

**INTERIM REPORT  
FOR THE PERIOD FROM  
JANUARY 1 TO MARCH 31  
Q1 2019**

**Interim report  
Q1 2019**

**XING** 

# Consolidated key figures

	Unit	Q1 2019	Q1 2018 <sup>2</sup>	Q4 2018 <sup>2</sup>
Revenues	in € million	62.6	53.0	64.3
B2C segment	in € million	25.4	24.2	25.6
B2B E-Recruiting segment	in € million	31.0	23.7	30.8
B2B Marketing Solutions & Events segment	in € million	6.1	5.0	7.4
kununu International segment	in € million	0.2	0.3	0.6
EBITDA	in € million	17.7	14.8	21.9
EBITDA margin	in %	28	28	34
Net profit/loss for the period	in € million	8.9	6.1	6.5
Earnings per share (diluted)	in €	1.58	1.09	1.16
Cash flow from operations	in € million	28.8	25.1	14.6
XING users Germany, Austria, Switzerland (D-A-CH), total	in million	17.0	14.9	16.4
thereof platform members	in million	15.9	13.9	15.3
thereof subscribers	in thsd.	1,040 <sup>1</sup>	1,010	1,025
InterNations members	in million	3.4	2.9	3.3
thereof subscribers	in thsd.	138	124	135
B2B E-Recruiting customers (D-A-CH)	in thsd.	22.3	20.5	21.7
thereof B2B E-Recruiting (subscription)	in thsd.	11.7	8.6	11.2
B2B Marketing Solutions & Events customers (D-A-CH)	in thsd.	8.8	8.3	8.7
Employees	number	1,622	1,379	1,567

<sup>1</sup> Due to the changeover to a new methodology for analyzing subscriber relationships, the subscriber base in the D-A-CH region increased by around 8,300 as of January 1, 2019, compared with December 31, 2018.

<sup>2</sup> Retrospectively restated due to a change in the reporting structure as of January 1, 2019

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# XING is the leading social network for professionals in the German-speaking market

XING provides advice and support to its members during the upheavals in the world of work. In an environment marked by a shortage of skilled workers, digitalization, and changes in values, XING helps its approximately 17 million members achieve as harmonious a work/life balance as possible. This allows members to contact each other directly and stay in touch via messages. They can use XING Jobs to find the job that matches their individual needs while XING News enables them not only to keep up-to-date and participate in the debate but also to learn more about the changes and trends in the new world of work.

In early 2013, XING further strengthened its position as the market leader in social recruiting by acquiring kununu, the leading employer review platform in the German-speaking market. XING continued on its growth trajectory in 2017 by acquiring Prescreen, the fastest-growing applicant tracking system (ATS) provider in Europe, and InterNations, the world's largest network for people who live and work abroad (expats). Since April 2019, the Honeypot.io job platform, which specializes in tech talent, has also been part of the XING Group.

Established in 2003, XING has been listed since 2006 and has been a TecDAX member since September 2011.

On XING, members exchange ideas through millions of private messages, actively participate in almost 90,000 groups, or network personally at one of more than 130,000 professionally relevant events each year. XING has a presence in Hamburg, Berlin, Munich, Barcelona, Valencia, Vienna, Porto, Zurich and Boston.

# TO OUR SHAREHOLDERS

- 3 Management Board letter
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# MANAGEMENT BOARD LETTER

## Dear Shareholders,

Hearing all of the guests at a sold-out Elbphilharmonie in Hamburg singing “Ode to Joy” together at the beginning of the New Work Experience on March 7 was a very special experience. More than 1,800 attendees participated in the experiment and filled the ‘Elphi’ with sound, marking the start of a day full of new ideas, experiences and encounters. Neuroscientist Gerald Hüther spoke about our anthropological constitution as humans and what work can mean in a person’s life. New Work pioneer Frédéric Laloux also shared his insights, while former Foreign Minister Joschka Fischer reflected on his journey from taxi driver to government minister. The aim of the event, which is probably the largest of its kind in Europe, is to provide a space to discuss the future of work, one of the most significant issues of our time. This topic is relevant for our employees and corporate customers alike. How do we want to work in the future? How is digitalization transforming our working lives? How can companies attract talented professionals? How can we make the world of work better?

In addition to developing formats for discussion and debate, we are also working on specific services and offerings to help members and users to improve their working lives – in keeping with our vision “For a better working life”. Our B2C brands help members and users to do what they really, really want to do. The latest addition to our brand portfolio is Honeypot, an innovative job platform for IT experts headquartered in Berlin, which we acquired at the start of April. Honeypot turns the usual principle of job hunting on its head by allowing companies to apply to employees, rather than the other way around. This makes Honeypot a true New Work player, and acquiring the business marks another important milestone in implementing our corporate vision. Amid a shortage of skilled labor, we also help companies to find talented professionals who will help boost their capacity for innovation, while XING members also benefit from having access to interesting vacancies.

Our strategy and exceptional positioning continued to pay off in the first quarter of this year, when we recorded further significant growth. The B2B E-Recruiting unit, which helps HR departments to find skilled workers, was once again the strongest growth driver. Revenues in this segment grew by 31 percent to €31 million. Revenues in the B2C segment, which reports income from end customers for paid services, rose by 5 percent to €25.4 million. The B2B Marketing Solutions & Events unit increased its revenues by 22 percent to €6.1 million. Overall, revenues grew by 18 percent to €62.6 million in the first quarter of 2019. EBITDA amounted to €17.7 million (previous year: €14.8 million), a rise of 20 percent year-on-year.



Dr. Thomas Vollmoeller,  
Chief Executive Officer of XING SE

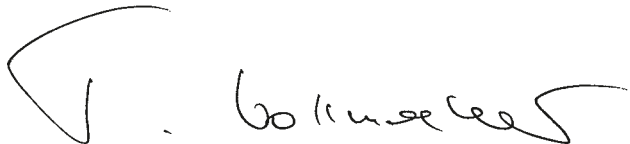
Overall, 531,000 new members registered on the XING platform in the reporting period, which meant that XING had 15.9 million members at the end of the first quarter. Including XING Events users, the total number of XING users is now 17.0 million. As of the end of March of this year, 1.04 million members in the D-A-CH region used XING's paid products, representing a rise of 14,600 in the first three months of 2019 (this figure includes a positive effect of around 8,300 payers resulting from the change of counting method). The number of B2B E-Recruiting subscription customers rose by 37 percent to 11,731 (8,564).

As you can see, we are still well on track to achieve our ambitious targets.

We hope you will continue to give us your support.

Hamburg, May 3, 2019

Kind regards,

A handwritten signature in black ink, appearing to read 'T. Vollmoeller', with a large, sweeping initial stroke on the left.

Dr. Thomas Vollmoeller,  
Chief Executive Officer of XING SE

# XING SHARES

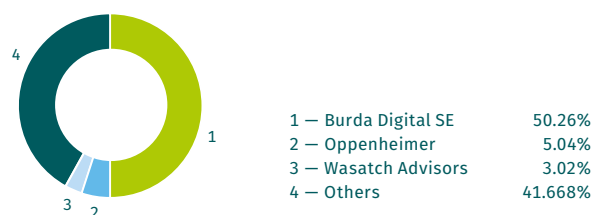
## Basic data about the XING share

Number of shares	5,620,435
Share capital in €	5,620,435
Share type	Registered shares
IPO	12/07/2006
ISIN	DE000XNG8888
Bloomberg	O1BC:GR
Reuters	OBCGn.DE
Transparency level	Prime Standard
Index	TecDAX/SDAX
Sector	Software

## Key data on the XING share at a glance

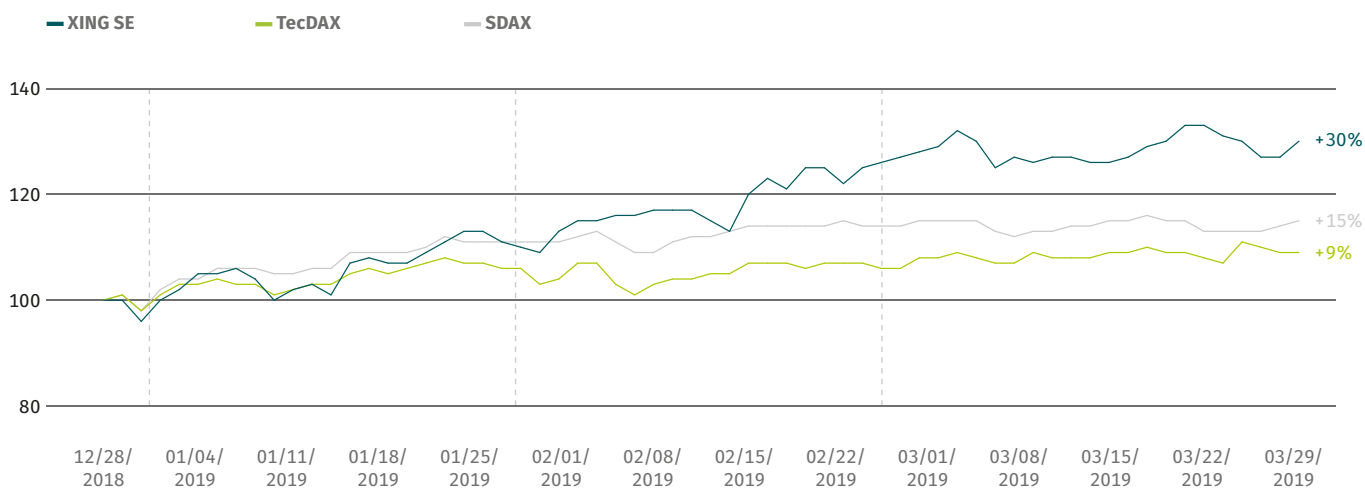
	Q1 2019	Q1 2018
XETRA closing price at the end of the period	€308.50	€236.50
High	€316.50	€296.00
Low	€229.00	€235.00
Market capitalization at the end of the period	€1,733.9 million	€1,329.2 million
Average trading volume per day (XETRA)	3,286	6,101
TecDAX ranking		
based on trading volume	33	30
based on free-float market capitalization	25	25
SDAX ranking		
based on trading volume	143	N/A
based on free-float market capitalization	113	N/A
Earnings per share (diluted)	€1.58	€1.09

## Shareholder structure in April 2019





### Share price performance vs. indices in the first three months of 2019



### Analyst recommendations in April 2019

Broker	Analyst	Recommendation	Price target
Berenberg Bank	Sarah Simon	Hold	€290
Commerzbank	Heike Pauls	Hold	€290
Deutsche Bank	Nizla Naizer	Hold	€335
Pareto Securities	Mark Josefson	Hold	€285
Warburg Research	Patrick Schmidt	Hold	€330

# INTERIM GROUP MANAGEMENT REPORT

for the period from January 1 to March 31, 2019

## Results of operations in the Group

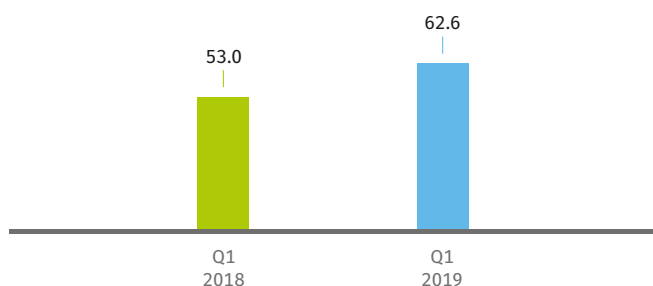
As of January 1, 2019, XING changed the disclosure structure in its income statement in order to further increase transparency and adjust its reporting to the disclosure structure adopted by most other companies in our sector. The new structure has been applied for the first time in the interim financial statements for the period ended March 31, 2019. The change merely concerns the structure of reporting and has no effect on earnings.

The change affects the recognition of own work capitalized. In previous years, most additions to internally generated software reduced expenses by being recognized in personnel

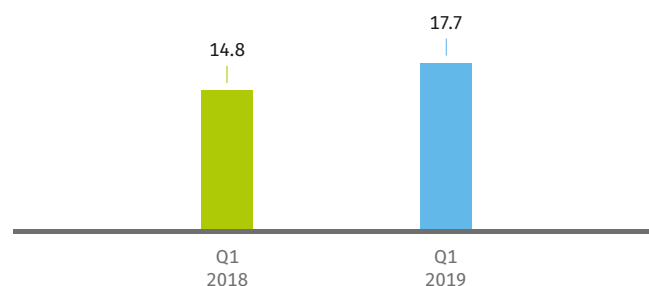
expenses and other operating expenses, and to a very small extent increased income by being recognized in other operating income; they were disclosed separately in the notes to the consolidated financial statements. Going forward, XING will transfer this information from the notes to the consolidated financial statements to the consolidated statement of comprehensive income. There are no further effects on the consolidated financial statements.

We therefore retrospectively restated the comparative figures of the previous year to enable the continued comparability of income and expense items.

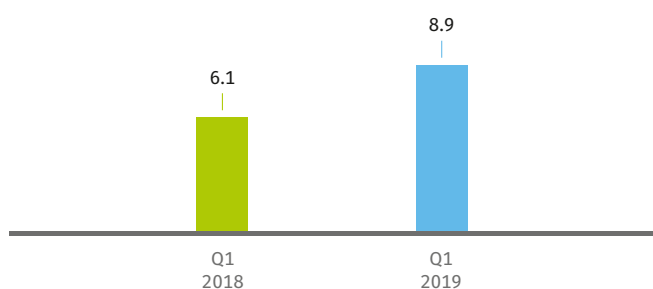
### Revenues in € million



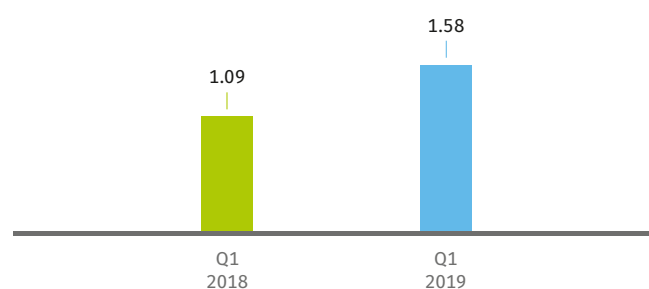
### EBITDA in € million



### Net profit for the period in € million



### Earnings per share in €



## REVENUES

Revenues of the XING Group rose from €53.0 million by 18 percent to €62.6 million.

## OTHER OPERATING INCOME

Other operating income increased by €3.8 million mainly due to a positive non-recurring effect in connection with the renting of new office space.

## OWN WORK CAPITALIZED

Own work capitalized amounted to €5.6 million in the first quarter of 2019 (Q1 2018: €7.0 million) and is composed of personnel expenses, freelancer costs and attributable overheads.

## PERSONNEL EXPENSES

At the end of March 2019, we had 1,622 employees (March 2018: 1,379), which represents an increase of 243 employees (+18 percent). As a result, personnel expenses increased from €24.1 million in the first quarter of 2018 to €30.0 million in the first quarter of 2019.

## MARKETING EXPENSES

Marketing expenses rose 13 percent to €9.2 million in the first three months of the year. We launched our customary TV campaign in the first quarter. Accordingly, the marketing expenses ratio was 14 percent in the first quarter of 2019 (Q1 2018: 15 percent).

## OTHER OPERATING EXPENSES

Other operating expenses rose by 19 percent in the reporting period, from €13.6 million to €16.1 million. It should be noted here that non-recurring expenses of around €2.9 million were recognized in connection with the renting of a new office building. Other significant expense items here include IT and other services of €6.2 million (previous year: €6.1 million), other personnel expenses of €1.9 million (previous year: €1.6 million), and server hosting, administration and traffic costs of €1.4 million (previous year: €1.1 million). The notes to the financial statements include a detailed table of all items reported under other operating expenses.

## EBITDA

We increased our operating result (EBITDA) in the reporting period, with EBITDA of the XING Group rising by 20 percent to €17.7 million (previous year: €14.8 million).

## DEPRECIATION, AMORTIZATION AND IMPAIRMENT LOSSES

Depreciation, amortization and impairment losses rose by 25 percent, from €4.7 million in the previous year to €5.9 million. This includes €0.8 million (Q1 2018: €0.9 million) for the amortization of assets from purchase price allocation (PPA). Amortization of internally generated software amounted to €2.1 million (previous year: €1.4 million).

## FINANCIAL RESULT AND TAXES

At €1.0 million, the financial result in the reporting period was significantly improved on the previous year's figure of €-0.8 million. In this context it should be noted that due to the acquisition of all shares in the US joint venture of Monster and XING, the entity is no longer accounted for using the equity method but instead is included in the basis of consolidation. As a result of this change, the start-up losses are no longer reported in the financial result, but have been reported under personnel, marketing and other operating expenses since January 30, 2019. In connection with the acquisition of a controlling majority in kununu US, previously held equity interests were remeasured at fair value. This fair value measurement resulted in income of €1.3 million.

Current taxes are determined by the companies of the XING Group based on the tax laws applicable in their country of domicile. Tax expense amounted to €3.9 million in the reporting period, up from €3.2 million in the prior-year period.

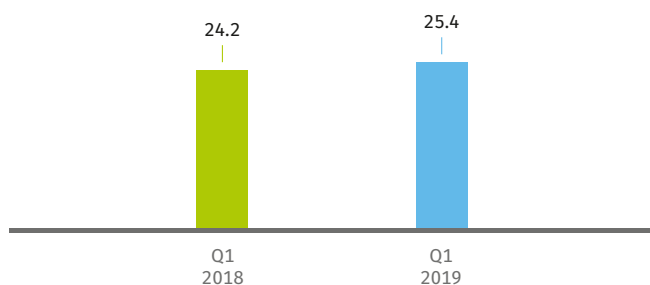
## CONSOLIDATED NET PROFIT AND EARNINGS PER SHARE

Consolidated net profit in the first three months of 2019 was €8.9 million, up from €6.1 million in the first three months of 2018. This gives rise to earnings per share of €1.58, compared with €1.09 per share in the prior-year period. After taking into account the positive non-operating, non-recurring effect in the financial result from the acquisition of a controlling majority in Kununu US, adjusted consolidated net profit amounted to €7.6 million and adjusted earnings per share to €1.35.

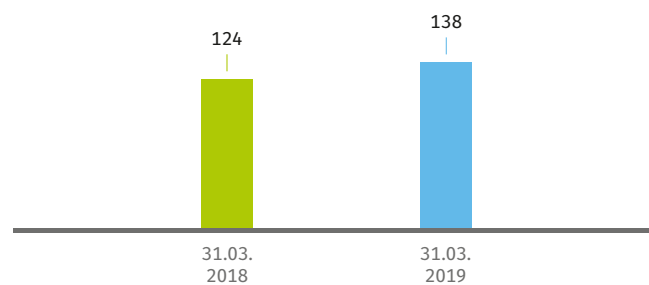
## Segment performance

### B2C SEGMENT

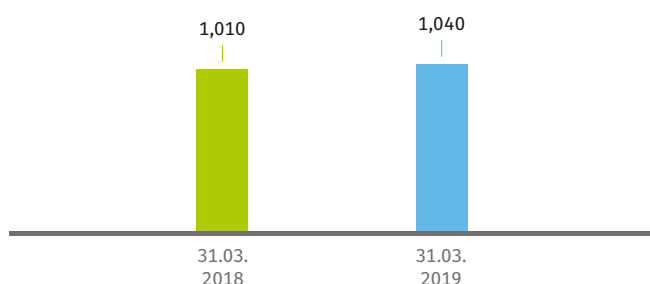
#### B2C segment revenues in € million



#### InterNations platform subscribers in thsd.



#### XING platform subscribers in thsd.



#### Segment revenues up 14 percent

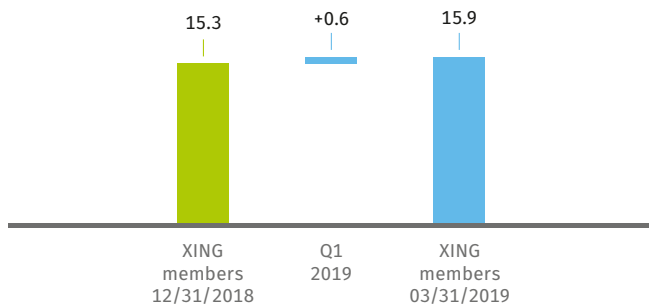
In the **B2C** segment, revenues grew by 5 percent in the reporting period to €25.4 million (previous year: €24.2 million). This revenue growth is primarily attributable to the addition of around 30,000 new subscribers to the XING platform in the D-A-CH region since March 2018 and another approximately 14,000 new subscribers worldwide to our [www.internations.org](http://www.internations.org) expat platform (March 2019: 138 thousand subscribers). The number of subscribers in the D-A-CH region on [www.xing.com](http://www.xing.com) was 1,040 thousand at the end of March 2019 (previous year: 1,010 thousand). As a result of the changeover to a new, improved methodology for analyzing subscriber relationships, the subscriber base in the D-A-CH region increased by around 8,300 as of January 1, 2019, compared with December 31, 2018. The increase in subscribers in the D-A-CH region in the first quarter of 2019 amounted to 6,300 (Q1 2018: 16,000).

Due to increased investment (primarily concerning personnel) in new B2C products, segment EBITDA at €7.5 million was below the prior-year-figure of €10.0 million. This meant that the segment EBITDA margin was 29 percent compared with 41 percent in the prior-year period.

### XING membership base expands to 15.9 million

We continued to record strong growth during the first three months of 2019, with the membership base rising by 531 thousand to 15.9 million since the end of 2018. Including XING Events users, total XING users thus came to 17.0 million at the end of March 2019 (March 31, 2018: 14.9 million).

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



Rounding differences are possible

### InterNations continues its product strategy and improves its mobile offering

InterNations has maintained its successful product strategy by focusing on activating new members in the first 30 days of the customer life cycle. The team has also further enhanced the native apps for iOS and Android. This year, the staggered rollout of higher performance native apps to our approximately 3.4 million members has resulted in a better user experience for an expanding user segment.

### XING makes local networking even easier with the new "In Ihrer Nähe" ("Near you") feature

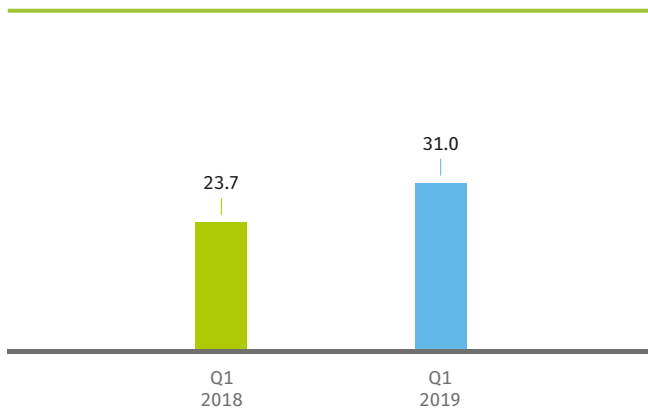
You can find "Near you" via the member search function in the latest version of the XING app. As soon as the function and Bluetooth are activated, the user becomes visible to any other XING members within a radius of about 15 to 20 meters. The user's mobile device also shows members who have this function activated, enabling them to connect immediately or to communicate via XING Messenger. Recent contact requests can also be confirmed directly. The function is deactivated by default; it is only activated if the member elects to do so.

We have already successfully tested "Near you" with over 500 XING members at a total of six events in major German cities and have incorporated the valuable user feedback into the latest version.

As a large number of XING users attend our events, we are using specially selected events to introduce members to "Near you" this year. We promoted the feature at the New Work Experience (NWX) event in Hamburg on March 7, 2019, for example, giving visitors the opportunity to connect with other members with just a click.

## B2B E-RECRUITING SEGMENT

### B2B E-Recruiting segment revenues in € million



The **B2B E-Recruiting** segment grew by nearly a third (31 percent) in the reporting period. Segment revenues rose from €23.7 million to €31.0 million in the reporting period and made a significant contribution to the growth of the Group.

The strong growth was due mainly to the dynamic expansion of our customer base for modern e-recruiting solutions. Our B2B E-Recruiting subscriber base grew from 8.6 thousand to 11.7 thousand over the past twelve months – an increase of 37 percent.

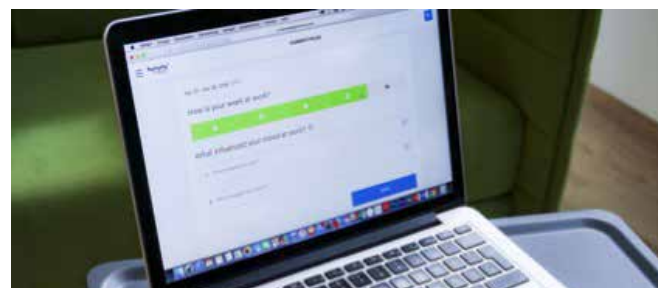
On the back of the dynamic revenue growth, operating profit in the segment (EBITDA) increased by 38 percent. Segment EBITDA thus came to €21.6 million (previous year: €15.7 million). The segment's EBITDA margin was 70 percent in the reporting period (previous year: 66 percent).

### Weekly staff surveys with kununu engage: to prevent molehills from turning into mountains.

Digitalization, artificial intelligence and New Work are just some of the buzzwords for developments driving change in the world of business and work. In view of this, it is no longer appropriate for employers to listen to the opinions of their employees just once a year. And with kununu engage, they now have at their disposal a feedback tool that reveals what their employees really think.

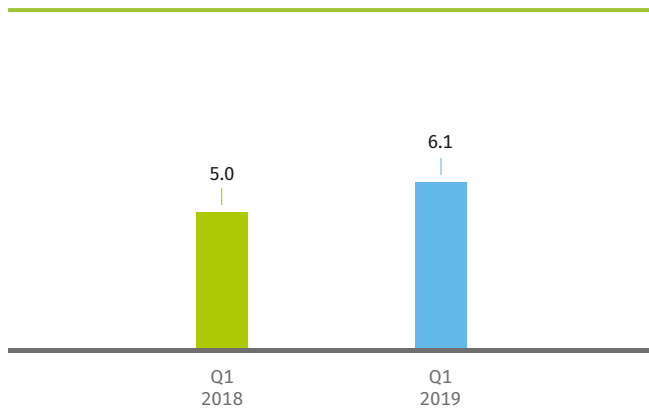
A recent analysis by kununu engage shows the strength of employee engagement by country. On a scale of 1 (very low) to 5 (very high), Germany (3.59) sits right between Austria (3.76) and Switzerland (3.53). If we look at the data in more detail, we can see that companies in the D-A-CH region are heading in the right direction. In a region where the labor market is tight and talent in short supply, they cannot afford to do otherwise. To be successful, a company not only has to attract the best minds and their valuable expertise, it also has to retain them. In other words, companies can secure a clear competitive advantage by positively influencing the factors that motivate their employees.

This is where kununu engage comes in. It provides a range of tools that employees can use to provide anonymous feedback on their employer. It also offers a discussion board where teams can share, discuss and evaluate issues with other team members. The platform has proved particularly useful to team leaders who wish to identify and react to problems at an early stage and to foster commitment within the company. kununu engage presents queries in a format that is clear and easy to understand. The weekly mood barometer, based on 38 alternating questions, can be analyzed by individual groups and teams. Detailed segmentation makes it easy for different parts of a company to identify issues relevant to them and to use these as a starting point for changing company culture for the better.



## B2B MARKETING SOLUTIONS & EVENTS SEGMENT

### Segment revenues B2B Marketing Solutions & Events in € million



In the **B2B Marketing Solutions & Events** segment, we combine XING Marketing Solutions and our events business.

We lifted revenues by 22 percent year on year, from €5.0 million to €6.1 million in the reporting period.

Segment EBITDA grew disproportionately by 33 percent to €1.8 million compared with the prior-year period, thus widening the segment's EBITDA margin slightly from 27 percent to 30 percent.

One driver for the dynamic growth of this segment is the number of B2B customers. Their number rose from 8.3 thousand (March 31, 2018) to 8.8 thousand as of the end of March 2019.

In the Marketing Solutions subsegment, our AIO (Ad Inventory Optimization) rollout has succeeded in obtaining ad placements in site sections (such as contacts, messenger or search, for example) in addition to the start page. The initial results are very promising in terms of CTR and eCPM.

In the Events subsegment, we have expanded the notification options to improve the visibility of events on the XING start page. This gives organizers the added option of marketing their event to a particular target group.

We also updated our payment options in the first quarter. Organizers now have the ability to change the individual settings of each of the various payment options. For each type of payment, they can specify which tickets may be purchased, the countries in which the type of payment is available, and the purchase time window.

In February, XING Events published a report on the future of event technologies and the influence of virtual reality (VR), near field communication (NFC), face ID and the digitalization of traditional event-specific offerings.

## KUNUNU INTERNATIONAL SEGMENT

Following our acquisition in January of the shares previously held by Monster in the kununu US joint venture, we are now the sole owner of kununu US. Revenues generated by the sale of employer branding profiles outside the D-A-CH region – predominantly in the United States – have since been included in this segment. In the first quarter of 2019, revenues amounted to €0.2 million and segment EBITDA to €-0.2 million.





# INTERIM CONSOLIDATED FINANCIAL STATEMENTS

for the period from January 1 to March 31, 2019

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# Consolidated statement of comprehensive income

of XING SE  
for the period from January 1 to March 31, 2019

## Consolidated statement of comprehensive income

In € thousand	01/01/2019 – 03/31/2019	01/01/2018 – 03/31/2018 <sup>1</sup>
Service revenues	62,642	53,022
Other operating income	4,807	688
Other own work capitalized	5,645	6,971
Personnel expenses	-29,994	-24,089
Marketing expenses	-9,245	-8,212
Other operating expenses	-16,147	-13,579
<b>EBITDA</b>	<b>17,708</b>	<b>14,801</b>
Depreciation, amortization and impairment losses	-5,925	-4,740
<b>EBIT</b>	<b>11,782</b>	<b>10,061</b>
Share of profits and losses of equity-accounted investments	0	-610
Finance income	1,334	191
Finance costs	-291	-356
<b>EBT</b>	<b>12,826</b>	<b>9,286</b>
Taxes on income	-3,931	-3,155
<b>CONSOLIDATED NET PROFIT</b>	<b>8,895</b>	<b>6,131</b>
Earnings per share (basic)	€1.58	€1.09
Earnings per share (diluted)	€1.58	€1.09
<b>CONSOLIDATED NET PROFIT</b>	<b>8,895</b>	<b>6,131</b>
Currency translation differences	126	-5
Remeasurement of available-for-sale assets	315	-56
<b>OTHER COMPREHENSIVE INCOME</b>	<b>441</b>	<b>-61</b>
<b>CONSOLIDATED TOTAL COMPREHENSIVE INCOME</b>	<b>9,336</b>	<b>6,070</b>

<sup>1</sup> restated

# Consolidated statement of financial position

of XING SE  
as of March 31, 2019

## Assets

In € thousand	03/31/2019	12/31/2018
<b>Intangible assets</b>		
Purchased software	7,961	8,631
Internally generated software	62,861	59,363
Goodwill	54,531	49,778
Other intangible assets	4,875	5,003
<b>Property, plant and equipment</b>		
Leasehold improvements	1,307	1,024
Other equipment, operating and office equipment	8,876	8,597
Advance payments made and construction in progress	156	223
Lease assets	11,873	11,050
<b>Financial assets</b>		
Financial assets at amortized cost	508	453
Financial assets at fair value (other comprehensive income)	29,168	28,702
Prepaid expenses	486	632
Deferred tax assets	3,553	3,349
<b>NON-CURRENT ASSETS</b>	<b>186,156</b>	<b>176,805</b>
<b>Receivables and other assets</b>		
Receivables from services	37,712	35,523
Contract assets	2,444	2,395
Other assets	9,467	5,912
<b>Cash and short-term deposits</b>		
Own cash	70,929	53,831
Third-party cash	6,834	4,050
<b>CURRENT ASSETS</b>	<b>127,386</b>	<b>101,710</b>
	<b>313,542</b>	<b>278,514</b>



# Consolidated statement of cash flows

of XING SE  
for the period from January 1 to March 31, 2019

## Consolidated statement of cash flows

In € thousand	01/01/2019 – 03/31/2019	01/01/2018 – 03/31/2018
Earnings before taxes	12,826	9,286
Amortization and write-downs of internally generated software	2,146	1,351
Depreciation, amortization and impairment losses on other fixed assets	3,779	3,389
Finance income	-1,334	-191
Interest received	2	1
Finance costs	291	356
Share of profits and losses of equity-accounted investments	0	610
Taxes paid	-2,245	-2,814
Profit from disposal of fixed assets	-14	-9
Change in receivables and other assets	-5,584	-3,961
Change in liabilities and other equity and liabilities	8,596	2,333
Non-cash changes from changes in basis of consolidation	-3,793	0
Change in contract liabilities	16,907	16,292
Elimination of XING Events third-party obligation	-2,784	-1,569
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>28,794</b>	<b>25,074</b>
Payment for capitalization of internally generated software	-5,644	-6,971
Payment for purchase of software	-551	-126
Payments for purchase of other intangible assets	0	-284
Proceeds from the disposal of fixed assets	25	15
Payments for purchase of property, plant and equipment	-1,804	-1,072
Payments for acquisition of consolidated companies (less funds acquired)	-2,500	0
Payments for equity-accounted investments	0	-1,228
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>-10,474</b>	<b>-9,667</b>

## Consolidated statement of cash flows

In € thousand	01/01/2019 – 03/31/2019	01/01/2018 – 03/31/2018
Interest paid	- 61	- 33
Payment for leases	- 1,242	- 811
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>- 1,303</b>	<b>- 844</b>
Currency translation differences	81	3
Change in cash and cash equivalents	17,098	14,566
Own funds at the beginning of the period	53,831	32,327
<b>OWN FUNDS AT THE END OF THE PERIOD <sup>1</sup></b>	<b>70,929</b>	<b>46,893</b>
Third-party funds at the beginning of the period	4,050	4,219
Change in third-party funds	2,784	1,569
<b>THIRD-PARTY FUNDS AT THE END OF THE PERIOD</b>	<b>6,834</b>	<b>5,788</b>

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

# Consolidated statement of changes in equity

of XING SE  
für den Zeitraum vom 1. Januar bis zum 31. März 2019

## Consolidated statement of changes in equity

In € thousand	Subscribed capital	Capital reserves	Other reserves	Net retained profits	Total equity
<b>AS OF 01/01/2018</b>	<b>5,620</b>	<b>22,622</b>	<b>2,338</b>	<b>47,007</b>	<b>77,587</b>
Consolidated net profit/loss	0	0	0	6,131	6,131
Other comprehensive income	0	0	-61	0	-61
<b>Consolidated total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>-61</b>	<b>6,131</b>	<b>6,070</b>
<b>AS OF 03/31/2018</b>	<b>5,620</b>	<b>22,622</b>	<b>2,277</b>	<b>53,138</b>	<b>83,658</b>
<b>AS OF 01/01/2019</b>	<b>5,620</b>	<b>22,644</b>	<b>1,773</b>	<b>68,274</b>	<b>98,311</b>
Consolidated net profit/loss	0	0	0	8,895	8,895
Other comprehensive income	0	0	441	0	441
<b>Consolidated total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>441</b>	<b>8,895</b>	<b>9,336</b>
<b>AS OF 03/31/2019</b>	<b>5,620</b>	<b>22,644</b>	<b>2,214</b>	<b>77,170</b>	<b>107,647</b>



# Notes to the interim consolidated financial statements

for the period from January 1 to March 31, 2019

## 1. Information on the Company

The registered offices of XING SE are located at Damm-torstrasse 30, 20354 Hamburg, Germany; the Company is registered at the Amtsgericht (local court) Hamburg under HRB 148078. The parent company of XING SE is Burda Digital GmbH, Munich, and the ultimate controlling parent company of XING SE since December 18, 2012 has been Hubert Burda Media Holding Kommanditgesellschaft, Offenburg, Germany. The next higher-level parent company that prepares consolidated financial statements is Burda Gesellschaft mit beschränkter Haftung, Offenburg.

Measured in terms of the total number of individual visitors worldwide, XING operates one of the leading professional networking websites. The international, multilingual, Internet-based platform is a “relationship engine” which provides its members with the opportunity of establishing new business contacts, maintaining existing contacts, extending their operations to new markets, and exchanging opinion and information. XING generates its revenues primarily from fee-based products for end customers and businesses. It is a model in which our customers pay for most of the services provided in advance.

## 2. Basis of preparation of the financial statements and accounting policies

These condensed interim consolidated financial statements of XING SE (hereinafter also referred to as “XING” or “the Company”) for the reporting period ending on March 31, 2019, have been prepared in accordance with the International Financial Reporting Standard for interim financial reporting (IAS 34). The condensed interim consolidated financial statements do not contain all of the information required for full annual consolidated financial statements, and should therefore be read in conjunction with the consolidated financial statements as of December 31, 2018.

The reporting period began on January 1, 2019, and ended on March 31, 2019. The corresponding prior-year period began on January 1, 2018, and ended on March 31, 2018. The interim consolidated financial statements and the interim group management report of XING SE were approved for publication on May 3, 2019, by the Management Board.

The accounting policies applied in principle to these condensed interim consolidated financial statements are consistent with those used for the consolidated financial statements as of December 31, 2018, with the exception of the matters presented under item 3. These interim financial statements have not been audited by the auditor, nor have they been subjected to a review.

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.

The amortization period, the residual values and the amortization method used for finite-lived intangible assets are reviewed regularly. The review of the remaining useful lives in the reporting period revealed that the useful life of the XING platform had been extended by a further twelve months to December 31, 2023.

Unless indicated otherwise, all amounts are rounded to the nearest thousand euros (€ thousand). Rounding differences may occur in the tables due to mathematical reasons.

### 3. Change in accounting policies

As of January 1, 2019, XING changed the disclosure structure in its income statement in order to further increase transparency and adjust its reporting to the disclosure structure adopted by most other companies in our sector. The new structure has been applied for the first time in the interim financial statements for the period ended March 31, 2019. The change merely concerns the structure of reporting and has no effect on earnings.

The change affects the recognition of own work capitalized. In previous years, most additions to internally generated software reduced expenses by being recognized in personnel expenses and other operating expenses, and to a very small extent increased income by being recognized in other operating income; they were disclosed separately in the notes to the consolidated financial statements. Going forward, XING will transfer this information from the notes to the consolidated financial statements to the consolidated statement of comprehensive income. There are no further effects on the consolidated financial statements.

The following table shows the effect on the consolidated statement of comprehensive income for the first quarter of 2018:

In € thousand	01/01/ – 03/31/2018 as reported	Restatement	01/01/ – 03/31/2018 restated
Service revenues	53,022	0	53,022
Other income	957	- 269	688
Other own work capitalized	0	6,971	6,971
Personnel expenses	- 20,012	- 4,077	- 24,089
Marketing expenses	- 8,212	0	- 8,212
Other operating expenses	- 10,954	- 2,625	- 13,579
<b>EBITDA</b>	<b>14,801</b>	<b>0</b>	<b>14,801</b>

### 4. Acquisitions in the reporting period

kununu GmbH, a wholly owned subsidiary of XING SE, formed the joint venture kununu US, LLC with Monster Worldwide Inc. on February 2, 2016. The objective was to position Europe's leading employer review and employer branding platform on the US market. The acquisition costs amounted to €2,706 thousand. Including the subsequent capital increases performed in the same amount by both shareholders, the capital paid in by kununu GmbH amounted to €7,430 thousand as of January 30, 2019. Proportional changes in earnings were accounted for using the equity method.

In a contract dated October 1, 2018, 50 percent of the shares of the joint venture kununu US, LLC were acquired from Monster Worldwide Inc effective January 30, 2019. kununu GmbH therefore holds 100 percent of the shares as of the date of transfer of control (January 30, 2019). This step acquisition of the entity necessitates a transition from the equity method of accounting to full inclusion in the consolidated financial statements in 2019.

According to IFRS 3, the consideration of the buyer for the assets and liabilities acquired in the case of a step acquisition comprises the fair value of the equity share already held and the purchase price. The purchase price for the newly acquired 50 percent totals US\$ 1 (= €0.87 as of January 30, 2019). The fair value of the shares already held calculated using the discounted cash flow method amounted to US\$ 1,510 thousand (€1,315 thousand) as of January 30 2019. The write-up will be included in the financial result in the reporting period.

Goodwill of €4,643 thousand resulted primarily from synergies unused to date relating to the transfer of technology and expertise within the XING Group. This was allocated to the kununu International segment. The recognized goodwill is not tax-deductible.

Based on the carrying amount of net assets as of January 30, 2019, the acquired assets and liabilities have the following fair values at the date of initial consolidation, translated at the closing rate as of January 30, 2019:

### Akquisition kununu US LLC

In € thousand	01/30/2019
Customer relations	392
Property, plant and equipment	38
<b>NON-CURRENT ASSETS</b>	<b>430</b>
Receivables from services	60
Other assets	95
Cash	136
<b>CURRENT ASSETS</b>	<b>291</b>
<b>IDENTIFIED ASSETS</b>	<b>721</b>
Deferred income tax liabilities	101
<b>Non-current liabilities</b>	<b>101</b>
Trade accounts payable	3,433
Other liabilities	514
<b>CURRENT LIABILITIES</b>	<b>3,947</b>
<b>IDENTIFIED LIABILITIES</b>	<b>4,048</b>
<b>Net assets</b>	<b>-3,328</b>
Base purchase price	0
Fair value for 50% of the interest already held	1,315
<b>Consideration transferred for 50% of the shares</b>	<b>1,315</b>
<b>GOODWILL</b>	<b>4,643</b>

## 5. Segment information

In € thousand	B2C		B2B E-Recruiting		B2B Marketing Solutions & Events		kununu International		Consolidation of intersegment revenues / expenses		Total segments	
	01/01- 03/31/ 2019	01/01- 03/31/ 2018	01/01- 03/31/ 2019	01/01- 03/31/ 2018	01/01- 03/31/ 2019	01/01- 03/31/ 2018	01/01- 03/31/ 2019	01/01- 03/31/ 2018	01/01- 03/31/ 2019	01/01- 03/31/ 2018	01/01- 03/31/ 2019	01/01- 03/31/ 2018
Revenues (from third parties)	25,449	24,208	31,042	23,662	5,978	4,847	172	305	0	0	62,642	53,022
Intragroup revenues	0	0	0	0	138	155	0	0	-138	-155	0	0
Total revenues	25,449	24,208	31,042	23,662	6,116	5,002	172	305	-138	-155	62,642	53,022
Intragroup segment expenses	-138	-155	0	0	0	0	0	0	138	155	0	0
Other segment expenses	-17,840	-14,031	9,421	-7,974	-4,310	-3,649	-346	-345	0	0	-31,917	-25,999
Segment operating result	7,470	10,022	21,621	15,688	1,806	1,353	-174	-40	0	0	30,724	27,023
Other operating income/expenses											-13,016	-12,222
EBITDA											17,708	14,801

### Revenues by region

In € thousand	01/01/2019- 03/31/2019	01/01/2018- 03/31/2018
D-A-CH	52,534	48,697
International	10,107	4,325
	<b>62,642</b>	<b>53,022</b>

The Company is not reliant on major customers because a significant percentage of Group revenues is not generated with any single customer.

As was the case as of December 31, 2018, the non-current assets (excl. deferred tax assets and other financial assets) of €151,409 thousand (December 31, 2018: €143,155 thousand) are attributable to the D-A-CH region.

## 6. Equity

As of March 31, 2019, XING SE had share capital of €5,620,435 (December 31, 2018: €5,620,435). As previously, the Company does not hold any treasury shares. The Management Board and the Supervisory Board recommend that the Annual General Meeting on June 6, 2019, adopt a resolution to pay a regular and a special dividend. Investors holding shares carrying dividend rights are to receive a regular dividend of €2.14 per share, an increase of 27 percent over the previous year. In addition, a special dividend of €3.56 per share is to be distributed. This represents a total amount to be distributed of around €32 million.

Own cash and available-for-sale securities of €100.1 million as of March 31, 2019 and XING'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.

## 7. Other operating income

Other operating income mainly includes non-recurring, non-operating income of €3,750 thousand from the acquisition of the new XING Campus. Other operating expenses amounted to €2,896 thousand. Income from currency translation of €287 thousand (previous year: €105 thousand) is also included.

## 8. Other operating expenses

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

In € thousand	01/01/2019 – 03/31/2019	01/01/2018 – 03/31/2018 <sup>1</sup>
IT services, management services	6,197	6,094
Other personnel expenses	1,947	1,570
Server hosting, administration and traffic	1,367	1,069
Travel, entertainment and other business expenses	1,317	857
Payment transaction costs	717	817
Occupancy expenses	669	776
Bad debts	603	388
Expenses attributable to prior periods	524	269
Training costs	330	396
Legal consulting fees	245	107
Accounting fees	168	153
Financial statements preparation and auditing costs	137	181
Telephone/cell phone/postage/courier	130	105
Office supplies	104	113
Rents/leases	102	124
Exchange rate losses	100	261
Supervisory Board remuneration	81	81
Other	1,409	218
<b>TOTAL</b>	<b>16,147</b>	<b>13,579</b>

<sup>1</sup> restated pursuant to IAS 8

The expenses for IT services and management services also include non-recurring, non-operating expenses of €1,818 thousand incurred in connection with the new XING Campus.

Other expenses also comprise non-recurring, non-operating expenses of €1,078 thousand incurred in connection with the XING Campus.

## 9. Depreciation, amortization and impairment losses

Effective at the start of the 2019 financial year, the useful life of internally generated software was extended by a further twelve months to December 31, 2023. This led to the recognition of lower amortization of €742 thousand than as stipulated in the previous amortization schedule.

## 10. Financial result

In a contract dated October 1, 2018, 50 percent of the shares of the joint venture kununu US, LLC were acquired from Monster Worldwide Inc effective January 30, 2019. The fair value of the shares already held calculated using the discounted cash flow method amounted to US\$ 1,510 thousand (€1,315 thousand) as of January 30 2019. The write-up will be included in the financial result in the reporting period.

## 11. Related parties

Please refer to the consolidated financial statements as of December 31, 2018, for information about related parties. From the perspective of XING SE, no significant changes with respect to the Burda Group occurred until March 31, 2019.

There were no claims against members of the Management Board and the Supervisory Board as of March 31, 2019. For a market study involving a company over which a member of the Management Board has control or significant influence, a contract was signed in the reporting period with a customary market remuneration of €100 thousand.

## 12. Financial instruments

XING SE acquired various securities in financial year 2017 for the purpose of investing excess liquidity. The fair values of these instruments, all of which are assigned to Level 1, correspond to their notional values multiplied with the prices quoted as of March 31, 2019.

The financial liabilities assigned to Level 3 include obligations from contingent purchase prices (earn-out obligations).

The following table provides an overview of the carrying amounts and fair values:

03/31/2019 In € thousand	Level	Fair value through other comprehensive income	Fair value through profit or loss	Financial assets at amortized cost	Other financial liabilities	Carrying amount
<b>Financial assets at fair value</b>						
Non-current assets at fair value	1	29,168				29,168
<b>Financial assets at amortized cost</b>						
Non-current financial assets at amortized cost				508		508
Trade accounts receivable				37,712		37,712
Other assets				9,467		9,467
Cash and short-term deposits				77,763		77,763
<b>Financial liabilities at fair value</b>						
Non-current liabilities at fair value	3		9,683			9,683
Current liabilities at fair value	3		2,079			2,079
<b>Financial liabilities not at fair value</b>						
Current trade accounts payable					2,672	2,672
Lease liabilities					13,070	13,070
Other liabilities					7,916	7,916

12/31/2018 In € thousand	Level	Fair value through other comprehensive income	Fair value through profit or loss	Financial assets at amortized cost	Other financial liabilities	Carrying amount
<b>Financial assets at fair value</b>						
Non-current assets at fair value	1	28,702				28,702
<b>Financial assets at amortized cost</b>						
Non-current financial assets at amortized cost				453		453
Trade accounts receivable				35,523		35,523
Other assets				783		783
Cash and short-term deposits				57,881		57,881
<b>Financial liabilities at fair value</b>						
Non-current liabilities at fair value	3	9,546				9,546
Current liabilities at fair value	3	4,501				4,501
<b>Financial liabilities not at fair value</b>						
Current trade accounts payable					3,873	3,873
Lease liabilities					12,362	12,362
Other liabilities					3,989	3,989



Receivables from services are impaired as follows:

03/31/2019 In € thousand	Not yet due	Past due < 30 days	Past due < 90 days	Past due > 90 days	Total
Impairment ratio	0.6%	2.1%	11.2%	28.1%	4.4%
Gross carrying amount	21,930	10,236	3,800	3,496	39,462
Impairment	-131	-211	-424	-984	-1,750

12/31/2018 In € thousand	Not yet due	Past due < 30 days	Past due < 90 days	Past due > 90 days	Total
Impairment ratio	0.8%	2.9%	8.3%	20.5%	4.2%
Gross carrying amount	21,636	7,668	3,548	4,234	37,086
Impairment	-180	-221	-296	-866	-1,563

The impairment figure includes both specific valuation allowances and anticipated defaults of the total receivables from services.

## 13. Significant events after the interim reporting period

Under a contract signed on April 1, 2019, XING acquired all interests in HoneyPot GmbH. The start-up is a job portal especially for IT experts. The platform works such that companies have to apply to potential employees.

The purchase price is around €22 million. An earn-out payment of up to €35 million may also take effect if certain operating targets are reached.

The entity was consolidated for the first time as of April 1, 2019, the date on which ownership of the interests was transferred. Given the lack of reliable IFRS figures, further disclosures can only be made at a later time.

Furthermore, the 2,823,946 shares with voting rights in XING SE previously held by Burda Digital GmbH were transferred to Burda Digital SE (formerly Burda Digital Future SE) by way of universal succession due to a merger of Burda Digital GmbH with Burda Digital SE.

Hamburg, May 3, 2019

The Management Board

Dr. Thomas Vollmoeller

Dr. Patrick Alberts

Alastair Bruce

Ingo Chu

Jens Pape

# Financial calendar

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Annual General Meeting	June 6, 2019
2019 half-year financial report	August 13, 2019
Q3 2019 interim financial report	November 7, 2019

# Publishing information and contact

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For annual reports, interim reports and current financial information about XING SE, please contact:

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## Consulting, Concept & Design

Silvester Group  
www.silvestergroup.com

## Our social media channels

Corporate blog of XING SE  
<http://blog.xing.com>

Information and news related to the capital markets  
Twitter: xing\_ir

Topics and news related to the Company  
in general – German only  
Twitter: xing\_de

Corporate information and news in English  
Twitter: xing\_com

XING SE's YouTube channel  
YouTube: [www.youtube.com/user/XINGcom?gl=DE](http://www.youtube.com/user/XINGcom?gl=DE)

XING SE's Facebook profile  
Facebook: [www.facebook.com/XING](http://www.facebook.com/XING)

*This interim financial 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 <http://corporate.xing.com>*

[www.xing.com](http://www.xing.com)

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