

Supervisory Board Report

Supervisory Board members in the financial year 2017

Name Function	Profession exercised	Member since	Appointed until	Other board positions in 2017
Stefan Goetz Chairman	Managing Director of Hellman & Friedman LLC, San Francisco, USA	4 September 2015	AGM 2020	<ul style="list-style-type: none"> - Verisure Holding AB, Malmö, Sweden and certain related entities in the holding structure of Verisure Securitas Direct AB, Malmö, Sweden (Member of Board of Directors); - Asa GP GmbH, Düsseldorf, Germany (Member of Board of Directors); - Evergood 1 ApS, Copenhagen, Denmark, and further related companies within the shareholding structure of Nets A/S group, Ballrup, Denmark (Member of Board of Directors)
Patrick Healy Deputy Chairman	Managing Director (Deputy CEO) of Hellman & Friedman LLC, San Francisco, USA	4 September 2015	AGM 2020	<ul style="list-style-type: none"> - TeamSystem Holding S.p.A., Pesaro, Italy and further related entities in the shareholding structure of TeamSystem S.p.A., Pesaro, Italy (Supervisory Board member); - Verisure Holding AB, Malmö, Sweden, and further related companies within the shareholding structure of Securitas Direct AB, Malmö, Sweden (Supervisory Board member)
Blake Kleinman Supervisory Board member	Managing Director of Hellman & Friedman LLC, San Francisco, USA	4 September 2015	AGM 2020	<ul style="list-style-type: none"> - Asa GP GmbH, Düsseldorf, Germany (Member of Board of Directors); - H&F Sensor EquityCo Limited, London, UK; - Barolo Midco S.p.A., Pesaro, Italy and further entities in the holding structure of TeamSystem S.p.A., Pesaro, Italy (Supervisory Board member);

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				<ul style="list-style-type: none"> - Allfunds Bank S.A.U., Madrid, Spain and further entities in the holding structure of Allfunds Bank S.A.U. (Chairman of the Board of Directors);
Thorsten Langheim Supervisory Board member	Senior Vice President Group Corporate Development of Deutsche Telekom AG, Bonn, Germany	4 September 2015	stepped down as of 31 October 2017	<ul style="list-style-type: none"> - T-Mobile US, Inc., Bellevue, USA (Supervisory Board member); - T-Systems International GmbH, Frankfurt am Main, Germany (Supervisory Board member); - Deutsche Telekom Strategic Investments GmbH, Bonn, Germany (Supervisory Board member); - Deutsche Telekom Venture Funds GmbH, Bonn, Germany (Supervisory Board member) - Deutsche Telekom Capital Partners Management GmbH, Hamburg, Germany (Investment Committee Chairman); - Stiftung Deutsche Sporthilfe, Frankfurt, Germany (Supervisory Board member) - Deutsche Funkturm GmbH, Münster, Germany (Supervisory Board Chairman)
Alexander Graf Matuschka von Greiffenclau Supervisory Board member	Group Chief Performance Officer of VimpelCom Limited, Amsterdam, Netherlands	4 September 2015 to 23 January 2017	stepped down as of 23 January 2017	<ul style="list-style-type: none"> - Pakistan Mobile Communications Limited, Islamabad, Pakistan (Management Board member); - VIP-CKH Luxembourg S.à r.l., Luxembourg, Luxembourg (Management Board member);
Robert D. Reid Supervisory Board member	Management Board member at The Blackstone Group New York, USA	4 September 2015	stepped down as of 19 April 2017	<ul style="list-style-type: none"> - Intelenet Global Services Private Limited, Mumbai, India (member of the Board of Directors);

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David Roche Supervisory Board member	Chairman of the Board of Directors of goHenry Ltd., Lym- ington, UK	4 Septem- ber 2015	AGM 2020	<ul style="list-style-type: none"> - Guestline Ltd., Shrewsbury, UK; - The Roomstudio Ltd., Stanmore, UK (member of the Board of Directors, from January 2017 until February 2018);
Peter Schwarzen- bauer Supervisory Board member	Member of the Board of Management of BMW AG, Munich, Germany	8 June 2017	AGM 2020	<ul style="list-style-type: none"> - Rolls-Royce Motor Cars Lim- ited, Chichester, UK (mem- ber of the Board of Directors);
Dr Liliana Solomon Supervisory Board member	Member of the Board of Directors (CFO) of Arqiva Broadcast Ltd., Winchester, UK	4 Septem- ber 2015	AGM 2020	<ul style="list-style-type: none"> - Metro AG, Düsseldorf, Deutschland (Supervisory Board member);
Vicente Vento Bosch Supervisory Board member	Chief Executive Of- ficer, Managing Director, Deutsche Telekom Capital Partners Man- agement GmbH, Hamburg, Germany	4 Septem- ber 2015	stepped down as of 31 October 2017	<ul style="list-style-type: none"> - Deutsche Telekom Strategic Investments GmbH, Bonn, Germany (Chairman of the Supervisory Board) - Deutsche Telekom Venture Funds GmbH, Bonn, Ger- many (Chairman of the Su- pervisory Board) - Deutsche Telekom Capital Partners Fund GmbH, Ham- burg, Germany (Managing Director) - Deutsche Telekom Capital Partners Management GmbH, Hamburg (Member of the investment commit- tee / "Beirat") - Strato AG, Berlin, Germany (Chairman of the Supervi- sory Board) - Telekom Innovation Pool GmbH, Bonn, Germany (Member of other governing body / "Beirat") - Ströer Management SE, Düs- seldorf, Germany (Member of the Supervisory Board) - Ströer SE & Co. KGaA, Co- logne, Germany (Member of the Supervisory Board)

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				<ul style="list-style-type: none"> - eValue 2nd Fund GmbH, Berlin, Germany (Member of other governing body / "Beirat")
Michael Zahn Supervisory Board member	Chief Executive Officer of Deutsche Wohnen AG, Berlin, Germany	8 June 2017	AGM 2020	<ul style="list-style-type: none"> - GSW Immobilien AG, Berlin, Deutschland (Supervisory Board Chairman); - TLG Immobilien AG, Berlin, Deutschland (Supervisory Board Chairman); - WCM Beteiligungs- und Grundbesitz AG, Frankfurt, Deutschland (Chairman of the Supervisory Board, from November 2017 until February 2018); - G+D Gesellschaft für Energiemanagement mbH, Magdeburg, Deutschland (Advisory Board Chairman); - Funk Schadensmanagement GmbH (Advisory Board Chairman); - DZ Bank AG, Frankfurt, Deutschland (Advisory Board Member); - Füchse Berlin Handball GmbH, Berlin, Deutschland (Advisory Board member); - GETEC Wärme & Effizienz GmbH, Magdeburg, Deutschland (Real Estate Consulting member).

Supervisory Board Committees in the financial year 2017

Executive Committee

Name	Position
Stefan Goetz	Chairman
Patrick Healy	Member
Alexander Graf Matuschka von Greiffenclau (until 23 January 2017)	Member
Vicente Vento Bosch (until 31 October 2017)	Member
David Roche (since 29 November 2017)	Member

Audit Committee

Name	Position
Dr Liliana Solomon	Chairwoman
Blake Kleinman	Member
Robert D. Reid (until 19 April 2017)	Member
Vicente Vento Bosch (until 31 October 2017)	Member
Michael Zahn (since 29 November 2017)	Member

Dear shareholders,

The Scout24 Group continued its positive development during the financial year 2017, again reaching its self-defined revenue and earnings targets. The Supervisory Board supported and consulted with the Management Board in the targeted business expansion. The following report informs about the work of the Supervisory Board in the financial year 2017.

The Supervisory Board performed all of the duties and met all of the obligations incumbent on it by law, the Company's Articles of Association and the codes of procedure for the Management Board and the Supervisory Board. In total, the Supervisory Board held four plenary meetings during the financial year 2017. At the Supervisory Board meeting on 23 March 2017, two Supervisory Board members were excused, and at the Supervisory Board meeting on 7 June 2017, one Supervisory Board member. At the meeting on 27 September 2017, three members were excused, and at the 29 November 2017 meeting, two members. Two Supervisory Board members were not present in at least the half of the meetings relevant for such members.

Name	Participation in Supervisory Board meetings	Notes
Stefan Goetz	4	
Patrick Healy	2	
Blake Kleinman	4	
Thorsten Langheim	-	Supervisory Board member until 31 October 2017
Alexander Graf Matuschka von Greiffenclau	-	Supervisory Board member until 23 January 2017
Robert D. Reid	-	Supervisory Board member until 19 April 2017
David Roche	4	
Peter Schwarzenbauer	-	Supervisory Board member since 8 June 2017
Dr Liliana Solomon	4	
Vicente Vento Bosch	3	Supervisory Board member until 31 October 2017
Michael Zahn	1	Supervisory Board member since 8 June 2017

The Supervisory Board supervised the Management Board in its management of the business on an ongoing basis and advised it on all matters of importance to the Company. The Supervisory Board was at all times convinced of the lawfulness, correctness, expediency and economic efficiency of the management of the Company.

Cooperation between the Supervisory and Management boards

The Management Board provided the Supervisory Board with regular, timely and comprehensive information in detailed oral and written reports to the Supervisory Board on all issues of relevance to the whole Company regarding strategy, planning, business development, risk position, risk management and compliance and consequently fully met all its reporting obligations to the Supervisory Board in the relevant period. In this context, the Supervisory Board and its committees were involved in all important business transactions and decisions of fundamental significance for the Company.

The Supervisory Board members always had sufficient time to review critically the information provided by the Management Board and contribute their own opinions. At the meetings, the information was discussed in detail with the Management Board and checked for plausibility. The Supervisory Board granted its approval for individual transactions wherever required by law, the Company's Articles of Association or the codes of procedure for the Management or Supervisory Boards. Collaboration with the Management Board was characterised by responsible and purposeful action in all respect.

Between the meetings, the members of the Supervisory Board, and especially the Supervisory Board Chairman and the Chairs of the Executive Committee and the Audit Committee were also in regular contact both with each other and with the Management Board. These discussions focused above all on matters relating to the Company's strategy, planning, business development, risk situation, risk management, corporate governance, and compliance. Material insights arising as a result were reported to the other Supervisory Board members at the latest at the next meetings of the Supervisory Board plenum or its committees.

No interests of conflict arose within the Supervisory Board in the period under report.

Main focus of work in the Supervisory Board plenum

At its meeting on 23 March 2017, the Supervisory Board concerned itself with the budget and the current financials for 2017. Moreover, the Supervisory Board approved the separate financial statements for 2016 of Scout24 AG as well as the 2016 consolidated financial statements, and decided concerning the application of profit. The Supervisory Board also passed a resolution concerning the draft agenda and proposed resolutions for the 2017 Ordinary AGM. The statement of conformity to the German Corporate Governance Code as well as the deviations from the German Corporate Governance Code were discussed. The Supervisory Board passed a resolution to approve the statement of conformity.

At its 7 June 2017 meeting, the Supervisory Board concerned itself with the general business trends within the Scout24 Group. In addition, the Supervisory Board was given an overview by the committee chair of the Audit Committee's activities.

At the 27 September 2017 meeting, the Executive Committee Chairman gave a report on the committee's activities. The financial outlook for the current and next financial year were also discussed, including a presentation and discussion of the individual operating segments' trends.

At the meeting on 29 November 2017, the Supervisory Board held extensive discussions together with the management regarding the financial situation of both Scout24 AG and the Group, discussing in-depth with the management the individual segments' business trends. Furthermore, the Supervisory Board discussed the budget for the financial year 2018. Finally, the concept of a partial refinancing to further optimise the interest burden of the Scout24 Group was presented to the Supervisory Board.

Committees

To perform its tasks efficiently, the Supervisory Board has currently formed two committees, namely an Executive Committee, which also assumes the roles of a nomination committee and a remuneration committee, and an Audit Committee. These committees prepare the resolutions for the Supervisory Board as well as agenda items that are to be dealt with by the Board. Furthermore, the Supervisory Board has delegated certain defined powers, where legally permissible, to its committees. The Committee Chairs report to the Supervisory Board on the respective committee's work at the subsequent Supervisory Board meeting.

The Audit Committee concerns itself especially with supervising the financial accounting, the financial accounting process, the efficacy of the internal control system, the risk management system, the internal audit system, the auditing of financial statements as well as compliance. The Audit Committee submits a well-founded recommendation for the election of the external auditor to the Supervisory Board. It supervises the independence of the external auditor and concerns itself with services additionally rendered by the auditor, the awarding of the audit mandate to the auditor, the determination of audit focus areas, and arranging the audit fee to be paid.

Pursuant to the German Stock Corporation Act (Sections 107 (4), 100 (5) AktG), the Audit Committee must include at least one member who has expertise in the fields of financial reporting and auditing. The Audit Committee Chair, Dr Liliana Solomon, meets these legal requirements and has additional expertise in the fields of financial planning and controlling. Furthermore, Dr Liliana Solomon meets the further criteria of Section 5.3.2 (3) of the German Corporate Governance Code whereby the audit committee chair should be independent and not a former Management Board member whose appointment ended less than two years previously. Besides the Chair, the Audit Committee also included Supervisory Board members Blake Kleinman, Robert D. Reid (until 19 April 2017), Vicente Vento Bosch (until 31 October 2017) and Michael Zahn (since 29 November 2017).

The Audit Committee held a total of two plenary meetings and two telephone conferences in 2017. All committee members required to pass resolutions were present at all such meetings. The main focus of consultations in the Audit Committee included:

- the proposal for the appropriation of profits
- internal audits
- the risk management and the compliance report
- IT security and data protection

The Executive Committee prepares the meetings of the Supervisory Board and is also occupied with handling ongoing matters arising between the meetings.

In particular it has to prepare the Supervisory Board resolutions in the corporate governance area and in connection with proposals for intended appointments or dismissals and – in its capacity as Remuneration Committee – for the compensation of Management Board members. In its capacity as Nomination Committee, the Executive Committee proposes potential candidates to the Supervisory Board for its election proposal to the shareholders' Annual General Meeting.

Stefan Goetz is the Chairman of the Executive Committee. Beside the Chair, the committee also included the following Supervisory Board members in the financial year 2017: Vicente Vento Bosch (until 31 October 2017), Patrick Healy, Alexander Graf Matuschka von Greiffenclau (until 23 January 2017) and David Roche (since 29 November 2017).

The Executive Committee held two meetings in the financial year 2017. All committee members required to pass resolutions were present at all such meetings. Main topics of consultations included:

- Management Board compensation
- Management compensation
- Appointments to replace Supervisory Board and Executive Committee members who stepped down

Corporate governance and statement of conformity

At its meeting on 23 March 2017, the Supervisory Board discussed in detail the Company's corporate governance. It also concerned itself with matters of compliance with the German Corporate Governance Code and approved the current statement of conformity. The full text of this statement has been published on the Investor Relations / Corporate Governance section of the Company's corporate website (www.scout24.com/Portal-Data/2/Resources/ir/Entsprechenserklaerung_DCGK_de_aktuell.pdf).

The Management and Supervisory Boards will comply with the principles of diversity in the German Corporate Governance Code when nominating candidates for corporate bodies and management functions in future. Both boards attach great value to suitably qualified advice and monitoring of the Management Board by the Supervisory Board.

The Supervisory Board has set itself the target of including an appropriate number of women among its members. At its 4 September 2015 meeting, the Supervisory Board confirmed its objective, among others, that at least one woman should belong to the Supervisory Board, setting a related implementation deadline of 30 June 2017. This target has been implemented.

[For the first management tier below the Management Board, the Management Board of Scout24 AG had resolved upon a target for the proportion of women of one fourth, with an implementation deadline at the end of 30 June 2017. As of 30 June 2017, the proportion of women at the first management level below the Management Board stood at 0%, thereby not yet reaching the 25% target. For the second tier below the Management Board, the Management Board of Scout24 AG had resolved a target for the proportion of women of one fifth, with an implementation deadline at the end of 30 June 2017. As of 30 June 2017, the proportion of women amounts to 15%, slightly below the target level.]

Finally, on 22 March 2018, the Supervisory Board concerned itself with corporate governance within the Scout24 Group.

Composition of the Management and Supervisory boards

No changes occur to the composition of the Management Board in the financial year 2017.

Supervisory Board member Alexander Graf Matuschka von Greiffenclau resigned from his position with effect of 23 January 2017.

Supervisory Board member Robert D. Reid stepped down from the Supervisory Board on 19 April 2017.

Supervisory Board members Thorsten Langheim and Vicente Vento Bosch relinquished their Supervisory Board mandates with effect as of 31 October 2017.

To replace the Supervisory Board members who had stepped down, Alexander Graf Matuschka von Greiffenclau and Robert D. Reid, the AGM of Scout24 AG on 8 June 2017 elected Mr. Peter Schwarzenbauer and Mr. Michael Zahn as new members to the Supervisory Board.

Audit of financial statements and annual financial statements

Pursuant to the resolution of the AGM on 8 June 2017, the Supervisory Board mandated KPMG AG Wirtschaftsprüfungsgesellschaft ("KPMG"), Berlin, to audit the annual financial statements and consolidated financial statements of Scout24 AG for the financial year ending 31 December 2017. Responsible auditors in accordance with § 319a Abs. 1 S. 4 and § 319a Abs. 2 S. 2 HGB are Haiko Schmidt and Stefanie Jordan. KPMG audited the annual financial statements for the financial year from 1 January 2017 to 31 December 2017, prepared by the Management Board according to the accounting principles of the German Commercial Code (HGB), and the management report of Scout24 AG, which is aggregated with the Group management report. KPMG AG issued an unqualified audit opinion. The consolidated financial statements of Scout24 AG for the financial year from 1 January 2017 to 31 December 2017 and the Group management report that is combined with the Company's management report were prepared pursuant to § 315e of the German Commercial Code (HGB) in accordance with IFRS international accounting standards as adopted by the European Union. Unqualified audit opinions were also granted for 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 to detect any going concern risks to the Company at an early stage. The Supervisory Board also mandated KPMG to voluntarily review the content of the non-financial declaration in accordance with section 111 (2) sentence 4 of the AktG.

KPMG had confirmed to the Chairman of the Supervisory Board and the Audit Committee, before the Supervisory Board proposed them to the Annual General Meeting as auditors, that there were no circumstances that could impair their independence as auditors or cast doubt on their independence. KPMG also explained to what extent services were rendered for the company in the previous financial year outside of the audit or are contractually agreed for the following year. The Supervisory Board has agreed with KPMG that the latter will inform it and note in the audit report if facts are established during the performance of the audit which reveal an inaccuracy in the declaration on the German Corporate Governance Code issued by the Executive Board and Supervisory Board. The Audit Committee informed the Supervisory Board that it had been informed by KPMG that there were no circumstances that could give cause for concern about its impartiality and about the services rendered by KPMG outside the audit. The 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 has the necessary independence.

The financial statement documents, the audit reports, including the result of the audit of the non-financial declaration, were submitted to all members of the Supervisory Board in good time, as was the proposal of the Management Board for the appropriation of the balance sheet profit.

The complete documentation of the financial statements and the audit reports were discussed in detail at the meetings of the Audit Committee and the Supervisory Board on 22 March 2018. The auditors reported on the key findings of their audit. Furthermore, they informed the Supervisory Board of their findings on internal control and risk management in respect of the financial reporting process and were available to answer additional questions and provide information. At the plenary meeting, the Audit Committee Chair reported extensively to the Supervisory Board on the audit of the annual and consolidated financial statements by the Audit Committee. Following in-depth inspection and discussion of the annual financial statements, the consolidated financial statements and the combined management report, the Supervisory Board did not raise any reservations relating to the documents submitted. The Supervisory Board therefore followed the recommendation of the Audit Committee and concurred with the findings of the audit by the auditors. By resolution dated 22 March 2018, the Supervisory Board then approved the annual financial statements and consolidated financial statements of Scout24 AG for the 2017 financial year. The annual financial statements of Scout24 AG are adopted as a consequence.

Management Board's report on relations with associated companies / Audit of the Dependency Report

The report on relations with associated companies in the 2017 financial year (dependency report) pursuant to Section 312 of the German Stock Corporation Act (AktG), which the Management Board prepared, was submitted to the Supervisory Board in due time.

The external auditors audited the dependency report and issued the following audit opinion:

"On the basis of our proper audit and judgement we confirm that:

1. the factual statements of the report are correct,
2. the consideration paid by the company for the legal transactions stated in the report was not inappropriately high."

The auditor submitted the audit report to the Supervisory Board. The dependency report and the related audit report were made available to the Supervisory Board in due time.

The Supervisory Board, for its part, examined the Management Board's dependency report and the auditor's audit report on the basis of respective supporting documents.

The auditor's report related to the dependency report was available to all members of the Supervisory Board in due time and was discussed with the attending auditors. On completion of its examination, the Supervisory Board does not have any objections to the report and the contained closing statement by the Management Board.

Acknowledgements

The Supervisory Board would like to thank the Management Board members as well as all of Group staff for their outstanding commitment and personal contribution in the 2017 financial year. The company's growth story can only be continued with your help.

Munich, March 2018

Scout24 AG
Supervisory Board



Stefan Goetz
Supervisory Board Chairman