

Q1 2023

Interim Report

January 1 to March 31, 2023

NEW
WORK
SE



Consolidated key figures¹

	Unit	Q1 2023	Q1 2022	Q4 2022
Revenues	in € million	75.9	74.6	82.1
Pro forma revenues	in € million	75.9	74.6	82.1
EBITDA	in € million	15.5	25.7	23.5
Pro forma EBITDA	in € million	17.9	25.7	23.5
EBITDA margin	in %	20	34	29
Pro forma EBITDA margin	in %	24	34	29
Net profit/loss for the period	in € million	7.0	12.1	8.4
Pro forma net profit/loss for the period	in € million	9.2	12.6	8.0
Earnings per share (diluted)	in €	1.25	2.16	1.49
Pro forma earnings per share (diluted)	in €	1.64	2.25	1.42
Cash flow from operations	in € million	33.7	39.0	9.3
Equity	in million	153.2	150.1	146.1
XING platform members, D-A-CH	in million	21.7	20.7	21.5
InterNations members	in million	4.7	4.3	4.6
kununu workplace insights	in million	8.8	6.8	8.1
B2B E-Recruiting customers, D-A-CH (subscriptions)	in thsd.	14.5	13.3	14.5
Employees (FTE)	number	1,894	1,728	1,887

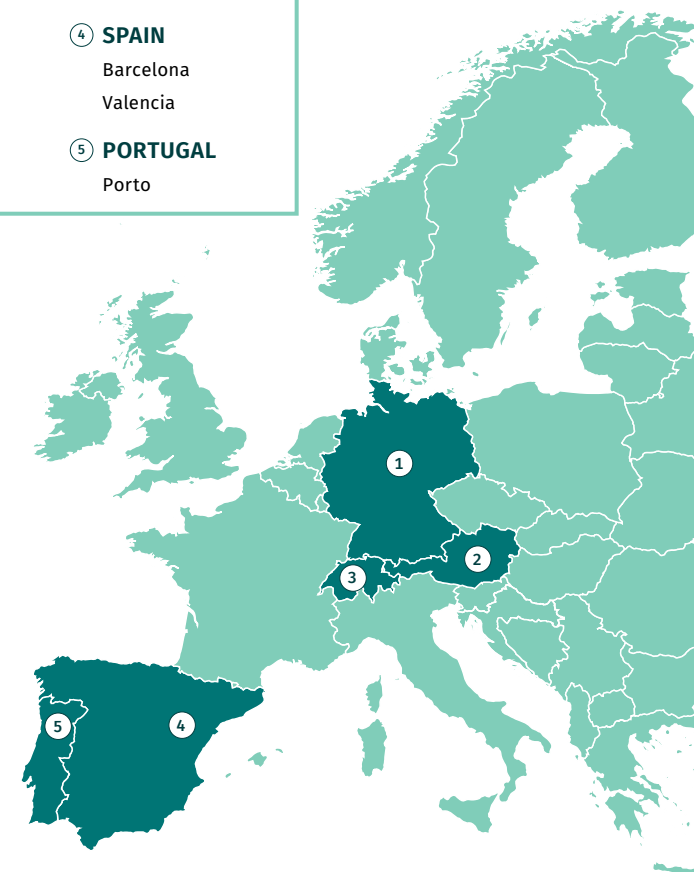
¹ From continuing operations

Contents

- 4 To our shareholders
- 8 Interim Group management report
- 17 Interim consolidated financial statements
- 27 Other information

Our sites

- ① **GERMANY**
Hamburg
Berlin
Munich
- ② **AUSTRIA**
Vienna
- ③ **SWITZERLAND**
ZURICH
- ④ **SPAIN**
Barcelona
Valencia
- ⑤ **PORTUGAL**
Porto



Company profile

The **New Work SE Group** strives towards a better working world. *///* With strong brands such as XING, kununu and onlyfy by XING, and the largest talent pool in German-speaking countries, it claims the spot of recruiting partner No. 1 in these countries. *///* By bringing candidates and companies together, it guides talents to a more fulfilling working life while simultaneously helping companies to greater success by winning the right talent. *///* The Group has been listed on the Frankfurt stock exchange since 2006, has its headquarters in Hamburg and currently employs around 2,000 people at offices including Berlin, Vienna and Porto. *///* Visit → new-work.se and → nwx.new-work.se for more information.



HARBOUR FOR



Strong brands

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

To our shareholders

- 5 Letter to our shareholders
- 7 The New Work SE shares



CEO of New Work SE
Petra von Strombeck

Letter to our shareholders

Dear Shareholders,

We are currently experiencing headwinds in our markets. Faced with rising costs and economic uncertainty, members of the business community have become less optimistic about the future and more restrained in their approach. After conducting a survey of 1,200 German CEOs, audit firm EY found that around two-thirds of them expect an economic downturn this year, with one-third planning to restructure their companies or even let people go.

“Our HR Solutions & Talent Access segment is growing at a double-digit rate.”

The situation other German companies are witnessing is naturally having a knock-on effect on our business. But let's start with the good news: New Work SE recorded double-digit growth of 11 percent in the first quarter of 2023 despite weak market conditions in the B2B business, i.e. the new HR Solutions & Talent Access segment, though at Group level revenues were up only 2 percent to €75.9 million. This at best modest growth is attributable to the 15 percent drop in B2C segment revenues to €19.5 million, which we had anticipated. We had forecast stronger revenue growth in the B2B business, however. The B2B Marketing Solutions segment was likewise forced to contend with an adverse market environment. Germany's online advertising market is currently experiencing a slump, something that we can also see in our figures – segment revenues were down 13 percent to about €3 million. As a consequence, pro forma EBITDA adjusted for non-recurring items decreased by 30 percent to just under €18 million and pro forma net profit contracted by 27 percent to just over €9 million.

Despite the deterioration in the market conditions compared with the previous year, we in the Management Board of New Work SE have decided to continue investing in our strategy because the long-term trends on which our strategy rests are unabated. As a result, we updated our guidance for financial year 2023. While we previously anticipated single-digit percentage growth and pro-forma EBITDA of between €108 million and €111 million, we now expect New Work SE to generate pro-forma EBITDA in a corridor between €92 million and €100 million in financial year 2023. We also update our guidance on pro forma revenues. The Management Board now expects revenues for financial year 2023 to be flat year-on-year.

“The shortage of skilled workers will increase the need for recruitment solutions.”

While the temporary restraint is causing our B2B business to grow slower than projected, we remain firm in our belief that we have chosen the right strategy because demographic change will have a significant impact on the labor market and the shortage of skilled workers will increase the need for

recruitment solutions. The medium- to long-term trend shows no signs of slowing down, which is why we will continue to invest in the right areas for our business, so that we are ready when the market picks up again. Our goal is to become the top recruitment partner by finding the right people for companies. The non-financial parameters from the first quarter also demonstrate that despite all the adversities we are on the right track: XING is continuing to grow, adding one million members within the last twelve months. The new management has moved forward with repositioning the platform as a job network and opening up the biggest range of job ads in the German-speaking region to non-members as well. Our employer review platform kununu is accelerating the growth of what are called workplace insights. There were over 710,000 of these in the first three months of the year alone, bringing the total to 8.8 million at the end of the first quarter. Last but not least, an update on our still relatively young B2B brand onlyfy by XING: onlyfy one Job Ads customers can now reap the benefits of significantly more efficient and convenient recruiting. Immediately after publishing their jobs, employers also automatically receive suitable recommendations from among the more than 21.7 million XING members and have the option to contact these talented professionals directly via the system.

“The trends in the labor market form the basis for our future growth.”

I'll conclude by reiterating that while we are not immune to the sluggish market environment, the medium- to long-term trends in the labor market make me look ahead with optimism. We have focused our business on these clear trends, which form the basis for our future growth.

Thank you for placing your trust in us. We hope you will continue to give us your support,

Yours sincerely,



Petra von Strombeck
Chief Executive Officer (CEO)

The New Work SE shares

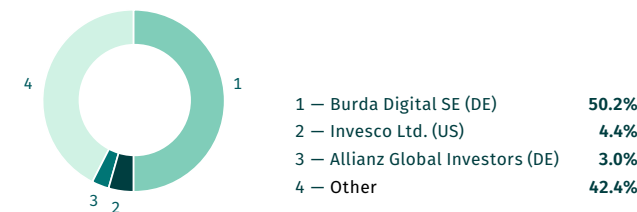
Basic data on the New Work shares

Number of shares	5,620,435
Share capital in €	5,620,435
Share type	Registered shares
IPO	12/07/2006
Ticker	NWO
WKN	NWRK01
ISIN	DE000NWRK013
Transparency level	Prime Standard
Index	SDAX
Sector	Software

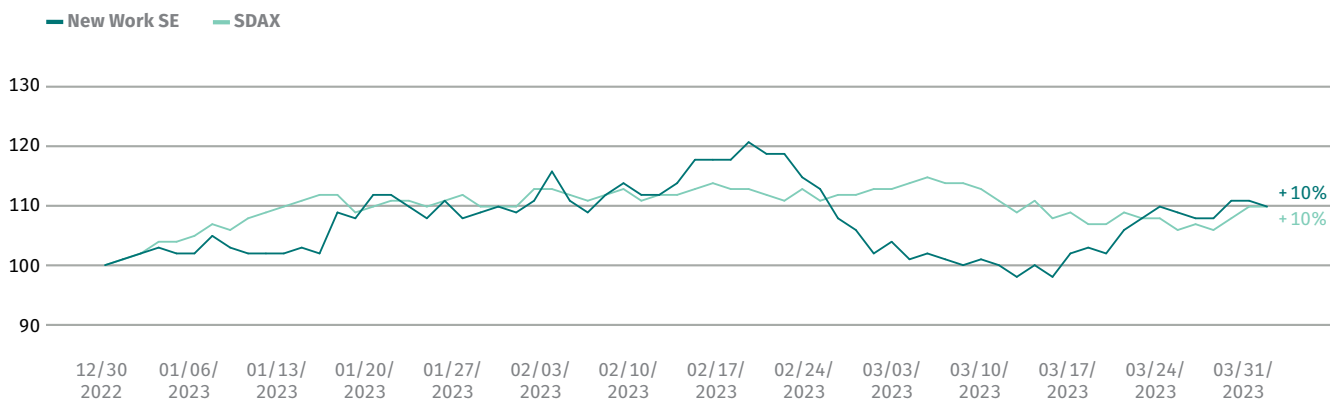
Key data on the share at a glance

	Q1 2023	Q1 2022
XETRA closing price at the end of the period	€167.20	€185.40
High	€184.40	€228.00
Low	€149.20	€152.00
Market capitalization at the end of the period	€0.94 billion	€1.04 billion
Average trading volume per day (XETRA & Tradegate)	1,512	2,506

Shareholder structure as of the end of March 2023



Share price performance vs. SDAX in the first three months of 2023



Analyst recommendations in May 2023

Broker	Analyst	Recommendation	Price target
Berenberg Bank	Wolfgang Specht	Buy	€200
Deutsche Bank	Nizla Naizer	Hold	€165
Hauck & Aufhäuser	Nicole Winkler	Buy	€215
Pareto Securities	Mark Josefson	Buy	€228
Warburg Research	Marius Fuhrberg	Buy	€250

Interim Group management report

*for the period from
January 1 to March 31, 2023*

- 9 Results of operations in the Group
- 13 Segment performance
- 16 Update guidance

Results of operations in the Group

REVENUES

The Group's revenues rose slightly year-on-year in the first quarter of 2023, climbing by 1.8 percent from €74.6 million to €75.9 million. We expected this slowdown in revenue growth compared to the previous year and explained it in the report on opportunities and risks in the 2022 Annual Report. The slow growth at Group level is due to two effects. Firstly, Group sales performance was adversely impacted by a -15 percent decline in sales in the B2C segment caused by factors including the realignment from social network to job network, while growth (+11 percent) in the HR Solutions & Talent Access segment slowed slightly during the first quarter. The slowdown is mainly due to the deteriorating market situation as employers were more cautious in the current market environment.

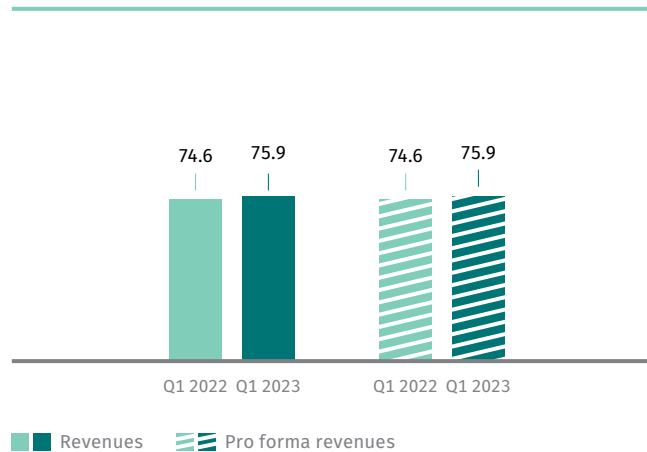
OWN WORK CAPITALIZED

Own work capitalized in the reporting period amounted to €7.5 million, up €2.3 million on the previous year (Q1 2022: €5.2 million) This item is composed of personnel expenses, freelancer costs and ancillary costs.

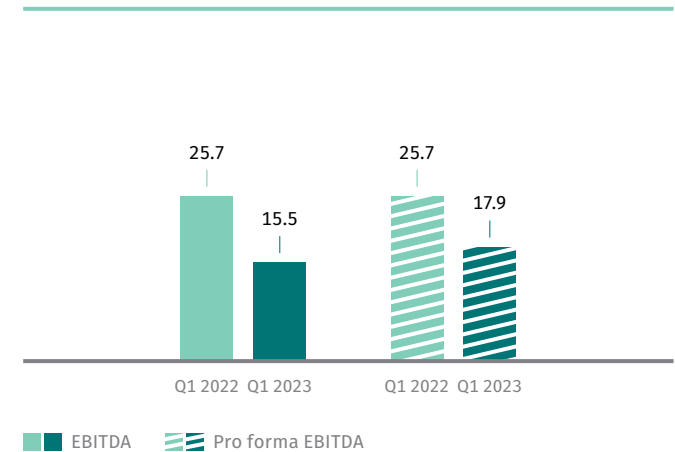
PERSONNEL EXPENSES

Personnel expenses increased from €35.1 million in the previous year to €43.8 million in the reporting period. The increase is mainly due to the accelerated expansion of our employee base primarily in the past financial year, and to salary adjustments and bonuses. This item also includes non-recurring expenses of €2.4 million for severance payments to around 70 employees who left the Company in connection with the realignment of the XING platform.

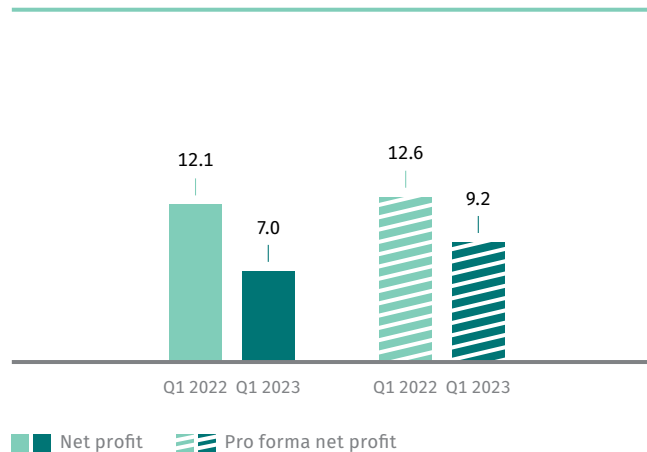
Revenues in € million



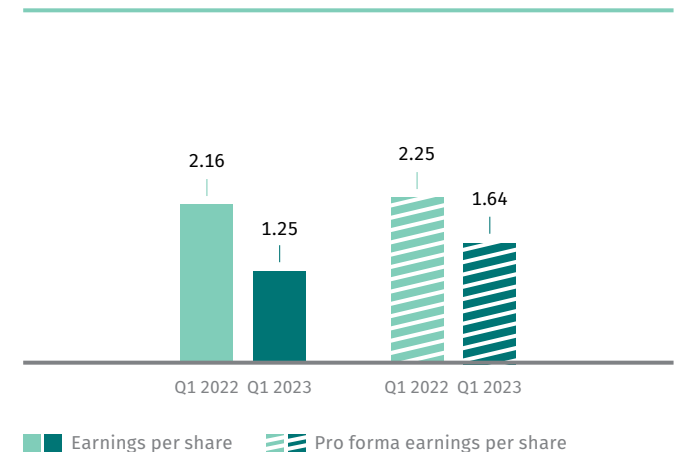
EBITDA in € million



Net profit for the period in € million



Earnings per share in €



MARKETING EXPENSES

At €13.1 million, marketing expenses were up around 28 percent on the prior-year figure (Q1 2022: €10.3 million). This is due to an increase in brand marketing and performance marketing activities for XING Jobs.

OTHER OPERATING EXPENSES

Other operating expenses saw a considerable increase in the reporting period by 23 percent year-on-year to €11.5 million (Q1 2022: €9.3 million). This increase is mainly attributable to higher server hosting, administration, traffic and license costs compared to the same period last year. External services (incl. consulting projects) as well as travel and entertainment costs also rose year-on-year. The notes to the interim consolidated financial statements include a detailed table of all items reported under other operating expenses.

IMPAIRMENT OF FINANCIAL ASSETS AND CONTRACT ASSETS

In the reporting period, impairment losses amounted to €0.3 million, the same as in the previous year.

EBITDA

In the reporting period, we generated an operating result (EBITDA) of €15.5 million (Q1 2022: €25.7 million). EBITDA adjusted for non-recurring restructuring costs was €17.9 million, down from €25.7 million in the previous year. This decline is attributable to the slight slowdown in revenue growth combined with additional expenses incurred for developing, expanding and marketing our HR solutions, and the expansion of talent access via kununu and XING.

DEPRECIATION, AMORTIZATION AND IMPAIRMENT LOSSES

Depreciation, amortization and impairment losses fell slightly by 5 percent from €7.6 million to €7.2 million. The decrease is mainly due to a lower level of impairment losses recognized on internally generated software.

FINANCIAL RESULT

At €0.4 million, the financial result in the reporting period was significantly improved on the previous year's figure of €-1.0 million. This change is mainly attributable to the remeasurement of investments measured at fair value. Whereas remeasurement in the reporting period resulted in a gain of €0.4 million, there was a remeasurement loss of €-0.8 million in the prior-year period.

TAXES

Current taxes are determined by the Group companies based on the tax laws applicable in their country of domicile. Tax expense amounted to €1.6 million in the reporting period, up from €5.0 million in the prior-year period. In the reporting period, this item includes minor, positive one-time effects, particularly in connection with the remeasurement of investments (€0.1 million). In the previous year, there were minor, negative non-recurring effects in connection with the remeasurement of investments in the amount of €-0.2 million.

CONSOLIDATED NET PROFIT AND EARNINGS PER SHARE

Consolidated net profit in the reporting period amounted to €7.0 million, compared with €12.1 million in the previous year. This gives rise to earnings per share of €1.25, compared with €2.16 in the prior-year period. The pro forma profit adjusted for non-recurring effects is €9.2 million, compared with a pro forma profit of €12.6 million for the prior-year period. Pro forma earnings per share fell accordingly from €2.25 (Q1 2022) to €1.64 in the reporting period.

Pro forma reconciliation Q1 2023

In € million	P&L, not adjusted 01/01/– 03/31/2023	Remeasurement of non-operating financial instruments	Restructuring expenses	P&L, pro forma 01/01/– 03/31/2023	P&L, pro forma 01/01/2022– 03/31/2022	Change in %	Change Abs.
Revenues	75.9			75.9	74.6	2	1.3
Other operating income	0.7			0.7	0.9	-13	-0.1
Other own work capitalized	7.5			7.5	5.2	44	2.3
Personnel expenses	-43.8		2.4	-41.4	-35.1	18	-6.3
Marketing expenses	-13.1			-13.1	-10.3	28	-2.9
Other operating expenses	-11.5			-11.4	-9.3	23	-2.1
Impairment losses on financial assets and contract assets	-0.3			-0.3	-0.3	21	-0.1
EBITDA	15.5		2.4	17.9	25.7	-30	-7.8
Depreciation, amortization and impairment losses	-7.2			-7.2	-7.6	-5	0.4
EBIT	8.3		2.4	10.7	18.1	-41	-7.4
Financial result	0.4	-0.4		0.0	-0.3	-94	0.3
EBT	8.7	-0.4	2.4	10.7	17.9	-40	-7.1
Taxes	-1.6	0.1		-1.5	-5.2	-71	3.7
Consolidated net profit	7.0	-0.3	2.4	9.2	12.6	-27	-3.5
Earnings per share in €	1.25	-0.05	0.43	1.64	2.25	-27	-0.6

Pro forma reconciliation Q1 2022

In € million	P&L, not adjusted 01/01/– 03/31/2022	Remeasurement of non-operating financial instruments	P&L, pro forma 01/01/– 03/31/2022
Revenues	74.6		74.6
Other operating income	0.9		0.9
Other own work capitalized	5.2		5.2
Personnel expenses	– 35.1		– 35.1
Marketing expenses	– 10.3		– 10.3
Other operating expenses	– 9.3		– 9.3
Impairment losses on financial assets and contract assets	– 0.3		– 0.3
EBITDA	25.7		25.7
Depreciation, amortization and impairment losses	– 7.6		– 7.6
EBIT	18.1		18.1
Financial result	– 1.0	0.8	– 0.3
EBT	17.1	0.8	17.9
Taxes	– 5.0	– 0.2	– 5.2
Consolidated net profit	12.1	0.5	12.6
Earnings per share in €	2.16	0.09	2.25

Segment performance

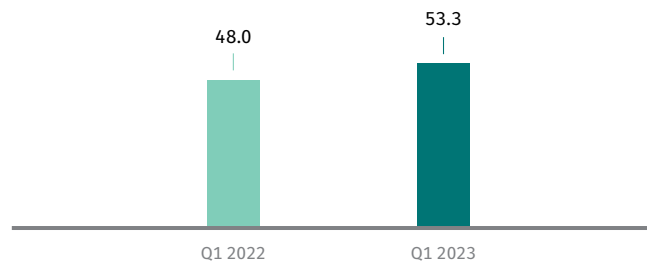
Note: In the past year, we refined our strategy further and aligned our internal organization with our strategic focus topics. As a result, from the 2023 financial year onwards we will have a new segment allocation that better reflects our strategy and the internal management of our segments.

The previous three operating segments, B2C, B2B E-Recruiting and B2B Marketing Solutions will become B2C, HR Solutions & Talent Access and B2B Marketing Solutions with effect from January 1, 2023. The HR Solutions & Talent Access segment combines all products for employers looking for access to talent and all products for employees that enables them to access that talent. This service is monetized through the development, marketing and sale of digital employer branding and recruitment solutions. Examples include onlyfy Employer Branding Profile, onlyfy TalentManager, onlyfy Job Ads, onlyfy one, onlyfy Talent Service, kununu and the B2B products offered by Honeypot.

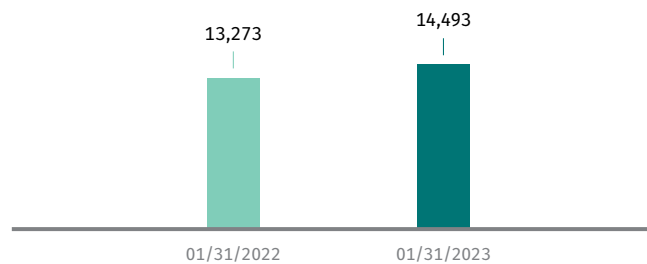
While we previously reported the costs of employee products in our B2C segment, these costs will now be shown together with the revenues generated from this business. In the B2C operating segment, we will now report on business with the B2C Premium Memberships and InterNations products. The expenses for accessing talent via the XING product (XING Access) are allocated to the different segments, as all segments generate revenues via this same talent access. In another change, a formula will be used to shift costs that are centrally managed yet actually attributable to individual business units to the segments in the future, as a result of which the margins of the segments will be more like "full cost margins", whereas previously they were more like "contribution margins".

HR SOLUTIONS & TALENT ACCESS SEGMENT

HR Solutions & Talent Access segment revenues in € million



Subscription customers



The **HR Solutions & Talent Access** segment has grown by 11 percent. Segment revenues increased during the period under review, rising from €48.0 million to €53.3 million in the first quarter of 2023. This revenue growth is due to the rise in corporate customers (+ 9 percent to 14,493) over the past 12 months, while average revenue per customer also increased. New Work SE's management believes that the year-on-year slowdown in revenue growth was primarily caused by a lack of clarity in the labor market. According to a survey of 1,200 CEOs carried out by Ernst & Young, almost 60 percent of all German companies expect a severe economic downturn during the current 2023 financial year, while as many as one third of all companies are planning to restructure or reduce their headcount. This is temporarily dampening demand for the digital recruiting solutions we offer.

Segment EBITDA fell by 44 percent from €13.8 million in the prior-year quarter to €7.7 million. It is important to note that we continued to invest in developing and expanding our product offering despite the slowdown in demand. Personnel expenses also rose as a result of the employees hired during the preceding quarters. We also increasingly invested in the further development of our job advertisement business.

Advanced HR tools for employers

In March, we introduced another addition to our recruiting solutions for our new B2B brand, onlyfy by XING. HR clients can now use the two products, onlyfy one Application Manager and onlyfy one Job Ads even more effectively. This enables onlyfy one Job Ads customers to reap the benefits of more efficient and convenient recruiting. Ads are published on XING, the largest job network in the German-speaking region with around 1.4 million job advertisements each month. Immediately after publishing their jobs, employers also automatically receive suitable recommendations from among the more than 21 million members on the XING job platform and have the option to contact these talented professionals directly via the system. Customers can also increase the reach of their job advertisements many times over by carrying out targeted social media campaigns upon request. This reach can be expanded even further when paired with the onlyfy one Application Manager, which allows customers to publish job ads on up to 900 additional channels with extensive reach, including other job portals (such as talent.com or StellenOnline).

For hard-to-fill vacancies, customers can also order targeted high-performance campaigns on social media channels to increase the success rate of these ads. Integrating company ratings and cultural information from the kununu employer review platform gives jobseekers a complete picture of their potential employer and enables them to benefit from a convenient overall user experience.

forsa attitudes to change study: long-running survey continued

Since 2012, forsa has regularly polled employees from Germany, Austria and German-speaking Switzerland on behalf of onlyfy by XING on subjects such as job satisfaction, willingness to change jobs, what they want from future employers, and the motivation behind their actual job changes. A total of 4,724 employees across the D-A-CH region were surveyed, including 3,216 from Germany, 501 in Austria and 1,007 from Switzerland.

The study shows that employees are still very much willing to change jobs despite the challenging economic situation. In Germany, for example, willingness to change jobs has grown markedly by around four percentage points over the past year. This openness to taking on new professional challenges was significant for the second successive year at 37 percent, the second highest figure in the history of forsa's long-term study.

Talent Access business records strong growth

New Work primarily provides access to potential candidates and talented professionals via its two end customer destinations → www.kununu.com and → www.xing.com.

kununu workplace insights grow significantly once again by more than 0.7 million

kununu, the leading employer review platform in the D-A-CH region, recorded the sharpest increase in workplace insights in the Company's history during the first quarter of 2023. Employees published 710 thousand new insights on kununu in the first three months of the year alone. This takes the

total number of authentic impressions of companies and employers to 8.8 million, including around 5.0 million experience reports and over 2.9 million pieces of salary data. kununu also features approximately 0.8 million insights into employer culture.

On the product side, kununu implemented its new Reactions feature, giving users the opportunity to react to reviews with the words "helpful" or "agree". This new feature makes kununu interactive for the first time and gives its reviews "social proof". Users must have an account with a valid email address to leave reactions, encouraging them to log in to kununu.

The kununu logo was also redesigned and unveiled alongside the new motto "Let's make work better".

The business also launched its Inside kununu video series, in which its staff answers frequently asked questions such as how the review checking process works at kununu, or what the guidelines are for reviews.

Membership base on → www.xing.com rises to around 21.7 million

The membership base on the XING platform operated by New Work SE grew to 21.7 million during the reporting period.

XING is currently in the process of repositioning itself from a social network used by professionals to a job network, as it boasts not only the largest network of potential candidates but also the biggest database of job advertisements, with 1.4 million across the German-speaking region.

Individually tailored job searches

Since March, our new search function embedded in the homepage has also given unregistered users the opportunity to search for a job on XING.

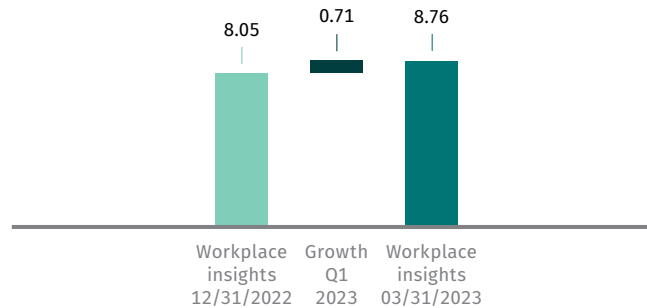
In addition, XING’s offering now includes search filter options for jobseekers such as “working from home”, “flexible working hours” and “childcare” as well as information about the culture of the company advertising the role and comprehensive salary data. With around 1.4 million ads each month, XING Jobs offers the largest and, thanks to its custom filters, most personalized selection of job opportunities in the German-speaking region.

Anyone who finds an interesting job on XING can also network with other XING users who already work at the target company to interact directly and learn more about the role. Jobseekers can also see how employees of the relevant company rate it as an employer. As if that was not enough, jobseekers can also view predicted salaries for their desired role as well as extensive information provided by the advertising company itself.

More than 20,000 recruiters on the platform

XING also enables its more than 21 million registered users to come into contact with over 20,000 recruiters on the platform, making it easier for jobseekers to be found by HR professionals.

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

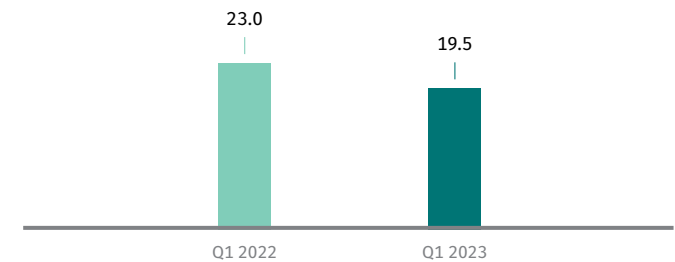


Member and user growth (D-A-CH) in million



B2C SEGMENT

B2C segment revenues in € million



Segment revenue down 15 percent

In the **B2C** segment, we report revenues from the sale of paid memberships for end customers.

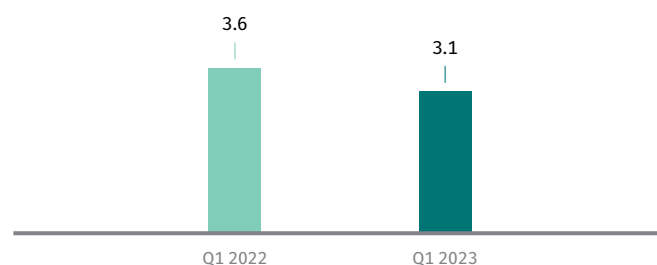
Revenues saw the expected decline of – 15 percent to €19.5 million during the period under review (previous year: €23.0 million).

The decrease is mainly due to a lower number of Premium members. By pursuing a strategy of enhancing access to talent and repositioning its platform from a professional social network to a job network, XING is shifting its focus away from directly monetizing B2C users via paid subscriptions. Our strategic focus is on monetizing talent access through our HR Solutions & Talent Access segment.

Segment profitability was down 25 percent on the previous year's figure with EBITDA of €10.3 million (Q1 2022: €13.6 million). The decrease is mainly due to lower revenues.

B2B MARKETING SOLUTIONS SEGMENT

B2B Marketing Solutions segment revenues in € million



Revenues in the **B2B Marketing Solutions** segment fell by 13 percent to €3.1 million in the first quarter of 2023. This revenue performance reflects how advertising revenues in Germany have trended down since the start of the year. It is a negative trend that is also confirmed by the market research firm Nielsen. According to Nielsen, online advertising revenues were down considerably on the previous year in all three months of the current financial year. Market players (ZAW market forecast) are anticipating a recovery in the second half of 2023.

Segment EBITDA declined to €- 0.1 million due to the drop in revenues (Q1 2022: €0.7 million).

On the product side, we launched enhanced campaign management functionality in AdManager. This allows campaigns to be managed more flexibly. The campaign feature is currently being expanded to include improved search, sort and filter functions.

Update guidance

UPDATE OF THE GUIDANCE FOR FINANCIAL YEAR 2023

Despite the deterioration in the market conditions compared with the previous year, we in the Management Board of New Work SE have decided to continue investing in our strategy because the long-term trends on which our strategy rests are unabated. As a result, we updated our guidance for financial year 2023. While we previously anticipated single-digit percentage growth and pro-forma EBITDA of between €108 million and €111 million, we now expect New Work SE to generate pro-forma EBITDA in a corridor between €92 million and €100 million in financial year 2023. We also update our guidance on pro forma revenues. The Management Board now expects revenues for financial year 2023 to be flat year-on-year.

Interim consolidated financial statements

for the period from January 1 to March 31, 2023

- 18 Consolidated statement of comprehensive income
- 19 Consolidated statement of financial position
- 20 Consolidated statement of cash flows
- 21 Consolidated statement of changes in equity
- 22 Notes to the interim consolidated financial statements

Consolidated statement of comprehensive income

of New Work SE
for the period from January 1 to March 31, 2023

Consolidated statement of comprehensive income

In € thousand	Note no.	01/01 – 03/31/2023	01/01 – 03/31/2022 ¹
Continuing operations			
Service revenues	3	75,927	74,578
Other operating income		747	861
Other own work capitalized		7,516	5,204
Personnel expenses	4	- 43,761	- 35,094
Marketing expenses		- 13,130	- 10,261
Other operating expenses	5	- 11,459	- 9,281
Impairment losses on financial assets	6	- 342	- 284
EBITDA		15,498	25,723
Depreciation, amortization and impairment losses	7	- 7,206	- 7,601
EBIT		8,292	18,122
Finance income	8	544	25
Finance costs	8	- 155	- 1,062
EBT		8,681	17,085
Income taxes		- 1,645	- 4,959
Net income/loss from continuing operations		7,036	12,126
Post-tax profit or loss of discontinued operations	9	55	- 233
CONSOLIDATED NET PROFIT		7,091	11,893

In € thousand	Note no.	01/01 – 03/31/2023	01/01 – 03/31/2022 ¹
Earning per share			
Earning per share from continuing operations (basic)		€1.25	€2.16
Earning per share from continuing operations (diluted)		€1.25	€2.16
Earnings per share (basic)		€1.26	€2.12
Earnings per share (diluted)		€1.26	€2.12
Consolidated net profit		7,091	11,893
Currency translation differences		2	- 90
Other comprehensive income		2	- 90
Consolidated total comprehensive income		7,093	11,803

¹ restated

Consolidated statement of financial position

of New Work SE
as of March 31, 2023

Assets

In € thousand	Note no.	03/31/2023	12/31/2022
Intangible assets			
Purchased software		2,301	2,770
Internally generated software		72,889	68,630
Goodwill		56,145	56,145
Other intangible assets		2,508	2,703
Property, plant and equipment			
Leasehold improvements		12,048	12,483
Other equipment, operating and office equipment		13,376	14,067
Construction in progress		420	420
Lease assets		48,529	47,023
Financial assets			
Financial assets at amortized cost	12	2,961	3,005
Financial assets at fair value	12	28,831	28,427
Other non-financial assets		652	539
Deferred tax assets		1,963	1,945
NON-CURRENT ASSETS		242,623	238,157
Receivables and other assets			
Receivables from services		22,282	19,881
Income tax receivables		668	540
Other assets		16,213	20,140
Cash and short-term deposits			
Cash		117,099	94,800
Third-party cash		2,700	3,504
CURRENT ASSETS		158,962	138,865
		401,585	377,022

Equity and liabilities

In € thousand	Note no.	03/31/2023	12/31/2022
Equity			
Subscribed capital	10	5,620	5,620
Capital reserves	10	22,644	22,644
Other reserves	10	645	643
Retained earnings	10	124,274	117,183
EQUITY		153,184	146,091
Liabilities			
Deferred tax liabilities		13,520	12,287
Contract liabilities		2,059	1,424
Other provisions		626	626
Lease liabilities		54,679	53,658
Other liabilities		4,640	3,847
NON-CURRENT LIABILITIES		75,524	71,842
Current liabilities			
Trade accounts payable		8,935	9,971
Lease liabilities		6,189	6,254
Contract liabilities		121,932	107,402
Other provisions		4,694	3,032
Income tax liabilities		7,379	10,581
Other liabilities		23,748	21,849
CURRENT LIABILITIES		172,878	159,090
		401,585	377,022

Consolidated statement of cash flows

of New Work SE
for the period from January 1 to March 31, 2023

Consolidated statement of cash flows

In € thousand	Note no.	01/01 – 03/31/2023	01/01 – 03/31/2022
Earnings before taxes from continuing operations		8,681	17,085
Earnings before taxes from discontinued operations		56	- 344
Earnings before taxes		8,737	16,741
Amortization and write-downs of internally generated software	7	3,257	3,663
Depreciation, amortization and impairment losses on other fixed assets	7	4,025	4,083
Finance income	8	- 544	- 25
Finance costs	8	155	1,069
EBITDA		15,630	25,530
EBITDA from discontinued operations	9	132	- 193
EBITDA from continuing operations		15,498	25,723
Interest received		114	25
Taxes paid		- 3,633	- 3,354
Loss / Profit from disposal of fixed assets		50	- 17
Change in receivables and other assets		1,415	- 3,849
Change in liabilities and other equity and liabilities		4,391	1,337
Change in contract liabilities		15,165	21,674
Elimination of XING Events third-party obligation		804	- 2,516
Cash flows from operating activities		33,936	38,830
Cash flows from operating activities from discontinued operations	9	221	- 168
CASH FLOWS FROM OPERATING ACTIVITIES FROM CONTINUING OPERATIONS		33,715	38,998
Payment for capitalization of internally generated software		- 7,516	- 5,499

In € thousand	Note no.	01/01 – 03/31/2023	01/01 – 03/31/2022
Payment for purchase of software		18	- 19
Payments for purchase of property, plant and equipment		63	35
Proceeds from disposals of investments		- 1,673	- 2,632
Payments for acquisition of investments		0	4,636
Payments for acquisition of consolidated companies		0	- 4,994
(less funds acquired)		- 9,108	- 8,473
Cash flows from investing activities from discontinued operations	9	- 77	- 359
CASH FLOW FROM INVESTING ACTIVITIES FROM CONTINUING OPERATIONS		- 9,031	- 8,113
Interest paid		0	- 108
Proceeds from lease incentives		0	- 2,258
Payment for leases		- 2,469	2,805
Cash flows from financing activities		- 2,469	438
Cash flows from financing activities from discontinued operations	9	0	- 7
CASH FLOWS FROM FINANCING ACTIVITIES FROM CONTINUING OPERATIONS		- 2,469	445
Currency translation differences		- 60	51
Own funds at the beginning of the period		94,800	86,459
Change in cash and cash equivalents		22,299	30,846
OWN FUNDS AT THE END OF THE PERIOD		117,099	117,305
Third-party funds at the beginning of period		3,504	3,684
Change in third-party cash and cash equivalents		- 804	2,516
THIRD-PARTY FUNDS AT THE END OF THE PERIOD		2,700	6,200

Consolidated statement of changes in equity

of New Work SE
as of March 31, 2023

Consolidated statement of changes in equity

In € thousand	Note no.	Subscribed capital	Capital reserve	Reserve for currency translation differences	Retained earnings	Total equity
As of 01/01/2022		5,620	22,644	338	109,667	138,270
Consolidated net profit		0	0	0	43,262	43,262
Other comprehensive income		0	0	305	0	305
Consolidated total comprehensive income		0	0	305	43,262	43,567
Regular dividend for 2020	10	0	0	0	-15,737	-15,737
Special dividend	10	0	0	0	-20,009	-20,009
AS OF 12/31/2022		5,620	22,644	643	117,183	146,091
As of 01/01/2023		5,620	22,644	643	117,183	146,091
Consolidated net profit		0	0	0	7,091	7,091
Other comprehensive income		0	0	2	0	2
Consolidated total comprehensive income		0	0	2	7,091	7,093
AS OF 03/31/2023		5,620	22,644	645	124,274	153,184

Notes to the interim consolidated financial statements

for the period from January 1 to March 31, 2023

1. Information on the Company and the Group

The registered office of New Work SE (hereafter also referred to as “the Company” or “the Group”) 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.

Operating the leading social network for business professionals in the German-speaking market, among others, the Group gives 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 21.7 million members achieve as harmonious a work/life balance as possible. The Group generates its revenues primarily from fee-based products for end customers and businesses. Customers generally make advance payments which are recognized over the service period using the straight-line method in view of the proportional duration of the relevant contract.

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

These condensed interim consolidated financial statements for the period ending on March 31, 2023, have been prepared in accordance with the International Financial Reporting Standard for interim financial reporting (IAS 34) as adopted by the EU. 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, 2022.

The reporting period began on January 1, 2023, and ended on March 31, 2023. The corresponding prior-year period began on January 1, 2022, and ended on March 31, 2022. The interim consolidated financial statements and the interim group management report of the Company were approved for publication by the Management Board on May 4, 2023.

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, 2022. 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, 2027.

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

Due to the discontinuation of the Events segment (application of IFRS 5), the prior-year comparatives in the statement of comprehensive income and the statement of cash flows have been restated accordingly.

3. Segment information

We have been reporting with a new segment structure since January 1, 2023. For further information, please refer to the consolidated financial statements as of December 31, 2022.

In € thousand	HR Solutions & Talent Access		B2C		B2B Marketing Solutions		Total segments		New Work Group	
	01/01/ – 03/31/2023	01/01/ – 03/31/2022	01/01/ – 03/31/2023	01/01/ – 03/31/2022	01/01/ – 03/31/2023	01/01/ – 03/31/2022	01/01/ – 03/31/2023	01/01/ – 03/31/2022	01/01/ – 03/31/2023	01/01/ – 03/31/2022
Revenues	53,349	47,971	19,462	23,008	3,116	3,600	75,927	74,578	75,927	74,578
Other segment expenses	-45,618	-34,156	-9,203	-9,366	-3,204	-2,869	-58,024	-46,391	-58,024	-46,391
Segment operating result	7,731	13,815	10,259	13,642	-88	731	17,903	28,187	17,903	28,187
Other operating income/expenses									-2,405	-2,464
EBITDA									15,498	25,723

Management is of the opinion that the year-on-year decline in segment earnings (segment EBITDA), particularly in the HR Solutions & Talent Access and B2B Marketing Solutions segments, was caused primarily by the deterioration in the market situation since the beginning of the year. We firmly believe that the long-term trends in the labor market (demographic development and the shortage of skilled workers) will soon come to the fore again and that our business of selling digital employer branding and recruiting solutions continues to have great growth potential. This is why we continue to invest in talent access and the expansion of our recruiting solutions even in weaker market phases.

Revenues by region

In € thousand	01/01/ – 03/31/2023	01/01/ – 03/31/2022 ¹
Germany	65,903	63,922
Austria/Switzerland	6,172	6,292
International	3,852	4,364
	75,927	74,578

¹ restated

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

Non-current assets (excluding deferred tax assets and financial assets) amounting to €229,742 thousand (previous year: €231,627 thousand) relate to Germany, with €12,881 thousand (previous year: €16,980 thousand) relating to other countries.

4. Personnel expenses

Personnel expenses rose from €35,094 thousand by €8,667 thousand to €43,761 thousand (+25 percent). The increase in expenses is due mainly to the higher number of people employed on a full-time basis by the Group and to restructuring measures. Severance payments made because of these measures have increased personnel expenses by €2,394 thousand.

5. Other operating expenses

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

In € thousand	01/01- 03/31/2023	01/01- 03/31/2022 ¹
IT services, management services	3,628	3,634
Server hosting, administration and traffic	3,266	2,119
Occupancy expenses	1,003	925
Travel, entertainment and other business expenses	583	307
Other personnel expenses	505	72
Exchange rate losses	391	74
Training costs	337	309
Expenses attributable to prior periods	312	174
Payment transaction costs	256	370
Financial statements preparation and auditing costs	183	179
Telephone/ cell phone/ postage/ courier	177	170
Accounting fees	174	169
Legal consulting fees	147	349
Insurance and contributions	131	112
Supervisory Board remuneration	81	81
Office supplies	60	69
Rents/leases	24	26
Other	204	143
TOTAL	11,459	9,281

¹ restated

6. Impairment losses on financial assets and contract assets

Impairment losses (including reversals) on financial assets and contract assets include expenses for bad debts of €365 thousand (previous year: €308 thousand) as well as income from reversals of €22 thousand (previous year: €24 thousand).

Receivables from services are impaired as follows:

	Not yet due	Past due < 30 days	Past due < 90 days	Past due > 90 days	Total
03/31/2023					
Impairment ratio	0.9%	4.5%	22.6%	35.1%	7.3%
Gross carrying amount (in € thousand)	10,268	9,416	2,274	2,087	24,046
Impairment (in € thousand)	-97	-420	-514	-732	-1,764
12/31/2022					
Impairment ratio	1.2%	5.5%	27.7%	42.9%	9.0%
Gross carrying amount (in € thousand)	9,328	8,554	2,066	1,896	21,843
Impairment (in € thousand)	-108	-468	-572	-814	-1,962

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

7. Depreciation, amortization and impairment losses

Effective at the start of the 2023 financial year, the useful life of internally generated software was extended by a further twelve months to December 31, 2027. This led to the recognition of lower amortization of €691 thousand than as stipulated in the previous amortization schedule, which will be recognized in later periods.

8. Financial result

Finance income mainly includes €405 thousand in remeasurement income from available-for-sale securities (previous year: expenses of €794 thousand) and expenses of €155 thousand (previous year: €167 thousand) from the unwinding of discounts on lease liabilities.

9. Discontinued operation

In the fourth quarter of the previous year, the Management Board made the decision to discontinue the Events business and present it as a discontinued operation in accordance with IFRS 5. The prior-year figures in the consolidated statement of comprehensive income and the consolidated statement of cash flows have been restated accordingly to present the discontinued operations separately from continuing operations.

Revenues included €165 thousand (previous year: €1,308 thousand) and expenses €33 thousand (previous year: €1,796 thousand) from discontinued operations. An amount of €76 thousand (previous year: €144 thousand) is attributable to depreciation, amortization and impairment losses. Profit before tax of the discontinued operation amounts to €56 thousand (previous year: loss of €344 thousand). Income taxes for the discontinued operation amounted to €1 thousand (previous year: €- 111 thousand). Basic/diluted earnings per share arising from the discontinued operation amounted to €- 0.01 (previous year: €- 0.04).

10. Equity

As of March 31, 2023, the Group had share capital of €5,620,435 (December 31, 2022: €5,620,435). As previously, the Company does not hold any treasury shares.

Given the positive performance in financial year 2022, the Management Board of New Work SE intends to propose to shareholders at the upcoming Annual General Meeting to be held on May 24, 2023 that an increased dividend of €3.16 per share (previous year: €2.80 per share) be paid. Furthermore, the Management Board decided to propose to the AGM payment of a special dividend of €3.56 per share (previous year: €3.56 per share). Taken together, this corresponds to a total dividend of €37,769 thousand (previous year: €35,746 thousand).

Own cash and available-for-sale securities of €148,891 thousand as of March 31, 2023, 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.

11. Related parties

Please refer to the consolidated financial statements as of December 31, 2022, for further information about related parties. From the perspective of the Group, no significant changes with respect to the Burda Group occurred until March 31, 2023.

There were no claims against members of the Management Board and the Supervisory Board as of March 31, 2023.

12. Financial instruments

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

lin € thousand	Measurement category	03/31/2023	12/31/2022
Non-current financial assets at amortized cost	Amortized cost	2,961	3,005
Non-current financial assets at fair value	FAFVtPL ¹	28,831	28,427
Current receivables from services	Amortized cost	22,282	19,881
Current other assets	Amortized cost	781	1,201
Cash and cash equivalents	Amortized cost	119,799	98,304
Non-current lease liabilities	Amortized cost	54,679	53,658
Current trade accounts payable	Amortized cost	8,935	9,971
Current lease liabilities	Amortized cost	6,189	6,254
Current other liabilities	Amortized cost	7,379	10,581

¹ FAFVtPL = Financial assets 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.

For all financial assets and liabilities, the fair values, to the extent that they can be determined, almost match their 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.

13. Significant events after the interim reporting period

No events which will have a significant impact on the course of business of the Group have occurred since the end of the reporting period.

Hamburg, May 4, 2023

The Management Board

Petra von Strombeck Ingo Chu

Frank Hassler Dr. Peter Opdemom

Jens Pape

Financial calendar

Annual General Meeting	May 24, 2023
Publication of the 2023 half-year financial report	August 14, 2023
Publication of the Q3 2023 financial report	November 9, 2023

OUR SOCIAL MEDIA CHANNELS

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Rounding differences may occur

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
→ www.new-work.se/en/investor-relations*



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