

*Translation for Convenience Purposes*

**Explanatory report by the Management Board regarding the information pursuant to §§ 289 (4), 315 (4) of the German Commercial Code (HGB) for the Financial Year 2015**

The Management Board of Scout24 AG explains the information pursuant to §§ 289 (4), 315 (4) of the German Commercial Code (HGB) disclosed in the combined management and Group management report of Scout24 AG and Scout24 Group as follows:

**Composition of subscribed share capital**

The subscribed share capital of Scout24 AG amounts to EUR 107.6 million. It is divided into 107,600,000 registered ordinary no-par value shares (individual share certificates) with a proportional interest in the share capital of EUR 1.00 per share. The shares are deposited by means of a global share certificate; the right to demand issuance of individual share certificates is excluded. Each no-par value share grants the same rights and carries one vote at the Company's annual shareholders' meeting. All registered shares are fully paid in.

**Restrictions affecting the voting shares or the transfer of shares**

During the IPO, MEP Pref GmbH & Co. KG and MEP Ord GmbH & Co. KG (together the "MEP companies") agreed in a lock-up agreement with the main shareholder (Asa HoldCo) on September 21, 2015, and in the Underwriting Agreement with the Joint Global Coordinators on September 28, 2015, that, for a period ending twelve months after the date of the first day of trading of the shares of the Company (hence up to and including September 30, 2015), they will not offer, pledge, allot, sell, distribute, transfer or otherwise dispose of, directly or indirectly, any shares in the Company, except in very limited exceptional cases ("lock-up"). Exceptions apply particularly to transactions with affiliate companies, for certain transactions to cover certain cash tax payment obligations of managers, and the sale of shares held by the MEP companies for four former managers of Scout24. The limited partners of the MEP companies, who are therefore indirectly bound by the lock-up, are mostly current and former managers and employees of Scout24 AG and its subsidiaries. In addition the main shareholders Asa HoldCo, Deutsche Telekom AG, as well as the German BMEP Ord GmbH & Co. KG and German BMEP Pref GmbH & Co. KG, entered with the Underwriting Agreement into a lock-up obligation for a period ending six months after the date of the first day of trading (hence on March 31, 2016).

The independent Supervisory Board members agreed with the Company to re-invest a certain part of their Supervisory Board compensation in shares. Those shares are to be held for the duration of their terms of their supervisory board

membership at Scout24 AG.

**Direct or indirect equity investments that exceed 10% of voting rights**

As of December 31, 2015, the Company is aware of the following equity investments representing more than 10% of voting rights: Asa HoldCo GmbH, Frankfurt am Main (in February 2016 merged with Willis Lux Holdings 2 S.à r.l. Luxembourg) 48.61% and Deutsche Telekom AG, Bonn 13.37%. In the meantime Willis Lux Holdings 2 S.à r.l. and Deutsche Telekom AG have reduced their equity investments to 10.94% (Deutsche Telekom AG) and 39.95% (Willis Lux Holdings 2 S.à r.l.), respectively (Status: April 2016).

**Shares endowed with special rights**

All shares are granting the same rights, there are no classes of securities endowed with special control rights.

**Control of voting rights for equity investments of employees**

There are no provisions for control of voting rights, if employees participate in the share capital without directly exercising their voting rights.

**Appointment and dismissal of members of the Management Board, amendments to the articles**

Pursuant to section 6 (2) of the articles of Scout24 AG, the members of the Management Board are to be appointed, and appointment shall be revoked, by the Supervisory Board. Further provisions are set out in the Sections 84 and 85 of the German Stock Corporation Act (AktG). Any amendment to the articles requires a majority of at least three quarters of the attending share capital at the General Meeting of Shareholders. The provisions of Sections 179 et seq. of the German Stock Corporation Act (AktG) are applicable. According to section 10 (4) of the articles, the Supervisory Board shall be entitled to amend the articles relating solely to their wording. In particular, the Supervisory Board is authorized to amend the wording of the articles of association after complete or partial implementation of the increase of the share capital out of the Authorized Capital 2015 stipulated in section 4 (6) of the articles or after the expiry of the authorized period in accordance with the amount of the capital increase out of Authorized Capital 2015.

**Authorization of the Management Board to issue new shares or buy back shares**

The Management Board is authorised to increase the Company's share capital with the approval of the Supervisory Board – pursuant to § 202 (1) German Stock Corporation Act (AktG) – in one or several tranches until September 3, 2020, by issuing new no-par value registered shares against contributions in cash and/or in kind, by an amount of up to EUR 50.0 million in total (Authorized Capital 2015). In this regard, the shareholders shall generally be granted a subscription right. Pursuant to Section 186 (5) AktG, the new shares may also be assumed by a credit institution or an enterprise, active in the banking sector in accordance with

Section 53 (1) Clause 1 or Section 53b (1) Clause 1 or Section 53b (7) German Banking Act (Gesetz über das Kreditwesen), with the obligation to offer them to the shareholders for subscription (indirect subscription right). The Management Board, with Supervisory Board approval, is authorised to exclude shareholders' subscription rights in whole or in part in the following cases:

- in case of a capital increase against contributions in cash if the issue price of the new shares is not substantially (in the meaning of Section 186 (3) Clause 4 AktG) lower than the stock exchange price of shares of the Company carrying the same rights, and the shares issued by excluding the subscription right in accordance with Section 186 (3) Clause 4 AktG, in aggregate do not exceed ten percent ( 10%) of the share capital, either at the time of this authorisation entering into effect or at the time of exercise of this authorisation. Those shares must be taken into account with regard to this limit that have been issued or sold subject to exclusion of the shareholder subscription rights during the time when this authorization is in effect up to the time of exercise of the respective authorization in direct or corresponding application of Section 186 (3) Clause 4 AktG. Those shares must also 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 point in time of the respective exercise of the authorization if the convertible bonds/bonds with warrants were issued by the Company or Group companies subject to exclusion of the subscription right of the shareholders in direct or corresponding application of Section 186 (3) Clause 4 AktG after this authorization takes effect;
- in case of capital increases against contributions in kind, in particular for the purpose of acquiring companies, parts of companies or interests in companies; for the purpose of excluding fractional amounts from the shareholders' subscription rights;
- for fractional amounts;
- for issuance of 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 Section 204 (3) AktG;
- for the purpose of granting subscription rights to holders of conversion or option rights related to bonds to be issued by the Company or an affiliated company.

Altogether, the portion of the share capital which is attributable to shares being issued on the basis of the Authorized Capital 2015 with the shareholders' subscription rights being excluded shall not exceed 10% of the share capital, either at the time of that authorisation taking effect or at the time when the

authorisation is exercised. The shares issued or to be issued for servicing bonds with conversion or option rights or an obligation to convert them shall count towards the aforementioned 10% limitation if such bonds were issued during the term of this authorisation with the shareholders' subscription rights being excluded.

The Management Board is authorised to determine the further details of the capital increase and its implementation, in particular the content of the share-related rights and the terms and conditions of the share issue, with the approval of the Supervisory Board.

In the course of the initial public offering this authorization was partly used to an amount of EUR 7.6 million.

By resolution of the Extraordinary Meeting of Shareholders of Scout24 AG on September 17, 2015, and in accordance with Section 71 (1) No. 8 of the German Stock Corporation Act (AktG), the Management Board is authorized to purchase its own shares representing an amount of up to 10% of the lesser of the share capital at the time of the authorization or the share capital at the time of the respective exercise of the authorisation. The share capital at the time of the authorization amounted to EUR 100,000,000. This authorization may be exercised in full, or in part, once, or on several occasions and is valid until September 16, 2020. The shares may be purchased (1) on the stock market or (2) by way of a public offer to all shareholders made by the Company or (3) by way of a public invitation to submit offers for sale or (4) by granting rights to tender to the shareholders.

**Material agreements of the Company that take effect in the event of a change of control following a takeover bid**

Material agreements of the Group that take effect in the event of a change of control following a takeover bid are related to the revolving credit facility which was agreed in the course of the initial public offering. In the event of a change of control these agreements provide, under certain conditions, for a right to early termination for the creditor.

**Compensation agreements with the members of the Board of Management  
or with employees in the event of a takeover bid**

No such agreements exist.

Munich, May 2016  
Scout24 AG

The Management Board



Gregory Ellis



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*This document is a convenience translation of the German original. In case of discrepancies between the German and English version, the German version prevails.*