HALF-YEAR REPORT FOR THE PERIOD FROM JANUARY 1 TO JUNE 30

Q2 2019

Half-year report
Q2 2019

XING

Consolidated key figures

	Unit	H1 2019	H1 2018 [2]	Q2 2019	Q2 2018 [2]	Q1 2019
Revenues	in € million	128.2	108.7	65.5	55.7	62.6
B2C segment	in € million	51.0	49.0	25.6	24.8	25.4
B2B E-Recruiting segment	in € million	65.3	49.8	34.2	26.1	31.0
B2B Marketing Solutions & Events segment	in € million	11.9	9.6	5.8	4.6	6.1
kununu International segment	in € million	0.3	0.7	0.9	0.3	0.2
EBITDA	in € million	39.7	33.4	22.0	18.6	17.7
EBITDA margin	in %	31	31	34	33	28
Net profit/loss for the period	in € million	18.7	15.4	9.8	9.2	8.9
Earnings per share (diluted)	in €	3.33	2.73	1.75	1.64	1.58
Cash flow from operations	in € million	45.2	41.9	16.4	16.8	28.8
XING users Germany, Austria, Switzerland (D-A-CH), total	in million	17.5	15.3	17.5	15.3	17.0
thereof platform members	in million	16.3	14.4	16.3	14.4	15.9
thereof subscribers	in thsd.	1,046	1,010	1,046	1,010	1,040 [1]
InterNations members	in million	3.5	3.0	3.5	3.0	3.4
thereof subscribers	in thsd.	138	128	138	128	138
B2B E-Recruiting customers (D-A-CH)	in thsd.	22.4	20.4	22.4	20.4	22.3
thereof B2B E-Recruiting (subscription)	in thsd.	12.3	9.2	12.3	9.2	11.7
B2B Marketing Solutions & Events customers (D-A-CH)	in thsd.	8.6	8.5	8.6	8.5	8.8
Employees	number	1,790	1,472	1,790	1,472	1,622

[1] *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.*

[2] *Retrospectively restated due to a change in the reporting structure as of January 1, 2019*

Contents

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

We provides advice and support to our members during the upheavals in the world of work. In an environment marked by a shortage of skilled workers, digitalization, and changes in values, we help our more than 16 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, we further strengthened our position as the market leader in social recruiting by acquiring kununu, the leading employer review platform in the German-speaking market. We continued on our 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 our Group.

Established in 2003, we have been listed since 2006, and have been a TecDAX member since September 2011 and also an SDAX member since September 2018.

On the XING platform, 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. We have a presence in Hamburg, Berlin, Munich, Barcelona, Valencia, Vienna, Porto, Zurich and Boston.

TO OUR SHAREHOLDERS

MANAGEMENT BOARD LETTER

Dear Shareholders,

We continued on our growth trajectory in the first half of the year. We increased revenues by 18 percent year on year to €128.2 million between January and June 2019.

Revenues in the B2C segment rose to €51.0 million, representing a 4 percent increase on the prior-year figure of €49.0 million. The B2B E-Recruiting segment grew by 31 percent to €65.3 million, up from the previous year's figure of €49.8 million. This growth amounted to 29 percent when adjusted for the acquisition of Honeypot, an innovative job platform for IT experts. The B2B Marketing Solutions & Events business also expanded, lifting its revenues by 24 percent from €9.6 million to €11.9 million.

At €39.7 million, EBITDA was up 19 percent on the prior-year figure of €33.4 million. Profit rose 22 percent from €15.4 million to €18.7 million.

We also significantly increased our membership base in the first half of 2019, welcoming more than a million new members. As a result, XING had 16.3 million members in German-speaking countries as of the end of June. Including users of other XING services such as XING Events, the Company had 17.5 million users as of the end of the second quarter.

All of these figures demonstrate that we are growing and consistently implementing our strategy. By acquiring Honeypot we have laid a foundation for future growth. This also offers us the opportunity to strengthen our international presence outside the D-A-CH region. The Company is already the leading tech-focused job marketplace in German-speaking countries and the Netherlands, connecting talented professionals from across the globe with companies based in the region. At present, around 1,000 new professionals are registering on the platform each week.

Dr. Thomas Vollmoeller,
Chief Executive Officer

Above all, however, Honeypot is a shining example of New Work. The company is turning the age-old principle of job hunting on its head by allowing companies to apply to employees, rather than the other way around. With this acquisition, we have reached another milestone in the implementation of our vision to make the world of work better and help people to find jobs that fit their individual lifestyles perfectly.

Dear shareholders, as you can see we are no longer merely a simple network, as we are constantly expanding our portfolio with subsidiaries such as Honeypot, kununu and HalloFreelancer. As a result, New Work is the glue that holds all of our Company's activities together – something that we are now making widely apparent. Changing our name from XING SE to New Work SE – which you, our shareholders, approved by an overwhelming majority at our Annual General Meeting on June 6 – marks the next major step on this journey. While brands such as XING, kununu, InterNations and Prescreen remain unaffected by this development, our corporate name is changing, reinforcing our shared vision "For a better working life".

We would like to thank you for your trust in us and are glad to have your company on this exciting journey. In this spirit, we hope you will continue to give us your support.

Hamburg, August 13, 2019

Kind regards,

Dr. Thomas Vollmoeller,
Chief Executive Officer

THE SHARE

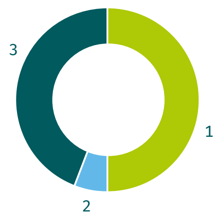
Basic data about the share

Number of shares	5,620,435
Share capital in €	5,620,435
Share type	Registered shares
IPO	12/07/2006
Ticker	NWO (formerly: O1BC)
WKN	NWRK01 (formerly: XNG888)
ISIN	DE000NWRK013 (formerly: DE000XNG8888)
Transparency level	Prime Standard
Index	SDAX/TecDAX
Sector	Software

Key data on the share at a glance

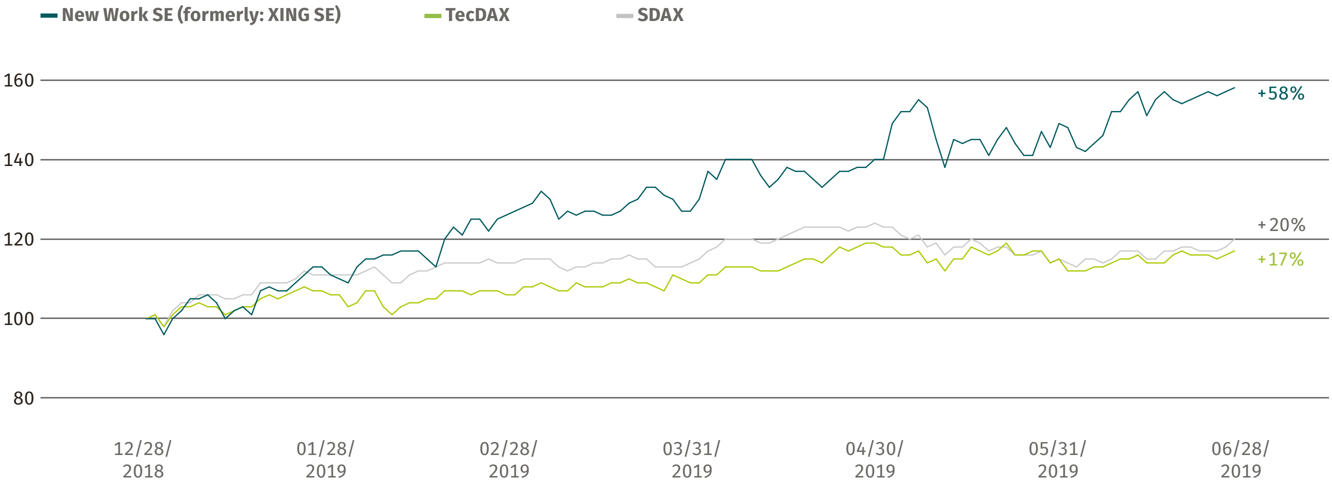
	H1 2019	H1 2018
XETRA closing price at the end of the period	€375.50	€276.50
High	€375.50	€296.00
Low	€229.00	€231.00
Market capitalization at the end of the period	€2.1 billion	€1.6 billion
Average trading volume per day (XETRA)	4,424	5,013
TecDAX ranking		
based on free-float market capitalization	23	26
based on trading volume	31	30
SDAX ranking		
based on free-float market capitalization	107	N/A
based on trading volume	137	N/A
Earnings per share (diluted)	€3.33	€2.73

Shareholder structure in August 2019



1 — Burda Digital SE	50.2%
2 — Invesco Ltd.	5.9%
3 — Others	43.9%

Share price performance vs. indices in the first half of 2019



Analyst recommendations in August 2019

Broker	Analyst	Recommendation	Price target
Berenberg Bank	Sarah Simon	Sell	€300
Commerzbank	Heike Pauls	Buy	€410
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 June 30, 2019

Course of business

Macroeconomic environment

The economy in Germany continued to slow in the first half of2019. According to the German Bundesbank, this was due to the downturn in manufacturing, where exports came under considerable pressure. The domestic economy continued to be underpinned by consumer spending and construction investments. In the first quarter of 2019, gross domestic product (GDP) recorded only moderate growth of 0.6 percent in real terms (+ 0.4 percent when adjusted for calendar effects). According to a forecast by the Ifo Institute, the German economy is likely to have grown by just 0.2 percent year on year in real terms in the entire first half of 2019. The National Bank of Austria (OeNB) reports that the weaker global economy is also inhibiting growth in Austria. However, dynamic domestic demand is preventing a stronger downturn. As a result, GDP rose by 1.4 percent in real terms in the first quarter (OeNB). This development is likely to have continued to a similar extent in the second quarter. The Swiss economy picked up at the start of the year, driven by consumer spending and momentum from exports, while construction activity also provided a boost. As a result, Switzerland recorded GDP growth of 1.7 percent in real terms in the first quarter of 2019. However, the country's State Secretariat for Economic Affairs (SECO) believes this trend will have weakened again inthe second quarter.

Sector-specific environment

While the German labor market continued its positive performance in the first half of 2019, work volumes and employment did not grow as strongly as before. In June 2019, the number of people in gainful employment reached 45.1 million, an increase of 394,000 people in one year (+ 0.9 percent). The unemployment rate calculated on the basis of the ILO measure of employment thus decreased from 3.5 percent to 3.1 percent (Destatis). According to the definition of the Federal Employment Agency, the unemployment rate in June 2019 fell slightly from 5.0 percent to 4.9 percent in one year. The number of unemployed narrowed by 60,000 to 2.22 million people. While the OeNB reports that employment momentum is waning slightly in Austria's labor market, it remains above average compared with previous years. As a result, employment grew by a further 1.5 percent year on year in May. Austria's unemployment rate (ILO) fell to 4.5 percent in June (prior-year figure: 4.9 percent). The situation in the Swiss labor market remained positive. According to SECO, the number of people out of work in absolute terms fell by almost 9 percent year on year in June, with the national unemployment rate dropping to 2.1 percent as a result (prior-year figure: 2.3 percent).

The state of labor markets in the D-A-CH region (Germany, Austria, Switzerland) is therefore healthier than those in the euro area (ILO unemployment rate in June: 7.5 percent) or the EU as a whole (6.3 percent). In general, however, there are also major differences by city or region within the D-A-CH countries. While unemployment is high in some regions, others are experiencing a noticeable shortage of skilled workers in specific professions. In this context, the willingness of the workforce to be mobile is important. Especially for younger and online-savvy employees, the Internet is becoming an increasingly important source of information for the labor market situation and career planning.

Results of operations in the Group

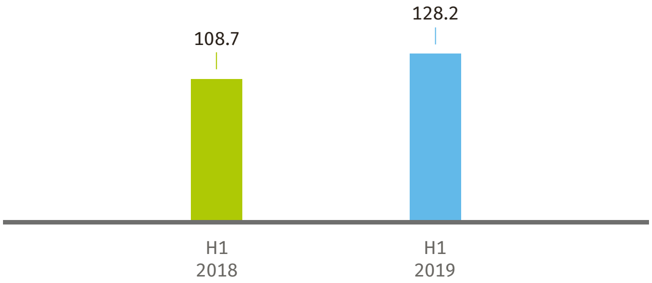
In its financial statements as of June 30, 2019, the Group discloses other own work capitalized separately.

As of January 1, 2019, we changed the disclosure structure in our consolidated statement of comprehensive income in order to further increase transparency and adjust our reporting to the disclosure structure adopted by most other companies in our sector. The change merely concerns the structure of reporting and has no effect on revenues or earnings.

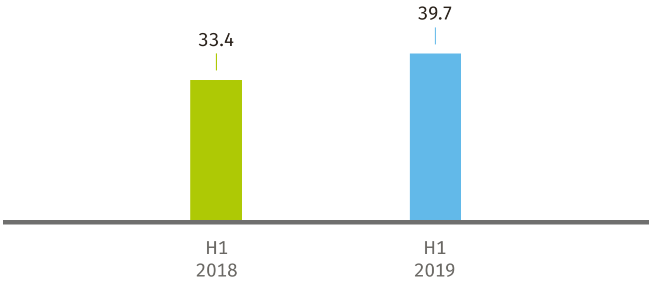
The change affects the recognition of own work capitalized. In previous years, most additions to internally generated software reduced expenses by being recognized in personnel expenses and other operating expenses, and to a very small extent increased income by being recognized in other operating income; they were disclosed separately in the notes to the consolidated financial statements. Going forward, the Company 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.

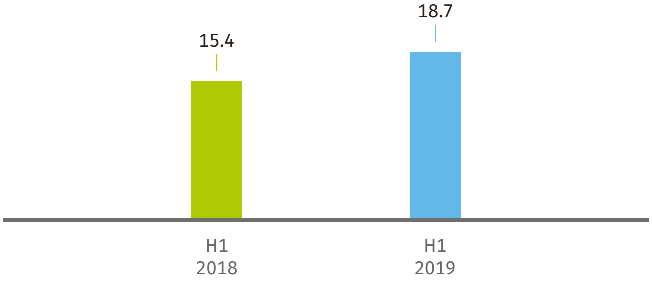
Revenues in € million



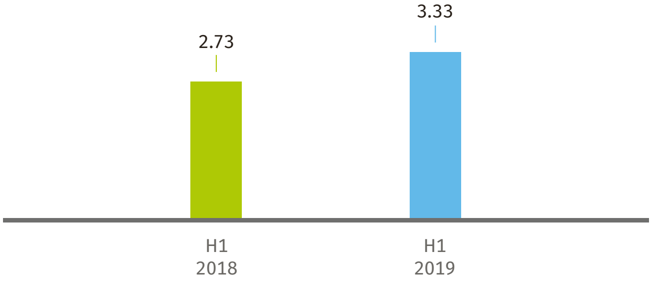
EBITDA in € million



Net profit for the period in € million



Earnings per share in €



REVENUES
Consolidated revenues rose from €108.7 million by 18 percent to €128.2 million. Adjusted for the acquisition of Honeypot GmbH, revenue growth was 17 percent.

OTHER OPERATING INCOME
Other operating income increased from €1.3 million to €5.3 million due to a positive non-recurring effect in connection with the renting of new office space (€3.8 million).

OWN WORK CAPITALIZED
Own work capitalized amounted to €12.1 million in the first half of 2019 (H1 2018: €13.5 million) and is composed of personnel expenses, freelancer costs and ancillary costs.

PERSONNEL EXPENSES
At the end of June 2019, we had 1,790 employees (June 2018: 1,472), which represents an increase of 318 employees (+22 percent). The non-recurring effect from the acquisition of Honeypot GmbH lifted the employee figure in the second quarter of 2019. As a result, personnel expenses increased from €50.6 million in the first half of 2018 to €61.2 million in the first half of 2019.

MARKETING EXPENSES
Marketing expenses rose 16 percent to €16.3 million in the first six months of the year. We launched our customary TV campaign in the first quarter. Accordingly, the marketing expenses ratio was 13 percent in the first half of 2019 (H1 2018: 13 percent).

OTHER OPERATING EXPENSES
Other operating expenses rose by 12 percent in the reporting period, from €25.4 million to €28.5 million. It should be noted here that non-recurring expenses of around €3.0 million were recognized in connection with the renting of a new office building. Other significant expense items here include IT and other services of €11.0 million (previous year: €12.1 million), server hosting, administration and traffic costs of €3.0 million (previous year: €2.1 million), and other personnel expenses of €2.6 million (previous year: €1.2 million). The notes to the financial statements include a detailed table of all items reported under other operating expenses.

EBITDA
We increased our consolidated operating result (EBITDA) in the reporting period with the Group's EBITDA rising by 19 percent to €39.7 million (previous year: €33.4 million).

DEPRECIATION, AMORTIZATION AND IMPAIRMENT LOSSES
Depreciation, amortization and impairment losses rose by 25 percent, from €10.0 million in the previous year to €12.6 million. This includes €1.7 million (H1 2018: €1.8 million) for the amortization of assets from purchase price allocation (PPA) related to past acquisitions made from 2017 to 2019. In the second quarter of 2019, we also began recognizing the PPA amortization for honeypot GmbH (€268 thousand) (M&A 04/2019). Amortization of internally generated software amounted to €4.7 million (previous year: €3.0 million).

FINANCIAL RESULT AND TAXES

At €0.5 million, the financial result in the reporting period was significantly improved on the previous year's figure of €– 0.6 million. In this context it should be noted that due 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 in the corresponding income and expense items such as revenues and 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 non-recurring, non-operating income of €1.3 million. In the same period of the previous year, the financial result was lifted by non-recurring, non-operating income of 1.0 million due to the agreement reached with the sellers of Buddybroker AG.

Current taxes are determined by the Group companies based on the tax laws applicable in their country of domicile. Tax expense amounted to €8.9 million in the reporting period, up from €7.5 million in the prior-year period.

CONSOLIDATED NET PROFIT AND EARNINGS PER SHARE

Consolidated net profit in the first half of the year amounted to €18.7 million, up from €15.4 million in the first six months of 2018. This gives rise to earnings per share of €3.33, compared with €2.73 in the prior-year period. After taking into account the positive non-operating, non-recurring 2019 effects in the financial result, adjusted consolidated net profit amounted to €17.6 million (2018, adjusted: €14.3 million) and adjusted earnings per share to €3.13 (2018, adjusted: €2.55).

Net assets in the Group

Non-current assets increased by €43.0 million from €176.8 million as of December 31, 2018, to €219.8 million as of June 30, 2019. This is mainly due to the acquisition of the Honeypot shares (€24.0 million) and the recognition of new modules for the platforms (€7.5 million). The share of non-current assets in total assets increased by 11 percent year on year.

On June 30, 2019, the Group had liquid own funds of €22.3 million (previous year: €53.8 million) and available-for-sale securities amounting to €29.3 million, which means that 18 percent of total assets are available short term.

Internally generated intangible assets include those parts of the platforms and the mobile applications that qualify for capitalization. Investments in internally generated and purchased software totaled €14.5 million (previous year: €24.5 million).

Financial position in the Group

EQUITY AND LIABILITIES

As was the case in previous years, the Group is financed solely from equity and the Company does not have any bank loans or other such loans.

As of the closing date, the Group's equity ratio remained stable at 29 percent. The Group thus continues to be in an excellent position for future growth. The ratio of equity and non-current liabilities to non-current assets was 64 percent (previous year: 82 percent).

STRATEGIC FINANCING MEASURES

Thanks to the favorable market conditions, the Company had secured credit lines totaling €20 million in 2014 with the aim of increasing its short-term flexibility. These credit lines have not yet been drawn down.

CASH FLOWS FROM OPERATING ACTIVITIES

The cash flows from operating activities for the reporting year amounted to €45.2 million, up from €41.9 million in the previous year. This rise primarily resulted from the increase in deferred income by (€+ 14.9 million) and an offsetting, non-cash effect from the change in the basis of consolidation (€– 5.2 million).

CASH FLOWS FROM INVESTING ACTIVITIES

The decline in cash flow from investing activities by €18.2 million to €– 42.1 million is mainly due to the payment made for the acquisition of Honeypot GmbH (€20.3 million). Slightly lower amounts in connection with platform development (€12.1 million compared with €13.5 million) had an offsetting effect.

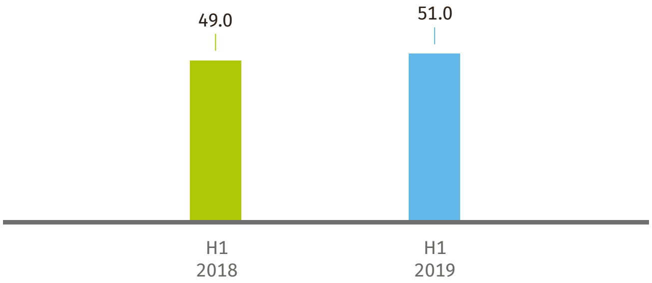
CASH FLOWS FROM FINANCING ACTIVITIES

During the 2019 financial year, the Group distributed a regular dividend of €12.0 million (previous year: €9.4 million) and a special dividend of €20.0 million (previous year: €0.0 million).

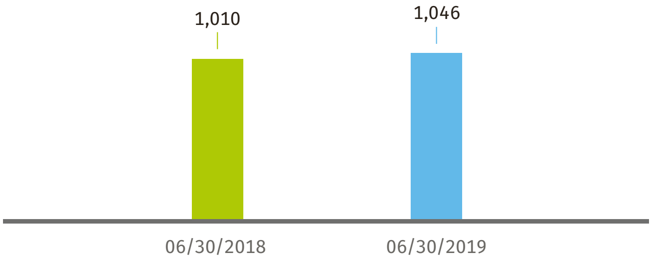
Segment performance

B2C SEGMENT

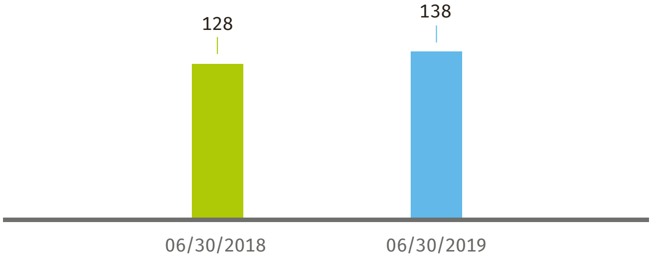
B2C segment revenues in € million



XING platform subscribers in thsd.



InterNations platform subscribers in thsd.



Segment revenues up 4 percent

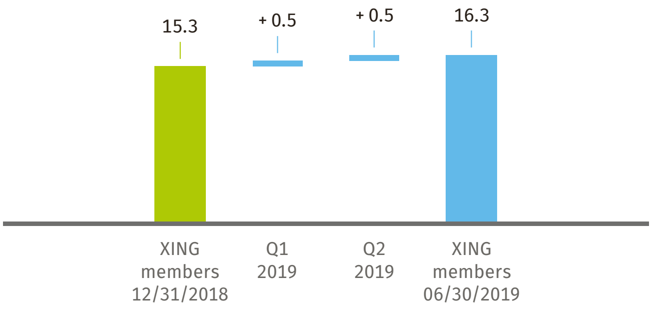
In the **B2C** segment, revenues grew by 4 percent in the reporting period to €51.0 million (previous year: €49.0 million). This revenue growth is primarily attributable to the addition of around 36,000 new subscribers to the XING platform in the D-A-CH region since June 2018 and another approximately 10,000 new subscribers worldwide to our www.internations.org expat platform (June 2019: 138 thousand subscribers). The number of subscribers in the D-A-CH region on www.xing.com was 1,046 thousand at the end of June 2019 (previous year: 1,010 thousand). As a result of 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. The increase in subscribers in the D-A-CH region in the first half of 2019 amounted to 21.0 thousand (H1 2018: 15.6 thousand).

Due to increased investment (primarily concerning personnel) for measures aimed at boosting member and job seeker activity and the reach of our news products, segment EBITDA at €15.0 million was below the prior-year-figure of €20.9 million. This meant that the segment EBITDA margin was 29 percent compared with 43 percent in the prior-year period.

Membership base expands to 16.3 million

In the first six months of 2019, the growth of the XING platform continued unabated, with the membership base rising by 1,010 thousand to 16.3 million since the end of 2018. Including XING Events users, total XING users thus came to 17.5 million at the end of June 2019 (June 30, 2018: 15.3 million).

Member growth (D-A-CH) in million



New homepage in the beta phase

We completely redesigned the homepage for our mobile apps a few months ago with the promise of making the vast array of information even easier for users to access. The introduction of clear, themed categories helps our members to navigate to the information they want, and we now want to roll this out in the browser versions of XING. The first selected members already have access to the new version.

We have now applied the intuitive map design of the mobile app to the browser versions of XING. By bundling content under three categories, the XING homepage's new design offers clarity and quick access to the things that matter, making it even easier for users to find the most important news articles and group developments, updates from their own network, and recommended job opportunities and career issues.

The previous homepage's classic newsfeed is increasingly reaching its limits by centering the displayed content in an age of ever-expanding screen sizes. The map design of the new XING homepage automatically adjusts to the size of the screen, thus ensuring an optimal user experience on any device.

We are also introducing a new notifications area with the new homepage, which replaces the Reactions tab. The new icon in the header leads to a complete list of all reactions and mentions, including incoming contact requests or comments on submitted contributions.

InterNations launches GO! for international relocations

With InterNations GO!, expat community InterNations is offering a new service platform for international relocations. Customers can access information about every essential service – including removals, visa applications and language courses – and will soon be able to create their own customized package. InterNations GO! is aimed at internationally mobile professionals, their families, and all those arranging an international move without organizational support from their employer.

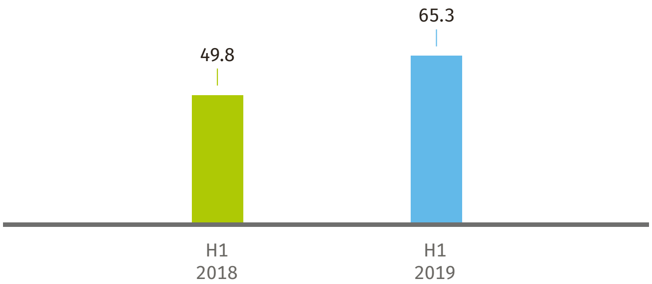
To ensure that all relevant services are offered worldwide, InterNations GO! will work with selected global, regional and local providers of international relocation services. The expat network is bringing disruptive change to a market renowned for its lack of transparency.

After a soft launch in the first half of 2019, the website is already recording monthly traffic of around 260,000 visits (as of June) and is focusing on enhancing its offering by attracting new relocation service partners in the second half of the year.

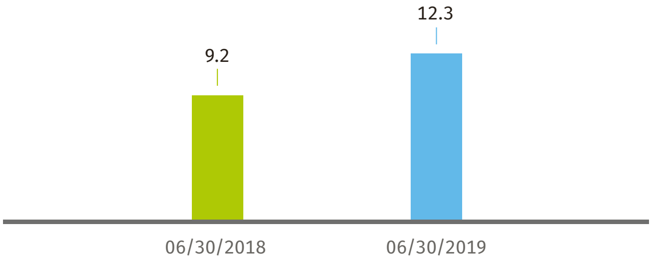
InterNations GO! expands InterNations' services into another phase of the expat lifecycle and represents the ideal addition to the existing InterNations community. While the current community focuses on making it easier for expats to settle into their host country by providing them with a comprehensive network and a range of leisure activities, the new platform now takes care of the practical aspects of relocating abroad.

B2B E-RECRUITING SEGMENT

B2B E-Recruiting segment revenues in € million



B2B E-Recruiting (subscription) – customers in thsd.



The **B2B E-Recruiting** segment grew by 31 percent in the reporting period. Segment revenues rose from €49.8 million to €65.3 million. Honeypot GmbH, which was acquired in April, contributed 1 percent to growth.

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 excluding Honeypot grew from 9.2 thousand to 12.3 thousand over the past six months – an increase of 34 percent.

On the back of the dynamic revenue growth, operating profit in the segment (EBITDA) increased by 37 percent. Segment EBITDA thus came to €44.3 million (previous year: €32.3 million). The segment's EBITDA margin was 68 percent in the reporting period (previous year: 65 percent).

In the second quarter of this year, XING E-Recruiting launched a large-scale initiative to support medium-sized businesses with their HR work. The current serious shortage of skilled workers poses major difficulties for employers whose location or lack of name recognition place them at a disadvantage compared with high-profile companies.

Germany's Mittelstand businesses are the backbone and engine of the country's economy. They create more than two-thirds of all jobs and have experienced considerable growth over the past decade. Their success story is founded on quality and innovation as well as the high level of performance of their skilled staff. However, this success is a problem in itself. There are not enough skilled workers to fill the challenging roles available in medium-sized companies. This means that while 66 percent of companies want to hire skilled employees in the next three years, two-thirds expect to experience difficulties in finding qualified individuals for the positions available (Forsa 2019).

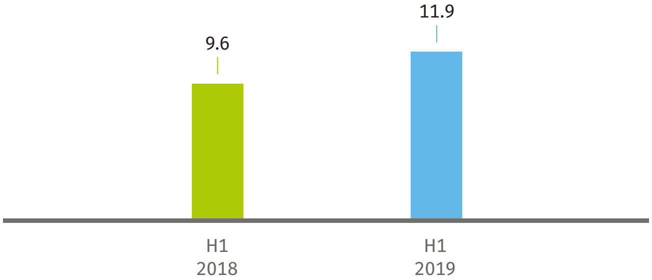
XING E-Recruiting demonstrated how medium-sized companies can address their acute shortage of applicants on the ground in Germany's mid-sized cities. Initiatives in Ulm, Erfurt and Osnabrück were accompanied by an eyecatching series of images placed around the city as well as media activities including local radio spots and newspaper advertisements.

Highlights included events in Osnabrück and Erfurt that were attended by numerous recruiters and other interested parties. The event in Osnabrück was a sell-out with around 120 guests, as HR decision-makers from a wide variety of sectors – including finance, education, consulting and skilled crafts and trades – gathered to discuss the shortage of qualified workers and its consequences for recruitment.

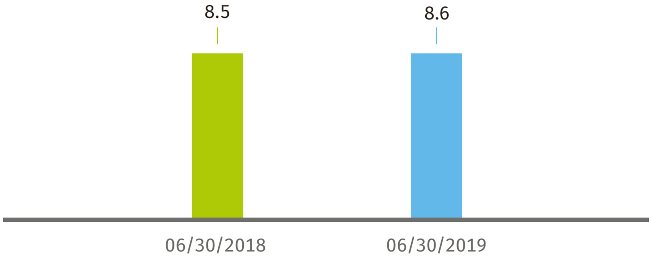
XING E-Recruiting also published a comprehensive white paper aimed at the Mittelstand to show how companies can recruit successfully and relevantly despite the shortage of skilled workers. As well as providing a detailed assessment of the current labor market situation, the white paper also presents HR decision-makers with the various opportunities offered by modern recruitment.

B2B MARKETING SOLUTIONS & EVENTS SEGMENT

Segment revenues B2B Marketing Solutions & Events
in € million



B2B customers, B2B Marketing Solutions & Events segment
in thsd.



We lifted revenues in the **B2B Marketing Solutions & Events** segment by 24 percent year on year, from €9.6 million to €11.9 million in the reporting period.

Segment EBITDA grew disproportionately by 53 percent to €3.8 million compared with the prior-year period, thus widening the segment's EBITDA margin slightly from 26 percent to 32 percent.

The number of B2B customers contracted from 8.7 thousand (December 31, 2018) to 8.6 thousand as of the end of June 2019.

In the Marketing Solutions subsegment, we developed our AdManager tool further and continued to work on Ad Inventory Optimization. As a result, additional AdManager placements will appear in the Messenger, Contacts and News site sections as well as in the Notification Center from August onwards.

The AdManager Dashboard and its reporting on key reach and frequency figures has also been expanded, making us even more transparent towards our advertising customers and agencies.

We are also taking additional steps to increase the relevance of our ads, both by introducing larger images in our native advertising on the homepage, and with expanded targeting criteria. Degree subject, jobseeker status and company name have all been added to the target group selection criteria.

In the Events subsegment, we updated our website by creating a modern look and feel and developing the XING Events Academy. This special area offers detailed training and information materials on all projects and services for event organizers.

The XING TicketingManager has been renamed as XING EventManager to reflect the comprehensive range of services the tool offers. Improved linking between the XING business network and the former XING TicketingManager enables organizers to create and edit their events in one place – the XING EventManager.

The XING Events Academy was launched in the second quarter. As part of a series of events to mark the occasion, we are giving event organizers the chance to take a look behind the scenes. With the help of best practices, live demos and insights, organizers learn how to make best use of XING's events solutions for their participant management and event marketing.

As part of our support for the digitalization of German universities, we formed a long-term partnership with alumni-clubs.net (acn), the largest association of alumni organizations in the German-speaking world. Technology partner XING and acn are now supporting universities, alumni organizations and acn's research institutes with their wide range of event management and networking solutions.

KUNUNU INTERNATIONAL SEGMENT

In January 2019, we acquired the shares previously held by Monster in the kununu US joint venture. This means that we are now the sole owner of kununu US and will complete the operational and strategic reorganization of the business over the next few months.

In the first half of 2019, revenue generated by the sale of employer branding profiles outside the D-A-CH region amounted to €0.3 million (H1 2018: €0.7 million) with segment EBITDA of €– 0.7 million (H1 2018: €– 0.1 million).

Report on expected developments and opportunities

Economic outlook

The global economy continues to lose momentum. Industrial activity in particular has worsened considerably due to trade conflicts and political risks. As a result, the International Monetary Fund (IMF) slightly lowered its forecast for the global economy once again in July. The IMF is currently estimating global growth of around 3.2 percent for 2019 (2018: + 3.6 percent). The IMF also expects the pace of growth in the euro area to slow further from 1.9 percent in the previous year to 1.3 percent in 2019.

According to the Deutsche Bundesbank, the German economy is slowing considerably. Although the domestic economy remains buoyant, the underlying economic trend is one of caution as a result of weak exports. Key leading indicators (Ifo Business Climate Index, GfK Consumer Confidence Index) steadily deteriorated in the first half of the year. The Bundesbank estimates that GDP will grow by just 0.6 percent in real terms in 2019. The National Bank of Austria (OeNB) expects Austria's economy to continue growing robustly by 1.5 percent in real terms in 2019, underpinned by higher employment and wages, consumer spending bolstered by tax reforms, and brisk investment activity. Meanwhile the Swiss economy is only expected to grow at below average rates as the weaker global economy inhibits exports. Considerable uncertainty is hampering investment, and consumer spending remains subdued. SECO economic researchers anticipate GDP growth of 1.2 percent after 2.6 percent in the previous year.

However, as the shortage of skilled workers is noticeable and economists are already forecasting an economic recovery – albeit a moderate one – in 2020, demand from companies for qualified staff remains high in all three countries in the D-A-CH region this year.

Expected sector-specific environment

According to the Deutsche Bundesbank, the economic slowdown in Germany continues to contrast with high demand for labor in most sectors. The supply of labor is also scarce, and the vacancy periods in which open positions remain unfilled for longer than scheduled have lengthened further of late. This means that the signs continue to be positive for the German labor market. The Ifo Institute expects the number of people in gainful employment to rise by around 430,000 averaged over 2019, with the unemployment rate (ILO) improving from 3.2 percent to 3.0 percent as a result. According to the OeNB, the situation on the Austrian labor market also remains positive despite the weakening momentum. It estimates that total employment will increase by 1.3 percent in 2019, with the number of salary/wage earners climbing by 1.6 percent. The OeNB anticipates that the unemployment rate (ILO) will drop to 4.7 percent in 2019, down from 4.8 percent in the previous year. According to leading economic researchers (SECO, KOF), the upturn in the Swiss labor market will continue at a slower rate than in the previous year. While employment levels continue to increase in the services sector, manufacturing is only creating a few new jobs. Employment in Switzerland is set to rise by 0.8 percent in 2019 (2018: + 1.8 percent). The nationally defined unemployment rate is expected to drop by 20 basis points to 2.4 percent (international ILO concept: down to 4.3 percent from 4.7 percent).

The continued positive labor market environment in the D-A-CH region means there will be even greater competition for qualified employees. This improves the opportunities available to jobseekers, both in their own country and in neighboring countries. The conditions are also favorable for targeted career development.

Expected development of the Group

We believe that the Group will continue its dynamic growth during the 2019 financial year, supported by the ongoing structural changes within the world of work and the challenges these pose for employees (B2C) and companies (B2B).

In our opinion, employees must tackle the changes directly affecting them (digitalization, automation, etc.) and identify areas for further development and change. Here, we have a more important role to play as a reliable partner in a changing environment and to help our members make the right career decisions for them. With more than 16 million XING members, we have a very good foundation on which to continue benefiting from these macrotrends in the future, notwithstanding the possible short-term deterioration in the economic situation in Germany.

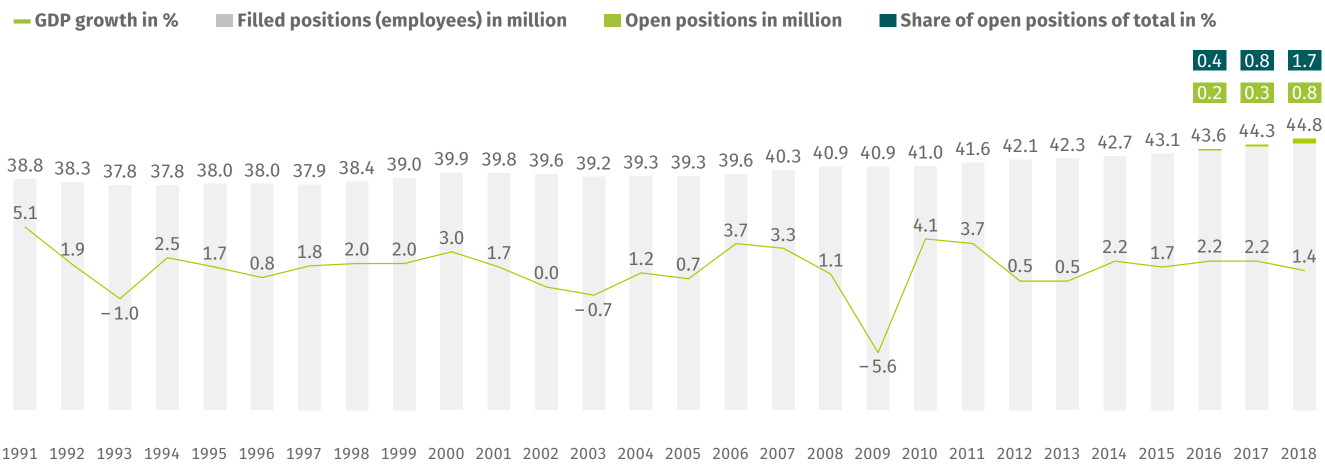
Demographic trends and near-full employment in Germany represent major challenges for companies both now and in the future.

More than 70 percent of HR decision-makers in Germany, Austria and Switzerland report that they are having difficulty recruiting professionals. These are findings of the study entitled “E-Recruiting 2018: Expectations, assessments and aspirations of employees and recruiters”.

Here too, our existing and well-established recruitment solutions mean we are excellently positioned to help companies fill jobs better and more quickly. As a solution provider, we will continue to be able to benefit from these general conditions and expect revenues and income to continue to rise accordingly.

IN GERMANY, JOBS & ECONOMY DECOUPLED
Unfilled positions more than doubled in last three years

GDP growth, occupations and open positions in Germany



2020 – 2030: candidate supply to decline by ~4 million
Ever growing need for modern employer branding, recruiting & hiring solutions

Source: Institut der deutschen Wirtschaft; Bundesagentur für Arbeit

REVENUE AND EARNINGS TARGETS

In our financial key performance indicators, we expect revenues and earnings to continue to increase at Group level and confirm our revenue and earnings targets for the Group. Only in the B2C segment are we anticipating – contrary to the forecast presented in the 2018 Group Management Report – a double-digit percentage decrease in segment EBITDA, which is due to a reallocation of planned investments to the B2C segment. The EBITDA forecast for the Group remains unchanged. As things currently stand, we can provide the following detailed overview of the revenue and earnings targets for the Group as well as the main segments for financial year 2019:

Financial key performance indicators Forecast for 2019

Key figure	2019 target	Progress H1 2019
Revenues incl. other operating income Group	Double-digit percentage growth	+ 21%
EBITDA (adjusted for extraordinary items) Group	Double-digit percentage growth	+ 19%
Revenues, B2C segment	Single-digit percentage growth	+ 4%
EBITDA (adjusted for extraordinary items), B2C segment	Double-digit percentage decrease due to reallocation of planned investments with Group forecast remaining unchanged	– 28%
B2B E-Recruiting segment revenues	Double-digit percentage growth	+ 31%
EBITDA (adjusted for extraordinary items), B2B E-Recruiting segment	Double-digit percentage growth	+ 37%
Revenues B2B Marketing Solutions & Events segment	Double-digit percentage growth	+ 24%
EBITDA (adjusted for extraordinary items), B2B Marketing Solutions & Events segment	Double-digit percentage growth	+ 53%

DIVIDEND TARGETS

We have been pursuing a sustainable dividend policy since 2012. The liquid funds and available-for-sale securities of €51.6 million as of the end of the period and the Group's cash-generative business model enable it to pay dividends regularly without changing its business strategy, which is aimed at achieving growth. We intend to continue to make regular dividend payments. In the first half of 2019, a dividend for the 2018 financial year (€12.0 million) and a special dividend (€20.0 million) were distributed.

LIQUIDITY AND FINANCIAL TARGETS

On account of our highly profitable, cash-generative business model, our liquidity requirements are very low. We anticipate cash funds in the 2019 financial year excluding extraordinary items such as acquisitions or special dividends to increase considerably.

PLANNED CAPITAL EXPENDITURES

We anticipate further year-on-year increase for the 2019 financial year (2018. €32.5 million). As in previous years, capital expenditure will be concentrated on internally developed software, server capacity and software licenses.

FORECAST OF NON-FINANCIAL KEY PERFORMANCE INDICATORS

The non-financial key performance indicators being reported are important measures of the success and attractiveness of our offerings. Accordingly, we defined the number of members in the D-A-CH region as well as the number of subscribers in this region as key performance indicators for the B2C segment. Our objective is to generate strong member growth in the D-A-CH region in 2019 (2018: + 14 percent) and increase the number of subscribers slightly (2018: + 3 percent or approx. 31,000).

Overall, we confirm the original 2019 forecast regarding non-financial performance indicators in the B2C and B2B E-Recruiting segments. In the B2B Marketing Solutions & Events segment, we continue to expect segment revenues to increase significantly in line with our guidance. However, in a departure from the forecast presented in the 2018 Group management report, we expect the number of corporate customers to remain stable (original forecast: significant increase). Due to a stronger focus on acquiring large customers in the Marketing Solutions business, sales per customer will increase accordingly. We continue to expect significant growth in segment revenues and segment earnings.

Non-financial key performance indicators Forecast for 2019

Key figure	2019 target	Progress H1 2019
B2C segment: Members in the D-A-CH region	Substantial member growth	+ 7%
B2C segment: Subscribers in the D-A-CH region	Slight growth	+ 2%
B2B E-Recruiting segment: Number of subscription-based corporate customers (B2B)	Substantial member growth	+ 10%
B2B Marketing Solutions & Events segment: Number of corporate customers (B2B)	unchanged	– 2%

Possible "Brexit" effects

The Group currently has few business relationships in the United Kingdom and Ireland as a result of its focus on the German-speaking market. In its only significant transaction with these markets, the Group uses a subsidiary headquartered in the United Kingdom as a contractual partner with a payment service provider to process credit card payments in the events business. We currently expect to be able to continue these contracts even in the event of a hard Brexit. In the worst-case scenario, it may no longer be possible to maintain these contracts as a result of Brexit. Although the Company can switch to a contractual partner in the European Union at short notice, this will lead to low ongoing additional costs with the payment services provider.

The Group also employs several employees with UK and Irish citizenship, including a member of the Management Board. We currently expect to obtain residence visas and work permits for these employees, even in the event of a hard Brexit.

Report on opportunities

In addition to numerous risks that result from operating in an extremely dynamic technology environment, there are also opportunities that may arise as a result of rapidly changing conditions and new structural trends. Alongside risk management, therefore, opportunity management is also an integral part of our business activities aimed at steadily increasing our enterprise value, safeguarding and expanding our competitive position, and achieving our goals. Our opportunity management focuses heavily on the business units' individual strategies. Market developments and trends along with the competitive environment are discussed at regular meetings between the Management Board and the BU heads regarding business performance, and the resulting opportunities for the business units are assessed. Any opportunities identified are discussed with the individual business units as part of the planning and controlling process in order to perform a qualitative and quantitative assessment. One of the tasks of the business units themselves is to identify strategic opportunities in their respective submarkets and to develop measures for product development and its focus from these.

As the market leader in the fields of business social networking and social recruiting in the D-A-CH region, we believe we have further opportunities for expanding our market position and continuing our penetration of these markets, which are important to us.

OPPORTUNITIES PRESENTED BY MARCROECONOMIC TRENDS

The economic conditions also affect the development of our business to varying degrees. As our assessment of the future development of the results of operations is based on the assumptions about economic developments described in the management report, a substantial improvement in the economic conditions could have an extremely positive influence on our business activities. Our e-recruiting offerings in particular could become more attractive, and as a result our existing forecast could be surpassed, if the lack of skilled workers becomes even worse and baby boomers leave the workplace at a faster pace, while the economy remains on a stable footing. Even if the macroeconomic environment and economic conditions in the D-A-CH region were to deteriorate significantly, management believes that this will have no negative impact on the B2B E-Recruiting segment. The B2C segment could even outperform forecasts because positioning and active presentation of professional CVs through ProJobs membership, for example, will become more important.

OPPORTUNITIES PRESENTED BY PRODUCT DEVELOPMENT AND INNOVATION

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

OPPORTUNITIES PRESENTED BY FASTER PENETRATION OF IMPORTANT GROWTH MARKETS

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

Furthermore, paid memberships in the B2C core business also present further opportunities. In this area, the new freelancer marketplace planned by us can have a positive impact on the segment's revenue and earnings performance if these new offerings resonate with customers more strongly than planned.

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

Risk report

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

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

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

The Group companies XING Events GmbH, XING E-Recruiting GmbH & Co. KG, XING Marketing Solutions GmbH, XING Young Professionals GmbH, kununu GmbH, kununu engage GmbH, InterNations GmbH, Prescreen International GmbH and Honeypot GmbH have been integrated into the Company's risk management system. Here, potential risks are also continually identified and analyzed and persons with risk responsibility and senior executives are also questioned with regard to the status of existing risks on a quarterly basis. This integration helps to ensure early recognition too of any risks originating from the operating subsidiaries that may have a negative long-term impact on the Company.

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

Taking into account the countermeasures taken, no further going concern risks were identified in addition to the risks presented in the 2018 Annual Report.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

for the period from January 1 to June 30, 2019

Consolidated statement of comprehensive income

of New Work SE (formerly: XING SE) for the period from January 1 to June 30, 2019

Consolidated statement of comprehensive income

In € thousand	Note	01/01/2019 – 06/30/2019	01/01/2018 – 06/30/2018 [1]	04/01/2019 – 06/30/2019	04/01/2018 – 06/30/2018 [1]
Service revenues	5	128,188	108,743	65,546	55,720
Other operating income	7	5,333	1,278	526	591
Other own work capitalized	3	12,140	13,462	6,495	6,491
Personnel expenses		– 61,175	– 50,633	– 31,180	– 26,545
Marketing expenses		– 16,313	– 14,015	– 7,068	– 5,803
Other operating expenses	8	– 28,504	– 25,387	– 12,357	– 11,808
EBITDA		**39,668**	**33,448**	**21,961**	**18,646**
Depreciation, amortization and impairment losses	9	– 12,592	– 10,038	– 6,666	– 5,298
EBIT		**27,077**	**23,410**	**15,294**	**13,348**
Share of profits and losses of equity-accounted investments		0	– 941	0	– 331
Finance income	10	1,336	1,795	2	1,605
Finance costs	10	– 834	– 1,427	– 543	– 1,071
EBT		**27,580**	**22,837**	**14,754**	**13,551**
Taxes on income		– 8,850	– 7,486	– 4,919	– 4,331
CONSOLIDATED NET PROFIT		**18,730**	**15,351**	**9,835**	**9,219**
Earnings per share (basic)		€3.33	€2.73	€1.75	€1.64
Earnings per share (diluted)		€3.33	€2.73	€1.75	€1.64
CONSOLIDATED NET PROFIT		**18,730**	**15,351**	**9,835**	**9,219**
Currency translation differences		85	10	– 41	15
Remeasurement of available-for-sale assets		429	– 189	113	– 133
OTHER COMPREHENSIVE INCOME		**513**	**– 179**	**73**	**– 118**
CONSOLIDATED TOTAL COMPREHENSIVE INCOME		**19,243**	**15,172**	**9,907**	**9,101**

[1] *restated*

Consolidated statement of financial position

of New Work SE (formerly: XING SE) as of June 30, 2019

Assets

In € thousand	06/30/2019	12/31/2018
Intangible assets		
Purchased software	8,991	8,631
Internally generated software	66,828	59,363
Goodwill	78,472	49,778
Other intangible assets	8,608	5,003
Property, plant and equipment		
Leasehold improvements	1,197	1,024
Other equipment, operating and office equipment	8,874	8,597
Advance payments made and construction in progress	156	223
Lease assets	11,987	11,050
Financial assets		
Financial assets at amortized cost	612	453
Financial assets at fair value (other comprehensive income)	29,336	28,702
Prepaid expenses	742	632
Deferred tax assets	3,995	3,349
NON-CURRENT ASSETS	**219,797**	**176,805**
Receivables and other assets		
Receivables from services	34,559	35,523
Contract assets	2,420	2,395
Other assets	10,115	5,912
Cash and short-term deposits		
Own cash	22,277	53,831
Third-party cash	5,819	4,050
CURRENT ASSETS	**75,190**	**101,710**
	294,987	**278,514**

Equity and liabilities

In € thousand	06/30/2019	12/31/2018
Subscribed capital	5,620	5,620
Capital reserves	22,644	22,644
Other reserves	2,286	1,773
Net retained profits	54,969	68,274
EQUITY	**85,519**	**98,311**
Deferred tax liabilities	24,729	21,036
Contract liabilities	1,762	2,995
Other provisions	614	1,445
Financial liabilities at fair value (through profit or loss)	15,252	9,546
Lease liabilities	7,705	7,586
Other liabilities	4,738	3,466
NON-CURRENT LIABILITIES	**54,801**	**46,074**
Trade accounts payable	4,726	3,873
Lease liabilities	5,435	4,776
Contract liabilities	105,851	89,717
Other provisions	1,137	1,167
Financial liabilities at fair value (through profit or loss)	1,318	4,501
Income tax liabilities	4,720	1,813
Other liabilities	31,479	28,281
CURRENT LIABILITIES	**154,667**	**134,128**
	294,987	**278,514**

Consolidated statement of cash flows

of New Work SE (formerly: XING SE) for the period from January 1 to June 30, 2019

Consolidated statement of cash flows

In € thousand	01/01/2019 – 06/30/2019	01/01/2018 – 06/30/2018	04/01/2019 – 06/30/2019	04/01/2018 – 06/30/2018
Earnings before taxes	27,580	22,837	14,754	13,551
Amortization and write-downs of internally generated software	4,674	2,982	2,528	1,631
Depreciation, amortization and impairment losses on other fixed assets	7,918	7,056	4,139	3,667
Finance income	– 1,336	– 1,795	– 2	– 1,604
Interest received	22	1	20	0
Finance costs	834	1,427	543	1,071
Share of profits and losses of equity-accounted investments	0	941	0	331
Taxes paid	– 4,747	– 5,046	– 2,502	– 2,232
Profit from disposal of fixed assets	– 29	1	– 15	10
Change in receivables and other assets	– 3,374	– 778	2,210	3,183
Change in liabilities and other equity and liabilities	5,651	– 2,092	– 2,945	– 4,425
Non-cash changes from changes in basis of consolidation	– 5,165	0	– 1,372	0
Change in contract liabilities	14,902	17,427	– 2,005	1,135
Elimination of XING Events third-party obligation	– 1,769	– 1,068	1,015	501
CASH FLOWS FROM OPERATING ACTIVITIES	**45,160**	**41,893**	**16,367**	**16,819**
Payment for capitalization of internally generated software	– 12,139	– 13,462	– 6,495	– 6,491
Payment for purchase of software	– 1,483	– 1,821	– 932	– 1,695
Payments for purchase of other intangible assets	– 544	– 217	– 544	67
Proceeds from the disposal of fixed assets	54	– 39	29	– 54
Payments for purchase of property, plant and equipment	– 2,991	– 2,513	– 1,187	– 1,441
Payments for acquisition of consolidated companies (less funds acquired)	– 25,030	– 4,644	– 22,530	– 4,644
Payments for equity – accounted investments	0	– 1,228	0	0
CASH FLOWS FROM INVESTING ACTIVITIES	**– 42,133**	**– 23,924**	**– 31,659**	**– 14,258**

Consolidated statement of cash flows

In € thousand	01/01/2019 – 06/30/2019	01/01/2018 – 06/30/2018	04/01/2019 – 06/30/2019	04/01/2018 – 06/30/2018
Payment of regular dividend	– 12,027	– 9,442	– 12,027	– 9,442
Payment of special dividend	– 20,009	0	– 20,009	0
Interest paid	– 121	– 81	– 60	– 48
Payment for leases	– 2,511	– 1,413	– 1,269	– 602
Payments for own shares	0	– 270	0	– 270
CASH FLOWS FROM FINANCING ACTIVITIES	**– 34,667**	**– 11,206**	**– 33,364**	**– 10,362**
Currency translation differences	86	– 22	5	– 21
Change in cash and cash equivalents	– 31,554	6,741	– 48,652	– 7,822
Own funds at the beginning of the period	53,831	32,327	70,929	46,890
OWN FUNDS AT THE END OF THE PERIOD [1]	**22,277**	**39,068**	**22,277**	**39,068**
Third-party funds at the beginning of the period	4,050	4,219	6,834	5,788
Change in third-party funds	1,769	1,068	– 1,015	– 501
THIRD-PARTY FUNDS AT THE END OF THE PERIOD	**5,819**	**5,287**	**5,819**	**5,287**

[1] *Funds consist of liquid funds.*

Consolidated statement of changes in equity

of New Work SE (formerly: XING SE) for the period from January 1 to June 30, 2019

Consolidated statement of changes in equity

In € thousand	Subscribed capital	Capital reserves	Treasury shares at cost	Other reserves	Net retained profits	Total equity
AS OF 01/01/2018	**5,620**	**22,622**	**0**	**2,338**	**47,007**	**77,587**
Consolidated net profit/loss	0	0	0	0	15,351	15,351
Other comprehensive income	0	0	0	– 179	0	– 179
Consolidated total comprehensive income	**5,620**	**22,622**	**0**	**2,159**	**62,358**	**92,759**
Regular 2017 dividend	0	0	0	0	– 9,442	– 9,442
Equity-settled share-based payment transaction	0	0	0	270	– 270	0
Issue of own shares	0	0	181	0	0	181
Purchase of own shares	0	0	– 270	0	0	– 270
AS OF 06/30/2018	**5,620**	**22,622**	**– 89**	**2,429**	**52,645**	**83,227**
AS OF 01/01/2019	**5,620**	**22,644**	**0**	**1,773**	**68,274**	**98,311**
Consolidated net profit/loss	0	0	0	0	18,730	18,730
Other comprehensive income	0	0	0	513	0	513
Consolidated total comprehensive income	**5,620**	**22,644**	**0**	**2,286**	**87,004**	**117,555**
Regular 2018 dividend	0	0	0	0	– 12,027	– 12,027
Special dividend	0	0	0	0	– 20,009	– 20,009
AS OF 06/30/2019	**5,620**	**22,644**	**0**	**2,286**	**54,969**	**85,519**

Notes to the interim consolidated financial statements

for the period from January 1 to June 30, 2019

1. Information on the Company and the Group

The registered office of New Work SE (formerly XING SE; hereafter also referred to as “the Company” or “the Group”) is located at Dammtorstrasse 30, 20354 Hamburg, Germany; the Company is registered at the Amtsgericht (local court) Hamburg under HRB 148078. The Company’s parent is Burda Digital SE (legal successor of Burda Digital GmbH), Munich, and the ultimate parent company of XING 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.

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 almost 16 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. 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

The Group’s condensed interim consolidated financial statements for the period ending on June 30, 2019, 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, 2018.

The reporting period began on January 1, 2019, and ended on June 30, 2019. The corresponding prior-year period began on January 1, 2018, and ended on June 30, 2018. The interim consolidated financial statements and the interim group management report of the Company were approved for publication on August 13, 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

In its quarterly financial statements as of June 30, 2019, the Company discloses other own work capitalized separately.

In previous years, additions to internally generated software were recognized through profit or loss in other operating income or in personnel expenses and other operating expenses, and were disclosed separately in the notes to the consolidated financial statements. Going forward, the Company 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 half of 2018:

In € thousand	01/01/ – 06/30/2018 as reported	Restatement	01/01/ – 06/30/2018 as reported
Service revenues	108,743	0	108,743
Other income	1,786	– 508	1,278
Other own work capitalized	0	13,462	13,462
Personnel expenses	– 42,255	– 8,378	– 50,633
Marketing expenses	– 14,015	0	– 14,015
Other operating expenses	– 20,811	– 4,576	– 25,387
EBITDA	**33,448**	**0**	**33,448**

4. Acquisitions in the reporting period

A. KUNUNU US LLC

kununu GmbH 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.

Since the acquisition date, kununu US LLC contributed €149 thousand to revenues and €– 1,403 thousand to EBITDA. If the merger of the two companies had taken place at the start of the year, these figures would be €186 thousand and €1,818 thousand, respectively.

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

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 of kununu US LLC

In € thousand	01/30/2019
Customer relations	392
Property, plant and equipment	38
Non-current assets	**430**
Receivables from services	60
Other assets	95
Cash	136
Current assets	**291**
IDENTIFIED ASSETS	**721**
Deferred income tax liabilities	101
Non-current liabilities	**101**
Trade accounts payable	3,433
Other liabilities	514
Current liabilities	**3,947**
IDENTIFIED LIABILITIES	**4,048**
NET ASSETS	**– 3,328**
Base purchase price	0
Fair value for 50% of the interest already held	1,315
Consideration transferred for 100% of the shares	**1,315**
GOODWILL	**4,643**

B. HONEYPOT GMBH

On April 1, 2019, Beekeeper Management GmbH acquired all interests in Honeypot GmbH, Berlin, Germany (hereafter “Honeypot”). Honeypot operates a tech-focused job platform. In accordance with IFRS 3, the purchase comprises a cash price of €22.0 million for 100 percent of the shares, which becomes due immediately, and an earn-out component (up to a maximum of €35.0 million), which is based on revenue and EBITDA figures. Owing to the short-term nature of the acquisition, the purchase price allocation, particularly in relation to the earn-out liability, has not yet been completed. A present value of €6.5 million for the earn-out is therefore provisionally estimated for the financial statements for the period ended June 30, 2019. Most of the contingent purchase price will become due in 2022. The Austrian company was consolidated for the first time on the date on which ownership of the interests was transferred (April 1, 2019).

The transaction costs amounting to €103 thousand were expensed and are reported in the income statement under other operating expenses and in cash flows from operating activities in the statement of cash flows.

Since its acquisition, Honeypot has contributed €696 thousand to revenues and €– 684 thousand to EBITDA. If the business combination had taken place at the beginning of the year, revenues would have amounted to €1,465 thousand and EBITDA to €– 806 thousand. The goodwill recognized, which so far has not been spread among the individual assets as part of the purchase price allocation, results primarily from the strong growth planned. Recognized goodwill is not expected to be tax-deductible.

Acquisition of Honeypot GmbH

In € thousand	04/01/2019
Technology	1,668
Brand rights	2,909
Customer relations	1,408
Property, plant and equipment	73
Deferred taxes	300
Non-current assets	**6,358**
Trade accounts receivable	393
Other assets	41
Cash	292
Current assets	**726**
IDENTIFIED ASSETS	**7,084**
Deferred income tax liabilities	1,806
Non-current liabilities	**1,806**
Trade accounts payable	24
Contract liabilities	187
Other liabilities	1,620
Current liabilities	**1,831**
IDENTIFIED LIABILITIES	**3,637**
NET ASSETS	**3,447**
Base purchase price	20,925
Conditional purchase price (fair value)	6,525
Consideration transferred for 100% of the shares	**27,450**
GOODWILL	**24,003**

5. Segment information

In € thousand	B2C		B2B E-Recruiting		B2B Marketing Solutions & Events		kununu International		Consolidation of intersegment revenues/expenses		Total segments	
	01/01/–06/30/2019	01/01/–06/30/2018 [1]	01/01/–06/30/2019	01/01/–06/30/2018 [1]	01/01/–06/30/2019	01/01/–06/30/2018 [1]	01/01/–06/30/2019	01/01/–06/30/2018 [1]	01/01/–06/30/2019	01/01/–06/30/2018 [1]	01/01/–06/30/2019	01/01/–06/30/2018 [1]
Revenues (from third parties)	51,019	49,013	65,260	49,763	11,651	9,318	257	649	0	0	128,188	108,743
Intragroup revenues	0	0	0	0	284	287	0	0	–284	–287	0	0
Total revenues	51,019	49,013	65,260	49,763	11,935	9,605	257	649	–284	–287	128,188	108,743
Intragroup segment expenses	–284	–287	0	0	0	0	0	0	284	287	0	0
Other segment expenses	–35,729	–27,846	–20,943	–17,423	–8,100	–7,098	–930	–706	0	0	–65,703	–53,072
Segment operating result	15,006	20,880	44,317	32,340	3,835	2,507	–673	–57	0	0	62,485	55,670
Other operating income/expenses											–22,816	–22,223
EBITDA											39,669	33,447

1 *Restated due to internal reorganization during the 2018 financial year*

Revenues by region

In € thousand	01/01/2019–06/30/2019	01/01/2018–06/30/2018
D-A-CH	119,773	99,121
International	8,415	9,622
	128,188	**108,743**

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 €184,211 thousand (December 31, 2018: €143,155 thousand) are attributable to the D-A-CH region.

6. Equity

As of June 30, 2019, the Company had share capital of €5,620,435 (December 31, 2018: €5,620,435). As previously, the Company does not hold any treasury shares.

Based on a resolution adopted by the Annual General Meeting on June 6, 2019, a dividend of €2.14 per share was paid for the 2018 financial year (2017: €1.68 per share), plus a special dividend of €3.56 per share (previous year: €0.00). With 5,620,435 shares carrying dividend rights, this corresponds to a total payout of €32.0 million (previous year: €9.4 million).

Own cash and available-for-sale securities of €51.6 million as of June 30, 2019, 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.

7. Other operating income

Other operating income mainly includes non-recurring, non-operating income of €3,750 thousand from the acquisition of the new Group Campus. Expenses amounted to €3,006 thousand. Income from currency translation of €400 thousand (previous year: €249 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 – 06/30/2019	01/01/2018 – 06/30/2018[1]
IT services, management services	11,041	12,054
Server hosting, administration and traffic	2,974	2,125
Other personnel expenses	2,620	1,187
Travel, entertainment and other business expenses	2,392	2,946
Occupancy expenses	1,536	1,581
Payment transaction costs	1,423	1,402
Bad debts	1,130	767
Training costs	745	670
Legal consulting fees	590	210
Exchange rate losses	417	279
Accounting fees	351	314
Telephone/cell phone/postage/courier	282	210
Insurance and contributions	272	184
Expenses attributable to prior periods	258	259
Financial statements preparation and auditing costs	249	230
Rents/leases	219	207
Office supplies	174	199
Supervisory Board remuneration	162	162
Other	1,669	401
TOTAL	**28,504**	**25,387**

[1] *restated pursuant to IAS 8*

The expenses for IT services and management services also include non-recurring, non-operating expenses of €2,004 thousand incurred in connection with the new Campus.

Other expenses also comprise non-recurring, non-operating expenses of €1,002 thousand incurred in connection with the 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 €1,484 thousand than as stipulated in the previous amortization schedule, which will be recognized in later periods.

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.

Finance costs include €199 thousand from reassessing the earn-out from the acquisition of InterNations GmbH, which became necessary due to improved revenues and EBITDA. In the previous year, finance income included €1,604 thousand from the reversal of earn-out obligations from the acquisition of Buddybroker AG, which resulted in corresponding finance costs of €585 thousand.

11. Related parties

Please refer to the consolidated financial statements as of December 31, 2018, for information about related parties. From the Group’s perspective, no significant changes with respect to the Burda Group occurred until June 30, 2019.

There were no claims against members of the Executive Board and the Supervisory Board as of June 30, 2019.

12. Financial instruments

The Group 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 June 30, 2019.

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

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

In € thousand	Measurement category[1]	06/30/2019	12/31/2018
Non-current financial assets at amortized cost	Amortized cost	612	453
Non-current financial assets at fair value	FVOCI	29,336	28,702
Current receivables from services	Amortized cost	34,559	35,523
Current other assets	Amortized cost	10,115	783
Cash	Amortized cost	28,096	57,881
Non-current financial liabilities at fair value	FLFVtPL	15,252	9,546
Current trade accounts payable	Amortized cost	4,726	3,873
Current financial liabilities at fair value	FLFVtPL	1,318	4,501
Current other liabilities	Amortized cost	6,951	3,989

[1] *LaR = Loans and receivables; AfS = Available-for-sale financial assets; FLAC) Financial liabilities measured at amortized cost; FLFVtPL = Financial liabilities at fair value through profit or loss FVOCI = Financial assets at fair value through other comprehensive income*

Receivables from services are impaired as follows:

06/30/2019 In € thousand	Not yet due	Past due < 30 days	Past due < 90 days	Past due > 90 days	Total
Impairment ratio	0.6%	2.1%	10.1%	22.1%	5.1%
Gross carrying amount	20,479	7,269	2,805	5,855	36,408
Impairment	– 122	– 150	– 282	– 1,295	– 1,849

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

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, August 13, 2019

The Management Board

Dr. Thomas Vollmoeller

Dr. Patrick Alberts

Alastair Bruce

Ingo Chu

Jens Pape

Responsibility statement

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

Hamburg, August 13, 2019

The Management Board

Financial calendar

Interim Report Q3 2019	November 7, 2019

Publishing information and contact

For Annual Reports, Interim Reports and current financial information about New Work SE (formerly XING SE), please contact:

Investor Relations
Patrick Möller
Dammtorstraße 30
20354 Hamburg
Phone +49 40 41 91 31–793
Fax +49 40 41 91 31–44

For press inquiries and current information about New Work SE (formerly XING SE), please contact:

Corporate Communications
Marc-Sven Kopka
Phone +49 40 41 91 31–763
Fax +49 40 41 91 31–44
presse@xing.com

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

XING SE's Facebook profile
Facebook: 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

New Work SE
Dammtorstraße 30
20354 Hamburg
Germany
Phone +49 40 41 91 31–793
Fax +49 40 41 91 31–44
investor-relations@xing.com