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6-MONTH REPORT 2019

Results

Key Figures of 11880 Solutions Group at a glance

in EUR million	6M 2019	6M 2018 adjusted[2]	Variance absolute	Variance in percent
Revenues and earnings 11880 Solutions Group				
Revenues	23.2	20.8	2.4	11.5 %
EBITDA[1, 8]	1.1	0.0	1.1	-
Net loss[8]	-1.4	-1.8	0.4	22.2 %
Details Segments[8]				
Revenues Digital	16.7	14.7	2.0	13.6 %
EBITDA[1] Digital	0.9	0.5	0.4	80.0 %
Revenues Directory Assistance	6.5	6.1	0.4	6.6 %
EBITDA[1] Directory Assistance	0.2	-0.5	0.7	140.0 %
Statement of financial position[3]				
Total assets[8]	23.0	19.6	3.4	17.3 %
Cash Position[4]	0.8	2.6	-1.8	-69.2 %
Equity[8]	5.9	7.6	-1.7	-22.4 %
Equity ratio[8]	25.7 %	38.8 %	-13.1	-33.8 %
Cash flow				
Cash flow from operating activities[8]	0.8	-1.3	2.1	161.5 %
Cash flow from investing activities	-0.9	1.9	-2.8	-147.4 %
Cash flow from financing activities[8]	-0.6	-0.1	-0.5	-500.0 %
Net Cash flow[5]	-1.8	-3.2	1.4	43.8 %
Key figures for the 11880 share				
Earnings per share (in EUR)[8]	-0.07	-0.09	0.02	22.2 %
Share price (in EUR)[6]	1.86	1.06	0.8	75.5 %
Market capitalisation	35.5	20.3	15.2	74.9 %
Other KPIs				
Number of Employees[7] Group	568	564	4	0.7 %

1 Earnings before interest, tax and depreciation
2 Comparision value 01.01.-30.06.2018 and as of 31, December 2018 adapted (For more detailed information, please refer to our consolidated financial statements as of December 31, 2018.)
3 Compared to December, 31 2018
4 Portfolio of cash and cash equivalents as well as financial assets at fair value through profit or loss
5 The net cash flow is calculated as the operating cash flow plus cash flow from investing activities plus cash flow from financing activities, adjusted for the changes in financial assets at fair value through profit or loss
6 XETRA-closing prices as of 30, June 2019
7 Headcount as of June, 30 2019 closing date (excluding the Management Board, trainees, “mini-jobs” and dormant employment contracts)
8 Due to the introduction of IFRS 16, the figures presented here are only comparable to a limited extent with the previous year’s figures. For better comparability, the changeover effects from the first-time application of IFRS 16 are presented in section 2 of the notes to the interim consolidated financial statement.

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Letter from the Management Board

Dear shareholders, customers and business partners,

We are very satisfied with our business performance in the first half of 2019, with almost all of our key figures both exceeding our targets for the year and significantly outperforming the key performance indicators for the prior-year period. We succeeded in increasing revenue in both operating segments. In the Digital segment, we acquired more than four thousand new contract customers in the first six months of 2019. Even in the Directory Assistance segment, which has been declining for more than a decade, we were able to stabilize the business with our new call center services and return to modest growth.

We launched our new job portal wirfindenDeinenJOB.de at the start of the year as planned and announced. Our internal target was to acquire 200 customers with this new service in its first year. We reached this goal at the start of June and are now eagerly anticipating the further development of the portal in the second half of the year. The other products and services relating to our core product 11880.com all offer the perfect complement for our customers and are increasingly introducing small and medium-sized businesses to the 11880.com product range. With more than 35,500 customers in the Digital business, we can already say that we will meet or exceed our annual target of 37,000 customers in any event.

Our company is now ideally positioned to deliver online success for small and medium-sized businesses in Germany and support them with a highly professional review management offering and an intelligent recruitment platform that they can use to efficiently expand their business. Our partnerships with Google and Microsoft Advertising Partner enable us to steer our customers towards success even more quickly. At the end of April, Microsoft even presented our sales team with their Breakout Star Award for their outstanding service. This prize is awarded annually to the partners within the Microsoft Advertising Network who have performed most strongly.

In the first half of 2019, we acquired another major customer in the call center third-party business in which we have been consistently developing over the past two years. The rising revenue in this business has enabled us to offset the planned market-related decline in the Directory Assistance segment and report a return to moderate revenue growth this year.

At the end of March, Nuremberg-based company united vertical media GmbH acquired the full 13.2 percent equity stake held by hedge fund Golden Tree Asset Management. united vertical media GmbH also acquired additional securities from existing shareholders on the open market as part of this share transfer and now holds a 45.5 percent stake in 11880 Solutions AG. In mid-June, our new major shareholder, also a provider of digital services to small and medium-sized businesses in Germany, announced its intention to make a voluntary takeover offer subject to approval from antitrust authorities.

We are pleased to welcome our new strategic investor, as our company and united vertical media GmbH share the same goal of helping small and medium-sized businesses to succeed online. If we can leverage our synergies in certain areas, we can work together to compete more effectively against international providers such as Google or Facebook.

We are optimistic about the second half of the year and are looking forward to an exciting six months. Our most important operational tasks include further establishing our new wirfindendeinenJOB.de and RedlightGuide.com portals as well as developing our highly successful werkenntdenBESTEN.de review search engine. In the call center third-party business, we are currently involved in discussions with other potential customers to expand our customer base. One item on our internal agenda is the replacement of several back-office systems, which is long overdue and crucial to our continued success.

We appreciate your support as we continue our journey and would like to sincerely thank you for your trust in our work.

Essen, 2 August 2019

Christian Maar

Chief Executive Officer 11880 Solutions AG

Course of business, material events

11880 Solutions AG is very satisfied with its business performance in the first half of 2019, with almost all key figures significantly exceeding internal forecasts.

In the first six months of the current financial year, the Company managed to acquire more than 4,000 paying customers in its digital business. This increased our customer base in this segment to 35,546 as of 30 June 2019, well above our estimates for the first half of the year.

Our search engine for online reviews, werkenntdenBESTEN.de, and the job portal we launched at the start of the year, wirfindendeinenJOB.de, proved to be particularly effective in driving customer acquisitions due to the significant added value they bring to our corporate customers. The heavy and ever-expanding use of our portals underlines the considerable added value that all 11880.com products offer both small and medium-sized businesses and consumers. In mid-June 2019, 11880.com was named the best online directory in the classified directories category for the third year in a row in a survey of around 33,000 consumers conducted by Disq (German Institute for Service Quality) and news channel ntv.

11880.com offers its customers special search engine advertising packages to help them to enhance their online presence quickly. 11880 Solutions AG has already been working with Google for many years and began partnering with Microsoft's Bing search engine in 2018. At the end of April 2019, the 11880.com sales team was presented with the Breakout Star Award at Microsoft's headquarters in Seattle, USA, for their outstanding service. This prize is awarded annually to the partners within the Microsoft Advertising Network who have performed most strongly.

In the Directory Assistance segment, the call center third-party business performed excellently over the last six months, helping 11880 Solutions AG to increase its revenue in this area for the first time in more than a decade. 11880 Solutions AG acquired a new major customer in the first half of 2019 and also entered into substantive negotiations with other large companies.

In the current financial year, united vertical media GmbH, Nuremberg, acquired a 45.5 percent stake in 11880 Solutions AG to become the largest single shareholder.

The Management Board of 11880 Solutions AG welcomes this strategic investment, as both companies offer online marketing solutions to small businesses in Germany. Any potential synergies can be appropriately leveraged to help the Company compete with international players such as Google and Facebook in Germany.

united vertical media's Managing Director Michael Amtmann was elected to the Supervisory Board by the Annual General Meeting on 12 June 2019. On 13 June 2019, the Company announced its intention to make a voluntary takeover offer to all 11880 Solutions shareholders subject to approval from antitrust authorities.

At the Annual General Meeting on 12 June 2019, Dr. Michael Wiesbrock, Helmar Hipp, Ralf Ruhrmann and employee representatives Sandy Jurkschat and Leonard Kiedrowski were elected to the Supervisory Board alongside Michael Amtmann. Dr. Michael Wiesbrock was elected Chairman of the Supervisory Board and Helmar Hipp was appointed as his deputy at the subsequent inaugural meeting.

Financial situation

Results of operations

Consolidated revenues as of the 30 June 2019 reporting date were EUR 23.2 million (previous year: EUR 20.8 million), a year-on-year increase of 12 percent. Due to the very good development of our call center third-party business, the revenues of the Directory Assistance segment also trended upwards and increased by 7 percent.

The consolidated cost of revenues was EUR 12.8 million in the first half of 2019, an increase of 10 percent year-on-year (previous year: EUR 11.6 million). This inrease is mainly due to higher production costs in connection with the positive revenue performance in both segments.

Selling and distribution costs increased year-on-year, from EUR 6.5 million to EUR 7.4 million. The increased performance in sales resulting in higher revenues also triggers higher selling expenses.

The general administrative expenses incurred in the first six months decreased by EUR 0.6 million to EUR 4.2 million compared with the previous year. This was mainly due to reduced personnel overhead costs.

Consolidated earnings before interest, taxes, depreciation and amortisation (EBITDA) improved by EUR 1.1 million year-on-year, from EUR 0.0 million to EUR 1.1 million. Earnings after taxes at the half-year mark were EUR -1.4 million (previous year: EUR -1.8 million). The significant year-on-year increase in revenues reflects the positive development of business, which is reflected in the development of earnings.

Net assets and financial position

Capital expenditures

Capital expenditures in the first half of 2019 totalled EUR 8.5 million (previous year: EUR 2.0 million). In addition to investments in product improvements and product innovations, especially in the digital business, this item includes capitalised sales commission of EUR 1.6 million (previous year: EUR 1.4 million) and capitalised right-of-use assets of EUR 6.4 million in accordance with IFRS 16 Leases, which has been applied for the first time effective 1 January 2019.

Statement of financial position

As of 30 June 2019, total assets amounted to EUR 23.0 million, showing an increase of EUR 3.4 million compared with 31 December 2018 (31 December 2018: EUR 19.6 million).

On the assets side of the statement of financial position, current assets declined from EUR 12.6 million as of 31 December 2018 to EUR 9.8 million. This was due mainly to the EUR 1.1 million decrease in financial assets measured at fair value through profit or loss. As of 30 June 2019, the 11880 Solutions Group had investments in short-term money market and bond funds that are reported as financial assets measured at fair value through profit or loss. The fair value of these investments was EUR 0.6 million (31 December 2018: EUR 1.7 million). The decrease in trade accounts receivable by EUR 1.1 million, from EUR 9.3 million as of 31 December 2018 to EUR 8.2 million, was attributable mainly to further improvements in receivables management in both segments.

As of the reporting date, the Group had non-current assets worth EUR 13.1 million (31 December 2018: EUR 6.9 million). The increase of EUR 6.2 million resulted primarily from capitalised right-of-use assets in connection with the first-time application of IFRS 16.

On the liabilities side, current liabilities remained steady at EUR 10.7 million.

Non-current liabilities increased from EUR 1.3 million as of 31 December 2018 to EUR 6.3 million as of the 30 June 2019 reporting date. This increase is mainly attributable to the recognition of non-current lease liabilities in accordance with the first-time application of IFRS 16.

Equity declined by EUR 1.7 million to EUR 5.9 million compared to 31 December 2018 (31 December 2018: EUR 7.6 million), due mainly to the net loss for the period incurred in the first half of 2019 and adjustments due to the first-time application of IFRS 16.

Cash flow & financing

Cash flow from operations in the first half of 2019 amounted to EUR 0.8 million, compared to EUR -1.3 million during the prior-year period.

The cash inflow from investing activities in the first six months amounted to EUR -0.9 million (previous year: EUR 1.9 million). The cash flow from investing activities includes the sale of money market funds and bond funds, which saw a significant decrease year-on-year and thus were the reason for the lower inflow of cash compared with the previous year.

The cash flow from financing activities was EUR -0.6 million in the first six months (previous year: EUR -0.1 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 2.6 million to EUR 0.8 million compared with 31 December 2018. The decrease in cash holdings by EUR 1.8 million (net cash flow) corresponds to the sum of the cash flow from operations of EUR 0.8 million, the cash flow from investing activities of EUR -2.0 million adjusted for the sale of fund shares and the cash flow from financing activities in the amount of EUR -0.6 million.

Segment report

At EUR 16.7 million, revenues in the Digital business were up year-on-year (previous year: EUR 14.7 million). The Digital business now accounts for around 72 percent of total revenue (previous year: 71 percent). Six-month earnings (EBITDA) as of the reporting date were EUR 0.9 million (previous year: EUR 0.5 million).

The traditional directory assistance business accounted for EUR 6.5 million of total revenues (previous year: EUR 6.1 million). The increase in this segment is attributable to the good performance of the call center third-party business. Six-month earnings (EBITDA) as of the reporting date were EUR 0.2 million (previous year: EUR -0.5 million).

Outlook

Digital segment

After 2018 saw the optimisation of the product portfolio, which enhanced the value added for corporate customers, and activities to promote collaboration between the Digital and Directory Assistance segments, the strategic focus in 2019 is on further improvement of the existing product range and the introduction of new products and services. In the area of new customer business, the 11880 Solutions Group is working on a continued, moderate increase in the 2019 financial year. The 11880 Solutions Group is committed to building on its success in 2018 and achieving a significant increase in the customer portfolio in 2019 again.

Overall, the 11880 Solutions Group plans to once again generate revenues within a range from EUR 30.0 to EUR 34.0 million in the Digital segment in 2019. In 2018, segment revenues were EUR 30.3 million.

In the Digital segment, the 11880 Solutions Group expects to post EBITDA within the range of EUR 2.5 to EUR 3.5 million in the 2019 financial year. By means of comparison, the figure for the last financial year was EUR 1.1 million.

Directory Assistance segment

In the Directory Assistance segment, the 11880 Solutions Group anticipates that the negative trend with respect to call volumes in Germany will also persist in 2019. New business models, primarily in connection with call center services, have already been implemented to offset the decline in business volume as best as possible and ensure long-term success. Initial success has already been achieved as of 30 June 2019.

The 11880 Solutions Group continues to expect the Directory Assistance segment to generate revenues in the range of EUR 10.3 to EUR 13.0 million in 2019. In 2018, segment revenues were EUR 12.6 million.

In terms of the development of earnings, the 11880 Solutions Group continues to plan posting EBITDA of around EUR -0.5 to EUR 0.5 million for the Directory Assistance segment in 2019. In 2018, EBITDA amounted to EUR -0.1 million.

Group

At Group level, the 11880 Solutions Group continues to expect posting revenues of EUR 40.3 to EUR 47.0 million in 2019. In comparison, revenues were generated in the amount of EUR 42.9 million in 2018. The 11880 Solutions Group also continues to expect EBITDA in 2019 to be in the range of EUR 2.0 to EUR 4.0 million. This guidance includes the effects from the first-time application of IFRS 16 Leases. In comparison, the Company generated EBITDA (before IFRS 16) in the amount of EUR 1.0 million in 2018.

Cash holdings

The planning of the 11880 Solutions Group continues to assume positive cash holdings of between EUR 1.6 and EUR 2.6 million as of the end of the 2019 financial year. Cash holdings at the end of 2018 amounted to EUR 2.6 million.

Employees

On 30 June 2019, the 11880 Solutions Group had 568 employees (head count; excluding Management Board, trainees, "mini-jobs" and dormant employment contracts), which represents a year-on-year increase of 1 percent (previous year: 564).

Comparability of disclosures

The 6-month report for 2018 and the consolidated financial statements for the year ended 31 December 2018 have been published on the 11880 Solutions AG website at: https://ir.11880.com/finanzberichte veröffentlicht.

The comparative figures as of 30 June 2018 were adjusted in accordance with the facts presented in the footnotes to the consolidated financial statement as well as the facts presented in the consolidated balance sheet. For more detailed information, we refer to our explanations in the consolidated financial statement as of 31 December 2018.

Furthermore, the figures presented as of 30 June 2019 are only partially comparable with the previous reporting period, due to the first-time adoption of IFRS 16. The chapter "Changes in accounting policies" of the notes to the interim consolidated financial statements lists all IFRS 16 conversion effects and the impact on key performance indicators as at 30 June 2019.

Essen, 2 August 2019
The Management Board

Christian Maar
Chief Executive Officer

Responsibility statement

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

Essen, 2 August 2019
The Management Board

Christian Maar
Chief Executive Officer

Interim Consolidated Financial Statements

Consolidated income statement (IFRS)

in EUR thousand	Quarterly Report (unaudited) 01.04 – 30.06.2019	Quarterly Report (unaudited) 01.04 – 30.06.2018 adjusted (*)	6-Month Report (unaudited) 01.01 – 30.06.2019	6-Month Report (unaudited) 01.01 – 30.06.2018 adjusted (*)
Revenues	11,596	10,280	23,189	20,844
Cost of revenues	-6,671	-5,893	-12,775	-11,623
Gross profit	**4,925**	**4,387**	**10,414**	**9,221**
Selling and distribution costs	-3,885	-2,773	-7,443	-6,521
General administrative expenses	-1,934	-2,317	-4,230	-4,780
Other operating expense	-8	-70	-8	-71
Operating income (loss)	**-902**	**-773**	**-1,267**	**-2,151**
Interest expense	-1	-3	-3	-6
Interest expenses for rights of use (IFRS 16) (***)	-81	0	-170	0
Profit/loss from the disposal of financial assets (**)	-17	0	-20	0
Gain (loss) from marketable securities (**)	32	-96	74	48
Financial income (loss)	**-67**	**-99**	**-119**	**42**
Income (loss) before income tax	**-969**	**-872**	**-1,386**	**-2,109**
Current income tax	0	44	0	44
Deferred income tax	105	284	-9	284
Income tax	**105**	**328**	**-9**	**328**
Net income (loss) from continuing operations	**-864**	**-544**	**-1,395**	**-1,781**
Net income (loss) from discontinued operations	-1	0	-1	0
Net income (loss)	**-865**	**-544**	**-1,396**	**-1,781**
Attributable to:				
Owners of the parent	-865	-544	-1,396	-1,781
	-865	**-544**	**-1,396**	**-1,781**
Earnings per share for net income (loss) for the reporting period attributable to ordinary equity holders of the parent (in euro)	-0.05	-0.03	-0.07	-0.09
Earnings per share for continuing operations for net income (loss) for the reporting period attributable to ordinary equity holders of the parent (in euro)	-0.05	-0.03	-0.07	-0.09

(*) The comparative period was adjusted due to a change in estimates of the amortization periods of capitalized commissions and of capitalised websites, which reduced the amortization amounts included in cost of revenues and selling and distribution costs. In addition, selling and distribution costs were adjusted by kEUR 170 due to excessive capitalization of commissions. Further adjustments resulted from the first-time application of IFRS 9, under which gains and losses from the measurement of securities are recognized directly in profit or loss. For more detailed information, please refer to our consolidated financial statements as of December 31, 2018.
(**) Since 1 January 2018, the new standard IFRS 9 has been applied, according to which changes in the measurement of securities held by the Group are recognised directly in profit or loss. For more detailed information, please refer to the consolidated financial statements for the year ended December 31, 2018.
(***) IFRS 16 was applied for the first time as of January 1, 2019, resulting in the recognition of leasing liabilities carried as liabilities in the balance sheet as of June 30, 2019. These liabilities are divided into an interest portion and a repayment portion when monthly rent payments are made.

Consolidated statement of comprehensive income (IFRS)

in EUR thousand	Quarterly Report (unaudited) 01.04 – 30.06.2019	Quarterly Report (unaudited) 01.04 – 30.06.2018 adjusted (*)	6-Months Report (unaudited) 01.01 – 30.06.2019	6-Months Report (unaudited) 01.01 – 30.06.2018 adjusted (*)
Net income (loss)	**-865**	**-544**	**-1,396**	**-1,781**
Other comprehensive income (loss)				
Items that can be reclassified subsequently to profit or loss				
Foreign currency translation differences	0	0	-1	-1
Other comprehensive income (loss) after tax	**0**	**0**	**-1**	**-1**
Total comprehensive income (loss)	**-865**	**-544**	**-1,397**	**-1,782**
Thereof from:				
Continuing operations	-865	-544	-1,397	-1,782
	-865	**-544**	**-1,397**	**-1,782**
Attributable to:				
Owners of the parent	-865	-544	-1,397	-1,782
	-865	**-544**	**-1,397**	**-1,782**

(*) The comparative period has been restated for a change in estimate of the amortisation periods of capitalised commissions and of capitalised websites, which has reduced the amortisation amounts included in cost of revenues and selling and distribution costs. In addition, the selling and distribution costs were adjusted by capitalization that was too high. Further adjustments resulted from the first-time application of IFRS 9, under which gains and losses from the measurement of securities are recognized directly in profit or loss. The result for the period changed accordingly. For more detailed information, please refer to our consolidated financial statements as of December 31, 2018.

Consolidated statement of financial position (IFRS)

in EUR thousand	30 June 2019	31 December 2018	30 June 2018 adjusted (*)	1 January 2018 adjusted (*)
	(unaudited)		(unaudited)	
ASSETS				
Current assets				
Cash and cash equivalentes	126	807	1,011	523
Restricted cash	94	94	94	185
Trade accounts receivable	8,221	9,296	8,429	9,424
Current tax assets	19	72	110	97
Financial assets at fair value through profit or loss (**)	562	1,698	1,723	5,302
Other financial assets	163	123	118	149
Other current assets	636	528	1,118	830
Total current assets	**9,821**	**12,618**	**12,603**	**16,511**
Non-current assets				
Goodwill	416	416	416	416
Intangible assets	5,655	5,282	4,552	4,571
Property and equipment	971	1,044	876	1,166
Capitalized right-of-use assets (IFRS 16) (***)	5,850	0	0	0
Other non-current assets	251	188	175	174
Deferred tax assets	0	5	0	26
Total non-current assets	**13,143**	**6,935**	**6,019**	**6,354**
Total assets	**22,964**	**19,553**	**18,622**	**22,865**

(*) The comparative period was adjusted due to an error correction carried out in the consolidated financial statements as of December 31, 2018 (impairment of goodwill of the Digital cash-generating unit in 11880 Internet Services AG in the amount of EUR 3 million). In addition, the amortization of capitalized commissions (for customer websites) was adjusted due to a change in estimates of the amortization periods. There were also reclassifications due to the change in estimates for the amortization periods of capitalized commissions and of capitalised websites from other current assets to intangible assets as well as adjustments due to the reclassification of creditors with debit balances from trade receivables to other current assets in the comparable period of January 1, 2018. In addition, an adjustment of kEUR 170 was made to intangible assets due to excessive capitalization of commissions. Furthermore, the new standard IFRS 15 has been applied since January 1, 2018, as a result of which customer websites have been reclassified from intangible assets to other non-current assets. For more detailed information, please refer to our consolidated financial statements as of December 31, 2018.
(**) The new standard IFRS 9 has been applied since January 1, 2018. For more detailed information, please refer to the consolidated financial statements as of December 31, 2018.
(***) IFRS 16 was applied for the first time as of January 1, 2019, resulting in the recognition of capitalized right-of-use assets in the balance sheet as of June 30, 2019.

in EUR thousand	30 June 2019	31 December 2018	30 June 2018 adjusted (*)	1 January 2018 adjusted (*)
	(unaudited)		(unaudited)	
LIABILITIES AND EQUITY				
Current liabilities				
Trade accounts payable	676	478	703	187
Accrued liabilities	3,137	4,532	3,699	5,492
Provisions	1,338	35	373	242
Short-term lease liabilities (IFRS 16) (**)	1,191	0	0	0
Other current liabilities	4,363	5,628	4,465	5,486
Total current liabilities	**10,705**	**10,673**	**9,240**	**11,407**
Non-current liabilities				
Provisions	220	187	154	139
Provisions for retirement benefits	168	168	176	176
Other non-current liabilities	0	406	0	0
Long-term lease liabilities (IFRS 16) (**)	5,401	0	0	0
Deferred tax liabilities	547	543	162	472
Total non-current liabilities	**6,336**	**1,304**	**492**	**787**
Total liabilities	**17,041**	**11,977**	**9,732**	**12,194**
Equity				
Share capital	19,111	19,111	19,111	19,111
Additional paid in capital	32,059	32,059	32,059	32,059
Retained earnings	-45,245	-43,591	-42,275	-40,494
Other components of equity	-2	-3	-5	-4
Equity attributable to owners of the parent	**5,923**	**7,576**	**8,890**	**10,671**
Total equity	**5,923**	**7,576**	**8,890**	**10,671**
Total liabilities and equity	**22,964**	**19,553**	**18,622**	**22,865**

(*) The comparative period was adjusted due to an error correction carried out in the consolidated financial statements as of December 31, 2018 (impairment of goodwill of the Digital cash-generating unit in 11880 Internet Services AG in the amount of EUR 3 million). In addition, the amortization of capitalized commissions and of capitalised websites was adjusted due to a change in estimates of the amortization periods. In addition, a correction was made for excessively high capitalisations of commissions. Furthermore, adjustments were made due to the reclassification of trade accounts payable from trade accounts payable to other current liabilities as well as adjustments due to the first-time application of IFRS 9 in the comparative period January 1, 2018. For more detailed information, please refer to our consolidated financial statements as of December 31, 2018.
(**) IFRS 16 was applied for the first time as of January 1, 2019, resulting in the recognition of current and non-current leasing liabilities in the balance sheet as of June 30, 2019.

Consolidated statement of cash flows (IFRS)

in EUR thousand	1.1. – 30.06.2019	1.1. – 30.06.2018 adjusted (*)
	(unaudited)	(unaudited)
Cash flow from operating activities		
Income (loss) before income tax from continuing operations	-1,385	-2,109
Income (loss) before income tax from discontinued operations	-1	0
Income (loss) before income tax	-1,386	-2,109
Adjustments for:		
Amortisation and impairment of intangible assets	1,645	1,680
Amortisation and impairment of capitalized rights of use IFRS 16	547	0
Depreciation and impairment of property and equipment	142	374
Gain (loss) on disposal of property and equipment	0	20
Interest expense	0	6
Gain (loss) from marketable securities	-74	-48
Valuation allowance for trade accounts receivable	125	-409
Impairment of other non-current assets	62	0
Gain (loss) on disposal of subsidiaries	-15	0
Changes in non-current provisions	33	15
Changes in deferred taxes	0	0
Changes in non-current financial and other assets	-126	-243
Operating profit before changes in operating assets and liabilities	**953**	**-714**
Changes in operating assets and liabilities:		
Trade accounts receivable	950	1,455
Current intangible assets	0	1,186
Miscellaneous current assets	-149	-1,140
Trade accounts payable	202	288
Current provisions	1,303	131
Accrued expenses and other current liabilities	-2,562	-2,565
Income taxes received / paid	52	32
Cash used in operating activities	**749**	**-1,327**

(*) The comparative period has been restated for a change in estimate of the amortisation periods of capitalised commissions and of capitalised websites, which has reduced the amortisation amounts. In addition, a correction was made for excessive capitalisation of commissions within intangible assets. Further adjustments resulted from the first-time application of IFRS 9, under which gains and losses from the measurement of securities are recognised directly in profit or loss. Furthermore, due to the first-time application of IFRS 15 as of January 1, 2018, commissions for customer websites capitalized in intangible assets were reclassified to other non-current assets. For more detailed information, please refer to our consolidated financial statements as of December 31, 2018.

in EUR thousand	1.1. – 30.06.2019	1.1. – 30.06.2018 adjusted (*)
	(unaudited)	(unaudited)
Cash flow from investing activities		
Purchase of intangible assets excl. customer contracts	-440	-596
Purchase of customer contracts with contract period > 1 year	-1,578	-1,017
Proceeds from sale of intangible assets	2	1
Purchase of property and equipment	-81	-105
Proceeds from sale of property and equipment	8	1
Disposal of financial assets at fair value through profit or loss	1,210	3,627
Cash provided by investing activities	**-879**	**1,911**
Cash flow from financing activities		
Proceeds and disbursement for security deposit	0	-91
Interest paid	-3	-5
Interest paid under leases (IFRS 16)	169	0
Payments from the repayment of liabilities from leases (IFRS 16)	-718	0
Cash used in financing activities	**-552**	**-96**
Net increase/decrease in cash and cash equivalentes	**-681**	**488**
Cash at the beginning of the reporting period	**807**	**523**
Cash at the end of the reporting period	**126**	**1,011**
Cash and cash equivalentes as well as financial assets at fair value through profit or loss at the end of reporting period	782	2,828

(*) The comparative period has been restated for a change in estimate of the amortisation periods of capitalised commissions and of capitalised websites, which has reduced the amortisation amounts. In addition, a correction was made for excessive capitalisation of commissions within intangible assets. Further adjustments resulted from the first-time application of IFRS 9, under which gains and losses from the measurement of securities are recognised directly in profit or loss. Furthermore, due to the first-time application of IFRS 15 as of January 1, 2018, commissions for customer websites capitalized in intangible assets were reclassified to other non-current assets. For more detailed information, please refer to our consolidated financial statements as of December 31, 2018.

Consolidated statement of changes in equity (IFRS)

in EUR thousand	Equity attributable to owners of the parent Share capital	Additional paid in capital	Retained earnings	Other components of equity	Total equity
Balance at December, 31, 2018	**19,111**	**32,059**	**-43,591**	**-3**	**7,576**
Adjustments due to first-time application of IFRS 16 (*)	**0**	**0**	**-277**	**0**	**-277**
Balance at January 1, 2019	**19,111**	**32,059**	**-43,869**	**-3**	**7,298**
Changes in the scope of consolidation			19		
Net income (loss)	-	-	-1,395	-	-1,395
Foreign currency translation	-	-	-	1	1
Other comprehensive income (loss)	**0**	**0**	**0**	**1**	**1**
Total comprehensive income (loss)	**0**	**0**	**-1,376**	**1**	**-1,375**
Balance at June 30, 2019	**19,111**	**32,059**	**-45,245**	**-2**	**5,923**
Balance at January 1, 2018 before adjustments	**19,111**	**32,059**	**-40,436**	**146**	**10,880**
Adjustments IAS 8 (**)	**0**	**0**	**-58**	**-151**	**-209**
Balance at January 1, 2018 adjusted	**19,111**	**32,059**	**-40,494**	**-5**	**10,671**
Net income (loss)	-	-	-1,781		-1,781
Foreign currency translation	-	-	-	-1	-1
Other comprehensive income (loss)	**0**	**0**	**0**	**-1**	**-1**
Total comprehensive income (loss)	**0**	**0**	**-1,781**	**-1**	**-1,782**
Balance at June 30, 2018	**19,111**	**32,059**	**-42,275**	**-5**	**8,890**

(*) IFRS 16 was applied for the first time as of January 1, 2019, resulting in the recognition of capitalized right-of-use assets in the balance sheet as of June 30, 2019.
(**) The new standard IFRS 9 has been applied since January 1, 2018. For more detailed information, please refer to the consolidated financial statements as of December 31, 2018.

Notes to the interim consolidated financial statements

1. Presentation of the interim consolidated financial statements

The business operations of the 11880 Solutions Group (hereinafter also referred to as the 11880 Solutions Group / the Group), consisting of 11880 Solutions AG and its subsidiaries comprise the provision of online marketing services for small and medium-sized enterprises (SMEs). They provide companies with an online presence with products such as corporate websites, Google Ads (search engine marketing), Google My Business and Facebook company pages and supports them in the planning and implementation of their digital advertising efforts. The Group's companies also provide company entries (product: advertisement entry) on its 11880.com online business directory and on partner portals as well as on the 11880.com app (and partner apps). The Group also offers werkenntdenBESTEN.de, Germany's first and so far only search engine for online reviews, which has been further enhanced in 2018.

At the beginning of 2019, the job portal wirfindendeinenJOB.de was launched, which makes it much easier for corporate customers to find personnel.

The software solutions segment within the Digital segment includes digital telephone books and yellow pages on CD-ROM and as an intranet solution, and also database solutions.

The directory assistance business comprises telephone directory assistance services to private and business customers in Germany and abroad. These services are also provided to other telephone companies in Germany on the basis of outsourcing agreements. Additional services offered include a secretarial service and further call center services.

11880 Solutions AG (hereinafter also referred to as the Company) is a listed stock corporation under German law and the parent company of the 11880 Solutions Group. The Company is domiciled in Hohenzollernstraße 24, 45128 Essen, Germany, and since 1 August 2018 has been registered in the Commercial Register of the Essen Local Court, Germany, under registration number HRB 29301 (previously Munich Local Court, Germany, under registration number HRB 114518).

These condensed interim consolidated financial statements of 11880 Solutions AG and its subsidiaries were prepared for the first six months ended 30 June 2019 in accordance with the International Financial Reporting Standards (IFRSs) – as applicable in the European Union.

All International Accounting Standards (IASs), International Financial Reporting Standards (IFRSs) as well as the interpretations of the IFRS Interpretations Committee (IFRIC) and the interpretations of the Standing Interpretations Committe (SIC) whose application was mandatory as of 30 June 2019 were taken into account.

The interim consolidated financial statements were prepared in accordance with IAS 34 Interim Financial Reporting and should be read in the context of the audited consolidated financial statements for the 2018 financial year.

The consolidated financial statements of the 11880 Solutions Group are presented in euros (EUR). Unless stated otherwise, all values were rounded to thousands of euros (EUR thousand).

The interim consolidated financial statements are generally prepared using the historical cost system.

The interim consolidated financial statements have not been audited. They were released for publication by the Company's Management Board on 2 August 2019.

The consolidated financial statements and the group management report prepared as of 31 December 2018 were submitted with the publisher of the Federal Gazette and published electronically in the Federal Gazette.

2. Changes in accounting policies

The accounting policies applied in the interim consolidated financial statements are consistent with those applied in the consolidated financial statements for the 2018 financial year, except for the changes explained below.

Amendments to IFRS 9 Financial Instruments – Prepayment Features with Negative Compensation

The amendments to IFRS 9 cover the classification of certain financial instruments with negative prepayment features. Under certain circumstances prepayable financial assets with negative compensation may be carried at amortised cost or at fair value in other comprehensive income instead of at fair value through profit or loss. The amendments also clarify the accounting treatment of financial liabilities that are modified as a result of restructuring measures.

The amendments were issued in October 2017 and adopted by the EU in March 2018. They must be applied to annual periods beginning on or after 1 January 2019. Earlier application is permitted.

The amendments do not materially affect the Group's net assets, financial position and results of operations.

IFRS 16 Leases

The following explanations on the effects of the first-time application of IFRS 16 should be read in conjunction with the statements on the legal basis of IFRS 16 in section 5.7.2 "IFRS 16 Leases" of the notes to the consolidated financial statements of 11880 Solutions AG for the year ended 31 December 2018.

The effects of the initial application of IFRS 16 Leases are explained below. In compliance with the transitional provisions of IFRS 16, the modified retrospective approach was used for the transition, whereby the cumulative effect of initially applying the new standard was presented in equity as at 1 January 2019. The comparative information for financial year 2018 was not restated.

The Group recognised lease liabilities at the date of initial application of IFRS 16 for almost all leases previously classified as operating leases applying IAS 17. These liabilities are measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as at 1 January 2019. The lessee's weighted average incremental borrowing rate applied to the lease liability as at 1 January 2019 is 5.1 percent. There were no leases previously classified as finance leases at the transition date.

All right-of-use assets were measured as if IFRS 16 had been applied since the commencement date, which means that the right-of-use asset and the lease liability at the date of initial application do not necessarily have identical values.

The right-of-use assets recognised relate to the following types of assets:

in EUR thousand	30 June 2019	1 January 2019
Buildings	6,339	6,827
Motor vehicles	253	260
Total lease liabilities	**6,592**	**7,087**

The corresponding lease liabilities recognised relate to the following types of assets:

in EUR thousand	30 June 2019	1 January 2019
Buildings	6,339	6,827
Motor vehicles	253	260
Total lease liabilities	**6,592**	**7,087**

The change in accounting policy affected the following items of the statement of financial position as of 1 January 2019 as follows:

- Right-of-use assets – increase of EUR 6.3 million
- Other current liabilities – decrease of EUR 58 thousand
- Other non-current liabilities – decrease of EUR 408 thousand
- Lease liabilities – increase of EUR 7.1 million
- shareholder's equity - decrease of EUR 277 thousand

The decrease in other liabilities resulted from the derecognition of a liability for the granting of rent-free periods under an office lease; the difference was recognised in equity. IFRS 16 requires lease incentives to be taken into account in the present value calculation. The net effect on the accumulated deficit as at 1 January 2019 was an increase of EUR 0.3 million.

The first-time adoption of IFRS 16 therefore had a material impact on the Group's key figures as of January 1, 2019. The key figures adjusted for IFRS 16 effects are presented below:

- Balance sheet total: EUR 16.2 million
- Shareholders' equity: EUR 6.2 million
- Equity ratio: 38.3%
- Net result for the period after taxes: EUR -1.4 million
- Earnings per share: EUR 0.07
- Cash flow from operating activities: EUR 0.2 million
- Cash flow from financing activities: EUR 3 thousand

On the first-time application of IFRS 16, the Group made use of the following recognition exemptions, practical expedients and transition options:

- Application of a single discount rate to a portfolio of leases with reasonably similar characteristics;
- Exclusion of initial direct costs from the measurement of right-of-use assets at the date of initial application;
- Use of hindsight, i.e. in determining the lease term if the contract contains options to extend or terminate the lease; and
- Recognition of leases with a remaining term of fewer than 12 months at 1 January 2019 as short-term leases in relation to real estate leases.
- Essentially, the Group will exercise the option not to capitalise leases with underlying low-value assets.
- The Group will not separate lease and non-lease components.

The Group's leasing activities and their accounting treatment

The Group leases different offices and storage rooms, parking spaces, vehicles, data lines and other office equipment. Leases are generally entered into for fixed periods of between one and eight years, but may include extension options.

Since 1 January 2019, leases have been recognised as a right-of-use asset and the corresponding lease liability at the date on which the leased asset is available for use by the Group. Finance costs are recognised through profit or loss over the term of the lease, giving a constant interest rate on the remaining term of the liability for each period. The right-of-use asset is depreciated on a straight-line basis over the shorter of the useful life and the term of the lease.

Assets and liabilities arising from leases are initially recognised at their present value. The lease liabilities generally comprise the present value of the following lease payments:

- Fixed payments less any lease incentives receivable;
- Variable lease payments that depend on an index or a(n) (interest) rate;
- Amounts expected to be payable by the lessee under residual value guarantees;
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

Lease payments are discounted at the interest rate implicit in the lease, if that rate can be readily determined. Otherwise, the lessee's incremental borrowing rate, i.e. the rate of interest that a lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of similar value to the right-of-use assets in a similar economic environment, is used to discount the lease payments.

Right-of-use assets are measured at cost and comprise:

- The amount of the initial measurement of the lease liability;
- Any lease payments made at or before the commencement date, less any lease incentives received;
- Any initial direct costs incurred by the lessee; and
- An estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease. Payments for leases of low-value assets are recognised as an expense in profit or loss on a straight-line basis. Examples of low-value assets are IT equipment and other operating equipment.

Extension and termination options

Some leases include extension options and/or termination options. With regard to the exercise of extension options in determining the term of a lease, the Group considers all facts and circumstances that create an economic incentive for the lessee to exercise extension options or not to exercise termination options. Changes in the term of the lease arising from the exercise of extension options or termination options are only included in the term of the contract if it is reasonably likely that the lessee will exercise an option to extend the lease or not exercise an option to terminate the lease. Most of the existing real estate leases contain bilateral termination options, which results in the term of these contracts being limited to the duration of the termination period.

IFRIC 23 Uncertainty over Income Tax Treatments

The IFRIC 23 Uncertainty over Income Tax Treatments interpretation published by the IFRS IC contains provisions concerning the recognition and measurement of tax risk positions and thus closes relevant existing loopholes in IAS 12 Income Taxes.

The published interpretation also includes references to existing obligations concerning explanatory notes in accordance with IAS 1.122 and IAS 1.125 – 1.129 for discretionary decisions, assumptions and estimates made while accounting for tax risk positions. Reference is also made to the provisions of IAS 12.88 and the obligation to indicate any contingent tax assets and liabilities.

The interpretation was issued on 7 June 2017 and adopted by the EU on 23 October 2018. The mandatory date of initial application for IFRIC 23 is 1 January 2019; however, voluntary early application is permitted – once the corresponding disclosure and endorsement has taken place.

At this point, we do not expect any material effects on the net assets, financial position and results of operations of the Group.

Amendments to IAS 19 Employee Benefits – Plan Amendment, Curtailment or Settlement

In February 2018, the IASB issued Amendments to IAS 19 concerning the accounting of plan amendments, curtailments and settlements. The amendments stipulates the basis on which to determine the current service cost and the net interest expense (income) for the period between plan amendment and the end of the reporting period.

The amendments must be applied for annual periods beginning on or after 1 January 2019. The amendments were adopted by the EU in March 2019.

At the present time, we do not expect the amendments to materially affect the Group’s net assets, financial position and results of operations.

Amendments to IAS 28 Investments in Associates and Joint Ventures – Long-term Interests in Associates and Joint Ventures

The IASB issued amendments to IAS 28 in October 2017, which were adopted by the EU in February 2019. The amendments to IAS 28 clarify that IFRS 9 must be applied to long-term investments in associates or joint ventures that are not accounted for using the equity method.

The amendments must be applied retrospectively and become effective for annual periods beginning on or after 1 January 2019. Earlier application is permitted.

To date, the 11880 Group has no investments in associates and joint ventures.

Annual improvements to IFRS – 2015-2017 cycle

These include clarifications concerning:

- IFRS 3 Business Combinations and IFRS 11 Joint Arrangements
- IAS 12 Income taxes
- IAS 23 Borrowing costs

The amendments were issued in December 2017 and adopted by the EU on 14 March 2019. The amendments must be applied from 1 January 2019.

At the present time, we do not expect the amendments to materially affect the Group’s net assets, financial position and results of operations.

3. Future changes in accounting policies

The Group does not currently expect the future first-time application of the following standards adopted or amended by the IASB or IFRIC to have any material effect on the Group’s net assets, financial position and results of operations. Since these standards have not yet been transposed into EU law, none of them have been applied to date.

IFRS 17 Insurance Contracts

IFRS 17 was issued by the IASB in May 2018 and supersedes the previously applicable IFRS 4 Insurance Contracts. It must be applied for annual periods beginning on or after 1 January 2021.
The new standard does not regulate the accounting treatment of insurance contracts by the policy holder. The 11880 Group has not yet acted as insurer.

Amendments to the Conceptual Framework

The IASB issued a revised version of its Conceptual Framework in March 2018. It contains revised definitions of assets and liabilities, and new guidance on measurement and derecognition, reporting and disclosures. In the revision, the IASB limited itself to topics that had not previously been explicitly covered or contained obvious loopholes.

The revised Conceptual Framework was issued in March 2018 and – subject to EU endorsement – must be applied for annual periods beginning on or after 1 January 2020. The IASB is already applying the new Conceptual Framework.

Amendments to IFRS 3 Business Combinations

The amendments to IFRS 3 were issued in October 2018. The amendments must be applied to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2020, as well as to asset acquisitions taking place on or after the beginning of this period. Earlier application is permitted.

The changes narrow the definition of a business and contain much clearer application guidance for distinguishing a business from a group of assets in connection with the application of IFRS 3.

Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors

The amendments to IAS 1 and IAS 8 were issued in October 2018. The amendments must be applied for annual periods beginning on or after 1 January 2020. Earlier application is permitted.

The amendments clarify the definition of materiality. Alongside additional explanations, the definition of materiality has been standardised both in the conceptual framework and in all standards, so the definition provided in IAS 1 is now used consistently.

4. Segment reporting

For the purpose of management control, the 11880 Solutions Group divides its activities into two operating segments, Directory Assistance and Digital.

The two segments' main key performance indicators for operations are revenues and EBITDA (earnings before interest, taxes, depreciation and amortisation).

The accounting principles for the segments essentially match those described in the consolidated financial statements for the year ended 31 December 2018.

For more information on the change in the estimate of cost allocation between the segments in financial year 2018 and the change in the presentation of segment profit/loss, please refer specifically to section 4.3 of the notes to our consolidated financial statements for the period ended 31 December 2018. The cost allocation for the comparative period has been restated accordingly.

There were no intersegment revenues in the first six months of the current financial year or in the same period of the preceding year.

The table below shows the revenues and earnings of the group's operating segments: In order to ensure comparability with the results of the previous period, IFRS 16 adjusted figures are also shown. This means that IFRS 16 effects were eliminated for items affected by the transition to IFRS 16.

1 January – 30 June 2019 in EUR thousand	Directory Assistance	Effect IFRS 16	Directory Assistance without IFRS 16	Digital	Effect IFRS 16	Digital without IFRS 16	Group	Effect IFRS 16	Group without IFRS 16
Revenues									
Revenues from transactions with external customers	6,455	0	6,455	16,734	0	16,734	23,189	0	23,189
Total revenues	**6,455**	**0**	**6,455**	**16,734**	**0**	**16,734**	**23,189**	**0**	**23,189**
Cost of revenues	-5,033	-60	-5,093	-7,742	-531	-8,273	-12,775	-591	-13,366
Selling and distribution costs	-312	0	-312	-7,131	230	-6,901	-7,443	230	-7,213
General administrative expenses, other operating income & expenses	-1,176	56	-1,119	-3,062	163	-2,899	-4,238	220	-4,018
Operating result	-66	-4	-70	-1,200	-138	-1,338	-1,267	-142	-1,409
Depreciation and amortisation	-296	173	-123	-2,039	374	-1,665	-2,335	547	-1,788
EBITDA	**229**	**-177**	**53**	**839**	**-512**	**327**	**1,068**	**-689**	**380**
Interest expense	-31	30	-1	-142	140	-2	-173	170	-3
Other finance income	28	0	28	48	0	48	76	0	76
Other finance costs	-6	0	-6	-16	0	-16	-22	0	-22
Earnings before income taxes	-75	26	-49	-1,310	2	-1,309	-1,386	29	-1,357
Assets and liabilities									
Segment assets							22,964	-5,850	17,114
Segment liabilities							17,041	-6,592	10,449
Other segment information									
Capital expenditure for non-current fixed assets							8,493		
Depreciation of plant and equipment	40			102			142		
Amortisation of intangible assets	76			1,569			1,645		
Depreciation of right-of-use assets, IFRS 16	179	-179	0	368	-368	0	547	-547	0

1 January – 30 June 2018* in EUR thousand	**Directory Assistance**	**Digital**	**Group**
Revenues			
Revenues from transactions with external customers	6,120	14,724	**20,844**
Total revenues	**6,120**	**14,724**	**20,844**
Cost of revenues*	-4,313	-7,310	**-11,623**
Selling and distribution costs*	-427	-6,094	**-6,521**
General administrative expenses, other operating income & expenses	-2,229	-2,622	**-4,851**
Operating result*	-849	-1,302	**-2,151**
Depreciation and amortisation*	-394	-1,759	**-2,153**
EBITDA*	**-455**	**457**	**2**
Interest expense	-2	-4	**-6**
Other finance income*	107	-59	**48**
Earnings before income taxes*	**-744**	**-1,365**	**-2,109**
Assets and liabilities			
Segment assets			**18,622**
Segment liabilities			**9,732**
Other segment information			
Capital expenditure for non-current fixed assets			**2,036**
Depreciation of plant and equipment	231	143	**374**
Amortisation of intangible assets	163	1,617	**1,780**

(*) The comparative period was restated due to a change in estimates of the amortisation periods of capitalised sales commissions and capitalised customer websites, which reduced the corresponding amortisation amounts. Furthermore, the costs of capitalised sales commissions were corrected in the comparative period. Additional restatements resulted from the initial application of IFRS 9. For more detailed information, please see our consolidated financial statements as of 31 December 2018.

5. Financial instruments

The Group holds investment fund units that invest in short-term, low-risk money market instruments and bonds.

The fair value of the Group's monetary investments in investment fund units as of 30 June 2019 was EUR 562 thousand (2018: EUR 1,698 thousand). The fair value corresponds to the nominal value multiplied by the quoted (redemption) price on the reporting date. The quoted (redemption) prices are based on the net asset value of the corresponding investment fund published daily and can be realised by the 11880 Group by returning them.

As in the previous year, the securities held by the Company in the amount of EUR 562 thousand, which were measured at fair value through profit or loss as of 30 June 2019 are allocated to Level 1 of the fair value hierarchy.

The financial assets measured at fair value through profit or loss changed as follows:

in EUR thousand	Other financial assets at fair value through profit or loss
As of 1 January 2018	**5,302**
Addition	0
Disposal	-3,591
Measurement loss recognised in profit or loss	-13
As of 31 December 2018	**1,698**
Addition	0
Disposal	-1,195
Measurement gain recognised in profit or loss	59
As of 30 June 2019	**562**

The effect from the measurement of securities for the 1 January 2019 to 30 June 2019 reporting period amounts to EUR 59 thousand.

6. Changes in the basis of consolidation

Effective 2 February 2019, all equity interests held in Technoimp LLC, Armenia (until 18 January 2019 telegate LLC, Armenia), formerly a wholly-owned subsidiary of 11880 Solutions AG, were sold.

Effective 25 May 2019, telegate GmbH, Austria, formerly a wholly-owned subsidiary of 11880 Solutions AG that was in liquidation at the time, was deleted from the register, as a result of which it was no longer included in the basis of consolidation as of 30 June 2019.

Since the changes outlined above do not materially affect the Group's net assets, financial position and results of operations, no further disclosures are made.

For more information, please see our consolidated financial statements as of 31 December 2018.

7. Related party transactions

Business transactions carried out in the current financial year between 11880 Solutions AG and its subsidiaries that are considered affiliated companies were eliminated in consolidation and are not explained in these notes to the financial statements. As of 30 June 2019, there were no other companies considered related parties.

Related parties here primarily comprise the members of the Management Board and the Supervisory Board. In the current financial year, there were no transactions between the 11880 Solutions Group and members of the Management Board or the Supervisory Board extending beyond the existing employment, service or appointment relationship or the contractual remuneration for this relationship.

8. Disclosure regarding the corporate bodies of 11880 Solutions AG

Change in the Supervisory Board

Mr. Ralf Grüßhaber resigned from his post as Deputy Chairman of the Supervisory Board with effect from 30 September 2018. In accordance with the recommendations of the Nomination Committee, the Supervisory Board proposed that Mr. Michael Amtmann, residing in Nuremberg, Germany, Diplom-Betriebswirt (FH), Managing Director of united vertical media GmbH, be elected as a new member of the Supervisory Board as a shareholder representative. At the Annual General Meeting on 12 June 2019, Mr. Michael Amtmann was elected as a member of the Supervisory Board.

On 12 June 2019, the terms of office of the remaining members of the Supervisory Board, Dr. Michael Wiesbrock, Mr. Ralf Ruhrmann and Mr. Helmar Hipp, ended. In this context, the Supervisory Board, following the recommendations of the Nomination Committee, proposed that the aforementioned members be elected as members of the Supervisory Board representing the shareholders. At the Annual General Meeting on 12 June 2019, Dr. Wiesbrock, Mr. Ralf Ruhrmann and Mr. Helmar Hipp were elected to the Supervisory Board as shareholder representatives.

On 21 May 2019, Sandy Jurkschat, residing in Duisburg, Germany, IT Demand Specialist at 11880 Internet Services AG, and Leonard Kiedrowski, residing in Dorsten, Germany, Head of IT Service Desk at 11880 Internet Services AG, were elected to the Supervisory Board of 11880 Solutions AG as employee representatives, thus replacing the previous employee representatives on the Supervisory Board, Ms. Ilona Rosenberg and Mr. Jens Sturm.

9. Report on post-balance sheet date events

On 23 July 2019, united vertical media GmbH, Nuremberg, published the offer document for the voluntary public takeover offer to acquire all shares of 11880 Solutions AG. The acceptance period runs from 23 July 2019 to 20 August 2019 and the offer price is EUR 1.87 per share.

10. German Corporate Governance Code

The joint declaration of compliance by the Management Board and Supervisory Board of 11880 Solutions AG in accordance with section 161 AktG relating to the German Corporate Governance Code was made in June 2019. The exact wording of the declaration can be retrieved under https://ir.11880.com/corporate-governance/entsprechenserklaerung.

Essen, 2 August 2019

Christian Maar
Chief Executive Officer

Corporate structure 11880 Solutions Group

11880 Solutions AG
ESSEN,
GERMANY

11880 Internet Services AG
ESSEN,
GERMANY
100 %

WerWieWas GmbH
ESSEN,
GERMANY
100 %

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