



INTERIM MANAGEMENT STATEMENT
FOR THE 1ST QUARTER 2020

Financial Key Figures

Financial key figures of 11 880 Solutions Group at a glance

in EUR million	3M 2020	3M 2019	Variance absolute	Variance in percent
Revenues and earnings 11 880 Solutions Group				
Revenues	12.1	11.6	0.5	4.0 %
EBITDA ¹	0.4	0.8	-0.4	-48.2 %
Net loss	-0.7	-0.5	-0.2	-40.6 %
Details segments				
Revenues Digital	9.0	8.3	0.7	8.9 %
EBITDA ¹ Digital	0.4	0.7	-0.3	-34.2 %
Revenues Directory Assistance	3.0	3.3	-0.3	-8.4 %
EBITDA ¹ Directory Assistance	0.0	0.1	-0.1	> -100.0 %
Statement of financial position²				
Total assets	25.9	27.3	-1.4	-5.2 %
Cash and cash equivalents ³	2.6	4.7	-2.1	-44.4 %
Equity	6.6	7.4	-0.7	-10.2 %
Equity ratio	25.5 %	27.1 %	-1.6	-5.2 %
Cash flow				
Cash flow from operating activities	-0.7	-0.1	-0.6	> -100.0 %
Cash flow from investing activities	-1.1	-0.6	-0.5	-91.6 %
Cash flow from financing activities	-0.3	0.5	-0.8	> -100.0 %
Net Cash Flow ⁴	-2.1	-0.6	-1.5	> -100.0 %
Key figures for the 11 880 share				
Earnings per share (in EUR)	-0.04	-0.03	-0.01	-33.3 %
Share price (in EUR) ⁵	1.18	1.34	-0.16	-11.9 %
Market capitalisation	24.8	25.6	-0.8	-3.1 %
Other KPIs				
Number of employees ⁶ group	598	572	26	4.5 %

1 Earnings before interest, tax, depreciation and amortisation

2 Comparison value as of 31 December 2019

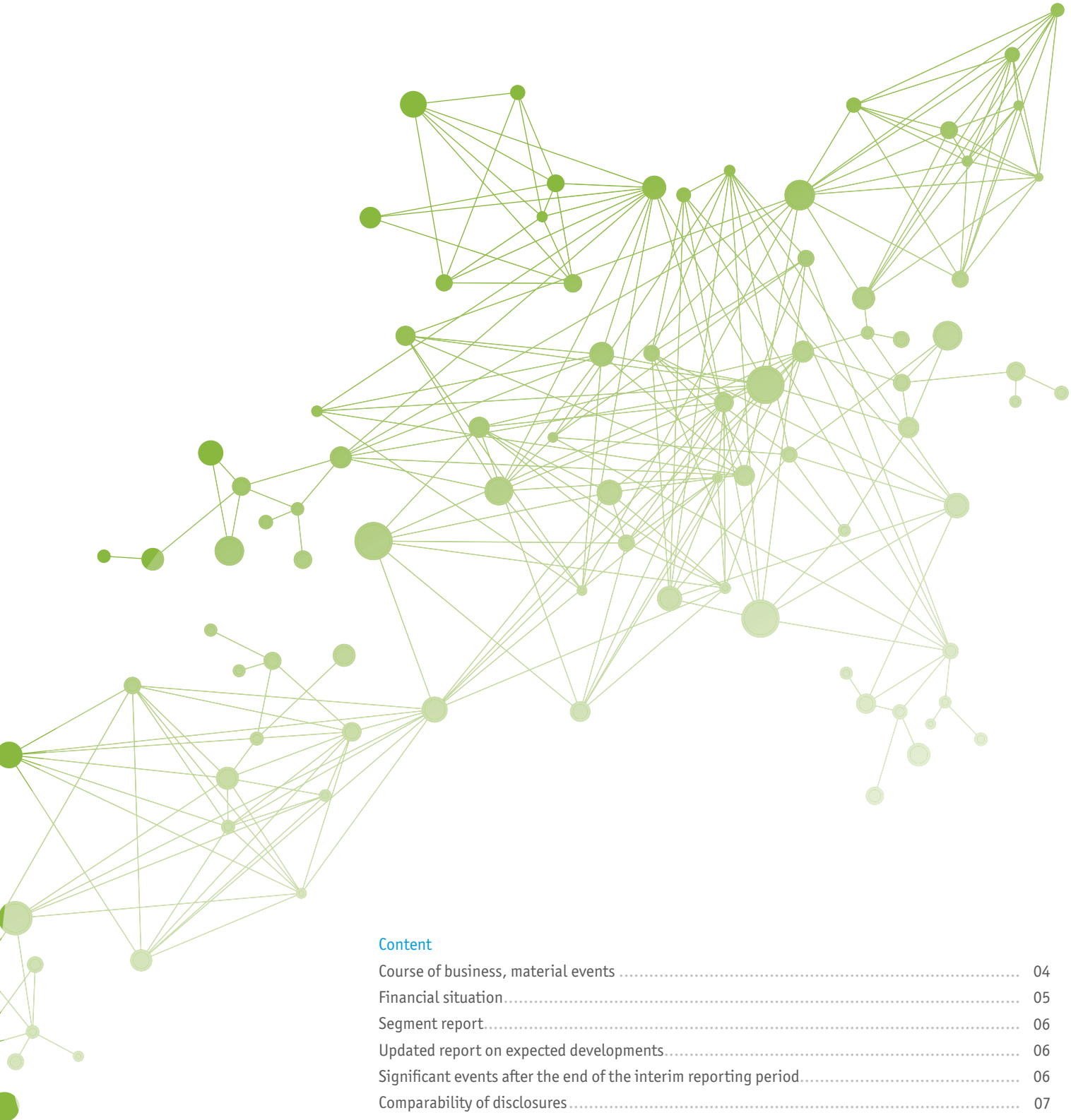
3 Portfolio of cash and cash equivalents as well as financial assets at fair value through profit or loss

4 Operating cash flow plus cash flow from investing activities plus cash flow from financing activities, adjusted for the changes in financial assets at fair value through profit or loss

5 Xetra-closing prices as of 31 March 2020 (previous year as of 29 March)

6 Headcounts as of 31 March 2020 (excluding the Management Board, trainees, "mini-jobs" and dormant employment contracts)

For mathematical reasons, rounding differences amounting to +/- one unit (€, % etc.) may occur. In favour of a correct mathematical presentation, such differences are consciously accepted.



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Course of business, material events

The 2020 financial year started well for 11880 Solutions AG despite all of the uncertainty caused by the coronavirus crisis. The Company acquired 1,632 new customers in the first quarter of the current financial year in spite of lower staffing levels in the Digital business, taking the customer base to 40,298 as of 31 March 2020. The aim for the current financial year is to achieve a customer base of around 45,000 as of 31 December 2020.

Sales activities were supported by a sharp increase in traffic on the wirfindendeinenJOB.de job portal, the werkenntdenBESTEN.de review search engine and the 20 specialist portals for the most searched-for sectors. After several slightly weaker months at the end of the 2019 financial year, measures to increase online traffic began to show the first signs of success. Significantly more consumers than before used 11880 Solutions AG's online services in the first three months of 2020.

The product management team began to optimise the customer area in the Digital segment in the first quarter of 2020. During the course of this year, a new version with a more modern appearance and enhanced usability should make it more attractive. The layout of the specialist portals will also be redesigned during the 2020 financial year.

The second segment, Directory Assistance, also continued its positive trend at the start of the year. Although call volumes for the Directory Assistance continued to decline in line with the market in the first quarter of 2020, this reduction in call volume was once again partially offset by longer call times. In addition, the call centre third-party business recorded stable revenue. In this new business area, 11880 employees provide telephone customer services for nine large companies that have outsourced some or all of their customer services to 11880 Solutions AG. We are currently in discussions with eight other companies about a future collaboration.

In the first quarter of 2020, the Company also held negotiations with the 11811 Fred directory assistance, which is operated by various publishers of 'Das Örtliche' and 'DasTelefonbuch'. Subject matter of these cooperation meetings was the consolidation in the

directory assistance market. In the future, the experienced 11880 employees shall process incoming calls on the telephone number 11811 on behalf of Fred. Implementation of the intended cooperation will begin in the second quarter of 2020.

11880 Solutions AG and its major shareholder united vertical media GmbH continued to evaluate collaboration opportunities and the exploitation of synergies in the first quarter of 2020.

Financial situation

Results of operations

In the first three months of 2020, the 11880 Group generated consolidated revenues of EUR 12.1 million (previous year: EUR 11.6 million), which represents an increase of EUR 0.5 million (equals 4.0 percent) compared with the previous year. Further information on the segment breakdown and changes is provided in the section entitled "Segment report".

The cost of revenues increased by EUR 0.8 million year-on-year, amounting to EUR 6.9 million at the end of the first quarter. This was mainly due to higher consulting costs triggered by the introduction of a new CRM system and other necessary investments in the IT infrastructure.

In the first quarter of 2020, the Group incurred selling and distribution costs of EUR 3.9 million (previous year: EUR 3.6 million). The increase is mainly attributable to higher depreciation and amortisation and slightly higher personnel expenses.

General administrative expenses for the first three months amounted to EUR 2.1 million (previous year: EUR 2.3 million). The decrease is primarily due to lower general consulting costs.

As of 31 March 2020, consolidated earnings before interest, taxes, depreciation and amortisation (EBITDA) totalled EUR 0.4 million, which is a year-on-year decrease of EUR 0.4 million. This is mainly the result of IT infrastructure costs which were incurred, among other things, in connection with the introduction of the new CRM system and do not qualify for capitalisation.

Earnings after taxes decreased from EUR -0.5 million in the previous year to EUR -0.7 million in the current reporting period.

Net assets and financial position

Capital expenditures

The Group invested EUR 1.1 million in the first quarter of 2020 (previous year: EUR 1.1 million). Total capital expenditures mainly include capitalised sales commission of EUR 0.9 million (previous

year: EUR 0.8 million). There were also capital expenditures made primarily in the Digital segment for product improvements and innovations.

Statement of financial position

As of 31 March 2020, total assets amounted to EUR 25.9 million, showing a decrease of EUR 1.4 million compared with 31 December 2019 (31 December 2019: EUR 27.3 million).

On the assets side, current assets declined from EUR 14.2 million as of 31 December 2019 to EUR 12.7 million. This was mainly due to the decrease in cash triggered by capital expenditures made for IT infrastructure. Financial assets measured at fair value (investment funds) totalled EUR 0.6 million as of the reporting date (31 December 2019: EUR 0.6 million). The increase in trade accounts receivable by EUR 0.4 million to EUR 9.1 million (31 December 2019: EUR 8.7 million) was attributable mainly to the strong year-on-year growth in revenues generated in the Digital segment.

Non-current assets at EUR 13.2 million remained almost unchanged compared to previous year (31 December 2019: EUR 13.2 million).

On the liabilities side, current liabilities decreased by EUR 0.5 million to EUR 12.2 million (31 December 2019: EUR 12.7 million). The decrease was mainly due to a reduction in deferred current liabilities and trade payables. Deferred current liabilities decreased mainly as a result of the annual payment of variable salary components in the first quarter of 2020 and because of the reduction of provisions for outstanding invoices. Conversely, other current liabilities rose by EUR 0.5 million, mainly due to higher personnel liabilities.

Non-current liabilities totalled EUR 7.1 million as of the reporting date (31 December 2019: EUR 7.3 million). The decrease is mainly due to the EUR 0.3 million reduction in deferred tax liabilities.

Equity decreased by EUR 0.7 million to EUR 6.6 million (31 December 2019: EUR 7.4 million) due to the net loss of the period.

Cash flow & financing

Cash flow from operating activities as of 31 March 2020 amounted to EUR -0.7 million, compared to EUR -0.1 million during the prior-year period.

The cash outflow from investing activities was EUR 1.1 million, up EUR 0.5 million on the prior-year period. In the previous year, cash flow had been positively influenced by the inflow of EUR 0.5 million from the sale of financial assets at fair value through profit or loss.

Cash flow from financing activities amounted to EUR -0.3 million in the first three months of the year (previous year: EUR 0.5 million). The change is mainly due to a change in the presentation of interest and principal payments from lease liabilities in the first quarter of 2020.

Cash holdings

Cash holdings (cash and cash equivalents as well as current financial assets measured at fair value through profit or loss at the end of the period) declined from EUR 4.7 million to EUR 2.6 million compared with 31 December 2019. The decrease in cash holdings by EUR 2.1 million (net cash flow) corresponds to the sum of the cash flow from operating activities of EUR -0.7 million, the cash flow from investing activities of EUR -1.1 million and the cash flow from financing activities in the amount of EUR -0.3 million.

Segment report

At EUR 9.0 million, revenues in the Digital segment were up considerably year-on-year (previous year: EUR 8.3 million). This result is due to the good sales performance in the prior year and in the first quarter of 2020. The number of new customers in this line of business again rose sharply. The Digital business accounted for around 75 percent of total revenue in the first quarter of 2020 (previous year: 72 percent). Three-month earnings (EBITDA) as of the reporting date were EUR 0.4 million (previous year: EUR 0.7 million).

The Directory Assistance segment accounted for EUR 3.0 million of total revenues (previous year: EUR 3.3 million). Three-month earnings (EBITDA) were EUR 0 million (previous year: EUR 0.1 million).

Updated report on expected developments

Consolidated revenues as well as EBITDA and cash holdings are developing in line with expectations.

Significant events after the end of the interim reporting period

The global spread of the novel coronavirus (COVID-19) continues to represent an additional element of uncertainty with regard to the economic impact on the 11880 Solutions Group. The Company's business model is proving to be resilient at the time the financial statements were being prepared, even though it is not yet possible to reliably predict customer behaviour with regard to contract fulfilment for the next few months.

In view of the dynamic developments, it is not currently possible to reliably quantify either the duration or the extent of the future economic consequences of this crisis. As a result, statements regarding the further course of business are currently subject to increased uncertainty. Revenue and earnings losses cannot be ruled out. In light of the Company's performance in the first quarter of 2020 as well as the measures introduced to reduce potential revenue, earnings and liquidity risks, we are confident of being able to bear the stresses resulting from COVID-19.

Comparability of disclosures

The 3-month report for 2019 and the consolidated financial statements for the year ended 31 December 2019 are available on the 11880 Solutions AG website at: <https://ir.11880.com/finanzberichte>.

Essen, 4 May 2020

The Management Board



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Consolidated income statement (IFRS)

3-Month-Report

(unaudited)

in EUR thousand	01.01. – 31.03.2020	01.01. – 31.03.2019
Revenues	12,058	11,593
Cost of revenues	-6,932	-6,104
Gross profit	5,126	5,489
Selling and distribution costs	-3,901	-3,558
General administrative expenses	-2,148	-2,296
Operating income (loss)	-923	-365
Interest expense	-2	-2
Interest expenses from lease liabilities (IFRS 16)	-81	-89
Gain (loss) from the disposal of financial instruments	0	-3
Gain (loss) from marketable securities	-27	42
Financial income (loss)	-110	-52
Income (loss) before income tax	-1,033	-417
Deferred income tax	286	-114
Income tax	286	-114
Net income (loss)	-747	-531
Attributable to:		
Owners of the parent	-747	-531
Earnings per share for net income (loss) for the reporting period attributable to ordinary equity holders of the parent (in euro)	-0.04	-0.03

**Consolidated statement of
comprehensive income (IFRS)**
3-Month-Report

(unaudited)

in EUR thousand	01.01. – 31.03.2020	01.01. – 31.03.2019
Net income (loss)	-747	-531
Other comprehensive income (loss)		
Items that will not be reclassified to profit or loss		
Actuarial gains (losses) from pensions and similar obligations, net	0	0
Deferred tax on actuarial gain (losses) from pensions and similar obligations, net	0	0
Items that can be reclassified subsequently to profit or loss		
Foreign currency translation differences	0	1
Other comprehensive income (loss) after tax	0	1
Total comprehensive income (loss)	-747	-530
Attributable to:		
Owners of the parent	-747	-530

Consolidated statement of financial position (IFRS)

in EUR thousand	31 March 2020	31 March 2019	31 December 2019
	(unaudited)	(unaudited)	
ASSETS			
Current assets			
Cash and cash equivalents	2,012	624	4,090
Restricted cash	67	94	67
Trade accounts receivable	9,109	8,707	8,743
Current tax assets	1	71	19
Financial assets at fair value through profit or loss	555	1,238	582
Other financial assets	103	135	97
Other current assets	857	851	556
Total current assets	12,704	11,720	14,154
Non-current assets			
Goodwill	416	416	416
Intangible assets	6,088	5,476	6,051
Property and equipment	904	1,032	921
Right-of-use assets (IFRS 16)	5,553	6,105	5,583
Other non-current assets	245	217	218
Deferred tax assets	0	4	0
Total non-current assets	13,206	13,250	13,189
Total assets	25,910	24,970	27,343



in EUR thousand	31 March 2020	31 March 2019	31 December 2019
	(unaudited)	(unaudited)	
LIABILITIES AND EQUITY			
Current liabilities			
Trade accounts payable	1,068	320	1,262
Accrued liabilities	4,060	4,348	4,824
Provisions	35	35	35
Current lease liabilities (IFRS 16)	1,376	1,381	1,426
Other current liabilities	5,631	5,631	5,140
Total current liabilities	12,170	11,715	12,687
Non-current liabilities			
Provisions	726	194	651
Provisions for retirement benefits	477	168	477
Non-current lease liabilities (IFRS 16)	4,962	5,469	4,920
Deferred tax liabilities	960	656	1,245
Total non-current liabilities	7,125	6,487	7,293
Total liabilities	19,295	18,202	19,980
Equity			
Share capital	21,022	19,111	21,022
Additional paid-in capital	33,598	32,059	33,598
Retained earnings	-47,675	-44,281	-46,927
Other components of equity	-330	-121	-330
Equity attributable to owners of the parent	6,615	6,768	7,363
Total equity	6,615	6,768	7,363
Total liabilities and equity	25,910	24,970	27,343

Consolidated statement of cash flows (IFRS)

in EUR thousand	01.01. – 31.03.2020	01.01. – 31.03.2019
	(unaudited)	(unaudited)
Cash flow from operating activities		
Income (loss) before income tax	-1,033	-531
Adjustments for:		
Amortisation and impairment of intangible assets	979	806
Depreciation and impairment of right-of-use assets (IFRS 16)	284	278
Depreciation and impairment of property and equipment	68	73
Interest expense	84	2
Gain (loss) from marketable securities	27	-42
Valuation allowance for trade accounts receivable	210	92
Impairment of other non-current assets	34	29
Gain (loss) on disposal of subsidiaries	0	3
Changes in non-current provisions	74	7
Changes in deferred taxes	0	108
Changes in non-current financial and other assets	-62	-58
Cash outflow / cash inflow before changes in operating assets and liabilities	665	767
Changes in operating assets and liabilities:		
Changes in trade accounts receivable	-576	497
Changes in miscellaneous current assets	-307	-335
Changes in trade accounts payable	-194	-159
Changes in accrued expenses and other current liabilities	-273	-874
Income taxes received / paid	18	-1
Cash outflows / cash inflows from operating activities	-667	-105



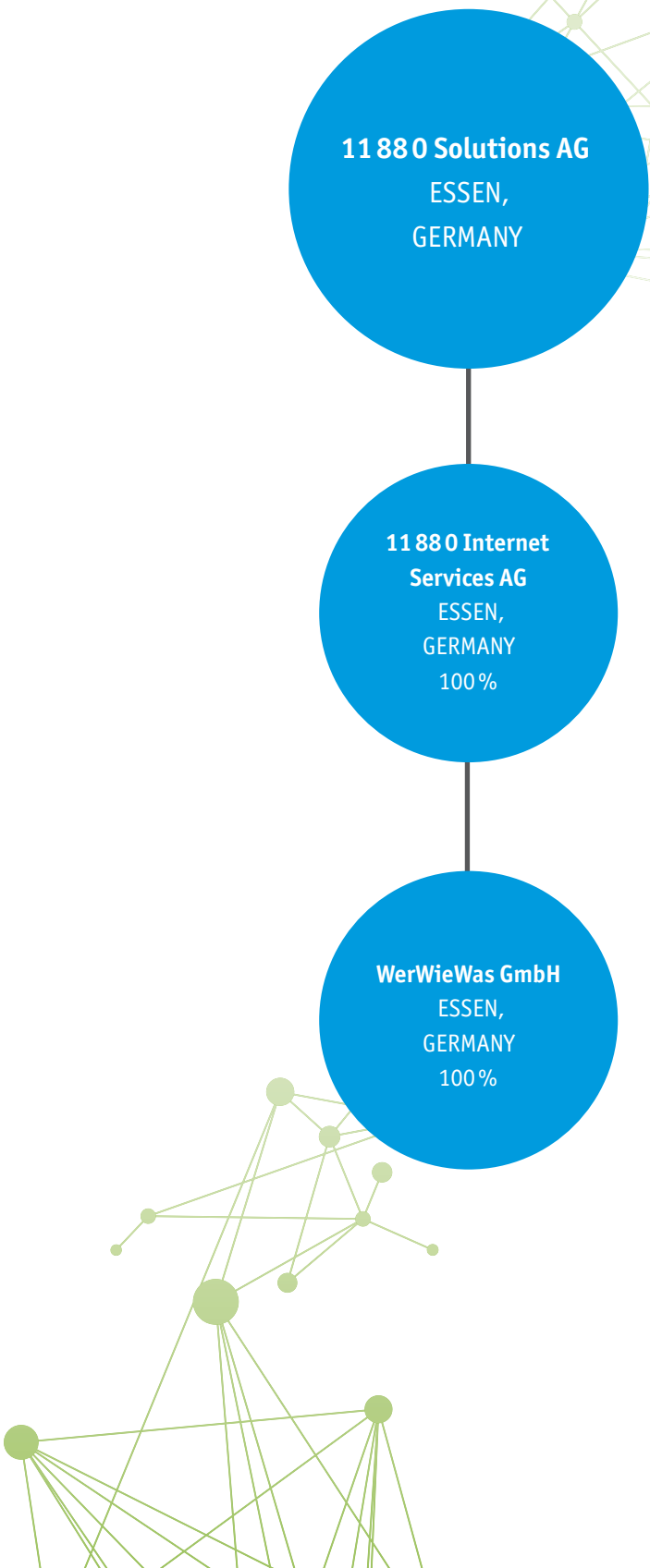
in EUR thousand	01.01. – 31.03.2020	01.01. – 31.03.2019
Cash flow from investing activities		
Purchase of intangible assets excl. customer contracts	-144	-197
Purchase of customer contracts with contract period > 1 year	-872	-803
Purchase of property and equipment	-51	-59
Disposal of financial assets at fair value through profit or loss	0	501
Cash outflows / cash inflows from investing activities	-1,067	-558
Cash flow from financing activities		
Interest paid	-2	-2
Interest expenses for leases in accordance with IFRS 16	-81	89
Payments from the repayment of lease liabilities (IFRS 16)	-262	393
Cash outflows / cash inflows from financing activities	-345	480
Change in cash	-2,079	-183
Cash at the beginning of the reporting period	4,090	807
Cash at the end of the reporting period	2,011	624
Cash and cash equivalents as well as financial assets at fair value through profit or loss at the end of reporting period	2,634	1,956



Consolidated statement of changes in equity (IFRS)

in EUR thousand	Equity attributable to owners of the parent				Total equity
	Share capital	Additional paid-in capital	Accumulated loss	Other components of equity	
Balance at January 1, 2020	21,022	33,598	-46,927	-330	7,363
Net income (loss)	–	–	-747	–	-747
Actuarial gains (losses) from pensions and similar obligations	–	–	–	0	0
Deferred tax on actuarial gains (losses) from pensions and similar obligations	–	–	–	0	0
Foreign currency translation	–	–	–	0	0
Other comprehensive income (loss)	0	0	0	0	0
Total comprehensive income (loss)	0	0	-747	0	-747
Balance at March 31, 2020	21,022	33,598	-47,674	-329	6,616
Balance at January 1, 2019	19,111	32,059	-43,472	-122	7,576
Adjustments due to first-time application of IFRS 16	–	–	-277	–	-277
Balance at March 31, 2019 after first-time application of IFRS 16	19,111	32,059	-43,749	-122	7,299
Net income (loss)	–	–	-532	–	-532
Actuarial gains (losses) from pensions and similar obligations	–	–	–	0	0
Deferred tax on actuarial gains (losses) from pensions and similar obligations	–	–	–	0	0
Foreign currency translation	–	–	0	1	1
Other comprehensive income (loss)	0	0	0	1	1
Total comprehensive income (loss)	0	0	-532	1	-531
Balance at March 31, 2019	19,111	32,059	-44,281	-121	6,768

Corporate Structure 11 88 0 Solutions Group





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