



INTERIM MANAGEMENT STATEMENT
FOR THE 3RD QUARTER 2022

Financial Key Figures

Financial key figures of 11880 Solutions Group at a glance

in EUR million	9M 2022	9M 2021	Variance absolute	Variance in percent
Revenues and earnings 11 880 Solutions Group				
Revenues	41.2	42.9	-1.7	-3.9 %
EBITDA ¹	1.7	4.1	-2.4	-57.9 %
Net loss	-2.9	-0.6	-2.3	>-100 %
Details segments				
Revenues Digital	32.5	33.4	-0.9	-2.7 %
EBITDA ¹ Digital	2.1	4.0	-1.9	-48.2 %
Revenues Directory Assistance	8.7	9.5	-0.8	-8.3 %
EBITDA ¹ Directory Assistance	-0.3	0.1	-0.5	>-100 %
Statement of financial position²				
Total assets	27.8	29.0	-1.1	-3.9 %
Cash and cash equivalents ³	1.0	2.0	-1.0	-52.3 %
Equity	8.0	10.9	-2.9	-26.4 %
Equity ratio	28.7 %	37.5 %		
Cash Flow				
Cash Flow from operating activities	2.2	2.9	-0.7	-25.2 %
Cash Flow from investment activities	-2.3	-3.1	0.8	24.4 %
Cash Flow from financing activities	-0.3	-1.3	1.0	76.0 %
Net Cash Flow ⁴	-0.5	-1.4	1.0	68.3 %
Key figures for the 11 880 share				
Earnings per share (in EUR)	-0.12	-0.02	-0.09	>-100 %
Share price (in EUR) ⁵	1.10	1.52	-0.42	-27.6 %
Market capitalisation	27.4	37.9	-10.5	-27.6 %
Sonstige Kennzahlen				
Number of employees ⁶ Group	540	565	-25	-4.4 %

1 Earnings before interest, tax, depreciation and amortisation

2 Comparison value as of 31 December 2021

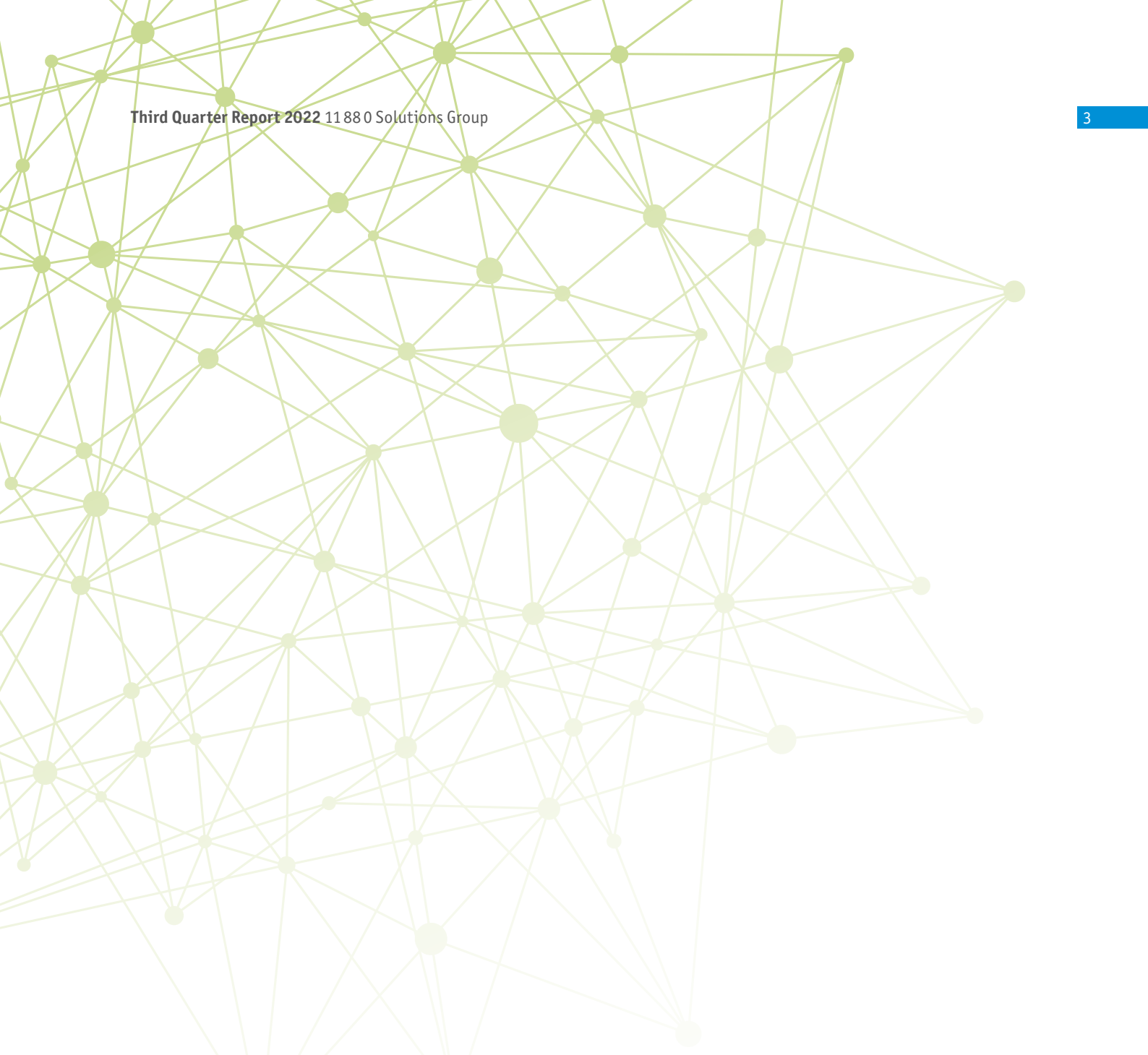
3 Portfolio of cash and cash equivalents as well as financial assets at fair value through profit or loss

4 Operating cash flow plus cash flow from investing activities plus cash flow from financing activities

5 Xetra-closing prices as of 30 September

6 Headcounts as of 30 September closing date (excluding the Management Board, trainees, „mini-jobs“ and dormant employment contracts)

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



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Course of business, material events

At the start of the 2022 financial year, we set ourselves ambitious goals to equip 11880 Solutions AG for the future in keeping with the motto “Wir sorgen bei unseren Kunden für das smarte Business von morgen” (“Creating the smart business of tomorrow for our customers”). We implemented everything we had planned for this period, both on the product side and within our internal organisational structure, in the first nine months of 2022.

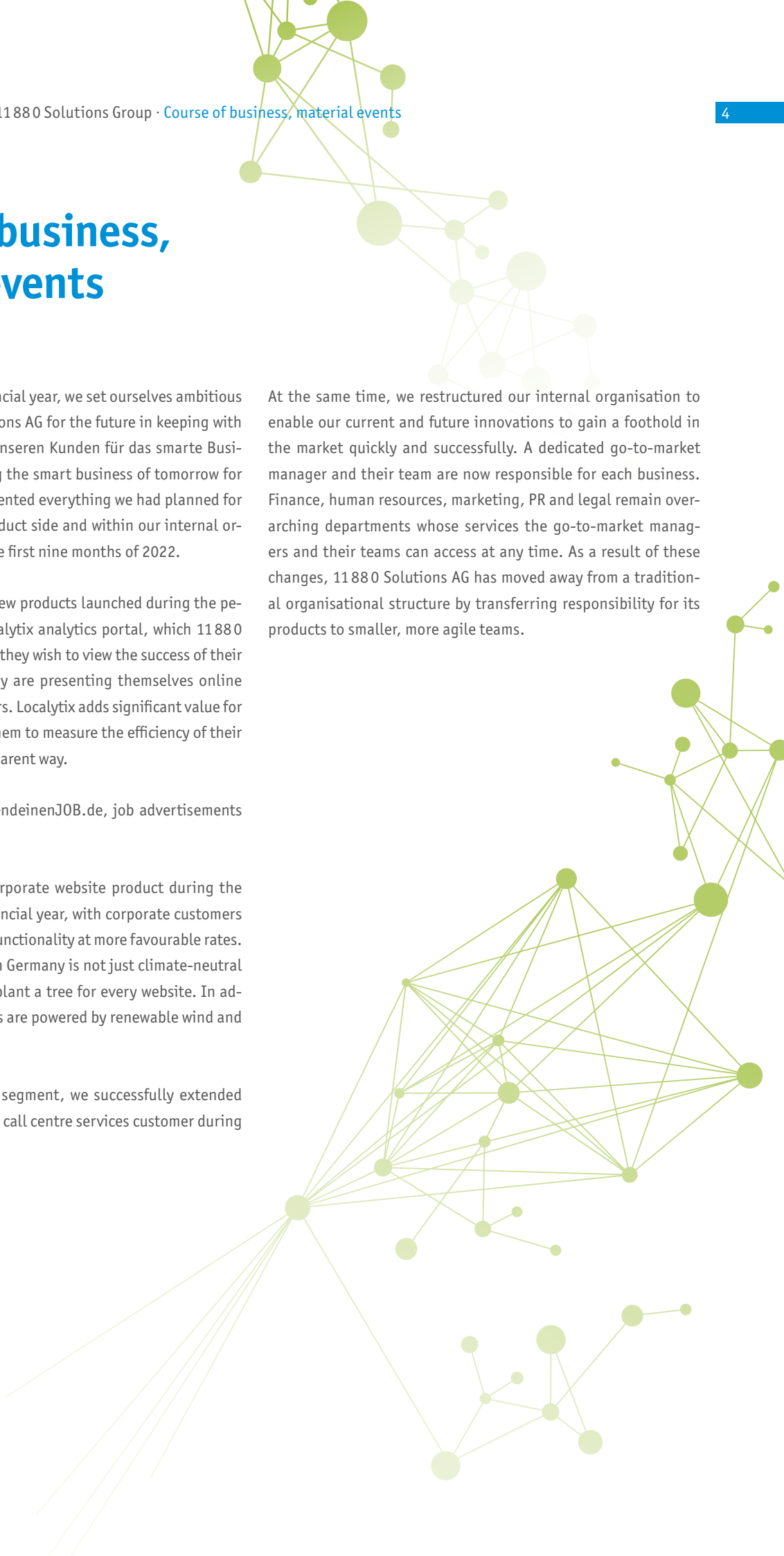
One of the most important new products launched during the period under review is the Localytx analytics portal, which 11880 customers can use whenever they wish to view the success of their campaigns and see how they are presenting themselves online compared to their competitors. Localytx adds significant value for our customers by enabling them to measure the efficiency of their marketing budget in a transparent way.

With the job portal wirfindendeinenJOB.de, job advertisements can now also be placed.

We upgraded the 11880 corporate website product during the first quarter of the 2022 financial year, with corporate customers now benefiting from higher functionality at more favourable rates. The hosting of all websites in Germany is not just climate-neutral but climate-positive, as we plant a tree for every website. In addition, all of our data centres are powered by renewable wind and hydroelectric power.

In the Directory Assistance segment, we successfully extended our contract with our largest call centre services customer during the third quarter of 2022.

At the same time, we restructured our internal organisation to enable our current and future innovations to gain a foothold in the market quickly and successfully. A dedicated go-to-market manager and their team are now responsible for each business. Finance, human resources, marketing, PR and legal remain overarching departments whose services the go-to-market managers and their teams can access at any time. As a result of these changes, 11880 Solutions AG has moved away from a traditional organisational structure by transferring responsibility for its products to smaller, more agile teams.



Financial situation

Results of operations

In the first nine months of 2022, the 11880 Group generated consolidated revenues of EUR 41.2 million (previous year: EUR 42.9 million). This resulted in a decrease of EUR 1.7 million (3.9 percent) compared with the prior-year period. Further information on the segment breakdown and changes is provided in the section entitled "Segment report".

The cost of revenues decreased by EUR 0.1 million year-on-year, amounting to EUR 24.0 million at the end of the third quarter. The decline mainly relates to slightly reduced media costs.

In the first three quarters of 2022, the Group incurred selling and distribution costs of EUR 12.7 million (previous year: EUR 12.9 million). The year-on-year reduction is due to lower personnel costs.

General administrative expenses for the first nine months amounted to EUR 7.2 million (previous year: EUR 6.3 million). The increase is attributable to positive non-recurring items in personnel costs recognised in the previous year as well as moderately higher consulting costs. In addition, there has been an increase in personnel costs, especially for new hires, due to the tight situation on the labour market.

As of 30 September 2022, consolidated earnings before interest, taxes, depreciation and amortisation (EBITDA) totalled EUR 1.7 million, which is a year-on-year decrease of EUR 2.4 million (previous year: EUR 4.1 million). The decrease is mainly attributable to a significant year-on-year decline in revenue and, in particular, to the increase in general administrative expenses.

Earnings after taxes amounted to EUR -2.9 million as of the reporting date (previous year: EUR -0.6 million).

Net assets and financial position

Capital expenditures

The Group invested EUR 3.5 million in the first three quarters of 2022 (previous year: EUR 3.5 million). Total capital expenditures mainly include capitalised sales commission of EUR 2.5 million (previous year: EUR 2.8 million).

Statement of financial position

The prior-year comparisons of the balance sheet items presented in this paragraph refer to 31 December 2021 throughout.

As of 30 September 2022, total assets amounted to EUR 27.8 million, showing a decrease of EUR 1.1 million compared with 31 December 2021 (31 December 2021: EUR 29.0 million).

On the assets side, current assets declined from EUR 11.9 million as of 31 December 2021 to EUR 11.7 million. Cash including restricted cash as of the reporting date decreased by EUR 1.0 million from EUR 2.0 million to EUR 1.0 million compared with 31 December 2021. The reduction correlates with the development of turnover and results. Trade accounts receivable of EUR 9.9 million increased by EUR 0.6 million compared with the previous year (31 December 2021: EUR 9.3 million).

Non-current assets as of the reporting date decreased by EUR 0.9 million from EUR 17.0 million to EUR 16.2 million compared with 31 December 2021, mainly as a result of the planned reduction of capitalised right-of-use assets and lower capitalisation potential of commissions.

On the liabilities side, current liabilities increased by EUR 0.7 million to EUR 13.6 million (31 December 2021: EUR 12.9 million). This increase is mainly due to a higher level of trade accounts payable as of the reporting date compared with 31 December 2021.

Non-current liabilities totalled EUR 6.2 million as of the reporting date (31 December 2021: EUR 5.2 million). This increase is mainly due to a drawdown of EUR 1.0 million on the loan provided by the parent company, united vertical media GmbH.

Equity fell by EUR 2.9 million to EUR 8.0 million (31 December 2021: EUR 10.9 million) due to the net loss for the period.

Cash flow & financing

Cash flow from operations as of 30 September 2022 amounted to EUR 2.2 million, compared to EUR 2.9 million during the prior-year period.

Cash outflow from investing activities decreased by EUR 0.8 million compared to prior-year period, from EUR -3.1 million in the previous year to EUR -2.3 million in the reporting period. The improvement is mainly attributable to the sale of financial assets measured at fair value and to lower payments for sales commissions compared with the previous year.

Cash flow from financing activities amounted to EUR -0.3 million in the first nine months of the year (previous year: EUR -1.3 million). The change compared to the previous year results mainly from the loan granted by united vertical media GmbH in the amount of EUR 1 million.

Cash holdings

Cash holdings (cash and cash equivalents and current financial assets measured at fair value through profit or loss at the end of the period) declined from EUR 2.0 million to EUR 1.0 million compared with 31 December 2021. The decrease in cash holdings by EUR 1.0 million (net cash flow) corresponds to the sum total of the cash flow from operations of EUR 2.2 million, the cash flow from investing activities of EUR -2.9 million (adjusted for the effect of the sale of financial assets measured at fair value) and the cash flow from financing activities in the amount of EUR -0.3 million.

Segment report

At EUR 32.5 million, revenues in the Digital segment were down year-on-year (previous year: EUR 33.4 million). The Digital business accounted for around 79 percent of total revenue in the third quarter of 2022 (previous year: 78 percent). Nine-month earnings (EBITDA) as of the reporting date were EUR 2.1 million (previous year: EUR 4.0 million).

The Directory Assistance segment accounted for EUR 8.7 million of total revenues (previous year: EUR 9.5 million). Nine-month earnings (EBITDA) were EUR -0.3 million (previous year: EUR 0.1 million).

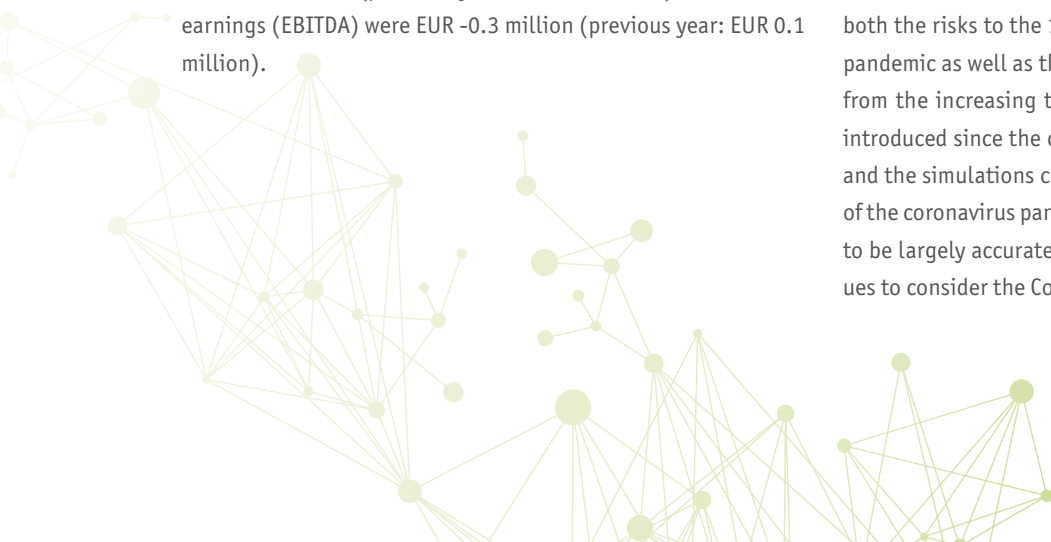
Updated report on expected developments

In particular, unexpected bad debt losses due to emerging insolvencies and an increased reluctance to buy on the part of corporate customers, higher third-party service costs and a mandatory price announcement for directory enquiries meant that the expected positive business development in the third quarter of 2022 was weaker and 11880 Solutions AG had to adjust its annual forecasts as part of an ad hoc announcement on 3 November 2022.

The original EBITDA forecast of EUR 3.3 to EUR 4.3 million is adjusted to EUR 1.5 to EUR 2.5 million. The revenue forecast of EUR 54.8 to EUR 60.6 million issued at the beginning of the year has been narrowed down to EUR 54.0 to EUR 56.5 million. The original cash forecast of EUR 1.5 to EUR 2.4 million is also adjusted to EUR 1.0 to EUR 1.8 million.

Significant events after the end of the interim reporting period

However, it is not currently possible to conclusively assess whether and to what extent the coronavirus pandemic, which was still ongoing at the time the financial statements were prepared, could have a more pronounced impact than before on the business activities of the 11880 Solutions Group, in particular on the acceptance of products and services offered on the market as well as the creditworthiness of existing customers. This applies to both the risks to the 11880 Solutions Group associated with the pandemic as well as the potential opportunities that could result from the increasing trend towards digitalisation. The measures introduced since the outbreak of the pandemic are taking effect, and the simulations conducted continuously to predict the scope of the coronavirus pandemic's potential effects have so far proven to be largely accurate overall. In principle, the Company continues to consider the Covid-related risks to be manageable.



With respect to the military conflict between Russia and Ukraine that began in late February 2022, the Company continues to assume that this situation will not escalate into a Europe-wide or even global conflict. Based on these assumptions and in light of the fact that the 11880 Solutions Group does not have any material business relationships with customers or suppliers from Russia or Ukraine, the Company still does not believe that the war between Russia and Ukraine will have an immediate material negative impact on the implementation of its business planning based on the information currently available.

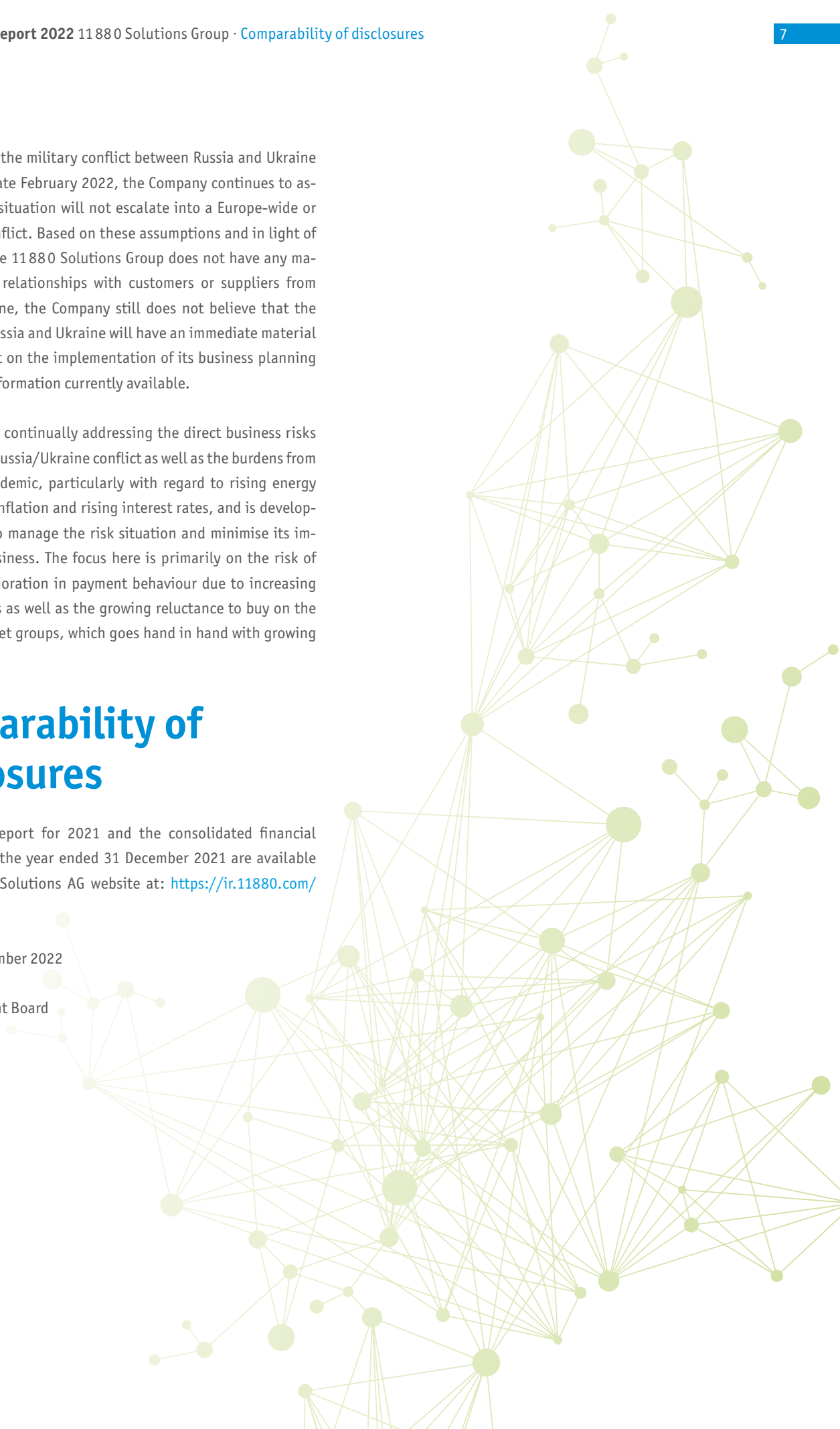
The Company is continually addressing the direct business risks created by the Russia/Ukraine conflict as well as the burdens from the Corona pandemic, particularly with regard to rising energy costs, soaring inflation and rising interest rates, and is developing measures to manage the risk situation and minimise its impact on the business. The focus here is primarily on the risk of a further deterioration in payment behaviour due to increasing insolvency risks as well as the growing reluctance to buy on the part of our target groups, which goes hand in hand with growing uncertainty.

Comparability of disclosures

The 9-month report for 2021 and the consolidated financial statements for the year ended 31 December 2021 are available on the 11880 Solutions AG website at: <https://ir.11880.com/finanzberichte>

Essen, 07 November 2022

The Management Board





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Consolidated income statement (IFRS)

in EUR thousand	Quarterly Report		9-Months Report	
	(unaudited)		(unaudited)	
	01.07 – 30.09.2022	01.07 – 30.09.2021	01.01 – 30.09.2022	01.01 – 30.09.2021
Revenues	14,013	14,161	41,207	42,919
Cost of revenues	-8,043	-7,819	-23,999	-24,137
Gross profit	5,970	6,342	17,208	18,783
Selling and distribution costs	-4,016	-4,403	-12,665	-12,904
General administrative expenses	-2,311	-1,950	-7,164	-6,347
Other operating income/expense	85	-10	31	-33
Operating income (loss)	-273	-20	-2,591	-501
Interest income	1	1	2	6
Interest expense	-20	-6	-47	-16
Interest expenses for rights-of-use (IFRS 16)	-60	-66	-180	-203
Gain (loss) from marketable securities	0	2	-24	-10
Gain (loss) on foreign currency translation	0	0	1	0
Financial income (loss)	-79	-69	-247	-222
Income (loss) before income tax	-351	-89	-2,838	-723
Deferred income tax	-5	86	-33	112
Income tax	-5	86	-33	112
Net income (loss)	-357	-3	-2,871	-611
Attributable to:				
Owners of the parent	-357	-3	-2,871	-611
Earnings per share for net income (loss) for the reporting period attributable to ordinary equity holders of the parent (in euro)	-0.01	0.00	-0.12	-0.02

For computational reasons, rounding differences of +/- one unit (€, %, etc.) may occur in the tables. Such differences are deliberately accepted in favor of the presentation of the mathematically correctly rounded values.

Consolidated statement of comprehensive income (IFRS)

in EUR thousand	Quarterly Report (unaudited)		9-Months Report (unaudited)	
	01.07 – 30.09.2022	01.07 – 30.09.2021	01.01 – 30.09.2022	01.01 – 30.09.2021
Net income (loss)	-357	-3	-2,871	-611
Other comprehensive income (loss)				
Items that can be reclassified subsequently to profit or loss				
Items that will not be reclassified to profit or loss				
Other comprehensive income (loss) after tax	0	0	0	0
Total comprehensive income (loss)	-357	-3	-2,871	-611
Attributable to:				
Owners of the parent	-357	-3	-2,871	-611

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Consolidated statement of financial position (IFRS)

in EUR thousand	30. September 2022	30. September 2021	31. December 2021
	(unaudited)	(unaudited)	
ASSETS			
Current assets			
Cash and cash equivalents	819	1,484	1,274
Restricted cash	134	134	134
Trade accounts receivable	9,916	9,643	9,312
Current tax assets	5	5	5
Financial assets at fair value through profit or loss	0	600	588
Other financial assets	0	214	39
Other current assets	806	725	596
Total current assets	11,681	12,804	11,948
Non-current assets			
Goodwill	3,717	3,717	3,717
Intangible assets	5,842	6,310	6,215
Property and equipment	723	864	810
Capitalized rights-of-use (IFRS 16)	4,096	4,780	4,443
Other non-current assets	422	483	452
Deferred tax assets	1,352	0	1,384
Total non-current assets	16,150	16,153	17,021
Total assets	27,831	28,957	28,969



in EUR thousand	30. September 2022	30. September 2021	31. December 2021
	(unaudited)	(unaudited)	
LIABILITIES AND EQUITY			
Current liabilities			
Trade accounts payable	1,208	404	275
Accrued liabilities	5,192	5,667	5,344
Short-term liabilities to related companies	18	0	0
Current tax liabilities	114	0	114
Short-term leasing liabilities (IFRS 16)	1,341	1,405	1,514
Other current liabilities	5,766	5,636	5,664
Total current liabilities	13,639	13,112	12,911
Non-current liabilities			
Provisions	542	758	228
Provisions for retirement benefits	495	581	495
Other non-current liabilities	328	609	469
Long-term liabilities to related companies	1,000	0	0
Long-term leasing liabilities (IFRS 16)	3,568	4,220	3,739
Deferred tax liabilities	272	536	271
Total non-current liabilities	6,206	6,704	5,202
Total liabilities	19,846	19,816	18,113
Equity			
Share capital	24,915	24,915	24,915
Additional paid-in capital	34,473	34,473	34,473
Retained earnings	-51,069	-49,851	-48,199
Other components of equity	-333	-397	-333
Equity attributable to owners of the parent	7,986	9,141	10,856
Total equity	7,986	9,141	10,856
Total liabilities and equity	27,831	28,957	28,969

For computational reasons, rounding differences of +/- one unit (€, %, etc.) may occur in the tables. Such differences are deliberately accepted in favor of the presentation of the mathematically correctly rounded values.

Consolidated statement of cash flows (IFRS)

in EUR thousand	01.01. – 30.09.2022	01.01. – 30.09.2021
	(unaudited)	(unaudited)
Cash flow from operating activities		
Income (loss) before income tax	-2,838	-723
Adjustments for:		
Amortisation and impairment of intangible assets	3,140	3,365
Depreciation and impairment of right-of-use assets (IFRS 16)	981	1,035
Depreciation and impairment of property and equipment	214	243
Gain (loss) on disposal of property an equipment	1	1
Interest income	-2	-6
Interest expense	227	219
Gain (loss) from marketable securities	24	10
Gain (loss) from foreign currency translation	-1	0
Valuation allowance for trade accounts receivable	317	430
Impairment of other non-current assets	225	192
Changes in non-current provisions	314	-81
Changes in non-current financial and other assets	-195	-192
Cash inflow before changes in operating assets and liabilities	2,406	4,493
Changes in operating assets and liabilities:		
Trade accounts receivable, gross	-921	-460
Other current asset	-228	-95
Trade accounts payable	935	-309
Accrued expenses and other current liabilities	-13	-712
Income taxes received / paid	0	-1
Cash inflows from operating activities	2,180	2,916



in EUR thousand	01.01. – 30.09.2022	01.01. – 30.09.2021
	(unaudited)	(unaudited)
Cash flow from investing activities		
Purchase of intangible assets excl. customer contracts	-232	-224
Purchase of customer contracts with contract period > 1 year	-2,536	-2,786
Proceeds from the disposal of intangible assets	1	0
Purchase of property and equipment	-126	-75
Interest received	0	5
Disposal of financial assets at fair value through profit or loss	565	0
Cash outflows from investing activities	-2,328	-3,080
Cash flow from financing activities		
Interest paid	-10	-13
Disbursement from the repayment of loans	-141	-47
Proceeds from loans received from related parties	1,000	0
Interest expenses for leases in accordance with (IFRS 16)	-180	-204
Payments from the repayment of lease liabilities (IFRS 16)	-974	-1,010
Cash outflows in financing activities	-305	-1,274
Change in cash	-455	-1,438
Cash at the beginning of the reporting period	1,274	2,922
Cash at the end of the reporting period	819	1,484
Cash and cash equivalents as well as financial assets at fair value through profit or loss at the end of reporting period	953	2,218

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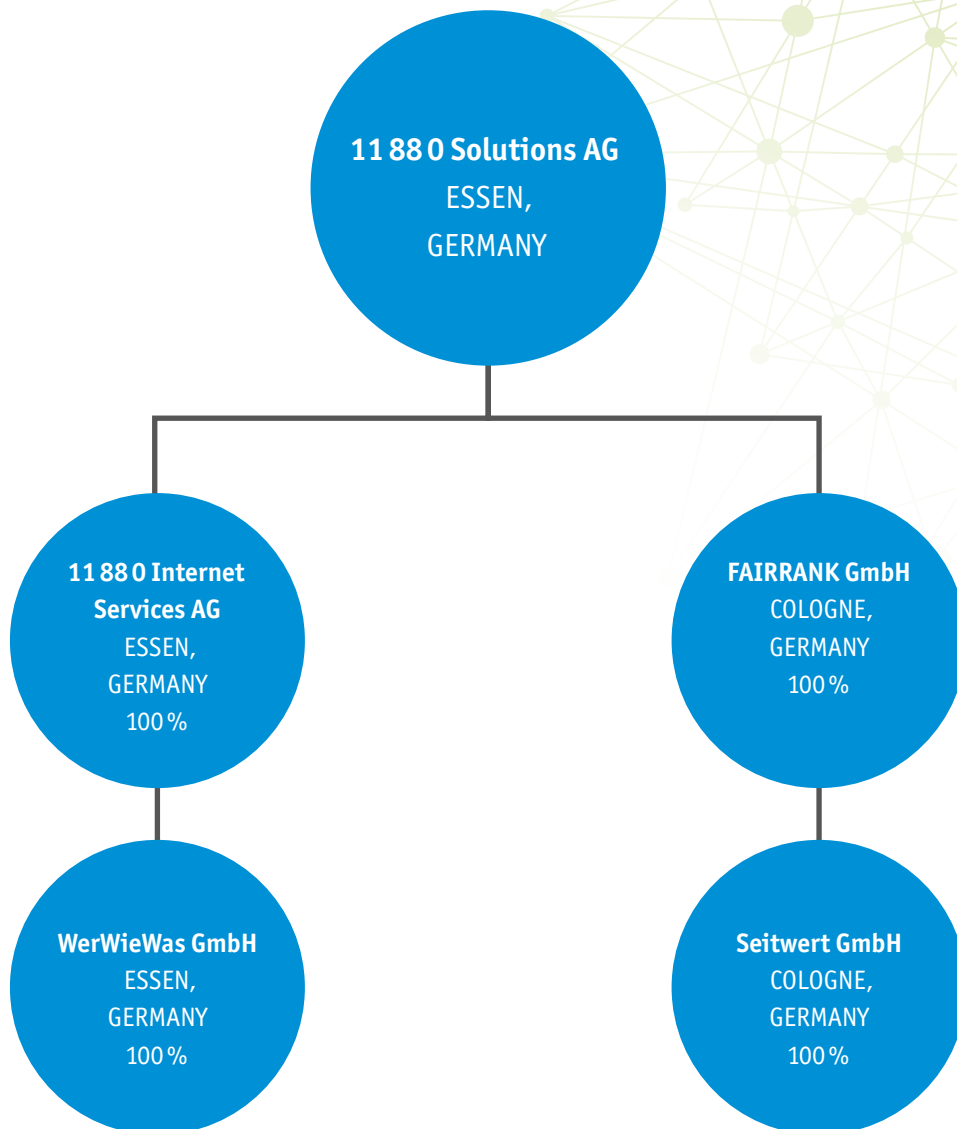
Consolidated statement of changes in equity (IFRS)

in EUR thousand	Equity attributable to owners of the parent				Total equity
	Share capital	Additional paid in capital	Retained earnings	Other components of equity	
Balance at January 1, 2022	24,915	34,473	-48,199	-333	10,856
Net income (loss)			-2,871		-2,871
Other comprehensive income (loss)					
Total comprehensive income (loss)			-2,871		-2,871
Balance at September 30, 2022	24,915	34,473	-51,069	-333	7,986
Balance at January 1, 2021	24,915	34,473	-49,240	-397	9,752
Net income (loss)			-611		-611
Other comprehensive income (loss)					
Total comprehensive income (loss)			-611		-611
Balance at September 30, 2021	24,915	34,473	-49,851	-397	9,141

For computational reasons, rounding differences of +/- one unit (€, %, etc.) may occur in the tables. Such differences are deliberately accepted in favor of the presentation of the mathematically correctly rounded values.



Corporate Structure 11 880 Solutions Group



Imprint

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