Luxembourg Law of February 13, 2007 on specialized investment funds, as amended, (v) is a securitization company governed by the Luxembourg Law of March 22, 2004 on securitization, as amended, (vi) a capital company governed by the Luxembourg Law of June 15, 2004 on venture capital vehicles, as amended, (vii) a professional pension institution governed by the Luxembourg Law of July 13, 2005, as amended, or (viii) a reserved alternative investment fund vehicle governed by the Luxembourg Law of July 23, 2016.

Please note, however, that securitization companies governed by the Luxembourg Law of March 22, 2004 on securitization, as amended, capital companies governed by the Luxembourg Law of June 15, 2004 on venture capital vehicles, as amended, professional pension institutions governed by the Luxembourg Law of July 13, 2005, as amended, or reserved alternative investment funds (treated as venture capital vehicles for Luxembourg tax purposes) governed by the Luxembourg Law of July 23, 2016, as amended, remain subject to minimum net wealth tax.

Furthermore, any shareholder of the Company who is (i) a Luxembourg resident fully-taxable collective entity, (ii) a domestic permanent establishment of a company resident in the European Union and covered by Article 2 of the EU Parent-Subsidiary Directive, (iii) a domestic permanent establishment of a joint-stock company limited by shares that is resident in a state with which Luxembourg has concluded a double tax treaty, or (iv) a domestic permanent establishment of a joint-stock company limited by shares or of a cooperative company which is a resident of an EEA Member State (other than a member state of the European Union), the shares may be exempt from net wealth tax for any given year, if at the net wealth tax assessment date the shares represent a participation of at least 10% in the share capital of the Company or a participation of an acquisition price of at least EUR 1,200,000. However, if the relevant shareholder is a vehicle not listed under the exceptions (ii) to (viii) listed above, as from January 1, 2017, it might be subject to a minimum net wealth tax of EUR 4,815.00 if it holds assets (*e.g.*, fixed financial assets, receivables owed to affiliated companies, transferable securities, postal checking accounts, checks and cash) in a proportion that exceeds (i) 90% of its total balance sheet value and (ii) EUR 350,000.00, or to a minimum net wealth tax between EUR 535.00 and EUR 32,100.00 based on the total amount of its assets.

21.5. Value Added Tax

There is no Luxembourg VAT payable in respect of payments in consideration for the subscription of the Company's shares or in respect of the payment of dividends or the transfer of the shares.

21.6. Other Taxes

Under current Luxembourg tax laws, no registration tax or similar tax is in principle payable by shareholders upon the acquisition, holding or disposal of shares in the Company. However, a fixed registration duty of EUR 12.00 may be due in the case of a registration of the shares on a voluntary basis.

Under current Luxembourg tax law, where an individual shareholder of the Company is a resident of Luxembourg for inheritance tax purposes at the time of his or her death, the shares are included in his or her taxable basis for inheritance tax purposes. On the contrary, no inheritance taxes are levied on the transfer of the shares upon death of an individual shareholder in cases where the deceased was not a resident of Luxembourg for inheritance tax purposes.

Luxembourg gift tax may be due on a gift or donation of the shares if the gift is recorded in a Luxembourg notarial deed or otherwise registered in Luxembourg.

22. RECENT BUSINESS DEVELOPMENT AND OUTLOOK

On May 11, 2018, the shareholders' meeting of the Company resolved to change the legal form of creditshelf GmbH into a German stock corporation, under the corporate name creditshelf Aktiengesellschaft. The change of form became effective as of June 13, 2018.

On June 18, 2018, the extraordinary general shareholders' meeting of the Company resolved on a capital increase from EUR 79,822 by EUR 1,045,178 to EUR 1,125,000 against issuance of 1,045,178 ordinary bearer shares with no-par value for a cash contribution in the nominal amount of EUR 1,045,178. Such capital increase was registered with the Company's commercial register on June 21, 2018. Now the Company has a share capital (*Grundkapital*) of EUR 1,125,000, divided into 1,125,000 ordinary bearer shares with no-par value, each with a notional value of EUR 1.00 in the share capital.

In addition, the following relevant trends and developments influenced the financial condition and operating results of the Company in the period following March 31, 2018:

- The capital increase resolved by the extraordinary general shareholders' meeting of creditshelf on June 18, 2018 from EUR 79,822 by EUR 1,045,178 to EUR 1,125,000, had in the Company's view a diluting effect on the value of the virtual shares granted to several employees of creditshelf under the so-called Virtual Participation Program I. Therefore, the accruals built for the obligations in connection with the Virtual Participation Program I have been reversed from EUR 1,559,660.82 by EUR 1,411,681.56 to the amount of EUR 147,979.26 as of the date of this Prospectus.

- Personnel expenses continued to grow in the period following March 31, 2018, which is primarily related to the fact that the Company has 24 employees as of the date of this Prospectus (including its management). This development contributed to a further growth of personnel expenses which amounted to approx. EUR 376,000 between March 31, 2018 and the date of this Prospectus.

- creditshelf and several of its key employees entered into retention bonus agreements to reward them for their efforts in the process leading up to the Offering and to provide them with an incentive to continue working for the Company. Under such agreements, the respective beneficiaries are in case of a completion of the Offering entitled to a certain minimum cash payment as agreed with the respective beneficiary. The Company's Management Board may decide in its sole discretion to increase the respective bonus by up to 100% of the respective minimum bonus. For Dr. Mark Währisch, the Supervisory Board will decide upon whether and to what extent the respective minimum bonus will be increased. The agreements provide for an obligation of the respective beneficiary to repay a certain portion of the bonus if the beneficiary should leave the Company within a certain period of time without cause. For the obligations regarding the retention bonus agreements the Company has built accruals with an amount of EUR 1,415,000 as of the date of this Prospectus. Dr. Mark Währisch, a member of the Management Board, also entered into such a retention bonus agreement.

- The Company continued to invest in software development to further improve the creditshelf Platform, which lead to continued capitalized expenses for software development and an increase in the intangible assets. Between March 31, 2018 and the date of this Prospectus, these capitalized expenses amounted to approx. EUR 530,000.

Apart from these, there have been no significant changes in the financial or trading position or operating results of the creditshelf Group which has occurred since the end of the three-month period ended March 31, 2018 for which the interim financial information is displayed.

The Company considers the following trends to be relevant for its business, which may therefore affect the business outlook in the current financial year:

- Based on the increasing difficulties for SMEs to obtain bank financing as described under Section 12.3.2 "*Bank Financing for Small- and Medium-Sized Enterprises*", corporates are increasingly exploring alternatives to traditional bank financing. These may include internal financing by means of equity, notably by not distributing available profits but reinvesting them in the business or maintaining and building up liquidity reserves (Source: Deutsche Bundesbank – "Entwicklung der Unternehmensfinanzierung im Euroraum seit der Finanz- und Wirtschaftskrise", monthly report January 2018). Moreover, efficient working capital management and factoring (German market volume of EUR 210 billion in 2015) complement the financing mix of corporates (Source: Mietzner, Mark – "Die globale Fintech-Revolution: eine Chance für KMUs", Zeppelin Universität Working Paper / Finance & Accounting, March 2018).

- In a recent survey the consulting firm EY identified a trend in the German FinTech market to business models that are more cooperation based. FinTechs operating B2B models are likely to face more cooperative response with established industry players (Source: EY – "Germany FinTech Landscape", 2017). These findings are in line with the PwC Global FinTech Report 2017, according to which 82% of incumbent financial institutions expect to increase FinTech partnerships in the next three to five years (Source: PwC – "PwC Global FinTech Report 2017", 2017).

- Whilst there is only limited data available for the adoption rate of FinTech among corporates, in many key markets around the world, including Germany, the percentage of digitally active consumers using FinTech services has achieved initial mass adoption and is expected to continue to increase significantly. EY found an average adoption rate in 2017 across all twenty survey markets of 33%, with 35% for Germany. In the sub-segment of *FinTech Borrowing*, adoption rates in key markets vary (China: 46%, India: 20%, Brazil: 15%, US: 13% and Germany: 12% versus 2.9% in 2015). Although the studies mentioned above only surveyed the online adoption rates in the B2C space, the Company considers it likely that the adoption rates for marketplace lending for small- and medium-sized enterprises will show similar trends. This is supported by the observation that many tech trends have started in the B2C markets with adoption in B2B following with a certain delay.

23. GLOSSARY

AktG	The German Stock Corporation Act (*Aktiengesetz*), as amended.
Articles of Association	The articles of association (*Satzung*) of the Company as amended.
Audited Consolidated Financial Statements	The audited consolidated financial statements of creditshelf GmbH (now creditshelf Aktiengesellschaft) as of and for the financial years ended December 31, 2015, December 31, 2016, and December 31, 2017.
Authorized Capital 2018	The authorized capital (*genehmigtes Kapital*) of the Company in an amount of up to EUR 562,500 as it will prospectively be created by resolution of the extraordinary shareholders' meeting on or about July 11, 2018.
Back Stop Agreement	The agreement entered into between Hevella and the Company on July 4, 2018 pursuant to which Hevella has committed itself irrevocably for the term of the Back Stop Agreement (i.e. until July 31, 2018) to purchase Offer Shares at the Offer Price for a total amount of up to EUR 15,000,000 if and to the extent the Offer Shares are not subscribed for by investors in the course of the Offering.
BaFin	The German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*).
BGB	The German Civil Code (*Bürgerliches Gesetzbuch*), as amended.
CAGR	Compound annual growth rate.
CEST	Central European Summer Time.
CIT	German corporate income tax (*Körperschaftsteuer*).
Clearstream Banking AG	Clearstream Banking Aktiengesellschaft, Mergenthalerallee 61, 65760 Eschborn, Germany.
CMU	Capital Market Union.
Commerzbank	COMMERZBANK Aktiengesellschaft, Kaiserstraße 16, 60311, Frankfurt/Main, Germany.
Company	creditshelf Aktiengesellschaft, Frankfurt/Main, Germany.
Contingent Capital 2018	The contingent capital (*bedingtes Kapital*) of the Company in an amount of up to EUR 562,500 as it will prospectively be created by resolution of the extraordinary shareholders' meeting on or about July 11, 2018.
creditshelf	creditshelf Aktiengesellschaft, Frankfurt/Main, Germany.
creditshelf Financial Statements	The Audited Consolidated Financial Statements together with the Unaudited Consolidated Interim Financial Statements.

creditshelf Group	creditshelf and creditshelf service.
creditshelf Platform	The online credit market place operated by creditshelf and accessible under www.creditshelf.com.
creditshelf service	creditshelf service GmbH, Frankfurt/Main, Germany.
CrefoScore	An information index of Verband der Vereine Creditreform e.V. (Creditreform), which allows to reach credit decisions without necessity to analyse customers' financial data. CrefoScore index shows the probability of customer failing to make payment for delivered goods or services and is daily updated for all enterprises registered with the commercial register.
DBR	DBR Investment UG (haftungsbeschränkt), Mannheim, Germany.
DCGK	The German Corporate Governance Code (*Deutscher Corporate Governance Kodex*), as amended.
D&O insurance policy	Abbreviation for "directors and officers" insurance policy.
Domestic Paying Agent	Domestic bank or financial service provider, a domestic securities trading company or a domestic securities trading bank.
EBIT	Earnings before interest and taxes.
EBITDA	Earnings before interest, taxes, depreciation and amortization.
EBT	Earnings before income taxes and other taxes.
EEA	The European Economic Area.
ESMA	The European Securities and Markets Authority.
ESMA Guidelines	The guidelines issued by the ESMA on October 5, 2015 on alternative performance measures.
EU	The European Union.
EU Parent-Subsidiary Directive	THE EC Directive 2011/96/EU of November 30, 2011, as amended.
EUR or **€**	The amounts set forth in "€" refer to the single currency of the participating member states in the third stage of the European Monetary Union pursuant to the Treaty on the Functioning of the EU.
Euroclear	Euroclear Bank S.A./N.V., 1, Boulevard du Roi Albert II, 1210 Brussels, Belgium.
EU Short Selling Regulation	The Regulation (EU) No. 236/2012 of the European Parliament and of the Council of March 14, on short selling and certain aspects of credit default swaps, as amended.
FinTech	Abbreviation for "financial technology", including modern technologies in the branch of financial services, *e.g.* P2P lending.

FinVermV	The German Financial Investment Broker Regulation (*Finanzanlagenvermittlerverordnung*), as amended.
Frankfurt Stock Exchange	The Frankfurter Wertpapierbörse.
Fronting Bank	A licensed bank that creditshelf relies on to originate loans, in particular those that have been brokered through the creditshelf Platform, and to comply with various regulatory laws and provisions. As of the date of this Prospectus, MHB acts as Fronting Bank.
FSMA	The UK Financial Services and Markets Act 2000, as amended.
FTE	Full-time equivalents.
GDP	Gross domestic product.
General Data Protection Regulation	Regulation (EU) 2016/679 of the European Parliament and of the Council of April 27, 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation).
German Company Register	The German Company Register (*Unternehmensregister*).
German Federal Gazette	The German Federal Gazette (*Bundesanzeiger*).
German GAAP	German generally accepted accounting principles of the HGB.
Germany	The Federal Republic of Germany.
GewO	The German Trade Code (*Gewerbeordnung*), as amended.
H2	The second half of a calendar year.
Hevella	Hevella Capital GmbH & Co. KGaA, Potsdam, Germany.
HGB	The German Commercial Code (*Handelsgesetzbuch*), as amended.
HmcS	HmcS Gesellschaft für Forderungsmanagement mbH, Hannover, Germany.
IDW	Institute of Public Auditors in Germany (*Institut der Wirtschaftsprüfer*).
IAS	International Accounting Standards.
IMF	International Monetary Fund.
IFRS	The International Financial Reporting Standards as issued by the International Accounting Standards Board and as adopted by the EU.
IPO Capital Increase	The capital increase against contribution in cash resolved by the Company's extraordinary shareholders' meeting on or about July 11, 2018.
IT	Information technology, which refers to the application of computers

	and telecommunications equipment in order to store, retrieve, transmit and manipulate data, often in the context of a business.
Sole Bookrunner	Commerzbank.
Sole Global Coordinator	Commerzbank.
KYC	The "know your customers" ("**KYC**") review is an identification process of a business to verify the identity of its clients.
KStG	German Corporate Income Tax Act (*Köperschaftsteuergesetz*), as amended.
KWG	The German Banking Act (*Kreditwesengesetz*), as amended.
LDT	LDT Investment UG (haftungsbeschränkt), Mannheim, Germany.
Luxembourg	The Grand Duchy of Luxembourg.
Management Board	The management board (*Vorstand*) of the Company.
MAR	Regulation (EU) No 596/2014 of the European Parliament and of the Council of April 16, 2014 on market abuse (market abuse regulation).
MHB	MHB-Bank Aktiengesellschaft, Frankfurt/Main, Germany.
MiFID II	EU Directive 2014/65/EU on markets in financial instruments.
MiFID II Product Governance Requirements	MiFID II together with (i) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (ii) local implementing measures
MIS	Management information system.
Obotritia Capital	Obotritia Capital KGaA, Potsdam, Germany.
OECD	Organisation for Economic Co-operation and Development.
Offering	The offering of 250,000 ordinary bearer shares of the Company with no-par value, each such share representing a notional value of EUR 1.00 and with full dividend rights from January 1, 2018.
Offer Period	The period during which investors may submit purchase orders for the Offer Shares is expected to begin on July 11, 2018 and to end on July 18, 2018 at (i) 12:00 (CEST) for retail investors (natural persons) and (ii) at 14:00 (CEST) for institutional investors.
Offer Price	The price of the Company's shares in the Offering.
Offer Shares	The Company's shares that are the subject of the Offering and this Prospectus, *i.e.* newly issued ordinary bearer shares with no-par value (*Stückaktien*) from the IPO Capital Increase.
Offer Terms	The number of Offer Shares, the Offer Price and the Offer Period.
Paying and Listing Agent	Commerzbank.
P2P	Abbreviation for "peer-to-peer".

Principal Shareholder	Shareholder holding at least 95% of the share capital of a German stock corporation within the meaning of AktG.
Prospectus Directive	Directive 2003/71/EC as amended.
Purum	Purum AG, Bäch, Switzerland.
Qualified Subsidiary	Non-resident (in Luxembourg) joint-stock company limited by shares liable to a tax corresponding to Luxembourg corporate income tax at a rate of a minimum of 9% (as from January 1, 2018)".
R&D	Abbreviation for "research and development".
RDG	The German Legal Services Act (*Rechtsdienstleistungsgesetz*), as amended.
Regulation S	Regulation S under the Securities Act.
ROE	Abbreviation for "return on equity".
Securities Act	The United States Securities Act of 1933, as amended.
SME	Abbreviation for "small- and medium-sized enterprise".
Supervisory Board	The supervisory board (*Aufsichtsrat*) of the Company.
UmwG	The German Transformation Act (*Umwandlungsgesetz*), as amended.
Unaudited Consolidated Interim Financial Statements	The unaudited consolidated interim financial statements as of and for the three-month period ended March 31, 2018 of creditshelf GmbH (now creditshelf Aktiengesellschaft) (including comparative figures for the three-month period ended March 31, 2017).
Underwriter	The Sole Global Coordinator and the Sole Bookrunner.
Underwriting Agreement	The underwriting agreement relating to the Offering to be entered into by the Company and the Underwriter on or about July 10, 2018.
United Kingdom or **UK**	The United Kingdom of Great Britain and Northern Ireland.
United States or **U.S.**	The United States of America, its territories and possessions, any state of the United States of America and the District of Colombia.
User	The users of the creditshelf Platform including (potential) investors as well as borrowers and partners supporting (potential) borrowers.
U.S. Person	A U.S. Person as defined for the purposes of Regulation S of the Securities Act.
VAT	Value added tax. A type of consumption tax that is placed on a product whenever value is added at a stage of production and at final sale.
VermAnlG	Asset Investment Act (*Vermögensanlagengesetz*), as amended.
VermAnlG Assets	Assets within the meaning of the VermAnlG, such as loans, loan tranches and partnership interests.
Virtual Participation Program I	The virtual participation program originally dated November 4, 2015

	for the benefit of certain creditshelf Group employees and/or advisors, as amended (please refer to Section 13.8.2 "*Employee Participation Program and Retention Bonus Agreements*" for a detailed description of the Virtual Participation Program I).
Virtual Participation Program II	The virtual participation agreement that the Company and MHB Bank entered into on July 29, 2015, as amended.
Virtual Shares	Virtual shares that have been granted under the Virtual Participation Program I.
Wahtari	Wahtari GmbH, Usingen, Germany.
WKGT	Warth & Klein Grant Thornton AG Wirtschaftsprüfungsgesellschaft, Niederlassung Frankfurt/Main, Germany.
WpHG	The German Securities Trading Act (*Wertpapierhandelsgesetz*), as amended.
WpPG	The German Securities Prospectus Act (*Wertpapierprospektgesetz*), as amended.
WpPG Securities	Securities within the meaning of the WpPG, *i.e.* transferable but not necessarily listed securities including bonds, and assets within the meaning of the VermAnlG.
WpÜG	The German Securities Acquisition and Takeover Act (*Wertpapiererwerbs- und Übernahmegesetz*), as amended.
Yuzu	Yuzu Holding AG, Bäch, Switzerland.
ZAG	The German Payment Service Supervision Act (*Zahlungsdiensteaufsichtsgesetz*), as amended.

24. FINANCIAL INFORMATION

creditshelf GmbH

Consolidated Financial Statements

as of and for the period ended March 31, 2018

(prepared in accordance with IFRS)
(unaudited)

CONSOLIDATED FINANCIAL STATEMENTS

A. Consolidated Financial statement of financial position as of March 31, 2018

in EUR	Note	March 31, 2018	March 31, 2017
Assets			
Non-current assets			
Intangible assets	8	1,113,319.11	187,436.63
Property, plant and equipment	9	326,657.80	29,628.12
Accounts receivables		134,185.65	0.00
Other non-current assets		27,053.64	0.00
Deferred tax assets	11	1,555,683.14	658,456.41
Total non-current assets		**3,156,899.34**	**875,521.16**
Current assets			
Accounts receivables		258,549.62	0.00
Other current assets		746,783.91	120,799.28
Other financial assets		3,839.54	1,506,726.35
Cash and cash equivalents		1,989,114.61	46,836.01
Total current assets		**2,998,287.68**	**1,674,361.64**
Total Assets		**6,155,187.02**	**2,549,882.80**
Liabilities and Equity			
Capital and reserves			
Subscribed capital	12	79,822.00	76,752.00
Capital reserves		4,961,765.98	2,964,965.98
Retained earnings		-3,304,964.48	-1,390,927.12
Total equity		**1,736,623.50**	**1,650,790.86**
Non-current liabilities			
Non-current provisions	13	959,055.44	577,188.00
Other non-current financial liabilities		314,403.59	102,078.48
Total non-current liabilities		**1,273,459.03**	**679,266.48**
Current liabilities			
Accounts payables		1,101,889.28	137,968.96
Other financial liabilities		282,361.45	0.00
Other liabilities		1,760,853.76	81,856.50
Total current liabilities		**3,145,104.49**	**219,825.46**
Total liabilities and equity		**6,155,187.02**	**2,549,882.80**

B. Consolidated statement of profit or loss and other comprehensive income for the period ended March 31, 2018

in EUR	Note	March 31, 2018	March 31, 2017
Revenue	6	316,967.16	30,364.09
Revenue		**316,967.16**	**30,364.09**
Other operating income		31,882.37	23,741.70
Other operating expenses	7	-2,444,138.07	-456,144.67
Earnings before interest and taxes (EBIT)		**-2,095,288.54**	**-402,038.88**
Financial expenses		-9,095.68	-250.00
Financial income		4,424.33	0.00
Earnings before taxes (EBT)		**-2,099,959.89**	**-402,288.88**
Income taxes		670,384.26	130,007.98
Loss for the period (Net loss)		**-1,429,575.63**	**-272,280.90**
attributable to:			
Owners of the company		**-1,429,575.63**	**-272,280.90**
Non-controlling interests		**0.00**	**0.00**
Total comprehensive income		**-1,429,575.63**	**-272,280.90**
attributable to:			
Owners of the company		**-1,429,575.63**	**-272,280.90**
Non-controlling interests		**0.00**	**0.00**

C. Consolidated Statement of cash flows for the period ended March 31, 2018

	Note	March 31, 2018	March 31, 2017
in EUR			
Cash flow from operating activities			
Loss for the period		-1,429,575.63	-272,280.90
Adjustments for:			
Income taxes		-670,384.26	-130,007.98
Depreciation of property, plant and equipment		23,278.85	3,336.28
Amortisation of intangible assets	8	23,353.51	19,850.45
Increase (+)/decrease (-) in other provisions		1,973,379.32	29,232.49
Other non-cash related expenses/income		-71,067.27	-45,834.08
Interest expense		9,095.68	250.00
Interest income		-4,424.33	0.00
Income taxes paid		0.00	60.04
Deposit		5,603.58	0.00
Increase (-)/decrease (+) in other assets	9	-652,227.01	-1.546,891.26
Interest received		4,424.33	0.00
Operating cash flows before movements in working capital		**-788,543.23**	**-1,942,284.96**
Increase (-)/decrease (+) in accounts receivables		-41,676.90	4,000.00
Increase (+)/decrease (-) in accounts payables		-606,001.10	18,485.39
Increase (+)/decrease (-) in other liabilities		-4,651.62	3,557.32
Cash used in operating activities		**-1,440,872.85**	**-1,916,242.25**
Purchase of property, plant and equipment	8	-19,924.65	-872.40
Purchase of other intangible assets	7	-556,050.00	-22,500.00
Cash used in investing activities		**-575,974.65**	**-23,372.40**
Proceeds from issuance of shares	11	2,000,000.00	1,500,000.00
Amortization of leasing liabilities	8	-12,192.97	0.00
Interest payments made		-8,845.68	0.00
Transaction cost on issuance of shares	12	-130.00	-3,731.80
Cash generated from financing activities		**1,978,831.35**	**1,496,268.20**
Net increase in cash and cash equivalents		-38,016.15	-443,346.45
Cash and cash equivalents at the beginning of the period		2,027,130.76	490,182.46
Cash and cash equivalents at the end of the period		**1,989,114.61**	**46,836.01**

D. Consolidated Statement of changes in equity for the period ended March 31, 2018

	Note	Subscribed Capital	Capital reserve	Retained Earrings	Total Equity
Balance as of January 1, 2017		**71,270.00**	**1,474,179.78**	**-1,118,646.22**	**426,803.56**
Loss for the period		-	-	-272,280.90	-272,280.90
Capital transactions		5,482.00	1,494,518.00	-	1,500,000.00
Transaction cost on issuance of shares		-	-3,731.80	-	-3,731.80
Balance as of March 31, 2017		**76,752.00**	**2,964,965.98**	**-1,390,927.12**	**1,650,790.86**
Balance as of January 1, 2018		**76,752.00**	**2,964,965.98**	**-1,875,388.85**	**1,166,329.13**
Loss for the period		-	-	-1,429,575.63	-1,429,575.63
Capital transactions		3,070.00	1,996,930.00	-	2,000,000.00
Transaction cost on issuance of shares		-	-130.00	-	-130.00
Balance as of March 31, 2018		**79,822.00**	**4,961,765.98**	**-3,304,964.48**	**1,736,623.50**

CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

A. Basics and methods applied

1. Information on the company and the consolidated group

General information

creditshelf GmbH („creditshelf“, „the Company“ or „parent company“) is registered with the commercial register of Frankfurt am Main (commercial register ID HRB 100955). creditshelf is based in Mainzer Landstraße 33a, 60329 Frankfurt, Germany. The general purpose of the company is:

a) arranging of loan contracts,

b) matching of investors with German banks and insurance companies,

c) advisory and analysis of companies,

d) development of software to analyze the probability of default,

e) provision of IT services.

creditshelf GmbH is the holding company of creditshelf service GmbH. Creditshelf GmbH and creditshelf service GmbH combined will also be mentioned as „the creditshelf group“ or „the Group”. creditshelf service GmbH herein after „the network company” subsequently.

Nature of operations

Creditshelf runs an online market place for the arranging of loan contracts for small- and medium-sized companies (“SME”). The market place connects loan investors with loan borrowers. Borrowers use the platform to raise loan financing.

Creditshelf evaluates each loan project. Based on the credit worthiness of the borrower and by considering third party information the company determines the credit score for each project. Based on the credit score the company will be included on the platform. Thereafter the investors have the opportunity to pitch on the marketplace/platform for the loan projects on their own account and risk. Each loan has a fixed maturity. Once the sum of all pitches within a given period is equal to an expected loan volume, a credit contract could be executed.

The loan will be granted by a partner bank (bank) not by the creditshelf group itself. The bank will make its own lending decision and will enter into a loan agreement directly with the borrower. The agreement then will be handed over to the investors who act on their own accounts and risk.

Creditshelf acts as a mediator and further provides administrative services as part of the loan processing within the credit lifecycle and supports banks during the operative management of the business process.

Information on the consolidated group

Compared to the reporting period as of December 31, 2017, there had been no changes to the creditshelf group this period.

The only subsidiary of creditshelf GmbH is the creditshelf service GmbH, which was founded in 2015 under the commercial register number 103351 in Frankfurt am Main. The business purpose of creditshelf service GmbH is the purchase and the sale of credit claims on its own name and for its own account. Not included are any activities that require an approval according to German Banking Act (Kreditwesengesetz (KWG)), to German Capital Investment Code (Kapitalanlagegesetz (KAG)), or the payment services supervision law (Zahlungsdiensteaufsichtsgesetz (ZAG)) and factoring. The 100%-subsidiary of creditshelf has EUR 25.000,00 of subscribed capital which was fully paid in on a separate bank account of creditshelf service GmbH.

2. Basis of presentation

These condensed consolidated financial statements for the period from January 01 to March 31, 2018 meet the requirements of IAS 34 (Interim Financial Reporting) and have been prepared in accordance with the International Financial Reporting Standards and Interpretations on the IFRS (IFRIC) of the International Accounting Standards Board (IASB), as adopted by the EU, and in accordance with the supplementary regulations to be applied as specified in Section 315e para 3 German Commercial Code (Handelsgesetzbuch).

Creditshelf is not obliged to prepare IFRS Financial statements. The consolidated financial statements have been prepared on the company’s ability to continue as a going concern.

The condensed consolidated interim financial statements do not contain all the information and notes required in the consolidated financial statements and should therefore be read in conjunction with the consolidated financial statements as of December 31, 2017. These consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB) as well as the interpretations of the IFRS Interpretations Committee (IFRS IC) approved by the IASB.

3. Newly applied standards of the financial year

The following standards have been applied by the Group in the reporting period for the first time:

Standard	Content and meaning for the financial statements	Mandatory first time application
IFRS 9 „Financial Instruments“	Complete replacement for IAS 39. Effects on creditshelf are expected only for presentation and disclosures in the notes but not for valuation and subsequent measurement of financial instruments.	1. January 2018
Amendment to IFRS 2	Classification and valuation of transactions with share-based compensation	1. January 2018
Amendment to IFRS 4	Application of IFRS 9 'Financial Instruments' together with IFRS 4 'Insurance Contracts'	1. January 2018
Amendment to IAS 40	Transfer of financial property held as financial investment	1. January 2018
IFRS 15 „Revenue from contracts with customers“	Regulations on the type, amount, timing and uncertainty of revenues and resulting cash flows from contracts with customers. Significant effects are not expected.	1. January 2018
Clarification to IFRS 15	Clarification of the topics "Identification of Performance Obligations", "Principal / Agent Considerations" and "Licenses"	1. January 2018
Improvements to IFRS 2014–2016	Amendments to IFRS 12, IFRS 1 and IAS 28	1. January 2018
IFRIC 22 "Transactions in Foreign Currency"	IFRIC 22 clarifies the accounting treatment of transactions that involve the receipt or payment of consideration in foreign currencies.	1. January 2018

IFRS 9 is the new standard for valuation of financial instruments, which creditshelf applied for the first time at the beginning of January 01, 2018, without changing previous year's figures.

IFRS 9 introduces new rules for the classification and measurement of financial assets and replaces the current rules on the impairment of financial assets. The new standard requires changes in valuation for the effects of changes in own credit risk for financial liabilities classified at fair value and also the standard changes the rules for hedge accounting. Beyond this, the classification and measurement of financial obligations broadly is unchanged compared to current rules.

According to IFRS 9, the classification and measurement of financial assets is determined by the business model of the entity and the characteristics of the cash flows of the financial assets. The first-time application of IFRS 9 had no effect on the classification of assets and liabilities for creditshelf.

IFRS 9 introduces a new impairment model using the expected loss approach. For each financial instrument, the Company has estimated and weighted the loss incurred over a 12-month period according to the standard. The estimated value was recognized in profit or loss. The Company does not make use of the possibility of recognizing the entire accumulated loss as an expense. Furthermore, all financial instruments were examined for indications of further value reduction requirements. The adjustment to the impairment model of IFRS 9 did not have any significant effects for the Company.

During the reporting period from January 1 to March 31, 2018, expected losses for the upcoming 12 month period respectively for the whole life of the financial asset, were estimated on basis of historical experiences and risk factors with a probability of 2.28% overall. The expense recognized in the reporting period as of March 31, 2018 in the amount of EUR 2,110.22 (previous year: EUR 0.00).

IFRS 15 was applied for the first time in fiscal year 2017. Regarding the effects of the conversion to IFRS 15 we refer to the consolidated financial statements of creditshelf as of December 31, 2017.

The further standards to be applied for the first time at January 01, 2018, were considered in the preparation of the condensed consolidated interim financial statements as of March 31, 2018. They had no significant impact on the valuations and subsequent valuations as well as the presentation of the condensed consolidated interim financial statements.

4. Significant accounting and valuation policies

With the exception of the facts described in point 2, the significant accounting and valuation methods are unchanged from the consolidated financial statements as of December 31, 2017. We therefore refer to the accounting and valuation methods described in detail in the notes to the consolidated financial statements.

5. Significant accounting estimates and judgements

The preparation of the consolidated financial statements is subject to discretionary decisions, estimates and assumptions made by the management, which may affect the accounting methods and the values of assets, liabilities, income and expenses. Actual values could deviate from these estimates.

Estimates and judgements will continuously be re-evaluated and are based on the experience of the management and other factors, such as the expectation of future results that should and can be regarded as reasonable.

Information on judgements and uncertainties on estimation that significant affect the amounts in the interim consolidated financial statements and also lead to significant adjustments to the carrying amount of the assets or liabilities affected in the coming financial years, relate to the virtual participation programs in section 11 and the deferred taxes in section 9. Further explanations of any estimation uncertainties are explained in the consolidated financial statements as for 2017.

B. Disclosures to the Consolidated Statement of Comprehensive Income

6. Revenues

Revenues consist of the following:

	March 31, 2018	March 31, 2017
Commission fees received from brokerage services	241,147.79	30,364.09
Servicing charges to investors	75,819.37	0.00
Total	**316,967.16**	**30,364.09**

7. Other operating expenses

Other operating expenses consist of the following:

	March 31, 2018	March 31, 2017
Expenses for virtual participation programs	1,729,509.45	11,641.00
Personnel Expenses	284,257.25	211,954.22
Expenses for advertising and marketing	131,857.30	37,657.00
Depreciation	46,632.36	23,186.73
Third party services	45,299.14	2,000.00
Legal and consulting fees	39,759.17	24,286.60
Premium from loan receivable sales	30,816.35	20,767.70
Rental expenses	12,154.02	17,374.32
Other operating expenses	123,853.04	107,277.10
Total	**2,444,138.08**	**456,144.67**

C. Notes to the Consolidated Statement of financial position

8. Intangible assets

Intangible assets developed as follows:

	Acquired intangible assets	Internally generated intangible asset	Intangible assets under development	Total
Acquisition and production costs				
As of January 1, 2017	0.00	146,267.15	0.00	146,267.15
Additions	0.00	68,334.08	0.00	68,334.08
Disposals	0.00	0.00	0.00	0.00
Reclassifications	0.00	0.00	0.00	0.00
As of March 31, 2017	0.00	214,601.23	0.00	214,601.23
Accumulated depreciation				
As of January 1, 2017	0.00	7,314.15	0.00	7,314.15
Additions	0.00	19,850.45	0.00	19,850.45
Disposals	0.00	0.00	0.00	0.00
Reclassifications	0.00	0.00	0.00	0.00
As of March 31, 2017	0.00	27,164.00	0.00	27,164.00
Carrying amount as of March 31, 2017	**0.00**	**187,436.98**	**0.00**	**187,436.98**
Carrying amount as of January 1, 2017	**0.00**	**138,953.00**	**0.00**	**138,953.00**
Acquisition and production costs				
As of January 1, 2018	0.00	384,469.98	216,222.70	600,692.68
Additions	0.00	50,005.17	572,690.75	622,695.92
Disposals	0.00	0.00	0.00	0.00
Reclassifications	5,000.00	0.00	-5,000.00	0.00
As of March 31, 2018	5,000.00	434,475.15	783,913.45	1,223,388.60
Accumulated depreciation				
As of January 1, 2018	0.00	86,715.98	0.00	86,715.98
Additions	166.72	23,186.79	0.00	23,353.51
Disposals	0.00	0.00	0.00	0.00
Reclassifications	0.00	0.00	0.00	0.00
As of March 31, 2018	166,72	109,902.77	0.00	110,069.49
Carrying amount as of March 31, 2018	**4,833.28**	**324,572.38**	**783,913.45**	**1,113,319.11**
Carrying amount as of January 1, 2018	**0.00**	**297,754.00**	**216,222.70**	**513,976.70**

The capitalized intangible assets are only depreciable intangible assets.

Self-generated intangible assets with a book value of EUR 324,572.38 (previous year: EUR 187,436.63) relate to the second version of the holding company's online platform. This platform serves as a virtual marketplace for potential borrowers and credit investors.

The internet platform was capitalized at costs. The production costs include – inter alia – the remuneration of external service providers that have been engaged to support the creation of the online platform. The cooperation with the external service providers has been ceased at the end of the first quarter of 2018. According to the underlying contractual agreements entered into with the aforementioned service providers, the risk of failure in creating the online platform is borne solely by creditshelf and not by the service provider. Therefor the internet platform was classified as an internally generated intangible asset. Furthermore own personnel expenses incurred by the company with EUR 41,005.17 (previous year: EUR 45,834.08) have been capitalized as additional acquisition costs to the book value of the second Internet platform.

The production costs were reduced by the accumulated depreciation.

In the last quarter of 2017 the parent company started the development of a risk tool. The tool should evaluate the credit risk by potential borrowers. A third party has been engaged to develop the tool. Based on the contractual agreement the risk of failure regarding the development of the risk tool remains with the external service provider. Thus the down payments have been accounted for as a prepayment and capitalized as an intangible asset.

Further, the company used own resources to support the development of the risk tool. The employees assisted the external service provider in executing the development of the tool. The compensation expenses for the period of January 1 to March 31, 2018 that do relate to the development of the risk tool amount EUR 25.640,75 (previous year: EUR 0,00) and have been capitalized as acuisition costs of the risk tool.

9. Property, plant and equipment

Creditshelf prematurely applied IFRS 16 for the financial year 2017. For further information on the early application of IFRS 16, please refer to the disclosures in the notes to the consolidated financial statements for 2017.

The Group has entered into a renting contract for a minimum lease time of five years starting at August 1, 2017. As of March 31, 2018 there have not been other leasing contracts to be classified as leasing assets in accordance with IFRS 16.

The leasing asset was recognized at acquisition costs with the discounted minimum lease payments and an amount of EUR 294,913.12 (previous year: EUR 0.00) as of August 01, 2017; the lease liability was recognized at the same amount. The carrying amounts at March 31, 2018 for the leased item were EUR 255,591.25 (previous year: EUR 0.00) and for the lease liability EUR 262,005.56 (previous year: EUR 0.00).

Property, plant and equipment developed as follows:

	Right of use for land and buildings
Acquisition and production costs	
As of January 1, 2018	294,913.12
Additions	0.00
Disposals	0.00
As of March 31, 2018	294,913.12
Accumulated depreciation	
As of January 1, 2018	24,576.12
Additions	14,745.75
Disposals	0.00
As of March 31, 2018	39,321.87
Carrying amount as of March 31, 2018	**255,591.25**
Carrying amount as of January 1, 2017	**270,337.00**

The leasing liability developed as follows:

	Leasing liabilities in EUR	Rent in EUR	Amortization in EUR	Interest in EUR
01.08.2017	294,913.12			
31.08.2017	290,124.51	5,659.08	4,788.61	870.47
30.09.2017	286,178.10	5,659.08	4,802.75	856.33
31.10.2017	282,208.39	5,659.08	4,814.39	844.69
30.11.2017	278,215.25	5,659.08	4,826.11	832.97
31.12.2017	274,198.53	5,659.08	4,837.90	821.18
31.01.2018	270,158.11	5,659.08	4,849.75	809.33
28.02.2018	266,093.83	5,659.08	4,861.68	797.40
31.03.2018	262,005.56	5,659.08	4,873.67	785.41

No impairments incurred from January 1 to March 31, 2018.

10. Deferrals for expenses which are directly related to capital inflows from a planned IPO

In connection with the planned IPO of creditshelf, expenses of EUR 499,913.80 had already been incurred, which are directly related to the planned capital inflow from the issue of shares. According to IAS 32.35 these transaction costs are to be deducted from the inflowing capital. Since no capital inflow has taken place as of March 31, 2018, the expenses were initially recognized as a deferral item. The resulting tax benefit was recognized as a deferred tax liability and corresponding tax expenses have been recorded in the income statement. After a successful IPO, the deferrals and the corresponding deferred taxes will booked against the inflowing equity.

11. Deferred tax assets

Differences between IFRS and statutory tax regulations lead to temporary differences between the carrying amount of assets and liabilities in the consolidated balance sheet and their tax base.

Basis of the calculation of deferred assets are the current tax rates for the period in which timely differences have been determined. A total tax rate of 31,925 % has been applied for calculating deferred taxes. The total tax rate is made up of corporate tax of 15%, solidarity surcharge of 5,5% and a trade tax of 16,1%. The rate of assessment for the city of Frankfurt is 460%.

The tax effects of temporary differences and unused tax losses carried forward are as follows:

	March 31, 2018		**March 31, 2017**	
	Deferred tax assets	**Deferred tax liabilities**	**Deferred tax assets**	**Deferred tax liabilities**
Intangible assets	0.00	103,619.73	0.00	59,839.14
Tangible assets	0.00	81,597.51	0.00	0.00
Cost of capital transaction	0.00	159,597.48	0.00	0.00
Provisions	804,100.22	0.00	184,267.26	0.00
Liabilities	83,645.28	15,962.50	0.00	15,962.50
Loss and interest carry forwards	1,028,714.86	0.00	549,990.79	0.00
Total	1,916,460.36	360,777.22	734,990.05	75,801.64
Net balance	**1,555,683.14**	**0.00**	**658,456.41**	**0.00**

In accordance with IAS 12.74, deferred tax assets relating to corporation tax and trade tax were offset against the deferred tax liabilities of the individual tax types.

The changes in deferred taxes were recognized in profit or loss, insofar as the underlying matters were also recognized in profit or loss.

Capital transaction costs in connection with the IPO

Deferred taxes, which are related to the transaction costs in connection with the planned IPO incurred in the reporting period from January 01 to March 31, 2018 with EUR 499,913.80 (previous year: EUR 0.00), were recognized as deferred tax expenses and reduced respectively the deferred tax assets.

Tax loss carry-forwards

As of March 31, 2018 the company has corporate tax loss carryforwards amounting to EUR 3,217,573.12 (previous year: EUR 1,689,563.94) and trade tax loss carryforwards amounting to EUR 3,217,573.12 (previous year: EUR 1,689,563.94).

The fully consolidated network company had a loss carryforwards as of March 31, 2018 of EUR 4,713.04 (previous year: EUR 33,194.98).

The company has evaluated the usability of the tax loss carry-forwards on the basis of various criteria. The impairment of the tax claims capitalized within the Group from losses carried forward in the amount of EUR 1,028,714.86 (previous year EUR 549,990.79) is, according to the management, secured by future positive earnings from operating activities.

Due to its current plans to conduct a listing and a going public the Company has revised its corporate planning and adapted its cost structure to the requirements of a listed company. Therefore creditshelf has adjusted its assumption of envisaging positive earnings as made in the consolidated financial statements as of December 31, 2017, that had been prepared based on the assumption of creditshelf being a non-listed company and the cost structure of a non-listed company. Nevertheless, creditshelf's management still assumes that the tax loss carry forwards of the Company will be utilized within a period of five years. This assumption is supported by the steady increase of the demand of services provided by creditshelf and by the development of the P2P lending market, which so far continues to show high double-digit annual growth rates.

12. Capital and other reserves

In the period from January 1, 2018 to March 31, 2018, the subscribed capital was increased by shareholders resolution on February 8, 2018 by EUR 3,070.00, allocated to 3,070.00 shares. Hevella Capital GmbH & Co KGaA has acquired 3,032 shares and Purum AG has acquired 38 shares.

Subscribed capital is as follows:

	Shareholders					Total
	LDT UG	**DBR UG**	**Wahtari GmbH**	**Obotritia Beteiligungs GmbH**	**Purum AG**	
March 31, 2017						
Nominal in EUR	20,000.00	20,000.00	9,400.00	26,706.00	646.00	76,752.00
Percentage in %	26.06	26.06	12.25	34.79	0.84	100.00
March 31, 2018						
Nominal in EUR	18,921.00	18,921.00	4,648.00	36,648.00	686.00	79,822.00
Percentage in %	23.70	23.70	5.83	45.91	0.86	100.00

The costs incurred in connection with the capital increase carried out on 08.02.2018 in the amount of EUR 130.00 were recognized directly in equity as capital transaction costs.

13. Share based compensation with cash settlement (virtual participation program)

The Group maintains two programs for the issue of virtual participations, with which it participates employees, consultants and cooperation partners of the company in the increase of the company's value in order to keep them at the company in the long term.

Compared to December 31, 2017, there were no significant changes in terms of the issuance and the compensation plans of the two investment programs. For detailed information please review the Consolidated Financial Statements 2017.

The valuation of the virtual participations is done at fair value. This is determined by reference to the fair value of a real interest in creditshelf GmbH. The fair value of such an interest in creditshelf GmbH was calculated on basis of the enterprise value of the company which determined in accordance with the general principles of business valuation and defined in the last funding round provided that such valuation was based on an arm's length principle and that the funding round has taken place within a period of one year.

The liabilities resulting from the participation programs have been revalued for the reporting period at the fair value of the issued shares. Due to the capital increase carried out on 8 February 2018, there is a reference value of the real investment in the amount of EUR 651.39, which is reflected in an increase in the respective provision. All changes in provisions were recognized in profit or loss.

Virtual Participation Program I

On the basis of the “Virtual Participation Program I” no further virtual participations have been granted to employees in the period from January 1 to March 31, 2018.

As of 31 March 2018, the “Virtual Participation Program I” can be summarized as follows:

Period	Number of issued shares (pc)	Number of the vested shares (pc)	Fair value (€)	Total expenditure of the period (€)	Inner value of the vested shares (€)
March 31, 2018	5,700	3,008	1,559,660.82	1,176,959.00	1,706,421.00
March 31, 2017	4,400	1,425	166,683.03	11,641.00	318,995.00

The fair value measurement was based on the following parameters:

Period	Subscribe d capital (pc)	Fair value per issued share (€)	Remaining time (year)	Exit probability	Risk-free Interest rate	Volatility	Dividends (€)
March 31, 2018	79,822.00	651.39	0.25	60%	-0.40%	51%	0.00
March 31, 2017	76,752.00	273.67	1.25	25%	-0.30%	64%	0.00

The valuation of the virtual participations was based on the Black-Scholes formula. The volatility was determined considering a peer-group of listed companies with similar business models as the creditshelf group.

The provisions for the obligations from the "Virtual Participation Program I" with an amount of EUR 1,559,660.82 (previous year: EUR 166,683.00) were classified as current provisions due to an exit event planned for 2018.

Virtual Participation Program II

As of July 29, 2015 the company entered into a virtual participation agreement with a cooperation partner granting a virtual participation in the company's subscribed capital – in addition to an existing cooperation agreement entered into by and between the aforementioned parties. The cooperation partner has been granted with 1,500 virtual shares with a nominal value of 1 Euro per virtual share.

The following virtual shares have been issued:

Issue date	Number of issued shares (pc)	Strike price (€)	Value of underlying asset (€)	Fair value per issued share (€)	Total fair value (€)
July 29, 2015	1,500	0.00	651.39	651.39	959,055.45

The expense recognized in the balance sheet for the "Virtual Participation Program II" in the period from January 1 to March 31, 2018 amounts to EUR 548,550.44. The expenses for the comparative period amounted to EUR 0.00 due to a company valuation that remained unchanged in the previous year.

The provisions under the "Virtual Participation Program II" continue to be classified as long-term.

D. Other disclosures

14. Disclosures on leases

In accordance with IFRS 16.5, the Company did not capitalize rent and lease agreements for low-value leased assets and short-term leases in accordance with the regulations of IFRS 16.22, but recognized them as expenses from January 01 to March 31, 2018 in accordance with IFRS 16.6. EUR 1,512.66 (prior year: EUR 0.00) for low-value leased assets were expensed by the Company.

Depreciation was recorded for the right to use leases in the amount of EUR 14,745.75 (previous year: EUR 0,00).

Furthermore, the recognition of the lease resulted in interest expense of EUR 2,392.11 (previous year: EUR 0,00).

Overall, rental and leasing agreements resulted in cash outflows of EUR 24,966.81 (previous year: EUR 6,813.49).

The lease liabilities existing as of March 31, 2018 have the following maturities:

	> than 1 month	1 – 3 months	3 - 12 months	1 – 5 years	Over 5 years	Total	Book Value
Mainzer Landstrasse	4,885.74	9,807.97	44,752.29	202,559.56	-	262,005.56	262,005.56

Due to the first-time application of IFRS 16, the Company did not report leasing liabilities in the previous period.

15. Additional disclosures to financial instruments

Compared to the previous financial statements, there are no differences in the application of IFRS 9 with valuation of the financial instruments.

16. Related party transactions

Related parties are shareholders, other individuals as well as affiliates that have material influences on the Group and its financial- and business policies. Persons with material influence on the Group's financial and business policies include all key personnel and their family members. Within the Group, this applies to the corporate management of the holding company. The following related parties have been identified:

Name	Function
Dr. Tim Thabe	CEO
Dr. Daniel Bartsch	CEO
Dr. Mark Währisch	CEO
Christoph Maichel (till September 19, 2017)	CEO
DBR Investment UG (haftungsbeschränkt)	Shareholder
LDT Investment UG(haftungsbeschränkt)	Shareholder
Wahtari GmbH	Shareholder
Hevella Capital GmbH & Co. KGaA	Shareholder
Purum AG	Shareholder

Balances and transactions between the company and its subsidiary, have been eliminated as part of the consolidation and are not disclosed in the notes. Further information on transactions occurred between the Group and other related parties are discussed below.

a. Services rendered

Based on the agreement entered into by DBR Investment UG, LDT Investment UG and Wahtari GmbH about providing management capacities on October 6, 2015 several management services have been rendered to the Group in the period from January 01 to March 31, 2018. The agreement has a duration of two years and will be extended by another six months, which is subject to a three-month notice period. The agreement with Wahtari GmbH for the render of management services was repealed with effect from middle of July 2017.

Furthermore, there is a contract between creditshelf GmbH and Wahtari GmbH for providing IT development services until the end of March 31, 2018.

From January 1 to March 31, 2018	Sale of property, plant and equipment	Appropriation of development services	Delivery of management services	Total
DBR Investment UG	0.00	0.00	24,999.99	24,999.99
LDT Investment UG	0.00	0.00	24,999.99	24,999.99
Wahtari GmbH	399.16	22,500.00	24,999.99	47,899.15

From January 1 to March 31, 2018	Sale of property, plant and equipment	Appropriation of development services	Delivery of management services	Total
DBR Investment UG	0.00	0.00	24,999.96	24,999.96
LDT Investment UG	0.00	0.00	25,000.00	25,000.00
Wahtari GmbH	0.00	9,000.00	0.00	9,000.00

b. Investments to related parties in the ordinary course of business

As part of the ordinary course of business, loans from creditshelf service GmbH were acquired by the related parties listed below.

	March 31, 2018		March 31, 2017	
	Number of purchased credits	Amount of purchased credits	Number of purchased credits	Amount of purchased credits
LDT Investment UG	0	0.00	1	10,000.00

c. Repurchase of loans to creditshelf in the ordinary course of business activity

In the context of the Group's ordinary business activities, loans were sold back to creditshelf service GmbH by the related parties listed below.

	March 31, 2018		March 31, 2017	
	Number of sold credits	Volume of purchased allowance	Number of sold credits	Volume of purchased allowance
Hevella Capital GmbH & Co. KGaA	0	0.00	12	270,000.00

d. Loans from related parties

	March 31, 2018	March 31, 2017
Loan from DBR Investment UG	51,540.28	51,040.28
Loan from LDT Investment UG	51,538.20	51,038.20
	103,078.48	102,078.48

Transactions with related companies are contractually agreed. Services have been rendered at arms' length.

17. Information on the management

Names and members of the management

Management of group consists of the following throughout for the first quarter of 2018.

Mr. Dr. Daniel Bartsch, managing director

Mr. Dr. Tim Thabe, managing director

Mr. Dr. Mark Währisch, managing director

Frankfurt, May 9, 2018

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

18. Declaration according to sec. 297 (2) HGB in connection with sec. 315e (1) HGB

"We assure to the best of our knowledge that the consolidated financial statements give a true and fair view of the Group's net assets, its financial position and its results of operations in accordance with the applicable accounting principles."

Frankfurt, May 9, 2018

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

creditshelf GmbH

Audited Consolidated Financial Statements

as of and for the fiscal year ended December 31, 2017

(prepared in accordance with IFRS)

CONSOLIDATED FINANCIAL STATEMENTS

A. Consolidated Financial statement of financial position as of December 31, 2017

in EUR	Note	December 31, 2017	December 31, 2016
<u>Assets</u>			
Non-current assets			
Intangible assets	15a	513,976.70	138,953.00
Property, plant and equipment	15b	330,012.00	32,092.00
Accounts receivables		144,930.73	0.00
Other non-current assets		27,053.64	0.00
Deferred tax assets	17	885,298.88	528,448.43
Total non-current assets		**1,901,271.95**	**699,493.43**
Current assets			
Accounts receivables		206,490.53	4,000.00
Other current assets	18	71,592.88	74,069.02
Other financial assets	19	32,407.14	6,663.56
Cash and cash equivalents	20	2,027,130.76	490,182.46
Total current assets		**2,337,621.31**	**574,915.04**
Total Assets		**4,238,893.26**	**1,274,408.47**
<u>Liabilities and Equity</u>			
Capital and reserves			
Subscribed capital	21	76,752.00	71,270.00
Capital reserves		2,964,965.98	1,474,179.78
Retained earnings		-1,875,388.85	-1,118,646.22
Total equity		**1,166,329.13**	**426,803.56**
Non-current liabilities			
Non-current provisions	22	410,505.00	565,547.00
Other non-current financial liabilities	23	318,183.01	101,828.48
Total non-current liabilities		**728,668.01**	**667,375.48**
Current liabilities			
Accounts payables	25	1,707,890.38	119,370.80
Other financial liabilities		58,844.00	0.00
Other liabilities	24	577,141.74	60,858.63
Total current liabilities		**2,343,876.12**	**180,229.43**
Total liabilities and equity		**4,238,893.26**	**1,274,408.47**

B. Consolidated statement of profit or loss and other comprehensive income for the year ended December 31, 2017

in EUR	Note	2017	2016
Revenue	7	1,201,929.67	247,619.99
Revenue		**1,201,929.67**	**247,619.99**
Other operating income	8	267,091.24	22,458.45
Other operating expenses	9	-2,554,736.46	-1,507,501.16
Earnings before interest and taxes (EBIT)		**-1,085,715.55**	**-1,237,422.72**
Financial expenses	12	-27,877.53	-1,000.00
Financial income	12	0.00	83.58
Earnings before taxes (EBT)		**-1,113,593.08**	**-1,238,339.14**
Income taxes	13	356,850.45	397,692.88
Loss for the period (Net loss)		**-756,742.63**	**-840,646.26**
attributable to:			
Owners of the company		**-756,742.63**	**-840,646.26**
Non-controlling interests		**0.00**	**0.00**
Total comprehensive income		**-756,742.63**	**-840,646.26**
attributable to:			
Owners of the company		**-756,742.63**	**-840,646.26**
Non-controlling interests		**0.00**	**0.00**

C. Consolidated Statement of cash flows for the year ended December 31, 2017

	Note	December 31, 2017	December 31, 2016
in EUR			
Cash flow from operating activities			
Loss for the period		-756,742.63	-840,646.26
Adjustments for:			
Income taxes	13	-356,850.45	-397,692.88
Depreciation of property, plant and equipment	15b	50,908.95	8,167.22
Amortisation of intangible assets	15a	54,825.71	12,043.15
Gain / loss from disposal of intangible assets and fixed assets	15 b	433.00	17,022.00
Increase (+)/decrease (-) in other provisions	22/24	334,500.98	534,411.13
Other non-cash related expenses/income		19,623.30	-1,339.83
Interest expense		27,877.53	1,000.00
Interest income		0.00	-83.58
Income taxes paid		60.04	-17.78
Deposit		-26,053.64	-3,878.10
Increase (-)/decrease (+) in other assets		-20,810.67	-53,044.80
Interest received		0.00	83.58
Operating cash flows before movements in working capital		**-672,227.88**	**-723,976.15**
Increase (-)/decrease (+) in accounts receivables	16	-347,421.26	-4,000.00
Increase (+)/decrease (-) in accounts payables	25	1.566,433.23	60,362.80
Increase (+)/decrease (-) in other liabilities	24	26,740.13	11,474.92
Cash used in operating activities		**573,524.22**	**-656,138.43**
Purchase of property, plant and equipment	15b	-54,348.83	-37,420.22
Purchase of other intangible assets	15a	-454,425.53	-141,267.15
Cash used in investing activities		**-508,774.36**	**-178,687.37**
Proceeds from issuance of shares		1,500,000.00	1,006,666.00
Amortization of leasing liabilities		-24,069.76	0.00
Transaction cost on issuance of shares		-3,731.80	-9,784.57
Cash generated from financing activities		**1,472,198.44**	**996,881.43**
Net increase in cash and cash equivalents		1,536,948.30	162,055.63
Cash and cash equivalents at the beginning of the period	20	490,182.46	328,126.83
Cash and cash equivalents at the end of the period	**20**	**2,027,130.76**	**490,182.46**

D. Consolidated Statement of changes in equity for the year ended December 31, 2017

	Note	Subscribed Capital	Capital reserve	Retained Earrings	Total Equity
Balance as of January 1, 2016		**60,002.00**	**488,566.35**	**-277,999.96**	**270,568.39**
Loss for the period		0.00	0.00	-840,646.26	-840,646.26
Capital increase		11,268.00	995,398.00	0.00	1,006,666.00
Transaction cost on issuance of shares		0.00	-9,784.57	0.00	-9,784.57
Other changes		0.00	0.00	0.00	0.00
Balance as of January 1, 2017		**71,270.00**	**1,474,179.78**	**-1,118,646.22**	**426,803.56**
Loss for the period		0.00	0.00	-756,742.63	-756,742.63
Capital increase		5,482.00	1,494,518.00	0.00	1,500,000.00
Transaction cost on issuance of shares		0.00	-3,731.80	0.00	-3,731.80
Other changes		0.00	0.00	0.00	0.00
Balance as of December 31, 2017		**76,752.00**	**2,964,965.98**	**-1,875,388.85**	**1,166,329.13**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

E. Basics and methods applied

1. Information on the company and the consolidated group

General information

creditshelf GmbH („creditshelf“, „the Company“ or „parent company“) is registered with the commercial register of Frankfurt am Main (commercial register ID HRB 100955). creditshelf is based in Mainzer Landstraße 33a, 60329 Frankfurt, Germany. The general purpose of the company is:

a) arranging of loan contracts,

b) matching of investors with German banks and insurance companies,

c) advisory and analysis of companies,

d) development of software to analyse the probability of default,

e) provision of IT services.

creditshelf GmbH is the holding company of creditshelf service GmbH. Creditshelf GmbH and creditshelf service GmbH combined will also be mentioned as „the creditshelf group“ or „the Group”. creditshelf service GmbH herein after „the network company” subsequently.

Nature of operations

creditshelf runs an online market place for the arranging of loan contracts for small and medium sized companies (“SME”). The market place connects loan investors with loan borrowers. Borrowers use the platform to raise loan financing.

creditshelf evaluates each loan project. Based on the credit worthiness of the borrower and by considering third party information the company determines the credit score for each project. Based on the credit score the company will be included on the platform. Thereafter the investors have the opportunity to pitch on the marketplace/platform for the loan projects on their own account and risk. Each loan has a fixed maturity. Once the sum of all pitches within a given period is equal to an expected loan volume, a credit contract could be executed.

The loan will be granted by a fronting bank not by the creditshelf group itself. The fronting bank will make its own lending decision and will enter into a loan agreement directly with the borrower. The agreement then will be handed over to the investors who act in their own accounts and risk.

creditshelf acts as a mediator and further provides administrative services as part of the loan processing within the credit lifecycle and supports banks during the operative management of the business process.

Information on the consolidated group

In 2016 there were no changes in the creditshelf group. The only subsidiary of creditshelf GmbH is the creditshelf service GmbH, which was founded in 2015 under the commercial register number 103351 in Frankfurt am Main. The business purpose of creditshelf service GmbH is the purchase and the sale of credit claims on its own name and for its own account. Not included are any activities that require an approval according to German Banking Act (Kreditwesengesetz (KWG)), to German Capital Investment Code (Kapitalanlagegesetz (KAG)), or the payment services supervision law (Zahlungsdiensteaufsichtsgesetz (ZAG)) and factoring. The 100%-subsidiary of creditshelf has EUR 25,000.00 of subscribed capital which was fully paid in on a separate bank account of creditshelf service GmbH. In 2017 the subsidiary reported a result of EUR 1,970.01.

2. Basis of presentation

The consolidated financial statements as of December 31, 2017 have been prepared in accordance with the International Financial Reporting Standards and Interpretations on the IFRS (IFRIC) of the International Accounting Standards Board (IASB), as adopted by the EU, and in accordance with the supplementary regulations to be applied as specified in Section 315e para 3 German Commercial Code (Handelsgesetzbuch).

creditshelf is not obliged to prepare IFRS Financial statements. The consolidated financial statements have been prepared in 2015 for the first time. The consolidated financial statements have been prepared on the company's ability to continue as a going concern.

The consolidated financial statements have been prepared in Euro the functional currency of the Group.

The financial year of the company corresponds to the calendar year.

The consolidated financial statements compromise the consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, the consolidated statement of cash flow and the notes to the consolidated financial statements. In order to simplify the presentation, some individual items have been grouped together in the balance sheet and the income statement. However, these items are listed separately and explained in the notes. The income statement has been prepared in accordance with the cost-of-sales method.

The consolidated financial statements have been released by the management of the creditshelf GmbH and creditshelf service GmbH on April 3, 2018.

3. Newly applied standards of the financial year

The following standards are applied by the Group for the first time in the financial year:

Standard	Content and meaning for the financial statements	Mandatory first time application
Amendment to IAS 7	Information initiative	January 1, 2017
Amendment to IAS 12	Recognition of deferred tax assets for unrealized losses	January 1, 2017
IFRS 15 "Revenue from contracts with customers"	Provisions on the type, amount, timing and uncertainty of sales revenues and resulting cash flows from contracts with customers. There are no significant effects.	January 1, 2018
IFRS 16 „Leasing"	IFRS 16 regulates the recognition, measurement, disclosure and disclosure requirements relating to leases in the financial statements of companies that report in accordance with IFRS	January 1, 2019
Improvements to IFRS 2014–2016	The amendments to IFRS 12 are mandatory for the first time in fiscal year 2017.	January 1, 2017

The following standards have been early adopted in 2017:

IFRS 16 will replace the existing regulations regarding leasing arrangements, including IAS 17 'Leases', IFRIC 1 'Determining, whether an arrangement contains a lease', SIC 15 'Operating Leases – Incentives' and SIC 27 'Evaluating the Substance of Transactions in the Legal Form of a Lease'. The standard has to be applied to reporting periods beginning on or after January 1, 2019. Earlier application is allowed if the entity applies IFRS 15 before or on the date of first-time adoption of IFRS 16. The Group has early adopted IFRS 16 and applied it to lease agreements entered into in 2017. The Group applies the transitional provisions of IFRS 16.C3 to old contracts and does not revalue existing rental and leasing contracts.

IFRS 16 introduces a standardized accounting model according to which leases are generally to be recognized on the lessee's balance sheet. A lessee recognizes a right-of-use asset representing its right to use a lease asset, as well as a liability resulting from the lease, which represents its obligation to make lease payments. There are exemptions for short-term leases and leases of low-value assets.

The Group has performed its analysis of the impact on the financial statements. Therefore the company will record a new tangible asset and a liability for the lease for the newly rented office in 2017. The identified asset will be depreciated on a straight line method using the minimum lease term of the office space and to decrease the obligation over the same period applying the effective interest rate.

As of December 31, 2017 the minimum lease payments for the non-cancelable lease amount to EUR 343,955.00 (undiscounted basis). The lease asset will be recognized at costs of EUR 294,913.12 (2016: EUR 0.00) and the lease obligation has been recognized with the same amount. The carrying amount of the asset amounts to EUR 270,337.00 (2016: EUR 0.00) and for the lease liability to EUR 274,198.53 (2016: EUR 0.00).

The Group has no agreement with respect to an investment in accordance with IFRIC 4.

IFRS 15 was also applied for the first time in fiscal year 2017. The standard prescribes a five-step procedure for assessing sales revenue. When concluding a customer contract, the originator of the contract must check whether a period- or time-related turnover results from the contract, depending on the transition to the customer. Indicators of the timing of revenue recognition include, for example, the transfer of significant opportunities and risks. Revenue may only be recognized in accordance with the stage of completion. In its business model, the company has two main revenue streams, brokerage commissions for the brokerage of financial loans and servicing fees for investors. In both cases, the provision of services is firmly linked to the date on which the fronting bank grants the loan. There are therefore no period-related sales revenues. The conversion to IFRS 15 therefore has no effect on the components of the company's financial statements.

In fiscal 2017, IAS 7 was applied by the Company for the first time in the form amended by the disclosure initiative of the IASB. Significant changes for the company resulted from the presentation of IAS 7.44 A-E under point 26, to which reference is made here.

Furthermore, in the financial year 2017, IAS 12 in the form adapted to the amendments of January 19, 2016 had to be applied for the first time. This had no effect on the consolidated financial statements or its components.

The amendments to IFRS 12, which are mandatory for financial years beginning after January 1, 2017, did not have any material impact on the consolidated financial statements or the accounting principles applied.

4. New, but not legally binding applied standards and interpretations

The following standards, changes to standards and interpretations have been recognized in the preparation of the financial statements by the EU. A legally binding application of these standards will only become necessary in the future. So far the principles have not been applied by the Group. Based on the estimate of the management of the Group the first application of the amendments to IFRS 2 is expected to have a material impact on the company's accounting. All other new standards will most probably have no material impact on the financial statements.

Standard	Content and meaning for the financial statements	Mandatory first time application
IFRS 9 „Financial instruments“	Complete replacement of IAS 39. Effects on creditshelf are only expected for the presentation and disclosures in the notes but not for the valuation and subsequent measurement of financial instruments.	January 1, 2018
Changes to IFRS 2	Classification and valuation of transactions with share based payments.	January 1, 2018
Changes to IFRS 4	Application to IFRS 9 'Financial Instruments' together with IFRS 4 'Insurance contracts'.	January 1, 2018
Changes to IFRS 9	The changes issue prepayment features with negative compensation to address the concerns about how IFRS 9 classifies particular prepayable financial assets.	January 1, 2019
Changes to IAS 40	Clarification on transfers of investment properties.	January 1, 2018
Clarification to IFRS 15	Clarification on the topics ‚identification of contractual obligations', 'principal agent considerations' and licenses.	January 1, 2018
Improvements to IFRS 2014–2016	Changes to IFRS 12, IFRS 1 and IAS 28	January 1, 2018
IFRIC 22 „Transactions in foreign currencies"	IFRIC 22 clarifies the accounting for transactions that include the receipt or payment of advance consideration in a foreign currency.	January 1, 2018

The following standards, changes to standards and interpretations have not yet been adopted by the EU. Therefore, they have not been applied in the preparation in the preparation of the financial statements.

Standard	Content
IFRS 17 "Insurance contracts"	Principles of estimate of expenditures, valuation, presentation and disclosure of insurance contracts.
IFRIC 23 „Uncertainty income tax treaties“	With IFRIC 23 doubts in balancing of corporate tax assets and liabilities is clarified.
Changes to IAS 28	Changes have been made to IAS 28 regarding the treatment of long term interests in associated companies and joint ventures.
Changes to IAS 19	Changes have been made regarding plan amendments, curtailments and settlement of a refund from a defined benefit plan.
Improvements to IFRS 2015–2017	Changes have been made to IFRS 3, IAS 12 and IAS 23.

5. Significant accounting and valuation policies

Significant accounting and valuation policies applied to the financial statements will be outlined in the following. If not mentioned separately these policies have consistently been applied.

a. Intangible assets

Intangible assets acquired are recognized at cost of purchase and will be depreciated using the straight line method according to its useful life. Impairments will be recognized. The depreciation is included as other operating expenses on the face of the financial statements and is separately disclosed in the notes to the financial statements. The expected useful life and method of depreciation will be reviewed at the end of the reporting period and estimate changes are accounted for prospectively.

An internally-generated intangible asset arising from development (or from the development phase of an internal projects) is recognized if, and only if, all criteria have been met:

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

Costs for research activities are recognized as an expense in the respective period in which they have been incurred.

The amount initially recognized for internally-generated assets is the sum of the expenditure incurred from the date when the intangible asset first meets the criteria listed above. In case that internally-generated intangible asset cannot be recognized, development expenditures are recognized in profit or loss in the period in which they are incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately. Capitalized development costs are generally amortized in the Group over a useful life of 5 years.

An intangible asset is derecognized on disposal or when no further economic benefits are expected from its use. Gains or losses from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in the income statement when the assets are derecognized. They are reported under other operating income or other operating expenses.

b. Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation and accumulated impairment losses recognized. Depreciation is recognized as to write off the historic cost or valuation of an asset less its residual value over its useful life, using the straight line method. The expected useful lives, residual values and depreciation methods are reviewed at the end of each reporting period. Any changes to an estimate are accounted for on a prospective basis. Gains or losses from the disposal of fixed assets are included in other operating income or other operating expenses.

Property, plant and equipment are carried at cost less accumulated depreciation and accumulated impairment losses recognized. Depreciation is effected in such a way that the acquisition or production costs or the revaluation amount of assets less their residual values are depreciated on a straight-line method over their useful life. The expected useful lives, residual values and depreciation methods are reviewed at the end of each reporting period. Any changes to an estimate are accounted for on a prospective basis. Gains or losses from the disposal of fixed assets are included in other operating income or other operating expenses.

Other fixed assets and office equipment are based on their useful lives. The useful lives for the capitalized office equipment is determined to be 1 to 3 years.

Property, plant and equipment is derecognized on disposal or when no future economic benefit from continued use of the asset is expected. The gain or loss resulting from a derecognition of the assets is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is included in the profit or loss in the period of derecognition.

Costs for the repair of property, plant and equipment are generally recognized in profit or loss. They are, however, capitalized if they result in an enlargement or substantial improvement of the respective asset.

Financing costs are not capitalized pursuant to IAS 23.11 since no direct allocation to assets can be made.

c. Impairment of non-financial assets

At the end of each reporting period the Group reviews the carrying amounts of its tangible and intangible assets whether there is any indication that those assets have to be impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to determine the recoverable amount of the individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Tangible and intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have been adjusted.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized immediately in the profit and loss.

No impairment losses have been recognized in 2017.

d. Deferred Taxes

Deferred taxes are accounted for using the balance sheet approach, which accounts for all recognition and measurement differences between the value in the IFRS balance sheet and the taxable value.
Basis of the calculation of deferred assets are the current tax rates for the period in which timely differences have been determined. A total tax rate of 31.925 % has been applied for calculating deferred taxes. The total tax rate is made up of corporate tax of 15%, solidarity surcharge of 5.5% and a trade tax of 16.1%. The rate of assessment for the city of Frankfurt/Main is 460%.

Deferred tax assets and deferred tax liabilities are presented net in accordance with the provisions of IAS 12.

Changes in deferred taxes are generally recognized through profit or loss if the underlying items are also recognized through profit or loss and are not offset against equity.

Deferred tax assets on tax-deductible temporary differences, unused tax losses and unused tax credits are only recognized to the extent that it is probable that taxable profits will be available and could be utilized by the same taxable entity and the same tax authority in the foreseeable future.

e. Financial assets

Financial assets are recognized when a group entity becomes a party to the contractual provision of the instruments.
Financial assets are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition of the financial assets other than financial assets through profit or loss are added to the fair value of the financial assets on initial recognition. Transactions costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets are classified as follows:

- At fair value through profit or loss
- Held to maturity instruments
- Available for sale
- Loans and receivables

The classification depends on the nature and the purposes of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of the financial assets are recognized or derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period established by regulation or convention in the marketplace.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognized on an effective interest basis for debt instruments other than those financial assets classified as at fair value through profit or loss.

Financial assets at fair value through profit or loss

Financial assets are classified as at fair value through profit or loss when the financial asset is a contingent consideration that may be paid by an acquirer as part of a business combination, to which IFRS3 applies, held for trading or is designated as at fair value through profit or loss.

A financial asset is classified as held for trading if:

- It has been acquired principally for the purpose of selling it in the near term, or
- On initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short term profit taking; or
- It is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading or contingent consideration that may be paid by the acquirer as part of a business combination may be designated as at fair value through profit or loss upon initial recognition if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- The financial asset forms part of a group of financial assets, which is managed and its performance is evaluated on a fair value basis in accordance within the Group’s documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- It forms part of a contract containing one or more embedded derivatives.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividend or interest earned on financial asset and is included in the “other gains and losses” line item, if any.

Held to maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the Group has the positive intent and ability to hold to maturity. Subsequent to initial recognition, held-to-maturity investments are measured at amortized cost using the effective interest method less any impairment.

Available for sale financial assets

Available for sale financial assets are non-derivatives that either are designated as available for sale or are not classified as:

- Loans and receivables
- Held-to-maturity investments or
- Financial assets at fair value through profit or loss.

The company has not classified any financial assets as available for sale financial assets as at December 31, 2017.

Impairment of financial assets

Financial assets, other than those at fair value profit or loss, are assessed for indicators of impairments at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that as a result of one or more events that, because of one or more events that occurred after the initial recognition of the financial asset, the estimated cash flows of the investments have been affected.

For all other financial assets, objective evidence of impairment could include:

- Significant financial difficulty of the issuer or counterparty; or
- Breach of contract such as default or delinquency; or
- An increased probability that the creditor will file for bankruptcy; or
- The disappearance of an active market for that financial asset because of financial difficulties

For financial assets carried at amortized cost, the amount of the impairment loss recognized is the difference between the asset’s carrying amount and the present value of estimated future cash flows, discounted at the financial asset’s original effective interest rate.

Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset’s carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss.

f. Cash and Cash equivalents

Cash and cash equivalents include cash and cash in banks for which the risk of impairment has been deemed to be immaterial.

g. Valuation of Non-derivative financial liabilities

Non-derivative financial liabilities other than those held for sale or designated at initial recognition, are stated at fair value reduced by transactions costs directly attributable.

h. Subscribed Capital

The nominal value of the GmbH shares represent the subscribed capital.

The difference between the fair value of the consideration received and the nominal value of the GmbH Shares will be recognized as capital reserve within equity.

i. Provisions

Provisions are non-financial liabilities that carry uncertainty regarding the date and the amount. Provisions are recognized when the company has a present legal or constructive obligation as a result of a past event. Further requirements to recognize a provision are that the obligation would expect to lead to an outflow of funds and that the amount could be reliably estimated.

The provisions recorded indicate those amounts which are required for covering future payment obligations, identifiable risks and uncertain liabilities of the Group and represent the best estimate at that time.

j. Revenue Recognition

The Company has applied the principles of IFRS 15 to all new contracts with customers for revenue recognition since fiscal 2017. Subsequently, each contract with customers is evaluated using a five-step model and the time or period for revenue recognition is determined. The model contains the following steps:

1. determination of contracts with customers
2. identification of independent services in the respective contract
3. determination of the transaction price of the entire contract
4. distribution of the total transaction price among the individual contractual services
5. revenue recording to the extent that the service obligation has been fulfilled

In step 1, the transfer of control of the service to the customer must be determined. Certain criteria must be used to determine whether the power of disposition is transferred at a certain point in time or over a period of time. An indicator of this is, for example, the transfer of significant opportunities and risks.

The company generates sales in the following areas:

1. Fees from the brokerage of loans

2. Fees from the provision of services to investors

In both revenue streams, only time-related revenues are generated using the criteria from IFRS 15. There were no revenues relating to a specific period in the financial year. In the company's estimation, there are therefore no significant deviations from the revenue recognition procedure applied to date.

The standard was not applied retrospectively.

k. Finance income and finance expenses

Finance income and finance expenses of the Group compromise interest income and interest expenses.

Finance income and finance expenses are measured at the effective interest rate and are presented as finance income and finance expenses within the profit or loss statement.

l. Income taxes

Income taxes recognized represent deferred taxes and current taxes.

The applicable tax rate is outlined **Note 5d**.

Income taxes on each component of the other comprehensive income including the reclassification entries have not been recorded.

m. Basis of consolidation

The consolidated financial statement compromise the financial statements of the holding company and its subsidiary.

For purposes of consolidating a network company, the holding company needs to have control of the entity. Control, which is given by holding 100% of the shares of its subsidiary, is in general achieved if the company has:

- the power over the investee
- is exposed, or has the rights, to variable returns from its involvement with the investee
- has the ability to use its power to affect its returns.

Capital consolidation is accounted for at the time of acquisition using the purchase method. At the time of acquisition, the acquisition costs are compared with the proportional share of the net assets of the subsidiary. The date of acquisition appears when the control over the net assets and financial and operating activities of the acquired company is transferred to the Group. Once the holding company has no longer the power over its subsidiary the entity will no longer be considered within the consolidation.

Non-controlling interest represent that part of the results or the net assets that do not belong to the Group. Non-controlling interest are separately disclosed in the consolidated statement of financial position and in consolidated statement of profit and loss. Non-controlling interest is disclosed within equity, separated from the equity relating to the owner of the company. The purchase of non-controlling interest is recognized through the profit and loss statement. The difference between the purchase price and the carrying amount of the proportional net assets will be accounted for through retained earnings and will not trigger the recognition of goodwill (entity concept method). Non-controlling interest did exist neither on December 31, 2016 nor on December 31, 2017.

Any hidden reserve or hidden liability identified upon fair value measurement of assets and liabilities within the scope of initial consolidation are carried, amortized, depreciated or written off in the following periods according to the development of assets and liabilities. In subsequent periods, any derivative goodwill will be subject to an impairment test at least once a year and if an impairment is identified would be impaired to the lower recoverable amount.

The profit or loss and any component of the other comprehensive income will be attributable to the shareholder of the holding company. All intragroup assets, liabilities, equity, income and expenses as well as the cash flows will be fully eliminated.

The financial statements of all entities included have been prepared on the same date as the financial statement of the holding company.

n. Share based compensation with cash settlement (virtual participation program)

Virtual Participation Program I

On November 4, 2015 the Group implemented a virtual participation program for the benefit of its employees and / or advisors in order to strengthen their commitment to the company which, however, shall not be considered as part of the regular contractual remuneration and/or consideration for services rendered.

All beneficiaries under the virtual participation program are contractually entitled to receive a cash settlement from the company in case of a predefined exit, whereas the entitlement is calculated on the base of a (virtual) participation in the subscribed capital of the company and distributed only after an individually defined vesting period has elapsed. However, the respective beneficiary does not receive any at-equity participation in the subscribed capital of the company. The shareholders' meeting of the company has authorized the company to issue up to 6,000 virtual shares with a nominal value of 1 Euro per virtual share under this virtual participation program.

The amounts to be paid to the beneficiaries under this program shall only be settled in cash and are recognized at their fair value. This fair value is determined with the aid of an option pricing model based on Black-Scholes taking into account the exit probability assessed by the management for each individual effective date. Dividend payments will not be taken into account when calculating the fair value. Expenditures resulting from entitlements earned by beneficiaries based on vested virtual shares under the program will be reflected in provisions. Such provisions are built up on a monthly basis during the vesting periods for the Virtual Shares.

Virtual shares which have not been fully vested yet will not be considered as expenditures.

In 2017 the company issued additional 1,300 shares based on the “Virtual participation program I”. The following shares have been issued under the Virtual Participation Program I:

	Number of issued shares	Number of the vested shares (pc)	Fair value (€)	Total expenditure of the period (€)	Inner value of the vested shares (€)
December 31, 2016	4,400	1,233	155,041.94	105,042.00	284,650.00
December 31, 2017	5,700	2,725	382,702.00	227,660.00	535,777.00

The valuation of the underlying time value on the basis of the following parameters:

	Subscribed capital	Fair value per issued share (€)	Remaining time (year)	Exit probability	Risk-free Interest rate	Volatility	Dividends (€)
December 31, 2016	71,270.00	273.67	1.5	25.00%	-0.50%	66%	0.00
December 31, 2017	76,752.00	273.67	0.5	50.00%	-0.30%	46%	0.00

The volatility is determined in the light of a peer-group of listed companies with similar business models as the creditshelf group.

Virtual Participation Program II

As of July 29, 2015 the company entered into a virtual participation agreement with a co-operation partner granting a virtual participation in the Company's subscribed capital – in addition to an existing cooperation agreement entered into by and between the aforementioned parties. The co-operation partner has been granted with 1,500 virtual shares with a nominal value of 1.00 Euro per virtual share. Any rights deriving from this Virtual Participation Program II are based on contractual obligations only and will be settled in cash. Hence, the cooperation partner has neither acquired any voting rights nor the right to participate in the shareholders' meeting of the company and, furthermore, is not entitled to any statutory shareholders' rights. The Virtual Participation Program II may entitle the beneficiary to payments in case that the company pays dividends or in case of a contractually defined exit-event, i.e. a change of control at the level of the existing shareholders of the company, occurs.

Based on the contractual structure of the "Virtual Participation Program II", the fair value of an individual virtual share corresponds to the fair value of the corresponding actual shareholding in accordance with economic and financial mathematical principles.

The calculation of the fair value of the virtual participation rights will be assessed in accordance with the general principles for carrying out company valuation and is based on the value of the respective corresponding share participation in creditshelf as it has been defined in last funding round provided that such valuation was based on an arm's length principle and that the funding round has taken place within a period of one year.

Provisions for the aforementioned virtual participation program will be re-assessed based on time-adjusted fair value of the newly issued share appreciation rights for each financial year. All changes in the provision will be taken into the profit or loss statements.

The following virtual shares have been issued under the "Virtual Participation Program II":

Date	Number of issued shares	Strike price (EUR)	Value of underlying asset (EUR)	Fair value per issued share	Total fair value (EUR)
December 31, 2017	1,500.00	0.00	273.67	273.67	410.505,00
December 31, 2016	1,500.00	0.00	273.67	273.67	410.505,00

The expenses recorded in the balance sheet for "Virtual Participation Program II" in the financial year 2017 amount to EUR 0.00 (2016: EUR 335,520.00).

6. Significant accounting estimates and judgements

The preparation of the consolidated financial statements is subject to discretionary decisions, estimates and assumptions made by the management which may affect the accounting methods and the values of assets, liabilities, income and expenses. Actual values could therefore deviate from these estimates. Estimates and judgements will continuously be re-evaluated and are based on the experience of the management and other factors, such as the expectation of future results that should and can be regarded as reasonable.

Assumptions and estimation uncertainties

The following notes provide additional information on assumptions and estimates that may change the valuation of amounts and may also lead to major adjustments to the carrying amounts of the respective assets or liabilities affected:

Note 17 –recognition of deferred tax assets: Uncertainties exist with respect to the likelihood that further taxable profits will exist to utilize the net loss carry forwards.

Notes 22, 24 – recognition and measurement of provisions and contingent liabilities: Uncertainties exist with respect to the assumptions on the probability and the extent of major utility inflows or outflows. This applies in particular to the valuation and assessment of the obligations deriving from the "Virtual Participation Program II".

F. Notes to the Consolidated Statement of Comprehensive Income

7. Revenues

Revenues consists of the following:

	December 31, 2017	December 31, 2016
Commission fees received from brokerage services	774,249.94	247,619.99
Servicing charges to investors	427,679.73	0.00
Total	**1,201,929.67**	**247,619.99**

8. Other operating income

Other operating income consists of the following:

	December 31, 2017	December 31, 2016
Discount on sale of loans	264,026.29	11,747.39
Other operating income	3,064.95	10,711.06
Total	**267,091.24**	**22,458.45**

The discount on the sale of loans results from different buying and selling prices of the loans. Since the average selling price corresponds to the purchase price, the income from discounting is counteracted by a premium from the sale of the loan receivable.

9. Other operating expenses

Other operating expenses consists of the following:

	December 31, 2017	December 31, 2016
Personnel expenses	1,066,451.25	391,780.98
Legal and consulting services	266,221.11	171,415.66
Premium from loan receivable sale	264,026.10	11,747.41
Expenses for the virtual participation programs	227,660.00	440,562.00
Expenses for advertising and marketing	202,845.20	103,403.15
Third party services	147,012.25	260,930.28
Depreciation	130,743.78	37,232.37
Rental expenses	66,080.38	30,303.90
Other operating expenses	183,696.39	60,125.41
Total	**2,554,736.46**	**1,507,501.16**

Expenses for third-party services are comprising paid commissions and administrative commissions, which were paid as remuneration to a cooperation partner on the basis of a cooperation agreement.

The expenses for marketing and advertising mainly include expenses for marketing and public relations.

10. Personnel expenses

The personnel expenses consist of the following items:

	December 31, 2017	December 31, 2016
Wages and salaries	844,317.69	327,027.36
Social contributions and expenditures for pensions and related employee benefits	207,220.20	64,753.62
Total	**1,051,537.89**	**391,780.98**

11. Depreciation

Reference is made to the roll-forward schedule in **Note 15.**

12. Financial results

The financial results for the financial year consists of the following:

	December 31, 2017	December 31, 2016
Interest based on discounts	-26,876.00	0.00
Other interest income	0.00	83.58
Interest for shareholder loans	-1,001.53	-1,000.00
	-27,877.53	**-916.42**

Interest expense from discounting includes EUR 4,227.17 (prior year: EUR 0.00) from discounting of leasing liabilities.

13. Income taxes

Income taxes consist of the following items:

	December 31, 2017	December 31, 2016
Corporate income tax	0.00	21.00
Solidarity tax	0.00	1.10
Capital gains tax (25%)	0.00	-20.87
Solidarity tax on capital gains tax	0.00	-1.10
Income taxes from the addition to deferred taxes	356,850.45	397,692.75
	356,850.45	**397,692.88**

Income taxes include the taxes paid or owed on income.

The income taxes relate exclusively to the result of ordinary business activities.

14. Tax reconciliation

	December 31, 2016
Earnings before taxes	-1,238,339.14
Income tax expense at a tax rate of 31.93%	-395.401.69
Tax on non-deductible business expenses	-303.40
Other differences	-1,987.79
Amount recognized in the statement of profit or loss	397,692,88
Effective tax rate	**-32.12%**

	December 31, 2017
Earnings before taxes	-1,113,593.08
Income tax expense at a tax rate of 31.93%	-355,570.27
Tax on non-deductible business expenses	-323.98
Other differences	956.20
Amount recognized in the statement of profit or loss	-356,850.45
Effective tax rate	**-32.04 %**

G. Notes to the Consolidated Statement of financial position

15. Non-current assets

For the development of fixed assets, please see the consolidated schedule of fixed asset movements attached as Notes to the consolidated financial statements.

a. Intangible assets

Movements in intangible assets:

	Internally generated intangible asset	Intangible assets under development	Total
Acquisition and production costs			
As of January 1, 2016	32,540.34	0.00	32,540.34
Additions	141,267.65	0.00	141,267.65
Disposals	27,540.34	0.00	27,540.34
As of December 31, 2016	146,267.15	0.00	146,267.15
Accumulated depreciation			
As of January 1, 2016	5,789.34	0.00	5,789.34
Additions	12,043.15	0.00	12,043.15
Disposals	10,518.34	0.00	10,518.34
As of December 31, 2016	7,314.15	0.00	7,314.15
Carrying amount as of December 31, 2016	**138,953.00**	**0.00**	**138,953.00**
Carrying amount as of January 1, 2016	**26,751.00**	**0.00**	**26,751.00**
Acquisition and production costs			
As of January 1, 2017	146,267.15	0.00	146,267.15
Additions	238,202.83	216,222.70	454,424.53
Disposals	0.00	0.00	0.00
As of December 31, 2017	384,469.98	216,222.70	600,692.68
Accumulated depreciation			
As of January 1, 2017	7,314.15	0.00	7,314.15
Additions	79,401.83	0.00	79,401.83
Disposals	0.00	0.00	0.00
As of December 31, 2017	86,715.98	0.00	86,715.98
Carrying amount as of December 31, 2017	**297,754.00**	**216,222.70**	**513,976.70**
Carrying amount as of January 1, 2017	**138,953.00**	**0.00**	**138,953.00**

The capitalized intangible assets are only depreciable intangible assets and prepayments.

Self-generated intangible assets with a book value of EUR 297,754.00 (In 2016: EUR 138,953.00) relate to the second version of the parent company's online platform. This platform serves as a virtual marketplace for potential borrowers and credit investors.

The internet platform was capitalized at costs. The production costs include – inter alia – the remuneration of external service providers that have been engaged to create the online platform. According to the underlying contractual agreements entered into with the aforementioned service providers, the risk of failure in creating the online platform is borne solely by creditshelf and not the service provider, hence, the internet platform was treated as an internally generated intangible asset. Furthermore the company incurred own personnel expenses of EUR 158,692.83 (in 2016: EUR 32,814.10) capitalized them in addition to the book value of the second Internet platform.

The production costs were reduced by the accumulated depreciation.

In 2017 credishelf started the development of the risk tool. The tool should evaluate the credit risk by potential borrower. A third party has been engaged to develop the tool. Based on the contractual agreement the risk of failure regarding the development of the risk tool remains with the external service provider. Thus the down payments have been accounted for as a prepayment and capitalized as an intangible asset.

Further, the company used its own resources to develop the risk tool. The employees assisted the external service provider in executing the development of the tool. The compensation expenses that do relate to the development in the amount of EUR 52,672.70 (2016 EUR 0.00) have been capitalized as incidental acquisition costs of the risk tool.

b. Property, plant and equipment

Movements in property, plant and equipment:

	Right of use for land and buildings	Other equipment, factory and office equipment	Total
Acquisition and production costs			
As of January 1, 2016	0.00	4,379.32	4,379.32
Additions	0.00	37,021.22	37,021.22
As of December 31, 2016	0.00	41,799.54	41,799.54
Accumulated depreciation			
As of January 1, 2016	0.00	1,540.32	1,540.32
Additions	0.00	8,167.22	8,167.22
As of December 31, 2016	0.00	9,707.54	9,707.54
Carrying amount as of December 31, 2016	**0.00**	**32,092.00**	**32,092.00**
Carrying amount as of January 1, 2016	**0.00**	**2,839.00**	**2,839.00**
Acquisition and production costs			
As of January 1, 2017	0.00	41,799.54	41,799.54
Additions	294,913.12	54,747.83	349,660.95
Disposals	0.00	2,701.23	2,701.23
As of December 31, 2017	294,913.12	93,846.14	388,759.26
Accumulated depreciation			
As of January 1, 2017	0.00	9,707.54	9,707.54
Additions	24,576.12	26,332.83	50,908.95
Disposals	0.00	1,869.23	1,869.23
As of December 31, 2017	24,576.12	34,171.14	58,747.26
Carrying amount as of December 31, 2017	**270,337.00**	**59,675.00**	**330,012.00**
Carrying amount as of January 1, 2017	**0.00**	**32,092.00**	**32,092.00**

In the position “right of use for land and buildings”, the value of the office in Mainzer Landstraße 33a, Frankfurt is capitalized due to the leasing condition.

The Group has entered into a renting contract for five years at August 1, 2017. There are no other leasing contracts. The monthly payments are recorded as repayment and interest expense. We have discounted the leasing liability to December 31, 2017. The right of use in property, plant and equipment is the present value. The present value is depreciated over five years by the straight line method. The discounting was carried out at a discount rate of 3.6% which was taken on from the management as the estimated contractual interest rate of the lease. In this way expenses from the depreciation of the usage right and from the interests are accounted in the profit or loss. The renting contract includes a price index clause so that the renting interest rate is adjusted by 2.0% after two years. According to the contract this has a retrospective effect so that in the first year of the indexation the rent adjustment of 4.0% and in the following years of 2.0% are prescribed.

The development and the carrying amount of the property, plant and equipment are listed in the above-mentioned table.

The leasing liability developed as follows:

	Leasing liabilities in EUR	Rent in EUR	Amortization in EUR	Interest in EUR
01.08.2017	294,913.12			
31.08.2017	290,124.51	5,659.08	4,788.61	870.47
30.09.2017	286,178.10	5,659.08	4,802.75	856.33
31.10.2017	282,208.39	5,659.08	4,814.39	844.69
30.11.2017	278,215.25	5,659.08	4,826.11	832.97
31.12.2017	274,198.53	5,659.08	4,837.90	821.18

No impairments incurred in 2017.

16. Accounts receivables

The accounts receivables consists of the following:

	December 31, 2017	**December 31, 2016**
Accounts receivables	147,493.43	0.00
General individual value adjustments on accounts receivables	-2,562.70	0.00
Total	**144,930.73**	**0.00**

Accounts receivables refer to the commission fees received by creditshelf service GmbH and are due in more than one year.

17. Deferred tax assets

Differences between IFRS and statutory tax regulations lead to temporary differences between the carrying amount of assets and liabilities in the consolidated balance sheet and their tax base.

The tax effects of temporary differences and unused tax losses carried forward are as follows:

	December 31, 2017		December 31, 2016	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Intangible assets	0.00	95,057.95	0.00	44,360.75
Tangible assets	0.00	86,305.08	0.00	0.00
Provisions	253,231.33	0.00	180,550.88	0.00
Liabilities	87,537.88	15,962.50	0.00	15,962.50
Loss and interest carry forwards	741,855.21	0.00	408,220.80	0.00
Total	1,082,624.42	197,325.53	588,771.68	60,323.25
Net balance	**885,298.88**	**0.00**	**528,448.43**	**0.00**

The company has evaluated the usability of the tax loss carry-forwards on the basis of various criteria. Based on the long-term planning of the company, supported by the business development of the company at the time of preparing the consolidated financial statements, it is seen as probable that tax losses can be utilized.

In accordance with IAS 12.74, deferred tax assets and deferred tax liabilities have been disclosed net.

Tax loss carry-forwards

For tax periods in which a taxable profit is made, a loss carry-forward may be fully deducted up to a total amount of income of up to EUR 1 million and for up to 60.0% for any amount exceeding EUR 1 million of income. Therefore, the tax loss carry-forwards assist to reduce the rate of the taxable income above EUR 1 million to 40.0%.

As of December 31, 2017 and 2016, the company has corporate tax loss carry forward amounting to EUR 2,317,156.00 (2016: EUR 1,271,358.00) and trade tax loss carry-forwards amounting to EUR 2,317,156.00 (2016: EUR 1,271,358.00).

The fully consolidated network company had a loss carry-forwards as of December 31, 2017 of EUR 6,587.78 (in 2016: EUR 8,794.40).

The recoverable amount of the tax assets from losses carried forward within the Group amounts to EUR 741,855.21(in 2016: 408,688.65) and is secured by future positive earnings from operating activities. This assumption is supported in particular by the corporate planning of the company envisaging positive earnings and a corresponding utilization of loss carry-forwards for the year 2019 onwards. This projection is evidenced by the steady increase of the demand of services provided by creditshelf and by the development of the peer-to-peer lending market, which consistently shows high double-digit growth rates.

18. Other current assets

Other assets consists of the following items:

	December 31, 2017	December 31, 2016
Deferred income	30,238.82	9,428.15
Deductible VAT in the next financial year	26,794.65	14,177.68
Tax claims (VAT)	14,537.31	50,381.05
Current tax claims	22.10	82.14
Total	**71,592.88**	**74,069.02**

19. Other financial assets

Other financial assets consists of the following items:

	December 31, 2017	December 31, 2016
Vendor with debit balances	22,096.35	10.00
Deposits	5,603.58	6,603.58
Other	4,707.21	49.98
Total	**32,407.14**	**6,663.56**

20. Cash and cash equivalents

Cash and cash equivalents consists of the following items:

	December 31, 2017	December 31, 2016
Cash	51.13	203.89
Cash deposits	2,027,079.63	489,978.57
Total	**2,027,130.76**	**490,182.46**

The cash equivalents contain all assets that have term of maturity less than three months at the time of acquisition or investment.

21. Capital and other reserves

At the date of foundation of the holding company on October 6, 2014 subscribed capital amounted to EUR 50,000.00.

The subscribed capital was increased by shareholders resolution on May 6, 2016 by EUR 6,666.00, for 6,666 shares. The new shares were taken over by Obotritia Beteiligungs GmbH (Obotritia).

Furthermore, the shareholder meeting on June 1, 2016 approved an additional capital increase of 2,775 EUR for 2,775 shares. Thereof Obotritia and Purum AG (Purum) acquired 2,220 shares and 555 shares respectively.

The subscribed capital was further increased by shareholders resolution on December 6, 2016 by EUR 1,827.00. Obotritia and Purum AG (Purum) acquired 1,736 shares and 91 shares, respectively.

By shareholder resolution dated March 28, 2017 the subscribed capital was further increased by EUR 5,482.00 EUR for 5,482 shares. The new shares have been acquired by Obotritia. In the context of the capital increase, Wahtari GmbH sold 3,070 shares to Obotoria Beteiligungs GmbH.

As of November 6, 2016 Obotritia Beteiligungs GmbH has been converted into Hevella Capital GmbH & Co. KGaA.

Subscribed capital is as follows:

	Shareholders					Total
	LDT UG	DBR UG	Wahtari GmbH	Obotritia Beteiligungs GmbH	Purum AG	
December 31, 2016						
Nominal in EUR	20,000.00	20,000.00	9,400.00	21,224.00	646.00	71,720.00
Percentage in %	28.06	28.06	13.19	17.67	0.91	100.00
December 31, 2017						
Nominal in EUR	20,000.00	20,000.00	6,330.00	29,776.00	646.00	76,752.00
Percentage in %	26.06	26.06	8.25	38.80	0.84	100.00

22. Non-current provisions

In the financial year, the individual provisions of the Group have developed as follows:

	January 1, 2016	Consumption	Reclassification	Addition	December 31, 2017
Provisions for the virtual participation program	565,547.00	0.00	-155,042.00	0.00	410,505.00
Total	**565,547.00**	**0.00**	**-155,042.00**	**0.00**	**410,505.00**

The provisions for virtual participations, however, are long-term. They have been valued at the best estimate of the expenses required to settle the present obligation at the reporting date. Reference is made to **Note 5n** for the valuation of virtual program.

23. Other non-current financial liabilities

Other non-current financial liabilities consists of the following items:

	December 31, 2017	December 31, 2016
Non-current liabilities from leasing obligations	215,354.53	0.00
Loan from DBR Investment UG	51,415.28	50,915.28
Loan from LDT Investment UG	51,413.20	50,913.20
Total	**318,183.01**	**101,828.48**

The provisions of EUR 382,702.00 (previous year: EUR 155,042.00) formed for obligations under "Virtual Participation Program I" were reclassified to current provisions in the financial year due to an exit event planned for 2018. Due to the long-term nature of the previous year, the previous year's figure is still reported under non-current provisions.

Non-current liabilities include the non-current part of the rental liabilities from the lease of the Mainzer Landstrasse 33a, Frankfurt office premises. Further disclosures and information regarding the roll forward regarding the right of use we refer to Note 14b.

Non-current liabilities also include 8 loans granted by the shareholders DBR Investment UG and LTD Investment UG with a respective nominal value of EUR 12,500.00 each.

The loans carry interest of 1.0 % p.a. in accordance with the respective loan contract. The loans have a maturity until December 31, 2019 and are to be paid at maturity date including accrued interest.

24. Other liabilities

Other liabilities consists of the following items:

	December 31, 2017	December 31, 2016
Accrual for virtual participation program I	382,702.00	0.00
Accrual for litigation	118,585.33	40,949.13
Accrual for personnel	20,633.36	0.00
Liability for personnel expenses	18,413.54	9,839.42
Accrual for vacation	14,913.36	0.00
Accrual for preparation of the financial statements	13,863.58	6,700.00
Liability social security	2,328.05	758.52
Other liabilities	5,702.52	2,611.56
Total	**577,141.74**	**60,858.63**

The withheld and still payable income tax and church tax, social security and employee contributions to occupational pensions relate to the last month of the reporting period and have been fully paid in the following year.

The company has entered into a legal dispute as a syndicate leader and represents an investor affected by the insolvency of a borrower. The provision amount of EUR 118,585.33 represents the highly likely litigation costs incurred by the company as of the balance sheet date.

25. Accounts payables

	December 31, 2017	December 31, 2016
Accounts payable	1,707.890.38	119,370.80
Total	**1,707.890.38**	**119,370.80**

The accounts payables are mainly composed of the credits amounted to EUR 789,662.93 which were partly repaid by the borrowers before the due date, though they were not yet payed to the investors. The amount of EUR 590,000.00 are the payments of the investors, which were not yet regarded as credits or only to be sold in 2018.

Furthermore, accounts payables include payables to shareholders due to the management service agreement and the additional development capacities provided for the development of the online platform. The liabilities to shareholders consist of Wahtari GmbH amounting EUR 10,115.00 (2016: EUR 18,841.66), LDT Investment UG amounting EUR 49,583.83 (2016: EUR 29,749.98) and DBR Investment UG amounting 9,916.66 (2016: EUR 19,833.32).

Liabilities are shown at the higher of their nominal value or the repayment value.

H. Notes to the Consolidated Statement of cash flow

The cash flow statement has been prepared in accordance with IAS 7, and consists of the cash flow from operating activities, cash flow from investing activities and cash flow from financing activities. The sum of all cash flows represents the movement in cash and cash equivalents.

26. Other non-cash expenses / income of assets

Other non-cash expenses / income of assets as well as gains and losses from the disposal have been eliminated.

27. Development of financial liabilities

The development of financial liabilities in accordance with IAS 7.44A ff. is presented below.

	December 31, 2016	Cash Flow	Additional aquistion	Exchange rate changes	Changes in fair value	Other changes	December 31, 2017
Leasing liabilities	0.00	0.00	274,198.53	0.00	0.00	0.00	274,198.53
Total financial liabilities	**0.00**	**0.00**	**274,198.53**	**0.00**	**0.00**	**0.00**	**274,198.53**

I. Other disclosures

28. Disclosures on leases

In accordance with IFRS 16.5, the Company did not capitalize rent and lease agreements for low-value leased assets and short-term leases in accordance with the regulations of IFRS 16.22, but recognized them as expenses in the financial year in accordance with IFRS 16.6. EUR 2,521.09 (prior year: EUR 0.00) for low-value leased assets were expensed by the Company in fiscal year 2017.

Depreciation of EUR 24,576.12 (previous year: EUR 0.00) was recorded for the right to use leases, which was capitalized for the first time in the reporting year.

Furthermore, the recognition of the lease resulted in interest expense of EUR 4,225.64 (prior year: EUR 0.00).

Overall, rental and leasing agreements resulted in cash outflows of EUR 62,136.69 (prior year: EUR 19,005.69).

The lease liabilities existing as of December 31, 2017 have the following maturities:

	> than 1 month	1 – 3 months	3 - 12 months	1 – 5 years	Over 5 years	Total	Book Value
Mainzer Landstrasse	4,836.11	9,672.21	43,524.97	216,165.24	-	274,198.53	274,198.53

In the previous year, the company had no lease liabilities.

29. Disclosures to revenue according to IFRS 15

As of the balance sheet date, the company reported receivables from customers in the amount of EUR 350,307.41 (previous year: EUR 0.00). The capitalized receivables were recognized taking into account a part of financing of EUR 19,295.20 (previous year: EUR 0.00), which is reflected in the income statement as expenses from discounting receivables. The simplification rule of IFRS 15.63 was not applied.

Liabilities to customers in the amount of EUR 1,379,662.93 (previous year: 0.00) were further reported. These mainly result from loan amounts received from investors but not yet passed on to the fronting bank.

30. Contingent liabilities

As of December 31, 2017 the company has no obligations from contingent liabilities.

31. Additional disclosures to financial instruments

a. Capital management

The Group manages its capital to ensure that its entities will be able to continue as a going concern.

The capital structure of the Group consists of net debt (borrowings offset by cash and cash equivalents) and equity of the Group. Equity comprises of subscribed capital, capital reserves and retained earnings.

The Group is not subject to any external imposed capital requirements.

The management of the Group regularly reviews the capital structure of the Group. As part of this review, management considers the costs of capital and the risk associated with each class of capital. Due to the ongoing establishment of the business of the Group, management had decided not to make use of any loan or any other similar financial instrument and to use equity to finance its business. Equity has regularly been increased. Thus management has set its targeted net gearing to be <0.0%. Net gearing is defined as net debt to equity. As of December 31, 2017 net gearing was slightly above the target range and amounted 27.2 %. This is due to the reclassification of provisions for obligations from "Virtual Participation Program I" to current liabilities. In addition, the current part of liabilities from leases is reported under current liabilities at EUR 58,844.00 (previous year: 0.00).

Due to the ongoing establishment of the Groups finance and capital structure it is expected that the key performance indicator will be characterized by strong fluctuations. Management is aware of the fluctuation and thus monitors the net gearing regularly. The Group had defined that the targeted gearing ratio should be within 20.0 % to 25.0 % as proportion of net debt and equity.

The gearing ratio at the end of the reporting period was as follows:

	December 31, 2017	**December 31, 2016**
Current liabilities	2,343,876.12	180,229.43
Cash and cash equivalents	2,027,130.76	490,182.46
Net Debt	316,745.36	-309,953.03
Equity*	1,166,329.13	426,803.56
Net debt to equity	27.2 %	-72.6 %

* Equity includes all capital and reserves of the Group.

b. Categories of financial instruments

	December 31, 2017	December 31, 2016
Financial assets		
Cash and cash equivalents	2,027,130.76	490,182.46
Loans and receivables (including Accounts receivables)	283,522.86	70,554.90
	2,310,653.62	560,737.36
Financial Liabilities		
Fair value through profit or loss designated at fair value through profit or loss	793,207.00	565,547.00
At amortized costs (including accounts payables)	2,264,265.93	268,848.41
	3,057,472.93	834,395.41

The financial liabilities classified as designated at fair value through profit and loss refers to the provision regarding the share based payments („Virtuelle Beteiligung II") as well as liabilities for rent regarding the office Mainzer Landstrasse 33a, Frankfurt am Main. For further information regarding the program and the issuance of the share based payments please refer to Note 5n within the notes to the financial statements.

c. Risk management objectives

Due to the size of the company, the Group's management is responsible for monitoring and managing the financial risks associated with the business and related reporting. The risks are analyzed comprehensively according to the degree and extent of the respective risk. These risks include market risk, default risk and liquidity risk.

In the year under review, the Group is in the process of establishing "Group guidelines" as well as written instructions to its employees.

Market risk

The company was not exposed to exchange rate or interest rate risks in the 2017 and 2016 financial year.

Default risk

Default risk is the risk of loss to the Group if a counterparty fails to meet its contractual obligations. The common practice of creditshelf group requires that business relationships are only concluded with creditworthy investors and borrowers. Furthermore, each business partner, either the investor or the borrower, is subjected to an internal risk rating. The management of the company continuously monitors this rating process and adapts it to market changes and customer behavior.

To take into account the default risk in the area of accounts receivables, the company has made sufficient generalized individual value adjustments.

Due to the fact that company has selected banks with an excellent credit rating, the default risk of cash / cash equivalents is deemed to be low.

Liquidity risk

The ultimate responsible for managing liquidity is the corporate management. Management is responsible for establishing a framework to manage short, medium and long term funding and liquidity requirements. The Group manages liquidity risks by holding appropriate reserves and shareholder loans and by constantly monitoring forecasted and actual cash flows and reconciling the maturity profiles of financial assets and liabilities.

The following table provides an overview of maturities of non-derivative financial assets.

	Weighted average effective interest rate	> 1 month	1 - 3 months	3 - 12 Months	1 - 5 years	more than 5 years	Total	Book value
December 31, 2016								
Non-interest bearing	-	59.98	-	-	6,603.58	-	6,663.56	6,663.56
December 31, 2017								
Non-interest bearing	-	4,707.21	22,096.35	-	32,657.22	-	59,460.78	59,460.78

The following table shows an overview of the contractual maturities of non-derivative financial liabilities.

	Weighted average effective interest rate	> 1 month	1 - 3 months	3 - 12 Months	1 - 5 years	more than 5 years	Total	Book value
December 31, 2016								
Non-interest bearing	-	-	139,280.30	-	40,949.13	565,547.00	745,776.43	745,776.43
Fixed interest bearing	1 %	-	-	-	101,828.48	-	101,828.48	101,828.48
December 31, 2017								
Non-interest bearing	-	-	1,761,409.59	-	119,815.33	793,207.00	2,674,431.92	2,674,431.92
Fixed interest bearing	1 %	-	-	-	102,828.48	-	102,828.48	102,828.48
Fixed interest bearing	3.6 %	4,836.11	14,580.85	39,427.04	215,354.53	-	274,198.53	274,198.53

d. Fair value determination

The provisions relating to the "Virtual Participation Program I+II" in the amount of EUR 793,207.00 (in 2016: 565,547.00) disclosed in other provisions is a financial liability that is regularly measured at fair value. The fair value measurement for "Virtual Participation Program I" is categorized as at Level 1 measurement and depends on the value of the respective underlying instrument (value of the real company share in creditshelf). The fair value of the underlying is determined at the end of the reporting period by determining the enterprise value. The fair value measurement for "Virtual Participation Program II" is categorized as at Level 2 measurement. Please refer Note 4n within the financial statements.

e. Fair value of financial assets and liabilities that are not designated as measured at fair value but with the obligation to specify the fair value

For the financial assets and liabilities designated in this category and not presented under d. management assumes that the residual book value of historical acquisition cost and accumulated depreciation is a proper approximation of the fair value of these assets and liabilities due to short maturity or a market conform interest.

32. Related party transactions

In accordance with the requirements of IFRS, we report on business relationships with related companies and persons (related parties).

Related parties are shareholders, other individuals as well as affiliates that have material influences on the Group and its financial- and business policies. Persons with material influence on the Group's financial and business policies include all key personnel and their family members. Within the Group, this applies to the corporate management of the holding company. The following related parties have been identified:

	Function
Dr. Tim Thabe	Managing director
Dr. Daniel Bartsch	Managing director
Christoph Maichel	Managing director
DBR Investment UG	Shareholder
LDT Investment UG	Shareholder
Wahtari GmbH	Shareholder
Hevella Capital GmbH & Co. KGaA (former Obotritia Beteiligungs GmbH)	Shareholder
Purum AG	Shareholder

Balances and transactions between the company and its subsidiary, which is a related party, have been eliminated as part of the consolidation and are not disclosed in the notes. Further information on transactions occurred between the Group and other related parties are discussed below.

e. Services rendered

Based on the agreement entered into by DBR Investment UG, LDT Investment UG and Wahtari GmbH about providing management capacities on October 6, 2015 several management services have been rendered to the Group. The agreement has a duration of two years and will be extended by another six months, which is subject to a three-month notice period.

Furthermore, there is a contract between creditshelf GmbH and Wahtari GmbH for providing IT development services.

In 2016	Appropriation of development services	Delivery of management services	Total
DBR Investment UG	0.00	39,666.66	39,666.66
LDT Investment UG	0.00	39,666.66	39,666.66
Wahtari GmbH	74,500.00	80,503.33	155,003.33

In 2017	Appropriation of development services	Delivery of management services	Total
DBR Investment UG	0.00	62,500.02	62,500.02
LDT Investment UG	0.00	62,500.02	62,500.02
Wahtari GmbH	74,500.00	77,083.33	151,583.33

f. Investments to related parties in the ordinary course of business

As part of the ordinary course of business, loans from creditshelf service GmbH were acquired by the related parties listed below.

	December 31, 2017		December 31, 2016	
	Number of purchased credits	Amount of purchased credits	Number of purchased credits	Amount of purchased credits
DBR Investment UG	2	20,000.00	10	140,000.00
LDT Investment UG	2	20,000.00	8	120,000.00
Hevella Capital GmbH & Co. KGaA	0	0.00	24	6,940,000.00
Wahtari GmbH	0	0.00	1	10,000.00
Purum AG	0	0.00	4	60,000.00

g. Repurchase of loans in the ordinary course of business

In the context of the Group's ordinary business activities, loans were sold back to creditshelf service GmbH by the related parties listed below.

	December 31, 2017		December 31, 2016	
	Number of sold credits	Volume of purchased allowance	Number of sold credits	Volume of purchased allowance
Hevella Capital GmbH & Co. KGaA	3	300,000.00	13	1,475,000.00

h. Loans from related parties

	December 31, 2017	December 31, 2016
Loan from DBR Investment UG	51,415.28	50,915.28
Loan from LDT Investment UG	51,413.20	50,913.20
	102,828.48	101,828.48

Please refer to Note 23 within the notes to the financial statements.

Transactions with related companies are contractually agreed. Services have been rendered at arms' length.

33. Information on employees acc. to Section 314 (1) no. 4 HGB

The company employed an average of 14,5 (in 2016: 6) salaried employees in 2017.

34. Advisory board compensation

The company has appointed advisory board ("Beirat") which is a purely informative body and receives no remuneration.

35. List of shareholdings according to section 313 (2) HGB

Subsidiaries included in the consolidated financial statements:

	Place of business	Capital interest 31.12.2017
creditshelf service GmbH	Frankfurt am Main	100.00 %

36. Information on the management

Names and members of the management

Management of group consists of the following throughout the financial year:

Herr Dipl.-Kfm. Christoph Maichel, managing director (until September 2017)

Herr Dr. Daniel Bartsch, managing director

Herr Dr. Tim Thabe, managing director

Herr Dr. Mark Währisch, managing director (since May 11, 2016)

Remuneration of the members of the management

The remuneration of the managing directors in 2017 was EUR 324,023.83 (2016: 213,170.01) has been paid to the management.

In 2016 2,000 virtual participations of the "Virtual Participation Program I" have been granted to one of the general managers of the company. As of the balance sheet date 1,000 (2015: 333) of these participations have been vested and represented a fair value of EUR 164,105.00 (2015: EUR 50,569.00).

37. Appropriation of net losses

The management proposes the following appropriation of net loss in agreement with the shareholders:

The net loss for 2017 of EUR 799,214.85 will be combined with the loss carried forward of EUR 1,118,646.22 and will be carried forward with the new amount of EUR 1,917,861.07.

38. Approval of the annual accounts

The consolidated financial statements were compiled by management on April 3, 2018 and provided to the shareholders' meeting for approval.

Frankfurt, April 3, 2018

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

39. Declaration according to sec. 297 (2) HGB in connection with sec. 315e (1) HGB

"We assure to the best of our knowledge that the consolidated financial statements give a true and fair view of the Group's net assets, its financial position and its results of operations in accordance with the applicable accounting principles.“

Frankfurt, April 3, 2018

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

STATEMENT OF MOVEMENTS IN FIXED ASSETS DURING THE 2017 FINANCIAL YEAR

	As of January 1, 2017	Additions	Disposals	Reclassification	As of December 31, 2017	As of January 1, 2017	Additions	Disposals	As of December 31, 2017	As of December 31, 2017	As of December 31, 2016
Non-Current assets											
Intangible assets											
Internally generated intangible assets	146,267.15	238,202.83	0.00	0.00	384,469.98	7,314.15	79,401.83	0.00	86,715.98	297,754.00	138,953.00
Intangible assets under development	0.00	216,222.70	0.00	0.00	216,222.70	0.00	0.00	0.00	0.00	216,222.70	0.00
Total intangible assets	146,267.15	454,425.53	0.00	0.00	600,692.68	7,314.15	79,401.83	0.00	86,715.98	513,976.70	138,953.00
Tangible assets											
Other equipment, factory and office equipment	41,400.54	54,348.83	2,302.23	399.00	93,846.14	9,707.54	26,332.83	1,869.23	34,171.14	59,675.00	31,693.00
Prepayments of other equipment, factory and office equipment	399.00	0.00	0.00	-399.00	0.00	0.00	0.00	0.00	0.00	0.00	399.00
Rights-of-Use for buildings	0.00	294,913.12	0.00	0.00	294,913.12	0.00	24,576.12	0.00	24,576.12	270,337.00	0.00
Total tangible assets	41,799.54	349,261.95	2,302.23	0.00	388,759.26	9,707.54	50,908.95	1,869.23	58,747.26	330,012.00	32,092.00
Total non-current assets	**188,066.69**	**803,687.48**	**2,302.23**	**0.00**	**989,451.94**	**17,021.69**	**130,310.78**	**1,869.23**	**145,463.24**	**843,988.70**	**171,045.00**

The following auditor's report is a translation of the German language auditor's report.

Auditor's Report

To creditshelf GmbH, Frankfurt:

We have audited the consolidated financial statements – comprising the consolidated balance sheet, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, the consolidated cash flow statement as well as the notes to the consolidated financial statements of creditshelf GmbH, Frankfurt am Main, for the financial year from 1 January 2017 to 31 December 2017. The preparation of the consolidated financial statements in accordance with IFRS, as adopted by the EU, and with the additional requirements of the German commercial law pursuant to section 315a paragraph 1 HGB are the responsibility of the parent company's management. Our responsibility is to express an opinion on the consolidated financial statements based on our audit.

We conducted our audit of the consolidated financial statements in accordance with paragraph 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany - IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the group and expectations as to possible misstatements are taken into account in the determination of audit procedures. Within the audit, the effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements are verified primarily on a sample basis. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the consolidated financial statements of creditshelf GmbH for the financial year from 1 January 2017 to 31 December 2017 comply with IFRS, as adopted by the EU, and the additional requirements of the German commercial law pursuant to section 315e paragraph 1 HGB and give a true and fair view of the net assets, financial position and results of operations of the group in accordance with these requirements.

Frankfurt, April 3rd, 2018

Warth & Klein Grant Thornton AG
Wirtschaftsprüfungsgesellschaft

Maximilian Meyer zu Schwabedissen Wirtschaftsprüfer	Manuel Selchow Wirtschaftsprüfer

creditshelf GmbH

Audited Consolidated Financial Statements

as of and for the fiscal year ended December 31, 2016

(prepared in accordance with IFRS)

CONSOLIDATED FINANCIAL STATEMENTS

A. Consolidated Financial statement of financial position as of December 31, 2016

	Note	December 31, 2016	December 31, 2015
in EUR			
Assets			
Non-current assets			
Intangible assets	15a	138,953.00	26,751.00
Property, plant and equipment	15b	32,092.00	2,839.00
Deferred tax assets	16	528,448.43	130,755.68
Total non-current assets		**699,493.43**	**160,345.68**
Current assets			
Accounts receivables		4,000.00	0.00
Other current assets	17	74,069.02	17,146.12
Other financial assets	18	6,663.56	2,822.54
Cash and cash equivalents	19	490,182.46	328,126.83
Total current assets		**574,915.04**	**348,095.49**
Total Assets		**1,274,408.47**	**508,441.17**
Liabilities and Equity			
Capital and reserves			
Subscribed capital	20	71,270.00	60,002.00
Capital reserves		1,474,179.78	488,566.35
Retained earnings		-1,118,646.22	-277,999.96
Total equity		**426,803.56**	**270,568.39**
Non-current liabilities			
Non-current provisions	23	565,547.00	74,985.00
Other non-current financial liabilities	21	101,828.48	100,828.48
Total non-current liabilities		**667,375.48**	**175,813.48**
Current liabilities			
Accounts payables	24	119,370.80	56,524.72
Other liabilities	22	60,858.63	5,534.58
Total current liabilities		**180,229.43**	**62,059.30**
Total liabilities and equity		**1,274,408.47**	**508,441.17**

B. Consolidated statement of profit or loss and other comprehensive income for the year ended December 31, 2016

in EUR	Note	2016	2015
Revenue	7	247,619.99	10,625.00
Revenue		**247,619.99**	**10,625.00**
Other operating income	8	22,458.45	5,113.80
Other operating expenses	9	-1,507,501.16	-369,123.32
Earnings before interest and taxes (EBIT)		**-1,237,422.72**	**-353,384.52**
Financial expenses	12	-1,000.00	-800.70
Financial income	12	83.58	226.19
Earnings before taxes (EBT)		**-1,238,339.14**	**-353,959.03**
Income taxes	13	397,692.88	113,296.39
Loss for the period (Net loss)		**-840,646.26**	**-240,662.64**
attributable to:			
Owners of the company		**-840,646.26**	**-240,662.64**
Non-controlling interests		**0.00**	**0.00**
Total comprehensive income		**-840,646.26**	**-240,662.64**
attributable to:			
Owners of the company		**-840,646.26**	**-240,662.64**
Non-controlling interests		**0.00**	**0.00**

C. Consolidated Statement of cash flows for the year ended December 31, 2016

	Note	December 31, 2016	December 31, 2015
in EUR			
Cash flow from operating activities			
Loss for the period		-840,646.26	-240,662.64
Adjustments for:			
Income taxes	13	-397,692.88	-113,296.39
Depreciation of property, plant and equipment	15b	8,167.22	1,540.32
Amortisation of intangible assets	15a	12,043.15	5,674.00
Gain / loss from disposal of intangible assets and fixed assets	15a	17,022.00	0.00
Increase (+)/decrease (-) in other provisions	22/23	534,411.13	77,875.00
Other non-cash related expenses/income		-1,339.83	-5,573.66
Interest expense		1,000.00	800.70
Interest income		-83.58	-226.19
Income taxes paid		-17.78	-60.04
Deposit		-3,878.10	0.00
Increase (-)/decrease (+) in other assets	17/18	-53,044.80	-2,517.86
Interest received		83.58	226.19
Operating cash flows before movements in working capital		**-723,976.15**	**-276,220.57**
Increase (-)/decrease (+) in accounts receivables		-4,000.00	0.00
Increase (+)/decrease (-) in accounts payables	24	60,362.80	39,754.21
Increase (+)/decrease (-) in other liabilities		11,474.92	-1,265.42
Cash used in operating activities		**-656,138.43**	**-237,731.78**
Purchase of property, plant and equipment	15b	-37,420.22	-4,379.32
Purchase of other intangible assets	15a	-141,267.15	-29,098.00
Cash used in investing activities		**-178,687.37**	**-33,477.32**
Proceeds from issuance of shares		1,006,666.00	500,003.00
Amortization of leasing liabilities		0.00	0.00
Transaction cost on issuance of shares		-9,784.57	-1,434.65
Proceeds from financial liabilities		0.00	75.000.00
Cash generated from financing activities		**996,881.43**	**573,568.35**
Net increase in cash and cash equivalents		162,055.63	302,359.25
Cash and cash equivalents at the beginning of the period	19	328,126.83	25,767.58
Cash and cash equivalents at the end of the period	**19**	**490,182.46**	**328,126.83**

D. Consolidated Statement of changes in equity for the year ended December 31, 2016

	Note	Subscribed Capital	Capital reserve	Retained Earrings	Total Equity
Balance as of January 1, 2015		**50,000.00**	**0.00**	**-37,337.32**	**12,662.68**
Loss for the period		0.00	0.00	-240,662.64	-240,662.64
Capital increase		10,002.00	490,000.00	0.00	500,002.00
Transaction cost on issuance of shares		0.00	-1,434.65	0.00	-1,434.65
Other changes		0.00	1.00	0.00	1.00
Balance as of January 1, 2016		**60,002.00**	**488,566.35**	**-277,999.96**	**270,568.39**
Loss for the period		0.00	0.00	-840,646.26	-840,646.26
Capital increase		11,268.00	995,398.00	0.00	1,006,666.00
Transaction cost on issuance of shares		0.00	-9,784.57	0.00	-9,784.57
Other changes		0.00	0.00	0.00	0.00
Balance as of December 31, 2016		**71,270.00**	**1,474,179.78**	**-1,118,646.22**	**426,803.56**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

A. Basics and methods applied

1. Information on the company and the consolidated group

General information

creditshelf GmbH („creditshelf“, „the company“ or „parent company“) is registered with the commercial register of Frankfurt am Main (commercial register ID HRB 100955). creditshelf is based in Mainzer Landstraße 33a, 60329 Frankfurt, Germany. The general purpose of the company is:

a) arranging of loan contracts,

b) matching of investors with German banks and insurance companies,

c) advisory and analysis of companies,

d) development of software to analyse the probability of default,

e) provision of IT services.

creditshelf GmbH is the holding company of creditshelf service GmbH. Creditshelf GmbH and creditshelf service GmbH combined will also be mentioned as „the creditshelf group“ or „the Group”. creditshelf service GmbH herein after „the network company” subsequently.

Nature of operations

creditshelf runs an online market place for the arranging of loan contracts for small and medium sized companies (“SME”). The market place connects loan investors with loan borrowers. Borrowers use the platform to raise loan financing.

creditshelf evaluates each loan project. Based on the credit worthiness of the borrower and by considering third party information the company determines the credit score for each project. Based on the credit score the company will be included on the platform. Thereafter the investors have the opportunity to pitch on the marketplace/platform for the loan projects on their own account and risk. Each loan has a fixed maturity. Once the sum of all pitches within a given period is equal to an expected loan volume, a credit contract could be executed.

The loan will be granted by a fronting bank not by the creditshelf group itself. The fronting bank will make its own lending decision and will enter into a loan agreement directly with the borrower. The agreement then will be handed over to the investors who act in their own accounts and risk.

creditshelf acts as a mediator and further provides administrative services as part of the loan processing within the credit lifecycle and supports banks during the operative management of the business process.

Information on the consolidated group

In 2016 there were no changes in the creditshelf group. The only subsidiary of creditshelf GmbH is the creditshelf service GmbH, which was founded in 2015 under the commercial register number 103351 in Frankfurt am Main. The business purpose of creditshelf service GmbH is the purchase and the sale of credit claims on its own name and for its own account. Not included are any activities that require an approval according to German Banking Act (Kreditwesengesetz (KWG)), to German Capital Investment Code (Kapitalanlagegesetz (KAG)), or the payment services supervision law (Zahlungsdiensteaufsichtsgesetz (ZAG)) and factoring. The 100%-subsidiary of creditshelf has EUR 25,000.00 of subscribed capital which was fully paid in on a separate bank account of creditshelf service GmbH. In 2016 the subsidiary reported a loss of EUR 4,442.05.

2. Basis of presentation

The consolidated financial statements as of December 31, 2016 have been prepared in accordance with the International Financial Reporting Standards and Interpretations on the IFRS (IFRIC) of the International Accounting Standards Board (IASB), as adopted by the EU, and in accordance with the supplementary regulations to be applied as specified in Section 315e para 3 German Commercial Code (Handelsgesetzbuch). The possibility of early adoption of new standards has not been applied.

Creditshelf is not obliged to prepare IFRS Financial statements. Creditshelf service GmbH has been founded in 2015 as a subsidiary of creditshelf GmbH. The consolidated financial statements have been prepared in 2015 for the first time.

The consolidated financial statements have been prepared on the company's ability to continue as a going concern.

The consolidated financial statements have been prepared in Euro, the functional currency of the Group.

The financial year of the company corresponds to the calendar year.

The consolidated financial statements comprise the consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, the consolidated statement of cash flow and the notes to the consolidated financial statements. In order to simplify the presentation, some individual items have been grouped together in the balance sheet and the income statement. However, these items are listed separately and explained in the notes. The income statement has been prepared in accordance with the cost-of-sales method.

The consolidated financial statements have been released by the management of the creditshelf GmbH and creditshelf service GmbH on April 3, 2018.

3. Newly applied standards of the financial year

The following standards are applied by the Group for the first time in the financial year:

Standard	Content and meaning for the financial statements	Mandatory first time application
Changes to IAS 19 "Employee benefits":	Besides supplements of the clarification there were new requirements made to the new valuation of the employee benefits which are obligated to be considered. There are no significant influence on the financial statement of the company.	February 1, 2015
Annual Improvements Project 2010 - 2012	Changes have been made to IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 24 and IAS 38. According to the management of the company there are no significant influences on the financial statement of the company.	February 1, 2015
Changes to IAS 1 „Presentation of financial statements"	The changes are in regard of the modification of new standards and clarification. According to the management there are no material impacts on the accounting.	January 1, 2016
Changes to IAS 16 „Property, plant and equipment" and to IAS 38 „Intangible assets"	Clarification of the depreciation methods of intangible assets. There are no significant influence on the financial statement of the company.	January 1, 2016
Changes to IAS 16 „Property, plant and equipment" and to IAS 41 „Agriculture"	The changes have widen the application of IAS 16. There are no significant influence on the financial statement of the company.	January 1, 2016
Changes to IAS 27 „Separate Financial Statements"	Changes are made to the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates They have no significant influence on the financial statement of the company.	January 1, 2016
Changes to IFRS 10 „Consolidated financial statements", IFRS 12 „Disclosure of Interests in Other Entities" and to IAS 28 „ Investments in Associates and joint ventures"	Changes have been made to IAS 28 regarding the treatment of long term interests in associated companies and joint ventures. They have no significant influence on the financial statement of the company.	January 1, 2016
Changes to IFRS 11 „Construction contracts"	Changes are in regard of the accounting by entities that jointly control an arrangement. There are no significant influence on the financial statement of the company.	January 1, 2016
Annual Improvements Project 2012 - 2014	Change have been made to IFRS 5, IFRS 7, IFRS 1, IAS 19 and IAS 34. They have no significant influence on the financial statement of the company.	January 1, 2016

4. New, but not legally binding applied standards and interpretations

The following standards, changes to standards and interpretations have been recognized by the EU. A legally binding application of these standards will only become necessary in the future. So far the principles have not been applied by the company. Based on the estimate of the management of the company the application of IFRS 16 will most probably have a considerable impact on the preparation of financial statements. All other new standards will most probably have no material impact on the financial statements.

Standard	Content and meaning for the financial statements	Mandatory first time application
IFRS 9 „„Financial instruments“	Complete replacement of IAS 39. Effects on creditshelf are only expected for the presentation and disclosures in the notes but not for the valuation and subsequent measurement of financial instruments.	January 1, 2018
IFRS 15 „Revenue from contracts with customers“	Regulations on the type, amount, timing and uncertainty of revenues and resulting cash flows from contracts with customers. Significant effects do not arise.	January 1, 2018
IFRS 16 „Leasing“	Regulations on the type, amount, timing and uncertainty of revenues and resulting cash flows from contracts with customers. Significant effects do not arise.	January 1, 2019
Changes to IFRS 2	Classification and valuation of transactions with sharebased payments.	January 1, 2018
Changes to IFRS 4	Application to IFRS 9 'Financial Instruments' together with IFRS 4 'Issurance contracts’.	January 1, 2018
Changes to IFRS 9	The changes issue prepayment features with negative compensation to address the concerns about how IFRS 9 classifies particular prepayable financial assets.	January 1, 2019
Changes to IAS 7	The Amendments are intended to clarify IAS 7 to improve information provided to users of financial statements about an entity’s financing activities.	January 1, 2017
Changes to IAS 12	Clarification on the practice of capitalization of deferred tax assets related to a debt instrument measured at fair value.	January 1, 2017
Changes to IAS 40	Clarification on transfers of investment properties.	January 1, 2018
Clarification to IFRS 15	Clarification on the topics ‚identification of contractual obligations’, ‘principal agent considerations’ and licenses.	January 1, 2018
Improvements to IFRS 2014–2016	Changes to IFRS 12, IFRS 1 and IAS 28	January 1, 2018

The following standards, changes to standards and interpretations have not yet been adopted by the EU. Therefore, they have not been applied in the preparation of the financial statements.

Standard	Content
IFRS 17 “Insurance contracts”	Principles of estimate of expenditures, valuation, presentation and disclosure of insurance contracts.
IFRIC 22 „Transactions in foreign currencies”	IFRIC 22 clarifies the accounting for transactions that include the receipt or payment of advance consideration in a foreign currency.
IFRIC 23 „Uncertainty income tax treaties“	Mit IFRIC 23 wird die Bilanzierung von Unsicherheiten auf Ertragsteuern klargestellt.
Changes to IAS 28	Changes have been made to IAS 28 regarding the treatment of long term interests in associated companies and joint ventures.
Changes to IAS 19	Changes have been made regarding plan amendments, curtailments and settlement of a refund from a defined benefit plan.
Improvements to IFRS 2015–2017	Changes have been made to IFRS 3, IAS 12 and IAS 23.

5. Significant accounting and valuation policies

Significant accounting and valuation policies applied to the financial statements will be outlined in the following. If not mentioned separately these policies have consistently been applied.

a. Intangible assets

Intangible assets acquired are recognized at cost of purchase and will be depreciated using the straight line method according to its useful life. Impairments will be recognized. The depreciation is included as other operating expenses on the face of the financial statements and is separately disclosed in the notes to the financial statements. The expected useful life and method of depreciation will be reviewed at the end of the reporting period and estimate changes are accounted for prospectively.

An internally-generated intangible asset arising from development (or from the development phase of an internal projects) is recognized if, and only if, all criteria have been met:

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

Costs for research activities are recognized as an expense in the respective period in which they have been incurred.

The amount initially recognized for internally-generated assets is the sum of the expenditure incurred from the date when the intangible asset first meets the criteria listed above. In case that internally-generated intangible asset cannot be recognized, development expenditures are recognized in profit or loss in the period in which they are incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately. Capitalized development costs are generally amortized in the Group over a useful life of 5 years.
An intangible asset is derecognized on disposal or when no further economic benefits are expected from its use. Gains or losses from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in the income statement when the assets are derecognized. They are reported under other operating income or other operating expenses.

b. Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation and accumulated impairment losses recognized. Depreciation is recognized as to write off the historic cost or valuation of an asset less its residual value over its useful life, using the straight line method. The expected useful lives, residual values and depreciation methods are reviewed at the end of each reporting period. Any changes to an estimate are accounted for on a prospective basis. Gains or losses from the disposal of fixed assets are included in other operating income or other operating expenses.

Other fixed assets and office equipment are based on their useful lives. The useful live for the capitalized office equipment is determined to be 1 to 3 years.

Property, plant and equipment is derecognized on disposal or when no future economic benefit from continued use of the asset is expected. The gain or loss resulting from a derecognition of the assets is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is included in the profit or loss in the period of derecognition.

Costs for the repair of property, plant and equipment are generally recognized in profit or loss. They are, however, capitalized if they result in an enlargement or substantial improvement of the respective asset.

Financing costs are not capitalized pursuant to IAS 23.11 since no direct allocation to assets can be made.

c. Impairment of non-financial assets

At the end of each reporting period the Group reviews the carrying amounts of its tangible and intangible assets whether there is any indication that those assets have to be impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to determine the recoverable amount of the individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Tangible and intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have been adjusted.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized immediately in the profit or loss.

In 2016 impairment losses with an amount of EUR 17,022.34 have been recognize.

d. Deferred Taxes

Deferred taxes are accounted for using the balance sheet approach, which accounts for all recognition and measurement differences between the value in the IFRS balance sheet and the taxable value.

Basis of the calculation of deferred assets are the current tax rates for the period in which timely differences have been determined. A total tax rate of 31.925 % has been applied for calculating deferred taxes. The total tax rate is made up of corporate tax of 15.0 %, solidarity surcharge of 5.5% and a trade tax of 16.1%. The rate of assessment for the city of Frankfurt/Main, Germany is 460%. Deferred tax assets and deferred tax liabilities are presented net in accordance with the provisions of IAS 12.

Changes in deferred taxes are generally recognized through profit or loss if the underlying items are also recognized through profit or loss and are not offset against equity.

Deferred tax assets on tax-deductible temporary differences, unused tax losses and unused tax credits are only recognized to the extent that it is probable that taxable profits will be available and could be utilized by the same taxable entity and the same tax authority in the foreseeable future.

e. Financial assets

Financial assets are recognized when a group entity becomes a party to the contractual provision of the instruments.

Financial assets are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition of the financial assets other than financial assets through profit or loss are added to the fair value of the financial assets on initial recognition. Transactions costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets are classified as follows:

- At fair value through profit or loss
- Held to maturity instruments
- Available for sale
- Loans and receivables

The classification depends on the nature and the purposes of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of the financial assets are recognized or derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period established by regulation or convention in the marketplace.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognized on an effective interest basis for debt instruments other than those financial assets classified as at fair value through profit or loss.

Financial assets at fair value through profit or loss

Financial assets are classified as at fair value through profit or loss when the financial asset is a contingent consideration that may be paid by an acquirer as part of a business combination, to which IFRS3 applies, held for trading or is designated as at fair value through profit or loss.

A financial asset is classified as held for trading if:

- It has been acquired principally for the purpose of selling it in the near term, or
- On initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short term profit taking; or
- It is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading or contingent consideration that may be paid by the acquirer as part of a business combination may be designated as at fair value through profit or loss upon initial recognition if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- The financial asset forms part of a group of financial assets, which is managed and its performance is evaluated on a fair value basis in accordance within the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- It forms part of a contract containing one or more embedded derivatives.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividend or interest earned on financial asset and is included in the "other gains and losses" line item, if any.

Held to maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the Group has the positive intent and ability to hold to maturity. Subsequent to initial recognition, held-to-maturity investments are measured at amortized cost using the effective interest method less any impairment.

Available for sale financial assets

Available for sale financial assets are non-derivatives that either are designated as available for sale or are not classified as:

- Loans and receivables
- Held-to-maturity investments or
- Financial assets at fair value through profit or loss.

The company has not classified any financial assets as available for sale financial assets as at December 31, 2016.

Loans and receivables

Loans and receivables are non-derivatives financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including accounts receivables or other receivables, bank balances and cash) are measured amortized cost using the effective interest method, less any impairment.

Interest income is recognized by applying the effective interest rate, except for short term receivables when the effect of discount is immaterial.

Impairment of financial assets

Financial assets, other than those at fair value profit or loss, are assessed for indicators of impairments at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that as a result of one or more events that, because of one or more events that occurred after the initial recognition of the financial asset, the estimated cash flows of the investments have been affected.

For all other financial assets, objective evidence of impairment could include:

- Significant financial difficulty of the issuer or counterparty; or
- Breach of contract such as default or delinquency; or
- An increased probability that the creditor will file for bankruptcy; or
- The disappearance of an active market for that financial asset because of financial difficulties

For financial assets carried at amortized cost, the amount of the impairment loss recognized is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss.

f. Cash and Cash equivalents

Cash and cash equivalents include cash and cash in banks for which the risk of impairment has been deemed to be immaterial.

g. Valuation of Non-derivative financial liabilities

Non-derivative financial liabilities other than those held for sale or designated at initial recognition, are stated at fair value reduced by transactions costs directly attributable.

h. Subscribed Capital

The nominal value of the GmbH shares represent the subscribed capital.

The difference between the fair value of the consideration received and the nominal value of the GmbH Shares will be recognized as capital reserve within equity.

i. Provisions

Provisions are non-financial liabilities that carry uncertainty regarding the date and the amount. Provisions are recognized when the company has a present legal or constructive obligation as a result of a past event. Further requirements to recognize a provision are that the obligation would expect to lead to an outflow of funds and that the amount could be reliably estimated.

The provisions recorded indicate those amounts which are required for covering future payment obligations, identifiable risks and uncertain liabilities of the Group and represent the best estimate at that time.

j. Revenue Recognition

creditshelf offers brokerage services to midsized companies by providing a credit market platform for borrower and investors. Therefore creditshelf receives a brokerage fee which is directly deducted from the loan amount.

Revenues are recognized when the Group has provided its services and the revenues could be reliably estimated.

Revenue is measured at fair value or the fair value of the consideration received considering the contractual obligations and other risks of default. Taxes and other levies are not considered in measuring revenues.

k. Finance income and finance expenses

Finance income and finance expenses of the Group compromise interest income and interest expenses.

Finance income and finance expenses are measured at the effective interest rate and are presented as finance income and finance expenses within the profit or loss statement.

l. Income taxes

Income taxes recognized represent deferred taxes and current taxes.

The applicable tax rate is outlined **Note 4d**.

Income taxes on each component of the other comprehensive income including the reclassification entries have not been recorded.

m. Basis of consolidation

The consolidated financial statement compromise the financial statements of the holding company and its subsidiary.

For purposes of consolidating a network company, the holding company needs to have control of the entity. Control, which is given by holding 100% of the shares of its subsidiary, is in general achieved if the company has:

- the power over the investee
- is exposed, or has the rights, to variable returns from its involvement with the investee
- has the ability to use its power to affect its returns.

Capital consolidation is accounted for at the time of acquisition using the purchase method. At the time of acquisition, the acquisition costs are compared with the proportional share of the net assets of the subsidiary. The date of acquisition appears when the control over the net assets and financial and operating activities of the acquired company is transferred to the Group. Once the holding company has no longer the power over its subsidiary the entity will no longer be considered within the consolidation.

Non-controlling interest represent that part of the results or the net assets that do not belong to the Group. Non-controlling interest are separately disclosed in the consolidated statement of financial position and in consolidated statement of profit and loss. Non-controlling interest is disclosed within equity, separated from the equity relating to the owner of the company. The purchase of non-controlling interest is recognized through the profit and loss statement. The difference between the purchase price and the carrying amount of the proportional net assets will be accounted for through retained earnings and will not trigger the recognition of goodwill (entity concept method). Non-controlling interest did exist neither on December 31, 2015 nor on December 31, 2016.

Any hidden reserve or hidden liability identified upon fair value measurement of assets and liabilities within the scope of initial consolidation are carried, amortized, depreciated or written off in the following periods according to the development of assets and liabilities. In subsequent periods, any derivative goodwill will be subject to an impairment test at least once a year and if an impairment is identified would be impaired to the lower recoverable amount.

The profit or loss and any component of the other comprehensive income will be attributable to the shareholder of the holding company. All intragroup assets, liabilities, equity, income and expenses as well as the cash flows will be fully eliminated.

The financial statements of all entities included have been prepared on the same date as the financial statement of the holding company.

n. Share based compensation with cash settlement (virtual participation program)

Virtual Participation Program I

On November 4, 2015 the Group implemented a virtual participation program for the benefit of its employees and / or advisors in order to strengthen their commitment to the company which, however, shall not be considered as part of the regular contractual remuneration and/or consideration for services rendered.

All beneficiaries under the virtual participation program are contractually entitled to receive a cash settlement from the company in case of a predefined exit, whereas the entitlement is calculated on the base of a (virtual) participation in the subscribed capital of the company and distributed only after an individually defined vesting period has elapsed. However, the respective beneficiary does not receive any at-equity participation in the subscribed capital of the company. The shareholders' meeting of the company has authorized the company to issue up to 6,000 virtual shares with a nominal value of 1 Euro per virtual share under this virtual participation program.
The amounts to be paid to the beneficiaries under this program shall only be settled in cash and are recognized at their fair value. This fair value is determined with the aid of an option pricing model based on Black-Scholes

taking into account the exit probability assessed by the management for each individual effective date. Dividend payments will not be taken into account when calculating the fair value. Expenditures resulting from entitlements earned by beneficiaries based on vested virtual shares under the program will be reflected in provisions. Such provisions are built upon a monthly basis during the vesting period for the virtual Share.

Virtual participations rights which have not been fully vested yet will not be considered as expenditures.

For the financial year 2016, 4,400 share appreciation rights were allocated to beneficiaries under the "Virtual Participation Program I". The following shares have been issued under the Virtual Participation Program I:

Number of issued shares	Number of the vested shares (pc)	Fair value (€)	Total expenditure of the period (€)	Inner value of the vested shares (€)
4,400	1,233	155,041.94	105,042.00	284,650.00

The valuation of the underlying time value on the basis of the following parameters:

Subscribed capital	Fair value per issued share (€)	Remaining time (year)	Exit probability	Risk-free Interest rate	Volatility	Dividends (€)
71,270.00	273.67	1.5	25.00%	-0.50%	66%	0.00

The volatility is determined in the light of a peer-group of listed companies with similar business models as the creditshelf group.

Virtual Participation Program II

As of July 29, 2015 the company entered into a virtual participation agreement with a cooperation partner granting a virtual participation in the company's subscribed capital – in addition to an existing co-operation agreement entered into by and between the aforementioned parties. The cooperation partner has been granted with 1,500 virtual shares with a nominal value of 1 Euro per virtual share. Any rights deriving from this Virtual Participation Program II are based on contractual obligations only and will be settled in cash. Hence, the co-operation partner has neither acquired any voting rights nor the right to participate in the shareholders' meeting of the company and, furthermore, is not entitled to any statutory shareholders' rights. The Virtual Participation Program II may entitle the beneficiary to payments in case that the company pays dividends or in case of a contractually defined exit-event, *i.e.* a change of control at the level of the existing shareholders of the company, occurs.

Based on the contractual structure of this Virtual Participation Program II, the fair value of an individual virtual share corresponds to the fair value of the corresponding actual shareholding in accordance with economic and financial mathematical principles.

The calculation of the fair value of the virtual participation rights will be assessed in accordance with the general principles for carrying out company valuation and is based on the value of the respective corresponding share participation in creditshelf as it has been defined in last funding round provided that such valuation was based on an arm's length principle and that the funding round has taken place within one year.

Provisions for the aforementioned virtual participation program will be re-assessed based on time-adjusted fair value of the newly issued share appreciation rights for each financial year. All changes in the provision will be taken into the profit or loss statements.

The following virtual shares have been issued under the “Virtual Participation Program II”:

Date	Number of issued shares	Strike price (EUR)	Value of underlying asset (EUR)	Fair value per issued share	Total fair value (EUR)
December 31, 2016	1,500.00	0.00	273.67	273.67	410.505,00
December 31, 2015	1,500.00	0.00	49.99	49.99	74,985.00

6. Significant accounting estimates and judgements

The preparation of the consolidated financial statements is subject to discretionary decisions, estimates and assumptions made by the management which may affect the accounting methods and the values of assets, liabilities, income and expenses. Actual values could therefore deviate from these estimates. Estimates and judgements will continuously be re-evaluated and are based on the experience of the management and other factors, such as the expectation of future results that should and can be regarded as reasonable.

Assumptions and estimation uncertainties

The following notes provide additional information on assumptions and estimates that may change the valuation of amounts and may also lead to major adjustments to the carrying amounts of the respective assets or liabilities affected:

Note 16 –recognition of deferred tax assets: Uncertainties exist with respect to the likelihood that further taxable profits will exist to utilize the net loss carry forwards.

Notes 23, 26 – recognition and measurement of provisions and contingent liabilities: Uncertainties exist with respect to the assumptions on the probability and the extent of major utility inflows or outflows. This applies in particular to the valuation and assessment of the obligations deriving from the "Virtual Participation Program II".

B. Notes to the Consolidated Statement of Comprehensive Income

7. Revenues

Revenues are mainly derived from a brokerage fee from the borrower.

8. Other operating income

Other operating income consists of the following:

	December 31, 2016	December 31, 2015
Discount on sale of loans	11,747.39	5,113.50
Other operating income	10,711.06	0.30
Total	**22,458.45**	**5.113,80**

The discount on the sale of loans results from different buying and selling prices of the loans. Since the average selling price corresponds to the purchase price, the income from discounting is counteracted by a premium from the sale of the loan receivable.

9. Other operating expenses

Other operating expenses consists of the following:

	December 31, 2016	December 31, 2015
Expenses for the virtual participation programs	440,562.00	74,985.00
Personnel expenses	391,780.98	12,875.78
Third party services	260,930.28	102,500.02
Legal and consulting services	171,415.66	101,726.57
Expenses for advertising and marketing	103,403.15	26,501.48
Depreciation	37,232.37	7,214.32
Rental expenses	30,303.90	17,660.67
Premium from loan receivable sale	11,747.41	5,113.49
Other operating expenses	60,125.41	20,545.99
Total	**1,507,501.16**	**369,123.32**

Expenses for third-party services comprising paid commissions and administrative commissions, which were paid as remuneration to a cooperation partner on the basis of a cooperation agreement.

The expenses for marketing and advertising mainly include expenses for marketing and public relations.

Expenses for legal and consulting fees include consultancy in the field of business and data protection laws as well as legal advice with regard to the cooperation agreement entered into with the partner bank.

10. Personnel expenses

The personnel expenses consist of the following items:

	December 31, 2016	December 31, 2015
Wages and salaries	327,027.32	10,275.00
Social contributions and expenditures for pensions and related employee benefits	64,753.66	2,600.78
Total	**391,780.98**	**12,875.78**

11. Depreciation

Reference is made to the roll-forward schedule in **Note 15.**

12. Financial results

The financial results for the financial year consists of the following:

	December 31, 2016	December 31, 2015
Other interest income	83.58	226.19
Interest for shareholder loans	-1000.00	-800.70
Total	**-916.42**	**-574.51**

13. Income taxes

Income taxes consist of the following items:

	December 31, 2016	December 31, 2015
Corporate income tax	21.00	57.00
Solidarity tax	1.10	3.04
Capital gains tax (25%)	-20.87	-56.51
Solidarity tax on capital gains tax	-1.10	-3.04
Income taxes from the addition to deferred taxes	397,692.75	113,295.90
Total	**397,692.88**	**113,296.39**

Income taxes include the taxes paid or owed on income. The income taxes relate exclusively to the result of ordinary business activities.

14. Tax reconciliation

	December 31, 2015
Earnings before taxes	-353,959.09
Income tax expense at a tax rate of 31.93%	-113,019.11
Tax on non-deductible business expenses	-278.24
Other differences	0.96
Amount recognized in the statement of profit or loss	113,296.39
Effective tax rate	**-32.00%**

	December 31, 2016
Earnings before taxes	-1,238,339.14
Income tax expense at a tax rate of 31.93%	-395.401.69
Tax on non-deductible business expenses	-303.40
Other differences	-1,987.79
Amount recognized in the statement of profit or loss	397,692,88
Effective tax rate	**-32.12%**

C. Notes to the Consolidated Statement of financial position

15. Non-current assets

For the development of fixed assets, please see the consolidated schedule of fixed asset movements attached as Notes to the consolidated financial statements.

a. Intangible assets

Movements in intangible assets:

	Internally generated intangible asset	Intangible assets under development	Total
Acquisition and production costs			
As of January 1, 2015	3,442.34	0.00	3,442.34
Additions	24,098.00	5,000.00	29,098.00
As of December 31, 2015	27,540.34	5,000.00	32,540.34
Accumulated depreciation			
As of January 1, 2015	115.34	0.00	115.34
Additions	5,674.00	0.00	5,674.00
As of December 31, 2015	5,789.34	0.00	5,789.34
Carrying amount as of December 31, 2015	**21,751.00**	**5,000.00**	**26,751.00**
Carrying amount as of January 1, 2015	**3,327.00**	**0.00**	**3,327.00**
Acquisition and production costs			
As of January 1, 2016	27,540.34	5,000.00	32,540.34
Additions	59,845.50	81,421.65	141,267.15
Reclassification	86,421.65	-86,421.65	0.00
Disposals	27,540.34	0.00	27,540.34
As of December 31, 2016	146,267.15	0.00	146,267.15
Accumulated depreciation			
As of January 1, 2016	5,789.34	0.00	5,789.34
Additions	12,043.15	0.00	12,043.15
Disposals	10,518.34	0.00	10,518.34
As of December 31, 2016	7,314.15	0.00	7,314.15
Carrying amount as of December 31, 2016	**138,953.00**	**0.00**	**138,953.00**
Carrying amount as of January 1, 2016	**21,751.00**	**5,000.00**	**26,751.00**

The capitalized intangible assets are only depreciable assets.

Self-generated intangible assets with a book value of 138,953.00 (in 2015: EUR 5,000.00) relate to the updated version of the parent company's online platform. This platform serves as a virtual marketplace for potential borrowers and credit investors.

The first version of the online platform which was in use so far were impaired due to the instruction of the second version because no further economic benefits are expected from its use.

The online platform was capitalized at costs. The production costs include – inter alia – the remuneration of external service providers that have been engaged to create the online platform. According to the underlying contractual agreements entered into with the aforementioned service providers, the risk of failure in creating the online platform is borne solely by creditshelf and not the service provider, hence, the online platform was treated as an internally generated intangible asset. Further own services with an amount of EUR 32,814.10 (in 2015: EUR 0.00) which were provided by employees of the company, were capitalized to the carrying amount of the updated version of the online platform.

The production costs were reduced by the accumulated depreciation. The carrying amount of the updated version of the online platform as at December 31, 2016 was EUR 138,953.00 (in 2015: EUR 5,000.00).

b. Property, plant and equipment

Movements in property, plant and equipment:

	Other equipment, factory and office equipment
Acquisition and production costs	
As of January 1, 2015	0.00
Additions	4,379.32
As of December 31, 2015	4,379.32
Accumulated depreciation	
As of January 1, 2015	0.00
Additions	1,540.32
As of December 31, 2015	1,540.32
Carrying amount as of December 31, 2015	**2,839.00**
Carrying amount as of January 1, 2015	**0.00**
Acquisition and production costs	
As of January 1, 2016	4,379.32
Additions	37,021.22
As of December 31, 2016	41,799.54
Accumulated depreciation	
As of January 1, 2016	1,540.32
Additions	8,167.22
As of December 31, 2016	9,707.54
Carrying amount as of December 31, 2016	**32,092 .00**
Carrying amount as of January 1, 2015	**2,839.00**

Operating and office equipment was valued at acquisition cost less depreciation. The valuation of property, plant and equipment is validated every year. Permanent impairments are taken into account by exceptional depreciation. If reasons for the exceptional depreciation cease, respective appreciations are made.

16. Deferred tax assets

Differences between IFRS and statutory tax regulations lead to temporary differences between the carrying amount of assets and liabilities in the consolidated balance sheet and their tax base.

The tax effects of temporary differences and unused tax losses carried forward are as follows:

	December 31, 2016		December 31, 2015	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Intangible assets	0.00	44,360.75	0.00	8,540.26
Provisions	180,550.88	0.00	23,938.96	0.00
Liabilities	0.00	15,962.50	0.00	0.00
Loss and interest carry forwards	408,220.80	0.00	115,356.98	0.00
Total	588,771.68	60,323.25	139,295.94	8,540.26
Net balance	**528,448.43**	**0.00**	**130,755.68**	**0.00**

The company has evaluated the usability of the tax loss carry-forwards on the basis of various criteria. Based on the long-term planning of the company, supported by the business development of the company at the time of preparing the consolidated financial statements, it is seen as probable that tax losses can be utilized.

In accordance with IAS 12.74, deferred tax assets and deferred tax liabilities have been disclosed net.

Tax loss carry-forwards

For tax periods in which a taxable profit is made, a loss carry-forward may be fully deducted up to a total amount of income of up to EUR 1 million and for up to 60% for any amount exceeding EUR 1 million of income. Therefore, the tax loss carry-forwards assist to reduce the rate of the taxable income above EUR 1 million to 40%.

As of December 31, 2016 and 2015, the company has corporate tax loss carry forward amounting EUR 1,271,358.00 (2015: EUR 358,381.00) and trade tax loss carry-forwards amounting EUR 1,271,358.00 (2015: EUR 358,381.00).

The fully consolidated network company had a loss carry-forwards as of December 31, 2016 of EUR 6,454.64 (in 2015: EUR 2,012.59).

The recoverable amount of the tax assets from losses carried forward within the Group amounts to EUR 408,220.80 (in 2015: 115,356.98) and is secured by future positive earnings from operating activities. This assumption is supported in particular by the corporate planning of the company envisaging positive earnings and a corresponding utilization of loss carry-forwards for the year 2019 onwards. This projection is evidenced by the steady increase of the demand of services provided by creditshelf and by the development of the peer-to-peer lending market, which shows consistently high double-digit growth rates.

17. Other current assets

Other current assets consists of the following items:

	December 31, 2016	December 31, 2015
Tax claims (VAT)	50,381.05	10,717.69
Deductible VAT in the next financial year	14,177.68	4,491.36
Deferred income	9,428.15	1,872.84
Current tax claims	82,14	64.23
Total	**74,069.02**	**17,146.12**

18. Other financial assets

Other financial assets consists of the following items:

	December 31, 2016	December 31, 2015
Deposits	6,603.58	2,725.48
Other	49.98	97.06
Vendor with debit balances	10.00	0.00
Total	**6,663.56**	**2,822.54**

19. Cash and cash equivalents

Cash and cash equivalents consists of the following items:

	December 31, 2016	December 31, 2015
Cash	203.89	238.61
Cash deposits	489,978.57	327,888.22
Total	**490,182.46**	**328,126.83**

The cash equivalents contain all assets that have term of maturity less than three months at the time of acquisition or investment.

20. Capital and other reserves

At the date of foundation of the holding company on October 6, 2014 subscribed capital amounted to EUR 50,000.00.

The subscribed capital was increased by shareholders resolution on May 6, 2016 by EUR 6,666.00. The new shares were taken over by Obotritia Beteiligungs GmbH (Obotritia). As of November 6, 2016, Obotritia was transferred by change of form to Hevella Capital GmbH & Co. KGaA (Hevella).

The meeting of shareholders held on 01.06.2016 agreed to an increase of the share capital by EUR 2,775.00 which are separated to 2,775 shares. Out of these, 2,220 shares were acquired by Obotritia Beteiligungs GmbH and 555 shares were acquired by Purum AG (Purum).

The subscribed capital was further increased by shareholders resolution on December 6, 2016 by EUR 1,827.00 which refers to 1,827 shares. Hevella and Purum have each taken 1,736 shares and 91 shares.

Subscribed capital is as follows:

	Shareholders					Total
	LDT UG	**DBR UG**	**Wahtari GmbH**	**Hevella Capital GmbH & Co. KGaA ***	**Purum AG**	
December 31, 2015						
Nominal in EUR	20,000.00	20,000.00	9,400.00	10,602.00	0.00	60,002.00
Percentage in %	33.33	33.33	15.67	17.67	0.00	100.00
December 31, 2016						
Nominal in EUR	20,000.00	20,000.00	9,400.00	21,224.00	646.00	71,270.00
Percentage in %	28.06	28.06	13.19	29.78	0.91	100.00

* previously Obotritia Beteiligungs GmbH

21. Other non-current financial liabilities

Other non-current financial liabilities consists of the following items:

	December 31, 2016	December 31, 2015
Loan from DBR Investment UG	50,915.28	50,415.28
Loan from LDT Investment UG	50,913.20	50,413.20
Total	**101,828.48**	**100,828.48**

Non-current liabilities include 8 loans granted by the shareholders DBR Investment UG and LTD Investment UG with a respective nominal value of EUR 12,500.00 each.

The loans carry interest of 1 % p.a. in accordance with the respective loan contract. The loans have a maturity until December 31, 2019 and are to be paid at maturity date including accrued interest.

22. Other liabilities

Other current liabilities consists of the following items:

	December 31, 2016	December 31, 2015
Provision for Litigation cost	40,949.13	0.00
Liabilities from wage tax, church tax and social contribution	10,845.94	1,212.47
Short-term debt	6,700.00	3,800.00
Other liabilities	2,363.56	522.11
Total	**60,858.63**	**5,534.58**

The company as the syndicate leader is involved in a lawsuit and represents the damaged investor who is insolvent. The provision amounting EUR 40,949.13 is built at the end of the reporting period due to the assumption that the company will probably have to pay the trial fees.

23. Non-current provisions

In the financial year, the individual provisions of the Group have developed as follows:

	January 1, 2016	Consumption	Addition	December 31, 2016
Provisions for the virtual participation program	74,985.00	0.00	490,562.00	565,547.00
Total	**74,985.00**	**0.00**	**490,562.00**	**565,547.00**

The provisions for virtual participations, however, are long-term. They have been valued at the best estimate of the expenses required to settle the present obligation at the reporting date. Reference is made to **Note 5n** for the valuation of virtual program.

24. Accounts payables

	December 31, 2016	December 31, 2015
Accounts payable	119,370.80	56,524.72
Total	**119,370.80**	**56,524.72**

These consist of liabilities to the shareholders LDT Investment UG (limited liability) (EUR 29,749.98; in 2015 EUR 14,875.02), DBR Investment UG (limited liability) (EUR 19,833.32; in 2015 9,916.68) and Wahtari GmbH (EUR 18,841.66; in 2015 EUR 13,387.50) and relate to management services rendered in the third quarter of 2016 as well as for personnel secondment of software developer for the development of the company own internet platform.

The valuation is made at par or at the higher repayment amount.

Accounts payables were fully settled in the following year.

D. Notes to the Consolidated Statement of cash flow

The cash flow statement has been prepared in accordance with IAS 7, and consists of the cash flow from operating activities, cash flow from investing activities and cash flow from financing activities. The sum of all cash flows represents the movement in cash and cash equivalents.

25. Other non-cash expenses / income of assets

Other non-cash expenses / income of assets as well as gains and losses from the disposal have been eliminated.

E. Other disclosures

26. Contingent liabilities

As of December 31, 2016 the company has no obligations from contingent liabilities.

27. Additional disclosures to financial instruments

a. Capital management

The Group manages its capital to ensure that its entities will be able to continue as a going concern.

The capital structure of the Group consists of net debt (borrowings offset by cash and cash equivalents) and equity of the Group. Equity comprises of subscribed capital, capital reserves and retained earnings.

The Group is not subject to any external imposed capital requirements.

The management of the Group regularly reviews the capital structure of the Group. As part of this review, management considers the costs of capital and the risk associated with each class of capital. Due to the ongoing establishment of the business of the Group, management had decided not to make use of any loan or any other similar financial instrument and to use equity to finance its business. Equity has regularly been increased. As of December 31, 2016 net gearing was within our targeted levels and amounted to -72.6 %.

Due to the ongoing establishment of the Group's finance and capital structure it is expected that the key performance indicator will be characterized by strong fluctuations. Management is aware of the fluctuation and thus monitors the net gearing regularly. The Group had defined that the targeted gearing ratio should be within 20 to 25 % as proportion of net debt and equity.

The gearing ratio at the end of the reporting period was as follows:

	December 31, 2016	December 31, 2015
Current liabilities	180,229.43	62,059.30
Cash and cash equivalents	490,182.46	328,126.83
Net Debt	-309,953.03	-266,067.53
Equity*	426,803.56	270,568.39
Net debt to equity	-72.6 %	-98.3 %

* Equity includes all capital and reserves of the Group.

b. Categories of financial instruments

	December 31, 2016	December 31, 2015
Financial assets		
Cash and cash equivalents	490,182.46	328,126.83
Loans and receivables (including Accounts receivables)	70,554.90	18,095.82
	560,737.36	346,222.65
Financial Liabilities		
Fair value through profit or loss designated at fair value through profit or loss	565,547.00	74,985.00
At amortized costs (including accounts payables)	268,848.41	162,887.78
	834,395.41	237,872.78

The financial liabilities classified as designated at fair value through profit or loss refers to the provision regarding the share based payments („Virtual Participation Program II“). For further information regarding the program and the issuance of the share based payments please refer to **Note 5n** within the notes to the financial statements

c. Risk management objectives

Due to the size of the company, the Group's management is responsible for monitoring and managing the financial risks associated with the business and related reporting. The risks are analyzed comprehensively according to the degree and extent of the respective risk. These risks include market risk, default risk and liquidity risk.

In the year under review, the Group is in the process of establishing "Group guidelines" as well as written instructions to its employees.

Market risk

The company was not exposed to exchange rate or interest rate risks in the 2015 and 2016.

Default risk

Default risk is the risk of loss to the Group if a counterparty fails to meet its contractual obligations. The common practice of creditshelf group requires that business relationships are only concluded with creditworthy investors and borrowers. Furthermore, each business partner, either the investor or the borrower, is subjected to an internal risk rating. The management of the company continuously monitors this rating process and adapts it to market changes and customer behavior.

Due to the business model and the withholding of the brokerage fees calculated on the loan value it is not expected to have a default risk on accounts receivables.

Due to the fact that company has selected banks with an excellent credit rating, the default risk of cash and cash equivalents is deemed to be low.

Liquidity risk

The ultimate responsible for managing liquidity is the corporate management. Management is responsible for establishing a framework to manage short, medium and long term funding and liquidity requirements. The Group manages liquidity risks by holding appropriate reserves and shareholder loans and by constantly monitoring forecasted and actual cash flows and reconciling the maturity profiles of financial assets and liabilities.

The following table provides an overview of maturities of non-derivative financial assets.

	Weighted average effective interest rate	> 1 month	1 - 3 months	3 - 12 Months	1 - 5 years	more than 5 years	Total	Book value
December 31, 2015								
Non-interest bearing	-	97.06	-	-	2,725.48	-	2,822.54	2,822.54
December 31, 2016								
Non-interest bearing	-	59.98	-	-	6,603.58	-	6,663.56	6,663.56

The following table shows an overview of the contractual maturities of non-derivative financial liabilities.

	Weighted average effective interest rate	> 1 month	1 - 3 months	3 - 12 Months	1 - 5 years	more than 5 years	Total	Book value
December 31, 2015								
Non-interest bearing	-	-	62,469.69	-	-	74,985.00	137,454.69	137,454.69
Fixed interest bearing	1 %	-	-	-	108,828.48	-	108,828.48	108,828.48
December 31, 2016								
Non-interest bearing	-	-	139,280.30	-	40,949.13	565,547.00	745,776.43	745,776.43
Fixed interest bearing	1 %	-	-	-	101,828.48	-	101,828.48	101,828.48

d. Fair value determination

The provisions relating to the "Virtual Participation Program I+II" in the amount of EUR 565,547.00 (in 2015: 74,985.00) disclosed in other provisions is a financial liability that is regularly measured at fair value. The fair value measurement for "Virtual Participation Program I" is categorized as at Level 1 measurement and depends on the value of the respective underlying instrument (value of the real company share in creditshelf). The fair value of the underlying is determined at the end of the reporting period by determining the enterprise value. The fair value measurement for "Virtual Participation Program II" is categorized as at Level 2 measurement. Please refer to Note. 5n within the notes to the financial statements.

e. Fair value of financial assets and liabilities that are not designated as measured at fair value but with the obligation to specify the fair value

For the financial assets and liabilities designated in this category and not presented under d. management assumes that the residual book value of historical acquisition cost and accumulated depreciation is a proper approximation of the fair value of these assets and liabilities due to short maturity or a market conform interest.

28. Related party transactions

In accordance with the requirements of IFRS, we report on business relationships with related companies and persons (related parties).

Related parties are shareholders, other individuals as well as affiliates that have material influences on the Group and its financial- and business policies. Persons with material influence on the Group's financial and business policies include all key personnel and their family members. Within the Group, this applies to the corporate management of the holding company. The following related parties have been identified:

	Function
Dr. Tim Thabe	Managing director
Dr. Daniel Bartsch	Managing director
Christoph Maichel	Managing director
DBR Investment UG	Shareholder
LDT Investment UG	Shareholder
Wahtari GmbH	Shareholder
Hevella Capital GmbH & Co. KGaA*	Shareholder
Purum AG	Shareholder

*formerly know as Obotritia Beteiligungs GmbH

a. Services rendered

Based on the agreement entered into by DBR Investment UG, LDT Investment UG and Wahtari GmbH about providing management capacities on October 6, 2015 several management services have been rendered to the Group. The agreement has a duration of two years and will be extended by another six months, which is subject to a three-month notice period.

Furthermore, there is a contract between creditshelf GmbH and Wahtari GmbH for providing IT development services.

December 31, 2016	Appropriation of development services	Delivery of management services	Total
DBR Investment UG	0.00	39,666.66	39,666.66
LDT Investment UG	0.00	39,666.66	39,666.66
Wahtari GmbH	74,500.00	80,503.33	155,003.33

December 31, 2015	Appropriation of development services	Delivery of management services	Total
DBR Investment UG	0.00	14,875.02	14,875.02
LDT Investment UG	0.00	14,875.02	14,875.02
Wahtari GmbH	25,215.00	43,750.00	68,965.00

b. Investments to related parties in the ordinary course of business

As part of the ordinary course of business, loans from creditshelf service GmbH were acquired by the related parties listed below.

	December 31, 2016		December 31, 2015	
	Number of purchased credits	Amount of purchased credits	Number of purchased credits	Amount of purchased credits
DBR Investment UG	10	140,000.00	2	20,000.00
LDT Investment UG	8	120,000.00	2	20,000.00
Hevella Capital GmbH & Co. KGaA*	24	6,940,000.00	1	50,000.00
Wahtari GmbH	1	10,000.00	0	0.00
Purum AG	4	60,000.00	0	0.00

*formerly known as Obotritia Beteiligungs GmbH

c. Repurchase of loans in the ordinary course of business

In the context of the Group's ordinary business activities, loans were sold back to creditshelf service GmbH by the related parties listed below.

	December 31, 2016		December 31, 2015	
December 31, 2016	Number of sold credits	Volume of purchased allowance	Number of sold credits	Volume of purchased allowance
Hevella Capital GmbH & Co. KGaA*	3	300,000.00	0	0.00

*formerly known as Obotritia Beteiligungs GmbH

d. Loans from related parties

	December 31, 2016	December 31, 2015
Loan from DBR Investment UG	50,915.28	50,415.28
Loan from LDT Investment UG	50,913.20	50,413.20
	101,828.48	100,828.48

For explanations regarding the loan contracts reference is made to Note 21.

Transactions with related companies are contractually agreed.

Services have been provided at arms’ length.

29. Information on employees acc. to Section 314 (1) no. 4 HGB

The company employed an average of 6 (in 2015: 1) salaried employees in 2016.

30. Advisory board compensation

The company has appointed advisory board (“Beirat”) which is a purely informative body and receives no remuneration.

31. List of shareholdings according to section 313 (2) HGB

Subsidiaries included in the consolidated financial statements:

	Place of business	**Capital interest 31.12.2016**
creditshelf service GmbH	Frankfurt am Main	100.00 %

32. Information on the management

Names and members of the management

Management of group consists of the following throughout the financial year:

Herr Dipl.-Kfm. Christoph Maichel, managing director

Herr Dr. Daniel Bartsch, managing director

Herr Dr. Tim Thabe, managing director

Herr Dr. Mark Währisch, managing director (since May 11, 2016)

Remuneration of the members of the management

The total remuneration of the managing directors in 2016 was EUR 213,170.01 (in 2015: 100,000.02). In 2016 one managing director was directly employed by the company and three managing directors have been paid through the management service agreements mentioned above.

In 2016 2,000 virtual participations of the "Virtual Participation Program I" have been granted to one of the general managers of the company. As of the balance sheet date 333 (in 2015: 0) of these participations have been vested and represented a fair value of EUR 50,569.00 (in 2015: 0.00).

33. Appropriation of net losses

The management proposes the following appropriation of net loss in agreement with the shareholders:

The net loss for 2016 of EUR 840,646.26 will be combined with the loss carried forward of EUR 277,999.96 and will be carried forward with the new amount of EUR 1,118,646.22.

34. Approval of the annual accounts

The consolidated financial statements were compiled by management on April 3, 2018 and provided to the shareholders' meeting for approval.

Frankfurt, April 3, 2018

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

STATEMENT OF MOVEMENTS IN FIXED ASSETS DURING THE 2016 FINANCIAL YEAR

	As of January 1, 2016	Additions	Disposals	Reclassific ation	As of December 31, 2016	As of January 1, 2016	Additions	Disposals	As of December 31, 2016	As of December 31, 2016	As of December 31, 2015
Non-Current assets											
Intangible assets											
Internally generated intangible assets	27,540.34	59,845.50	27,540.34	86,421.65	146,267.15	5,789.34	12,043.15	10,518.34	7,314.15	138,953.00	21,751.00
Intangible assets under development	5,000.00	81,421.65	0.00	-86,421.65	0.00	0.00	0.00	0.00	0.00	0.00	5,000.00
Total intangible assets	32,540.34	141,267.15	27,540.34	0.00	146,267.15	5,789.34	12,043.15	10,518.34	7,314.15	138,953.00	26,751.00
Tangible assets											
Other equipment, factory and office equipment	4,379.32	37,021.22	0.00	0.00	41,400.54	1,540.32	8,167.22	0.00	9,707.54	31,693.00	2,839.00
Prepayments of other equipment, factory and office equipment	0.00	399.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	399.00	0.00
Total tangible assets	4,379.32	37,420.22	0.00	0.00	41,799.54	1,540.32	8,167.22	0.00	9,707.54	32,092.00	2,839.00
Total non-current assets	**36,919.66**	**178,687.37**	**27,540.34**	**0.00**	**188,066.69**	**7,329.66**	**20,210.37**	**10,518.34**	**17,021.69**	**171,045.00**	**29,590.00**

35. Declaration according to sec. 297 (2) HGB in connection with sec. 315e (1) HGB

"We assure to the best of our knowledge that the consolidated financial statements give a true and fair view of the Group's net assets, its financial position and its results of operations in accordance with the applicable accounting principles.“

Frankfurt, April 3, 2018

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

The following auditor's report is a translation of the German language auditor's report.

Auditor's Report

To creditshelf GmbH, Frankfurt:

We have audited the consolidated financial statements – comprising the consolidated balance sheet, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, the consolidated cash flow statement as well as the notes to the consolidated financial statements of creditshelf GmbH, Frankfurt am Main, for the financial year from 1 January 2016 to 31 December 2016. The preparation of the consolidated financial statements in accordance with IFRS, as adopted by the EU, and with the additional requirements of the German commercial law pursuant to section 315a paragraph 1 HGB are the responsibility of the parent company's management. Our responsibility is to express an opinion on the consolidated financial statements based on our audit.

We conducted our audit of the consolidated financial statements in accordance with paragraph 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany - IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the group and expectations as to possible misstatements are taken into account in the determination of audit procedures. Within the audit, the effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements are verified primarily on a sample basis. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the consolidated financial statements of creditshelf GmbH for the financial year from 1 January 2016 to 31 December 2016 comply with IFRS, as adopted by the EU, and the additional requirements of the German commercial law pursuant to section 315e paragraph 1 HGB and give a true and fair view of the net assets, financial position and results of operations of the group in accordance with these requirements.

Frankfurt, April 3rd, 2018

Warth & Klein Grant Thornton AG
Wirtschaftsprüfungsgesellschaft

Maximilian Meyer zu Schwabedissen
Wirtschaftsprüfer

Manuel Selchow
Wirtschaftsprüfer

creditshelf GmbH

Audited Consolidated Financial Statements

as of and for the fiscal year ended December 31, 2015

(prepared in accordance with IFRS)

CONSOLIDATED FINANCIAL STATEMENTS

A. Consolidated Financial statement of financial position as of December 31, 2015

	Note	December 31, 2015	January 1, 2015
in EUR			
Assets			
Non-current assets			
Intangible assets	14a	26,751.00	3,327.00
Property, plant and equipment	14b	2,839.00	0.00
Deferred tax assets	15	130,755.68	17,459.78
Total non-current assets		**160,345.68**	**20,786.78**
Current assets			
Other current assets	16	17,146.12	11,809.55
Other financial assets	17	2,822.54	0.00
Cash and cash equivalents	18	328,126.83	25,767.58
Total current assets		**348,095.49**	**37,577.13**
Total Assets		**508,441.17**	**58.363,91**
Liabilities and Equity			
Capital and reserves			
Subscribed capital	19	60,002.00	50,000.00
Capital reserves		488,566.35	0.00
Retained earnings		-277,999.96	-37,337.32
Total equity		**270,568.39**	**12,662.68**
Non-current liabilities			
Non-current provisions	22	74,985.00	0.00
Other non-current financial liabilities	20	100,828.48	25,027.78
Total non-current liabilities		**175,813.48**	**25,027.78**
Current liabilities			
Accounts payables	23	56,524.72	16,673.45
Other liabilities	21	5,534.58	4,000.00
Total current liabilities		**62,059.30**	**20,673.45**
Total liabilities and equity		**508,441.17**	**58,363.91**

B. Consolidated statement of profit or loss and other comprehensive income for the year ended December 31, 2015

	Note	2015
in EUR		
Revenue	6	10,625.00
Revenue		**10,625.00**
Other operating income	7	5,113.80
Other operating expenses	8	-369,123.32
Earnings before interest and taxes (EBIT)		**-353,384.52**
Financial expenses	11	-800.70
Financial income	11	226.19
Earnings before taxes (EBT)		**-353,959.03**
Income taxes	12	113,296.39
Loss for the period (Net loss)		**-240,662.64**
attributable to:		
Owners of the company		**-240,662.64**
Non-controlling interests		**0.00**
Total comprehensive income		**-240,662.64**
attributable to:		
Owners of the company		**-240,662.64**
Non-controlling interests		**0.00**

C. Consolidated Statement of cash flows for the year ended December 31, 2015

in EUR	Note	December 31, 2015
Cash flow from operating activities		
Loss for the period		-240,662.64
Adjustments for:		
Income taxes	12	-113,296.39
Depreciation of property, plant and equipment	14b	1,540.32
Amortisation of intangible assets	14a	5,674.00
Increase (+)/decrease (-) in other provisions	21/22	77,875.00
Other non-cash related expenses/income		-5,573.66
Interest expense		800.70
Interest income		-226.19
Income taxes paid		-60.04
Deposit		0.00
Increase (-)/decrease (+) in other assets		-2,517.86
Interest received		226.19
Operating cash flows before movements in working capital		**-276,220.57**
Increase (-)/decrease (+) in accounts receivables		0.00
Increase (+)/decrease (-) in accounts payables	23	39,754.21
Increase (+)/decrease (-) in other liabilities		-1,265.42
Cash used in operating activities		**-237,731.78**
Purchase of property, plant and equipment	14b	-4,379.32
Purchase of other intangible assets	14a	-29,098.00
Cash used in investing activities		**-33,477.32**
Proceeds from issuance of shares		500,003.00
Amortization of leasing liabilities		0.00
Transaction cost on issuance of shares		-1,434.65
Proceeds from financial liabilities	20	75.000.00
Cash generated from financing activities		**573,568.35**
Net increase in cash and cash equivalents		302,359.25
Cash and cash equivalents at the beginning of the period	18	25,767.58
Cash and cash equivalents at the end of the period	**18**	**328,126.83**

D. Consolidated Statement of changes in equity for the year ended December 31, 2015

	Note	Subscribed Capital	Capital reserve	Retained Earrings	Total Equity
Balance as of January 1, 2015		**50,000.00**	**0.00**	**-37,337.32**	**12,662.68**
Loss for the period		0.00	0.00	-240,662.64	-240,662.64
Capital increase		10,002.00	490,000.00	0.00	500,002.00
Transaction cost on issuance of shares		0.00	-1,434.65	0.00	-1,434.65
Other changes		0.00	1.00	0.00	1.00
Balance as of December 31, 2015		**60,002.00**	**488,566.35**	**-277,999.96**	**270,568.39**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

A. Basics and methods applied

1. Information on the company and the consolidated group

General information

creditshelf GmbH („creditshelf“, „the company“ or „parent company“) is registered with the commercial register of Frankfurt am Main (commercial register ID HRB 100955). creditshelf is based in Mainzer Landstraße 33a, 60329 Frankfurt, Germany. The general purpose of the company is:

a) arranging of loan contracts,

b) matching of investors with German banks and insurance companies,

c) advisory and analysis of companies,

d) development of software to analyse the probability of default,

e) provision of IT services.

creditshelf GmbH is the holding company of creditshelf service GmbH. Creditshelf GmbH and creditshelf service GmbH combined will also be mentioned as „the creditshelf group“ or „the Group”. creditshelf service GmbH herein after „the network company” subsequently.

Nature of operations

creditshelf runs an online market place for the arranging of loan contracts for small and medium sized companies (“SME”). The market place connects loan investors with loan borrowers. Borrowers use the platform to raise loan financing.

creditshelf evaluates each loan project. Based on the credit worthiness of the borrower and by considering third party information the company determines the credit score for each project. Based on the credit score the company will be included on the platform. Thereafter the investors have the opportunity to pitch on the marketplace/platform for the loan projects on their own account and risk. Each loan has a fixed maturity. Once the sum of all pitches within a given period is equal to an expected loan volume, a credit contract could be executed.

The loan will be granted by a fronting bank not by the creditshelf group itself. The fronting bank will make its own lending decision and will enter into a loan agreement directly with the borrower. The agreement then will be handed over to the investors who act in their own accounts and risk.

creditshelf acts as a mediator and further provides administrative services as part of the loan processing within the credit lifecycle and supports banks during the operative management of the business process.

Informations on the consolidated group

The following business combination took place during the financial year:

On August 18, 2015 creditshelf established creditshelf service GmbH in Mannheim. The subsidiary has been registered with the commercial register on September 15, 2015 under HRB 103351 in Frankfurt am Main. The business purpose of creditshelf service GmbH is the purchase and the sale of credit claims on its own name and for its own account. Not included are any activities that require an approval according to German Banking Act (Kreditwesengesetz (KWG)), to German Capital Investment Code (Kapitalanlagegesetz (KAG)), or the payment services supervision law (Zahlungsdiensteaufsichtsgesetz (ZAG)) and factoring. creditshelf service GmbH was first consolidated in the Group in 2015. The 100%-subsidiary of creditshelf has EUR 25,000.00 of subscribed capital which was fully paid in on a separate bank account of creditshelf service GmbH. The subsidiary had no assets or employees at the time of the initial consolidation. In 2015 the subsidiary reported a loss of EUR 2,012.59.

2. Basis of presentation

The consolidated financial statements as of December 31, 2015 have been prepared in accordance with the International Financial Reporting Standards and Interpretations on the IFRS (IFRIC) of the International Accounting Standards Board (IASB), as adopted by the EU, and in accordance with the supplementary regulations to be applied as specified in Section 315e para 3 German Commercial Code (Handelsgesetzbuch). The possibility of early adoption of new standards has not been applied.

Creditshelf is not obliged to prepare IFRS Financial statements. Creditshelf service GmbH has been founded in 2015 as a subsidiary of creditshelf GmbH. The consolidated financial statements have been prepared in 2015 for the first time. Therefore, the preparation is deemed as a first time adoption in accordance with IFRS 1. Reporting date of the IFRS opening balance is January 1, 2015 (date of transition). Due to the first time of preparation no previous year figures are available within the consolidated financial statements. Therefore the consolidated statement of profit or loss and the comprehensive income, the cashflow statement, and the change in equity have no previous year figures.

The consolidated financial statements have been prepared on the company’s ability to continue as a going concern.

The consolidated financial statements have been prepared in Euro (EUR), the functional currency of the Group.

The financial year of the company corresponds to the calendar year.

The consolidated financial statements compromise the consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, the consolidated statement of cash flow and the notes to the consolidated financial statements. In order to simplify the presentation, some individual items have been grouped together in the balance sheet and the income statement. However, these items are listed separately and explained in the notes. The income statement has been prepared in accordance with the cost-of-sales method.

The consolidated financial statements have been released by the management of the creditshelf GmbH and creditshelf service GmbH on April 03, 2018.

3. New, but not legally binding applied standards and interpretations

The following standards, changes to standards and interpretations have been recognized by the EU. A legally binding application of these standards will only become necessary in the future. So far the principles have not been applied by the company. Based on the estimate of the management of the company the application of IFRS 16 will most probably have a considerable impact on the preparation of financial statements. All other new standards will most probably have no material impact on the financial statements.

Standard	Content and meaning for the financial statements	Mandatory first time application
IFRS 9 „Financial instruments“	Complete replacement of IAS 39. Effects on creditshelf are only expected for the presentation and disclosures in the notes but not for the valuation and subsequent measurement of financial instruments.	January 1, 2018
IFRS 14 „Regulatory deferral accounts‘“	Financial reporting requirements for "regulatory deferral accounts" that arise when an entity delivers or provides goods or services at prices subject to price regulation.	January 1, 2016
IFRS 15 „Revenue from contracts with customers“	Regulations on the type, amount, timing and uncertainty of revenues and resulting cash flows from contracts with customers. Significant effects do not arise.	January 1, 2018
IFRS 16 „Leasing“	IFRS 16 regulates the recognition, measurement, presentation and disclosure requirements of leases in the financial statements of companies that report in accordance with IFRS.	January 1, 2019
Changes to IFRS 2	Classification and valuation of transactions with sharebased payments.	January 1, 2019
Changes to IFRS 4	Application to IFRS 9 'Financial Instruments' together with IFRS 4 'Inssurance contracts’.	January 1, 2021
Changes to IAS 7	The Amendments are intended to clarify IAS 7 to improve information provided to users of financial statements about an entity’s financing activities.	January 1, 2017
Changes to IAS 12	Clarification on the practice of capitalization of deferred tax assets related to a debt instrument measured at fair value.	January 1, 2017
Changes to IAS 40	Clarification on transfers of investment properties.	January 1, 2018
Clarification to IFRS 15	Clarification on the topics ‚identification of contractual obligations’, ‘principal agent considerations’ and licenses.	January 1, 2018
Improvements to IFRS 2014–2016	Changes to IFRS 12, IFRS 1 and IAS 28	January 1, 2018

The following standards, changes to standards and interpretations have not yet been adopted by the EU. Therefore, they have not been applied in the preparation of the financial statements.

Standard	Content
IFRS 17 “Insurance contracts”	Grundsätze in Be zug auf den Ansatz, d ie Bewertung, den Ausweis sow ie die Angaben für Versicherungsverträge Principles of estimate of expenditures, valuation, presentation and disclosure of insurance contracts.
IFRIC 22 „transactions in foreign currencies“	IFRIC 22 clarifies the accounting for transactions that include the receipt or payment of advance consideration in a foreign currency.
IFRIC 23 „Uncertainty over income tax treaties“	The interpretation is to be applied to the determination of taxable profits (tax losses), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treaties under IAS 12.
Changes to IFRS 9	The changes issue prepayment features with negative compensation to address the concerns about how IFRS 9 classifies particular prepayable financial assets.
Changes to IAS 28	Changes have been made to IAS 28 regarding the treatment of long term interests in associated companies and joint ventures.
Changes to IAS 19	Changes have been made regarding plan amendments, curtailments and settlement of a refund from a defined benefit plan.
Improvements to IFRS 2015–2017	Changes have been made to IFRS 3, IAS 12 and IAS 23.

4. Significant accounting and valuation policies

Significant accounting and valuation policies applied to the financial statements will be outlined in the following. If not mentioned separately these policies have consistently been applied.

a. Intangible assets

Intangible assets acquired are recognized at cost of purchase and will be depreciated using the straight line method according to its useful life. Impairments will be recognized. The depreciation is included as other operating expenses on the face of the financial statements and is separately disclosed in the notes to the financial statements. The expected useful life and method of depreciation will be reviewed at the end of the reporting period and estimate changes are accounted for prospectively.

An internally-generated intangible asset arising from development (or from the development phase of an internal projects) is recognized if, and only if, all criteria have been met:

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

Costs for research activities are recognized as an expense in the respective period in which they have been incurred.

The amount initially recognized for internally-generated assets is the sum of the expenditure incurred from the date when the intangible asset first meets the criteria listed above. In case that internally-generated intangible asset cannot be recognized, development expenditures are recognized in profit or loss in the period in which they are incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately. Capitalized development costs are generally amortized in the Group over a useful life of 5 years.

An intangible asset is derecognized on disposal or when no further economic benefits are expected from its use. Gains or losses from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in the income statement when the assets are derecognized. They are reported under other operating income or other operating expenses.

b. Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation and accumulated impairment losses recognized. Depreciation is recognized as to write off the historic cost or valuation of an asset less its residual value over its useful life, using the straight line method. The expected useful lives, residual values and depreciation methods are reviewed at the end of each reporting period. Any changes to an estimate are accounted for on a prospective basis. Gains or losses from the disposal of fixed assets are included in other operating income or other operating expenses.

Other fixed assets and office equipment are based on their useful lives. The useful live for the capitalized office equipment is determined to be 1 to 3 years.

Property, plant and equipment is derecognized on disposal or when no future economic benefit from continued use of the asset is expected. The gain or loss resulting from a derecognition of the assets is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is included in the profit or loss in the period of derecognition.

Costs for the repair of property, plant and equipment are generally recognized in profit or loss. They are, however, capitalized if they result in an enlargement or substantial improvement of the respective asset.

Financing costs are not capitalized pursuant to IAS 23.11 since no direct allocation to assets can be made.

c. Impairment of non-financial assets

At the end of each reporting period the Group reviews the carrying amounts of its tangible and intangible assets whether there is any indication that those assets have to be impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to determine the recoverable amount of the individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Tangible and intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have been adjusted.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized immediately in the profit or loss.

No impairment losses have been recognized in 2015.

d. Deferred Taxes

Deferred taxes are accounted for using the balance sheet approach, which accounts for all recognition and measurement differences between the value in the IFRS balance sheet and the taxable value.

Basis of the calculation of deferred assets are the current tax rates for the period in which timely differences have been determined. A total tax rate of 31.925 % has been applied for calculating deferred taxes. The total tax rate is made up of corporate tax of 15.0 %, solidarity surcharge of 5.5% and a trade tax of 16.1%. The rate of assessment for the city of Frankfurt/Main, Germany is 460%.

Deferred tax assets and deferred tax liabilities are presented net in accordance with the provisions of IAS 12.

Changes in deferred taxes are generally recognized through profit or loss if the underlying items are also recognized through profit or loss and are not offset against equity.

Deferred tax assets on tax-deductible temporary differences, unused tax losses and unused tax credits are only recognized to the extent that it is probable that taxable profits will be available and could be utilized by the same taxable entity and the same tax authority in the foreseeable future.

e. Financial assets

Financial assets are recognized when a group entity becomes a party to the contractual provision of the instruments.

Financial assets are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition of the financial assets other than financial assets through profit or loss are added to the fair value of the financial assets on initial recognition. Transactions costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets are classified as follows:

- At fair value through profit or loss
- Held to maturity instruments
- Available for sale
- Loans and receivables

The classification depends on the nature and the purposes of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of the financial assets are recognized or derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period established by regulation or convention in the marketplace.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognized on an effective interest basis for debt instruments other than those financial assets classified as at fair value through profit or loss.

Financial assets at fair value through profit or loss

Financial assets are classified as at fair value through profit or loss when the financial asset is a contingent consideration that may be paid by an acquirer as part of a business combination, to which IFRS3 applies, held for trading or is designated as at fair value through profit or loss.

A financial asset is classified as held for trading if:

- It has been acquired principally for the purpose of selling it in the near term, or
- On initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short term profit taking; or
- It is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading or contingent consideration that may be paid by the acquirer as part of a business combination may be designated as at fair value through profit or loss upon initial recognition if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

- The financial asset forms part of a group of financial assets, which is managed and its performance is evaluated on a fair value basis in accordance within the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- It forms part of a contract containing one or more embedded derivatives.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividend or interest earned on financial asset and is included in the "other gains and losses" line item, if any.

Held to maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the Group has the positive intent and ability to hold to maturity. Subsequent to initial recognition, held-to-maturity investments are measured at amortized cost using the effective interest method less any impairment.

Available for sale financial assets

Available for sale financial assets are non-derivatives that either are designated as available for sale or are not classified as:

- Loans and receivables
- Held-to-maturity investments or
- Financial assets at fair value through profit or loss.

The company has not classified any financial assets as available for sale financial assets as at December 31, 2015.

Loans and receivables

Loans and receivables are non-derivatives financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including accounts receivables or other receivables, bank balances and cash) are measured amortized cost using the effective interest method, less any impairment.

Interest income is recognized by applying the effective interest rate, except for short term receivables when the effect of discount is immaterial.

Impairment of financial assets

Financial assets, other than those at fair value profit or loss, are assessed for indicators of impairments at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that as a result of one or more events that, because of one or more events that occurred after the initial recognition of the financial asset, the estimated cash flows of the investments have been affected.

For all other financial assets, objective evidence of impairment could include:

- Significant financial difficulty of the issuer or counterparty; or
- Breach of contract such as default or delinquency; or
- An increased probability that the creditor will file for bankruptcy; or
- The disappearance of an active market for that financial asset because of financial difficulties

For financial assets carried at amortized cost, the amount of the impairment loss recognized is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss.

f. Cash and Cash equivalents

Cash and cash equivalents include cash and cash in banks for which the risk of impairment has been deemed to be immaterial.

g. Valuation of Non-derivative financial liabilities

Non-derivative financial liabilities other than those held for sale or designated at initial recognition, are stated at fair value reduced by transactions costs directly attributable.

h. Subscribed Capital

The nominal value of the GmbH shares represent the subscribed capital.

The difference between the fair value of the consideration received and the nominal value of the GmbH Shares will be recognized as capital reserve within equity.

i. Provisions

Provisions are non-financial liabilities that carry uncertainty regarding the date and the amount. Provisions are recognized when the company has a present legal or constructive obligation as a result of a past event. Further requirements to recognize a provision are that the obligation would expect to lead to an outflow of funds and that the amount could be reliably estimated.

The provisions recorded indicate those amounts which are required for covering future payment obligations, identifiable risks and uncertain liabilities of the Group and represent the best estimate at that time.

j. Revenue Recognition

creditshelf offers brokerage services to midsized companies by providing a credit market platform for borrower and investors. Therefore creditshelf receives a brokerage fee which is directly deducted from the loan amount.

Revenues are recognized when the Group has provided its services and the revenues could be reliably estimated.

Revenue is measured at fair value or the fair value of the consideration received considering the contractual obligations and other risks of default. Taxes and other levies are not considered in measuring revenues.

k. Finance income and finance expenses

Finance income and finance expenses of the Group compromise interest income and interest expenses.

Finance income and finance expenses are measured at the effective interest rate and are presented as finance income and finance expenses within the profit or loss statement.

l. Income taxes

Income taxes recognized represent deferred taxes and current taxes.

The applicable tax rate is outlined **Note 4d**.

Income taxes on each component of the other comprehensive income including the reclassification entries have not been recorded.

m. Basis of consolidation

The consolidated financial statement compromise the financial statements of the holding company and its subsidiary.

For purposes of consolidating a network company, the holding company needs to have control of the entity. Control, which is given by holding 100% of the shares of its subsidiary, is in general achieved if the company has:

- the power over the investee
- is exposed, or has the rights, to variable returns from its involvement with the investee
- has the ability to use its power to affect its returns.

Capital consolidation is accounted for at the time of acquisition using the purchase method. At the time of acquisition, the acquisition costs are compared with the proportional share of the net assets of the subsidiary. The date of acquisition appears when the control over the net assets and financial and operating activities of the acquired company is transferred to the Group. Once the holding company has no longer the power over its subsidiary the entity will no longer be considered within the consolidation.

Non-controlling interests represent that part of the results or the net assets that do not belong to the Group. Non-controlling interest are separately disclosed in the consolidated statement of financial position and in the consolidated statement of profit or loss. Non-controlling interests are disclosed within equity, separated from the equity relating to the owner of the company. The purchase of non-controlling interest is recognized through the profit or loss statement. The difference between the purchase price and the carrying amount of the proportional net assets will be accounted for through retained earnings and will not trigger the recognition of goodwill (entity concept method). Non-controlling interests did neither exist on January 1, 2015 nor on December 31, 2015.

Any hidden reserve or hidden liability identified upon fair value measurement of assets and liabilities within the scope of initial consolidation are carried, amortized, depreciated or written off in the following periods according to the development of assets and liabilities. In subsequent periods, any derivative goodwill will be subject to an impairment test at least once a year and if an impairment is identified would be impaired to the lower recoverable amount.

The profit or loss and any component of the other comprehensive income will be attributable to the shareholder of the holding company. All intragroup assets, liabilities, equity, income and expenses as well as the cash flows will be fully eliminated.

The financial statements of all entities included have been prepared on the same date as the financial statement of the holding company.

creditshelf service GmbH has been initially consolidated on August 18, 2015, the date the company had been established. The consolidated financial statements have been prepared for the period January 1, 2015 through December 31, 2015. Due to the fact that the subsidiary has been established at the date of the initial consolidation no goodwill has been generated.

n. Share based compensation with cash settlement (virtual participation program)

Virtual Participation Program I

On November 4, 2015 the Group implemented a virtual participation program for the benefit of its employees and / or advisors in order to strengthen their commitment to the company which, however, shall not be considered as part of the regular contractual remuneration and/or consideration for services rendered.

All beneficiaries under the virtual participation program are contractually entitled to receive a cash settlement from the company in case of a predefined exit, whereas the entitlement is calculated on the base of a (virtual) participation in the subscribed capital of the company and distributed only after an individually defined vesting period has elapsed. However, the respective beneficiary does not receive any at-equity participation in the subscribed capital of the company. The shareholders' meeting of the company has authorized the company to issue up to 6,000 virtual shares with a nominal value of 1 Euro per virtual share under this virtual participation program.

The amounts to be paid to the beneficiaries under this program shall only be settled in cash and are recognized at their fair value. This fair value is determined with the aid of an option pricing model based on Black-Scholes taking into account the exit probability assessed by the management for each individual effective date. Dividend payments will not be taken into account when calculating the fair value. Expenditures resulting from entitlements earned by beneficiaries based on vested virtual shares under the program will be reflected in provisions. Such provisions are built upon a monthly basis during the vesting period for the virtual Share.

Virtual shares which have not been fully vested yet will not be considered as expenditures.

For the fiscal year 2015 no share appreciation rights were allocated to beneficiaries under the “Virtual Participation Program I”. Therefore no respective expenditures were taken into account.

Virtual Participation Program II

As of July 29, 2015 the company entered into a virtual participation agreement with a cooperation partner granting a virtual participation in the company's subscribed capital – in addition to an existing cooperation agreement entered into by and between the aforementioned parties. The cooperation partner has been granted with 1,500 virtual shares with a nominal value of 1 Euro per virtual share. Any rights deriving from this Virtual Participation Program II are based on contractual obligations only and will be settled in cash. Hence, the cooperation partner has neither acquired any voting rights nor the right to participate in the shareholders' meeting of the company and, furthermore, is not entitled to any statutory shareholders' rights. The Virtual Participation Program II may entitle the beneficiary to payments in case that the company pays dividends or in case of a contractually defined exit event, i.e. in case that a change of control at the level of the existing shareholders of the company, occurs.

Based on the contractual structure of this Virtual Participation Program II, the fair value of an individual virtual share corresponds to the fair value of the corresponding actual shareholding in accordance with economic and financial mathematical principles.

The calculation of the fair value of the virtual participation rights will be assessed in accordance with the general principles for carrying out company valuation and is based on the value of the respective corresponding share participation in creditshelf as it has been defined in last funding round provided that such valuation was based on an arm's length principle and that the funding round has taken place within a period of one year.

Provisions for the aforementioned virtual participation program will be re-assessed based on time-adjusted fair value of the newly issued share appreciation rights for each financial year. All changes in the provision will be taken through the profit or loss statements.

The following virtual shares have been issued under the “Virtual Participation Program II”:

Issue date	Number of issued shares	Strike price (EUR)	Value of underlying asset (EUR)	Fair value per issued share	Total fair value (EUR)
July 29, 2015	1,500.00	0.00	49.99	49.99	74,985.00

5. Significant accounting estimates and judgements

The preparation of the consolidated financial statements is subject to discretionary decisions, estimates and assumptions made by the management which may affect the accounting methods and the values of assets, liabilities, income and expenses. Actual values could therefore deviate from these estimates. Estimates and judgements will continuously be re-evaluated and are based on the experience of the management and other factors, such as the expectation of future results that should and can be regarded as reasonable.

Assumptions and estimation uncertainties

The following notes provide additional information on assumptions and estimates that may change the valuation of amounts and may also lead to major adjustments to the carrying amounts of the respective assets or liabilities affected:

Note 15 –recognition of deferred tax assets: Uncertainties exist with respect to the likelihood that further taxable profits will exist to utilize the net loss carry forwards.

Notes 22, 25 – recognition and measurement of provisions and contingent liabilities: Uncertainties exist with respect to the assumptions on the probability and the extent of major utility inflows or outflows. This applies in particular to the valuation and assessment of the obligations deriving from the "Virtual Participation Program II".

B. Notes to the Consolidated Statement of Comprehensive Income

6. Revenues

Revenues are mainly derived from a brokerage fee from the borrower.

7. Other operating income

Other operating income consists of the following:

	December 31, 2015
Discount on sale of loans	5,113.50
Other operating income	0.30
Total	**5.113,80**

The discount on the sale of loans results from different buying and selling prices of the loans. Since the average selling price corresponds to the purchase price, the income from discounting is counteracted by a premium from the sale of the loan receivable.

8. Other operating expenses

Other operating expenses consists of the following:

	December 31, 2015
Third party services	102,500.02
Legal and consulting services	101,726.57
Expenses for the virtual participation programs	74,985.00
Expenses for advertising and marketing	26,501.48
Rental expenses	17,660.67
Personnel expenses	12,875.78
Depreciation	7,214.32
Premium from loan receivable sale	5,113.49
Other operating expenses	20,545.99
Total	**369,123.32**

Expenses for third-party services comprising paid commissions and administrative commissions, which were paid as remuneration to a cooperation partner on the basis of a cooperation agreement.

Expenses for legal and consulting fees include consultancy in the field of business and data protection laws as well as legal advice with regard to the cooperation agreement entered into with the partner bank.

The expenses for marketing and advertising mainly include expenses for marketing and public relations.

Other operating expenses include expenses for third-party services and third-party work based on management contracts between the parent company and its shareholders LDT Investment UG, DBR Investment UG and Wahtari GmbH, for advice on the management and expansion of the Group's business operations.

9. Personnel expenses

The personnel expenses consist of the following items:

	December 31, 2015
Wages and salaries	10,275.00
Social contributions and expenditures for pensions and related employee benefits	2,600.78
Total	**12,875.78**

10. Depreciation

Reference is made to the roll-forward schedule in **Note 14**

11. Financial results

The financial results for the financial year consists of the following:

	December 31, 2015
Other interest income	226.19
Interest for shareholder loans	-800.70
	-574.51

12. Income taxes

Income taxes consist of the following items:

	December 31, 2015
Corporate income tax	57.00
Solidarity tax	3.04
Capital gains tax (25%)	-56.21
Solidarity tax on capital gains tax	-3.04
Income taxes from the addition to deferred taxes	113,295.90
	113,296.39

Income taxes include the taxes paid or owed on income. The income taxes relate exclusively to the result of ordinary business activities.

13. Tax reconciliation

	December 31, 2015
Earnings before taxes	-353,959.09
Income tax expense at a tax rate of 31.93%	-113,019.11
Tax on non-deductible business expenses	-278.24
Other differences	0.96
Amount recognized in the statement of profit or loss	113,296.39
Effective tax rate	**-32.00%**

C. Notes to the Consolidated Statement of financial position

14. Non-current assets

For the development of fixed assets, please see the consolidated schedule of fixed asset movements attached as Notes to the consolidated financial statements.

a. Intangible assets

Movements in intangible assets:

	Internally generated intangible asset	Intangible Assets under development	Total
Acquisition and production costs			
As of January 1, 2015	3,442.34	0.00	3,442.34
Additions	24,098.00	5,000.00	29,098.00
As of December 31, 2015	27,540.34	5,000.00	32,540.34
Accumulated depreciation			
As of January 1, 2015	115.34	0.00	115.34
Additions	5,674.00	0.00	5,674.00
As of December 31, 2015	5,789.34	0.00	5,789.34
Carrying amount as of December 31, 2015	**21,751.00**	**5,000.00**	**26,751.00**
Carrying amount as of January 1, 2015	**3,327.00**	**0.00**	**3,327.00**

The capitalized intangible assets are only depreciable assets.

Self-generated intangible assets with a book value of EUR 21,751.00 relate to the first version of the parent company's online platform. This platform serves as a virtual marketplace for potential borrowers and credit investors.

According to a transfer agreement as of October 6, 2014 entered into by and between the company and its shareholder Wahtari GmbH, Wahtari has transferred certain domain rights to the company with a value of EUR 1.00 by way of contribution into the capital reserve of the company.

The online platform was capitalized at costs. The production costs include – inter alia – the remuneration of external service providers that have been engaged to create the online platform. According to the underlying contractual agreements entered into with the aforementioned service providers, the risk of failure in creating the online platform is borne solely by creditshelf and not the service provider, hence, the online platform was treated as a self-created intangible asset.

The production costs were reduced by the accumulated depreciation. The carrying amount of the first version of the online platform as of December 31, 2015 was EUR 21,751.00.

In 2015, the company started to develop an update of the online platform. In addition to employees of the company, external service provider were engaged to assist with the update. According to the contractual agreements with these service providers creditshelf bears the sole risk of failure of the updated version of the online platform.

The development costs already incurred in 2015 were recognized at their fair value of EUR 5,000.00 and capitalized as prepayments of intangible assets.

Other development costs that were not capitalized did not exist.

The updated version of the online platform is expected to go live in 2016.

b. Property, plant and equipment

Movements in property, plant and equipment:

	Other equipment, factory and office equipment
Acquisition and production costs	
As of January 1, 2015	0.00
Additions	4,379.32
As of December 31, 2015	4,379.32
Accumulated depreciation	
As of January 1, 2015	0.00
Additions	1,540.32
As of December 31, 2015	1,540.32
Carrying amount as of December 31, 2015	**2,839.00**
Carrying amount as of January 1, 2015	**0.00**

Operating and office equipment was valued at acquisition cost less depreciation.

15. Deferred tax assets

Differences between IFRS and statutory tax regulations lead to temporary differences between the carrying amount of assets and liabilities in the consolidated balance sheet and their tax base.

The tax effects of temporary differences and unused tax losses carried forward are as follows:

	December 31, 2015		**January 1, 2015**	
	Deferred tax assets	**Deferred tax liabilities**	**Deferred tax assets**	**Deferred tax liabilities**
Intangible assets	0.00	8,540.26	0.00	1,062.14
Provisions	23,938.96	0.00	0.00	0.00
Loss and interest carry forwards	115,356.98	0.00	18,521.92	0.00
Total	139,295.98	8,540.26	18,521.92	1,062.14
Net balance	**130,755.68**	**0.00**	**17,459.78**	**0.00**

The company has evaluated the usability of the tax loss carry-forwards on the basis of various criteria. Based on the long-term planning of the company, supported by the business development of the company at the time of preparing of the consolidated financial statements, it is seen as probable that tax losses can be utilized.

In accordance with IAS 12.74, deferred tax assets and deferred tax liabilities have been disclosed net.

Tax loss carry-forwards

For tax periods in which a taxable profit is made, a loss carry-forward may be fully deducted up to a total amount of income of up to EUR 1 million and for up to 60% for any amount exceeding EUR 1 million of income. Therefore, the tax loss carry-forwards assist to reduce the rate of the taxable income above EUR 1 million to 40%.

As of December 31, 2015 and 2014, the company has existing and corporate tax loss carry forward amounting to EUR 358,381.00 and trade tax loss carry-forwards amounting to EUR 358,381.00.

The fully consolidated network company had no loss carry-forwards as of December 31, 2015. There are no loss carry-forwards from 2014 because the network company was established just in 2015.

The recoverable amount of the tax assets from losses carried forward within the Group amounts to EUR 115,356.98 and is secured by future positive earnings from operating activities. This assumption is supported in particular by the corporate planning of the company envisaging positive earnings and a corresponding utilization of loss carry-forwards for the year 2019 onwards. This projection is evidenced by the steady increase of the demand of services provided by creditshelf and by the development of the peer-to-peer lending market, which shows consistently high double-digit growth rates.

16. Other current assets

Other current assets consists of the following items:

	December 31, 2015	**January 1, 2015**
Tax claims (VAT)	10,717.69	7,723.76
Deductible VAT in the next financial year	4,491.36	1,911.14
Deferred income	1,872.84	2,170.46
Current tax claims	64.23	4.19
Total	**17,146.12**	**11,809.55**

17. Other financial assets

Other financial assets consists of the following items:

	December 31, 2015	January 1, 2015
Deposits	2,725.48	0.00
Other	97.06	0.00
Total	**2,822.54**	**0.00**

18. Cash and cash equivalents

Cash and cash equivalents consists of the following items:

	December 31, 2015	January 1, 2015
Cash	238.61	0.00
Cash deposits	327,888.22	25,767.58
Total	**328,126.83**	**25,767.58**

The cash equivalents contain all assets that have term of maturity less than three months at the time of acquisition or investment.

19. Capital and reserves

At the date of foundation of the holding company on October 6, 2014 subscribed capital amounted to EUR 50,000.00.

At the date of foundation of the holding company an agreement has been entered into with Wahtari GmbH regarding the transfer of the domain rights.

The transfer of domain rights at EUR 1.00 and was recognized within the capital reserve.

The subscribed capital was increased by shareholders resolution on May 22, 2015 by EUR 10,002.00 to 60,002.00.

Obotritia Beteiligungs GmbH has been selected by the shareholder resolution to acquire the new shares.

In course of the capital increase of May 22, 2015 EUR 490,000.00 had increased the capital reserve as additional paid in capital of Obotritia Beteiligungs GmbH for the acquisition of the new shares.

Furthermore, the transaction costs relating to the capital increase amounting EUR 1,434.65 had been deducted from the capital reserve.

There had been no adjustments necessary to equity due to the reconciliation of Germany GAAP („HGB“) to IFRS.

Subscribed capital is as follows:

	Shareholders				Total
	LDT UG	DBR UG	Wahtari GmbH	Obotritia Beteiligungs GmbH	
January 1, 2015					
Nominal in EUR	22,500.00	22,500.00	5,000.00	0.00	50,000.00
Percentage in %	45.00	45.00	10.00	0.00	100.00
December 31, 2015					
Nominal in EUR	20,000.00	20,000.00	9,400.00	10,602.00	60,002.00
Percentage in %	33.33	33.33	15.67	17.67	100.00

20. Other non-current financial liabilities

Other non-current financial liabilities consists of the following items:

	December 31, 2015	January 1, 2015
Loan from DBR Investment UG	50,415.28	12,513.89
Loan from LDT Investment UG	50,413.20	12,513.89
Total	**100,828.48**	**25,027.78**

Non-current liabilities include 8 loans granted by the shareholders DBR Investment UG and LTD Investment UG with a respective nominal value of EUR 12,500.00 each.

The loans carry interest of 1 % p.a. in accordance with the respective loan contract. The loans have a maturity until December 31, 2019 and are to be paid at maturity date including accrued interest.

21. Other liabilities

Other current liabilities consists of the following items:

	December 31, 2015	January 1, 2015
Short-term debt	3,800.00	1,000.00
Liabilities from wage tax, church tax and social contribution	1,212.47	0.00
Other liabilities	522.11	3,000.00
Total	**5,534.58**	**4,000.00**

The withheld and still payable income tax and church tax, social security and employee contributions to occupational pensions relate to the last month of the reporting period and have been fully paid in the following year.

22. Non-current provisions

In the financial year, the individual provisions of the Group have developed as follows:

	January 1, 2015	Consumption	Addition	December 31, 2015
Provisions for the virtual participation program	0.00	0.00	74,985.00	74,985.00
Total	**0.00**	**0.00**	**74,985.00**	**74,985.00**

The provisions for virtual participations, however, are long-term. They have been valued at the best estimate of the expenses required to settle the present obligation at the reporting date. Reference is made to **Note 4n** for the valuation of virtual program.

23. Accounts payables

	December 31, 2015	January 1, 2015
Accounts payable	56,524.72	16,673.45
Total	**56,524.72**	**16,673.45**

These consist of liabilities to the shareholders LDT Investment UG (limited liability) (EUR 14,875.02), DBR Investment UG (limited liability) (EUR 9,916.68) and Wahtari GmbH (EUR 13,387.50) and relate to management services rendered in the third quarter of 2015 as well as for personnel secondment of software developer for the development of the company own internet platform.

The valuation is made at par or at the higher repayment amount. Accounts payables were fully settled in the following year.

D. Notes to the Consolidated Statement of cash flow

The cash flow statement has been prepared in accordance with IAS 7, and consists of the cash flow from operating activities, cash flow from investing activities and cash flow from financing activities. The sum of all cash flows represents the movement in cash and cash equivalents.

24. Other non-cash expenses / income of assets

Other non-cash expenses / income of assets as well as gains and losses from the disposal have been eliminated.

E. Other disclosures

25. Contingent liabilities

As of December 31, 2015 the company has no obligations from contingent liabilities.

26. Additional disclosures to financial instruments

a. Capital management

The Group manages its capital to ensure that its entities will be able to continue as a going concern.

The capital structure of the Group consists of net debt (borrowings offset by cash and cash equivalents) and equity of the Group. Equity comprises of subscribed capital, capital reserves and retained earnings.

The Group is not subject to any external imposed capital requirements.

The management of the Group regularly reviews the capital structure of the Group. As part of this review, management considers the costs of capital and the risk associated with each class of capital. Due to the ongoing establishment of the business of the Group, management had decided not to make use of any loan or any other similar financial instrument and to use equity to finance its business. Equity has regularly been increased. Thus management has set its targeted net gearing to be <0%. Net gearing is defined as net debt to equity. As of December 31, 2015 net gearing was within our targeted levels and amounted to -98.3 %.

Due to the ongoing establishment of the Groups finance and capital structure it is expected that the key performance indicator will be characterized by strong fluctuations. Management is aware of the fluctuation and thus monitors the net gearing regularly. The Group had defined that the targeted gearing ratio should be within 20 to 25 % as proportion of net debt and equity once the operations reach a steady state.

The gearing ratio at the end of the reporting period was as follows:

	December 31, 2015	**January 1, 2015**
Current liabilities	62,059.30	20,673.45
Cash and cash equivalents	328,126.83	25,767.58
Net Debt	-266,067.53	-5,094.13
Equity*	270,568.39	12,668.68
Net debt to equity	-98.3 %	-40.2%

b. Categories of financial instruments

	December 31, 2015	January 1, 2015
Financial assets		
Cash and cash equivalents	328,126.83	25,767.58
Loans and receivables (including Accounts receivables)	18,095.82	9,639.09
	346,222.65	35,406.67
Financial Liabilities		
Fair value through profit or loss designated at fair value through profit or loss	74,985.00	0.00
At amortized costs (including accounts payables)	162,887.78	45,701.23
	237,872.78	45,701.23

The financial liabilities classified as designated at fair value through profit or loss refers to the provision regarding the share based payments („Virtual Participation Program II"). For further information regarding the program and the issuance of the share based payments please refer to **Note 4n** within the notes to the financial statements.

c. Risk management objectives

Due to the size of the company, the Group's management is responsible for monitoring and managing the financial risks associated with the business and related reporting. The risks are analyzed comprehensively according to the degree and extent of the respective risk. These risks include market risk, default risk and liquidity risk.

In the year under review, the Group is in the process of establishing "Group guidelines" as well as written instructions to its employees.

Market risk

The company was not exposed to exchange rate or interest rate risks in 2015.

Default risk

Default risk is the risk of loss to the Group if a counterparty fails to meet its contractual obligations. The common practice of creditshelf group requires that business relationships are only concluded with creditworthy investors and borrowers. Furthermore, each business partner, either the investor or the borrower, is subjected to an internal risk rating. The management of the company continuously monitors this rating process and adapts it to market changes and customer behavior.

Due to the business model and the withholding of the brokerage fees calculated on the loan value it is not expected to have a default risk on accounts receivables.

Due to the fact that company has selected banks with an excellent credit rating, the default risk of cash and cash equivalents is deemed to be low.

Liquidity risk

The ultimate responsible for managing liquidity is the corporate management. Management is responsible for establishing a framework to manage short, medium and long term funding and liquidity requirements. The Group manages liquidity risks by holding appropriate reserves and shareholder loans and by constantly monitoring forecasted and actual cash flows and reconciling the maturity profiles of financial assets and liabilities.

The following table provides an overview of maturities of non-derivative financial assets.

	Weighted average effective interest rate	> 1 month	1 - 3 months	3 - 12 Months	1 - 5 years	more than 5 years	Total	Book value
January 1, 2015								
Non-interest bearing	-	-	-	-	-	-	-	-
December 31, 2015								
Non-interest bearing	-	97.06	-	-	2,725.48	-	2,822.54	2,822.54

The non-derivative financial assets relate to placed deposits of EUR 2,725.48.

The following table shows an overview of the contractual maturities of non-derivative financial liabilities.

	Weighted average effective interest rate	> 1 month	1 - 3 months	3 - 12 Months	1 - 5 years	more than 5 years	Total	Book value
January 1, 2015								
Non-interest bearing	-	-	20,673.45	-	-	-	20,673.45	20,673.45
Fixed interest bearing	1 %	-	-	-	25,027.58	-	25,027.58	25,027.58
December 31, 2015								
Non-interest bearing	-	-	62,469.69	-	-	74,985.00	137,454.69	137,454.69
Fixed interest bearing	1 %	-	-	-	108,828.48	-	108,828.48	108,828.48

d. Fair value determination

The provisions relating to the "Virtual Participation Program II" in the amount of EUR 74,985.00 disclosed in other provisions is a financial liability that is regularly measured at fair value. The fair value measurement is categorized as at Level 1 measurement and depends on the value of the respective underlying instrument (value of the real company share in creditshelf). The fair value of the underlying is determined at the end of the reporting period by determining the enterprise value.

e. Fair value of financial assets and liabilities that are not designated as measured at fair value but with the obligation to specify the fair value

For the financial assets and liabilities designated in this category and not presented under d. management assumes that the residual book value of historical acquisition cost and accumulated depreciation is a proper approximation of the fair value of these assets and liabilities due to short maturity or a market conform interest.

27. Related party transactions

In accordance with the requirements of IFRS, we report on business relationships with related companies and persons (related parties).

Related parties are shareholders, other individuals as well as affiliates that have material influences on the Group and its financial- and business policies. Persons with material influence on the Group's financial and business policies include all key personnel and their family members. Within the Group, this applies to the corporate management of the holding company. The following related parties have been identified:

	Function
Dr. Tim Thabe	Managing director
Dr. Daniel Bartsch	Managing director
Christoph Maichel	Managing director
DBR Investment UG	Shareholder
LDT Investment UG	Shareholder
Wahtari GmbH	Shareholder
Obotritia Beteiligungs GmbH	Shareholder

Balances and transactions between the company and its subsidiary, which is a related party, have been eliminated as part of the consolidation and are not disclosed in the notes. Further information on transactions occurred between the Group and other related parties are discussed below:

a. Services rendered

Based on the agreement entered into by DBR Investment UG, LDT Investment UG and Wahtari GmbH about providing management capacities on October 6, 2015 several management services have been rendered to the Group. The agreement has a duration of two years and will be extended by another six months, which is subject to a three-month notice period.

Furthermore, there is a contract between creditshelf GmbH and Wahtari GmbH for providing IT development services.

	Appropriation of development services	Delivery of management services	Total
DBR Investment UG	0.00	14,875.02	14,875.02
LDT Investment UG	0.00	14,875.02	14,875.02
Wahtari GmbH	25,215.00	43,750.00	68,965.00

b. Investments to related parties in the ordinary course of business

As part of the ordinary course of business, loans from creditshelf service GmbH were acquired by the related parties listed below.

	Number of purchased credits	Amount of purchased credits
DBR Investment UG	2	20,000.00
LDT Investment UG	2	20,000.00
Obotritia Beteiligungs GmbH	1	50,000.00

c. Loans from related parties

	December 31, 2015	January 1, 2015
Loan from DBR Investment UG	50,415.28	12,513.89
Loan from LDT Investment UG	50,413.20	12,513.89
	100,828.48	25,027.78

For explanations regarding the loan contracts reference is made to Note 20.

Transactions with related companies are contractually agreed.

Services have been provided at arms' length.

28. Information on employees acc. to Section 314 (1) no. 4 HGB

The company employed an average of 1 salaried employees in 2015.

29. Advisory board compensation

The company has appointed advisory board ("Beirat") which is a purely informative body and receives no remuneration.

30. List of shareholdings according to section 313 (2) HGB

Subsidiaries included in the consolidated financial statements:

	Place of business	Capital interest 31.12.2015
creditshelf service GmbH	Frankfurt am Main	100.00 %

31. Information on the management

Names and members of the management

Management of group consists of the following throughout the financial year:

Herr Dipl.-Kfm. Christoph Maichel, managing director

Herr Dr. Daniel Bartsch, managing director

Herr Dr. Tim Thabe, managing director

Remuneration of the members of the management

The remuneration of the managing directors is based on the Service Agreement outlined above and a total remuneration of EUR 100,000.02 has been paid to the management.

32. Appropriation of net losses

The management proposes the following appropriation of net loss in agreement with the shareholders:

The net loss for 2015 of EUR 240,662.64 will be combined with the loss carried forward of EUR 37,337.32 and will be carried forward with the new amount of EUR 277,999.96.

33. Approval of the annual accounts

The consolidated financial statements were compiled by management on April 3, 2018 and provided to the shareholders' meeting for approval.

Frankfurt, April 3, 2018

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

STATEMENT OF MOVEMENTS IN FIXED ASSETS DURING THE 2015 FINANCIAL YEAR

	As of January 1, 2015	Additions	Disposals	As of December 31, 2015	As of January 1, 2015	Additions	Disposals	As of December 31, 2015	As of December 31, 2015	As of January 1, 2015
Non-Current assets										
Intangible assets										
Internally generated intangible assets	3,442.34	29,098.00	0.00	32,540.34	115.34	5,674.00	0.00	5,789.34	26,751.00	3,327.00
Total intangible assets	3,442.34	29,098.00	0.00	32,540.34	115.34	5,674.00	0.00	5,789.34	26,751.00	3,327.00
Tangible assets										
Other equipment, factory and office equipment	0.00	4,379.32	0.00	4,379.32	0.00	1,540.32	0.00	1,540.32	2,839.00	0.00
Total tangible assets	0.00	4,379.32	0.00	4,379.32	0.00	1,540.32	0.00	1,540.32	2,839.00	0.00
Total non-current assets	**3,442.34**	**33,477.32**	**0.00**	**36,919.66**	**115.34**	**7,214.32**	**0.00**	**7,214.32**	**29,590.00**	**3,327.00**

34. Declaration according to sec. 297 (2) HGB in connection with sec. 315e (1) HGB

"We assure to the best of our knowledge that the consolidated financial statements give a true and fair view of the Group's net assets, its financial position and its results of operations in accordance with the applicable accounting principles.“

Frankfurt, April 3, 2018

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

The following auditor’s report is a translation of the German language auditor’s report.

Auditor’s Report

To creditshelf GmbH, Frankfurt:

We have audited the consolidated financial statements – comprising the consolidated balance sheet, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, the consolidated cash flow statement as well as the notes to the consolidated financial statements of creditshelf GmbH, Frankfurt am Main, for the financial year from 1 January 2015 to 31 December 2015. The preparation of the consolidated financial statements in accordance with IFRS, as adopted by the EU, and with the additional requirements of the German commercial law pursuant to section 315a paragraph 1 HGB are the responsibility of the parent company’s management. Our responsibility is to express an opinion on the consolidated financial statements based on our audit.

We conducted our audit of the consolidated financial statements in accordance with paragraph 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany - IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the group and expectations as to possible misstatements are taken into account in the determination of audit procedures. Within the audit, the effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements are verified primarily on a sample basis. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the consolidated financial statements of creditshelf GmbH for the financial year from 1 January 2015 to 31 December 2015 comply with IFRS, as adopted by the EU, and the additional requirements of the German commercial law pursuant to section 315e paragraph 1 HGB and give a true and fair view of the net assets, financial position and results of operations of the group in accordance with these requirements.

Frankfurt, April 3rd, 2018

Warth & Klein Grant Thornton AG
Wirtschaftsprüfungsgesellschaft

Maximilian Meyer zu Schwabedissen Wirtschaftsprüfer	Manuel Selchow Wirtschaftsprüfer

creditshelf GmbH

Audited Annual Financial Statements

as of and for the fiscal year ended December 31, 2017

(prepared in accordance with the German

generally accepted accounting principles of the German Commercial Code)

BALANCE SHEET AS OF DECEMBER 31, 2017

in EUR				December 31, 2017	December 31, 2016
Assets					
	A.	**Fixed Assets**			
	I.	Intangible assets			
		1.	Franchise, trademarks, patents, licences and similar rights and licences to such rights	297,754.00	138,953.00
		2.	Advance Payments	216,222.70	0.00
	II.	Property, plant and equipment			
		1.	Other equipment, fixtures and fittings	59,675.00	32,092.00
	III.	Long-term financial assets			
		1.	Shares in affiliated companies	25,000.00	25,000.00
				598,651.70	**196,045.00**
	B.	**Current assets**			
	I.	Accounts receivable and other assets			
		1.	Accounts receivables	1,113.85	4,000.00
		2.	Accounts due from affiliated companies	335,997.95	4,154.50
		3.	Other assets	78,802.76	71,304.43
	II.	Cash-in-hand, central bank balances, bank balances and cheques		558,252.34	485,544.78
				974,166.90	**565,003.71**
	C.	**Deferred charges and prepaid expenses**		**30,238.82**	**9,428.15**
	D.	**Deferred tax asset**		**818,149.95**	**462,295.70**
Total Assets				**2,421,207.37**	**1,232,772.56**
Liabilities and Shareholders' Equity					
	A.	**Shareholders' Equity**			
	I.	Share capital		76,752.00	71,270.00
	II.	Capital reserve		2,979,917.00	1,485,399.00
	III.	Loss carry forwards		-1,187,223.77	-407,233.85
	IV.	Net Income for the financial year		-759,815.72	-779,989.92
				1,109,629.51	**369,445.23**
	B.	**Accruals**			
		1.	Other accruals	**827,248.20**	**608,996.13**
	C.	**Liabilities**			
		1.	Accounts payable	328,227.45	119,370.80
		2.	Liabilities to affiliated companies	26,140.00	20,124.72
		3.	Liabilities to share holders	129,962.21	114,835.68
				484,329.66	**254,331.20**
Total Liabilities and Shareholders' Equity				**2,421,207.37**	**1,232,772.56**

INCOME STATEMENT FOR THE PERIOD

FROM JANUARY 1 TO DECEMBER 31, 2017

in EUR		2017	2016
1.	Revenue	1,041,049.92	247,619.99
2.	Capitalized service	211,365.53	32,814.10
3.	Other operating expenses due to currency translation 62.59 (PY: 1,688.42)	2,989.37	10,711.06
4.	Cost of sales		
	a. Cost of purchased services	-114,701.51	-385,111.90
5.	Personnel expenses		
	a. Wages and salaries	-1,113,742.06	-432,015.81
	b. Social security, employee benefit costs and other due to employee benefit costs -480.00 (PY: -360.00)	-180,369.19	-64,807.17
6.	Depreciation on intangible assets, plant equipment	-105,734.66	-20,210.37
7.	Other operating expenses due to currency translation 11.71 (PY: 796.29)	-855,654.85	-630,293.52
8.	Other interest and similar income	226.50	107.87
9.	Interest payable and similar expenses due to affiliated companies -97.49 (PY: -100.00)	-1,099.02	-1,100.00
10.	Taxes on income and earnings	-355,854.25	-462,295.83
11.	Result after Tax	-759,815.72	-779,989.92
12.	Net Income for the financial year	-759,815.72	-779,989.92

NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE 2017 FINANCIAL YEAR

A. General information

The annual financial statements of creditshelf GmbH were prepared in accordance with the accounting regulations of the German Commercial Code (Handelsgesetzbuch, HGB). In addition to these regulations, the requirements of the Limited Liability Companies Act (GmbH-Gesetz) had to be observed.

According to the classifications specified in Sec. 267 HGB, the company is a small corporation.

The profit and loss statement was prepared in accordance with Sec. 275 (2) HGB using the total cost method. creditshelf GmbH holds a 100.00% interest in creditshelf service GmbH. As a result of this participation, an affiliated company exists in according to Sec. 271 (2) in conjunction with Sec. 290 (2) no. 2 HGB.

In the preparation of the annual financial statements, the company has made partial use of the simplifications provided for in Sec. 288 HGB.

Information on the identification of the company according to the commercial register court

Company name according to commercial register court:	creditshelf GmbH
Head office according to commercial register court:	Frankfurt
Commercial register entry:	Handelsregister
Commercial register court:	Frankfurt
Commercial register No.:	HRB 100955

B. Accounting and valuation methods

Accounting and valuation principles

Intangible assets acquired were recognized at acquisition cost and reduced by scheduled depreciation. The expected useful life was assumed to be 5 years.

The company makes use of the accounting option of Sec. 248 para. 2 sentence 1 HGB where internally-generated intangible assets were recognized at development costs and reduced by scheduled depreciation over the expected useful life. Development costs are not capitalized until the intangible asset to be internally developed can be sufficiently specified and determined. Previously incurred development expenses are recognized in the profit or loss statement.

The expected useful life of acquired and internally generated intangible assets was assumed to be 5 years.

Tangible fixed assets were stated at acquisition or production cost reduced by the scheduled depreciation. Scheduled depreciation was carried out on a straight-line basis over the expected useful life of the assets. Expected useful lives of 3 – 5 years were assumed for tangible fixed assets.

Where necessary, unscheduled depreciations was applied to fixed assets.

New additions to low-value assets (GWG; geringwertige Wirtschaftsgüter) with acquisition costs of up to EUR 410.00 were immediately depreciated in full.

The investment in creditshelf service GmbH was recognized as shares in affiliated companies at acquisition cost.

If necessary, the lower value as of the balance sheet date was applied.

Receivables and other assets were stated at the lower of nominal value or fair value. All identifiable risks were taken into account through appropriate, individually applied devaluations.

Cash and cash equivalents at banks have been valued at nominal value.

Other provisions were created for all further uncertain liabilities. All identifiable risks were taken into account. The valuation is based on the amount of settlement value required by reasonable commercial judgment.

Liabilities are stated at the settlement amount.

The accounting principles as well as the valuation methods applied in previous years in the balance sheet and income statement remained unchanged during the financial year.

C. Explanations to the balance sheet

Movement statement of fixed assets

Intangible assets and property, plant and equipment developed as follows in financial year 2017:

STATEMENT OF MOVEMENTS IN FIXED ASSETS DURING THE 2017 FINANCIAL YEAR

	As of January 1, 2017	Additions	Disposals	Reclassific ation	As of December 31, 2017	As of January 1, 2017	Additions	Disposals	As of December 31, 2017	As of December 31, 2017	As of December 31, 2016
Non-Current assets											
Intangible assets											
Internally generated intangible assets	146,267.15	238,202.83	0.00	0.00	384,469.98	7,314.15	79,401.83	0.00	86,715.98	297,754.00	138,953.00
Intangible assets under development	0.00	216,222.70	0.00	0.00	216,222.70	0.00	0.00	0.00	0.00	216,222.70	0.00
Total intangible assets	146,267.15	454,425.53	0.00	0.00	600,692.68	7,314.15	79,401.83	0.00	86,715.98	513,976.70	138,953.00
Tangible assets											
Other equipment, factory and office equipment	41,400.54	54,348.83	2,302.23	399.00	93,846.14	9,707.54	26,332.83	1,869.23	34,171.14	59,675.00	31,693.00
Prepayments of other equipment, factory and office equipment	399.00	0.00	0.00	-399.00	0.00	0.00	0.00	0.00	0.00	0.00	399.00
Total tangible assets	41,799.54	54,348.83	2,302.23	0.00	93,846.14	9,707.54	26,332.83	1,869.23	34,171.14	59,675.00	32,092.00
Financial fixed assets											
Shares in affiliated companies	25,000.00	0.00	0.00	0.00	25,000.00	0.00	0.00	0.00	0.00	25,000.00	25,000.00
Total non-current assets	**213,066.69**	**803,687.48**	**2,302.23**	**0.00**	**719,538.82**	**17,021.69**	**105,734.66**	**1,869.23**	**120,887.12**	**598,651.70**	**196,045.00**

Information on receivables and payables to affiliated companies

Receivables from affiliated companies relate to costs of creditshelf service GmbH incurred by creditshelf GmbH. The receivables bear interest at 1% interest p.a.

Information on receivables with a remaining term of more than one year

Receivables with a remaining term of more than one year amount to EUR 27,053.64 (previous year: EUR 0.00).

Information on other provisions

Virtual Participation Program I

Since November 4, 2015, the Group has maintained a virtual investment program, which allows employees and / or consultants of the company to participate in the value growth of the company in addition to their salary in order to retain them in the long term.

Based on a contractual agreement, the beneficiaries are economically entitled to participate in the share capital of the company at the end of an individually regulated vesting period by receiving additional compensation (cash settlement) from the company in the event of an exit defined in the contract. The entitled person does not receive a genuine participation in the share capital.

The amount payable to employees in respect of the stock appreciation rights, which is paid in cash only, is recognized at fair value. The fair value is calculated using an option price model. The resulting expense is recognized as a provision over the period in which the employees acquire an unrestricted right to these payments (vesting period). In the case of virtual equity investments with graduated benefit, each tranche is treated as an increase in the grant.

No provision is made for virtual equity investments that have not yet been vested due to the lack of earned benefits.

In financial year 2017, provisions totaling EUR 382,702.00 (previous year: EUR 155,042.00) were made on the basis of the "Virtual Participation Program I".

Virtual Participation Program II

On July 29, 2015, the company entered into an agreement with a cooperation partner for the granting of virtual shares. The cooperation partner is granted 1,500 virtual shares in the company, each with a nominal value of EUR 1.00. All rights under the "Virtual Participation Program II" are caused contractually and only settled in cash. The cooperation partner has thus not acquired voting rights or the right to attend the shareholders' meeting of the company or to exercise any other company related administrative decisions.

The obligation arising from the participation program is revalued at the fair value of the shares issued on each balance sheet date and on the settlement date and recognized as a provision.

The provision recognized in the balance sheet for the financial year for the "Virtual Participation Program II" amounts to EUR 410,505.00 (previous year: EUR 410,505.00).

Information on remaining term notes of liabilities

Labilities with a remaining term of up to one year amount to EUR 381,501.18 (previous year: EUR 152,502.72).

Liabilities with a remaining term of more than one year amount to EUR 102,828.48 (previous year: EUR 101,828.48). No liabilities with a remaining term of more than five years existed on the balance sheet date.

Information on liabilities to shareholders

The amount of liabilities to shareholders amounts to EUR 162,328.97 (previous year: EUR 170,253.44).

Obligations to affiliated companies

creditshelf GmbH has committed itself to creditshelf service GmbH to cover expenses arising from the court proceedings against the insolvency administrator Piepenburg until the conclusion of the fist court instance.

D. Other Information

Average number of employees during the financial year

The average number of employees during the fiscal year was 14.5 (previous year: 6).

List of shareholdings:

Name of Subsidiary	Place of Business	Capital Interest 31.12.2017	Equity of Subsidiary 31.12.2017 in €	Result of the Period 31.12.2017 in €
creditshelf service GmbH	Frankfurt am Main	100%	20,515.37	1,970.01

Members of the management

During the past financial year, the company was managed by the following persons:

- Dipl.-Kfm. Christoph Maichel (until 01.09.2017), managing director
- Dr. Daniel Bartsch, managing director
- Dr. Tim Thabe, managing director
- Dr. Mark Währisch, managing director

Appropriation of net loss

In agreement with the shareholders, the management decides on the following appropriation of profits:
The annual net loss amounts EUR 759,815.72.
Including the loss carryforward of EUR 1,187,223.77, this results in an amount of EUR 1,947,039.49, which will be carried forward.

Frankfurt, April 3, 2018

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

The following auditor's report is a translation of the German language auditor's report.

Auditor's Report:

To creditshelf GmbH, Frankfurt am Main:

We have audited the annual financial statements – comprising the balance sheet, the profit and loss account and the notes to the annual financial statements – together with the bookkeeping system of creditshelf GmbH, Frankfurt, for the financial year from 1 January 2017 to 31 December 2017. The maintenance of the books and records and the preparation of the annual financial statements in accordance with German commercial law are the responsibility of the company's management. Our responsibility is to express an opinion on the annual financial statements, together with the accounting system, based on our audit.

We conducted our audit of the annual financial statements in accordance with section 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the annual financial statements in accordance with German principles of proper accounting are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the company and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records and the annual financial statements are examined primarily on a sample basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the annual financial statements. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the annual financial statements of creditshelf GmbH for the financial year from 1 January 2017 to 31 December 2017 comply with legal requirements and give a true and fair view of the net assets, financial position and results of operations of the company in accordance with German principles of proper accounting.

Frankfurt am Main, April 3rd, 2018

Warth & Klein Grant Thornton AG
Wirtschaftsprüfungsgesellschaft

Maximilian Meyer zu Schwabedissen Wirtschaftsprüfer	Manuel Selchow Wirtschaftsprüfer