

Joint Report
of the Management Board of Scout24 AG
and
the Management Board of Scout24 Beteiligungs SE
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 28 April 2020
between Scout24 AG and Scout24 Beteiligungs SE

I. General

The Management Board of Scout24 AG (hereinafter also **Scout24**) and the Management Board of Scout24 Beteiligungs SE (hereinafter also the **Subsidiary**) hereby issue the following joint report pursuant to Section 293a AktG on the conclusion and the terms and conditions of the profit and loss transfer agreement between Scout24 and the Subsidiary.

II. Conclusion of the profit and loss transfer agreement

Scout24, represented by the members of the Management Board Mr Thomas Schroeter and Mr Ralf Weitz, concluded a profit and loss transfer agreement with the Subsidiary, represented by the Management Board, Mr Tobias Hartmann and Dr Dirk Schmelzer, on 28 April 2020 (hereinafter the **Agreement**).

The Management Board of Scout24 resolved on 20 April 2020 to conclude the Agreement.

The Management Board of the Subsidiary resolved on 27 April 2020 to conclude the Agreement.

The Agreement will only be valid with the approval of the Annual General Meeting of Scout24 and the approval of the Annual General Meeting of the Subsidiary. The Annual General Meeting of Scout24 is convened for 18 June 2020. The Annual General Meeting of the Subsidiary is scheduled for 7 May 2020.

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 2019, the Scout24 Group had 1,681 FTEs worldwide and generated a turnover of approximately € 613.6 million in the financial year 2019.

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According to its articles of association, the purpose of Scout24 AG 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. Scout24 Beteiligungs SE

Scout24 Beteiligungs SE, with its registered office in Bonn, registered in the commercial register of the Local Court of Bonn under HRB 24934, is a wholly owned direct subsidiary of Scout24 AG having the legal form of a European Company (*SE*).

Scout24 Beteiligungs SE was established – with simultaneous assumption of the legal form of a European Company (*SE*) – by way of the cross-border merger by absorption (*Verschmelzung zur Aufnahme*) of Scout24 HCH Beteiligungs AG with its registered office in Bonn, Germany (Local Court (*Amtsgericht*) of Bonn, HRB 24408) into Scout24 HCH Alpen AG with its registered office in Vaduz, Liechtenstein (commercial register of the Principality of Liechtenstein, FL-0002.522.031-1) pursuant to the draft terms of merger dated 25 November 2019 and the approval resolutions of the transferor entity dated 26 November 2019 and of the transferee entity dated 26 November 2019.

The Subsidiary's financial year corresponds to the calendar year. Its share capital (*Grundkapital*) amounts to € 480,000.00.

According to its articles of association, the purpose of the Subsidiary is to hold interests in enterprises whose activities focus on bringing together supply and demand in various markets in innovative ways using new media and to perform management (holding) roles in these enterprises. The Subsidiary may acquire, encumber, manage and dispose of such interests and provide financing to the enterprises in which it holds interests. The Subsidiary may furthermore establish subsidiaries and branches in Germany and abroad and may carry out all other business related to its purpose and the investment of its funds.

The Subsidiary is co-shareholder of Immobilien Scout GmbH. The Subsidiary does not have any employees as at the date of this report. According to its annual financial statements prepared under German commercial law, the Subsidiary reported a loss for the year of € 32,726.79 in the financial year 2019. The Subsidiary's balance sheet as of 31 December 2019 shows total assets of € 205,444,081.69 and equity of € 205,433,723.87. 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 from the beginning of the financial year 2020. The conclusion of an effective profit and loss transfer agreement and its actual implementation is a requirement for establishing a consolidated tax group for both corporate income and trade tax purposes (*körperschafts- und gewerbsteuerliche Organschaft*). The tax group for both corporate income and trade tax purposes has the benefit of allowing the positive and negative results of the

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companies forming part of the tax group 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, Scout24 Beteiligungs SE 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, as a maximum, the annual net income accruing without such profit transfer, after deducting any loss carried forward from the previous year, 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, Scout24 Beteiligungs SE may transfer some of the annual net income to other revenue reserves (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 revenue reserves as profits or use such revenue reserves to compensate for an annual net loss.

§ 1 (3) of the Agreement clarifies that any profit carry-forwards or revenue reserves created and existing before or 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 revenue reserves created and existing before or 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

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§ 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 a 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 will 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 for 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 for 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 for absorption of any losses and the obligation to transfer profit will accrue interest as of the due date.

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 Annual General Meeting of the Subsidiary. In addition, § 4 (1) sentence 2 of the Agreement specifies that the Agreement will only take effect upon registration 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 2020.

§ 4 (3) of the Agreement contains provisions governing the term of the Agreement. According to this provision, the Agreement is concluded for an indefinite term and has a fixed minimum term of 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 recognized by the tax office for a year 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.

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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 an income tax pooling arrangement.

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 2024 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 2024, 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 pursuant to § 4 (3) of the Agreement will have been met.

Notwithstanding the above provisions, the contracting parties have reserved 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 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, void or impracticable in whole or in part at the time of its conclusion or become invalid, void or impracticable at a later date, e.g. as a result of a change in law or last-instance court rulings or for any other reason, and in the event that one or more gaps are identified in the Agreement. The invalid, void 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 is to apply which, in view of the parties' commercial aims, would have been agreed by them had they identified the gap.

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

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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, 5 May 2020

Scout24 AG

signed Thomas Schroeter

signed Ralf Weitz

Bonn, 5 May 2020

Scout24 Beteiligungs SE

signed Tobias Hartmann

signed Dirk Schmelzer

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