

Quarterly Statement  
Q3 2020

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## Contents

Overview	3
Key figures at a glance	4
Preliminary remarks	5
Business and operating performance of the Group	5
Business and operating performance of the segments	9
Impact of Covid-19 on outlook	12
Consolidated statement of profit or loss (IFRS, unaudited)	14
Consolidated statement of financial position (IFRS, unaudited)	16
Consolidated statement of cash flows (IFRS, unaudited)	18
Publication details	20

## Disclaimer

Scout24 AG as the parent entity and its direct and indirect subsidiaries together form the Scout24 Group. Insofar as information in the following statement refers exclusively to Scout24 AG, express reference is made to the Company ("Scout24 AG") accordingly. The terms "Scout24 Group", "Scout24", "Scout24 Group" refer to the Group as a whole.

This document may contain forward-looking statements regarding the business, results of operations, financial condition and earnings outlook of the 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. Such forward-looking statements are based on the current assessments, expectations, assumptions and information of Scout24's Management Board. They are subject to a large number of known and unknown risks and uncertainties and there is no guarantee that the anticipated results and developments will actually materialise. In fact, actual results and developments may differ materially from those reflected in the 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, including but not limited to tax laws and regulations, 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.

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, reorganisation measures, impairment losses, gains or losses on sale resulting from divestitures and the sale of shareholdings, and other 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 annual report 2019 which is available at [www.scout24.com/en/investors/financial-reports-presentations](http://www.scout24.com/en/investors/financial-reports-presentations).

Due to rounding, numbers presented throughout this report may not add up precisely to the totals indicated, and percentages may not precisely reflect the absolute figures for the same reason.

The quarterly figures contained in this release were neither audited in accordance with §317 HGB nor reviewed by an auditor.

## Overview

### Scout24 well on track to achieve its full-year outlook

The Scout24 Group's business model is proving to be resilient and robust during the Covid-19 pandemic. Revenues in the first nine months rose slightly year-on-year despite the crisis. Scout24 was able to achieve this revenue growth although the "free-to-list" initiative for private listers was maintained in the third quarter, and the 3<sup>rd</sup> party advertising business continued to decline. Therefore, the Company is well on track to achieve its guidance, formulated in August 2020, of almost stable full-year revenues. At the same time, the originally planned growth initiatives have been resumed. This is reflected in higher marketing expenses and as a result in a slightly lower Q3 ordinary operating EBITDA margin. For the nine-month period, the margin was at 60 %, which is also in line with the annual forecast.

#### KEY FINANCIALS GROUP

EUR million	Q3 2020	Q3 2019 <sup>1</sup>	Change	9M 2020	9M 2019 <sup>1</sup>	Change
Group revenue	89.6	88.7	+1.0 %	262.6	260.0	+1.0 %
Ordinary operating EBITDA	52.2	52.0	+0.3 %	157.6	153.9	+2.4 %
Ordinary operating EBITDA margin	58.2 %	58.7 %	-0.5 pp	60.0 %	59.2 %	+0.8 pp

<sup>1</sup> In accordance with IFRS 5, the previous year's figures were retrospectively adjusted for discontinued operations.

### Important events in the third quarter

- Approximately 70 % of the target volume of the EUR 490 million share buyback tranche already achieved by the end of the quarter.
- "Free-to-list" initiative for private listers (limited period, limited target group) continued.
- Integration of immoverkauf24, acquired on July 1, 2020, is progressing well. Q3 2020 revenues from immoverkauf24 included in the Residential Real Estate segment as part of the "Realtor Lead Engine" revenues.
- Revenues from 3<sup>rd</sup> party advertising account for only 2.1 % of Group revenues in the third quarter, thus reducing dependence on this business.
- First TV campaign in 6 years launched as part of a multi-channel marketing campaign.
- Various product enhancements (home seller hub, agent directory, native ImmoScout24 app) implemented and new products launched (digital rental contract with digital signature, landlord subscription as well as new membership editions for property managers and developers).
- New product world of the agent-software FLOWFACT launched.

## Key figures at a glance

### FINANCIALS

EUR million	Q3 2020	Q3 2019 <sup>1</sup>	change	9M 2020	9M 2019 <sup>1</sup>	change
Group revenue	89.6	88.7	+1.0 %	262.6	260.0	+1.0 %
Ordinary operating EBITDA <sup>2</sup> (including group functions/consolidation/other)	52.2	52.0	+0.3 %	157.6	153.9	+2.4 %
<i>Ordinary operating EBITDA margin<sup>3</sup> in %</i>	<i>58.2 %</i>	<i>58.7 %</i>	<i>-0.5 Pp</i>	<i>60.0 %</i>	<i>59.2 %</i>	<i>+0.8 Pp</i>
EBITDA	44.1	43.8	+0.7 %	140.5	117.3	+19.8 %
Earnings per share (basic, continuing operations)	0.20	0.16	+25.0 %	0.63	0.41	+53.7 %
External revenue of ImmoScout24	89.6	88.7	+1.1 %	262.5	259.9	+1.0 %
thereof Residential Real Estate	64.9	62.9	+3.3 %	188.2	182.9	+2.9 %
thereof Residential Real Estate Partners	45.0	42.6	+5.7 %	129.9	123.1	+5.6 %
thereof Consumers	19.9	20.3	-1.6 %	58.3	59.8	-2.6 %
thereof Business Real Estate	17.1	17.3	-1.5 %	51.6	51.4	+0.5 %
thereof Media & Other	7.6	8.5	-10.4 %	22.7	25.6	-11.6 %
Ordinary operating EBITDA <sup>2</sup> (without group functions/consolidation/other)	54.7	55.9	-2.2 %	165.1	161.4	+2.3 %
thereof Residential Real Estate	39.8	39.9	-0.1 %	119.3	115.3	+3.5 %
thereof Business Real Estate	11.9	12.1	-1.5 %	36.8	35.3	+4.2 %
thereof Media & Other	2.9	4.0	-25.7 %	9.0	10.8	-16.5 %
<i>Ordinary operating EBITDA margin<sup>3</sup> in %</i>	<i>61.0 %</i>	<i>63.0 %</i>	<i>-2.0 Pp</i>	<i>62.9 %</i>	<i>62.1 %</i>	<i>+0.8 Pp</i>
<i>thereof Residential Real Estate</i>	<i>61.4 %</i>	<i>63.4 %</i>	<i>-2.0 Pp</i>	<i>63.4 %</i>	<i>63.0 %</i>	<i>+0.4 Pp</i>
<i>thereof Business Real Estate</i>	<i>69.6 %</i>	<i>69.7 %</i>	<i>-0.1 Pp</i>	<i>71.3 %</i>	<i>68.7 %</i>	<i>+2.6 Pp</i>
<i>thereof Media &amp; Other</i>	<i>38.6 %</i>	<i>46.6 %</i>	<i>-8.0 Pp</i>	<i>39.8 %</i>	<i>42.2 %</i>	<i>-2.4 Pp</i>
Own work capitalised	5.3	4.0	+34.2 %	16.1	9.9	+63.8 %
<i>Own work capitalised as % of revenue</i>	<i>5.9 %</i>	<i>4.5 %</i>	<i>+1.4 Pp</i>	<i>6.1 %</i>	<i>3.8 %</i>	<i>+2.3 Pp</i>

### NON-FINANCIAL PERFORMANCE INDICATORS

IS24.de listings <sup>4</sup>	422,563	432,870	-2.4 %	420,464	438,124	-4.0 %
IS24.de monthly users (million) <sup>5</sup>	13.9	13.8	+0.2 %	14.5	13.4	+8.0 %
IS24.de monthly sessions (million) <sup>6</sup>	99.4	96.0	+3.5 %	106.9	95.9	+11.5 %

<sup>1</sup> In accordance with IFRS 5, the previous year's figures were retrospectively adjusted for discontinued operations.

<sup>2</sup> Ordinary operating EBITDA refers to EBITDA adjusted for non-operating effects, which mainly include expenses for share-based compensation, M&A activities (realised and unrealised), reorganisation, strategic projects and other non-operating effects.

<sup>3</sup> The ordinary operating EBITDA margin of a segment is defined as ordinary operating EBITDA as a percentage of external segment revenue.

<sup>4</sup> Source: ImmoScout24.de core data; listings in Germany (average as of the end of the month)

<sup>5</sup> Unique monthly visitors to ImmoScout24.de (average of the individual months), irrespective of how often they visit the marketplace during the month and irrespective of how many different platforms (desktop and mobile) they use; Source: AGOF e. V.

<sup>6</sup> Number of all monthly visits (average of the individual months) in which individual users interact with the website or app via a device; a visit is considered completed if the user is inactive for 30 minutes or more; source: internal measurement using Google Analytics

## Preliminary remarks

On 17 December 2019, Scout24 concluded an agreement for the sale of 100 % of the shares in AutoScout24 (AS24), FinanceScout24 and FINANZCHECK. The sale was completed with the transfer of control to the buyer effective 1 April 2020. The transaction led to the classification of those operations as discontinued operations in the IFRS consolidated financial statements in accordance with IFRS 5.

The items of the consolidated income statement discussed below only relate to the Scout24 Group's continuing operations. The comparative figures for the previous year (Q3 2019 and 9M 2019) have been adjusted accordingly. Since Q3 2020 the results also include the activities of immoverkauf24 GmbH.

## Business and operating performance of the Group

### Impact of the crisis well mitigated, slight increase in revenues and margin

#### REVENUE AND TOTAL OPERATING PERFORMANCE

Despite the Covid-19 pandemic, the Scout24 Group ended the first nine months of 2020 with a slight increase of revenues by 1.0 %. Accordingly, Group revenue rose from EUR 260.0 million in 9M 2019 to EUR 262.6 million in 9M 2020. Thereof, EUR 262.5 million (9M 2019: EUR 259.9 million) is attributable to ImmoScout24. Since Q3 2020, this also includes the revenues of immoverkauf24. Following a crisis-related year-on-year decline of 3.5 % in the second quarter, the third quarter saw a slight increase in revenues, by 1.0 %, from EUR 88.7 million in Q3 2019 to EUR 89.6 million in Q3 2020. This growth was achieved despite maintaining the "free-to-list" initiative for private listers and the continued softness in the 3<sup>rd</sup> party advertising business.

As in the previous quarters (Q1: + 79.7 %, Q2: + 87.7 %), own work capitalized increased significantly in the third quarter by 34.2 % to EUR 5.3 million, resulting in growth of 63.8 % to EUR 16.1 million in a nine-month comparison. This growth is due to the increased use of software developers, product managers and freelancers. They have worked on various projects that support the future growth of the platform. In the third quarter of 2020, for example, product improvements were implemented in the Home Seller Hub, the Agent Directory and the Native ImmoScout24 App. Furthermore, various new products were introduced, such as the digital rental contract with digital signature, the landlord subscription (VermieterPlus) and the new membership editions for property managers and developers. The ratio of own work capitalized to revenues was 6.1 % in the first nine months of 2020, compared with 3.8 % in the prior-year period (Q3 2020: 5.9 % versus Q3 2019: 4.5 %).

Together with other operating income of EUR 2.2 million (9M 2019: EUR 2.3 million), total operating performance increased by 3.2 % from EUR 272.2 million in 9M 2019 to EUR 280.9 million in 9M 2020 (Q3 2020: EUR 95.4 million versus Q3 2019: EUR 93.4 million).

## DEVELOPMENT OF COSTS

Operating expenses totalled EUR 140.5 million in the first nine months of 2020, which is EUR 14.4 million or 9.3 % below the previous year's level of EUR 154.9 million. In Q3 2020, however, they rose by 3.4 % to EUR 51.3 million (Q3 2019: EUR 49.7 million) compared to the same quarter of the previous year.

The main reason for the decline in the nine-month period is the reduction in **personnel expenses** by EUR 11.9 million or 14.6 %. The decrease from EUR 81.0 million to EUR 69.1 million is primarily due to lower share-based compensation in the first half of the year. The resulting expense is considered a non-operating effect. While it amounted to EUR 22.7 million in 9M 2019, it was EUR 11.7 million in 9M 2020. The third quarter developed in the opposite direction. Personnel expenses from share-based compensation increased by 46.8 % year-on-year from EUR 4.9 million to EUR 7.2 million. This was due to the positive share price development and the regular vesting of shares as part of the long-term incentive program. Total personnel expenses increased by 5.9 % in the third quarter, from EUR 25.0 million in Q3 2019 to EUR 26.5 million in Q3 2020. Since Q3 2020, this item also includes the personnel expenses of immoverkauf24.

**Marketing expenses** showed the strongest increase within operating expenses in Q3 2020 by 6.6 % (from EUR 7.9 million in Q3 2019 to EUR 8.4 million in Q3 2020). This is due on the one hand to the marketing campaign postponed to this quarter, and on the other hand to the resumption of performance marketing activities, for example for the "Realtor Lead Engine" product and consumer products. This figure also includes the online marketing activities of immoverkauf24. The marketing campaign is a multi-channel campaign to address the important target group of selling homeowners in order to encourage them to sell their property with a real estate agent. For the first time in 6 years, it also includes extensive TV advertising. In a nine-month comparison, however, marketing expenses fell by 4.7 %, from EUR 22.8 million to EUR 21.7 million.

The increase in **IT expenses** slowed down in the third quarter of 2020. While in the first nine months expenses went up by 22.4 % (from EUR 10.8 million in 9M 2019 to EUR 13.2 million in 9M 2020), it was 5.5 % in Q3 2020 (from EUR 4.3 million in Q3 2019 to EUR 4.6 million in Q3 2020). This increase is mainly due to the migration to cloud-based platform and software solutions, with the third quarter showing that the migration is largely complete. Nevertheless, the use of cloud solutions suggests that costs will continue to rise as business volume increases.

**Other operating expenses** decreased in a year-on-year comparison by 9.8 % from EUR 40.4 million in 9M 2019 to EUR 36.5 million in 9M 2020. This is primarily due to lower service and consulting costs, which clearly overcompensated for the higher expenses resulting from the recognition of general bad debt allowances for possible bad debts in connection with Covid-19. In the third quarter of 2020, other operating expenses also decreased by 4.7 % from EUR 12.4 million in Q3 2019 to EUR 11.8 million, mainly due to lower consulting costs.

The items described above include **non-operating effects** of EUR 17.2 million for the nine months period, which is 53.1 % than in the previous year (9M 2019: EUR 36.6 million). In the third quarter of 2020, the non-operating effects amounted to EUR 8.1 million, 2.1 % below the Q3 2019 figure of EUR 8.3 million. Non-operating effects include, in particular, non-recurring costs attributable to M&A transactions including post-merger integration, as well as personnel expenses from share-based compensation and expenses in connection with changes in the organisational structure. The development of expenses from share-based

compensation has already been explained above. The development of the other non-operating items is shown in the table "Reconciliation of EBITDA from ordinary activities" on page 15.

The remaining **ordinary operating effects** (see table below) increased disproportionately to revenues by 4.4 % year-on-year from EUR 116.0 million in 9M 2019 to EUR 121.1 million in 9M 2020. In Q3 2020, they amounted to EUR 42.8 million, up 5.3 % from EUR 40.6 million in Q3 2019. This was initially due to structural costs, which - while implementing cost optimisations - were designed to accommodate a growing business volume for the fiscal year. In the second quarter, the Covid-19 crisis was partially counteracted by cost-cutting measures introduced at short notice. In the third quarter, the originally planned growth steps were resumed, which was particularly reflected in the marketing expenses, as described above. Both the second and third quarters also include recurring dis-synergies resulting from the sale of AutoScout24, FinanceScout24 and FINANZCHECK in the amount of around EUR 3.0 million.

## DEVELOPMENT OF EARNINGS

Particularly as a result of growth investments in the form of higher own work capitalized in 9M 2020 and the cost-cutting measures introduced at short notice in the second quarter, the Group's **ordinary operating EBITDA** rose by 2.4 % to EUR 157.6 million in a nine-month comparison, outpacing revenues (9M 2019: EUR 153.9 million). Accordingly, the ordinary operating EBITDA margin for the first nine months of 2020 was 60.0 %, up 0.8 percentage points year-on-year (9M 2019: 59.2 %). In a quarterly comparison, EBITDA from ordinary activities remained almost stable (Q3 2020: EUR 52.2 million; Q3 2019: EUR 52.0 million) due to the higher cost structures described above, although the margin decreased slightly by 0.5 percentage points to 58.2 % (Q3 2019: 58.7 %).

### DEVELOPMENT OF OPERATING COSTS AND THE CORRESPONDING IMPACT ON ORDINARY OPERATING EBITDA

(EUR million)	Q3 2020	Q3 2019	Change	9M 2020	9M 2019	Change
Revenue	89.6	88.7	+1.0 %	262.6	260.0	+1.0 %
Own work capitalised	5.3	4.0	+34.2 %	16.1	9.9	+63.8 %
<b>Ordinary operating effects</b>	<b>-42.8</b>	<b>-40.6</b>	<b>+5.3 %</b>	<b>-121.1</b>	<b>-116.0</b>	<b>+4.4 %</b>
of which personnel expenses	-19.4	-19.6	-1.0 %	-55.0	-56.8	-3.0 %
of which marketing expenses	-8.4	-7.8	+7.2 %	-21.7	-22.6	-4.3 %
of which IT expenses	-4.4	-4.4	+0.3 %	-12.7	-10.6	+20.0 %
of which other operating expenses	-10.6	-8.9	+20.0 %	-31.7	-26.0	+21.9 %
<b>Ordinary operating EBITDA</b>	<b>52.2</b>	<b>52.0</b>	<b>+0.3 %</b>	<b>157.6</b>	<b>153.9</b>	<b>+2.4 %</b>

Excluding Group functions/consolidation/other from costs, the ordinary operating EBITDA margin for ImmoScout24 (all three segments combined) was 62.9 % in the first nine months of 2020 (9M 2019: 62.1 %). The quarterly decline of 2 percentage points (Q3 2020: 61.0 %; Q3 2019: 63.0 %) is explained both by the cost developments described above and by the aforementioned recurring dis-synergies resulting from the sale of AutoScout24.

The Group's unadjusted EBITDA (see table on page 15) increased by 19.8 % to EUR 140.5 million (9M 2019: EUR 117.3 million). This is primarily due to the significantly lower personnel expenses from share-based compensation in the first half of the year as well as reduced M&A related expenses. In the third quarter of 2020, the unadjusted EBITDA increased by 0.7 % from EUR 43.8 million in Q3 2019 to EUR 44.1 million.

Due to the positive development of operating expenses explained above, the consolidated earnings after tax from continuing operations improved significantly in the first nine months of 2020 by 46.4 % to EUR 64.7 million (9M 2019: EUR 44.2 million). Based on a volume-weighted average number of shares of 103,329,162 this results in (basic) earnings per share of EUR 0.63 in the first nine months of 2020 (9M 2019: EUR 0.41; number of shares: 107,534,824). In the third quarter of 2020, the consolidated earnings after tax from continuing operations increased by 21.3 % from EUR 16.9 million to EUR 20.5 million which is mainly due to an improved financial result. Earnings per share in Q3 2020 amounted to EUR 0.20 compared to EUR 0.16 in Q3 2019 (number of shares: 101,518,276 and 107,406,596 respectively).

Including the after-tax result from discontinued operations - including the capital gain from the AutoScout24 transaction - earnings per share attributable to shareholders of the parent company amounted to EUR 22.44 for 9M 2020 (9M 2019: EUR 0.80) and EUR 0.19 for Q3 2020 (Q3 2019: EUR 0.32).

## Balance sheet still characterized by strong liquidity from AutoScout24 sale

On 31 March 2020, Scout24 received the provisional purchase price of EUR 2,838.7 million as consideration for the sale of AutoScout24, FinanceScout24 and FINANZCHECK, which was completed on 1 April 2020, less an amount of EUR 350.0 million used directly for debt repayments. Some of the cash received was invested in money market funds and a special fund that are reported under cash and cash equivalents and under current financial assets of the Scout24 Group.

As of the reporting date 30 September 2020, cash and cash equivalents amounted to EUR 420.9 million (31 December 2019: EUR 65.6 million), while current financial assets totalled EUR 1,469.2 million (31 December 2019: EUR 1.3 million). The Scout24 Group's total current assets came to EUR 1,929.1 million as of the 30 September 2020 reporting date (31 December 2019: EUR 105.6 million without assets held for sale).

On aggregate, total assets increased by EUR 1,200.2 million to EUR 3,631.4 million compared with 31 December 2019 (EUR 2,431.2 million).

The gain on disposal from the AutoScout24 transaction was reported in earnings from discontinued operations and is reflected in equity as of the end of the reporting period. This amounted to EUR 2,926.6 million as of 30 September 2020 (31 December 2019: EUR 1,053.9 million), which corresponds to an equity ratio of 80.6 % (31 December 2019: 43.3 %). The increase is primarily due to additions to retained earnings amounting to EUR 2,224.7 million. The EUR 356.3 million increase in the carrying amount of treasury shares to EUR 485.8 million as of 30 September 2020 (31 December 2019: EUR 129.6 million) must be deducted from this figure.

The Company intends to return a large part of the proceeds from the AutoScout24 transaction to the shareholders. Accordingly, in addition to the dividend pay-out of EUR 93.7 million, which was made in June 2020, a further amount of up to EUR 1,690 million is to be repaid to shareholders by the middle of next year through share buyback transactions. As of 30 September 2020, around 70 % of the up to EUR 490 million planned for 2020 from the tranche initiated on 6 April had been bought back. A further up to EUR 200 million



is to be bought back in 2021 via a regular share buyback program. As soon as the number of treasury shares bought back through regular share buyback transactions approaches the limit of 10 % of the share capital, it will be reduced by partially redeeming shares. As resolved by the Annual General Meeting, within the period from 1 February 2021 to 30 June 2021, further shares with a value of up to EUR 1,000 million are to be repurchased by way of a public purchase bid, which will lead to a reduction of the share capital by cancellation of the respective shares upon completion of the transaction.

## Business and operating performance of the segments

### Residential Real Estate business very robust despite "free-to-list"

With 72 %, the Residential Real Estate business made the largest contribution to the total revenues of ImmoScout24 - both for the first nine months and the third quarter of 2020 (9M 2019: 70 %, Q3 2019: 71 %). This segment proved to be the most resilient, particularly due to contractually secured sales with real estate agents during the Covid-19 crisis. Segment revenues increased by 2.9 % in 9M 2020 (from EUR 182.9 million to EUR 188.2 million) and by 3.3 % in Q3 2020 (from EUR 62.9 million to EUR 64.9 million).

Revenues from professional customers, i. e. real estate agents (including finance customers) and property managers, were up by a strong 5.6 % (9M) and 5.7 % (Q3). Since the third quarter of 2020, this figure also includes the revenues of immoverkauf24, which are allocated to the "Realtor Lead Engine" revenues.

During Q3 2020, the number of customers continued to grow. Compared to the previous year, we acquired 1,054 (smaller) core customers (agents, property managers / developers and finance customers). As a result, the number of Residential Real Estate Partners as of 30 September 2020 totalled 17,216. ARPU for the third quarter was EUR 703 (Q1 2020: EUR 729; Q2 2020: EUR 690), 2.1 % lower than in Q3 2019, but 1.9 % higher than in the previous quarter Q2 2020, which was more heavily impacted by Covid-19. Over the nine-month period, Residential Real Estate ARPU increased by 2.1 %.

#### RESIDENTIAL REAL ESTATE: DEVELOPMENT OF CUSTOMERS AND ARPU

	Q3 2020	Q3 2019	change	9M 2020	9M 2019	change
Residential real estate partners (number of core customers <sup>1</sup> , end of period)	17,216	16,162	+6.5 %	17,216	16,162	+6.5 %
ARPU <sup>2</sup> with residential real estate partners (EUR/month)	703	718	-2.1 %	709	695	+2.1 %

<sup>1</sup> Customers with a fee-based contract extending beyond the reporting period that entitles them to market more than one property

<sup>2</sup> Average revenue per user per month, calculated by dividing the revenue generated with the respective core customers in the reported period by the average number of core customers in the same period (calculated based on opening and closing balance) further divided by the number of months in the corresponding period

Revenues from consumers included in the Residential Real Estate segment decreased by 2.6 % (9M) or 1.6 % (Q3). This decline is due to foregone revenues resulting from the free listing initiative for private listers, which has been maintained in the third quarter of 2020. However, the free listing offer is only valid for a maximum period of 2 weeks. Furthermore, the number of contact requests is limited. If the advertiser requests additional services, costs will be incurred, which will result in correspondingly higher revenues for ImmoScout24. While private listing revenues declined, revenues from consumer subscriptions such as

“MieterPlus” (for future tenants) and “KäuferPlus” (for future homeowners) increased in reaction to the growing number of listings, partly compensating the foregone revenue potential.

The Residential Real Estate ordinary operating EBITDA margin was 63.4 % in the first nine months of 2020, up 0.4 percentage points compared with 63.0 % in the previous year. On a quarterly basis, the margin decreased by 2.0 percentage points from 63.4 % to 61.4 % in Q3 2020. The decline was a result of the free listing offer and increased marketing spend on growth initiatives. The immoverkauf24 activities integrated in the Residential Real Estate segment under the "Realtor Lead Engine" activities also impacted the margin.

## Business Real Estate customers more cautious in Q3 than in previous year

The Business Real Estate segment accounted for 19 % of the external revenues of ImmoScout24 in the third quarter of 2020. In Q3 2019 and also in the nine-month period (9M 2020 and 9M 2019), the share was 20 %. Business Real Estate revenues showed slight growth of 0.5 % from EUR 51.4 million to EUR 51.6 million in the first nine months of the year, but slightly decreased by 1.5 % to EUR 17.1 million in the third quarter of 2020 (Q3 2019: EUR 17.3 million). Revenues from project developers remained soft due to a lower number of projects and the increased take up of lower-priced packages by project developers. This was partially offset by uptick in contractually secured revenues with Business Real Estate agents.

The number of Business Real Estate partners fell slightly was relatively flat at 2,789 as of September 30, 2020 (Q3 2019: 2,801). ARPU for the third quarter was EUR 1,715 (Q1 2020: EUR 1,811; Q2 2020: EUR 1,706), 2.6 % lower than in the previous year. This decrease is primarily due to lower revenues with project developers. Business Real Estate ARPU increased by 0.5 % over the nine-month period.

### BUSINESS REAL ESTATE: DEVELOPMENT OF CUSTOMERS AND ARPU

	Q3 2020	Q3 2019	change	9M 2020	9M 2019	change
Business real estate partners (commercial real estate agents, project developers, new home builders) (number of core customers <sup>1</sup> at the end of the period)	2,789	2,801	-0.4 %	2,789	2,801	-0.4 %
ARPU <sup>2</sup> business real estate partners (EUR, monthly)	1,715	1,760	-2.6 %	1,740	1,731	+0.5 %

<sup>1</sup> Customers with a fee-based contract extending beyond the reporting period that entitles them to market more than one property

<sup>2</sup> Average revenue per user per month, calculated by dividing the revenue generated with the respective core customers in the reported period by the average number of core customers in the same period (calculated based on opening and closing balance) further divided by the number of months in the corresponding period

The ordinary operating EBITDA margin of the Business Real Estate segment remained almost stable year-on-year (Q3 2020: 69.6 %; Q3 2019: 69.7 %). For the nine-month period it increased by 2.6 percentage points (9M 2020: 71.3 %; 9M 2019: 68.7 %), mainly due to the strong first quarter and temporary cost saving measures in the second quarter, which more than compensated the Covid-19 general bad debt allowances.

## Media & Other segment with lower revenues and margin primarily due to declining advertising business

The share of Media & Other revenues in the total revenues of ImmoScout24 continued to decline, primarily due to the (market and Covid-19-related) downturn in advertising business with third parties. While the segment's share of revenues was 10 % in Q3 2019 and 9M 2019, it amounted to 8 % in Q3 2020 (9M 2020: 9 %). Revenues from third-party advertising alone accounted for only 2.1 % of total revenues in the third quarter after a year-on-year decline of over 30 % (Q3 2019: 3.2 %). In absolute terms, Media & Other segment revenues decreased by 10.4 % from EUR 8.5 million in Q3 2019 to EUR 7.6 million in Q3 2020 (9M 2020: EUR 22.7 million; 9M 2019: EUR 25.6 million).

The subsidiary FLOWFACT recorded declining revenues due to the change from a license payment model to a "software as a service" model. In September, FLOWFACT presented its new product world for real estate agents. This consists of three different packages depending on customer size. Clients who are also ImmoScout24 clients benefit from a number of advantages, both in terms of price and due to specially designed interfaces. Despite the Covid-19 crisis, ImmoScout24 Austria showed above-average growth in both quarterly and nine-month comparisons (plus 5.5 % and plus 12.1 % respectively).

The ordinary operating EBITDA margin of the Media & Other segment fell by 8 percentage points year-on-year from 46.6 % to 38.6 %. On a nine-month comparison, it fell by 2.4 percentage points from 42.2 % to 39.8 %.

## Listing and traffic figures demonstrate high demand for real estate even in Covid-19 times

ImmoScout24 measures the activity on its digital marketplace based on the number of listings and user/visitor numbers (traffic), among other metrics.

Over the entire nine-month period of 2020, the number of listings was 4.0 % below the level of the previous year (9M 2020: 420,464; 9M 2019: 438,124). On the one hand, this follows the general trend of declining transaction numbers, while the Euro volume of transactions is increasing. On the other hand, this figure includes Covid-19 impacted months. Therefore, the quarterly decline of minus 2.4 % is lower (Q3 2020: 422,563; Q3 2019: 432,870). The number of users increased by 8.0 % year-on-year in the nine-month period to 14.5 million individual monthly visitors (average of the individual months), and the number of sessions increased by 11.5 % to 106.9 million monthly visits. This is a sign that demand for real estate remained intact despite Covid-19.

A quarterly year-on-year comparison shows that the growth rates for traffic are lower (users +0.2 %, sessions +3.5 %). This is mainly influenced by technical changes in the collection of data.

## Impact of Covid-19 on outlook

The business development and the results of the third quarter are in line with the Management Board's expectations. The month of October developed largely according to plan, too. Therefore, the Management Board - despite the currently strong resurgence in Covid-19 infection numbers and the "lockdown light" measures announced by the German government for November - confirms its outlook for the full year 2020 as formulated in the half-year report on August 13, 2020.

Thus, the Management Board expects Group revenue for the financial year 2020 to be roughly on a par with the previous year and the Group's ordinary operating EBITDA margin to reach around 60 %.

The Management Board expects an aggregate EBITDA margin for all three segments (ImmoScout24; excluding central group functions/consolidation/other) of around 62 %.

For a detailed forecast and the underlying assumptions, please refer to the Half-Year Financial Report 2020, which is available on the company website at [www.scout24.com/en/investors/financial-reports-presentations](http://www.scout24.com/en/investors/financial-reports-presentations).

One of the underlying assumptions is that there will be no new Covid-19 "lockdown" measures, which significantly influence the ImmoScout24 business with its customers and users. ImmoScout24 is being used more and more frequently, among other things due to improved and new digital products, as the traffic figures described in this release show. The further rise in residential real estate prices in the third quarter shows that rental and purchase transactions continue to take place in this market. The commercial real estate market is hit harder by the Covid-19 pandemic both short- and medium term. The Management Board expects this to have only minor impacts on the outlook for the current financial year.

**Further**

**financial information**

## Consolidated statement of profit or loss (IFRS, unaudited)

(EUR '000)	Q3 2020	Q3 2019 (restated)	9M 2020	9M 2019 (restated)
<b>Revenue</b>	<b>89,641</b>	<b>88,710</b>	<b>262,626</b>	<b>260,010</b>
Own work capitalised	5,319	3,962	16,144	9,857
Other operating income	442	756	2,167	2,323
<b>Total operating performance</b>	<b>95,401</b>	<b>93,429</b>	<b>280,936</b>	<b>272,190</b>
Personnel expenses	-26,527	-25,039	-69,147	-80,968
Marketing expenses	-8,395	-7,872	-21,674	-22,753
IT expenses	-4,572	-4,335	-13,194	-10,776
Other operating expenses	-11,836	-12,416	-36,456	-40,406
<b>Earnings before interest, tax, depreciation, amortisation and impairment losses – EBITDA</b>	<b>44,072</b>	<b>43,766</b>	<b>140,466</b>	<b>117,287</b>
Depreciation, amortization and impairment losses	-12,169	-13,424	-37,028	-40,912
<b>Earnings before interest and tax – EBIT</b>	<b>31,903</b>	<b>30,343</b>	<b>103,439</b>	<b>76,374</b>
Profit/loss from investments accounted for using the equity method	23	37	105	-749
Finance income	4,844	9	6,994	27
Finance expenses	-6,275	-3,900	-18,681	-13,002
<b>Financial result</b>	<b>-1,408</b>	<b>-3,854</b>	<b>-11,581</b>	<b>-13,724</b>
<b>Earnings before tax</b>	<b>30,495</b>	<b>26,489</b>	<b>91,857</b>	<b>62,650</b>
Income taxes	-10,012	-9,602	-27,154	-18,462
<b>Earnings from continuing operations after tax</b>	<b>20,483</b>	<b>16,887</b>	<b>64,704</b>	<b>44,188</b>
Earnings from discontinued operations after tax	-1,419	17,141	2,253,854	41,921
<b>Earnings after tax</b>	<b>19,064</b>	<b>34,028</b>	<b>2,318,558</b>	<b>86,109</b>
<b>Of which attributable to:</b>				
<b>Shareholders of the parent company</b>	<b>19,064</b>	<b>34,028</b>	<b>2,318,558</b>	<b>86,109</b>
of which: continuing operations, after tax	20,483	16,887	64,704	44,188
of which: discontinued operations, after tax	-1,419	17,141	2,253,854	41,921

**EARNINGS PER SHARE**

(EUR)	Q3 2020	Q3 2019	9M 2020	9M 2019
Basic earnings per share after tax	0.19	0.32	22.44	0.80
Diluted earnings per share after tax	0.19	0.32	22.43	0.80

**EARNINGS PER SHARE FROM CONTINUING OPERATIONS**

(EUR)	Q3 2020	Q3 2019 (restated)	9M 2020	9M 2019 (restated)
Basic earnings per share after tax	0.20	0.16	0.63	0.41
Diluted earnings per share after tax	0.20	0.16	0.63	0.41

**EARNINGS PER SHARE FROM DISCONTINUED OPERATIONS**

(EUR)	Q3 2020	Q3 2019 (restated)	9M 2020	9M 2019 (restated)
Basic earnings per share after tax	-0.01	0.16	21.81	0.39
Diluted earnings per share after tax	-0.01	0.16	21.81	0.39

**RECONCILIATION OF ORDINARY OPERATING EBITDA**

(EUR '000)	Q3 2020	Q3 2019 (restated)	9M 2020	9M 2019 (restated)
Ordinary operating EBITDA	52,176	52,044	157,624	153,856
Non-operating effects	-8,104	-8,277	-17,157	-36,569
of which share-based payments	-7,160	-4,876	-11,678	-22,676
of which M&A transactions	-436	-1,291	-1,099	-9,270
of which reorganisation	-340	-2,100	-3,910	-4,587
of which other non-operating effects	-168	-11	-470	-36
<b>EBITDA</b>	<b>44,072</b>	<b>43,766</b>	<b>140,466</b>	<b>117,287</b>
Depreciation, amortization and impairment losses	-12,169	-13,424	-37,028	-40,912
Profit/loss from investments accounted for using the equity method	23	37	105	-749
Other financial result	-1,431	-3,891	-11,687	-12,975
<b>Earnings before tax</b>	<b>30,495</b>	<b>26,489</b>	<b>91,857</b>	<b>62,650</b>

## Consolidated statement of financial position (IFRS, unaudited)

ASSETS		
(EUR '000)	30 Sep. 2020	31 Dec. 2019
<b>Current assets</b>	<b>1,929,077</b>	<b>740,382</b>
Cash and cash equivalents	420,906	65,574
Trade receivables	25,003	31,241
Financial assets	1,469,185	1,290
Income tax assets	59	32
Other assets	13,924	7,450
Assets held for sale	-	634,795
<b>Non-current assets</b>	<b>1,702,322</b>	<b>1,690,810</b>
Goodwill	712,610	692,690
Trademarks	877,430	872,818
Other intangible assets	81,063	91,437
Right-of-use assets from leases	7,714	22,051
Property, plant and equipment	10,946	8,747
Investments accounted for using the equity method	353	247
Financial assets	11,523	2,525
Deferred tax assets	667	277
Other assets	16	18
<b>Total assets</b>	<b>3,631,399</b>	<b>2,431,192</b>



<b>EQUITY AND LIABILITIES</b>		
<b>(EUR '000)</b>	<b>30 Sep. 2020</b>	<b>31 Dec. 2019</b>
<b>Current liabilities</b>	<b>123,838</b>	<b>210,809</b>
Trade payables	12,186	17,905
Financial liabilities	19,902	26,666
Lease liabilities	3,194	4,834
Other provisions	30,364	48,038
Income tax liabilities	30,876	17,124
Contract liabilities	8,982	8,339
Other liabilities	18,334	16,192
Liabilities associated with assets held for sale	-	71,710
<b>Non-current liabilities</b>	<b>580,968</b>	<b>1,166,465</b>
Financial liabilities	250,445	805,199
Lease liabilities	15,494	18,075
Other provisions	24,810	44,983
Deferred tax liabilities	287,896	296,060
Other liabilities	2,323	2,148
<b>Equity</b>	<b>2,926,594</b>	<b>1,053,919</b>
Subscribed share capital	107,600	107,600
Capital reserve	171,133	171,133
Retained earnings	3,128,772	904,083
Measurement of pension obligations associated with assets held for sale	-	-206
Other reserves	4,937	879
Treasury shares (7,556,133 shares; previous year: 2,437,041 shares)	-485,848	-129,571
<b>Equity attributable to shareholders of parent company</b>	<b>2,926,594</b>	<b>1,053,919</b>
<b>Total equity and liabilities</b>	<b>3,631,399</b>	<b>2,431,192</b>

## Consolidated statement of cash flows (IFRS, unaudited)

(EUR '000)	9M 2020	9M 2019 (restated)
<b>Earnings from continuing operations after tax</b>	<b>64,704</b>	<b>44,188</b>
Depreciation, amortisation and impairment losses	37,028	40,912
Income tax expense	27,154	18,462
Finance income	-6,994	-27
Finance expenses	18,681	13,002
Profit/loss from investments accounted for using the equity method	-105	749
Gain/loss on disposal of intangible assets and property, plant and equipment	-525	4
Other non-cash transactions	-910	331
Change in trade receivables and other assets not attributable to investing or financing activities	999	1,951
Change in trade payables and other liabilities not attributable to investing or financing activities	-3,142	-5,519
Change in provisions	-160	19,362
Income taxes paid	-39,531	-44,041
<i>Cash flow from operating activities of continuing operations</i>	<i>97,199</i>	<i>89,374</i>
<i>Cash flow from operating activities of discontinued operations</i>	<i>-38,417</i>	<i>55,198</i>
<b>Cash flow from operating activities</b>	<b>58,782</b>	<b>144,572</b>
Investments in intangible assets, including internally generated intangible assets and intangible assets under development	-16,588	-10,625
Investments in property, plant and equipment	-7,696	-954
Proceeds from disposal of intangible assets and property, plant and equipment	6	3
Investments in financial assets	-1,703,416	-
Proceeds from disposal of financial assets	245,645	-
Consideration transferred for investments accounted for using the equity method	-	-350
Interest received	1,656	1
Acquisition of a subsidiary, net of cash acquired	-24,007	-
Consideration transferred for subsidiaries in previous years	-	-560
Proceeds from subsidiaries sold in previous years	504	5,300
<i>Cash flow from investing activities of continuing operations</i>	<i>-1,503,896</i>	<i>-7,185</i>
<i>Cash flow from investing activities of discontinued operations</i>	<i>2,827,693</i>	<i>-4,454</i>
<i>Of which net proceeds from disposal of discontinued operations</i>	<i>2,792,850</i>	<i>-</i>
<b>Cash flow from investing activities</b>	<b>1,323,797</b>	<b>-11,639</b>

(EUR '000)	9M 2020	9M 2019 (restated)
Raising of short-term financial liabilities	100,000	-
Repayment of short-term financial liabilities	-120,000	-
Raising of medium- and long-term financial liabilities	-	100,000
Repayment of medium- and long-term financial liabilities	-560,000	-53,000
Repayment of lease liabilities	-3,686	-4,143
Proceeds from lease receivables	648	-
Interest paid	-11,731	-9,095
Dividends paid	-93,663	-68,864
Purchase of treasury shares	-343,086	-51,614
<i>Cash flow from financing activities of continuing operations</i>	<i>-1,031,518</i>	<i>-86,716</i>
<i>Cash flow from financing activities of discontinued operations</i>	<i>-541</i>	<i>-2,332</i>
<b>Cash flow from financing activities</b>	<b>-1,032,059</b>	<b>-89,048</b>
Net foreign exchange difference, continuing operations	1	12
Net foreign exchange difference, discontinued operations	-	-
<b>Change in cash and cash equivalents</b>	<b>350,521</b>	<b>43,897</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>70,385</b>	<b>59,202</b>
<b>Cash and cash equivalents at end of period</b>	<b>420,906</b>	<b>103,099</b>

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