

**NEW  
WORK**  
SE

# 2021

Annual Report

WOMEN.FEMME.DONNA

# Key figures

	Unit	2021	2020	2019	2018
Revenues	in € million	290.9	276.5	269.2	231.5
Pro forma consolidated revenues	in € million	290.9	276.6 <sup>2</sup>	269.5	231.5
EBITDA	in € million	97.3	87.6	87.5	75.2
Pro forma EBITDA	in € million	97.3	90.5 <sup>2</sup>	84.7	75.2
EBITDA margin	in %	33	32	32	32
Pro forma EBITDA margin	in %	33	33	31	32
Consolidated net profit	in € million	39.6	26.1	43.2	31
Pro forma consolidated net profit	in € million	39.3	35.8 <sup>2</sup>	35.8	30.1
Earnings per share	in €	7.05	4.65	7.69	5.51
Pro forma earnings per share	in €	7.00	6.37 <sup>2</sup>	6.37	5.35
Regular dividend per share	in €	2.80 <sup>1</sup>	2.59	2.59	2.14
Cash flow from operations	in € million	85.6	81.0	79.7	73.8
Equity	in € million	138.3	113.0	101.5	98.3
XING platform members, total (D-A-CH)	in million	20.3	18.8 <sup>3</sup>	17.2	15.3
InterNations members	in million	4.2	3.9	3.7	3.3
kununu workplace insights	in million	6.2	4.6	3.5	2.4
B2B E-Recruiting customers (subscription)		13,005	12,629 <sup>3</sup>	12,658 <sup>3</sup>	10,165 <sup>3</sup>
Employees (FTE)		1,712	1,787	1,778	1,439

<sup>1</sup> Proposal to the Annual General Meeting on June 1, 2022

<sup>2</sup> Retrospectively restated (explained in the management report)

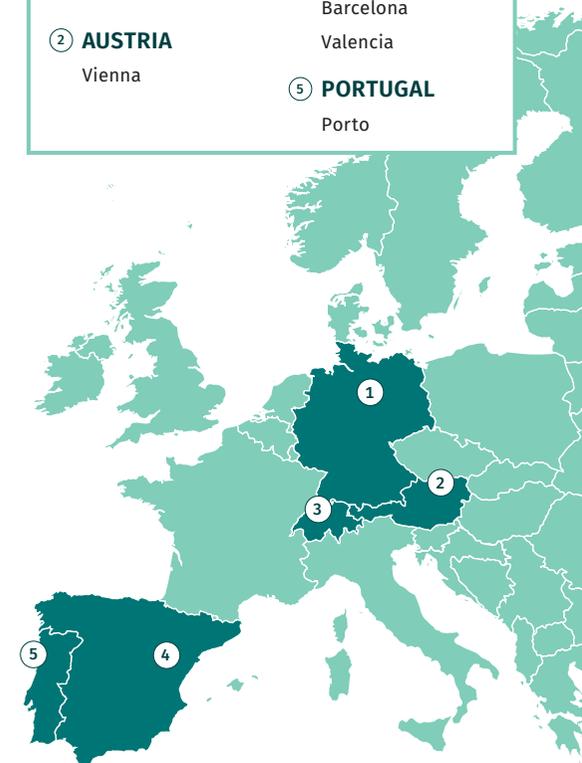
<sup>3</sup> Retrospectively restated (change in counting methodology)

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① <b>GERMANY</b> Hamburg Berlin Munich	③ <b>SWITZERLAND</b> ZURICH
② <b>AUSTRIA</b> Vienna	④ <b>SPAIN</b> Barcelona Valencia
	⑤ <b>PORTUGAL</b> Porto



# To our shareholders

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# Company profile

For the past 19 years, **New Work SE** has been committed to promoting a better working life with a wide range of brands, products and services. Founded as the OpenBC professional network, the Company offers the vast majority of professionals in German-speaking countries their own digital network. **///** The Company was renamed XING in 2006 and NEW WORK in 2019. Its commitment to a better world of work is now also reflected in its name, with New Work serving as the visible framework for all corporate activities with which New Work SE helps people and companies to succeed in a changing modern world of work. **///** The Company has been listed since 2006. New Work SE is headquartered in Hamburg with further locations in Berlin, Munich, Vienna, Zurich, Barcelona, Valencia and Porto. For more information → [new-work.se](https://new-work.se)



HARBOUR FOR

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## Strong brands

**Eight brands, one goal:** to shape the future of work in the interests of people.



CEO of New Work SE  
Petra von Strombeck

# Letter to our shareholders

## Dear Shareholders,

After what has been a challenging year, I am delighted to report that New Work SE is on the right track!

As planned, we met – and in some cases even exceeded – the targets we revised upwards during the course of the year. Our pro forma consolidated revenues rose to around €291 million, up 5 percent on the previous year. At €97 million, pro forma EBITDA was 7 percent higher than the previous year's figure, while pro forma consolidated net profit increased by 10 percent to almost €40 million.

Our biggest growth driver and primary source of income, the B2B E-Recruiting segment, benefited greatly from the surge in demand for skilled professionals, with segment revenues recording double-digit growth of 10 percent for the first time since the start of the pandemic to reach approximately €170 million. Looking at the fourth quarter of 2021 alone, revenues in this segment rose by as much as 21 percent year-on-year, reflecting again the increase in demand for skilled workers in the labor market. By contrast, our second-largest B2C segment recorded a decline in revenues of approximately 4 percent to €98 million. Among other factors, this was due to the restrictions on holding events brought about by the coronavirus crisis, as well as lower demand for paid Premium membership – the consequence of a labor market characterized by a shortage of skilled workers that enables talented professionals to take their pick from a number of job offers. Our smallest segment, B2B Marketing Solutions & Events, grew by 16 percent to €24 million compared to the previous year.

The number of members on XING, the leading professional network in the German-speaking market, also rose considerably, with the XING platform welcoming around 1.4 million new members to grow its member base to 20.3 million by the end of 2021. We were also very encouraged by the performance of kununu, our second-largest brand, which has emerged as a real gem in our portfolio. kununu increased the number of workplace insights – which includes employer reviews as well as corporate culture and salary information – by 1.6 million to 6.2 million. As a result, kununu offers by far the largest offering of its kind, underscoring its position as the clear market leader among employer review platforms in the D-A-CH region.

*“kununu, our second-largest brand, has emerged as a real gem in our portfolio.”*

The increasingly apparent shortage of skilled workers is an overarching trend that benefits our business and one for which we are exceptionally well positioned, with 25,000 posts currently unfilled at DAX companies in Germany alone. We enable professionals to find jobs that best suit their individual needs and preferences, while at the same time helping companies to unearth the right talent – a vital key to success for any business. We will continue to enhance our activities in this area in the future.

We want to make sure that each vacancy fits well not only with a person's CV but also with their individual needs. Our new overriding strategic goal is to become the number one recruiting partner for companies, helping them to find exactly the right talent even in an increasingly strained labor market.

*“Our overriding strategic goal is to become the number 1 recruiting partner for companies.”*

The completely revamped XING app, launched with its first features in the fourth quarter of 2021, forms part of this mission. In addition to featuring a significantly enhanced user experience with a completely redesigned newsfeed, the app offers individual recommendations that are more relevant to each user's personal working life. Other highlights include the XING Guide and XING Jobs, which provide information on the corporate culture of thousands of companies across the D-A-CH region. The app's release was accompanied by the largest marketing campaign in the Company's history, which continued into the current year. Centered around the motto “Mach dein XING” (“Do Your XING”), this multichannel campaign encourages people to be authentically themselves at work instead of making compromises for their job – something a growing number of professionals are seeking to do in a market where employers are battling to attract the right talent.

In light of all this, we believe we are remarkably well positioned to play our part in the continuing economic revitalization in German-speaking countries thanks to our recruiting solutions in particular. We have a clear strategy and excellent conditions in which to implement it. Our colleagues are highly motivated and once again demonstrated a remarkable degree of flexibility and creativity during the past year. I would like to express my particular thanks to them – and to you, our dear shareholders, for placing your trust in us. That is why I am delighted that, based on the Company's strong business performance, the Management Board has decided to propose to the Annual General Meeting an increased dividend of €2.80 per share as well as a special dividend of €3.56 per share.

With this in mind, we hope you will continue to give us your support.

Sincerely,



**Petra von Strombeck**  
Chief Executive Officer (CEO)



# Navigating the waters in a new era of work

*The world of work is facing numerous challenges, with the labor market having turned into an employees' market. Jobseekers are now interested in much more than their potential salary. Companies need to create a new culture. And New Work SE is perfectly prepared to help all sides get what they want – thanks to our innovative tools and modern products and services.*

It's often the little details that have a big impact. For instance, the cafeteria at the NEW WORK Harbour, our new Hamburg headquarters, alongside tasty breakfast and lunch options regularly offers meal kits to take home and cook – more than just a nice idea. These kits allow people to cook themselves up a delicious meal on days when they work from home. After all, not every workday takes place at the office in 2022.

A lot has changed in the past few months. In our personal lives, in our professional lives, and at New Work SE too.

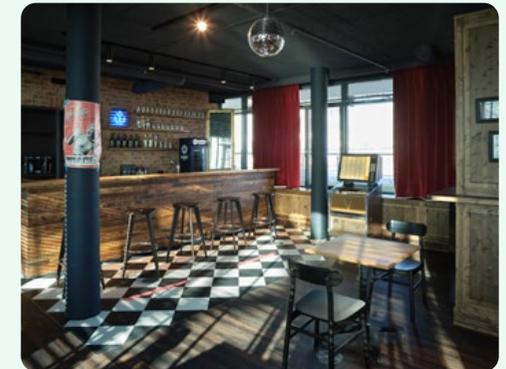
The most striking change is, of course, the NEW WORK Harbour. This light-filled and airy office building meets the latest technical and design specifications. Rebuilding and expanding the former Unilever building in Hamburg's Hafencity port area was a real joint effort that followed many detailed conversations, consultations and surveys of our entire workforce in Hamburg.

The NEW WORK Harbour and our office spaces in Vienna and Porto, which were completely redesigned in the past few years, are really successful examples of "office homes". They perfectly complement office spaces at home that have become permanent solutions for most colleagues during the pandemic – sometimes to their delight, sometimes to their dismay. Working from home again was part and parcel of everyday life during large parts of 2021. But more and more, our new home in Hamburg's port district has become filled with life, with the latest coronavirus variants serving as the only stumbling block.



**Welcome to the NEW WORK Harbour:** The spacious reception area allows a first glimpse of its open architecture.

The "Kiezkeipe" bar on the 6th floor serves after-work drinks right on site.



**Culinary creativity:** Tasting Kitchen on the ground floor of the NEW WORK Harbour.

The NEW WORK Harbour is an attractive venue for employees who want more from their workplace than just a permanent desk, long hallways and grey network cables. The Harbour offers just that: many quiet havens for deep work, flexible "play areas" for creative brainstorm meetings, sports and music rooms (where our company band rehearses), even a bar and a sun deck with hammocks. Our space has become such an attractive example that visitors from the worlds of business, media and politics have been stopping by regularly since it opened in September 2021 to see what modern workplaces look like in the new normal.

Everybody realizes that something has changed on the labor market.

The Great Resignation during the COVID-19 pandemic was not (yet) as dramatic in Germany as it was in the US or the UK, but has still clearly left its fingerprints on local labor markets. A Forsa survey conducted on behalf of XING E-Recruiting at the start of the year revealed that 37 percent of Germans in gainful employment are currently thinking about changing jobs or are already actively looking on the job market. In Austria, this figure is as high as 46 percent.

Women and service industry workers are especially willing to make a move. They're not just looking for crisis-proof jobs. Instead, their experiences during the pandemic have apparently led many people to expect entirely new things from their work and their employers.

One of the remarkable things is that people want change so much that around one in four of them even quit their job before signing a contract with a new employer. Petra von Strombeck, New Work SE's CEO, is convinced that these employees need not worry about finding a new job. "The labor market is evolving into a place where demand now outstrips supply. So, despite the pandemic, it's easier than ever to find a new job in many industries."

What is causing this trend? Many jobseekers are switching employees and taking up jobs that are a better fit for their values and personal goals. "During the pandemic, more and more employees are putting their work situation under the microscope and looking very closely at whether their employer is still a good fit from a cultural standpoint," remarks Petra von Strombeck.

This is especially evident among sought-after skilled professionals. "For talented individuals, in high-demand industries like tech, we're seeing a lot of movement," said Anthony Klotz, a professor of management at Texas A&M University in the US. Klotz coined the term "Great Resignation". His analysis is as follows: "People are finding jobs that give them the right pay, benefits and work arrangements in the longer term." Many jobseekers have a particular goal in mind: "They're fine-tuning a better work-life balance. There's now a greater ability for people to fit work into their lives, instead of having lives that squeeze into their work," says Klotz.

The expectations that jobseekers have of their potential employers also suggest that corporate culture has become an essential factor in job satisfaction. Almost 60 percent of people responding to the Forsa survey carried out for XING described good management as crucial for them, while 57 percent mentioned flexible working hours, and 52 percent said they wanted personal fulfillment and the ability to work remotely. A higher salary was on the wishlist for 54 percent of those surveyed.

*"During the pandemic, more and more employees are putting their work situation under the microscope and looking very closely at whether their employer is still a good fit from a cultural standpoint."*

Petra von Strombeck, CEO

**FORSA SURVEY**

**Factors for job satisfaction**

60%  
good management

57%  
flexible working hours

52%  
personal fulfillment and the opportunity to work remotely

54%  
hope for higher salary

## FORSA SURVEY

## Expectations of jobseekers

75%

work-life balance

68%

flexible working hours

65%

corporate culture

64%

good management



*“Companies that don’t change or reinvent themselves will have a hard time in the future.”*

Petra von Strombeck, CEO

Looking at these findings, Petra von Strombeck knows that employers will have to make even greater efforts to win over top talent. “People used to like moving very quickly up the career ladder and focused on things like their salary and their position. But today, people have many more gaps in their resumes because other things are important to them, and those are the criteria they use when choosing an employer.”

“Companies that don’t change or reinvent themselves will have a hard time in the future,” Petra von Strombeck adds. “COVID was the first wave, but there’s a tsunami already on the horizon.” To be prepared, corporate culture had to become a much higher priority, she said. After all, it was becoming more and more essential to attract employees with new values and transparency.

The findings of another recent survey of 200 companies also carried out by ForSA on XING E-Recruiting’s behalf in spring 2022 shows how important this kind of change is. This study reveals that one in two companies in Germany is facing recruiting problems. More than half of the companies surveyed said that they were finding it much harder to recruit staff than before the pandemic. One in every five businesses added that employee turnover had increased during the pandemic.

From the perspective of companies, the ForSA survey also supports the analysis that jobseekers fundamentally expect more of their potential employers. Along with their salary and details of the position on offer, many other issues play a role when interviewing job applicants, companies taking part in the survey noted. Work-life balance (75 percent), flexible working hours (68 percent), corporate culture (65 percent) and good management (64 percent) top the list, with these “soft factors” becoming more and more critical during recruiting.

“Businesses have to modernize their recruiting processes. It’s about more than just using tools. We need more of a focus on what jobseekers want on a case-by-case basis,” stresses Frank Hassler, member of the Management Board at New Work SE in charge of recruiting and employer branding. “Even though 74 percent of HR managers believe that they are in good shape to meet the increased demands involved with recruiting, they are still spending far too much time with administrative tasks rather than taking care of their core task – people and their needs.”

So, what does this rapid, almost radical change in conditions on a labor market that has now evolved into a “employees’ market” (Petra von Strombeck) mean in tangible terms for New Work SE’s strategies and goals? How can we help applicants and companies come together so that both employers and employees alike can unlock their potential? How can we move the needle on key issues like corporate culture and job satisfaction? How can we best leverage our New Work expertise in areas like hybrid job models, collaborative working, new leadership, and new pay to help our users and business customers? We have taken important steps in the past year on the journey to answering these and many other questions.

We are able to meet demand for digital and data-based recruiting solutions, which are becoming a strategic success factor for all companies. When it comes to new hiring, our B2B brands like XING E-Recruiting and Prescreen offer a variety of customizable products that help companies find the exact talent to make them successful. But it’s always important to view digital tools as a link to real people, as talented individuals are more than just their resumes.

That’s why one key task benefiting our users in 2021 was to refine and better integrate our two key marketplaces: XING Jobs and the employer rating platform kununu. Both platforms provide jobseekers with a wealth of information when researching jobs so their greater alignment will create a unique offering in German-speaking countries.

This closer partnership began with integrating the kununu rating score into many job ads on XING Jobs and adding the kununu Culture Compass to ads placed by thousands of companies. These insights give applicants valuable information about whether the company’s culture is a good fit for their personal values.

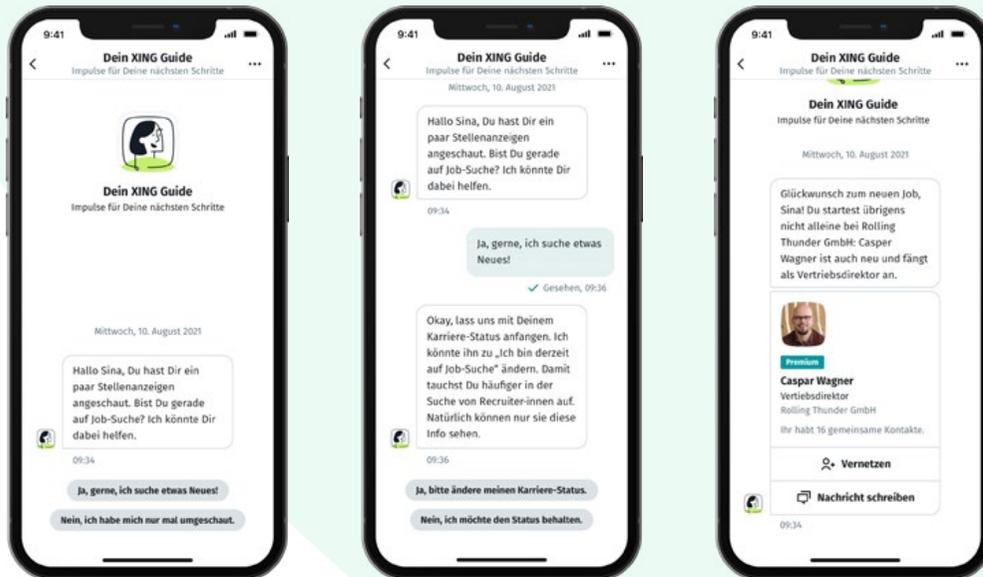
*“Businesses have to modernize their recruiting processes. It’s about more than just using tools. We need more of a focus on what jobseekers want on a case-by-case basis.”*

Frank Hassler, member of the Management Board of New Work SE



**Real teamwork:** Meeting personally with colleagues remains essential, despite remote work and working from home.





A companion through professional life: The XING Guide in the fully redesigned XING app

*“Jobseekers are no longer using kununu just to research a specific company before applying for a job. They are also going into interviews with specific information they can extract from our data.”*

Nina Zimmermann, CEO of kununu



Information from kununu is also integrated into another critical building block within our strategy: the new XING app, which was launched in December after intensive beta testing with the help of 300,000 users. With its innovative features, the app will help our network’s members better navigate working life and actively help them find a job. One new function was a real hit with test users: the new XING Guide.

This tool actively engages our users and delivers practical recommendations and tips about working life. XING members looking for a new job receive customized job suggestions and valuable tips for the recruitment process, for instance on how to make their profile more attractive to recruiters.

After all, both sides need to find each other quickly if they are a good fit. But, as we’ve already mentioned, many people now expect very different things from their employer than they did just a couple of years ago. For their part, companies need more and more accurate information about how they are viewed by potential applicants and by their current employees: And data and analysis from our colleagues at kununu provide them with the most reliable answers in both aspects.

Within just a few years, the kununu score has become a crucial benchmark for rating companies, including wide-ranging information about salary structures and corporate culture. “Jobseekers are no longer using kununu just to research a

specific company before applying for a job. They are also going into interviews with specific information they can extract from our data,” notes Nina Zimmermann, who became kununu’s new CEO in June 2021.



**Impressive:** The performance of Dutch anthropologist Jitske Kramer at the NEW WORK Experience 2021 in the Elbphilharmonie that had to remain empty due to COVID

Analyses of its use also revealed that more and more people who already have jobs regularly visit kununu looking for insights about their company. “They compare their impressions and experiences from their day-to-day work with platform ratings,” adds Nina Zimmermann. This practice often takes place in advance of performance reviews or when people are deciding whether to resign. Factors like managers’ behavior, internal communication, equal opportunities, and environmental and social awareness are playing an ever-greater role. “After working at a place for a couple of years, young employees, in particular, are finding that the salary that might have attracted them to a company in the first place is no longer a real reason why they should stay with a company or not,” remarks Nina Zimmermann, echoing the findings of the Forsa studies.

This trend makes kununu an extremely important partner for companies, too. They receive valuable feedback as more and more precise data is constantly gathered. Many employers have now also realized that the hotly contested market for talent demands more than just beautiful image campaigns: “Things like changing values and purpose have to be clearly identified and put into practice each and every day,” notes Nina Zimmermann. Products like the Employer Branding Profile system, which helps companies create and manage their own profile on kununu and XING, help deliver an authentic image. And kununu’s Top Company seal, which honors around 5 percent of the most successful employer profiles on the platform each year, is a real hit with companies, too.

All of these features prove the platform’s acceptance and much stronger demand from universities and other academic institutes for partnerships opportunities, primarily when it comes to using the vast volumes of data with more than six million testimonials, pieces of cultural information and salary data (workplace insights) for more than one million companies. “It will be important to leverage this strength, which is a unique selling feature compared with competitors, even more in the future,” says Nina Zimmermann. “We are a Data Company and that’s something we want to emphasize even more.”

Corporate culture, a key point covered by kununu, will be in the spotlight on 20 June 2022, as well. After all, this issue will be a focal point of the program for this year’s NWX festival, our event on the future of work. Last year, NWX delighted attendees as a hybrid event presented by live stream with keynote talks, platform discussions, and musical entertainment from the (unfortunately otherwise empty) Elbphilharmonie concert hall and a wide variety of workshops and masterclasses on a digital platform.

At the time of writing, it is not clear what format NWX will take this June. But one thing is sure: with its unique atmosphere and program line-up, NWX will become a real festival whether as a digital platform, an on-stage experience at the concert hall or as a source of inspiration. And with the help of many prominent guests, the event will once again help navigate the waters in this new era of work.

After all, Hamburg’s port and the pilots that help vessels chart a safe course are located just a few steps away. In a beautiful little building right on the Elbe.

# Report of the Supervisory Board

## Dear Shareholders,

I am pleased to report that our business performance was positive over the past year, despite the deterioration in economic conditions triggered by the pandemic. New Work SE's (pro forma) consolidated revenues across all segments grew by 5 percent to €290.9 million, while the (pro forma) operating result rose by 7 percent to €97.3 million. These robust figures demonstrate that our company is addressing long-term future trends with its products and offering its users and customers relevant solutions, even in a time of crisis. This strong performance over the past financial year means the Company will again be able to distribute a dividend this year.

Aside from its financial key performance indicators, New Work SE has also reached numerous important milestones in the Company's ongoing positive development.

The further growth of the XING platform to now 20.3 million members shows that the largest professional network in the German-speaking world remains highly relevant. Another important source of revenue is the XING brand's B2B E-Recruiting business, whose products include a portfolio of software solutions for corporate recruitment and human resources management. This business grew considerably by 10 percent during the reporting period.

As the Supervisory Board, we exercised with great diligence the duties we are required to perform in accordance with the law and the Articles of Incorporation. We continued to advise the Management Board in its management of the Company, and also diligently monitored the Management Board's written and oral reports and joint meetings. Anette Weber as the Chair of the Audit Committee and I also exchanged information with the Management Board by conducting telephone conferences regularly and visiting the XING premises.

The Management Board regularly informed us in good time with regard to its business policy and strategy, key corporate planning aspects (including financial, investment and HR planning), the course of business, current revenues, earnings and liquidity, the Company's and Group's economic situation (including the risk situation and risk management), Group-wide compliance and business transactions of importance to the Company and Group. The Management Board reported as and when needed and periodically as per the Rules of Procedure imposed upon the Management Board by the Supervisory Board.



Martin Weiss  
Chairman of the  
Supervisory Board

When required, we also commissioned external consultants and employees from various departments to assist with our consultations in 2021. We were promptly involved by the Management Board in all major decisions that were of key importance to the Company. In accordance with its Rules of Procedure, the Management Board also presented transactions requiring consent to us which, following their review and deliberation with the Management Board, were all unanimously approved by us.

### Composition of the Supervisory Board

As of the reporting date, the Supervisory Board, which pursuant to Section 96 (1), Section 101 (1) sentence 1 of the German Stock Corporation Act (AktG) in conjunction with item 10.1 of the Articles of Incorporation has six members, consisted of Dr. Johannes Meier (Deputy Chairman), Dr. Jörg Lübcke, Dr. Andreas Rittstieg, Jean-Paul Schmetz, Anette Weber and myself as Chairman.

In the reporting year, the Audit Committee, which pursuant to Section 96 (1), Section 101 (1) sentence 1 AktG in conjunction with item 10.1 of the Articles of Incorporation and Article 6 (1) of the Rules of Procedure of the Supervisory Board has three members to be selected from amongst the Supervisory Board members, once again consisted of Anette Weber (Chairwoman), Dr. Jörg Lübcke and Dr. Andreas Rittstieg.

The Technical and Product Committee, which was set up pursuant to Section 96 (1), Section 101 (1) sentence 1 AktG in conjunction with item 10.1 of the Articles of Incorporation and Article 7 (1) of the Rules of Procedure of the Supervisory Board, had three members in the reporting year: Jean-Paul Schmetz (Chairman), Dr. Johannes Meier and myself.

### Supervisory Board meetings

During the financial year ended, the Supervisory Board came together for four regular meetings (one per quarter), on constituent meeting after the Annual General Meeting and a strategy meeting. In addition, one resolution was passed by circulating written motions for approval. All serving

members of the Supervisory Board participated in person or via video conference in all meetings and resolutions. Each meeting at which the members met in person involved thorough deliberations on the current state of the business, the Company's KPIs and product initiatives for the B2B and B2C businesses.

We dealt with the following key topics during the reporting period:

The Supervisory Board meeting held on March 25 exhaustively discussed the annual financial statements, management report, consolidated financial statements, Group management report and dependent company report for the 2020 financial year. As recommended by the Audit Committee and following in-depth deliberations by the auditors, the 2020 annual financial statements were adopted by the Supervisory Board. Other key resolutions adopted by this meeting included the Supervisory Board's approval of the Management Board's recommendation on profit appropriation, and the recommendation by the Company's officers for the choice of annual auditor for the 2021 financial year, to be presented to the Annual General Meeting. In doing so, we followed the recommendations provided by the Audit Committee and proposed to the Annual General Meeting to once again appoint PricewaterhouseCoopers to conduct the 2021 audit. We also approved the planned agenda items and proposed resolutions for the Annual General Meeting on May 19, 2021. We also dealt with a review of the Company's M&A activities and agreed to the renewal of a Group company's lease.

At the meeting on May 18, 2021, we approved measures presented by the Executive Board to consolidate and reorganize the entities of the New Work Group. We also made preparations for the Company's Annual General Meeting to be held on the following day.

At the Supervisory Board's inaugural meeting held after the Annual General Meeting on May 19, 2021, we appointed the new Chairman and Deputy Chairman of the Supervisory Board as well as the chairs and members of its committees.

At the Supervisory Board meeting on September 30, 2021, we approved the extension of the license of our data warehousing contract. We also addressed the future CSR strategy in addition to dealing with the standard topics.

At the meeting on December 7, 2021, we discussed the findings of the annual Supervisory Board efficiency review and unanimously concluded that the review was satisfied with the Supervisory Board's work. On the occasion of Dr. Peter Opdemom's upcoming entry into the Management Board, we adopted its new allocation of responsibilities. We also addressed personnel issues and new core strategic initiatives. We discussed in detail and approved both the 2022 budget and the 2022–2024 three-year plan presented by the Management Board. Finally, we discussed the implementation of the Group companies' consolidation project.

The further strategic development of the Company was also discussed at a strategy meeting attended by the Management Board and Supervisory Board on September 29, 2021.

Outside the face-to-face Supervisory Board meetings described, urgent decisions were taken in conference calls and by circulating written motions for approval. On May 28, 2021, the Supervisory Board adopted a resolution to terminate Dr. Patrick Alberts' appointment to the Management Board; on July 28, 2021, it resolved to appoint Dr. Peter Opdemom to the Company's Management Board effective January 1, 2022, and approved the conclusion of his Management Board employment contract.

#### Audit Committee meetings

Over the last year, the Audit Committee held four meetings, either face-to-face in Hamburg or, due to the pandemic, via video conference, specifically on February 18, March 24, September 29 and December 6, 2021. All of its members were present at all meetings. The committee reviewed the financial statements and the consolidated financial statements, discussed auditing issues with the auditors, and dealt with internal audit and risk management. The Audit Committee dealt with the proposal on the choice of auditor for the 2021 Annual General Meeting. The resolutions to approve the annual financial statements and the consolidated financial statements were prepared for the Supervisory Board along with the profit appropriation proposal. The key points of the audit for the 2021 annual financial statements were also discussed and decided on with the auditor of the annual financial statements. Another focus of the Audit Committee was to prepare an adjustment to the system of variable Executive Board remuneration.

Other recurring topics at Audit Committee meetings included the monitoring of the existing risk management system, the preparation of accounts, the effectiveness of the internal control and compliance systems, and the audit activities of the auditor of the annual financial statements.

Apart from face-to-face meetings, conference calls on business developments were also held monthly between the Audit Committee and the Management Board. The Audit Committee was also available for ad hoc consultation at any time outside face-to-face meetings.

#### Technical and Product Committee meetings

The Technical and Product Committee held four meetings over the past financial year, either in person or via video conference. All of its members were present at all meetings. On March 24, May 18, and December 6, 2021, it addressed IT topics in the areas of IT security and product technology. Product topics included an extensive review of the journalistic offerings on the XING platform, the performance of the XING Marketing Solutions division, and the elimination of points of customer dissatisfaction in the B2C business, as well as improvements to the structuring of XING's strategic direction and product development. At several meetings, discussions addressed the overall situation of the Company's tech and product organization. The Committee and its members also advised the Management Board on technology- and product-related topics outside of its face-to-face meetings.

#### Audit of the 2021 annual financial statements and consolidated financial statements

The annual financial statements, which were prepared by the Management Board in accordance with the rules of German commercial law and the management report of New Work SE for the 2021 financial year were audited by PricewaterhouseCoopers GmbH, Hamburg, and issued with an unqualified auditor's report. The consolidated financial statements and Group management report of New Work SE for the 2021 financial year, which were prepared in accordance with the International Financial Reporting Standards (IFRSs) pursuant to Section 315e German Commercial Code, were also issued with an unqualified auditor's report by the auditor. Pursuant to Section 312 AktG, the Management Board has prepared a report on relations with affiliated companies to be prepared by the Management Board due to Burda Digital SE's majority shareholding in New Work SE. The auditors have examined this report and issued the following opinion: "In our opinion, based on the examination which we have carried out in accordance with professional standards,

- 1. the factual information contained in the report is correct and
- 2. the consideration given by the Company for the legal transactions referred to in the report was not unreasonably high."

The annual financial statements and the consolidated financial statement, including the Group management report and the management report, the report on relations with affiliated companies as well as the audit reports of the auditor and the profit appropriation proposal of the Management Board were submitted to the Supervisory Board prior to the Audit Committee's meeting on March 23, 2022 and the Supervisory Board's meeting on March 24, 2022 for them to be reviewed and intensively discussed. The auditors attended Audit Committee and Supervisory Board meetings concerning the submitted documents and reported on the main findings of their audits. They were available to the Supervisory Board at all times in order to answer questions and provide information. As part of auditing the financial statements, the Supervisory Board and Audit Committee also discussed the Management Board's accounting policy and financial planning. Other specific matters discussed with the Management Board and the auditor of the annual financial statements included findings from the audits conducted by the auditor on the agreed key audit matters.

Following the final result of its own review, the Supervisory Board did not have any reservations with regard to the annual financial statements which were submitted, the management report as well as the consolidated financial statements and the Group management report and the report on relations with affiliated companies and, following its own review, approved the results of the auditors concerning the audit of the financial statements and the consolidated financial statements as well as the management report and Group

management report of New Work SE and the report on relations with affiliated companies during its meeting on March 24, 2022. The Supervisory Board has approved the annual financial statements prepared by the Management Board and the consolidated financial statements of New Work SE. The annual financial statements of New Work SE have thus been adopted.

The Supervisory Board has conducted a thorough audit and considered all of the arguments in connection with the Management Board's profit appropriation proposal. As a result, a proposal will be submitted to the Annual General Meeting on June 1, 2022 to distribute a regular dividend of €2.8 million and a special dividend of €3.56 per share.

#### Corporate Governance

Pursuant to the German Corporate Governance Code, the Management Board and the Supervisory Board provide information on Corporate Governance at XING SE on the Investor Relations section of the XING SE website. The Management Board and the Supervisory Board issued the annual Declaration of Conformity as required by law. The Declaration of Conformity and other disclosures in accordance with Section 289a German Commercial Code are available on the XING website at → <https://www.new-work.se/en/investor-relations/corporate-governance>. New Work SE complies with almost all of the recommendations of the German Corporate Governance Code and is committed to sound corporate governance as an integral part of management.

#### Conflicts of interest

No topics or transactions arose in the financial year ended that had the potential to cause conflicts of interest for members of the Management Board or Supervisory Board.

#### Closing remarks

We would like to thank all of New Work's members and customers as well as its shareholders for the trust they have vested in the Company. We also thank the Management Board and all employees in the New Work Group for their excellent work amid the extraordinary challenges posed by the COVID-19 pandemic. Together they have made 2021 a successful financial year.

Hamburg, March 24, 2022



**Martin Weiss,**

Chairman of the Supervisory Board

# Management Board and Supervisory Board

The Management Board of New Work SE is responsible for the corporate strategy and its implementation. The Supervisory Board chaired by Martin Weiss is in close consultation with the Management Board and is involved in important strategic and business decisions.



The members of the Management Board of New Work SE From left to right: Ingo Chu (CFO), Frank Hassler (CSO), Petra von Strombeck (CEO), Jens Pape (CTO) and Dr. Peter Opdemom (Board member B2C)

**MEMBERS OF THE MANAGEMENT BOARD**



**Petra von Strombeck**  
CEO



**Ingo Chu**  
CFO



**Frank Hassler**  
CSO



**Dr. Peter Opdemom**  
Board Member B2C  
(since January 1, 2022)



**Jens Pape**  
CTO

**MEMBERS OF THE SUPERVISORY BOARD**



**Martin Weiss**  
Chairman of the  
Supervisory Board



**Dr. Jörg Lübcke**



**Prof. Dr. Johannes Meier**



**Dr. Andreas Rittstieg**



**Jean-Paul Schmetz**



**Anette Weber**

# The New Work SE share

Transparency, management of market expectations and ensuring open and continuous dialog form the cornerstones of our communication with the capital market.

## Basic data on the New Work SE share

Number of shares	5,620,435
Share capital in €	5,620,435
Share type	Registered shares
IPO	12/07/2006
ISIN (NEW)	DE000NWRK013
Bloomberg (NEW)	NWO:GR
Reuters (NEW)	NWOn.DE
Transparency level	Prime Standard
Index	SDAX
Sector	Software
Paying agent	Deutsche Bank

## Basic data on the New Work SE share at a glance

	2021	2020	2019	2018	2017
XETRA closing price at year-end	€217.50	€280.00	€292.00	€237.50	€268.60
High	€290.50	€312.00	€375.50	€326.00	€274.20
Low	€197.00	€164.00	€229.00	€224.50	€174.95
Market capitalization at year-end	€1,222 million	€1,574 million	€1,641 million	€1,388 million	€1,509 million
Average trading volume per day (XETRA)	1,959	4,475	4,696	4,840	7,124
Pro forma earnings per share (diluted) <sup>2</sup>	€7.00	€6.65	€6.37	€5.35	€4.15
Number of shares	5,620,435	5,620,435	5,620,435	5,620,435	5,620,435
Dividend per share	€2.80 <sup>1</sup>	€2.59	€2.59	€2.14	€1.68
Special dividend per share	€3.56 <sup>1</sup>			€3.56	

<sup>1</sup> Proposal to the Annual General Meeting on June 1, 2022

<sup>2</sup> For a definition of pro forma see the Group Management Report

## CAPITAL MARKET AND SHARE PRICE PERFORMANCE

The outbreak of the coronavirus pandemic in March 2020 and the contact restrictions subsequently introduced, as well as the negative effects on economic growth and demand for workers in the D-A-CH region in particular, had a considerable adverse impact on our high-growth B2B business units. In the B2B E-Recruiting segment, which makes up more than 50 percent of revenues, we recorded a decline in customer numbers

in the 2020 financial year that we were only able to offset when the labor market recovered in the second half of 2021. This slowed our revenue and earnings growth significantly, with the New Work SE share joining other cyclical stocks as one of the losers from this crisis. We are very positive about the share's medium and long-term prospects because several million employees will leave the job market over the next ten years after reaching retirement age.

The number of people in employment will decrease accordingly. We therefore believe that this is precisely when our employer branding and digital recruitment offerings will benefit employers as they reach out to, search for and select suitable candidates, resulting in an acceleration of growth rates in our largest B2B E-Recruiting business. In the fourth quarter of 2021, we already managed to achieve a growth rate of over 20 percent in the B2B E-Recruiting segment again.

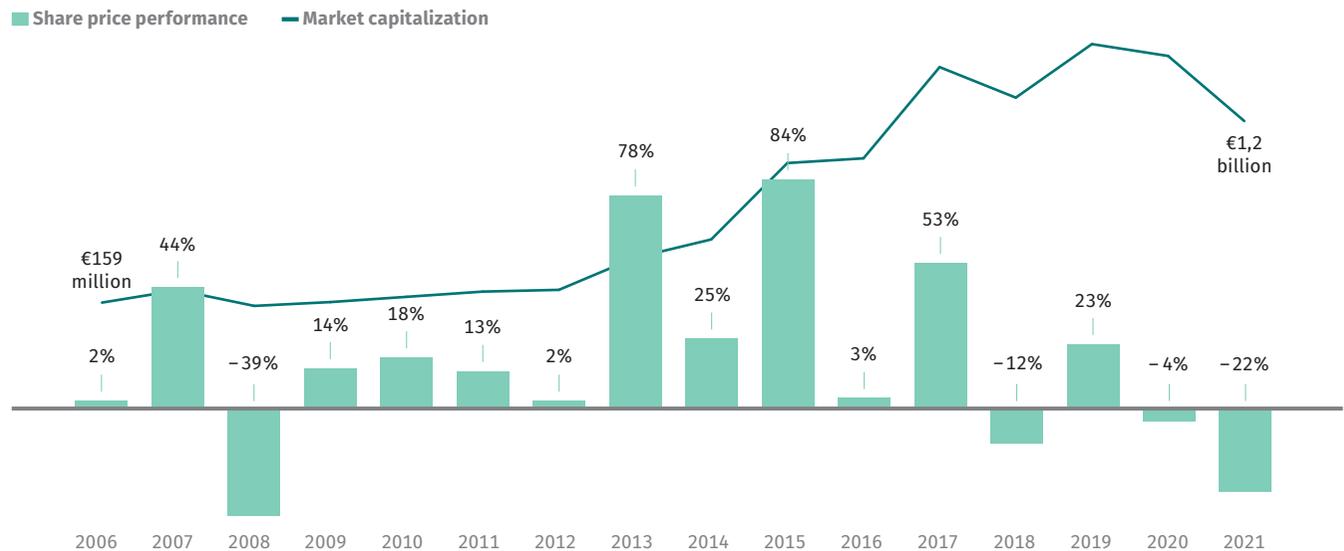
### Share price performance of New Work SE in 2021 vs. SDAX



### Market capitalization and trading volume in € million



### Share price performance and market capitalization since the IPO



**ANALYST COVERAGE**

Our shares are being monitored by five well-known brokerage firms (coverage). After the price correction triggered by the impact of the coronavirus crisis, our analysts' price targets are considerably higher than the current share price. Four of the five research firms recommend buying New Work SE's shares at their current level.

**SHAREHOLDER STRUCTURE OF NEW WORK SE**

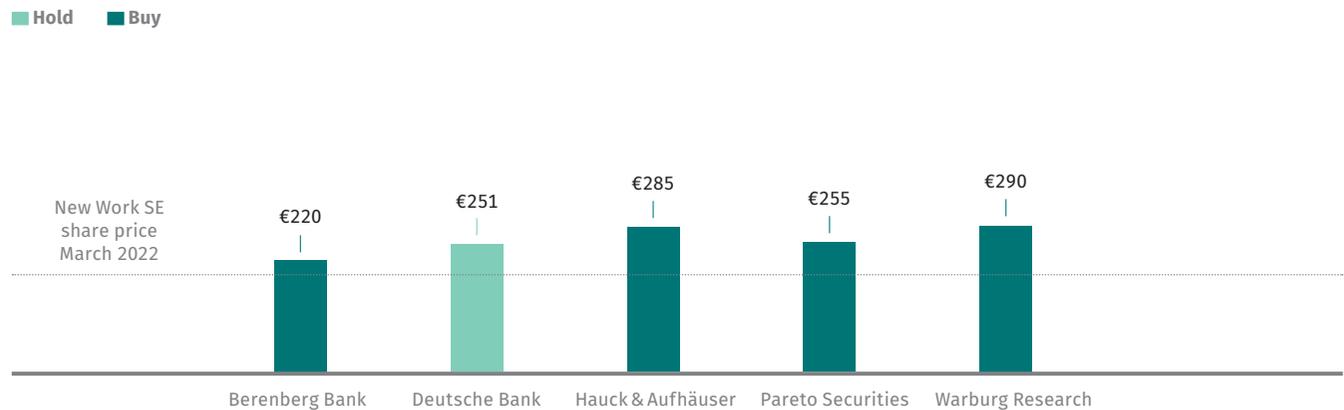
There was no significant change to the geographical distribution of our shareholder structure during the past 12 months. Major institutional shareholders with a stake of more than three percent also maintained their holdings in the Group, with only Canadian investor Mawer reducing their shareholding slightly to below three percent at the end of 2021.

**IR ACTIVITIES**

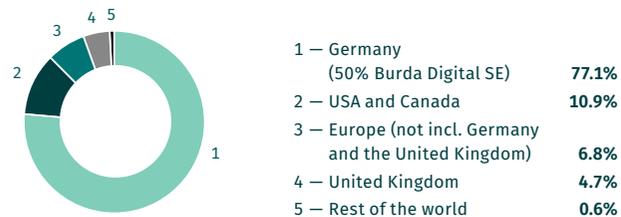
In the second year of the COVID crisis and its associated lockdowns, distancing and hygiene regulations, we used digital communication channels for the majority of our communications with shareholders.

We held our virtual Capital Markets Day in the first quarter of 2021, giving our CEO Petra von Strombeck her first opportunity to present the Group's strategic direction, outlook and targets to around 50 participating analysts and investors and answer questions from the audience together with CFO Ingo Chu after his remarks on our revenue model and financial key performance indicators.

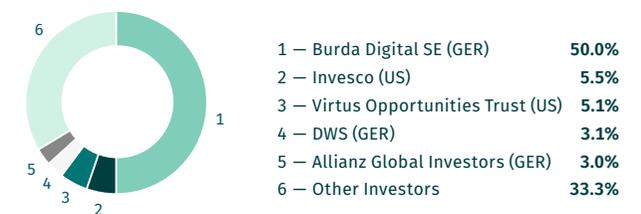
**Analyst recommendation and fair value in March 2022**



**Geographical distribution of investors in March 2022**



**Shareholder structure of New Work SE in March 2022**



Over the further course of the 2021 financial year, the Management Board and the Investor Relations department outlined the Company's latest developments, strategy and current market environment in virtual meetings to continue its dialog with various players in the capital markets. However, we firmly believe that moving our direct, personal interactions with current and potential investors to the virtual world is not without its limitations. With this in mind, we are looking forward to engaging with potential and existing investors in person once again as soon as conditions allow.

#### ANNUAL GENERAL MEETING

Our second virtual Annual General Meeting was held on May 19, 2021. The speeches and answers to questions from investor protection organizations and our shareholders were broadcast live from our company headquarters (at that point still located at Dammtorstraße 30 in Hamburg). For the first time, our new CEO Petra von Strombeck presented the Company's performance in the 2020 financial year and provided an outlook for the current 2021 financial year.

Almost all shareholders (91 percent) participated in our Annual General Meeting. All seven agenda items were accepted and adopted.

For the upcoming Annual General Meeting on June 1, 2022, the Management Board decided in February 2022 to recommend that the Annual General Meeting increase the regular dividend to €2.80 per share (2021: €2.59) and pay a special dividend of €3.56 per share.

From April 2022, shareholders can obtain further information as well as the invitation and agenda for the upcoming Annual General Meeting in June 2022 at <https://www.new-work.se/en/investor-relations/annual-general-meetings>.

#### OUR INVESTOR RELATIONS MEDIA CHANNELS

<https://www.new-work.se/de/investor-relations>

Twitter: [New\\_Work\\_SE\\_IR](#)

(Information and news related to the capital markets)



The XING SE Investor Relations department is happy to take questions and comments:

#### New Work SE

Patrick Möller

Vice President Investor Relations

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# Group management report

*for the financial year  
from January 1 to December 31, 2021*

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# Strategy and business

## Strategy

The strategic direction of New Work SE is based on sustainable long-term trends and developments in the labor market across the D-A-CH region, with Germany – Europe’s largest economy – as the main focus of our activities.

In keeping with our overarching vision “For a better working life”, we aim to not only improve the working lives of our users but also help companies to find the right talented individuals who can use their commitment and productivity to deliver success for their employer.

Conditions in the labor market have changed radically in recent years, particularly in German-speaking countries, as demographic change in particular creates a considerable shortage of talented and skilled professionals. The decline in birth rates over the last few decades means the labor market already has fewer and fewer skilled workers at its disposal – too few, in fact.

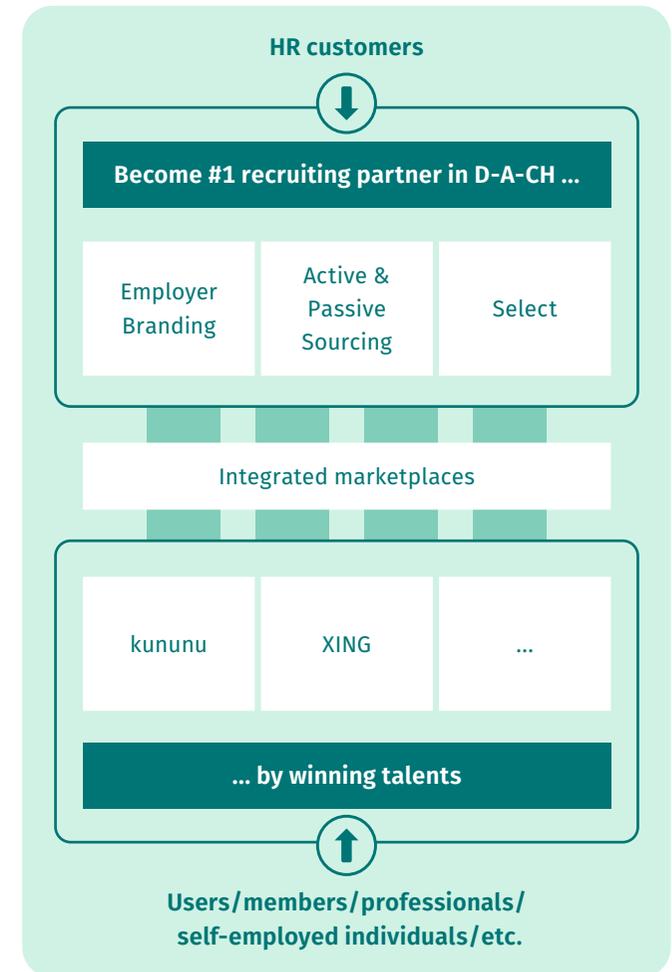
This trend will be exacerbated further in the coming years. We expect the current shortage of skilled workers in the D-A-CH region to spread to an ever-greater number of sectors and occupations and develop into a general shortage of labor. At the same time, economic experts are predicting a strong recovery in the economy and labor market.

In this challenging environment for employers, we want to use our recruiting and employer branding products and services to establish ourselves as a capable partner for companies and HR departments, helping them to identify more suitable candidates more quickly and enhance their employer branding. By doing this, we can contribute to the growth and business success of thousands of companies and employers across the D-A-CH region.

The market for recruiting products and services that we serve is worth around €5 billion in Germany alone, offering numerous opportunities to grow our market share with both our own products and by making acquisitions.

At the same time, we want to help our users and members to find the right job and the right employer – with the help of culture matching, for example – via our own destinations such as the kununu and XING platforms in particular, thus enabling professionals to live happier, more satisfying working lives. After all, happy employees mean more successful companies.

We bring these two target groups together in marketplaces under the umbrella of the New Work Group, as we are convinced that this enables both segments to build each other up.



For example, more than 20 million people have registered on the **XING platform** to gain access to potential business contacts or partners or cultivate existing contacts. Members can also access XING Jobs. In turn, employers can access the largest talent pool in the D-A-CH region directly via our digital recruiting solutions by placing job advertisements (Passive Recruiting, XJM) or by actively searching for and approaching candidates (Active Sourcing, XTM), enabling them to fill vacancies as quickly and efficiently as possible.

This opens up career development opportunities for members of the XING professional network.



Since acquiring the **kununu platform** in 2013, we have established another marketplace that brings professionals and employers together outside the XING platform. This platform gives professionals guidance in their search for new job prospects or employers that are a better fit for their own values.

In turn, companies can use our employer branding solutions to present themselves as attractive employers and thus arouse the interest of potential candidates. After all, according to a Bitkom survey of Internet users, almost one in two users obtains information about employer reviews online. Around 44 percent of respondents said that their decision to change jobs was influenced by employer reviews. As a result, amid the growing labor shortage and an increase in unfilled vacancies, more and more employers rely on a paid kununu employer branding profile to increase their visibility among potential candidates.



We also monetize access to the C side (members and/or users) to a lesser extent via the B2B Marketing Solutions & Events segment.

### Market positioning

By focusing most of our activities on German-speaking countries (the D-A-CH region), we operate in Europe's largest and strongest economic region. The New Work Group's B2C platforms → [www.xing.com](http://www.xing.com) and → [www.kununu.com](http://www.kununu.com) are leading players in their respective segments with more than 20 million members and over 500 thousand employers reviewed.

Our digital recruiting solutions also help more than 13,000 companies and employers to fill vacancies with the best possible candidates.

Our B2B E-Recruiting business in particular is expected to expand its market position over the next few years.

## Business models and internal management system

New Work SE operates business models in the B2C segment as well as the two B2B segments of E-Recruiting and Marketing Solutions & Events. Our B2C segment offers professionals services such as → [www.xing.com](http://www.xing.com), enabling them to connect and interact with other professionals and gain a clear picture of the opportunities on offer in the labor market, for example. They can also be identified and approached by companies and employers as potential candidates to fill vacancies. Our B2B solutions primarily help companies and employers to search for suitable candidates and talented professionals for job vacancies and, to a lesser extent, gain access to potential customers and event participants.

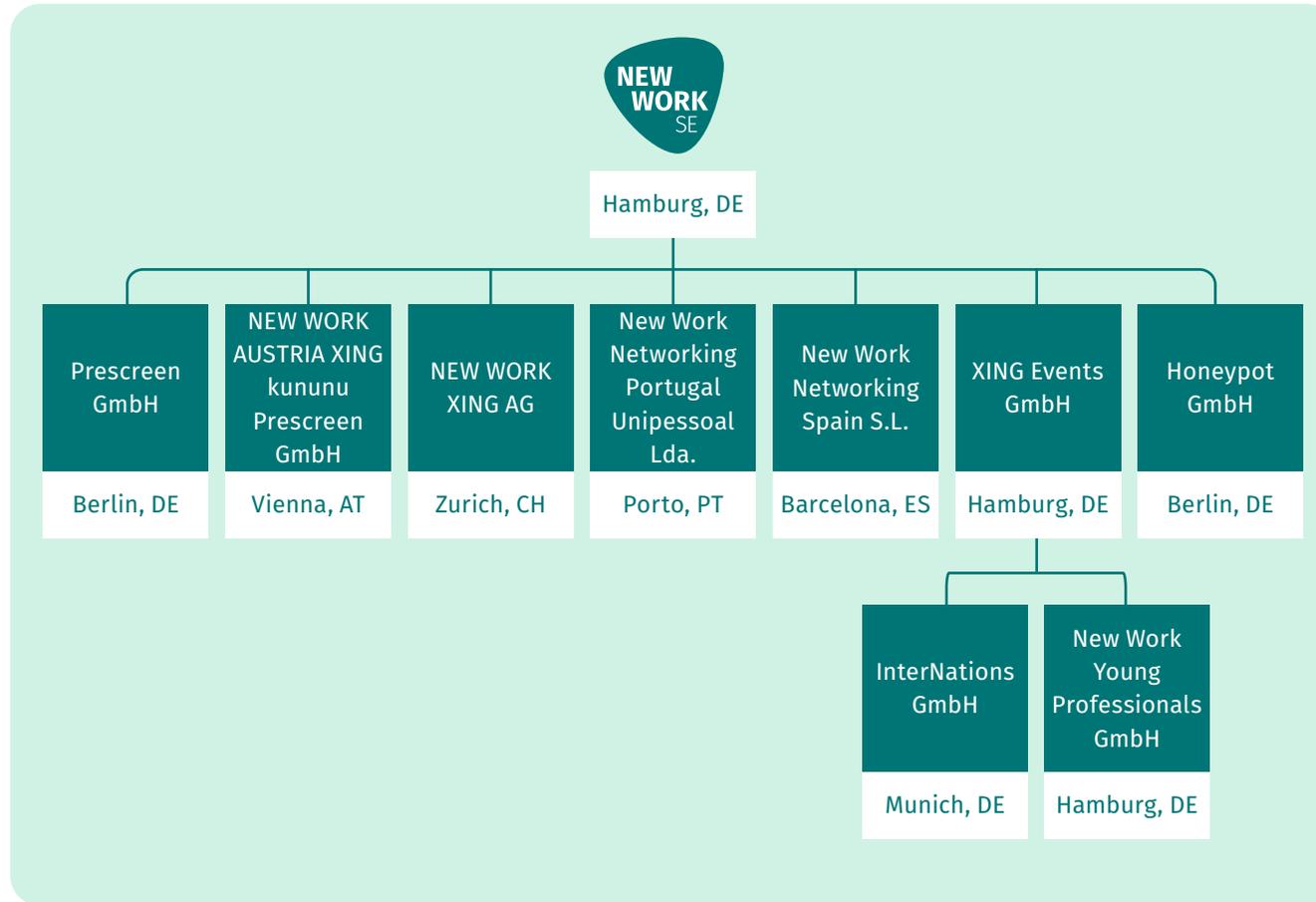
The Group management report is structured in accordance with the following reportable segments:

- 1. B2C
- 2. B2B E-Recruiting
- 3. B2B Marketing Solutions & Events

Revenue and EBITDA trends are reported in each segment. Our customers pay for most of our B2C and B2B products and services in advance on the basis of subscription models.

Segment	Product	Monetization	Target group
B2C	Premium membership	3- or 12-month fee	Professionals, freelancers, self-employed individuals
	ProJobs membership		
	XING platform (network)	via B2B solutions	
	kununu platform	via B2B E-Recruiting solutions	
	InterNations	3- or 12-month fee	Expatriates
B2B E-Recruiting	Job ads (XJM)	Fee per ad or click	Employers / businesses
	XING TalentManager (XTM)	Annual fee	
	XING TalentPoolManager (XTP)		
	XING Referral Manager (XRM)		
	Employer branding profile		
	Prescreen Applicant Tracking System (ATS)		
	XING TalentService (XTS)	Fixed fee per search	
	XING 360 Package	Annual fee	
Honeypot	Variable and fixed annual fee		
B2B Marketing Solutions & Events	<b>Marketing Solutions subsegment</b>	CPC (cost per click) / CPM (cost per million)	Businesses/advertisers
	Native advertising formats		
	Video advertising formats		
	Content advertising formats		
	Sponsored mailings		
	Audience network		
	<b>Events subsegment</b>	Variable percentage of ticket price and fixed fee per ticket sold	Event organizers
	Ticketing solutions		

## Organizational structure of the Group



As of December 31, 2021, New Work SE had a total of nine active investments (previous year: 23) in companies in and outside Germany, of which seven were direct investments and two were indirect investments through intermediate companies. All investees are controlled by New Work SE and are therefore fully consolidated in New Work SE's consolidated financial statements. During the 2021 financial year, the liquidations of Eqipia GmbH and amianto UK Ltd. announced in the previous year were completed and Grupo Galenicom Tecnologias de la Información SL was liquidated. The Group structure of New Work SE was also consolidated in two phases. As a first step, kununu engage GmbH, HalloFreelancer GmbH and XING International Holding GmbH in Germany were merged with New Work SE. New Work XING GmbH became general partner of XING GmbH & Co. KG, while XING E-Recruiting GmbH & Co. KG became part of New Work SE. In Austria, Prescreen International GmbH and XING E-Recruiting GmbH were merged with NEW WORK AUSTRIA XING kununu Prescreen GmbH (formerly kununu GmbH), after shares in Prescreen International GmbH were transferred from Prescreen GmbH to NEW WORK AUSTRIA XING kununu Prescreen GmbH and shares in Prescreen GmbH were transferred from NEW WORK AUSTRIA XING kununu Prescreen GmbH to New Work XING GmbH. In the second step, XING Marketing Solutions GmbH was merged with New Work SE, and XING GmbH & Co. KG accrued to New Work SE when New Work XING GmbH was merged with New Work SE. In Switzerland, XING Switzerland GmbH merged with XING E-Recruiting Switzerland AG, which now operates under the name NEW WORK XING AG

## Financial and non-financial key performance indicators (internal management system)

Achievement of our strategic objectives is monitored using financial and non-financial key performance indicators. These indicators are regularly compared with targets and a rolling forecast that is reported to the Management Board and Supervisory Board.

### ADJUSTED (PRO-FORMA) KEY PERFORMANCE INDICATORS

Management is based on financial performance indicators such as revenues per segment and segment EBITDA. The key performance indicators reported in accordance with IFRSs in the consolidated statement of comprehensive income in some cases include non-recurring effects. In the management report, these reported key performance indicators are therefore adjusted for effects including those arising from changes in the basis of consolidation triggered by M&A, impairment of goodwill, remeasurement of non-operating financial instruments, restructuring and other non-recurring transactions unrelated to operating performance.

### FINANCIAL KEY PERFORMANCE INDICATORS

#### Pro forma revenues and pro forma EBITDA per segment

We have defined revenue growth in the respective segments as a main financial key performance indicator. The second important financial key performance indicator is pro forma EBITDA.

The key performance indicators reported in accordance with IFRSs in the consolidated statement of comprehensive income may contain non-recurring effects. In the management report and when calculating material financial key performance indicators, these reported key performance indicators are therefore adjusted for effects including those arising from changes in the basis of consolidation triggered by M&A, impairment of goodwill, remeasurement of non-operating financial instruments, restructuring and other non-recurring transactions unrelated to operating performance.

#### Note

The pro forma key figures for the prior-year period of 2020 presented in this report differ from the pro forma figures in the 2020 Annual Report.

We calculated the pro forma key figures in the 2020 Annual Report with the aim of providing a like-for-like comparison with the previous year with regard to the acquisition date of Honeypot (04/2019) and thus only recognized them for a period of nine months for 2020. When preparing the Annual Report for 2021, the consolidation period for 2020 was adjusted from nine months to the full 12 months to provide a like-for-like comparison. We also eliminated the revenue and earnings contributions of kununu's US business in the B2C segment in the prior-year period to once again enable a like-for-like comparison with the 2021 financial year.

## Reconciliation pro forma income statement and key performance indicators 2021

In € million	P&L 01/01/2021 – 12/31/2021	Operating business of discontinued operations (like-for-like)	Impairment of goodwill	Changes in earn-out liabilities	Remeasurement of non-oper- ating financial instruments	Restructuring expenses	Other non-recurring effects	P&L pro forma, 01/01/2021 – 12/31/2021	P&L pro forma, 01/01/2020 – 12/31/2020
<b>Revenues</b>	<b>290.9</b>							<b>290.9</b>	<b>276.6</b>
Other operating income	1.6							1.6	2.0
Other own work capitalized	23.6							23.6	23.6
Personnel expenses	-139.2							-139.2	-139.1
Marketing expenses	-35.7							-35.7	-29.0
Other operating expenses	-41.2							-41.2	-40.0
Impairment losses on financial assets and contract assets	-2.8							-2.8	-3.6
<b>EBITDA</b>	<b>97.3</b>							<b>97.3</b>	<b>90.5</b>
Depreciation, amortization and impairment losses	-44.8							-44.8	-38.3
<b>EBIT</b>	<b>52.5</b>							<b>52.5</b>	<b>52.2</b>
Financial result	-0.4				-0.4			-0.8	-0.7
<b>EBT</b>	<b>52.1</b>				<b>-0.4</b>			<b>51.6</b>	<b>51.5</b>
Taxes	-12.4				0.1			-12.3	-15.7
<b>Consolidated net profit</b>	<b>39.6</b>				<b>-0.3</b>			<b>39.3</b>	<b>35.8</b>
<b>Earnings per share in €</b>	<b>7.05</b>				<b>0.0</b>			<b>7.00</b>	<b>6.37</b>

## Reconciliation pro forma income statement and key performance indicators 2020

In € million	P&L 01/01/2020 – 12/31/2020	Operating business of discontinued operations (like-for-like)	Impairment of goodwill	Changes in earn-out liabilities	Remeasurement of non-oper- ating financial instruments	Restructuring expenses	Other non-recurring effects	P&L pro forma, 01/01/2020 – 12/31/2020
<b>Revenues</b>	<b>276.5</b>	<b>0.1</b>						<b>276.6</b>
Other operating income	2.0							2.0
Other own work capitalized	23.6							23.6
Personnel expenses	-141.9	-0.3				2.0	1.2	-139.1
Marketing expenses	-29.0	0.0						-29.0
Other operating expenses	-40.0	-0.1				0.1		-40.0
Impairment losses on financial assets and contract assets	-3.6							-3.6
<b>EBITDA</b>	<b>87.6</b>	<b>-0.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>2.1</b>	<b>1.2</b>	<b>90.5</b>
Depreciation, amortization and impairment losses	-56.1	0.3	17.4					-38.3
<b>EBIT</b>	<b>31.6</b>	<b>0.0</b>	<b>17.4</b>	<b>0.0</b>	<b>0.0</b>	<b>2.1</b>	<b>1.2</b>	<b>52.2</b>
Financial result	9.3	0.0		-9.8	-0.1			-0.7
<b>EBT</b>	<b>40.8</b>	<b>0.0</b>	<b>17.4</b>	<b>-9.8</b>	<b>-0.1</b>	<b>2.1</b>	<b>1.2</b>	<b>51.5</b>
Taxes	-14.7	0.0			0.0	-0.7	-0.4	-15.7
<b>Consolidated net profit</b>	<b>26.1</b>	<b>0.0</b>	<b>17.4</b>	<b>-9.8</b>	<b>-0.1</b>	<b>1.4</b>	<b>0.8</b>	<b>35.8</b>
<b>Earnings per share in €</b>	<b>4.65</b>	<b>0.00</b>	<b>3.10</b>	<b>-1.75</b>	<b>-0.02</b>	<b>0.2</b>	<b>0.14</b>	<b>6.37</b>

### Non-financial key performance indicators

We employ two non-financial key performance indicators:

- 1. XING members
- 2. Number of corporate subscription customers in the B2B E-Recruiting segment

The two key performance indicators are used in the two main segments B2C and B2B E-Recruiting.

## Comparison of outlook for 2021 with actual development in the 2021 financial year

### FINANCIAL KEY PERFORMANCE INDICATORS

#### Revenue and earnings targets

We were able to slightly exceed the forecast for pro forma consolidated revenues issued in the 2020 Annual Report and repeated in the 2021 Half-year Report.

We also met the guidance for pro forma consolidated EBITDA issued in the 2020 Annual Report and raised in the 2021 Half-year Report. While we were able to realize our ambitions for the B2B segment, we were unable to hit the pro forma revenue target in the B2C segment. Having decided in the second half of the year to increase our investments in the B2C segment in connection with the relaunch of the XING app, we were no longer able to meet our full-year guidance for pro forma segment EBITDA.

#### Dividend, liquidity and financial targets

We have pursued a sustainable dividend policy since 2012. Accordingly, in 2021 the Annual General Meeting again followed the joint proposal of the Management Board and Supervisory Board and resolved a regular dividend of €2.59 per no-par value share carrying dividend rights (2020: €2.59). New Work's cash-generative business model enables the Company to pursue a sustainable dividend policy without affecting its business strategy, which is still aimed at achieving growth. We intend to continue to make regular dividend payments in the future.

#### Capital expenditures

After an investment volume (CAPEX, excl. M&A transactions) of €32.9 million in 2020, we invested €43.3 million in the 2021 financial year (excl. M&A transactions). As in previous years, capital expenditure was concentrated on internally developed software, amounting to €23.6 million (2020: €23.6 million). In 2021, we also made investments of around €12.5 million in our new office building in Hamburg (2020: €4.0 million).

Financial key performance indicators (Annual Report 2020)	Forecast 2021 (Annual Report 2020)	Restated 2021 (Half-year report 2021)	Actual for 2021
<b>Group</b>			
Pro forma consolidated revenues	At prior-year level	At prior-year level	+5%
Pro forma consolidated EBITDA	At prior-year level	Single-digit percentage growth	+7%
<b>Segments</b>			
Pro forma revenues, B2C segment	At prior-year level	At prior-year level	-5%
Pro forma EBITDA, B2C segment	Double-digit percentage growth	Double-digit percentage growth	+2%
Pro forma revenues, B2B E-Recruiting segment	Single-digit percentage growth	Single-digit percentage growth	+10%
Pro forma EBITDA, B2B E-Recruiting segment	At prior-year level	Single-digit percentage growth	+8%
Pro forma revenues, B2B Marketing Solutions & Events segment	Single-digit percentage growth	Double-digit percentage growth	+16%
Pro forma EBITDA, B2B Marketing Solutions & Events segment	Double-digit percentage growth	Double-digit percentage growth	+96%

Strategy and business

Comparison of outlook for 2021 with actual development in the 2021 financial year  
Corporate social responsibility (CSR)

**Non-financial key performance indicators**

We met both forecasts in terms of the non-financial key performance indicators published in the 2020 Annual Report.

Non-financial key performance indicators	Forecast 2021 (Annual Report 2020)	Restated 2021 (Half-year report 2021)	Actual for 2021
B2C segment: Members in the D-A-CH region	Single-digit percentage growth	Single-digit percentage growth	+7%
B2B E-Recruiting segment: Number of subscription-based corporate customers (B2B)	Single-digit percentage growth	Single-digit percentage growth	+3%

The forecast in terms of all financial and non-financial key performance indicators for the 2022 financial year is explained in detail in the report on opportunities and risks.

**Corporate social responsibility (CSR)**

Our CSR model is based on our corporate vision “For a better working life”, which defines our understanding of corporate and social responsibility. Our aim is to shape and promote the future world of work and create a new understanding of the interplay between life, culture and work. People should work in companies that align with their own principles, where they can achieve their full potential and be part of a culture that makes them happy in the term. That is why the shared goal of all of New Work SE’s activities and brands is to consistently focus on creating a future world of work for people, businesses and the environment. As we consider our mission to be at the heart of our social responsibility, we want to contribute to achieving the UN Sustainable Development Goals (SDGs).

During the year under review, we refined the CSR strategy we defined in 2017, sharpened up our strategic action areas considerably and set ourselves ambitious new targets that we want to achieve by 2025. The Management Board and Supervisory Board of New Work SE adopted this new strategy for 2025 in 2021. For our new strategic orientation, we took into account changes in standards and regulations in advance, and systematically reviewed key environmental, social and economic issues as part of a stakeholder, business and materiality analysis.

We want to use our new strategic direction to reinforce and steadily build on our corporate responsibility towards society and the environment and achieve results that have a positive impact. We will communicate this transparently by publishing an annual CSR report.

**CSR STRATEGY**

Our CSR strategy defines the priorities of our commitment and sets concrete targets. After rebalancing several sustainability topics and checking to ensure they are up to date, we defined the priorities for our social responsibility efforts in five action areas as follows:

- ➔ 1. Governance
- ➔ 2. Employees
- ➔ 3. Products and Services
- ➔ 4. Environment
- ➔ 5. Society

We assessed the prioritization and importance of these topics based on a multi-stage process and identified the topics that are relevant to the direction and refinement of our sustainability strategy. This analysis incorporated the three

dimensions of relevance – impact, relevance to stakeholders and relevance to the Company. The result is ten key topics of particular significance to our business model:

**OUR STRATEGIC ACTION AREAS AND KEY TOPICS**



As part of the strategy development process, the Data Protection and Compliance action area was restructured and allocated to the Governance action area on the one hand and the Products and Services action area on the other. In the new strategy, the Governance action area provides the main foundation for sustainable and responsible management. Topics in the Employees action area were also given a stronger weighting. This action area now consists of four key topics that also contribute to our corporate vision “For a better working life”. Greater relevance was also attributed to the Environment action area due to the increasing social significance of climate action. We defined two material topics in this area and set ourselves the target of becoming climate neutral on both of these fronts by 2025.

The new CSR strategy and CSR roadmap for 2021–2025 are presented in detail in the 2021 CSR Report, which is being published at the same time as the Annual Report at the end of the first quarter of 2022.

**CSR MANAGEMENT**

We established CSR management within the Company in 2017 in order to further develop our action areas and purposefully pursue our goals. A steering committee made up of the Vice President Corporate Communications, the Vice President Investor Relations and a CSR manager coordinates the Company’s CSR activities. It prepares roadmap documents to facilitate decisions by the Management Board of New Work SE and takes care of communications with the department managers responsible for implementing the actions.

More detailed information is contained in the 2021 CSR report (Non-financial statement pursuant to Section 315b HGB) which is available at:

[→ CSR Report 2021](#)



**EMPLOYEES**

As of December 31, 2021, the New Work Group had 1,712 employees (FTEs) including five Management Board members. This compares to a workforce of 1,787 FTEs as of the end of 2020.

In our CSR report, we discuss employee satisfaction, salary transparency, work-life balance, diversity, health, training and continued professional development (CPD) and the Employee Committee (EC) in detail.

# Business and operating environment

## Macroeconomic and sector-specific environment

### MACROECONOMIC ENVIRONMENT

As expected, the coronavirus pandemic continued to have a significant impact on global economic development in 2021. However, its effects were less severe than had been feared in the previous year. Global economic output (GDP) ultimately fell by just 3.1 percent in 2020 compared to the forecast of -4.4 percent issued by the International Monetary Fund (IMF) as recently as October 2020.

After several lockdowns and stringent restrictions on travel and public gatherings, the situation in Europe showed initial signs of easing in spring 2021. This was due to the widespread rollout of vaccines as well as the fact that new vaccines were developed and approved in Europe and the USA within the shortest possible time. The massive, fast-acting national fiscal stimulus measures introduced in the previous year also helped to create a sense of optimism.

Confident in a further rapid economic recovery – particularly in view of declining infection rates – experts significantly raised their economic forecasts for 2021. However, the emergence of new, highly transmissible coronavirus variants dimmed this positive sentiment somewhat. Vaccination rates also fell short of expectations, particularly in Germany, while the economy increasingly experienced supply shortages in the wake of global production restrictions caused by the

pandemic. As a result, the global economy lost considerable momentum in the third quarter of 2021, prompting experts to scale back their forecasts. According to the IMF's most recent estimate (October 12, 2021), the global economy grew by 5.9 percent in 2021.

The German industrial sector also suffered a decline in production of around 4 percent despite full order books in August 2021. Supply shortages – caused by factors such as quarantine-related production downtimes for precursors in supplier countries, insufficient shipping capacity, congestion at global ports, and weaker economic output in China – led to a reduction in activity in the export-oriented German economy.

The automotive sector was particularly severely affected due to an acute chip shortage. This resulted in a temporary increase in short-time work. This dip in growth prompted economic research institutes and the German Bundesbank to issue increasingly pessimistic forecasts over the course of the year. The German Federal Statistical Office ultimately provided an initial growth estimate of 2.7 percent for the 2021 full year, leaving Germany's economic output (as measured by real GDP) around 2 percent down on pre-pandemic levels. This meant that the German economy recovered more slowly than those of the EU and the USA, which even expanded in 2021. This trend reflects Germany's heavy dependency on global industrial production supply chains.

Meanwhile, Austria and Switzerland exhibited contrasting economic trends. While Austria suffered a decline in GDP of almost 9 percent from pre-crisis levels after introducing a fourth lockdown in November 2021, Switzerland recovered rapidly to record an increase of 1 percent as early as the third quarter of 2021.

Consumption was dominated by catch-up effects in 2021 as a result of the previous pent-up demand caused by the pandemic. This unbalanced and uncertain economic trend was ultimately reflected in consumer prices during this phase. The increase in commodity prices for oil and gas in particular acted as a catalyst for a general rise in prices. Manufacturers passed cost pressures on to consumers, resulting in a global price increase of 4.4 percent compared to the previous year. Numerous central banks, including the ECB and German Bundesbank as well as the IMF, expect this price hike to ease as supply bottlenecks are resolved, having reached their peak at the end of 2021.

By contrast, global equity markets appeared unfazed by these developments, responding to companies' generally positive business prospects and profit expectations with a sharp rise in share prices. This also reflects the assessment among investors that companies can push through the price increases on the market and that their shares can therefore offer protection against inflation.

**SECTOR-SPECIFIC ENVIRONMENT**

The German labor market remained relatively unaffected by pandemic-related economic impacts during 2021 and remained on track for recovery as the unemployment rate fell to 5.1 percent (previous year: 5.9 percent; or 3.2 percent compared to 3.4 percent according to the ILO). Both unemployment and underemployment declined significantly by the end of the year. There was also a massive reduction in short-time work combined with high demand for new employees. However, the consequences of the coronavirus crisis were evident from the increase in the number of long-term unemployed people. The labor market continues to rely on the use of short-time work, particularly in the context of supply chain disruption.

Frequent changes and significant differences in travel regulations from one region to the next during 2021 as a result of developments in the pandemic once again caused uncertainty about the economic future of several sectors, particularly the restaurant, hotel, tourism and events industries. According to a DEHOGA survey, restaurants recorded a 41 percent decline in revenue compared to the pre-crisis year of 2019, which had significant economic repercussions for the labor market in this sector.

The trends in the Austrian labor market were similar to those in Germany, with the ILO unemployment rate falling from 5.4 to 5.0 percent. The unemployment rate also reached 5.0 percent in Switzerland (previous year: 4.8 percent).

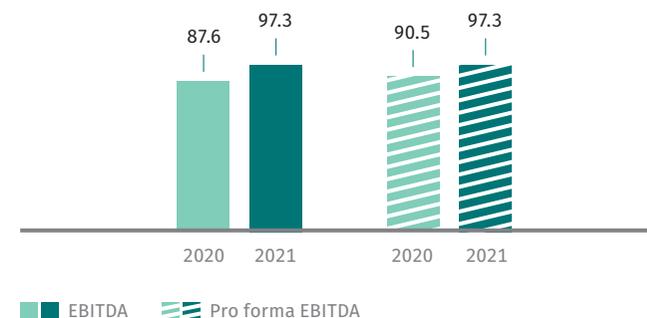
As a result, markets in the D-A-CH region significantly outperformed the wider EU trend in 2021, where the ILO unemployment rate remained unchanged at 7.1 percent due to the adverse impact of the unfavorable situation on the labor markets in France, Greece, Italy and Spain.

**RESULTS OF OPERATIONS IN THE GROUP**

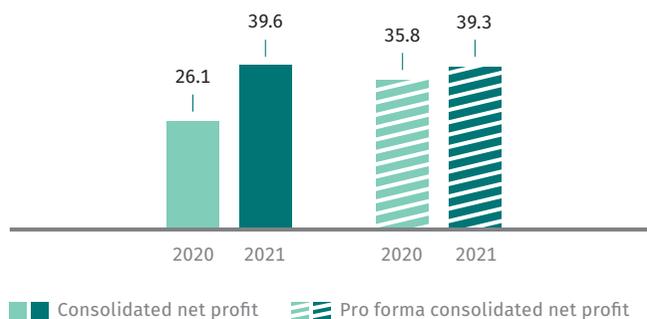
**Revenues and pro forma revenues in € million**



**EBITDA and pro forma EBITDA in € million**



**Consolidated net profit and pro forma consolidated net profit in € million**



**Earnings per share and pro forma earnings per share in €**



### Revenues

Revenues of the New Work SE Group rose by 5 percent to €290.9 million in the past financial year, having only increased by 3 percent in the previous year 2020 due to the coronavirus crisis. In the second half of 2021 in particular, we were able to accelerate revenue growth again in line with the labor market's recovery from the coronavirus crisis.

### Other operating income

Other operating income fell by €0.4 million year-on-year, from €2.0 million to €1.6 million (18 percent). This item mainly includes income from returned bank transfers and income from currency translation.

### Own work capitalized

Similar to the previous year, own work capitalized in the financial year ended amounted to €23.6 million (2020: €23.6 million). This item is composed of personnel expenses and freelancer costs and allocable ancillary costs.

### Personnel expenses

In the second year since the outset of the coronavirus crisis, we recorded a slight decrease in personnel expenses of 2 percent to €139.2 million (2020: €141.9 million). The personnel expenses ratio (personnel expenses/revenues) was therefore 48 percent as against 51 percent in the prior-year period. Among other things, we used 2021 to reallocate our teams internally to reflect the updated and more focused corporate strategy.

### Marketing expenses

After we reduced marketing expenses in financial year 2020 compared to the previous year due in particular to the negative impact of the coronavirus crisis on our B2B segments and slower revenue growth, we implemented a major "Mach Dein XING" campaign in the second half of 2021, providing communications support for the relaunch of the XING app, among other things. As a result, marketing expenses increased by 23 percent from €29.0 million to €35.7 million in the reporting period. The marketing expenses ratio thus rose from 10 percent in the previous year to 12 percent in the 2021 financial year.

### Other operating expenses

Other operating expenses increased by 3 percent from €40.0 million to €41.2 million. Despite lower other personnel expenses, the slight increase was mainly due to higher expenses for IT services and increased occupancy costs. The main operating expense items in 2021 included IT and other services at €14.9 million (previous year: €12.1 million), server hosting, administration and traffic at €9.0 million (previous year: €8.2 million), and other personnel expenses at €2.7 million (previous year: €5.8 million). This again puts the expense ratio at 14 percent, as in the previous year. Section 12 of the notes to the financial statements includes a detailed table of all items reported under other operating expenses.

### Impairment losses on financial assets and contract assets

In the past financial year, impairment losses amounted to €2.8 million compared with €3.6 million in 2020. The decrease is mainly due to a lower level of bad debts. Bad debt losses in the previous year had increased in particular in the XING Events and InterNations divisions, which were heavily affected by the pandemic.

### EBITDA

In the reporting period, EBITDA came in around 11 percent higher than the previous year at €97.3 million (2020: €87.6 million). Due to various extraordinary items, prior-year EBITDA does not reflect actual financial performance. We therefore adjusted this figure to account for non-recurring effects, made them comparable, and calculated pro forma EBITDA for these periods. Pro forma EBITDA for 2020 adjusted for effects such as the termination of the Management Board contract with Alastair Bruce, and the restructuring initiated in the third quarter to maintain our capacity to innovate and invest came to €90.5 million. As there no pro forma adjustments needed to be made in the 2021 reporting period, reported EBITDA and pro forma EBITDA are identical and accordingly show an increase of 7 percent compared with pro forma EBITDA in 2020.

### Depreciation, amortization and impairment losses

Depreciation, amortization and impairment losses fell by 20 percent, from €56.1 million in the previous year to €44.8 million. It should be noted here that a non-recurring, non-cash impairment loss of €17.4 million was recognized in the prior-year period. In the 2021 reporting period, this figure includes €2.6 million (2020: €3.6 million) in depreciation and amortization of assets arising from purchase price allocation (PPA) of past acquisitions. Amortization of internally generated software amounted to €24.5 million (2020: €19.4 million).

**EBIT**

This resulted in earnings before interest and taxes (EBIT) of €52.5 million in 2021 compared with €31.6 million in the previous year. At €52.5 million, pro forma EBIT remained at a similar level to the prior-year's figure (2020: €52.2 million).

**Financial result**

At €-0.4 million, the financial result in the reporting period was significantly down on the previous year's figure of €9.3 million. Here, two factors must be highlighted:

- 1. Non-recurring income of €9.8 million from the reassessment of the earn-out in connection with M&A transactions in the prior-year period (2020)
- 2. A non-recurring positive effect of €0.4 million related to the remeasurement of non-operating financial instruments in financial year 2021.

**Earnings before taxes (EBT)**

This resulted in earnings before taxes (EBT) of €52.1 million compared with €40.8 million in the previous year. The pro forma EBT is €51.6 million compared to pro forma EBT of €51.5 million in 2020.

**Taxes**

Current taxes are determined by the Group companies based on the tax laws applicable in their country of domicile. Tax expense amounted to €12.4 million in the reporting period, up from €14.7 million in the prior-year period. At 24 percent, the tax expense ratio was significantly below the previous year's figure of 36 percent. It should be noted in this context that a non-recurring related to the termination of the US business from 2019 subsequently reduced the tax expense in 2021 by approximately €3.6 million.

Due to the increasing contribution to earnings made by our subsidiaries in Austria (kununu), we expect a sustainable tax rate in the Group of around 30 percent.

**Consolidated net profit and earnings per share**

Consolidated net profit in 2021 amounted to €39.6 million, compared with €26.1 million in the previous year. This gives rise to earnings per share of €7.05, compared with €4.65 in the prior-year period. The pro forma profit for the 2021 reporting period is €39.3 million, compared with a pro forma profit for the previous year of €35.8 million. Pro forma earnings per share rose accordingly from €6.37 (2020) to €7.00 in the 2021 reporting period.

**Dividend distribution**

When calculating the regular dividend, we used the 2021 pro forma consolidated net profit of €39.3 million. We will therefore propose to the next Annual General Meeting to be held on June 1, 2022 that the shareholders be paid a regular dividend of €2.80 per share, an increase of 8 percent on the previous year's dividend of €2.59. We also want to pay a special dividend of €3.56 per share to our shareholders. This figure is based on the Company's consolidated net profit and also on benchmarks of SDAX companies with comparable growth figures. The profit appropriation proposal will be presented to the AGM for a resolution on the appropriation of net retained profits once the audited annual financial statements have been adopted.

Own cash and financial assets available short term amounting to €116.6 million as of the end of 2021 and New Work SE's cash-generative business model enable the Company to pay dividends and distributions in 2020 and 2021 without impairing its growth prospects.

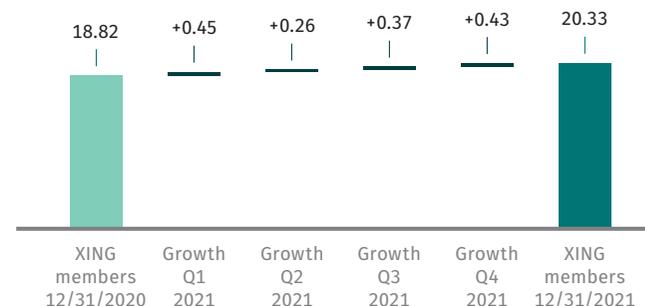
**SEGMENT PERFORMANCE**

**B2C segment**

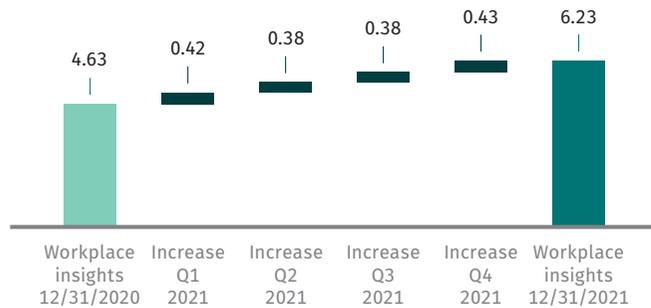
**B2C revenues and pro forma revenues in € million**



**Member growth (D-A-CH) in million**



**kununu workplace insights (D-A-CH) in million**



The **B2C segment** generates around one third of Group revenues. Revenues in this segment fell by around 4 percent from €102.7 million to €98.1 million during the period under review. Pro forma revenues declined by 5 percent from €102.8 million to €98.1 million. This reduction of around €5 million is due to two effects. Firstly, our subsidiary InterNations recorded a drop in revenue due to the event bans and contact restrictions introduced in many parts of the world. As the paid Ambassador membership generates added value through participation in the kind of networking events that were scarcely able to take place during the reporting period. In addition, fewer Basic members opted for paid Premium membership. There are two main reasons for this slight decline in paying members.

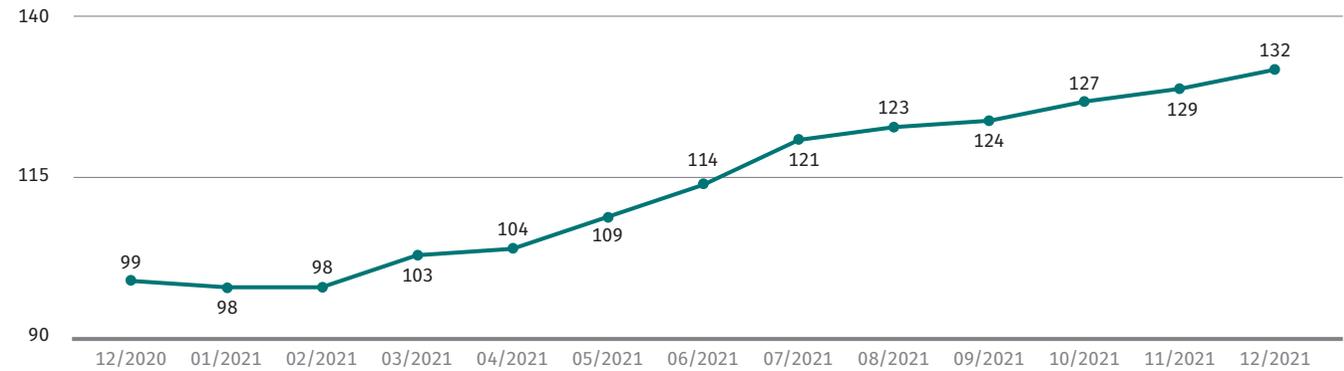
Firstly, the recovery in the labor market and the surge in demand for workers (BA-X Index) meant that fewer members needed to make use of Premium membership to help them change jobs. Secondly, we decided to further develop the new XING app and make it more user-friendly for the wider customer base, i.e. all 20 million members. For example, this meant that there was less of a focus on monetizing via paid memberships, as we are successfully monetizing widespread access to talented professionals via the B2B E-Recruiting segment with products and services such as sales of job advertisements or the XING TalentManager.

Operating profit in the segment (EBITDA) rose by 4 percent to €34.9 million. During the period under review, we made particular investments in reorganizing the XING app and further developing the kununu portal. Pro forma EBITDA increased from €34.2 million to €34.9 million during the period under review.

**Membership growth at → [www.xing.com](http://www.xing.com)**

In financial year 2021, the strong growth of the XING platform operated by New Work SE continued. The membership base rose by 1.4 million to around 20.3 million since December 2020.

**Demand for labor (BA-X Index)**



Source: Bundesagentur für Arbeit

**The new XING app**

We rolled out the all-new XING to all of our users in December 2021. With the new app, we want to provide our members with better, closer support for their working lives in various ways, including with a redesigned newsfeed, personalized recommendations and the new XING Guide. The new Guide is designed to maintain an active dialog with users and provide practical tips and recommendations that help XING members to be happier in their jobs or – if they prefer – to find a suitable new job or employer.

**kununu review platform records strong growth**

In addition to our → [www.xing.com](http://www.xing.com) networking platform, we also operate → [www.kununu.com](http://www.kununu.com), the largest employer review platform in the D-A-CH region. In the 2021 financial year alone, employees left more than 1.6 million new workplace insights for their current or former employers on → [www.kununu.com](http://www.kununu.com). As a result, the number of experience reports and information about various criteria such as salary, corporate culture and the application process rose by 35 percent year-on-year to 6.2 million (2020: 4.6 million), enabling jobseekers and employees looking to change career to find authentic, detailed and unfiltered insights into the world of work. For example, employees can find out what salary they can expect from a particular job or employer.

**THE FEATURES OF THE NEW XING APP**



+ BU?



Job advertisements at → [www.xing.com/jobs](http://www.xing.com/jobs) are also enhanced with corresponding employer reviews from kununu. By doing this, we want to provide particular support for employees as they find their place in the professional world and help them to better judge which employer might suit them best. For example, jobseekers can see corporate culture information via the kununu Cultural Compass, where they can choose the qualities they most appreciate in an employer from a list that includes work-life balance, interaction with colleagues, leadership and strategic direction, and thus compare their own values with the culture of a potential employer.

**InterNations expat events business suffering from effects of pandemic**

Our subsidiary InterNations operates the → [www.internations.org](http://www.internations.org) platform, which focuses on expatriates – employees who work and live outside their home country. Albatross membership enables members to take part in official InterNations events, read paid articles on working and living abroad or even organize events themselves.

The range of local events accessible via the platform declined significantly with the outbreak of coronavirus and associated lockdowns around the world, which in turn led to a reduction in the number of members signing up for paid membership. At the same time, the total number of members registered on → [www.internations.org](http://www.internations.org) rose by 270 thousand to 4.2 million expats by the end of 2021.

## Bewertung von Mitarbeitenden

### kununu Bewertungen

5,0 ★★★★★ Von 619 Mitarbeitenden bewertet

#### Vorteile für Mitarbeitende

- ✓ Betriebliche Altersvorsorge
- ✓ Restaurant-Tickets
- ✓ Flexible Arbeitszeiten
- ✓ Günstige Anbindung
- ✓ Veranstaltungen
- ✓ Betriebsarzt
- ✓ Training
- ✓ Barrierefreiheit
- ✓ Parkplatz
- ✓ Gesundheitsmaßnahmen
- ✓ Smartphone
- ✓ Hunde willkommen
- ✓ Kinderbetreuung

Alle Vorteile für Mitarbeitende

**Unternehmenskultur** Basierend auf 71 Bewertungen

● XING GmbH & Co. KG ○ Branchendurchschnitt: Internet

Traditionelle Kultur      Moderne Kultur

<p><b>Work-Life Balance</b></p> <p>Job <span style="float: right;">Für mich</span></p>	<p><b>Strategische Richtung</b></p> <p>Stabilität sichern <span style="float: right;">Veränderungen antreiben</span></p>
<p><b>Umgang miteinander</b></p> <p>Resultate erzielen <span style="float: right;">Zusammenarbeiten</span></p>	<p><b>Führung</b></p> <p>Richtung vorgeben <span style="float: right;">Mitarbeiter beteiligen</span></p>

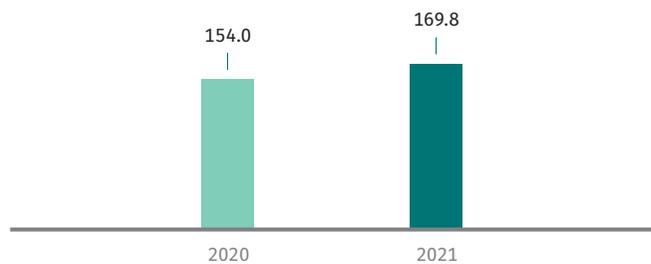
**Kulturkompass - traditionell oder modern?**

Die Bewertung der Unternehmenskultur erfolgt zu 100% durch unsere User, die max. 40 von 160 kulturellen Merkmalen auswählen, um die Unternehmenskultur bestmöglich zu beschreiben – natürlich anonym. Basierend auf den Daten von 71 Bewertungen bewerten ... **mehr**

Unternehmenskultur auf kununu

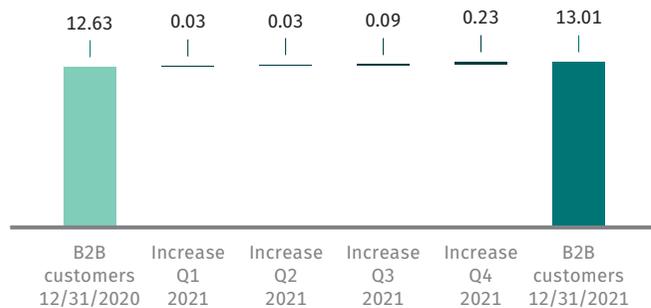
## B2B E-Recruiting segment

### B2B E-Recruiting revenues in € million<sup>1</sup>



<sup>1</sup> Pro forma segment revenues 2020 and 2021 are identical to reported segment revenues

### B2B E-Recruiting subscription customers (D-A-CH) in thsd.



Despite the impact of the coronavirus crisis on new customer growth, revenues in the **B2B E-Recruiting** segment rose by 10 percent from €154.0 million to €169.8 million in the 2021 financial year. This increase in revenue is attributable not only to price adjustments for existing customers but also to accelerated growth in B2B subscribers during the second half of the year. After the customer base shrank slightly in the previous year due to the coronavirus pandemic (-29), growth accelerated from one quarter to the next during the 2021 reporting period. Overall, the customer base expanded by 376 companies to 13,005.

Segment EBITDA also recorded double-digit growth to rise from €105.8 million to €114.4 million during the period under review. Pro forma EBITDA increased from €106.3 million to €114.4 million.

### XING E-Recruiting connects employers with talented professionals

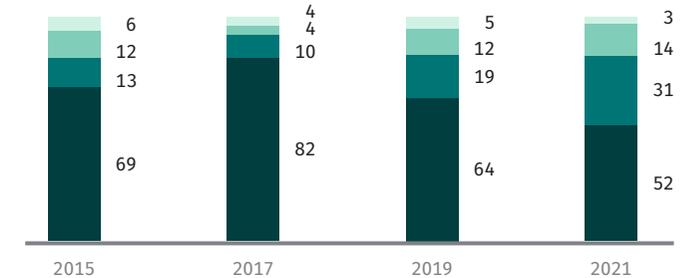
The dip in vacancies triggered by the coronavirus pandemic was almost fully offset by the middle of 2021, with more than 1.1 million vacancies reported in the second quarter of the year. The unemployment rate also returned to pre-crisis levels in December 2021 at 5.1 percent. This development shows that the labor market in Germany is very stable.

At the same time, more and more employees are ready for a change of employer, as revealed by the latest EY Job Study 2021 on careers and attitudes to change. According to this study, almost one in two employees is interested in changing employer or is actively seeking to do so. Four years ago, this figure was only 18 percent.

### Share of employees willing to change jobs at all-time high: almost one in two employees is interested in changing employer in percent

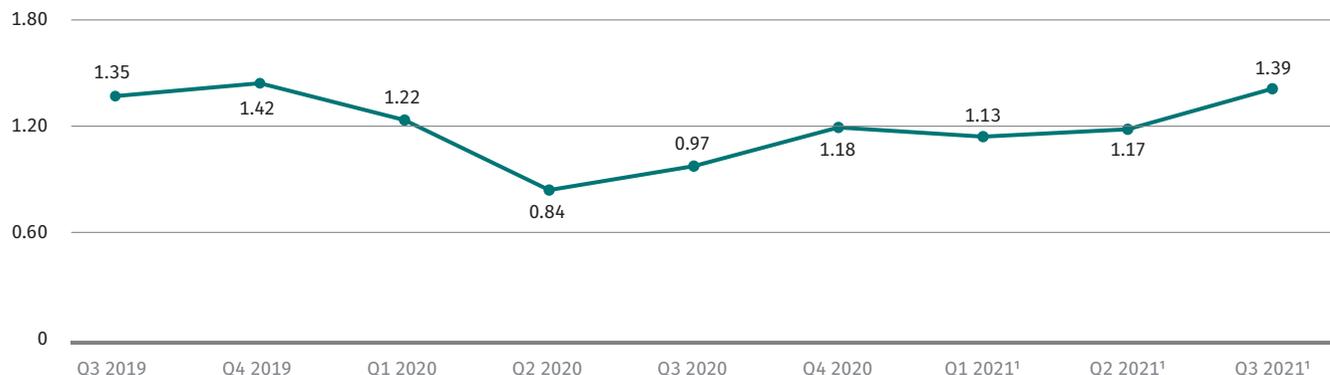
Are you currently still looking for a new employer?

- Yes, actively
- Yes, occasionally
- No, but if something comes up, I'm interested
- No, not interested



Source: EY Labor market study 12/2021

Number of registered vacant jobs in Germany in million by quarter



<sup>1</sup> Projection based on preliminary figures

Source: IAB

These are sustainable long-term trends that, combined with demographic change, will present almost every employer with the challenge of attracting suitable professionals to their companies in the future.

In the B2B E-Recruiting segment, we provide numerous B2B solutions for HR departments, headhunters and recruiters to help these target groups meet these mounting challenges.

For example, after shrinking considerably in 2020 due to the coronavirus crisis, the business of selling **job advertisements** via the XING Job Market (**XJM**) recovered just a year later and even exceeded its pre-crisis revenue level from 2019. Job advertisements remain an important tool for many companies to raise awareness of vacancies. They can also be published quickly and easily both on a company’s careers sites and on social networks such as XING, for example, to increase their visibility among potential candidates. Thanks to our algorithm, we are able to compare vacancies with the CVs of our members and can therefore also connect professionals who are only “passive” jobseekers with employers.

Another key element of our digital recruiting products and services is **XING TalentManager (XTM)**. TalentManager can be used either as an addition to traditional job advertisements or independently by recruiters to approach potential candidates in a particularly tight labor market and thus attract suitable talented professionals to fill vacancies. We are confident that employers will have to be even more proactive in searching for and approaching potential candidates in the future in order to tackle mounting challenges such as demographic trends, with the average time required to fill a vacancy in Germany almost doubling from 65 to 127 days between 2011 and 2019 alone.

The third main source of revenue in the B2B E-Recruiting segment is the **employer branding business**. In → [www.kununu.com](http://www.kununu.com), we operate the largest employer review platform in the D-A-CH region. More than four million visitors consult the platform each month to find out which employers fit with their own values or have a good employer image. kununu also provides interested parties with detailed salary and corporate culture information.

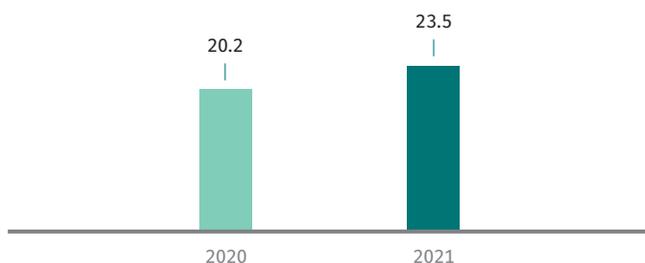
A paid employer branding profile gives employers the opportunity to enhance their employer brand and ideally attract more candidates and applications to their vacancies. This business grew solidly during the coronavirus crisis in 2020 and recorded further growth during the 2021 reporting period.

In addition to our existing employer branding and sourcing solutions, our subsidiary **Prescreen** offers applicant tracking software (ATS) for employers. Prescreen's software enables companies searching for staff to manage the entire process easily and effectively, from posting a vacancy to hiring a candidate. For example, it allows employers to publish job vacancies on their own website as well as on professional networks and job portals, document applications and sort them according to relevant criteria. They can build a talent pool to fill future vacancies and carry out online assessments and interviews via video conferencing.

Out of a field of 22 providers, the → [www.hr-software-vergleich.de](https://www.hr-software-vergleich.de) portal named Prescreen as a three-time winner in the "E-Recruiting/Applicant Tracking", "Active Sourcing" and "Multiposting" categories.

## B2B Marketing Solutions & Events segment

### Marketing Solutions & Events revenues in € million<sup>1</sup>



<sup>1</sup> Pro forma segment revenues 2020 and 2021 are identical to reported segment revenues

In addition to the B2C network business and our B2B E-- Recruiting service, our reporting combines the two B2B business units, Marketing Solutions and Events, in this segment.

Revenues in this segment rose by 16 percent to €23.5 million in the reporting period. This growth in revenues was generated by the Marketing Solutions subsegment. After a steep decline in 2020 caused by event bans and lockdowns, the Events business stabilized at the previous year's level during the period under review. EBITDA increased by an impressive €5.3 million to €11.0 million due to the successfully completed restructuring of the Events business and dynamic revenue growth in the Marketing Solutions subsegment. Pro forma EBITDA rose from €5.6 million to €11.0 million.

The coronavirus crisis has had hardly any impact on the *Marketing Solutions* subsegment. Although there was weak demand for marketing event campaigns due to the pandemic, this was more than offset by advertising revenues for products and services, where significant growth via agencies was recorded for native and video formats in particular. We also launched new features during the 2021 financial year. We are giving large agencies the opportunities to connect their booking systems directly to XING AdManager via our interface (API). Over the further course of the year, we focused on integrating and optimizing new advertising formats in the new XING app.

In the *Events* segment, we continued to feel the effects of the restrictions on events associated with the coronavirus crisis during the 2021 financial year. As an increasing number of events were being organized virtually or in a hybrid format, we integrated a new feature for hybrid events into XING EventManager at the start of the year. This feature enables event planners to simply click to select the "hybrid" event format, enter the venue and a link to the online event tool, and quickly and easily create and market their event page with two different ticket categories.

## NET ASSETS

Non-current assets increased by €4.4 million (previous year: €245.7 million) to €250.1 million as of December 31, 2021. This is mainly due to the leasehold improvements in the new office building amounting to €13.0 million for the NEW WORK Harbour and the new office building in Vienna. The depreciation and impairment of lease assets (€-8.5 million) had an offsetting effect. The share of non-current assets in total assets decreased to 66 percent year on year (previous year: 72 percent). As a result, current assets accounted for a higher proportion of total assets, increasing to 34 percent (previous year: 28 percent).

At December 31, 2021, the Group had liquid own and third-party funds of €90.1 million (previous year: €65.1 million), plus securities for managing temporary excess liquidity amounting to €30.1 million (previous year: €29.7 million). This represents 24 percent (excluding securities for managing temporary excess liquidity; previous year: 19 percent) or 32 percent including securities for managing temporary excess liquidity (previous year: 28 percent) of the total assets of €378.2 million (previous year: €341.0 million).

Liquid funds as of December 31, 2021 included third-party cash of €3.7 million from the XING Events segment (previous year: €3.6 million). The Company has €86.5 million in own cash, which accounts for 23 percent of total assets (previous year: €61.5 million or 18 percent).

The increase in receivables from services by €2.6 million to €20.6 million (previous year: €18.0 million) as of December 31, 2021 is mainly due to an increase in billings. Receivables from services mainly include receivables from B2B members and membership subscriptions from Premium members.

Other assets rose by €4.4 million to €12.8 million (previous year: €8.4 million). The increase mainly results from a lease incentive relating to the NEW WORK Harbour (expansion costs, fittings and fixtures, renovation of the canteen, and cleaning) in the amount of €3.8 million.

Current assets and available-for-sale financial assets (including liquid funds) cover 102 percent of current liabilities (previous year: 86 percent). The increase is due particularly to the increase in cash and cash equivalents by €25.0 million.

At €43.3 million, investments in the 2021 financial year (excluding acquisitions) were up year-on-year (previous year: €32.9 million). Investments in purchased software amounting to €1.0 million in 2021 were lower than the amortization of €3.1 million.

Internally generated intangible assets include the internally generated parts of the platforms that qualify for capitalization as well as the mobile applications. Investments totaled €23.6 million (previous year: €23.6 million). Internally generated intangible assets were reduced by amortization and impairment losses of €12.4 million (previous year: €8.0 million) resulting from the discontinuation of platform modules that are no longer used.

As in the previous year, of the goodwill €34.3 million relates to the E-Recruiting segment (previous year: €34.3 million), €15.4 million (previous year: €15.4 million) to the InterNations segment and €6.4 million (previous year: €6.4 million) to the Honeypot segment.

The increase in property, plant and equipment by €4.9 million to €78.0 million (previous year: €73.1 million) is mainly due to the leasehold improvements in the newly rented space.

## FINANCIAL POSITION

### Equity and liabilities

As was the case in previous years, New Work SE is financed without bank or loan liabilities. As of the closing date, the Company's equity ratio amounted to 37 percent compared with 33 percent in 2020.

Current assets and available-for-sale financial assets (including liquid funds) cover 102 percent of current liabilities (previous year: 86 percent). The increase is due particularly to the higher level of contract liabilities.

### Cash flows from operating activities

The cash flows from operating activities of continuing operations for the reporting year amount to €85.6 million, down from €81.2 million in the previous year.

### Cash flows from investing activities

The cash flows from investing activities of continuing operations for 2021 amount to €-45.4 million after €-33.6 million in the previous year. The main driver of the trend in cash flows from investing activities is the cash paid for the acquisition of property, plant and equipment amounting to €20.1 million, compared with €7.1 million in the previous financial year.

### Cash flows from financing activities

During the 2021 financial year, New Work distributed a dividend of €14.6 million (previous year: €14.6 million). Own cash and securities for managing temporary excess liquidity totaling €116.6 million as of the end of 2021 and New Work's cash-generative business model enable the Company to pay dividend on a regular basis without changing its business

strategy, which is aimed at achieving growth. Other drivers of cash flows from financing activities were payments for leases in the amount of €7.7 million (previous year: €6.0 million), with lease incentives received of €7.2 million (grants for the expansion of the office building) having an offsetting effect (previous year: €0 million).

### Spending on research and product development

Internet companies typically spend a significant portion of their expenses on research and product development (excl. marketing), and XING is no exception. At €65.3 million, spending on research and product development in 2021 was slightly down on the previous year's figure (2020: €68.0 million) as a result of the slightly lower number of employees. The level of capital expenditure sends a clear signal that we will continue to invest in innovations and new product developments in order to achieve a sustained increase in revenue and income. The largest single item in these expenses relates to the refinement and programming of the B2C platform (such as our platform technology). We also continued to invest heavily in B2B offerings (technology, enhancement of the product portfolio such as Employer Branding, Prescreen, etc.). The total amount capitalized for the development of new products was €23.6 million (2020: €23.6 million) in the past financial year. Amortization and impairments of capitalized development costs amounted to €24.5 million in the reporting period (2020: €19.4 million).

Additional disclosures on development costs and changes to the carrying amount for internally developed software is listed in the notes under intangible assets.

## Management's summary of the Company's economic position

We are satisfied with the operating and financial results achieved in 2021, particularly in light of the coronavirus crisis. New Work SE continued its positive performance in financial year 2021, remains profitable and boasts a cash-generative business model. At the same time, we continue to make consistent and targeted investments in the future, even amid the crisis. Our business model features sustainably high margins, revenues paid mostly in advance and low capital intensity – all without taking on a significant level of financial debt.

Having achieved a clear consolidated profit of €39.6 million (pro forma: €39.3 million), we will continue to have a comfortable capital base to invest in our business and distribute dividends to our shareholders in the future.

## Risk report

### PRINCIPLES OF RISK MANAGEMENT

Permanent monitoring and management of risks are key tasks of a listed company. For this purpose, New Work SE has implemented the risk early warning system required in accordance with Section 91 (2) AktG and continuously develops it within the context of current market and company developments. As was the case in the previous year, the auditor of the annual financial statements again confirmed the functionality of the system.

Each individual employee is required to avert potential loss from the Company. One of their tasks is to immediately remove all risks in their own area of responsibility and to immediately notify the corresponding risk management contacts at New Work SE in the event of any indications of existing risks or risks which might arise. An essential requirement for such a task is knowledge of the risk management system and maximum risk awareness of each individual employee. For this reason, New Work SE familiarizes its employees with the risk management system using information material and draws their attention to the significance of risk management.

Potential risks are continually identified and analyzed. Identified risks are then systematically evaluated as to their probability of occurrence and the expected potential loss. The persons with risk responsibility and senior executives are questioned with regard to the status of existing risks and the identification of new risks in the course of quarterly risk inventories and status queries. Risks are measured using the gross and net method, which means that the probability of occurrence and the expected loss are estimated both without and by taking into account countermeasures. The aggregated individual risks were used as the basis for assessing risk-bearing capacity.

The subsidiaries XING Events GmbH, NEW WORK AUSTRIA XING kununu Prescreen GmbH, New Work Young Professionals GmbH, InterNations GmbH and HoneyPot GmbH as well as New Work Networking Spain S.L., New Work Networking Portugal Unipessoal Lda. and NEW WORK XING AG have been integrated into the Group's risk management system. Here, potential risks are also continually identified and analyzed, and persons with risk responsibility and senior executives are also questioned with regard to the status of existing risks on a quarterly basis. This integration helps to ensure early recognition too of any risks originating from the operating subsidiaries that may have a negative long-term impact on the Company.

The risk management system covers only risks and countermeasures but not opportunities.

#### INTERNAL CONTROL SYSTEM

In accordance with Section 315 (4) HGB, as a publicly traded company, we are obliged to describe the key features of the internal control and risk management system relevant for the consolidated financial reporting process.

We consider the internal control and risk management system to be a comprehensive system, and use the definitions of the Institut der Wirtschaftsprüfer in Deutschland e.V., Düsseldorf, concerning the financial reporting-related internal control system and the risk management system. An internal control system is defined as the principles, procedures, measures and controls which have been introduced by management in the Company, and which are designed to ensure the organizational implementation of the decisions of management for the purpose of

- ensuring the effectiveness and profitability of the Company's business (which includes protecting its assets, as well as preventing and detecting any impairment of its assets);
- ensuring that both the internal and the external financial reporting processes are proper and reliable; and
- ensuring compliance with all statutory requirements applicable to the Company.

The risk management system comprises all organizational rules and measures for recognizing risk and for handling the risks associated with business activities.

The following structures and processes are implemented at New Work SE with regard to the financial reporting processes of the integrated companies and the Group financial reporting process:

The Management Board of the Group bears overall responsibility for the internal control and risk management system with regard to the financial reporting processes of the integrated companies and the Group financial reporting process. All companies integrated in the consolidated financial statements are involved via a defined management or reporting organization. Within this reporting organization, the Group Management Board is (constantly) provided with information concerning the following measures: Definition of the risk fields which might result in developments posing a threat to the continued existence of the Company as a going concern; risk recognition and risk analysis; risk communication; allocation of responsibilities and tasks; establishment of a monitoring system; and documentation of the measures which have been taken. In addition, this reporting organization defines that material risks are reported immediately to the Group's Management Board when they occur.

The principles, the structure and procedure organization as well as the processes of the financial reporting-related internal control and risk management system are summarized in guidelines and organizational instructions throughout the Group; these are adapted and brought into line with current external and internal developments at regular intervals. With regard to the financial reporting processes of the integrated companies and the Group financial reporting process, we consider those features of the internal control and risk management system report to be material that can have a major impact on the Group's financial reporting and the overall tenor of the consolidated financial statements including the Group management. These comprise in particular the following elements:

- Identification of the main risk fields and control areas which are relevant for the Group-wide financial reporting process;
- Controls for monitoring the Group-wide financial reporting process and the related results at the level of the Group Management Board also at the level of the companies included in the consolidated financial statements;
- Preventative control measures in the financial and accounting systems of the Group and of the companies included in the consolidated financial statements, as well as in operational management processes which generate major information for preparing the consolidated financial statements including the Group management report, including functional segregation and predefined approval processes in relevant areas;
- Measures that ensure proper IT-based processing of Group financial reporting-related items and data.

The tasks of the internal audit system for monitoring the financial reporting-relevant internal control and risk management system are not carried out by an “internal audit” staff department; instead, this is the responsibility of the Controlling and Accounting departments. In this context, the Group also makes use of the expertise of external specialists.

The Group has also implemented a risk management system which comprises measures for identifying and measuring material risks as well as appropriate measures for limiting risk in order to ensure the adequacy of the consolidated financial statements. The Management Board and Supervisory Board also continually look into ways of further optimizing the risk management system processes.

**RISK ASSESSMENT**

Risks are assigned to risk classes based on their estimated probability of occurrence and the expected loss.

We consider a risk that is both very likely to occur and expected to cause a high loss to be a potential going-concern risk.

Expected loss	Probability of occurrence			Risk class
	low	medium	high	
high				Risk class 1 (high risk or going-concern risk)
medium				Risk class 2 (medium risk)
low				Risk class 3 (low risk)

The probability of occurrence and the expected loss is based on the following criteria:

	quantitatively	qualitatively
<b>Probability of occurrence</b>		
high	51 – 100%	at least once per year
medium	11 – 50%	once within 24 months
low	0 – 10%	less frequently than once within 24 months
<b>Expected loss</b>		
high	more than €2 million	Large damage to the Company's image, large damage for customers
medium	€500 thousand to €2 million	Services impacted over a long period of time
low	€100 thousand to €500 thousand	Service impacted in isolated cases

**SIGNIFICANT INDIVIDUAL RISKS**

In the explanations below, the significant risks identified at New Work SE are aggregated to a greater extent than for internal risk management purposes. Unless otherwise specified, all risks described affect all of the Company’s segments to varying degrees.

**Social and political risks/pandemics**

The New Work SE Group generates the majority of its revenues and income by marketing digital recruiting solutions for employers (B2B e-Recruiting). Market uncertainties due to social and political instability, for example caused by internal conflicts, terrorist attacks, civil unrest, war or international conflicts or by pandemics / epidemics / highly infectious diseases (e.g. COVID-19 “coronavirus”) and natural disasters could have a negative impact on the business activities, financial position and results of operations, cash flows, and revenue and operating profit targets of our B2B business units (B2B E-Recruiting and B2B Marketing Solutions & Events). Even against the backdrop of the ongoing pandemic, we consider this risk to be high but not as a threat to our continued existence as a going concern, since our business is predominantly based on fixed-term products.

## Strategic risks

### Competition

New Work SE already competes with companies that offer similar services. New competitors might enter the market in the future. Revenues would probably be negatively affected if New Work SE were to lose customers to these current or future competitors. Competitors might be able to capture market share from New Work SE by offering services that are superior to the services offered by New Work SE or through particularly aggressive and successful marketing. In addition, as a result of strategic partnerships between foreign competitors and companies with extensive reach in the D-A-CH region, competitors might be able to penetrate XING's domestic market even more rapidly and exert additional pressure on New Work SE with their prices and services. In the B2C segment, in addition to the direct competition posed by other social networks, companies that are closely related to the sector might also succeed in capturing market share from New Work SE. The increasing availability of mobile devices with Internet capability can also lead to competition from mobile communities. We categorize the competition risk existing in the B2C segment as a potential going-concern risk.

The effectiveness of the countermeasures we have taken, such as the continuous enhancement and expansion of our B2C and B2B solutions, is reflected in our market leadership in the D-A-CH region, with currently more than 20 million members, as well as the continued revenue growth in the B2B sector. In view of the countermeasures taken, we therefore consider this risk as being high but not a going-concern risk.

In the B2B E-Recruiting segment, companies with extensive reach in the D-A-CH region could enter the market for job advertisements, leading to a decline in traffic. We counteract this risk, which we rate as high but not as a going-concern risk, through detailed monitoring and by closely liaising with these companies on potential collaborations and by adapting and refining our product strategy.

### Collaboration with service providers, especially in payment and receivables management

The involvement of external service providers and collaboration partners results in a certain reliance on third parties in some areas. This applies to areas such as news, marketing solutions and job advertisements, but especially to receivables management. Because payment defaults would result in loss of revenues, the efficient billing of payments and the entire receivables management are extremely important for the Company. The Company counters this risk, which is considered a low to medium risk, for instance by using the help of legal professionals in designing the respective partnerships with external service providers and collaboration partners. Appropriate contract forms in particular ensure that the reliance is minimized, the necessary service standards are met, and that the risk of technical failures is minimized.

### Ad blockers

When selling online advertising, there is a fundamental risk of losses caused by so-called ad blockers. Ad blockers are programs users can install to prevent advertisements from being displayed. Theoretically, widespread use of ad blockers can present a high risk with regard to the direct marketing of advertisements on XING via our self-booking application. However, we believe we are well armed against such losses due to the countermeasures available in this respect – for example, the effects of ad blockers can be minimized using technical and design-related countermeasures. As a result, the high risk is not classified as a going concern risk.

### Market and sales risks

Generally, there is a risk of a significant increase in customer losses due to unforeseen external or internal factors. A weak market environment or the launch of copycat products that use publicly available XING data in particular can result in such a loss of customers. We categorize these risks as medium to high. New Work SE mainly counters them by constantly improving and extending its own services, and also by means of strategic partnerships. In addition, New Work SE permanently monitors the development in user numbers and can take a response in plenty of time by means of prepared measures and crisis plans in the event of sudden signs of customer losses.

### Customer support risks

At New Work SE, customer satisfaction enjoys maximum priority not only with regard to financial success. Because of New Work SE's own stringent requirements regarding the quality of its platforms, users expect that the Company will refuse to accept any compromises in terms of quality. This comprises in particular the identification of incorrect profiles and tracing inappropriate or offensive comments or fraudulent activities. We categorize the risks of customer support mostly as low.

As a result of the strong identification of many users with the brand, the Company usually receives direct and rapid feedback with regard to certain processes on its platforms. This means that New Work SE is able to respond promptly where necessary and to avert membership cancellations which would result in losses in terms of revenues.

### Financial risks

The XING Premium memberships offered by New Work SE generate regular cash inflows and provide the Company with adequate liquidity. In addition, New Work SE prepares a liquidity forecast. New Work SE invests its cash and cash equivalents exclusively with banks with high ratings and in short-term deposits. This means that the solvency of the Company is guaranteed at all times. Defaults in the B2C and B2B E-Recruiting segments accounted for about 8 percent of the total revenues in the previous financial year, and is thus not of material significance. We therefore categorize the counterparty credit risk and the liquidity risk as a low risk overall.

In the B2B Marketing Solutions & Events segment, we generally see an increasing risk posed by fraudulent event organizers. We address this risk with special tools and processes aimed at detecting and examining them. Therefore, this high risk is not considered to be a going-concern risk.

### Risks arising from labor shortage

New Work SE is aware that the market for qualified personnel is strained. As a lack of employees in sales as well as areas such as service and product development could result in a loss of revenues, there is an increased risk here.

By automating sales and service processes and developing an efficient e-commerce platform, we are reducing our dependency on skilled sales professionals. We are also rolling out various initiatives to position New Work SE as an attractive employer, open up new locations and outsource resources. Taking these measures into account, we currently categorize this risk as a medium risk.

### IT risks

#### *Risks in network security, hardware and software*

For internal purposes and in order to perform its services, New Work SE is dependent on the use of automated processes, the reliability and efficiency of which are, in turn, dependent on the functionality, stability and security of the underlying technical infrastructure. The servers used by NEW WORK SE and the related hardware and software are vital to the success of the Company's business.

The Company's systems, websites, internal processes, and services could be materially impacted by failures or disruptions to its IT systems as a result of physical damage, power outages, system crashes, software problems, malware (such as viruses and worms), operating errors, abuse or malicious attacks (including denial-of-service attacks). Attacks, operating errors and abuse, for instance, might result in the destruction, alteration or loss of stored data, or might mean that data could be used for unlawful purposes or without approval. These risks include but are not limited to identity theft, credit card fraud or other cases of fraud, advertising emails and spam emails from companies which are not affiliated with New Work SE.

The above problems might cause interruptions to operations which increase operating expenses and considerably damage the Company's reputation. We categorize this risk as a potential going-concern risk.

New Work SE is permanently engaged in ensuring the security of its systems and its network through the ongoing development of its technology and the deployment of its own employees in the area of network security. The measures initiated to date have proven to be effective. In view of the countermeasures taken, we therefore consider this risk to be high but not as a going-concern risk. At the same time, however, the possibility of future breaches cannot be excluded.

## Process and organization risks

### Product development risks

New Work SE aims to achieve constant and proactive improvement of its platforms. The Company is aware that defective or low-quality products and functions can have a considerably negative impact on the Company. We categorize this risk as a high risk.

In order to minimize risk, a special team of employees has been set up to test new products and functionalities and has also been made responsible for constant quality assurance. In addition, the process of developing new functionalities and changes on the platforms will usually be accompanied by a process of exchanging information between New Work SE and its customers.

### Data protection and personal rights

XING users provide extensive personal data to the Company, trusting that the data will be processed and used for the intended purpose and in compliance with the applicable provisions of the law.

New Work SE's data centers for direct data processing are located in the European Union. In addition, New Work SE commissions selected service providers to process data. This data is accessible to users located both within and outside the European Union. In addition, XING allows its users to transmit personal data worldwide.

If New Work SE or its providers were to violate these statutory provisions on data protection, telecommunications secrecy or the protection of personal rights, it could become the subject of government investigations, data protection orders or claims for damages from customers, including non-pecuniary damages. Under certain circumstances, criminal proceedings or proceedings for administrative offenses could even be initiated against New Work SE or its management.

Any violation of data protection regulations and laws designed to protect personal rights or any processing, use or disclosure of data contrary to its intended purpose might also have an adverse effect on the Company's reputation and its ability to sign up new members and to retain the loyalty of existing members. Indeed, this might even mean that the Company will no longer be able to offer and provide some or all of its services temporarily or permanently in some countries. We categorize this risk as a medium risk.

New Work SE charges specific employees with the task of monitoring adherence to data protection legislation. Corresponding contractual and, if necessary, technical safety measures are taken to prevent infringements of the law by service providers.

In addition, amendments to data protection provisions are identified on an ongoing basis in conjunction with the Company's legal advisers, and measures for monitoring and complying with these provisions are reviewed and revised as necessary. The Company reviews potential implications for data protection law of new functionalities of the platform before they are introduced. Such new functionalities are only released if compliance with all relevant data protection regulations is guaranteed.

## Mergers and acquisitions

The Company's inorganic growth requires in some cases considerable financial investment and internal allocation of resources, both of which must be carried out extremely carefully within very short planning periods. Incorrect assessment of a target or inadequate post-merger integration might put the desired sustainable value creation in jeopardy. We counteract this risk mainly with coordinated decision-making processes and interdisciplinary processes for integrating new acquisitions into the Group. In view of the countermeasures taken, we consider this risk to be low.

## Management's summary of the Company's risk situation

As part of an overall assessment of the Group risks, the most significant are IT risks as well as the risks attributable to the satisfaction of existing customers and the signing-up of new customers. Overall, the risks in the Group are of manageable proportions. The future of the Company as a going concern is also assured.

## Report on expected developments and opportunities

### ECONOMIC OUTLOOK

The global economic recovery will continue at the end of 2022, despite growing uncertainty about the further course of the coronavirus pandemic. The IMF believes that the short-term effects of the pandemic could leave their mark on the economy in the medium term, depending in particular on the procurement of vaccines and the precautionary measures taken by governments. In light of the disruption to supply chains in industrialized nations and the pandemic's increasing momentum in developing countries, the IMF lowered its 2022 growth forecast slightly to 4.9 percent.

In Germany, politicians are taking every precaution at the start of 2022 to tackle the feared "fifth wave" of coronavirus triggered by the omicron variant. The economic upturn is primarily at risk from the threat of pandemic-related lockdowns, staff absences caused by illness, and supply chain disruption or interruptions. This scenario is already being mapped out in other European countries where the trend is already well advanced, such as the United Kingdom.

In addition to these challenges, the German federal government newly formed in December 2021 must also prove itself in an exceptional unstable and unpredictable geopolitical environment, both in Europe and worldwide. The transfer of power helps to calm the wider economy. The conflict between Ukraine and Russia is currently causing uncertainty.

Against this backdrop, companies appear to have started the new year with a glimmer of hope in January 2022. This burgeoning optimism about the coming months was particularly evident in the manufacturing sector, where supply issues for precursors and raw materials are expected to ease. As a result, the ifo business climate index climbed to 95.7 in January 2022 (December 2021: 94.8).

In view of significantly lower savings rates, the German Bundesbank nevertheless anticipates an even stronger boost in spring 2022 as private consumption rises. Assuming that pandemic-related restrictions are eased and supply shortages are resolved by the end of 2022, the Bundesbank expects a powerful upturn that will result in above-average capacity utilization in the second half of the year and lift economic growth to 4.2 percent. This normalization is likely to linger into 2023 with a GDP growth rate of 3.2 percent.

Having been pushed to 3.2 percent at the end of 2021 by catch-up effects triggered by the temporary reduction in VAT rates, supply bottlenecks and rising commodity prices in Germany, inflation is not expected to calm down in 2022. According to the Bundesbank, higher costs passed on to consumers and higher company profit margins in particular could push the inflation rate as high as 3.6 percent. This is only expected to fall back to a still-high 2.2 percent in the two following years. However, there is still uncertainty among central banks as to whether interest rate hikes can be used to tackle the dilemma of price inflation without putting government debt at risk.

According to Austrian National Bank (ÖNB) forecasts, and despite being hampered by a fourth wave of coronavirus in December 2021, the Austrian economy will grow by 4.3 percent in 2022 and 2.6 percent the following year, with supply shortages predicted to ease here too.

The panel of experts at Switzerland's State Secretariat for Economic Affairs (SECO) have lowered their GDP growth forecast for Switzerland to 3.0 percent in 2022. They then expect growth of 2.0 percent in 2023 as the economy normalizes. This means the Swiss economy is set to record above-average growth for a further two years after 2021 (3.3 percent).

### EXPECTED SECTOR-SPECIFIC ENVIRONMENT

Although the aforementioned factors are adversely impacting the German labor market at the start of 2022, leading indicators suggest that the employment situation will remain positive. The use of short-time work associated with materials shortages in the industrial sector is preventing unemployment. Demand for new employees also remains very high. The Bundesbank expects employment to return to pre-crisis levels by the end of 2022. According to the German Council of Economic Experts, the number of employees will rise by an annual average of around 400,000 to 34.3 million with an unchanged unemployment rate of 5.1 percent (ILO unemployment rate: 3.3 percent).

Short-time work measures are also continuing to have an effect in Austria. After reaching 5.0 percent (according to the ILO / Eurostat definition) in 2021, the unemployment rate is forecast to decline steadily to 4.6 percent in the current year

and 4.5 percent in 2023. Identical ILO unemployment rates are expected in Switzerland in 2021 and 2022. The Swiss labor market is predicted to recover in 2023, with the unemployment rate falling to 2.9 percent. (The corresponding rates as published by SECO are 2.4 percent for 2022 and 2.3 percent for 2023.)

One increasingly prominent issue in the German labor market is the country's unfavorable demographic trend. 80.3 million people lived in Germany in 2010; in 2020 this figure was 83.2 million, an increase of 3.7 percent. Deaths have outpaced births at a steadily increasing rate during this period, most recently by 212,000 people – an indicator of a shrinking population. Only immigration has managed to offset this numerical deficit, and most of this was due to the influx of more than a million people from Syria, Afghanistan, Iraq and Africa during the refugee crisis in 2015.

This poses considerable economic challenges for Germany, as rising demand for skilled workers meets a shrinking workforce while simultaneously requiring a concerted effort by both government and the private sector to train and integrate young people and/or those with a migrant background and foreign roots. This problem is most dramatically apparent in the market for training places, which shows that the number of open training places has fallen by around 10 percent (2020: 530,265), a situation that has been exacerbated by the coronavirus pandemic. In addition, this market continues to suffer due to a growing tendency to make training placements more academic, and young people who are increasingly choosing degrees over apprenticeships.

This trend demonstrates that staff recruitment and the range of training and continuing education courses on offer will play an increasingly significant role over the next few years. The main “battleground” in this struggle nowadays are the career opportunities offered by companies online. An online recruiting study conducted in 2021 investigated the candidate experience at all of Germany's listed companies. It concluded that the visibility of careers pages – that is, the ease with which career information could be found on company websites – worsened during the pandemic.

By contrast, optimization of job advertisements for smartphones increased, enabling companies to reach almost 100 percent of users this way. However, candidates have to complete application forms, the majority of which (59 percent) are not fully accessible. The application process is aggravated further by complicated registration procedures. As a result, job portals are becoming increasingly important within the recruitment environment. While these portals force companies to surrender their employer branding and outsource their data traffic analysis, they instead gain access to clear and simple navigation tools that are constantly being optimized. In addition, login buttons on smartphone application forms can often be used to link a stored profile in what are known as “XING applications”.

This trend in e-recruiting means that new solutions are constantly being developed. Most importantly, the fact that almost 100 percent of professionals now use e-recruiting solutions means we can expect the job market to continue utilizing these services at all levels, from trainee to manager.

### EXPECTED DEVELOPMENT OF NEW WORK SE

The spread of the coronavirus pandemic at the end of the first quarter of 2020 forced us to adapt to changing conditions. In the previous year, the negative impact of the crisis quickly became apparent, with new customer business and thus revenue growth slowing in our B2B segments in particular, as many employers and companies significantly scaled back their investments in order to prepare their finances as effectively as possible for a slowdown or decline in economic growth as a result of lockdowns and contact restrictions. The general conditions improved noticeably in financial year 2021. In the short term, we do not expect the recent tensions on the territory of Ukraine to have any impact on our business. Medium- to long-term effects are currently not foreseeable.

Nevertheless, our long-term outlook remains positive, because the fact that the world of work is undergoing structural changes that pose numerous challenges, particularly for businesses, has not changed, despite the coronavirus crisis.

Here too, our existing and well-established recruitment solutions mean we are excellently positioned to help employers fill jobs better and more quickly, and will remain so in future. Today, we already offer employers modern e-recruiting solutions that enable companies to rapidly identify and hire suitable talent via active sourcing on XING, for example. Positioning your employer branding is also increasingly important in times when labor markets are structurally limited. In this respect, we have established the leading destination for professional employer branding in kununu.

As a solution provider, we will continue to be able to benefit from these general conditions and expect revenues and income to rise again in the medium term.

In our opinion, employees in turn must tackle the changes directly affecting them (digitalization, automation, etc.) and identify areas for further development and change. Here, we have a more important role to play as a reliable partner in a changing environment and to help our members make the right career decisions for them. With more than 20 million registered members on the XING platform, we have a very good foundation on which to continue benefiting from these macro-trends in the future. Our kununu platform offers potential applicants and candidates detailed insights into more than 500 thousand employers, enabling them to make an informed decision about which company best matches their own values and aspirations.

During the 2021 financial year, we saw a significant recovery in demand for workers in particular. This also enabled our customer growth for e-recruiting solutions to steadily recover, most notably with a sharp increase of more than 200 new corporate customers in the fourth quarter.

**Revenue and earnings targets**

Based on the current environment known to us, we can provide the following outlook for the revenue and earnings targets for the Group and the main segments. This outlook takes account of the capital expenditure made for establishing new and enhancing existing product groups. In the forecast for

the B2C segment, it is important to note that we are investing particularly in reaching talent via our end customer destinations (→ [www.kununu.com](http://www.kununu.com) and → [www.xing.com](http://www.xing.com)). However, as these services are partly monetized via the B2B segment, we are expecting a decline in B2C segment EBITDA together with a double-digit percentage increase in pro forma EBITDA in the B2B E-Recruiting segment.

Financial key performance indicators	Starting point for forecast	Forecast for 2022
<b>Group forecast</b>		
Pro forma consolidated revenues	€290.9 million	Single-digit percentage growth
Pro forma consolidated EBITDA	€97.3 million	Single-digit percentage growth
<b>Segment forecast</b>		
Pro forma revenues, B2C segment	€98.1 million	Single-digit percentage decline
Pro forma EBITDA, B2C segment	€34.9 million	Double-digit percentage decline
Pro forma revenues, B2B E-Recruiting segment	€169.8 million	Double-digit percentage growth
Pro forma EBITDA, B2B E-Recruiting segment	€114.4 million	Double-digit percentage growth
Pro forma revenues, B2B Marketing Solutions & Events segment	€23.5 million	Double-digit percentage growth
Pro forma EBITDA, B2B Marketing Solutions & Events segment	€11.0 million	Double-digit percentage growth

**Dividend targets**

We have been pursuing a sustainable dividend policy since 2012. In the current financial year, we plan to propose to the Annual General Meeting to be held on June 1, 2022 that a regular dividend of €2.80 per no-par value share carrying dividend rights be paid for the financial year ended. In addition, a special dividend of €3.56 per share is to be distributed. The profit appropriation proposal will be presented to the AGM for a resolution on the appropriation of net retained profits once the audited annual financial statements have been adopted. The proposed dividend involves a total payout of €35.7 million. Own cash and available-for-sale securities totaling €116.6 million as of the end of 2021 and New Work’s cash-generative business model enable the Company to pay dividends on a regular basis, without impairing our long-term growth prospects. We intend to continue to make regular dividend payments.

**Liquidity and financial targets**

We anticipate cash funds in the 2022 financial year excluding extraordinary items such as acquisitions or special dividends to increase.

**Planned capital expenditures**

Following an investment volume (CAPEX) of €43.3 million (2020: €32.9 million) in the 2021 financial year, we expect a decline in financial year 2022 after we made non-recurring investments in financial year 2021 for moving to our new office building.

**Forecast of non-financial key performance indicators**

The non-financial key performance indicators being reported are important measures of the success and attractiveness of our offerings. In the B2C segment, our objective is to generate member growth in the D-A-CH region in 2022 in the single-digit percentage range.

Relationships with corporate customers are the most important measure in the B2B E-Recruiting segment because the segment's revenue and earnings performance significantly depends on them. For this reason, the goal is to achieve a single-digit percentage increase in the number of corporate customers through subscriptions in the B2B E-Recruiting segment in the 2022 financial year (2021: -3 percent).

Non-financial key performance indicators	Forecast for 2022
B2C segment: Members in the D-A-CH region	Single-digit percentage growth
B2B E-Recruiting segment: Number of subscription-based corporate customers (B2B)	Double-digit percentage growth

**REPORT ON OPPORTUNITIES**

In addition to numerous risks that result from operating in an extremely dynamic technology environment, there are also opportunities that may arise as a result of rapidly changing conditions and new structural trends. Alongside risk management, therefore, opportunity management is also an integral part of our business activities aimed at steadily increasing our enterprise value, safeguarding and expanding our competitive position, and achieving our goals.

Our opportunity management focuses heavily on the business units' individual strategies. Market developments and trends along with the competitive environment are discussed at regular meetings between the Management Board and the BU heads regarding business performance, and the resulting opportunities for the business units are assessed. Any opportunities identified are discussed with the individual business units as part of the planning and controlling process in order to perform a qualitative and quantitative assessment. One of the tasks of the business units themselves is to identify strategic opportunities in their respective submarkets and to develop measures for product development and its focus from these.

There are also additional opportunities for penetrating or increasing our market share and revenues in this market segment, particularly in the recruiting market in the D-A-CH region.

**Opportunities presented by macroeconomic trends**

The economic conditions affect the development of our business to varying degrees. As our assessment of the future development of the results of operations is based on the assumptions about economic developments described in the management report, a substantial improvement or a faster than expected recovery of the economy after the coronavirus crisis could have a positive influence on our business activities. Furthermore, our e-recruiting offerings in particular could become more attractive, and as a result the targets presented in this report could be exceeded, if the lack of workers becomes even worse, baby boomers retire from the workforce at a faster pace or employees are more willing to change jobs.

**Opportunities presented by product development and innovation**

New Work SE is a company focused on growth. Our business success therefore depends to a large extent on our speed of innovation and ability to implement ideas when developing and refining products and services for our members and corporate customers in the B2C and B2B segments. Continuous process improvements and the efficient use of our development resources as well as identification of important trends might provide further opportunities for improving growth rates. If we make progress in this area faster than expected and establish relevant offerings for our customers even faster, this would have additional positive effects on New Work SE's revenues and earnings development.

**Opportunities presented by faster penetration of important growth markets**

Thanks to our digital e-recruiting solutions for companies in particular, we operate in what despite the current impact of the coronavirus crisis remains a structural growth market in which changes in the world of work (digitalization and changes in skills and values) could offer us numerous opportunities, particularly in the future, if the B2B E-Recruiting products and services introduced by New Work SE can achieve market penetration more quickly than planned. Other opportunities will also arise by establishing new and/or additional e-recruiting offerings more quickly than planned (e.g. through M&A transactions).

Overall, the penetration of key growth markets at a faster pace than projected provides a wealth of opportunities for New Work SE, especially given the low level of penetration in the respective markets up to now. Further opportunities could be provided by the establishment of new sources of revenues or business models, which have not yet been budgeted for.

## Legal information

The following section mainly contains information and explanations in accordance with Section 315a of the German Commercial Code (HGB). This information relates to company law structures and other legal relationships.

### CORPORATE GOVERNANCE STATEMENT

The corporate governance statement issued in accordance with Section 289f HGB has been published on our website at → <http://corporate.xing.com/en/investor-relations/corporate-governance>. It contains a description of how the Management Board and Supervisory Board operate, the declaration of conformity in accordance with Section 161 of the German Stock Corporation Act (AktG), and information on key corporate governance practices.

### REMUNERATION REPORT

The remuneration report details the amount and structure of Management Board earnings, and summarizes the principles used as the basis for the remuneration of the New Work SE Management Board. It also contains information on the principles and amount of Supervisory Board remuneration. The remuneration report also includes information concerning the shareholdings of the Management Board and of the Supervisory Board.

### TAKEOVER-RELATED DISCLOSURES

The following details in accordance with Section 315a HGB describe the situation as of December 31, 2021. The following explanation of this information also meets the requirements of an explanatory report as per Section 176 (1) line 1 of the German Companies Act (AktG).

### Share capital

The share capital of the Company amounted to €5,620,435 on December 31, 2021 (previous year €5,620,435), and consists of 5,620,435 no-par value shares with a notional amount of €1.00 each. The share capital is fully paid in. All shares have the same rights.

### TREASURY SHARES

The Company itself held no treasury shares of New Work SE as of December 31, 2021 (previous year: none). This corresponds to 0 percent (previous year: 0 percent) of the Company's share capital.

### Restrictions on voting rights or on the transfer of shares

The Management Board is not aware of any restrictions in terms of voting rights or share transfers.

### Shareholders with more than 10 percent of the Company's voting rights

As of December 31, 2021, the Company was aware that Burda Digital SE, Munich, held 50.24 percent of New Work SE's voting rights. The Company is not in possession of any further information or notifications in accordance with Sections 33 et seq. of the German Securities Trading Act (WpHG) concerning shareholders who directly and/or indirectly hold more than 10 percent of the capital and voting rights.

### Appointment and dismissal of members of Management Board/ changes to the Articles of Incorporation

Any appointment and dismissal of members of the Management Board is subject to Sections 84, 85 AktG as well as item 8 of the Articles of Incorporation as amended on December 1, 2021. In accordance with item 8 (1) of the Articles of Incorporation, the Management Board consists of one or more persons. The Supervisory Board determines the number of members of the Management Board. The Articles

of Incorporation do not include any special rules for the appointment and dismissal of individual or all members of the Management Board. Any such appointment or dismissal is the responsibility of the Supervisory Board.

Changes to the Articles of Incorporation are made in accordance with the provisions of Sections 133 and 179 AktG. The Company's Articles of Incorporation have not taken advantage of the option of specifying further requirements applicable for changes to the Articles of Incorporation. Unless required otherwise by law, the resolutions of the Annual General Meeting shall be passed with a simple majority of the votes cast. In the event that the law stipulates a capital majority in addition to the majority vote, resolutions shall be passed with a simple majority of the share capital represented at the time the resolution was passed. In accordance with items 5.3 to 5.4 and 19 of the Articles of Incorporation, the Supervisory Board is authorized to make changes to the Articles of Incorporation to the extent that they only relate to their wording.

### Powers of the Management Board to issue and buy back shares

The powers of the Management Board of the Company to issue or repurchase shares are all based on corresponding authorization resolutions of the Annual General Meeting, the contents of which are detailed in the following.

### Authorized and contingent capital

Authorized and contingent capital are described in Note 24, "Equity" in the notes to the consolidated financial statements.

### Authorization to purchase own shares

Pursuant to the resolution of the Annual General Meeting of May 16, 2018, and in view of the cancellation of the resolution of May 23, 2014, the Management Board was authorized to purchase treasury shares as follows:

#### **a. Authorization to purchase own shares**

Until May 15, 2023, the Management Board is authorized, with the approval of the Supervisory Board, to purchase treasury shares for up to a total of 10 percent of the Company's share capital amounting to €5,620,435.00 at the time at which the resolution is adopted. The shares purchased in this way, together with other treasury shares which are owned by the Company or which are attributable to the Company in accordance with Sections 71a et seq. AktG must not at any time exceed 10 percent of the share capital. Furthermore, the prerequisites of Section 71 (2) sentences 2 and 3 AktG must be observed. This authorization must not be exercised for the purpose of trading treasury shares. The authorization may be exercised in whole or in part, once or on multiple occasions, to pursue one or more purposes.

#### **b. Types of acquisition**

The Management Board may decide to purchase the shares (1) via the stock exchange or (2) by means of a public offer directed at all shareholders or a public invitation to the shareholders directed at all shareholders to submit offers to sell the shares.

1) If the shares are purchased via the stock exchange, the amount per share paid by the Company (excluding ancillary purchase costs) must not exceed by more than 10 percent nor fall below by more than 20 percent the average of the closing prices of the Company's shares of the same class in Xetra trading (or an equivalent successor system) for the last five trading days on the Frankfurt Stock Exchange prior to entering into the obligation to purchase.

2) If the shares are acquired via a public offer to purchase shares directed to all shareholders or a public invitation to submit offers to sell shares directed to all shareholders, then the purchase price offered or limits on the purchase price range per share (excluding ancillary purchase costs) must not exceed by more than 10 percent nor fall below by more than 20 percent the average of the closing prices of the Company's shares of the same class in Xetra trading (or an equivalent successor system) for the last five trading days on the Frankfurt Stock Exchange prior to the date of publication of the public offer or the public invitation to submit offers to sell the shares. If there are considerable changes to the relevant price after the publication of a purchase offer or a public invitation to submit offers to sell the shares, the purchase offer or the invitation to submit offers to sell the shares can be adjusted. In this case, the applicable price is the closing price of the Company's shares of the same class in Xetra trading (or an equivalent successor system) on the last trading day on the Frankfurt Stock Exchange prior to publication of the adjustment; the 10 percent limit for exceeding and the 20 percent limit for falling below this price must be applied to this amount. The volume of the purchase offer or the invitation to submit offers to sell shares can be limited. To the extent that the entire volume of the purchase offer or the offers submitted by shareholders in response to an invitation to submit offers to sell the shares exceeds or falls below this volume, the purchase of shares or acceptance of offers must be in relation to the shares offered. Preferential purchase or preferential acceptance of lower numbers of up to 100 tendered shares of the Company per shareholder and commercial rounding to avoid fractions of shares can be stipulated. The purchase offer or the invitation to submit offers to sell the shares may specify further conditions.

#### **c. Use of treasury shares**

With the approval of the Supervisory Board, the Management Board is authorized to use the treasury shares purchased on the basis of this or an earlier authorization for all lawful purposes, and in particular for the following purposes:

- 1) The treasury shares may be sold for cash consideration in ways other than via the stock exchange or on the basis of an offer to all shareholders if the purchase price to be paid in cash is not significantly lower than the market price of the already listed shares with essentially the same rights. The number of shares sold in this way must not exceed 10 percent of the share capital, either at the time at which this authorization becomes effective or at the time at which this authorization is exercised. Other shares which have been sold or issued by disapplying pre-emptive rights during the life of this authorization upon the direct or corresponding application of Section 186 (3) sentence 4 AktG must be offset against this maximum limit. Shares which have to be issued for serving option and/or conversion rights or conversion obligations arising from convertible bonds and/or option bonds or stock options, to the extent that these bonds or stock options have been issued during the life of this authorization by disapplying pre-emptive rights upon corresponding application of Section 186 (3) Clause 4 AktG, also have to be offset in relation to the maximum limit.
- 2) The acquired treasury shares can be sold in ways other than via the stock exchange or by way of an offer to all shareholders if the shares can be sold in return for cash payment at a price that does not fall significantly below the stock exchange price of the Company's shares of the same class at the time of sale. The applicable stock exchange

price within the meaning of the preceding is the average of the closing prices of the Company's shares of the same class in Xetra trading (or an equivalent successor system) for the last five trading days on the Frankfurt Stock Exchange prior to entering into the obligation to sell the shares. Shareholder pre-emptive rights are disapplied. This authorization is applicable only under the condition that the treasury shares sold while disapplying pre-emptive rights in accordance with Sections 71(1) No. 8 sentence 5 half-sentence 2 and 186(3) sentence 4 AktG may not exceed a total of 10 percent of the share capital, either at the time the authorization enters into force or – if this amount is lower – at the time it is exercised. The following are to be counted against the aforementioned 10 percent limit: (i) new shares issued while disapplying pre-emptive rights during the term of this authorization up to its exercise from authorized capital in accordance with Sections 203(1) sentence 1 and (2) sentence 1 and 186(3) sentence 4 AktG, (ii) those shares issued or to be issued to settle conversion or option rights or conversion or option obligations, or tender rights of the issuer arising from convertible and/or option bonds, profit-participation rights and/or income bonds (or a combination of these instruments) ("bonds"), insofar as the bonds are issued while disapplying pre-emptive rights during the term of this authorization up to its exercise in accordance with Sections 221(4) sentence 2 and 186(3) sentence 4 AktG, and (iii) treasury shares that were sold while disapplying pre-emptive rights during the term of this authorization up to its exercise in accordance with Sections 71(1) No. 8 sentence 5 half-sentence 2 and 186(3) sentence 4 AktG. Shares applied to the limit are no longer included in the limit if authorizations to issue new shares

from authorized capital, to issue bonds, or to sell treasury shares are re-issued by the Annual General Meeting by applying Section 186(3) sentence 4 AktG accordingly after exercise of such authorizations that led to the shares being applied to the limit.

- 3) The treasury shares may be sold in return for a non-cash consideration, in particular for the purpose of acquiring companies, parts of companies, other assets or in connection with business combinations, or for the purpose of acquiring receivables, rights or industrial property rights including copyrights and know-how.
- 4) The treasury shares can be used to settle pre-emptive rights to shares of the Company which have been allocated or which were granted or will be granted to members of the Management Board of the Company, selected senior executives, other key members of staff and employees of the Company, as well as members of management, selected senior executives, other key members of staff and employees of enterprises which are affiliated with the Company in accordance with Section 15 AktG as part of the share price-based shadow share program of XING SE (now: New Work SE) dated November 29, 2012, and the long-term incentive program for Management Board members of XING SE (now: New Work SE) dated January 27, 2014, as long as the Company wishes to allocate to the beneficiaries shadow shares through shares according to this program. If members of the Company's Management Board are beneficiaries in the above cases, the Supervisory Board shall decide on whether to use treasury shares to serve pre-emptive rights.
- 5) The treasury shares can be used to settle conversion or option rights or conversion or option obligations, or tender rights of the issuer arising from bonds with conversion or option rights, or conversion or option obligations, or tender rights of the issuer relating to shares of the Company. If treasury shares are to be transferred to members of the XING SE Management Board, this authorization shall apply to the Supervisory Board.
- 6) The treasury shares can be used to grant a pre-emptive right to the holders or creditors of bonds with conversion or option rights or conversion or option obligations, or tender rights of the issuer to shares of the Company in the scope to which they would be entitled after exercise of these conversion or option rights or after settlement of these conversion or option obligations or the tender of shares as a shareholder.
- 7) The treasury shares can be offered for sale, or transferred, to persons who are employed by the Company or an enterprise affiliated with the Company in accordance with Section 15 AktG. They may also be offered for sale or transferred to members of the Management Board of the Company or members of the management of an enterprise affiliated with the Company in accordance with Section 15 AktG. If members of the XING SE Management Board are beneficiaries, the Supervisory Board is responsible for selecting the beneficiaries and determining the volume of shares to be granted to them.

8) The treasury shares may be retired without such retirement or the performance of such action requiring a further resolution of the Annual General Meeting. They may also be canceled in a simplified procedure without a capital reduction by adjusting the proportionate theoretical interest of the other no-par value shares in the Company's share capital. If the shares are canceled using the simplified procedure, the Management Board is authorized to adjust the number of shares in the Articles of Incorporation.

The shareholders' pre-emptive rights relating to the treasury shares purchased on the basis of this authorization are disapplied if these shares are used in accordance with the authorizations detailed under (1) to (6). The total number of treasury shares sold while disapplying pre-emptive rights under the authorizations in accordance with (1) to (6) may not (notwithstanding the limitation in a)) exceed 20 percent of the share capital, either at the time the authorization enters into force or – if this amount is lower – at the time it is exercised. The following are to be counted against the aforementioned 20 percent limit: (i) new shares issued while disapplying pre-emptive rights during the term of this authorization up to its exercise from authorized capital and (ii) those shares issued or to be issued to settle bonds, insofar as the bonds were issued while disapplying the pre-emptive rights of shareholders during the term of this authorization up to its exercise and (iii) treasury shares that are sold while disapplying pre-emptive rights during the term of this authorization up to its exercise based on another authorization. Insofar as and to the extent to which, after exercise of an authorization to disapply pre-emptive rights that led to shares being counted against the aforementioned 20 percent limit, the Annual General Meeting re-issues this authorization

to disapply pre-emptive rights, the shares will no longer be included in the limit. All of the authorizations mentioned above may be exercised by the Company in whole or in partial amounts, once or on multiple occasions, to pursue one or more purposes. The authorizations – with the exception of the authorization to cancel treasury shares – can also be exercised by entities dependent on the Company or entities which are majority owned by the Company or by third parties acting for their account or for the account of the Company.

#### **Compensation agreements of the Company with members of the Management Board or employees in the event of a takeover bid**

In the event of a change in control, New Work SE grants the Management Board member Ingo Chu the right to be released from the director's contract provided other requirements are met. In the event of the justified exercise of this right, the affected Management Board member is entitled to settlement of all remuneration components (basic salary, variable remuneration, remuneration from the Shadow Share Program and/or Long-term Incentive Program), the total amount of which is subject to the severance cap as recommended by item G.13 of the German Corporate Governance Code.

#### **Further disclosures**

The other information required in accordance with Section 315a (1) HGB relates to circumstances which do not exist at New Work SE. There are no holders of shares with special rights conferring control powers, nor are there any voting right controls attributable to employees owning a share of the Company's capital, nor are there any major agreements which are subject to the condition of a change of control following a takeover bid.

#### **LEGAL FACTORS**

The Company largely operates as a social business network via the online platform → [www.xing.com](http://www.xing.com). where millions of people enter their personal details along with their CV. It is therefore imperative that New Work SE provides its registered users with a secure and trustworthy environment. The legislation in place in Germany, in particular German privacy law, sets the standard for how XING handles its users' sensitive data.

#### **Auditor of the financial statements**

Since the audit of the 2013 consolidated and annual financial statements, New Work SE has been audited by PricewaterhouseCoopers GmbH (formerly PricewaterhouseCoopers AG, Hamburg branch office). The responsible auditor for the 2021 audit of the consolidated and annual financial statements is Niklas Wilke. He has held this position since 2015.

# Consolidated financial statements

*for the financial year  
from January 1 to December 31, 2021*

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# Consolidated statement of comprehensive income

of New Work SE  
for the period from January 1 to December 31, 2021

## Consolidated statement of comprehensive income

In € thousand	Note no.	01/01 – 12/31/2021	01/01 – 12/31/2020
<b>Continuing operations</b>			
Service revenues	8	290,857	276,524
Other operating income	8	1,618	1,984
Other own work capitalized	9	23,632	23,637
Personnel expenses	10	-139,169	-141,945
Marketing expenses	11	-35,662	-29,019
Other operating expenses	12	-41,216	-39,994
Impairment losses on financial assets and contract assets	13	-2,782	-3,577
<b>EBITDA</b>		<b>97,278</b>	<b>87,610</b>
Depreciation, amortization and impairment losses	14	-44,799	-56,051
<b>EBIT</b>		<b>52,479</b>	<b>31,559</b>
Finance income	15	617	10,219
Finance costs	15	-1,045	-942
<b>EBT</b>		<b>52,051</b>	<b>40,836</b>
Income taxes	16	-12,444	-14,722
<b>Net income/loss from continuing operations</b>		<b>39,607</b>	<b>26,114</b>
Post-tax profit or loss of discontinued operations	17	0	3
<b>CONSOLIDATED NET PROFIT</b>		<b>39,607</b>	<b>26,117</b>

In € thousand	Note no.	01/01 – 12/31/2021	01/01 – 12/31/2020
<b>Earnings per share</b>			
Earnings per share (basic)	18	€7.05	€4.65
Earnings per share (diluted)	18	€7.05	€4.65
<b>Earnings per share – continuing operations</b>			
Earnings per share (basic)	18	€7.05	€4.65
Earnings per share (diluted)	18	€7.05	€4.65
<b>CONSOLIDATED NET PROFIT</b>		<b>39,607</b>	<b>26,117</b>
Currency translation differences	19	208	-83
<b>OTHER COMPREHENSIVE INCOME</b>		<b>208</b>	<b>-83</b>
<b>CONSOLIDATED TOTAL COMPREHENSIVE INCOME</b>		<b>39,815</b>	<b>26,034</b>

# Consolidated statement of financial position

of New Work SE  
as of December 31, 2021

## Assets

In € thousand	Note no.	12/31/2021	12/31/2020
<b>Intangible assets</b>			
Purchased software	20	4,743	6,875
Internally generated software	20	71,153	72,065
Goodwill	20	56,145	56,145
Other intangible assets	20	3,692	4,984
<b>Property, plant and equipment</b>			
Leasehold improvements	20	14,942	1,948
Other equipment, operating and office equipment	20	12,174	7,901
Construction in progress	20	618	4,509
Lease assets	20	50,280	58,772
<b>Investments</b>			
Financial assets at amortized cost	21	3,032	2,051
Financial assets at fair value	21	30,136	29,726
Other non-financial assets	22	580	485
Deferred tax assets	16	2,617	205
<b>NON-CURRENT ASSETS</b>		<b>250,112</b>	<b>245,666</b>
<b>Receivables and other assets</b>			
Receivables from services	23	20,637	18,028
Contract assets	23	4,471	3,711
Other assets	23	12,806	8,420
<b>Cash and short-term deposits</b>			
Cash	23	86,459	61,497
Third-party cash	23	3,684	3,632
<b>CURRENT ASSETS</b>		<b>128,057</b>	<b>95,288</b>
		<b>378,169</b>	<b>340,954</b>

## Equity and liabilities

In € thousand	Note no.	12/31/2021	12/31/2020
<b>Equity</b>			
Subscribed	24	5,620	5,620
Capital reserves	24	22,644	22,644
Other reserves	24	338	130
Retained earnings	24	109,667	84,617
<b>EQUITY</b>		<b>138,270</b>	<b>113,011</b>
<b>Liabilities</b>			
Deferred tax liabilities	16	21,501	23,343
Contract liabilities	25	352	64
Other provisions	25	680	637
Lease liabilities	25	58,014	54,583
Other liabilities	25	4,310	4,389
<b>NON-CURRENT LIABILITIES</b>		<b>84,857</b>	<b>83,016</b>
<b>Current liabilities</b>			
Trade accounts payable	26	14,446	10,830
Lease liabilities	25	7,559	6,485
Contract liabilities	25	102,114	91,534
Other provisions	26	3,224	3,201
Financial liabilities at fair value	26	0	2,100
Income tax liabilities	26	5,440	8,278
Other liabilities	26	22,260	22,499
<b>CURRENT LIABILITIES</b>		<b>155,043</b>	<b>144,928</b>
		<b>378,169</b>	<b>340,954</b>

# Consolidated statement of cash flows

of New Work SE  
for the period from January 1 to December 31, 2021

## Consolidated statement of cash flows

In € thousand	Note no.	01/01–12/31/2021	01/01–12/31/2020
Earnings before taxes		52,051	40,836
Amortization and impairment losses on internally generated software	14	24,544	19,425
Depreciation, amortization and impairment losses on other fixed assets	14	20,255	36,626
Finance income	15	-617	-10,219
Finance costs	15	1,045	942
<b>EBITDA</b>		<b>97,278</b>	<b>87,610</b>
Interest received		207	237
Taxes paid		-19,539	-12,674
Profit/loss from disposal of fixed assets		315	-39
Change in receivables and other assets		-5,733	11,914
Change in liabilities and other equity and liabilities		2,274	-3,007
Change in contract liabilities	25	10,868	-3,978
Elimination of XING Events third-party obligation	23	-52	1,181
<b>Cash flows from operating activities of continuing operations</b>		<b>85,617</b>	<b>81,244</b>
Cash flows from operating activities discontinued operations		0	-294
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		<b>85,617</b>	<b>80,950</b>
Payment for capitalization of internally generated software	20	-23,632	-23,638
Payment for purchase of software	20	-1,013	-2,306
Payments for purchase of other intangible assets	20	-29	-28
Proceeds from the disposal of fixed assets	20	1,482	121

In € thousand	Note no.	01/01–12/31/2021	01/01–12/31/2020
Payments for purchase of property, plant and equipment	20	-20,133	-7,096
Payments for acquisition of consolidated companies (less funds acquired)	20	-2,100	-673
<b>Cash flows from investing activities of continuing operations</b>		<b>-45,424</b>	<b>-33,620</b>
Cash flows from investing activities of discontinued operations		0	0
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		<b>-45,424</b>	<b>-33,620</b>
Payment of regular dividend	24	-14,557	-14,557
Interest paid		-343	-46
Proceeds from lease incentives	23	7,214	0
Payment for leases	23	-7,719	-5,991
<b>Cash flows from financing activities of continuing operations</b>		<b>-15,404</b>	<b>-20,594</b>
Cash flows from financing activities of discontinued operations		-144	-131
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		<b>-15,548</b>	<b>-20,725</b>
Currency translation differences		318	-340
Change in cash and cash equivalents	23	24,962	26,265
Own funds at the beginning of the period	23	61,497	35,231
<b>OWN FUNDS AT THE END OF THE PERIOD<sup>1</sup></b>		<b>86,459</b>	<b>61,496</b>
Third-party funds at the beginning of period	23	3,632	4,813
Change in third-party cash and cash equivalents	23	52	-1,181
<b>THIRD-PARTY FUNDS AT THE END OF THE PERIOD</b>		<b>3,684</b>	<b>3,632</b>

<sup>1</sup> Funds consist of liquid funds.

# Consolidated statement of changes in equity

of New Work SE  
for the period from January 1 to December 31, 2021

## Consolidated statement of changes in equity

In € thousand	Note no.	Subscribed capital	Capital reserves	Reserve for currency translation differences	Retained earnings	Total equity
<b>AS OF 01/01/2020</b>		<b>5,620</b>	<b>22,644</b>	<b>213</b>	<b>73,057</b>	<b>101,534</b>
Consolidated net profit		0	0	0	26,117	26,117
Other comprehensive income	19	0	0	-83	0	-83
<b>Consolidated total comprehensive income</b>		<b>0</b>	<b>0</b>	<b>-83</b>	<b>26,117</b>	<b>26,034</b>
Regular dividend for 2019	24	0	0	0	-14,557	-14,557
<b>AS OF 12/31/2020</b>		<b>5,620</b>	<b>22,644</b>	<b>130</b>	<b>84,617</b>	<b>113,011</b>
<b>AS OF 01/01/2021</b>		<b>5,620</b>	<b>22,644</b>	<b>130</b>	<b>84,617</b>	<b>113,011</b>
Consolidated net profit		0	0	0	39,607	39,607
Other comprehensive income	19	0	0	208	0	208
<b>Consolidated total comprehensive income</b>		<b>0</b>	<b>0</b>	<b>208</b>	<b>39,607</b>	<b>39,815</b>
Regular dividend for 2020	24	0	0	0	-14,557	-14,557
<b>AS OF 12/31/2021</b>		<b>5,620</b>	<b>22,644</b>	<b>338</b>	<b>109,667</b>	<b>138,270</b>

# Notes to the consolidated financial statements

for the period from January 1 to December 31, 2021

## (A) Principles and methods

### 1. Information on the Company

The registered office of New Work SE is located at Am Strandkai 1, 20457 Hamburg, Germany; the Company is registered at the Amtsgericht (local court) Hamburg under HRB 148078. The Company's parent is Burda Digital SE, Munich, Germany, and the ultimate parent company of New Work SE since December 18, 2012 has been Hubert Burda Media Holding Kommanditgesellschaft, Offenburg, Germany. Hubert Burda Media Holding Kommanditgesellschaft is controlled by Prof. Dr. Hubert Burda, Offenburg, Germany. The next higher-level parent company that prepares consolidated financial statements is Burda Gesellschaft mit beschränkter Haftung, Offenburg, Germany.

New Work SE has been committed to promoting a better working life with a wide range of brands, products and services. Founded as the OpenBC professional network, New Work SE today offers the vast majority of professionals in German-speaking countries their own digital network.

The consolidated financial statements and the Group management report of New Work SE for the period ending December 31, 2021 are approved for publication by the Management Board on March 24, 2022, and presented to the Supervisory Board of the Company for approval on the same day. The consolidated financial statements and the group management report are published in the electronic Federal Gazette.

### 2. Basis of preparation

The consolidated financial statements of New Work SE (referred to hereinafter as "New Work" or "the Company") have been prepared in accordance with the International Financial Reporting Standards (IFRSs) as published by the International Accounting Standards Board (IASB) and the additional provisions of commercial law stipulated by Section 315e (1) of the German Commercial Code (HGB). Due consideration has been given to all IFRSs and IFRICs which were adopted by the EU Commission as of December 31, 2021 and which are subject to mandatory adoption.

The consolidated financial statements are prepared in euros, the Company's functional currency. Unless otherwise specified, all figures have been rounded up or down to the nearest thousand euros (€ thousand). The tables and figures included may therefore contain rounding differences.

The consolidated statement of comprehensive income has been prepared using the total cost (nature of expense) method and a one-statement approach.

### 3. Changes in accounting policies

#### I. FINANCIAL REPORTING STANDARDS AMENDED OR EFFECTIVE IN FINANCIAL YEAR 2021

The following accounting standards had to be applied for the first time in financial year 2021:

- Amendments to IFRS 16 – COVID-19-Related Rent Concessions
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 – Interest Rate Benchmark Reform (Phase 2)
- Amendments to IFRS 4 Insurance Contracts – Deferral of IFRS 9

The changes listed above did not affect the reporting of New Work SE.

#### II. STANDARDS ISSUED BUT NOT YET EFFECTIVE

The following new or amended standards are relevant to the business activities of the Group and had been issued but were not yet effective by the time the consolidated financial statements of New Work were published:

Initial application	New or amended standards
January 1, 2022:	Annual Improvements to IFRS Standards 2018–2020 Amendments to IAS 37 – Onerous Contracts – Cost of Fulfilling a Contract Amendments to IAS 16 – Property, Plant and Equipment – Proceeds before Intended Use Amendments to IFRS 3 – Reference to the Conceptual Framework
January 1, 2023:	Amendments to IAS 1 – Classification of Liabilities as Current or Non-current Amendments to IFRS 17 – Insurance Contracts
still to be decided:	Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

We do not expect the amendments listed above to have a material effect on New Work's reporting.

### 4. Basis of consolidation and principles of consolidation

#### BASIS OF CONSOLIDATION

In addition to New Work SE, the consolidated financial statements include the subsidiaries that are controlled by New Work SE as the parent company. Control is being assumed if the parent company can exercise control over the investee, is exposed to variable returns from the equity investment and can influence the amount of the returns due to its control. Control is assumed if the parent company directly or indirectly holds more than half of the voting rights of the subsidiary, unless it can clearly be shown that this holding does not constitute control. The subsidiaries are consolidated from the time at which the Group acquires control, and are no longer consolidated after the time at which the Group no longer exercises control. The question of whether or not the Group controls an investee is reassessed when facts or circumstances indicate that one or more of the stated criteria have resulted in a change of control.

If necessary, the annual financial statements of the subsidiaries are adjusted to align their accounting policies to the methods used in the Group. All intercompany balances, transactions, income and expenses as well as all results of intercompany transactions are eliminated in full.

The basis of consolidation in the consolidated financial statements comprises the following companies:

Entity	Domicile	Equity interest 12/31/2021 in %	Equity interest 12/31/2020 in %	Held by	Initial consolidation
1 New Work SE (parent company)	Hamburg				
2 Honeypot GmbH <sup>2</sup>	Berlin	100	100	1	2018
3 InterNations GmbH <sup>2</sup>	Munich	100	100	9	2017
4 NEW WORK AUSTRIA XING kununu Prescreen GmbH (formerly kununu GmbH)	Vienna, Austria	100	100	1	2013
5 New Work Networking Spain S.L.	Barcelona, Spain	100	100	1	2007
6 New Work Networking Portugal Unipessoal Lda. (formerly New Work Portugal Unipessoal Lda.)	Porto, Portugal	100	100	1	2017
7 NEW WORK XING AG (formerly XING E-Recruiting Switzerland AG)	Zurich, Switzerland	100	100	1	2016
8 New Work Young Professionals GmbH <sup>1</sup>	Hamburg	100	100	9	2016
9 XING Events GmbH <sup>2</sup>	Hamburg	100	100	1	2011
10 Prescreen GmbH <sup>1</sup>	Berlin	100	100	1	2017
11 New Work XING GmbH (formerly New Work XING UG (haftungsbeschränkt)) <sup>3</sup>	Hamburg	–	100	–	2018
12 Prescreen International GmbH <sup>4</sup>	Vienna, Austria	–	100	–	2017
13 XING E-Recruiting GmbH <sup>4</sup>	Vienna, Austria	–	100	–	2015
14 XING E-Recruiting GmbH & Co. KG <sup>5</sup>	Hamburg	–	100	–	2015
15 XING International Holding GmbH <sup>3</sup>	Hamburg	–	100	–	2007
16 XING Marketing Solutions GmbH <sup>3</sup>	Hamburg	–	100	–	2016
17 kununu engage GmbH <sup>3</sup>	Berlin	–	100	–	2018
18 XING Switzerland GmbH <sup>5</sup>	Zurich, Switzerland	–	100	–	2008
19 XING GmbH & Co. KG <sup>6</sup>	Hamburg	–	100	–	2019

Entity	Domicile	Equity interest 12/31/2021 in %	Equity interest 12/31/2020 in %	Held by	Initial consolidation
20 HalloFreelancer GmbH <sup>3</sup>	Hamburg	–	100	–	2019
21 amianto UK Ltd. <sup>7</sup>	Birmingham, United Kingdom	–	100	–	2011
22 Eqipia GmbH <sup>7</sup>	Zurich, Switzerland	–	100	–	2016
23 Grupo Galenicom Tecnologías de la Información, S.L. <sup>7</sup>	Barcelona, Spain	–	100	–	2007

<sup>1</sup> A guarantee statement of New Work SE exists. The entities avail themselves from the exemption under section 264 (3) German Commercial Code (HGB).

<sup>2</sup> A profit transfer agreement is in place with the respective parent company.

The entities avail themselves from the exemption under section 264 (3) German Commercial Code (HGB).

<sup>3</sup> In the financial year, the companies were merged with New Work SE by merger agreement dated July 5, 2021/October 1, 2021. The mergers became effective upon entry in the commercial register of New Work SE on July 30, 2021/October 29, 2021.

<sup>4</sup> In the financial year, the companies were merged with NEW WORK AUSTRIA XING kununu Prescreen GmbH by merger agreement dated June 28, 2021. The mergers became effective upon entry in the commercial register of NEW WORK AUSTRIA XING kununu Prescreen GmbH on July 31, 2021.

<sup>5</sup> In the financial year, the companies were merged with NEW WORK AUSTRIA XING AG by merger agreement dated September 28, 2021. The merger became effective upon entry in the commercial register of NEW WORK XING AG on October 29, 2021.

<sup>6</sup> As a result of the merger of XING International Holding GmbH with New Work SE, the companies accrued to New Work SE.

<sup>7</sup> The companies were liquidated in the reporting year.

## 5. Material judgments and estimates

Preparation of the consolidated financial statements to a limited extent requires management to make assumptions and estimates that affect the reported amounts of assets and liabilities, income and expenses, as well as contingent liabilities. Although these estimates are made in accordance with the best knowledge of management and with due consideration being given to all available knowledge, actual results may differ from these estimates.

Material estimates and assumptions were made particularly in connection with the following accounting policies: impairment of goodwill, capitalization of development costs for software, the settlement value for conditional purchase price obligations, the measurement of impairment of trade accounts receivable, the measurement of assets and lease liabilities, and with regard to the recoverability of deferred taxes on loss carryforwards. With regard to the main forward-looking assumptions and other major sources of estimation uncertainty which existed on the reporting date, as a result of which there might be a risk that the carrying amounts might be adjusted in the course of the next financial year, please refer to the corresponding individual disclosures.

In addition, estimates and assumptions are made for the purpose of determining the useful lives of intangible assets and property, plant and equipment, which are subject to an annual review. The actual figures may differ from the estimates. Changes are recognized in the income statement at the time at which better information becomes available.

## 6. Foreign currency translation

Transactions in a currency other than the functional currency of an entity are stated in the functional currency at the middle spot exchange rate on initial recognition. At the end of the reporting period, the Company measures foreign currency monetary assets and liabilities in the functional currency at the middle spot exchange rate at that date. New Work recognizes foreign currency gains and losses on these measurements in profit or loss. Foreign currency non-monetary items in the consolidated statement of financial position are translated using historical exchange rates.

## 7. Significant accounting policies

### GENERAL DISCLOSURES

#### Discontinued operation

A discontinued operation is a component of the Group's business whose operation and cash flows can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographical area of operations,
- Is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

An operation is classified as discontinued upon disposal or discontinuation or as soon as the operation meets the criteria to be classified as held for sale, if this is the case earlier.

When an operation is classified as a discontinued operation, the statement of comprehensive income for the comparative year is restated as if the operation had been discontinued from the beginning of the comparative year.

#### STATEMENT OF COMPREHENSIVE INCOME

Income in the B2C and B2B E-Recruiting segments, which is predominantly paid in advance, is recognized over the contract term using the straight-line method in view of the proportional duration of the relevant contract. Income in the B2B Marketing Solutions & Events segment is recognized at the time the service is performed. All prepayments received for periods after the reporting date are listed as contract liabilities in the statement of financial position; revenue is recognized in the subsequent periods.

Revenue is measured at the fair value of the consideration received or receivable. In the case of barter transactions, revenue is measured at the fair value of the consideration received according to IFRS 13.

The currency reserve in other comprehensive income can be reclassified to profit or loss in subsequent periods.

## STATEMENT OF FINANCIAL POSITION

### Business combinations

The Company recognizes business acquisitions using the acquisition method, which leads to the recognition of goodwill in the event of a positive difference. Goodwill acquired during a business combination is initially recognized at cost; it refers to the additional costs of the business combination in excess of the share of the Group in the net present value of identifiable assets, less liabilities and contingent liabilities. Transaction costs are immediately expensed. Contingent consideration is measured at fair value at the time of acquisition. As long as the contingent consideration is not classified as equity, changes in the fair value are recognized in profit or loss.

### Intangible assets

In accordance with IAS 38 and SIC-32, intangible assets which arise from the development of a single project can only be recognized if the Group can demonstrate the technical feasibility for completing the project for internal use or sale; the intent to complete the project so that the asset can be used internally or sold; that the asset will generate a future economic benefit; that the resources for completing the project are available; and outputs can be reliably measured. Expenses that do not meet these criteria are recognized in profit or loss. After the first-time application of development costs, the asset is recognized at cost less accumulated amortization and accumulated impairments. All capitalized development costs of the platforms are amortized over a five-year period using the straight-line method.

The recoverable amount of the development costs is subjected to an impairment test at least once a year, provided that the asset has not yet been used or if there are any indications of impairment over the course of the year. Intangible assets are tested for impairment as soon as there are any indications of impairment. The amortization period, the residual values and amortization method of an intangible asset with a finite useful life are reviewed regularly, at least once each financial year.

Expenses for the purchase of software and other intangible assets are recognized and written down over their expected useful life of three to nine years using the straight-line method. Amortization begins at the time at which the intangible asset can be used.

There is no interest that is directly attributable to the acquisition or production of a qualifying asset and thus could be capitalized as part of the cost of that asset.

In accordance with IFRSs, goodwill is not amortized over its economic service life. The Company is required to test goodwill for impairments at least once a year, provided there are no indications of potential impairments. If there are indications of impairment, goodwill must be tested immediately for impairment. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units (CGUs) which will conceivably benefit from the synergies of the combination from the date of acquisition. Impairment is determined by calculating the recoverable amount of the CGU to which the goodwill has been allocated. If the recoverable

amount of the CGU is less than the carrying amount, an impairment loss is recognized. Even if in future periods the recoverable amount exceeds the carrying amount of the CGU to which the goodwill has been allocated, impairment losses recognized on goodwill are not reversed.

The impairment test of goodwill requires an estimate to be made of the recoverable amount of the CGU to which the goodwill has been allocated. The recoverable amount is the higher of the asset's fair value less costs to sell and its value in use. Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction, less costs to sell. Value in use is generally calculated on the basis of estimated future cash flows expected to arise from the continuing use of an asset and its disposal at the end of its useful life, using the discounted cash flow method. Cash flows are derived from the business plans and reflect current developments. They are discounted to the date of the impairment test using risk-equivalent capitalization rates.

### Property, plant and equipment

In accordance with IAS 16, property, plant and equipment is recognized at cost less straight-line depreciation over a useful life of three years (IT equipment) to 13 years (office equipment) and cumulative impairment losses. Leasehold improvements are generally depreciated over the shorter of their useful life and the lease term. The carrying amounts, useful lives and depreciation methods are revised and adjusted at the close of the financial year, if necessary. Rent subsidies received are reported under deferred income or, in the case of a lease incentive received, deducted from the right-of-use asset.

### Non-financial assets and lease liabilities

The right-of-use assets recognized in lease assets typically cover a period of one to ten years, with New Work often holding an extension option. The precise terms and conditions of the agreements vary depending on the country and the leased property.

If a lease contains extension or termination options for the lessee or the lessor, these are taken into account, provided they are reasonably certain to be exercised or not to be exercised at the reporting date; termination options held by the lessor are always regarded as not exercised.

When a leased object becomes available, the lease is carried as a right-of-use asset and a related liability. Each lease amount is divided into a depreciation charge and interest

expense. The interest expense is recognized in profit or loss over the term of the lease. The right-of-use asset is depreciated over the shorter of the useful life or the term of the lease.

The amount of the lease asset is determined as follows:

- the amount of the initial measurement of the lease liability
- any lease payments made before the commencement date
- any initial direct costs incurred by the lessee
- any estimated cost of restoring the site.

As a result, the asset is depreciated on a straight-line basis over the expected useful life under depreciation and impairment losses and the discounted liability is unwound in the financial result.

When the lease liability is being determined, the following payments are considered:

- fixed payments to the lessor
- variable lease payments that depend on an index
- amounts to be payable by the lessee under residual value guarantees
- exercise price of a purchase option if it is reasonably certain that this will be exercised
- payments of penalties for terminating the lease if it is reasonably certain that this option will be exercised

Lease payments are generally discounted using term- and currency-specific incremental borrowing rates, as the interest rate implicit in the lease cannot usually be determined. Interest is shown in cash flows from operating activities and the principal repayment in cash flows from financing activities.

Leases with terms of up to one year and leases of low-value assets continue to be recognized as an expense. Costs incurred to achieve the condition intended by New Work and asset retirement obligations will continue to be presented under leasehold improvements.

### Contract liabilities

Contract liabilities represent the obligation to perform a service after consideration has been received.

### Financial assets and liabilities

New Work's financial assets principally comprise cash and cash equivalents as well as receivables from services. At the initial recognition of such assets, they are measured at fair value. Directly attributable transaction costs of financial investments which are not classified as measured at fair value through profit or loss are also recognized.

All financial instruments whose fair value is shown in the financial statements, are classified according to the following hierarchy levels in accordance with IFRS 13:

Level 1: Fair values that are determined using prices quoted in active markets.

Level 2: Fair values that are determined using valuation techniques whose inputs which are relevant for the fair value are based on directly or indirectly observable market data.

Level 3: Fair values that are determined using valuation techniques whose inputs which are relevant for the fair value are not based on observable market data.

Rent deposits, receivables from services, contract assets, certain other financial assets, and cash are classified and measured at amortized cost (taking into account the effective interest method, if applicable). The same is true for trade accounts payable, contract liabilities and certain other liabilities.

Dividends are recognized as income in profit unless the dividends are clearly used to cover part of the investment costs.

Noncurrent and current liabilities from contingent purchase prices are carried at fair value with changes recognized in profit or loss. The fair value is determined based on recognized actuarial models.

Settlement date accounting is used for all regular way purchases and sales of financial assets. Financial assets are derecognized if (i) the contractual rights to cash flows from the financial asset no longer exist, or (ii) the Group retains the right to generate cash flows from the asset but is obliged to pay these cash flows immediately to a third party as part of a transfer agreement, or (iii) the right to generate cash flows from the financial assets is transferred and either (a) all material risks and opportunities are transferred or (b) all material risks and opportunities are neither transferred nor retained, but the right of control over the asset has been transferred.

The fair value of financial assets or liabilities amounts to the carrying amounts.

Receivables from services are recognized when the right to receive the consideration is no longer subject to any condition and they become due automatically at the end of the period. Loss allowances on receivables due to credit risk are recognized in accordance with the measurement method of expected loan defaults.

## Taxes

Current tax assets and liabilities for current and previous periods are shown with the expected amount. The amount is calculated on the basis of the tax rates and laws applicable as of the reporting date of the given period.

Deferred taxes result from temporary differences between the carrying amount of an asset or a liability in the statement of financial position and its tax assessment base as well as from tax loss carryforwards. They are calculated using the balance sheet liability method, and are based on the application of the tax rates expected in the individual countries at the time of realization. These are based on the legal regulations applicable on the reporting date. The effect of changes to tax law which affect deferred tax assets and deferred tax liabilities must be recognized in the statement of comprehensive income in the period in which the change becomes effective. Tax assets resulting from tax losses carried forward are recognized to the extent that it is probable in the near future that there will be a tax result against which the tax losses carried forward can be offset. The deferred tax assets are tested annually to establish whether they are realizable.

The Group offsets current tax assets and liabilities and deferred tax assets and liabilities if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

**Share-based payment**

Share-based entitlements at New Work are generally cash-settled. The fair value is calculated at the grant date and recognized as an expense over the vesting period. It is determined using the market price of New Work shares. Changes in fair value are recognized in profit or loss. New Work has an option to settle through shares which, according to current planning, will not be exercised.

**Post-employment benefits**

Obligations to pay into defined-contribution plans are recognized as an expense as soon as the associated service is rendered. Prepaid items are recognized as assets if they confer a right to reimbursement or a reduction in future payments.

**Provisions**

The amount recognized as a provision is calculated by discounting the expected future cash flows using a pre-tax interest rate that reflects current market assessments of the time value of money and the risks specific to the liability. Unwinding of discounts is presented as a finance cost.

## (B) Segment reporting

**REPORTABLE SEGMENTS**

The operating segments are combined into reportable segments in the regular management reporting based on the primary customer base of the products offered. While products offered by the B2C segment are mainly distributed through our online marketing channels, products offered by the B2B segments are mainly distributed offline.

The B2C reporting segment comprises the B2C, kununu and InterNations operating segments. They serve the members of our social networking platforms who use [www.xing.com](http://www.xing.com), [kununu.com](http://kununu.com) or [internations.org](http://internations.org) to network with other professionals, find a suitable job, obtain information about potential employers, or read about career-related topics. These services are monetized mainly through paid memberships (for example Premium, ProJobs, ProCoach, Albatross).

The B2B E-Recruiting reporting segment serves B2B customers who seek access to employees and talent. The E-Recruiting and HoneyPot operating segments are allocated to this segment. This service is monetized through the development, marketing and sale of the XING TalentManager, XING Talent-poolManager, XING job ads, the Prescreen applicant tracking tool, XING ReferralManager products, the XING employer branding profile, the XING Talent Service and kununu, and the products offered by HoneyPot.

The B2B Marketing Solutions & Events segment comprises the Marketing Solutions and Events operating segments. They serve advertising and events clients. This service is monetized via advertising income and ticketing. Remuneration is also paid for acquired B2C segment members.

Assets, liabilities and investments are not segmented on the basis of the operating segments because these indicators are not used as control parameters at segment level. For example, a large share of the investments relates to the internally developed platforms that cannot be allocated to the segments. Segment data is calculated on the basis of the accounting policies applied in the consolidated financial statements. Costs are allocated to the originating divisions. Business transactions between the companies in the segments are conducted on an arm's length basis. As the measure of segment earnings New Work uses the operating result for the segment, calculated as gross profit or loss less costs that are directly attributable to the segment (staff, marketing, development and other expenses). Expenses that are not directly attributable to a segment (for example central IT, administrative and ancillary rental expenses) are presented in the reconciliation statement, along with impairment losses and reversals of impairments and the operating result from central functions that do not constitute a segment. Extraordinary items and items arising from purchase price allocation are eliminated. Adjusted extraordinary items include restructuring expenses, gains/losses on disposal, impairment losses, and other non-operating expenses or income.

The segment revenues and results for the period under review are shown in the following tables:

In € thousand	B2C		B2B E-Recruiting		B2B Marketing Solutions & Events		Total segments		Consolidation of intersegment revenues/expenses		New Work Group	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
<b>Revenues</b>	<b>98,118</b>	<b>102,699</b>	<b>169,800</b>	<b>154,008</b>	<b>22,939</b>	<b>19,817</b>	<b>290,857</b>	<b>276,524</b>	<b>0</b>	<b>0</b>	<b>290,857</b>	<b>276,524</b>
Intragroup revenues	0	0	0	0	525	340	525	340	-525	-340	0	0
<b>Total revenues</b>	<b>98,118</b>	<b>102,699</b>	<b>169,800</b>	<b>154,008</b>	<b>23,463</b>	<b>20,157</b>	<b>291,381</b>	<b>276,864</b>	<b>-525</b>	<b>-340</b>	<b>290,857</b>	<b>276,524</b>
Intragroup segment expenses	-525	-340	0	0	0	0	-525	-340	525	340	0	0
Other segment expenses	-62,683	-68,676	-55,374	-48,208	-12,466	-14,860	-130,524	-131,745	0	0	-130,524	-131,745
<b>Segment operating result</b>	<b>34,910</b>	<b>33,683</b>	<b>114,426</b>	<b>105,800</b>	<b>10,977</b>	<b>5,297</b>	<b>160,333</b>	<b>144,780</b>	<b>0</b>	<b>0</b>	<b>160,333</b>	<b>144,780</b>
Other operating income/expenses											-63,056	-57,170
<b>EBITDA</b>											<b>97,278</b>	<b>87,610</b>

Revenues by geographical region are distributed as follows:

In € thousand	01/01-12/31/2021	01/01-12/31/2020
Germany	243,127	227,100
Austria/Switzerland	23,353	24,943
International	24,376	24,481
	<b>290,857</b>	<b>276,524</b>

Geographical distribution is made based on the domicile of the service recipient. The Company is not reliant on major customers because a significant percentage of Group revenues is not generated with any single customer.

The non-current assets (excluding deferred tax assets) of €239,613 thousand (previous year: €210,899 thousand) are attributable to the D-A-CH region.

## (C) Consolidated statement of comprehensive income disclosures

### 8. Total operating income

In the reporting period, total operating income was €292,475 thousand (previous year: €278,508 thousand).

In financial year 2021, revenues amounted to €290,857 thousand (previous year: €276,524 thousand). The breakdown of revenues and the corresponding development according to business units and regions are shown in segment reporting. Revenues include €2,871 thousand (previous year: €2,192 thousand) in revenue from barter deals.

Revenues in financial year 2021 included prior-period revenues from contract liabilities amounting to €91,534 thousand (previous year: €95,087 thousand). The transaction price corresponds to the amount of contractual liabilities.

The following table breaks down the main items of other operating income:

In € thousand	01/01- 12/31/2021	01/01- 12/31/2020
Income from currency translation	733	325
Earnings from returned bank transfers and dunning fees	316	324
Prior-period income	204	140
Other	365	1,195
	<b>1,618</b>	<b>1,984</b>

Other income mainly includes disposals of property, plant and equipment. In the previous year, other income mainly included income from benefits in kind and the reimbursement of sales commissions.

### 9. Own work capitalized

Own work capitalized breaks down as follows:

In € thousand	01/01- 12/31/2021	01/01- 12/31/2020
Personnel expenses	21,306	21,310
Freelancer expenses	1,218	1,248
Ancillary costs	1,108	1,079
	<b>23,632</b>	<b>23,637</b>

Ancillary costs mainly include expenses for rent and IT equipment.

### 10. Personnel expenses

The following table breaks down the personnel expenses:

In € thousand	01/01- 12/31/2021	01/01- 12/31/2020
Salaries and other types of remuneration	115,042	115,392
Social security contributions (employer portion)	20,864	21,322
Termination benefits	2,330	3,754
Pension costs (defined-contribution plan)	927	922
Change in provisions for vacation	-90	72
Other	96	483
	<b>139,169</b>	<b>141,945</b>

Personnel expenses fell from €141,945 thousand by €2,776 thousand to €139,169 thousand (-2 percent). The decrease in expenses is due mainly to the lower number of people employed on full-time basis by the Group.

## 11. Marketing expenses

Marketing expenses are broken down as follows:

In € thousand	01/01- 12/31/2021	01/01- 12/31/2020
Marketing costs	29,916	23,047
Sales commissions	5,285	5,235
Events	461	738
	<b>35,662</b>	<b>29,019</b>

Marketing costs include, in particular, costs of online advertising, traditional display advertising, TV advertising as well as trade fair costs.

## 12. Other operating expenses

The following table breaks down the primary items of other operating expenses:

In € thousand	01/01- 12/31/2021	01/01- 12/31/2020
IT services, management services	14,868	12,100
Server hosting, administration and traffic	8,959	8,150
Occupancy expenses	4,327	3,162
Other personnel expenses	2,666	5,790
Training costs	1,816	1,664
Payment transaction costs	1,718	2,310
Travel, entertainment and other business expenses	1,051	1,194
Legal consulting fees	982	1,036
Office supplies	718	266
Telephone/cell phone/postage/courier	707	758
Accounting fees	636	832
Financial statements preparation and auditing costs	622	531
Insurance and contributions	540	555
Expenses attributable to prior periods	466	396
Supervisory Board remuneration	320	324
Exchange rate losses	262	596
Rents/leases	206	313
Other	352	16
	<b>41,216</b>	<b>39,994</b>

In the reporting period, €206 thousand (previous year: €313 thousand) in expenses for renting of low-value assets were recognized. In addition, €145 thousand (previous year: €243 thousand) in occupancy expenses related to the short-term renting of office space and employee apartments.

## 13. Impairment losses on financial assets and contract assets

Impairment losses (including reversals) on financial assets and contract assets include expenses for bad debts of €2,903 thousand (previous year: €3,700 thousand) as well as income from reversals of €121 thousand (previous year: €123 thousand), with the latter resulting exclusively from operating activities.

## 14. Depreciation, amortization and impairment losses

Depreciation, amortization and impairment losses include €9,721 thousand (previous year: €7,003 thousand) in depreciation of lease assets and impairment losses of €428 thousand (previous year: €631) due to lower occupancy of rental space. Impairment losses of €12,373 thousand (previous year: €7,998 thousand) were recognized on internally generated software. Due to the change in the estimate of the useful life described in note 20 (Intangible assets), amortization was €3,603 thousand lower; this will be recognized in later periods. In the prior period, an impairment loss of €17,438 thousand was recognized on the goodwill of the Honeypot CGU, for more information see Note 20 (Intangible assets).

## 15. Finance income and finance costs

The financial result can be broken down as follows:

In € thousand	01/01- 12/31/2021	01/01- 12/31/2020
Finance income	617	10,219
Finance costs	-1,045	-942
	<b>-428</b>	<b>9,277</b>

Finance income in the prior period mainly included income from the reversal of contingent purchase price liabilities (€9,841 thousand).

Finance costs include €645 thousand (previous year: €301 thousand) from the unwinding of discounts on lease liabilities, and €57 thousand (previous year: €589 thousand) from the unwinding of discounts on provisions and liabilities.

## 16. Income taxes

The income taxes for the reporting period are broken down as follows:

In € thousand	01/01- 12/31/2021	01/01- 12/31/2020
Corporation tax (including solidarity surcharge)	10,026	10,908
Trade tax	6,564	4,164
Deferred taxes	-4,254	-350
Taxes, previous years	108	0
	<b>12,444</b>	<b>14,722</b>

An amount of €3,509 thousand (previous year: €6,998 thousand) for corporation tax was incurred outside Germany.

The following table shows the breakdown of the deferred taxes in the statement of comprehensive income.

In € thousand	01/01- 12/31/2021	01/01- 12/31/2020
Recognition/amortization of internally developed software	-294	1,360
Goodwill identified for tax purposes	102	87
Recognition of tax losses carried forward	0	9
Contract assets	171	-25
Amortization of the brand/domain	-132	-170
Amortization of customer relations	-85	-175
Amortization of acquired technology	-372	-326
Lease assets/liabilities	-1,051	-495
Other	-32	-615
	<b>-1,693</b>	<b>-350</b>

The following overview reconciles the expected tax expense with the actual tax expense:

In € thousand	01/01- 12/31/2021	01/01- 12/31/2020
Earnings before taxes (EBT)	52,051	40,836
Expected tax result	16,802	13,180
Tax effects attributable to		
different foreign tax rates	-1,046	-1,969
Outside basis differences	-77	121
Tax-free income	0	-3,180
Tax benefits and loss carryforwards	-3,942	483
Impairment of goodwill	0	5,629
Taxes, previous years	378	0
Non-deductible expenses	329	459
<b>ACTUAL TAX RESULT</b>	<b>12,444</b>	<b>14,722</b>

The effects from tax loss carryforwards result from unrecognized deferred taxes on tax credits (particularly relating to kununu US LLC). The tax-free income in the previous year related to the reversal of contingent purchase price obligations.

The theoretical tax rate is determined as follows:

In %	12/31/2021	12/31/2020
Corporation tax including solidarity surcharge (effective)	15.83	15.83
Trade tax rate	16.45	16.45
<b>THEORETICAL TAX RATE</b>	<b>32.28</b>	<b>32.28</b>

Deferred tax assets in the statement of financial position are broken down as follows:

In € thousand	12/31/2021	12/31/2020
Intangible assets		
Brand/domain	70	0
Tax benefit, kununu US LLC	2,561	0
Financial assets at fair value	0	84
Goodwill identified for tax purposes	965	1,067
Financial assets/liabilities	1,792	741
Lease assets	0	818
<b>DEFERRED TAX ASSETS</b>	<b>5,388</b>	<b>2,711</b>

Deferred tax liabilities in the statement of financial position are broken down as follows:

In € thousand	12/31/2021	12/31/2020
Intangible assets		
Software and licenses	343	715
Internally developed software	22,968	23,262
Brand/domain	0	610
Customer relations	478	563
Financial assets at fair value	48	0
Contract assets/contract liabilities	869	698
Other	-434	0
<b>DEFERRED TAX LIABILITIES</b>	<b>24,272</b>	<b>25,849</b>

The following table shows the net deferred tax assets and liabilities:

In € thousand	12/31/2021	12/31/2020
<b>NET DEFERRED TAX ASSETS/LIABILITIES</b>	<b>-18,884</b>	<b>-23,138</b>

Deferred tax assets amounting to €2,617 thousand (previous year: €205 thousand) were netted against deferred tax liabilities.

## 17. Discontinued operation

In the reporting year, the Management Board took the decision to liquidate kununu US LLC, Boston, USA. The prior-year figures in the consolidated statement of comprehensive income have been restated accordingly to present the discontinued operation separately from continuing operations. The prior-period included revenues of €78 thousand and expenses of €372 thousand from discontinued operations. The profit or loss before tax of the discontinued operation in the previous year amounted to €5 thousand.

## 18. Earnings per share

Earnings per share are determined as follows:

	2021	2020
Consolidated profit or loss attributable to the shareholders of New Work SE in € thousand	39,607	26,117
Consolidated profit or loss from continuing operations attributable to the shareholders of New Work SE in € thousand	39,607	26,114
Weighted average number of issued shares (basic and diluted)	5,620,435	5,620,435
Consolidated earnings per share attributable to the shareholders of New Work SE		
Earnings per share (basic/diluted)	€7.05	€4.65
Basic/diluted earnings per share – continuing operations	€7.05	€4.65

## 19. Other comprehensive income

Other comprehensive income includes exchange rate differences arising from the translation of foreign financial statements of €208 thousand (previous year: €-83 thousand). These may be reclassified to profit or loss under certain conditions.

## (D) Consolidated statement of financial position disclosures

### 20. Non-current assets

#### INTANGIBLE ASSETS

As of the reporting date, the intangible assets include brand rights, the customer base, purchased software as well as internally generated software and goodwill.

Internally generated software in the amount of €23,632 thousand (previous year: €23,638 thousand) was capitalized as internally generated intangible assets in financial year 2021 because the criteria set out in IAS 38 were satisfied. The development work mainly concerned various projects to develop the new XING mobile platform. As a result of determining the value in use, amortization and impairments of internally generated software include impairment losses of €12,273 thousand (previous year: €7,998 thousand) on platform components no longer used. As was the case in the previous year, no reversals of impairment losses charged on internally generated software were recognized. Impairment losses on acquired software in the reporting year amounted to €0 thousand (previous year: €877 thousand). As was the case in the previous year, no reversals of impairment losses were recognized.

At the beginning of financial year 2021, the useful life of the XING platform was fixed at a further five years until December 31, 2025. As of the previous year's reporting date, the useful life was assumed to run until December 31, 2024. As a result, amortizations in the 2021 financial year were

€3,603 thousand lower; these will be recognized in later periods. The remaining useful life of the internally developed web site is thus 48 months as of December 31, 2021. Modules that are no longer active are written down for impairment by regularly reviewing the platform modules that have been activated.

The research and development costs recognized in profit or loss, which do not meet the capitalization criteria of IAS 38, amounted to €65,307 thousand (previous year: €64,173 thousand).

Mandatory annual impairment testing for goodwill was performed as of the end of the 2021 financial year.

Goodwill from the acquisition of kununu GmbH in the amount of €2,169 thousand, BuddyBroker AG in the amount of €4,914 thousand, Intelligence Competence Center (Deutschland) AG in the amount of €6,059 thousand and Prescreen GmbH in the amount of €21,201 thousand continued to be allocated to the B2B E-Recruiting segment for purposes of impairment testing. The segment is the CGU in which the goodwill is monitored for internal management purposes (see "Segment information").

The goodwill resulting from the acquisition of HoneyPot GmbH totaling €6,366 thousand was allocated to the HoneyPot segment, which is shown as part of the B2B E-Recruiting segment.

The goodwill resulting from the acquisition of InterNations GmbH totaling €15,435 thousand was allocated to the InterNations segment, which is shown as part of the B2C operating segment.

#### E-Recruiting

The recoverable amount of the E-Recruiting CGU has been determined on the basis of the calculation of the value in use. We have used cash flow forecasts for this calculation which are based on the actual operating results as well as a business plan approved by the management. Based on the inputs from the measurement procedure used, the fair value measurement was classified as a fair value that is not based on observable market data. In measuring value in use as the recoverable amount, the Company projected cash flows for the next five years based on past experience, the most recent operating results, and management's best estimate of future developments, as well as market participants' expectations. The result projected on the basis of these estimates is largely influenced by price trends in the competitive environment and expected economic developments. The value in use is mainly determined by the final value (present value of the perpetual annuity) that is particularly sensitive to changes in the assumptions about the long-term growth rate, the gross margin and the discount rate. The growth rates take account of external macroeconomic data.

### InterNations and Honeypot

The recoverable amount of the CGUs InterNations and Honeypot has been determined on the basis of the calculation of the fair value less costs to sell, which was estimated using discounted cash flows. The fair values determined for the operating segments have been allocated to Level 3 of the hierarchy levels for fair values. The future cash flows are based on the actual operating results as well as specific estimates which refer to a detailed planning period. For the terminal value, the cash surpluses are estimated while taking into consideration the development of revenues and earnings. In measuring fair value less costs to sell as the recoverable amount, the Company projected cash flows for the next seven to eleven years based on past experience, the most recent operating results, and management's best estimate of future developments, as well as market participants' expectations. The operating segments are active in a relatively young market for which significant growth rates are predicted in the near future. For this reason, a longer and more detailed planning period is necessary than would be the case for a "settled" unit. The increased default risk for these units is taken into account by means of statistically observable survival rates. The value in use is mainly determined by the present value of the terminal value, which is particularly sensitive to changes in the assumptions about the long-term growth rate, the discount rate and the long-term EBITDA margin. The growth rates take account of external macroeconomic data.

The following assumptions apply to the calculation of the recoverable amount based on the CGUs' value in use or fair value less costs to sell:

In %	E-Recruiting		InterNations		Honeypot	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020	12/31/2021	12/31/2020
Discount rate (before taxes)	11.1	11.0	–	–	–	–
Discount rate (after taxes)	–	–	7.4	7.7	8.9	8.4
Sustainable growth rate	2.0	2.0	2.0	2.0	2.0	2.0
Sustainable EBITDA margin <sup>1</sup>	63.0	61.7	28.0	30.0	22.0	22.0

<sup>1</sup> Before income from own work capitalized

The discount rate is a pre-tax or post-tax figure (WACC); it reflects current market assessments of the risks specific to the operating segments and is based on the weighted average cost of capital of the respective companies in the peer group.

The Management Board assumes that both revenues and the EBITDA margin can be increased in all CGUs in the future. The impairment test did not reveal any indication of impairment. Within the scope of a sensitivity analysis for the CGUs, to which significant goodwill has been allocated, a one percentage point increase in the discounting rates (after tax), a decrease in the sustainable gross profit margin or a one percentage point decrease in the long-term growth rate has been assumed. On this basis, New Work has determined that an impairment loss would not result for any of the two CGUs.

The business activities of the Honeypot CGU were severely impacted by the COVID-19 pandemic in 2020. As a result, an impairment loss of €17,438 thousand was recognized on goodwill in 2020.

Fair value less costs to sell is mainly determined by the present value of the terminal value, which is particularly sensitive to changes in assumptions about the sustainable EBITDA margin and the discount rate. Due to the positive performance, even a 5 percent decrease in the EBITDA margin and a 1 percent decrease in after-tax interest rate would not have resulted in any further impairment.

**PROPERTY, PLANT AND EQUIPMENT**

Property, plant and equipment consist of IT hardware, other operating and office equipment, leasehold improvements and lease assets.

The following table (figures in € thousand) shows the changes in fixed assets pursuant to IAS 16 and IAS 38:

**Consolidated statement of changes in fixed assets**

In € thousand	Cost					Depreciation, amortization and impairment losses					Carrying amounts		
	01/01/2021	Additions	Disposals	Reclassifications	Currency differences	12/31/2021	01/01/2021	Additions	Disposals	Currency differences	12/31/2021	12/31/2021	12/31/2020
<b>1. INTANGIBLE ASSETS</b>													
1. Software and licenses	38,914	1,028	-15	0	0	39,927	-32,039	-3,145	0	-1	-35,185	4,743	6,875
2. Internally generated software	156,352	23,632	0	0	0	179,984	-84,287	-24,544	0	0	-108,831	71,153	72,065
3. Goodwill	93,271	0	0	0	0	93,271	-37,126	0	0	0	-37,126	56,145	56,145
4. Other intangible assets	25,481	29	0	0	-15	25,495	-20,497	-1,306	0	0	-21,803	3,692	4,984
	<b>314,018</b>	<b>24,689</b>	<b>-15</b>	<b>0</b>	<b>-15</b>	<b>338,677</b>	<b>-173,948</b>	<b>-28,994</b>	<b>0</b>	<b>-1</b>	<b>-202,944</b>	<b>135,733</b>	<b>140,069</b>
<b>2. PROPERTY, PLANT AND EQUIPMENT</b>													
1. Leasehold improvements	4,936	2,329	0	11,669	-1	18,933	-2,988	-1,003	0	0	-3,991	14,942	1,948
2. Other equipment, operating and office equipment	40,636	9,591	-4,622	586	0	46,190	-32,735	-4,653	3,373	-2	-34,017	12,174	7,901
3. Construction in progress	4,509	8,364	0	-12,255	0	618	0	0	0	0	0	618	4,509
4. Lease assets	89,072	2,108	-452	0	0	90,729	-30,300	-10,149	0	0	-40,449	50,280	58,772
	<b>139,154</b>	<b>22,391</b>	<b>-5,074</b>	<b>0</b>	<b>-1</b>	<b>156,470</b>	<b>-66,023</b>	<b>-15,805</b>	<b>3,373</b>	<b>-2</b>	<b>-78,457</b>	<b>78,014</b>	<b>73,130</b>
<b>TOTAL</b>	<b>453,171</b>	<b>47,080</b>	<b>-5,089</b>	<b>0</b>	<b>-1</b>	<b>495,147</b>	<b>-239,971</b>	<b>-44,799</b>	<b>3,373</b>	<b>-3</b>	<b>-281,401</b>	<b>213,747</b>	<b>213,199</b>

## Consolidated statement of changes in fixed assets

In € thousand	Cost					Depreciation, amortization and impairment losses					Carrying amounts		
	01/01/2020	Additions	Disposals	Reclassifications	Currency differences	12/31/2020	01/01/2020	Additions	Disposals	Currency differences	12/31/2020	12/31/2020	12/31/2019
<b>1. INTANGIBLE ASSETS</b>													
1. Software and licenses	36,610	2,305	-1	0	0	38,914	-27,425	-4,615	1	0	-32,039	6,875	9,185
2. Internally generated software	132,714	23,638	0	0	0	156,352	-64,862	-19,425	0	0	-84,287	72,065	67,852
3. Goodwill	93,271	0	0	0	0	93,271	-19,688	-17,438	0	0	-37,126	56,145	73,583
4. Other intangible assets	25,523	29	0	-71	0	25,481	-18,647	-1,850	0	0	-20,497	4,984	6,875
	<b>288,119</b>	<b>25,972</b>	<b>-1</b>	<b>-71</b>	<b>0</b>	<b>314,018</b>	<b>-130,622</b>	<b>-43,328</b>	<b>1</b>	<b>0</b>	<b>-173,948</b>	<b>140,069</b>	<b>157,496</b>
<b>2. PROPERTY, PLANT AND EQUIPMENT</b>													
1. Leasehold improvements	4,182	754	0	0	0	4,936	-2,394	-594	0	0	-2,988	1,948	1,788
2. Other equipment, operating and office equipment	38,782	2,497	-713	71	-1	40,636	-29,151	-4,194	609	1	-32,735	7,901	9,631
3. Construction in progress	663	3,846	0	0	0	4,509	0	0	0	0	0	4,509	663
4. Lease assets	35,081	54,467	-477	0	1	89,072	-22,666	-7,634	0	0	-30,300	58,772	12,415
	<b>78,708</b>	<b>61,565</b>	<b>-1,190</b>	<b>71</b>	<b>0</b>	<b>139,154</b>	<b>-54,211</b>	<b>-12,422</b>	<b>609</b>	<b>1</b>	<b>-66,023</b>	<b>73,130</b>	<b>24,497</b>
<b>TOTAL</b>	<b>366,827</b>	<b>87,537</b>	<b>-1,192</b>	<b>0</b>	<b>0</b>	<b>453,171</b>	<b>-184,833</b>	<b>-55,750</b>	<b>610</b>	<b>1</b>	<b>-239,971</b>	<b>213,199</b>	<b>181,992</b>

**NON-FINANCIAL ASSETS AND LEASE LIABILITIES**

The incremental borrowing rate used to discount lease assets and lease liabilities is between 0.38 percent and 1.31 percent for the current leases. The leases have terms between one and nine years. Each lease is assessed individually.

Lease liabilities amounted to €65,573 thousand as of December 31, 2021 (previous year: €61,069 thousand).

## 21. Investments

### FINANCIAL ASSETS

As in the previous year, financial assets at amortized cost only consist of security deposits.

New Work SE acquired several funds in 2017 for the purpose of investing excess liquidity and shows these as financial assets at fair value. The fair values of the instruments, all of which are allocated to Level 1, correspond to their nominal values, multiplied by the prices prevailing on December 31, 2021. All of the securities are available for sale. New Work SE recognizes changes in fair value in finance income and finance costs.

## 22. Other non-financial assets

The other non-financial assets mainly include prepayments for software maintenance and licenses.

## 23. Current assets

### RECEIVABLES FROM SERVICES

As was the case in the previous year, receivables arising from New Work services recognized as of December 31, 2021, were due within one year.

At the end of the year, the following loss allowances were recognized in relation to receivables from services:

In € thousand	12/31/2021	12/31/2020
Total amount of receivables from services	22,413	20,318
Loss allowances on receivables	-1,775	-2,290
<b>RECEIVABLES FROM SERVICES</b>	<b>20,637</b>	<b>18,028</b>

Receivables from services are impaired as follows:

12/31/2021	Not yet due	Past due < 30 days	Past due < 90 days	Past due > 90 days	Total
Impairment ratio	1.9%	8.1%	13.6%	39.6%	7.9%
Gross carrying amount (in € thousand)	10,563	8,438	1,761	1,651	22,413
Impairment (in € thousand)	-202	-679	-240	-654	-1,775

12/31/2020 restated	Not yet due	Past due < 30 days	Past due < 90 days	Past due > 90 days	Total
Impairment ratio	1.2%	6.3%	26.0%	43.3%	11.3%
Gross carrying amount (in € thousand)	6,491	9,271	2,000	2,556	20,318
Impairment (in € thousand)	-78	-587	-519	-1,106	-2,290

In financial year 2021, previously impaired receivables of €121 thousand (previous year: €123 thousand) were recognized in profit or loss.

#### CONTRACT ASSETS

The contract assets of €4,471 thousand (previous year: €3,711 thousand) only include directly attributable costs to obtain a contract. They include sales commission paid to employees and agencies. The following table shows the amount recognized and the annual straight-line amortization.

In € thousand	Amount recognized 2021	Amortization 2021	Amount recognized 2020	Amortization 2020
Personnel expenses	4,588	3,954	3,589	3,735
Marketing expenses	760	866	991	921
	5,348	4,820	4,580	4,656

**OTHER ASSETS**

The following table shows the composition of other assets:

In € thousand	12/31/2021	12/31/2020
Deferred cost	4,662	4,027
Deductible input tax	2,226	2,249
Receivables due from credit card companies	1,032	592
Receivables from taxes	537	0
Advances paid	192	191
Receivables due from personnel	2	518
Other assets	4,155	843
	<b>12,806</b>	<b>8,420</b>

The increase in other assets mainly results from a lease incentive relating to the NEW WORK Harbour in the amount of €3,750 thousand.

**CASH**

Cash and short-term deposits as of the reporting date consisted of bank balances of €90,143 thousand (previous year: €65,129 thousand) and cash-in-hand of €4 thousand (previous year: €7 thousand). Bank balances include a figure of €3,684 thousand (previous year: €3,632 thousand) relating to third-party cash held by XING Events, which it received on behalf of event customers.

**24. Equity****SUBSCRIBED CAPITAL**

The share capital amounted to €5,620,435 as of December 31, 2021 (previous year: €5,620,435) and is composed of 5,620,435 no-par value registered shares with a notional value of €1.00 each. All of the subscribed capital is fully paid in. All shares have the same rights.

**TREASURY SHARES**

As in the previous year, the Company did not hold any treasury shares as of the reporting date.

**AUTHORIZED CAPITAL 2018**

Pursuant to the resolution of the Annual General Meeting of May 16, 2018, the Management Board has been authorized, with the approval of the Supervisory Board, to increase the share capital of the Company by up to €2,810,217.00 until (and including) May 15, 2023, by way of issuing, on one or more occasions, new no-par-value registered shares in return for cash and/or non-cash contributions (Authorized Capital 2018). The number of shares must be increased in the same ratio as the share capital. A pre-emptive right must be granted to the shareholders. The new shares can also be taken up by one or more credit institutions specified by the Management Board on condition that they are offered to the shareholders (indirect pre-emptive right). The Management Board however is authorized, with the approval of the Supervisory Board, to disapply the pre-emptive right of shareholders:

- (1) in order to settle fractional amounts;
- (2) if the shares are issued in return for a non-cash contribution, in particular for the purpose of acquiring companies, parts of companies, other assets or in connection with business combinations, or for the purpose of acquiring receivables, rights or industrial property rights including copyrights and know-how;
- (3) if the shares of the Company are issued in return for a non-cash contribution and if the issue price of each share is not significantly lower than the market price of the shares which are already listed and which essentially carry the same rights at the time at which the issue price is definitively fixed. This authorization is applicable only under the condition that the new shares issued while disapplying pre-emptive rights in accordance with Sections 203(1) sentence 1 and (2) sentence 1 and 186(3) sentence 4 AktG may not exceed a total of 10 percent of the share capital, either at the time this authorization enters into force or – if this amount is lower – at the time this authorization is exercised. The following are to be counted against the aforementioned 10 percent limit
  - (i) new shares issued while disapplying pre-emptive rights during the term of this authorization up to its exercise on the basis of another authorization from authorized capital in accordance with Sections 203(1) sentence 1 and (2) sentence 1 and 186(3) sentence 4 AktG,

- (ii) those shares issued or to be issued to settle conversion or option rights or conversion or option obligations, or tender rights of the issuer arising from convertible and/or option bonds, profit-participation rights and/or income bonds (or a combination of these instruments) (“bonds”), insofar as the bonds are issued while disapplying pre-emptive rights during the term of this authorization up to its exercise in accordance with Sections 221(4) sentence 2 and 186(3) sentence 4 AktG, and
- (iii) treasury shares that were sold while disapplying pre-emptive rights during the term of this authorization up to its exercise in accordance with Sections 71(1) No. 8 sentence 5 half-sentence 2 and 186(3) sentence 4 AktG. Shares applied to the limit are no longer included in the limit if authorizations to issue new shares from authorized capital, to issue bonds, or to sell treasury shares are re-issued by the Annual General Meeting by applying Section 186(3) sentence 4 AktG accordingly after exercise of such authorizations that led to the shares being applied to the limit;
- (4) if the shares are issued to settle conversion or option rights or conversion or option obligations, or tender rights of the issuer arising from bonds with conversion or option rights, or conversion or option obligations, or tender rights of the issuer relating to shares of the Company;
- (5) to the extent it is necessary to grant a pre-emptive right to the holders or creditors of bonds with conversion or option rights or conversion or option obligations, or tender rights of the issuer to shares of the Company in the scope to which they would be entitled after exercise of these conversion or option rights or after settlement of these conversion or option obligations or the tender of shares as a shareholder;
- (6) if the shares are offered to employees of the Company and/or employees and/or members of management of a company which is affiliated with the Company in accordance with Section 15 AktG or if the shares are transferred to such persons. The new shares can also be issued to a credit institution or equivalent company, which takes up the shares with the undertaking to forward them exclusively to the relevant beneficiaries. The number of shares issued in this way while disapplying pre-emptive rights must not exceed 2 percent of the share capital, either at the time at which this authorization becomes effective or at the time at which this authorization is exercised.
- The overall amount of new shares issued while disapplying pre-emptive rights under the aforementioned authorizations from Authorized Capital 2018 may not exceed 20 percent of the share capital, either at the time this authorization enters into force or – if this amount is lower – at the time this authorization is exercised. The following are to be counted against the aforementioned 20 percent limit
- (i) new shares issued while disapplying pre-emptive rights during the term of this authorization up to its exercise on the basis of another authorization from authorized capital,
- (ii) those shares issued or to be issued to settle conversion or option rights or conversion or option obligations, or tender rights of the issuer arising from bonds to the extent that the bonds were issued while disapplying pre-emptive rights of shareholders during the term of this authorization up to its exercise, and
- (iii) treasury shares that were sold while disapplying pre-emptive rights during the term of this authorization up to its exercise. Insofar as and to the extent to which, after exercise of an authorization to disapply pre-emptive rights that led to shares being counted against the aforementioned 20 percent limit, the Annual General Meeting re-issues this authorization to disapply pre-emptive rights, the shares will no longer be included in the limit.
- The Management Board is authorized, with the approval of the Supervisory Board, to define the contents of the share rights, the details of the capital increase as well as the conditions of the share issue, and in particular the issue amount.
- The Supervisory Board is authorized to amend the wording of the Articles of Incorporation based on the use of authorized capital or once the period of the authorization has ended.
- The Management Board has not yet made use of this authorization.

**CONTINGENT CAPITAL 2018**

The share capital of the Company has been increased by up to €1,124,087.00 out of contingent capital by issuing up to 1,124,087 new no-par-value registered shares (Contingent Capital 2020). The contingent capital increase is implemented only to the extent that the holders of convertible and/or option bonds issued by New Work SE and its Group companies until May 15, 2023 based on the authorization adopted by the Annual General Meeting on May 16, 2018, exercise their conversion or option rights or to the extent that conversion and option obligations arising from such bonds are fulfilled and no other forms of fulfillment are used. Provided that they are created before the start of the Annual General Meeting, the new shares participate in profit from the start of the preceding financial year. Otherwise, they will participate in profit from the start of the financial year in which they are created. The Management Board is authorized, with the approval of the Supervisory Board, to fix the further details for carrying out the contingent capital increase. As of December 31, 2021, no shares have been issued out of Contingent Capital 2018.

As of December 31, 2021, no valid stock options requiring share-based settlement had been issued to employees, senior executives and the Management Board – the same as in the previous year.

**CAPITAL RESERVES**

The capital reserves mainly comprise the premium from the cash capital increases.

As of December 31, 2021, the capital reserves pursuant to HGB amounted to €31,434 thousand (previous year: €31,434 thousand), of which €48 thousand is freely available in accordance with Section 272(2) no. 4 HGB and results from the capital reduction approved in 2011.

**OTHER RESERVES**

The other reserves include the effects attributable to currency translation of the financial statements of foreign subsidiaries.

**OTHER**

Under German stock corporation law, the dividend eligible for distribution to shareholders is based on the net retained profits which New Work SE disclosed in its annual financial statements prepared in accordance with the regulations of the German Commercial Code. Based on a resolution adopted by the Annual General Meeting on May 19, 2021, a dividend of €2.59 per share was paid for the 2020 financial year (2019: €2.59 per share). With 5,620,435 shares carrying dividend rights, this corresponds to a total payout in 2021 of €14,557 thousand (2020: €14,557 thousand).

Own cash and securities to manage temporary liquidity in the amount of €116,595 thousand as of December 31, 2021, and the Group's cash-generative business model enable the Company to pay dividends on a regular basis without changing its business strategy, which is aimed at achieving growth. Subject to the approval of the Supervisory Board, we will therefore propose to the next Annual General Meeting to be held on June 1, 2022 that the shareholders be paid a dividend of €2.80 per share (previous year: €2.59). This corresponds to a payout of €15,737 thousand. We also propose a special dividend of €3.56 per share (previous year: €0), resulting in a special distribution of €20,009 thousand. The remaining net retained profits of €8,581 thousand is to be carried forward to new account.

**25. Non-current liabilities / provisions****CONTRACT LIABILITIES**

The non-current contract liabilities in the amount of €352 thousand (previous year: €64 thousand) include member subscriptions for future periods in our B2C business and products in the B2B E-Recruiting segment with a remaining term of one to two years.

**OTHER PROVISIONS**

For assessing the amounts of the provisions, management focuses on the past experience for figures from similar transactions and takes account of all indications arising from

events up to the point at which the consolidated financial statements are prepared. The other non-current provisions are broken down as follows:

In € thousand	01/01/2021	Use	Reversal	Unwinding of discounts	Addition	12/31/2021
<b>Non-current provisions</b>						
Asset retirement obligations	624	28	0	0	71	667
Other provisions	13	13	0	0	13	13
	<b>637</b>	<b>41</b>	<b>0</b>	<b>0</b>	<b>84</b>	<b>680</b>

**LEASE LIABILITIES**

The lease liabilities comprise only leases for office space. In the reporting year, non-current lease liabilities amounted to €58,014 thousand (previous year: €54,583 thousand), while current lease liabilities amounted to €7,559 thousand (previous year: €6,485 thousand).

**OTHER LIABILITIES**

Other non-current liabilities of €4,310 thousand (previous year: €4,389 thousand) mainly include obligations arising from employee remuneration.

**26. Current liabilities / provisions****TRADE ACCOUNTS PAYABLE**

As was the case in the previous year, all trade accounts payable recognized as of the reference date December 31, 2021 were due within one year (€14,446 thousand; previous year: €10,830 thousand). The trade accounts payable are not interest-bearing, and are generally due within ten to 30 days.

New Work generates a significant share of revenues under a prepaid business model from online fixed-term products. Due to the contractual arrangements billed mostly on an annual basis, contract liabilities increase with growing revenues at the end of the year. In the reporting period, these increased by €10,580 thousand to €102,114 thousand. They are amortized using the straight-line method over the term of the contract.

In the reporting period, €91,534 thousand in revenues were recognized that in the prior-year period were reported as contract liabilities.

**OTHER PROVISIONS**

For assessing the amounts of the provisions, management focuses on the past experience for figures from similar transactions and takes account of all indications arising from

events up to the point at which the consolidated financial statements are prepared. The other current provisions are broken down as follows:

In € thousand	01/01/2021	Use	Reversal	Unwinding of discounts	Addition	12/31/2021
<b>Current provisions</b>						
Financial statements preparation and auditing costs	669	471	0	0	647	845
Personnel expenses	1,976	1,803	173	0	1,806	1,806
Legal and consulting costs	219	205	14	0	225	225
Other contributions	336	301	0	0	312	347
	<b>3,201</b>	<b>2,592</b>	<b>187</b>	<b>0</b>	<b>2,802</b>	<b>3,224</b>

**FINANCIAL LIABILITIES AT FAIR VALUE**

Financial liabilities of €2,100 thousand in the previous year related to contingent purchase price payments arising from business combinations, which were paid out in the reporting period.

**INCOME TAX LIABILITIES**

Corporation tax liabilities and trade tax liabilities of €5,440 thousand (previous year: €8,278 thousand) were reported as of December 31, 2021.

**OTHER LIABILITIES**

The other liabilities are recognized at their settlement value, and are broken down as follows:

In € thousand	12/31/2021	12/31/2020
Liabilities from personnel expenses	13,361	10,579
Liabilities of XING Events due to event organizers	4,729	3,630
Liabilities for Supervisory Board remuneration	280	320
VAT liabilities	213	225
Miscellaneous liabilities	3,677	7,745
<b>OTHER CURRENT LIABILITIES</b>	<b>22,260</b>	<b>22,499</b>

The liabilities and provisions for personnel expenses mainly comprise liabilities arising from bonuses and incentive payments, as well as vacation allowances, provisions for termination benefits and other personnel obligations as well as social security liabilities. Other liabilities mainly include liabilities for other third-party services and debtors with credit balances.

## (E) Other disclosures

### ADDITIONAL INFORMATION ON THE CONSOLIDATED STATEMENT OF CASH FLOWS

As of December 31, 2021, funds consist exclusively liquid funds of €90,143 thousand (previous year: €65,129 thousand), and comprise own funds of €86,459 thousand (previous year: €61,497 thousand) and third-party cash of €3,684 thousand (prior year: €3,632 thousand). Third-party funds comprise cash in connection with obligations from the Events segment. Funds consist mainly of bank balances.

The other non-current financial assets (measured at fair value) concern securities for managing temporary excess liquidity. Cash in- and outflows are shown under cash flows from investing activities.

Finance costs include interest expense of €645 thousand (previous year: €301 thousand) from lease payments and are recognized in cash flow from operating activities. The amount paid for leases is recognized in cash flows from financing activities and amounts to €7,719 thousand (previous year: €5,991 thousand).

### CONTINGENT LIABILITIES AND FINANCIAL OBLIGATIONS

As was the case last year, there were no contingent liabilities, e.g. arising from guarantees, as of the reporting date. There is no significant purchase order commitment for intangible assets or property, plant and equipment; this is also applicable for long-term obligations to purchase assets.

The determination as to whether an agreement includes a lease is based on the financial content of the agreement at the time at which this agreement is concluded, and involves an assessment as to whether fulfillment of the contractual agreement depends on the use of a certain asset or certain assets, and whether the agreement confers a right to use the asset.

Leases have been taken out by the Group for business premises. The agreements have an average term of between four and nine years, and there is an option for them to be extended.

The maturities of lease liabilities as defined by IFRS 16 are as follows:

In € thousand	Up to 1 year	1–2 years	2–5 years	More than 5 years	Total contract payments	Expected lease incentives	Thereof leases not yet commenced	Discount	Carrying amount of liabilities
Contractual payment obligations from leases, 12/31/2021	9,147	8,703	21,247	28,883	67,980	0	0	-2,407	65,573
Contractual payment obligations from leases, 12/31/2020	8,273	9,583	21,518	36,633	76,007	10,000	1,271	-3,667	61,069

### PRINCIPLES OF RISK MANAGEMENT

The Management Board of the Company is responsible for the development and supervision of the Group risk management system. The Management Board has tasked the Legal department with the monitoring and development of the Group's risk management policies. The Legal department regularly reports to the Management Board on its activities. The Group's risk management policies have been developed in order to identify and analyze the risks for the Group with the aim of introducing appropriate risk limits and controls and monitoring the development of risks and compliance with limits. The risk management policies and the risk management system are regularly reviewed to enable the Group to reflect any changes in market conditions and the Group's activities. The existing training and management standards as well as the related processes are intended to safeguard an effective control environment in which all of the Group's employees understand their respective tasks and responsibilities.

The Audit Committee monitors, on the one hand, the Management Board's compliance with the Group risk management policies and processes and, on the other, the effectiveness of the risk management system in terms of the risks which the Group is exposed to. Moreover, there are no material risk concentrations in respect of the risks outlined below.

### CAPITAL RISK MANAGEMENT AND NET DEBT

The Group manages its capital with the aim of ensuring that all companies in the Group are able to operate on the basis of the going concern principle while also optimizing income, where applicable also by using debt. Own cash and securities to manage temporary excess liquidity in the amount of €116,595 thousand as of December 31, 2021, and the Group's cash-generative business model enable the Company to pay dividends on a regular basis without changing its business strategy, which is aimed at achieving growth.

New Work's liabilities also include contract liabilities that, due to the business model, do not lead directly to an outflow of cash. New Work SE has no significant borrowings and therefore does not require external capital. The financial liabilities exclusively stem from contingent purchase price obligations.

## CLASSES OF FINANCIAL INSTRUMENTS

The following classes of financial instruments existed as of the reporting date:

In € thousand	Measurement category <sup>1</sup>	12/31/2021	12/31/2020
Non-current financial assets at amortized cost	Amortized cost	3,032	2,051
Non-current financial assets at fair value	FAFVtPL	30,136	29,726
Current receivables from services	Amortized cost	20,637	18,028
Current other assets	Amortized cost	12,806	8,420
Cash	Amortized cost	90,143	65,129
Current trade accounts payable	Amortized cost	14,446	10,830
Current financial liabilities at fair value	FLFVtPL	0	2,100
Current other liabilities	Amortized cost	5,440	8,278

<sup>1</sup> LaR = Loans and receivables; AFS = Available-for-sale financial assets; FLAC = Financial liabilities at amortized cost; FLFVtPL = Financial assets at fair value through profit or loss; FLFVtPL = Financial liabilities at fair value through profit or loss

All of the non-current financial assets at fair value are classified as Level 1 financial instruments. Their purpose is to manage excess liquidity.

The financial liabilities at fair value result from earn-out obligations in connection with acquisitions, for which changes in value are reported in the financial result. As of December 31, 2021, the liabilities amounted to €0 thousand (previous year: €2,100 thousand from the acquisition of Prescreen GmbH).

All of the earn-out obligations are classified as Level 3 financial instruments. Here, the discounted present value is estimated based on the estimated cash outflow forecast by management in its business plan. This includes in particular estimates regarding revenue growth and EBITDA. Management currently does not see any scenario that could still result in a payment of the earn-out from the acquisition of Honeypot GmbH.

For all financial assets and liabilities, the fair values, to the extent that they can be determined, correspond to the carrying amounts. As was the case in the previous year, no financial assets were used as collateral for liabilities of the Group in the financial year.

## EXCHANGE RATE AND INTEREST RATE MANAGEMENT

The Group was exposed to the volatility of the Swiss franc and the US dollar in the reporting period. Income from exchange rate effects amounted to €733 thousand (previous year: €324 thousand). Expenses from exchange rate effects had an offsetting effect of €280 thousand (previous year: €689 thousand). Revenues are generated mainly in euros.

Bank deposits are held with various financial institutions. An exempt amount is usually promised and this is mostly consumed in cash management. Deposits over and above this amount are held in safe custody at a negative interest rate of 0.5 percent to 1.5 percent p.a. The Group is exposed to market risks (currency, interest rate or other price risks). The financial

assets at fair value are determined by numerous factors. As obtaining information and performing the sensitivity analysis would require a disproportionately high level of effort, the Group does not perform in-depth sensitivity analyses with regard to possible market risks.

With regard to consolidated earnings before tax, a change in interest rates will primarily have an impact on cash. If interest rates had increased by 100 basis points during the reporting period, interest income/expense would have changed by €108 thousand (previous year: €780 thousand) on the basis of an average investment volume of €107,567 thousand (previous year: €78,020 thousand).

#### CREDIT AND FAIR VALUE RISK MANAGEMENT

Credit risk is defined as the risk of a loss to the Group which is incurred if a contracting party fails to meet its contractual obligations. The Group defines fair value risk as the risk of changes in the value of financial assets.

Material financial assets only existed as of the reporting date in the form of subscription claims against users of the XING platform (receivables from services from members in Network/Premium or companies in E-Recruiting) as well as bank balances (cash and short-term deposits). The Group uses the simplified approach under IFRS 9 to measure expected credit losses. Therefore, the lifetime expected credit losses are used for all trade accounts receivable and contract assets.

Impairment losses on financial assets and contract assets (without reversals of impairment losses) of €2,904 thousand (previous year: €3,700 thousand) were recognized in profit or loss.

With regard to the receivables, the risk is reduced by the fact that most of the receivables consist of a large number of relatively minor amounts, of less than €10 thousand in each case. As of the reporting date, the remaining term of all these receivables was less than one year. The maximum counterparty credit risk of €20,637 thousand is equal to the carrying amount of the receivables (previous year: €18,028 thousand).

In the case of bank balances, reputable commercial banks rated AAA to A3 are used for investment and payments. The remaining term of the bank balances is less than three months.

The Group believes that current counterparty credit and fair value risks are low. As was the case last year, there were no defaults in relation to cash and short-term deposits.

#### ASSESSMENT OF THE EXPECTED CREDIT LOSSES FOR CORPORATE CUSTOMERS

The Group applies proven default estimates and allocates each risk to a default risk classification on the basis of data which has been found to predict the applicable loss risk.

#### LIQUIDITY RISK MANAGEMENT

The Group manages liquidity risks by holding appropriate reserves and also by constantly monitoring the forecast and actual cash flows. The maturities of financial assets and liabilities are constantly monitored.

As a result of the current bank balances and securities available to manage temporary excess liquidity, there are no major liquidity risks. No credit lines with banks exist as of the reporting date.

#### DISCLOSURES ON THE STOCK OPTION PLAN AND SHARE-BASED PAYMENT IN ACCORDANCE WITH IFRS 2

Through the granting of shadow shares as part of a long-term incentive program for the Management Board, a remuneration component is used that takes account of the performance of the Company's shares and therefore provides a sustainable, long-term incentive for the members of the Management Board. The shadow shares from the LTI are a virtual replication of shares to be allocated to the Management Board members in annual tranches. The number of shadow shares to be allocated in an annual tranche corresponds to the allocation amount calculated annually divided by the average closing price of the Company's shares over the 100 trading days immediately preceding the Annual General Meeting in which the consolidated financial statements, which are the basis for determining target achievement, are adopted. The annual allocation amount depends on the achievement of quantitative corporate goals that are stipulated by the Supervisory Board as part of its three-year plan in advance for the relevant financial year in the three-year plan, currently Group EBITDA and consolidated revenues (incl. other operating income). Following a waiting period of three years from allocation, the beneficiary (Management Board member) acquires an entitlement to a cash payment tied to the share price or, at the Company's discretion, to the allocation of New Work SE shares. In addition, the beneficiary is paid dividends applicable to real shares in the amount corresponding to the allocated shadow shares, if any, for the three preceding financial years ("cumulative dividend"). If cash is paid, then the total amount paid is limited to three times the relevant allocation amount of the respective tranche of shadow shares. If the payment is settled in shares, then the number of shares to be granted is equal to the number of shadow shares allocated.

If the total of the share price at the time of exercise and the cumulative dividend is greater than three times the relevant allocation amount of the respective tranche of shadow shares, then the number of shares granted is equivalent to three times the allocation amount. In the past, the current LTI was only satisfied through cash settlement.

The other liabilities for the current financial year are determined on the basis of the fair value for the phantom stocks granted in that year based on a target achievement level of 105.86 (previous year: 84.30) percent. Overall, personnel

expenses of €1,707 thousand (previous year: €1,288 thousand) for cash-settled share-based payment were recognized in the income statement for the 2021 financial year. Liabilities of €4,852 thousand (previous year: €5,225 thousand) were recognized as of December 31, 2021 for entitlements arising from the long-term incentive programs, taking into account the share price performance.

The following table shows an overview of shadow shares granted under the plan:

	Average exercise price per shadow share in 2021 in €	Number of shadow shares in 2021	Average exercise price per shadow share in 2020 in €	Number of shadow shares in 2020
As of January 1	280.00	19,423	290.12	16,745
Granted in the financial year	243.53	5,296	244.24	5,370
Exercised in the financial year	244.25	4,614	244.43	2,692
As of December 31	218.50	20,105	280.00	19,423

No shadow shares expired in the periods presented. Shadow shares outstanding at year-end have the following expected expiry dates and exercise prices:

Grant date	Expiry date	Exercise price in €	Shadow shares, December 31, 2021	Shadow shares, December 31, 2020
2017	2021	291.46	–	4,614
2018	2022	290.55	4,901	4,901
2019	2023	287.26	4,538	4,538
2020	2024	244.24	5,370	5,370
2021	2025	243.53	5,296	–
Average remaining contractual term of the shadow shares outstanding at the end of the reporting period			2.05	2.05

## RELATIONS WITH RELATED PARTIES

### Management Board and Supervisory Board

The Management Board and the Supervisory Board received total remuneration of €5,215 thousand and €320 thousand (previous year: €4,694 thousand and €320 thousand) for their work in the financial year ended. Of this amount, benefits payable in the short term (excluding termination benefits) amounted to €3,508 thousand (previous year: €2,506 thousand), while benefits payable in the long term totaled €1,707 thousand (previous year: €1,288 thousand). To reflect the change in value in claims to date to cash-settled share-based payment, an amount of €880 thousand was credited to personnel expenses in the financial year (previous year: €29 thousand charged to personnel expenses). Further information is included in the remuneration report pursuant to Section 162 AktG.

### Related parties

Since December 18, 2012, Burda Digital SE, Munich (a subsidiary of Hubert Burda Media Holding Kommanditgesellschaft, Offenburg; controlled by Prof. Dr. Hubert Burda, Offenburg) has held more than 50 percent of the share capital of New Work SE. New Work SE is accordingly a dependent company in accordance with Section 312 (1) Clause 1 in conjunction with Section 17 (2) AktG. Because a control agreement does not exist between New Work SE and Hubert Burda Media Holding Kommanditgesellschaft, Offenburg, the Management Board of New Work SE prepares a report regarding relations with affiliated companies in accordance with Section 312 (1) Clause 1 AktG. In the 2021 financial year, New Work SE or the companies controlled by it and Hubert Burda Media Holding Kommanditgesellschaft, Offenburg, or its affiliated companies as in the previous year purchased products and services from each other subject to arm's length conditions.

The shareholder Burda Digital SE, Munich, received €7,280 thousand (previous year: €7,433 thousand) in dividend payments. Other transactions with Burda Digital SE totaled €0 thousand (previous year: €6 thousand).

Services in the amount of €499 thousand (previous year: €623 thousand) were provided to affiliated companies of Burda Media Holding Kommanditgesellschaft, Offenburg, Germany. Services purchased from affiliated companies totaled €1,083 thousand (previous year: €1,189 thousand). The receivables from services show net amounts of €191 thousand (previous year: €81 thousand) due from affiliated companies, and the trade accounts payable show net amounts of €459 thousand (previous year: €37 thousand) due to affiliated companies.

Expenses incurred with other related parties in the reporting years amounted to €0 thousand (previous year: €6 thousand).

#### NUMBER OF EMPLOYEES

New Work employed an average of 1,854 persons (previous year: 1,965) as well as five members of the Management Board (previous year: five) during financial year 2021. As of December 31, 2021, a total of 1,869 persons (previous year: 1,919) as well as five Management Board members (previous year: five) were employed by the Group.

#### NOTIFICATIONS RECEIVED IN ACCORDANCE WITH SECTION 33 WPHG

With regard to the notification obligation in accordance with Section 33 WpHG, please refer to the comments in the notes to the annual financial statements of New Work SE.

#### MEMBERS OF THE SUPERVISORY BOARD

The following persons served on the Supervisory Board of the Company in the year under review:

##### *Martin Weiss*

CEO of Hubert Burda Media Holding KG, Munich, Germany

Other Supervisory Board posts/ memberships in control bodies:

→ Chairman of the Board, Immediate Media Co. Ltd., London, United Kingdom

##### *Dr. Jörg Lübcke*

Managing Director, Barcare GmbH, Munich, Germany

Other Supervisory Board posts/ memberships in control bodies:

→ Member of the Advisory Board of Cyberport GmbH, Dresden, Germany

##### *Prof. Dr. Johannes Meier*

Managing Director Xi GmbH, Gütersloh, Germany

Other Supervisory Board posts/ memberships in control bodies:

→ Member of the Advisory Board of the Meridian Foundation, Essen, Germany

→ Chairman of the Advisory Board of the Mercator Foundation, Essen, Germany

→ Member of the Supervisory Board of N.V. Nederlandse Gasunie, Groningen, Netherlands

##### *Dr. Andreas Rittstieg*

Managing Director of Hubert Burda Media Holding Geschäftsführung SE, Offenburg, Germany (until 31 December 2021)

Other Supervisory Board posts/ memberships in control bodies:

→ Member of the Supervisory Board of Brenntag SE, Mülheim an der Ruhr, Germany

→ Member of the Board of Directors of Hubert Burda Media Holding Geschäftsführung SE, Offenburg, Germany

→ Member of the Administrative Board of Kühne Holding AG, Schindellegi, Switzerland

→ Member of the Advisory Board of Huesker Holding GmbH, Gescher, Germany

##### *Jean-Paul Schmetz*

Chief Scientist, Hubert Burda Media Holding KG, Munich, Germany

Other Supervisory Board posts/ memberships in control bodies:

→ Member of the Supervisory Board (Conseil de Surveillance) of EDITIONS NUIT ET JOUR, Montrouge, France

##### *Anette Weber*

Group CFO, Bucherer AG, Lucerne, Switzerland

Other Supervisory Board posts/ memberships in control bodies:

→ Non-Executive Board Member, GN Store Nord, Copenhagen, Denmark

**MEMBERS OF THE MANAGEMENT BOARD**

In the 2021 financial year, the following persons were appointed to the Management Board:

**Petra von Strombeck**

CEO, Hamburg, Germany

Supervisory Board posts/memberships  
in control bodies: none

**Dr. Patrick Alberts**

CPO, Hamburg, Germany (until May 31, 2021)

Supervisory Board posts/memberships  
in control bodies: none

**Ingo Chu**

CFO, Hamburg, Germany

Supervisory Board posts/memberships  
in control bodies: none

**Frank Hassler**

CSO, Kressborn, Germany

Supervisory Board posts/memberships  
in control bodies: none

**Dr. Peter Opdemom**

Board Member B2C, Bonn, Germany (since January 1, 2022)

Supervisory Board posts/memberships  
in control bodies: none

**Jens Pape**

CTO, Hamburg, Germany

Supervisory Board posts/memberships  
in control bodies: none

**FEES AND SERVICES OF PRICEWATERHOUSECOOPERS GMBH AND AFFILIATED COMPANIES**

In financial year 2021, costs of €341 thousand (previous year: €265 thousand) were recognized for auditing services (of which €60 thousand (previous year: €41 thousand) is attributable to affiliated companies of the PwC group). Audit-related consulting services (FREP audit support) were utilized in the reporting year in the amount of €45 thousand, and assurance services in the amount of €7 thousand were utilized in connection with the remuneration of the Management Board.

**DIRECTORS' DEALINGS**

In accordance with Article 19 of the Market Abuse Regulation (MAR), members of the Management Board and Supervisory Board are subject to a legal requirement for disclosing the acquisition or disposal of shares of New Work SE or related financial instruments if the value of the transactions carried out within a calendar year by the member and the member's related parties is equal to or exceeds the figure of €5,000. The transactions reported to New Work SE were properly disclosed, and can be downloaded from the Company's web site (<https://www.new-work.se/en/investor-relations/new-work-se-share/>).

**STATEMENT CONCERNING THE CORPORATE GOVERNANCE CODE**

In March 2022, the Management Board and the Supervisory Board of New Work SE published the statement specified in accordance with Section 161 AktG and made it available by publishing it on the Company's web site (<https://www.new-work.se/en/investor-relations/corporate-governance/>).

**SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD**

No further reportable events of significance for New Work SE occurred after the reporting period.

Hamburg, March 24, 2022

The Management Board

Petra von Strombeck

Ingo Chu

Frank Hassler

Dr. Peter Opdemom

Jens Pape

# Responsibility statement

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

Hamburg, March 24, 2022

The Management Board

Petra von Strombeck

Ingo Chu

Frank Hassler

Dr. Peter Opdemom

Jens Pape

# Independent auditors' report

To New Work SE, Hamburg

## Report on the audit of the consolidated financial statements and of the group management report

### AUDIT OPINIONS

We have audited the consolidated financial statements of New Work SE, Hamburg, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2021, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from January 1 to December 31, 2021, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the group management report of New Work SE for the financial year from January 1 to December 31, 2021. In accordance with German legal requirements, we have not audited the content of the corporate governance statement prepared pursuant to § [Article] 289f and § 315d HGB [Handelsgesetzbuch: German Commercial Code].

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

→ the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to § [Article] 315e Abs. [paragraph] 1 HGB and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial

position of the Group as at December 31, 2021, and of its financial performance for the financial year from January 1 to December 31, 2021, and

→ the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the group management report does not cover the content of the corporate governance statement mentioned above.

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

### BASIS FOR THE AUDIT OPINIONS

We conducted our audit of the consolidated financial statements and of the group management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report" section of our auditor's report. We are independent of the group entities

in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the group management report.

### Key audit matters in the audit of the consolidated financial statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from January 1 to December 31, 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In our view, the matters of most significance in our audit were as follows:

- 1. Recoverability of goodwill
- 2. Allocation of revenue

Our presentation of these key audit matters has been structured in each case as follows:

- 1. Matter and issue
- 2. Audit approach and findings
- 3. Reference to further information

Hereinafter we present the key audit matters:

- 1. Recoverability of goodwill

1. In the Company's consolidated financial statements goodwill amounting to €56.1 million (14.8% of total assets) is reported under the "Intangible assets" balance sheet line item.

Goodwill is tested for Impairment by the Company once a year or when there are indications of impairment to determine any possible need for write-downs. Impairment testing is carried out at the level of the groups of cash-generating units to which the relevant goodwill has been allocated. At New Work SE, the cash-generating units correspond to the business segments.

The carrying amounts of the relevant cash-generating units, including goodwill, is compared with the corresponding recoverable amount in the context of the impairment test. The calculation of the recoverable amount generally employs the value in use and the fair value less costs to sell.

The present value of the future cash flows from the respective group of cash-generating units normally serves as the basis of valuation. The present values are calculated using discounted cash flow models. For this purpose, the adopted medium-term business plan of the Group forms the starting point for the future projections based on assumptions about long-term rates of growth. Expectations relating to future market developments and assumptions about the development of macroeconomics factors are also taken into account. The discount rate used is the weighted average cost of capital for the relevant group of cash-generating units. The impairment test determined that no write-downs were necessary.

The outcome of this valuation exercise is dependent to a large extent on the estimates made by the executive directors with respect to the future cash flows from the respective group of cash-generating units, the discount rate used, the rate of growth and other assumptions, and is therefore subject to considerable uncertainty. Against this background and due to the complex nature of the valuation, this matter was of particular significance in the context of our audit.

2. As part of our audit, we assessed the methodology employed for the purposes of performing the impairment test, among other things. After matching the future cash inflows used for the calculation against the adopted medium-term business plan of the Group, we assessed the appropriateness of the calculation, in particular by coordinating it with general and sector-specific market expectations. We also assessed the appropriate consideration of the cost of corporate functions. In the knowledge that even relatively small changes in the discount rate applied can have a material impact on the value of the entity calculated using this method, we focused our testing in particular on the parameters used to determine the discount rate applied, and evaluated the calculation method. We assessed the sensitivity analyses performed by the Company, in order to reflect the uncertainty inherent in the projections. Taking into account the information available, we determined that the carrying amounts of the cash-generating units, including the goodwill, were adequately covered by the discounted future cash flows.

Overall, the measurement inputs and assumptions used by the executive directors are in line with our expectations and are within the ranges considered by us to be reasonable.

3. The Company's disclosures on goodwill are contained in notes 7. III and 20 of the notes to the consolidated financial statements.
- 2. Allocation of revenue
1. In the Company's consolidated financial statements revenue amounting to €290.9 million is reported in the consolidated statement of comprehensive income. Revenue from products involving prepayments from customer, such as Premium and Pro Jobs memberships, Employer Branding Profiles and XING Talent Manager, is recognized as of the date on which it is generated, taking into account the pro-rata duration of the respective contract as at the balance sheet date. Prepayments received for periods after the balance sheet date are recognized in the liabilities side of the balance sheet under the line item "contract liabilities".

This revenue item, which is material in terms of its amount, is subject to particular risk due to the complexity of the systems and processes necessary for recording and allocating it. Against this background, the correct recording and allocation of revenue is considered to be complex and was of particular significance for our audit.

2. In the knowledge that the complexity of the systems and processes give rise to an increased risk of accounting misstatements, our audit included assessing the Group's processes and controls for properly recognizing revenue. Our audit approach included carrying out tests of the design and effectiveness of controls as well as substantive audit procedures. For this purpose, we assessed the appropriateness of the processes and controls established, from the conclusion of the contract and invoicing through to recording and allocating revenue in the general ledger, among other things. In addition, we carried out test of functions to assess the continuous effectiveness of the established controls and assessed the relevant IT systems used for invoicing as well as other relevant systems used to support the recording and allocation of revenue, including the implemented controls for system changes and the interface between the relevant IT systems in collaboration with specialists. Furthermore, we assessed and evaluated individual transactions on a test basis.

We were able to satisfy ourselves that the systems and processes in place, as well as the established controls, are appropriate for the purpose of ensuring the appropriate recognition and allocation of revenues.

3. The Company's disclosures relating to the peculiarities of revenue allocation in the consolidated financial statements are contained in notes 7. III and 8. of the notes to the consolidated financial statements.

### Other information

The executive directors are responsible for the other information.

The other information also comprises

- the separate non-financial report pursuant to § 289b Abs. 3 HGB and § 315b Abs. 3 HGB
- the remuneration report pursuant to § 162 AktG [Aktien-gesetz: German Stock Corporation Act], for which the Supervisory Board is additionally responsible.
- the annual report – without further cross-references to external information – with the exception of the audited consolidated financial statements, the audited group management report and our auditor's report

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

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

- is materially inconsistent with the consolidated financial statements, those sections of the group management report whose content was audited or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

#### **RESPONSIBILITIES OF THE EXECUTIVE DIRECTORS AND THE SUPERVISORY BOARD FOR THE CONSOLIDATED FINANCIAL STATEMENTS AND THE GROUP MANAGEMENT REPORT**

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

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

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

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

#### **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE GROUP MANAGEMENT REPORT**

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

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

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

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

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

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

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

## Other legal and regulatory requirements

Assurance report in accordance with § 317 Abs. 3a HGB on the electronic reproduction of the consolidated financial statements and the group management report prepared for publication purposes

### Conclusion

We have performed an assurance engagement in accordance with § 317 Abs. 3a HGB to obtain reasonable assurance about whether the reproduction of the consolidated financial statements and the group management report (hereinafter the "ESEF documents") contained in the attached electronic file NewWork\_SE\_JA\_LB\_ESEF-2021-12-31.zip and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance engagement only extends to the conversion of the information contained in the consolidated financial statements and the group management report into the ESEF format and therefore relates neither to the information contained within this reproduction nor to any other information contained in the above-mentioned electronic file.

In our opinion, the reproduction of the consolidated financial statements and the group management report contained in the above-mentioned electronic file and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format. We do not express any opinion on the information contained in this reproduction nor on any other information contained in the above-mentioned electronic file beyond this reasonable assurance conclusion and our audit opinion on the accompanying consolidated financial statements and the accompanying group management report for the financial year from January 1 to December 31, 2021 contained in the "Report on the Audit of the Consolidated Financial Statements and on the Group Management Report" above.

### Basis for the audit opinion

We conducted our assurance engagement on the reproduction of the consolidated financial statements and the group management report contained in the above-mentioned electronic file in accordance with § 317 Abs. 3a HGB and the IDW Assurance Standard: Assurance in Accordance with § 317 Abs. 3a HGB on the Electronic Reproduction of Financial Statements and Management Reports Prepared for Publication Purposes (IDW AuS 410 (10.2021)) and the International Standard on Assurance Engagements 3000 (Revised). Accordingly, our responsibilities are further described below in the "Group Auditor's Responsibilities for the Assurance Engagement on the ESEF Documents" section. Our audit firm has applied the IDW Standard on Quality Management: Requirements for Quality Management in Audit Firms (IDW QS 1).

### Responsibilities of the executive directors and the supervisory board for the ESEF documents

The executive directors of the Company are responsible for the preparation of the ESEF documents including the electronic reproduction of the consolidated financial statements and the group management report in accordance with § 328 Abs. 1 Satz 4 Nr. 1 HGB and for the tagging of the consolidated financial statements in accordance with § 328 Abs. 1 Satz 4 Nr. 2 HGB.

In addition, the executive directors of the Company are responsible for such internal control as they have considered necessary to enable the preparation of ESEF documents that are free from material non-compliance with the requirements of § 328 Abs. 1 HGB for the electronic reporting format, whether due to fraud or error.

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

### Group auditor's responsibilities for the assurance engagement on the ESEF documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error. We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance conclusion.
- Obtain an understanding of internal control relevant to the assurance engagement on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance conclusion on the effectiveness of these controls.

- Evaluate the technical validity of the ESEF documents, i.e., whether the electronic file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815 in the version applicable as at the balance sheet date on the technical specification for this electronic file.
- Evaluate whether the ESEF documents enables a XHTML reproduction with content equivalent to the audited consolidated financial statements and to the audited group management report.
- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with Articles 4 and 6 of the Delegated Regulation (EU) 2019/815 in the version applicable as at the balance sheet date enables an appropriate and complete machine-readable XBRL copy of the XHTML reproduction.

### Further information pursuant to Article 10 of the EU Audit Regulation

We were elected as group auditor by the annual general meeting on May 19, 2021. We were engaged by the Supervisory Board on August 21, 2021. We have been the group auditor of the New Work SE, Hamburg, without interruption since the financial year 2013.

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

### REFERENCE TO AN OTHER MATTER – USE OF THE AUDITOR'S REPORT

Our auditor's report must always be read together with the audited consolidated financial statements and the audited group management report as well as the assured ESEF documents. The consolidated financial statements and the group management report converted to the ESEF format – including the versions to be published in the Federal Gazette – are merely electronic renderings of the audited consolidated financial statements and the audited group management report and do not take their place. In particular, the "Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Group Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB" and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

### German public auditor responsible for the engagement

The German Public Auditor responsible for the engagement is Niklas Wilke.

Hamburg, March 24, 2022

PricewaterhouseCoopers GmbH  
Wirtschaftsprüfungsgesellschaft

Niklas Wilke  
Wirtschaftsprüfer  
[German Public Auditor]

ppa. Alexander Schucht  
Wirtschaftsprüfer  
[German Public Auditor]

# Financial calendar

Publication of the annual financial report 2021	March 24, 2022
Publication of the Q1 quarterly financial report	May 5, 2022
Annual General Meeting	June 1, 2022
Publication of the half-year financial report	August 11, 2022
Publication of the Q3 quarterly financial report	November 7, 2022

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*Rounding differences may occur*

*This Annual Report is available in both German and English.*

*In the event of diversity in interpretation, the German version shall prevail. Both versions and further press information are available for download at <https://www.new-work.se/en/investor-relations/reports>.*



HARBOUR FOR

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