

HALF-YEAR REPORT FOR THE PERIOD FROM JANUARY 1 TO JUNE 30, 2018

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Key figures

	Unit	H1 2018	H1 2017 ³	Q2 2018	Q2 2017 ³	Q1 2018
Total revenues ¹	in € million	110.5	86.3	56.6	44.2	54.0
B2C segment	in € million	49.0	41.6	24.8	21.0	24.2
B2B E-Recruiting segment	in € million	49.8	35.3	26.1	18.3	23.7
B2B Advertising & Events segment ²	in € million	9.6	7.5	4.6	3.9	5.0
kununu International segment	in € million	0.6	0.7	0.3	0.3	0.3
EBITDA	in € million	33.4	28.5	18.6	16.1	14.8
EBITDA margin	in %	30	33	33	36	27
Net profit for the period	in € million	15.4	12.8	9.2	8.0	6.1
Earnings per share (diluted)	in€	2.73	2.29	1.64	1.42	1.09
Cash flow from operations	in € million	41.9	34.0	16.8	13.6	25.1
XING users Germany, Austria, Switzerland (D-A-CH), total	in million	15.3	13.2	15.3	13.2	14.9
thereof platform members	in million	14.4	12.4	14.4	12.4	13.9
thereof subscribers	in thsd.	1,010	971	1,010	971	1,010
InterNations members	in million	3.0	N/A	3.0	N/A	2.9
thereof subscribers	in thsd.	128	N/A	128	N/A	124
B2B E-Recruiting customers, D-A-CH	in thsd.	20.4	17.4	20.4	17.4	20.5
thereof B2B E-Recruiting (subscription)	in thsd.	9.2	7.0	9.2	7.0	8.6
B2B Advertising& Events customers, D-A-CH	in thsd.	8.5	7.7	8.5	7.7	8.3
Employees	number	1,472	1,043	1,472	1,043	1,379

¹ Total revenues including other operating income

² Incl. intercompany revenues

 $^{\scriptscriptstyle 3}$ $\,$ Restated retrospectively in accordance with IFRS 15 / 16 transition in accordance with IAS 8 $\,$

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XING is the social network for business professionals.

The leading social network for business professionals in the German-speaking market 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 more than 14 million members achieve as harmonious a work / life balance as possible. For example, members can use XING Jobs to find the position that meets their individual needs, keep up to date with the news offerings on XING and participate in the debate, or find out about changes and trends in the new world of work on the XING spielraum topics portal.

Established in 2003, XING has been listed since 2006 and has been a TecDAX member since September 2011. Members can meet and exchange views on XING in around 80,000 groups or get together at one of the more than 150,000 relevant events for professionals that are organized each year. XING has a presence in Hamburg, Munich, Barcelona, Vienna, Zurich and Porto. Please visit www.xing.com for further details.

TO OUR SHAREHOLDERS

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MANAGEMENT BOARD LETTER

Dear Shareholders,

XING continued on its dynamic growth trajectory in the first half of this year and achieved doubledigit growth in all business units. We increased our total revenues by 28 percent year on year to €110.5 million. The operating result grew by 21 percent when adjusted for the acquisitions of Inter-Nations and Prescreen.

The B2C segment increased its revenues to \notin 49.0 million in the first half of the year, up 18 percent on the previous year (\notin 41.6 million). This growth figure was 6 percent when adjusted for the effect of the InterNations acquisition. For the first time in XING's history, the B2B E-Recruiting segment generated the largest share of total revenues with \notin 49.8 million – a healthy 41 percent more than in the previous year (\notin 35.3 million). This growth totaled 38 percent when adjusted for the effect of the Prescreen acquisition. The B2B Advertising & Events segment also expanded significantly by 28 percent year on year to \notin 9.6 million. EBITDA, at \notin 33.4 million, was up 18 percent over the prior-year period (\notin 28.5 million). Net income rose by 20 percent in the first half of the year to \notin 15.4 million (\notin 12.8 million).



XING also significantly increased its membership base by around 1 million members during the reporting period. As a result, XING had 14.4 million members in German-speaking countries as of the end of June. Across all platforms, XING had 15.3 million users at the end of June. XING cracked the one million subscriber mark at the end of the first quarter.

As you can see: it is still a case of "all systems go" at XING. The radical change underway in the world of work is a megatrend which makes XING's role increasingly significant. It is more and more important for companies struggling with this dilemma to succeed in the "war for talents" – and for knowledge workers wondering how best to find opportunities in this jungle that will result in a fulfilling working life. We consistently focus on the specific needs of our corporate customers and members with local expertise that enables us to understand requirements particular to the German-speaking world. To put it clearly, our in-depth knowledge of the habits and specific needs of XING members in our home market and our proximity to our customers are crucial to our successful economic development.

The great importance attached to data security by German-speaking customers is one example of the local market aspects that we as a company headquartered in Hamburg understand better than any of our international competitors. For this reason, we used the introduction of the General Data Protection Regulation (GDPR) in May this year as an opportunity to offer our members even greater transparency. We also developed the "Privacy at XING" site as part of our dialog and coordination with the Hamburg Commissioner for Data Protection and Freedom of Information. Our aim when designing this site was to make the information available as transparently as possible. We tried to use language that is as clear and easy for everyone to understand as possible and prepare and present the information in a particularly vivid way, while at the same time ensuring that we do not compromise the accuracy and precision of the message. After all, it is important to us that each and every XING member retains control over their data and knows what happens to it.

To our great satisfaction, the Hamburg Commissioner for Data Protection and Freedom of Information was also pleased with the result. Public officials responded very positively to our newly developed "Privacy at XING" site and particularly noted its transparency for users. This reaffirms our commitment to protecting our members' data and provides us with motivation for the future. Speaking of the future, the future of the world of work is one of the megatrends of our age. The professional world is becoming more colorful, more individual and less streamlined. Instead of the previous concept of a "career ladder" with a predefined path, today's careers are characterized by a series of distinct phases. More and more people move from periods of traditional employment to periods of freelancing. As a result, freelancers also play an increasingly important role in companies. At the same time, there are virtually no standard solutions for managing freelancers.

Incredibly, companies are generally opting to use their own Excel-based solutions in this area. Systematic management is entirely absent. In the second quarter, we acquired a solution to this oversight called asap. Developed by a Hamburg-based startup, asap enables companies to perfect their freelancer knowledge over a number of years. All employees within a company can access this knowledge – and with different rights as required. This reduces bureaucracy, increases transparency many times over and, last but not least, gives freelancers extra visibility. This solution is available to our corporate customers with immediate effect.

Finally, I would like to take this opportunity to once again welcome Patrick Alberts to our Management Board. He has been our new Chief Product Officer since July this year and is responsible for our B2C business and the further development of the XING platform. After holding various positions at XING, he most recently served as Senior Vice President of the platform's Premium business.

Patrick Alberts succeeds Timm Richter, who left the Company on 30 June to establish his own business after more than five years as Chief Product Officer. In Patrick, we have found a first-class successor to Timm who will ensure that we remain innovative in the future. I would also like to thank Timm Richter for his significant contribution to XING's growth story.

All that remains is for me to thank you for your trust and your commitment to XING. We hope you will continue to give us your support. Kind regards,

Yours

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Dr. Thomas Vollmoeller, Chief Executive Officer of XING SE

XING SHARES

Basic data about the XING share

Key data on the XING share at a glance

Number of shares as of June 30, 2018	5,620,435
Share capital in €	5,620,435
Treasury shares as of June 30, 2018	327
IPO	12/07/2006
ISIN	DE000XNG8888
Bloomberg	O1BC:GR
Reuters	OBCGn.DE
Transparency level	Prime Standard
Index	TecDAX
Sector	Software

	H1 2018	H1 2017
XETRA closing price at the end of the period	€276.50	€233.05
High	€296.00	€252.00
Low	€231.00	€174.95
Market capitalization at the end of the period	€1.6 billion	€1.3 billion
Average trading volume per day (XETRA)	5,013	6,275
TecDAX ranking		
based on free-float market capitalization	26	23
based on trading volume	30	30
Earnings per share (diluted)	€2.73	€2.29

Shareholder structure in June 2018



Share price performance vs. indices in the first half of 2018



Analyst recommendations for the XING share August 2018

Broker	Analyst	Recommendation	Price target
Berenberg Bank	Sarah Simon	Hold	€270
Commerzbank	Heike Pauls	Hold	€290
Deutsche Bank	Nizla Naizer	Buy	€305
Equinet	Simon Heilmann	Hold	€305
Hauck&Aufhäuser	Pierre GröningWW	Buy	€300
Oddo Seydler	Marcus Silbe	Sell	€252
Warburg Research	Jochen Reichert	Hold	€312

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INTERIM GROUP MANAGEMENT REPORT

for the period from January 1 to June 30, 2018

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Course of business

Macroeconomic environment

While Germany's economy is experiencing a broad upturn, it was unable to maintain the rapid rate of expansion recorded in the previous year. Growth was constrained by capacity bottlenecks in several industrial sectors and an increasing shortage of skilled workers. In the first half of 2018, the upturn was driven by the domestic economy, with brisk investment in equipment and construction as well as consistently robust consumer spending. In real terms, gross domestic product (GDP) grew by 1.6 percent in the first quarter of 2018. This growth was 2.3 percent when adjusted for inflation and seasonal influences. According to a forecast by the Ifo Institute, the German economy is likely to have grown by 2.0 percent in real terms in the first half of 2018. According to the National Bank of Austria (OeNB), the Austrian economy is experiencing a boom, with growth driven by all components of demand. According to the OeNB, GDP rose by 3.4 percent in real terms in the first quarter of 2018. This positive trend continued in the second quarter. The Swiss economy grew at a brisker pace than in recent times due to high levels of corporate investment and robust consumer spending. This upturn was recorded in all sectors of the economy. GDP growth accelerated to 2.2 percent in real terms in the first quarter of 2018. The second quarter saw a continuation of this positive development.

Sector-specific environment

While the protracted upturn in the German labor market continued, the Deutsche Bundesbank believes that capacity bottlenecks will have an increasingly noticeable impact on the labor market. In June 2018, the number of people in gainful employment reached 44.7 million, an increase of 567,000 people in one year (+1.3 percent). The unemployment rate calculated on the basis of the ILO measure of employment decreased in the same period from 3.8 percent to 3.4 percent (Destatis). According to the definition of the Federal Employment Agency, the unemployment rate in June 2018 fell from 5.5 percent to 5.0 percent year on year. The number of unemployed narrowed by almost 197,000 to 2.28 million people. Austria's labor market continued to pick up noticeably thanks to the strong economy. According to OeNB figures, employment in May grew on a broad basis by 2.5 percent year on year. The unemployment rate (ILO) fell to 4.7 percent in June (prior-year figure: 5.4 percent). The situation in the Swiss labor market improved significantly thanks to a further increase in employment. According to figures published by the country's State Secretariat for Economic Affairs (SECO), the number of people out of work in absolute terms had fallen by one-fifth in a year by the end of the first half of 2018, with the nationally defined unemployment rate dropping to 2.4 percent (prior-year figure: 3.0 percent).

The state of labor markets in the D-A-CH region (Germany, Austria, Switzerland) therefore remained healthier than those in the euro area (ILO unemployment rate in June: 8.3 percent) or the EU as a whole (6.9 percent). However, major differences exist within the D-A-CH area, depending on the city and region. In some areas, unemployment is comparatively high, whereas many other places suffer from a noticeable shortage of skilled workers in specific professions. In this environment, the readiness of the workforce to be mobile is becoming more and more 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.





¹ Restated retrospectively pursuant to IFRS 15 / 16

REVENUES

Revenues of the XING Group including other operating income rose from \in 86.3 million in the first half of 2017 by 28 percent to \in 110.5 million in 2017. Adjusted for the acquisitions of Inter-Nations (B2C segment) and Prescreen (B2B E-Recruiting segment), revenue growth was 21 percent. At \in 1.8 million, other operating income was slightly above the prior-year-figure of \in 1.5 million. All prior-year figures included in this report have been adjusted retrospectively due to the entry into force of IFRS 15 / 16 to ensure comparability with current results and key figures. IFRS 15 has been applied mandatorily since January 1, 2018 while IFRS 16 has been applied early on a voluntary basis as of that same date.

PERSONNEL EXPENSES

At the end of June 2018, we had 1,472 employees (June 2017: 1,043), which represents an increase of 429 employees (+ 41 percent). Personnel expenses rose by 35 percent. Excluding the InterNations and Prescreen transactions, personnel expenses rose from €31.3 million to €38.5 million (+ 23 percent).

MARKETING EXPENSES

In the first quarter, we ran our annual TV campaign and in the second quarter we stepped up additional measures to boost our B2B offerings. Accordingly, marketing expenses increased by around 39 percent year on year in the first half of 2018, from ≤ 10.1 million to ≤ 14.0 million. As a result, the marketing expenses ratio rose slightly from 12 percent to 13 percent year on year in the first half of 2018. Not taking into account InterNations and Prescreen, marketing expenses rose from ≤ 10.1 million to ≤ 12.4 million (+23 percent).

OTHER OPERATING EXPENSES

Other operating expenses rose by 27 percent in the reporting period, from \leq 16.4 million to \leq 20.8 million. The main operating expense items here include IT and other services at \leq 7.5 million (previous year: \leq 5.0 million), travel and entertainment at \leq 2.9 million (previous year: \leq 2.4 million), and server hosting, administration and traffic at \leq 2.1 million (previous year: \leq 1.5 million). Not taking into account InterNations and Prescreen, other operating expenses rose from \leq 16.4 million to \leq 19.8 million (+20 percent). The notes to the financial statements include a detailed table of all items reported under "Other operating expenses".

EBITDA

We gave a substantial boost to our operating result (EBITDA) in the first half of 2018, as EBITDA of the XING Group rose by 18 percent in the reporting period to €33.4 million (previous year: €28.5 million).

DEPRECIATION, AMORTIZATION AND IMPAIRMENT LOSSES

Depreciation, amortization and impairment losses rose from \in 7.5 million in the previous year to \in 10.0 million (+ \in 2.5 million). This includes \in 1.3 million for the amortization of assets from purchase price allocation for Prescreen GmbH and InterNations GmbH, which were acquired in the third quarter of 2017. Depreciation, amortization and impairment losses in the reporting period include insignificant impairment losses (previous year: \in 0.2 million). Amortization of internally generated software amounted to \in 3.0 million (previous year: \notin 2.5 million).

FINANCIAL RESULT AND TAXES

At €-0.6 million, the financial result for the first half of 2018 was significantly higher than the previous year's figure of €-1.8 million. This improvement is mainly attributable to an agreement reached with the sellers of BuddyBroker AG in favor of a fixed, immediately due payment. Excluding this non-recurring, non-operating net income of €1.0 million, the financial result was €-1.8 million.

Current taxes are determined by the companies of the XING Group based on the tax laws applicable in their country of domicile. Tax expense amounted to \notin 7.5 million, up from \notin 6.3 million in the first half of 2017.

CONSOLIDATED NET PROFIT AND EARNINGS PER SHARE

Consolidated net profit in the first half of 2018 amounted to €15.4 million, up from €12.8 million in the prior-year period. Excluding the non-recurring, non-operating net income from the BuddyBroker acquisition, the consolidated net profit was €14.3 million. This gives rise to earnings per share of €2.73 (or €2.55 excluding the non-recurring, non-operating effect) for the first half of 2018, compared with €2.29 per share in the prior-year period. Earnings per share therefore rose by 20 percent (or 11 percent excluding the non-recurring, non-operating effect from the Buddy Broker acquisition) year on year.

Segment performance

B2C SEGMENT

B2C segment revenues in € million



Organic segment revenue growth of 6 percent

In the **B2C** segment, revenues grew by 18 percent in the first half of 2018 to €49.0 million (previous year: €41.6 million). Excluding the M&A effect of the InterNations acquisition in July 2017, organic segment growth totaled 6 percent. This is primarily attributable to the addition of 38,000 new subscribers since June 2017 and a higher average price per subscriber generated by Pro memberships. As a result, the number of subscribers reached 1,010 thousand at the end of June 2018 (previous year: 971 thousand).

As expected, segment EBITDA was slightly below the prior-year-figure of €23.5 million at €21.9 million. This is mainly attributable to capital expenditure for new B2C offerings, such as XING News and XING Executives, which do not qualify for recognition as an asset. This meant that the segment EBITDA margin was 45 percent compared with 56 percent in the prior-year period.

Subscribers in thousand



XING adds almost one million members in the first half of the year

We regularly run a TV campaign in the first quarter of the financial year. Once this year's campaign ended, we continued to build our brand in the second quarter with a series of branding activities. In addition to persistently strong viral membership growth, the TV campaign in particular had a positive impact on the growth of the membership base in the first half of the year. The membership base grew by almost one million to 14.4 million in the first six months of the current financial year. Including XING Events users, total XING users thus came to 15.3 million at the end of June 2018 (H1 2017: 13.2 million).

We reach more than 14 million people with www.xing.com, which represents more than 50 percent of white-collar workers in the D-A-CH region. We expect continued growth in both basic and paying members in the second half of 2018.

Member growth (D-A-CH) in million¹



¹ Rounding differences are possible

Since this year we have offered our members a completely redesigned app for iOS and Android. The new app features an innovative user design that deliberately differs from popular social network apps. By swiping through content sorted by relevance, users can gain an overview of important news in their network and find inspiration and new professional opportunities even faster than before. The "new homepage" will also be rolled out for desktop applications this year.

In the first quarter, we also introduced end-to-end encryption for sending messages between users. This makes us the only professional network in the German-speaking world to offer both Basic and Premium members the opportunity to share sensitive and particularly confidential information with others without third parties having access to it. Message dispatch with end-to-end encryption is available in the mobile XING apps.

B2B E-RECRUITING SEGMENT



B2B E-Recruiting segment revenues in \in million

The **B2B E-Recruiting** segment has been exceeding our ambitious expectations ever since the beginning of the year. Revenues in this segment rose by 41 percent (38 percent excluding the Prescreen M&A effect) to overtake the lucrative B2C segment for the first time in the Company's history. With revenue of €49.8 million, the B2B E-Recruiting segment recorded the highest revenue of any segment in the XING Group during the period under review.

The primary driver for this dynamic growth is the number of B2B customers with subscriptions. Thanks to strong demand for modern, more digital recruiting solutions in the D-A-CH region, the customer base grew from 7.0 thousand to 9.2 thousand in the past twelve months, an increase of 40 percent.

On the back of this dynamic revenue growth, operating profit in the segment (EBITDA) increased almost exactly in step with organic revenue growth, rising by 36 percent. Segment EBITDA therefore came to \leq 32.4 million in the first half of the year (H1 2017: \leq 23.8 million). The segment's EBITDA margin was 65 percent in the first six months of 2018 (H1 2017: 68 percent). On the product side, we further expanded our robust market position as a partner to HR departments in Germany with the help of products such as the XING TalentpoolManager launched in time for the 2017 HRM Expo. With this new tool, XING helps companies to establish a pool of potential employees that they can contact quickly and easily when a vacancy arises. In addition to helping companies fill open positions effectively and efficiently, XING TalentpoolManager also improves opportunities for XING members to find a job that fits their lifestyle.

KUNUNU INTERNATIONAL SEGMENT

This segment, which broke even, mainly generates revenues relating to the provision of services (H1 2018: ≤ 0.6 million) for the joint venture. XING's share of the joint venture's net profit / loss for the year of ≤ -0.9 million (H1: 2017: ≤ -2.1 million) is accounted for as the share of profits and losses of equity-accounted investments.

B2B ADVERTISING & EVENTS SEGMENT



B2B Advertising & Events segment revenues in € million

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

We lifted revenues by 28 percent year on year to ${\rm \leqslant}9.6$ million in the first half of 2018.

Segment EBITDA also improved slightly by 5 percent, from 1€2.3 million to €2.4 million, reducing the segment's EBITDA margin from 31 percent to 25 percent.

Revenue growth in the B2B Advertising & Events segment in the first half of the year was driven by our Marketing Solutions.

Net Assets

Non-current assets increased by ≤ 12.7 million from ≤ 170.0 million as of December 31, 2017 to ≤ 182.8 million as of June 30, 2018. This is mainly due to recognition of new modules for the XING platform (≤ 10.5 million). The share of non-current assets in total assets changed only marginally year on year (-1.0%).

On June 30, 2018, the Group had liquid own funds of \notin 39.1 million (previous year: \notin 32.3 million) and available-for-sale securities amounting to \notin 29.7 million, which means that 26 percent of total assets are available short term.

Internally generated intangible assets include those parts of the XING platforms and the XING mobile applications that qualify for capitalization. Investments in internally generated and purchased software totaled €15.3 million (previous year: €12.9 million). This also includes the purchase price for the freelancer management software acquired from asap.industries GmbH in the reporting period, which became due immediately.

Financial Position

EQUITY AND LIABILITIES

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

As of the closing date, the Company's equity ratio remained stable at 32 percent. XING thus continues to be in an excellent position for future growth. The ratio of equity and non-current liabilities to non-current assets remained largely stable at 75 percent (previous year: 73 percent).

STRATEGIC FINANCING MEASURES

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

CASH FLOW FROM OPERATING ACTIVITIES

The cash flows from operating activities for the reporting period amounted to \notin 41.9 million, up from \notin 34.0 million in the previous year. This rise primarily resulted from the increase in deferred income by \notin 6.2 million and EBITDA by \notin 5.0 million.

CASH FLOW FROM INVESTING ACTIVITIES

In the first half of the 2018 financial year, the cash flows from investing activities included significantly higher amounts invested in platform development than in the previous year (\in 13.5 million compared with \in 11.5 million). At \in 2.6 million, investments in property, plant and equipment were also up significantly on the previous year (\in 1.6 million). The other drivers of cash flow from investing activities are payments for the acquisition of InterNations GmbH and BuddyBroker AG (\notin 4.6 and \notin 0.6 million, respectively) and payments for the acquisition of available-for-sale securities (\notin 30.0 million) made in the previous year.

CASH FLOWS FROM FINANCING ACTIVITIES

During the 2018 financial year, XING distributed a regular dividend of \notin 9.4 million (previous year: \notin 7.7 million). In the previous year, the Company also distributed a special dividend of \notin 9.0 million.

Report on expected developments and opportunities

Expected development of XING

We believe that XING will sustain its growth trajectory in financial year 2018 and continue its strong growth.

The starting point for sustainable positive performance at XING are 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.) at an early stage and identify areas for further development and change. Here, XING has an more important role to play as a reliable partner in a changing environment and to help its members make the right career decisions for them. With more than 14 million XING members, we have a very good foundation on which to continue benefiting from these macrotrends in the future.

Demographic trends and near-full employment in Germany represent major challenges for companies as they seek to fill open positions with suitable candidates within a reasonable time period, both now and in the future. For example, almost 70 percent of companies in Germany (Index Study 2017) say that they do not receive enough applications from experienced professionals with a university education.

Here too, our existing and well-established innovative digital recruitment solutions mean we are excellently positioned to help companies fill jobs better and more quickly, and will remain so in future.

As a solution provider, we will continue to be able to benefit from these structural changes and thus expect revenues and income to continue to rise.

REVENUE AND EARNINGS TARGETS

In our financial key performance indicators, we expect revenues and earnings to continue to increase at Group level. Only in the B2C segment are we budgeting a slight decline in segment EBITDA, which is due solely to investments in and start-up losses on additional and new B2C revenue streams. Accordingly, 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.

Financial key performance indicators Forecast for 2018

		Progress
Key figure	2018 target	H1 2018
Revenues incl. other operating income	Double-digit percentage growth	+28%
EBITDA (adjusted for extraordinary items) Group	Significant increase	+18%
Revenues B2C segment	Double-digit percentage growth	+18%
EBITDA (adjusted for extraordinary items) B2C segment	Slight decline due to investments in new business	-6%
Revenues B2B E-Recruiting segment	Double-digit percentage growth	+41%
EBITDA (adjusted for extraordinary items) B2B E-Recruiting segment	Significant increase	+36%
Revenues B2B Advertising& Events segment	Double-digit percentage growth	+28%
EBITDA (adjusted for extraordinary items) B2B Advertising&Events segment	Significant increase	+ 5%

DIVIDEND TARGETS

We have been pursuing a sustainable dividend policy since 2012. In the current financial year, we again plan to propose to the Annual General Meeting to be held on May 16, 2018 that a regular dividend amounting to ≤ 1.68 per no-par value share carrying dividend rights. The liquid funds and available-for-sale securities of ≤ 62.3 million as of the end of 2017 and XING's cash-generative business model enable the Company to pay dividend regularly without changing its business strategy, which is aimed at achieving growth. We intend to continue to make regular dividend payments.

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 2018 financial year excluding extraordinary items such as acquisitions or special dividends to increase considerably.

PLANNED CAPITAL EXPENDITURES

Following an increase in the investment volume (CAPEX) to €33.4 million in the 2017 financial year, we anticipate further year-on-year increase for the 2018 financial year. 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 2018 (2017: +17 percent) and increase the number of subscribers slightly (2017: +7 percent or approx. 55,500 new subscribers excluding the effect of 10,000 subscribers triggered by the change of the payment service provider).

Relationships with corporate customers are the most important measure in the B2B E-Recruiting and B2B Advertising & Events segments because the segments' revenue and earnings performance significantly depends on them. For this reason, the goal is to increase the number of corporate customers through subscriptions in the B2B E-Recruiting segment significantly in the 2018 financial year. We also expect the number of corporate customers in the B2B Advertising & Events segment to increase significantly.

Non-financial key performance indicators Forecast for 2018

Key figure	2018 target	Progress H1 2018
B2C segment: Members in the D-A-CH region	Substantial member growth	+ 1.0 million
B2C segment: Subscribers in the D-A-CH region	Slight growth	+ 16 thsd.
B2B E-Recruiting segment: Number of subscription-based corporate customers (B2B)	Substantial member growth	+ 1.2 thsd.
B2B Advertising & Events segment: Number of corporate customers (B2B)	Substantial member growth	+ 0.4 thsd.

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. Opportunity management at XING 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 business at XING 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. However, if the macroeconomic environment and economic conditions in the D-A-CH region deteriorate significantly, this will presumably have a negative impact on the B2B E-Recruiting segment. However, the B2C segment could consequently 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

XING 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 new product 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 XING'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 XING numerous opportunities, particularly in the future, if the B2B E-Recruiting products and services introduced by XING can achieve market penetration more quickly than planned. Other opportunities will also arise by establishing new and/or additional e-recruiting offerings more quickly than planned (e.g. through M&A transactions such as the acquisition of the application management provider Prescreen in July 2017). Furthermore, paid memberships in the B2C core business also present further opportunities. They can have a positive impact on the segment's revenue and earnings performance if these 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 XING, 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, XING SE has implemented the risk early warning system required in accordance with Section 91 (2) AktG and continuously develops it within the context of current market and company developments. As was the case in the previous year, the auditor of the annual financial statements again confirmed the functionality of the system.

Each individual employee is required to avert potential loss from the Company. It is every employee's task to immediately remove all risks in their own area of responsibility and to immediately notify the corresponding risk management contacts at XING 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, XING 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 method, which means that the probability of occurrence and the expected loss is estimated without taking into account countermeasures.

The subsidiaries XING Events GmbH, XING E-Recruiting GmbH & Co. KG, XING News GmbH, XING Marketing Solutions GmbH, kununu GmbH, kununu engage GmbH, InterNations GmbH and Prescreen International 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.

Taking into account the countermeasures taken, no further going concern risks were identified in addition to the risks presented for XING SE in the 2017 Annual Report. Interim consolidated financial statements Contents

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

for the period from January 1 to June 30, 2018

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Consolidated statement of comprehensive income

of XING SE For the period from January 1 to June 30, 2018

Consolidated statement of comprehensive income

		01/01/2018-	01/01/2017-	04/01/2018-	04/01/2017-
in€thousand	Note	06/30/2018	06/30/20171	06/30/2018	06/30/2017 ¹
Service revenues	5	108,743	84,735	55,720	43,452
Other operating income	7	1,786	1,547	830	779
TOTAL OPERATING INCOME		110,529	86,282	56,550	44,231
Personnel expenses		-42,255	-31,345	-22,243	-16,127
Marketing expenses		-14,015	-10,061	-5,803	-3,579
Other operating expenses	8	-20,811	-16,412	-9,858	-8,471
EBITDA		33,448	28,464	18,646	16,054
Depreciation, amortization and impairment losses	9	- 10,038	-7,512	-5,298	-3,873
EBIT		23,410	20,952	13,348	12,181
Share of profits and losses of equity-accounted					
investments	11	-941	-2,145	-331	-885
Finance income ²	10	1,795	565	1,605	565
Finance costs ³	10	-1,427	-205	-1,071	-64
EBT		22,837	19,167	13,551	11,797
Taxes on income		-7,486	-6,324	-4,331	-3,840
CONSOLIDATED NET PROFIT / LOSS		15,351	12,843	9,219	7,957
Earnings per share (basic)		€2.73	€2.29	€1.64	€1.42
Earnings per share (diluted)		€2.73	€2.29	€1.64	€1.42
		15 351	12.042	0.310	7.057
CONSOLIDATED NET PROFIT / LOSS		15,351	12,843	9,219	7,957
Currency translation differences		10	-2	15	-3
Remeasurement of available-for-sale assets		-189	41	-133	3
OTHER COMPREHENSIVE INCOME		-179	39	-118	3
CONSOLIDATED TOTAL COMPREHENSIVE		_			
INCOME		15,172	12,882	9,101	7,960

¹ Previous year's figures adjusted

² Finance income includes non-recurring, non-operating income of €1,604 thousand from the acquisition of BuddyBroker

³ Finance costs includes non-operating expenses of €585 thousand from the acquisition of BuddyBroker

Consolidated statement of financial position

of XING SE as of June 30, 2018

Assets

		12/31/2017 /
in € thousand Note	06/30/2018	01/01/20181
Intangible assets	_	
Purchased software	10,273	8,970
Internally generated software	59,390	48,910
Goodwill	49,778	49,778
Other intangible assets	6,156	7,076
Property, plant and equipment		
Leasehold improvements	309	340
Other equipment, operating and office equipment	8,634	8,348
Advance payments made and construction in progress	747	203
Lease assets 3.4	12,969	11,501
Financial assets		
Financial assets at amortized cost	452	49
Financial assets at fair value (other comprehensive income)	29,656	29,936
Prepaid expenses	660	700
Deferred tax assets	3,735	4,215
NON-CURRENT ASSETS	182,759	170,026
Receivables and other assets		
Receivables from services	29,559	28,336
Contract assets 3.2	2,732	2,216
Other assets	4,952	5,155
Cash and short-term deposits		
Cash	39,068	32,327
Third-party cash	5,287	4,219
CURRENT ASSETS	81,599	72,253
	264,357	242,279

Equity and liabilities

in € thousand	Note	06/30/2018	12/31/2017 / 01/01/2018 ¹
Subscribed capital		5,620	5,620
Treasury shares	6	-89	0
Capital reserves		22,622	22,622
Other reserves		2,429	2,338
Net retained profits		52,645	47,007
EQUITY		83,227	77,587
Deferred tax liabilities		22,607	20,128
Contract liabilities	3.2	2,670	2,260
Other provisions		1,478	655
Financial liabilities at fair value (through profit or loss)		11,809	14,724
Lease liabilities	3.4	9,605	9,111
Other liabilities		2,498	3,114
NON-CURRENT LIABILITIES	· · · · · · · · · · · · · · · · · · ·	50,667	49,992
Trade accounts payable		3,096	6,851
Lease liabilities	3.4	4,023	2,596
Contract liabilities	3.2	90,911	73,894
Other provisions		1,093	894
Financial liabilities at fair value (through profit or loss)		2,554	4,733
Income tax liabilities		508	271
Other liabilities		28,278	25,461
CURRENT LIABILITIES		130,463	114,700

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Consolidated statement of cash flows

of XING SE for the period from January 1 to June 30, 2018

Consolidated statement of cash flows

in € thousand	01/01/2018- 06/30/2018	01/01/2017- 06/30/2017 ¹	04/01/2018- 06/30/2018	04/01/2017- 06/30/2017 ¹
Earnings before taxes	22,837	19,167	13,551	11,797
Amortization and write-downs of internally generated software	2,982	2,542	1,631	1,220
Depreciation, amortization and impairment losses on other fixed assets	7,056	4,970	3,667	2,652
Finance income	- 1,795	-565	-1,604	-564
Interest received	1	1	0	0
Finance costs	1,427	205	1,071	64
Share of profits and losses of equity-accounted investments	941	2,145	331	885
Taxes paid	-5,046	-3,811	-2,232	-1,775
Profit from disposal of fixed assets	1	-143	10	-143
Change in receivables and other assets	-778	-1,203	3,183	1,764
Change in liabilities and other equity and liabilities	-2,092	1,174	-4,425	-5,882
Change in deferred income	17,427	11,187	1,135	-17
Elimination of XING Events third-party obligation	- 1,068	-1,673	501	3,567
CASH FLOW FROM OPERATING ACTIVITIES	41,893	33,996	16,819	13,568
Payment for capitalization of internally generated software	-13,462	-11,462	-6,491	-5,941
Payment for purchase of software	-1,821	-1,414	- 1,695	-1,078
Payments for purchase of other intangible assets	-217	-347	67	-207
Proceeds from the disposal of fixed assets	- 39	154	-54	154
Payments for purchase of property, plant and equipment	-2,513	- 883	-1,441	54
Payment for acquisition of consolidated companies (less funds acquired)	-4,644	-732	-4,644	0
Payment for equity-accounted investments	-1,228	-3,281	0	0
Payments for investments in other financial assets	0	-29,954	0	0
CASH FLOW FROM INVESTING ACTIVITIES	-23,924	-47,919	-14,258	-7,018

Consolidated statement of cash flows

in€thousand	01/01/2018 - 06/30/2018	01/01/2017 - 06/30/2017 ¹	04/01/2018 - 06/30/2018	04/01/2017 - 06/30/2017 ¹
Payment of regular dividend	-9,442	-7,700	-9,442	-7,700
Payment of special dividend	0	-8,993	0	-8,993
Interest paid (incl. interest under IFRS 16)	-81	-90	-48	-43
Payment for leases (reduction of liability only)	-1,413	-1,705	-602	-878
Payments for own shares	-270	0	-270	0
CASH FLOWS FROM FINANCING ACTIVITIES	-11,206	-18,488	-10,362	-17,614
Currency translation differences	-22	5	-21	2
Change in cash and cash equivalents	6,741	-32,406	-7,822	-11,062
Own funds at the beginning of the period	32,327	83,428	46,890	62,084
OWN FUNDS AT THE END OF THE PERIOD ²	39,068	51,022	39,068	51,022
Third-party funds at the beginning of period	4,219	3,214	5,788	8,454
Change in third-party funds	1,068	1,673	-501	-3,567
THIRD-PARTY FUNDS AT THE END OF THE PERIOD	5,287	4,887	5,287	4,887

¹ Previous year's figures adjusted

² Funds consist of liquid funds.

Consolidated statement of changes in equity

of XING SE for the period from January 1 to June 30, 2018

Consolidated statement of changes in equity

			Treasury			
	Subscribed	Capital	shares	Other	Net retained	Total
in € thousand	capital	reserves	at cost	reserves	profits	equity
AS OF 01/01/2017 (AS PREVIOUSLY REPORTED)	5,620	22,622	0	2,438	39,182	69,862
Adjustment from first-time application of IFRS 15	0	0	0	0	-943	0
Adjustment from first-time application of IFRS 16	0	0	0	0	-192	0
AS OF 01/01/2017 (RESTATED)	5,620	22,622	0	2,438	38,047	69,862
Other comprehensive income	0	0	0	0	0	0
Consolidated net profit / loss (restated)	0	0	0	39	12,843	12,882
Consolidated total comprehensive income (restated)	0	0	0	39	12,843	12,882
Regular dividend for 2016	0	0	0	0	-7,700	-5,789
Special dividend	0	0	0	0	-8,993	-8,431
AS OF 06/30/2017 (RESTATED)	5,620	22,622	0	2,477	34,197	64,916
AS OF 12/31/2017 AND 01/01/2018 (AS PREVIOUSLY REPORTED)	5,620	22,622	0	2,338	48,404	78,984
Adjustment from first-time application of IFRS 15	0	0	0	0	-1,258	0
Adjustment from first-time application of IFRS 16	0	0	0	0	-139	0
AS OF 01/01/2018 (RESTATED)	5,620	22,622	0	2,338	47,007	77,587
Consolidated net profit / loss	0	0	0	0	15,351	15,351
Purchase of own shares	0	0	-270	0	0	-270
Other comprehensive income	0	0	0	-179	0	-179
		0	0	270	-270	
Equity-settled share-based payment transaction	0					0
Equity-settled share-based payment transaction Issue of own shares	0	0	181	0	0	
		0	181 -89	0 91	0 15,081	181
Issue of own shares	0	-		•	-	0 181 15,083 -9,442

Notes to the interim consolidated financial statements

for the period from January 1 to June 30, 2018

1. Information on the Company and the Group

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

Operating the leading social network for business professionals in the German-speaking market, XING 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 approximately 14 million members achieve as harmonious a work / life balance as possible. XING generates its revenues primarily from fee-based products for end customers and businesses. It is a model in which our customers pay for most of the services provided in advance.

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

These condensed interim consolidated financial statements of XING SE for the reporting period ending on June 30, 2018, have been prepared in accordance with the International Financial Reporting Standard for interim financial reporting (IAS 34). The condensed interim consolidated financial statements do not contain all of the information required for full annual consolidated financial statements, and should therefore be read in conjunction with the consolidated financial statements as of December 31, 2017.

The reporting period began on January 1, 2018, and ended on June 30, 2018. The corresponding prior-year period began on January 1, 2017, and ended on June 30, 2017. The interim consolidated financial statements and the interim group management report of XING SE were approved for publication on August 6, 2018, 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, 2017, 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, 2022.

3. First-time application of new IFRSs

3.1 QUANTITATIVE DISCLOSURES RESULTING FROM THE FIRST-TIME APPLICATION OF NEW IFRSS

XING applies the retrospective method in accordance with IAS 8 for the introduction of both IFRS 15 and IFRS 16.

The following tables show the effects on the consolidated financial statements as of December 31, 2017 and the quarterly reporting as of June 30, 2017:

Statement of financial position

	12/31/2017			12/31/2017 /
in€thousand	as reported	IFRS 15	IFRS 16	01/01/20181
Lease assets	0	0	11,501	11,501
Deferred tax assets	3,081	1,026	108	4,215
Other non-current assets	154,310	0	0	154,310
NON-CURRENT ASSETS	157,391	1,026	11,609	170,026
Contract assets	0	2,216	0	2,216
Other assets	5,301	0	-146	5,155
Other current assets	64,882	0	0	64,882
CURRENT ASSETS	70,183	2,216	-146	72,253
Net retained profits	48,404	-1,258	-139	47,007
Other equity	30,580	0	0	30,580
EQUITY	78,984	-1,258	-139	77,587
Deferred tax liabilities	19,664	432	32	20,128
Contract liabilities	2,213	47	0	2,260
Lease liabilities	0	0	9,111	9,111
Other non-current liabilities	18,493	0	0	18,493
NON-CURRENT LIABILITIES	40,370	479	9143	49,992
Lease liabilities	0	0	2,596	2,596
Contract liabilities	69,873	4,021	0	73,894
Other liabilities	25,598	0	-137	25,461
Other current liabilities	12,749	0	0	12,749
CURRENT LIABILITIES	108,220	4,021	2,459	114,700

Statement of comprehensive income

in € thousand	H1 2017		IFRS 16	114 20471
in e thousand	as reported	IFRS 15	IFRS 10	H1 2017 ¹
Service revenues	84,603	132	0	84,735
Personnel expenses	-31,504	159	0	-31,345
Marketing expenses	-9,350	-711	0	-10,061
Other operating expenses	-18,021	0	1,609	-16,412
Other income / expenses	1,547	0	0	1,547
EBITDA	27,275	-420	1,609	28,464
Depreciation, amortization and impairment losses	-6,027	0	-1,485	-7,512
EBIT	21,248	-420	124	20,952
Finance costs	-147	0	-58	-205
Other financial result	-1,580	0	0	-1,580
EBT	19,521	-420	66	19,167
Taxes on income	-6,438	136	-22	-6,324
CONSOLIDATED NET PROFIT / LOSS	13,083	-284	44	12,843
Earnings per share (basic / diluted)	€2.33	€-0.05	€0.01	€2.29
Other comprehensive income	39	0	0	39
CONSOLIDATED TOTAL COMPREHENSIVE INCOME	13,122	-284	44	12,882

¹ Restated

Statement of cash flows

	H1 2017			
in€thousand	as reported	IFRS 15	IFRS 16	H1 2017 ¹
Earnings before taxes	19,521	-420	66	19,167
Depreciation, amortization and impairment losses on other fixed assets	3,485	0	1,485	4,970
Finance costs	147	0	58	205
Change in assets	-928	-275	0	-1,203
Change in equity and liabilities	325	741	108	1,174
Other items	9,683	0	0	9,683
CASH FLOW FROM OPERATING ACTIVITIES	32,233	46	1,717	33,996
CASH FLOW FROM INVESTING ACTIVITIES	-47,919	0	0	-47,919
Dividends	-16,693	0	0	- 16,693
Interest paid	-32	0	-58	-90
Payments for leases	0	0	-1,705	-1,705
CASH FLOWS FROM FINANCING ACTIVITIES	-16,725	0	-1,763	-18,488

¹ Restated

3.2 FIRST-TIME APPLICATION OF IFRS 9 – FINANCIAL INSTRUMENTS

IFRS 9 supersedes much of the guidance in IAS 39 on the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment, and hedge accounting. The application of IFRS 9 as of January 1, 2018 did not give rise to any significant changes at XING. XING did not apply hedge accounting either in the reporting period or in the comparative period.

The XING Group still does not have any interest rate or currency derivatives. With regard to trade accounts receivable and contract assets, there is no change in the application of the permissible simplified approach to impairment under IFRS 9 because XING already applied a comparable method under IAS 39. The reason for this is that due to its business model XING has a large number of small receivables, and services are normally paid for in advance. The receivables are impaired based on the respective dunning level / number of days overdue, using empirical values. Individual receivables are initially impaired in advance if there are objective indications of overdue debt. On account of the prepaid business model, contract assets are not impaired. Because of the mostly short terms, revenues do not include a significant financing component.

For the purposes of managing short- and medium-term surplus liquidity, XING has acquired several funds focused on inflation-adjusted capital preservation. These funds have been classified pursuant to IAS 39 as available-for-sale financial assets. Since these investments do not solely provide for interest and principal repayments at set times, the changes in fair value must be recognized in profit or loss. XING makes use of the option to present the change in fair value during the holding period in other comprehensive income and only reclassify the cumulative gains and losses to profit or loss in the event of disposal. Financial assets measured at amortized cost relate in particular to trade accounts receivable and rent deposits.

Financial liabilities that had already been measured as at fair value through profit or loss under IAS 39 relate solely to obligations arising from contingent purchase prices for acquisitions. Changes in fair value will continue to be recognized in profit or loss in accordance with IFRS 9.

3.3 FIRST-TIME APPLICATION OF IFRS 15 – REVENUE FROM CONTRACTS WITH CUSTOMERS

XING applied IFRS 15, including the clarifications that have now been adopted, in the reporting period for the first time. Here, the retrospective method in accordance with IAS 8 and the prior-year comparatives are applied accordingly. In this context, the changes to the statement of financial position, statement of comprehensive income and statement of cash flows explained in 3.1 were made.

The following circumstances result in a change in recognition:

1. Setup services for fixed-term products

The Group recognizes revenue from setup services generated in the B2B segments over the initial minimum term of the subsequent fixed-term products. The support provided to the customer during setup has until now been recognized as a separate deliverable. As of December 31, 2017, firsttime application resulted in the recognition of higher contract liabilities of \in 3,305 thousand.

2. Sales commissions

Sales employees and external agencies are partly paid performance-related remuneration. If these payments are entirely variable, they are allocated over the term of the products sold. As of December 31, 2017, first-time application resulted in the recognition a contract asset of \in 1,449 thousand. 3. Principal / agency relationships

If XING controls the services that are to be provided, bears the end customer's credit risk and the agent is not able to set its selling prices itself, XING is acting as principal. Due to its business model (platform operation), this will result in XING reporting more transactions as principal in future, which leads to an increase in contract assets / contract liabilities of \in 763 thousand as of December 31, 2017.

The Company recognized €468 thousand in deferred tax assets and €1,067 thousand in deferred tax liabilities as of December 31, 2017.

3.4 FIRST-TIME APPLICATION OF IFRS 16 – LEASES

XING applied IFRS 16 early as of January 1, 2018. Here, the retrospective method is applied and the prior-year comparatives are restated accordingly. The quantitative effects on the statement of financial position, the statement of comprehensive income and statement of cash flows are shown under 3.1.

In this connection, XING leases office space in particular. The leases typically have a term of up to five years, frequently with renewal options for XING. The precise terms and conditions of the agreements vary depending on the country and the leased property. Leases with terms of up to one year continue to be recognized as an expense.

Rents are recognized as lease assets (right-of-use assets) at their present value. At the commencement date, a lease liability is recognized in the same amount. When the liability is being determined, the following payments are considered:

- → Fixed payments to the lessor
- → Variable lease payments that depend on an index
- → Amounts to be payable by the lessee under residual value guarantees
- Exercise price of a purchase option if it is reasonably certain that this will be exercised
- Payments of penalties for terminating the lease it is reasonably certain that this option will be exercised

The cost of the right-of-use asset shall comprise:

- → The amount of the initial measurement of the lease liability
- → Any lease payments made before the commencement date
- → Any initial direct costs incurred by the lessee

Costs incurred to achieve the condition intended by XING and restoration obligations will continue to be presented under leasehold improvements.

The maturities of lease liabilities at the time of first-time application (January 1, 2018) are as follows:

Lease liabilities as of
12/31/2017 / 01/01/2018
2,621
3,912
5,428
11,961
-254
11,707

For discounting purposes XING uses the marginal cost of capital that is available for committed credit facilities. This is between 0.73% and 1.18% for the current leases.

As a result, the asset is written down on a straight-line basis over the expected useful life under amortization and impairment losses and the discounted liability is unwound in the financial result. The interest and the principal repayment are recognized under cash flows from financing activities.

3.5 OTHER STANDARDS AND INTERPRETATIONS APPLICA-BLE FOR THE FIRST TIME

Revisions of IAS 40, IFRS 2, IFRS 4 and IFRIC 22 were applicable for the first time in the reporting period. These have no effects on XING's reporting.

3.6 IFRSS THAT ARE NOT YET MANDATORY

XING does not expect the other standards that have been endorsed by the EU but are not yet mandatory to have any effects on its consolidated financial statements.

4. Acquisitions in the reporting period

With respect to the contingent purchase price, the purchase price allocation of InterNations GmbH has been completed. The figures published as of December 31, 2017 have not yet been restated.

5. Segment information

The column with the prior-year comparative figures has been adjusted accordingly as a result of applying IFRS 15 and IFRS 16.

in€thousand	B2	с	B2 E-Recri	-	B2 Advertising	-	kunı Interna		Consolid intersegm nues/ex	ent reve-	Total set	gments
	01/01- 06/30/ 2018	01/01- 06/30/ 2017 ¹	01/01- 06/30/ 2018	01/01- 06/30/ 2017 ¹	01/01- 06/30/ 2018	01/01- 06/30/ 2017 ¹						
Revenues (from third parties)	49,013	41,576	49,763	35,274	9,318	7,190	649	695	0	0	108,743	84,735
Intragroup revenues	0	0	0	0	287	286	0	0	-287	-286	0	0
Total revenues	49,013	41,576	49,763	35,274	9,605	7,476	649	695	-287	-286	108,743	84,735
Intragroup segment expenses	-287	-286	0	0	0	0	0	0	287	286	0	0
Other segment expenses	-26,784	-17,830	-17,377	-11,432	-7,174	-5,153	-706	-650	0	0	-52,041	-35,065
Segment operating result	21,942	23,460	32,386	23,842	2,431	2,323	-57	45	0	0	56,702	49,670
Other operating income / expenses											-23,254	-21,206
EBITDA											33,448	28,464

¹ Restated pursuant to IAS 8

Revenues by region

in€thousand	01/01/2018- 06/30/2018	01/01/2017- 06/30/2017 ¹
D-A-CH	99,121	80,951
International	9,622	3,784
	108,743	84,735

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, 2017, the non-current assets (excl. deferred tax assets and other financial assets) of €179,024 thousand (December 31, 2017: €116,525 thousand) are attributable to the D-A-CH region.

6. Equity

As of June 30, 2018, XING SE had share capital of €5,620,435 (December 31, 2016: €5,620,435) and the Company held 327 treasury shares. The Company has decided to grant one XING share to each eligible employee of the Group. For this purpose, it acquired 990 shares during the reporting period. The transfer process is ongoing and will be completed on schedule in the third quarter of 2018.

Based on a resolution adopted by the Annual General Meeting on May 16, 2018, a dividend of €1.68 per share was paid for the 2017 financial year (2016: €1.37 per share). In the previous year, a special dividend of €1.60 per share was also paid out. With 5,620,435 shares carrying dividend rights, this corresponds to a total payout of €9.4 million (previous year: €16.9 million incl. special dividend). The liquid funds of €51.0 million as of June 30, 2018 and XING's cash-generative business model enable the Company to pay special dividends without changing its business strategy, which is aimed at achieving growth.

7. Other operating income

Other operating income includes income of €249 thousand (previous year: €18 thousand) from currency translation and income from the disposal of equipment in the amount of €15 thousand (previous year: €143 thousand).

8. Other operating expenses

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

in € thousand	01/01/2018- 06/30/2018	01/01/2017- 06/30/2017 ¹
IT services, management services	7,478	5,036
Travel, entertainment and other		
business expenses	2,946	2,421
Server hosting, administration and traffic	2,125	1,509
Occupancy expenses	1,581	1,373
Payment transaction costs	1,402	1,179
Other personnel expenses	1,187	974
Bad debts	767	488
Training costs	690	664
Exchange rate losses	374	211
Accounting fees	314	254
Expenses attributable to prior periods	259	297
Financial statements preparation and auditing costs	230	190
Telephone / cell phone / postage / courier	210	223
Rents/leases	207	202
Legal consulting fees	201	712
Office supplies	199	128
Supervisory Board remuneration	162	146
Other	479	405
Total	20,811	16,412

¹ Previous year's figures adjusted

The other expenses mainly comprise costs of contributions, other charges and insurance costs.

9. Depreciation, amortization and impairment losses

In the reporting period from January 1 to June 30, 2018, the useful life of internally generated software was extended by a further 12 months to December 31, 2022. This led to the recognition of lower amortization of €598 thousand than as stipulated in the previous amortization schedule.

10. Financial result

In April 2018, XING entered into an agreement with the sellers of BuddyBroker AG to cancel the variable payment of the contingent purchase price in favor of a fixed payment of €585 thousand which is shown under finance costs. The agreement led to a non-operating reversal of the original earn-out liability in the amount of €1,604 thousand. This also had a non-operating effect on finance costs, increasing this item by €585 thousand.

11. Equity-accounted investments

XING contributed a further US\$1,500 thousand to the kununu US LLC joint venture in the reporting period. The financial result includes XING's share of the start-up loss of the joint venture in the amount of US\$1,572 thousand, of which only €941 thousand was recognized because the carrying amount was subsequently written down to zero.

12. Related parties

Please refer to the consolidated financial statements as of December 31, 2017, for information about related parties. From the perspective of XING SE, no significant changes with respect to the Burda Group occurred until June 30, 2018.

As of June 30, 2018, there are receivables in the amount of €622 thousand (December 31, 2017: €1,399 thousand) outstanding from kununu US LLC, the joint venture with Monster Inc. established in the reporting period. These receivables are shown under trade accounts receivable.

There were no claims against members of the Executive Board and the Supervisory Board as of June 30, 2018. For a market study involving a company over which a member of the Management Board has control or significant influence, a contract was signed in the first half of 2018 with a customary market remuneration of €100 thousand.

13. Financial instruments

XING SE acquired various securities in financial year 2017 for the purpose of investing excess liquidity. The fair values of these instruments, all of which are assigned to Level 1, correspond to their notional values multiplied with the prices quoted as of June 30, 2018.

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

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

06/30/2018		through other comprehensive	Fair value through profit	Financial assets	Other financial	Carrying
in€thousand	Level	income	or loss	at amortized cost	liabilities	amount
Financial assets at fair value						
Non-current assets at fair value	1	29,656				29,656
Financial assets at amortized cost						
Non-current financial assets at amortized cost				452		452
Trade accounts receivable				29,559		29,559
Other assets				4,952		4,952
Cash and short-term deposits				44,355		44,355
Financial liabilities at fair value						
Non-current liabilities at fair value	3		11,809			11,809
Current liabilities at fair value	3		2,554			2,554
Financial liabilities not at fair value						
Current trade accounts payable					3,096	3,096
Lease liabilities					13,628	13,628
Other liabilities					6,321	6,321

2	٥
5	2

12/31/2017 (restated) in € thousand	Level	Fair value through other comprehensive income	Fair value through profit or loss	Financial assets at amortized cost	Other financial liabilities	Carrying amount
Financial assets at fair value						
Non-current assets at fair value	1	29,936				29,936
Financial assets at amortized cost						
Non-current financial assets at amortized cost				49		49
Trade accounts receivable				28,336		28,336
Other assets				882		882
Cash and short-term deposits				36,546		36,546
Financial liabilities at fair value						
Non-current liabilities at fair value	3	14,724				14,724
Current liabilities at fair value	3	4,733				4,733
Financial liabilities not at fair value						
Current trade accounts payable					6,851	6,851
Lease liabilities					11,707	11,707
Other liabilities					5,114	5,114

Impairment

Trade accounts receivable are impaired as follows:

06/30/2018		Past due	Past due	Past due	
in € thousand	Not yet due	< 30 days	< 90 days	> 90 days	Total
Impairment ratio	0.6%	2.2%	5.8%	20.5%	4.6%
Gross carrying amount	15,860	7,211	3,011	4,908	30,990
Impairment	-94	-156	-174	-1,006	-1,431
12/31/2017 (restated)		Past due	Past due	Past due	
in€thousand	Not yet due	< 30 days	< 90 days	> 90 days	Total
Impairment ratio	0.7%	2.4%	9.3%	21.1%	3.6%
Gross carrying amount	17,108	4,624	6,580	1,092	29,405

-112

-116

The impairment figure includes both specific valuation allowances and anticipated defaults of the total trade accounts receivable. -231

-1,069

-610

14. Significant events after the interim reporting period

None.

Hamburg, August 6, 2018

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 principles for half-yearly financial reporting, the half-yearly 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 for the remaining months of the financial year.

Hamburg, August 6, 2018

The Executive Board

Service Financial calendar, publishing information and contact

Financial calendar

Publication of Half-Year Report 2018 Publication of the 2018 quarterly financial report (Q3 reporting date) August 6, 2018 November 7, 2018

Publishing information and contact

For Annual Reports, Interim Reports and current financial information about XING SE, please contact:

XING SE

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 XING SE, please contact:

XING SE

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

Consulting, Concept & Design

Silvester Group www.silvestergroup.com

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

XING SE

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

