Annual report and
annual financial report 2022

Making a difference

Scout24

Financial highlights

EUR 447.5 million
Group revenue

56.1%
Group's ordinary operating EBITDA margin

EUR 251.1 million
Group's ordinary operating EBITDA

Share buy-backs
EUR 483 million

100.9 million
Monthly sessions

19.1 million
Monthly users

Dividend
EUR 1.00*

Scout24

*Dividend proposal

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Dear shareholders,

Sustainable growth and a resilient business model that adapts to different market conditions make all the difference in these times.

2022 was a challenging year for everybody. The Russian war of aggression against Ukraine and the subsequent energy crisis, increasing inflation and rising interest rates have altered economic conditions in Germany and the German real estate market.

While rental prices in Germany continue to rise and the supply of affordable housing is scarce, in 2022 we saw a decline in property purchase prices for the first time in more than ten years. In this changed market environment, ImmoScout24 stands as a strong partner at the side of real estate agents and supports them by providing marketing power and reach. This has allowed us to expand our customer base and to partner with new agents in 2022. For private individuals looking for a new rental property, our Plus membership has become more relevant than ever. Over 270,000 home seekers were using TenantPlus ('MieterPlus') services as of year-end 2022. That is roughly 48% more than in 2021. Homeowners are benefitting from the full integration of Vermietet.de into our ImmoScout24 platform. Already today, some 532,000 landlords have registered more than one million properties on Vermietet.de.

All in all, we have been able to make a difference for the benefit of our customers and users despite the changed market environment. Indeed, we have been able to increase our revenue by 15% compared with 2021, fully meeting our growth forecast for 2022. This underscores our business model's high resilience and flexibility as well as the successful implementation of our strategy.

Our goal is to make the real estate market in Germany and Austria more digital and efficient, and to build an ecosystem for real estate. We have further expanded our services for all three stakeholder groups in the marketplace: for professional customers and agents, for homeowners and for consumers seeking property. That is why our business is so resilient – regardless of the current economic situation prevailing in the real estate market.

In addition to real estate listings, we are increasingly offering digital products covering the entire transaction – including selling, buying, financing, renting, leasing or managing real estate. This allows us to gain additional information about the listed properties and create added value for all market participants.

I would like to take this opportunity to express my sincere thanks to our employees. With their great commitment and dedication, they have again proved in 2022 that they make a difference – for our team, our customers and our users, and for the Scout24 Group as a whole.

In 2022, we also consistently pursued our ESG strategy. I am particularly pleased that we were able to significantly improve our carbon footprint. Relative to our 2018 baseline, we have now reduced our footprint of carbon equivalents by around 75%. Our next step is to integrate additional subsidiaries into our emissions tracking and maintain this low level of emissions through to 2025.

Our social commitment in 2022 focused on helping refugees from Ukraine and providing housing for homeless people. In the area of diversity, equity and inclusion, our focus was on raising our teams' awareness of the dimensions of diversity through various action weeks along with training opportunities.

With respect to governance, milestones achieved in 2022 include a new Code of Conduct for suppliers and a significant improvement in our ESG ratings. In important benchmarks such as Sustainalytics, we currently rank first in direct comparison against 230 companies within our 'internet software & services' peer group. For detailed information on sustainability at Scout24, see our non-financial statement for the 2022 financial year.

And last but not least, I would like to thank you, our shareholders, for your trust. I hope you will continue to accompany us on our sustainable growth journey. Together, we are making a difference.

Yours sincerely,

Tobias Hartmann
CEO of Scout24 SE

Report of the Supervisory Board

Dear shareholders,

The 2022 financial year was another very successful year for Scout24. That said, the conditions prevailing in the real estate market in 2022 have changed significantly, partly as a consequence of war and inflation. Like the Management Board and the employees, we are also shocked by the suffering caused by this war. Scout24 has done its part with various measures to support the people in Ukraine.

Despite the changed market environment, Scout24 succeeded in achieving record growth and continued to develop the foundations for future growth. In doing so, the Management Board is consistently pursuing the further development of the platform with new products and offerings, and Scout24 is demonstrating its relevance in every market phase. At the last Annual General Meeting, I said to you that Scout24's share price is on a sustainable course in two respects. Sustainable growth is driven by sustainable management. Those are the key issues for the Supervisory Board and the Management Board. Increasing diversity over the long term is a key element in this regard, and an aspect the Supervisory Board has dedicated its efforts to in 2022.

We made one change to the Management Board at the end of 2022. In the course of the mutually agreed departure of Dr Thomas Schroeter, Chief Product Officer, from the Management Board, we examined various options, including the consideration of various candidates for immediate succession into the existing structure. Among other matters, we critically reviewed the allocation of responsibilities and decided to merge the product and technology areas, thus condensing the Management Board to three members.

As a result, the organisation is more streamlined and agile starting from the top. By combining these two remits in the organisation, Scout24 can respond even faster and better to future changes and, in particular, opportunities with the right offering. In the face of changing market conditions, the ability to adapt will continue to be a key determinant of success for the sustainable development of Scout24 going forward.

In this context, the record growth in 2022 is very encouraging. Taking into account the external circumstances, it underscores Scout24's strength. The 15% growth in Group revenue with continued good profitability and sustainable capital expenditure is testament to both the very successful implementation of the strategic measures as well as Scout24's considerable potential as we look ahead to the future.

The Supervisory Board continuously monitored, advised and supported the Management Board in its activities.

Cooperation between the Supervisory Board and the Management Board

In the 2022 reporting year, the Supervisory Board again performed all its duties and obligations in accordance with the law, the Articles of Association and the rules of procedure. The Supervisory Board accompanied and monitored the Management Board in its management of the business and advised it on all matters of importance to the Company. The Supervisory Board was at all times satisfied with the lawfulness, correctness, expediency and economic efficiency of the management of the Company. The Management Board provided the Supervisory Board with regular, timely and comprehensive information in detailed oral and written reports on all issues of relevance to the Company and the Group regarding strategy, planning, business development, sustainability, risk position, risk management and compliance. In this context, the Management Board also explained deviations between actual developments and previously reported targets to the extent necessary.

Consequently, the Management Board fulfilled all its reporting obligations to the Supervisory Board in the financial year. In this context, the Supervisory Board and its committees were involved in all important business transactions and decisions of significance for the Company. Where the approval of the Supervisory Board was required for management decisions or measures by law, the Articles of Association or the rules of procedure, the members of the Supervisory Board granted their approval after intensive examination and deliberation.

Ahead of the meetings, the Supervisory Board members always had sufficient time to extensively review the information and documents presented. In the course of the meetings, the information was discussed and examined in detail with the Management Board – where appropriate also often solely within the Supervisory Board without involving the Management Board – and each member of the Supervisory Board was able to contribute, and indeed contributed, their opinions. Collaboration with the Management Board was characterised by responsible and purposeful action in all respects.

Beyond the scope of the meetings, the members of the Supervisory Board, and especially the Chair of the Supervisory Board and the Chairs of the Executive Committee, the Audit Committee and the Remuneration Committee, were also in regular contact both with each other and with the Management Board. The matters deliberated mainly related to Scout24's strategy, planning, business development, sustainability, risk position, risk management, corporate governance and compliance. In addition, the Chair of the Supervisory Board was immediately informed of any important events of material significance for an assessment of the situation and development as well as the management of the Company. The remaining members of the Supervisory Board were informed at the latest at the following full meeting of the Supervisory Board or the committee meetings.

In the 2022 financial year, the Supervisory Board convened for a total of five meetings: four regular meetings and one extraordinary meeting. Of the five meetings of the Supervisory Board, three meetings were held as face-to-face meetings, and two meetings were held as video and audio conference calls. In addition, various resolutions were adopted using other customary means of communication. All members of the Supervisory Board were able to attend all of its meetings. Accordingly, no member of the Supervisory Board failed to attend more than half of the meetings of the Supervisory Board of relevance to the member in question. A detailed list of meeting attendance for the Supervisory Board and for its committees is included below as a table in this report.

No conflicts of interests arose within the Supervisory Board in the reporting period.

Main focus of work in the Supervisory Board plenum

In addition to the regular reporting and discussion of the current market trends as well as the development of the competitive environment and of business in the operating segments, the Supervisory Board's work focused on the topics presented in the following.

In the process, the relevant committees continuously prepared and reported on issues. The Supervisory Board also met regularly without the Management Board. In particular where topics concerned the Management Board itself, the appointment of Management Board members and the extension of contracts, or the Supervisory Board itself, the Supervisory Board consulted without the Management Board. In some cases, items were prepared at the meetings and later decided by circular resolution when the relevant resolutions were ready.

Prior to the first ordinary meeting of the year dealing with the financial statements, the Supervisory Board held an extraordinary meeting on 28 February 2022. This meeting dealt with strategy and M&A matters as well as consultations on and the approval resolution for a new share buy-back programme for the Company in 2022 with a volume of up to EUR 350 million. In this context, a decision was also taken on the appropriation of treasury shares by cancellation, and the Company's capital stock was reduced accordingly. The programme is consistent with the Company's general capital allocation strategy and was successfully completed shortly before the end of the year. Other topics included an update of the rules of procedure, taking into account the amendments to the German Corporate Governance Code, and organisational issues relating to preparations for the 2022 Annual General Meeting. In particular, the Supervisory Board agreed to hold the meeting as a virtual shareholders' meeting in accordance with the Covid-19 Act. At that time, the Supervisory Board did not believe that the Annual General Meeting could be held safely as a physical meeting.

At the meeting to review the annual financial statements on 17 March 2022, the Supervisory Board discussed the separate financial statements of Scout24 SE for 2021 and the consolidated financial statements for 2021, approved them and decided on the proposal to be submitted to the Annual General Meeting on the appropriation of profits for the 2021 financial year. A resolution was also passed on the non-financial statement, i.e. the sustainability report. In contrast, the preparation of the compensation report by the Supervisory Board had already been resolved prior to this meeting following appropriate preparation. Other topics included the development of the transaction business and the various growth drivers from the corporate strategy as well as their implementation and accomplishments in the current year. Another priority area concerned competition matters and market developments as well as M&A matters. In addition, the Supervisory Board's compensation was discussed, and it was decided to propose a change to the Annual General Meeting. Finally, other items relating to the preparation of the Annual General Meeting were on the meeting agenda. A decision was also taken on the proposal to appoint the auditor. KPMG was proposed for 2022 for the last time before the rotation.

The meeting on 29 June 2022, immediately prior to the Company's Annual General Meeting, dealt with the adjustment of the dividend proposal following the successful share buy-backs. The effects of the war in Ukraine, inflation and the increased cost of financing real estate purchases, as well as the further impact on the real estate market in general and Scout24's business in particular, were other main topics focused on at this meeting. Subsequent meetings of the Supervisory Board likewise dealt with this topic. In addition, the focus was on IT security and human resources strategy, which were discussed with the Management Board and the section managers responsible. Finally, the Supervisory Board also dealt with the preparation of the strategy meeting in September and defined its priority topics with the Management Board.

The focus of the strategy meeting on 14 and 15 September was on an in-depth examination of the market and the competition, the implications for the current strategy and the consideration of further opportunities in the transaction business, the development of the CRM business as well as the brand strategy. With this in mind, the Supervisory Board also addressed the strategy for product technology and cost structures. Organisational planning following the departure of the board member responsible for products as well as the development of young talent in general were other key elements of this meeting. In addition, we dealt in depth with Scout24's sustainability-related topics and revised the Supervisory Board's profile of skills and expertise as well as the qualification matrix.

At the last meeting of the year on 30 November 2022, we then took the decisions on the change in the composition and allocation of the Management Board's responsibilities, reducing the size of the Management Board to three members, combining the responsibilities for products and technology into a single remit and transferring responsibility for sales to the CEO's remit. In addition, we considered further developments in the real estate market in depth and, based on this, approved the budget for the 2023 financial year and discussed and prepared the Management Board's targets for subsequent decision. Lastly, we addressed the recommendations and suggestions of the German Corporate Governance Code and passed a resolution to issue the declaration of conformity 2022 for the Supervisory Board.

Committees

To perform its tasks efficiently, the Supervisory Board currently has a total of three committees: an Executive Committee, an Audit Committee and a Remuneration Committee.

These committees prepare the resolutions for the Supervisory Board as well as agenda items that are to be dealt with in the full meeting of the Supervisory Board. Furthermore, the Supervisory Board has delegated to its committees certain defined decision-making powers, where legally permissible. The Chairs of the various committees report to the Supervisory Board on the respective committee's work at the subsequent Supervisory Board meeting.

Executive Committee

The Executive Committee prepares the meetings of the Supervisory Board and the strategic M&A activities of the Scout24 Group. The Executive Committee is responsible in particular for preparing the decisions of the Supervisory Board with respect to corporate governance and advising the Management Board on strategy and M&A issues. This also includes advice on the sustainability strategy and on key sustainability issues. The Executive Committee also performs the tasks of the Nomination Committee and nominates suitable candidates for the Supervisory Board for its proposals to the Annual General Meeting when electing members of the Supervisory Board.

The Executive Committee is chaired by Dr Hans-Holger Albrecht. Aside from the Chair of the Executive Committee, the other members of the Executive Committee in the 2022 financial year were the Supervisory Board members Peter Schwarzenbauer and Frank H. Lutz.

In 2022, the Executive Committee met four times. All of these meetings were held as video conference calls. At one of the meetings, one member was unable to attend.

The main topics discussed were the preparation of the plenary meetings, the long-term and sustainable improvement in diversity, corporate governance and the Company's M&A projects.

Audit Committee

The Audit Committee addresses in particular the monitoring of financial reporting and the financial reporting process, the audit of the financial statements, sustainability reporting and its audit and assurance, the appropriateness and effectiveness of the internal control system (including sustainability-related aspects), the risk management system, the internal audit system and compliance.

The Audit Committee submits to the Supervisory Board a reasoned recommendation for the appointment of the independent auditor. It monitors the auditor's independence and concerns itself with the additional services rendered by the auditor, the issuance of the audit engagement, the determination of the key audit areas and the agreement of fees.

Under the German Stock Corporation Act (Articles 107 (4) and 100 (5) 'Aktiengesetz', AktG), the audit committee for new appointments from 1 July 2021 must comprise at least two financial experts. At least one member must have expertise in the field of accounting, and at least one other member must have expertise in the field of auditing.

The Chair of the Audit Committee, Frank H. Lutz, meets these legal requirements and has additional expertise in the fields of financial planning and controlling. Frank H. Lutz also meets the further criteria of Recommendation D.3 of the German Corporate Governance Code as amended on 28 April 2022 (GCGC 2022) with regard to knowledge and experience in the application of accounting principles and internal control and risk management systems and expertise in the field of auditing of financial statements, in particular special knowledge and experience in the auditing of financial statements. This also includes sustainability reporting and its audit and assurance. In addition to the Chair of the Audit Committee, the Audit Committee consisted of the other Supervisory Board members: Dr Hans-Holger Albrecht and André Schwämmlein. Dr Hans-Holger Albrecht also has the necessary expertise in the field of auditing through his many years of service on the Supervisory Board and the Audit Committee of various companies.

In 2022, the Audit Committee held a total of four meetings, three of which were held as virtual meetings in the form of video conference calls and one of which was held face to face. All committee members were present.

One major focus of the work within and outside the scope of the meetings was the audit of the financial and sustainability reporting, in particular the annual financial statements, the proposal for the appropriation of profits, the half-year financial report and quarterly statements, the work of the internal audit function, risk management and the compliance report as well as data protection in the Scout24 Group.

Remuneration Committee

The Chair of the Remuneration Committee is Dr Elke Frank. The other members are Peter Schwarzenbauer and Christoph Brand. In addition to the preparatory work outside the meetings, the Remuneration Committee held three formal meetings in the 2022 financial year. All meetings were held as virtual meetings in the form of video conference calls. In one meeting, one member was unable to attend.

Key topics included issues relating to compensation of the Management Board as well as in particular to preparations for setting objectives and findings. Another key topic was succession planning and the termination of Dr Thomas Schroeter's Management Board service agreement by mutual consent.

Corporate governance and declaration of conformity

By resolution of the end of November 2022, the Supervisory Board made a decision on the current declaration of conformity in accordance with Article 161 AktG. The full text is presented below in the **Corporate Governance Report** and has been published on the corporate website at **www.scout24.com/en/investor-relations/esg-sustainability/corporate-governance**.

The Supervisory Board complies with the principles of diversity prescribed by the German Corporate Governance Code as amended in April 2022. The Supervisory Board attaches great importance to its suitably qualified advice and monitoring of the Management Board.

The Supervisory Board has set itself the target of including an appropriate number of women among its members. On 19 March 2019, it confirmed its goal of having at least one woman as a member, with a deadline for implementation by the end of 1 March 2024. This target has already been implemented.

On 19 March 2019, the Supervisory Board also set a target of 0% for the percentage of women on the Management Board of Scout24 SE, which is to be implemented by 1 March 2024. This value was achieved in the reporting year. The Supervisory Board supports the objectives pursued with the introduction of a quota for women and attaches importance to equal treatment and equal opportunities for men and women as well as wider diversity. Appointments to the Management Board and the Supervisory Board should be based on the best interests of the Company. The successful work and well-functioning composition of the recently downsized Management Board, which has been in place since the summer of 2019, should not be affected by exclusively diversity-driven changes. That is why the given target value was chosen. In good time before the deadline, the Supervisory Board will again critically review the target figure and decide on a possible adjustment in the interests of the Company.

For the first management level below the Management Board, the Management Board of Scout24 SE has set a target of 30% for the percentage of women, with an implementation deadline of 30 June 2025. The evaluation of the proportion of women is based on the Company's actual hierarchy and the reporting lines of Scout24 SE's Management Board. As of 31 December 2022, the percentage of women at the first management level below the Management Board stood at 20%, thus falling short of the target value. For the second management level below the Management Board, the Management Board of Scout24 SE has set a target of 30% for the percentage of women, with an implementation deadline of 30 June 2025. As of 31 December 2022, the percentage of women stood at 47%, thus very comfortably reaching the target.

Composition of the Management Board and the Supervisory Board

Management Board

Tobias Hartmann has been Chief Executive Officer since 19 November 2018. Effective 6 December 2018, Dr Thomas Schroeter and Ralf Weitz were appointed to the Management Board. Effective 18 June 2019, Dr Dirk Schmelzer was appointed to the Management Board. By resolution dated 9 June 2021, Tobias Hartmann's appointment was extended for a second term, and Tobias Hartmann was appointed as a member of the management board and Chief Executive Officer for the period from 19 November 2021 to 31 December 2025. By resolution dated 20 July 2021, Ralf Weitz's appointment was extended for a second term, and Ralf Weitz was appointed member of the Management Board for the period from 7 December 2021 to 31 December 2025. By resolution dated 28 July 2021, Dr Thomas Schroeter's appointment was extended for a second term, and Dr Thomas Schroeter was appointed member of the Management Board for the period from 7 December 2021 to 31 December 2025. By mutual agreement, Dr Thomas Schroeter resigned as a member of the Management Board with effect from the end of 27 January 2023. By resolution dated 1 October 2021, Dr Dirk Schmelzer's appointment was extended for a second term, and Dr Dirk Schmelzer was appointed member of the Management Board for the period from 1 July 2022 to 30 June 2026.

Supervisory Board

On 18 June 2020, the Annual General Meeting had elected Dr Hans-Holger Albrecht, Christoph Brand, Frank H. Lutz, Peter Schwarzenbauer and André Schwämmlein for a further term of office and Dr Elke Frank for a first term of office for the period until the end of the Annual General Meeting that passes a resolution on exoneration for the 2023 financial year.

At the Annual General Meeting on 8 July 2021, upon the Executive Committee's recommendation, all existing members of the Supervisory Board of Scout24 AG were appointed as members of the first Supervisory Board of Scout24 SE. The same term of appointment was chosen as the term of office in Scout24 AG, namely for the period until the end of the Annual General Meeting that passes a resolution on exoneration for the 2023 financial year. In the constituent meeting of the Supervisory Board of Scout24 SE on 8 July 2021, the positions of the Chair of the Supervisory Board, the Deputy Chair of the Supervisory Board, the committees and their composition were all determined.

Name Function	Profession exercised	Member of SE after change of legal form since	Appointed until	Other board positions in 2022 (during term of office)
Dr Hans-Holger Albrecht Chair	Member of the Board of Directors of Deezer S.A., Paris, France, and London, UK	15 October 2021, last elected on: 8 July 2021 (before change of legal form, member of AG since 21 June 2018)	AGM 2024	• Storytel AB, Stockholm, Sweden (member of the Board of Directors, since February 2022) • ICE GROUP ASA, Oslo, Norway (Chair of the Board of Directors, until February 2022) • VEON Ltd, Hamilton, Bermuda (non-executive member of the Board of Directors)
Frank H. Lutz	CEO of CRX Markets AG, Munich, Germany	15 October 2021, last elected on: 8 July 2021 (before change of legal form, member of AG since 30 August 2019)	AGM 2024	• Bilfinger SE, Mannheim, Germany (member of the Supervisory Board)
Christoph Brand	CEO of Axpo Holding AG, Baden, Switzerland	15 October 2021, last elected on: 8 July 2021 (before change of legal form, member of AG since 30 August 2019)	AGM 2024	• Centralschweizerische Kraftwerke AG, Lucerne, Switzerland (member of the Board of Directors) • GfM Schweizerische Gesellschaft für Marketing, Zurich, Switzerland (member of the Management Board, until October 2022) • AMAG Group AG, Cham, Switzerland (member of the Board of Directors, since August 2022)
André Schwämmlein	CEO of Flix SE, Munich, Germany	15 October 2021, last elected on: 8 July 2021 (before change of legal form, member of AG since 30 August 2019)	AGM 2024	• ABOUT YOU Holding SE & Co. KG, Hamburg, Germany (member of the Supervisory Board) • ABOUT YOU Verwaltungs SE, Hamburg, Germany (member of the Supervisory Board)
Peter Schwarzenbauer	Former member of the Board of Management of BMW AG, Munich, Germany	15 October 2021, last elected on: 8 July 2021 (before change of legal form, member of AG since 8 June 2017)	AGM 2024	• UnternehmerTUM GmbH, Munich, Germany (member of the Supervisory Board) • Lunewave, Inc., Tucson (Arizona), United States (member of the Advisory Board) • Mobility Impact Partners LLC, New York, United States (member of the Advisory Board) • Company bike solutions GmbH, Munich, Germany (Chair of the Advisory Board, since February 2022)
Dr Elke Frank	Member of the Management Board of Software AG, Darmstadt, Germany (until the end of October of 2022)	15 October 2021, last elected on: 8 July 2021 (before change of legal form, member of AG since 18 June 2020)	AGM 2024	• Fraunhofer-Institut für Arbeitswirtschaft und Organisation IAO, Stuttgart, Germany, an institute of Fraunhofer-Gesellschaft zur Förderung der angewandten Forschung e. V., Munich, Germany (member of the Board of Trustees)

Supervisory Board committees in the 2022 financial year and meeting attendance

COMPLETE SUPERVISORY BOARD

Name	Meeting attendance
Dr Hans-Holger Albrecht	5/5
Christoph Brand	5/5
Dr Elke Frank	5/5
Frank H. Lutz	5/5
Peter Schwarzenbauer	5/5
André Schwämmlein	5/5

EXECUTIVE COMMITTEE

Name	Position	Meeting attendance
Dr Hans-Holger Albrecht	Chair	4/4
Peter Schwarzenbauer	Member	3/4
Frank H. Lutz	Member	4/4

AUDIT COMMITTEE

Name	Position	Meeting attendance
Frank H. Lutz	Chair	4/4
Dr Hans-Holger Albrecht	Member	4/4
André Schwämmlein	Member	4/4

REMUNERATION COMMITTEE

Name	Position	Meeting attendance
Dr Elke Frank	Chair	3/3
Christoph Brand	Member	3/3
Peter Schwarzenbauer	Member	2/3

Audit of the separate and consolidated financial statements

In accordance with the resolution of the Annual General Meeting on 30 June 2022, the Supervisory Board engaged KPMG AG Wirtschaftsprüfungsgesellschaft (KPMG), Berlin, to audit the separate and consolidated financial statements of Scout24 SE for the financial year ended 31 December 2022.

The key auditor responsible for the audit is Marius Sternberg. He had not served in this capacity for Scout24 SE previously. Auditor Alexander Knollmann is also responsible for the audit.

In addition, KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin, was appointed to review the condensed financial statements and the interim management report (Articles 115 (5) and 117 No. 2 of the German Securities Trading Act ('Wertpapierhandelsgesetz', WpHG)), if any, as well as the financial information during the year (Article 115 (7) WpHG), if any, in the 2022 and 2023 financial years of Scout24 SE and only until the next Annual General Meeting.

KPMG audited the separate financial statements for the financial year from 1 January 2022 to 31 December 2022 and the management report of Scout24 SE, which is combined with the Group management report, prepared by the Management Board in accordance with the requirements of the German Commercial Code ('Handelsgesetzbuch', HGB). KPMG issued an unqualified audit opinion. The consolidated financial statements of Scout24 SE for the financial year from 1 January 2022 to 31 December 2022 and the Group management report, which is combined with the Company's management report, were prepared pursuant to Article 315e HGB in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. An unqualified audit opinion was likewise rendered on the consolidated financial statements and the combined management report.

Moreover, the auditor found that the Management Board had established an appropriate information and monitoring system whose design and use were suitable for the early detection of risks to the Company's ability to continue as a going concern. The Supervisory Board also engaged KPMG to perform a voluntary external review of the substance of the separate consolidated non-financial report in accordance with Article 111 (2) Sentence 4 AktG.

Before the Supervisory Board proposed KPMG to the Annual General Meeting as auditors, KPMG had confirmed to the Chair of the Supervisory Board and the Audit Committee that there were no circumstances that could impair or cast doubt on their independence as auditors. KPMG also explained the extent to which non-audit services were rendered for the Company in the previous financial year or were contractually agreed for the following year. The Audit Committee discussed the assessment of audit risk, audit strategy, audit planning and audit findings with the auditor. The Supervisory Board has agreed with KPMG that the latter will inform it and note in the audit report if any findings are made during the audit that reveal any inaccuracy in the declaration of conformity with the German Corporate Governance Code issued by the Management Board and the Supervisory Board. The Audit Committee reported to the Supervisory Board that it had been informed by KPMG about non-audit services rendered by KPMG, and that there were no circumstances that could give cause for concern about its impartiality. The Audit Committee also reported on its monitoring of the independence of the auditor, taking into account non-audit services rendered, and its assessment that the auditor satisfies the requisite independence requirements.

The Management Board submitted in good time to all members of the Supervisory Board the financial statements documents, including the separate consolidated non-financial report and the audit reports as well as the proposal of the Management Board for the appropriation of accumulated profits. The members of the Supervisory Board also received in good time KPMG's report on the voluntary external review of the substance of the separate consolidated non-financial report.

The financial statements documents and the audit reports were discussed in detail at the meetings of the Audit Committee on 14 March 2023 and the Supervisory Board on 16 March 2023. The auditor reported on the key findings of its audit. Furthermore, the auditor informed the Supervisory Board of its findings on internal control and risk management in respect of the financial reporting process and was available to answer additional questions and provide information. At the full meeting of the Supervisory Board, the Chair of the Audit Committee reported extensively on the review of the separate and consolidated financial statements and the combined management report by the Audit Committee. Following in-depth review and discussion of the separate financial statements, the consolidated financial statements and the combined management report, no objections were raised with respect to the documents submitted. As recommended by the Audit Committee, the Supervisory Board thus concurs with the audit findings by the auditor. By resolution dated 16 March 2022, the Supervisory Board thus approved the separate and consolidated financial statements of Scout24 SE for the 2022 financial year. The separate financial statements of Scout24 SE are ratified as a consequence. In addition, the Supervisory Board reviewed the combined management report (including the corporate governance declaration for the Group and the Company pursuant to Articles 289f and 315d HGB) as well as the separate consolidated non-financial report pursuant to Article 315b HGB.

In connection with its review of the financial statements documents, the Supervisory Board also reviewed the proposal for the appropriation of accumulated profits as put forward and explained by the Management Board. Following the Audit Committee's recommendation, the Supervisory Board approves the Management Board's proposal for the appropriation of profit.

Acknowledgements

The Supervisory Board would like to thank the members of the Management Board and all employees of the Group for their outstanding commitment and personal dedication in the 2022 financial year as well as for the great achievements they made possible as a result.

Munich, 16 March 2022

Scout24 SE
The Supervisory Board

Dr Hans-Holger Albrecht
Chair of the Supervisory Board

Corporate governance

Corporate governance declaration

The actions taken by Scout24 SE's Management Board and Supervisory Board are determined by the principles of responsible and good corporate governance. The corporate governance declaration comprises the declaration of conformity, relevant information on corporate governance practice, a description of the Management Board's and the Supervisory Board's operating procedures as well as the composition of their committees.

Declaration of conformity with the German Corporate Governance Code issued by the Management Board and the Supervisory Board of Scout24 SE

The following **declaration of conformity** was issued in December 2022:

Pursuant to Article 161 (1) Sentence 1 of the German Stock Corporation Act ('Aktiengesetz', AktG,), the Management Board and the Supervisory Board of Scout24 SE shall annually declare that the recommendations of the German Government Commission for the German Corporate Governance Code ('Regierungskommission Deutscher Corporate Governance Kodex', GCGC), published by the Federal Ministry of Justice in the official section of the German Federal Gazette ('Bundesanzeiger'), have been and are being complied with or which recommendations are not being applied and why.

That last annual declaration was issued in December 2021.

Pursuant to Article 161 AktG, the Management Board and the Supervisory Board of Scout24 SE hereby declare as follows:

1. Since the last declaration of conformity from December 2021 and until the publication of the declaration of conformity in December 2022, Scout24 SE has complied with all recommendations of the GCGC as amended on 16 December 2019 (GCGC 2019), with the following exception:

C.4: Maximum number of supervisory board mandates

In accordance with C.4, a supervisory board member who is not a member of the management board of a listed company shall not accept more than a total of five supervisory board mandates at non-group listed companies or comparable functions, whereby an appointment as chair of a supervisory board is counted twice.

The Chair of the Supervisory Board, Dr Hans-Holger Albrecht, holds a total of four such non-group positions at listed companies for a transitional period following the IPO of Deezer S.A. In his capacity as Chair, two of these positions count twice, such that his total arithmetic count of mandates is deemed to be six. The mandate at Deezer S.A. is expected to end in the course of 2023, which means that the period concerned is merely of a transitional nature. Also for this transitional period, the Supervisory Board is convinced that Dr Hans-Holger Albrecht's additional mandate will not affect the proper performance of his duties as Chair of the Supervisory Board. In particular, the Supervisory Board has satisfied itself that Dr Hans-Holger Albrecht has sufficient time to perform his duties.

2. In future, Scout24 SE will fully comply with all recommendations of the GCGC as amended on 28 April 2022 (GCGC 2022), with the following exception:

C.4: Maximum number of supervisory board mandates

In accordance with C.4, a supervisory board member who is not a member of the management board of a listed company shall not accept more than a total of five supervisory board mandates at non-group listed companies or comparable functions, whereby an appointment as chair of a supervisory board is counted twice.

The Chair of the Supervisory Board, Dr Hans-Holger Albrecht, holds a total of four such non-group positions at listed companies for a transitional period following the IPO of Deezer S.A. In his capacity as Chair, two of these positions count twice, such that his total arithmetic count of mandates is deemed to be six. The mandate at Deezer S.A. is expected to end in the course of 2023, which means that the period concerned is merely of a transitional nature. Also for this transitional period, the Supervisory Board is convinced that Dr Hans-Holger Albrecht's additional mandate will not affect the proper performance of his duties as Chair of the Supervisory Board. In particular, the Supervisory Board has satisfied itself that Dr Hans-Holger Albrecht has sufficient time to perform his duties.

Munich, December 2022

Scout24 SE

The Management Board | The Supervisory Board

Relevant information on corporate governance practice

The purpose of the Company is to acquire, hold, manage and sell interests in entities – in Germany and other countries – of any legal form which are active in the area of online and internet services and/or render services online and/or offline in the real estate sector, in particular for the brokerage or management of real estate or connected or related business purposes as well as all measures which relate to the activities of a holding company with Group-management functions, especially rendering management and other advisory services for a consideration for affiliated companies, and to operate activities for the aforementioned purposes in Germany and other countries.

The Company complies with all legal corporate governance requirements as well as with the recommendations of the German Corporate Governance Code, with the exception indicated and explained in the declaration. A special Code of Conduct provides employees with a reliable framework for acting responsibly that satisfies legal requirements and reflects the Company's own ethical and social values. The goal is to avoid any damage as a result of misconduct on the part of Scout24 or individual employees. The Code of Conduct can be downloaded at any time from the Company's website at **www.scout24.com/en/investor-relations/esg-sustainability/corporate-governance/code-of-conduct**.

The protection of privacy and the security of data processing and, consequently, the trust of users, customers and employees are issues that are important to the Scout24 Group. A Data Protection Code of Conduct sets out the guiding principles of entrepreneurial action in terms of data protection, transparency, necessity of the processed data and data minimisation.

Description of operating procedures of the Management Board and the Supervisory Board as well as composition and operating procedures of Supervisory Board committees

Scout24 SE is a European Company (Societas Europaea, SE), a legal form for stock corporations in the European Union and in the European Economic Area, and is therefore subject, among other things, to the provisions on the Statute for a European Company (SE) of 8 October 2001 (SE Regulation), the Act on the Implementation of the EC Regulation on the Statute for a European Company ('Gesetz zur Ausführung der EG Verordnung über das Statut der Europäischen Gesellschaft', SEAG) and the Act on the Involvement of Employees in a European Company ('SE-Beteiligungsgesetz', SEBG) as well as the provisions of the German Stock Corporation Act. The Company has a dual management and control structure consisting of a separate Management Board and the Supervisory Board. The Management Board and the Supervisory Board work closely together for the benefit of the Company. The Articles of Association of Scout24 SE are available on the website at **www.scout24.com/en/investor-relations/esg-sustainability/corporate-governance/articles-of-association**.

The Supervisory Board regularly advises the Management Board regarding the management of Scout24 SE and accompanies and monitors its activities. The Management Board involves the Supervisory Board in good time in all decisions of fundamental importance for the Company. In particular, the Management Board liaises with the Supervisory Board on corporate strategy and discusses the current state of strategy implementation with it at regular intervals. The common goal of the Management Board and the Supervisory Board is to ensure the Company's continued successful and sustainable growth.

Management Board operating procedures

The Management Board conducts the Company's business affairs in accordance with the law, the Articles of Association and the rules of procedure for the Management Board and the Supervisory Board. It must observe in particular the restrictions of management authority imposed by the Articles of Association or the rules of procedure for the Management Board and the Supervisory Board. It provides regular, timely and comprehensive information in detailed oral and written reports to the Supervisory Board on all issues of relevance to the Company regarding strategy, planning, profitability and liquidity, business development, risk position, risk management, sustainability and compliance. The Management Board prepares the separate financial statements and the consolidated financial statements. In the 2022 financial year, the Company focused more intensely on environmental and social sustainability. The Management Board has established an internal control system and risk management system that is appropriate and effective in view of the scope of the Company's business activities and its risk situation, and that additionally covers sustainability-related aspects. The Management Board also ensures the systematic identification and assessment of the Company's risks and opportunities associated with social and environmental factors as well as the environmental and social impacts of the Company's activities. Environmental and social objectives are given appropriate consideration in the corporate strategy. Aside from the financial objectives, corporate planning also includes sustainability-related goals.

Pursuant to Article 6 (1) of the Articles of Association, the Management Board has at least two members. In all other respects, the number of members of the Management Board is determined by the Supervisory Board. Members of the Management Board are appointed for a period not exceeding five years. Reappointments are permitted. The Supervisory Board appoints and dismisses members of the Management Board and determines the allocation of their responsibilities. It can also appoint a Chair (CEO) and a Deputy Chair of the Management Board as well as deputy members of the Management Board.

COMPOSITION OF THE MANAGEMENT BOARD

Name	Function	Member of the Management Board of the SE after change of legal form since	End of term of office
Tobias Hartmann	Chief Executive Officer	15 October 2021, last appointed on 8 July 2021 (member of AG's Management Board since 19 November 2018)	31 December 2025
Dr Dirk Schmelzer	Chief Financial Officer	15 October 2021, last appointed on 1 October 2021 (member of AG's Management Board since 18 June 2019)	30 June 2026
Dr Thomas Schroeter	Chief Product Officer	15 October 2021, last appointed on 28 July 2021 (member of AG's Management Board since 6 December 2018)	27 January 2023 after consensual resignation (original appointment until 31 December 2025)
Ralf Weitz	Chief Commercial Officer	15 October 2021, last appointed on 20 July 2021 (member of AG's Management Board since 6 December 2018)	31 December 2025

Members of the Management Board are each responsible for managing the portfolio allocated to them, always considering the Company's overall benefit and interests. The allocation of responsibilities to individual members of the Management Board is based on the table of duties prepared with the approval of the Supervisory Board and that may be amended at any time with its approval.

Dr Thomas Schroeter resigned from his position as member of the Management Board of Scout24 SE as of the end of 27 January 2023 by mutual agreement. In his new role as Chief Product & Technology Officer, Ralf Weitz took over Dr Thomas Schroeter's remit on the Management Board of Scout24 SE upon the latter's departure.

The table of duties currently provides for the following allocation of responsibilities:

Tobias Hartmann – Chief Executive Officer (CEO):

- Strategy and business development
- Mergers and acquisitions
- Pricing strategy and sales
- Corporate communications
- Human resources, culture and sustainability
- Legal and compliance; internal audit

Dr Dirk Schmelzer – Chief Financial Officer (CFO):

- Finance and accounting
- Controlling
- Risk management
- Investor relations; treasury
- Tax
- Procurement

Ralf Weitz – Chief Product & Technology Officer (CPTO):

- Product strategy
- Data, technology, security
- Brand management, performance marketing
- Consumer research, customer satisfaction (CSAT)
- Transaction strategy
- Business development transaction business

The Articles of Association contain provisions on the power of representation of the Management Board, the management team and the passing of resolutions. The Management Board has rules of procedure. These rules of procedure were adopted by the Supervisory Board in the context of the change of legal form to an SE at the constituent meeting on 8 July 2021 and were amended in the 2022 financial year. Specifically, they govern the operating procedures of the Management Board and the allocation of responsibilities between members of the Management Board as well as their cooperation with the Supervisory Board. They also include a catalogue of those measures and transactions that require approval by the Supervisory Board.

Disclosures on Management Board meetings

Management Board meetings are held when required and, as a general rule, at least once every two weeks. Meetings must be held when so required by the interests of the Company. Unless a different majority is required by law, Management Board resolutions are adopted with a simple majority of the votes cast. If the Management Board comprises more than two members, the vote cast by the Chair of the Management Board counts twice in the event of a tied vote.

The Management Board of Scout24 SE has not formed any committees.

Supervisory Board operating procedures

The Supervisory Board has all duties and rights assigned or allocated to it by law, the Articles of Association or otherwise. In particular, these include monitoring the management, appointing and dismissing members of the Management Board and amending, rescinding and terminating employment contracts with members of the Management Board. The Supervisory Board regularly advises the Management Board on the management of the Company. The Supervisory Board is involved in good time in all decisions of fundamental importance for the Company. The Supervisory Board has issued its own rules of procedure. They govern, among other things, the operating procedures and the way resolutions are adopted by the Supervisory Board and also lay down the duties of the committees established by the Supervisory Board: the Audit Committee, the Executive Committee and the Remuneration Committee. The Supervisory Board has made provisions for the committees' rules of procedure in accordance with Article 8 of the new rules of procedure for the Supervisory Board adopted by resolution of the Supervisory Board on 8 July 2021 and last amended in November 2022. Also by resolution of 8 July 2021, the Audit Committee was prescribed by the Supervisory Board new rules of procedure, which were last amended in March 2022. The rules of procedure of the Supervisory Board are publicly available on the Company's website at **www.scout24.com/en/investor-relations/esg-sustainability/corporate-governance**.

The Executive Committee also performs the tasks of a Nomination Committee and, in this capacity, nominates suitable candidates for the Supervisory Board for its proposals to the Annual General

Meeting when electing members of the Supervisory Board. In doing so, it must consider statutory requirements, the Articles of Association, the German Corporate Governance Code, the profile of skills and expertise of the Supervisory Board and said rules of procedure.

The Supervisory Board convened for five meetings in the 2022 financial year and passed further written resolutions by circularisation. The Executive Committee met four times in the 2022 financial year. The Audit Committee held four meetings. The Remuneration Committee met three times in 2022. The Supervisory Board must hold two ordinary meetings in each half of a calendar year. The rules of procedure for the Audit Committee that came into force in July 2021 provide for the Audit Committee to regularly hold one meeting each quarter of a calendar year.

At the request of the Chair of the Supervisory Board, the Management Board attends all scheduled meetings of the Supervisory Board with respect to specific agenda items, submits written and oral reports on individual agenda items and draft resolutions, and answers questions raised by individual members of the Supervisory Board. Unless the Supervisory Board or a committee requests its attendance, the Management Board does not attend meetings of the Supervisory Board, particularly if the auditor is summoned as an expert. Between such meetings, the Management Board provides all members of the Supervisory Board in particular with detailed quarterly reports on the Company's situation. Furthermore, the Chair of the Supervisory Board and the Chairs of the various committees are also kept informed by the Management Board in telephone calls and meetings about key developments and forthcoming major decisions.

As a general rule, Supervisory Board resolutions are adopted at meetings attended by its members in person. Members of the Supervisory Board attending by video or telephone link are deemed present and may also cast their votes this way. In addition to face-to-face meetings, resolutions may be adopted in text form, by telephone or in comparable ways of adopting resolutions, provided that the Chair of the Supervisory Board or – in their absence – the Deputy Chair stipulates this procedure for the individual case in question. In particular, resolutions may also be adopted by way of video or telephone conference or by way of a combination of the aforementioned possibilities (combined resolutions). The Supervisory Board has a quorum when all of its members have been invited at the addresses most recently known for them and at least half of its total number of members, but no fewer than three members, participate in the adoption of any resolution. In this respect, a member of the Supervisory Board is also deemed to have attended the Supervisory Board meeting when they abstain from voting. Unless a different majority is required by law, Supervisory Board resolutions are adopted with a simple majority of the votes cast. This also applies to elections. Abstentions are not counted when determining the results of voting. Each member of the Supervisory Board must disclose to the Supervisory Board any conflicts of interest, in particular those that may arise as a result of a consultancy or directorship function with customers, suppliers, lenders or other third parties. In the event of conflicts of interest that are material and not merely temporary, the respective member of the Supervisory Board must resign from their position. In its report to the Annual General Meeting, the Supervisory Board provides information about any conflicts of interest and the way they were dealt with. No such conflicts of interest arose in the reporting period.

The Supervisory Board together with its committees regularly review how effectively the Supervisory Board as a whole and its committees perform their duties. This review is conducted internally and also, in individual cases, with the involvement of external advisors. The Supervisory Board last conducted a comprehensive efficiency review in the 2022 financial year. The findings of the review confirm that cooperation within the Supervisory Board and with the Management Board is professional, constructive and trust-based, and that meetings are efficiently organised and conducted based on an appropriate level of information. No fundamental need for change was identified other than increasing diversity in the medium term. Individual suggestions will be taken up and implemented during the year.

Composition of the Supervisory Board

According to Article 9 (1) of the Articles of Association, the Supervisory Board of Scout24 SE has six members, all of whom are to be elected exclusively by the Annual General Meeting. Where the Annual General Meeting does not stipulate shorter terms in office upon the election of individual members or of the Supervisory Board as a whole, members of the Supervisory Board are appointed for a term lasting until the end of the Annual General Meeting that decides on their exoneration for the fourth financial year after the beginning of the term of office but for no longer than six years. The year in which the term of office begins is not counted. Reappointments are permitted.

As regards the composition of the Supervisory Board in the 2022 financial year and the composition of its committees, we refer to the disclosures in the **report of the Supervisory Board**.

Scout24 SE pursues a Group-wide strategy of promoting diversity. One woman is currently appointed to the Supervisory Board. In addition, the experience, background and profiles of the Supervisory Board members are characterised by a diversity that brings different perspectives to the Supervisory Board.

Pursuant to Recommendation C.6 Subsection 1.1 Half-sentence 1 of the German Corporate Governance Code, the Supervisory Board of Scout24 SE should include what it considers to be an appropriate number of independent members. In the opinion of the Supervisory Board, all members of the Supervisory Board are independent within the meaning of the German Corporate Governance Code.

Supervisory Board committees

To perform its tasks efficiently, the Supervisory Board currently has a total of three committees: an Executive Committee, an Audit Committee and a Remuneration Committee.

These committees prepare the resolutions for the Supervisory Board as well as agenda items that are to be dealt with in the full meeting of the Supervisory Board. Furthermore, the Supervisory Board has delegated to its committees certain defined decision-making powers, where legally permissible. The Chairs of the various committees report to the Supervisory Board on the respective committee's work at the subsequent Supervisory Board meeting.

Details of the working methods and composition of the Supervisory Board and its committees can also be found in the **report of the Supervisory Board**.

Executive Committee

The Executive Committee prepares the meetings of the Supervisory Board and the strategic M&A activities of the Scout24 Group. The Executive Committee is responsible in particular for preparing the decisions of the Supervisory Board with respect to corporate governance and advising the Management Board on strategy and M&A issues. This also includes advice on the sustainability strategy and on key sustainability issues. The Executive Committee also performs the tasks of the Nomination Committee and nominates suitable candidates for the Supervisory Board for its proposals to the Annual General Meeting when electing members of the Supervisory Board.

The Executive Committee is chaired by Dr Hans-Holger Albrecht. Aside from the Chair, the other members of the Committee in the 2022 financial year were the Supervisory Board members Peter Schwarzenbauer and Frank H. Lutz.

Audit Committee

The Audit Committee addresses in particular the monitoring of financial reporting and the financial reporting process, the audit of the financial statements, sustainability reporting and its audit and assurance, the appropriateness and effectiveness of the internal control system (including sustainability-related aspects), the risk management system, the internal audit system and compliance.

The Audit Committee submits to the Supervisory Board a reasoned recommendation for the appointment of the independent auditor. It monitors the auditor's independence and concerns itself with the additional services rendered by the auditor, the issuance of the audit engagement, the determination of the key audit areas and the agreement of fees.

Under the German Stock Corporation Act (Articles 107 (4) and 100 (5) 'Aktiengesetz', AktG), the Audit Committee for new appointments from 1 July 2021 must comprise at least two financial experts. At least one member must have expertise in the field of accounting, and at least one other member must have expertise in the field of auditing.

The Chair of the Audit Committee, Frank H. Lutz, meets these legal requirements and has additional expertise in the fields of financial planning and controlling. Frank H. Lutz also meets the further criteria of Recommendation D.3 of the German Corporate Governance Code as amended on 28 April 2022 (GCGC 2022) with regard to knowledge and experience in the application of accounting principles and internal control and risk management systems and expertise in the field of auditing of financial statements, in particular special knowledge and experience in the auditing of financial statements. This also includes sustainability reporting and its audit and assurance. In addition to the Chair of the Audit Committee, the Audit Committee consisted of the other Supervisory Board members: Dr Hans-Holger Albrecht and André Schwämmlein. Dr Hans-Holger Albrecht also has the necessary expertise in the field of auditing through his many years of service on the Supervisory Board and the Audit Committee of various companies.

Remuneration Committee

The Remuneration Committee deals, among other things, with the compensation of members of the Management Board, the appointment and termination of members of the Management Board as well as with the intended appointment and revocation of the appointment of a Chair of the Management Board. It also handles the preparation of proposals on the conclusion, amendment and termination of employment, pension and termination agreements with members of the Management Boards.

The committee consists of its Chair Dr Elke Frank and the additional members Christoph Brand and Peter Schwarzenbauer.Operating procedures of the Management Board and the Supervisory Board and its committees in the financial year can also be found in the **report of the Supervisory Board**, which is included in the annual report of Scout24 SE.

Information about fostering participation by women in management positions pursuant to Article 76 (4) and Article 111 (5) AktG; diversity concept and succession planning

In compliance with the age limit set by the Supervisory Board in its rules of procedure, only persons who are not older than 65 years of age should as a rule be proposed for election as members of the Supervisory Board.

Diversity concept of the Supervisory Board (Article 289 et seq. HGB)

Sufficient diversity is to be ensured in the Supervisory Board's composition. The diversity concept is implemented in the election of members of the Supervisory Board and in the reappointment of candidates to the Supervisory Board.

In addition to an appropriate consideration of women, the concept entails diversity with regard to cultural backgrounds as well as differences in educational and professional backgrounds, experience and ways of thinking. Furthermore, the composition of the Supervisory Board takes into account the particular international experience of members. When considering potential candidates for re-election or for a new appointment to Supervisory Board positions that become vacant, the aspect of diversity should be given appropriate consideration at an early stage in the selection process.

The Supervisory Board has set itself the target of including an appropriate number of women among its members. On 19 March 2019, it confirmed its goal of having at least one woman as a member, with a deadline for implementation by the end of 1 March 2024. This target has already been implemented.

On 19 March 2019, the Supervisory Board also set a target of 0% for the percentage of women on the Management Board of Scout24 SE, which is to be implemented by 1 March 2024. This value was achieved in the reporting year. The Supervisory Board supports the objectives pursued with the introduction of a quota for women and attaches importance to equal treatment and equal opportunities for men and women as well as wider diversity. Appointments to the Management Board and the Supervisory Board should be based on the best interests of the Company. The successful work and well-functioning composition of the recently downsized Management Board, which has been in place since the summer of 2019, should not be affected by exclusively diversity-driven changes. That is why the given target value was chosen. In good time before the deadline, the Supervisory Board will again critically review the target figure and decide on a possible adjustment in the interests of the Company.

For the first management level below the Management Board, the Management Board of Scout24 SE has set a target of 30% for the percentage of women, with an implementation deadline of 30 June 2025. The evaluation of the proportion of women is based on the Company's actual hierarchy and the reporting lines of Scout24 SE's Management Board. As of 31 December 2022, the percentage of women at the first management level below the Management Board stood at 20%, thus falling short of the target value. For the second management level below the Management Board, the Management Board of Scout24 SE has set a target of 30% for the percentage of women, with an implementation deadline of 30 June 2025. As of 31 December 2022, the percentage of women stood at 47%, thus very comfortably reaching the target.

Diversity concept for the Management Board (Recommendation B.1 GCGC) and long-term succession planning

When selecting members of the Management Board, the Supervisory Board considers their personal suitability, integrity, persuasive leadership qualities, international experience, professional qualifications for the position, track record, knowledge of the Company and ability to adapt to changing processes. Diversity is an important selection criterion when filling Management Board positions, also with regard to aspects such as age, gender as well as educational and professional background. Diversity criteria are weighted depending on the Management Board remit in question as well as the corresponding tasks.

In the composition of the Management Board, attention should be paid to internationality in the sense of international experience as well as at least to experience in other European countries/the DACH (Germany, Austria and Switzerland) region, such as prolonged professional experience abroad of relevance for Scout24 or supervision of business activities abroad.

The Management Board as a whole should have experience in the business areas of relevance for Scout24 SE.

The diversity concept for the Management Board is implemented in connection with the procedure for appointing members to the Management Board and is also reflected in succession planning.

The members of the Management Board encompass a broad spectrum of knowledge and experience as well as education and professional backgrounds and have international experience. As a whole, the Management Board possesses all the knowledge and experience deemed material in view of the Company's activities.

When filling management positions in the Company, the Management Board pays attention to diversity and strives in particular for an appropriate consideration of women and internationality. To this end, the Management Board is supported by the People, Organisation & Culture department. Measures are being taken to support women more systematically. Managers bear a special responsibility for the topic of diversity and inclusion in the Company. The aim is to train managers so that they can contribute to this aspect.

Long-term succession planning for the Management Board

Together with the Management Board, the Supervisory Board is responsible for long-term succession planning for the Management Board. Long-term succession planning takes into account the requirements of the German Stock Corporation Act and the GCGC, the competence required for the board remit in question as well as diversity criteria.

Age limit for members of the Management Board

In general, the standard age limit for members of the Management Board is 67.

Corporate governance at Scout24 SE

The Management Board and the Supervisory Board of Scout24 SE see good corporate governance as involving responsible corporate management aimed at ensuring sustainable value creation. In particular, the trust placed in the Company by its investors, business partners and employees as well as by the general public should be maintained. Furthermore, Scout24 attaches great importance to the Management Board and the Supervisory Board working efficiently, as well as to good cooperation both between these two boards and also with the Company's employees. In this respect, open and transparent corporate communication also plays an important role.

The corporate structure is designed to promote responsible, transparent and efficient management and oversight of the Company. The Company therefore also identifies with the principles set out in the German Corporate Governance Code. The Management Board and the Supervisory Board as well as the other management levels and employees have an obligation to comply with these principles of responsible corporate governance. The Management Board is responsible for ensuring compliance with corporate governance principles at the Company.

The Company has central risk management and compliance functions that are responsible for ensuring and continuously refining the Group-wide compliance management system (CMS) as well as the risk management system (RMS), among other matters.

Risk and opportunities management

Dealing responsibly with risks and opportunities is a central task of the Management Board, executives and all employees, and it is also an expression of good corporate governance. The aim is to identify risks at an early stage, limit them and take advantage of any opportunities that may arise. The internal control system includes processes and systems for processing sustainability-related data.

Compliance

To implement the values, principles and rules of responsible corporate governance in its daily activities, Scout24 SE has established conduct rules that specify and supplement the legal provisions and apply to all employees of the Scout24 Group. The relevant regulations include the Code of Conduct, the Data Protection Code of Conduct and other processes relevant for compliance purposes (e.g. e-learning, training, assessment of compliance risk, compliance talks, a whistle-blower hotline and compliance reports). In addition, there are Group-wide employee guidelines that explain in detail how employees can be sure that they are conducting themselves in an appropriate manner. The CMS mainly comprises the following areas: compliance culture, compliance objectives and tasks, compliance organisation, compliance risks, compliance programmes, monitoring and refinement of compliance. All employees of the Scout24 Group are regularly trained on and informed about individual topics, both centrally and as needed. Their respective participation is monitored centrally.

The risk management and compliance functions serve as the central point of contact for all stakeholders, especially for employees and members of corporate bodies as well as customers and third parties.

The compliance function offers support and advice in all compliance-related matters, including any form of harassment or discrimination (in cooperation with the HR department) and anti-fraud and anti-corruption measures, and it also acts as an unbiased point of contact for complaints and recommendations as well as for any reports of infringements of laws or internal company policies. In addition, the Group's Legal department addresses compliance-related topics and issues and can offer assistance with compliance-related matters where necessary.

Executives at Group entities are additionally required to forward compliance-related information to all employees within their areas of responsibility and to ensure that compliance rules are observed. In addition to regular training sessions, this process is supported by information material and ad hoc training sessions in response to current topics and requirements.

A whole series of measures intended to ensure employee conduct in compliance with the law at all times has been implemented in CMS. These include the establishment of a whistle-blower system (hotline), also accessible to third parties, which also offers the possibility of providing anonymous tip-offs concerning potential compliance-related infringements. With regard to employees using the whistle-blower system, the Company has adopted a clear non-retaliation policy for those who come forward as whistle-blowers. This means that employees who report information need not fear any negative consequences, including in cases in which it is not possible to find sufficient evidence to support the concerns voiced. This applies to all reports concerning potential infringements of laws and/or rules, and not only for those received via the hotline. However, the compliance hotline may also be used for questions and comments concerning compliance topics, and especially for those relating to the Code of Conduct.

The Group-wide CMS is subject to a continuous improvement process involving regular reviews of the compliance system (including established processes, procedures and documentation) and the Group's business practices. Where necessary, corresponding improvements are adopted following a review.

Declaration of conformity

The most recent **declaration of conformity** with the German Corporate Governance Code pursuant to Article 161 AktG was issued by the Management Board and the Supervisory Board in December 2022.

Objectives for the Supervisory Board's composition

The Supervisory Board of Scout24 SE should be composed in such a way that, overall, its members possess the knowledge, skills and specialist experience necessary for the due performance of its duties. Taking into account the Company's specific situation, the Supervisory Board should state specific targets that consider the Company's international activities, potential conflicts of interest, the number of independent members of the Supervisory Board within the meaning of Recommendation C.6 Subsection 1 Half-sentence 1 of the German Corporate Governance Code and diversity. An age limit for members of the Supervisory Board is specified in Article 2 of the rules of procedure for the Supervisory Board. As a general rule, only persons who have not yet reached the age of 65 at the time of their appointment may become members of the Supervisory Board.

Furthermore, Article 2 of the rules of procedure stipulates that a member should not, as a general rule, be a member of the Supervisory Board of Scout24 SE for longer than twelve years in total. The Supervisory Board sets a target for the percentage of women on the Supervisory Board. At its meeting on 19 March 2019, the Supervisory Board decided that the board should include at least one female member.

Profile of skills and expertise and qualification matrix

In addition to the personal suitability of each individual member of the Supervisory Board through reliability, availability and appropriate independence, the Supervisory Board has formulated the following profile of skills and expertise for the entire board, which is reviewed and adjusted from time to time.

The Supervisory Board has decided that the board as a whole should have the following skills and expertise:

- Expertise in the digital economy, digitalisation and technology; expertise in the real estate industry and/or marketplaces/classifieds
- Experience in leading a company as a board member or managing director or in other senior management roles and in building businesses, developing new business and markets, and growth and performance marketing
- Expertise in the field of mergers and acquisitions
- International experience/expertise
- Expertise in the field of human resources
- Expertise in the field of sustainability, especially in the areas of social responsibility, good corporate governance and data security
- Expertise/experience in the areas of accounting, auditing and internal control procedures
- Knowledge in the field of compliance, law and regulation

The Supervisory Board in its present composition fulfils this profile of skills and expertise.

Skills and expertise/member	Dr Hans-Holger Albrecht	Frank H. Lutz	Dr Elke Frank	Christoph Brand	Peter Schwarzen-bauer	André Schwämm-lein
Digital/tech/real	✓	✓	✓	✓	-	✓
Leadership/business	✓	✓	✓	✓	✓	✓
M&A	✓	✓	✓	✓	✓	✓
International	✓	✓	✓	✓	✓	✓
HR	✓	✓	✓	-	-	-
Sustainability	✓	✓	✓	-	✓	✓
Billing/contracting	✓	✓	-	-	-	✓
Compliance	✓	✓	✓	-	✓	✓
Diversity: gender	m	m	f	m	m	m
Diversity: nationality	D	D	D	CH	D	D
Diversity: age	*1963	*1968	*1971	*1969	*1959	*1981
Member since - term of office	2018	2019	2020	2019	2018	2019
Independence	✓	✓	✓	✓	✓	✓

Legend ✓ applicable - not applicable m male w female D German CH Swiss

Basic features of the compensation system

Compensation of the Management Board

The compensation of the Management Board is determined by the Supervisory Board at an appropriate amount based on a performance assessment taking any Group emoluments into account and is reviewed regularly. In the determination and review of the Management Board's compensation, the Supervisory Board takes account of the fact that, pursuant to the standardised requirements set forth in Article 87 (1) AktG, the total compensation of each individual member of the Management Board must be appropriate in relation to the tasks and performance of the member of the Management Board and to the Company's situation and may not exceed the customary level of compensation unless particular reasons so require. As a listed company, the Company must gear its compensation structure towards its sustainable and long-term development. Variable compensation components should have a multi-year assessment basis; the Supervisory Board is to agree on options for limits in response to extraordinary developments.

The Annual General Meeting approved the Management Board's compensation system on 8 July 2021.

The principal criteria for determining appropriate compensation of the Management Board are the tasks of the members of the Management Board, individual performance, the performance of the Management Board as a whole, the Company's economic and financial situation, profits and the Company's prospects as well as the amount and structure of Management Board compensation at comparable companies. The aim of the compensation system is to make a significant contribution to the sustainable and long-term continued development of Scout24's success story. This is mainly premised on an appropriate performance-based and success-based compensation structure. Compensation is calculated in such a way as to ensure that it is competitive on a national and international scale, thus offering an incentive for dedicated and successful work.

Scout24 SE's Supervisory Board has established the following principles for the compensation system of the members of the Management Board:

Strategy orientation

In its entirety, the compensation system for the members of the Management Board makes a significant contribution to promoting and implementing the corporate strategy by setting ambitious growth targets for Scout24's revenue and earnings from operating activities. In addition to growth targets, targets explicitly related to the implementation of the corporate strategy are taken into account.

Long-term view and sustainability

The compensation system is designed to foster the Company's sustainable and long-term development. To link compensation to the Company's long-term development, long-term variable compensation makes up a significant proportion of total compensation, exceeding short-term variable compensation. Furthermore, the compensation system includes a sustainability component that takes into account social and ecological aspects and promotes sustainable action by the Company.

Capital market orientation

To align the actions of the members of the Management Board with the Company's long-term development and the interests of the shareholders, the variable performance-related compensation components are granted share-based for the most part. This requirement is met by structuring the long-term variable compensation component as performance share units. The share ownership guideline also supports the convergence of interests between shareholders and members of the Management Board.

Clarity and comprehensibility

The compensation system for the members of the Management Board is clear and comprehensible. The compensation system complies with the requirements of the German Stock Corporation Act (AktG) and takes into account the recommendations of the Government Commission on the German Corporate Governance Code as amended on 28 April 2022.

The compensation of the members of the Management Board of Scout24 SE consists of fixed and variable components. The fixed components are independent of the performance of the members of the Management Board and consist of fixed compensation, ancillary benefits and retirement benefits. The variable components are performance-related and consist of the one-year variable compensation (short-term incentive, STI) and the multi-year, share-based variable compensation (long-term incentive, LTI). The target total compensation comprises the sum of the fixed and variable compensation components. The target compensation is based on the STI and LTI at their target amounts, in other words, assuming 100% target achievement. The variable compensation obtained as a result of reaching long-term targets should exceed the share resulting from reaching short-term targets (consistent with Recommendation G.6 of the GCGC in the version of 28 April 2022).

The fixed components of the compensation of Scout24's Management Board consist of fixed compensation, ancillary benefits and retirement benefits, such as contributions to insurance, retirement benefits and housing and travel expenses. The variable compensation consists of one-year variable compensation and multi-year share-based variable compensation. It sets incentives for the implementation of the Company's strategy and, in turn, for its long-term and sustainable development.

An upper limit is set for variable compensation components. The targets for the one-year variable compensation component are each set by the Supervisory Board before each financial year. The key performance criteria for assessing performance with regard to the one-year variable compensation are Group revenue (35%), ordinary operating Group earnings before interest, taxes, depreciation and amortisation (Group ooEBITDA) (35%), and a non-financial sustainability target (environmental, social and governance target, ESG) that applies to all members of the Management Board (30%).

The share-based LTI in the form of performance share units (PSUs) is granted annually as a tranche. The relevant, equally weighted performance criteria are revenue growth, ooEBITDA growth, and a non-financial strategic target that applies to all members of the Management Board members and is set by the Supervisory Board for each tranche.

Compensation of the Supervisory Board

The compensation of the members of the Supervisory Board is defined in Article 13 of the Articles of Association as purely fixed compensation depending on the tasks of the respective member on the Supervisory Board or its committees. Purely fixed compensation provides an appropriate counterbalance to the largely variable compensation of the Management Board. Up to 30 June 2022, each member of the Supervisory Board was reimbursed pursuant to Article 13 (1) of the Articles of Association (former version) for their outlays and additionally received fixed annual compensation of EUR 60,000. The Chair of the Supervisory Board and his Deputy received fixed annual compensation of EUR 140,000 and EUR 120,000 respectively. Committee members additionally received fixed annual compensation of EUR 20,000 each, while the Chairs of the various committees received fixed annual compensation of EUR 40,000 each.

Members of the Supervisory Board who were not members during a full financial year receive the aforementioned compensation pro rata temporis in the amount of one-twelfth for each month or part-month of their term of office.

The Supervisory Board reviews its compensation at regular intervals. In this context, the components as well as the amount and structure of the compensation was considered by reference to the compensation at a peer group of other comparable entities in the 2022 financial year. Based on this review, the Supervisory Board decides whether a change in compensation is necessary and appropriate. In such a case, the Management Board and the Supervisory Board submit a proposal to the Annual General Meeting to adjust the compensation. Based on the procedure described above, the proposal to the Annual General Meeting on 30 June 2022 to amend the compensation of the Supervisory Board was made on the initiative of the Supervisory Board and adopted by a majority at the Annual General Meeting under agenda item 8. In this context, the Supervisory Board had the appropriateness and customary nature of its compensation reviewed by an independent external compensation expert. Taking into account the results of this analysis, the fixed compensation of all members, including the fixed compensation of the Chair of the Supervisory Board and his Deputy, and the compensation for membership and chairing of the Audit Committee were increased appropriately. The components and structure of Supervisory Board's compensation otherwise remained unchanged.

Components, amount and structure of the Supervisory Board's compensation

Under the rules adjusted this year and set out in the Articles of Association, each member of the Supervisory Board receives fixed annual compensation of EUR 70,000. The Chair of the Supervisory Board and his Deputy receive a compensation for the higher organisational and administrative expenses associated with their work and their special responsibility for the successful and efficient cooperation of the entire board. The Chair of the Supervisory Board receives fixed annual compensation of EUR 175,000 and his Deputy of EUR 140,000. Each membership and chairing of Supervisory Board committees is remunerated additionally in view of the importance of the committee work and the increased preparation effort and workload. As a result, Recommendation G.17 of the GCGC is complied with. A distinction is made between the Audit Committee and the other committees with regard to the amount of this additional compensation. Each member of the Audit Committee additionally receives fixed annual compensation of EUR 25,000 and its Chair EUR 50,000. Each member of any other committee additionally receives fixed annual compensation of EUR 20,000, and each Chair of another committee receives EUR 40,000 respectively.

Following the entry of the above amendment to the Articles of Association in the Commercial Register on 18 August 2022 and its corresponding entry into effect, the Supervisory Board's compensation has been determined for the period since 1 July 2022 in accordance with the amended Section 13 of the Articles of Association as described above.

Detailed information regarding the compensation structure and compensation paid to individual members of the Management Board and on the compensation of members of the Supervisory Board pursuant to Article 162 AktG can be found in the **compensation report**.

D&O insurance

The Company has concluded an insurance policy covering the members of the Management Board and the Supervisory Board against financial loss ('directors and officers liability insurance') with an appropriate deductible pursuant to Article 93 (2) Sentence 3 AktG for the Management Board that complies with the legal requirements. The insurance premiums are paid by the Company.

Shareholders and the Annual General Meeting

Shareholders exercise their co-determination and oversight rights at the Annual General Meeting, which according to the Articles of Association is chaired by the Chair of the Supervisory Board. Each share in Scout24 SE entitles the holder to one vote. The shareholders have the opportunity to exercise their voting rights at the Annual General Meeting in person or by a proxy of their choice or by a proxy appointed by the Company. The Management Board is authorised to determine that shareholders may also participate in the Annual General Meeting without being present at the venue where it is held and may exercise their rights in full or in part by means of electronic communication (online attendance) or may cast their votes, without being present at the meeting, in writing or by means of electronic communication (absentee voting). The Management Board is also authorised to determine details regarding the extent and procedure of online attendance or absentee voting. Such details shall be announced in the notice convening the Annual General Meeting. Each shareholder is entitled to attend the Annual General Meeting, to address the Annual General Meeting in respect of the individual agenda items and to request information about the affairs of the Company to the extent necessary to properly assess an item on the agenda.

The Annual General Meeting of Scout24 SE took place in Munich on 30 June 2022. Pursuant to Article 1 (2) Sentence 1, (6) Sentence 1 and (8) Sentence 2 of the Act Concerning Measures Under the Law of Companies, Cooperative Societies, Associations, Foundations and Commonhold Property to Combat the Effects of the COVID-19 Pandemic ('Gesetz über Maßnahmen im Gesellschafts-, Genossenschafts-, Vereins-, Stiftungs- und Wohnungseigentumsrecht zur Bekämpfung der Auswirkungen der COVID-19-Pandemie', GesRuaCOVBekG) of 27 March 2020 last amended by Article 15 of the Act on the Establishment of a Special Fund 'Reconstruction Assistance 2021' and on the Temporary Suspension of the Obligation to File an Insolvency Petition Due to Heavy Rainfall and Floods in July 2021 and on the Amendment of Other Laws ('Aufbauhilfegesetz 2021', AufbhG 2021) of 10 September 2021 (hereinafter the 'Covid-19 Act'), the Management Board had decided, with the consent of the Supervisory Board, that the Annual General Meeting would be held as a virtual Annual General Meeting without the physical presence of shareholders or their proxies (with the exception of the Company's proxies), and that shareholders would cast their votes at the Annual General Meeting additionally by means of electronic communication in particular. The Annual General Meeting was held at the Haus der Bayerischen Wirtschaft, Conference Center, Max-Joseph-Str. 5, 80333 Munich, Germany, with the physical presence of the chair of the meeting, members of the Management Board, the proxies of the Company and Mr Frank Lutz as well as Dr Elke Frank as further members of the Supervisory Board, and the notary Prof. Dr Hartmut Wicke, Munich, who was engaged to record the minutes of the Annual General Meeting. The other members of the Supervisory Board who were not physically present attended the Annual General Meeting via video and audio link.

Shareholders exercised their voting rights exclusively by absentee vote or by granting power of attorney to the proxy appointed by the Company. The invitation was published in the German Federal Gazette ('Bundesanzeiger') in due time in accordance with legal requirements and set forth, among other things, the agenda and resolutions proposed by the Company as well as the terms and conditions for attending the meeting and exercising voting rights. All documents required by law were available on the website of Scout24 SE from the date when the Annual General Meeting was convened. After the Annual General Meeting, Scout24 SE also published the voting results on its website.

Shareholders representing 69.02% of Scout24 SE's share capital were present at the Annual General Meeting.

Notifiable securities transactions (directors' dealings)

The members of the Management Board and the Supervisory Board, other persons discharging managerial duties who regularly have access to insider information about the Company and who are authorised to make significant business decisions, as well as certain persons who are in a close relationship with the aforementioned, are legally required by Article 19 of the Market Abuse Regulation to disclose to Scout24 SE the purchase and sale of Scout24 shares and related financial instruments, in particular derivatives, if the amount of the transaction exceeds EUR 20,000 in a calendar year. Among other media locations, we have published corresponding transactions on the internet at **www.scout24.com/en/investor-relations/financial-news/directors-dealings**.

For the 2022 financial year, the Company (including for the time prior to the change of form from AG to SE) was notified by members of the Supervisory Board, the Management Board and other persons discharging managerial duties of a total of three such directors' dealings.

Transparency

The shares of Scout24 SE are listed in the Prime Standard of the Frankfurt Stock Exchange. The Company is therefore subject to strict transparency requirements under statutory and stock exchange law. In particular, Scout24 SE reports on the situation and development of the Company and the Group in both German and English in the form of annual and interim financial reports, quarterly statements, quarterly conference calls for analysts and the press including webcasts and webcast replays, corporate presentations, ad hoc, corporate and IR releases as well as marketing communications.

Financial reporting and annual audit

The half-year financial report as of 30 June 2022 and the consolidated financial statements as of 31 December 2022 as well as the two quarterly statements as of 31 March 2022 and 30 September 2022 were prepared in accordance with International Financial Reporting Standards (IFRS). The separate financial statements of Scout24 SE for the 2021 financial year were prepared in accordance with the requirements of the German Commercial Code (HGB) and the German Stock Corporation Act (AktG).

The consolidated financial statements and the separate financial statements of Scout24 SE were audited by the independent auditor and approved by the Supervisory Board.

Investor relations

Development of the capital market

The stock market year 2022 was largely dominated by the Russian war of aggression against Ukraine and its consequences for the global economy, in particular inflation and interest rate developments. As early as the second half of 2021, the combination of continued disruption to supply chains and expansionary economic policies had led to growing inflation and concerns about interest rates, which burdened stock markets. This trend continued at the beginning of 2022 and was dramatically exacerbated by the start of the war at the end of February. Rapidly rising energy and food prices continued to drive inflation, forcing central banks to tighten monetary policy much faster than expected at the beginning of the year. They tried to bring the situation under control with several significant key interest rate hikes. The impact of this response was felt early on in the broader market in the form of rising lending and mortgage rates. On the one hand, rising interest rates made risky investments such as equities, especially from the real estate and tech sectors, much less attractive. In addition, they rekindled concerns about the economy – including talk of the feared stagflation scenario. As a result, numerous markets found themselves on a steady downtrend until the end of September. Markets rallied in October and November with the first signs of easing inflation and interest rates. However, the central banks put an abrupt end to that mid-December with further restrictive statements on future monetary policy, which led to further significant price losses in the last few trading days.

The Scout24 share

Development of the Scout24 share price (EUR, indexed)[1]

Scout24's share endured significant losses in this difficult market environment, especially for providers of online business models. Due to their often high valuations, these shares are considered to be particularly sensitive to interest rates. Against this backdrop, the share reached its peak for the year of EUR 62.56 as early as 3 January. However, sustained good business figures, continued share buy-backs, increases in the annual forecast and positive analyst assessments repeatedly gave the

[1] CapIQ per 31 December 2022.

share price a boost over the course of the year, such that share price losses were clearly limited for a long time compared with the broader market. Indeed, analysts described Scout24 as 'solid as a rock in turbulent times'. The Scout24 share also received a significant boost in April from renewed takeover speculation, which pushed it almost back up to the previous year's level. Industry insiders had reported that several financial investors were interested in acquiring the Company. Analysts saw this as confirmation of their assessment that there will be more takeovers in the industry and described Scout24 as a very attractive company in this context. The share was able to sustain the above-trend performance achieved as a result for a long time before the central banks' statements on the interest rate policy going forward – which disappointed investors – put renewed pressure on the share price of technology and e-commerce companies. The Scout24 share thus also reached its low for the year of EUR 46.56 on 27 December. The Scout24 share ended the stock market year with a loss for the year of 23.6% at a price of EUR 46.93, landing between its benchmark DAX and MDAX indices, which recorded declines of 12.4% and 28.5% in the same period.

Opening price at 3 Jan. 2022 in EUR	61.74
Year peak at 3 Jan. 2022 in EUR	62.56
Year low at 27 Dec. 2022 in EUR	46.56
Closing price at 30 Dec. 2022 in EUR	46.93
Average daily share turnover in units[1]	199,324.91
Average daily share turnover in EUR[1]	10,841,741.56

[1] Based on electronic trading on Xetra and floor trading on regional exchanges; average over 52 weeks as of 30 December 2022.

Key figures for stock exchange trading

The shares of Scout24 have been listed on the Prime Standard of the Frankfurt Stock Exchange since 1 October 2015. Scout24 has been a constituent of Germany's MDAX equity selection index since 18 June 2018. In addition, Scout24 is a founding member of the DAX 50 ESG, which was launched on 4 March 2020, and was included in the highly regarded MSCI Germany Index on 29 May 2020.

Type of shares	Registered shares (no-par value)
Stock exchanges with the highest turnover	Xetra, LSE, BATS Trading Europe, Tradegate
Other regional stock exchanges	Frankfurt Stock Exchange, regional exchanges in Stuttgart, Düsseldorf, Berlin, Munich, Hamburg, Hanover
Frankfurt Stock Exchange transparency level	Prime Standard
ISIN/WKN	DE000A12DM80/A12DM8
Code	G24
Bloomberg	G24:GR
Thomson Reuters	G24n.DE
Specialist	Oddo Seydler
Designated sponsor	Baader Bank
Total number of shares as of 31 December 2022	80,200,000 (of which 6,647,814 treasury shares)
Market capitalisation as of 30 December 2022	EUR 3,457.7 million (excluding treasury shares)

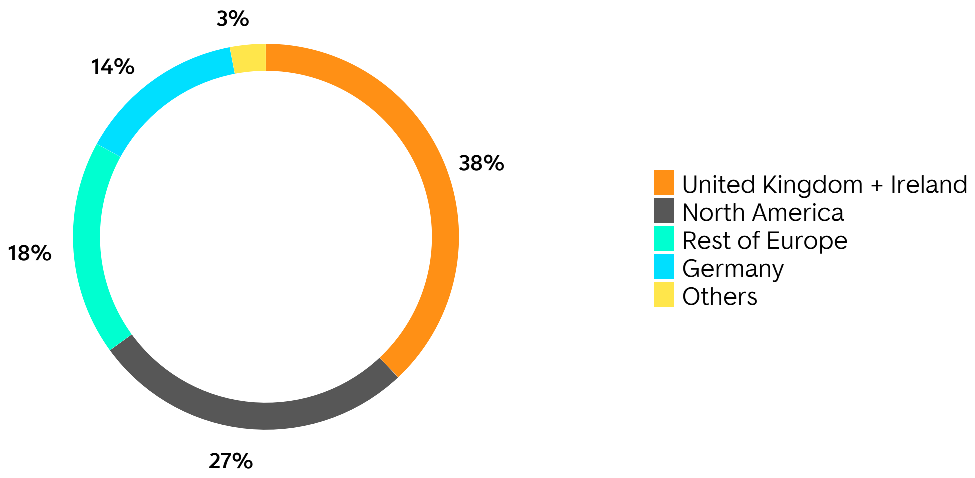
Shareholder structure

Against the background of the aforementioned share buy-backs and capital reductions, the shareholder structure of Scout24 SE as of 31 December 2022 was as follows:

Shareholder	Number of shares	%
Treasury shares	6,647,814	8.29%
Free float	73,552,186	91.71%
Total	**80,200,000**	**100.00%**

The free float of 91.71% is mainly held by institutional shareholders. The information from the shareholder survey available to us as of the 31 December 2022 reporting date covers the distribution of this free float by around 97%. At 38%, institutional shareholders from the United Kingdom and Ireland account for the largest share, followed by institutional shareholders from North America (27%), Germany (14%) and the rest of continental Europe (18%).

SHARES BY REGION



Source: IHS Markit shareholder identification as of 31 December 2022

Share buy-backs

As part of the sale of AutoScout24 in 2020, the Management Board formulated a plan to return capital to shareholders by means of a public buy-back offer and various share buy-back programmes, which was consistently pursued further in 2022.

In November 2021, we initiated a buy-back programme with a volume of up to EUR 200 million. The buy-back ended on 15 February 2022. In this context, 3,456,442 shares were purchased on the market at an average share price of EUR 56.78, corresponding to 4.1% of the share capital at the time of the buy-back.

In addition, a further share buy-back programme was launched in March 2022. In the period between 8 March 2022 and 13 December 2022, 6,523,247 shares were repurchased with a value of EUR 349,104,497 and at an average share price of EUR 53.52. At the end of the year, we held a total of 6,647,814 treasury shares, corresponding to 8.29% of the share capital (80,200,000 shares). Further information on the share buy-back programmes can be found at **www.scout24.com/en/investor-relations/share/share-buybacks.**

Together with the share buy-backs from the previous years, we thus returned capital of around EUR 2.18 billion to our shareholders.

Period	Aggregated volume (number of shares)	Total volume in EUR
2 September 2019 to 31 January 2020	2,793,873	149,999,973
6 April 2020 to 19 November 2020	6,969,836	489,999,944
1 April 2021 to 16 April 2021	11,400,875	794,184,952
26 April 2021 to 30 June 2021	2,921,878	199,999,958
12 November 2021 to 15 February 2022	3,456,442	196,249,575
8 March 2022 to 13 December 2022	6,523,247	349,104,497
Total	**34,066,151**	**2,179,538,899**

Communication with investors

Scout24 SE maintains a constant, open and transparent dialogue with the capital market. While our investor relations (IR) activities were almost exclusively virtual at the beginning of the year, we were increasingly able to approach investors in person again as the year progressed.

In the 2022 financial year, meetings with investors were held in the form of individual and group meetings, telephone calls, roadshows organised by brokers and conferences. Over the course of 2022, the Management Board and the Investor Relations team attended 14 national and international conferences as well as numerous individual events. In February 2022, we also organised a two-day governance roadshow with institutional investors together with our Chair of the Supervisory Board and its Deputy Chair. In addition to this direct exchange with investors, we regularly explain our strategy, our business performance and the corresponding financial information as part of our quarterly financial reporting. Furthermore, investors can get a comprehensive picture of Scout24 at any time by visiting our Investor Relations website at **www.scout24.com/en/investor-relations**. This site provides our financial reports, financial announcements and important dates and events, as well as information on the Scout24 share, our sustainability strategy and corporate governance at Scout24.

The Annual General Meeting on 30 June 2022 was held as a purely virtual event for the third time in succession. The speeches by the Supervisory Board and the Management Board were broadcast live on the internet, and registered shareholders were able to follow the entire Annual General Meeting via a secure internet service. In total, a good 69% of the voting share capital of Scout24 SE was represented. All proposed resolutions were approved by a large majority. These included in particular the dividend of EUR 0.85 per share, the renewal of the authorisation for further share buy-backs, the approval of the first compensation report under stock corporation law and the adjustment of the Supervisory Board's compensation. In addition, the Annual General Meeting exonerated the Management Board and the Supervisory Board of Scout24 SE for the 2021 financial year by a clear majority. More information on our 2022 Annual General Meeting is available on our website at **www.scout24.com/en/investor-relations/annual-general-meeting**.

Communication with analysts

In addition to the Company's IR activities, investors can access estimates and recommendations by independent analysts. As of 31 December 2022, Scout24 SE was included in the coverage of 17 analysts or brokerage firms. This ensures sustained high visibility of the Scout24 share on capital markets. Throughout the 2022 financial year, we also maintained an intensive exchange in one-on-one discussions with this target group, which serves as a multiplier for us. A list of commenting banks and investment firms that regularly publish analyses, studies and recommendations on Scout24 or the Scout24 share is available at **www.scout24.com/en/investor-relations/share/analyst-coverage**.

Furthermore, in connection with the publication of our financial results, we held one analyst conference call for each quarter in which the CEO and CFO reported on the past quarter and were available to answer questions.

Combined management report

of the Scout24 Group and Scout24 SE

Contents

Key financials

EUR million unless otherwise indicated	FY 2022	FY 2021	Change
Group revenue	**447.5**	**389.0**	**+15.0%**
of which Professional segment	291.2	262.7	+10.8%
of which Private segment	121.5	94.6	+28.5%
of which Media & Other segment	34.8	31.8	+9.7%
Group ordinary operating EBITDA[1]	**251.1**	**222.8**	**+12.7%**
of which Professional segment	176.2	168.8	+4.4%
of which Private segment	62.7	43.1	+45.4%
of which Media & Other segment	12.2	10.9	+11.7%
Group ordinary operating EBITDA margin[2] **in %**	**+56.1%**	**+57.3%**	**-1.2pp**
of which Professional segment	60.5%	64.3%	-3.7pp
of which Private segment	51.6%	45.6%	6.0pp
of which Media & Other segment	34.9%	34.3%	0.6pp
Group EBITDA[3]	**230.6**	**200.8**	**+14.8%**
Earnings after tax (continuing operations)	123.5	90.5	+36.5%
Earnings per share (basic, continuing operations), in EUR	1.59	1.03	+54.3%
Average number of shares in million	77.8	88.1	-11.6%
Capital expenditure	34.4	31.4	+9.6%
of which own work capitalised	28.7	26.6	+8.0%
Own work capitalised as % of revenue	+6.4%	+6.8%	-0.4pp

1 Ordinary operating EBITDA refers to Group EBITDA adjusted for non-operating effects, which mainly include expenses for share-based payments, M&A activities (realised and unrealised), reorganisation and other non-operating effects.
2 A segment's ordinary operating EBITDA margin is defined as ordinary operating EBITDA as a percentage of external segment revenue.
3 Group EBITDA (unadjusted) is defined by analogy with the presentation in the consolidated statement of profit or loss as earnings before the financial result, income taxes, depreciation, amortisation and any impairment losses or reversals of impairment losses.

Starting this year, we are also providing an overview of our current and historical key financial figures at Group and segment level in table format (xlsx) at **www.scout24.com/en/investor-relations/financial-reports-presentations**.

Fundamentals of the Group

Business model

Customers and products

Scout24 operates the leading digital marketplace ImmoScout24. With almost 20 million users per month on its website or app, ImmoScout24 is the market leader for digital real estate marketing and search. A large number of consumers seeking real estate find here a wide range of digital listings published by real estate agents (including property managers) and homeowners. The more wide-ranging and varied the offer, the more frequent and longer the visits to the digital marketplace (traffic).

The listings for the sale or rental of real estate are booked under master agreements (**membership programmes**) or as individual orders (**pay-per-ad**) by professional customers and consumers at ImmoScout24. With corresponding additional products (seller leads), we support agents in acquiring mandates to sell property. We assist real estate developers decide where and what to build with our **location analysis**. Upon request, we can arrange **financing advice** for potential real estate buyers. With our Plus products (**TenantPlus** ('MieterPlus') and **BuyerPlus** ('KäuferPlus')), we offer consumers the opportunity to find their dream property more quickly and efficiently. Landlords can use **Vermietet.de** to contact their tenants, manage their real estate portfolio and prepare statements of ancillary costs.

The following three customer groups are active in our digital marketplace:

- **Real estate agents**[2]
- **Homeowners**
- **Consumers**

Beyond the marketing of real estate, our professional customers can acquire of additional products, in particular:

- **Realtor Lead Engine (RLE):** product for obtaining leads for mandates to sell real estate → agents pay us a price per lead
- **Immoverkauf24:** product for the acquisition of real estate sales mandates →agents pay us a share of the agent commission after a successful sales transaction
- **Mortgage Lead Engine (MLE):** mortgage financing products under the pay-per-lead model
- **BaufiTeam GmbH (since May 2022):** customer advice within the scope of mortgage and real estate financing → commission is shared upon successful closure of financing
- **FLOWFACT and Propstack:** CRM software solutions for real estate agents → fees are charged partly under the membership contract, partly under a licensing model and partly under a software-as-a-service payment model

The real estate listings made available on ImmoScout24 are generally aimed at private customers who are looking for real estate either to buy or to rent and thus generate corresponding traffic on ImmoScout24. To facilitate the search, we offer the following products:

- **TenantPlus ('MieterPlus'):** exclusive listings with early contact, additional information and opportunity determination, digital applicant folder for users looking for a rental property including credit report two months' minimum subscription period
- **BuyerPlus ('KäuferPlus')**: exclusive listings with early contact, opportunity analysis for each property for sale, free real estate valuation, digital document folder for users looking for a

[2] Including property managers, finance partners, real estate developers and new home builders.

property to buy including credit report and buyer's certificate → three months' minimum subscription period

For private landlords (homeowners), we offer the following additional product:

- **Vermietet.de:** cloud-based software solution that supports private landlords in digital rental and property management

Segment structure

In accordance with the growth strategy presented at Capital Markets Day in December 2021, our reporting since the 2022 financial year is based on three segments: 'Professional', 'Private' and 'Media & Other' (instead of 'Residential Real Estate', 'Business Real Estate' and 'Media & Other'). This is in line with the medium-term growth strategy presented there, which is geared even more closely to the needs of our private and professional customers. By contrast, the former segmentation was primarily based on the type of real estate (residential or commercial). The composition of the 'Media & Other' segment remains essentially the same. Holding revenues, which were previously reported separately, will be allocated to the 'Media & Other' segment, and costs will be allocated to all new segments on the basis of revenues. The respective segment revenue and the related ordinary operating EBITDA stem from different customer groups that purchase various products from us for various target markets.

Segments from 2022	Customer groups	Products/monetisation
Professional	• Residential real estate partner • Business real estate partner	• Subscriptions: memberships with/without seller leads (RLE, immoverkauf24) • Pay-per-ad listings • Other: mortgage leads
Private	• Consumers • Homeowners	• Vermietet.de • Pay-per-ad listings
Media & Other	• Advertisers (third parties) that place advertisements on ImmoScout24 • Users of ImmoScout24 Austria • FLOWFACT and Propstack customers	• Advertisements • ImmoScout24 Austria products • CRM software for agents

Strategy

With the above product offering, we aim to make real estate transactions more digital and efficient, and thus the residential and business real estate markets in Germany and Austria too. The result is a **digital ecosystem for real estate** that offers genuine added value to our professional and private customers, whether they are real estate agents, property managers, financial advisors, home sellers, landlords, homeowners or consumers. In addition to ads for marketing real estate, we are increasingly offering digital products covering the entire transaction – including selling, buying, financing, renting, leasing or managing real estate. This allows us to gain additional information about the listed properties and increase transparency for all market participants.

With this strategy, we are addressing the respective commission pool of the real estate transaction market and the real estate financing market as well as corresponding private consumer markets. We intend to tap this significant **market potential**, both through our existing product portfolio, through product innovations and further developments, and through business acquisitions in order to continue our profitable growth. Moreover, we are committed to integrating **sustainability** and social responsibility more closely in our daily activities, also with a view to further increasing our Company's value.

Organisation and corporate structure

Management and control

Scout24 SE, with registered office in Munich[3], Germany, manages the Scout24 Group. The corporate purpose of Scout24 SE is to acquire, hold and manage and dispose of investments in companies in Germany and abroad which are active in the field of online and internet services or which provide services in the field of real estate. These services specifically include services for the brokerage or management of real estate or for related or associated business purposes. As a holding company with a Group management function, Scout24 SE performs all related activities, such as, especially, the management and the provision of services and consulting services to affiliated companies as well as activities in the aforementioned business areas.

The Management Board of Scout24 SE is responsible for corporate strategy and management. In the 2022 financial year, it comprised the following members:

Name	Function	Member of the Management Board since	End of term of office
Tobias Hartmann	Chief Executive Officer	19 November 2018	31 December 2025
Dr Dirk Schmelzer	Chief Financial Officer	18 June 2019	30 June 2026
Dr Thomas Schroeter	Chief Product Officer	6 December 2018	27 January 2023
Ralf Weitz	Chief Commercial Officer	6 December 2018	31 December 2025

The work procedures, composition and members of the Supervisory Board are explained in the **Report of the Supervisory Board** section of the 2022 annual report.

The compensation of the Management Board and the Supervisory Board as well as the incentive and bonus systems are described in the compensation report. This will also be published on 23 March 2022, and is available at **www.scout24.com/en/investor-relations/esg-sustainability/corporate-governance/compensation-system**.

The Management Board and the Supervisory Board of Scout24 SE attach importance to responsible corporate governance geared to long-term success and refer to the recommendations of the German Corporate Governance Code. This is explained in more detail in the corporate governance declaration pursuant to Articles 289f and 315d HGB, which is both included in this annual report and available on our website at **www.scout24.com/en/investor-relations/esg-sustainability/corporate-governance**.

The Management Board is supported in its strategic management tasks by three additional managers.

Name	Function	Member of the ELT since
Rowena Patrao	Chief Technology Officer	1 July 2021
Dr Christian Ronge	General Counsel	1 July 2021
Dr Claudia Viehweger	Chief People & Sustainability Officer	1 June 2021

Together, these seven individuals formed the Executive Leadership Team (ELT) in the 2022 financial year.

Various organisational changes came into effect as of the 2023 financial year: Chief Technology Officer Rowena Patrao left Scout24 SE as of 31 December 2022. Likewise, Dr Thomas Schroeter, member of the Management Board of Scout24 SE and Managing Director of Immobilien Scout GmbH, resigned from his duties by mutual agreement as of 27 January 2023. As part of the organisational

[3] Since February 2023, the Company's business address has been in Berlin, Germany.

changes, Ralf Weitz will take over the areas of responsibility of Dr Thomas Schroeter and Rowena Patrao on the Management Board of Scout24 SE in his new role as Chief Product & Technology Officer (CPTO). As the new CPTO, he will be responsible for and lead the product, marketing, tech and data organisations under one roof. At the same time, Dr Gesa Crockford joined Scout24's Executive Leadership Team as of 1 January 2023, having already served as Managing Director of Immobilien Scout GmbH since 1 April 2022.

Another organisational change came into effect back on 15 June 2022: as part of the expansion of her field of activity, Dr Claudia Viehweger's title was adjusted from Chief Human Resource Officer (CHRO) to Chief People & Sustainability Officer (CPSO).

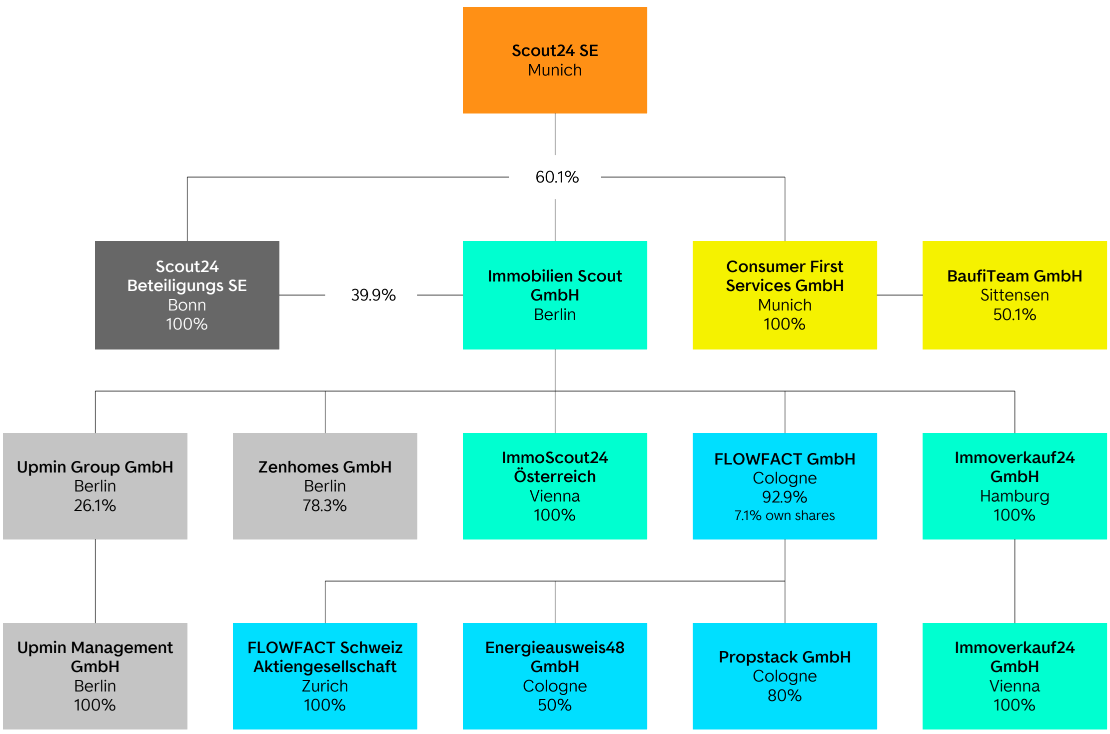
Group structure

The following changes were made to the Group's organisational structure in the reporting period:

On 9 May 2022, Consumer First Services GmbH, Munich, acquired 50.1% of company shares in BaufiTeam GmbH (formerly: BaufiTeam GmbH & Co. KG), Sittensen, Germany. **BaufiTeam GmbH** advises customers on mortgage financing. Accordingly, the business operations of BaufiTeam will be integrated into Scout24's Professional segment.

The following chart provides a (simplified) overview of the direct and indirect shareholdings of Scout24 SE as of 31 December 2022:

ORGANISATIONAL CHART (SIMPLIFIED)



A complete list of shareholdings of Scout24 SE is provided in the notes to the consolidated financial statements (as part of note **5.10. List of shareholdings held by Scout24 SE pursuant to Article 313 (2) No. 1 to 4 HGB).**

Steering system and performance indicators

For the purpose of steering the Company, Scout24 has defined various financial and non-financial performance indicators for measuring the extent to which the strategy is implemented successfully.

Financial performance indicators

Revenue and **ordinary operating EBITDA at Group and segment level** are the main financial performance indicators. Setting these in relation to each other produces another indicator of profitability: the **ordinary operating EBITDA margin.**

Non-financial performance indicators

As communicated at Capital Markets Day in December 2021 and explained above in the **Strategy** section, the Scout24 Group's business operations have been even more strongly aligned towards the needs of our private and professional customers since 2022. This resulted in the re-segmentation into the following three segments and the analysis of the following non-financial performance indicators:

- **Number of our professional customers**[4]: real estate agents, property managers, real estate developers, new home builders, finance partners in the residential and business real estate market who market real estate properties through us and acquire new business through us
- **Number of our private customers**: consumers hunting for real estate and homeowners who place private ads, use our Plus products and the Vermietet.de platform

For this purpose, we analyse the average monthly revenue per user (ARPU) we generate with these customers:

- **Professional ARPU**: subscription revenue with professional customers from memberships and on top products for the period divided by average number of core customers divided by the number of months in the period
- **Private ARPU:** subscription revenue with private customers for the period divided by average number of customers divided by the number of months in the period

Finally, we measure certain marketplace activities on ImmoScout24 and use them as key non-financial performance indicators. These include:

- **Number of listings** as the average value of monthly active listings over the reporting period
- **Monthly number of users on the ImmoScout24 website and the ImmoScout24 app:** unique monthly visitors to **www.immobilienscout24.de** via desktop and app, irrespective of how often they visit the portal during the month in question and irrespective of how many platforms they use
- **Number of sessions:** average monthly number of sessions by users on the ImmoScout24 platform via desktop, mobile devices and apps

In the context of sustainable corporate development, we have determined further sustainability indicators, the development of which is described in our non-financial statement at **www.scout24.com/en/sustainability**.

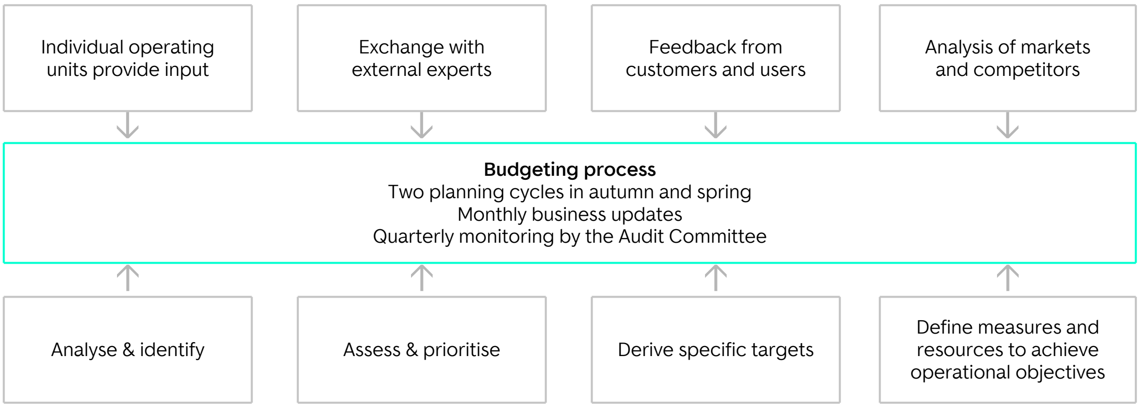
Steering system

The Group is steered based on an annual budget process, a system-controlled target achievement process (objectives and key results (OKR) process) and regular strategy meetings at Management Board and ELT level. Accordingly, the implementation of the Group's strategy is assessed by

[4] These are subscription customers, excluding customers who purchase a single listing product (PPA product) on ImmoScout24.

reference to individual targets, and financial and non-financial performance indicators are planned and monitored.

BUDGETING PROCESS



The budget for the following year is planned in the autumn of each year, agreed upon by the Management Board and ELT in various planning rounds and formally approved by the Supervisory Board at the end of the year. In spring, the annual plan is adjusted to the extent necessary and appropriate based on the actual figures for the first quarter. In the budgeting process, we place a special focus on the above-mentioned performance indicators. Costs are budgeted at cost centre level. We then derive the corresponding margin indicators from this plan. OKR process is set for one year at a time at Group level. Within the organisation, we work in four-month cycles. The OKR process defines strategic priorities (specific objectives) and monitors their execution. It ensures that central Group functions and teams have a shared strategic direction. In monthly business updates, the individual performance indicators are presented and the current development of business explained (e.g. by segment, customer, journey or product owners). Based on these business updates, budgeted figures are compared against actual figures and, in the event of variances, further analyses are conducted or appropriate corrective measures taken. If appropriate, individual goals and related initiatives from the OKR process are discussed. Both the current results of operations and the budget planning are submitted to the Supervisory Board at the respective meetings for review and monitoring.

Research and development

Innovations and the further development of our digital products are a fundamental part of our strategy. In this way, we are advancing digitisation of the processes around buying and selling, renting (for both tenants and landlords) as well as managing real estate in Germany and Austria.

We develop our products in close cooperation with our customers, initially in a test environment. After we make them available on our digital marketplace, they are continuously refined and optimised. This iterative process allows us to make the products developed available quickly and yet with low risk.

We were again able to drive forward various product initiatives this year:

- **Founding of LOFT – Marketing Services in-house agency** →marketing and sales solutions (design, online and offline marketing and data-based optimisation); marketing strategy implementation of all transaction-based business of new build projects at ImmoScout24
- **Financing leads** offered within the Mortgage Lead Engine (MLE) were supplemented by bookings for financing advisors on a commission-sharing basis

- **TenantPlus ('MieterPlus'): integration of our partner Mieterengel** → live sessions for consumers hunting for real estate with a focus on topics such as tenant protection, statements of ancillary costs, etc.

The Scout24 Group's total research and development (R&D) expenses came to EUR 53.0 million in the 2022 financial year, up 20.9% year on year (EUR 43.9 million). This includes both internal personnel expenses and costs for external development service providers. Aside from IT development, product research and development activities are also included. A total of EUR 28.7 million or 54.2% (2021: EUR 26.6 million or 60.5%) of the development costs were recognised as an asset in accordance with IAS 38. Own work capitalised as a percentage of revenue came to 6.4% in the 2022 financial year (capitalisation rate in 2021: 6.8%). The absolute year-on-year increase is primarily due to the further development of Vermietet.de and the corresponding capitalisation rate.

Statement on non-financial reporting

For us, success is not just a question of performance, but is also based on a strong sense of values. That is why sustainability is just as integral to our corporate culture as innovation, responsibility and integrity. It is our aim to consider societal and social conditions as well as the environment in all our business operations. We provide further information on our sustainability strategy in a separate combined non-financial report in accordance with Article 289b (1) and (3) HGB and Article 315b (1) and (3) HGB. It will be published at the same time as our annual report on our website at **www.scout24.com/en/sustainability**.

Employees[5]

As of 31 December 2022, we had 960 employees (31 December 2021: 913[6]), most of whom (50%) work at ImmoScout24, Germany, while 21% were employed at Scout24 SE. Across the entire workforce, the percentage of women amounted to 43% in 2022 (2021: 41%).

	FY 2022	FY 2021	Change
Scout24 Group employees[1]	**960**	**913**	**+47**
of which ImmoScout24	483	483	0
of which women	219	209	+10
of which full-time	419	422	-3
of which Scout24 SE	**205**	**182**	**+23**
of which women	89	79	+10
of which full-time	188	170	+18
of which other companies[2]	**272**	**247**	**+25**
of which women	107	90	+17
of which full-time	249	222	+27

1 In FTE; figures may not add up exactly to the totals indicated due to rounding differences.
2 FLOWFACT, Propstack, ImmoScout24 Austria, Immoverkauf24, Zenhomes; excluding BaufiTeam.

5 This section contains unaudited figures and disclosures.
6 The figures as of 31 December 2021 have been adjusted. While the number of employees in the annual report for the financial year 2021 was presented without the employees of the Propstack and vermietet.de acquisitions, these are now included in the figures. BaufiTeam is not included.

Report on economic position

Macroeconomic and sector-specific environment

Effects of the current crises on Scout24

Notably lessened effects of Covid-19

The effects of the Covid-19 pandemic on the Scout24 Group's business lessened notably in the 2022 financial year. While the Covid-19 incidence was higher than in the previous year in some regions, public life has mostly returned to normal. This is due in large part to the population's strong immunisation as a result of being vaccinated or surviving infection. Accordingly, there were no significant contact restrictions that would have affected our customers' business or our own business operations. We also saw a decline in employee absences due to illness or childcare needs, for example, partly as a result again of established protective measures and the possibility of working from home.

We have therefore rated the Covid-19 risk as low in our risk assessment. However, the risk of new virus variants that may have significant economic repercussions should not be ruled out or underestimated, even though renowned virologists and other health experts also consider its probability to be low.

Impact of the war in Ukraine

For the impact of the war in Ukraine, see to the section on **economic conditions** below.

Matters related to climate action[7]

In the course of this year's validation of our materiality analysis, we examined the extent to which current developments in 2022, such as trends in the market environment, changes in the regulatory framework and changes in the Group's structure and strategy, will have an impact on the material topics identified to date. A higher ranking in terms of business relevance was given to the topic of 'energy', among others. The reassessment of the topic of energy mainly reflects the energy crisis with rising energy prices and potential shortages as a result of the war in Ukraine.

We address this issue as part of our sustainability strategy with the goal of limiting the climate-related impact on Scout24. In addition, further energy-saving potential was identified at the Berlin office, and additional measures to conserve resources were implemented. Further information on the topic of sustainability at Scout24 can be found in the non-financial statement published simultaneously with the annual report on our website at **www.scout24.com/en/sustainability**.

Economic conditions

In the 2022 financial year, we generated the vast majority of our Group revenue (96.9%) in Germany, namely via our digital marketplace ImmoScout24. Consequently, the following macroeconomic and sector-specific analysis relates primarily to Germany.

As a consequence of global developments, especially the war in Ukraine, the business environment for the German economy also took a considerable downward turn throughout the course of the year. Having forecast at the start of the year 3.6%[8] growth in gross domestic product (GDP), in its autumn projections, the German Federal Government expected a growth rate of only 1.4%[9]. In December 2022, experts estimated between 1.5% and 1.9% growth.[10]

In the 2022 financial year, global supply chains were still not fully functional again. Recurring lockdowns as part of China's zero-Covid strategy, for example, even further intensified the situation

7 The information in this section is unaudited.
8 Federal Ministry for Economic Affairs and Climate Action, Annual Economic Report, January 2022.
9 Federal Ministry for Economic Affairs and Climate Action, cornerstones of the 2022 autumn projection, 12 October 2022.
10 tagesschau.de, economic forecasts for Germany, 23 December 2022.

with global supply shortages. The strong imbalance of supply and demand already caused rising prices for raw materials and high levels of inflation at the beginning of the year. The situation was exacerbated further as a result of the war between Russia and Ukraine. Prices for energy, foodstuffs, construction materials and other raw materials have gone up and driven inflation to heights not seen in a long time, up to double-digit figures.

This also has monetary policy implications. The war in Ukraine has changed the global business order with lasting effect, and high inflation looked set to become a long-term problem. To counter it, central banks around the world moved away from the expansive monetary policy of recent years much faster and more markedly than originally planned. The markets already anticipated this turnaround in interest rates. Whereas interest rates for construction loans ranged between 1.0% and 1.5% (depending on the term to maturity) at the start of the year, they rose in the course of the year to peak at over 4.0%[11], and they were only marginally lower towards the end of the year as well.

These developments initially had little direct effect on the Scout24 Group, as its digital business model involves only limited costs of purchased raw materials, and while energy costs are rising, the Group had in advance negotiated fixed energy costs for the reporting year. Due to Scout24's very low leverage ratio, rising interest rates also only had a marginal effect. With respect to our payroll, we expect the inflation to have a direct impact. Indirect effects will arise from changes in behaviour of our customers as described below.

German real estate market trends[12]

As described in the **Business model** and **Strategy** sections, Scout24 is now placing the main focus on digitising further steps along real estate transactions, beyond real estate listings only. As an addressable market, we therefore do not only focus on the marketing budget of our customers. Rather, we look at the total commission pool of real estate agents, namely approximately EUR 8.9 billion (approximately EUR 6.5 billion[13] for the purchase/sale of residential properties, approximately EUR 1.3 billion[14] for the rental of residential properties, and approximately EUR 1.1 billion[15] for commercial properties). This is supplemented by the commission pool of financing intermediaries amounting to EUR 2.8 billion.[16] After all, private customers are also willing to pay for products that make it easier for them to find the property of their dreams.

The commission pool is in relation to the entire German real estate transaction market. According to estimates by the independent and consulting research institute GEWOS, some EUR 304 billion worth of transactions were effected in the buy/sell segment in 2022.[17] Of that amount, some EUR 217.6 billion (2021: EUR 231.7 billion) or 592,500 transactions (2021: 627,800) were attributable to residential real estate and EUR 57.3 billion (2021: EUR 66.6 billion) or 49,500 transactions (2021: 52,600) to commercial real estate (excluding development land in each case). The corresponding real estate financing market comes to roughly EUR 268 billion.[18] The rental market, which is very important in Germany, can be quantified as follows: of the roughly 43.1 million residential units in Germany,[19] some 23 million units are rented out, with a comparatively low home ownership rate of roughly 47%.[20] Around 60% or roughly 14 million of the rented residential units are owned by private landlords. We estimate that around 3.2 million[21] rental transactions take place in Germany each year.

[11] Interhyp, development of interest rates for mortgage financing, retrieved on 23 June 2022.
[12] The values from last year's annual report for 2021 corresponded to forecasts that have now been adjusted to the actual situation. Therefore, no comparison is possible.
[13] Derived from Destatis Press Release No. 370, 23 September 2019 (value for 2017), Destatis Press Release No. 281, 29 July 2020 (value for 2019), and GEWOS Institut für Stadt-, Regional- und Wohnforschung GmbH – IMA info 2020.
[14] Derived from Destatis press release No. 370 of 23 September 2019 (value for 2017) and BBSR online publication No. 02/2015.
[15] Colliers Germany Office Leasing and Investment Market Report 2019/20 and Scout24's own analyses.
[16] Deutsche Bundesbank 3 February 2022, Real estate loans for private households (value for 2021) and Scout24's own analyses.
[17] GEWOS Institut für Stadt-, Regional- und Wohnforschung GmbH – IMA info 2022 | Immobilienmarkt Deutschland; total figure comprises: residential real estate including residential development land, commercial real estate including commercial and industrial land; figure for residential real estate includes: single- and two-family houses, multi-family houses, condominiums; figure for commercial real estate comprises developed properties.
[18] Deutsche Bundesbank, new business volumes of banks/housing loans to households, as of 6 January 2023 (11/2021 to 11/2022).
[19] German Federal Statistical Office, press release no. 318, 28 July 2022.
[20] German Federal Statistical Office, ownership rate by federal state, as of 26 May 2020.
[21] According to the German mail service's relocation study (Deutsche Post, 'Die Umzugsstudie 2021', page 3), more than 8 million people move home every year. Assuming that moving households comprise 2.5 people, that would equate to roughly 3.2 million rental transactions each year.

Residential real estate market

The German residential real estate market is characterised by high demand for housing coupled with low supply. In 2021, Germany already had a shortage of about 630,000 residential units.[22] At the same time, about 8.6 million people live in overcrowded apartments,[23] a phenomenon that is, on the one hand, relevant in urban areas and that, on the other hand, primarily affects single people as well as single parents and their children. The difficulty lies, not so much in the number of housing units that need to be built, but in their regional distribution, since housing is needed most in cities. The situation has become even tighter as a result of price increases and the flow of refugees. The housing construction target of the 'Bündnis bezahlbarer Wohnraum' (affordable housing alliance) of 400,000 units a year, including 100,000 publicly subsidised apartments,[24] is estimated to have been missed by a wide margin in 2022, mainly due to protracted processes to obtain permits, shortages of materials, steep price increases and the shortage of skilled labour.

There has been a considerable change in the market for residential real estate since the start of the year. Rising interest rates, high inflation and a poorer economic outlook are weighing on consumer spending. For own-use buyers, residential property is increasingly becoming unaffordable under the aforementioned conditions, and real estate investors are adopting a wait-and-see attitude in view of the increased uncertainties.

According to the aforementioned GEWOS data, transaction sales in the residential real estate market – with a falling number of transactions (-5.6% from 2021 to 2022) – have decreased significantly, by 6.1%. ImmoScout24's Housing Barometer ('WohnBarometer') likewise confirms this trend, showing a marked shift to the rental market and away from properties to buy.

Commercial real estate market

Compared with the previous year, the situation has also deteriorated considerably on the commercial real estate market. The situation remained relatively good for office property compared with other real estate categories, yet price expectations are also clearly negative in this segment, which has also impacted companies' willingness to buy.[25] All in all, the segment appeared to benefit from the stable employment situation, especially in business-related services, and rental agreements that tend to be signed for longer terms. High inflation, rising energy prices and economic uncertainty had an unfavourable impact on retail stores in particular and, as a result, on their landlords. Price expectations in this area have deteriorated accordingly, although in this case this has actually tended to boost willingness to buy property.

According to the aforementioned GEWOS data, transaction numbers (-5.9%) and transaction sales (-14.0%) in this commercial real estate market environment decreased noticeably in 2022.

The inflation- and interest-rate-related structural shifts on the market – from buy to rent, from seller's market to buyer's market – are fuelling demand from agents for marketing and services, which is having a positive effect on the development of Scout24 Group's business. Decreasing demand for properties to buy means that it is getting increasingly difficult for landlords and their agents to find suitable prospective buyers and realise their price expectations. This increases the need for marketing activities and thus equally the relevance of the platform. The development towards a buyer's market is also reflected in an increased number of listings on the platform as well as longer listing periods. In addition, we are seeing increased demand for products that increase the visibility of ads. These additional products are in particular interesting for property developers, who are likewise experiencing a decline in pre-sales and pre-rentals. The persistent supply gap, coupled with heightened demand for rental properties, is in turn intensifying the already fierce competition among people looking for a place to rent. As a result, our Plus products tailored to consumers are also gaining in significance. Rising interest rates make new real estate loans more difficult to obtain and

[22] IG Bau, 'Defizit von 630.000 Wohnungen sitzt neuer Bundesregierung im Nacken', 27 May 2021.
[23] German Federal Statistical Office, press release no. N 067, 17 November 2022.
[24] SPD, 'Olaf Scholz plant Bündnis für bezahlbaren Wohnraum', 10 June 2021.
[25] ZIA Zentraler Immobilien Ausschuss e. V. (German Property Federation), 'Winterdepression in der Immobilienwirtschaft', 21 December 2022

curb demand, but they also increase the importance of financial consultants and brokers, in particular for follow-on financing.

Competitive situation

As explained in the **Business model** section, we operate from a leading market position in Germany with our digital marketplace ImmoScout24, measured by the number of listings and user engagement. At the same time, we face various competitors in our business with our three customer groups, as explained below.

However, the Management Board is confident that ImmoScout24 will be able to maintain and even build on its strong market position in the competitive environment described. Indeed, our ambition is to serve as the central point of contact for our customers for all matters concerning buying and selling, renting (for both tenants and landlords) as well as managing real estate. To this end, we intend to further optimise our leading product offering and continuously invest in our strong brand. In this way, we will continue to drive forward the digitisation of the real estate market in Germany and Austria.

Real estate agents

The next largest German competitors addressing this customer group are Immowelt Group and eBay Kleinanzeigen (eBay Classifieds). The **Immowelt Group** is part of the Axel Springer Group, where the financial investor KKR holds a considerable stake. Immowelt is likewise a vertically organised marketplace with a focus on real estate ads. **eBay Kleinanzeigen** has belonged to the listed Adevinta ASA, based in Oslo, Norway, since its acquisition in June 2021. Adevinta operates for the most part horizontally operating digital classifieds platforms and aims to use its financial strength to accelerate the development of eBay Kleinanzeigen in Germany. eBay Kleinanzeigen operates as a horizontally organised marketplace, i.e. it digitally markets various other products and services besides real estate. The real estate services competing with ours have so far been used more by private customers than by real estate agents. With a targeted advertising campaign and special packages on offer for commercial real estate customers, eBay Kleinanzeigen increased its attention towards real estate agents in 2022. **Willhaben.at**, also part of Adevinta ASA, is our largest competitor in Austria.

The **German real estate industry association** IVD (Immobilienverband Deutschland – Bundesverband der Immobilienberater, Makler, Verwalter und Sachverständigen e. V.) also competes with us to some extent. To this end, the association launched its own real estate portal (ivd24) in 2015, where only qualified and association-approved IVD members are permitted to post advertisements. The platform is free of advertising and focused on the presentation of real estate. In doing so, it offers competing services, such as a comparison function, expert search, real estate valuation, etc.

Similarly, the **Hypoport Group**, with its marketplaces such as Dr. Klein Wowi Finanz AG, Hypoport B.V., FIO SYSTEMS AG or Value AG, offers various competing services relating to the digitisation of marketing, valuation, financing and management of real estate.

With our subsidiaries FLOWFACT and Propstack, we offer agents cloud-based software that enables them to organise their business processes more efficiently. The largest competitor in this space is the company **onOffice GmbH**, which likewise offers a CRM software solution for real estate agents.

Homeowners

When it comes to directly approaching property owners who are willing to sell, our competitors include what are referred to as **hybrid agents**, such as McMakler and Homeday. At the same time, they are also among our customers when they acquire seller leads from us and when they use ImmoScout24 for marketing purposes. Hybrid agents combine their own software solutions with the expertise of **traditional agents**. The same applies to the aforementioned traditional agencies, which can directly solicit homeowners due to their size and national prominence. We are increasingly seeing large agencies keen to approach and acquire homeowners digitally at an early stage.

With Vermietet.de, we offer services for homeowners to help them professionally manage their rented properties. Here we are in competition with **self-management**, for example, using self-created Excel files, as well as with **commercial property management** companies.

Consumers

In addition to the aforementioned marketplace offerings of the Immowelt Group, Hypoport Group, eBay Kleinanzeigen and Willhaben.at, we view the real estate offerings of, and on, **social networks** such as Facebook and Instagram as relevant in terms of competition.

Furthermore, numerous **proptech and fintech start-ups** that offer products and services along the real estate transaction are trying to gain a foothold in the market. They compete with us as well as with real estate agents and other service providers involved. However, none of these start-ups are as yet succeeded in capturing significant market share in Germany.

Business development in the Group

With 15.0% growth in Group revenue to EUR 447.5 million (2021: EUR 389.0 million) in the 2022 financial year, we were able to continue the dynamic revenue growth we enjoyed in the previous year, both at Group level and at segment level. As part of our strategic development to become a digital platform for real estate transactions, we offer not only listings for marketing real estate but also products to make real estate transactions more digital and efficient. Thanks to our broadly diversified range of products, we generate attractive, sustainable growth dynamics. The inflation- and interest-rate-related structural shifts on the market led to an increased demand for marketing and services last year, which had a positive effect on demand for our products from agents and private individuals.

With this development, we have fully met our guided revenue growth at the upper end of the range between 14% and 15%. The original forecast for the year had been for revenue growth ranging between 11% and 12%, which was revised back in May 2022 with more specific guidance forecasting revenue to reach the upper end of the range.

The **Professional** segment's revenue increased by 10.8% to EUR 291.2 million (2021: EUR 262.7 million). The segment thus fully met the forecast issued in March 2022 in the annual report, of 10% to 12%. On the back of strong market-related demand for Plus products, the **Private** segment recorded strong revenue growth of 28.5% to EUR 121.5 million in the 2022 financial year (2021: EUR 94.6 million), thereby considerably exceeding the revenue growth guidance of between 12% and 14%. The **Media & Other** segment's revenue increased by 9.7% from EUR 31.8 million in the 2021 financial year to EUR 34.8 million in the 2022 financial year, slightly below the forecast for the year of between 12% and 14%.

The Group's ordinary operating EBITDA came to EUR 251.1 million, a year-on-year increase of 12.7% (2021: EUR 222.8 million). This exceeded the more specific guidance forecasting the Group's ordinary operating EBITDA to grow by between 11% and 12%. Against the background of the announced forward-looking investments, the Group's ordinary operating EBITDA margin was thus down 1.2 percentage points year on year (2021: 57.3%), reaching 56.1%.

Important events influencing financial performance indicators

Share buy-backs

In the 2022 financial year, we executed share buy-backs with a volume of EUR 483.1 million, cancelled a total of 3,400,000 Scout24 shares and reduced the share capital accordingly. As of 31 December 2022, the share capital therefore amounted to EUR 80,200,000 divided into the same number of no-par-value shares (as of 31 December 2021: EUR 83,600,000). As of that date, the number of treasury shares amounted to 6,647,814, which corresponded to 8.29% of the share capital. For more detailed information on our share buy-backs, see the **Investor Relations** section of this annual report.

Dividend distribution

Based on a corresponding resolution of the Annual General Meeting of 30 June 2022, the Company paid a dividend of EUR 66.4 million on 5 July 2022 (previous year: EUR 68.5 million) to its dividend-entitled shareholders. Due to the previous share buy-backs, it was possible to increase the original dividend proposal of March 2022 from EUR 0.84 to EUR 0.85 per dividend-entitled share (2021: EUR 0.82).

Refinancing

In the first half of 2022, Scout24 SE replaced the 2018 loan agreement, most recently comprising a term loan of EUR 100 million and two undrawn revolving credit facilities of EUR 597.5 million, with a new financing arrangement. In May 2022, we entered into an agreement for a revolving credit facility (–RCF) of EUR 400 million with a syndicate of eight banks. The RCF has a term of five years (including two extension options of one year each). In addition, it includes an ESG component that is aligned to our sustainability strategy.

Dissolution of the special securities fund

In June 2022, the special fund mandate was dissolved due to downward price trends on price trend stock markets and interest rate developments and with a view to financing the EUR 350 million share buy-back programme. On aggregate, our financial result from investment in the securities came to EUR -14.0 million in 2022. These finance expenses have now been recognised. Scout24 had issued the special fund in April 2020 with an initial volume of EUR 1.5 billion after selling AutoScout24. It was used to deposit the proceeds until the planned capital reduction. The volume was reduced in stages and used for the public buy-back offer in April 2021, the buy-back programmes in 2021 and 2022, and redemption of the term loan in May 2022. Despite the downward price trends in 2022 and their impact on the special fund, the fund's investment of the AutoScout24 sales proceeds was favourable overall relative to a bank deposit in the negative interest rate environment.

Employee participation programme

A new employee share purchase programme (ESPP) was issued in September 2022 to enable Scout24 employees to participate in Scout24's share price development. Under the programme, Scout24 offers its employees the opportunity to become co-owners of the Company at attractive conditions and participate in the success of the Company in the long term. A total of 35% of eligible employees have participated in the programme.

Acquisition and integration of BaufiTeam GmbH

In May 2022, we completed the acquisition of the majority of shares in BaufiTeam GmbH. BaufiTeam advises its customers on construction and real estate financing. Thus, financing mandates with commission sharing are handled through this brand. In the further course of the financial year, we integrated the brand and operations of BaufiTeam.

Development of listings and traffic

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

	FY 2022	FY 2021	Change
ImmoScout24.de (IS24) listings[1]	390,639	366,074	+6.7%
IS24 monthly desktop users (million)[2]	14.7	15.6	-6.0%
IS24 monthly app users (million)[2]	4.4	4.5	-2.3%
IS24 monthly sessions (million)[3]	100.9	101.8	-0.9%

1 Source: ImmoScout24.de; listings in Germany (average of end-of-month listings in the period).
2 Unique monthly visitors on ImmoScout24.de (average of the individual months), irrespective of how often they visit the marketplace during the month. Source: Internal measurement using Google Analytics.
3 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.

In view of the market situation in 2022, with rising inflation rates and interest rates prevailing in particular, we recorded an increase in listings for sale while the number of listings for rental properties declined. To some extent, this indicates a shift in demand from buying to renting property. As a consequence of the rising volume of properties for sale, more and more agents are drawing on the ImmoScout24 platform's marketing services. At same time, the rising number of consumers looking for rental properties is fuelling demand for Plus products. The current market situation confirms that Scout24 is excellently positioned with a strong marketing platform and a broad range of products. Accordingly, the current market environment also has a positive impact on Scout24's key financial performance indicators.

Following the war in Ukraine and its increasingly noticeable economic repercussions, use of our marketplace (traffic measured in monthly sessions) has slightly declined overall. The market-driven rise in rents combined with a decreasing supply of low-priced rental properties on the platform led to a drop in the use of our marketplace. In addition, marketplace traffic was much more affected by changes in guidelines on transfers of data. Compared with the previous quarter, traffic measured in monthly sessions was slightly down but still at a comparable level.

Results of operations

Revenue and total operating performance

EUR million	FY 2022	FY 2021	Change
Group revenue	**447.5**	**389.0**	**+15.0%**
Own work capitalised	28.7	26.6	+8.0%
Own work capitalised as % of revenue	6.4%	6.8%	-0.4pp
Other operating income	1.6	2.5	-34.9%
Total operating performance	477.9	418.1	+14.3%

Our **Group revenue** increased by 15.0% to EUR 447.5 million in the 2022 financial year. This development was attributable to the following growth drivers:

- In conjunction with the further rising number of customers, by adjusting listing prices and offering membership upgrades with more marketing potential, we were able to increase revenue in our core business of membership for real estate agents by 9.2% to EUR 221.6 million (2021: EUR 202.9 million).
- Despite the slightly weaker momentum of the seller leads business in the course of the year due to market conditions, this growth driver made a significant contribution to revenue growth. On aggregate, business with seller leads increased by 17.3% to EUR 38.6 million in the 2022 financial year (2021: EUR 32.9 million). Of this amount, EUR 26.5 million was attributable to ImmoScout24's Realtor Lead Engine (RLE) business and EUR 11.8 million to commission-based Immoverkauf24 mandate business.
- Due to inflation and interest rate developments, the construction financing business was slightly weaker (2022: +4.6%). By contrast, there was a rise in demand for pre-qualified financing mandates and related consulting capacities in the current interest rate environment.
- Our strongest growth driver in the 2022 financial year was business with the Plus product subscriptions, contributing EUR 59.1 million (2021: EUR 38.8 million) to annual revenue, up 52.2%. Besides a significant rise in the number of customers (2022: +49.1%), business benefitted from longer terms for TenantPlus and BuyerPlus and improved paywall efficiency.
- Despite revenue planned at a low level, Vermietet.de was able to more than double the number of registered units by 108.3%, from around 505,000 as of 31 December 2021 to over

one million units at the end of the fourth quarter. The progress made with integrating ImmoScout24 had a positive effect here.

The companies Zenhomes GmbH (Vermietet.de) and Propstack GmbH (Propstack), in which the Group acquired a majority stake in 2021, are included either not at all or only partially in the figures for the previous year. The same applies to the entity BaufiTeam GmbH acquired in May 2022.

Own work capitalised rose by 8.0% in the 2022 financial year. This increase is due to development work on IT and products to obtain innovations and optimisations that support our future growth strategy. Specific examples are provided in the **Research and development** section. In the 2022 financial year, own work capitalised was at a slightly lower level of 6.4% of revenue (**capitalisation rate**), compared with 6.8% the previous year.

Together with **other operating income** of EUR 1.6 million (2021: EUR 2.5 million), **total operating performance** increased at the same rate as revenue, by 14.3%.

Development of costs

Aggregated operating costs rose by 16.8% in the financial year, a lower rate than in the previous year (2021: 17.9%). On the one hand, this is due to the pleasing upscaling of our core business with memberships for real estate agents and, on the other, to curtailed investments, which accounted for around 7.6% of operating effects in the 2022 financial year. In total, EUR 17.2 million of additional costs in the year to date were attributable to planned forward-looking investments in our growth drivers.

EUR million	FY 2022	FY 2021	Change
Ordinary operating effects	225.1	192.8	+16.8%
of which personnel expenses	92.2	82.6	+11.7%
of which marketing expenses	50.7	36.3	+39.4%
of which IT expenses	21.4	18.1	+18.4%
of which purchasing costs	28.6	26.6	+7.7%
of which other operating expenses	32.3	29,2	+10.4%

The **personnel expenses** allocated to operating costs rose by 11.7% overall. This rise is mainly attributable to the increase in headcount at Vermietet.de mentioned above as well as to sales commission and regular salary increases.

Marketing expenses, which are also allocated to operating costs, increased year on year by 39.4%. The main reasons were the above-mentioned investments for growth made in the leads business and other growth drivers, as well as a television campaign launched in the third quarter of 2022 and online marketing measures.

The **IT expenses** included in operating costs increased by 18.4% in the 2022 financial year as a result of integrating Vermietet.de and higher AWS costs (Amazon Web Services). The latter rose due to currency effects as well as greater data processing.

Purchasing costs were up 7.7%, primarily due to the credit check integrated in the Plus products, which were in high demand. Furthermore, purchasing costs for homeowner and financing leads increased. **Other operating expenses** rose by 10.4%, chiefly as a result of higher external personnel costs and the increase in bad debt losses compared to the previous year. The bad debt expense increased by EUR 0.3 million following the normalisation in the previous year.

Development of earnings

EUR million	FY 2022	FY 2021	Change
EBITDA (unadjusted)	**230.6**	**200.8**	**+14.8%**
Depreciation, amortisation and impairment losses	-42.3	-63.1	+33.0%
Earnings before interest and tax – EBIT	**188.3**	**137.7**	**+36.7%**
Financial result	**-14.0**	**-5.0**	**-178.7%**
Income taxes	-50.8	-42.1	+20.6%
Earnings after tax	**123.5**	**90.5**	+36.5%

Considering the development of costs described above, the **Group's (unadjusted) EBITDA**[26] increased by 14.8% to EUR 230.6 million (2021: EUR 200.8 million).

There was a decrease of EUR 20.8 million in the item 'depreciation, amortisation and impairment losses' mainly because ImmoScout24's customer base is no longer amortised. On aggregate, EUR 9.8 million (2021: EUR 33.3 million) related to amortisation of intangible assets identified and recognised as part of purchase price allocations (PPA amortisation). An amount of EUR 4.9 million thereof was attributable to an impairment loss recognised on the FLOWFACT trademark (see **4.5. Goodwill and intangible assets**). In addition, impairment losses were recognised on internally developed software (EUR 4.3 million), of which EUR 1.0 million are attributable to FLOWFACT. The remaining amount is attributable to other intangible assets of ImmobilienScout24. The remainder of the regular depreciation and amortisation charges (including depreciation relating to leases in accordance with IFRS 16 totalling EUR 7.8 million) amounted to EUR 28.2 million (2021: EUR 24.2 million) and were chiefly due to depreciation of property, plant and equipment and amortisation of intangible assets (EUR 20.4 million).

As a result of the decrease in depreciation, amortisation and impairment losses described above, **Group EBIT** increased by 36.7% in 2022. The negative **financial result** fell further year on year to EUR -14.0 million. This is mainly due to management of our liquidity, which produced a negative return for the first time due to falling prices on stock and bond markets. As a result of liquidation of the special securities fund in June 2022, these finance expenses have now been recognised. Thanks to the lower level of depreciation, amortisation and impairment losses, we were, however, still able to increase **earnings after tax**. At 29.1% for the reporting year, the tax rate was at a lower level in the previous year with 31.7%.

Based on earnings after tax set in relation to the reduced volume-weighted average number of shares of 77,806,579 for the 2022 financial year, (basic) **earnings per share** is considerably higher at EUR 1.59 (2021: EUR 1.03; number of shares: 88,059,505).

Ordinary operating EBITDA

Ordinary operating EBITDA is EBITDA adjusted for **non-operating effects**, such as expenses for share-based payments, M&A activities and reorganisation. These fell by 6.7% overall. Cost reductions were achieved by a decrease in share-based compensation and M&A activity. Expenses for reorganisation in particular had a cost-increasing effect. The development of the individual items is presented in the table below:

[26] Group (unadjusted) EBITDA is defined by analogy with the presentation in the consolidated statement of profit or loss as earnings before the financial result, income taxes, depreciation, amortisation and any impairment losses or reversals of impairment losses.

EUR million	FY 2022	FY 2021	Change
(Unadjusted) group EBITDA	**230.6**	**200.8**	**+14.8%**
Non-operating effects	20.5	22.0	-6.7%
of which share-based payments	7.7	10.7	+27.3%
of which M&A transactions	6.2	6.9	-9.8%
of which reorganisation	4,1	2.5	+61.9%
of which other non-operating effects	2,5	1.9	+28.8%
Ordinary operating EBITDA	**251.1**	**222.8**	**+12.7%**
Ordinary operating EBITDA margin, %	**56.1%**	**57.3%**	**-1.2pp**

The remaining ordinary operating effects (see table 'Ordinary operating effects') increased by 16.8% year on year to EUR 225.1 million in the 2022 financial year (2021: EUR 192.8 million). The dynamics decreased over the course of the year on account of economies of scale and the above-mentioned curtailment of forward-looking investments. Considering the investments for the 2022 financial year announced at the Capital Markets Day, operating costs increased at a higher rate than revenue, leading to a year-on-year decrease of 1.2 percentage points in the ordinary operating EBITDA margin to 56.1%.

Net assets

STATEMENT OF FINANCIAL POSITION – ASSETS (CONDENSED)

EUR million	2022	2021	Change
Current assets	**83.4**	**619.5**	**-86.5%**
of which cash and cash equivalents	39.1	120.0	-67.4%
of which trade receivables	30.6	23.2	+32.1%
of which financial assets	3.3	468.1	-99.3%
Non-current assets	**1,797.2**	**1,801.9**	**-0.3%**
of which goodwill	784.7	782.3	+0.3%
of which trademarks	866.7	872.8	-0.7%
of which other intangible assets	73.3	67.6	+8.4%
of which right-of-use assets from leases	47.0	51.0	-7.7%
of which property, plant and equipment	13.2	15.6	-15.4%
of which financial assets	11.7	10.9	+7.5%
Total assets	**1,880.6**	**2,421.4**	**-22.3%**

Current assets of the Scout24 Group totalled EUR 83.4 million as of the 31 December 2022 reporting date, a decrease of 86.5% or EUR 536.0 million on the balance of EUR 619.5 million as of 31 December 2021.

Trade receivables increased by EUR 7.4 million due to the positive development of sales and the current market situation.

The decrease in total assets for the Group in the 2022 financial year is mostly related to the share buy-backs worth EUR 483.1 million carried out during the period as well as the repayment of borrowings. The latter was mainly financed by funds previously invested in a special securities fund and reported under **cash and cash equivalents as well as current financial assets**, the balances of which decreased accordingly. As of the end of the reporting period on 31 December 2022, there were no longer any funds (31 December 2021: EUR 465.1 million) invested in special securities funds (see the **Important events influencing financial performance indicators** section).

Non-current assets totalled EUR 1,797.2 million as of 31 December 2022, thus remaining at the previous year's level (EUR 1,801.9 million).

The change was mainly due to the acquisition of BaufiTeam GmbH with goodwill of EUR 2.3 million and other intangible assets of EUR 1.7 million. However, the change in other intangible assets is mainly due to internally generated software (EUR +2.8 million) and other internally generated assets under development (EUR +4.8 million). This was offset by depreciation on technologies amounting to EUR 2.7 million. For further information, see the **Entities acquired in the reporting period** section. The EUR 5.8 million impairment loss recognised for FLOWFACT had an adverse effect on the **trademarks** item. The FLOWFACT impairment consists of amortisation of the trademark (EUR 5.5 million) and amortisation of the customer base (EUR 0.3 million).

Total assets decreased overall by EUR 540.8 million to EUR 1,880.6 million year on year (31 December 2021: EUR 2,421.4 million).

Financial position

Development of the capital structure

STATEMENT OF FINANCIAL POSITION – EQUITY AND LIABILITIES (CONDENSED)

EUR million	2022	2021	Change
Current liabilities	**177.8**	**141.1**	**+26.0%**
of which trade payables	18.4	17.2	+6.9%
of which financial liabilities	108.7	65.2	+66.5%
of which lease liabilities	9.7	9.0	+7.3%
of which other provisions	8.6	22.8	-62.4%
Non-current liabilities	**354.4**	**506.8**	**-30.1%**
of which financial liabilities	17.4	164.9	-89.5%
of which lease liabilities	48.9	54.2	-9.7%
of which other provisions	8.8	6.3	+41.0%
of which deferred tax liabilities	278.2	280.5	-0.8%
Equity	**1,348.5**	**1,773.5**	**-24.0%**
of which subscribed share capital	80.2	83.6	-4.1%
of which capital reserve	198.5	195.1	+1.7%
of which retained earnings	1,425.4	1,566.1	-9.0%
of which treasury shares	-356.6	-72.1	+394.3%
Total equity and liabilities	**1,880.6**	**2,421.4**	**-22.3%**

Current liabilities increased by 26.0% to EUR 177.8 million as of 31 December 2022 (31 December 2021: EUR 141.1 million).

This is mainly attributable to the EUR 43.4 million increase in **current financial liabilities** presented in the table above, which includes a revolving credit facility (RCF) of EUR 50 million and a further flexible money market facility limit of EUR 15 million. This effect was partly offset by repayment of a part amount of EUR 57 million of the promissory note loan, which reduced current financial liabilities in 2022. After the aforementioned repayment, the promissory note loan amounted to EUR 37.5 million as of 31 December 2022 (31 December 2021: EUR 94.5 million). The decrease in **other provisions** is principally attributable to LTIP payouts.

Non-current liabilities decreased by EUR 152.4 million from EUR 506.8 million as of 31 December 2021 to EUR 354.4 million as of 31 December 2022. The sharp reduction in non-current financial liabilities is mainly due to the complete repayment of the term loan in the amount of EUR 100 million and a change in the maturity of the outstanding promissory note loan from non-current to current in the amount of EUR 35.5 million.

Deferred tax liabilities are mainly attributable to purchase price allocations and have changed only marginally compared with the 31 December 2021 reporting date.

On aggregate, current and non-current financial liabilities, including lease liabilities, amounted to EUR 184.7 million as of 31 December 2022 (31 December 2021: EUR 293.3 million). Adjusted for the item 'cash and cash equivalents', net debt[27] amounted to EUR 145.6 million as of 31 December 2022 (31 December 2021: EUR 173.3 million). This results in a leverage ratio of 0.58:1 as of 31 December 2022 (31 December 2021: 0.78:1)[28].

Additionally taking into account financial assets as of the 31 December 2022 reporting date (in the previous year, this item still mainly included liquid investments in special securities funds), net debt (including current and non-current financial assets) comes to EUR 130.6 million (2021: net financial asset position of EUR 305.6 million).

Equity decreased by EUR 425.1 million to EUR 1,348.5 million as of 31 December 2022 (31 December 2021: EUR 1,773.5 million) as a result of the share buy-backs and capital reductions carried out during the reporting period. As a result, the equity ratio came to 71.7% (31 December 2021: 73.2%).

Financial liabilities and credit facilities

As described in the **Important events influencing financial performance indicators** section, we arranged a new revolving credit facility (RCF) of EUR 400 million in the second quarter with a syndicate of banks. A volume of EUR 50 million thereof had been drawn down as of 31 December 2022. As of 31 December 2021, the liability under our previous term loan and revolving facilities agreement (RFA) had amounted to EUR 100 million. As already mentioned, we repaid it in full using cash. After the aforementioned repayment, the promissory note loan amounted to EUR 37.5 million as of 31 December 2022 (31 December 2021: EUR 94.5 million).

The interest rate charged on the facilities drawn under the new RCF is based on the EURIBOR plus an interest margin of currently 40 base points, which is linked to the leverage ratio and includes an ESG component aligned to our sustainability strategy. A floor of 0.0% is set for the EURIBOR. The new credit facility does not involve any covenants.

The promissory note issued in the 2018 financial year comprises tranches with terms ranging between three and six years and both fixed and variable interest rates; the variable tranches have already been repaid. The promissory note is also not subject to any covenants, although the investors are entitled to raise the interest rate if a leverage ratio of 3.25:1 is exceeded.

In the second quarter, we additionally entered into a loan facility agreement for money market transactions of up to EUR 75 million that can be cancelled at any time. Interest will be agreed when drawing amounts. As of 31 December 2022, the Company has entered into money market transactions with a volume of EUR 15 million.

Unrecognised commitments

As of the reporting date, there were unrecognised commitments (also see **5.6. Other financial obligations** in the notes to the financial statements) totalling EUR 63.6 million (31 December 2021: EUR 61.5 million). These consist in particular of obligations from maintenance and service agreements amounting to EUR 15.9 million (2021: EUR 16.5 million) and cloud services used amounting to EUR 31.5 million (2021: EUR 36.2 million). In addition, obligations from purchase commitments in

[27] Total current and non-current financial liabilities (including lease liabilities) less cash.
[28] Ratio of net debt to ordinary operating EBITDA for the last twelve months; as set forth in the loan agreements, the leverage disclosure relates to continuing and discontinued operations.

connection with the introduction of a new ERP system and other purchase obligations amounted to EUR 6.6 million.

Share buy-backs

In the 2022 financial year, we executed share buy-backs with a volume of EUR 483.1 million, cancelled a total of 3,400,000 Scout24 shares and reduced the share capital accordingly. As of 31 December 2022, the share capital therefore amounted to EUR 80,200,000 divided into the same number of no-par-value shares (as of 31 Dezember 2021: EUR 83,600,000). As of that date, the number of treasury shares amounted to 6,647,814, which corresponded to 8.29% of the share capital. More detailed information on our share buy-backs can be found under **Important events influencing financial performance indicators** earlier in the Report on economic position and in the **Investor Relations** section of this annual report.

Financial management

The treasury function plans and manages requirements, provision and investment of cash within the Scout24 Group. Based on annual financial planning and rolling liquidity planning, the Group's financial flexibility and solvency is ensured at all times. The cash pooling procedure is additionally used for all material Group companies.

As in the previous year, Scout24 had enough cash at its disposal at all times over the course of the 2022 financial year to meet all financial obligations that fell due.

Dividend

Our dividend policy is to distribute between 30% and 50% of the adjusted net profit[29] to our shareholders each year. This policy is intended to allow them to participate appropriately in the success of the Company. On 5 July 2022, Scout24 SE distributed a dividend of EUR 0.85 per ordinary share to its shareholders for the 2021 financial year (2021 for 2020: EUR 0.82). This corresponded to 50% (2021 for 2020: 50%) of adjusted net profit and a total distribution of EUR 66.4 million (2020: EUR 68.5 million).

For the 2022 financial year, the Management Board proposes to the Supervisory Board the payment of a dividend of EUR 1.00 per ordinary share (based on 73,552,186 dividend-entitled shares, excluding treasury shares, as of the date of preparation of Scout24's annual financial statements). This corresponds to 50% of adjusted net profit and a total dividend payout of EUR 73.6 million. The dividend will be paid out after the 2023 Annual General Meeting.

[29] Adjusted for regular adjustments (PPA amortisation, financial result effects, taxes), non-operating effects (expenses for share-based payment, M&A activities, reorganisation), and special effects from the AutoScout24 transaction (disposal proceeds and special fund effects).

Cash flows

EUR million	2022	2021	Change
Cash flow from operating activities of continuing operations	161.9	142.6	+13.6%
Cash flow from operating activities of discontinued operations	0.0	-7.3	-100.0%
Cash flow from operating activities	**161.9**	**135.3**	**+19.7%**
Cash flow from investing activities of continuing operations	411.9	1,012.1	-59.3%
Cash flow from investing activities of discontinued operations	0.0	0.0	–%
Cash flow from investing activities	**411.9**	**1,012.1**	**-59.3%**
Cash flow from financing activities of continuing operations	-654.8	-1,205.1	+45.7%
Cash flow from financing activities of discontinued operations	0.0	0.0	–%
Cash flow from financing activities	**-654.8**	**-1,205.1**	+45.7%
Change in cash and cash equivalents	-80.9	-57.7	-40.4%
Cash and cash equivalents at beginning of period	120.0	177.7	-32.5%
Cash and cash equivalents at end of period	**39.1**	**120.0**	**-67.4%**

The year-on-year increase in **cash flow from operating activities** is mainly due to the positive development of operating activities, which is also reflected in the improved EBITDA.

In 2021, the high positive **cash flow from investing activities** primarily resulted from payouts from the special securities fund, which were used to finance share buy-backs. As already mentioned, the fund was dissolved in full, starting from a low level, which lead to a lower cash flow from investing activities.

The negative **cash flow from financing activities** is above all attributable to the cash paid for the share buy-backs and the repayment of loans.

Due to the matters described above, available cash and cash equivalents decreased by EUR 80.9 million.

Business performance of the segments

Professional segment

In the 2022 financial year, the Professional business contributed 65.1% to the Group's revenue (2021: 67.5%). Indeed, backed by a particularly strong fourth quarter, Professional revenue increased by +10.8% to EUR 291.2 million (2021: EUR 262.7 million).

EUR million	FY 2022	FY 2021	Change
Professional revenue, total	**291.2**	**262.7**	**+10.8%**
Subscription revenue	260.1	235.8	+10.3%
of which from memberships	221.6	202.9	+9.2%
of which from seller leads	38.6	32.9	+17.3%
Pay-per-ad revenue	14.9	12.0	+24.5%
Other revenue	16.1	14.9	+7.9%
No. of customers[1] (average for the period)	21,157	20,489	+3.3%
Professional ARPU[2] (EUR/month)	1,025.0	959.0	+6.8%
Professional ordinary operating EBITDA	**176.2**	**168.8**	**+4.4%**
Professional ordinary operating EBITDA margin (%)	60.5%	64.3%	-3.7pp

1 ImmoScout24 customers who have a fee-based contract extending beyond the reporting period on the last day of the month that entitles them to market more than one property, and Immoverkauf24 customers (deduplicated) who completed a sale transaction in the reporting period (number as of month-end divided by the number of months in the period). The figures for the 2021 financial year are unaudited.

2 Revenue for the period divided by the average number of customers and further divided by the number of months in the period. The ARPU numbers for the 2021 financial year are unaudited.

Subscription revenue, which we generated from our professional core customers, was up 10.3% to EUR 260.1 million. Of that amount, EUR 221.6 million was attributable to our core business with memberships for real estate agents, which grew by 9.2% year on year. The main reasons for this are a rising number of customers as well as price adjustments for listings and continuing upgrades to higher-value memberships, both for residential and commercial real estate agents.

This growth driver accounted for a significant portion of revenue growth in spite of the less dynamic **seller leads business** caused by market factors over the course of the year. On aggregate, business with seller leads increased by 17.3% to EUR 38.6 million year on year. Of this amount, EUR 26.5 million was attributable to ImmoScout24's Realtor Lead Engine (RLE) business and EUR 11.8 million to commission-based Immoverkauf24 mandate business. The poor growth dynamics in the year 2022 as a whole involved scaling back the acquisition of seller leads in light of the falling demand for properties for sale described above. Particularly in such a market environment, our ImmoScout24 platform and our diversified product range are all the more important and helped us win new agent customers (Q4[30]: +4.3%; 2022: +3.3%). **Professional ARPU** rose at a slower rate than total subscription revenue, as we also acquired new customers with low revenue volume.

Throughout the entire financial year, we recorded an upturn in our individual listings business and, accordingly, rising **pay-per-ad listing revenue** (Q4[31]: +35.6%; 2022: +24.5%). This trend continued in the past quarter of the year. The higher (paid) bookings in 2022 are a further sign that our marketing solutions for agents are becoming increasingly attractive for agents in the current market environment.

Other revenue in the Professional segment, generated from selling mortgage leads, grew thanks to our measures to improve lead quality, on the one hand, and as a result of the starting transaction and consulting business. Current interest rate developments, however, caused slightly declining growth dynamics in our Mortgage Lead Engine (MLE) business that involves the direct sale of financing leads.

The Professional segment's **ordinary operating EBITDA** as presented in the table increased at a lower rate than revenue, as expected, on account of the planned growth investments.

Private segment

In the 2022 financial year, the Private segment contributed 27.2% to the Scout24 Group's revenue (2021: 24.3%). The segment recorded strong revenue growth of 28.5% to EUR 121.5 million in the 2022 financial year (2021: EUR 94.6 million), thereby considerably exceeding the previous year on account of strong market-related demand for plus products.

EUR million	FY 2022	FY 2021	Change
Private revenue, total	121.5	94.6	+28.5%
Subscription revenue	60.1	39.4	+52.4%
Pay-per-ad revenue	42.7	34.5	+23.6%
Other revenue	18.8	20.6	-8.9%
No. of customers[1] (average for the period)	304,019	203,961	+49.1%
Private ARPU[2] (EUR/month)	16.5	16.1	+2.2%
Private ordinary operating EBITDA	62.7	43.1	+45.4%
Private ordinary operating EBITDA margin (%)	51.6%	45.6%	6.0pp

1 Plus product subscribers and paying Vermietet.de customers (number as of month-end divided by the number of months in the period). The figures for the 2021 financial year are unaudited.
2 Revenue for the period divided by the average number of customers and further divided by the number of months in the period. The ARPU numbers for the 2021 financial year are unaudited.

30 All disclosures in the 'Business performance of the segments' section relating to the fourth quarter are unaudited.
31 All disclosures in the 'Business performance of the segments' section relating to the fourth quarter are unaudited.

The significant increase in subscription revenue is attributable to the market-driven steep rise in paying subscription customers and improved paywall efficiency, i.e. a more targeted use of payment barriers in front of advertisements. For the first time, our Plus products reached the record number of 300,000 subscribers in June (2022: +49.1%). **Private ARPU** increased by 2.2% due to price adjustments. In 2022, we recorded a strong rise in **pay-per-ad revenue** in the Private segment as well (Q4: +37.9%; 2022: +23.6%). Reasons included private listers choosing pay solutions from the start in the current market environment to market their property faster and the trend of switching listings advertised over longer periods from free to paid ads.

Other revenue in the Private segment, which is generated from referring relocation mandates and credit checks, fell year on year.

Ordinary operating EBITDA in the Private segment increased faster than the segment's revenue – despite continued growth investments in Vermietet.de. This is related to economies of scale in the business with Plus product subscriptions and to growth of the highly profitable pay-per-ad business.

Media & Other

The smallest segment, Media & Other, accounted for 7.8% of Group revenue in the 2022 financial year (2021: 8.2%). Segment revenue increased by 9.7% year on year to EUR 34.82 million.

EUR million	FY 2022	FY 2021	Change
Media & Other revenue	34.82	31.75	+9.7%
Media & Other ordinary operating EBITDA	12.16	10.89	+11.7%
Media & Other ordinary operating EBITDA margin	34.9%	34.3%	+0.6pp

ImmoScout24 Austria recorded strong growth in its business, with revenues up 15.0%. Likewise, advertising business with third parties increased by 8.0%. FLOWFACT recorded declining revenue in its CRM software business, which was down 11.1% due to the ongoing conversion of the payment model from licences to software-as-a-service. Since August 2021, the newly acquired Propstack, with its cloud-based CRM product for smaller agent companies, has also been contributing to the revenue performance of the Media & Other segment.

The Media & Other segment's **ordinary operating EBITDA margin** increased on the back of this development of revenue by 0.6 percentage points to 34.9% in 2022.

Overall assessment

In the 2022 financial year the Scout24 Group still benefitted from its broadly diversified product range and was again able to continue the strong revenue dynamic enjoyed in the previous year. The inflation- and interest-rate-related structural shifts on the market are leading to an increased demand for marketing and services, which is having a positive effect on demand from agents and private individuals for the Group's products. As a result, the Scout24 Group was able to increase the number of professional customers in its core business by another 3.3% to around 21,200. In this environment, key growth drivers included business with memberships for real estate agents in an increasingly difficult buyer's market, TenantPlus ('MieterPlus') products in a tight rental market, and private and professional individual (pay-per-ad) listings. This resulted in an increase of 15.0% in Group revenue year on year to EUR 447.5 million (2021: EUR 389.0 million), reaching the upper end of the more specific guidance forecasting revenue growth of between 14% and 15%.

Ordinary operating EBITDA improved by 12.7% to EUR 251.1 million (2021: EUR 222.8 million), even exceeding the forecast (between 11% and 12%) in spite of renewed substantial investment in the Group's strategic development to become a digital platform for real estate transactions. The corresponding margin stood at 56.1% (2021: 57.3%); in the fourth quarter, it rose above the previous year's level again for the first time.

Our statement of financial position also reflects our focus on ImmoScout24 and thus on our ecosystem strategy in the German and Austrian real estate markets. The proceeds from the sale of AutoScout24 had largely been returned to our shareholders by the end of the 2022 financial year. Primarily as a result of the share buy-backs with a volume of over EUR 2 billion over the past years, our total assets decreased from EUR 2.4 billion to EUR 1.9 billion. The lower number of shares outstanding has a positive effect on our earnings per share.

The 2022 financial year underscores once more the high resilience of Scout24's business model and the successful implementation of our growth strategy. The diversified range of Scout24 products covering all aspects of a real estate transaction is highly relevant in a whole variety of market scenarios. Overall, the ecosystem strategy offers significant, sustainable value-creation potential, which is additionally supported by our focus on the environment, social issues, a good corporate culture and strong governance.

Risks and opportunities report

Scout24 regularly faces risks and opportunities that can have both negative and positive effects on the net assets, financial position and results of operations as well as on the reputation and public perception of Scout24. To prevent or minimise possible negative effects with respect to risks in the event of occurrence, financial, operational, strategic, external and compliance-related risks are identified, analysed, evaluated and managed as part of risk management. At the same time, our opportunity management ensures that we identify and capture opportunities in good time. On the one hand, the aim is to strike a balance between growth and returns and, on the other, the associated risks. Risk and opportunity management thus supports the implementation of the corporate strategy.

To identify risks and opportunities at an early stage and to deal with them proactively and consciously, we operate a documentation, management and control system. In the following, we present those risks and opportunities that are rated as critical and substantial in the risk matrix and of relevance for Scout24 and as very good and solid in the opportunity matrix. Both risks and opportunities are explained in descending order of relevance for Scout24.

Overall statement on the risk and opportunity position

Risk position

Overall, Scout24's risk position improved in the 2022 financial year. Measured in terms of aggregate net expected loss for all risks, the overall risk situation is down on the previous year, and the prevailing risks are still manageable. The potential exposure is covered several times over by the available equity and is manageable overall. No risks have been identified that could jeopardise the continued existence of Scout24 as a going concern.

Scout24 continues to be exposed to macroeconomic risks, including risks relating to the war in Ukraine, consumer price inflation and rising financing costs driven by rising interest rates. Given that current developments are subject to uncertainties, we will continue to monitor and continuously assess the impact on our business in the future so we can take further risk-mitigation measures if necessary. In the context of our risk management system, we classify these risks as 'critical'.

As a digital company, data protection and data security are a key priority in our daily work. There are data privacy risks in the technical protection and collection of personal data from our customers and employees, and data security risks in particular with respect to ensuring the confidentiality, integrity and availability of our data. We consider these risks to be 'material' and have implemented appropriate measures to counteract them.

Operating an online marketplace brings with it risks from the use of IT and in relation to the security of our IT infrastructure. We consider these risks 'tolerable', as we invest in a wide range of activities to protect our online platform and IT infrastructure. The aim is to provide our users reliable access at all times and to consistently provide reliable information. Investing in the security and protection of our data, our systems and our IT infrastructure leads to their continuous improvement and the closing of potential security vulnerabilities.

Changes in the market and competitive environment are relevant when considering the overall risk situation. Scout24 is in close competition with its competitors, which may give rise to risks under competition law. Among other things, these risks, which are now classified as 'moderate', were reduced by newly created measures such as internal process optimisation.

ImmoScout24 continues to face greater competitive pressure from the listed company Adevinta ASA, which is one of the largest providers of online advertising portals internationally. ImmoScout24 competes not only with direct competitors but also with hybrid agents and social networks (see the **Competitive situation** section). This may lead to fiercer competition on prices and terms in the future, and it entails a moderate risk of losing market share for ImmoScout24 as Germany's leading marketplace for digital real estate listings.

Opportunity position

Scout24's overall opportunity situation has developed positively. External factors, such as the ongoing shift towards the online real estate market, support our business model's further development. We expect that the continuous optimisation and expansion of our product portfolio and a strong focus on our core business will create additional sales and earnings potential.

Further opportunities lie in the high awareness of the ImmoScout24 brand and the high website traffic. These provide a solid basis for continued strong positioning and the establishment of additional products and services.

Risk and opportunities management system

Objective and anchoring of the risks and opportunities management system

At its core, Scout24's risk and opportunity management seeks to create the requisite transparency with regard to existing risks and opportunities and, in doing so, to build a shared awareness of risks within the Company as well as to establish their significance and implications for the achievement of the Company's objectives. The risks and opportunities management system is used to ensure the identification, assessment, analysis and long-term management as well as the reporting and monitoring of significant risks and opportunities.

Overall responsibility for the risks and opportunities management system of the Scout24 Group lies with the Management Board. To this end, the Management Board has set up the Risk Management department, which integrates and controls the risk management systems and the internal control system throughout the Group. This takes place in close cooperation with the individual risk officers in the (market) segments, central Group functions and equity investments, who bear responsibility for implementing risk and opportunity management in the operating units.

The guiding principle of risk and opportunity management is a holistic and integrated approach that combines the governance components of risk management and the internal control system, supplemented by supporting internal audit activities. Effectiveness is monitored by the Risk Management department and, on a sample basis, by the Internal Audit department's reviews.

Framework

The basic design of Scout24's risk management system reflects the internationally recognised COSO Enterprise Risk Management Framework of the Committee of Sponsoring Organisations (COSO) of the Treadway Commission. This framework links the Group-wide risk management system to the internal control system (ICS), which is also based on the COSO framework. This integrated approach helps the Company to direct management and monitoring activities towards the corporate objectives and their inherent risks. The ICS is especially intended to ensure the security and efficiency of business processes as well as the reliability of the financial reporting.

In its risk management system, Scout24 also takes into account the interrelated basic elements of risk culture, objectives and organisation of the measures, risk identification, assessment, control and communication as well as monitoring and improvement of the risk management system, in accordance with Auditing Standard 981 of the Institute of Public Auditors in Germany (IDW AuS 981).

Identifying and assessing risks and opportunities

Scout24 comprehensively evaluates the risks and opportunities that are significant for the Group's corporate development as part of the annual budgeting and steering process (also see the **Steering system** section). In this context, market and competitive analyses are conducted to support financial planning, and the internal and external risks and opportunities relevant to the Group are assessed. The current assessment of the risks and opportunities at the time of budgeting is re-verified during the year in additional revisions of the risks and opportunities inventory, resulting in a quarterly assessment of Scout24's opportunities and risks. This is used as a basis for regular reporting to the Management Board and the Supervisory Board.

Above and beyond this, current risks and opportunities as well as their impact on the Company are discussed at quarterly meetings of the Executive Leadership Team (ELT), with the Supervisory Board and in regular budget, strategy and profit/loss meetings.

In the reporting period, risk management focused primarily on those activities that have a significant impact on future earnings (ordinary operating EBITDA) as well as the future financial position (cash flow), and that are of importance for the Company's future prospects in that they could prevent the Company from achieving its objectives. Tax risks and risks from changes in interest rates are likewise taken into account.

Scout24 classifies its risks according to external, financial, operational, strategic and compliance risks – referred to as risk areas. Risks are assessed based on quantitative parameters, probability of occurrence and potential financial impact.

Opportunity management is primarily focused on identifying business potential within the ecosystem for real estate in Germany and Austria and around the digitisation of real estate transactions. Opportunities are assessed by reference to qualitative parameters in terms of their probability of occurrence and their potentially positive impact.

The accounting-related risk management system as well as the ICS are a significant component of the Company's internal control system. The application of the aforementioned COSO framework and the effective interaction of the risk management system and the ICS are intended to ensure the effectiveness and efficiency of business operations as well as the completeness and reliability of the financial reporting. In this context, the accounting-related risk management and the ICS include organisational rules and measures for the identification and management of risks relating to financial reporting.

We view the following elements of the risk management system and the ICS as significant:

- Processes for the identification, assessment and documentation of all significant accounting-relevant business processes and risk areas, including associated key controls; these include financial and accounting processes as well as operational business processes that provide significant information for the preparation of the separate and consolidated financial statements, including the management report;
- In the 2023 financial year, there are plans to refine the internal control system concerned with financial reporting as well as the operations-related internal control system in the business operations processes beyond the scope of financial reporting to establish a comprehensive internal control system for Scout24;
- Process-integrated controls (IT-supported controls and access limitations, authorisation concept, especially in regard to accounting-related IT systems, the dual control system and segregation of duties);
- Standardised and documented financial bookkeeping processes;
- Group-wide accounting requirements in the form of accounting guidelines and reporting processes;
- Regular information to all consolidated entities regarding current developments relating to accounting and financial reporting and the financial statements close process as well as reporting deadlines.

Risk prevention and ensuring compliance

Risk prevention is a significant element of the risk management system and an integral component of ordinary business activities. Uniform standards throughout the Group to systematically manage risks and opportunities form the basis for successful risk prevention and compliance in this context. These standards are set out in our Risk Management Policy & Manual. The risk management process defined there – for which the Risk Management department is responsible – ensures standardised processes for evaluating, analysing and reporting risk as well as implementing risk management measures. The risk management process offers consistent, comparable and transparent information, thereby supporting important decision-making processes.

Appropriateness and effectiveness of the systems[32]

The internal control system, the risk management system and the compliance management system are subject to both process-integrated and process-independent monitoring. Responsibility for process-integrated monitoring lies with the relevant corporate functions and decentralised units. The internal audit function is responsible for monitoring the systems independently of the processes. It regularly reviews the risk management system in all material respects for appropriateness and effectiveness in accordance with relevant standards, such as DIIR Audit Standard No. 2: Audit of the Risk Management System by Internal Audit. In addition, the effectiveness of the compliance management system is regularly reviewed by Internal Auditing in all material respects. For example, the application of compliance regulations in the Company is ensured in the form of employee surveys. The process-independent monitoring of the internal control system comprises the testing of significant controls along selected business processes at the level of the corporate functions and decentralised units. This is based on a risk-oriented audit plan of the internal audit function that is updated as needed. Any significant findings in the systems identified in this context were promptly remedied, so that on the basis of the findings from the aforementioned monitoring measures, there are no indications known to management that would call into question the appropriateness and effectiveness of the compliance management system, the risk management system and the existing elements of the internal control system, which is in the process of being expanded.

Detailed analysis of the risk position

The risk management process begins with the identification of significant risks. In this context, risks that exceed a certain materiality threshold or that are somewhat urgent are reported to the Management Board. Appropriately trained, decentralised risk assessors in the individual business units are responsible for identifying, recording, reporting and regularly updating risks. The risk assessors categorise risks according to a standard catalogue (clusters) applicable in the Group and document their results regularly in the risk management software. The risks are reviewed and approved by the likewise decentralised risk approvers for their areas. This approach ensures observance of the dual-control principle for each risk. Interim reporting is oriented towards specific characteristics and is based on presented risk assessments and respective regular updates by the departments. Quarterly changes to the risk inventory are utilised as early warning indicators.

Risks are subsequently assessed as ‘low’, ‘tolerable’, ‘moderate’, ‘substantial’ or ‘critical’, considering the potential impact on results of operations, financial position and net assets as well as estimated probabilities of occurrence. Risks are assessed based on quantitative parameters, namely the probability of occurrence in per cent and the potential financial impact in euros, measured by reference to ordinary operating EBITDA and cash flow. Quantification in this respect is primarily intended as an indication of the respective risk’s relevance. The assessment of the monetary impact is the responsibility of the respective business units. The time frame for estimating risks is three annual slides (of 12, 24 and 36 months respectively), in each case for the probability of occurrence and the potential financial impact.

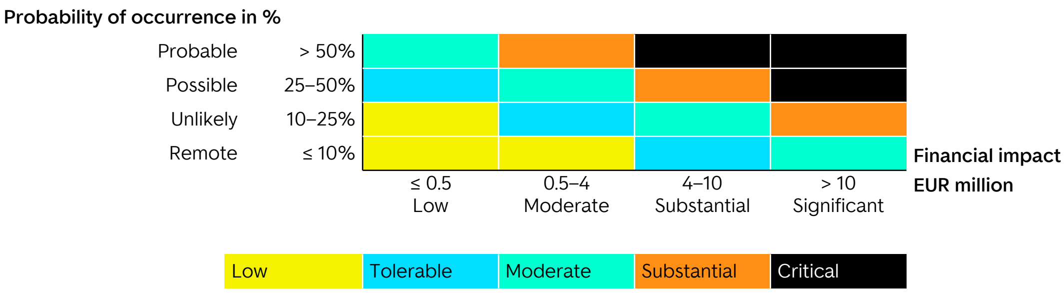
[32] Disclosures unrelated to the management report that are outside the scope of the auditor’s review of the management report’s content.

The identified risks are assessed applying the inherent/residual method. In a first step, the potential financial impact and probability of occurrence are initially assessed within the framework of the inherent risk assessment without taking into account the measures and/or controls implemented to reduce the financial impact or probability of occurrence. The aim of the inherent risk assessment is to reflect the entire potential exposure, to thereby prevent an erroneous assessment that can arise from overestimating the effect of existing risk management measures and/or controls.

In a second step, the residual risk analysis takes into account the risk mitigation measures and/or controls implemented. The objective of the inherent/residual assessment is to enable monitoring of the effectiveness of the preventive measures deployed.

In the following, risks are presented at their net expected loss, which is determined from the intercept of the two metrics: the potential financial impact (x-axis) and the probability of occurrence (y-axis), in each case on the basis of the residual method. The scales are presented in the risk matrix below.

RISK MATRIX



Opportunities are not factored into the assessment. They are covered separately through opportunity management and as part of budgeting.

The next step concerns risk management. In order to mitigate risks in the long term, i.e. to reduce their possible implications in terms of their potential financial impact or their probability of occurrence, appropriate measures and/or controls are developed and implemented.

The defined measures and controls are updated, together with the risks, in the course of risk reporting to management during the year. In addition, risks that are identified between two reporting periods and whose potential impact could have a significant influence on the Group's earnings are reported ad hoc to the Management Board and, if necessary, to the Supervisory Board.

To analyse Scout24's overall risk situation and be able to initiate suitable countermeasures, all recorded and assessed risks are aggregated into a risk portfolio. Statistically robust methods are used in the risk management software for this purpose. The consolidation scope for risk management purposes corresponds to the consolidation scope for the consolidated financial statements. In this context, the overall risk position determined in relation to the risk-bearing capacity of Scout24 for the reporting period is considered on the basis of suitable key indicators, namely the value at risk and the aggregate net expected loss for all risks, and is regularly monitored by the Management Board with regard to the coverage of the net assets, financial position and results of operations. The analysis of the risk-bearing capacity did not lead to any adjustment or identify any gap in risk-bearing capacity.

Overall risk situation, risk areas and risk clusters

The following table shows the external, financial, operational, strategic and compliance risk areas and the respective risk clusters. These are evaluated based on an analysis of individual risks using the residual method. The year-on-year changes in the risk situation are as follows:

EVALUATION OF RISK AREAS

		Weighted probability of occurrence[1]	Expected financial impact[1]	Net expected loss[1]	Year-on-year change
1	**External risks**				
1.1	Economic risks	Probable	Significant	**Critical**	↑
1.2	Regional and specific country risks	Remote	Low	Low	=
1.3	Legal environment	Remote	Significant	Moderate	=
1.4	Competition and market	Unlikely	Significant	**Substantial**	↑
1.5	Suppliers	Remote	Low	Low	=
1.6	Labour market	Remote	Low	Low	=
1.7	General public	Unlikely	Low	Low	=
1.8	Nature and environment	Remote	Substantial	Tolerable	=
1.9	Covid-19	Remote	Significant	Moderate	=
2	**Financial risks**				
2.1	Financial reporting, organisation and quality	Remote	Significant	Moderate	=
2.2	Financial management	Remote	Low	Low	=
2.3	Financial indicators	Remote	Moderate	Low	↓
3	**Operational risks**				
3.1	Human resources	Possible	Moderate	Moderate	=
3.2	Advertising and brand	Remote	Substantial	Tolerable	↓
3.3	Service providers, other business partners	Remote	Low	Low	↓
3.4	Customers	Unlikely	Substantial	Moderate	↑
3.5	Management and administration	Remote	Moderate	Low	↓
3.6	Purchasing	Remote	Moderate	Low	=
3.7	IT risks	Remote	Substantial	Tolerable	↓
3.8	Project management	Remote	Low	Low	↓
3.9	Product management and processes	Unlikely	Moderate	Tolerable	↓
3.10	Communication	Remote	Moderate	Low	=
4	**Strategic risks**				
4.1	Strategic orientation	Unlikely	Substantial	Moderate	↑
4.2	Sales, marketing and brand	Remote	Low	Low	↓
5	**Compliance risks**				
5.1	Code of Conduct	Remote	Low	Low	=
5.2	Data protection and data security	Remote	Significant	**Substantial**	=
5.3	Corruption and fraud	Unlikely	Moderate	Tolerable	↓
5.4	(Corporate) criminal law	Probable	Low	Moderate	↑
5.5	Competition law	Unlikely	Substantial	Moderate	↓
5.6	Intellectual property law	Possible	Moderate	Tolerable	=
5.7	Labour and social security law	Unlikely	Moderate	Low	=
5.8	Money laundering	Unlikely	Low	Low	=
5.9	Know-how drain	Unlikely	Low	Low	↓
5.10	Environmental law	Remote	Low	Low	=
5.11	Documentation obligations	Remote	Low	Low	=
5.12	Capital market law	Remote	Moderate	Low	=

[1] With respect to the 2023 financial year.

↓ Decrease; ↑ Increase; = Unchanged

In the past year, the global economic and geopolitical situation deteriorated significantly due to various factors. The resulting major uncertainties may become more severe.

The changed political and economic environment, in particular the political and economic consequences associated with the war in Ukraine, including sanctions and countermeasures, as well as the current level of inflation and interest rate policy, will continue to have an increased impact on activity in the real estate market in 2023. Against this background, we now regard the 'economic risks' cluster, which was classified as 'low' in the previous year, as 'critical'. Various additional monitoring and analysis procedures have been implemented to address this risk.

For 2023, we assess the risks from the future impact of the Covid-19 pandemic as 'moderate', unchanged from the previous year, with a significant financial impact but very low probability of occurrence. We have taken the new circumstances resulting from the pandemic into account as far as possible in our planning and forecasts (also see the corresponding comments in the **Macroeconomic and sector-specific environment** section). We have assessed the Covid-19 risk as correspondingly low and allocated it to the 'external risks' risk type (previously allocated to 'special risks'). Nevertheless, we do not rule out significant economic impacts from additional new variants of the virus.

Risk clusters that from today's perspective could significantly affect the Scout24 Group's results of operation, financial position and net assets are discussed in more detail in the following. This concerns the risk clusters assessed to have a 'critical' or 'substantial' net expected loss as well as relevant operational and financial risks. We are currently not aware of any further risks that could affect our operations or have appraised such risks as not substantial.

External risks

1.1 Economic risks

Inflation in Germany had already been at a high level since 2021, and it has intensified further in 2022 on account of the war in Ukraine. In response to the rate of inflation in the eurozone, the European Central Bank (ECB) raised its key interest rate again for the first time since 2011 in a bid to achieve the objective set out in the stability criteria of the monetary union of ensuring a moderate year-on-year increase in the price level. In 2023, there is a risk that the ECB will raise the key interest rate again by a large margin. Despite a low level of debt, we estimate the impact of rising interest rates on Scout24's financing costs to be substantial due to a likely occurrence. In the case of wage and salary payments, IT costs and other operating costs (e.g. rental expenses), there is also a substantial risk of increasing costs due to inflation. Due to additional financial burdens on our customers, we expect a moderate impact from inflation. Additional financial burdens on our customers pose the risk of potentially higher bad debt losses.

As described in the **German real estate market trends** section above, the effects of the shift in demand from property buying to the rental market will continue to have a tangible impact on our business model in the coming years. While this development is considered to pose critical risks to our revenue performance in the seller leads business, we consider the overall impact on the further development of business to be positive overall (for more details, see the **Detailed analysis of the opportunity situation** section).

In order to counteract the aforementioned risks with respect to costs, various measures have been initiated in the areas of purchasing and personnel. In order to be able to respond flexibly to new market conditions, various monitoring and analysis procedures have also been implemented. Overall, we assess the existing economic risks as 'critical'. However, the economic risks are also offset by opportunities. As a result, we consider the overall situation to be manageable.

1.4 Competition and market

Scout24 operates in a highly competitive environment that is constantly evolving. In the 2022 financial year, this environment was again characterised by changes that may have an influence on the participants in the real estate market and also on the market and competitive environment in which Scout24 operates.

Scout24 faces competitive risks mainly with respect to its next largest competitors: the Immowelt Group and eBay Kleinanzeigen. Horizontally organised classifieds portals such as eBay Kleinanzeigen use their large user base and data to establish a strong customer base at comparatively low cost. With the acquisition of eBay Kleinanzeigen in mid-2021 by Adevinta ASA, a publicly listed company based in Norway, Scout24 continues to face the risk of more intense competition in the future.

Aggressive competitive strategies to deliberately capture market share at the expense of profitability entail the risk for Scout24 of losing or not being able to increase its listing and market share and/or revenue. There is a moderate risk in particular of declining listings for property sales on ImmoScout24 and of a loss of market leadership to the Immowelt Group or eBay Kleinanzeigen. ImmoScout24 is confident that it can counter this risk with new product developments and special offers for our customers.

In addition, we are competing with hybrid agents and social networks as well as other market players, such as credit rating agencies, and are entering into even more intense competition based on prices and terms (also see the **Competitive situation** section). For Scout24, this entails, on the one hand, the risk of greater competitive pressure, especially in the Private segment, and, on the other hand, the risk of losing partner agents, for example. Scout24 counters these risks by continuously working on the further development and diversification of its products and services as well as on the functionality of its online marketplace.

Individual internet browsers had already started to block third-party cookies in the past. In the future, more internet browsers will follow, and providers will publish their own data privacy modes. The discontinuation of cookies and unique identifiers will impact our programmatic business as well as direct marketing, which is why we have identified alternative identifiers and are monitoring programmatic revenue on a segment-by-segment basis.

There is a risk of declining market penetration, which could jeopardise our marketplace's appeal for our user groups, and, in turn, our ability to monetise our services. As a result, our business could be adversely affected, and our revenue and earnings could decline.

Overall, the external risks in the 'competition and market risk area represent a significant risk component for Scout24, as also illustrated by the importance of the measures described and implemented in this regard. We continue to keep a close eye on market developments.

Having analysed the risks at individual risk level, we gauge their combined risk as 'substantial' but manageable.

Operational risks

3.1 Human resources

Scout24 attaches particular importance to qualified employees and managers. HR risks can arise from employee turnover in key functions. Various measures, including instilling a strong corporate culture, are being taken to counteract this risk systematically, such that the overall risk is deemed moderate and thus manageable.

3.7 IT risks

Scout24's business operations involve risks from the use of IT and in relation to the security of the IT infrastructure of all segments. We consider these risks tolerable and invest in a wide range of activities to protect our platform and IT infrastructure.

ImmoScout24's online platform has to be reliably accessible for our users and consistently provide reliable information. In this context, we are constantly exposed to the risk of systems failing and our products and services being unavailable to our users. On the one hand, this could be caused by the failure of individual systems or IT services if, for example, necessary updates are not carried out or systems not regularly updated. This risk is countered by regular system reviews, which monitor adherence to security measures and ensure systems are regularly updated. To prevent a possible failure or error in the cloud environment, we use high-availability cloud service providers and run what are referred to as multi-region storage backups. Accordingly, additional backups in different regions reduce the vulnerability while ensuring the security and stability of our cloud environment.

The systems, programmes, tools and software used internally must also be reliably available to Scout24 employees. To ensure this, corresponding contractual agreements are defined with IT service providers via service line agreements, and redundancy measures are agreed with the individual vendors. To minimise the access risk to business-critical systems and services, what are known as asset management control systems are also used, and security measures are implemented.

There is a risk of unauthorised access by third parties to Scout24's cloud infrastructure, for example, in the form of a targeted cyberattack. This is counteracted through the established approval processes to obtain access to the cloud environment, cyber insurance, and the option available to Scout24 customers to protect their data with multi-level access protection.

We assess the existing IT risks overall as manageable. Investing in the security and protection of our data and systems as well as our online platform and IT infrastructure leads to their continuous improvement and closure of potential security vulnerabilities. Scout24 is constantly working to further reduce IT risks.

Compliance risks

5.2 Data protection and data security

The reliability and security of information technology are of paramount importance. That said, threats to information security have increased globally. In particular, we are sensitive to data manipulation or data theft. We see a particular threat in phishing mails or malware that attempt to access employee login data to compromise employee accounts and access systems that are essential for Scout24. There is a risk that attackers can gain access to internal company data, including through the theft or loss of company devices, and that a compromised account may remain undetected for an extended period of time or indefinitely. Role-based access controls with a variety of authentication mechanisms are used to manage and control access to files and services. Furthermore, workshops on information security are held and an information security policy implemented. The same applies to security vulnerabilities on our platform, as this also entails exposure to the risk of fraudulent listings to commit deposit fraud or identity theft. Special software and vulnerability management allow us to identify and close security gaps, while special configurations of our IT systems enable us to protect ourselves against possible external attacks.

There is a risk that employees may not be granted access rights correctly or that access rights may not be revoked in a timely manner, thereby granting unauthorised access to internal company data by (former) employees or (former) external third parties. To counter this risk, an information security management and change management system and corresponding guidelines have been implemented. An authorisation management system manages, documents and controls the (de)activation of users.

To comply with data protection laws, we use a consent management platform to control the consent of our users regarding the collection and handling of personal information. For the protection of personal data, we involve our data protection officer in particular in the design of our products and train our employees on the subject of data security.

In the 2022 financial year, we further developed our data protection management system to comply with the applicable requirements under the relevant data protection laws, including the European General Data Protection Regulation (GDPR) in order to counteract any potential risk of compliance violations. To ensure the availability of business-critical data, an information security management system with defined roles and responsibilities has been implemented. The system also ensures that data are classified into different materiality levels to create backups of business-critical data. These backups allow us to ensure the quickest possible return to regular operations in the event of system failures.

Data protection and data security are among the main risk clusters, but they are classified as manageable, having implemented all the aforementioned measures.

5.5 Competition law

Scout24 is in close competition with its competitors, which may give rise to risks under competition law. Internal process optimisation measures have been put in place to minimise these risks, which are classified as moderate.

Having implemented all the above measures, the compliance risks are likewise classified as manageable.

Financial risks

2.1 Financial reporting, organisation and quality

In the context of financial reporting, there is a risk deemed moderate pertaining to the capitalisation of development expenses, which in turn consist of own work capitalised and bought-in services in the course of product development. Here, development hours by Scout24 employees and development partners are capitalised and amortised over three years. The risk consists of incorrect capitalisation in terms of substance or amount, which may lead to misstatement in the statement of financial position and the statement of profit or loss. This can stem from insufficient documentation as well as failure to calculate the viability of capitalised projects. All capitalised amounts are therefore carefully evaluated and reviewed. A clear process description is in place, along with rules for submitting projects for capitalisation by the department.

There is a risk of a loss of confidence in the event that financial data are published incorrectly or inaccurately, or if they are unavailable due to technical problems, such as a system failure, non-functioning financial systems or interfaces between financial systems, or if management reports are unavailable. System vulnerabilities may also lead to unauthorised publication of confidential financial or non-financial key figures. In order to counteract the risk of a loss of confidence with respect to Scout24's financial reporting, measures have been implemented, such as controls and the maintenance of control processes, precise checks of the information provided, authorisation concepts and the monitoring of the closing process at the end of the month, as well as the automation of interfaces.

Possible currency or exchange rate risks are considered to be low, as all investments are made exclusively in euros, and parts of the US dollar exposure are hedged. In addition, measures have been implemented in the context of financial reporting and debt analysis, together with a regular review of interest rates.

As of the reporting date, Scout24 has recognised intangible assets of approximately EUR 1.7 billion. These assets are tested for impairment on an ongoing basis to identify any indication that their carrying amount may not be recoverable, requiring the recognition of impairment losses. This is countered by means of financial planning and assessments, a quarterly analysis of financial reports, testing for possible impairment of goodwill as well as monitoring and analysing possible trigger events with regard to the impairment of intangible assets. Considering a high quantitative impact but very low probability of occurrence, this risk is not classified as critical for Scout24 at the individual risk level.

The existing financial risks are all manageable through the measures and controls mentioned. The existing tax risks are also not significant and are considered low.

Conclusion on the overall risk situation

At the time of writing this management report, the risks are assessed as limited overall. The overall risk position is manageable. Compared with the financial reporting period ended 31 December 2021, the overall risk situation measured by reference to the total net expected loss value of all risks has improved on aggregate.

There are no identifiable risks that could lead to a significant and protracted deterioration in Scout24's net assets, financial position and results of operations or could jeopardise its ability to continue as a going concern.

Detailed analysis of the opportunity situation

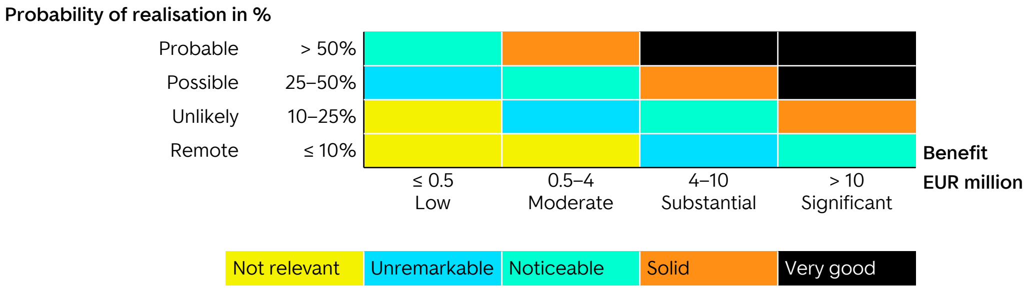
Our management of opportunities is organised on a decentralised basis in the segments of Scout24 and is supported by the Group Strategy & Business Development department. The department is in close contact with the individual operating units and therefore retains a detailed overview of the business situation and the resulting development potential. Moreover, market and competitive analyses as well as knowledge sharing with external experts serve as important sources to identify growth opportunities for Scout24.

Strategic opportunities of paramount importance – such as strategy adjustments or potential acquisitions and partnerships – are handled at Management Board level. This is part of the annual budgeting process and, in the case of current topics, part of the regularly scheduled meetings of the Management Board. For such topics, separate opportunity/risk analyses are generally developed and submitted for decision-making.

Opportunities are assessed taking into consideration the expected benefit as well as an estimated probability of occurrence. The time horizons for assessing opportunities are twelve months in each case for a total analysis period of three years. The probability of occurrence and the expected benefit are analysed in each case. In contrast with risk assessment, opportunities are evaluated based on qualitative characteristics. The following bandwidths have been determined for this purpose:

- Very good: very beneficial opportunities support the successful further development of the Scout24 Group or its individual participating interests.
- Solid: good opportunities have a significant effect on reputation, the business model, liquidity, assets and profits.
- Noticeable: good opportunities have a noticeable effect on reputation, the business model, liquidity, assets and profits.
- Unremarkable: minor opportunities have little effect on reputation, the business model, liquidity, assets and profits.
- Not relevant: very minor opportunities have almost no effect on reputation, the business model, liquidity, assets and profits.

OPPORTUNITIES MATRIX



Opportunities are not assessed according to the inherent/residual method used in risk management. Measures to support the realisation of opportunities are not inventoried or reported upon separately.

Overall opportunity situation, opportunity areas and opportunity clusters

Despite the prevailing market uncertainties, the Company's outlook for 2023 is considered positive. In the coming years, we see many opportunities to successfully develop the Company further. Of particular relevance are the opportunities classified as 'very good' and 'solid'. However, these are not the only opportunities we leverage in terms of operations.

The year-on-year changes in the opportunity situation are as follows:

EVALUATION OF OPPORTUNITY AREAS

		Probability of occurrence	Quantitative impact	Evaluation of opportunities	Year-on-year change
1	**External opportunities**				
1.1	Higher share of wallet from ongoing shift to online	Possible	Moderate	Noticeable	=
2	**Operational opportunities**				
2.1	Value added from performance improvement and addition of products and services	Probable	Significant	Very good	=
2.2	Shifting focus from third-party media to business with our core customers	Unlikely	Substantial	Noticeable	+
3	**Strategic opportunities**				
3.1	Business-promoting partnerships	Possible	Low	Unremarkable	=
3.2	Value added from successful M&A transactions	Probable	Substantial	Very good	=

↓ Decrease; ↑ Increase; = Unchanged; + New

Operational opportunities

Value added from performance improvement and addition of products and services

The year 2022 was dominated by geopolitical and market changes, such as the war in Ukraine, supply chain shortages and high inflation. The increase in key interest rates has led to rising mortgage rates, causing a shift from a seller's market to a buyer's market. This led to slightly lower property prices in the second half of the year and increased demand for rental. The high demand for our B2B and B2C products, in a changing market environment, emphasises the resilience and relevance of our platform. Agents are facing higher competitive pressure and therefore need additional support in generating leads and in the marketing of real estate. Private users, on the other hand, appreciate the personalised, simple and smooth user experience in the process around the real estate transaction. We are continuously working on optimising and expanding our product portfolio in order to offer our customers the greatest possible added value. In addition, we are focusing on increasing internal efficiencies.

Based on these developments, we consider the overall opportunity situation to be positive.

Strategic opportunities

Value added from successful M&A transactions

As part of the strategic orientation of ImmoScout24, we see further opportunities to expand our market leadership, especially through the acquisition of companies. We have already been able to expand our product range through relevant purchases in the past. The strategic acquisitions, such as immoverkauf24 (product for the acquisition of real estate mandates), Vermietet.de (end-to-end rental portal) and Propstack (agent CRM), are examples that illustrate the innovative enhancement of the product portfolio and the growing participation in real estate transactions. Looking ahead, we expect further opportunities to expand the product range through relevant merger and acquisition transactions. In particular, we see potential for new growth areas for the Group in the area of data-driven and innovative sustainable business models.

Against this background, we assess the overall opportunity situation as positive.

Conclusion on the overall opportunity situation

The opportunity situation has scarcely changed compared with the previous year and continues to be regarded as positive. Scout24's adaptable business model shows that we will be able to take advantage of changes in the market again in 2023 in our efforts to implement our strategic goals and capture additional revenue and earnings potential.

Outlook

The following section provides an overview of our expectations for the 2023 financial year as we implement our growth strategy and in light of the current crisis as well as market and industry conditions.

Market and sector expectations

Rising prices and energy shortages due to the war in Ukraine will continue to weigh on the German economy in the coming year. While there was broad consensus among experts in December 2022 that the German economy would go into recession in 2023[33], the German Federal Government now projects in its Annual Economic Report 2023[34] a low level of GDP growth of 0.2%.

The fundamental situation on the German real estate market is, however, still not expected to change significantly in 2023. As described in the **German real estate market trends** section, the residential real estate segment has a large supply gap that cannot be closed in the short term. In fact, the Federal Government's housing construction targets continue to be at risk on account of the repercussions of the war and the widespread shortage of skilled labour in Germany. The high excess demand with all its consequences for the parties involved in a real estate transaction presents them with serious challenges. Our medium-term strategy aims to address precisely these challenges even more strongly – with a suitable product range for our professional customers and for our private customers. The current market situation, which is marked by relatively high real estate prices coupled with the declining purchasing power of potential buyers as well as strong demand for rental properties, is likely to prove favourable for Scout24's business again in the 2023 financial year.

The ongoing end-to-end digitisation of real estate transactions offers us not only short-term but also considerable medium- to long-term growth potential. Our plan is to further digitise and monetise the entire process around buying and selling, renting (for both tenants and landlords) as well as managing real estate (also see the **Strategy** section). Thanks to the high level of innovation, its leading market position, the high brand awareness and the remarkable user reach that it has demonstrated for years, the digital marketplace ImmoScout24 is well positioned to take advantage of this tailwind in the German market.

Company expectations

Business performance of the Group

The 2022 financial year underscores once more the high resilience of Scout24's business model and the successful implementation of our growth strategy. The diversified range of Scout24 products covering all aspects of a real estate transaction is highly relevant in a whole variety of market scenarios. Overall, the ecosystem strategy offers significant, sustainable value-creation potential, which is additionally supported by our focus on the environment, social issues, a good corporate culture and strong governance.

Current developments in the German real estate market continue to have a positive impact on demand for Scout24's products and, in turn, the development of revenue. The relevance of the ImmoScout24 platform and the marketing capabilities offered by the product range have gained in importance in the current market environment. Following a strong first half of the year, we were thus able to maintain the good sales momentum in the course of 2022.

Despite the overall economic development, the Management Board expects the growth momentum to continue in 2023 as reflected by the following forecast for the full year:

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[33] tagesschau.de, economic forecasts for Germany, 23 December 2022.
[34] Federal Ministry for Economic Affairs and Climate Action, Annual Economic Report 2023, January 2023

For the 2023 financial year, Scout24 again expects double-digit growth rates in revenue and ordinary operating EBITDA.

On this basis, Scout24 has budgeted for the Group's revenue growth to reach 12% and for the Group's ordinary operating EBITDA to grow 13% in the 2023 financial year. Overall, the main focus will be on increasing the Group's ordinary operating EBITDA and the corresponding margin.

Medium-term outlook

Our growth strategy is premised on sustainable growth in the years beyond 2022. From 2023 onwards, earnings growth should also accelerate further as the level of capital expenditure is scaled back, and initial economies of scale are realised. In this way, we create value not only for our shareholders but also for our customers, who benefit from an expanded product range geared to the real estate transaction. Finally, we also ensure that the real estate market itself becomes more digital and efficient, to the benefit of all parties involved in a real estate transaction.

Other disclosures

Takeover-relevant information pursuant to Articles 289a and 315a HGB

Information in accordance with Articles 289a and 315a HGB as of 31 December 2022 is presented in the following.

Composition of subscribed share capital

The subscribed share capital of Scout24 SE amounts to EUR 80,200,000. It is divided into 80,200,000 registered ordinary no-par-value shares with a nominal value of EUR 1.00 per share. The shares are deposited in the form of a global share certificate. The right to demand issuance of individual share certificates is excluded. Each share grants the same rights and carries one vote at the Annual General Meeting. All registered shares are fully paid in.

Restrictions relating to the voting rights or transferability of shares

Scout24 SE held approximately 6,647,814 treasury shares at the end of the reporting year, from which it has no rights within the meaning of Article 71b AktG.

Scout24 shares issued to participating employees (participants) in Germany under the employee share programme introduced in the 2022 financial year are subject to a two-year holding period, calculated from the date of entry into the respective custody account of the participant, which took place on 28 September 2022. The Company reserves the right to shorten or terminate the holding period for individual, all or certain groups of participants if extraordinary events arise. In the financial year, 17,373 shares were issued to employees in Germany.

For participants in Austria, the holding period is five years from the end of the calendar year of granting. Participants in Austria can, however, inform the Company earlier, after the expiration of the two-year holding period, that they wish to sell their Scout24 shares. In this case, the Company will allow the participant to sell early. In this case, the tax exemption for the discount granted to them does not apply. In the financial year, 964 shares were issued to employees in Austria.

Equity investments exceeding 10% of the voting rights

We were not aware of any direct or indirect equity investments representing more than 10% of voting rights in the subscribed share capital as of 31 December 2022.

Shares endowed with special rights

All shares grant the same rights; there are no shares endowed with any special rights granting control.

Control of voting rights for equity investments of employees

No provisions exist to control voting rights if employees hold equity interests in the share capital without directly exercising their voting rights.

Appointment and dismissal of members of the Management Board, amendments to the Articles of Association

Pursuant to Article 6 (3) of Scout24 SE's Articles of Association, the members of the Management Board are appointed and dismissed by the Supervisory Board. Further provisions in this regard are set out in Articles 9 (1), 39 (2) and (46) of the SE Regulation as well as Articles 84 and 85 AktG. Amendments to the Articles of Association are passed by resolution of the Annual General Meeting. Unless mandatory statutory provisions or the Articles of Association stipulate a different majority, amendments to the Articles of Association require a two-thirds majority of the valid votes cast or, if at least half of the share capital is represented, a simple majority of the valid votes cast. Article 59 (1) of the SE Regulation and Article 179 et seq. AktG apply. Pursuant to Article 10 (4) of the Articles of Association, the Supervisory Board is entitled to make amendments to the Articles of Association provided they relate solely to the wording. In particular, the Supervisory Board is authorised to amend the wording of the Articles of Association after performance, in full or in part, of the capital increase out of Authorised Capital 2020 governed by Article 4 (6) of the Articles of Association or after expiry of the authorised period in accordance with the amount of the capital increase out of Authorised Capital 2020. The same applies in the event of utilisation, in full or in part, of conditional capital governed by Article 4 (7) of the Articles of Association.

Authorisation of the Management Board to issue new shares or repurchase shares

The Management Board is authorised to increase the Company's share capital with the approval of the Supervisory Board in one or several tranches until 17 June 2025 by issuing new no-par-value registered shares in return for cash or non-cash capital contributions by an amount of up to EUR 32.28 million in total (Authorised Capital 2020). The shareholders must generally be granted subscription rights. Pursuant to Article 9 (1) c iii) of the SE Regulation and Article 186 (5) AktG, the new shares can also be transferred to a bank or enterprise operating pursuant to Article 53 (1) Sentence 1 or Article 53b (1) Sentence 1 or (7) of the German Banking Act ('Gesetz über das Kreditwesen', KWG), with the obligation to offer them to the shareholders for subscription (indirect subscription right). The Management Board is authorised, with the approval of the Supervisory Board, to exclude the shareholders' subscription rights in full or in part in the following cases (references to the AktG are made in each case via Article 9 (1) c iii) SE Regulation):

- in the event of new shares issued in accordance with Article 186 (3) Sentence 4 AktG in return for contributions in cash at an issue price not significantly lower than the stock exchange price of shares already listed and providing that the proportion of shares issued excluding subscription rights in accordance with Article 186 (3) Sentence 4 AktG does not exceed 10% of the share capital, either at the date on which this authorisation is entered in the commercial register or at the date on which this authorisation is exercised. With regard to this limit, those shares must be taken into account that have been issued or sold subject to exclusion of shareholder subscription rights during the time when this authorisation is in effect up to the time of exercise of the respective authorisation applying Article 186 (3) Sentence 4 AktG directly or by analogy. Further, those shares must be taken into account that have been issued or can still be issued by the Company on the basis of convertible bonds/bonds with warrants issued as of the date of the respective exercise of the authorisation if the convertible bonds/bonds with warrants were issued by the Company or Group entities subject to exclusion of shareholders' subscription rights applying Article 186 (3) Sentence 4 AktG directly or by analogy after this authorisation takes effect;
- in the event of capital increases in return for non-cash capital contributions, in particular for the purpose of offering the new shares to third parties in acquiring companies, parts of companies or interests in companies;
- for fractional amounts;
- to issue shares to employees of the Company and employees and board members of subordinated affiliated companies, and, in addition, with regard to employees in accordance with the requirements of Article 204 (3) AktG;
- for the purpose of granting subscription rights to holders of conversion rights or warrants related to bonds issued by the Company or any subordinated Group entities.

In aggregate, the proportion of share capital that is attributable to shares issued on the basis of the Authorised Capital 2020 with the shareholders' subscription rights being excluded must not exceed 10% of share capital, either at the date when that authorisation takes effect or at the date when the authorisation is exercised. The shares issued or to be issued to service bonds with conversion rights or warrants or an obligation to convert them count towards the aforementioned 10% limitation if such bonds were issued excluding the shareholders' subscription rights while this authorisation is in effect.

The Management Board is authorised to determine, with the approval of the Supervisory Board, the further details of capital increases and their performance, including but not limited to the content of the share-related rights and the general terms and conditions of the share issue.

The share capital may be increased conditionally by up to EUR 10,760,000 by issuing up to 10,760,000 no-par-value registered shares (Article 4 (7) of the Articles of Association). The conditional capital increase will only be carried out to the extent that

- holders or creditors of bonds with warrants, convertible bonds, profit participation rights and/or participating bonds (or any combination of such instruments) with warrants or conversion rights issued or guaranteed by Scout24 SE or its direct or indirect majority shareholdings until 20 June 2023 on the basis of the authorisation of the Annual General Meeting of 21 June 2018 make use of their warrants or conversion rights, or
- the parties liable to fulfil the obligations from bonds with warrants, convertible bonds, profit participation rights and/or participating bonds (or any combination of such instruments) with warrants or conversion rights issued or guaranteed by Scout24 SE or its direct or indirect majority shareholdings until 20 June 2023 on the basis of the authorisation of the Annual General Meeting of 21 June 2018 fulfil their warrants or conversion obligation (also in the event of Scout24 SE exercising its repayment option upon maturity to grant shares in Scout24 SE instead of cash payment for all or some of the amount due),

and no other forms of settlement are used. The new shares participate in profit from the beginning of the financial year in which they originate through the exercise of warrants or conversion rights or through the settlement of warrants and conversion obligations.

By resolution of the Annual General Meeting on 30 June 2022 and in accordance with Article 71 (1) No. 8 AktG, the Management Board is authorised to purchase treasury shares representing up to 10% of share capital at the date of the Annual General Meeting's resolution or at the date of the respective exercise of the authorisation, whichever amount is lower. The share capital at the date of the resolution amounted to EUR 80,200,000. This authorisation can be exercised in full or in part, once or on several occasions, and is valid until 29 June 2027.

The Company can purchase treasury shares (1) through the stock market, (2) by means of a public purchase offer or by means of a public invitation to submit such an offer, or (3) by using derivatives (put or call options or a combination of both).

Significant agreements of the Company that take effect in the event of a change of control following a takeover offer

The facility agreement (FA), which was signed on 9 May 2022 and replaced the term and revolving facilities agreement ('RFA') signed on 16 July 2018, constitutes a significant agreement of the Group subject to a change of control.

A change of control is effected when a person or group of persons acquires (directly or indirectly and economically or otherwise) more than 50% of the Company's share capital including its issued voting share capital. In the case of a change of control and under additional preconditions, the FA entitles each lender to claim their share of the facility within a set period of ten days after the facts have become known.

The promissory note loan placed on 28 March 2018 represents a further significant agreement of the Group subject to a change of control. A change of control occurs when a shareholder acquires more than 50% of the shares in the Company. In the case of a change of control, the promissory note loan entitles each lender to terminate prematurely their share of the promissory note loan within a set period of ten days after the facts have become known.

Compensation agreements between the Company and members of the Management Board or employees in the event of a takeover offer

No such compensation agreements exist.

Additional disclosures relating to the separate financial statements of Scout24 SE

The management report of Scout24 SE and the Group management report of the Scout24 Group have been combined. The following statements refer exclusively to the separate financial statements of Scout24 SE prepared in accordance with the accounting provisions of Article 242 et seq. and Article 264 et seq. HGB and the supplementary provisions of Article 150 et seq. AktG.

Business activity of Scout24 SE

Scout24 SE as the parent entity and its direct and indirect subsidiaries together form the Scout24 Group, which operates the leading digital marketplace ImmoScout24.

Pursuant to Article 2 of the Articles of Association, the purpose of the Company is to acquire, hold, manage and sell interests in entities – in Germany and other countries – of any legal form which are active in the area of online/internet services, and/or online and/or offline services in the real estate sector, in particular for the brokerage or the management of real estate or for related business purposes as well as the performance of all measures that fall within the activities of a holding company with Group management functions, including but not limited to rendering management and advisory services to affiliated entities in return for consideration, and to operate in the field of the aforementioned services in Germany and other countries.

Scout24 SE renders intragroup services for its subsidiaries in the fields of finance, accounting, controlling, internal audit, risk management and compliance, corporate development and strategy, communication, investor relations, human resources and legal services, thus generating revenue from management services and cost allocations.

In addition, Scout24 SE generates external revenue from the marketing of advertisements to third parties.

The Management Board is responsible for Scout24 SE’s operational management. However, there is no dedicated management system. To this extent, the Group-wide steering metrics are not applied at the level of Scout24 SE. The main focus is on managing the Group and the subsidiaries.

Situation of Scout24 SE

Results of operations

Scout24 SE’s results of operations in the 2022 financial year and compared with the previous year are presented in the condensed statement of profit or loss below:

STATEMENT OF PROFIT OR LOSS (CONDENSED)

EUR million	FY 2022	FY 2021	± in %
Revenue	60.8	53.4	13.9%
Other operating income	2.6	4.2	-38.1%
Cost of materials	-9.0	-8.9	1.1%
Personnel expenses	-36.2	-34.3	5.5%
Amortisation, depreciation and impairment losses	-2.1	-2.0	5.0%
Other operating expenses	-49.5	-39.0	26.9%
Income from profit transfer agreements	221.6	186.0	19.1%
Income from long-term loans	0.0	0.0	n/a
Other interest and similar income	0.6	5.0	-88.0%
Expenses from loss absorption	0.0	-4.2	-100.0%
Interest and similar expenses	-3.1	-3.5	-11.4%
Income taxes	-52.1	-49.5	5.3%
Deferred taxes	-0.8	-3.0	-73.3%
Earnings after tax	132.7	104.1	27.5%
Net profit for the year	**132.7**	**104.1**	**27.5%**

In the 2022 financial year, revenue increased year on year EUR 7.4 million to EUR 60.8 million. This is due in particular to increased revenue from internal cost allocation.

Due to reduced income from the reversal of provisions, other operating income decreased by EUR 1.6 million year on year to EUR 2.6 million.

Personnel expenses increased by EUR 1.9 million to EUR 36.2 million in 2022. The increase is mainly due to new hires, salary increases and bonus payments. Scout24 SE had an annual average headcount of 205 employees in the 2022 financial year (2021: 196), excluding members of the Executive Leadership Team.

Other operating expenses increased by EUR 10.5 million year on year to EUR 49.5 million. Of this amount, EUR 8.9 million relates to book losses on the sale of shares in the special securities fund. Furthermore, IT costs increased by EUR 2.8 million, mainly due to the increased use of cloud platforms. Rent and rent incidentals increased by EUR 1.0 million due to rent increases and higher energy costs, while fees increased by EUR 0.8 million due to transaction costs from the refinancing. By contrast, legal and consultancy costs decreased by EUR 3.4 million. In the previous year, in particular consultancy costs were included in connection with the large-scale share buy-back programme, which were not incurred in the past financial year.

Income from profit transfers amounted to EUR 221.6 million in the financial year (2021: EUR 186.0 million). The income for the past financial year includes the profit transfer of Immobilien Scout GmbH and Scout24 Beteiligungs SE.

Income taxes rose by EUR 2.6 million year on year to EUR 52.1 million.

Deferred tax expenses of EUR 0.8 million were recognised in the 2022 financial year (2021: EUR 3.0 million). The change in temporary differences mainly stems from the LTIP provisions.

The net profit for the 2022 financial year amounts to EUR 132.7 million and has decreased by EUR 28.6 million in line with the developments described above. The increased figure for the past financial year is due in particular to income from profit transfers.

Financial position and net assets

Scout24 SE's financial position and net assets in the 2022 financial year and compared with the previous year are presented in the condensed statement of financial position below:

STATEMENT OF FINANCIAL POSITION – ASSETS (CONDENSED)

EUR million	31 Dec. 2022	31 Dec. 2021	± in %
Intangible assets	0.1	0.2	-50.0%
Property, plant and equipment	11.5	13.3	-13.5%
Financial assets	1,777.7	1,778.0	–%
Non-current assets	**1,789.3**	**1,791.5**	**-0.1%**
Trade receivables	2.2	1.4	57.1%
Receivables from affiliated entities	239.3	201.7	18.6%
Other assets	3.4	2.4	41.7%
Other securities	0.0	482.3	-100.0%
Cash on hand and bank balances	34.8	88.7	-60.8%
Current assets	**279.8**	**776.4**	**-64.0%**
Prepaid expenses	**6.1**	**4.9**	**24.5%**
Total assets	**2,075.1**	**2,572.8**	**-19.3%**

Financial assets include the equity investments in Immobilien Scout GmbH, Scout24 Beteiligungs SE and Consumer First Services GmbH.

Receivables from affiliated entities mainly comprise receivables from the profit and loss transfer agreements with Immobilien Scout GmbH, Consumer First Services GmbH and Scout24 Beteiligungs SE. Receivables from the previous year were settled in the current financial year.

In the previous year, other securities comprised short-term investments in a money market fund totalling EUR 482.3 million. All of the remaining shares were sold in the past financial year.

Cash on hand and bank balances decreased from EUR 88.7 million to EUR 34.8 million, primarily as a result of the share buy-backs transacted in 2022 and the repayment of the term loan.

STATEMENT OF FINANCIAL POSITION – EQUITY AND LIABILITIES (CONDENSED)

EUR million	31 Dec. 2022	31 Dec. 2021	± in %
Issued capital	73.6	82.4	-10.7%
Subscribed share capital	80.2	83.6	-4.1%
Nominal value of treasury shares	-6.6	-1.2	450.0%
Capital reserve	197.7	194.3	1.7%
Other retained earnings	0.0	215.2	-100.0%
Accumulated profits	1,407.6	1,602.7	-12.2%
Equity	**1,678.9**	**2,094.6**	**-19.8%**
Provisions	**25.9**	**36.1**	**-28.3%**
Liabilities to banks	103.0	197.0	-47.7%
Trade payables	3.2	2.4	33.3%
Liabilities to affiliated entities	246.4	226.6	8.7%
Other liabilities	4.9	5.0	-2.0%
Liabilities	**357.5**	**431.0**	**-17.1%**
Deferred income	**2.7**	**1.8**	**50.0%**
Deferred tax liabilities	**10.1**	**9.3**	**8.6%**
Total equity and liabilities	**2,075.1**	**2,572.8**	**-19.3%**

Equity decreased by EUR 415.7 million to EUR 1,678.9 million. A dividend payment of EUR 66.4 million was made in 2022 (2021: EUR 68.5 million), while the purchase of shares (8,860,858 shares in 2022; 4,040,709 shares in 2021) likewise led to a decrease in equity.

Provisions decreased to EUR 25.9 million in 2022 (2021: EUR 36.1 million). The decrease in other provisions was due to amounts paid out from the LTIP (EUR 18.9 million).

The main items under liabilities are liabilities to affiliated entities of EUR 246.4 million (2021: EUR 226.6 million) and liabilities to banks of EUR 103.0 million (2021: EUR 197.0 million).

Liabilities to affiliated entities increased by EUR 19.8 million to EUR 246.4 million. This was mainly due to the increase in liabilities from cash pooling agreements by EUR 24.6 million to 246.0 million. (2021: EUR 221.4 million).

The reduction in liabilities to banks stems from the repayment of promissory notes in the amount of EUR 57.0 million (2021: EUR 57.5 million) and the repayment in full of the term loan in the amount of EUR 100 million. An increasing effect stemmed from liabilities from amounts drawn of the loan facilities in the amount of EUR 65.0 million.

Deferred taxes result from temporary differences between the carrying amounts of assets, liabilities, deferred income and prepaid expenses in the financial statements pursuant to commercial law and in the tax accounts. Offsetting deferred tax assets of EUR 3.4 million (previous year: EUR 4.2 million) against the deferred tax liabilities of EUR 13.5 million (2021: EUR 13.5 million) results in a net deferred tax liability of EUR 10.1 million (2021: EUR 9.3 million). This was reported under deferred tax liabilities.

Risks and opportunities of Scout24 SE

The business development of Scout24 SE is shaped by the economic performance of the individual subsidiaries. For this reason, the risks and opportunities relating to the subsidiaries are also pertinent to Scout24 SE. The statements concerning the future development and the risks and opportunities of the Scout24 Group may therefore be deemed a summary of the future development including risks and opportunities of Scout24 SE.

Munich, 9 March 2023

Scout24 SE

The Management Board

Tobias Hartmann | **Dr Dirk Schmelzer** | **Ralf Weitz**

Consolidated financial statements

Consolidated statement of profit or loss

EUR '000	Note	2022	2021
Revenue	3.1.	447,539	389,042
Own work capitalised	3.2.	28,702	26,572
Other operating income	3.3.	1,633	2,508
Total operating performance		**477,874**	**418,121**
Personnel expenses	3.4.	-107,322	-97,650
Marketing expenses	3.5.	-50,692	-36,373
IT expenses	3.6.	-21,941	-18,320
Other operating expenses	3.7.	-67,324	-64,937
Earnings before interest, tax, depreciation, amortisation and impairment losses – EBITDA[1]		**230,595**	**200,842**
Depreciation, amortisation and impairment losses	4.5.; 4.6.; 4.7.	-42,300	-63,105
Earnings before interest and tax – EBIT		**188,294**	**137,737**
Profit/loss from investments accounted for using the equity method	3.8.	-889	-248
Finance income	3.9.	15,432	19,403
Finance expenses	3.10.	-28,515	-24,169
Financial result		**-13,973**	**-5,014**
Earnings before tax		**174,322**	**132,723**
Income taxes	3.11.	-50,791	-42,130
Earnings from continuing operations after tax		**123,531**	**90,593**
Earnings from discontinued operations after tax		–	-96
Earnings after tax		**123,531**	**90,497**
Of which attributable to:			
Shareholders of the parent company		**123,531**	**90,497**
of which: continuing operations, after tax		123,531	90,593
of which: discontinued operations, after tax		–	-96

[1] EBITDA is defined as earnings from continuing operations before the financial result, income taxes, depreciation, amortisation and any impairment losses or reversals of impairment losses.

EARNINGS PER SHARE

EUR	Note	2022	2021
Basic earnings per share	**3.12.**	**1.59**	**1.03**
Earnings per share after tax, continuing operations		1.59	1.03
Earnings per share after tax, discontinued operations		0.00	-0.00
Diluted earnings per share	**3.12.**	**1.59**	**1.03**
Earnings per share after tax, continuing operations		1.59	1.03
Earnings per share after tax, discontinued operations		0.00	-0.00

Accompanying notes form an integral part of the consolidated financial statements.

Consolidated statement of comprehensive income

EUR ’000	Note	2022	2021
Earnings after tax	3.12.	**123,531**	**90,497**
Sum of the items that will not be reclassified to profit or loss		–	–
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences	4.15.	28	10
Sum of the items that may be reclassified subsequently to profit or loss		28	10
Other comprehensive income, after tax		**28**	**10**
Total comprehensive income		**123,559**	**90,507**
Of which attributable to:			
Shareholders of the parent company		123,559	90,507
Total comprehensive income		**123,559**	**90,507**
Total comprehensive income attributable to shareholders of the parent company from:			
Continuing operations		123,559	90,603
Discontinued operations		–	-96
		123,559	**90,507**

Accompanying notes form an integral part of the consolidated financial statements.

Consolidated statement of financial position

ASSETS

EUR ’000	Note	2022	2021
Current assets		**83,438**	**619,488**
Cash and cash equivalents	4.1.	39,085	120,009
Trade receivables	4.2.	30,604	23,175
Financial assets	4.3.	3,268	468,129
Income tax assets	3.11.	43	7
Other assets	4.4.	10,439	8,168
Non-current assets		**1,797,183**	**1,801,949**
Goodwill	4.5.	784,668	782,346
Trademarks	4.5.	866,680	872,839
Other intangible assets	4.5.	73,268	67,621
Right-of-use assets from leases	4.6.	47,010	50,953
Property, plant and equipment	4.7.	13,212	15,625
Investments accounted for using the equity method	4.8.	674	1,704
Financial assets	4.3.	11,667	10,851
Deferred tax assets	3.11.	4	4
Other assets	4.4.	0	6
Total assets		**1,880,621**	**2,421,437**

EQUITY AND LIABILITIES

EUR '000	Note	2022	2021
Current liabilities		**177,754**	**141,068**
Trade payables	4.9.	18,399	17,211
Financial liabilities	4.10.	108,659	65,245
Lease liabilities	4.6.	9,693	9,034
Other provisions	4.11.	8,591	22,832
Income tax liabilities	3.11.	3,036	1,532
Contract liabilities	4.12.	12,248	10,209
Other liabilities	4.13.	17,128	15,004
Non-current liabilities		**354,400**	**506,840**
Financial liabilities	4.10.	17,365	164,861
Lease liabilities	4.6.	48,945	54,202
Other provisions	4.11.	8,833	6,263
Deferred tax liabilities	3.11.	278,178	280,527
Other liabilities	4.13.	1,078	988
Equity	**4.15.**	**1,348,466**	**1,773,530**
Subscribed share capital		80,200	83,600
Capital reserve		198,533	195,133
Retained earnings		1,425,431	1,566,051
Other reserves		921	893
Treasury shares (6,647,814 shares; previous year: 1,205,293 shares)		-356,618	-72,147
Equity attributable to shareholders of parent company		**1,348,466**	**1,773,530**
Total equity and liabilities		**1,880,621**	**2,421,437**

Accompanying notes form an integral part of the consolidated financial statements.

Consolidated statement of changes in equity

EUR '000	Note	Subscribed share capital	Capital reserve	Retained earnings	Other reserves	Treasury shares	Equity attributable to shareholders	Total equity
Balance at 1 Jan. 2021		**105,700**	**173,033**	**3,049,733**	**883**	**-515,534**	**2,813,815**	**2,813,815**
Currency translation differences		–	–	–	10	–	10	10
Earnings after tax		–	–	90,497	–	–	90,497	90,497
Total comprehensive income		**–**	**–**	**90,497**	**10**	**–**	**90,507**	**90,507**
Dividends		–	–	-68,481	–	–	-68,481	-68,481
Capital reduction		-22,100	22,100	-1,505,698	–	1,505,698	–	–
Purchase of treasury shares		–	–	–	–	-1,062,311	-1,062,311	-1,062,311
Balance at 31 Dec. 2021/1 Jan. 2022		**83,600**	**195,133**	**1,566,051**	**893**	**-72,147**	**1,773,530**	**1,773,530**
Currency translation differences		–	–	–	28	–	28	28
Earnings after tax		–	–	123,531	–	–	123,531	123,531
Total comprehensive income		**–**	**–**	**123,531**	**28**	**–**	**123,559**	**123,559**
Dividends	4.15.	–	–	-66,391	–	–	-66,391	-66,391
Capital reduction	4.15.	-3,400	3,400	-197,768	–	197,768	–	–
Purchase of treasury shares	4.15.	–	–	–	–	-483,239	-483,239	-483,239
Issue of treasury shares	4.15.	–	–	8	–	1,000	1,009	1,009
Balance at 31 Dec. 2022		**80,200**	**198,533**	**1,425,431**	**921**	**-356,618**	**1,348,466**	**1,348,466**

Accompanying notes form an integral part of the consolidated financial statements.

Consolidated statement of cash flows

EUR '000	Note	2022	2021
Earnings from continuing operations after tax		**123,531**	**90,593**
Depreciation, amortisation and impairment losses	4.5.; 4.6.; 4.7.	42,300	63,105
Income tax expense	3.11.	50,791	42,130
Finance income	3.9.	-15,432	-19,403
Finance expenses	3.10.	28,515	24,169
Profit/loss from investments accounted for using the equity method	3.8.	889	248
Gain/loss on disposal of intangible assets and property, plant and equipment		25	33
Other non-cash transactions		-570	-62
Change in trade receivables and other assets not attributable to investing or financing activities		-9,693	-4,362
Change in trade payables and other liabilities not attributable to investing or financing activities		5,439	7,301
Change in provisions		-11,671	-11,189
Income taxes paid		-52,202	-49,995
Cash flow from operating activities of continuing operations		161,923	142,567
Cash flow from operating activities of discontinued operations		–	-7,288
Cash flow from operating activities		**161,923**	**135,279**
Investments in intangible assets, including internally generated intangible assets and intangible assets under development	4.5.	-28,702	-26,643
Investments in property, plant and equipment	4.7.	-900	-2,541
Proceeds from disposal of intangible assets and property, plant and equipment		130	26
Investments in financial assets		-1,000	-961,607
Proceeds from disposal of financial assets		446,127	2,044,262
Consideration transferred for investments accounted for using the equity method		–	-1,593
Proceeds from investments accounted for using the equity method		4	–
Consideration transferred for a subsidiary, net of cash and cash equivalents acquired		-1,446	-47,029
Interest received		351	8,551
Consideration transferred for subsidiaries acquired in previous years		-2,682	-1,297
Cash flow from investing activities of continuing operations		411,882	1,012,126
Cash flow from investing activities of discontinued operations		–	–
of which net proceeds from disposal of discontinued operations		–	–
Cash flow from investing activities		**411,882**	**1,012,126**

EUR ’000	Note	2022	2021
Raising of short-term financial liabilities	4.10.	65,000	130,000
Repayment of short-term financial liabilities	4.10.	-57,000	-187,500
Repayment of medium- and long-term financial liabilities	4.10.	-100,000	–
Repayment of lease liabilities	4.6.	-9,425	-7,772
Proceeds from lease receivables from subleases	4.6.	1,481	1,337
Interest paid		-3,674	-10,614
Payment of financing costs		-1,172	–
Dividends paid	4.15.	-66,391	-68,481
Purchase of treasury shares	4.15.	-484,216	-1,062,039
Proceeds from issuance of shares	4.15.	642	–
Cash flow from financing activities of continuing operations		-654,756	-1,205,071
Cash flow from financing activities of discontinued operations		–	–
Cash flow from financing activities	**5.1.**	**-654,756**	**-1,205,071**
Net foreign exchange difference, continuing operations		27	10
Change in cash and cash equivalents		**-80,925**	**-57,654**
Cash and cash equivalents at beginning of period		**120,009**	**177,663**
Cash and cash equivalents at end of period		**39,085**	**120,009**
Less cash and cash equivalents at end of period held for sale		–	–
Cash and cash equivalents at end of period from continuing operations		**39,085**	**120,009**

Accompanying notes form an integral part of the consolidated financial statements.

Notes to the consolidated financial statements

Contents

Notes to the consolidated financial statements

1. Company information and basis of preparation

1.1. Company information

Scout24 SE (hereinafter also referred to as the 'Company') is a listed public stock corporation with registered office in Munich, Germany. The Company is registered at Munich District Court (HRB 270 215). Scout24 SE's business address is: Invalidenstrasse 65, 10557 Berlin, Germany. The shares of Scout24 SE have been listed on the Prime Standard of the Frankfurt Stock Exchange since 1 October 2015. With the Company's entry in the commercial register on 15 October 2021, the transformation of Scout24 AG into a European stock corporation (Societas Europaea, SE) became effective. Scout24 SE and its direct and indirect subsidiaries together form the Scout24 Group (hereinafter also referred to as 'Scout24' or the 'Group').

Scout24 SE is a German digital company and operates the leading digital marketplace ImmoScout24. With this digital marketplace for residential and business real estate, Scout24 has been successfully bringing together owners, agents, tenants and buyers for over 20 years. Since 2012, ImmoScout24 has also been active on the Austrian residential and business real estate market. To ensure that most real estate transactions can be done digitally in the future, ImmoScout24 is continuously developing new products and building a real estate ecosystem for buying, renting or running businesses in Germany and Austria.

More information about business operations and strategy is provided in the **management report**.

1.2. Basis of preparation

Scout24 SE prepares its consolidated financial statements in accordance with the rules of the International Accounting Standards Board (IASB), London, applicable on the reporting date. It complies with the International Financial Reporting Standards (IFRSs) and the interpretations of the International Financial Reporting Standards Interpretations Committee (IFRS IC) as adopted by the European Union as well as with the supplementary requirements of German commercial law pursuant to Article 315e (1) of the German Commercial Code ('Handelsgesetzbuch', HGB).

Scout24 applied all accounting standards that were effective as of 31 December 2022. For information about the application of new or amended standards and interpretations, see note **1.4. New accounting regulations**.

The financial statements of the entities included in the Group are based on uniform accounting policies in accordance with IFRSs, as adopted by the EU.

The financial year for all entities included in the Group corresponds to the calendar year. All entities including associates and joint ventures (accounted for using the equity method) are included on the basis of their financial statements prepared as of 31 December 2022 for the period from 1 January to 31 December 2022. In accordance with IFRS 10, entities acquired during the financial year are included in the consolidated financial statements from the date on which control is obtained.

The consolidated financial statements are prepared based on historical cost, except for financial assets and financial liabilities (including derivative financial instruments), which are measured at fair value either through profit or loss or through other comprehensive income. The presentation in the statement of financial position distinguishes between current and non-current assets and liabilities.

The consolidated statement of profit or loss is classified using the nature of expense method. The consolidated financial statements are prepared in euro, which is the reporting currency. Unless otherwise indicated, figures are generally presented in thousands of euros (EUR ’000). The tables and information presented may contain rounding differences.

1.3. Effects of the war in Ukraine and Covid-19

As a result of the war in Ukraine, energy prices, inflation and interest rates rose in the 2022 financial year. For details, see the **Macroeconomic and sector-specific environment** section in the management report. The estimation of future developments and their effects on accounting are marked by heightened estimation uncertainties and a greater need for discretionary decisions.

Expected credit losses must be taken into account in the measurement of trade receivables. Estimates of future credit losses draw on future information in addition to historical default rates. To take account of economic uncertainty and a possible deterioration in the creditworthiness of our customers, we assume higher default rates than in the past. We have taken these into account accordingly in the risk provisioning for trade receivables. For more information on the credit loss rates, see note **4.2. Trade receivables**. In the previous year, we had likewise assumed increased default rates due to the Covid-19 pandemic.

Updated expectations for revenue and cost development have been incorporated accordingly into the cash flow planning. In addition, the higher interest rate level led to a year-on-year increase in the risk-free interest rate and thus to an overall increase in the cost of capital. Both effects were included in particular in the impairment testing of goodwill and trademarks with indefinite useful lives; no impairment losses within the meaning of IAS 36 were identified. Also see the explanations on **impairment losses** in the notes to the consolidated financial statements.

However, the effects of the war in Ukraine on accounting and measurement in the 2022 financial statements are of minor importance overall.

The effects of the Covid-19 pandemic on the Scout24 Group’s business lessened notably in the 2022 financial statements and are of minor importance overall.

For detailed information, see the **Macroeconomic and sector-specific environment** section in the management report. Accordingly, there have been no material Covid-19-related accounting and measurement effects in the consolidated financial statements as of 31 December 2022.

1.4. New accounting regulations

Standards, interpretations and amendments that became effective in the past financial year

In addition to the previous standards applied, all accounting standards adopted by the EU that became effective for Scout24 as of 1 January 2022 were applied. The effects arising from first-time application are described below. The standards applicable beginning as of 1 January 2022 are presented in the following table:

Standard/Interpretation	Effect
Amendments to IFRS 3: Reference to the Conceptual Framework (issued on 14 May 2020)	No significant effects are expected.
Amendments to IAS 16: Proceeds before Intended Use (issued on 14 May 2020)	No significant effects are expected.
Amendments to IAS 37: Onerous Contracts (issued on 14 May 2020)	No significant effects are expected.
Annual Improvements to IFRS (2018–2020 Cycle) (issued on 14 May 2020)	No significant effects are expected.

Standards, interpretations and amendments that will become effective in future reporting periods (standards published but not yet effective)

The following new or amended accounting standards already issued by the IASB were not applied in the consolidated financial statements for the 2022 financial year, as application was not yet mandatory:

Standards/ interpretations		Following endorsement by the EU effective for financial years beginning on or after[1]:	Effect
IAS 1	Amendments to IAS 1: Classification of Liabilities as Current or Non-current (issued on 23 January 2020)	EU endorsement pending	No significant effects are expected.
IAS 1	Amendments to IAS 1: Non-current Liabilities with Covenants (issued on 31 October 2022)	EU endorsement pending	No significant effects are expected.
IAS 1, Practice Statement 2	Amendments to IAS 1: Presentation of Financial Statements including amendments to Practice Statement 2: Making Materiality Judgements (issued on 12 February 2021)	1 January 2023	No significant effects are expected.
IAS 8	Amendments to IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors (issued on 12 February 2021)	1 January 2023	No significant effects are expected.
IAS 12	Amendments to IAS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (issued on 7 May 2021)	1 January 2023	No significant effects are expected.
IFRS 16	Amendments to IFRS 16: Lease Liability in a Sale and Leaseback (issued on 22 September 2022)	EU endorsement pending	Not relevant
IFRS 17, IFRS 9	Amendment to IFRS 17 to permit application of the classification overlay approach (issued on 9 December 2021)	1 January 2023	Not relevant
IFRS 17	Insurance Contracts (issued on 18 May 2017)	1 January 2023	Not relevant
IFRS 17	Amendments to IFRS 17 (issued on 25 June 2020)	1 January 2023	Not relevant

[1] Status as of 31 January 2023 according to the EFRAG EU Endorsement Status Report.

1.5. Basis of consolidation

Consolidation scope

Subsidiaries are entities that Scout24 SE controls either directly or indirectly. Control exists if, and only if, Scout24 SE has the power to control the financial and operating policy, directly or indirectly, in such a way that Group entities obtain benefits from the activities of such entities.

The existence or effect of substantial potential voting rights that can be exercised or converted at present are taken into account when assessing whether an entity is controlled. All German and foreign subsidiaries over which Scout24 has direct or indirect control, and which are not immaterial, are included in the consolidated financial statements of Scout24 in accordance with the principles of full consolidation.

Joint arrangements where two or more parties exercise joint control of an activity are classified either as joint operations or as joint ventures. In a joint operation, the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement.

In a joint venture, in contrast, the parties that have joint control (venturers) have rights to the entity's net assets.

Associates are entities over which Scout24 SE exercises significant influence, and which are neither subsidiaries nor joint ventures. Associates and joint ventures are accounted for in the consolidated financial statements using the equity method. The share of profit/loss is reported in the financial result.

Number	2022	2021
Scout24 SE and its fully consolidated subsidiaries		
Germany	9	9
Other countries	3	3
Entities accounted for using the equity method		
Germany	2	2
Other countries	–	–
Non-consolidated subsidiaries		
Germany	–	–
Other countries	–	–
Total	**14**	**14**

A complete list of shareholdings of Scout24 is provided in note **5.10. List of shareholdings held by Scout24 SE**.

Consolidation methods

Subsidiaries are fully consolidated applying the acquisition method as of the date on which the Group obtains control and are deconsolidated as of the date when control is lost.

Capital consolidation is performed by offsetting the carrying amount of the investments against the proportionate equity of the subsidiaries. In accordance with IFRS 3, first-time consolidation is based on the acquisition method by offsetting cost against the acquisition-date fair value of identifiable assets acquired and liabilities and contingent liabilities assumed. Any excess of the cost of the investment over the share in remeasured equity acquired gives rise to goodwill (for subsequent measurement, see note **1.7. Accounting policies**).

Intercompany transactions are eliminated. Receivables and liabilities between consolidated entities are offset. Intercompany profits are eliminated, and intragroup revenue is offset against the corresponding expenses.

When a subsidiary is sold, the assets and liabilities included until that date as well as any goodwill allocable to the subsidiary are offset against the disposal proceeds.

Investments in associates and interests in joint ventures are accounted for using the equity method in the consolidated financial statements in accordance with IAS 28, and initially recognised at cost. After the acquisition date, the cost is increased or decreased annually by the share in total comprehensive income. Changes in other comprehensive income of the investee are recognised in the Group's other comprehensive income. Furthermore, the Group recognises its share of any changes recognised directly in the equity of the associate or joint venture and, where required, presents these in the consolidated statement of changes in equity. Dividends paid by the associate reduce the cost accordingly at the date of distribution. At each reporting date, the Group examines whether there are any indications that any investments in associates or interests in joint ventures may be impaired. In such a case, the difference between the carrying amount and the recoverable amount is recognised as an impairment loss in the statement of profit or loss. The share in profit or loss from investments in entities accounted for using the equity method is recognised in profit or loss.

Foreign currency translation

The financial statements of subsidiaries outside the eurozone are translated in accordance with the functional currency concept. The functional currency of the subsidiaries depends on the primary economic environment in which the entity operates. The functional currency of all Scout24 Group entities is the respective local currency. The reporting currency of the consolidated financial statements is the euro (EUR).

Transactions in foreign currencies are translated at the relevant exchange rate at the date of the transaction. In subsequent periods, monetary assets and liabilities are measured at the closing rate, and currency translation differences are recognised through profit or loss. Non-monetary items measured at historical cost in a foreign currency are translated at the rate on the transaction date. In addition, non-monetary items measured at fair value in a foreign currency are translated at the rate effective as of the date of the fair value measurement.

Financial statements of foreign subsidiaries whose functional currency is not the euro are translated into euros as the Group's reporting currency applying the modified closing rate method. In this connection, items in the statement of profit or loss are translated at the annual average exchange rate. Equity is translated at historical rates, and asset and liability items are translated at the closing rate as of the reporting date. All exchange rate differences resulting from the translation of financial statements prepared in foreign currencies are recognised in other reserves within equity. These currency translation differences are only recognised in the statement of profit or loss upon the sale of the relevant subsidiary.

The underlying exchange rates for currency translation are presented below:

One euro in foreign currency unit	2022	2021
Switzerland		
CHF closing rate	0.9847	1.0331
CHF average rate	1.0047	1.0813

1.6. Judgements and estimation uncertainty

Judgements are relevant in two respects when preparing consolidated financial statements: firstly, undefined terms and rules have to be interpreted. Secondly, management is required to make (forward-looking) assumptions and estimates that can affect the net assets, financial position and results of operations.

Judgements concerning the interpretation of rules were made especially in connection with the recognition of internally generated intangible assets and the classification of financial instruments. In addition, judgement was involved in the classification of current financial assets or cash equivalents and in determining whether the Company qualifies as the principal or agent for revenue recognition purposes.

Significant (forward-looking) assumptions and estimates were made in the measurement of variable purchase price components and purchase price allocations in the context of business combinations as well as for asset impairment testing, determining fair value for the purpose of reallocating goodwill, measuring investments in associates, measuring expected credit losses on trade receivables as well as recognising and measuring provisions, especially provisions for share-based payments. Actual results may later differ from these estimates.

The assumptions and estimates that give rise to a significant risk that a material adjustment of the carrying amounts of assets and liabilities may be necessary in future reporting periods are described below.

Business combinations

In the context of business combinations in both the past and the previous financial year, option agreements were concluded, the recognition and measurement of which involve estimates by the Company to a considerable extent. Estimation uncertainties, which – depending on the size of the transaction – entail a risk of causing a material adjustment to the carrying amounts of the purchase price liabilities in subsequent financial years, concern in particular the degree to which the agreed-upon financial covenants will be observed. The valuation of option agreements is based to a significant extent on expected future cash flows and discount rates. More detailed disclosures are presented in note **5.2. Disclosures on financial instruments**.

In addition, purchase price allocations entail assumptions regarding the recognition and measurement of assets and liabilities. The determination of the acquisition-date fair value of the acquired assets and assumed liabilities as well as the useful lives of the acquired intangible assets and property, plant and equipment involves making assumptions. The measurement of intangible assets is based to a large extent on forecast cash flows and discount rates. Actual cash flows may differ significantly from the cash flows underlying the determination of fair value, which can lead to other values and impairment losses. In the past financial year, goodwill of EUR 2,322 thousand (previous year: EUR 69,595 thousand) and identifiable other intangible assets of EUR 1,960 thousand (previous year: EUR 15,451 thousand) were recognised as part of the purchase price allocation in connection with initial consolidation. Detailed information is provided in note **2.1. Entities acquired in the reporting period**.

Goodwill impairment

In the current financial year, Scout24's consolidated statement of financial position reports goodwill of EUR 784,668 thousand (previous year: EUR 782,346 thousand). In accordance with the accounting policy presented below, goodwill is tested for impairment at least once a year and additionally when there is any indication of potential impairment. This involves first assigning goodwill to a cash-generating unit or a group of cash-generating units and testing it for impairment based on forward-looking assumptions.

Determining the fair value involves estimating the expected future cash flows of the cash-generating units and an appropriate discount rate. The forecast of future cash flows depends to a large extent on assumptions made regarding expected revenue and profit developments for the operating segments over the detailed planning period and long-term growth rates. Future changes in the expected cash flows and discount rates can lead to impairment losses in the future.

For details, see note **4.5. Goodwill and intangible assets**.

Impairment of trademarks

Scout24's consolidated statement of financial position as of 31 December 2022 reports a trademark of EUR 866,680 thousand (previous year: EUR 872,839 thousand).

Indefinite useful lives were set for the main trademark ImmoScout24 in the 2022 financial year. Accordingly, the trademark was not amortised in the 2022 financial year. Trademarks with an indefinite useful life are tested for impairment at least once a year and additionally, like all trademarks, when there is any indication of potential impairment. As it constitutes a corporate asset, the carrying amount of the ImmoScout24 trademark is allocated to the cash-generating units Professional, Private, and Media & Other, and tested for impairment together with goodwill at the level of the cash-generating units. On account of a change in strategy, an impairment loss had to be recognised on the FLOWFACT cash-generating unit in the past financial year, which mainly affected the FLOWFACT trademark. For details, see note **4.5. Goodwill and intangible assets**.

Measurement of the provisions for share-based payments

The recognition and measurement of provisions for share-based payments partly requires estimates to be made by the Company to a significant extent. Estimation uncertainties involving the risk of material adjustments of the provision's carrying amount in the next financial year continue to relate to the share price, the degree of achievement of revenue targets and growth targets relating to ordinary operating EBITDA as well as assumptions with respect to employee turnover. For more detailed disclosures, see note **5.3. Share-based payments**.

1.7. Accounting policies

The main accounting policies are presented below.

Business combinations

Business combinations are accounted for applying the acquisition method. The assets, liabilities and contingent liabilities of the acquired entity identified in accordance with the requirements of IFRS 3 are measured at their acquisition-date fair value and compared with the cost of the business combination. Goodwill is determined as the excess of the cost of the business combination over the fair value of the recognisable assets and liabilities.

Contingent consideration is measured at acquisition-date fair value. Subsequent changes in value are recognised in accordance with IFRS 9 either through profit or loss or directly in equity. If contingent consideration is classified as equity, it is not remeasured. Subsequent settlement is accounted for within equity.

Option agreements concluded in the context of the business combination to acquire minority interests and which create an unconditional obligation for Scout24 to acquire these shares are accounted for using the anticipated acquisition method. The valuation of the resulting conditional obligation is done as described above.

If the sum of the cost of the business combination, the non-controlling interests and the fair value of Scout24's previously held equity interests (step acquisition) is less than the fair value of the recognisable assets and liabilities in the event of a bargain purchase, the difference is recognised in profit or loss following a further review of the carrying amounts of the assets and liabilities.

Goodwill is tested for impairment at least once annually and additionally if there is any indication of potential impairment. Any impairment loss is recognised through profit or loss. The impairment test is performed in accordance with IAS 36.

Acquisition-related costs are recognised through profit or loss.

Financial instruments

Classification

IFRS 9 comprises a classification and measurement approach for financial assets and financial liabilities based on the business model within which they are held and their contractual cash flow characteristics. The following categories of financial instruments are possible under IFRS 9:

Assets

- Financial assets measured at amortised cost (FAAC)
- Financial assets measured at fair value through other comprehensive income (FVOCI), with cumulative gains and losses reclassified to profit or loss upon derecognition of the financial asset (reclassification adjustment)

- Financial assets, derivatives and equity instruments measured at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVOCI), with gains and losses remaining in other comprehensive income (no reclassification adjustment)

Liabilities

- Financial liabilities measured at amortised cost (FLAC)
- Financial liabilities measured at fair value through profit or loss (FVTPL) if they are classified as held for trading, constitute derivatives or the liabilities are designated at initial recognition as at fair value through profit or loss

Initial recognition

A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date accounting or settlement date accounting. The method used must be applied consistently to all purchases and sales of financial assets that belong to the same category under IFRS 9. Scout24 applies the settlement date accounting method.

In accordance with IFRS 9, financial assets and financial liabilities are generally initially measured at fair value irrespective of the measurement category to which a financial instrument is allocated. Transaction costs are included in the carrying amount for financial instruments that are subsequently measured at amortised cost.

Trade receivables are recognised at the amount of the transaction price. For non-current receivables and other non-current financial assets, the fair value is calculated as the present value of the future cash flows, discounted using the market interest rate at initial recognition. Subsequent measurement depends on their classification. Receivables and other financial assets are usually classified as at amortised cost and measured accordingly using the effective interest method.

Subsequent measurement

The subsequent measurement of financial instruments still depends on their classification. They are measured either at i) amortised cost, ii) fair value through profit or loss, or iii) fair value through other comprehensive income. The effective interest method is used for instruments measured at amortised cost.

i) Amortised cost: financial assets and financial liabilities measured at amortised cost

ii) At fair value through profit or loss: financial instruments measured at fair value through profit or loss

iii) At fair value through other comprehensive income: financial instruments measured at fair value through other comprehensive income

Details of the individual categories used at Scout24 are provided in the following:

Category: financial assets/liabilities measured at amortised cost

Financial instruments that satisfy the following criteria are allocated to this category:

i) Financial instruments are held within a business model whose objective is to hold these in order to collect contractual cash flows.

ii) The contractual terms of financial instruments give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

If a financial instrument is classified as part of the 'trading' business model in regard to criterion i), but does not meet criterion ii) or if the fair value option is exercised, the instrument is measured at fair value through profit or loss.

If a financial instrument is classified as part of the 'hold and sell' business model and criterion ii) is met, the instrument is measured at fair value through other comprehensive income.

Category: financial instruments measured at fair value through profit or loss

Securities for which no quoted market prices are available at the measurement date are assigned to level 2 of the fair value hierarchy. If no observable comparative values are available, the fair value is determined using current price quotes for identical instruments for which there is no active market as well as using complex valuation methods and actuarial models. Of relevance in this context in particular is the discounted cash flow method, which takes into account current market conditions for credit, interest, liquidity and other risks. The net present value of such securities is determined by taking into account discount rates from quoted yields on securities traded in active markets with similar maturities and credit ratings, adjusted for any risk factors.

Category: financial instruments measured at fair value through other comprehensive income

In addition, there is a policy choice relating to equity instruments that are not held for trading. These can be recognised either through other comprehensive income (OCI) or through profit or loss. Scout24 has selected the policy to classify investments in other entities' equity instruments that are not accounted for using the equity method as at fair value through other comprehensive income.

Impairment

In accordance with IFRS 9, loss allowances are calculated based on expected credit losses (ECL). The basic principle of impairment in IFRS 9 permits a distinction between three levels that differ in terms of period considered, loss allowances and recognition of interest revenue. In addition, impairment losses are recognised in profit or loss. Financial instruments are generally allocated to level 1 with the explicit exception of financial assets that are already credit-impaired at initial recognition.

- Level 1: impairment losses on financial instruments whose credit risk at the reporting date has not increased significantly since initial recognition are recognised through profit or loss at the amount of the 12-month ECL. Interest revenue is recognised based on gross carrying amount.
- Level 2: if the credit risk has increased significantly as of the reporting date, a loss allowance is recognised at the amount of the lifetime ECL. The lifetime ECL is a probability-weighted estimate of credit losses. Interest revenue is recognised in the same way as in level 1.
- Level 3: if there is objective evidence that a financial instrument is credit-impaired, it is allocated to level 3. The loss allowance is also recognised at the amount of the lifetime ECL. However, interest revenue is adjusted in subsequent periods such that the amount of interest is based on net carrying amount in future.

Cash and cash equivalents are generally deposited with banks and financial institutions that have a rating in the investment grade range. For this reason, the Group assumes that there is only a very low risk of default for cash and cash equivalents. An impairment loss on cash and cash equivalents for the expected 12-month credit loss is therefore not recognised on materiality grounds.

Loss allowances for trade receivables are generally calculated and recognised based on the lifetime ECL.

The standard provides for expected losses over the entire remaining term to maturity to be considered as of the date on which the receivables are recognised. Such lifetime ECLs are expected credit losses arising from all kinds of potential default events during the expected term of a financial instrument. This requires considerable judgement about the extent to which expected credit losses are affected by changes in economic factors. This estimate is calculated on the basis of weighted probabilities. Assumptions about future developments are taken into account in the valuation.

IFRS 9 permits a simplified impairment approach involving loss allowances equal to the amount of lifetime expected credit losses for all financial assets irrespective of their credit quality. For current receivables, the 12-month expected credit loss corresponds to the lifetime expected credit loss. For non-current receivables with a term of more than one year, the Group also applies the simplified approach. Based on records of default events over the past three years, default rates are determined for different maturity bands and then applied to the respective outstanding balance of receivables in the maturity bands.

A financial asset or a group of financial assets is impaired and an impairment loss is recognised if there is any objective evidence of impairment as the result of one or more events after initial recognition of the financial asset. This estimate continues to be made as of each reporting date.

Dividend income

Dividend income from financial assets is recognised through profit or loss under finance income when the Group's legal right to the income arises.

Offsetting and derecognition

Financial assets and liabilities are only offset and presented on a net basis in the statement of financial position if the Group has a legal right to offset and intends to either settle on a net basis or to realise the asset and settle the related liability simultaneously.

Financial assets are derecognised when the rights to payments from the financial assets have expired or have been transferred, and the Group has substantially transferred all the risks and rewards incidental to ownership.

As of the reporting date, Scout24 has no continuing involvement in financial assets that were transferred but not fully derecognised.

Cash and cash equivalents

Cash and cash equivalents comprise bank balances, cheques, cash on hand and short-term deposits with residual terms of not more than three months calculated from the acquisition date. They are measured at nominal values, which approximate their fair values due to their short term to maturity.

Investments accounted for using the equity method

Associates and joint ventures are generally accounted for using the equity method, with the exception of associates and joint ventures previously classified as held for sale.

When applying the equity method, the cost of the investment is adjusted by Scout24's share of the change in net assets. Shares in losses that exceed the carrying amount of the Group's equity interest in an entity accounted for using the equity method, taking into account any attributable long-term loans, are not recognised. Recognised goodwill is presented in the carrying amount of the investment accounted for using the equity method. Unrealised intercompany profits and losses from transactions with investments accounted for using the equity method are eliminated proportionately during consolidation if the underlying transactions are material.

In impairment testing, the carrying amount of an investment accounted for using the equity method is compared with its recoverable amount. If the carrying amount exceeds the recoverable amount, the difference is recognised as an impairment loss. If the reasons for a previously recognised impairment loss no longer exist, a corresponding reversal of the impairment loss is recognised through profit or loss.

The financial statements of investments accounted for using the equity method are generally prepared based on uniform accounting policies in the Group.

Intangible assets (excluding goodwill)

Intangible assets (excluding goodwill) are recognised at cost less accumulated straight-line amortisation (except assets with indefinite economic useful lives) and impairment losses.

Internally generated intangible assets are recognised if all of the requirements of IAS 38 are satisfied. The following criteria are relevant in this respect:

- It is technically feasible that the intangible asset can be completed so that it will be available for use or sale.
- The Group intends to complete the intangible asset and use or sell it.
- The Group is able to use or sell the intangible asset.
- The manner in which the intangible asset will generate probable future economic benefits can be demonstrated; the Group can, among other things, demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset.
- The Group has adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
- The Group is able to reliably measure the expenditure attributable to the intangible asset during its development.

The useful lives and amortisation methods of intangible assets are reviewed at least at each period-end reporting date.

If current expectations deviate from the previous estimates, the corresponding adjustments are recognised as changes in accounting estimates pursuant to IAS 8.

Intangible assets with indefinite useful lives are not amortised. Instead, they are tested for impairment annually as well as when there is any indication of impairment at the level of the smallest cash-generating unit. The approach corresponds to that for goodwill. If the reason for an impairment loss previously recognised on intangible assets with an indefinite useful life no longer applies, the impairment loss is reversed.

The expected economic useful lives are as follows:

Trademarks	Indefinite[1]
Customer base	5–20 years
Internally generated intangible assets	3 years
Other concessions, rights and licences	3–10 years

[1] The value of trademarks with a finite useful life is immaterial and is therefore amortised over a period of 4 to 15 years.

Scout24 distinguishes between two categories of trademarks: (1) trademarks with an indefinite useful life that are not amortised and (2) trademarks with a finite useful life that are amortised. In determining the useful life, Scout24 considers the contractual agreement underlying the asset, the historical development of the asset, the long-term corporate strategy for this asset, all statutory or other local regulations which could have an effect on the useful life of the asset as well as the competitive situation and specific market conditions.

If trademarks with an indefinite useful life totalling EUR 862 million had instead been amortised since acquisition applying a finite useful life of ten years, amortisation would have amounted to EUR 86.2 million per year.

The customer base includes existing customer relationships, in particular with professional customers such as real estate agents that were purchased. These customer relationships have an assumed useful life of 5 to 20 years.

Purchased software, other concessions, rights and licences are presented as technology-based intangible assets in the purchase price allocation.

Gains and losses on the disposal of intangible assets are determined as the difference between the disposal proceeds and the carrying amounts of the intangible assets and are recognised in the statement of profit or loss in ‘other operating income’ in the case of a gain and in ‘other operating expenses’ in the case of a loss.

Goodwill

Goodwill arises from the acquisition of subsidiaries and represents the difference between the purchase price and the fair value of the identifiable assets acquired and liabilities and contingent liabilities assumed.

For impairment testing purposes, goodwill is assigned to the cash-generating unit or group of cash-generating units which is expected to benefit from synergies arising from the acquisition. The cash-generating units represent the lowest level within the Company at which goodwill is monitored for internal management purposes. Within the Scout24 Group, this is the segment level.

Goodwill is not amortised but tested for impairment on an annual basis and additionally if there is any indication of potential impairment. Goodwill is tested for impairment by comparing the carrying amount of the cash-generating unit or units with its/their recoverable amount. The recoverable amount corresponds to the higher of fair value less costs of disposal and value in use. The Group generally calculates fair value less costs of disposal for this purpose.

If the carrying amount exceeds the recoverable amount, goodwill is impaired and its carrying amount is written down to the recoverable amount. If fair value less costs of disposal is greater than the carrying amount, it is not necessary to calculate value in use; the asset is not impaired. An appropriate valuation technique is used to determine the fair value less costs of disposal. This technique is based on discounted cash flow valuation models or other available indicators of fair value. It is not permitted to subsequently reverse an impairment loss recognised on goodwill in a previous financial year or interim reporting period because the reasons for the impairment no longer apply.

Property, plant and equipment

Property, plant and equipment is measured at cost less straight-line depreciation and any impairment losses. Cost includes the cost directly allocable to the acquisition as well as borrowing costs if the recognition criteria are satisfied.

Uniform depreciation periods are applied throughout the Group based on the expected economic useful life as follows:

Leasehold improvements	10 years
Other equipment, furniture and fixtures	3–15 years

Repair and maintenance expenses are expensed when incurred.

The residual carrying amounts and economic useful lives are reviewed at each reporting date and adjusted if necessary. Property, plant and equipment is tested for impairment if events or changed circumstances indicate that an impairment may have occurred. In such cases, the asset is tested for impairment pursuant to IAS 36. An impairment loss is recognised for the amount by which the asset’s residual carrying amount exceeds its recoverable amount. The remaining useful life is adjusted accordingly, if necessary.

If the reasons for a previously recognised impairment loss no longer exist, the impairment loss is reversed through profit or loss; the increased carrying amount attributable to such a reversal of an impairment loss may not exceed the carrying amount that would have resulted had no impairment loss been recognised in previous periods.

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amounts of the property, plant and equipment, and they are recognised in the statement of profit or loss in 'other operating income' in the case of a gain and in 'other operating expenses' in the case of a loss.

Provisions

Provisions are recognised if the Group has a current obligation from a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. Provisions are measured at the amount that reflects the best estimate of the expenditure required to settle the present obligation as at the reporting date, with expected reimbursements from third parties not netted but instead recognised as a separate asset if it is virtually certain that they will be realised. If the time value of money is material, the provision is discounted using the market interest rate adequate for the risk.

Pension provisions and similar obligations

A defined contribution plan is a pension scheme under which the Group pays fixed contributions to a non-Group company (fund). The Group has no legal or constructive obligation to make additional contributions if the fund does not have sufficient assets to settle the pension entitlements of all employees from the current and previous financial years. In contrast, defined benefit plans typically specify an amount of pension benefits that an employee will receive upon retirement, which as a rule is dependent on one or more factors, such as age, length of service and salary. There are no defined benefit obligations in the Scout24 Group at present.

Contingent liabilities and unrecognised contractual commitments

Contingent liabilities and unrecognised contractual commitments are not recognised as liabilities in the consolidated financial statements until utilisation is more likely than not.

In the context of a business combination, however, contingent liabilities are accounted for in accordance with IFRS 3 if their fair value can be determined reliably.

Contingent assets

Contingent assets arise from unplanned or unexpected events that give rise to the possibility of an inflow of economic benefits to the entity. Contingent assets are disclosed in the notes to the financial statements if the inflow of economic benefits is more likely than not. If the inflow of economic benefits is virtually certain, they are recognised in the statement of financial position.

Equity

Transaction costs associated with issuing equity instruments are accounted for as a deduction from equity, net of tax. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and the capital reserve.

Treasury shares

When the Company buys back ordinary shares, these are reported in the statement of financial position under 'treasury shares' and openly deducted from equity; when treasury shares are cancelled, the 'subscribed share capital' and 'retained earnings' line items are reduced by the corresponding amount. Any transaction costs directly attributable to the purchase of treasury shares, net of any associated tax benefits, are likewise reported in the 'treasury shares' line item.

Income taxes

Income taxes comprise current as well as deferred taxes.

Current taxes on income are calculated on the basis of the tax regulations enacted or substantively enacted as of the reporting date in those countries in which the respective entity operates and generates taxable income.

Deferred taxes are recognised for temporary differences between the amounts recognised in the IFRS statements of financial position of the Group entities and the tax accounts as well as for unused tax losses. No deferred taxes are recognised if these result from the first-time recognition of an asset or liability in connection with a transaction that is not a business combination and affects neither the profit (before income taxes) under IFRS nor the taxable profit or loss. Additionally, deferred taxes are not recognised on the first-time recognition of goodwill under IFRS. Deferred taxes are calculated using the tax regulations enacted or substantively enacted at the end of the reporting period and which are expected to apply when the temporary difference is reversed or realised.

Deferred tax assets are recognised only if it is probable that a taxable profit will be available against which the deductible temporary differences can be utilised.

Deferred tax liabilities are also recognised for temporary differences from investments in subsidiaries and investments accounted for using the equity method, unless the Group is able to control the timing of the reversal of the temporary differences, and it is probable that the temporary differences will not reverse in the foreseeable future.

Income taxes are recognised in profit or loss with the exception of those that relate to matters which are recognised in other comprehensive income or directly in equity. Income taxes that relate to such matters are also recognised in the other comprehensive income or directly in equity.

Current and deferred taxes are allocated to continuing operations or discontinued operations depending on where they originated.

Deferred tax assets and liabilities are offset if a legally enforceable right exists to offset deferred taxes.

In assessing global income tax assets and liabilities, the interpretation of tax regulations in particular may be subject to uncertainty. It is not possible to rule out the possibility of the respective tax authorities holding a differing view regarding the correct interpretation of tax regulations. Changes in assumptions about the correct interpretation of tax regulations, such as those resulting from changes in case law, are reflected in the recognition of uncertain income tax assets and liabilities in the corresponding financial year. Tax uncertainties are identified through an ongoing analysis of the tax environment. If there are uncertainties over the income tax treatment (e.g. the taxable profit or unused tax losses), these are recognised at their best estimate as a liability in accordance with IFRIC 23. For the current financial year, as in the previous year, there are no material effects on the consolidated financial statements of the Scout24 Group.

Share-based payments

The Company currently has two participation programmes for management and employees that are accounted for as a cash-settled share-based payment transaction in accordance with IFRS 2 'Share-based Payment'. Accordingly, the fair value of the work rendered by employees as consideration for the cash settlement thereby granted is recognised both as an expense through profit or loss and as a provision. However, as the fair value of the work performed by employees cannot be determined reliably, if equity instruments are granted reference is made for measurement purposes to the fair value of the equity instruments at the time at which they are granted. The value of a provision to be recognised for a cash settlement is reassessed at each reporting date.

In addition, the Company has an employee participation programme under which employees can purchase Scout24 shares held by the Company (treasury shares) at a lower price than on the stock market. This employee participation programme is accounted for as an equity-settled share-based payment transaction in accordance with IFRS 2 'Share-based Payment'. Accordingly, the fair value of the work performed by employees is recognised as consideration for the equity instruments (here: bargain purchase) and thereby granted both as an expense through profit or loss and as an increase in equity. However, as the fair value of the work performed by employees cannot be determined reliably, for measurement purposes reference is made to the fair value of the equity instruments at their grant date.

Short-term employee benefits

Obligations from short-term employee benefits (wages and salaries including variable components) are recognised as an expense when an employee has rendered the related service. A liability is recognised to account for the amount expected to be paid to the extent that the entity has a present legal or constructive obligation to make such payments in exchange for a service rendered by an employee and a reliable estimate of the obligation can be made.

Leases

A lessee is required to recognise the rights and obligations from all leases in the statement of financial position as right-of-use assets and lease liabilities. Lease liabilities are measured at the present value of the future lease payments at the commencement date. Right-of-use assets comprise the amount of the initial measurement of the lease liability plus any lease payments made at or before the commencement date, plus initial direct costs and any restoration obligations and less any lease incentives received.

The Group exercises the policy choice not to apply the recognition and measurement principles of IFRS 16 to leases of low-value assets. In addition, with the exception of the right-of-use asset for vehicles, the Group applies the practical expedient to account for leases with a lease term of less than twelve months as short-term leases and recognise the associated lease payments as an expense. Scout24 does not apply the practical expedient allowed by IFRS 16.15 to account for lease and non-lease components as a single lease component under IFRS 16, with the exception of the right-of-use assets for vehicles.

In subsequent measurement, the carrying amount of the lease liability is increased using the applied interest rate and reduced to reflect the lease payments made. Right-of-use assets are subsequently depreciated over the term of the lease.

The expected economic useful lives are as follows:

Right-of-use asset for buildings	3–10 years
Right-of-use asset for vehicles	2–4 years
Right-of-use asset for IT equipment	3–4 years
Right-of-use asset for office equipment	3–4 years

The expenses relating to leases constitute amortisation of right-of-use assets and interest expenses on lease liabilities.

In 2020, the Scout24 Group entered into a sublease agreement in which it acts as sublessor. The lessor determines for each lease whether it is a finance lease or an operating lease. The Group classified the sublease by reference to the right-of-use asset rather than by reference to the underlying asset and concluded that it is a finance lease within the meaning of IFRS 16. At the commencement date of the lease, the Group recognises a lease receivable equal to the amount of the net investment in the lease. During the term of the lease agreement, finance income is recognised as a constant rate of interest on the net investment in the lease.

Principles of revenue recognition

The Scout24 Group generates its revenue from rendering services, in particular from offering online listings, generating leads and providing advertising space for professional customers (partners) and private customers (consumers).

Revenue is recognised under IFRS 15 when the Group satisfies the performance obligation or transfers control. Revenue is reported net of VAT, sales deductions and credit notes. The underlying estimates of the Group are based on historical amounts taking into consideration the type of customer, the transaction and particular features of the agreement.

Revenue from online listings chiefly relates to performance obligations satisfied over time that are accounted for pro rata temporis, as the customer's benefits are distributed equally. The Scout24 Group also offers services in a bundle (e.g. online classifieds, combined with other components such as placement of corporate logo and provision of market information), but these relate exclusively to services invoiced over the same period (usually monthly). This means that, even if there are separable performance obligations, there is no effect on the amount and timing of revenue recognition as a result of allocating consideration on the basis of the relative stand-alone selling prices. Commission from establishing and referring business contacts (lead generation) is recognised in accordance with the transactions brokered. Depending on the nature of the advertising contract, revenue from advertising space is recognised in the period in which the advertising is placed or shown. In cases where invoicing occurs in advance, revenue, including discounts, is initially recognised under contract liabilities; the revenue is subsequently recognised through profit or loss as the contractual performance obligation is satisfied.

Revenue from granting temporary rights to use software licences is recognised on a pro rata basis over the period for which the temporary rights are granted. If the features are predominantly those of a sale, revenue is recognised immediately. Revenue from service delivery is recognised on a pro rata basis over the period in which the services are rendered. Revenue from service contracts invoiced based on hours worked is recognised when the services are performed.

Payment terms of the business models are mainly short term. There are no significant financing components within the meaning of IFRS 15.

Finance income and finance expenses

Finance income and finance expenses comprise interest income and expenses as well as foreign currency gains and losses. Finance income and expenses are recognised using the effective interest method. This item also includes changes in value from financial instruments measured at fair value and gains on deconsolidation.

Earnings per share

Basic earnings per share are calculated as the Group's net profit for the year attributable to the shareholders of the parent company, divided by the weighted average number of ordinary shares outstanding. Treasury shares reduce the number of ordinary shares outstanding. To calculate diluted earnings per share, the average number of shares issued is adjusted to reflect the maximum number of all potentially dilutive shares.

Assets held for sale and discontinued operations

Non-current assets are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This criterion is considered satisfied only if the non-current asset is available for immediate sale in its present condition and its sale is highly probable. Management must be committed to a plan to sell the asset. It must be possible to assume that a sale will be completed within one year of classifying the asset as held for sale.

Non-current assets classified as held for sale are measured at the lower of their original carrying amount and their fair value less costs of disposal.

In the event that the Group has committed to a sale involving a loss of control over a subsidiary, all of that subsidiary's assets and liabilities are classified as held for sale provided the criteria given above are satisfied.

Discontinued operations are a component of an entity that can be clearly distinguished from the rest of the entity and that either have been disposed of or are held for sale. The assets and liabilities of operations held for sale represent disposal groups that are required to be measured and presented in accordance with the same principles as for non-current assets held for sale. Income and expenses of discontinued operations are presented in the statement of profit or loss – after the earnings from continuing operations – in an item entitled ‘earnings from discontinued operations’. Related gains or losses on sale are included in earnings from discontinued operations. The previous-year figures in the statement of profit or loss and the statement of cash flows are restated accordingly.

Government grants

Government grants are recognised when there is reasonable assurance that the entity will comply with the conditions attached to them, and that the grants will be received. They are recognised in the statement of profit or loss over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate.

2. Changes in the consolidation scope

2.1. Entities acquired in the reporting period

Acquisition of BaufiTeam GmbH

On 9 May 2022, Consumer First Services GmbH, Munich, acquired 50.1% of the equity in BaufiTeam GmbH (formerly: BaufiTeam GmbH & Co. KG), Sittensen, Germany. The purchase price to acquire 50.1% of shares amounted to EUR 1,530 thousand and was paid in cash upon the transaction's formal and legal closing.

Furthermore, put and call options that can be exercised at different points in time were agreed to acquire the remaining 49.9% of the shares in equity of BaufiTeam GmbH from the minority shareholder. Given that Scout24 has an unconditional obligation to acquire the shares under the options, the application of the anticipated acquisition method as of 9 May 2022 results in notional full acquisition of all shares in the entity. The provisionally determined fair value of the obligation to acquire the additional 49.9% of the equity shares came to EUR 2,244 thousand as of the acquisition date and is part of the consideration. As of 31 December 2022, the fair value of the purchase price liability amounts to EUR 1,352 thousand and is reported under non-current financial liabilities.

BaufiTeam GmbH advises customers on mortgage financing. Accordingly, the business operations of BaufiTeam will be integrated into Scout24's Professional segment.

As of 31 December 2022, the transaction mainly results in an intangible asset based on customer relationships and an intangible asset based on a non-compete agreement. The remaining difference of EUR 2,322 thousand between the consideration and the carrying amount of the net assets acquired was allocated to goodwill. The goodwill from the transaction represents the future earnings potential resulting from the strengthening of the market position and from synergies expected from the entity's integration into ImmoScout24's existing business operations. The goodwill was allocated to the Professional cash-generating unit and is not deductible for tax purposes.

The table below provides an overview of the consideration for BaufiTeam GmbH as well as the identified assets and liabilities:

KEY DATA: ACQUISITION OF BAUFITEAM GMBH

EUR '000	9 May 2022
Cash and cash equivalents	1,530
Fair value of shares in put options	2,244
Consideration	**3,774**
Identified assets and liabilities as of the acquisition date	
Intangible assets, property, plant and equipment and other non-current assets	2,152
Trade receivables and other current assets	232
Cash and cash equivalents	84
Deferred tax liabilities	-581
Lease liabilities and other non-current liabilities	-172
Trade payables and other current liabilities	-263
Identified net assets	**1,452**
Goodwill	2,322
Total net assets acquired	**3,774**

The gross amounts of contractual receivables correspond to the fair value of trade receivables and other receivables. Their acquisition-date fair value amounts to EUR 224 thousand and is regarded in its entirety as collectable. Acquisition-related costs of EUR 167 thousand were reported in other operating expenses.

Since initial consolidation on 1 May 2022, BaufiTeam GmbH has contributed revenue of EUR 469 thousand and earnings after tax of EUR -119 thousand to the statement of profit or loss. Had BaufiTeam already been consolidated as of 1 January 2022, the Group would have generated revenue of EUR 775 thousand and earnings after tax of EUR -19 thousand.

2.2. Business combinations in previous periods

On 11 May 2021, Immobilien Scout GmbH, Berlin, acquired 75% of the shares in equity of Zenhomes GmbH, with registered office in Berlin (see the 2021 annual report for details of this transaction). As part of this transaction, put and call options were agreed to acquire the remaining 25% of the shares in equity of Zenhomes GmbH from the minority shareholder. Given that Scout24 has an unconditional obligation to acquire the shares under the options, the application of the anticipated acquisition method as of 11 May 2021 results in the recognition of a notional full acquisition of all shares in the entity. According to the valuation, the fair value of the obligation to acquire the additional 25% of the equity shares came to EUR 26,456 thousand as of the acquisition date and is part of the consideration. As of 31 December 2022, the fair value of the purchase price liability amounted to EUR 15,172 thousand (for details, see note **5.2. Disclosures on financial instruments**).

In addition, the agreed amount withheld was paid out to the seller in the 2022 financial year as arranged (EUR 1,966 thousand).

On 29 July 2021, FLOWFACT GmbH, Cologne, acquired 80% of the shares in equity of Propstack GmbH, with registered office in Berlin (see the 2021 annual report for details of this transaction). As part of this transaction, put and call options were agreed to acquire the remaining 20% of the shares in equity of Propstack GmbH from the minority shareholders. Given that Scout24 has an unconditional obligation to acquire the shares under the options, the application of the anticipated acquisition method as of 29 July 2021 results in full acquisition of all shares in the entity. The fair value of the obligation to acquire the additional 20% of the equity shares came to EUR 2,978 thousand as of the acquisition date and is part of the consideration. As of 31 December 2022, the Group reports a purchase price liability with a fair value of EUR 5,647 thousand under non-current and current financial liabilities (for details, see note **5.2. Disclosures on financial instruments**).

3. Notes to the consolidated statement of profit or loss

3.1. Revenue

The Scout24 Group focuses on rendering services in the real estate sector (for further explanations, see note **5.5. Segment reporting**). Revenue is generated primarily through the placement of online listings, the generation of leads and the provision of advertising space for professional customers (partners) and private customers (consumers).

Breakdown of revenue

The table below shows revenue by category:

EUR '000	2022	2021 (adjusted)[1]
Professional	291,184	262,729
Private	121,536	94,573
Media & Other	34,820	31,740
Total, consolidated	**447,539**	**389,042**

[1] The prior-year figures have been adjusted to reflect the re-segmentation (see Notes 5.5 Segment reporting).

Contract balances

The table below shows the balances reported in accordance with IFRS 15:

EUR '000	31 Dec. 2022	31 Dec. 2021
Trade receivables	30,604	23,175
Contract liabilities	12,248	10,209

Net loss allowances of EUR 1,412 thousand (previous year: income from the reversal of loss allowances of EUR 1,261 thousand) were recognised in the past financial year in connection with trade receivables.

Contract liabilities primarily result from advance invoicing and developed as follows:

EUR '000	2022	2021
Balance at 1 January	**10,209**	**8,950**
Recognised in the reporting period	130,843	102,493
Amortised through profit or loss in the reporting period	128,803	101,234
Balance at 31 December	**12,248**	**10,209**

There have been no significant changes in the balances recognised.

Remaining performance obligations

Remaining performance obligations relate to contracts with an expected original term of no more than one year or performance obligations that will be invoiced at a fixed hourly rate. Therefore, as permitted by IFRS 15, no disclosures are made relating to the remaining performance obligations as of 31 December 2022.

Contract costs

No additional costs are incurred in fulfilling the contracts that would need to be recognised as an asset.

3.2. Own work capitalised

This item reports internally generated software that is recognised as an asset. Of the total amount of EUR 28,702 thousand (previous year: EUR 26,572 thousand), an amount of EUR 12,015 thousand (previous year: EUR 11,838 thousand) is attributable to the Professional segment, EUR 9,381 thousand (previous year: EUR 7,265 thousand) to the Private segment and EUR 7,307 thousand (previous year: EUR 7,470 thousand) to the Media & Other segment. The total amount of research and development costs expensed in the financial year for continuing operations stands at EUR 24,327 thousand (previous year: EUR 17,295 thousand).

3.3. Other operating income

Other operating income comprises the following:

EUR '000	2022	2021
Income from research grants	899	0
Income from derecognised receivables	167	134
Income from the reversal of bad debt allowances	40	1,931
Income from the disposal of intangible assets and property, plant and equipment	13	21
Other	514	422
Total	**1,633**	**2,508**

3.4. Personnel expenses and number of employees

Personnel expenses of continuing operations break down as follows:

EUR '000	2022	2021
Wages and salaries	-84,999	-73,827
Social security costs	-12,464	-11,704
Pension costs and other post-employment benefits	-2,115	-1,460
Share-based payments	-7,744	-10,658
Total	**-107,322**	**-97,650**

The average number of employees during the financial year breaks down as follows:

Number of employees	2022	2021
Executive Leadership Team	3	3
Other employees	1,043	992
Total	**1,046**	**995**

3.5. Marketing expenses

Marketing expenses of continuing operations comprise the following:

EUR '000	2022	2021
Advertising costs – online	-41,714	-31,472
Advertising costs – offline	-8,978	-4,902
Total	**-50,692**	**-36,373**

3.6. IT expenses

IT expenses of continuing operations comprise the following:

EUR '000	2022	2021
IT services	-11,927	-9,066
Licences/software as a service	-9,616	-8,695
Other IT costs	-398	-558
Total	**-21,941**	**-18,320**

3.7. Other operating expenses

Other operating expenses of continuing operations comprise the following:

EUR '000	2022	2021
Purchased services	-26,565	-24,224
Third-party services	-20,242	-20,811
Legal and consulting costs	-3,500	-6,179
Other staff-related expenses	-3,247	-2,480
Other rent incidentals	-2,832	-2,004
Communication	-1,612	-1,527
Bad debt allowance	-1,619	-804
Travel expenses	-912	-464
Motor vehicle costs	-262	-342
Other	-6,534	-6,104
Total	**-67,324**	**-64,937**

3.8. Profit/loss from investments accounted for using the equity method

The table below shows a breakdown of the profit/loss from investments accounted for using the equity method.

EUR '000	2022	2021
Energieausweis48 GmbH, Cologne	12	-24
Upmin Group GmbH, Berlin	-902	-225
Total	**-889**	**-248**

3.9. Finance income

Finance income comprises the following:

EUR '000	2022	2021
Income from derivative financial instruments	14,194	720
Interest income from third parties	666	5,553
Interest income on leases	281	303
Income from disposal of investments accounted for using the equity method	137	–
Price gains from financing	70	33
Price gains on investments	63	12,549
Dividend income from investments	21	245
Total	**15,432**	**19,403**

Income from derivative financial instruments resulted above all from adjusting through profit or loss the contingent consideration (for details, see the note **5.2. Disclosures on financial instruments**) and from gains from foreign exchange transactions. Complete liquidation of the special fund as of 30 June 2022 led to a substantial decrease in price gains on investments and dividend income from investments. The disposal of shares in Upmin Group GmbH led to a gain on disposal of investments accounted for using the equity method. The interest income on leases is attributable to the subletting of rented office space at the Munich location. For details, see note **4.6. Assets and liabilities from leases.**

3.10. Finance expenses

Finance expenses of continuing operations comprise the following:

EUR '000	2022	2021
Price losses from investments	-18,834	-7,758
Interest expenses to third parties	-6,192	-12,071
Expenses from derivative financial instruments	-2,184	-1,740
Interest expense from leases	-699	-739
Other finance expenses	-495	-1,766
Price losses from financing	-110	-94
Total	**-28,515**	**-24,169**

Interest expenses to third parties relate to the liabilities entered into under the promissory note loan, the revolving credit facility (RCF) and the term and revolving facilities agreement (RFA), as well as the amortisation through profit or loss of the incidental costs of obtaining these liabilities using the effective interest method. For details, see note **4.10. Financial liabilities.** The item for price losses from investments primarily stems from securities invested in the special fund that was liquidated as of 30 June 2022. Other financial expenses are attributable to the administrative cost of the special securities fund. Expenses from derivative financial instruments mainly relate to the measurement of purchase price liabilities. For further information, see notes **2.1. Entities acquired in the reporting period**, **2.2. Business combinations in previous periods** and **5.2. Disclosures on financial instruments.**

3.11. Income taxes

Scout24 SE is the controlling company of a consolidated tax group for income tax purposes with Immobilien Scout GmbH, FLOWFACT GmbH, Consumer First Services GmbH and Scout24 Beteiligungs SE as the subsidiaries. As the parent, Scout24 SE is liable for the income taxes of the whole tax group. Tax allocations were not made to the subsidiaries in the tax group. The current taxes paid or owed in the individual countries as well as deferred taxes are reported as income taxes.

EUR '000	2022	2021
Current tax charge on profits for the period	-54,624	-50,976
Current tax income from previous years	903	359
Total current tax expense	**-53,721**	**-50,617**
Deferred tax income from tax rate changes	172	584
Deferred tax income from timing differences	1,467	7,674
Deferred tax income from unused tax losses	1,291	229
Total deferred tax income	**2,930**	**8,487**
Total income taxes	**-50,791**	**-42,130**

Income taxes comprise trade tax, corporate income tax and the solidarity surcharge as well as corresponding foreign taxes on income. As in the previous year, the corporate income tax rate in Germany amounted to 15.0% for the 2022 assessment period, with a solidarity surcharge of 5.5% thereof. The trade tax rate changed to 14.746% due to changes to trade tax breakdown amounts (previous year: 14.765%). This results in a Group tax rate of 30.57% for 2022 (previous year: 30.59%).

A loss of EUR 23 thousand (previous year: EUR 554 thousand) incurred by a foreign subsidiary was used. It reduced the current income tax expense by EUR 6 thousand (previous year: EUR 139 thousand).

The reasons for the difference between the expected and the reported tax expense within the Group are as follows:

EUR '000	2022	2021
Earnings before tax from continuing operations	**174,322**	**132,723**
Expected tax expense 2022: 30.57% (2021: 30.59%)	-53,292	-40,600
Tax effects from tax rate changes	172	584
Taxes relating to other periods	3,375	543
Tax-free income	378	107
Non-deductible expenses	-137	-1,458
Permanent differences	1,096	507
Tax effects from special investment funds	0	275
Tax effects from unused tax losses	-2,247	-1,998
Tax effects from add-backs and reductions for local taxes	-302	-341
Adjustments of the tax amount to differing national tax rates	92	127
Other	74	124
Effective tax expense	-50,791	-42,130
Effective tax rate of continuing operations	**29.1%**	**31.7%**

The tax income from the change in tax rates amounting to EUR 172 thousand mainly results from the remeasurement of deferred tax liabilities due to the aforementioned reduction in the domestic trade tax rate. In addition, the nominal corporate income tax rate in Austria changed to 24% (previous year: 25%).

Taxes relating to other periods comprise deferred tax income of EUR 2,472 thousand and current tax income of EUR 903 thousand. The tax income relating to other periods mainly results from the change in temporary differences at the level of the special fund. The current tax income mainly results from the tax group's provisionally prepared tax returns for 2021.

The effect from tax-free income is mainly due to the research grant obtained.

The effect from non-deductible expenses is mainly attributable to the compensation of the Supervisory Board.

The change in permanent differences is mainly due to the differences in the carrying amounts of financial purchase price liabilities pursuant to IFRS and the tax accounts as well as the deconsolidation of the special fund.

The tax effects from unused tax losses of EUR 2,247 thousand mainly reflect non-recognition of deferred tax assets on current losses at a domestic subsidiary.

The effects relating to local taxes are due to the trade tax add-back of finance fees of Scout24 SE.

The tax assets and tax liabilities as of the reporting date are as follows:

EUR '000	31 Dec. 2022	31 Dec. 2021
Income tax assets	43	7
Income tax liabilities	3,036	1,532

A current tax asset of EUR 75 thousand was recognised directly in equity in connection with the transaction costs for the purchase of treasury shares.

Deferred tax assets developed as follows:

EUR '000	31 Dec. 2022	31 Dec. 2021
Opening balance for the period	**4**	**568**
Changes in the consolidation scope	0	0
Recognised through profit or loss	0	-564
Recognised in other comprehensive income	0	0
Closing balance for the period	**4**	**4**

Deferred tax liabilities developed as follows:

EUR '000	31 Dec. 2022	31 Dec. 2021
Opening balance for the period	**280,527**	**287,712**
Changes in the consolidation scope	582	1,866
Reclassification to liabilities associated with assets held for sale	0	0
Recognised through profit or loss	-2,930	-9,051
Recognised in other comprehensive income	0	0
Closing balance for the period	**278,178**	**280,527**

The deferred tax liabilities arise mainly from the purchase price allocations. Taking depreciation and amortisation into account, deferred tax liabilities of EUR 270,243 thousand were recognised as of 31 December 2022 (previous year: EUR 272,815 thousand) in this context, of which EUR 263,476 thousand (previous year: EUR 263,682 thousand) was attributable to Immobilien Scout GmbH.

Deferred tax assets and liabilities on timing differences and unused tax losses can be allocated to the following items:

EUR '000	31 Dec. 2022		31 Dec. 2021	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Current assets	**0**	**266**	**0**	**1,970**
Trademarks	0	265,016	0	266,982
Other intangible assets and right-of-use assets from leases	256	36,461	275	35,924
Property, plant and equipment	0	10	0	15
Financial assets	0	2,788	0	2,626
Non-current assets	**256**	**304,275**	**275**	**305,547**
Other provisions	3,088	0	3,979	0
Other liabilities including lease liabilities	3,542	156	3,182	176
Current liabilities	**6,630**	**156**	**7,161**	**176**
Other provisions	435	0	303	0
Other liabilities including lease liabilities	14,963	6	16,416	0
Non-current liabilities	**15,398**	**6**	**16,719**	**0**
Unused tax losses/interest carried forward	**4,245**	**0**	**3,015**	**0**
Total	**26,529**	**304,703**	**27,170**	**307,693**
Offsetting	-26,525	-26,525	-27,166	-27,166
Recognised in the statement of financial position	**4**	**278,178**	**4**	**280,527**

The deferred tax assets from unused tax losses/interest carried forward relate to the domestic subsidiaries' unused tax losses for which sufficient taxable profit is expected to be available to allow these to be used. These unused tax losses are not subject to any time limit with regard to their use. A breakdown of the unused tax losses is presented in the following table:

EUR '000	31 Dec. 2022	31 Dec. 2021
Unused corporate income tax loss losses	**36,764**	**25,487**
of which recognised in the carrying amount of deferred tax assets	13,792	9,825
of which not recognised in the carrying amount of deferred tax assets	22,972	15,662
Unused trade tax losses	**36,763**	**25,443**
of which recognised in the carrying amount of deferred tax assets	13,833	9,866
of which not recognised in the carrying amount of deferred tax assets	22,930	15,577

By contrast, no deferred tax assets were recognised on foreign subsidiaries' unused tax losses of EUR 1,327 thousand (previous year: EUR 777 thousand), as sufficient taxable profit is not expected to be available to allow these to be used. These unused tax losses expire after seven years.

No deferred tax liabilities were recognised on temporary differences in connection with investments in subsidiaries amounting to EUR 11,830 thousand (previous year: EUR 11,878 thousand). Although the parent company is able to control the timing of the reversal of the temporary differences, it is not probable that these temporary differences will reverse in the foreseeable future. The temporary differences arise from differences between the tax base of the parent company's investment and the parent company's proportionate share of the subsidiaries' equity in accordance with IFRS. Such income would be 95% tax-free if a dividend were to be paid or the investment sold.

3.12. Earnings per share

The table below shows the calculation of basic and diluted earnings per share attributable to the shareholders of the parent company:

		2022	2021
Earnings attributable to shareholders of the parent company	**EUR '000**	**123,531**	**90,497**
of which from continuing operations		123,531	90,593
of which from discontinued operations		–	-96
Weighted average number of shares for earnings per share	**Number**		
Basic		77,806,579	88,059,505
Diluted		77,806,579	88,059,505
Basic earnings per share	**EUR**	1.59	1.03
Earnings per share after tax, continuing operations		1.59	1.03
Earnings per share after tax, discontinued operations		0.00	-0.00
Diluted earnings per share	**EUR**	1.59	1.03
Earnings per share after tax, continuing operations		1.59	1.03
Earnings per share after tax, discontinued operations		0.00	-0.00

The average number of shares was determined taking into account the treasury shares purchased in the 2019 to 2022 financial years (see note **4.15. Equity**).

4. Notes to the consolidated statement of financial position

4.1. Cash and cash equivalents

Cash and cash equivalents include bank balances and cash on hand of EUR 39,085 thousand (previous year: EUR 120,009 thousand).

4.2. Trade receivables

Trade receivables consist of the items presented below.

EUR ’000	31 Dec. 2022	31 Dec. 2021
Receivables from third parties	30,604	22,954
Receivables from associates and joint ventures	0	221
Total	**30,604**	**23,175**

The table below presents information on the estimated credit risk and the expected credit losses for trade receivables from third parties. As regards the calculation of the credit loss rates, see note **1.7. Accounting policies** and note **1.3. Effects of the war in Ukraine and of Covid-19.**

As of 31 December 2022 EUR ’000	Gross carrying amount	Loss allowance	Credit-impaired	Credit loss rate (weighted average)
Not past due	8,878	-38	No	0.45%
1 to 30 days past due	12,755	-47	No	0.43%
31 to 90 days past due	5,001	-147	No	3.49%
More than 90 days past due	5,192	-990	Yes	22.99%
Total	**31,826**	**-1,223**	**–**	**–**

As of 31 December 2021 EUR ’000	Gross carrying amount	Loss allowance	Credit-impaired	Credit loss rate (weighted average)
Not past due	6,135	-49	No	0.79%
1 to 30 days past due	11,238	-77	No	0.81%
31 to 90 days past due	3,486	-122	No	4.12%
More than 90 days past due	2,846	-505	Yes	20.91%
Total	**23,706**	**-752**	**–**	**–**

The credit loss rates are applied to net trade receivables from third parties, i.e. excluding VAT. In addition, the credit loss rates are not applied to receivables from barter transactions of EUR 58 thousand (previous year: EUR 60 thousand), as no default events are expected with reference to the barter transactions.

The loss allowances on trade receivables developed as follows:

EUR '000	
Balance at 1 Jan. 2021	**-2.669**
Additions to the consolidation scope	-15
Disposals from the consolidation scope	–
Utilisation	355
Net remeasurement of loss allowances	1,577
Currency translation differences	0
Balance at 31 Dec. 2021/1 Jan. 2022	**-752**
Additions to the consolidation scope	-1
Disposals from the consolidation scope	–
Utilisation	113
Net remeasurement of loss allowances	-583
Currency translation differences	–
Balance at 31 Dec. 2022	**-1,223**

Loss allowances for trade receivables are remeasured based on the credit loss rates in accordance with the expected credit loss model. Increases and reversals of loss allowances determined in this way are reported under other operating expenses and other operating income. The 'utilisation' item comprises the derecognition of risk provisioning for bad debts.

4.3. Financial assets

The financial assets break down as follows as of the respective reporting dates:

EUR '000	31 Dec. 2022	31 Dec. 2021
Current		
Research grant	1,109	–
Receivables from lease agreements	1,578	1,378
Creditors with debit balances	273	227
Loan transaction costs	257	269
Rent deposits	28	827
Receivables from share buy-back programme	–	303
Securities	–	465,124
Other receivables	22	–
Total	**3,268**	**468,129**
Non-current		
Receivables from lease agreements	7,272	7,967
Rent deposits	2,253	2,258
Loans to associates	1,000	–
Loan transaction costs	862	622
Other	280	5
Total	**11,667**	**10,851**

The research grant relates to claims of Scout24 SE based on the Research Grants Act (FZulG).

The receivables from lease agreements are due from AutoScout24 GmbH, to which office space at the Munich location is sublet. For details, see note **4.6. Assets and liabilities from leases.**

The loan to associates relates to a convertible loan issued to Upmin Group GmbH (formerly Upmin Holding GmbH) and amounts to EUR 1,000 thousand. For details, see note **5.2. Disclosures on financial instruments** and note **5.4. Related party disclosures**.

The securities in financial year 2021 relate to investments within the Scout24 special fund. For details, see note 5.2. Disclosures on financial instruments.

4.4. Other assets

Other assets break down as follows as of the respective reporting dates:

EUR '000	31 Dec. 2022	31 Dec. 2021
Current		
Prepaid expenses	9,500	7,414
Advance payments made	69	31
Taxes other than income taxes	13	11
Other	857	711
Total	**10,439**	**8,168**
Non-current		
Other	–	6
Total	**–**	**6**

In the financial year and the previous year, the prepaid expenses reported under current assets essentially relate to advance payments made by Scout24 SE on time-limited licence fees and services. The increase in advance payments in the reporting period mainly relates to AWS and cloud services.

In the reporting period and in the previous year, taxes other than income taxes relate to value-added tax refund claims and prepayments.

4.5. Goodwill and intangible assets

EUR '000	Goodwill	Trademarks	Internally developed software	Concessions, rights and licences	Customer base[1]	Intangible assets under development	Other intangible assets	Subtotal other intangible assets	Total
Cost									
Balance at 1 Jan. 2021	**712,892**	**877,944**	**51,699**	**61,819**	**233,236**	**21,461**		**368,215**	**1,959,051**
Additions to the consolidation scope	69,736	1,635	–	11,466	803	–		12,269	83,640
Disposals from the consolidation scope	–	–	–	–	–	–		–	–
Additions	–	–	919	71	–	25,652		26,643	26,643
Disposals	–	–	–	-36	–	–		-36	-36
Reclassifications	–	–	19,311	31	–	-19,342		–	–
Balance at 31 Dec. 2021/ 1 Jan. 2022	**782,628**	**879,579**	**71,929**	**73,352**	**234,038**	**27,772**		**407,091**	**2,069,299**
Additions to the consolidation scope	2,322	–	–	–	1,795	–	164	1,960	4,282
Disposals from the consolidation scope	–	–	–	–	–	–		–	–
Additions	–	–	–	–	–	28,702		28,702	28,702
Disposals	–	–	–	-68	–	-30		-98	-98
Reclassifications	–	–	23,912	–	–	-23,912		–	–
Balance at 31 Dec. 2022	**784,950**	**879,579**	**95,841**	**73,284**	**235,834**	**32,532**	**164**	**437,655**	**2,102,185**
Accumulated amortisation and impairment									
Balance at 1 Jan. 2021	**-282**	**-592**	**-38,548**	**-58,613**	**-195,902**	**–**	**–**	**-293,063**	**-293,937**
Additions to the consolidation scope	–	–	–	–	–	–	–	–	–
Disposals from the consolidation scope	–	–	–	–	–	–	–	–	–
Additions (amortisation)	–	-519	-12,887	-2,475	-31,044	–	–	-46,407	-46,926
Additions (impairment)	–	-5,630	–	–	–	–	–	–	-5,630
Disposals	–	–	–	–	–	–	–	–	–
Balance at 31 Dec. 2021/ 1 Jan. 2022	**-282**	**-6,741**	**-51,435**	**-61,089**	**-226,946**	**–**	**–**	**-339,470**	**-346,493**
Additions to the consolidation scope	–	–	–	–	–	–	–	–	–
Disposals from the consolidation scope	–	–	–	–	–	–	–	–	–
Amortisation	–	-1,219	-16,804	-2,943	-914	–	-20	-20,681	-21,900
Impairment losses	–	-4,940	-4,305	–	–	–	–	-4,305	-9,244
Disposals	–	–	–	68	–	–	–	68	68
Reclassifications	–	–	–	–	–	–	–	–	–
Balance at 31 Dec. 2022	**-282**	**-12,899**	**-72,543**	**-63,963**	**-227,861**	**–**	**-20**	**-364,387**	**-377,569**
Carrying amounts									
Balance at 31 Dec. 2021	**782,346**	**872,839**	**20,494**	**12,263**	**7,092**	**27,772**	**–**	**67,621**	**1,722,806**
Balance at 31 Dec. 2022	**784,668**	**866,680**	**23,298**	**9,321**	**7,973**	**32,532**	**145**	**73,268**	**1,724,616**

[1] The customer base has a residual useful life of 5 to 18 years.

Borrowing costs for intangible assets under development were not capitalised because the Group's borrowing costs are not directly attributable to the development of the intangible assets.

The additions to the consolidation scope relate to the acquisition of BaufiTeam GmbH, which is allocated to the Professional cash-generating unit. For details, see note **2.1. Entities acquired in the reporting period.**

Three trademarks of the Professional cash-generating unit and one brand of the Media & Other cash-generating unit are amortised over their respective specific useful lives, for which positive cash inflows are expected. As of 31 December 2022, an impairment loss needed to be recognised for the FLOWFACT cash-generating unit as a result of a change in strategy. Accordingly, the trademark was written off in full, and an impairment loss of EUR 1,044 thousand was recognised on internally developed software that is no longer expected to be used. As of 31 December 2022, the trademarks with an indefinite useful life had a carrying amount of EUR 4,980 thousand (previous year: EUR 5,650 thousand).

The ImmoScout24 trademark has an indefinite useful life as it is expected to give rise to positive cash inflows over an indefinite period. The FLOWFACT brand is part of the Media & Other segment and has been deemed to have an indefinite useful life until 31 December 2021; see the Group management report as regards the segment result.

EUR '000	Trademarks as of 31 Dec. 2022	Trademarks as of 31 Dec. 2021
ImmoScout24 trademark	861,700	861,700
FLOWFACT trademark	0	5,489
Total	**861,700**	**867,189**

Impairment testing

Trademarks with indefinite useful lives are generally tested for impairment in accordance with IAS 36 at least annually on the basis of the respective cash-generating unit's fair value less costs of disposal, by analogy to the approach described in note **1.7. Accounting policies**. Fair value less costs of disposal was calculated as the recoverable amount (level 3).

At the start of the 2022 financial year, the segment structure was adjusted in line with the growth strategy presented at Capital Markets Day in December 2021. This involved transferring the previous segments (Residential Real Estate, Business Real Estate, and Media & Other) into the three segments Professional, Private, and Media & Other. As a result of the reorganisation of the operating segments in accordance with IFRS 8, goodwill was also reallocated from the two previous segments Residential Real Estate and Business Real Estate to the current CGUs Professional and Private as of 1 January 2022. This does not affect the Media & Other operating segment. The reallocation is required to be treated as an indication of potential impairment, and further impairment testing in addition to the annual impairment test therefore had to be performed. There was no impairment loss either in the previous structure as of 31 December 2021 or in the new structure as of 1 January 2022.

As of 31 December 2021/1 January 2022 EUR '000 (restated)[35]	Goodwill	Trademarks with indefinite useful life
Professional cash-generating unit	510,729	634,809
Private cash-generating unit	234,440	166,648
Media & Other cash-generating unit	37,177	60,243
Total	**782,346**	**861,700**

The ImmoScout24 trademark does not generate any cash inflows that are largely independent of those of other assets. It is therefore tested for impairment at the level of the cash-generating unit. Since the ImmoScout24 trademark contributes to the future cash flows of all three cash-generating units, it was allocated to the cash-generating units as a corporate asset on the basis of the planned ordinary operating EBITDA for impairment testing.

[35] Adjusted reported values as of 30 June 2022 due to revised allocation keys.

As of 31 December 2022 EUR '000	Goodwill	Trademark with indefinite useful life
Professional cash-generating unit	513,154	634,809
Private cash-generating unit	234,337	166,648
Media & Other cash-generating unit	37,177	60,243
Total	**784,668**	**861,700**

As of 31 December 2021 EUR '000	Goodwill	Trademarks with indefinite useful life
Residential Real Estate cash-generating unit	600,116	600,032
Business Real Estate cash-generating unit	145,053	201,425
Media & Other cash-generating unit	37,177	60,243
Total	**782,346**	**861,700**

Goodwill and trademarks were tested for impairment as of 31 December 2022 using an after-tax capitalisation rate (WACC) of 10.72% (previous year: 7.11%) for the group of cash-generating units Professional, Private, and Media & Other. The capitalisation rate increased compared with the previous year due to a higher base interest rate and a higher beta factor. The discount rate is based on a base interest rate of 2.00% (previous year: 0.10%) and a market risk premium of 7.50% (previous year: 7.50%). A beta factor derived from the peer group, a debt capital spread and a typified capital structure were also taken into consideration.

Furthermore, management expects revenue to increase and, based on the operating leverage, EBITDA margins to rise. The detailed planning period is four years, and for 2023 it is subject to corporate planning approved by Management and the Supervisory Board; the detailed planning for 2024 to 2026 is based on the multi-year plans presented to the Management Board.

High single-digit to low double-digit sales growth is planned for all three cash-generating units in the detailed planning period. In the Professional cash-generating unit, growth is to be driven primarily by an expansion of the leads business (Realtor Lead Engine and Mortgage Lead Engine) and the increasing revenue from memberships with our core agents. In the Private cash-generating unit, revenue growth is to be achieved primarily through the Consumer business, which continues to show strong growth, as well as the TenantPlus and BuyerPlus products. In the Media & Other cash-generating unit, revenue growth will be largely driven by the growth of business in Austria and the marketing of our CRM products.

The assumptions relating to EBITDA margins are based on past experience of profitability of services increasing in line with revenue growth. At the level of the Group as a whole, the underlying assumptions lead to a recoverable amount that is consistent with external market assessments as of the measurement date.

For reconciliation with the terminal cash inflows, the detailed planning period is followed by a three-year transition phase, in which declining revenue growth rates and stable EBITDA margins were assumed. For the revenue growth after the transition phase, a long-term growth rate of 1.00% (previous year: 1.00%) was used.

As in the previous year, no impairment losses were identified for the Professional, Private, and Media & Other group of cash-generating units as of 31 December 2022. A change in key assumptions regarded as possible also does not result in impairment losses for the Professional, Private, and Media & Other cash-generating units.

4.6. Assets and liabilities from leases

Lease agreements as lessee

As Scout24 is a group of entities with digital marketplaces, physical assets from leases play only a supporting role for business operations. Existing leases mainly relate to office space, IT equipment, other office equipment, furniture and fixtures and vehicles for selected employees. For the policy choice disclosures, see note **1.7. Accounting policies.** The accounting development of the right-of-use assets by category is presented in the table below for the financial year and the previous year:

EUR '000	Right-of-use asset for buildings	Right-of-use asset for vehicles	Right-of-use asset for IT equipment	Right-of-use asset for office equipment	Total
Cost					
Balance at 1 Jan. 2021	**59,956**	**1,423**	**212**	**305**	**61,896**
Additions to the consolidation scope	1,272	–	–	–	1,272
Additions	756	1,423	–	6	2,185
Disposals	-881	-1,160	-33	–	-2,074
Balance at 31 Dec. 2021/1 Jan. 2022	**61,103**	**1,686**	**179**	**311**	**63,279**
Additions to the consolidation scope	157	–	12	–	169
Additions	3,792	192	831	4	4,819
Disposals	-1,023	-322	–	–	-1,346
Balance at 31 Dec. 2022	**64,029**	**1,556**	**1,021**	**315**	**66,921**
Accumulated depreciation and impairment					
Balance at 1 Jan. 2021	**-5,188**	**-1,055**	**-46**	**-11**	**-6,300**
Additions (depreciation)	-6,462	-604	-56	-78	-7,200
Disposals	–	1,143	33	–	1,176
Balance at 31 Dec. 2021/1 Jan. 2022	**-11,650**	**-516**	**-70**	**-89**	**-12,326**
Additions (depreciation)	-7,034	-569	-145	-80	-7,828
Disposals	–	243	–	–	243
Balance at 31 Dec. 2022	**-18,684**	**-843**	**-215**	**-169**	**-19,911**
Carrying amounts					
Balance at 31 Dec. 2021	**49,453**	**1,170**	**109**	**222**	**50,953**
Balance at 31 Dec. 2022	**45,345**	**713**	**806**	**145**	**47,010**

The amounts in the consolidated statement of profit or loss for continuing operations that are attributable to leases are presented in the table below:

EUR '000	2022	2021
Amortisation and impairment losses	-7,828	-7,200
Interest expense from leases	-699	-739
Expense relating to short-term leases	-195	-151
Expense relating to leases of low-value assets	-34	-43

The amounts in the consolidated statement of cash flows for continuing operations that are attributable to leases are presented in the table below:

EUR '000	2022	2021
Payments for short-term leases and for leases of low-value assets	-230	-194
Interest paid from leases	-699	-739
Repayment of lease liabilities	-9,425	-7,772
Total	**-10,354**	**-8,705**

In accordance with IFRS 16, lease liabilities were measured at the present value of the future lease payments at the date of first-time application or the commencement date. As of the reporting date, lease liabilities comprise the following:

EUR '000	31 Dec. 2022	31 Dec. 2021
Lease liabilities, current	9,693	9,034
Lease liabilities, non-current	48,945	54,203
Total	**58,639**	**63,237**

Lease liabilities break down as follows:

EUR '000	31 Dec. 2022	31 Dec. 2021
Gross lease liabilities – minimum lease payments		
Up to 1 year	10,056	9,682
1–3 years	18,220	17,938
3–5 years	16,733	16,244
More than 5 years	15,371	21,811
Gross lease liabilities	**60,381**	**65,674**
Present value of the lease	**58,639**	**63,236**

Lease liabilities break down as follows:

EUR '000	31 Dec. 2022	31 Dec. 2021
Up to 1 year	9,693	9,034
1–3 years	17,362	16,953
3–5 years	16,329	15,676
More than 5 years	15,255	21,574
Total	**58,639**	**63,236**

Options to extend the lease are taken into consideration in measuring the lease liabilities if it is reasonably certain that the option will be exercised. To provide for flexibility, there are options to extend the lease under office rental agreements. As it is not reasonably certain that the respective options will be exercised, these were not taken into account in measuring the lease liability. The following future lease-related payments due to not reasonably certain options to extend the lease were not included in the measurement of lease liabilities:

	As of 31 December 2022 EUR '000	As of 31 December 2021 EUR '000
Distribution by term to maturity	**Future payments from not reasonably certain options to extend the lease**	**Future payments from not reasonably certain options to extend the lease**
Up to 1 year	35	39
1–3 years	417	542
3–5 years	1,360	711
More than 5 years	85,980	81,809
Total	**87,791**	**83,100**

Lease agreements as lessor

In 2020, Scout24 entered a lease arrangement governing the subletting of rented office space at the Munich location to AutoScout24 GmbH. From the lessor's perspective, the sublease is classified as a finance lease.

The amounts attributable to the sublease are presented in the table below:

EUR '000	2022	2021
Interest received from leases	281	303
Proceeds from lease receivables from subleases	1,481	1,337
Total	**1,761**	**1,640**

The following table presents a maturity analysis of lease receivables and shows the undiscounted lease payments to be received after the reporting date:

EUR '000	31 Dec. 2022	31 Dec. 2021
Up to 1 year	1,822	1,640
1–3 years	3,644	3,280
3–5 years	3,644	3,280
More than 5 years	455	2,050
Gross value of lease receivables	**9,565**	**10,250**
Unrealised finance income	715	905
Present value of lease receivables	**8,850**	**9,345**
Lease receivables, current	1,578	1,378
Lease receivables, non-current	7,272	7,967
Total	**8,850**	**9,345**

The Scout24 Group has additional leases with Group entities acting as lessor, but these are considered immaterial from the perspective of the Scout24 Group.

4.7. Property, plant and equipment

EUR '000	Leasehold improvements	Other equipment, furniture and fixtures	Total
Cost			
Balance at 1 Jan. 2021	**705**	**35,807**	**36,512**
Additions to the consolidation scope	54	72	126
Disposals from the consolidation scope	–	–	–
Additions	–	2,541	2,541
Disposals	–	-368	-368
Reclassifications	7,233	-7,233	–
Balance at 31 Dec. 2021/1 Jan. 2022	**7,992**	**30,820**	**38,812**
Additions to the consolidation scope	–	23	23
Additions	14	887	901
Disposals	–	-118	-118
Reclassifications	–	–	–
Balance at 31 Dec. 2022	**8,006**	**31,612**	**39,617**
Accumulated depreciation and impairment			
Balance at 1 Jan. 2021	**-478**	**-19,704**	**-20,182**
Disposals from the consolidation scope	–	–	–
Additions (depreciation)	-37	-3,311	-3,348
Disposals	–	344	344
Reclassifications	-767	767	–
Balance at 31 Dec. 2021/1 Jan. 2022	**-1,283**	**-21,904**	**-23,187**
Additions (depreciation)	-767	-2,561	-3,329
Disposals	–	110	110
Reclassifications	–	–	–
Balance at 31 Dec. 2021	**-2,050**	**-24,355**	**-26,405**
Carrying amounts			
Balance at 31 Dec. 2021	**6,709**	**8,916**	**15,625**
Balance at 31 Dec. 2022	**5,956**	**7,256**	**13,212**

There are customary retentions of title relating to purchase transactions.

4.8. Investments accounted for using the equity method

The associates and joint ventures included in the consolidated financial statements are accounted for using the equity method at the Group's share in equity.

The table below presents an overview of associates as of 31 December 2022 and 31 December 2021:

Name of entity	Registered office	Interest	Nature of investment	31 Dec. 2022 Measurement method	31 Dec. 2021 Measurement method
Energieausweis48 GmbH	Cologne, Germany	50.00%	Joint venture	Equity	Equity
Upmin Group GmbH	Berlin, Germany	26.14%	Associate	Equity	Equity

The condensed financial information for the immaterial joint ventures, adjusted according to the interest held by Scout24, is provided in the tables below:

EUR ’000	31 Dec. 2022	31 Dec. 2021
Carrying amount of Energieausweis48 GmbH	348	336

EUR ’000	2022	2021
Earnings from continuing operations	12	-24
Other comprehensive income	–	–
Total comprehensive income	**12**	**-24**
Dividends received	**–**	**–**

The cumulative share in profits from the immaterial joint venture accounted for using the equity method amounted to EUR 473 thousand (previous year: EUR 461 thousand). Energieausweis48 GmbH can adopt resolutions only by both venturers acting jointly.

EUR ’000	31 Dec. 2022	31 Dec. 2021
Carrying amount of Upmin Group GmbH	325	1,369

EUR ’000	2022	2021
Earnings from continuing operations	-902	-225
Other comprehensive income	–	–
Total comprehensive income	**-902**	**-225**
Dividends received	**–**	**–**

The cumulative share in losses from the immaterial joint venture accounted for using the equity method amounted to EUR -1,126 thousand (previous year: EUR -225 thousand).

The investments accounted for using the equity method had a headcount of 36 as of 31 December 2022 (previous year: 36).

There are no contingent liabilities with respect to the indirect shares held by Scout24 in associates.

4.9. Trade payables

The trade payables of EUR 18,399 thousand (previous year: EUR 17,211 thousand) include trade payables to third parties of EUR 18,399 thousand (previous year: EUR 17,211 thousand) and trade payables due to associates of EUR 1 thousand (previous year: EUR 1 thousand).

4.10. Financial liabilities

As of the reporting date, financial liabilities comprise the following:

EUR '000	31 Dec. 2022	31 Dec. 2021
Current		
Liabilities from loans	65,500	1,223
Promissory note loan	35,493	56,984
Fair value of shares in put options	6,939	5,075
Debtors with credit balances	701	559
Liabilities to affiliated entities	25	–
Other liabilities to banks	–	1,404
Total	**108,659**	**65,245**
Non-current		
Fair value of shares in put options	15,232	27,910
Promissory note loan	1,999	37,467
Other financial liabilities	135	–
Liabilities from loans	–	98,889
Derivative financial instruments	–	594
Total	**17,365**	**164,861**

Scout24 issued a promissory note loan of EUR 215,000 thousand on 16 March 2018. The loan comprises seven tranches (coupons) with terms ranging between three and six years. Depending on the tranche, fixed or floating rates of interest were agreed. The fixed interest rate is based on the mid-swap rate (ICAP). The floating rate of interest is based on the EURIBOR. An interest margin is added to both interest rates. The floating rate includes a floor of 0.0% for the EURIBOR. The interest margin for the fixed rate ranges between 0.79% and 1.60%. The range for the floating rate is between 0.75% and 0.95%. If the ratio of net debt to ordinary operating EBITDA were to exceed 3.25, the interest margins of the promissory note tranches would increase by 0.50% in each case.

The promissory note loan was paid out in full on 28 March 2018. On the basis of the agreed-upon interest rates and taking into account the incidental costs of obtaining the promissory note loan, an effective interest rate was determined for each tranche that is used to amortise the transaction costs attributable to the tranches over the term to maturity. No collateral was provided for the promissory note loan. An early repayment of fixed-interest promissory notes totalling EUR 18,000 thousand was made in 2019. The variable-interest promissory notes were repaid in full (EUR 45,000 thousand) prematurely in the first half of 2020. In addition, promissory notes of EUR 57,500 thousand and EUR 57,000 thousand were repaid in 2021 and in the first half of 2022 respectively. As of 31 December 2022, the promissory note loan amounted to a nominal EUR 37,500 thousand (previous year: EUR 94,500 thousand).

Furthermore, Scout24 entered into a facility agreement on 10 May 2022 for up to EUR 400,000 thousand as a revolving loan facility. The facility serves the general business objective, including possible share buy-backs. The (partly drawn) loan is subject to interest at an initial margin of 0.4% plus the EURIBOR, with a floor of 0% set for the EURIBOR. The loan facility will fall due for repayment on 10 May 2027. An amount of EUR 50,000 thousand had been drawn down from the loan as of 31 December 2022.

On 18 May 2022, Scout24 also entered into a loan facility agreement for money market transactions with a limit of EUR 75,000 thousand. The loan facility agreement is used to finance general business objectives. The limit has been granted until further notice. Interest will be agreed when drawing amounts. As of 31 December 2022, the loan facility amounted to EUR 15,000 thousand.

Both the amount drawn down from the facility and the amount drawn down from the loan facility agreement are shown together with interest and commitment fees not yet paid in the line item 'Liabilities from loans'.

The term loan of EUR 100,000 thousand as of 31 December 2021 was repaid in full in May 2022.

The liabilities from business combinations relate to the acquisition of BaufiTeam, Vermietet.de and Propstack. For details, see note **2.1. Entities acquired in the reporting period**, note **2.2. Business combinations in previous periods** and note **5.2 Disclosures on financial instruments.**

4.11. Other provisions

EUR '000	Provisions for litigation risks	Reorganisation provisions	Provisions for share-based payments	Other provisions	Total
Balance at 31 Dec. 2021	**50**	**1,621**	**24,280**	**3,143**	**29,094**
of which current	50	1,621	19,060	2,100	22,832
Changes in the consolidation scope	–	–	–	3	3
Increase	4	1,286	7,570	2,439	11,299
Utilisation	–	-1,498	-18,959	-2,052	-22,510
Reversal	–	-136	-262	-65	-464
Balance at 31 Dec. 2022	**54**	**1,273**	**12,629**	**3,468**	**17,423**
of which current	54	1,273	5,412	1,852	8,591

Provisions for litigation risks comprise the cost of potential court proceedings in one dispute. The various uncertainties in relation to the level of this provision were measured sufficiently.

The reorganisation provisions in the reporting period and the previous year relate to reorganisation measures. The respective employees received offers for the dissolution of their employment relationship, most of which will come to bear in the subsequent year.

The increase in the provisions for share-based payments is attributable to the long-term incentive programmes (LTIP 2018 and LTIP 2021). The utilisation of provisions for share-based payments relates to the long-term incentive programme 2018 and mainly pertains to the programme's disbursement. For details, see note **5.3. Share-based payments**.

The increase in other provisions mainly relates to the acquisition of Vermietet.de. The utilisation of other provisions also relates to the portion of the contingent purchase price to be recognised as personnel expenses. This was paid out in the course of the acquisition of a further 3.25% interest in Vermietet.de.

Provisions that are not yet expected to lead to an outflow of resources in the subsequent year are carried at the settlement amount discounted to the reporting date. The discount on provisions that were already discounted in the previous year was unwound in the reporting period in accordance with their term. The discount factor is based on market interest rates.

The outflow of resources is mainly expected within the next financial year – at the amount shown as current above. For the amount shown as non-current, an outflow of resources of EUR 8,013 thousand (previous year: EUR 5,443 thousand) is expected within the next two to five years and of EUR 820 thousand (previous year: EUR 820 thousand) for the period of more than five years.

4.12. Contract liabilities

Contract liabilities of EUR 12,248 thousand (previous year: EUR 10,209 thousand) reflect the Group's obligation to transfer services to its customers for which it has already received consideration. For further details, see note 3.1. Revenue.

4.13. Other liabilities

Other liabilities comprised the following as of the respective reporting dates:

EUR '000	31 Dec. 2022	31 Dec. 2021
Current		
Liabilities to employees	11,413	9,120
Taxes other than income taxes	5,273	5,360
Other	442	524
Total	**17,128**	**15,004**
Non-current		
Other deferred income	597	528
Liabilities to employees	456	411
Other	26	50
Total	**1,078**	**988**

The liabilities to employees essentially comprise liabilities arising from bonus agreements.

4.14. Pensions and similar obligations

The Group currently has post-employment benefit obligations only in the form of defined contribution plans. Defined contribution plans are in the form of retirement, disability and survivor benefits, the amount of which is based on length of employment and salary. The employer's contributions to be paid for the statutory pension insurance system in Germany are deemed defined contribution plans. The Group's payments to defined contribution pension plans are primarily contributions for the statutory pension insurance systems in Germany. In the reporting period, expenses relating to defined contribution pension plans of continuing operations amounted to EUR 6,674 thousand (previous year: EUR 6,204 thousand).

There are no defined benefit obligations in the Scout24 Group at present.

4.15. Equity

Subscribed share capital

The subscribed share capital amounts to EUR 80,200 thousand as of 31 December 2022 (previous year: EUR 83,600 thousand) and is divided into 80,200 thousand registered shares, each with a notional interest in the share capital of EUR 1 per share. All registered shares are fully paid in. The subscribed share capital is not available for distribution.

In February 2022, 3,400,000 shares in Scout24 SE were cancelled, reducing the Company's share capital accordingly. This corresponds to approximately 4.07% of the share capital before the cancellation of these shares and the corresponding capital reduction. The cancelled shares were acquired on the basis of the authorisation to acquire and use treasury shares and to exclude subscription rights adopted by the Company's Annual General Meeting on 18 June 2020 and 8 July 2021 respectively. In accordance with the more detailed provisions of the resolution proposal of the Management Board and the Supervisory Board published in the German Federal Gazette ('Bundesanzeiger') on 6 May 2020 and 26 May 2021 under item 8 and 9 (Resolution on the authorisation to purchase treasury shares and to use these, if required excluding subscription rights) of the agenda of the Annual General Meeting, the cancellation of the shares purchased did not require any further resolution of the Annual General Meeting. Implementation of the cancellation likewise did not require any further resolution of the Annual General Meeting.

A total of 73,552,186 shares are outstanding as of the reporting date (previous year: 82,394,707).

Shares outstanding	Number
Balance at 1 Jan. 2021	**97,836,291**
Purchase of treasury shares	-15,441,584
Issue of treasury shares	–
Balance at 31 Dec. 2021	**82,394,707**
Purchase of treasury shares	-8,860,858
Issue of treasury shares	18,337
Balance at 31 Dec. 2022	**73,552,186**

Authorised capital

On 18 June 2020, the Annual General Meeting created a new Authorised Capital 2020 in return for cash and/or non-cash contributions with the option to exclude subscription rights, which replaced Authorised Capital 2015 under the Articles of Association, which would have expired on 3 September 2020 and was cancelled upon registration of Authorised Capital 2020.

For Authorised Capital 2020, the Management Board was authorised, with the approval of the Supervisory Board, to increase the Company's share capital by up to EUR 32,280 thousand in one or more tranches up to (and including) 17 June 2025 by issuing new registered no-par-value shares in return for cash and/or non-cash contributions. The shareholders must generally be granted subscription rights.

Conditional capital

The Company's share capital was increased conditionally by resolution of the Annual General Meeting on 21 June 2018. The conditional capital amounts to EUR 10,760 thousand and is divided into 10,760,000 no-par-value shares (conditional capital 2018).

The conditional capital increase is intended to grant shares to holders or creditors of the bonds with warrants, convertible bonds, profit participation rights and/or participating bonds (or any combination of such instruments) issued on the basis of the authorisation by the Annual General Meeting of 21 June 2018 when they exercise the warrants or conversion rights or fulfil their warrants or conversion duties.

The conditional capital increase will only be carried out to the extent that

a) holders or creditors of bonds with warrants, convertible bonds, profit participation rights and/or participating bonds (or any combination of such instruments) with warrants or conversion rights issued or guaranteed by Scout24 SE or its direct or indirect majority shareholdings until 20 June 2023 on the basis of the authorisation of the Annual General Meeting of 21 June 2018 make use of their warrants or conversion rights, or

b) the parties liable to fulfil the obligations from bonds with warrants, convertible bonds, profit participation rights and/or participating bonds (or any combination of such instruments) with warrants or conversion rights issued or guaranteed by Scout24 SE or its direct or indirect majority shareholdings until 20 June 2023 on the basis of the authorisation of the Annual General Meeting of 21 June 2018 fulfil their warrants or conversion obligation (also in the event of Scout24 SE exercising its repayment option upon maturity to grant shares in Scout24 SE instead of cash payment for all or some of the amount due), and no other forms of settlement are used.

The new shares are fully entitled to participate in the profit from the beginning of the financial year in which the warrant or conversion obligation arises.

The Supervisory Board is authorised to amend Article 4 of the Articles of Association with reference to the respective utilisation of conditional capital and upon expiry of all warrant and conversion periods.

Treasury shares

The Company's Management Board was authorised by the Annual General Meeting of 8 July 2021 and of 30 June 2022 to purchase treasury shares pursuant to Article 71 (1) No. 8 of the German Stock Corporation Act ('Aktiengesetz', AktG); the Management Board is thus authorised to purchase treasury shares for any permissible purpose within the context of statutory restrictions and under certain terms.

Exercising the aforementioned authorisations, the Management Board and the Supervisory Board decided on 28 February 2022 to carry out a further share buy-back programme. The buy-back transactions for shares of up to EUR 350 million in one or more separate tranches started on 8 March 2022 and ended on 13 December 2022. In the period up to and including 31 December 2022, the Company purchased a total of 6,523,247 treasury shares in the course of the share buy-back programme. The transaction costs incurred amounted to EUR 171 thousand and were deducted from equity, taking into account the attributable tax effect (EUR 52 thousand). The treasury shares are repurchased for legally permitted purposes.

In the course of the share buy-back programme launched in November 2021, the Company had previously purchased a total of 2,337,611 treasury shares in the period from 3 January until the end of the programme on 15 February 2022. The transaction costs incurred amounted to EUR 47 thousand and were deducted from equity, taking into account the attributable tax effect (EUR 14 thousand).

Together with other shares that the Company has already purchased and still holds, the shares purchased as part of the share buy-back programme will at no time account for more than 10% of the share capital.

Exercising the authorisation by the Annual General Meeting of 18 June 2020 and of 8 July 2021, the Company's Management Board passed a resolution to cancel 3,400,000 shares, which were also purchased by the Company exercising the authorisation adopted by the Annual General Meeting on 18 June 2020 and on 8 July 2021, thereby reducing the share capital. This corresponds to approximately 4.07% of the share capital before cancellation and capital reduction; for further information, also see the **Subscribed share capital** section.

The treasury shares were valued at a weighted average price of approximately EUR 58.17 per share withdrawn upon their cancellation.

Treasury shares developed as follows:

Treasury shares	Number	Tranche EUR '000	Transaction costs[1] EUR '000	Total EUR '000
Balance at 1 Jan. 2022	**1,205,293**	**72,129**	**18**	**72,147**
Purchase of treasury shares	8,860,858	483,088	152	483,239
Issue of treasury shares	-18,337	-1,000	–	-1,000
Cancellation of treasury shares	-3,400,000	-197,768	–	-197,768
Balance at 31 Dec. 2022	**6,647,814**	**356,449**	**169**	**356,618**

[1] Taking into account the tax effect.

The authorisation to purchase treasury shares of 18 June 2020 was renewed by the Annual General Meeting of 8 July 2021 to the effect that the Company's Management Board was authorised until 7 July 2026 to purchase treasury shares up to a total of 10% of the share capital at the time of the resolution or – if lower – at the time the authorisation is exercised. Together with other treasury shares held by the Company or attributable to it in accordance with Article 71a et seq. AktG, the shares acquired under this authorisation may not at any time exceed 10% of share capital.

The authorisation granted by the Company's Annual General Meeting of 18 June 2020 to purchase treasury shares pursuant to Article 71 (1) No. 8 AktG was revoked and replaced in full when this authorisation took effect. This does not affect the authorisation by the Annual General Meeting of 18 June 2020 relating to the use of treasury shares of the Group.

Capital reserve

As of 31 December 2022, the capital reserve amounted to EUR 198,533 thousand (previous year: EUR 195,133 thousand) and stems primarily from capital increases in the 2014 financial year and the IPO on 1 October 2015. As a result of the IPO, proceeds of EUR 228,000 thousand accrued to the Company, of which EUR 220,400 thousand was allocated to the capital reserve as a premium. Transaction costs related to the IPO reduce the capital reserve by EUR 5,953 thousand (after deducting tax).

In the course of a capital increase from the Company's own funds in the 2015 financial year, an amount of EUR 98,000 thousand of the capital reserve was converted to subscribed share capital.

In the separate financial statements pursuant to HGB of Scout24 AG for the year ended 31 December 2018, an amount of EUR 252,632 thousand was withdrawn from the capital reserve and transferred to retained earnings. The same reclassification was made in the IFRS consolidated financial statements in the first half of 2019.

In addition, as in the previous year, the capital reserve includes EUR 5,827 thousand in connection with share-based payment programmes implemented in previous years and the settlement in treasury shares.

As of 31 December 2021, an allocation was made to the capital reserve in the amount of the nominal value of the treasury shares cancelled in accordance with Article 237 (5) AktG as part of the capital reduction (repurchase offer; EUR 11,401 thousand). In addition, an allocation was made to the capital reserve in the amount of the nominal value of the redemption of treasury shares pursuant to Article 71 (1) No. 8 Sentence 6 AktG (EUR 3,400 thousand and EUR 10,699 thousand as of 31 December 2022 and 2021 respectively).

Of the capital reserve, an amount of EUR 197,724 thousand (as of 31 December 2021: EUR 194,324 thousand) is frozen for any distribution.

Retained earnings

The retained earnings as of the reporting date contain undistributed profits from previous financial years as well as the profit or loss for the reporting period (31 December 2022: EUR 1,425,431 thousand; previous year: EUR 1,566,051 thousand).

In the 2022 financial year, Scout24 SE transferred an amount of EUR 742 thousand to other retained earnings on the basis of a corresponding resolution by the Annual General Meeting.

Other reserves

Other reserves contain currency translation differences (31 December 2022: EUR 1,101 thousand; 31 December 2021: EUR 1,073 thousand).

Furthermore, other reserves were reduced by EUR 180 thousand as of 31 December 2019 as a result of the full write-down due to impairment of a financial asset measured at fair value through other comprehensive income (Salz & Brot Internet GmbH).

Dividend

Based on a corresponding resolution of the Annual General Meeting, in the 2022 financial year the Company paid a dividend of EUR 66,391 thousand (previous year: EUR 68,481 thousand) to its dividend-entitled shareholders, equivalent to EUR 0.85 (previous year: EUR 0.82) per dividend-entitled share.

The share capital entitled to dividends and thus the number of no-par-value dividend-entitled shares is based on Scout24 SE's share capital of EUR 80,200,000 divided into 80,200,000 no-par-value shares, less the no-par-value shares held by the Company that are not entitled to dividends (31 December 2022: 6,647,814).

5. Other notes

5.1. Notes to the consolidated statement of cash flows

The statement of cash flows presents how cash and cash equivalents changed during the financial year. In accordance with IAS 7 Statement of Cash Flows, a distinction is made between changes in cash from operating, investing and financing activities.

The cash and cash equivalents presented in the statement of cash flows comprise all cash reported in the statement of financial position.

The indirect method is used for cash flow from operating activities and the direct method for cash flow from financing and investing activities. Effects from currency translation and changes in the consolidation scope were eliminated in the calculation.

Total liabilities from financing activities changed as follows in the past financial year:

EUR '000	31 Dec. 2021	Cash			Non-cash	31 Dec. 2022
			Fair value changes	Other changes	Additions to the consolidation scope	
Liabilities from loans	194,563	-157,000	–	401	–	37,964
Other liabilities to banks from share buy-back programmes	1,279	65,000	–	-1,251	–	65,028
Derivative financial instruments	594	–	-594	–	–	–
Lease liabilities	63,236	-9,425	–	4,659	169	58,639
Total	**259,672**	**-101,425**	**-594**	**3,809**	**169**	**161,630**

Furthermore, financial liabilities from operating and investing activities amounting to EUR 23,007 thousand (previous year: EUR 33,668 thousand) were recognised as of 31 December 2022. The purchase price liabilities resulting from the acquisition of Zenhomes GmbH, Propstack GmbH and BaufiTeam GmbH are a significant component of these financial liabilities.

EUR '000	31 Dec. 2020	Cash			Non-cash	31 Dec. 2021
			Fair value changes	Other changes	Additions to the consolidation scope	
Liabilities from loans	251,075	-60,393	–	3,881	–	194,563
Other liabilities to banks from share buy-back programmes	–	–	–	1,279	–	1,279
Derivative financial instruments	1,314	–	-719	–	–	594
Lease liabilities	68,450	-7,772	–	1,286	1,272	63,236
Total	**320,838**	**-68,165**	**-719**	**6,446**	**1,272**	**259,673**

5.2. Disclosures on financial instruments

Carrying amounts and fair values

The following table presents the reconciliation of the statement of financial position items and the categories pursuant to IFRS 9, analysed by category and with respect to fair value by class.

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: inputs are unadjusted quoted prices in an active market for identical assets or liabilities that the Company can access at the measurement date.
- Level 2: significant inputs other than those included in level 1 that are observable, either directly or indirectly.
- Level 3: inputs including at least one unobservable significant input.

It is assumed that reclassifications between the individual levels of the fair value hierarchy are performed at the end of the period. In both reporting periods, there were no reclassifications between levels 1 and 2.

AMOUNT RECOGNISED IN ACCORDANCE WITH IFRS 9

EUR '000	Measurement category under IFRS 9	Carrying amount as of 31 Dec. 2022	Amortised cost	Fair value through other comprehensive income	Fair value through profit or loss	Fair value as of 31 Dec. 2022	Level of fair value hierarchy
Assets							
Cash and cash equivalents	FAAC	39,085	39,085	–	–	n/a	
Trade receivables	FAAC	30,604	30,604	–	–	n/a	
Current financial assets		**3,268**	**3,246**	**–**	**22**		
Receivables from lease agreements	n/a	1,578	1,578	–	–	n/a	
Derivative financial instruments	FAFVTPL	22	–	–	22	22	2
Other current financial assets	FAAC	1,667	1,667	–	–	1,667	2
Non-current financial assets		**11,666**	**10,661**	**–**	**1,005**		
Receivables from lease agreements	n/a	7,272	7,272	–	–	n/a	
Securities at FVTPL	FAFVTPL	5	–	–	5	5	2
Loan to entities accounted for using the equity method	FAFVTPL	1,000	–	–	1,000	1,000	3
Other non-current financial assets	FAAC	3,389	3,389	–	–	2,881	2
Equity and liabilities							
Trade payables	FLAC	18,399	18,399	–	–	n/a	
Current financial liabilities		**118,352**	**111,413**	**–**	**6,939**		
Lease liabilities	n/a	9,693	9,693	–	–	n/a	
Fair value of shares in put options	FLFVTPL	6,939	–	–	6,939	6,939	3
Other current financial liabilities	FLAC	101,720	101,720	–	–	101,651	2
Non-current financial liabilities		**66,311**	**51,079**		**15,232**		
Lease liabilities	n/a	48,945	48,945	–	–	n/a	
Fair value of shares in put options	FLFVTPL	15,232	–	–	15,232	15,232	3
Other non-current financial liabilities	FLAC	2,134	2,134	–	–	1,907	2

EUR '000	Measurement category pursuant to IFRS 9	Carrying amount as of 31 Dec. 2022
Of which aggregated by IFRS 9 category		
Financial assets measured at amortised cost	FAAC	74,745
Financial liabilities measured at amortised cost	FLAC	122,253
Financial assets measured at fair value through profit or loss	FAFVTPL	1,028
Financial liabilities measured at fair value through profit or loss	FLFVTPL	22,171

Cash, trade receivables as well as other current financial assets and liabilities essentially have a short residual term. Therefore, their carrying amounts as of the end of the reporting period approximate their fair value.

For the purpose of investing cash received from the sale of entities, Scout24 had an investment fund set up in 2020. The investment fund was set up as a special fund and observes the Scout24 Group's investment strategy, objectives and guidelines. The special fund was previously fully consolidated in the consolidated financial statements.

The fund's volume was reduced in stages and used for the public buy-back offer in April 2021, the buy-back programmes in 2021 and 2022 and redemption of the term loan in May 2022. The special fund was then liquidated in full as of 30 June 2022.

In addition, current financial assets as of 31 December 2022 include receivables from lease agreements, short-term rent deposits and creditors with debit balances. The receivable of EUR 303 thousand recognised as of 31 December 2021 from the share buy-back programme was settled in the course of the first quarter of 2022. Furthermore, this line item includes current deferred transaction costs of EUR 257 thousand (previous year: EUR 269 thousand) regarding the revolving credit facility.

The line item 'non-current financial assets' mainly comprises the deferred transaction costs of EUR 862 thousand (previous year: EUR 622 thousand) attributable to the revolving credit facility as well as long-term rent deposits of EUR 2,253 thousand (previous year: EUR 2,258 thousand) and non-current receivables from lease agreements of EUR 7,272 thousand (previous year: EUR 7,967 thousand). As all inputs are directly or indirectly observable, the instruments are assigned to level 2. The fair values of the short-term and long-term rent deposits were calculated using a discounted cash flow model based on risk-free market interest rates in the form of German government bonds as well as a credit risk premium derived from corporate bonds with a corresponding rating.

The item also includes a new convertible loan of EUR 1,000 thousand issued to Upmin Group GmbH in the 2022 financial year (previous year: EUR 0 thousand). This loan is generally measured at fair value through profit or loss in accordance with IFRS 9 and assigned to level 3 of the fair value hierarchy, i.e. the amount is determined using valuation techniques based on unobservable data. On materiality grounds, however, it was not revalued as of the reporting date.

As of 31 December 2021, current financial liabilities included liabilities of EUR 57,000 thousand from the promissory note loans issued in March 2018, which were repaid in full in the 2022 financial year. As of 31 December 2022, current financial liabilities relating to the remaining tranche of the promissory note loan have a nominal amount of EUR 35,500 thousand.

Furthermore, current financial liabilities include liabilities from business combinations amounting to EUR 6,939 thousand, which were incurred in connection with the acquisition of BaufiTeam GmbH (for details, see **2.1. Entities acquired in the reporting period**), Zenhomes GmbH and Propstack GmbH (for details, see note **2.2. Business combinations in previous periods**). These liabilities are allocated to fair value level 3. A description of the matter is presented in the **Liabilities from business combinations** section.

Non-current financial liabilities at amortised cost (FLAC) are measured using the effective interest method. There were no changes in valuation techniques in the reporting period. As of 31 December 2021, non-current financial liabilities included liabilities relating to the loan concluded in July 2018 (term and revolving facilities agreement), which was repaid in full in the 2022 financial year. The non-current portion of the promissory note loan has a nominal value of EUR 2,000 thousand as of 31 December 2022.

Furthermore, non-current financial liabilities include liabilities from business combinations amounting to EUR 15,232 thousand, which were incurred in connection with the acquisition of BaufiTeam GmbH (for details, see **2.1. Entities acquired in the reporting period**), Zenhomes GmbH and Propstack GmbH (for details, see note **2.2. Business combinations in previous periods**). These liabilities are allocated to fair value level 3. A description of the business combinations is presented in the **Liabilities from business combinations** section.

There are no longer any non-current liabilities from derivative financial instruments as of 31 December 2022 (previous year: EUR 594 thousand). In 2021, these stem from the term loan's embedded interest rate floor. As the term loan was repaid in full in the reporting year, the embedded interest-rate floor is no longer applicable as of 31 December 2022.

The table below presents the reconciliation as of 31 December 2021 of the statement of financial position items and the categories pursuant to IFRS 9, analysed by category and with respect to fair value by class.

AMOUNT RECOGNISED IN ACCORDANCE WITH IFRS 9

EUR '000	Measurement category under IFRS 9	Carrying amount as of 31 Dec. 2021	Amortised cost	Fair value through other comprehensive income	Fair value through profit or loss	Fair value as of 31 Dec. 2021	Level of the fair value hierarchy
Assets							
Cash and cash equivalents	FAAC	120,009	120,009	–	–	n/a	
Trade receivables	FAAC	23,175	23,175	–	–	n/a	
Current financial assets		**468,129**	**3,005**	**–**	**465,124**		
Securities at FVTPL (level 1)	FAFVTPL	199,230	–	–	199,230	199,230	1
Securities at FVTPL (level 2)	FAFVTPL	265,894	–	–	265,894	265,894	2
Receivables from lease agreements	n/a	1,378	1,378	–	–	n/a	
Receivables from share buy-back programme	FAAC	303	303	–	–	303	2
Other current financial assets	FAAC	1,324	1,324	–	–	1,324	2
Non-current financial assets		**10,851**	**10,851**	**–**	**–**		
Receivables from lease agreements	n/a	7,967	7,967	–	–	n/a	
Other non-current financial assets	FAAC	2,884	2,884	–	–	2,538	2
Equity and liabilities							
Trade payables	FLAC	17,211	17,211	–	–	n/a	
Current financial liabilities		**74,279**	**69,204**		**5,075**		
Lease liabilities	n/a	9,034	9,034	–	–	n/a	
Fair value of shares in put options	FLFVTPL	5,075	–	–	5,075	5,075	3
Other current financial liabilities	FLAC	60,170	60,170	–	–	60,909	2
Non-current financial liabilities		**219,062**	**190,558**		**28,504**		
Derivative financial instruments	FLFVTPL	594	–	–	594	594	2
Lease liabilities	n/a	54,202	54,202	–	–	n/a	
Fair value of shares in put options	FLFVTPL	27,910	–	–	27,910	27,910	3
Other non-current financial liabilities	FLAC	136,356	136,356	–	–	135,478	2

EUR '000	Measurement category pursuant to IFRS 9	Carrying amount as of 31 Dec. 2021
Of which aggregated by IFRS 9 category		
Financial assets measured at amortised cost	FAAC	147,695
Financial liabilities measured at amortised cost	FLAC	213,737
Financial assets measured at fair value through profit or loss	FAFVTPL	465,124
Financial liabilities measured at fair value through profit or loss	FLFVTPL	33,580

Liabilities from business combinations

As of 31 December 2022, non-current liabilities from business combinations include a purchase price liability in connection with the acquisition of a 75% share in the equity of Zenhomes GmbH (for details, see note **2.2. Business combinations in previous periods**). Due to the existing put and call options on the remaining 25% of the equity shares, Scout24 has an obligation to acquire the outstanding shares. The obligation arising from the acquisition is to be divided into a current and a non-current portion on the basis of individual tranches. The fair value of the current liability as of 31 December 2022 amounts to EUR 4,770 thousand and is reported under current liabilities from business combinations. Non-current liabilities from business combinations include the fair value of the non-current obligation of EUR 10,402 thousand. In this connection, an amount of EUR 894 thousand was settled through the acquisition of a further 3.25%, while an amount of EUR -1,966 thousand through the repayment of outstanding holdbacks and an amount of EUR -11,490 thousand through a fair value adjustment were recognised through profit or loss in the period.

Furthermore, non-current liabilities from business combinations include a purchase price liability in connection with the acquisition of the remaining 20% share in the equity of Propstack GmbH amounting to EUR 3,945 thousand (previous year: EUR 3.463 thousand). Current liabilities from business acquisitions amount to EUR 1,702 thousand as of 31 December 2022. The fair value adjustment of EUR 2,184 thousand was recognised through profit or loss in the period. The fair value of the purchase price liability is determined based on discounted future cash flows depending on the amount of revenue and EBITDA. In addition, the calculation is based on weighted probabilities of occurrence of the contractually agreed bad leaver clauses.

As of 31 December 2022, the Group also has non-current liabilities from business combinations of EUR 885 thousand relating to the put and call options exercisable at different points in time on the remaining 49.9% of the equity shares in BaufiTeam GmbH. A further amount of EUR 467 thousand is reported under current financial liabilities from business combinations. The fair value adjustment of EUR -892 thousand was recognised through profit or loss in the period.

The table below shows an overview of changes in level 3 instruments for the respective reporting period:

EUR '000	2022	2021
Balance at the beginning of the period	**32,985**	**1,297**
New current purchase price liabilities	841	5,952
New non-current purchase price liabilities	1,402	26,326
Settled contingent consideration liabilities	-2,860	-2,175
Total for the period, reported under other operating expenses/income	-10,198	1,585
Balance at the end of the period	**22,171**	**32,985**
Changes in unrealised losses for the period included in gains/losses from liabilities held at the end of the period	**-10,198**	**1,585**

The following sensitivities of the unobservable input parameters were analysed for the non-current liabilities from business combinations measured at fair value level 3.

The calculation of the fair value of the purchase price liability resulting from the call and put options in connection with the acquisition of Zenhomes GmbH is based on a Monte Carlo simulation to determine the expected future payments. This entailed a simulation of the parameters revenue, EBIT and the non-financial parameter 'units'. In addition, rollover options of the minority shareholder and risk costs were taken into account. The risk costs were calculated using the Sharpe ratio for the TecDAX.

Further payments were contractually agreed with the minority shareholders in connection with the acquisition of the remaining 25% of the equity shares, which constitutes compensation for future work performed by the minority shareholders. Accordingly, this amount is recognised as a provision proportionately for each tranche over the term of the contract (see note **2.2. Business combinations in previous periods**).

If the input factors underlying the calculations had been based on other values, a different fair value would have resulted. These hypothetical deviations are presented in the table below:

EUR '000	Sensitivities as of 31 Dec. 2022 Increase	Sensitivities as of 31 Dec. 2022 Decrease
Units – 10% change	256	33
Revenue – 10% change	256	-24
EBIT – 10% change	256	-160
Correlation between units and revenue – 10% change	256	-677
Correlation between revenue and EBIT – 10% change	256	256
Discounting factor – 10% change	-1,637	-688

As a result of the agreed minimum purchase price, the fair value of the liability changes only to a minor extent due to the change in the input factors. The variance results mainly from the optionalities agreed in the purchase price mechanism and the stochastic component of the calculation in the Monte Carlo simulation. Furthermore, a constant Sharpe ratio is assumed in the calculation of the sensitivity, which means that changes in the risk-free interest rate have an impact on the required return on capital. The results presented in the table can therefore only be interpreted to a limited extent. In future reporting periods, the analysis of the estimation certainty is unnecessary due to the acquisition of the remaining shares on 14 February 2023 (for details see **5.9. Events after the reporting period**).

The fair value of the purchase price liability in connection with the acquisition of Propstack GmbH is determined based on discounted future cash flows depending on the amount of revenue and EBITDA for the years 2022 to 2025. In addition, the calculation is based on weighted probabilities of occurrence of the contractually agreed bad leaver clauses.

If the input factors underlying the calculations had been based on other values, a different fair value would have resulted. These hypothetical deviations are presented in the table below:

EUR '000	Sensitivities as of 31 Dec. 2022 Increase	Sensitivities as of 31 Dec. 2022 Decrease
Revenue – 10% change	-288	288
EBITDA – 10% change	-277	277
Discounting factor – 10% change	26	-26
Probabilities of bad leaver events – 10% change	82	-82

The fair value of the purchase price liability in connection with the acquisition of BaufiTeam GmbH is determined based on discounted future cash flows depending on the net revenue and EBIT for the years 2022 to 2025.

If the input factor underlying the calculations had been based on other values, a different fair value would have resulted. These hypothetical deviations are presented in the table below:

EUR '000	Sensitivities as of 31 Dec. 2022 Increase	Sensitivities as of 31 Dec. 2022 Decrease
Net revenue – 10% change	-142	149
EBIT – 10% change	-18	19
Discounting factor – 10% change	26	-29

Net gains/losses

Net gains and losses were allocated as follows to the IFRS 9 categories in the financial year:

EUR '000	Measurement category under IFRS 9	2022	2021
Financial assets measured at amortised cost	FAAC	-746	633
Financial liabilities measured at amortised cost	FLAC	-4,777	-5,012
Financial assets and liabilities measured at fair value through profit or loss	FAFVTPL/FLFVTPL	-8,266	3,077
Recognised in profit or loss with respect to continuing operations	**Total**	**-13,789**	**-1,302**

The net gains and losses in the FAAC measurement category primarily include loss allowances for receivables, gains/losses on the derecognition of receivables as well as income from the reversal of specific loss allowances and derecognised receivables. The net gain and losses in the FLAC measurement category include primarily the current interest expenses on loan liabilities as well as the recognition through profit or loss of the accrued loan transaction costs. Expenses and income from financial derivatives are included in the net gains and losses of the FAFVTPL/FLFVTPL category.

The interest expenses from applying the effective interest method for financial liabilities measured at amortised cost amounted to EUR 2,518 thousand (previous year: EUR 4,782 thousand).

Financial risk management and capital management

The Scout24 Group is exposed to financial risks, which are explained below as credit risk, liquidity risk, foreign currency risk and interest rate risk. Risk management is performed by corporate finance. Corporate finance identifies, assesses and hedges financial risks in close cooperation with the Group's operating units. Appropriate changes are made to processes in response to changes in the risk situation. The objective of risk management is to reduce the financial risk through planned measures.

Credit risk

Credit risk is managed at Group level. Credit risks arise from cash and cash equivalents, current financial assets, trade receivables and other receivables. Customer risks are systematically recorded, analysed and managed in the respective subsidiary, whereby both internal and external information sources are used. The maximum credit risk was reflected by the carrying amounts of the financial assets recognised in the statement of financial position. No collateral or other credit enhancements existed that would reduce the credit risk from financial assets.

The Group considers a financial asset to be credit-impaired when the probability is remote that the debtor will be able to pay all its credit obligations due to the Group without the Group having to revert to measures such as selling collateral (if provided).

Credit risks arose in particular in connection with the set-up and fully consolidated special fund, which was invested in interest-bearing and non-interest-bearing securities, as well as from trade receivables and other receivables. Since the Group's business model is based on a broad customer base, the risk of significant bad debts is deemed to be relatively low. To the extent that credit risks are identifiable, these are countered with active receivables management as well as credit ratings of customers.

At each reporting date, Scout24 assesses whether any financial assets measured at amortised cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

Indicators that a financial asset is credit-impaired include observable data about the following events:

- Significant financial difficulty of the customer
- A breach of contract, such as a default or past due event by more than 90 days
- Restructuring of a loan or credit facility by the Group that it would not otherwise consider
- The probability that the borrower will enter bankruptcy or other financial reorganisation
- The disappearance of an active market for that financial asset because of financial difficulties

A financial asset's gross carrying amount is reduced when the Group has no reasonable expectation of recovering the financial asset in its entirety or a portion thereof.

In accordance with IFRS 9, Scout24 applies the simplified expected credit losses approach for trade receivables based on lifetime expected losses. The expected losses are calculated on the basis of customers' historical payment patterns. At each reporting date, the expected loss over the remaining term is calculated as a percentage in relation to the number of days past due. The estimated expected credit losses per maturity band were calculated using historical credit loss experience over the past three years. Scout24 calculated the expected credit losses with respect to the number of days past due. For explanations on the effects of the Covid-19 pandemic, see note **1.3. Effects of the war in Ukraine and Covid-19** and note **4.2. Trade receivables**.

The risk of impairment increases significantly for outstanding trade receivables that are more than 90 days past due. Unless the outstanding balance is immaterial, item-by-item measurement is performed to estimate expected credit losses.

For all items other than trade receivables, impairment losses are immaterial to the Group.

Liquidity risk

Liquidity risk describes the risk that Scout24 cannot meet its financial obligations or can only meet them to a limited extent. Cash requirements are covered by the cash flow from operating activities and external financing under the facility agreement and the promissory note loan. Liquidity risks are monitored and managed centrally for the entire Group by the operating cash management of Scout24. The risk of a potential liquidity shortage is monitored by means of periodic liquidity planning and monthly cash flow analyses. The due dates of financial liabilities are continually monitored and managed.

EUR '000 As of 31 Dec. 2022	Up to 1 year	1–3 years	3–5 years	More than 5 years	Total
Non-derivative financial instruments	**127,040**	**17,410**	**–**	**–**	**144,450**
Trade payables	18,399	–	–	–	18,399
Financial liabilities	108,641	17,410	–	–	126,051
Lease liabilities	**9,693**	**17,362**	**16,329**	**15,255**	**58,639**
Derivative financial instruments	**–**	**–**	**–**	**–**	**–**

EUR '000 As of 31 Dec. 2021	Up to 1 year	1–3 years	3–5 years	More than 5 years	Total
Non-derivative financial instruments	**82,550**	**163,453**	**2,000**	**–**	**248,003**
Trade payables	17,211	–	–	–	17,211
Financial liabilities	65,339	163,453	2,000	–	230,792
Lease liabilities	**9,034**	**16,952**	**15,676**	**21,574**	**63,236**
Derivative financial instruments	**506**	**121**	**–**	**–**	**626**

The above table shows the future undiscounted cash outflows (interest and principal) with respect to the existing financial liabilities. The amounts are not reconcilable with the amounts in the statement of financial position; only the amounts for trade payables are reconcilable since they are not discounted due to immateriality. Future cash outflows based on variable interest rates were determined by applying forward interest rates on the basis of the EURIBOR yield curve as of 31 December 2022.

In order to avoid short-term liquidity risks within the Group, a Group-wide cash pool is in place between Scout24 SE and most of its subsidiaries. Short-term fund transfers within the Group lead to lower financing costs at the subsidiaries.

Currency and interest rate risk

The Group is exposed to immaterial currency risks only. Revenue is primarily generated in euro. Translation risks from the translation of assets and liabilities of foreign subsidiaries into the reporting currency are generally not hedged.

Due to the Group-wide cash management, the intragroup receivables and liabilities are denominated in euro. As a result, for those subsidiaries of Scout24 SE whose functional currency is not the euro, effects may arise in the statement of profit or loss from exchange rate fluctuations. In addition, the Group entities' cash and cash equivalents may include foreign currencies.

Based on the simulations carried out, the Group determined the effects on profit or loss of defined interest rate changes. The scenarios are applied for those liabilities which represent the significant portion of liabilities subject to interest. Given an assumed change in the market interest rate as of the respective reporting date of plus 100 or minus 50 base points, the following effects would arise for earnings before tax:

EUR '000	31 Dec. 2022		31 Dec. 2021	
	Change in market interest rate Base points		Change in market interest rate Base points	
Effect on earnings before tax	**-50**	**+100**	**-50**	**+100**
Non-derivative financial instruments	325	-650	2,615	-15,820
Derivative financial instruments	0	0	-645	594

All floating-rate financial instruments are pegged to the EURIBOR. As it can be assumed that the EURIBOR will remain a reference interest rate, there are no further risks at present from the IBOR reform.

Liquidity management is centralised at Scout24 as part of the Group-wide treasury management system. When investing cash and cash equivalents, the banks and types of investment are selected carefully and monitored regularly in connection with treasury management reporting. The risk position as well as compliance with risk limits are also regularly monitored. Cash and cash equivalents are only invested with renowned commercial banks with high credit ratings.

Capital management

The objective of Scout24 SE with respect to capital management is generally to secure the Scout24 Group's ability to continue as a going concern and finance its long-term growth. The Scout24 Group's capital structure is optimised continuously and adapted to the respective general economic conditions. Scout24's medium-term objective is to pursue a leverage target (ratio of net debt in relation to ordinary operating EBITDA for the last twelve months) of approximately zero and to return surplus liquidity to shareholders via dividend measures and capital measures.

The capital structure is monitored by the CFO based on monthly reporting on net debt. Where required, financing measures are carried out by Scout24 SE in the international financial markets. Net debt comprised the following as of the reporting date:

EUR '000	31 Dec. 2022	31 Dec. 2021
Financial liabilities including lease liabilities	-184,663	-293,341
Cash and cash equivalents	39,085	120,009
Net financial liabilities	**-145,578**	**-173,331**

The ratio of net debt in relation to ordinary operating EBITDA for the last twelve months is 0.58:1.

5.3. Share-based payments

Long-term incentive programme 2018

In July 2018, Scout24 introduced the long-term incentive programme 2018 (LTIP 2018) for members of the Management Board and selected employees of the Scout24 Group.

The LTIP 2018 furthers employee retention with respect to members of the Management Board and executives of the Scout24 Group. It is aimed at aligning the structure of compensation towards sustainable development of the Company and rewards enhanced profitability and revenue growth as well as the development of the Scout24 share compared with a group of selected peer companies. The selected beneficiaries receive virtual Scout24 share units. These are serviced in accordance with the rules of IFRS 2 as a cash-settled share-based transaction. As of the reporting date, most of the programme had been settled; one tranche remains, the payment of which will be made in the 2023 financial year.

Of the share units granted, 35% are retention share units (RSUs) subject to an employment condition, and 65% are performance share units (PSUs) subject to both an employment condition and performance conditions. The performance conditions consist of growth targets related to revenue and ordinary operating EBITDA and a target related to a relative capital market condition (total shareholder return compared with a defined peer group), with each of the three targets accounting for one-third of the total. To calculate the amount of the cash settlement, the number of PSUs is multiplied by the performance factor, which is determined by the degree of achievement of the three performance conditions described; the performance factor is capped at 200%. The payout amount is calculated by multiplying the total number of vested share units by the market value per vested share unit and the sum of the dividends in euros distributed by the Company during the waiting period. The amount paid out per share unit is capped at three and a half times the share unit price on the grant date.

Programme modifications

In the first half of 2020, LTIP 2018 was modified due to the sale of AutoScout24, FINANZCHECK and FinanceScout24. For Scout24 Group participants, the valuation of the shares was split into two periods: for the period between the start of the programme and 31 March 2020 (pre-closing period), revenue and ordinary operating EBITDA were specified as performance factors applicable for said period in the valuation. The amount for the pre-closing period will be paid out at the end of the programme on the basis of the share price prevailing at that time. For the period between 1 April2020 and the end of the programme (post-closing period), the performance factors 'revenue' and 'ordinary operating EBITDA' were adjusted for growth in continuing operations. Share price performance is measured relative to the MDAX; for the pre-closing period, performance was still measured against the performance of a peer group.

Furthermore, in connection with the payout, a modification was made to the programme such that, for those participants in the programme who are in the 'selected employee' category, certain effects of the Covid-19 pandemic were taken into account in determining the payout amount for the 2022 tranche in accordance with the plan terms. As a result of the modification, an additional personnel expense of EUR 800 thousand was recognised in the 2022 financial year.

In accordance with the contractual provisions and the length of service, the virtual shares vested up to 30 June 2022 were paid out in the third quarter of 2022, resulting in a payout amount of EUR 18.941 thousand. The share price used at the grant date for the virtual shares is EUR 44.58 for those participants in the programme who belong to the category ‘selected employees’ and EUR 44.58 as well as EUR 45.33 and EUR 45.58 respectively for members of the Management Board. The share price taken into account for the payout is EUR 57.42 (members of the Management Board) and EUR 58.47 (selected employees). The target achievement for the pre-closing PSU tranche was 128.33% and 89.75% (members of the Management Board) and 128.33% (selected employees). The target achievement for the post-closing PSU tranche was 17.2% (members of the Management Board) and 46.7% (selected employees).

The fair value of the instruments granted as of the reporting date was calculated applying a Monte Carlo simulation option pricing model. For the remaining tranche, payment of which will be made in 2023, a risk-free interest rate of 2.32% is assumed. For the historical volatility, reference was made to the share price of Scout24 SE; as of the reporting date, an applicable volatility rate of 29.02% was calculated. Additional parameters and expected dividends were not included in the fair value measurement. With respect to the revenue growth targets, target achievement of 102.79% was assumed for measurement purposes. With respect to the ordinary operating EBITDA growth targets, target achievement of 43.83% was assumed for measurement purposes. When determining the personnel expenses to be recognised in the financial year, a reasonable fluctuation assumption was made.

The remaining LTIP 2018 tranche due for payment in 2023 comprises 119.8 thousand shares.

Total personnel expenses of EUR 149 thousand (previous year: EUR 9,539 thousand) were recognised for LTIP 2018. The total carrying amount of liabilities arising from share-based payments came to EUR 4,623 thousand as of 31 December 2022 (previous year: EUR 23,449 thousand).

Long-term incentive programme 2021

In the 2021 financial year, the Company introduced the long-term incentive programme 2021 (LTIP 2021) for members of the Management Board and selected employees of the Scout24 Group.

LTIP 2021 furthers retention with respect to the Management Board and executives of the Scout24 Group and is aimed at aligning the structure of compensation with sustainable corporate development. Beyond that, however, the programmes for the two groups of participants differ in terms of their individual design and are therefore described separately below.

LTIP 2021 for members of the Management Board

Under the programme, members of the Management Board receive a tranche of virtual performance share units (PSUs) in each year in which the related Management Board service contract is in effect, in each case on 1 January. Provided employment is uninterrupted, the PSUs granted vest at the end of the financial year for which they were granted. After a four-year performance period, the programme is settled exclusively in cash and is therefore classifiable as a cash-settled transaction in accordance with IFRS 2. A liability must be accrued as an expense over the vesting period. The vesting period begins on the date on which the Management Board’s service contracts are signed (service commencement date).

The number of PSUs granted is determined by the respective grant amount and the relevant PSU price on the grant date. The relevant PSU price on the allocation date results from the 30-day average closing price of the Scout24 SE share in the Xetra trading system, rounded to three decimal places.

A third of the performance conditions in each case relate to revenue growth targets, growth targets relating to ordinary operating EBITDA, and one non-financial strategic target. To calculate the amount of the cash settlement, the number of performance share units is multiplied by the performance factor, which is determined by the degree of achievement of the three performance conditions described; the performance factor is capped at 200%. The number of PSUs thus determined is converted into a cash amount, taking into account the respective PSU price at the end of the performance period, and paid out along with the dividends of the Scout24 share distributed during the performance period, within one month after ratification of the annual financial statements by the Supervisory Board.

In addition to the cap on the payout for each tranche of 300% of the respective amount granted and the provisions regarding maximum compensation, the new service contracts for the Management Board concluded in the 2021 financial year contain the option of proportionately or fully reducing or reclaiming variable compensation in the event of a serious breach of the duty of care (including breaches of the Company's internal Code of Conduct) as defined in Article 93 AktG or contractual employment provisions. No use was made of this option in the 2022 financial year.

Furthermore, payment may be deferred as long as a member of the Management Board fails to comply with the provisions of the share ownership guideline (see the compensation report for details).

They were allocated for the first time as of 1 July 2022 and, accordingly, the respective waiting periods started on 1 January 2022. Due to the fact that the contract was concluded during the year, a grant amount was taken into account pro rata temporis for the 2021 financial year. Both grant amounts are fully vested as of December 31, 2022, so no fluctuation discount was applied.

The fair value of the instruments granted as of the reporting date was calculated applying a Monte Carlo simulation option pricing model. Depending on the term to maturity, a risk-free interest rate of 2.55% is assumed. For the historical volatility, reference was made to the share price of Scout24 SE; as of the reporting date, an applicable volatility rate of 27.84% was calculated. No additional parameters were included in the fair value measurement. For measurement purposes, a performance factor of 167% was assumed for the overall target achievement.

The total number of conditionally allocated shares held in the scope of the long-term incentive programme 2021 (LTIP 2021) was as follows as of 31 December 2022:

Number in '000	LTIP 2021
Number of shares on 31 Dec. 2020	**–**
Issued	6.2
Exercised	–
Forfeited	–
Number of shares on 31 Dec. 2021	**6.2**
Issued	77.5
Exercised	–
Forfeited	–
Number of shares on 31 Dec. 2022	**83.7**

Total personnel expenses of EUR 6.105 thousand (previous year: EUR 521 thousand) were recognised for LTIP 2021 (members of the Management Board). The total carrying amount of liabilities arising from share-based payments came to EUR 6.626 thousand as of 31 December 2022 (previous year: EUR 521 thousand).

LTIP 2021 for selected employees

In the 2021 financial year, the Company granted a long-term gearing for the retention of employees with the aim of aligning their actions with sustainable corporate development.

The participants receive virtual Scout24 shares (retention share units, RSUs) and virtual stock options (VSOs). The programme is exclusively cash-settled and is therefore classifiable as a cash-settled transaction in accordance with IFRS 2. A liability must be accrued as an expense over the vesting period. The vesting period begins on the date on which the participant obtains knowledge of introduction of the plan (service commencement date).

The RSUs granted are subject only to a service condition in the form of a two-year waiting period; the VSOs are subject to both a service condition in the form of a three-year waiting period and performance conditions. The RSUs and VSOs were allocated for the first time as of 1 July 2021 and, accordingly, the waiting periods started on 1 July 2021.

The award amount is allocated to RSUs and VSOs based on the participants' membership in one of two groups: either 25% RSUs-/-75% VSOs or 50% RSUs-/-50% VSOs; participants in the second group may opt to allocate 25% RSUs-/-75% VSOs.

The performance conditions of the VSOs consist in equal parts of revenue growth targets and growth targets linked to ordinary operating EBITDA (ooEBITDA growth target). At the end of the waiting period, the number of VSOs is multiplied by the performance factor resulting from the target achievement of the two aforementioned performance conditions; the performance factor is capped at 200%.

The revenue growth condition relates to the annualised growth rate of Scout24's revenue as reported in the interim financial statements for the respective quarter between the grant date and the end of the respective waiting period, calculated as compound annual growth rate (CAGR).

The growth targets relating to ordinary operating EBITDA likewise refer to the annualised growth rate of Scout24's last twelve months' ordinary operating EBITDA (LTM ooEBITDA) reported for the quarter in the respective interim financial statements between the grant date and the end of the respective waiting period, calculated as CAGR.

To determine the payment entitlement resulting from the RSUs, the total number of RSUs granted to the participants is multiplied by the value per RSU. In this context, the value per RSU corresponds to the RSU price at the exercise date plus the sum of the dividends distributed on a Scout24 share between the grant date and the RSU exercise date. The value per RSU is capped at three and a half times the RSU price on the grant date. RSUs do not need to be exercised separately, as they are automatically deemed to have been effectively exercised upon expiry of the RSU waiting period.

To determine the payment entitlement resulting from the VSOs, the number of exercisable VSOs determined taking into account the performance factor is multiplied by the value per VSO. The value per VSO corresponds to the difference between (i) the share price based on the VSO exercise date plus the sum of the dividends distributed on a Scout24 share between the grant date and the VSO exercise date, on the one hand, and (ii) the share price based on the grant date less a discount of 20% (strike price), on the other hand. The value per VSO is limited to the value of one Scout24 share according to the share price on the grant date. During an exercise period of two years, effective exercise is possible only at defined exercise dates. In this context, a separate exercise declaration is generally required.

The fair value of the instruments granted was calculated applying a Monte Carlo simulation option pricing model. Depending on the term to maturity, a risk-free interest rate of between 2.10% and 2.60% is assumed. For the historical volatility, reference was made to the share price of Scout24 SE; depending on the shares' term to maturity as of the reporting date, applicable volatility rates of 26.92% to 29.02% were calculated. No additional parameters were included in the fair value measurement. With respect to both the revenue and ordinary operating EBITDA growth targets, target achievement of 200% was assumed for measurement purposes. When determining the personnel expenses to be recognised in the financial year, an appropriate markdown was applied for staff turnover.

Number in '000	LTIP 2021
Number of shares on 31 Dec. 2020	**–**
Issued	115.6
Exercised	–
Forfeited	–
Number of shares on 31 Dec. 2021	**115.6**
Issued	37.8
Exercised[1]	-2.2
Forfeited	-16.4
Number of shares on 31 Dec. 2022	**134.8**

[1] Shares settled as part of reorganisation activities..

Total personnel expenses of EUR 1,123 thousand (previous year: EUR 310 thousand) were recognised for LTIP 2021 (selected employees). The total carrying amount of liabilities arising from share-based payments came to EUR 1,380 thousand as of 31 December 2022 (previous year: EUR 310 thousand).

Employee share purchase programme (ESPP)

In the 2022 financial year, the Company also set up for the first time an employee participation programme under which employees can purchase Scout24 shares held by the Company (treasury shares) at a lower price than on the stock market. This employee participation programme is accounted for as an equity-settled share-based payment transaction in accordance with IFRS 2.

The ESPP permits employees to purchase a certain, limited number of Scout24 shares (7 to 70 shares per year) at a discount of EUR 20.00 per share compared with the price payable on the market. Shares purchased are subject to a two-year holding period in which they may not be sold; the holding period begins on transfer of the shares to the participants. With a few defined exceptions, termination of a participant's employment relationship during the holding period does not affect their participation in the ESPP or the holding period.

In the 2022 financial year, employees purchased 18,337 Scout24 shares; total personnel expenses of EUR 367 thousand (previous year: –) were recognised.

5.4. Related party disclosures

Related parties in the meaning of IAS 24 are deemed to be individuals or entities which Scout24 SE can influence, which can influence Scout24 SE or which are influenced by any other related party of Scout24 SE.

Related parties (entities)

In the course of its ordinary business activities, the Scout24 Group has relationships with some of its associates and joint ventures. The transactions of continuing operations with associates and joint ventures are disclosed below.

EUR '000	Total	Associates	Joint ventures
	2022		
Services rendered and other income	**589**	545	44
Services received and other expenses	**–**	–	–
	31. Dec. 2022		
Receivables	**–**	–	–
Liabilities	1	1	–

The extent of business relationships with related party entities in the 2021 financial year is presented in the table below:

EUR ’000	Total	Associates	Joint ventures
	2021		
Services rendered and other income	675	654	22
Services received and other expenses	-43	–	-43
	31 Dec. 2021		
Receivables	221	220	1
Liabilities	1	–	1

Furthermore, a convertible loan was granted to Upmin Group GmbH (formerly: Upmin Holding GmbH) in the amount of EUR 1,000 thousand in 2022 financial year (for further information, see note **5.2. Disclosures on financial instruments**). The interest rate is 4%. The loan will be converted by 9 December 2023 at the latest.

Transactions with related parties were conducted at arm’s length, i.e. on the same terms as transactions with independent business partners.

The outstanding balances at the end of the reporting period are unsecured and will be settled by cash payment or by offsetting receivables and liabilities. No guarantees exist for receivables due from, and liabilities due to, related parties. No loss allowances were recognised on receivables due from related party entities.

Related parties (individuals)

Individuals who exercise significant influence on the financial and operating policies of Scout24 (key management personnel), including their close family members, are considered to be related parties. These include members of the Management Board and the Supervisory Board of Scout24 SE.

Management Board

The Management Board of Scout24 SE comprised the following individuals during the past financial year:

- Tobias Hartmann: Chief Executive Officer, Munich
- Dr Dirk Schmelzer: Chief Financial Officer, Munich
- Ralf Weitz: Chief Commercial Officer, Berlin
- Dr Thomas Schroeter: Chief Product Officer, Berlin (until 27 January 2023)

The members of the Management Board held the following offices within the Group:

Tobias Hartmann

Entity	Office	Length of service
Immobilien Scout GmbH	Member of the Supervisory Board	Since November 2018
Scout24 Beteiligungs SE	Member of the Management Board	Since December 2019

Dr Dirk Schmelzer

Entity	Office	Length of service
Immobilien Scout GmbH	Member of the Supervisory Board	Since July 2019
Consumer First Services GmbH	Managing Director	Since July 2019
Scout24 Beteiligungs SE	Member of the Management Board	Since December 2019
Upmin Group GmbH	Member of the Advisory Board	Since May 2022

Ralf Weitz

Entity	Office	Length of service
Immobilien Scout GmbH	Managing Director	Since April 2018
Consumer First Services GmbH	Managing Director	Since July 2018
Immobilien Scout Österreich GmbH	Managing Director	Since July 2019

Dr Thomas Schroeter

Entity	Office	Length of service
Immobilien Scout GmbH	Managing Director	May 2017 to 27 January 2023
Consumer First Services GmbH	Managing Director	July 2018 to 27 January 2023

The following members of the Management Board held further comparable external offices:

Tobias Hartmann: member of the Board of Directors of SGS SA, Geneva, Switzerland, and member of the Advisory Board of Expondo GmbH, Berlin, until November 2022.

Dr Thomas Schroeter: Managing Director of Heja Ventures GmbH (formerly: Andreas und Thomas Schroeter Beteiligungsgesellschaft mbH), Berlin, Germany, and member of the Advisory Board of Groupe La Centrale, SAS, Paris, France.

For compensation disclosures broken down by individual member of the Management Board, see the compensation report.

The following table shows the compensation of the Management Board in accordance with IAS 24:

EUR '000	2022	2021
Short-term benefits	5,756	3,615
Post-employment benefits	215	125
Other long-term benefits	–	–
Termination benefits	340	–
Share-based payments	5,164	4,875
Total	**11,475**	**8,615**

Additional disclosures on share-based payment programmes in the context of Management Board compensation

With regard to the development of total number of conditionally allocated shares through the long-term incentive programme 2021 (LTIP 2021), please see note **5.3 Share-based payments**.

In addition, the last LTIP 2018 tranche, which has to be paid in 2023, remains open and comprises 119.8 thousand shares.

The members of the Management Board accounted for EUR 5.164 thousand (previous year: EUR 4,875 thousand) of personnel expenses from cash-settled share-based payment transactions in the reporting year.

For disclosures regarding compensation broken down by individuals, please see the compensation report **www.scout24.com/en/investor-relations/esg-sustainability/corporate-governance/compensation-system.**

In the 2021 financial year, a cooperation arrangement between Immobilien Scout GmbH and Homeday GmbH, Berlin, in which the wife of a member of Scout24 SE's Management Board is the

Chief Operating Officer, was disclosed. The entity meanwhile is no longer a related party since the wife of the Management Board member does not work for Homeday GmbH any more.

Supervisory Board

As of 31 December 2022, the Supervisory Board comprised the six individuals listed below who hold the following further offices:

Name Function	Profession exercised	Member of SE after change of legal form since	Appointed until	Other board positions in 2022 (during term of office)
Dr Hans-Holger Albrecht Chair	Member of the Board of Directors of Deezer S.A., Paris, France, and London, UK	15 October 2021, last elected on: 8 July 2021 (before change of legal form, member of AG since 21 June 2018)	AGM 2024	• Storytel AB, Stockholm, Sweden (member of the Board of Directors, since February 2022) • ICE GROUP ASA, Oslo, Norway (Chair of the Board of Directors, until February 2022) • VEON Ltd, Hamilton, Bermuda (non-executive member of the Board of Directors)
Frank H. Lutz	CEO of CRX Markets AG, Munich, Germany	15 October 2021, last elected on: 8 July 2021 (before change of legal form, member of AG since 30 August 2019)	AGM 2024	• Bilfinger SE, Mannheim, Germany (member of the Supervisory Board)
Christoph Brand	CEO of Axpo Holding AG, Baden, Switzerland	15 October 2021, last elected on: 8 July 2021 (before change of legal form, member of AG since 30 August 2019)	AGM 2024	• Centralschweizerische Kraftwerke AG, Lucerne, Switzerland (member of the Board of Directors) • GfM Schweizerische Gesellschaft für Marketing, Zurich, Switzerland (member of the Management Board, until October 2022) • AMAG Group AG, Cham, Switzerland (member of the Board of Directors, since August 2022)
André Schwämmlein	CEO of Flix SE, Munich, Germany	15 October 2021, last elected on: 8 July 2021 (before change of legal form, member of AG since 30 August 2019)	AGM 2024	• ABOUT YOU Holding SE & Co. KG, Hamburg, Germany (member of the Supervisory Board) • ABOUT YOU Verwaltungs SE, Hamburg, Germany (member of the Supervisory Board)
Peter Schwarzenbauer	Former member of the Board of Management of BMW AG, Munich, Germany	15 October 2021, last elected on: 8 July 2021 (before change of legal form, member of AG since 8 June 2017)	AGM 2024	• UnternehmerTUM GmbH, Munich, Germany (member of the Supervisory Board) • Lunewave, Inc., Tucson (Arizona), United States (member of the Advisory Board) • Mobility Impact Partners LLC, New York, United States (member of the Advisory Board) • Company bike solutions GmbH, Munich, Germany (Chair of the Advisory Board, since February 2022)
Dr Elke Frank	Member of the Management Board of Software AG, Darmstadt, Germany (until the end of October of 2022)	15 October 2021, last elected on: 8 July 2021 (before change of legal form, member of AG since 18 June 2020)	AGM 2024	• Fraunhofer-Institut für Arbeitswirtschaft und Organisation IAO, Stuttgart, Germany, an institute of Fraunhofer-Gesellschaft zur Förderung der angewandten Forschung e. V., Munich, Germany (member of the Board of Trustees)

Compensation of the members of the Supervisory Board totalled EUR 797.5 thousand in the 2022 financial year (previous year: EUR 740 thousand). For compensation disclosures broken down by individual member, see the compensation report at **www.scout24.com/en/investor-relations/esg-sustainability/corporate-governance/compensation-system.**

Directors' dealings

In accordance with Article 19 (1) of the Market Abuse Regulation (Regulation (EU) No. 596/2014), members of the Management Board and the Supervisory Board as well as certain family members are required to publish immediately any sale or purchase of Scout24 shares and other related rights if they exceed the threshold of EUR 20,000 within a calendar year.

The table below presents a list of the published transactions in the 2022 financial year:

Notifying party	Notification dated	Date of transaction	Nature of transaction	Price in EUR (aggregated)	Volume in EUR (aggregated)
Ralf Weitz	25 January 2022	24 January 2022	Sale	54.40	2,000.00
Ralf Weitz	25 January 2022	24 January 2022	Sale	54.40	108,790.00
Ralf Weitz	28 January 2022	27 January 2022	Purchase	51.68	51,680.00

5.5. Segment reporting

IFRS 8 requires operating segments to be identified on the basis of an entity's internal management and reporting structure. The organisational and reporting structure of the Scout24 Group is based on management by operating segment. As the chief operating decision-maker, the Management Board assesses the performance of the various segments and the allocation of resources on the basis of a reporting system that it has established.

As communicated at Capital Markets Day in December 2021, Scout24 made changes to its segment structure in the 2022 financial year; as a result, the Scout24 Group's business operations are now split into the segments Professional, Private, and Media & Other. The previous-year figures have been restated accordingly. For more detailed information about the business operations of the Scout24 Group's segments and the associated key performance indicators, see the **Business performance of the segments** section in the Group management report.

The entity acquired in the 2022 financial year, BaufiTeam GmbH, was allocated to the Professional segment. For details, see note **2.1. Entities acquired in the reporting period**.

The accounting principles for segment reporting are generally the same as those used for external financial reporting purposes; for details, see note **1.7. Accounting policies**. At Group level, the most important financial performance indicators for Scout24 are revenue and ordinary operating EBITDA. This is supplemented by the ordinary operating EBITDA margin, a profitability indicator that sets the two aforementioned parameters in relation to each other. At segment level, the most important financial performance indicator is revenue.

Segment EBITDA is defined as profit (based on total revenue) before the financial result, income taxes, depreciation, amortisation and impairment losses, and the gain or loss on the disposal of subsidiaries. In accordance with the Group's corporate guidelines, ordinary operating EBITDA refers to EBITDA adjusted for non-operating effects, which mainly include effects on profit or loss from share-based payment programmes, costs attributable to M&A transactions (realised and unrealised), reorganisation expenses and other non-operating effects. In the reporting period, non-operating effects amounted to EUR -20,502 thousand (previous year: EUR -21,985 thousand).

The scope of transactions between segments was immaterial.

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

SEGMENT INFORMATION

EUR '000	External revenue		Ordinary operating EBITDA	
	2022	2021	2022	2021
Professional	291,184	262,729	176,240	168,822
Private	121,536	94,573	62,705	43,118
Media & Other	34,820	31,740	12,152	10,889
Total, consolidated	**447,539**	**389,042**	**251,097**	**222,829**

The following table shows the reconciliation of the Group's ordinary operating EBITDA and EBITDA to earnings before tax from continuing operations under IFRS:

EUR '000	2022	2021
Ordinary operating EBITDA	**251,097**	**222,829**
Non-operating effects	-20,502	-21,985
of which share-based payments	-7,744	-10,658
of which M&A transactions	-6,209	-6,885
of which reorganisation	-4,052	-2,503
of which other non-operating effects	-2,497	-1,939
EBITDA[1]	**230,595**	**200,842**
Depreciation, amortisation and impairment losses	-42,300	-63,105
Profit/loss from investments accounted for using the equity method	-889	-248
Other financial result	-13,083	-4,766
Earnings before tax	**174,323**	**132,723**

[1] EBITDA is defined by analogy with the presentation in the consolidated statement of profit or loss as earnings from continuing operations before the financial result, income taxes, depreciation, amortisation and any impairment losses or reversals of impairment losses.

In the 2022 financial year, an impairment loss needed to be recognised for the FLOWFACT cash-generating unit as a result of a change in strategy. Accordingly, an impairment loss of EUR 4,940 thousand was recognised on the trademark and an impairment loss of EUR 1,044 thousand on internally developed software that is no longer expected to be used. FLOWFACT is part of the Media & Other segment.

For the presentation of information by geographic region, revenue and non-current assets are presented in accordance with the respective Scout24 entity's registered office.

EUR '000	2022 External revenue	2021 External revenue
Germany	433,476	376,750
Other countries	14,062	12,292
Total, consolidated	**447,539**	**389,042**

EUR '000	2022 Non-current assets	2021 Non-current assets
Germany	1,768,804	1,774,842
Other countries	16,707	16,252
Total, consolidated	**1,785,512**	**1,791,094**

5.6. Other financial obligations

The table below shows other financial obligations as of the reporting dates:

EUR '000				31 Dec. 2022				31 Dec. 2021
	Total	Due within 1 year	Due in 1 to 5 years	Due in more than 5 years	Total	Due within 1 year	Due in 1 to 5 years	Due in more than 5 years
Purchase commitments and similar obligations	6,569	4,803	1,766	–	–	–	–	–
Obligations from maintenance and service agreements	15,855	15,495	360	–	16,509	16,509	–	–
Other obligations	41,220	9,580	29,050	2,590	45,021	8,372	33,992	2,657
Total	**63,644**	**29,878**	**31,176**	**2,590**	**61,530**	**24,881**	**33,992**	**2,657**

The line item 'other obligations' mainly includes obligations to purchase cloud services amounting to EUR 31,484 thousand (previous year: EUR 36,204 thousand).

For financial obligations from rental and lease agreements, see note **4.6. Assets and liabilities from leases**.

5.7. Contingent liabilities

In the 2019 financial year, the Company issued a declaration to the lessor of FFG Finanzcheck Finanzportale GmbH in connection with the conclusion of a new lease agreement to assume responsibility for current and future obligations of the lessee under the lease agreement.

By purchase agreement dated 17 December 2019, Scout24 sold 100% of the shares in AutoScout24 GmbH and FINANZCHECK Finanzportale GmbH as well as the business operations of FinanceScout24 to the financial investor Hellman & Friedman. The transaction was closed on 1 April 2020. For more information, see note 2.2. 'Entities sold in the reporting period (discontinued operations)' in the 2020 annual report.

As part of the purchase agreement, it was agreed that the buyer would assume any obligations arising from the aforementioned declaration. Based on past experience, the Company does not expect any claims to arise from this declaration in the future.

5.8. Auditor's fees and services

The total fees and services of the auditors of the Group are presented as follows in accordance with Article 315e (1) in conjunction with Article 314 (1) No. 9 HGB:

EUR '000	2022	2021
Audit services	648	554
Other assurance services	121	68
Tax advisory services	–	23
Other services	8	–
Total	**777**	**645**

KPMG AG's fee for audit services related mainly to the audit of the consolidated financial statements and the separate financial statements of Scout24 SE as well as various audits of the separate financial statements of its subsidiaries and reviews of interim financial statements. Other assurance services comprise the fee for reviewing the non-financial reporting, assurance engagements relating to IT-supported accounting-related systems as well as the audit of the compensation report.

5.9. Events after the reporting period

Dividend

For the 2022 financial year, the Management Board proposes to the Supervisory Board the payment of a dividend of EUR 1.00 per ordinary share outstanding as of the date of preparation of Scout24 SE's separate financial statements (73,552,186 shares). This corresponds to 50% of adjusted net profit and a total dividend payout of EUR 73.6 million. If the exact amount of the dividend per share changes by the time of the Annual General Meeting, a correspondingly adjusted resolution will be submitted to the Annual General Meeting.

Acquisition of the remaining shares of Zenhomes GmbH

On 14 February 2023, Immobilien Scout GmbH acquired the remaining 21.65% shares of Zenhomes GmbH. The purchase price was also paid on 14 February 2023. As a result, the shareholding now amounts to 100%. A purchase price of EUR 18.2 million was agreed.

With the initial consolidation in May 2021, the contingent purchase price had to be split into two parts for accounting purposes: a purchase price liability and a provision to be recognised pro rata temporis over the term of the agreement. As of 31 December 2022, the corresponding purchase price liabilities amounted to EUR 15.2 million and the other provisions to EUR 1.7 million. As a result of the acquisition of the remaining shares, the obligation to make further additions to other provisions is not applicable any more. As of 31 December 2022, the obligation to make further additions to other provisions in subsequent years was estimated at EUR 3.8 million.

The Group is not aware of any other events or developments after the reporting period that are specific to the Group and which might have led to a significant change in the disclosure or carrying amount of individual assets or liabilities as of 31 December 2022.

5.10. List of shareholdings held by Scout24 SE pursuant to Article 313 (2) Nos. 1 to 4 HGB

		Currency	%	Full consolidation (F) Equity method (E) 31 Dec. 2022
Scout24 Beteiligungs SE[1]	Bonn (Germany)	EUR	100.00%	F
Consumer First Services GmbH[1]	Munich (Germany)	EUR	100.00%	F
Immobilien Scout GmbH[1]	Berlin (Germany)	EUR	100.00%	F
Immobilien Scout Österreich GmbH	Vienna (Austria)	EUR	100.00%	F
FLOWFACT GmbH[1, 2]	Cologne (Germany)	EUR	100.00%	F
FLOWFACT Schweiz AG i.L.	Zurich (Switzerland)	CHF	100.00%	F
immoverkauf24 GmbH	Hamburg (Germany)	EUR	100.00%	F
immoverkauf24 GmbH, Austria	Mödling (Austria)	EUR	100.00%	F
Zenhomes GmbH	Berlin (Germany)	EUR	78.35%	F
Propstack GmbH	Berlin (Germany)	EUR	80.00%	F
Energieausweis48 GmbH	Cologne (Germany)	EUR	50.00%	E
Upmin Group GmbH	Berlin (Germany)	EUR	26.14%	E
BaufiTeam GmbH	Sittensen (Germany)	EUR	50,1%	F

1 The entity made use of the exemption pursuant to Article 264 (3) HGB and filed the relevant requisite documents with the German Federal Gazette ('Bundesanzeiger') for publication.
2 FLOWFACT GmbH holds 7.1% of its share capital as treasury shares.

5.11. German Corporate Governance Code

The Management Board and the Supervisory Board of Scout24 SE have issued a declaration of conformity to the German Corporate Governance Code (Article 161 of the German Stock Corporation Act (AktG)), which was published on the website of Scout24 SE in December 2022.

5.12. Date of release for publication

The Company's Management Board will release the consolidated financial statements on 9 March 2023 for publication and forwarding to the Supervisory Board. The Supervisory Board will adopt a decision on 16 March 2023 concerning the approval of the consolidated financial statements, which will be published on 23 March 2023.

Munich, 9 March 2023

Scout24 SE

The Management Board

Tobias Hartmann | **Dr Dirk Schmelzer** | **Ralf Weitz**

Other statements

Responsibility statement

To the best of our knowledge, we assure that in accordance with the applicable accounting principles the consolidated financial statements give a true and fair view of the Group's net assets, financial position and results of operations, and the Group management report, which has been combined with the management report of the Company, gives a true and fair view of the Group's business development including the business performance and situation and describes the significant opportunities and risks relating to the Group's expected future development.

Munich, 9 March 2023

Scout24 SE

The Management Board

Tobias Hartmann **Dr Dirk Schmelzer** **Ralf Weitz**

Independent auditor’s report

Report on the Audit of the Consolidated Financial Statements and of the Combined Management Report

Opinions

We have audited the consolidated financial statements of Scout24 SE, Munich, and its subsidiaries (‘the group‘), which comprise the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the group management report of Scout24 SE for the financial year from 1 January to 31 December 2022.

In accordance with German legal requirements, we have not audited the content of the components of the group management report mentioned in the section "Other information" of our auditor's report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply in all material respects with the IFRS as adopted by the EU and the additional requirements of German law pursuant to section 315e (1) HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the financial position of the Group as at 31 December 2022 and of its financial performance for the financial year from 1 January to 31 December 2022; and

- the accompanying group management report as a whole provides a suitable view of the group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the group management report does not cover the content of the components of the group management report mentioned in the section "Other information".

Pursuant to section 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and the group management report.

Basis for the Opinions

We conducted our audit of the consolidated financial statements and the group management report in accordance with section 317 HGB and the EU Regulation on the Audit of Financial Statements (No. 537/2014; hereinafter "EU-APrVO") and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibility according to these regulations and principles is further described in the section "Auditor's responsibility for the audit of the consolidated financial statements and the group management report" of our auditor's report. We are independent of the group entities in accordance with European law and German commercial and professional regulations and have fulfilled our other German professional obligations in accordance with these requirements. In addition, pursuant to Article 10 (2) (f) EU-APrVO, we declare that we have not performed any prohibited non-audit services pursuant to Article 5 (1) EU-APrVO. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and the group management report.

Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the financial year from 1 January to 31 December 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon; we do not provide a separate opinion on these matters.

The measurement of the provision for the Long-Term Incentive Program 2021

For the accounting and measurement principles applied, please refer to the notes to the consolidated financial statements, section 1.6. Information on Long-Term-Incentive Program (LTIP 2021) can be found in the notes to the consolidated financial statements, section 5.3.

THE FINANCIAL STATEMENT RISK

As of December 31, 2022, provisions for share-based payments in the amount of EUR 12.6 million were recognized in the consolidated financial statements of Scout24. Thereof, the share-based long-term compensation for the Management Board and selected employees (LTIP 2021) amounts to EUR 8.0 million.

For cash-settled share-based payments, the services received and the liability incurred are to be recognized in accordance with the rules of IFRS 2. The measurement of the provision for the LTIP 2021 is complex and based on discretionary assumptions of the Management Board. For the valuation of the provision by means of a Monte Carlo simulation, Scout24 has consulted an external expert. The key assumptions relate to the volatility of the shares of Scout24 SE and peer group companies, the expected revenue and earnings growth, and the fluctuation rates of the plan participants.

The risk for the consolidated financial statements is that the provision is measured incorrectly. Furthermore, there is a risk that the disclosures in the notes to the consolidated financial statements are inappropriate.

OUR AUDIT APPROACH

With the involvement of our valuation specialists, we assessed the appropriateness of the key assumptions and the valuation process. We first obtained an understanding of whether there were any changes to the terms of the LTIP 2021 in 2022 by interviewing employees of the finance department and assessing the relevant documents. We also compared the assumptions used for sales and earnings growth with the corporate planning prepared by the Management Board and approved or noted by the Supervisory Board. We compared the fluctuation rates applied with historical experience values for corresponding plan participants. We verified the market data used and the valuation of the value per share per tranche on the basis of our own data and calculations.

We assessed the competence, skills and objectivity of the independent expert engaged by Scout24. We also assessed the applied valuation method for compliance with the requirements of IFRS 2. To ensure the mathematical accuracy of the valuation model, we traced the calculations on the basis of elements selected on a risk-oriented basis. We assessed the accuracy of the quantity structure by inspecting selected evidence.

Furthermore, we have verified that the relevant disclosures on the LTIP 2021 are appropriately presented in the notes to the consolidated financial statements.

OUR OBSERVATIONS

The valuation model used to measure the provision is appropriate. The underlying assumptions are balanced and appropriate overall. The corresponding disclosures in the notes to the consolidated financial statements are appropriate.

Other Information

The Management Board and the Supervisory Board is responsible for the other information. The other information comprises the following components of the group management report, whose content was not audited:

- the separate non-financial group report expected to be provided to us after the date of this audit opinion and referred to in the group management report,
- the Group Corporate Governance Statement, to which reference is made in the group management report,
- the information contained in the group management report that is unrelated to the management report and marked as unaudited.

The other information also includes:

- the other parts of the annual report expected to be made available to us after that date.

The other information does not include the consolidated financial statements, the audited group management report disclosures and our audit opinion thereon.

Our audit opinions on the consolidated financial statements and the group management report do not cover the other information and, accordingly, we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, we have a responsibility to read the other information referred to above and, in doing so, assess whether the other information

- are materially inconsistent with the consolidated financial statements, the content of the audited group management report or our knowledge obtained in the audit; or
- otherwise appear to be materially misstated.

Responsibility of the Management Board and the Supervisory Board for the Consolidated Financial Statements and the Group Management Report

Management Board is responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the group. In addition, Management Board is responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement due to fraud (i.e., manipulation of the financial statements and misappropriation of assets) or error.

In preparing the consolidated financial statements, Management Board is responsible for assessing the group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, Management Board is responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, Management Board is responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

The Supervisory Board is responsible for overseeing the group's financial reporting process for the preparation of the consolidated financial statements and of the group management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems.

- evaluate the appropriateness of accounting policies used by Management Board and the reasonableness of estimates made by Management Board and related disclosures.

- conclude on the appropriateness of Management Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to be able to continue as a going concern.

- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.
- evaluate the consistency of the group management report with the consolidated financial statements, its conformity with [German] law, and the view of the group's position it provides.
- perform audit procedures on the prospective information presented by Management Board in the group management report. On the basis of sufficient appropriate audit evidence, we evaluate, in particular, the significant assumptions used by Management Board as a basis for the prospective information and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken or safeguards implemented to address independence threats.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other Legal and Regulatory Requirements

Report on the audit of the electronic rendering of the consolidated financial statements and the group management report prepared for disclosure purposes in accordance with Section 317 (3a) HGB

In accordance with section 317 (3a) HGB, we have performed a reasonable assurance engagement to determine whether the data contained in the file " scout24-2022-12-31-de.zip" (SHA256-Hashwert: 95ef73e6fdfbaaa815c130fae3118de288f745ff004473820a49e02b60efb542) and prepared for the purpose of disclosure comply in all material respects with the electronic reporting format ("ESEF format") pursuant to section 328 (1) HGB. In accordance with German statutory provisions, this audit covers only the conversion of the information in the consolidated financial statements and the group management report into the ESEF format and therefore neither the information contained in these reproductions nor any other information contained in the above-mentioned file. In our opinion, the rendering of the consolidated financial statements and the group management report contained in the electronic file made available, identified above and prepared for disclosure purposes comply, in all material respects, with the requirements of § 328 (1) HGB regarding the electronic reporting format. Beyond this audit opinion and our audit opinions on the accompanying consolidated financial statements and the accompanying group management report for the fiscal year from 1 January to 31 December 2022 contained in the preceding "Report on the audit of the consolidated financial statements and the group management report", we do not express any audit opinion on the information contained within these renderings or on the other information contained in the file identified above.

We conducted our assurance work on the rendering of the consolidated financial statements and the group management report contained in the file made available and identified above in accordance with Section 317 (3a) HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering of Financial Statements and Management Reports Prepared for Publication Purposes in Accordance with Section 317 (3a) HGB (IDW AsS 410 (06.2022)) Our responsibility in accordance therewith is further described below. Our audit firm applies the IDW Standard on Quality Management 1: Requirements for Quality Management in Audit Firms (IDW QS 1).

Management Board is responsible for the preparation of the ESEF documents including the electronic renderings of the consolidated financial statements and the group management report in accordance with section 328 (1) sentence 4 no. 1 HGB and for the tagging of the consolidated financial statements in accordance with section 328 (1) sentence 4 no. 2 HGB.

In addition, the Management Board is responsible for such internal control that they have considered necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB for the electronic reporting format.

The Supervisory Board is responsible for overseeing the preparation of the ESEF documents as part of the financial reporting process.

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB. During the audit, we exercise professional judgment and maintain a critical attitude. We also:

- identify and assess the risks of material non-compliance with the requirements of Section 328 (1) HGB, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

- obtain an understanding of internal control relevant to the audit of the ESEF in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of those controls.

- evaluate the technical validity of the ESEF documentation, i.e., whether the file containing the ESEF documentation meets the requirements of Delegated Regulation (EU) 2019/815, as amended at the date of the financial statements, regarding the technical specification for that file.

- assess whether the ESEF documents provide a consistent XHTML representation of the audited consolidated financial statements and the audited group management report.

- assess whether the mark-up of the ESEF documents with inline XBRL technology (iXBRL) in accordance with Articles 4 and 6 of Delegated Regulation (EU) 2019/815, as applicable at the reporting date, provides an adequate and complete machine-readable XBRL copy of the XHTML rendition.

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as group auditor by the annual general meeting on 30 June 2022. We were engaged by the Supervisory Board on 22 November 2022. We have been the group auditor of Scout24 SE without interruption since the financial year 2016.

We declare that the opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

Other matter use of the Auditor's Report

Our auditor´s report must always be read together with the audited consolidated financial statements and the audited group management report as well as the examined ESEF documents. The consolidated financial statements and group management report converted to the ESEF format – including the versions to be entered in the Company register [Unternehmensregister] – are merely electronic renderings of the audited consolidated financial statements and the audited group management report and do not take their place. In particular, the ESEF report and our assurance opinion contained therein are to be used solely together with the examined ESEF documents made available in electronic form.

German Public Auditor Responsible for the Engagement

The German Public Auditor responsible for the engagement is Marius Sternberg.

Berlin, 15 March 2023

KPMG AG
Wirtschaftsprüfungsgesellschaft

gez. Sternberg Wirtschaftsprüfer	gez. Knollmann Wirtschaftsprüferin

Disclaimer

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 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, 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.

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.

Information on quarterly financials has not been subject to an auditor’s review and thus is labelled ‘unaudited’.

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. Alternative performance measures used by Scout24 are defined at the corresponding place in the report.

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.

The Group management report should be read in conjunction with the consolidated financial statements and the explanatory notes.

- **www.scout24.com/en/reporting-2022**
- **www.scout24.com/en/investor-relations/financial-reports-presentations**

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

Publication details

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