SCOUT 24

INSPIRING PEOPLE

Group Interim Report
First Half and Second Quarter 2017
Interim consolidated financial statements for the half-year and the three months ended June 30, 2017

Disclaimer:

Scout24 also uses alternative performance measures, not defined by IFRS, to describe the Scout24 Group's results of operations. These should not be viewed in isolation, but treated as supplementary information. The special items used to calculate some alternative performance measures arise from the integration of acquired businesses, restructuring measures, impairments, gains or losses resulting from divestitures and sales of shareholdings, and other material expenses and income that generally do not arise in conjunction with Scout24's ordinary business activities. Alternative performance measures used by Scout24 are defined in the "Glossary" section of Scout24's Group Interim Report 2017 as well as in the chapter Glossary of the Annual Report 2016 which is available at www.scout24.com/financial-reports.

Due to rounding, numbers presented throughout this statement may not add up precisely to the totals indicated, and percentages may not precisely reflect the absolute figures for the same reason. Information on quarterly financials have not been subject to the audit and thus are labelled "unaudited".

Key Financial Highlights

(EUR millions)	Q2 2017	Q2 2016	% change	H1 2017	H1 2016	% change
External revenues	**119.6**	**110.1**	**8.6 %**	**233.4**	**215.9**	**8.1 %**
IS24	74.5	71.1	4.8 %	146.6	140.2	4.6 %
AS24	43.3	37.6	15.2 %	83.7	72.7	15.1 %
Ordinary operating EBITDA[1]	**66.4**	**57.2**	**16.0 %**	**122.8**	**109.4**	**12.3 %**
IS24	46.9	45.5	3.1 %	91.4	87.9	4.0 %
AS24	22.3	15.9	40.3 %	39.6	29.8	32.9 %
Ordinary operating EBITDA-margin[1]	**55.5 %**	**52.0%**	**3.5pp**	**52.6 %**	**50.7%**	**1.9pp**
IS24	63.1 %	64.0 %	(0.9)pp	62.4 %	62.7%	(0.3)pp
AS24	51.4 %	42.3 %	9.1pp	47.3 %	41.0%	6.3pp
EBITDA[2]	**58.9**	**51.1**	**15.3 %**	**112.1**	**99.7**	**12.4 %**
IS24	43.7	40.2	8.7 %	84.8	79.5	6.7 %
AS24	19.5	13.4	45.5 %	34.8	26.0	33.8 %
Capital expenditure	**5.3**	**4.7**	**10.6 %**	9.3	**9.6**	**(3.1) %**
Cash contribution[3]	**61.1**	**52.5**	**16.4 %**	113.6	**99.8**	**13.8 %**
Cash conversion[4]	**92 %**	**92 %**		**92 %**	**91 %**	

[1] Ordinary operating EBITDA represents EBITDA adjusted for non-operating and special effects, ordinary operating EBITDA margin of a segment is defined as ordinary operating EBITDA as a percentage of external segment revenues.

[2] EBITDA is defined as profit before financial results, income taxes, depreciation and amortisation, impairment write-downs and the result of sales of subsidiaries.

[3] Cash contribution is defined as ordinary operating EBITDA less capital expenditure.

[5] Cash conversion is defined as ordinary operating EBITDA less capital expenditure divided by ordinary operating EBITDA.

The Scout24 share

Basic Data

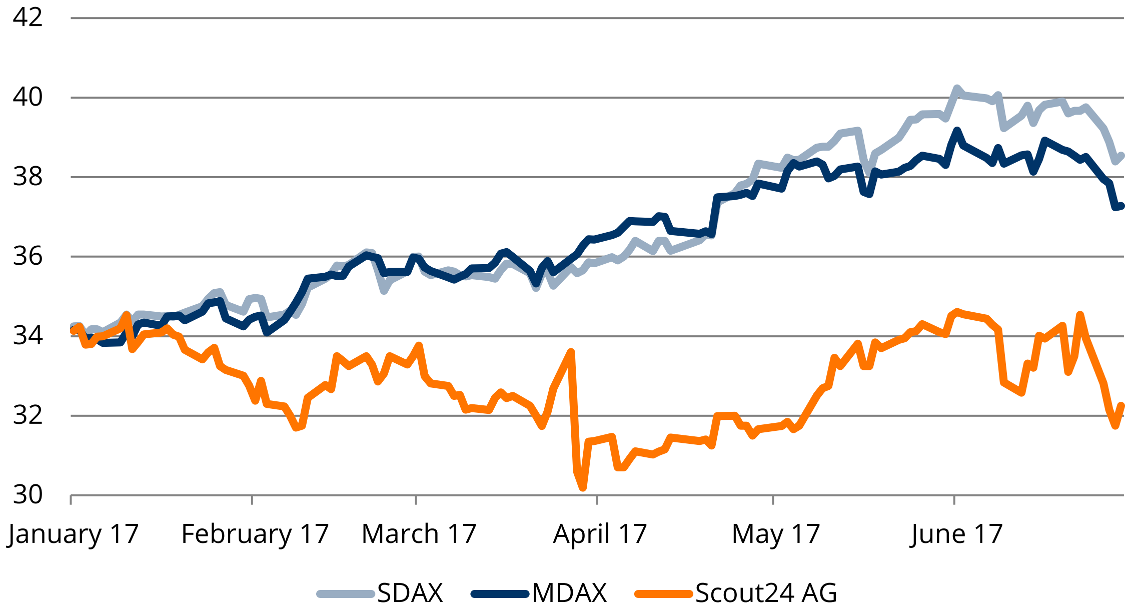
Type of shares	Registered shares (no-par value)
Stock exchange	Frankfurt Stock Exchange
Other trading platforms	XETRA, Berlin, Düsseldorf, Hamburg, Hannover, Munich, Stuttgart, Tradegate
Transparency level	Prime Standard
Shares issued	107,600,000
Subscribed share capital	EUR 107,600,000.00
ISIN	DE000A12DM80
WKN (German Securities Identification Number)	A12DM8
Ticker symbol	G24
Specialist	ODDO Seydler Bank AG
Designated Sponsors	Equinet Bank AG, ODDO Seydler Bank AG
Paying agent	Deutsche Bank
Share price as of 30/06/2017	EUR 32.25
52-week high*	EUR 41.00
52-week low*	EUR 28.62
Market capitalisation as of 30/06/2017	EUR 3,470.10 million
Average daily trading volume (52 weeks until 30/06/2017)**	76,298 shares/day

* in each case based on the closing price
**All trading venues, including Tradegate, source: Comdirect

The German stock market, represented by its leading benchmark index DAX, benefited from a positive economic and political environment in the first half of 2017. The market moved continuously upwards with only brief interruptions, marking a new record of 12,951 points on 20 June 2017. By the end of the first half year, the DAX achieved an increase of 7.4 percent compared to the previous year-end. The Scout24 share however missed out on these positive leads. The Scout24 share however benefited from these positive leads only to a limited extent. The guidance for the financial year 2017 as published in March was received critically by some investors. This led to a significant fall in share price to a year-low of 30.19 euros (30 March). The share price only recovered slowly but performed better after publication of the quarterly results in May. On June 2, the share price reached its year-high (based on closing price) of EUR 34.61. As of mid-June, a study by Goldman Sachs that warned of risks in the technology sector and even pointed out parallels to the bursting of the technology bubble in 2000 was putting pressure on technology stocks globally. In Germany, this development had a negative impact on the technology stock index TecDAX. It also negatively affected prices of technology-related stocks in the SDAX temporarily. On 21 June, Deutsche Telekom AG sold its remaining stake in Scout24 completely, adding additional pressure to the share price at the end of the first half-year. On 30 June, the Scout24 share ended the first half year 2017 with a closing price of EUR 32.25, down 4.7 percent compared to market close on 30 December 2016. The benchmark indices SDAX and MDAX relevant for Scout24 recorded growth rates of 13.9 and 10.2 percent respectively over the same period.

On 20 March 2017, the Scout24 share was included in the Stoxx Europe 600 Index.

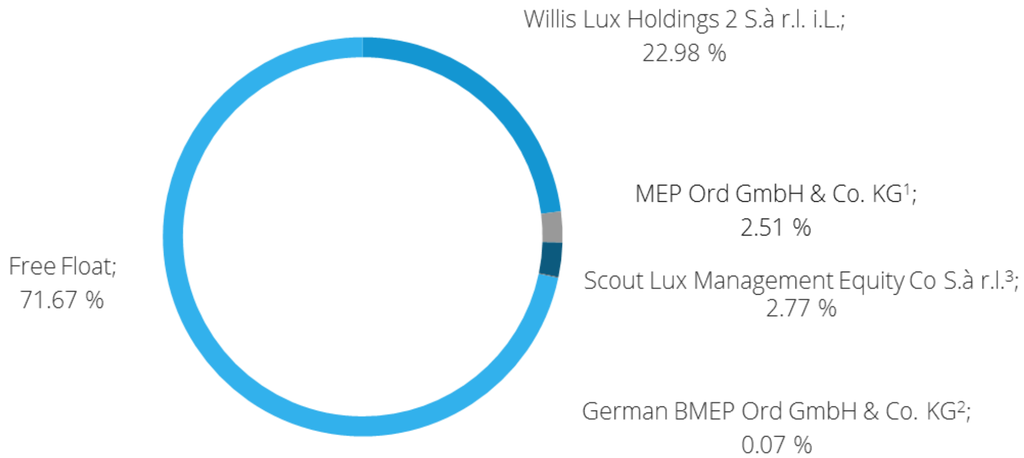
Scout24 share price performance (indexed)



Shareholder structure

On 21 June 2017, Deutsche Telekom AG placed its remaining stake of around 10 million shares in Scout24 with institutional investors. This improved the free float further to now 71.67 percent. The increased free float over the past twelve months, driven by share placements by existing major shareholders, and resulting in higher liquidity of the share led to a more dynamic trading activity and hence to an increased average daily trading volume than in the first half of 2016.

The shareholder structure of Scout24 as of June 30, 2017 was as follows:



1 Investment vehicle for certain present and former Group managers (limited partners)
2 Investment vehicle for certain members of the Supervisory Board of Scout24 AG (limited partners)
3 Indirectly held by Willis Lux Holdings 2 S.à r.l. in liquidation; also limited partner of German BMEP Ord GmbH & Co. KG

Analyst coverage

In addition to relevant corporate information, investors can also access estimates and recommendations by various independent analysts. The following analysts cover Scout24 currently:

Broker	Analyst
Bankhaus Lampe	Christoph Bast
Bank of America Merril Lynch	John King
Barclays	Andrew Ross
ODDO BHF	Alexander Rummler
Commerzbank	Sonia Rabussier
Credit Suisse	Joseph Barnet-Lamb
Goldman Sachs	Lisa Yang
J.P. Morgan	Marcus Diebel
Jefferies	David Reynolds
Kepler Cheuvreux	Craig Abbott
Macquarie	Bob Liao
Morgan Stanley	Andrea Ferraz
UBS	Richard Eary
Warburg Research	Jochen Reichert

The Investor Relations section of the website at www.scout24.de provides details of the respective current recommendations and share price target.

Investor relations activities

On 8 June 2017, the Annual General Meeting of Scout24 AG took place in Berlin. At the Meeting, shareholders representing more than 72% of Scout24 AG's total share capital of 107,600,000 shares, were present. All resolutions of the Annual General Meeting were adopted by a great majority. This included particularly the distribution of the first dividend since the IPO in October 2015. According to the proposal of the Management Board and the Supervisory Board, the shareholders voted for a dividend of EUR 0.30 per share. Further resolutions were passed on the discharge of the Management Board for the 2016 financial year, the discharge of the Supervisory Board for the 2016 financial year, the election of the auditor, the authorization to purchase and use treasury shares, the election of new Supervisory Board members and the amendment of the Supervisory Board remuneration system. The detailed voting results are available on the Scout24 AG website at www.scout24.com/General-meeting.

In addition, Scout24 informed investors, analysts and other interested capital market participants in nine press releases and eight IR releases as well as various conference calls and one-on-one meetings about the Company's further development. During 3 April 7 April 2017, Scout24 held meetings with interested investors in Frankfurt, London and New York as part of a roadshow. Moreover, Scout24 participated in seven relevant capital market conferences during the first half of 2017. Information regarding business development, the share, as well as business and interim reports, press releases, company presentations as well as roadshow details or conference participations and the financial calendar are available on the Company website www.scout24.com under Investor Relations.

Interim Group management report

Operating activities and strategy

Business model and business lines

The Scout24 Group (referred to as "Scout24" or the "Group") is a leading operator of digital marketplaces specialising in the real estate and automotive sectors in Germany and other selected European countries. Finding a new home or buying a car represent two of the most important decisions in people's lives. We support our users in helping them make the best decisions. To that end, we seek to maintain liquidity in terms of both audience and content on our marketplaces.

Scout24 provides consumers with an extensive range of real-estate and automotive listings, as well as useful additional information and services to help them find the right piece of real-estate or car and thus make an informed decision. Consumers can browse the listings for free via various channels, such as desktop, enhanced mobile applications ("apps") for smartphones, or our fully responsive mobile website. Consumers also benefit from specific, paid products and services. At the same time, we offer professional and private listers effective tools to present their real estate and automotive listings and reach a large, relevant and engaged audience by providing targeted advertising and lead generation solutions in a cost-effective manner. Here we offer specially customised and cost-effective solutions for marketing and lead generation. As a Group-wide function, Scout24 Media bundles all activities in the services for consumers area along the value chain of the entire real estate selling and rental process, or of the automotive market, driving the generation of leads and sale of listings across the Group.

Our platforms' products and services are designed to meet the needs of the respective target groups, whether they are searching for or listing real estate and automotive vehicles, or advertising on our platforms. As a consequence, we generate revenues from the listing of classifieds as well as from non-listing revenues through the sale of additional tools for real estate agents, advertising, lead generation and value chain products. In terms of listing products, we offer three different models to our business customers: a membership model, a listing package respectively project model, and a pay-per-listing model ("pay-per-ad model").

We operate our business primarily through two well-known and popular brands, ImmobilienScout24 ("IS24") and AutoScout24 ("AS24"), which also represent our main operating segments.

ImmobilienScout24

IS24 is a digital marketplace offering both real estate professionals and private listers (property-owners and tenants seeking successor tenants) the opportunity to place – on a paid basis – real estate classifieds in order to reach potential buyers and tenants. IS24 also provides real estate professionals with additional services to acquire and manage customers. Customers concluding a membership with

IS24 can boost their listings' effectiveness with supplementary products to add on individually. Vendors can add visibility products to give their products a more prominent placing in search results, for example. Supplementary products can also be added in the pay-per-ad model.

Inquiries and searches by users – meaning aspiring buyers or tenants – translate into traffic, which drives the lead generation for both professional and private listers. IS24 offers its users additional assistance through valuations, credit checks, relocation services, mortgage financing and insurance services.

IS24 is the leading digital real estate classifieds platform in Germany in terms of number of real estate listings and customers[1] as well as consumer traffic and engagement.[2] IS24 is the first choice among digital real estate classifieds platforms for 50 % of consumers.[3] IS24 also ranks first in the brand index published by German business periodical WirtschaftsWoche, measured in terms of quality, value for money, satisfaction and overall impression of the brand.[4]

In Austria, we also operate a leading vertical real estate marketplace with our portals ImmobilienScout24.at and Immobilien.net.[5] The Immodirekt.at portal has also formed part of the Scout24 Group in Austria since 2016.

AutoScout24

AS24 offers listing platforms for used and new cars, motorcycles and commercial vehicles to dealers and private sellers. It also offers complementary services, such as the display of advertising for automotive original equipment manufacturers ("OEMs").

AS24 is a European automotive classifieds leader (management estimate based on listings and UMVs) with leading market positions in Italy, Belgium (including Luxembourg), the Netherlands and Austria, as well as second position in Germany, all based on listings.[6]

AS24 also operates in Spain and France and offers local language versions of the marketplace in ten additional countries. Moreover, at AutoScout24.com, AS24 offers an English-language version that also enables cross-border searches.

The aided brand awareness of AS24 among Internet users considering a car purchase stands at 94 % in

[1] Management assessment

[2] Based on visitor numbers (Unique Monthly Visitors, "UMV") and user activity, comScore December 2016 (desktop PC for visitor numbers, desktop PC and mobile devices regarding user activity)

[3] GfK Brand & Communication Research, January 2017

[4] WirtschaftsWoche BrandIndex, May 2016

[5] Management estimate based on the number of real estate listings compare to other real estate listings portals (excluding general classifieds portals comprising very different product categories).

[6] Autobiz, May 2017

Germany, 64 % in Italy, 78 % in Austria and 72 % in the Netherlands, in each case in the relevant target group.[7] Along with the high degree of brand recognition, AutoScout24 also enjoys the confidence of consumers: a representative survey conducted by ServiceValue commissioned by German-language business magazine Focus Money highlights the AutoScout24-App as the most consumer-friendly mobile application in the category automotive marketplaces. [8]

Corporate

Corporate is another division of Scout24 that supports the operating segments IS24 and AS24. It includes management services (finance, legal, human resources, facility management, IT, corporate development and strategy, risk and compliance management and other related functions) provided to the Group companies. The core operations of Scout24 are comprised of its two operating segments, and Corporate.

Non-core operations

Excluded from core operations is the "Other" segment, which includes mainly FinanceScout24 ("FS24").

Strategy

Our classifieds revenues are not directly dependent on the number of completed housing transactions or car sales, but on the amount and duration of listings of its customers and consequently especially the online marketing spend of real estate professionals and car dealers. To remain attractive for listing customers, it is vital for Scout24 to maintain its leading positions in terms of both traffic and engagement. A high volume of listings and a large number of users are mutually reinforcing as providers and users tend to prefer the marketplace that offers the most liquidity, and is consequently the most efficient. Accordingly, we will continuously strive to introduce new features and functionalities to our websites to offer the best user experience. We plan to optimise the service commitment of our classifieds portals for our customers and users through attractive price models and other services and product innovations. For example, we offer our customers the possibility to improve the effectiveness of their listings with the help of additionally bookable visibility products, and assist them in them managing their image with our marketing products for professional vendors. During the first half of 2017, for example, we added a technical feature to the real estate listings at IS24 to include the that makes it possible to integrate not only images but also virtual tours – so-called 360° tours or virtual reality (VR) tours in the real-estate listing exposé. AS24 has also developed a search function to help car buyers at the start of their search process decide on a vehicle model: with the help of questions about personal preferences and needs in relation to equipping vehicles, the AS24 vehicle adviser bot can suggest the right vehicle models to users, and at the end of the search process filter listings of relevance for the user. Being a leader in user traffic and engagement, we are positioned well to benefit from the revenue and growth potentials in the large adjacent market segments outside our core

[7] Norstat, December 2016
[8] ServiceValue commissioned by Focus-Money, March 2017

classifieds business, be it the value chain for the entire process of selling or renting properties, or for the automotive market. By expanding services along the value chain, we are consistently following our alignment to our users' needs, as well as our strategy of developing ourselves from a pure classifieds portal in the direction of a market network. Our focus is on sustainable and profitable growth as well as on the long-term growth of our company value.

In this context, our future M&A strategy will focus on smaller bolt-on acquisitions along the value chain, strengthening our market position or enabling us to further tap into adjacent revenue pools, or expand our technological capabilities.

We are continuing to pursue our "OneScout24" approach, which streamlines the operations of IS24 and AS24, leverages synergies and economies of scale, and promotes best practice transfer across the Group. OneScout24 recognises that the IS24 and AS24 digital marketplaces (a) broadly follow the same business model fundamentals, (b) share a significant relevant portion of their user base, as quite often real estate and automotive purchasing decisions are triggered by the same changes in people's lives, and (c) allow for the generation of tangible operational synergies, such as consumer-centric product development, innovation-driven IT, efficient brand marketing, high-performing sales operations, and unique data opportunities that lead to enhanced efficiency.

Performance indicators

Based on our focus on sustainable and profitable growth, as well as growing our company's value long-term, our most important performance indicators at both Group and segment level are revenues and ordinary operating EBITDA[9].

These indicators are supplemented by capital expenditures in property, plant and equipment, and intangible assets ("capex") as well as further segment-specific auxiliary indicators ("auxiliary indicators").

In line with our strategy, the financial success of our portals is determined essentially by the number of listings, as well as user traffic and engagement. The most important auxiliary indicators at segment level are consequently the number of listings, particularly compared to our competitors, as well as key user traffic and engagement data. In addition, we examine the revenues of main customer groups and related performance indicators, such as numbers of customers and the average revenue per customer ("ARPU").

[9] Ordinary operating EBITDA is defined as earnings before interest, tax, depreciation and amortisation (EBITDA) and the gain/loss on the disposal of subsidiaries, adjusted to reflect non-operating effects and special effects. The ordinary operating EBITDA margin reflects the ratio of ordinary operating EBITDA to revenues.

Macroeconomic and sector-specific environment

Economic conditions

Scout24 is active in the real estate sector in Germany and Austria as well as in the automotive sector in Germany, Italy, Belgium (including Luxembourg), the Netherlands, Spain, France and Austria, and consequently in the Eurozone. Germany remains the main market of Scout24, with 83 % of revenues generated in Germany in the 2016 financial year, and 82.3 % during the first half of 2017. The economic situation in Germany an in the Eurozone was marked by stable and continuous economic growth in the first quarter of 2017, registering 0.6 % (GDP growth) compared with the fourth quarter of 2016.[10,11] Based on the positive underlying trend, a 1.9 % expansion rate is expected for the full 2017 year and a more moderate increase of 1.7 % is forecast to continue into 2018.[12] For the Eurozone, the stable development is expected to continue.[13]

Given stable economic growth, our business model is nevertheless mainly driven by the economic conditions for online marketplaces. Internet penetration in Germany has increased rapidly over the past decade. The development, in parallel, of a diverse array of digital media and e-commerce websites and mobile apps has promoted the use of the Internet as a fixed element of German consumers' lifestyles. This trend is increasingly influencing the allocation of marketing budgets. In Germany, the share of online has risen from 8.3 % of total advertising expenditures in 2006 to 31.6 % in 2016. In 2016, online advertising expenditure was already 38.1 % higher than TV marketing budgets. Online advertising expenditure is expected to continue to increase its share and reach 36.6 % in 2019.[14] In the online display advertising area, in particular, spending is forecast to grow by 15 % per year up to 2019.[15]

German residential property market trends

The German property market comprises residential and commercial properties. IS24 addresses both segments but generates most of its revenue from the residential property market and especially from sales transactions in this area.

According to an estimate that GEWOS published on 13 September 2016, the positive development in the German real estate market is expected to continue through the year 2017.[16]

The Cologne Institute for Economic Research (IW) also expects the good trend in the real estate market to continue in 2017. Sentiment in the German property market remained positive in general during the first half of 2017. Overall, the property market in Germany remains in a long-lasting boom phase,

---

[10] German Federal Statistical Office, press release of 23 May 2017 – 169/17
[11] Eurostat, press release of 8 June 2017 – 90/2017
[12] Bundesbank, June 2017 Monthly Report
[13] Eurozone economic outlook of 6 April 2017
[14] ZenithOptimedia, Advertising Expenditure Forecasts, December 2016
[15] ZenithOptimedia Advertising Expenditure Forecast, March 2017
[16] GEWOS, 2016

according to the IW.[17]

European automotive market trends

AS24 generated its revenues in Germany, the largest automotive market in Europe,[18] and selected European countries (Belgium including Luxembourg, the Netherlands, Italy, Spain, France, Austria) as well as mainly in the area of used car transactions.

As far as the used car market is concerned, for 2017 the ZDK forecasts a similar development to 2016, expecting 7.3 to 7.4 million ownership changes.[19] In the first half of 2017, approximately 3.7 million cars changed hands (-0.8 % year-on-year) and around 1.8 million cars were newly registered (+3.1 % year-on-year), a stable development in line with expectations. [20]

This trend is also evident in the rest of Europe. During the first five months of 2017, new registrations were up by 5.3 % compared with the 2016 equivalent period to reach 6.7 million units. European car market volumes are there by almost as high as in the pre-crisis period in May 2007, according to the European Automobile Manufacturers Association (ACEA).[21]

[17] Cologne Institute for Economic Research (Insitut der Deutschen Wirtschaft Köln – IW) Short-Report Number- 46, 23 June 2017

[18] Germany is with a total number of registered passenger cars of 45.8 million as of 1 January 2017 according to the German Geredal Office for Motor Transport (KBA) and total sales of EUR 169.5 billion from new and used cars transactions according to the DAT-Report 2016 the largest automotive market in Europe

[19] German Federation for Motor Trades and Repairs (ZDK), November 2016

[20] German Federal Office for Motor Transport (KBA), vehicle registrations in June 2017, July 2017

[21] European Automobile Manufacturers Association (ACEA), press release of 16 June 2017

Recent trends and situation of the Group

The strategy of consistently targeting the needs of the users, increasing the number of advertisements, improving the performance promise through additional products and the development from an online classifieds business to a market network is paying off. Scout24 continues its growth path and generated an increase in external revenues of 8.1% to 233.4 million euros in the first half of 2017. This increase is mainly due to a growing number of customers, as well as a continuous penetration of visibility products at AS24, improved „programmatic advertising"of our advertising offerings and an improved offer of services along the real estate sales and rental process, both under the umbrella of the Group-wide function Scout24 Media.

Building on the good scalability of the Scout24 business model and a disproportionate cost growth, ordinary operating Group EBITDA in the first half of 2017 improved by 12.3 % to 122.8 million euros compared to the first half of 2016, a margin of 52,6 % (H1 2016: 50.7 %). Ordinary operating Group EBITDA in the second quarter of 2017 is 66.4 million euros (margin 55.5 %), an increase of 16.0 % compared to the second quarter of 2016. The reconciliation to ordinary operating EBITDA is described in the chapter "Group financial position and performance" on page 19.

Capital expenditure in the first half of 2017 amounted to EUR 9.3 million, which is similar to the first half of 2016 (EUR 9.6 million). As a percentage of revenues, the capital expenditure was 4.0 % in the first half of 2017 compared to 4.3 % compared to the same period of the previous year. Capital expenditure in the second quarter of 2017 amounted to EUR 5.3 million (Q2 2016: EUR 4.7 million).

The cash contribution[22] in the first half of 2017 was up by EUR 13.8 million, or by EUR 8.7 million in the second quarter respectively, compared with the respective equivalent period of 2016. The Cash Conversion Rate[23], based on ordinary operating EBITDA, was stable at 92 % in the second quarter 2017.

Cash and cash equivalents amounted to EUR 62.7 million as of June 30, 2017 (31 December 2016: EUR 43.4 million). Net financial debt[24] stood at EUR 614.7 million, compared with EUR 633.9 million as of 31 December 2016. The ratio of net debt to ordinary operating EBITDA over the last 12 months fell to 2.58:1 (31 December 2016: 2.82:1).

The figures presented are fully within the scope of the forecast in the annual report 2016. The growth in sales amounts to 8.1 % in line with expectations (growth by a high single-digit percentage range); the ordinary operating EBITDA-margin is due to 52.6 % seasonal fluctuations slightly above expectations (an increase of around one percentage point of 50.8 %). The non-operating costs amounted to a total of

[22] Cash contribution is defined as ordinary operating EBITDA less capital expenditure. Ordinary operating EBITDA and capital expenditure are explained accordingly in the further course of the report.

[23] The cash conversion rate is defined as (ordinary operating EBITDA – capital expenditure)/ ordinary operating EBITDA. Ordinary operating EBITDA and capital expenditure are explained accordingly in the further course of the report.

[24] Net financial debt is defined as total debt (nominal value of interest bearing liabilities) less cash and cash equivalents.

EUR 10.7 million, which is above the budgeted scale (around EUR 10.0 million). This is primarily attributable to higher expenses for the reorganization carried out as well as to non-plannable costs related to M&A activities. Investments totalled EUR 9.3 million at the previous year's level, which is in line with the expectations of comparable investments for financial year 2016 (EUR 19.5 million).

Segment trends

A detailed description of the key performance indicators is presented in the "Control system" section of the 2016 annual report of Scout24 AG.[25]

ImmobilienScout24 (IS24)

(EUR millions)	Q2 2017	Q2 2016	% change	H1 2017	H1 2016	% change
Revenues from core agents (Germany)	39.4	38.8	1.5 %	78.7	77.9	1.0 %
Revenues from other agents	9.5	8.9	6.7 %	17.9	17.4	2.9 %
Other revenues	25.5	23.4	9.0 %	50.0	44.9	11.4 %
Total external revenues	**74.5**	**71.1**	**4.8 %**	**146.6**	**140.2**	**4.6 %**
Ordinary operating EBITDA	**46.9**	**45.5**	**3.1 %**	**91.4**	**87.9**	**4.0 %**
Ordinary operating EBITDA – margin %	**63.1 %**	**64.0 %**	**(0.9)pp**	**62.4 %**	**62.7 %**	**(0.3)pp**
EBITDA	**43.7**	**40.2**	**8.7 %**	**84.8**	**79.5**	**6.7 %**
Capital expenditure	**2.8**	**2.6**	**7.7 %**	**5.3**	**5.2**	**1.9 %**
Core agents (end of period, in numbers)	**17.046**	**17.603**	**(3.2) %**	**17.046**	**17.603**	**(3.2) %**
Core agents (average during period, in numbers)	**17.044**	**17.978**	**(5.2) %**	**17.229**	**18.479**	**(6.8) %**
Core agents ARPU (EUR/month)	**771**	**719**	**7.3 %**	**761**	**703**	**8.3 %**
Unique monthly visitors (UMV) (Desktop only, in numbers and million)[26]	**5.9**	**7.0**	**(15.7) %**	**6.1**	**7.2**	**(15.3) %**
Unique monthly visitors (UMV) (multiplatform, in numbers and million)[27]	**12.3**	**12.3**	**0.0 %**	**12.6**	**12.6 %**	**0.0 %**

[25] Scout24 AG, Annual Report 2016, "Control system", page 49

[26] comScore, May 2017

[27] comScoure, May 2017

External revenues in the IS24 segment reported 4.6 % year-on-year growth to reach EUR 146.6 million in the period under review (H1 2016: EUR 140.2 million).

The largest revenue share is attributable to revenues from core agents, which was up by 1.0 % to EUR 78.7 million in the first half of 2017 (H1 2016: EUR 77.9 million). This growth was driven by ARPU[28] up 8.3 % to EUR 761 for the first half of 2017 (H1 2016: EUR 703), which offset a decline in number of core agents. The number of core agents reduced as of the end of June 2017 compared with the end of June 2016 by 557 from 17,603 to 17,046, which is mainly attributable to agents leaving the market as a consequence of current market conditions in Germany. Our customers' migration to the membership model continues to progress nevertheless. By the end of June 2017, of the approximately 90.0 % of our core agents to which we offered our membership model in 2017, 87.7 % have switched (2016: 82.1 %).

Revenues from other agents increased slightly to report 2.9 % year-on-year growth, chiefly reflecting dynamic revenue expansion from the real estate portals in Austria. Revenues from professional pay-per-ad remained at a stable level compared with the previous year's reporting period.

Initiatives in the area of services along the entire real estate selling and rental process, driven by the Group-wide function Scout24 Media, were the main contributors to the 11.4 % growth achieved in other revenues to reach EUR 50.0 million in the first half of 2017 (H1 2016: EUR 44.9 million).

IS24 continued to expand its leading market position during the first half of 2017. In accordance with the market trend accompanying a reduction in listings' average durations on platforms, the overall number of listings on the IS24 platform reduced slightly in the first half of 2017 (around 484 thousand listings as of June 2017 compared with approximately 492 thousand listings in June 2016), although market share was expanded. The number of listings compared with the next competitor went up from 1.5 times in June 2016 to 1.7 times in June 2017.[29]

Based on its superior content, IS24 was able to maintain its leading position in terms of consumer traffic and engagement with an average of 571 million minutes monthly time spent in the first half of 2017 (desktop and mobile, 2.8 times compared to its closest competitor).[30] The average number of sessions per month on the website amounted to 79 million [31] in the first half of 2017 (H1 2016: 75 million), whereas – driven by our "mobile-first" approach – the average number of sessions via mobile devices increased by 7.4 %. The average number of sessions via mobile devices meanwhile account for 73.0 % of sessions overall (68.0 % in the first half of 2016).[32]

---

[28] ARPU: Average revenue per user, calculated as the revenues generated with core agents (at the start and at the end of the period) and further divided by the number of months in the period

[29] Management estimates

[30] comScore, May 2017; the average for Q2 and the first half of 2017 are based on the data for April-Mai respectively January-May 2017

[31] A correcting factor was applied to traffic via mobile devices (number of sessions) for the May to June period. This relates only to data measurements for mobile iOS platforms.

[32] Management estimates, based on sessions on the IS24 platform via mobile devices, mobile optimised websites and IS24 apps in relation to total visitors monitored by the company's own Traffic Monitor (Google Analytics).

Given positive revenue trends, ordinary operating EBITDA grew by 4.0 % to EUR 91.4 million in the first half of 2017 compared with the prior-year period (H1 2016: EUR 87.9 million). The ordinary operating EBITDA margin of 62.4 % in the first half of 2017 represents a very slight year-on-year reduction (H1 2016: 62.7 %).

Capital expenditure stood at EUR 5.3 million in the period under review, at the same level as in the comparable period of (H1 2016: EUR 5.2 million).

AutoScout24 (AS24)

(EUR millions)	Q2 2017	Q2 2016	% change	H1 2017	H1 2016	% change
Revenues from core dealers (Germany)	16.2	13.5	20.0 %	32.1	26.7	20.2 %
Revenues from core dealers (Benelux/Italy)	14.5	12.6	15.1 %	27.9	23.5	18.7 %
Revenues from other dealers	3.6	3.4	5.9 %	7.0	6.7	4.5 %
Other revenues	9.0	8.2	9.8 %	16.6	15.8	5.1 %
Total external revenues	**43.3**	**37.6**	**15.2 %**	**83.7**	**72.7**	**15.1 %**
Ordinary operating EBITDA	**22.3**	**15.9**	**40.3 %**	**39.6**	**29.8**	**32.9 %**
Ordinary operating EBITDA -margin %	**51.4 %**	**42.3 %**	**9.1pp**	**47.3 %**	**41.0 %**	**6.3pp**
EBITDA	**19.5**	**13.4**	**45.5 %**	**34.8**	**26.0**	**33.8 %**
Capital expenditure	**2.4**	**2.0**	**20.0 %**	**3.6**	**4.3**	**(16.3) %**
Germany						
Core dealers (end of period, in numbers)	**25.532**	**23.235**	**9.9 %**	**25.532**	**23.235**	**9.9 %**
Core dealers (average during period, in numbers)	**25.045**	**23.009**	**8.8 %**	**24.977**	**22.767**	**9.7 %**
Core dealers ARPU (EUR/month)	**216**	**195**	**10.7 %**	**214**	**195**	**9.7 %**
Unique monthly visitors (UMV) (Desktop only, In numbers and million)[33]	**3.1**	**4.1**	**(24.4) %**	**3.3**	**4.1**	**(19.5) %**
Unique monthly visitors (UMV) (multiplatform, in numbers and millions)[34]	**6.2**	**6.6**	**(6.1) %**	**6.2**	**6.6**	**(6.1) %**
Benelux/Italy						
Core dealers (end of period, in numbers)	**18.988**	**18.712**	**1.5 %**	**18.988**	**18.712**	**1.5 %**
Core dealers (average during period, In numbers)	**18.924**	**18.799**	**0.7 %**	**18.868**	**18.080**	**4.4 %**
Core dealers ARPU (EUR/month)	**255**	**223**	**14.3 %**	**247**	**217**	**13.8 %**
Unique monthly visitors (UMV) (Desktop only, in numbers and million)[35]	**2.4**	**3,1**	**(22.6) %**	**2.6**	**3.0**	**(13.3) %**

As already in the first quarter 2017, external revenues in the AS24 segment reported strong growth with

[33] comScore, May 2017
[34] comScore, May 2017
[35] comScore, May 2017

an increase of 15.1 % in the first half of 2017 compared with the first half of 2016.

This dynamic growth predominantly reflects the sustainable growth in revenue from core dealers of 20.2 % in Germany, and of 18.7 % in Benelux/Italy. Both are benefiting from strong expansion in ARPU (average revenue per core dealer) as well as an increase in the number of core dealers, especially in Germany. This uplift in ARPU is attributable to price increases that have been implemented for basic contracts as well an increasing penetration of the visibility products.

The number of core dealers in Germany grew by 9.9 % to 25,532 as of June 30, 2017 with an increase in core dealer ARPU (average revenue per core dealer)[36] of 9.7 % to EUR 214 compared to the first half of 2016 (H1 2016: EUR 195). A similarly positive trend is also evident in Benelux and Italy, where ARPU was up by 13.8 % to EUR 247 (H1 2016: EUR 217), accompanied by a 1.5 % rise in the number of core dealers to 18,988.

In the first half of 2017, AS24 recorded its listings inventory at a constantly high level of more than one million listings per month, with 1,205 thousand listings in average (compared with 1,195 thousand in the period January – June).[37]
Moreover, AS24 continued to defend its market leadership based on the number of listings in Belgium (including Luxembourg), the Netherlands and Italy.[38] Driven by the enhancements in our mobile functionality, mobile sessions in Germany increased to 64.2 % of total visits in the first half of 2017 (H1 2016: 57.3 %). Total mobile sessions in percentage of total sessions for Belgium, the Netherlands and Italy rose from 61.3 % to 69.6 % in the same period.[39]

The positive development of revenues was also reflected in ordinary operating EBITDA, which grew by 32.9 % to EUR 39.6 million (H1 2016: EUR 29.8 million). The ordinary operating EBITDA margin increased by 6.3 percentage points to 47.3 % (H1 2016: 41.0 %).

Capital expenditure amounted to EUR 3.6 million in the first half of 2017, compared with EUR 4.3 million in the equivalent period of 2016. The reduction is mainly attributable to the fact that the migration of applications to the Cloud is almost complete.

Corporate

As expected, external revenues continued to reduce during the first half of 2017 (EUR 0.4 million compared with EUR 0.9 million in the first half of 2016). Ordinary operating EBITDA adjusted for the management fee was negative to the tune of EUR minus3.5 million in the first half of 2017, compared to EUR minus 8.1 million in the first half of 2016.

[36] ARPU: Average revenue per user, calculated by the revenues generated with core dealers in the respective period by the average number of core agents/dealers at the beginning and the end of such period, and further divided by the number of months in the period
[37] Autobiz, June 2017;
[38] Autobiz, June 2017
[39] Management estimates, based on visits to mobile accessible AS24 platforms, monitored by own Traffic Monitor

Group financial position and performance

Results of operations

Scout24 remained on its growth track in the first half of 2017, reporting revenue up EUR 17.5 million, or 8.1 %, to EUR 233.4 million compared with the first half of 2016 (EUR 215.9 million), driven mainly by the strong performance of AutoScout24 (AS24), better addressing of target groups (programmatic advertising) for our advertising offerings, and the improved consumer monetization initiatives along the real estate selling and rental process under the umbrella of the Group-wide function Scout24 Media area. Compared with the second quarter of 2016, external revenue in the second quarter of 2017 grew by EUR 9.5 million, or 8.6 %, to reach EUR 119.6 million.

Development costs are capitalised as internally generated intangible assets, thereby increasing total operating performance. A total of EUR 5.8 million of development costs were capitalised in the first half of 2017 (H1 2016: EUR 5.5 million). Other operating income, as a further part of total operating performance, amounted to EUR 0.3 million in the first half of 2017, EUR 0.5 million below the previous year's level (H1 2016: EUR 0.8 million).

Personnel expenses (including non-operating effects of EUR 8.7 million) totalling EUR 58.4 million were up by EUR 3.4 million, or 6.2 %, from EUR 55.0 million in the first half of 2016 (including non-operating effects of EUR 7.4 million). This increase thereby reflects a faster rate of growth than the rise in the average number of employees (H1 2017: 1,148 FTE, H1 2016: 1,170 FTE) , chiefly due to non-operating expenses incurred as part of expenditure for the reorganisation of the sales and IT areas, as well as in the senior management level, and due to a higher personal expense per FTE reflecting a change to the personnel structure to take the greater demands into account.

Advertising expenses (EUR 25.9 million) report a slight year-on-year increase (H1 2016: EUR 24.6 million), but rose more slowly than the rate of revenue increase (H1 2017: 11.1 % of revenue, H1 2016: 11.4 % of revenue). IT expenses in the first half of 2017 (EUR 7.8 million) reduced compared with the previous year (H1 2016: EUR 8.4 million), mainly thanks to increased efficiency.[40]

Other operating expenses increased by EUR 0.9 million, or 2.7 %, compared with the first half of 2016 to a level of EUR 35.2 million (H1 2016: EUR 34.3 million). This is chiefly attributable to slightly higher expenses for third-party and other services.

Thanks to the afore-mentioned trend, earnings before interest, tax, depreciation and amortisation (EBITDA) grew to EUR 112.1 million in the reporting period, up 12.4 % compared with the first half of 2016. EBITDA in the second quarter of 2017 amounted to EUR 58.9 million, a 15.1 % increase compared with the second quarter of 2016.

[40] The following change has occurred compared with the Group interim report on the first half of 2016: to enhance transparency, as of 1 January 2017 a reclassification of other operating expenses to IT expenses was implemented. This represents a voluntary change in the presentation of financial statements within the meaning of IAS 8.14b. To ensure comparability with the previous year's accounting periods, the figures of the previous year were restated retrospectively (Q2: EUR 658 thousand; H1: EUR 1,517 thousand).

A total of EUR 10.7 million of non-operating costs are included in the EBITDA (H1 2016: EUR 9.6 million), comprising mainly personal expenses as well as costs related to M&A activities. Personnel expenses include personal expenses from share-based compensation for management equity programs in an amount of EUR 2.2 million (H1 2016: EUR 2.2 million), and from performance-based compensation from purchase agreements in an amount of EUR 1.5 million (H1 2016: EUR 1.2 million). Group consolidated ordinary operating EBITDA consequently increased by 12.3 % to reach EUR 122.8 million, representing a 52.6 % margin (H1 2016: EUR 109.4 million with a 50.7 % margin). Group consolidated ordinary operating EBITDA in the second quarter 2017 stood at EUR 66.4 million (Q2 2016: EUR 57.2 million).

The reconciliation to ordinary operating EBITDA is as follows:

Reconciliation ordinary operating EBITDA

Group (in EUR million)	H1 2017	H1 2016
Ordinary operating EBITDA	**122.8**	**109.4**
Non-operating cost	(10.7)	(9.6)
of which personnel expenses	(8.7)	(7.4)
of which attributable to M&A activities	(1.7)	(2.0)
of which other non-operating costs	(0.3)	(0.3)
EBITDA	**112.1**	**99.7**

IS24 (in EUR million)	H1 2017	H1 2016
Ordinary operating EBITDA	**91.4**	**87.9**
non-operating costs	(6.6)	(8.4)
of which personnel expenses	(2.4)	(4.8)
of which attributable to M&A activities	0.0	(0.2)
of which other non-operating costs	0.0	0.0
of which Management Fee[41]	(4.3)	(3.5)
EBITDA	**84.8**	**79.5**

[41] The Corporate segment charges IS24 and AS24 with a management fee for covering certain management services. This is part of the profit from ordinary operating activities in the Corporate segment, but not in the IS24 and AS24 segments, where it is shown as a non-operating effect and thus is not included in the ordinary operating EBITDA

AS24 (in EUR million)	H1 2017	H1 2016
ordinary operating EBITDA	**39.6**	**29.8**
non-operating costs	(4.7)	(3.8)
of which personnel expenses	(1.8)	(0.4)
of which attributable to M&A activities	(0.3)	(1.6)
of which other non-operating costs	0.0	0.0
of which Management Fee[42]	(2.6)	(1.8)
EBITDA	**34.8**	**26.0**

Depreciation, amortisation and impairment losses amounted to EUR 28.3 million, of which EUR 19.6 million was attributable to intangible assets deriving from purchase price allocations (H1 2016: EUR 32.4 million and EUR 24.7 million respectively).

The net financial expense stood at EUR 3.6 million in the first half of 2017, compared with EUR 23.0 million in the first half of 2016, mainly thanks to a reduced interest expense (H1 2017: EUR 7.0 million, H1 2016: EUR 17.9 million) reflecting the refinancing that was implemented in December 2016, as well as effects from derivative financial instruments (EURIBOR floor), where a gain of EUR 1.5 million was recognised in the first half the year, compared with a loss of EUR minus 5.1 million in the first half of 2016. Interest income of EUR 1.9 million from the reimbursement of interest in account of delay paid in previous years was also recognised in the first half of 2017.

Income tax expenses amounted to EUR 25.2 million in the first half of 2017, equivalent to a 31.5 % effective tax rate, and compared with EUR 14.9 million of tax expenses during the first half of 2016. The reduction in the tax rate derives mainly from prior-year effects and a lower planned tax rate compared with 2016. The income tax expense includes income from the reversal of deferred taxes liabilities amounting to EUR 6.3 million, largely on amortisation of assets resulting from purchase price allocations. Deferred tax income amounted to EUR 5.3 million in the first half of the previous year.

Accordingly, Scout24 reported EUR 54.9 million of consolidated earnings after tax for the first half of 2017 (H1 2016: EUR 29.5 million). Consequently, EUR 54.9 million of earnings were attributable to our shareholders (H1 2016: EUR 29.7 million), equivalent to EUR 0.51 of earnings per share (H1 2016: EUR 0.28).

Financial position

As of 30 June 2017, Scout24 AG has at its disposal a syndicated loan agreement (Facility Agreement, hereinafter also referred to as the "FA") for a total lending facility of EUR 800.0 million. The unsecured syndicated loan consists of EUR 600.0 million term loan as well as a revolving credit facility of

[42]The Corporate segment charges IS24 and AS24 with a management fee for covering certain management services. This is part of the profit from ordinary operating activities in the Corporate segment, but not in the IS24 and AS24 segments, where it is shown as a non-operating effect and thus is not included in the ordinary operating EBITDA

EUR 200.0 million, of which EUR 80.0 million has been drawn down as of 30 June 2017 (31 December 2016: EUR 80.0 million).

The interest rate for the facilities drawn under the syndicated loan is based on EURIBOR plus an interest margin tied to leverage. The highest interest margin stands at 2.0 %. During the first half of the year, an interest margin of 1.7 % was applied to the syndicated loan and 1.3 % to the revolving credit facility. EURIBOR is limited to a 0.0 % floor.

The covenant applicable as part of the FA refers to the ratio of net debt to consolidated ordinary operating EBITDA for the last twelve months (leverage ratio) and stands at 2.58:1.00 as of 30 June 2017. The covenant was complied with in the reporting period, with the EBITDA headroom standing at 31.2 % on 30 June 2017.

Scout24 generated EUR 67.6 million of cash flow from operating activities during the first half of 2017 (H1 2016: EUR 80.5 million). The EUR 12.4 million increase in EBITDA from EUR 99.7 million in the first half of 2016 to EUR 112.1 million in the period under review exerted a positive impact, although it was offset by a rise in cash outflows for income tax payments of EUR 30.9 million (H1 2017: EUR 38.4 million, H 2016: EUR 7.6 million). The negative cash flow from investing activities of EUR -9.9 million arises predominantly from investments in intangible assets, whereas the first half of 2016 includes the acquisition of AutoTrader.nl (H1 2016: EUR minus 38.8 million). The cash flow from financing activities stood at EUR minus 38.5 million in the first half of 2017 (H1 2016: EUR minus 55.9 million). Along with interest payments of EUR 6.0 million (H1 2016: EUR15.8 million), this also includes the EUR 0.30 dividend per dividend-entitled ordinary share for the 2016 financial year elapsed, as approved by the 2017 Annual General Meeting, which is equivalent to a total cash outflow of EUR 32.3 million (H1 2016: EUR 0 million). In the first half of financial year 2016, this included repayments of short-term bank loans amounting to EUR 40.1 million.

Along with the liquid assets position of EUR 62.7 million (30/06/2016: EUR 56.4 million, 31/12/2016: EUR 43.4 million), the Group also has liquidity from the aforementioned revolving facility of EUR 120.0 million, which was not utilised as of 30 June 2017. Besides the FA, a further lending agreement of EUR 0.4 million was concluded to secure the Company's guarantees.

Net assets

Group consolidated total assets amounted to EUR 2,133.6 million as of 30 June 2017, 0.1 % higher than as of 31 December 2016 (EUR 2,130.9 million).

Short-term liabilities increased from EUR 96.2 million by EUR 20.9 million to EUR 117.1 million, which is mainly due to the increase in the liquid assets position by EUR 19.2 million.

Non-current assets reduced by 0.8 % to EUR 2,016.5 million (31 December 2016: EUR 2,034.7 million). This chiefly reflects a reduction in other intangible assets of EUR 17.7 million to EUR 199.8 million through amortisation of intangible assets deriving from purchase price allocations.

During the period under review, current liabilities decreased from EUR 112.3 million in December 2016 to EUR 99.1 million in June 2017, due to a reduction in trade payables and income tax liabilities

Non-current liabilities declined by EUR 7.9 million, or 0.8 %, to EUR 1,019.9 million (31 December 2016: EUR 1,027.8 million). Deferred tax liabilities, which were recognised primarily on temporary differences arising from purchase price allocation, reduced in line with amortisation of intangible assets.

Equity increased from EUR 990.8 million (31 December 2016) to EUR 1,014.6 million (30 June 2017). Correspondingly, the equity ratio stands at 47.6 % as of the reporting date, compared with 46.5 % as of 31 December 2016.

Employees

As Scout24 operates in a fast-changing industry, a key competitive advantage is to attract and retain the "best and brightest" talents. The constructive use of diversity management and interaction with the social diversity of all employees is of great importance to Scout24. Scout24 stands for a respectful corporate culture where open and unprejudiced interaction forms a central aspect. Working for Scout24 are individuals with the most different convictions, cultural and occupation-related backgrounds, skills and values. Diversity is seen to be a strength – because it enables the Group to respond to the individual needs of customers and the challenges of a constantly changing market.

As of 30 June 2017, Scout24 employed 1,148 full-time equivalent employees ("FTEs"), compared to 1,170 FTE as of 30 June 2016, excluding trainees, apprentices, short-term employees (“Aushilfen”), interns, temporary agency employees (“Leiharbeitnehmer”) and freelancers.

The following tables show the number of FTE – including members of the Management Board and the Management – as of 30 June 2017, as well as of 30 June 2016, presented by segment and region:

FTEs (end of period)	**Q2 2017**	**Q2 2016**
Group	1.148	1.170
IS24	631	695
AS24	344	392
Corporate	166	70
Other	7	13

FTEs (end of period)	Q2 2017	Q2 2016
Group	1.148	1.170
Germany	1.005	1.023
Abroad	144	147

Risks and opportunities

Risks

Scout24 is exposed to a number of risks that are described in detail in the "Risks and opportunities" section of the combined management report for the Scout24 Group and for Scout24 AG for the 2016 financial year. The Management Board is not aware of any significant changes to the risk position during the first half of 2017.

As of 30 June 2017, the Management Board's assessment for the Group's risk potential shows that risks are limited, and that the overall risk is manageable. No risks are currently seen that individually or together with other risks could jeopardise the Scout24 Group as a going concern.

Opportunities

The Internet business continues on a growth track in Germany, Europe and worldwide. In particular, business models in the advertising business are shifting from offline offerings such as print media to online offerings. This trend bears great growth potential for Scout24 business models. The Scout24 Group commands an outstanding position thanks to the high degree of recognition of its brand and its high number of users.

For this reason, the Management Board is of the view that Scout24 AG is well positioned overall to systematically identify and exploit opportunities arising from important market trends.

Opportunities are also explained in the "Risks and opportunities" section of the combined management report for the Scout24 Group and Scout24 AG for the 2016 financial year. The Management Board is not aware of any significant changes to its opportunities cluster during the first half of 2017. No fundamental modifications occurred in comparison with the opportunities presented in the combined management report.

Outlook

Market and sector expectation

As described in the section "Macroeconomic and sector-specific environment", Scout24 is expecting favourable tailwinds in the stable macroeconomic backdrop, as well as in the German real estate and European automotive markets.

Scout24 is well positioned to benefit from those tailwinds, given its leading market positions, high brand recognition and significant audience reach in the German and European market.

Company expectations

Scout24 reported a successful half-year in 2017 with 8.1 % revenue growth and an ordinary operating EBITDA margin of 52.6 %, which is fully in line with our expectations as communicated in our Annual Report 2016 and once again underlining our ability to deliver sustainable and profitable revenue growth.

The online advertising outlook in Germany and Europe remains positive as both consumers and customers become increasingly digital. Scout24 is well positioned to benefit from this structural shift due to the market leading positions of our ImmobilienScout24 and AutoScout24 platforms, with both divisions benefiting from the shift of marketing budgets from traditional marketing channels to online. Our profitable growth is especially driven by revenues from our core agent and core dealer partners and by increasing consumer monetization along the value chain of real estate or automotive.

We are confident that this momentum will continue in the second half of 2017, and expect group revenue to record a growth rate in the high single-digit area for the full year 2017, as previously communicated. Reflecting the scalable nature of our business model, our total cost base should grow at a disproportionately lower rate than revenues and we therefore continue to expect the ordinary operating EBITDA margin – adjusted for seasonality - for the full year 2017 to increase by around one percentage point compared to full year 2016 (50.8 %).

Non-operating costs in the half-year 2017 amounted to EUR 10.7 million, this includes EUR 4.9 million non-recurring charge for reorganization, EUR 2.2 million share-based compensation, EUR 1.8 million cost attributable to M&A activities and EUR 1.5 million from a share purchase agreement. For the full year 2017, we expect total non-operating costs to amount to approximately EUR 14.5 million, approximately EUR 4.5 million higher than previously guided. This includes costs attributable to reorganisation of around EUR 6.5 million (previously EUR 4.0 million) and cost attributable to M&A activities of around EUR 2.0 million (previously not expected). Reorganisation cost are driven by more substantial sales and IT personnel investments, as well as strengthening our leadership team, adding significant digitisation and product innovation expertise. As previously expected, the non-operating cost will include approximately EUR 3.0 million of share-based compensation and around EUR 3.0 million from a share purchase agreement. Approximately EUR 0.6 million of share-based compensation relate to an accounting effect of the existing Management Equity program, and another around EUR 2.4 million to a virtual management equity program launched in 2015.

Finally, we expect capital expenditure to be on a comparable level to 2016, as previously guided.

ImmobilienScout24

IS24 reported a revenue growth of 4.6 % in the half-year 2017 and 4.8 % for the second quarter 2017, both fully in line with formerly communicated expectations. Revenue growth in the second half-year 2017 is expected to be slightly higher, resulting in a mid-single-digit percentage revenue growth rate for the full year 2017, as previously communicated. Ordinary operating EBITDA margin for the half-year 2017 was 62.4 % and we expect ordinary operating EBITDA margin for the full year to come in slightly lower or in line with the full year 2016 margin (63.0 %), but at a minimum at 61.5 % (versus at a minimum 61.0 % previously).

Revenues from core agents increased by 1.0 % in the first half of 2017 compared to the same period in 2016, with a sequential increase in revenue growth in the second quarter 2017 (1.7 %, compared to 0.9 % in the first quarter 2017). From an operational perspective, we saw a successful development of the most important performance indicators: IS24 increased its listings market share versus its closest competitor (from 1.5x in June 2016 to 1.7x in June 2017) and it maintained a strong competitive lead in consumer traffic and engagement (2.8x the next closest competitor) while growing traffic and leads for its agent customers. The number of core agents as of June 2017 was stable compared to March 2017, showing a further improvement in core agent trends (June 2017 represents decline of core agents by 3.2 % compared to June 2016 and a 2.1 % decline compared to December 2016).

For the second half of 2017, the operational focus for the core agent business remains to maintain or grow its listings market share. In addition, we will continue to drive penetration of our visibility products in order to achieve an ARPU increase in the high-single- to low-double-digit percentage rate for the full year, as previously communicated. We are seeing good progress in key residential accounts driven by increased penetration of our visibility products. As a result, we remain confident that growth in revenues from core agents will accelerate in the second half of 2017, resulting in an increase by a low single-digit percentage rate for the full year 2017.

We expect revenues from other agents and other revenues to continue to grow as expected (low single digit percentage rate or low teens percentage rate, respectively).

AutoScout24

Revenue within AS24 increased by 15.1 % in the first half year of 2017 (Q2 2017: 15.2 %), which is fully in line with previously communicated expectations. For the second half year 2017, we remain confident of AS24's ability to grow revenues and expect full year 2017 revenue growth at a mid-teens percentage rate. Ordinary operating EBITDA margin for the half-year 2017 stood at 47.3 %, an increase of five percentage points compared to the full year 2016 (42.3 %), which underlines our expectations to expand ordinary operating EBITDA margin further by at least five percentage points for the full year

2017.

We continue to expect AS24 revenues from core dealers in Germany and Benelux and Italy to grow to at least in the mid-teens, driven by ARPU growth through the ongoing penetration of the visibility products.

In addition, we still assume a positive development for revenues from other dealers and other revenues, both with an increase in the low teens percentage.

Interim consolidated financial statements (condensed) and notes

Contents

1. Consolidated income statement

(EUR '000)	Note	Q2 2017	Q2 2016	H1 2017	H1 2016
Revenues	**6.5.4**	**119,563**	**110,093**	**233,421**	**215,872**
Own work capitalised	*	3,213	2,880	5,772	5,461
Other operating income	*	101	388	298	761
Total operating performance		**122,877**	**113,361**	**239,491**	**222,094**
Personnel expenses	*	(30,070)	(28,326)	(58,431)	(55,032)
Advertising expenses	*	(12,031)	(11,961)	(25,901)	(24,645)
IT expenses	*	(4,026)	(4,150)	(7,849)	(8,387)
Other operating expenses	*	(17,899)	(17,815)	(35,207)	(34,284)
EBITDA (Earnings before interest, tax, depreciation and amortisation)	**6.5.4**	**58,851**	**51,109**	**112,103**	**99,746**
Depreciation, amortisation and impairment losses	*	(13,912)	(16,355)	(28,331)	(32,438)
EBIT (Earnings before interest and tax)		**44,939**	**34,754**	**83,772**	**67,308**
Results from investments accounted for using the equity method	*	(7)	0	(18)	(1)
Financial income	6.5.1	2,097	44	3,420	91
Financial expenses	6.5.1	(3,525)	(10,578)	(7,064)	(23,062)
Net financial result		**(1,435)**	**(10,534)**	**(3,662)**	**(22,972)**
Earnings before tax		**43,504**	**24,220**	**80,110**	**44,336**
Income taxes	6.3	(12,836)	(7,720)	(25,210)	(14,852)
Earnings after tax		**30,668**	**16,500**	**54,900**	**29,484**
Of which attributable to:					
Non-controlling interests		0	(80)	0	(221)
Shareholders of the parent company		30,668	16,580	54,900	29,705

Earnings per share

(in EUR)	Note	Q2 2017	Q2 2016	H1 2017	H1 2016
Basic earnings per share	**6.4**				
Earnings per share after tax		**0.29**	**0.15**	**0.51**	**0.28**
Diluted earnings per share	**6.4**				
Earnings per share after tax		**0.28**	**0.15**	**0.51**	**0.28**

* See information in the annual consolidated financial statements as of 31. December 2016

2. Consolidated statement of comprehensive income

(EUR '000)	Q2 2017	Q2 2016	H1 2017	H1 2016
Earnings after tax	**30,668**	**16,500**		**29,484**
Items that cannot be reclassified to consolidated profit or loss				
Measurement of pension obligations, before tax	(5)	(5)	(10)	(11)
Deferred taxes for measurement of pension obligations	1	(1)	2	1
Measurement of pension obligations, after tax	(4)	-7	(7)	(10)
Sum of items that cannot be reclassified to consolidated profit or loss	**(4)**	**(7)**	**(7)**	**(10)**
Items that are reclassified subsequently to consolidated profit or loss:				
Currency translation differences	(39)	7	(35)	(3)
Sum of items that are reclassified to consolidated profit or loss:	**(39)**	**7**	**(35)**	**(3)**
Other comprehensive income, after tax	**(43)**	**0**	**(42)**	**(13)**
Total comprehensive income	**30,625**	**16,500**	**54,858**	**29,471**
Of which attributable to:				
Non-controlling interests	0	(80)	0	(221)
Shareholder of parent company	30,625	16,580	54,858	29,692
Total comprehensive income	**30,625**	**16,500**	**54,858**	**29,471**

3. Consolidated balance sheet

Assets (EUR '000)	Note	30/06/2017	31/12/2016
Current assets	*	**117,105**	**96,175**
Cash and cash equivalents	*	62,668	43,441
Trade receivables	*	42,922	43,275
Financial assets	*	682	406
Income tax receivables	*	1,048	1,249
Other assets	*	9,785	7,804
Non-current assets	*	**2,016,493**	**2,034,722**
Goodwill	*	816,231	816,231
Trademarks	*	983,379	983,523
Other intangible assets	*	199,821	217,560
Property, plant and equipment	*	8,765	9,953
Investments accounted for using the equity method	*	2,698	1,666
Financial assets	*	535	535
Deferred tax assets	*	2,327	3,482
Other assets	*	2,737	1,772
Balance sheet total	*	**2,133,598**	**2,130,897**

Equity and liabilities (EUR '000)	Note	30/06/2017	31/12/2016
Current liabilities	*	**99,141**	**112,300**
Trade payables	*	19,889	27,897
Financial liabilities	*	32,079	31,835
Other provisions	*	5,528	4,027
Income tax liabilities	*	6,884	15,870
Other liabilities	*	34,761	32,671
Non-current liabilities	*	**1,019,853**	**1,027,827**
Financial liabilities	*	645,321	645,539
Pensions and similar obligations	*	474	443
Other provisions	*	595	632
Income tax liabilities	*	53	29
Deferred tax liabilities	*	371,075	378,579
Other liabilities	*	2,333	2,605
Equity	*	**1,014,604**	**990,770**
Subscribed share capital	*	107,600	107,600
Capital reserve	*	428,362	427,570
Retained earnings	*	477,662	455,041
Measurement of pension obligations	*	(92)	(85)
Other reserves	*	1,073	1,107
Treasury shares (0 shares, previous year 13,400 shares)	*	0	(463)
Equity attributable to shareholders of parent company	*	**1,014,604**	**990,770**
Non-controlling interests	*	-	-
Balance sheet total	*	**2,133,598**	**2,130,897**

* See information in the annual consolidated financial statements as of 31. December 2016

4. Consolidated statement of changes in equity

(EUR '000)	Subscribed share capital	Capital reserve	Retained earnings	Measurement of pension obligations	Other reserves	Treasury shares	Equity attributable to shareholders of parent company	Non-controlling interests	Total equity
Balance on 01/01/2016	**107,600**	**424,120**	**387,889**	**(64)**	**1,098**	**-**	**920,643**	**687**	**921,330**
Measurement of pension obligations	-	-	(10)	-	-	-	(10)	-	(10)
Currency translation differences	-	-	-	-	(3)	-	(3)	-	(3)
Earnings after tax	-	-	29,705	-	-	-	29,705	(221)	29,485
Total comprehensive income	**-**	**-**	**29,695**	**-**	**(3)**	**-**	**29,692**	**(221)**	**29,471**
Share-based payments	-	2,199	-	-	-	-	2,199	-	2,199
Purchase of treasury shares	-	-	-	-	-	-	-	-	-
Issue of treasury shares	-	-	-		-	-	-	-	-
Balance on 30/06/2016	**107,600**	**426,319**	**417,584**	**(64)**	**1,095**	**-**	**952,534**	**467**	**953,000**
Balance on 01/01/2017	**107,600**	**427,570**	**455,041**	**(85)**	**1,107**	**(463)**	**990,770**	**-**	**990,770**
Measurement of pension obligations	-	-		(7)	-	-	(7)	-	(7)
Currency translation differences	-	-		-	(35)	-	(35)	-	(35)
Earnings after tax	-	-	54,900	-	-	-	54,900	-	54,900
Total comprehensive income	**-**	**-**	**54,900**	**(7)**	**(35)**	**-**	**54,858**	**-**	**54,858**
Share-based payments	-	2,659	-	-	-	-	2,659	-	2,659
Purchase of treasury shares	-	-	-	-	-	(541)	(541)	-	(541)
Issue of treasury shares	-	(1,867)	-	-	-	1,004	(863)	-	(863)
Dividend payout	-	-	(32,280)	-	-	-	(32,280)	-	(32,280)
Balance on 30/06/2017	**107,600**	**428,362**	**477,662**	**(92)**	**1,073**	**-**	**1,014,604**	**-**	**1,014,604**

5. Consolidated cash flow statement

(EUR '000)	H1 2017	H1 2016
Earnings after tax	**54,901**	**29,484**
Depreciation and amortisation	28,331	32,438
Income tax expense/(income)	25,210	14,852
Financial income	(3,420)	(91)
Financial expenses	7,064	23,062
Result from investments accounted for using the equity method	18	1
Result on disposal of intangible assets and property, plant and equipment	4	(3)
Other non-cash transactions	1,240	2,405
Change in other assets not attributable to investing or financing activities	(2,595)	(432)
Change in other liabilities not attributable to investing or financing activities	(6,188)	(13,073)
Change in provisions	1,484	(570)
Income taxes paid	(38,449)	(7,588)
Cash flow from operating activities	**67,600**	**80,485**
Purchases of intangible assets	(8,194)	(8,598)
Purchases of property, plant and equipment	(1,193)	(985)
Proceeds from disposal of intangible assets and property, plant and equipment	123	7
Payments to acquire financial assets	(321)	-
Proceeds from sale of financial assets	46	164
Payments for acquisitions of at equity investments	(350)	-
Payments made to acquire subsidiaries	-	(29,461)
Interest received	3	15
Proceeds from disposal of discontinued activities	-	32
Cash flow from investing activities	**(9,886)**	**(38,827)**
Repayment of short-term financial liabilities	(146)	(40,134)
Interest paid	(6,054)	(15,794)
Dividends paid	(32,280)	-
Cash flow from financing activities	**(38,480)**	**(55,928)**
Effect of foreign exchange rate changes on cash and cash equivalents	(7)	(3)
Change in cash and cash equivalents	**19,227**	**(14,273)**
Cash and cash equivalents at start of period	**43,441**	**70,639**
Cash and cash equivalents at end of period	**62,668**	**56,366**

6. Selected explanatory notes to the interim consolidated financial statements

6.1. Information about the company and basis for preparing the financial statements

6.1.1. Information about the company

Scout24 AG (hereinafter also referred to as the “Company”) is listed public stock corporation with its registered office in Munich, Germany. The business address is: Dingolfinger Str. 1-15, 81673 Munich. Scout24 AG is registered at the Munich District Court (company register sheet number 220 696).

The shares of Scout24 AG have been listed on the Frankfurt Stock Exchange since 1 October 2015. Scout24 AG has been included in the SDAX since 21 December 2015.

The Scout24 Group is a group of companies with online marketplaces in Germany and other selected European countries in the business areas of real estate, mobility and financial services.

6.1.2. Basis of preparation

This set of condensed interim consolidated financial statements ("interim consolidated financial statements") as of 30 June 2017 was prepared on the basis of International Accounting Standards (IAS) 34 "Interim Financial Reporting" and in accordance with Section 37w of the German Securities Trading Act (WpHG). As a matter of principle, the same accounting policies and estimation methods are applied as in the consolidated financial statements for the 2016 financial year. The notes to the 2016 consolidated financial statements present a detailed description of such policies and methods. Standards and interpretations that must be applied for the first time from 1 January 2017 have not resulted in any changes to the accounting policies. All IAS and IFRS, as well as Interpretations of the International Financial Reporting Interpretations Committee (IFRIC), formerly the Standing Interpretations Committee (SIC), that are binding as of 30 June 2017 were applied.

The interim consolidated financial statements as of 30 June 2017 are prepared in euros. Unless otherwise indicated, figures are generally presented in thousands of euros. The tables and information presented can contain differences due to rounding.

Scout24 operations generally have no specific seasonality. The fourth quarter of the calendar year tends to be a little stronger than each of the other three quarters of the calendar year, however.

On 07 August 2017, the Management Board released the interim consolidated financial statements for publication.

6.1.3. Changes in the presentation of financial statements

The following change has occurred compared with the Group interim report on the first half of 2016: to enhance transparency, as of 1 January 2017 a reclassification of other operating expenses to IT expenses was implemented. This represents a voluntary change in the presentation of financial statements within the meaning of IAS 8.14b. To ensure comparability with the previous year's accounting periods, the figures of the previous year were restated retrospectively (Q2: EUR 658 thousand; H1: EUR 1,517 thousand).

6.2. Changes to the scope of consolidation

On 13 March 2017, the liquidation was completed of FMPP Verwaltungsgesellschaft mbH i.L. with its registered office in Munich, Germany. The company has been dissolved. This relates to the dissolving of a company that was closed down in previous years.

Furthermore, on 18 April 2017, the liquidation was completed of Scout24 International Management AG i.L. with its registered office in Zug, Switzerland. The company has been dissolved. This relates to the dissolving of a company that was closed down in previous years.

On 31 March 2017, Immobilien Scout GmbH, Berlin, acquired 25 % of the share capital of eleven55 GmbH, Berlin. The investment is accounted for as an associated company using the equity method.

6.3. Income taxes

The relevant nominal tax rate for the Group is 31.33 %. The effective tax rate for the 1 January to 30 June 2017 period amounts to 31.09 %. The difference between nominal and effective tax rate is primarily attributable to non-tax-deductible expenses and permanent differences, as well as to tax effects from attributions and reductions for local taxes and tax differences in foreign countries. For the interim financial statements as of June 30, 2017, income taxes were determined using the planned tax rate for the fiscal year 2017, calculated on the basis of corporate planning, which is 31.33 %.

6.4. Earnings per share

		Q2 2017	Q2 2016	H1 2017	H1 2016
Earnings after tax	(EUR '000)	30,668	16,500	54,900	29,484
Less: Share attributable to non-controlling interests	(EUR '000)	-	(80)	-	(221)
Result attributable to parent company owners	(EUR '000)	30,668	16,580	54,900	29,705
Weighted average of shares to calculate earnings per share					
Basic	Number	107,600,000	107,600,000	107,599,881	107,600,000
Diluted	Number	107,700,155	107,700,519	107,706,078	107,677,637
Earnings per share					
Basic	EUR	0.29	0.15	0.51	0.28
Diluted	EUR	0.28	0.15	0.51	0.28

6.5. Other disclosures

6.5.1. Disclosures on financial instruments

Carrying amounts and fair values

The following table presents the reconciliation of the balance sheet items and the categories pursuant to IAS 39, analysed in subsequent measurement by "measurement at amortised cost" and "measurement at fair value" as well as by category and fair value by classification.

Cash and cash equivalents, trade receivables as well as the other financial receivables and assets essentially have a short residual term. For this reason, their carrying amounts as of the end of the reporting period correspond approximately to the fair value.

The carrying amount of the current financial liabilities represents approximately the fair value as of the closing date. Liabilities are measured by means of the effective interest method. Measurement is performed by the company's Group accounting function. No changes to measurement methods were implemented in the reporting period.

Long-term financial assets also comprise investments in other companies' equity instruments that are not recognised according to the equity method. These are recognised at cost, since, due to the lack of an active market for these companies, their fair value and cash flows cannot be reliably determined. For this reason, no fair value is disclosed for these investments. No intention currently exists to sell these investments. These instruments comprise participating interests in a start-up.

In accordance with IFRS 13, financial assets and liabilities measured at fair value must be allocated to the three levels of the fair value hierarchy. The individual levels of the fair value hierarchy are defined as follows:

- Level 1: application of unadjusted quoted prices in an active market for identical assets and liabilities, to which the company has access on the date of valuation
- Level 2: application of strictly directly or indirectly observable significant inputs that are not assigned to Level 1
- Level 3: utilisation of at least one non-observable significant input.

For reclassification between the individual levels of the fair value hierarchy it is assumed that these are performed at the end of the period. In the reporting period, no reclassifications between Level 1 and Level 2 occurred in the measurement of fair values.

			Recognition approach pursuant to IAS 39				
EUR '000	Measurement category pursuant to IAS 39	Carrying amount as of 30/06/2017	Amortised cost	Cost	At fair value through profit or loss	Fair value as of 30/06/2017	Level in fair value hierarchy
Assets							
Cash and cash equivalents	LaR	62,668	62,668	-	-	n/a	
Trade receivables	LaR	42,922	42,922	-	-	n/a	
Other current financial assets	LaR	682	682	-	-	n/a	
Other non-current financial assets		535					
• Available-for-sale financial assets	AfS	180	-	180	-	n/a	
• Derivative financial instruments	FAHfT	-	-	-	-	-	2
• Miscellaneous non-current financial assets	LaR	355	355	-	-	353	2
Equity and liabilities							
Trade payables	FLAC	19,889	19,889	-	-	n/a	
Current financial liabilities		32,079		-			
• Finance leases	n/a	48	48	-	-	51	
• Other current financial liabilities	FLAC	32,031	32,031	-	-	40,169	
• Contingent purchase price liabilities	n/a	-	-	-	-	n/a	3
Other current liabilities		34,761					
• Other current financial liabilities	FLAC	1,360	1,360	-	-	n/a	
• Other current non-financial liabilities	n/a	33,401	28,304	-	-	n/a	
Non-current liabilities		645,321					
• Derivative financial instruments	FLHfT	2,421	-	-	2,421	2,421	3
• Finance leases	n/a	62	62	-	-	62	
• Other non-current financial liabilities	FLAC	642,838	642,838	-	-	643,528	2
Of which aggregated by IAS 39 categories							
Loans and receivables	LaR	106,627					
Available for Sale	AfS	180					
Financial Assets Held for Trading	FAHfT	0					
Financial Liabilities Held for Trading	FLHfT	2,421					
Financial Liabilities Measured at Amortised Cost	FLAC	696,118					

EUR '000	Measure-ment category pursuant to IAS 39	Carrying amount as of 31/12/2016	Recognition approach pursuant to IAS 39: Amortised cost	Cost	At fair value through profit or loss	Fair value as of 31/12/2016	Level in fair value hierarchy
Assets							
Cash and cash equivalents	LaR	43,441	43,441	-	-	n/a	
Trade receivables	LaR	43,275	43,275	-	-	n/a	
Other current financial assets	LaR	406	406	-	-	n/a	
Other non-current financial assets		535					
• Available-for-sale financial assets	AfS	180	-	180	-	n/a	
• Derivative financial instruments	FAHfT	0	-	-	0	0	2
• Miscellaneous non-current financial assets	LaR	355	355	-	-	350	2
Equity and liabilities							
Trade payables	FLAC	27,897	27,897	-	-	n/a	
Current financial liabilities		31,835					
• Finance leases	n/a	47	47	-	-	51	
• Other current financial liabilities	FLAC	31,788	31,788	-	-	31,788	
• Contingent consideration liabilities	n/a	0	-	-	0	0	3
Other current liabilities		32,671					
• Other current financial liabilities	FLAC	782	782	-	-	n/a	
• Other current non-financial liabilities	n/a	31,889	31,889	-	-	n/a	
Non-current liabilities		645,539					
• Derivative financial instruments	FLHfT	3,921	-	-	3,921	3,921	3
• Finance leases	n/a	86	86	-	-	87	
• Other non-current financial liabilities	FLAC	641,532	641,532	-	-	641,510	2
Of which aggregated by IAS 39 categories							
Loans and receivables	LaR	87,477					
Available for Sale	AfS	180					
Financial Assets Held for Trading	FAHfT	0					
Financial Liabilities Held for Trading	FLHfT	3,921					
Financial Liabilities Measured at Amortised Cost	FLAC	701,998					

Apart from the investments in equity instruments, the other non-current financial assets largely comprise a EUR 350 thousand receivable (31 December 2016: EUR 350 thousand) from the acquisition of FlowFact GmbH. The fair value was calculated applying a discounted cash flow model based on risk-free market interest rates in the form of German sovereign bonds and a credit risk premium derived from corporate bonds with corresponding rating on the measurement date. As all inputs are directly or indirectly observable, the instrument is assigned to Level 2.

Current financial liabilities mainly include borrowings (short-term portion of Term Loan A) in an amount of EUR 30,000 thousand as well as outstanding capital contributions to the associated company ASPM Holding B.V. (EUR 1,632 thousand), which were recognised at amortised cost. Due to the short term of this financial instrument, the carrying amount represents an appropriate approximation of the fair value. Other current financial liabilities also include current liabilities from the 25 % interest acquisition in eleven55 GmbH in an amount of EUR 350 thousand. Due to these items' short-term nature, the carrying amount represents an appropriate approximation of the fair value.

Non-current financial liabilities largely comprise the liabilities connected with the loan agreed in December 2016, which consists of a term loan and revolving credit line. The Term Loan's fair value is calculated with a discounted cash flow model applying a discount rate that reflects the risk-free rate plus an appropriate credit risk premium. Premiums on corporate bonds with the same rating as Scout24 were utilised for the credit risk premium. The modelled yield curve takes trends similar to the market into account.

Other non-current financial liabilities also include a purchase price liability of EUR 350 thousand that is to be paid into the free capital reserve of the associated company eleven55 GmbH. As all inputs are directly or indirectly observable, the instrument is assigned to Level 2. Other non-current financial liabilities were recognised at amortised cost.

The fair value of the interest rate floor, which is assigned to Level 3 of the fair value hierarchy, is determined using valuation methods based on non-observable data. The floor is measured on a risk-free basis applying a shifted Black-Scholes model, and subsequently adjusted to reflect the credit risk by applying the "add-on" approach. Significant inputs for the measurement include the German government bond yield curve, three-month Euribor forward interest rates, and congruent-maturity credit risk premiums. Due to the 0 % floor rate, the input not observable on the market is the volatility, which was calculated on the basis of expert estimates. If the volatility changed by +5 %, the effect on the result would be EUR -82 thousand (31 December 2016: EUR -115 thousand). A -5 % change in volatility (absolute value change) generates a EUR +52 thousand effect on results (31 December 2016: EUR +100 thousand).

The following table shows an overview of the changes of the instruments in Level 3 (interest rate floor) for the reporting period from 1 January 2017 to 30 June 2017 and for the financial year as of 31 December 2016.

Interest floor	2017	2016
EUR '000		
	01/01/2017-30/06/2017	01/01/2017-31/12/2017
Balance at start of accounting period	**3,921**	**1,818**
Newly added financial liability (interest-rate floor)	-	3,921
Settled financial liability	-	-
Total result for the period reported under "financial income/expenses"	(1,500)	1,818
Balance at end of accounting period	**2,421**	**3,921**
Change in unrealised losses for the period included in "gains/losses from liabilities held at end of period"	2,421	0

6.5.2. Share-based payments

During the first half the year of 2017, Scout24 AG expanded the virtual stock option program that it launched in 2016 for selected employees of the Scout Group. As part of this expanded program, beneficiaries selected by the company's Management Board can purchase up to 126,900 virtual stock options over a three-year period. In accordance with the contractual arrangements, the company has the option to settle the share-based payment in cash or in shares. It is nevertheless planned that the commitment is to be settled in shares. In accordance with the regulations of IFRS 2, the company has determined the payment form as a share-based transaction with settlement in equity instruments. The stock options' fair value measurement between EUR 11.44 and EUR 14.11 depending on the issue reference date was calculated applying an option pricing model (Monte Carlo Simulation). A realistic leaver case and an appropriate staff turnover discount was applied to calculate the total value of the option. The program will generate personnel expenses of around EUR 1,422 thousand over the entire duration. Personnel expenses of around EUR 641 thousand will arise for this share-based expanded payment form in the current financial year.

The virtual stock option program launched in 2015 was extended by 50,000 virtual stock options. Pursuant to the contractual agreement, the company has the option to settle the share-based payment in cash or in shares. In accordance with the rules of IFRS 2, the Company has determined the remuneration as an equity-settled transaction. The fair value of the stock option was determined using an option pricing model (binomial model), which led to the value of EUR 34.27. Over the entire term, the expansion will result in personnel expenses of approximately 1,713 thousand euros. In the current financial year, personnel expenses of approximately EUR 1,299 thousand will be incurred for this extended pro rata share-based remuneration.

6.5.3. Related party disclosures

As of 30 June 2017, generally no new transactions occurred with related parties compared with the disclosures of transactions reported in the consolidated financial statements as of 31 December 2016.

Supervisory Board

In accordance with section 9 sentence 1 and 2 of the company's Articles of Association, the Supervisory Board of the company consists of nine members, who are elected by the Annual General Meeting, in accordance with sections 95 sentence 2, 96 para. 1, 101 para. 1 AktG.

If a member of the Supervisory Board leaves the Supervisory Board before his term of office expires, a successor for the remainder of the term of office of the departed Supervisory Board member is elected pursuant to Article 9 para. 4 sentence 1 of the Articles of Association.

Mr Matuschka von Greiffenclau resigned from his position as a member of the Supervisory Board on 10 February 2017.

Mr. Robert D. Reid resigned as a member of the Supervisory Board on 19 April 2017.

At the Annual General Meeting on 8 June 2017, the following two persons were elected as successors for the resigned members of the Supervisory Board, with the following additional mandates:

Name Function	Profession exercised	Member since	Appointed until	Other board positions in 2017
Michael Zahn Supervisory Board member	Chief Executive Officer Deutsche Wohnen AG	08 June 2017	AGM 2020	TLG Immobilien AG (Chairman of the Supervisory Board) GSW Immobilien AG (Chairman of the Supervisory Board) D+G Gesellschaft für Energiemanagement mbH (Chairman of the Advisory Board) Funk Schadensmanagement GmbH (Chairman of the Advisory Board) Füchse Berlin Handball GmbH (Member of the Advisory Board)
Peter Schwarzenbauer Supervisory Board member	Member of the Management Board of BMW AG	08 June 2017	AGM 2020	Rolls-Royce Motor Cars Limited (Chairman of the Supervisory Board)

6.5.4. Segment reporting

The Scout24 Group structures its operating activities into two operating segments ("ImmobilienScout24" and "AutoScout24") as well as the supporting "Corporate" segment. For more information, please refer to the 2016 consolidated financial statements of Scout24 AG and the interim Group management report published as part of the 2017 H1 report.

The key indicators applied by Scout24 to assess the performance of its segments are as follows:

(EUR '000)		External revenues	Inter-segment revenues	Total segment revenues	EBITDA	Ordinary operating EBITDA	Capital expenditure
ImmobilienScout24	Q2 2017	74,459	10	74,469	43,729	46,950	2,847
	Q2 2016	71,066	166	71,232	40,230	45,506	2,643
AutoScout24	Q2 2017	43,304	90	43,394	19,475	22,273	2,391
	Q2 2016	37,615	219	37,834	13,425	15,884	1,998
Corporate	Q2 2017	180	16,878	17,058	(4,718)	(660)	77
	Q2 2016	344	5,979	6,323	(2,650)	(1,279)	70
Total – reportable segments	**Q2 2017**	**117,943**	**16,977**	**134,920**	**58,486**	**68,562**	**5,315**
	Q2 2016	**109,025**	**6,364**	**115,389**	**51,005**	**60,111**	**4,711**
Other	Q2 2017	1,620	414	2,034	365	374	-
	Q2 2016	1,068	67	1,135	102	175	16
Other reconciling items	Q2 2017	-	(17,392)	(17,392)	-	(2,559)	-
	Q2 2016	-	(6,431)	(6,431)	2	(3,083)	(1)
Total (consolidated)	**Q2 2017**	**119,563**	**-**	**119,563**	**58,851**	**66,378**	**5,315**
	Q2 2016	**110,093**	**-**	**110,093**	**51,109**	**57,203**	**4,726**

(EUR '000)		External revenues	Inter-segment revenues	Total segment revenues	EBITDA	Ordinary operating EBITDA	Capital expenditure
ImmobilienScout24	H1 2017	146,569	45	146,614	84,759	91,396	5,302
	H1 2016	140,214	373	140,587	79,484	87,905	5,154
AutoScout24	H1 2017	83,668	90	83,758	34,825	39,566	3,580
	H1 2016	72,666	370	73,037	26,034	29,803	4,304
Corporate	H1 2017	377	31,277	31,654	(7,917)	(3,191)	505
	H1 2016	906	11,166	12,073	(5,988)	(3,127)	98
Total – reportable segments	**H1 2017**	**230,614**	**31,412**	**262,025**	**111,666**	**127,771**	**9,387**
	H1 2016	**213,787**	**11,909**	**225,696**	**99,530**	**114,581**	**9,556**
Other	H1 2017	2,807	842	3,649	437	457	-
	H1 2016	2,086	135	2,221	216	407	26
Other reconciling items	H1 2017	-	(32,254)	(32,254)	-	(5,382)	-
	H1 2016	-	(12,045)	(12,045)	-	(5,606)	-
Total (consolidated)	**H1 2017**	**233,421**	**-**	**233,421**	**112,103**	**122,846**	**9,387**
	H1 2016	**215,872**	**-**	**215,872**	**99,746**	**109,383**	**9,582**

"Other reconciling items" correspond mainly to intragroup eliminations.

The following table shows the reconciliation of the Group's ordinary operating EBITDA and EBITDA to the IFRS pre-tax result:

(EUR '000)	Q2 2017	Q2 2016	H1 2017	H1 2016
Ordinary operating EBITDA	**66,378**	**57,203**	**122,846**	**109,383**
Non-operating effects	(7,527)	(6,094)	(10,743)	(9,637)
EBITDA	**58,851**	**51,109**	**112,103**	**99,746**
Depreciation, amortisation and impairment losses	(13,912)	(16,355)	(28,331)	(32,438)
Result from investments accounted for using the equity method	(7)	-	(18)	(1)
Other financial result	(1,428)	(10,534)	(3,644)	(22,971)
Earnings before tax	**43,504**	**24,220**	**80,110**	**44,336**

Ordinary operating EBITDA represents EBITDA adjusted for non-operating effects and special effects. See definition in the chapter “Key Financial Highlights” of the Group interim report.

6.5.5. Dividend per share

At the Ordinary Annual General Meeting of Scout24 AG on 8 June 2017, the distribution of a dividend of EUR 32,280 thousand was approved, in other words, EUR 0.30 per dividend-entitled ordinary share. This dividend has meanwhile been distributed.

6.6. Subsequent Events

No other Group-specific events or developments after the balance sheet date are known which would have resulted in a material change in the presentation or value of the individual assets or liabilities as of 30 June 2017.

Responsibility statement

According to the best of our knowledge, we assure that, pursuant to applicable accounting principles for interim financial reporting, the interim consolidated financial statements convey a true and fair view of the Group's financial position and performance, that in the interim Group management report the progression of business, including business results and the Group's position, are presented so as to convey a true and fair view, and that the main opportunities and risks entailed in the Group's prospective development in the remainder of the financial year are described.

Munich, 07 August 2017
Scout24 AG

The Management Board

Gregory Ellis | Christian Gisy

Review Report

We have reviewed the condensed interim consolidated financial statements of the Scout24 AG – comprising Consolidated income statement, Consolidated statement of comprehensive income, Consolidated balance sheet, Consolidated statement of changes in equity, Consolidated cash flow statement and Selected explanatory notes to the interim consolidated financial statement together with the Interim Group management report of the Scout24 AG, for the period from 1 January to 30 June 2017 that are part of the Group Interim Report according to § 37 w WpHG *["Wertpapierhandelsgesetz": "German Securities Trading Act"].* The preparation of the condensed interim consolidated financial statements in accordance with International Accounting Standard IAS 34 "Interim Financial Reporting" as adopted by the EU, and of the Interim Group management report in accordance with the requirements of the WpHG applicable to Interim Group management reports, is the responsibility of the Company's management. Our responsibility is to issue a report on the condensed interim consolidated financial statements and on the Interim Group management report based on our review.

We performed our review of the condensed interim consolidated financial statements and the Interim Group management report in accordance with the German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with a certain level of assurance, that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with IAS 34, "Interim Financial Reporting" as adopted by the EU, and that the Interim Group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to Interim Group management reports. A review is limited primarily to inquiries of company employees and analytical assessments and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot issue an auditor's report.

Based on our review, no matters have come to our attention that cause us to presume that the condensed interim consolidated financial statements have not been prepared, in material respects, in accordance with IAS 34, "Interim Financial Reporting" as adopted by the EU, or that the Interim Group management report has not been prepared, in material respects, in accordance with the requirements of the WpHG applicable to Interim Group management reports.

Berlin, 07 August 2017
KMPG AG
Wirtschaftsprüfungsgesellschaft
[Original German version signed by:]

Schmidt	Jordan
Wirtschaftsprüfer	Wirtschaftsprüferin
[German Public Auditor]	[German Public Auditor]

Glossary

- ARPU: Average revenue per user, calculated as the revenues generated with the core agents (IS24) or core dealers (AS24) in the respective period divided by the average number of core agents/core dealers at the start and end of the period (calculated from the base of core agents / core dealers at the beginning and end of the period), further divided by the number of months during the corresponding period
- External revenues: Revenues that a corporate group generates with customers that are not companies belonging to the same corporate group.
- Cash contribution: Ordinary operating EBITDA less capital expenditure
- EBIT: Earnings before interest and tax
- Ordinary operating EBITDA represents EBITDA adjusted for non-operating and special effects. Ordinary operating EBITDA contains a reconciliation effect for the management fee that the Corporate segment invoices to IS24 and AS24. This forms part of the ordinary operating profit in the Corporate segment, but not in the IS24 and AS24 segments, where it is shown as a non-operating effect and is consequently not included in ordinary operating EBITDA.
- EBITDA: Earnings before financial results, income taxes, depreciation and amortisation, impairment losses and the result of sales of subsidiaries.
- EBITDA margin (for a segment): The EBITDA margin (of an operating segment) is defined as EBITDA in ratio to the external revenues (of the respective operating segment).
- Ordinary operating EBITDA margin (of an operating segment): The ordinary operating EBITDA margin (of an operating segment) is defined as ordinary operating EBITDA as a percentage of the external revenues (of the respective operating segment). EBITDA from ordinary activities includes a reconciliation effect for management fees, which is charged by the corporate segment to IS24 and AS24. The Corporate segment charges IS24 and AS24 with a management fee for covering certain management services. This is part of the profit from ordinary operating activities in the Corporate segment, but not in the IS24 and AS24 segments, where it is shown as a non-operating effect and thus is not included in the ordinary operating EBITDA
- Core dealers: professional car and motorcycle dealers who have arranged either a package or bundle contract with AS24.
- Core agents: are defined as real estate professionals in Germany who have a package or bundle contract with IS24
- Consolidation effect: Accounting process that eliminates all interlinkages within the Group (expenses / income, liabilities and capital) and presents all companies that are included in the consolidated financial statements as if these companies represented a single company.
- Lead: Generating a business contact, that is, address data of a qualified prospect who is interested in a certain product and has given his / her consent to the forwarding of his / her data. Listings (number of listings): IS24 shows the number of all real estate listings on the respective website as of a certain record date (generally the month-end). AS24 shows the total number of new and used cars and vans on a certain record date (generally mid-month) for the respective country on the respective website.
- Management fee: Fees invoiced within the Group to transfer specified central administrative costs to the Group's various companies.
- Net financial debt: debt is defined as total debt (current and non-current liabilities) less cash and cash equivalents.
- Engagement (user activity): Measures the total minutes the respective monthly individual visitor to the online platform spends on various interactions.
- User reach: The extent of users measured in terms of monthly individual visitors we reach with our digital marketplaces within a given timeframe.

- OEM: Original Equipment Manufacturer, automotive manufacturer
- Sessions: The number of visits within the reporting period in which individual users interact with web or app offerings via a device (desktop PC, mobile devices or apps (multiplatform)). A visit ends automatically after 30 minutes (or longer) if the user fails to interact with the offering.
- Revenues: All cumulative revenues generated from ordinary operating activities during the corresponding accounting period
- Revenue adjusted for acquisitions: Group revenue reported excluding new corporate acquisitions
- UMV (unique monthly visitors): Monthly unique visitors visiting the website via desktop PC or visiting the website via desktop PC, mobile devices or apps (multiplatform), regardless of how often they visit during the relevant month and (for multiplatform metrics) regardless of how many platforms (desktop and mobile) they use (Source: ComScore)

Sources

- ACEA: European Automobile Manufacturers Association; Press Release from 16 Junen 2017
- autobiz: Autobiz, June 2017: Autobiz, European Panel – Cross Analysis, June 2017
- Cologne Institute for Economic Research (IW): Institut der Deutschen Wirtschaft Köln IW, Short Reports, Short-Report Number- 46, 23 June 2017
- Comscore: comScore MMX®, Mobile Metrix Media Trend, Germany, comScore, Long Term Media Trend, Germany.
- DAT: DAT, 2016, 2017: DAT-Reports 2016, 2017 Deutsche Automobil Treuhand GmbH, Ostfildern
- Deutsche Bundesbank: Deutsche Bundesbank, Frankfurt am Main
- Eurostat: European Commission, Eurostat, Luxembourg; percentage of private households with Internet access. Including any form of Internet use, population aged between 16 and 74
- Eurozone Economic Outlook: Joint initiative of Ifo Institute, Munich, INSEE, Paris, and ISTAT, Rome.
- German Federal Office for Motor Transport (KBA): German Federal Office for Motor Transport (KBA), Flensburg
- GEWOS: GEWOS Institut für Stadt-, Regional- und Wohnforschung GmbH, IMA® info 2016
- GfK Brand & Communication Research: GfK Brand & Communication Research, January 2017: GfK Brand & Communication Research, Germany, December 2016, n = 302, Advertising Tracking, ImmobilienScout24, Wave 69, "Which of these online real estate market places is first choice for you when searching for a property?",
- Norstat: Norstat, December 2016 Study by Norstat Deutschland GmbH, Munich, commissioned by AutoScout24, n=400 (Internet users in possession of a driving licence), December 2016
- OC&C: Study commissioned by Scout24 AG, authored by OC&C Strategy Consultants Limited, London, title: "The German Real Estate and European Automotive Advertising Markets", 7 August 2014
- ServiceValue commissioned by Focus Money, „Most user-friendly apps 2017" – Representative survey; online panel n=200, March 2017
- Wirtschaftswoche BrandIndex: WirtschaftsWoche Online (wiwo.de), Kolumne BrandIndex; May 2016; http://www.wiwo.de/finanzen/immobilien/brandindex-immobilienseiten-viel-geklickt-maessig-geliebt/13654768.html [20.02.2017]
- ZenithOptimedia: ZenithOptimedia, Advertising Expenditure Forecasts, December 2016: Zenith Optimedia Group Limited, London; Advertising Expenditure Forecasts December 2016
- ZenithOptimedia: ZenithOptimedia, Advertising Expenditure Forecasts, March 2017: Executive Summary
- Zentralverband Deutsches Kraftfahrzeuggewerbe: German Federation for Motor Trades and Repairs (ZDK), November 2016: German Federation for Motor Trades and Repairs (ZDK), Bonn; press release "Motor vehicle trade: fewer new registrations in 2017", November 2017

Disclaimer

This document may contain forward-looking statements regarding the business, results of operations, financial condition and earnings outlook of Scout24 Group. These statements may be identified by words such as "may", "will", "expect", "anticipate", "contemplate", "intend", "plan", "believe", "continue" and "estimate" and variations of such words or similar expressions. These forward-looking statements are based on the current views and assumptions of Scout24 management and are subject to risks and uncertainties. Such statements are subject to a number of known and unknown risks and uncertainties and there is no guarantee that the anticipated results and developments will actually materialise. They offer no guarantee that the expected results and developments actually occur. In fact, actual results and developments may differ materially from those reflected in our forward-looking statements. Differences may be due to changes in the general macroeconomic and competitive environment, capital market risks, exchange rate fluctuations, changes in international and national laws and regulations, especially regarding tax laws and regulation, relevant for Scout24, and many other factors. Scout24 undertakes no obligation to revise or update any forward-looking statements as a result of new information, future events or otherwise, unless expressly required to do so by law.

Due to rounding, numbers presented throughout this statement may not add up precisely to the totals indicated, and percentages may not precisely reflect the absolute figures for the same reason. Information on quarterly financials have not been subject to the audit and thus are labelled "unaudited".

The interim management report should be read in conjunction with the interim consolidated financial statements and the additional disclosures.

This report is a non-binding English translation of the original German annual report. Both reports are available for download on our Internet website at www.scout24.com/Financial-reports.

In case of any divergence between the two reports, the German version shall have precedence over the English translation.

Next Events and Reportings

Scout24 expects to report results for the first nine months and the third quarter of the 2017 financial year on Wednesday, 8 November 2017.

Imprint

Investor Relations
Britta Schmidt
Tel.: +49 89 444 56-3278
E-Mail: ir@scout24.com

Scout24 AG
Dingolfinger Str. 1-15
81673 Munich
Germany

Tel.: +49 89 44456-0
E-Mail: info@scout24.com
www.scout24.com

Photo: Getty Images

Date of publication: 9 August 2017