



INTERIM MANAGEMENT STATEMENT
FOR THE 3RD QUATER 2018

Results

Key Figures of 11880 Solutions Group at a glance

| in EUR million | 9M 2018 | 9M 2017 | Variance absolute | Variance in percent |
|--|---------|---------|-------------------|---------------------|
| Revenues and earnings 11880 Solutions Group | | | | |
| Revenues | 31.6 | 30.7 | 0.9 | 2.9 % |
| EBITDA ¹ | 0.5 | -2.0 | 2.5 | – |
| Net loss | -3.2 | -7.6 | 4.4 | 57.9 % |
| Details Segments | | | | |
| Revenues Digital | 22.3 | 19.9 | 2.4 | 12.1 % |
| EBITDA ¹ Digital | 1.1 | -1.6 | 2.7 | – |
| Revenues Directory Assistance | 9.3 | 10.8 | -1.5 | -13.9 % |
| EBITDA ¹ Directory Assistance | -0.6 | -0.4 | -0.2 | -50.0 % |
| Statement of financial position² | | | | |
| Total assets | 21.7 | 26.1 | -4.4 | -16.9 % |
| Cash ³ | 2.7 | 6.0 | -3.3 | -55.0 % |
| Equity | 10.6 | 14.0 | -3.4 | -24.3 % |
| Equity ratio (in percent) | 48.8 % | 53.6 % | | |
| Cash Flow | | | | |
| Cash flow from operating activities | 0.1 | -2.4 | 2.5 | – |
| Cash flow from investment activities | 0.3 | 2.5 | -2.2 | -88.0 % |
| Cash flow from financing activities | -0.1 | -0.2 | 0.1 | 50.0 % |
| Net Cash flow ⁴ | -3.3 | -4.0 | 0.7 | 17.5 % |
| Key figures for the 11880 share | | | | |
| Earnings per share (in EUR) | -0.17 | -0.40 | 0.23 | 57.5 % |
| Share price (in EUR) ⁵ | 1.09 | 0.83 | 0.26 | 31.3 % |
| Market capitalisation | 20.8 | 15.8 | 5.0 | 31.6 % |
| Other KPIs | | | | |
| Number of employees ⁶ group | 564 | 621 | -57 | -9.2 % |

1 Earnings before interest, tax and depreciation

2 Comparison value as of December, 31 2017

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

4 The net cash flow is calculated as the operating cash flow plus cash flow from investing activities minus interest expenses, adjusted for the changes in money market and bond funds.

5 XETRA-closing prices

6 Headcount as of September, 30 2017 (without managing board, apprentices, minijobs, dormant employment)



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Course of business, material events

In the third quarter of financial year 2018, 11880 Solutions AG was again able to add almost 1,000 new customers in its digital business and lift the total number of customers to 29,700, which represents total customer growth of just under 4,000 since 1 January 2018. The search engine advertising service, which was further expanded in the second quarter by way of a cooperation with Microsoft, boosts the attractiveness of the 11880.com web package and has won over many businesses.

The relevance of *erkenntdenBESTEN*, the metasearch for online reviews and ratings, is also increasing further: The portal now has more than one million users per month. *erkenntdenBESTEN* aggregates ratings and stars from more than 50 of the leading rating sites and provides a valuable guide not only to consumers searching online. Small and medium-sized enterprises receive up-to-date information about the latest online ratings posted by their customers and can enter into direct dialogue with them.

From July to September, the product development team continued to work hard on the new *wirfindendeinenJOB.de* job portal, which will be launched before the end of 2018. The new online service offers small businesses with vacancies the opportunity to advertise their job offers to a broad audience and matches them with suitable applicants from the region. Since many open positions have to be filled especially by tradesmen who have little time to target suitable applicants themselves, *wirfindendeinenJOB.de* meets a large need in the market.

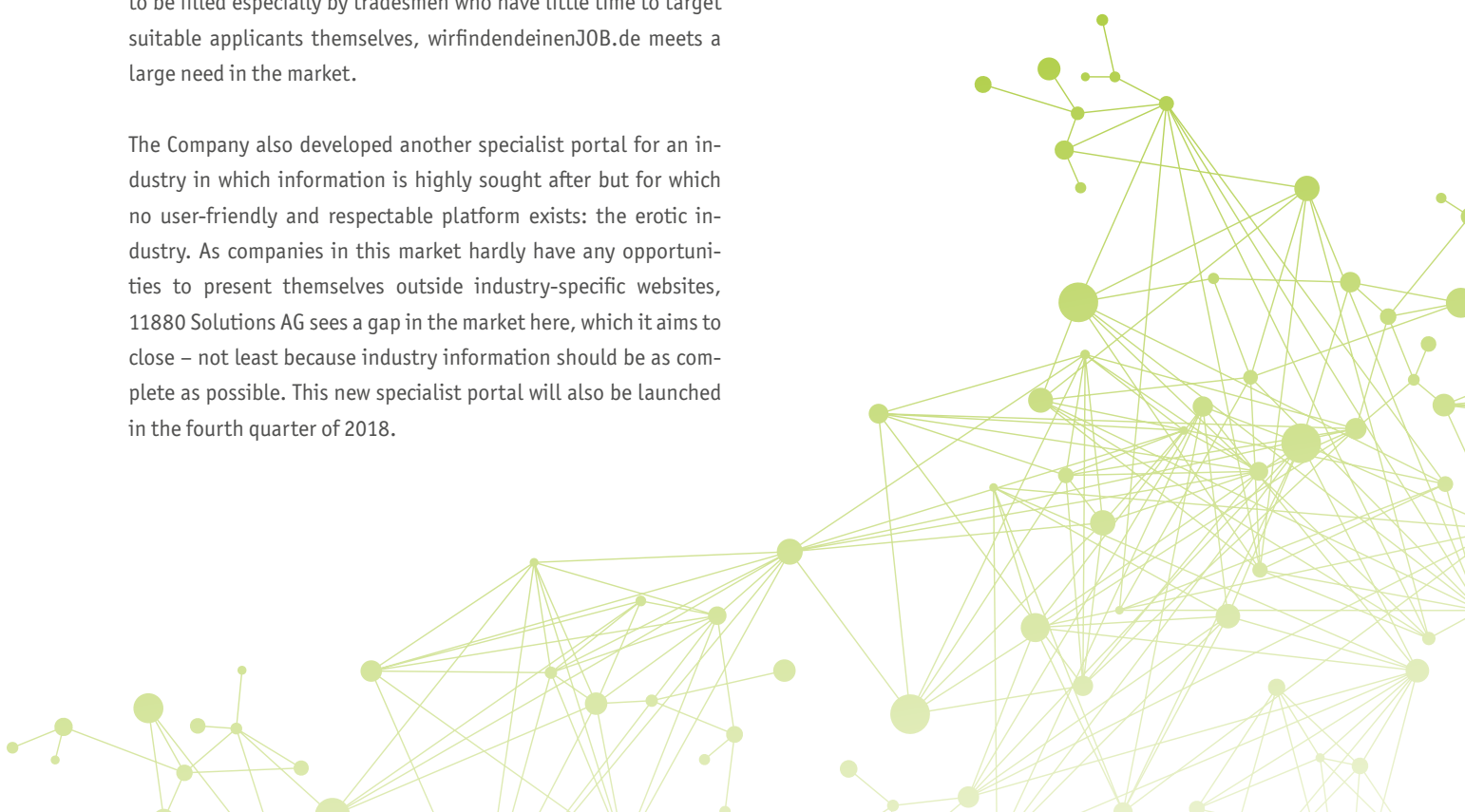
The Company also developed another specialist portal for an industry in which information is highly sought after but for which no user-friendly and respectable platform exists: the erotic industry. As companies in this market hardly have any opportunities to present themselves outside industry-specific websites, 11880 Solutions AG sees a gap in the market here, which it aims to close – not least because industry information should be as complete as possible. This new specialist portal will also be launched in the fourth quarter of 2018.

In the second and third quarters of 2018, 11880.com was represented on TV and in stadiums on LED advertising boards, shirts of kids escorting players onto the pitch and interview boards as part of a small football sponsorship package for the relegation matches in the Bundesliga and the DFL Cup. A major effect was achieved with very low advertising expenditure, which was reflected especially in high user figures.

The call volume for the 11880 directory assistance service was once again down year-on-year in the third quarter of 2018. However, 11880 Solutions AG won a new major company as a customer in this segment, for which its experienced employees now provide customer service. 11880 Solutions AG is currently in talks with other companies about similar cooperation arrangements.

Following the decision of the Annual General Meeting to relocate company headquarters from Munich to Essen, the registered office of 11880 Solutions AG has been in Essen since 1 August 2018.

At the end of the third quarter of 2018, the two Essen office locations were consolidated into one. Now the approximately 300 employees in Essen work under one roof.



Financial situation

Results of operations

In the first nine months of 2018, the 11880 Group generated consolidated revenues of EUR 31.6 million (previous year: EUR 30.7 million). Further explanations on the segment breakdown and changes to this structure are contained in the “Segment reporting” section.

The cost of revenues fell by EUR 1.8 million compared to the previous year and totalled EUR 17.8 million at the end of the third quarter. These costs were reduced due to lower personnel costs and lower depreciation and amortisation compared to the previous year.

In the third quarter of 2018, the Group incurred selling and distribution costs of EUR 10.0 million (previous year: EUR 11.4 million). The decrease of EUR 1.4 million or 12 % year-on-year is attributable to a considerable reduction in losses on receivables, lower depreciation and amortisation, and reduced advertising expenses.

General administrative expenses for the first nine months amounted to EUR 7.0 million (previous year: EUR 7.5 million). The decline is mainly attributable to reduced expenses for rent and maintenance.

As of 30 September 2018, consolidated earnings before interest, taxes, depreciation and amortisation (EBITDA) totalled EUR 0.5 million, a considerable year-on-year improvement by EUR 2.5 million.

Earnings after taxes improved from EUR -7.6 million in the previous year to EUR -3.2 million. Overall, revenue increased by EUR 0.9 million year-on-year, while at the same time total costs were reduced substantially by EUR 3.5 million.

Net assets and financial position

Capital expenditures

In the third quarter of 2018, the Group invested EUR 3.3 million (previous year: EUR 3.7 million). Expenditures focused on product improvements and innovations in the Digital segment. Total capital expenditures also include capitalised sales commissions of EUR 2.1 million (previous year: EUR 1.4 million).

Statement of financial position

As of 30 September 2018, total assets amounted to EUR 21.7 million, showing a decrease of EUR 4.4 million compared with 31 December 2017 (31 December 2017: EUR 26.1 million).

On the assets side, current assets declined from EUR 17.9 million as of 31 December 2017 to EUR 13.0 million. This was due mainly to the decrease in financial assets measured at fair value through profit or loss. The fair value of these investments as of the reporting date was EUR 1.7 million (31 December 2017: EUR 5.3 million). The decrease in trade accounts receivable by EUR 0.9 million to EUR 8.8 million (31 December 2017 to EUR 9.7 million), was attributable mainly to the declining directory assistance business.

Non-current assets increased by EUR 0.5 million compared to 31 December 2017 to EUR 8.7 million (31 December 2017: EUR 8.2 million).

On the liabilities side, current liabilities fell by EUR 1.2 million to EUR 10.2 million, primarily as a result of the decline in deferred current liabilities (31 December 2017: EUR 11.4 million). As of the reporting date, the share of deferred current liabilities was EUR 4.3 million, EUR 1.2 million less than at 31 December 2017. The reduction in these liabilities resulted from payments made in the current financial year for restructuring measures carried out in the previous year.

Non-current liabilities totalled EUR 0.9 million as of the reporting date (31 December 2017: EUR 0.8 million).

Equity declined by EUR 3.3 million to EUR 10.6 million compared to 31 December 2017 (31 December 2017: EUR 13.9 million), primarily reflecting the net loss for the period.

Cash flow and financing

Cash flow from operations as of 30 September 2018 amounted to EUR 0.1 million, compared to EUR -2.4 million during the prior-year period.

The cash inflow from investing activities was EUR 0.3 million, down EUR 2.2 million on the prior-year period. While inflows of EUR 3.6 million resulted from the disposal of financial assets measured at fair value through profit or loss (previous year: EUR 4.0 million),

outflows of EUR 3.0 million were recognised for intangible assets including sales commissions (previous year: EUR 1.3 million) and EUR 0.4 million for property and equipment (previous year: EUR 0.4 million).

The cash flow from financing activities was EUR -0.1 million in the first nine months (previous year: EUR -0.2 million).

Cash holdings

Cash holdings (cash and current financial assets measured at fair value through profit or loss at the end of the period) declined from EUR 6.0 million to EUR 2.7 million compared with 31 December 2017. The decrease in cash holdings by EUR 3.3 million (net cash flow) corresponds to the sum of the cash flow from operations of EUR 0.1 million, the cash flow from investing activities of EUR -3.3 million adjusted for the sale of fund shares and the cash flow from financing activities in the amount of EUR -0.1 million.

Segment report

At EUR 22.3 million, revenues in the Digital business were up considerably year-on-year (previous year: EUR 19.9 million). This result is due to the good sales performance in the prior year and in the first three quarters of 2018. The number of new customers in this line of business again rose sharply. The Digital business accounted for around 71 % of total revenue in the third quarter (previous year: 65 %). Nine-month earnings (EBITDA) as of the reporting date were EUR 1.1 million (previous year: EUR -1.6 million).

The traditional directory assistance business accounted for EUR 9.3 million of total revenues (previous year: EUR 0.2 million). Earnings (EBITDA) fell by EUR 0.2 million in the first nine months to EUR -0.6 million (previous year: EUR -0.4 million).

Updated report on expected developments

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

Comparability of disclosures

The 9-month report for 2018 and the consolidated financial statements for the year ended 31 December 2017 are available on the 11880 Solutions AG website at: <https://ir.11880.com/english/reports>.

Essen, 05 November 2018

The Management Board

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Consolidated income statement (IFRS)

| in EUR thousand | 3-Months Report | | 9-Months Report | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| | unaudited | | unaudited | |
| | 01.07 – 30.09.2018 | 01.07 – 30.09.2017 | 01.01 – 30.09.2018 | 01.01 – 30.09.2017 |
| Revenues | 10,769 | 10,308 | 31,613 | 30,703 |
| Cost of revenues | -6,126 | -7,067 | -17,848 | -19,694 |
| Gross profit | 4,643 | 3,241 | 13,765 | 11,009 |
| Selling and distribution costs | -2,990 | -3,776 | -10,030 | -11,430 |
| General administrative expenses | -2,225 | -2,659 | -7,005 | -7,460 |
| Other operating income | 1 | 4 | 1 | 5 |
| Other operating expense | -24 | 0 | -95 | -1 |
| Operating income (loss) | -595 | -3,190 | -3,364 | -7,877 |
| Interest income | 0 | 0 | 0 | 105 |
| Interest expense | -3 | -6 | -9 | -17 |
| Gain (loss) from marketable securities | 20 | 7 | 286 | 42 |
| Gain (loss) on foreign currency translation | 0 | -2 | 0 | -3 |
| Financial income (loss) | 17 | -1 | 277 | 127 |
| Income (loss) before income tax | -578 | -3,191 | -3,087 | -7,750 |
| Current income tax | 0 | 0 | 44 | -1 |
| Deferred income tax | -357 | 16 | -140 | 190 |
| Income tax | -357 | 16 | -96 | 189 |
| Net income (loss) after tax from continuing operations | -935 | -3,175 | -3,183 | -7,561 |
| Net income (loss) | -935 | -3,175 | -3,183 | -7,561 |
| Attributable to: | | | | |
| Owners of the parent | -935 | -3,175 | -3,183 | -7,561 |
| | -935 | -3,175 | -3,183 | -7,561 |
| Earnings per share for net income (loss) for the reporting period attributable to ordinary equity holders of the parent (in EUR) | -0.05 | -0.17 | -0.17 | -0.40 |
| Earnings per share for continuing operations for net income (loss) for the reporting period attributable to ordinary equity holders of the parent (in EUR) | -0.05 | -0.17 | -0.17 | -0.40 |

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

unaudited

9-Months Report

unaudited

| in EUR thousand | 01.07 – 30.09.2018 | 01.07 – 30.09.2017 | 01.01 – 30.09.2018 | 01.01 – 30.09.2017 |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| Net income (loss) | -935 | -3,175 | -3,183 | -7,561 |
| Other comprehensive income (loss) | | | | |
| Items that will not be reclassified to profit or loss | | | | |
| Securities at fair value through profit or loss – Changes of the fair value, net | 0 | 29 | -45 | 95 |
| Securities at fair value through profit or loss – Reclassification to profit or loss, net | 0 | -4 | -105 | -34 |
| Foreign currency translation differences | 0 | 0 | -1 | 1 |
| Other comprehensive income (loss) after tax | 0 | 25 | -151 | 62 |
| Total comprehensive income (loss) | -935 | -3,150 | -3,334 | -7,499 |
| Thereof from: | | | | |
| Continuing operations | -935 | -3,150 | -3,334 | -7,499 |
| | -935 | -3,150 | -3,334 | -7,499 |
| Attributable to: | | | | |
| Owners of the parent | -935 | -3,150 | -3,334 | -7,499 |
| | -935 | -3,150 | -3,334 | -7,499 |

Consolidated statement of financial position (IFRS)

| in EUR thousand | 30. September 2018 | 30. September 2017 | 31. December 2017 |
|---|--------------------|--------------------|-------------------|
| | unaudited | unaudited | |
| ASSETS | | | |
| Current assets | | | |
| Cash | 912 | 682 | 523 |
| Restricted cash | 94 | 185 | 185 |
| Trade accounts receivable | 8,847 | 9,312 | 9,684 |
| Current tax assets | 110 | 80 | 97 |
| Securities at fair value through profit or loss | 1,743 | 5,813 | 5,302 |
| Other financial assets | 120 | 189 | 149 |
| Other current assets | 1,153 | 2,271 | 1,966 |
| Total current assets | 12,979 | 18,532 | 17,906 |
| Non-current assets | | | |
| Goodwill | 3,489 | 3,489 | 3,489 |
| Intangible assets | 4,095 | 4,174 | 3,555 |
| Property, plant and equipment | 1,010 | 1,305 | 1,166 |
| Other financial assets | 0 | 2 | 0 |
| Other non-current assets | 79 | 0 | 4 |
| Deferred tax assets | 0 | 5 | 26 |
| Total non-current assets | 8,673 | 8,975 | 8,240 |
| Total assets | 21,652 | 27,507 | 26,146 |

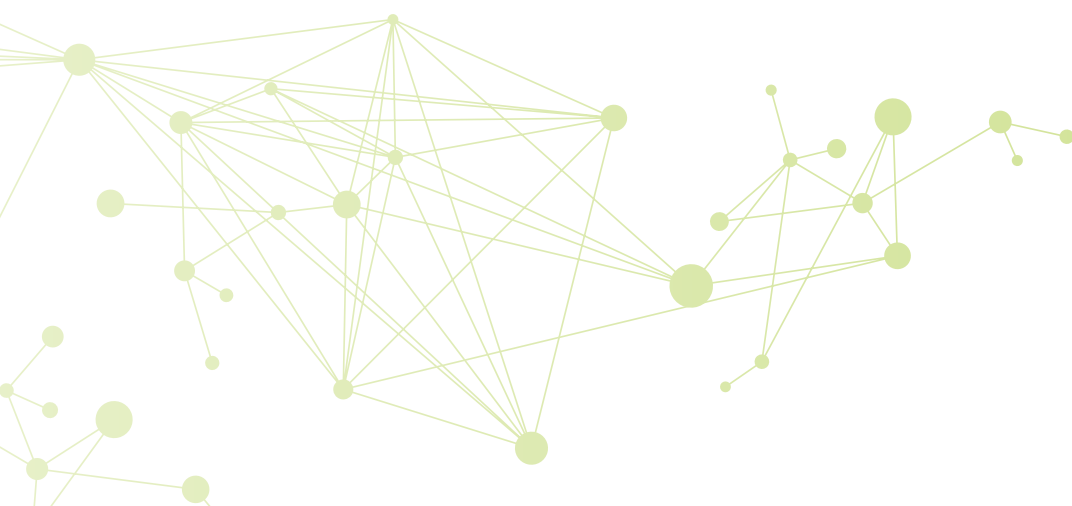


| in EUR thousand | 30. September 2018 | 30. September 2017 | 31. December 2017 |
|---|--------------------|--------------------|-------------------|
| | unaudited | unaudited | |
| LIABILITIES AND EQUITY | | | |
| Current liabilities | | | |
| Trade accounts payable | 730 | 526 | 435 |
| Accrued liabilities | 4,263 | 5,319 | 5,492 |
| Provisions | 247 | 23 | 242 |
| Other current liabilities | 4,932 | 4,383 | 5,238 |
| Total current liabilities | 10,172 | 10,251 | 11,407 |
| Non-current liabilities | | | |
| Provisions | 168 | 533 | 139 |
| Provisions for retirement benefits | 176 | 243 | 176 |
| Deferred tax liabilities | 518 | 490 | 472 |
| Total non-current liabilities | 862 | 1,266 | 787 |
| Total liabilities | 11,034 | 11,517 | 12,194 |
| Equity | | | |
| Share capital | 19,111 | 19,111 | 19,111 |
| Additional paid in capital | 32,059 | 32,059 | 32,059 |
| Retained earnings | -40,547 | -35,341 | -37,364 |
| Other components of equity | -5 | 161 | 146 |
| Equity attributable to owners of the parent | 10,618 | 15,990 | 13,952 |
| Total equity | 10,618 | 15,990 | 13,952 |
| Total liabilities and equity | 21,652 | 27,507 | 26,146 |

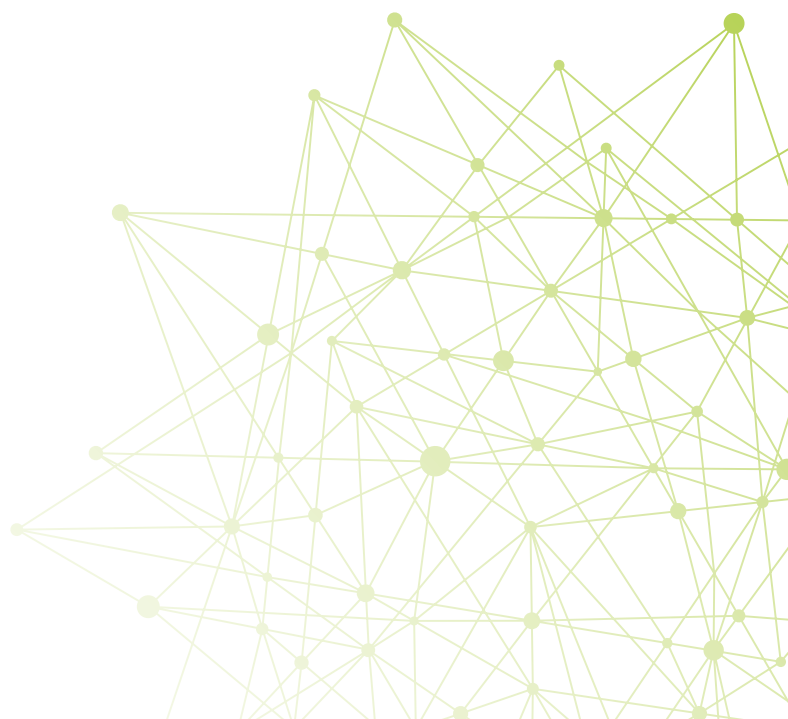


Consolidated statement of Cash Flows (IFRS)

| in EUR thousand | 1.1. – 30.09.2018 | 1.1. – 30.09.2017 |
|--|-------------------|-------------------|
| | unaudited | unaudited |
| Cash Flow from operating activities | | |
| Income (loss) before income tax from continuing operations | -3,087 | -7,750 |
| Income (loss) before income tax | -3,087 | -7,750 |
| Adjustments for: | | |
| Amortisation and impairment of intangible assets | 3,408 | 3,218 |
| Depreciation and impairment of property, plant and equipment | 489 | 711 |
| Depreciation of current intangible assets | 0 | 1,955 |
| Gain (loss) on disposal of property, plant and equipment | 43 | 0 |
| Interest income | 0 | -105 |
| Interest expense | 9 | 17 |
| Gain (loss) from marketable securities | -286 | -42 |
| Gain (loss) on foreign currency translation | 0 | 3 |
| Valuation allowance for trade accounts receivable | -449 | -1,514 |
| Changes in non-current provisions | -202 | -69 |
| Changes in non-current other and financial assets | -76 | 0 |
| Operating loss before changes in operating assets and liabilities | -151 | -3,576 |
| Changes in operating assets and liabilities: | | |
| Trade accounts receivable | 1,286 | 2,229 |
| Current intangible assets | 1,186 | -1,960 |
| Miscellaneous current assets | -1,176 | -152 |
| Trade accounts payable | 274 | 6 |
| Current provisions | 235 | -48 |
| Accrued expenses and other current liabilities | -1,536 | 1,055 |
| Income taxes received / paid | 31 | 51 |
| Cash used in operating activities | 149 | -2,395 |



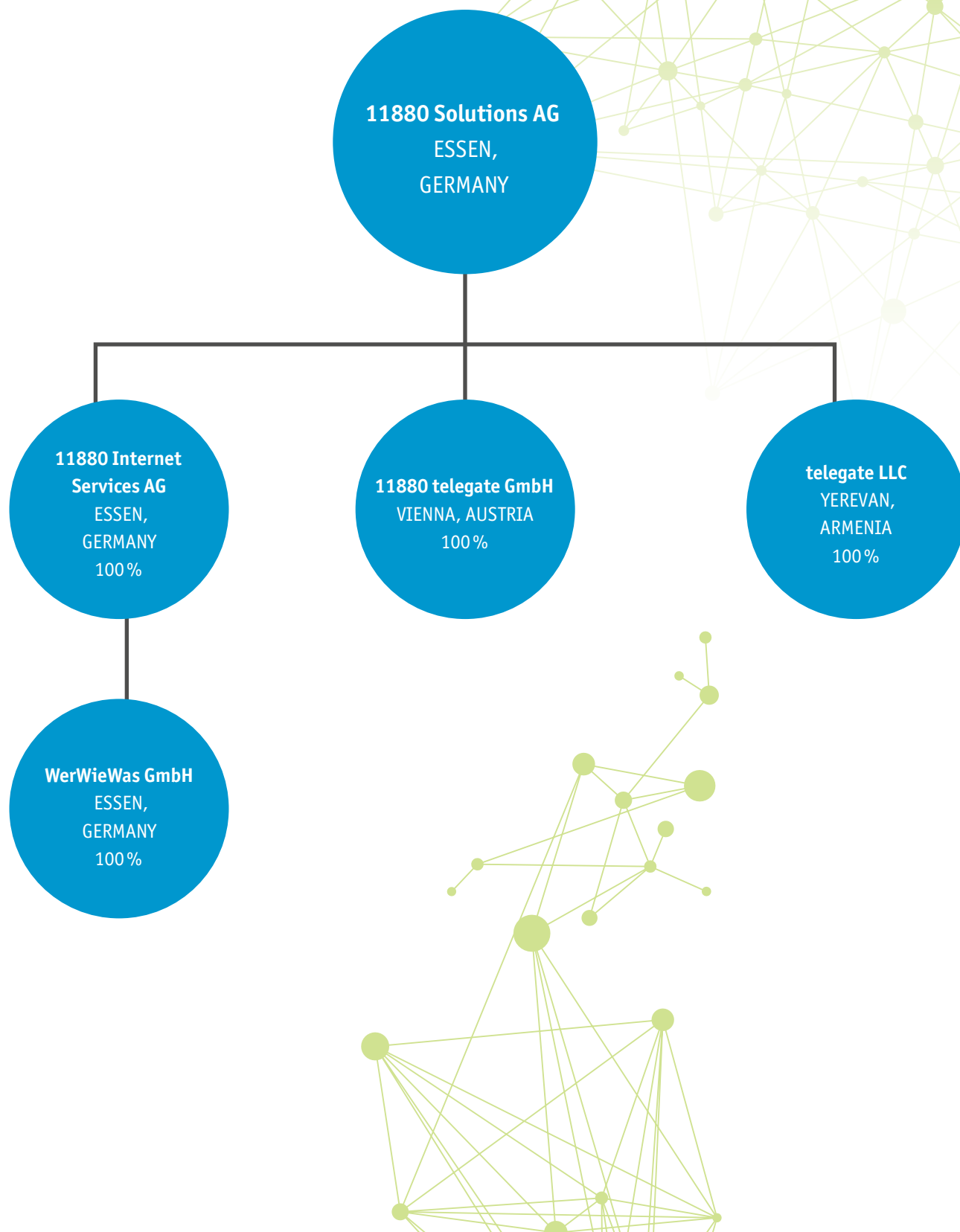
| in EUR thousand | 1.1. – 30.09.2018 | 1.1. – 30.09.2017 |
|--|-------------------|-------------------|
| Cash Flow from investing activities | | |
| Purchase of intangible assets excl. customer contracts | -839 | -1,246 |
| Purchase of customer contracts with contract period > 1 year | -2,117 | -18 |
| Proceeds from sale of intangible assets | 1 | 0 |
| Purchase of property, plant and equipment | -378 | -376 |
| Proceeds from sale of property, plant and equipment | 43 | 0 |
| Disposal of securities at fair value through profit or loss | 3,627 | 4,007 |
| Interest received | 0 | 105 |
| Cash provided by investing activities | 338 | 2,472 |
| Cash Flow from financing activities | | |
| Disbursement for security deposit | -91 | -185 |
| Interest paid | -7 | -8 |
| Cash used in financing activities | -98 | -193 |
| Change in cash | 389 | -119 |
| Cash at the beginning of reporting period | 523 | 801 |
| Cash at the end of reporting period | 912 | 682 |
| Cash as well as securities at fair value through profit or loss at the end of reporting period | 2,749 | 6,495 |



Consolidated statement of changes in equity (IFRS)

| in EUR thousand | Equity attributable to owners of the parent | | | | |
|---|---|----------------------------|------------------|----------------------------|---------------|
| | Share capital | Additional paid in capital | Accumulated loss | Other components of equity | Total |
| Balance at January 1, 2018 | 19,111 | 32,059 | -37,364 | 146 | 13,952 |
| Net income (loss) | – | – | -3,183 | – | -3,183 |
| Securities at fair value through profit or loss | – | – | – | -150 | -150 |
| Foreign currency translation | – | – | – | -1 | -1 |
| Other comprehensive income (loss) | 0 | 0 | 0 | -151 | -151 |
| Total comprehensive income (loss) | 0 | 0 | -3,183 | -5 | -3,334 |
| Balance at September 30, 2018 | 19,111 | 32,059 | -40,547 | -5 | 10,618 |
| Balance at January 1, 2017 | 19,111 | 32,059 | -27,780 | 99 | 23,489 |
| Net income (loss) | – | – | -7,561 | – | -7,561 |
| Securities at fair value through profit or loss | – | – | – | 61 | 61 |
| Foreign currency translation | – | – | – | 1 | 1 |
| Other comprehensive income (loss) | 0 | 0 | 0 | 62 | 62 |
| Total comprehensive income (loss) | 0 | 0 | -7,561 | 62 | -7,499 |
| Balance at September 30, 2017 | 19,111 | 32,059 | -35,341 | 162 | 15,990 |

Corporate structure 11880 Solutions Group





Imprint

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An abstract graphic featuring a complex network of interconnected nodes and lines. The nodes are represented by circles of varying sizes, and the lines are thin, light-colored connections between them. The overall structure is dense and organic, resembling a molecular or neural network. The background is a solid dark gray.

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