Acquisition of Honeypot

Conference Call
April 1, 2019

XING

M&A Update Call: Acquisition of Honeypot.io

- Tech talent most desirable target group for employers
- Increasing demand for IT specialists is not to be met in medium-term
- We invest in „tech-recruiting“ – thus strengthening B2C and B2B side
- We continue to execute along our long-term strategy
- Honeypot: Leading career development platform focusing on tech candidates
- Consolidation starts April 1, 2019 – economically effective date is Jan 1, 2019
- Updated revenue & EBITDA targets for 2019 & 2020

„Tech“ is the most desirable recruiting vertical and the market for hiring tech talents currently facing a structural shift

Tech Recruiting

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Huge and growing market

- >4m ICT jobs to fill in Europe p.a. ; >80,000 unfilled IT positions in Germany alone[1]
- 94% of recruiters consider hiring tech people as especially competitive[2]

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Transformative dynamics

- Tech candidates „fed up“ with classical sourcing approaches on professional social networks
- Significant VC financing into “reverse marketplaces” (i.e. HIRED, hackajob.co.uk, talent.io etc.)

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XING is perfect fit

- Providing access to >20k recruiting professionals and > 400,000 IT specialists on XING
- Supporting Honeypot to finance its national & international expansion

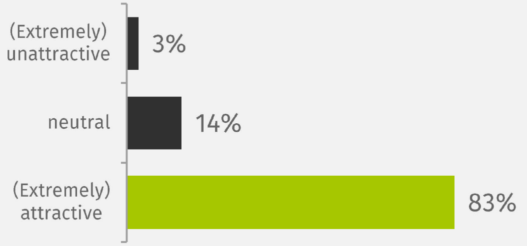
[1] Eurostat, StackOverflow, Bitkom
[2] Jobvite Recruiter Nation report

Investing in “tech recruiting” is a compelling growth opportunity for XING as it adds value to our C- and B-side mission

A strategic investment in tech recruiting…

…allows us to deliver very fast on an articulated user need

The concept of a “reversed” job marketplace for software engineers is…



Source: Gelszus; n=101 tech professionals

- XING is the most known (87%) and most used (53%) channel for job search in D-A-CH for tech professionals
- XING today has ~400.000 profiles with above average engagement metrics
- 83% of tech professionals consider a „reversed marketplace“ model extremely attractive
- 75% would prefer such a model over searching on XING or LinkedIn

…allows growth beyond the D-A-CH market

- Tech recruiting (for top talent) is a proven international playing field
- XING is committed to invest into business models that are not dependent on the core XING platform, but will benefit from its existence – and related B2B businesses
- Winning the European market is significantly more likely with a strong D-A-CH position

Tech sourcing is undoubted the biggest single pain point for recruiters due to the structural supply/demand gap

Honeypot, a leading career development platform focusing on technical candidates – www.honeypot.io

Vision
- **B2C**: „Get job offers from Europe‘s best tech companies“
- **B2B**: „Hire the best developers from around the globe“

Organization & Management
- Founded in 2015 by Kaya Taner & Emma Tracey
- HQ in Berlin
- 50 employees

Metrics 2019e
- ~1,500 B2B customers (03/19)
- ~100,000 tech talents (03/19)
- ~€5-6 m revenue
- ~ -€5 m EBITDA

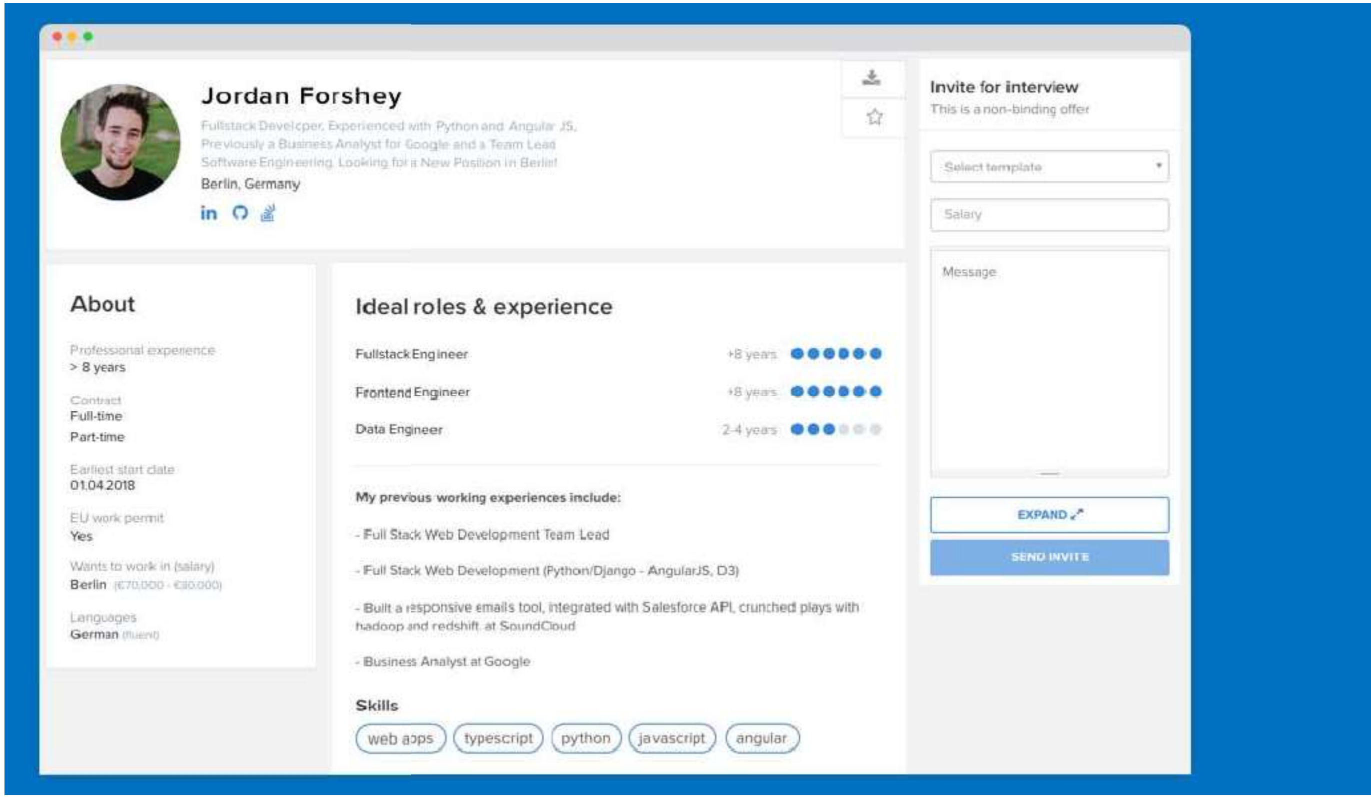
Candidate-led recruitment: Jobs come to candidates

Closed Marketplace:
All candidates do a technical review (only 10% pass the test)

Reverse Recruitment:
Companies apply to candidates (not the other way around)

Active Candidates: Candidates are only visible when really looking for a new job

Monetization: Honeypot charges 15-18% commission of first year salary – when candidate is hired



Strong strategic fit, investment mode in 2019/2020
Attractive long-term economics

Key structure of the deal

- Acquisition of 100% of the shares
- Purchase price:
  - Initial payment of €22 m
  - Maximum earn-out up to €35 m (until 2022)

Financial implications

- Most important player in D-A-CH, but still early in development and investment mode
- Investments planned for growth in D-A-CH and selected int. markets in 2019/2020
- Consolidation from April 1st, 2019
- Allocation in B2B E-Recruiting segment
- EBITDA impact in 2019/2020: - €4-5 m
- Profitability expected from 2021 on with attractive long-term economics

Outlook XING SE after Honeypot acquisition:

- 2019 group EBITDA of ~€84 m
- 2020 group EBITDA of ~€100 m

Thank you
for your attention.

XING