

Non-binding translation from German

Joint Report

of the Executive Board of Scout24 AG

and

the management of Consumer First Services GmbH

pursuant to Section 293a of the German Stock Corporation Act (*Aktiengesetz; AktG*)

on the conclusion and the terms and conditions of the

Profit and Loss Transfer Agreement dated 10 July 2019

between Scout24 AG and Consumer First Services GmbH

I. General

The Executive Board of Scout24 AG (hereinafter **Scout24**) and the management of Consumer First Services GmbH (hereinafter the **Subsidiary**) hereby issue the following joint report on the conclusion and the terms and conditions of the profit and loss transfer agreement between Scout24 and the Subsidiary in accordance with Section 293a AktG.

II. Conclusion of the profit and loss transfer agreement

Scout24, represented by the members of the Executive Board Mr Tobias Hartmann and Dr Dirk Schmelzer, concluded a profit and loss transfer agreement with the Subsidiary, represented by the managing directors Dr Thomas Schroeter and Ralf Weitz, on 10 July 2019 (hereinafter the **Agreement**).

The Executive Board of Scout24 resolved on 10 July 2019 to conclude the Agreement.

The management of the Subsidiary resolved on 10 July 2019 to conclude the Agreement.

The shareholders' meeting of the Subsidiary approved the conclusion of the Agreement on 10 July 2019.

The Agreement will only be valid with the approval of the Annual General Meeting of Scout24. The Executive Board and the Supervisory Board will therefore propose to the Annual General Meeting to be convened on 30 August 2019 that the Agreement be approved.

In accordance with Section 294 (2) AktG, the Agreement will only take effect once it has been registered with the commercial register held at the place where the Subsidiary has its registered office.

III. Parties to the profit and loss transfer agreement

1. Scout24 AG

Scout24 AG, with its registered office in Munich, registered in the commercial register of the Local Court (*Amtsgericht*) of Munich under HRB 220696, is a listed stock corporation under German law (*Aktiengesellschaft*) and the ultimate holding company of the Scout24

Group. As of 31 December 2018, the Scout24 Group had 1,519 FTEs worldwide and generated a turnover of approximately € 531.7 million in the financial year 2018.

According to its articles of association, the purpose of the company is the acquisition, holding, managing and selling of interests in enterprises – in Germany and abroad – of any legal form which are active in the field of online/internet services, 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 against consideration *vis-à-vis* affiliated companies, as well as activities in the field of online/internet business in Germany and abroad. The company may directly and indirectly engage in all activities which are suitable for serving the purpose of the company. Further, the company may establish branches and other enterprises in Germany and abroad. Furthermore, the company may limit its activities to a part of the fields of activity mentioned above.

2. Consumer First Services GmbH

Consumer First Services GmbH, with its registered office in Munich, registered in the commercial register of the Local Court of Munich under HRB 241139, is a wholly owned direct subsidiary of Scout24 AG having the legal form of a limited liability company (*Gesellschaft mit beschränkter Haftung*).

The Subsidiary was established as Blitz 18-393 GmbH by notarised agreement dated 19 March 2018 before the Thomas Haasen, notary in Munich. With effect as of 25 July 2018, Scout24 purchased all shares in Blitz 18-393 GmbH, which was renamed Consumer First Services GmbH with effect as of 17 July 2018. The Subsidiary's financial year corresponds to the calendar year. Its share capital (*Stammkapital*) amounts to EUR 25,000.

According to its articles of association, the purpose of the Subsidiary is the acquisition, holding, managing and selling of interests in enterprises – in Germany and abroad – of any legal form which are active in the field of online/internet business, as well as all measures which relate to the activities of a holding company, as well as activities in the field of online/internet business in Germany and abroad. The company may enter into all transactions and take all measures which are suitable for directly or indirectly serving the above business purpose. Further, the company may establish, acquire or participate in similar or other companies as well as establish representative and branch offices and participate in fiscal units for tax purposes in Germany and abroad.

The Subsidiary is the sole shareholder of FFG FINANZCHECK Finanzportale GmbH. The Subsidiary does not have any employees as at the date of this report. In its annual financial statements prepared in accordance with German commercial law, the Subsidiary reported a loss for the year of € 1,253.04 in the financial year 2018. The Subsidiary's balance sheet as of 31 December 2018 shows total assets of € 279,131,732.41 and equity of € 23,746.96. The annual financial statements of the Subsidiary will be included in the consolidated financial statements of Scout24 AG.

IV. Legal and commercial reasons for concluding the profit and loss transfer agreement

The conclusion of the profit and loss transfer agreement allows Scout24 (having regard to the profit and loss transfer terms thereof) to achieve tax optimization. The conclusion of an effective profit and loss transfer agreement and its actual implementation is a requirement for establishing a fiscal unity for both corporate income and trade tax purposes (*körperschafts- und gewerbesteuerliche Organschaft*). The fiscal unity for both corporate income and trade tax purposes has the benefit of allowing the positive and negative results of the companies forming part of the fiscal entity to be

offset simultaneously. This allows the group's tax burden and group tax cashflow to be optimized. There is no equivalent or better alternative to concluding a profit and loss transfer agreement.

The profit and loss transfer agreement does not have any particular consequences from the perspective of Scout24's shareholders, other than the obligation to absorb losses, in particular because no compensation or settlement payments are due to third-party shareholders.

V. Explanation of the profit and loss transfer agreement

The key terms of the profit and loss transfer agreement between Scout24 and the Subsidiary are explained below:

1. § 1 Transfer of profits

Pursuant to § 1 (1) of the Agreement, Consumer First Services GmbH undertakes to transfer all profit determined in line with the relevant provisions of German commercial law to Scout24. Under this provision, the Subsidiary is obliged to transfer all profit in accordance with the provisions of Section 301 AktG, as amended, to Scout24 during the term of the Agreement.

The reference to the provisions of Section 301 AktG contained in § 1 (1) of the Agreement is dynamic, which means that it always refers to the latest version of Section 301 AktG.

The current version of Section 301 sentence 1 AktG provides that, irrespective of any agreements made regarding the calculation of the amount of profit to be transferred, a company may remit as its profits, at a maximum, the annual net income accruing without such profit transfer, after deducting any loss carried forward from the previous year, by the amount to be allocated to the statutory reserves pursuant to Section 300 AktG and the amount barred from distribution pursuant to Section 268 (8) of the German Commercial Code (*Handelsgesetzbuch; HGB*).

§ 1 (2) of the Agreement provides that subject to the consent of Scout24, Consumer First Services GmbH may transfer some of the annual net income to other retained earnings (Section 272 (3) HGB) only to the extent that this is permitted under commercial law and justified in economic terms, based on reasonable commercial assessment. At the request of Scout24, the Subsidiary may in whole or in part liquidate, withdraw and transfer such retained earnings as profits or use such retained earnings to compensate for an annual net loss.

§ 1 (3) of the Agreement clarifies that any profit carry-forwards or retained earnings created and existing at the beginning of this Agreement cannot be withdrawn, transferred as profits or used to compensate for an annual net loss. The provision states in particular that it is not possible to transfer income generated from the liquidation of capital reserves.

According to § 1 (4) sentence 1 of the Agreement, income generated from the liquidation of retained earnings created and existing at the beginning of the Agreement may be distributed. Pursuant to § 1 (4) sentence 2 of the Agreement, income generated from the liquidation of capital reserves may be distributed.

The provisions described above are customary for a profit and loss transfer agreement.

2. § 2 Absorption of losses

§ 2 (1) of the Agreement provides for the obligation of Scout24 to absorb any losses in line with the provisions contained in Section 302 AktG, as amended. Scout24 is thus obliged to absorb any loss for the year that would otherwise be accrued by the Subsidiary during the term of the Agreement, unless such loss is offset by withdrawing amounts from other retained earnings which were allocated to other retained earnings during the term of the Agreement (Section 302 (1) AktG, in its current version). Scout24 thus bears the economic risk for the Subsidiary in this regard. This obligation to assume losses is a mandatory consequence of the profit and loss transfer agreement.

The reference to the provisions of Section 302 AktG contained in § 2 (1) of the Agreement is dynamic, which means that it always refers to the latest version of Section 302 AktG.

As a result of the reference to Section 302 AktG, the following other provisions are of particular importance: Pursuant to the current version of Section 302 (3) AktG, the Subsidiary may waive or settle the claim for absorption (of losses) no earlier than three years after the date on which the registration of the termination of the Agreement in the commercial register was announced pursuant to Section 10 HGB. The foregoing shall not apply if Scout24 is unable to make payments when due and enters into composition with its creditors to avoid insolvency proceedings or if the liability for compensation is set out in an insolvency plan. Pursuant to the current version of Section 302 (4) AktG, the claim to the absorption of losses becomes statute-barred ten years after the date on which the registration of the termination of the Agreement in the commercial register was announced pursuant to Section 10 HGB.

§ 2 (2) of the Agreement specifies that the claim to the absorption of losses will fall due at the end of the Subsidiary's balance-sheet date.

The provisions described above are customary for a profit and loss transfer agreement.

3. § 3 Interest

§ 3 of the Agreement specifies that the claim to the absorption of any losses and the obligation to transfer profit will accrue interest as of the due date in line with the interest rate agreed in the context of the cash pool existing between the companies.

4. § 4 Effectiveness and term

Pursuant to § 4 (1) sentence 1 of the Agreement, the conclusion of the Agreement is subject to the approval of the Annual General Meeting of Scout24 and the shareholders' meeting of the Subsidiary. In addition, § 4 (1) sentence 2 of the Agreement specifies that the Agreement will only take effect upon being registered in the commercial register of the Subsidiary. The requirement that the Agreement will only take effect once it has been registered at the place where the Subsidiary maintains its registered office also ensues from Section 294 (2) AktG.

Pursuant to § 4 (2), however, the Agreement applies with retroactive effect as of 1 January 2019.

§ 4 (3) of the Agreement contains provisions governing the term of the Agreement. According to this provision, the Agreement is concluded for a fixed period of at least five full years. In this context, it specifies that in the event that a financial year of the Subsidiary within this period comprises less than twelve calendar months or is not acknowledged by the tax office as a year for a tax pooling arrangement since the beginning of this year, the minimum term will extend to include further (short) financial years until the minimum term of five consecutive full years has been achieved.

The provision contained in § 4 (3) of the Agreement is also designed to ensure the minimum term of five full years required for the recognition of a fiscal unity for income tax purposes.

5. § 5 Termination

§ 5 (1) provides that the Agreement, subject to the provision in § 5 (2) of the Agreement governing the minimum term, may be terminated for the first time to the end of 31 December 2023 if the notice period of six months to the end of a financial year of the Subsidiary is observed. If the Agreement is not terminated, it will be extended each year for one further financial year of the Subsidiary, with the notice period of six months to the end of a financial year of the Subsidiary remaining the same.

If the minimum term specified in § 4 (3) of the Agreement has not been completed by the end of 31 December 2023, according to § 5 (2) of the Agreement, ordinary termination is possible for the first time only to the end of the Subsidiary's financial year in which the provision relating to the full expiry of the required minimum term in line with the Agreement will have been met.

Notwithstanding the above provisions, the contracting parties have the right to terminate the Agreement without notice for cause (*aus wichtigem Grund*) (§ 5 (3) sentence 1 of the Agreement). Pursuant to § 5 (3) sentence 2 of the Agreement, cause justifying extraordinary termination in this context may, in particular lie in the disposal or contribution of the Subsidiary by Scout24 or in the merger, demerger or liquidation of Scout24 or the Subsidiary. Other causes justifying extraordinary termination are possible.

Pursuant to § 5 (4) of the Agreement, any termination must be made in writing.

6. § 6 Security

Under § 6 of the Agreement, upon termination of this Agreement, Scout24 must, upon request, provide security to creditors of the Subsidiary company in corresponding application of Section 303 AktG.

7. § 7 Severability

The severability clause contained in § 7 of the Agreement ensures the validity and practicability of the Agreement in the event that individual provisions are invalid or impracticable at the time of its conclusion or become invalid or impracticable at a later date, e.g. by a change in legislation or court practice, and in the event that one or more gaps are identified in the Agreement. The invalid or impracticable provision is to be replaced by a valid provision coming as close as possible to what the Parties intended in economic terms. In the event of a gap in the Agreement, a provision which, in view of the parties' commercial aims, would have been agreed by them had they identified the gap is to apply.

VI. Determinations pursuant to Sections 304 and 305 AktG / examination of the profit and loss transfer agreement

It is not necessary to determine any compensation or settlement payments in the profit and loss transfer agreement for the Subsidiary's third-party shareholders, since the Subsidiary does not have any third-party shareholders; Scout24 AG is the sole shareholder of the Subsidiary, directly holding 100 % of its shares. It is therefore also not necessary to have the companies involved officially valued in order to determine adequate compensation or settlement payments. Since Scout24 directly holds all shares in the Subsidiary, it is not necessary for the Agreement to be audited by a specialist (contract auditor (*Vertragsprüfer*)) pursuant to Section 293b (1) AktG.

Munich, 15 July 2019

[signature]

[signature]

Scout24 AG

Tobias Hartmann

Scout24 AG

Dirk Schmelzer

[signature]

[signature]

Consumer First Services GmbH

Thomas Schroeter

Consumer First Services GmbH

Ralf Weitz